

**Special Meeting Minutes of the Town of Highlands Board of Commissioners
Meeting of March 23, 2017, at the Highlands Community Building, 71 Poplar
Street, Highlands, North Carolina**

Town Board Present: Mayor Pro Tempore John Dotson, Commissioner Amy Patterson, Commissioner Donnie Calloway, Commissioner Brian Stiehler, Commissioner Eric Pierson and Mayor Pat Taylor

Also Present: Town Manager Josh Ward, Finance Director Rebecca Shuler, MIS/GIS Director Matt Shuler, and Town Clerk Gibby Shaheen

1. Meeting Called to Order

Mayor Taylor called the meeting to order at 7:06 PM.

Mayor Taylor made an announcement he received a call from the post office headquarters and they have requested to be put on the agenda for April's meeting to deliver a presentation on Town delivery and encouraged all interested citizens to attend the meeting.

2. Adjust and Approve the Agenda

Commissioner Patterson made a motion to approve the agenda as presented, which was seconded by Commissioner Stiehler and the vote was unanimous.

3. Coal Ash Recovery Discussion

Mayor Taylor began the discussion by stating it was not a matter of whether the town is going to pay or not, it is a decision as how to proceed in paying and the options of making the decision for what is best for our citizens.

Mayor Taylor welcomed Energy Consultant Kevin O'Donnell and gave appreciation for his trip here.

O'Donnell stated the Mayor was correct and he had a recommendation regarding Coal Ash fees. The deadline to let Duke know the town's position was the end of the month.

O'Donnell stated basically at this point it boiled down to what would be the best position politically, because utilities and politics go hand in hand. O'Donnell stated in his professional opinion he would rather take the chance for disallowance in Raleigh as opposed to Washington, and would accept the settlement offer with an amendment to the existing contract. O'Donnell stated with available sources and past experience the calculation of what we would pay is estimated at \$1,000,000. O'Donnell stated he felt this was a good number, but really didn't know if the number was accurate. O'Donnell stated that Duke will give us the amount owed yearly in July, and we can line item the amount on the bills indicating coal ash recovery for Duke to keep accounting separate. O'Donnell stated he can assist in figuring a dollar amount to line item in the billing whether it was per customer or per kilowatt.

O'Donnell stated he had not received the Contract from Duke, but as long as the town sends an email or letter by the end of the month Duke would accept a settlement contingent upon review and approval of the Contract. O'Donnell stated the Town Attorney or firm he's using in Wilson County could review the Contract and work out the details.

Mayor Taylor stated at the previous meeting the town appropriated \$10,000 for attorney fees or vendors, and asked what happened to that. O'Donnell stated it was still there and would recommend it be designated to be used for attorney fees for Contract review. Mayor Taylor then mentioned the coal ash fees would be payable over the period of the Contract which expires in 2028, and asked if the higher costs will be in the beginning and then taper off toward the end of the Contract. O'Donnell responded payment was front loaded because we have the cost of 2015, 2016 and front end of 2017.

Mayor Pro Tempore Dotson asked how other municipalities were leaning. O'Donnell stated that four out of the seven he was dealing with are settling and waiting for confirmation from the other three, including us. Electric Co-ops in South Carolina have already settled.

Commissioner Patterson stated our bill estimate is \$1,000,000 paid out over 11 years, suppose the contract ends in 5 years would we still have to pay \$1,000,000 in 5 years. O'Donnell responded it would be less than that and stated our cost would end when the contract ends.

O'Donnell stated it boils down to litigation in Raleigh or litigation in Washington and he'd rather litigate in Raleigh. O'Donnell added he was hopeful the North Carolina Utilities Commission would disallow what was over and above the EPA costs.

Mayor Pro Tempore Dotson asked if Duke was required to have insurance. O'Donnell responded good question I don't really know. Mayor Pro Tempore Dotson stated it would be remiss not to have insurance and seemingly FERC or North Carolina Utilities Commission would require them to carry their own weight.

Commissioner Stiehler asked what the difference in the cost estimated between EPA and North Carolina Utilities Commission. O'Donnell stated based on a financial analysis it was 20% EPA and 80% North Carolina, which is substantial.

Commissioner Patterson asked if the cost involved would include paying EPA and North Carolina. O'Donnell stated both, but that could change. Commissioner Stiehler asked if we settle and this changes would we reap those numbers. O'Donnell stated they will have to flow back.

Commissioner Calloway asked if there was a ceiling on the costs. O'Donnell stated they have set aside \$5.2 billion, and there was no ceiling.

Newspaper Editor Kim Lewicki asked when the citizens would see this increase, O'Donnell stated in the July or August bill this year.

Commissioner Patterson made a motion to settle with Duke and to go to Raleigh to the Utilities Commission contingent upon the review and approval of our legal consultants of the revised Contract, which was seconded by Commissioner Stiehler and the vote was unanimous.

4. Closed Session: Pursuant to NCGS §318.11(a)(4)

Commissioner Pierson made a motion to go into Closed Session pursuant to NCGS §318.11(a)(4) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body at 7:43PM, which was seconded by Commissioner Stiehler and the vote was unanimous.

Once discussion was held, Commissioner Patterson made a motion to go back into open session at 8:45PM, which was seconded by Commissioner Pierson and the vote was unanimous.

No action was taken.

5. Adjournment

As there were no further matters to come before the Board of Commissioners, Commissioner Patterson moved to adjourn which was seconded by Commissioner Pierson and upon a unanimous vote, the Town Board adjourned at 8:45PM.

Patrick Taylor
Mayor

Gilberta B. Shaheen
Town Clerk