

**MINUTES - SPECIAL MEETING
BOONE TOWN COUNCIL
SEPTEMBER 29, 2008**

A special meeting of the Boone Town Council was called to order at 5:38 p.m. in the Council Chambers, 1500 Blowing Rock Road. Mayor Loretta Clawson presided. Council members present were Liz Aycock, Rennie Brantz, Lynne Mason, Janet Pepin and Stephen Phillips. Staff members present were Town Manager Greg Young, Town Clerk Freida Van Allen, Human Resources Director Peri Moretz and Police Chief Bill Post.

The purpose of the meeting was to provide information to the public regarding the new water intake project on the New River.

Council member Brantz presented a power point "The New River Project - Why does Boone need a new water intake facility?" **A copy of this power point is permanently on file in September, 2008, Boone Town Council meeting packet file.** Following the presentation, questions were entertained from the audience.

Council member Phillips asked about high-rating the filters at the wastewater treatment plant. Town Manager Greg Young said the filters will be high-rated at the water plant an action which will allow the Town to treat more water without building a new water treatment facility at this time. Town Manager Young said the Town can treat 3.0 million gallons per day now, but after high-rating the filters the Town will be able to treat 4.5 million gallons per day. Human Resources Director Peri Moretz asked if the public will be able to give input on the design of the facility. Council member Pepin said the design, such as a barn, will be aesthetically pleasing and conducive to the area. Council member Brantz said the public will be included in every step of the process.

Council member Brantz explained the current wastewater treatment process pointing out that the Town does not use chlorine, but uses ultra-violet light to treat wastewater. Kathleen McFadden asked if the Town has purchased the property for the new intake. Town Manager Greg Young said the Town has an option to purchase the 10-acre tract and will close on the property once the environmental assessment is complete. Town Manager Young said the property will cost \$85,000 per acre. Town Manager Young explained what the environmental assessment will entail and all the agencies involved in the assessment. Town Manager Young said the environmental assessment will be reviewed by both State and Federal agencies.

Kathleen McFadden asked if the Town is having to "jump through hoops" because of the river classification. Town Manager Greg Young said yes, that the Town may have to obtain reclassification of the river which will affect adjacent property owners upstream, in that new watershed protection rules will probably be imposed.

Frank Ruggiero asked if the Town has met with the Ashe County Commissioners yet. Town Manager Greg Young said that now the Town Council is focusing on civic groups in the Todd area and within Boone, but that the Town Council will probably meet with the Ashe County Commissioners within the next two months.

Town Manager Greg Young explained the financing of the project, stating that a loan may come from the USDA at a 4.63% interest rate. Town Manager Young explained that the Town's federal lobbyist worked with the USDA to obtain a population exemption in order to be able to apply for the loan. The General Obligation bond referendum will secure the debt that will be loaned from the USDA, and we should receive a commitment from the USDA at the beginning of its budget year. The Local Government Commission recommended that the Town pursue the bond referendum, rather than consider other financing options. Town Manager Young said future water and sewer rates should pay for the loan payment, but if not, the Town will have the option to raise taxes if the bond referendum passes in the November election. Council member Phillips pointed out if the bond referendum passes the Town will obtain a lower interest rate.

Kathleen McFadden asked about the Town's bond rating. Town Manager Greg Young said the Town does not have a bond rating at this time since we have no outstanding debt. Town Manager Young said at the last audit, Standard & Poors rated the Town with an "A". Ms. McFadden then asked how the purchase of the Boone Downtown Post Office will affect the bond rating. Town Manager Young said the Town had earmarked funds for property acquisition and that the Post Office was purchased without taking funds from the fund balance.

Kathleen McFadden asked if the Town has plans to expand the water system once the intake project is complete. Town Manager Greg Young said the Town may expand into the ETJ and growth areas if the new master plan recommends expansion. Mr. Young also explained that the Town will provide an emergency connection to the Town of Blowing Rock.

Frank Ruggiero asked how the constituents feel about the project. Mayor and Council agreed that most of the comments they have received are positive.

There being no further questions, the meeting adjourned at 6:51 p.m.

Town Clerk

Mayor