

REGULAR BOARD MEETING of May 1, 1996, with Mayor John Cleaveland and Commissioners H. N. James, Mike McCall, Ron Sanders, Donnie Calloway, and Zeke Sossomon present.

Also present were Richard Betz, Lamar Nix, Shannon Baldwin, Victor Lofquist, Selwyn Chalker, Jerry Cook, Ralph Morris, Jack Mayer, Teddy Rhodes, Richard Rhodes, Ned Bryson, Tony Potts, Georgia Allen, Mark Meadows, and Will Stolz.

I. Mayor Cleaveland called the Regular Board Meeting to order at 7:00 p.m.

II. The minutes of the April 17 Regular Board Meeting had been distributed by mail.

MOVED BY COMM. JAMES, SECONDED BY COMM. MCCALL, AND UNANIMOUSLY CARRIED TO APPROVE THE FOREGOING MINUTES AS DISTRIBUTED.

III. Reports.

1. The Mayor reported that he had talked to Town Attorney William Coward. He understood that a decision had not yet been handed down in the Ed Talbot case, and that the matter of attorney's fees in the Allison Outdoor Advertising case was scheduled for May 22.

He also reported that the open house at the Wastewater Treatment Plant on Friday, April 26, had been well-attended; he felt that Plant Operator Wesley Royal and Culligan Operating Services were doing a great job.

2. Victor Lofquist was present representing W. K. Dickson Company, the Town's engineering firm. He reported that he had discussed extension of the Town's June 30 exemption from the Surface Water Treatment Regulations with Ray McCall from the State's Public Water Supply Section (PWSS). Mr. McCall had indicated that there would be no problem with the deadline, but suggested that the Town write a letter to Rick Durham, the Chief of the PWSS in Raleigh, indicating that the Water Plant would not go on line until late August. Mr. Lofquist said that the contractor was requesting an extension of 75 calendar days because of bad weather during the winter months.

In addition, some change order work needed to be processed; this work consisted of the following: change in type of pipe for the underdrain system, at a credit of \$68,000 on the contract; piping modifications; changes to the chemical feed systems; replacing two raw water pumps which it would not be cost effective to modify; an additional by-pass line around the pre-clarifier; and adding another sampling point in the system. The change orders would result in a net credit of approximately \$19,000, would add 36 days to the contract, and would result in some additional inspection time, although there would be some savings on inspections because Tinker Poteet would be in Highlands inspecting the other water projects underway. The Board agreed that there should be no additional inspections fees for the 75 bad weather days. Mr. Lofquist said he would prepare a written description of the change orders for approval at the next meeting.

MOVED BY COMM. SANDERS, SECONDED BY COMM. MCCALL, AND UNANIMOUSLY CARRIED TO APPROVE EXTENSION OF THE WATER TREATMENT PLANT CONTRACT FOR 75 DAYS DUE TO BAD WEATHER.

Mr. Lofquist also reported that the Pinecrest sewer line was under construction, and that construction should begin on US-64 within a week.

3. Public Works Director Lamar Nix reported on routine maintenance in the public works departments. He also reported that the 4-way Stop Sign had been installed at the intersection of Spring and Third Streets as previously approved. The brick sidewalk work had begun on South Fourth Street, and the Electric Department had changed out some utility poles in conjunction with that project. He reported that three lights had been installed on existing utility poles at

the Highlands Conference Center to illuminate that parking lot as requested. Work had been completed on the raw water intakes, and Lake Sequoyah had been restored to its normal level, although it would have to be partially drained again this week to repair a gate valve at the dam.

He also reported that Ray McCall from the PWSS had reviewed the new Water Treatment Plant by the point system classification and determined that it would be considered a "B" plant, although the classification was borderline; Mr. McCall had encouraged Wade Wilson to pursue his "A" certification in the meantime.

The Mayor asked if there would be a problem with sand washing from the new brick sidewalks, as had occurred across the street. Mr. Nix said he believed that problem had been resolved.

4. Police Chief Jerry Cook gave an oral report on Police Department activities for the month of April.

5. Recreation Director Selwyn Chalker reported that he expected work to begin on the tennis courts next week or the week after; the renovations would be completed in 3 to 4 days. He also reported that the carpet had been installed in the weight room and the walls had been painted. Work on the pool was underway, but was taking longer than expected. He asked permission to discuss applications for a custodian for the public restrooms in closed session.

6. Copies of the Zoning Administrator's report for the month of April had been distributed. Shannon Baldwin asked the Board to review ten points of consensus he felt had been reached at the joint meeting with the Planning Board on April 22 on the Land Use Plan update. He also reminded the Board that the Planning Board would present its Planning Study on May 15. He provided each Board member with a copy of an article he had written for the newspaper on the new civil penalties procedures, together with notice of violation forms. The Mayor asked him what kind of procedure would be used in issuing violations, and how they would be notified. Mr. Baldwin replied that he planned to develop an in-house schedule differentiating between violations involving temporary signs, permanent signs, and construction. Those who disagreed with the citations could appeal to the Zoning Board. The Mayor said he felt that most citizens would comply if given the opportunity; he directed Mr. Baldwin to notify those in violation in a friendly manner, and to do his best to work with people to resolve problems in an easy way if possible. The Board agreed to take the ten points identified at the joint meeting under advisement.

7. Copies of the Treasurer's Report for the month of April had been distributed at the beginning of the meeting.

MOVED BY COMM. CALLOWAY, SECONDED BY COMM. SANDERS, AND UNANIMOUSLY CARRIED TO APPROVE THE TREASURER'S REPORT AND THE ACCOUNTS PAYABLE FOR THE MONTH.

The Mayor asked the Clerk to contact Orville Coward Jr. and ask him to set up a meeting of the Scholarship Committee; awards would have to be approved at the May 15 meeting.

8. The Clerk reported that the Chamber of Commerce had invited the Mayor and each of the Commissioners to attend the annual Taste of Highlands to be held at Highlands Plaza on May 2.

The Clerk reported that he had received from Margaret Jones a copy of a memo from Richard P. Maas of the Environmental Quality Institute at the University of North Carolina at Asheville to Ms. Jones, indicating high chlorine levels from a sample taken from the Cullasaja River. He said that he had given this information to the Wastewater Treatment Plant operators upon receipt, and he had been informed by them that the Plant's de-chlorination equipment was functioning as designed.

Copies of the results of the Citizen Survey from the 1989 Land Use Plan had been distributed to each Board member before the meeting, as requested at the April 22 joint meeting.

The Clerk distributed copies of a letter from Fall Line Hydro Company to the Federal Energy Regulatory Commission dated April 16 officially withdrawing their license application for the hydro project. He also distributed for information copies of a letter from William J. Hogue, President of the Lake Sequoyah Improvement Association, to the Mayor dated May 1 expressing pleasure at the withdrawal of the application, and asking the Board to consider relinquishing its hydropower easement over the lake in return for a new easement from the homeowners around Lake Sequoyah for recreation and drinking water.

The Clerk reported that informal sealed bids on the Moorewood Road electric line work, approved at the March 20 meeting, had been opened by the Mayor and the Public Works Director at 1:30 p.m. on April 18. Dillard Smith Construction had submitted the low bid at \$21,600; M. B. Haynes Electric had bid \$21,750. He said that Dillard Smith was scheduled to begin work this month.

The Clerk reported that thus far only 16 of the 24 property owners in Satulah Ridge subdivision who had indicated that they would participate in the proposed paving project had remitted \$342 each as requested by May 1. He recommended providing an additional two weeks for funds to be received, as he believed only one paving bid had been received pursuant to a New Business item later in the meeting. The Board agreed to take this matter under advisement.

The Clerk reported that he had received written permission from Ted Anderson, President of the Wright Square Property Owners Association, for the Town to take down the pine trees along NC-106 and clean up the debris, as discussed at the previous meeting; the work had been scheduled with the Trimming Crew.

IV. Old Business.

None.

V. New Business.

1. The Clerk reported that one sealed bid had been received from Rhodes Brothers Paving Inc. prior to the meeting for paving and/or resurfacing various Town streets and parking areas.

The Board agreed to re-advertise and receive bids until May 15; the unopened bid was returned by the Clerk to Richard Rhodes at the meeting.

2. The Clerk reported that he had met with the Finance Committee and discussed electric rates on March 27. The Committee had recommended increasing its retail rates to offset new wholesale rates effective May 1 from Nantahala, which under this year's COSAC agreement would increase approximately 17.5%. He said that he had prepared an amended electric rate schedule that would generate the approximately \$300,000 in additional revenues required. The average increase for retail customers would be 14.66%. The proposed schedule was as follows:

Residential: Basic Charge: \$8.50

First 200 KWH: .08

All excess: .065

Commercial: Basic Charge (single phase) \$10.50

Basic Charge (three phase) \$19.00

First 1000 KWH: .115

Next 2000 KWH: .065
All over 3000 KWH: .050

Demand Over 10 KWH: \$3.90

MOVED BY COMM. JAMES, SECONDED BY COMM. CALLOWAY, AND UNANIMOUSLY CARRIED TO ADOPT THE AMENDED ELECTRIC RATE SCHEDULE, EFFECTIVE WITH JUNE UTILITY BILLINGS.

3. Subsequent to legal advertisement, several informal bids had been received for abandoned and surplus property. The following bids were opened and read:

1991 Ford Crown Victoria Four-Door Police Car:
Bob Zoellner.....\$676.01
Dale McMahan.....620.00
James Manley.....455.00
Greg James.....351.00
Bonnie Bryson.....300.00

1981 Chevrolet Chevette Four-Door
Ronnie Bates.....\$175.00
Tom James.....20.00

1971 Chevrolet Impala Four-Door
Bert McCall.....\$175.00
Tom James.....20.00

1976 Volkswagen Station Wagon
Ronnie Bates.....\$50.00
Tom James.....20.00

1981 Pontiac Station Wagon
Tom James.....\$20.00

1981 Plymouth Two-Door
Tom James.....\$20.00

MOVED BY COMM. SANDERS, SECONDED BY COMM. MCCALL, AND UNANIMOUSLY CARRIED TO SELL THE FOREGOING VEHICLES TO THE HIGH BIDDERS.

4. MOVED BY COMM. SOSSOMON, SECONDED BY COMM. SANDERS, AND UNANIMOUSLY CARRIED TO HOLD THE MAY 15 REGULAR BOARD MEETING AT THE HIGHLANDS CONFERENCE CENTER AT 6:00 P.M., AND TO HEAR THE PLANNING BOARD PLANNING STUDY PRESENTATION AT THE BEGINNING OF THE MEETING.

5. MOVED BY COMM. JAMES, SECONDED BY COMM. CALLOWAY, AND UNANIMOUSLY CARRIED TO APPROVE TAX RELEASES, AND/OR, UPON SUBMISSION OF WRITTEN REQUEST, TAX REFUNDS AS PROVIDED BY STATUTE, TO ROGER W. TURENNE AND ROBERT R. VINSON FOR A PORTION OF PROPERTY ON THE WALHALLA ROAD DISCOVERED TO BE OUTSIDE OF TOWN; AND TO DONALD AND MILDRED BROUGHTON FOR PROPERTY IN PONDEROSA SUBDIVISION DISCOVERED TO BE OUTSIDE OF TOWN.

6. The Board discussed at some length a letter from Tom James to Lamar Nix dated April 16, requesting that the Town share in the cost of installing a sewer line from the Shell Station, as approved at the February 21 meeting and discussed again at the March 20 meeting.

Tony Potts was present and reported that the Patterson family, who own property on the northeast corner of First and Main Streets, had agreed to share the cost of the sewer line, the total cost of which was estimated at \$12,000. He pointed out that the 8" sewer line was being extended 250 feet from an existing manhole at Helen's Barn Avenue to a new manhole at the corner of First and Main, and an additional manhole would also be required; an encroachment permit from the Department of Transportation had already been received, and the intersection paving would begin within three to four weeks. He felt that the Town should provide 25% of the total cost, or approximately \$3000, under its current sewer connection policy; he

said the Town would be receiving three sewer connection fees from the Shell Station and the Patterson house, totaling \$10,500.

Comm. Calloway pointed out that other applicants who had recently accessed the Town sewer, including Tim Alexander and Mick Henry, had been required to bear the entire expense of installing the lines.

He felt that if the request was approved, the Board would have to amend its sewer connection policy.

Comm. McCall felt that other users would make use of this line, and he wondered if it was fair for a single property owner to bear the entire cost.

Comm. Sossomon said that in his opinion the Town's sewer connection policy, adopted on March 6, stated that an applicant with a single connection was required to pay the entire cost; if "more than half" of the property owners on a proposed extension requested it, however, and if funds were available, the policy seemed to imply that the Town would have to participate in the financing.

Ned Bryson was present, and he pointed out that this line was on Main Street; he felt Town participation was justified. He also pointed out that there was little incentive for other property owners to voluntarily participate in such projects if they could simply wait until the line was installed, then pay the connection fee and connect at a later date.

Comm. James agreed; he felt that there ought to be a way to insure that others who connected after the initial installation paid their fair share, or perhaps that a time limit be established before connections could be made to a new line.

The Mayor asked the Public Works Director if the Town could consider participating in the project by having Town forces perform a portion of the work.

The Board agreed to take the request under advisement until the next meeting, and meanwhile to ask the Utilities Committee, the Public Works Director, and the Clerk to meet together, review the connection policy, and make a recommendation.

7. Will Stolz was present from McRae and Stolz Inc. of Atlanta, partners with Ray McPhail in developing the Ravenel property. He displayed a plan of a proposed 31-lot subdivision—including the existing house—on the tract, which was partially inside and partially outside of Town. He said that the current owner, Elise Dupont, was prepared to request annexation of the property; he had been asked to see if the Board had any problems with the concept in general before proceeding with a formal annexation by petition.

He said that the developers understood that they would be responsible for the installation of a new water tank and water system, and that septic systems would be used. He described the development as high-end single-family residential, and conservatively estimated an increase in tax base of \$20 million.

Mayor Cleaveland reported that he understood the entire tract consisted of 340 acres; 220 acres was to be dedicated to the Forest Service or the Land Trust, and of the remaining 120 acres, 70 acres was inside town and 50 acres outside.

The Public Works Director reported that he and the Town Engineer had reviewed an earlier proposal for this property, which had included a 75,000 gallon storage tank, 12-hour fill time, and all other requirements; he had felt comfortable with those plans, although electrical plans had never been submitted or approved.

Mr. Stolz indicated that plans for underground electric service were being prepared, and the developer understood that he needed to meet all Town regulations. He realized that the Board could not formally approve such a request at this meeting, but wanted to know if there were any evident problems, and whether or not he should encourage

the current owner to proceed.

Comm. Sossomon asked about development on the Fodderstack mountains.

Mr. Stolz indicated that the deed from the current owner to the developer provided for no development on Big Fodderstack, and only three sites on Little Fodderstack, but that there were no plans to develop those three sites. He believed that the remainder of the land would be deeded to the Forest Service or a Land Trust.

The consensus of the Board was that there was no objection to the current owner proceeding with the annexation request.

8. The Clerk reported that he had received a request from Joel Porter, manager of Hilltop Grill, for permission to place three planters on the new sidewalk in front of that building. He reminded the Board that such requests could be approved on a case-by-case basis, provided the Town executed a revocable license agreement for the encroachment. The Board agreed for the Street Committee to review the request.

9. The Clerk reported that Charles Milne had requested permission to land a private helicopter at the Town Ball Park on May 2. The Board agreed not to approve the request due to the possible liability involved.

10. Comm. James reminded the Board that they had met informally at 6:00 p.m. on April 22 at the Recreation Park to review parking; he asked that this item be placed on the agenda of the next meeting for further discussion. He also asked that the question of sewer connection fees being placed in a Capital Projects Fund, which he had raised before, be placed on the agenda of the next meeting.

11. MOVED BY COMM. SANDERS, SECONDED BY COMM. MCCALL, AND UNANIMOUSLY CARRIED TO GO INTO CLOSED SESSION TO DISCUSS PERSONNEL MATTERS.

A. The Clerk reported that no applications had been received for the "swing man" position.

B. The Clerk and the Recreation Director discussed at some length the difficulty of employing a custodian for the public restrooms behind the Town Hall seven days per week. Several applications had been received, pursuant to an ad placed in the paper, and a proposal had also been received from Smoky Mountain Property Care and Cleaning in Franklin for cleaning the restrooms and the conference room on a contract basis. The Board asked the Clerk to obtain additional information on the proposal, and also to see if the Chamber of Commerce might be willing to participate in this expense, before the next meeting.

C. The Mayor discussed with the Board several problems that had come to his attention concerning the operation of the Recreation Park. The Board agreed for the Recreation Committee and the Mayor to meet with the Recreation Director and discuss these problems.

D. The Clerk discussed communications problems that he was having with the Zoning Administrator, and a memo that he had received requesting that he submit reports on zoning violations to him in writing. He suggested that the Board make explicit his authority as Town Administrator, and also recommended amending the Organizational Chart in the Personnel Manual to reflect his responsibility for directing and supervising all Department Heads including the Zoning Administrator. The Board agreed for the Mayor to discuss this problem with Mr. Baldwin, and also to place amendment of the personnel chart on the agenda of the next meeting.

E. The Board discussed again the need for police foot patrols

in the downtown area, Police Officer David Finn, and the need to mark the new police car; the Mayor was asked to discuss these matters with the Police Chief.

MOVED BY COMM. CALLOWAY, SECONDED BY COMM. SOSSOMON, AND UNANIMOUSLY CARRIED TO GO INTO OPEN SESSION.

12. The Mayor reported that he understood Nantahala Power and Light Company was proposing to construct a power substation on a 10-acre tract on US-64 across from its metering point at Mirror Lake Road. He felt that this location in a residential area would not be a good one. After some discussion, the Board agreed for the Mayor to discuss this proposal with Ed Tucker.

V. MOVED BY COMM. CALLOWAY, SECONDED BY COMM. SOSSOMON, AND UNANIMOUSLY CARRIED TO ADJOURN.

Meeting was adjourned at approximately 10:00 p.m.

Richard Betz, Town Clerk