

**ADDENDUM
JOINT PUBLIC HEARING
ADOPTION OR APPROVAL OF THE
FORMATION AGREEMENT FOR THE CREATION
OF A REGIONAL WATER AUTHORITY**

**NORTH CAROLINA
ALLEGHANY COUNTY
TOWN OF SPARTA**

**MINUTES
May 3, 2005
7:30 P.M.**

THOSE PRESENT: John H. Miller, Mayor; Agnes Joines, Mayor Pro Tem; Robert Andrews, John Brady, Mike Parlier, and Lois Sheets, Councilmembers; Bryan Edwards, Town Manager, and William Graham, Town Attorney.

Eldon Edwards, Chairman of the Alleghany County Commissioners; Sandy Carter-Herndon and Graylen Blevins, Alleghany County Commissioners;
Don Adams, Alleghany County Manager, and Donna Shumate, Alleghany County Attorney.

OTHERS PRESENT: Judge Richard Doughton, David Isner, Laura Dean, Alleghany News and Shane Fender, Cyber Campus.

Alleghany Chairman Eldon Edwards arrived at 7:30 p.m. and the public hearing was declared opened jointly by Mayor John Miller and Chairman Eldon Edwards. All were in favor.

Town Manager, Bryan Edwards gave an overview of the executive summary report from the feasibility report for the Alleghany County, NC/Grayson County, VA Regional Water supply project:

Executive Summary

This feasibility study has been prepared by Adams-Heath Engineering, Inc. and Peed & Bortz, LLC for Alleghany County, NC, Grayson County, VA, the Town of Independence, VA and the Town of Sparta, NC to address long-term water source supply needs for the region of Alleghany County, NC and Grayson County, VA near the Town of Sparta and Independence. This study was funded by the Mount Rogers Planning District Commission (with funds from the Virginia Department of Health and the High Country Council of Governments (with funds from the NC Rural Center). The following is a summary of the study's conclusions:

- There are currently two public water supply systems in the service area; the Town of Sparta, NC and the Town of Independence, VA. The systems serve a combined number of about 1,820 connections with a combined average daily water demand of about 578,000 GPD.
- The two water systems utilize groundwater wells as source supply, with a total of 23 permitted wells. The combined permitted yield capacity of all wells is 1,235 GPM but current available production has diminished to about 677 GPM.
- The New River is the preferred long-term water supply source for the study area.
- Both Town's water systems are operating near their maximum available source production capacity. Additional water source supply capacity is needed to meet increasing water demands as well as normal anticipated system growth.
- The recommended course of action for the Town of Sparta and Town of Independence is to jointly seek funding assistance to construct a 1,000,000 GPD surface water treatment plant with source withdrawal from the New River. The water system interconnection would require about 46,000 LF of 12" water line, 3 booster pump stations, 2 storage tanks and related improvements. The total estimated development cost of the proposed improvements is \$8,228,600.00.
- The recommended institutional arrangement is to create a regional water authority to own and operate the water treatment plant with bulk water wholesale back to the respective localities. The Authority should include representatives from each of the four municipalities; Alleghany, Grayson, Independence, and Sparta.

Don Adams, County Manager, explained the formation agreement for the creation of a regional authority to be considered by adoption by both boards. Approval of this ordinance for the creation of a regional water authority is the first major step for the regional water supply project. The feasibility study presented is just that - a study without exact locations, methods of funding or water rates. None of these have been decided. Tonight's public hearing is for the forming of this regional authority. The water

authority is in Virginia. The actual treatment plant will be in Virginia. No North Carolina authority is available statutorily for this authority. The two boards will decide whether or not to proceed with this initial study and create a regional water authority. This formation agreement would create a legal authority to go forward with the design study and pursue funding. Grayson County and the Town of Independence have both passed this agreement after public hearings last week.

Judge Richard Doughton questioned the legality of the joint state authority. Don Adams, County Manager and Donna Shumate, County Attorney stated they had an opinion from the Virginia Attorney General's Office and from the Institute of Government in North Carolina. Both attorneys discussed the legality of the proposed authority and one point brought out by the Town Manager was that at any time after the formation of this authority, either Town or County would be allowed to pull out until a monetary commitment was made.

Mayor Miller and Chairman Edwards both declared the public hearing closed after no further comments or questions.

John Brady made the motion to approve the ordinance for the formation agreement as presented for the creation for the regional water authority and to approve the feasibility study as presented. Robert Andrews made the second and the voting was for: 5 and against: 0. (See Page _____ for the ordinance.)

Commissioner Sandy Carter-Herndon made the motion to approve the creation of the regional water authority by the formation agreement presented and Commissioner Graylen Blevins made the second. The voting was for: 3 and against: 0.

John H. Miller, Mayor

Kay Cox, Town Clerk

ALLEGHANY COUNTY

NORTH CAROLINA

ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A FORMATION AGREEMENT FOR THE CREATION OF A REGIONAL WATER AUTHORITY

WHEREAS, the County of Grayson, a political subdivision of the Commonwealth of Virginia ("Grayson"), the Town of Independence, a political subdivision of the Commonwealth of Virginia ("Independence"), the County of Alleghany, a political subdivision of the State of North Carolina ("Alleghany"), and the Town of Sparta, a political subdivision of the State of North Carolina ("Sparta") desire to create a regional authority as a body politic and corporate under the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, of the Code of Virginia of 1950, as amended) (the "Act").

WHEREAS, in order to create such an authority, Grayson, Independence, Alleghany and Sparta propose to enter into a Formation Agreement providing for the Articles of Incorporation of the authority and other matters (the "Formation Agreement").

WHEREAS, the Board of Commissioners of Alleghany County has held a public hearing on the Formation Agreement after publishing at least one time in a newspaper of general circulation in the locality notice of the day, which was not less than 30 days after publication of the advertisement, on which the public hearing would be held. Such notice contained a descriptive summary of the Formation Agreement and a reference to the place within the locality where a copy of the Formation Agreement could be obtained and the time and place of the hearing.

NOW, THEREFORE, IT IS HEREBY ORDAINED AS FOLLOWS:

1. The Formation Agreement among the County of Grayson, a political subdivision of the

Commonwealth of Virginia, the Town of Independence, a political subdivision of the Commonwealth of Virginia, the County of Alleghany, a political subdivision of the State of North Carolina, and the Town of Sparta, a political subdivision of the State of North Carolina, the form of which has been advertised as stated above and presented to this meeting, is approved. The Chairman is authorized to execute and deliver on behalf of Alleghany County the Formation Agreement.

2. This ordinance shall take effect immediately upon its adoption.

Adopted this the 3rd day of May, 2005.