

**MINUTES OF THE SPECIAL MEETING OF THE LAKE LURE TOWN COUNCIL
HELD WEDNESDAY, SEPTEMBER 28, 2022, 8:00 A.M. AT THE LAKE LURE TOWN
HALL**

PRESENT: Mayor Carol C. Pritchett
Mayor Pro Tem David DiOrio
Commissioner Jim Proctor

William Hank Perkins, Jr., Town Manager

ABSENT: Commissioner Patrick Bryant
Commissioner Scott Doster

William Morgan, Jr., Town Attorney

CALL TO ORDER

Mayor Carol C. Pritchett called the special meeting to order at 8:27 a.m.

AGENDA ADOPTION

Commissioner David DiOrio made a motion to adopt the agenda, as presented. Commissioner Jim Proctor seconded and all voted in favor.

RESOLUTION NO. 22-09-28 FOR FALL 2022 ARPA FUNDING APPLICATION

Town Manager Hank Perkins explained that a similar resolution was passed during the spring for the Spring American Rescue Plan Act (ARPA) funding application. Mr. Perkins continued to explain that the Town is submitting an application for the the Fall ARPA funding, and that the resolution is necessary for the application. Mr. Perkins noted that the Town is applying for \$15 million from viable utilities program.

Following brief discussion, Commissioner DiOrio made a motion to adopt Resolution No. 22-09-28 for Fall 2022 ARPA Funding Application. Commissioner Proctor seconded and the motion carried unanimously.

RESOLUTION NO. 22-09-28

WHEREAS, The Town of Lake Lure has need for and intends to construct, plan for, or conduct a study in a project described as the construction of new gravity sanitary sewer and manholes, and

WHEREAS, The Town of Lake Lure intends to request State loan and/or grant assistance for the project,

NOW THEREFORE BE IT RESOLVED, BY THE TOWN COUNCIL OF THE TOWN OF LAKE LURE:

That the Town of Lake Lure, the **Applicant**, will arrange financing for all remaining costs of the project, if approved for a State loan and/or grant award.

That the **Applicant** will provide for efficient operation and maintenance of the project on completion of construction thereof.

That the **Applicant** will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the **Applicant** agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the Town of Lake Lure to make a scheduled repayment of the loan, to withhold from the Town of Lake Lure any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

If applying for a regional project, that the **Applicant** will partner and work with other units of local government or utilities in conducting the project, including the Village of Chimney Rock.

That William H. Perkins, Jr., the **Authorized Official**, and successors so titled, is hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a loan and/or grant to aid in the study of or construction of the project described above.

That the **Authorized Official**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

RESOLUTION NO. 22-09-28A REGARDING CHIMNEY ROCK SEWER SYSTEM

Mr. Perkins refreshed the Council's memory on the conversations that took place at a past meeting which Chimney Rock Village and members of the North Carolina Department of Environmental Quality (DEQ) were present. It was noted that during the meeting, DEQ stated that the Town and Village could enter a merger involving transfer in ownership of just the Chimney Rock sewer system. Mr. Perkins explained that following the past meeting, DEQ rescinded their initial thoughts regarding a merger and informed the Town that in order to execute a merger, the Town would have to take ownership of both the Chimney Rock sewer and water system.

Mr. Perkins explained that following the update, the Town and the Village are separately applying for up to \$15 million each in ARPA funds. Mr. Perkins expressed that Chimney Rock will use the funding to make their repairs and transfer any remaining funds to the Town of Lake Lure, and the Town will accept a transfer in ownership of the system. Mr. Perkins noted that Chimney Rock Village should have adopted the same resolution last night, but he had not received confirmation from the Village. Mr. Perkins summarized the Resolution which includes the verification that the two municipalities support one another's applications, Chimney Rock will transfer excess funds, and the Town will take over the Chimney Rock sewer system after the improvements are made by the Village.

Commissioner DiOrio and Commissioner Proctor expressed support for the Resolution.

Mr. Perkins expressed that the Town and the Village are a partnership due to the relationship and connection between the sewer systems, so the Village's excess money would be going to the same system regardless.

Commissioner DiOrio made a motion to approve Joint Resolution No. 22-09-28A Regarding Chimney Rock Sewer System. Commissioner Proctor seconded and the motion carried unanimously.

JOINT RESOLUTION NO. 22-09-28A

JOINT RESOLUTION BETWEEN THE COUNCILS OF THE TOWN OF LAKE LURE AND CHIMNEY ROCK VILLAGE SUPPORTING THE APPLICATION OF BOTH ENTITIES FOR UP TO \$15 MILLION EACH FROM THE DIVISION OF WATER INFRASTRUCTURE AMERICAN RESCUE PLAN ACT (ARPA) AND INTENT OF CHIMNEY ROCK VILLAGE TO TRANSFER ANY BALANCE REMAINING OF ITS FUNDS RECEIVED AFTER ADDRESSING THE NEEDS OF IT'S SEWER SYSTEM TO THE TOWN OF LAKE LURE AND THE INTENT OF THE TOWN OF LAKE LURE TO ASSUME OWNERSHIP OF THE CHIMNEY ROCK SEWER SYSTEM IN THE FUTURE AFTER REPAIRS ARE COMPLETE

WHEREAS, Chimney Rock Village is the owner of a gravity sewer main which is permitted a flow of 27,500 gallons per day (GPD) to the Town of Lake Lure sewer system which provides sewer service; and

WHEREAS, the Town of Lake Lure provides for the administration, certain maintenance needs and billing of the sewer customers for service through a long term contract approved in 1970; and

WHEREAS, the Chimney Rock Village sewer system and the Town of Lake Lure sewer systems are inevitable and perpetually linked in a Partnership due to the sewer system of Chimney Rock Village being reliant on the sewer system of the Town of Lake Lure to both accept and transfer the sewer flow from Chimney Rock Village through the collection system of the Town of Lake Lure for treatment at the Lake Lure Waste Water Treatment Plant; and

WHEREAS, the Town of Lake Lure and Chimney Rock Village desire an eventual transfer in ownership of the Chimney Rock Village sewer main to the Town of Lake Lure following the completion of proper repairs to the system by Chimney Rock Village; and

WHEREAS, the Town of Lake Lure and Chimney Rock Village sewer systems are designated as a distressed units in the Viable Utilities Program; and

WHEREAS, the Town of Lake Lure and Chimney Rock Village are eligible to receive up to \$15 million each from the Division of Water Infrastructure American Rescue Plan Act (ARPA); and

WHEREAS, Chimney Rock Village plans to use ARPA funding to maintain and repair their sewer system prior to the transfer in ownership; and

WHEREAS, Chimney Rock Village estimates that the total amount of expenditures for the maintenance and repairs of their sewer system will be approximately \$4.1 million as identified in its application for funding assistance; and

WHEREAS, the existing relationship between the Town of Lake Lure and Chimney Rock Village in regard to maintaining and operating the Chimney Rock sewer system justifies the necessity for Chimney Rock Village to transfer any ARPA funds exceeding their determined needs to the Town of Lake Lure; and

WHEREAS, the Town of Lake Lure and Chimney Rock Village are in agreement regarding the transfer of remaining funds;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LAKE LURE:

Section 1. The Town of Lake Lure supports the application of Chimney Rock Village for up to \$15 million from the Division of Water Infrastructure American Rescue Plan Act (ARPA).

Section 2. Chimney Rock Village supports the application of the Town of Lake Lure for up to \$15 million from the Division of Water Infrastructure American Rescue Plan Act (ARPA).

Section 3. Chimney Rock Village will transfer any balance remaining of its funds received after addressing the needs of its sewer system to the Town of Lake Lure for use addressing the needs of its sewer system. This transfer will be by way of an Interlocal Agreement or Memorandum of Understanding.

Section 4. That The Town of Lake Lure does hereby declare official intent to assume ownership of the Chimney Rock Village sewer system, following proper repairs of the system completed by Chimney Rock Village.

Section 5. That the Town of Lake Lure and Chimney Rock Village hereby give assurance to the North Carolina Department of Environmental Quality that any funding through the Division of Water Infrastructure American Rescue Plan Act (ARPA) will be expended appropriately and fairly, and in accordance with any conditions or assurances contained in an award offer.

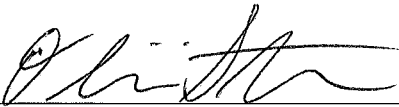
Section 6. That the Town Manager of the Town of Lake Lure and the Village Administrator of Chimney Rock Village, and successors so titled, are hereby authorized and directed to furnish such information as any appropriate agency or entity may request in connection with this agreement or connected funding; to make the assurances as contained above; and to execute such other documents as may be required.

Section 7. This Resolution shall be effective upon its adoption.

ADJOURNMENT

With no further business, Commissioner Proctor made a motion to adjourn the meeting at 8:34 a.m. Commissioner DiOrio seconded and the motion carried 4-0.

ATTEST:


Olivia Stewman, Town Clerk


Mayor Carol C. Pritchett

