

Public Service Announcement

In order to maintain the safety of County residents, the Watauga County Board of Commissioners Meeting scheduled for 5:30 P.M. on Tuesday, May 19, 2020, will be conducted electronically. The Board Packet, including the agenda, is available on the County's website at:

http://www.wataugacounty.org/App_Pages/Dept/BOC/boardpacket.aspx

The public may access this meeting by calling: +1 929 205 6099

Once you call, you will be prompted to enter the following:

Meeting ID: 878 7234 2708

Password: 12345

The County is making every effort to ensure that the public is able to, not only listen to the meeting, but also to participate in the public comments portion. You may submit public comment by email to: public.comments@watgov.org or by mail to:

Clerk to the Board of Commissioners
814 West King Street, Suite 205
Boone, NC 28607

Public comments received by 5:00 P.M. on Monday, May 18, 2020, will be available to view by the time of the meeting (May 19, 2020, at 5:30 P.M.) on the County's website at: http://www.wataugacounty.org/App_Pages/Dept/BOC/boardpacket.aspx

This meeting also includes a public hearing to allow citizen comment on the FY 2021 Proposed Budget. In order to speak during the public hearing, please call 828-265-8000 by 5:00 P.M. on Monday, May 18, 2020, and sign up by giving your name and the phone number from which you will be calling in to participate. Once the public hearing is called to order, the Chairman will call the name of those signed up when it is their turn to speak. Comments on the public hearing may also be submitted, through Wednesday, May 20, 2020 by email to: public.comments@watgov.org or by mail to: Clerk to the Board of Commissioners, 814 West King Street, Suite 205, Boone, NC 28607.

A recording of this meeting will be available by 5:00 P.M. on Wednesday, May 20, 2020, on the County's website at:

http://www.wataugacounty.org/App_Pages/Dept/BOC/boardpacket.aspx

**TENTATIVE AGENDA & MEETING NOTICE
BOARD OF COUNTY COMMISSIONERS**

**TUESDAY, MAY 19, 2020
5:30 P.M.**

**ELECTRONIC MEETING ORIGINATING FROM THE
WATAUGA COUNTY ADMINISTRATION BUILDING
MANAGER'S CONFERENCE ROOM**

TIME	#	TOPIC	PRESENTER	PAGE
5:30	1	CALL REGULAR MEETING TO ORDER		
	2	APPROVAL OF MINUTES: May 5, 2020, Regular Meeting May 5, 2020, Closed Session		1
	3	APPROVAL OF THE MAY 19, 2020, AGENDA		11
5:35	4	PUBLIC HEARING TO ALLOW CITIZEN COMMENT ON THE FY 2021 PROPOSED BUDGET	MR. DERON GEOUQUE	13
5:40	5	CORONAVIRUS (COVID-19) COMMUNITY UPDATE	MS. JENNIFER GREENE	15
5:45	6	DISCUSSION REGARDING CURRENT COUNTY COVID-19 RESTRICTIONS	MR. DERON GEOUQUE	17
5:50	7	RATIFICATION OF A PROPOSED APPROPRIATION FOR ECONOMIC DEVELOPMENT PURPOSES PURSUANT TO NC G. S. 158-7.1	MR. JOE FURMAN	21
5:55	8	TAX MATTERS A. Monthly Collections Report B. Refunds and Releases	MR. LARRY WARREN	31 33
6:00	9	BID AWARD REQUEST FOR COURTHOUSE EXTERIOR WATERPROOFING PROJECT	MR. ROBERT MARSH	39
6:05	10	PARKS AND RECREATION DISCUSSIONS ON SUMMER CAMPS AND YOUTH SPORTS PROGRAMS	MR. STEPHEN POULOS	43
6:10	11	FINANCE MATTERS A. Juvenile Crime Prevention Council (JCPC) Expansion of Funds for 2019-2020 B. Proposed Audit Contract for Fiscal Year Ending June 30, 2020	MS. MISTY WATSON	45 49
6:15	12	MISCELLANEOUS ADMINISTRATIVE MATTERS A. CARES Act Relief Funds Plan B. Boards and Commissions C. Announcements	MR. DERON GEOUQUE	69 83 85
6:20	13	PUBLIC COMMENT	BY WRITTEN SUBMISSION	124
6:25	14	BREAK		124
6:30	15	CLOSED SESSION Attorney/Client Matters – G. S. 143-318.11(a)(3) Land Acquisition – G. S. 143-318.11(a)(5)(i) Personnel Matters – G. S. 143-318.11(a)(6)		124
7:00	16	ADJOURN		

AGENDA ITEM 2:

APPROVAL OF MINUTES:

May 5, 2020, Regular Meeting

May 5, 2020, Closed Session

DRAFT**MINUTES****WATAUGA COUNTY BOARD OF COMMISSIONERS
TUESDAY, MAY 5, 2020**

The Watauga County Board of Commissioners held a regular meeting, as scheduled, on Tuesday, May 5, 2020, at 8:30 A.M. remotely with the meeting originating in the Manager's Conference Room located in the Watauga County Administration Building, Boone, North Carolina.

Chairman Welch called the remote electronic meeting to order at 8:30 A.M. by calling roll with each Commissioner answering as present. The following were present:

PRESENT VIA ELECTRONIC MEANS:

John Welch, Chairman
 Billy Kennedy, Vice-Chairman
 Larry Turnbow, Commissioner
 Charlie Wallin, Commissioner
 Perry Yates, Commissioner
 Anthony di Santi, County Attorney
 Andrea Capua, County Attorney
 Deron Geouque, County Manager
 Anita J. Fogle, Clerk to the Board

Commissioner Wallin opened with a prayer and Commissioner Turnbow led the Pledge of Allegiance.

APPROVAL OF MINUTES

Chairman Welch called for additions and/or corrections to the April 21, 2020, regular meeting and closed session minutes.

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to approve the April 21, 2020, regular meeting minutes as presented.

VOTE: Aye-5
 Nay-0

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to approve the April 21, 2020, closed session minutes as presented.

VOTE: Aye-5
 Nay-0

APPROVAL OF AGENDA

Chairman Welch called for additions and/or corrections to the May 5, 2020, agenda.

Commissioner Yates, seconded by Commissioner Wallin, moved to approve the May 5, 2020, agenda as presented.

VOTE: Aye-5
Nay-0

PUBLIC HEARING TO ALLOW CITIZEN COMMENT ON A PROPOSED APPROPRIATION FOR ECONOMIC DEVELOPMENT PURPOSES PURSUANT TO NC G. S. 158-7.1

Chairman Welch stated that a public hearing was scheduled to seek public comment regarding a proposed Economic Development appropriation of \$100,000 to provide partial funding for an emergency small business loan program.

At the last meeting, Mr. Joe Furman, Planning and Inspections/Economic Development Director, requested the Board authorize the local emergency loan program for small businesses as recently approved by the Economic Development Commission (EDC). The EDC proposed to designate \$100,000 from the Economic Development Reserve Account (\$221,505) for the program.

The goal was to raise \$400,000 by acquiring additional funds from Blue Ridge Energy, Skyline/Skybest and others. Because public funds are involved, the program cannot include grants or low interest loans. The benefit to the borrower would be that the transactions could be made quickly. All funds would funnel through Mountain Biz Works, who would make the loans and administer the repayments. The hope was for all of the money to be returned to the County.

The proposal was to name the program Reenergize Watauga Fund and to promote it as a recovery loan to help small businesses reopen when the time comes. It could also be used by some to fill the void until federal funding comes through. It would have to be first come-first served. The loans would range from \$2,500 to \$10,000.

Mr. Furman presented a proposed agreement with Mountain Biz Works for the program. County Attorney Capua stated that she had reviewed and approved the agreement.

Commissioner Turnbow, seconded by Commissioner Yates, moved to call the public hearing to order at 8:41 A.M.

VOTE: Aye-5
Nay-0

As there was no one signed up to speak, Commissioner Yates, seconded by Commissioner Turnbow, moved to close the public hearing at 8:41 A.M.

VOTE: Aye-5
Nay-0

Commissioner Turnbow, seconded by Vice-Chairman Kennedy, moved to establish the Reenergize Watauga Fund and authorize to allocate \$100,000 from the Economic Development Capital Reserve Fund to the Reenergize Watauga Fund.

VOTE: Aye-5
Nay-0

CORONAVIRUS (COVID-19) COMMUNITY UPDATE

Ms. Jennifer Greene, AppHealthCare Director, provided an update on the Coronavirus (COVID-19). The report was for information only and, therefore, no action was required.

STAYING AHEAD OF THE CURVE IN WATAUGA COUNTY - A PHASED-IN PLAN FOR RELAXING RESTRICTIONS AND PROTECTING PUBLIC HEALTH

County Manager Geouque stated that staff had prepared a plan to allow for the lifting of County restrictions consistent with the Governor's 3 Phase Plan. The Board had three (3) options for consideration.

Option 1 would not lift any County restrictions until Phase II of the Governor's Plan. Two (2) weeks after the implementation of the Governor's Phase II, and key metrics continuing to be met, the County would: 1) partially lift the local restriction on short-term rentals to the following: a reduction in occupancy for lodging facilities having more than a six (6) person occupancy shall be limited to fifty percent (50%) of occupancy capacity or fifty percent (50%) of available rental units whichever was less; and 2) lift the County's 14 day self-quarantine. Upon implementation of the Governor's Phase III, and key metrics continuing to be met, the County would lift the remaining County short term-rental restriction for lodging facilities having more than a six (6) person occupancy capacity from fifty percent (50%) to 100% occupancy.

Option 2 was to lift all County restrictions with the implementation of the Governor's Phase I.

Option 3 was to lift all County restrictions with the implementation of the Governor's Phase II.

If chosen, the implementation of Option 2 or 3 would coincide with any delay in Phase I of the Governor's plan should that be necessary.

County Manager Geouque stated that since the options were developed, additional recommendations to consider for Option 1 were as follows: 1) when short-term rental restrictions were partially lifted to 50% occupancy there would be an exception for immediate family members who live in the same household and 2) campgrounds would be aligned with local campgrounds under Park Service guidance.

After lengthy discussion, Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to adopt Option 1 as the Staying Ahead of the Curve Plan in Watauga County with the two amendments as described by County Manager Geouque: 1) when short-term rental restrictions were partially lifted to 50% occupancy there would be an exception for immediate family members who live in the same household and 2) the opening of campgrounds would be aligned with local campgrounds under Park Service guidance.

VOTE: Aye-5
Nay-0

FY 2021 APPALCART CONTRACTS

Mr. Craig Hughes, AppalCART Director, presented proposed contracts for transportation services for the Project on Aging and Social Services Departments for FY 2021. There were four contracts. The proposed rate for the Project on Aging, Department of Social Services, and other County functions was \$2.28 per direct mile. The contract for Project on Aging (POA) Meal delivery was at the proposed rate of \$1.45 per direct mile.

County Attorney Capua advised to remove the following wording: *“In the event of noncompliance with any provision of the Agreement”* from under the last Section (entitled “Termination of Agreement”) of each of the four contracts.

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to approve the four AppalCART contracts including County Attorney Capua’s suggested amendment.

VOTE: Aye-5
Nay-0

REQUEST FOR ACCEPTANCE OF THE FY 2020 SHIIP/MIPPA GRANT/CONTRACT

Ms. Angie Boitnotte, Project on Aging Director, presented the Medicare Improvements for Patients and Providers Act (MIPPA) grant from the Seniors' Health Insurance Information Program (SHIIP) for the current Fiscal Year. The grant was in the amount of \$1,849 with no local match required.

Commissioner Yates, seconded by Commissioner Turnbow, moved to accept the MIPPA grant in the amount of \$1,849 to expand low income subsidy outreach and to upgrade technology used for SHIIP counseling and activities.

VOTE: Aye-5
Nay-0

PROPOSED CONTRACT FOR CONSULTANT/COMMERCIAL APPRAISAL SERVICES FOR THE 2022 REVALUATION PROJECT

Mr. Larry Warren, Tax Administrator, presented a proposed contract for consultant/commercial appraisal services for the upcoming 2022 Revaluation Project. Mr. Warren contacted four firms with two (2) firms responding and interviewed both. Mr. Warren recommended Vincent Valuations in the amount of \$178,000 for commercial properties and \$900.00 per day for the defense of values at the Board of Equalization and Review, and the North Carolina Property Tax. Mr. Warren stated that he received a quote for \$162,080 for appraising exempt properties as well.

Commissioner Turnbow, seconded by Commissioner Wallin, moved to accept Vincent Valuations proposal in the amount of \$178,000 for commercial properties; \$900 per day for the defense of values at the Board of Equalization and Review and the North Carolina Property Tax; and approve staff to handle the evaluation of non-exempt properties.

VOTE: Aye-5
Nay-0

BUDGET AMENDMENTS

Ms. Misty Watson, Finance Director, reviewed the following budget amendments:

Account #	Description	Debit	Credit
103980-398121	Transfer from Capital Projects Funds		\$60,000
104261-458000	Capital Outlay – Building	\$60,000	
213991-399101	Fund Balance Appropriation		\$60,000
219800-498010	Transfer to General Fund	\$60,000	

The amendment allocated funds from CIP set aside funds for the completion of the Courtroom #2 renovations including the millwork approved per Board action on March 17, 2020.

105911-471000	NC Lottery Funds		\$297,900
105911-470051	Watauga High School – Resurface Tennis Courts	\$60,000	
105911-470052	Green Valley School – VOIP System Upgrade	\$65,000	
105911-470053	K-8 Schools – Replace Doors	\$12,900	
105911-470005	K-8 Schools – Replace Kitchen Coolers and Equip.	\$55,000	
105911-470001	K-8 Schools – Replace Carpet and Tile Flooring	\$30,000	
105911-470056	Blowing Rock & Mabel – Replace Gym Floor	\$75,000	

The amendment allocated funds for NC Lottery projects as requested by the Watauga County Schools and approved by NC DPI per Board action on January 21, 2020.

105911-470041	Pavement Repairs	\$202,222	
105911-470058	Roof Maintenance	\$45,000	
105911-470059	Security Cameras	\$100,000	
105911-470060	HVAC and Sewer Pump Replacements	\$10,000	
105911-470061	Repeater System	\$19,000	
105911-470062	Fuel Island	\$30,000	
105911-470063	Classroom Presentation Technology	\$80,000	

105911-470064	Facilities – Furniture and Equipment	\$55,290	
105911-470065	Facilities – Central Office Renovation	\$30,000	
213991-399101	Fund Balance Appropriation		\$571,512
219800-498010	Transfer to General Fund	\$571,512	
103980-398121	Transfer from Capital Projects Fund		\$571,512

The amendment allocated funds from CIP set aside funds for project as requested by the Watauga County School System per Board action on April 7, 2020.

104920-463000	Annual Appropriation		\$33,463
109800-498021	Transfer to Capital Projects Fund	\$33,463	
213980-398100	Transfer from General Fund		\$33,463
213991-399101	Appropriated Fund Balance	\$33,463	

The amendment returned unused CIP funds from High Country Local First for projects that are no longer viable.

224310-454000	Capital Outlay – Vehicles	\$26,934	
223991-399101	Appropriated Fund Balance		\$26,934

The amendment recognized the purchase of a narcotics vehicle per Board action on March 17, 2020.

104274-435101	Maintenance and Repairs – Grounds		\$123,817
109800-498021	Transfer to Capital Projects Fund	\$123,817	
213980-398100	Transfer from General Fund		\$123,817
213991-399101	Appropriated Fund Balance	\$123,817	

The amendment returned unused CIP funds from the West Annex Culvert project to CIP.

103980-398121	Transfer from Capital Projects Fund		\$9,842
104920-463000	General Appropriation	\$9,842	
213991-399101	Fund Balance Appropriation		\$9,842
219800-498010	Transfer to General Fund	\$9,842	

The amendment allocated funds from CIP set aside funds for projects as requested by the Economic Development Commission to be utilized by the Blue Ridge Women in Agriculture for a walk-in refrigerator per Board action on April 7, 2020.

103839-343100	Donations		\$23,500
104310-451000	Capital Outlay – Equipment	\$23,500	

The amendment recognized the purchase of law enforcement equipment which was funded through a private donation.

104262-435100	Maintenance and Repairs – Grounds		\$200,000
109800-498021	Transfer to Capital Projects Fund	\$200,000	
213980-398100	Transfer from General Fund		\$200,000
213991-399101	Appropriated Fund Balance	\$200,000	

The amendment returns unused CIP funds from the East Annex Juvenile Court renovations to CIP.

103839-384000	Donations		\$154,752
104288-457001	Capital Outlay – Land Improvements	\$154,752	

The amendment recognized the Rocky Knob 2020 Trails Renovation Project between North Carolina Department of Natural and Cultural Resources and Boone Area Cyclists.

103300-349615	Soil and Water – NC Division of Water Resources – Ward’s Mill Dam	\$200,000
104960-449917	DWR Grant	\$200,000

The amendment recognized the agreement between Blue Ridge RC&D and Watauga County Soil and Water Conservation District for the removal of Ward’s Mill Dam.

Commissioner Turnbow, seconded by Commissioner Yates, moved to approve the budget amendments as presented by Ms. Watson.

VOTE: Aye-5
Nay-0

MISCELLANEOUS ADMINISTRATIVE MATTERS

A. Presentation of the FY 2021 Capital Improvement Plan (CIP)

County Manager Geouque presented the FY 2020-2021 Capital Improvement Plan (CIP) for review prior to discussion during the upcoming budget work sessions.

B. Presentation of the Manager’s FY 2021 Recommended Budget

County Manager Geouque presented his Recommended FY 2021 Budget and reviewed highlights. Mr. Geouque announced upcoming budget work sessions on Thursday, May 14, 2020, beginning at 12:00 P.M. and Friday, May 15, 2020 at 9:00 A.M. A public hearing will be held on May 19, 2020, at 5:30 P.M. to allow citizen comment on the proposed budget.

Several Commissioners shared concerns over trying to conduct the Budget Work Sessions through remote meetings. Discussion was held in regards to the best way to conduct the Budget Work Sessions. Chairman Welch stated that he would brainstorm with the County Manager and County Attorney to determine the best way to accommodate those who wished to be present and through electronic means.

C. Proposed Property & Liability Insurance and Workers Compensation Renewals Request

County Manager Geouque presented proposed renewal rates for property and liability insurance and workers compensation. The rate for property and liability was \$195,521 which was a \$9,386 increase and the rate for workers compensation remains the same at \$237,279. Based on prior years’ claims experience staff recommended continuing the property deductible at \$5,000. The Manager’s recommended budget included adequate funds to cover the insurance premiums.

Commissioner Yates, seconded by Commissioner Wallin, moved to accept the renewals for property and liability insurance and workers compensation from the North Carolina Association of County Commissioners (NCACC), in the amounts of \$195,521 and \$237,279 respectively.

VOTE: Aye-5
Nay-0

D. Proposed Nurses Week Proclamation

County Manager Geouque presented a proposed proclamation declaring May 6 through May 12, 2020, as Nurse Appreciation Week. The County would like to thank all nurses in the County for their dedication and devotion to those individuals falling ill and in need of medical assistance. The County has never needed nurses' services more than during the global pandemic. On behalf of Watauga County and its citizens, we would like to express our sincerest appreciation and gratitude for their services.

Commissioner Turnbow, seconded by Commissioner Yates, moved to adopt the Nurse Appreciation Week Proclamation as presented.

VOTE: Aye-5
Nay-0

E. Announcements

County Manager Geouque announced the following:

- Budget work sessions are scheduled for May 14, 2020, from 12:00 P.M. to 8:00 P.M. and May 15, 2020, from 9:00 A.M. to 1:00 P.M. At this time, these meetings will be Zoom conference calls and follow the Electronic Meeting Policy adopted by the Board.
- A public hearing will be held on Tuesday, May 19, 2019, at 5:30 P.M. to allow citizen comment on the FY 2021 Proposed Budget.

PUBLIC COMMENT

Written comments were received by the following and were made available through the County Manager's Office and on the County's website: Tim Gupton, Russ Curtis, Ann Lovern, Debbie Miller, Richard Miller, Kimberly Mikesell, Kari McMichael, and David Harwood.

CLOSED SESSION

At 10:36 A.M., Commissioner Wallin, seconded by Commissioner Turnbow, moved to enter Closed Session to discuss Attorney/Client Matters, per G. S. 143-318.11(a)(3).

The following lawsuits were included in discussion during closed session:

Appalachian Materials, LLC, Petitioner, vs. Watauga County, Respondent, and Terry Covell, Sharon Covell and Blue Ridge Environmental Defense League, Inc. d/b/a High Country Watch.

VOTE: Aye-5
Nay-0

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to resume the open meeting at 11:23 A.M.

VOTE: Aye-5
Nay-0

ADJOURN

Commissioner Turnbow, seconded by Commissioner Yates, moved to adjourn the meeting at 11:24 A.M.

VOTE: Aye-5
Nay-0

John Welch, Chairman

ATTEST:
Anita J. Fogle, Clerk to the Board

AGENDA ITEM 3:

APPROVAL OF THE MAY 19, 2020, AGENDA

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AGENDA ITEM 4:

PUBLIC HEARING TO ALLOW CITIZEN COMMENT ON THE FY 2021 PROPOSED BUDGET

MANAGER’S COMMENTS:

A public hearing has been scheduled to allow citizen comment on the Manager's Recommended Budget for Fiscal Year 2021. At the conclusion of the public hearing, you may wish to schedule an additional work session to make any additional changes prior to staff preparing the budget ordinance for adoption at one of the Board’s June meetings.

Direction from the Board is requested.

PUBLIC HEARING NOTICE

The Watauga County Manager's Recommended Budget for Fiscal Year 2020/2021 has been submitted to the Watauga County Board of Commissioners as of Tuesday, May 5, 2020. A copy of the Proposed Budget is available for public inspection online at www.wataugacounty.org and at the County Manager's Office located in the Watauga County Administration Building at 814 West King Street, Boone, North Carolina. A public hearing on the proposed budget shall be held on Tuesday, May 19, 2020, at 5:30 P.M. to allow public comment. The hearing will be conducted electronically. The public may access the meeting by calling: +1 929 205 6099. Once you call, you will be prompted to enter the following: Meeting ID: 878 7234 2708 and Password: 12345. To participate in the public hearing portion of the meeting you must call 828-265-8000 by 5:00 P.M. on Monday, May 18, 2020, and sign up to speak by giving your name and the phone number from which you will be calling into the meeting (without the phone number you will not be identified as a speaker). Once the public hearing is called to order, you will be called upon by the Chairman when it is your turn to speak. Written comments may also be submitted for the public hearing through Wednesday, May 20, 2020, by email to: public.comments@watgov.org or by mail to: Watauga County Board of Commissioners, 814 West King Street, Suite 205, Boone, NC, 28607. If you have questions, please call 265-8000.

JOHN WELCH
CHAIRMAN

AGENDA ITEM 5:

CORONAVIRUS (COVID-19) COMMUNITY UPDATE

MANAGER'S COMMENTS:

Ms. Jennifer Greene, AppHealthCare Director, will provide an update on the Coronavirus (COVID-19).

The report is for information only; therefore no action is required.

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AGENDA ITEM 6:

DISCUSSION REGARDING CURRENT COUNTY COVID-19 RESTRICTIONS

MANAGER'S COMMENTS:

On May 5, 2020, the Board adopted the following option regarding the County's current restrictions:

1. After two (2) weeks from the implementation of the Governor's Phase II and key metrics continuing to be met:
 - Partially lift County short-term rental restriction to allow a fifty percent (50%) reduction in the listed maximum occupancy capacity as rated and published. Family members residing in the same residence are exempt from the fifty percent (50%) reduction in maximum capacity limit.
 - Lift County 14 day self-quarantine in conjunction with the partial lifting of short-term rental restriction.
 - Campground openings and restrictions can be consistent with those published by the National Park Services. Otherwise, campgrounds shall be subject to the same openings and restrictions as short-term rentals during the applicable period.
2. Upon implementation of the Governor's Phase III and key metrics continuing to be met:
 - Lift remaining County short term-rental restriction from a fifty percent (50%) reduction in listed maximum occupancy capacity as rated and published to 100% occupancy.

After the Board adopted the above option, the Governor modified the recommendations of his Phase I and several of the surrounding counties removed or partially lifted their restrictions. The County has received many comments regarding the 14 day self-quarantine and the issues related with its continued enforcement. With the above information and the recent update from Mrs. Jennifer Greene, AppHealthCare Director, the Board may wish to review the current restrictions and determine if modifications are warranted.

Staff seeks direction from the Board.



County of Watauga

Administration Building, Suite 205 • 814 West King Street • Boone, North Carolina 28607

BOARD OF COMMISSIONERS

John Welch, Chairman
Billy Kennedy, Vice-Chairman
Larry Turnbow
Charlie Wallin
Perry Yates

Telephone 828-265-8000

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COUNTY MANAGER

Deron T. Geouque

COUNTY ATTORNEY

Anthony di Santi

Staying Ahead of the Curve in Watauga County A Phased-In Plan for Relaxing Restrictions and Protecting Public Health

Watauga County will utilize the guidance established by the Federal Government and the Governor's three (3) phase opening plan. The Governor's North Carolina Stay At Home order was extended through May 8, 2020. The orders extending closure of restaurants for dine-in service and bars and closure of other close-contact businesses were also extended following the Governor's phased plan timeline.

Currently, including the restrictions outlined in the existing Executive Orders issued by Governor Cooper, these Watauga County's restrictions remain in effect:

1. Prohibition on short-term rentals; and
2. All residents and non-residents of Watauga County arriving for overnight stays are ordered, while present in the County, to self-quarantine for a period of 14 days or until 7 days after symptoms have resolved, whichever is longer, if arrival was preceded by overnights outside the County.

The North Carolina Stay At Home and other orders were extended due to North Carolina not meeting the leveling or downward trajectory of the key metrics needed to begin the gradual lifting of restrictions.

The County will rely on the following guidelines to make decisions moving forward:

Initial Period

Data must show that key metrics are being met for the restrictions to be lifted and the three-phase plan to start. Testing, tracing, and trends will measure the key metrics in lifting or implementing restrictions. The key metrics are:

- COVID-like syndromic cases over 14 days
- Lab-confirmed cases over 14 days
- Positive tests as a percentage of total tests over 14 days
- Hospitalizations over 14 days

The above listed metrics must show a leveling or downward trajectory to move to Phase I which is anticipated to be accomplished by May 8, 2020. In the event the Governor delays the May 8, 2020 date, the County will follow the Governor's recommendation and keep County restrictions in place.

Phase I

Phase I will allow for an increase of services and infrastructure needed before relaxing restrictions for the sectors of our local economy.

The following measures will be taken during this period:

- Modify the Stay At Home order to allow travel not currently defined as essential by allowing people to leave home for commercial activity at any business that is allowed to be open, such as clothing stores, sporting goods stores, book shops, houseware stores and other retailers.
- Ensure that any open stores implement appropriate employee and consumer social distancing, enhanced hygiene and cleaning protocols, symptom screening of employees, accommodations for vulnerable workers, and provide education to employees and workers to combat misinformation.
- Promote telework for nonessential employees statewide.
- Continue to limit gatherings to no more than 10 people.
- Open parks that have been closed subject to the same gathering limitation. Outdoor exercise will continue to be encouraged.
- Continue to recommend face coverings in public spaces when 6 feet of distancing isn't possible.
- Encourage employers to continue teleworking policies.
- Continue rigorous restrictions on nursing homes and other congregant care settings.
- Keep Local emergency orders with more restrictive measures in place, if warranted.

Phase 2

Phase II will commence at least 2-3 weeks after Phase I, with key metrics being met. The following measures will be taken during this time.

- Lift Stay At Home order with strong encouragement for vulnerable populations to continue staying at home to stay safe.
- After two (2) weeks from the implementation of Phase II and key metrics continuing to be met, partially lift County short-term rentals with a fifty percent (50%) reduction in listed maximum occupancy capacity as rated and published. Family members residing in the same residence are exempt from the fifty percent (50%) reduction in maximum capacity limit.
- Campground openings and restrictions can be consistent with those published by the National Park Services. Otherwise, campgrounds shall be subject to the same openings and restrictions as short-term rentals during the applicable period.
- Lift County 14 day self-quarantine in conjunction with the lifting of short-term rental restriction.
- Allow limited opening of restaurants, bars, fitness centers, personal care services, and other businesses that can follow safety protocols including the potential need to reduce capacity.
- Open all County buildings June 1, 2020 with the exception of the Lois E. Harrill Senior Center and the Western Watauga Community Center.
- Allow gathering at places such as houses of worship and entertainment venues at reduced capacity.

- Increase in number of people allowed at gatherings.
- Resume all board and commission meetings with reduced capacity allowed for attendees.
- Open public playgrounds.
- Continue rigorous restrictions on nursing homes and other congregant care settings.

* The purpose for postponing the lifting of short-term rentals in the initial period of Phase II is to ensure restaurants have adequate staffing levels and supplies for the increase in service. Further, delaying the lifting of short-term rentals allows AppHealthCare staff sufficient time between each phase and adjustment to carefully monitor for resurgence of transmission.

Phase 3

Phase III will commence at least 4-6 weeks after Phase II with key metrics being met. The following measures will be taken during this period.

- Lessen restrictions for vulnerable populations with encouragement to continue practicing physical distancing and minimizing exposure to settings where distancing isn't possible.
- Allow increased capacity at restaurants, bars, other businesses, houses of worships, and entertainment venues.
- Lift all County short-term rental restrictions.
- Further increase the number of people allowed at gatherings.
- Resume all board and commission meetings as previous held.
- Continue rigorous restrictions on nursing homes and other congregant care settings.

The County recognizes the need for testing, tracing and trends to move in a leveling or downward trajectory for each of these phases to move forward. In the event there is a spike, the County will follow recommendations from the Governor's team, AppHealthCare and all of our partners to determine if additional temporary County restrictions are necessary.

*** Note – In light of the Governor's Press conference on Tuesday May 5, 2020 and revisions made to Phase I of the Governor's Reopening Plan; Watauga County is reviewing and monitoring these revisions along with modifications to the restrictions of surrounding counties. Watauga County will continue to monitor trends emerging during Phase I of easing restrictions and discuss any implications on the County's current plan at the May 19, 2020, Board Meeting. These efforts are intended to help protect all of our citizens, including those most vulnerable for severe illness. Watauga County will continue partnering with our local municipalities to make adjustments to the existing plan if needed and supported by public health data.**

AGENDA ITEM 7:**RATIFICATION OF A PROPOSED APPROPRIATION FOR ECONOMIC DEVELOPMENT PURPOSES PURSUANT TO NC G. S. 158-7.1****MANAGER'S COMMENTS:**

A public hearing was conducted to seek public comment regarding the proposed economic development appropriation of \$100,000 to provide partial funding for an emergency small business loan program.

Joe Furman, Planning and Inspections/Economic Development Director, requested the Board authorize a local emergency loan program for small businesses approved by the Economic Development Commission. The EDC proposed to designate \$100,000 from the Economic Development Reserve Account (\$221,505) for the program.

The goal is to raise \$400,000 by acquiring additional funds from Blue Ridge Energy, Skyline/Skybest and others. Because public funds are involved, the program cannot include grants or low interest loans. The benefit to the borrower would be that the transactions could be made quickly. All funds would funnel through Mountain Biz Works, who would make the loans and administer the repayments. The hope is for all of the money to be returned to the County.

The proposed name of the program is Reenergize Watauga Fund, and to promote it as a recovery loan to help small businesses reopen when the time comes. It could also be used by some to fill the void until federal funding comes through. It would have to be first come-first served.

The agreement for the program was included in the prior packet, reviewed, and approved by the County Attorney. The Board approved the establishment of the "Reenergize Watauga Fund" and authorized \$100,000 from the Economic Development Capital Reserve Fund.

However, after the Board approved the program the School of Government released additional guidance regarding electronic meetings and public hearings. The additional guidance recommended an item requiring a public hearing wait until twenty-four (24) hours after the public hearing for adoption. Therefore, staff is recommending the Board adopt once again the establishment of the "Reenergize Watauga Fund" and authorize \$100,000 from the Economic Development Capital Reserve Fund.

STATE OF NORTH CAROLINA
COUNTY OF WATAUGA

AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of ____ 2020, by and between Watauga County, a body politic and a subdivision of the State of North Carolina (“County”) and Mountain BizWorks, Inc., a non-profit corporation organized under the laws of the State of North Carolina (“BizWorks”). This agreement is being executed to assist in the generation of the Reenergize Watauga Fund (“RWF”), a designated fund within Mountain BizWorks, Inc.

W I T N E S S E T H :

Upon the terms and conditions hereinafter set forth, the County and RWF have requested and BizWorks has agreed to furnish the County and RWF with grant management services as set forth in this contract. The parties agree as follows:

1. **Effective Period.** This Contract shall be effective on _____, 2020 and shall terminate on _____, 2021. Upon written agreement by both parties, this Agreement may be extended for another year.
2. **Independent BizWorks.** BizWorks is an independent contractor in the performance of this Contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. BizWorks represents that it has, or shall secure at its own expense, all personnel required in performing the services under this Contract. Such employees shall not be employees of or have any individual contractual relationship with the County and RWF. Upon request, BizWorks will provide the names of all owners, managers, and management entities, including those of any subcontractor, used in the performance of this contract.
3. **Subcontracting.** BizWorks shall not subcontract any of the work contemplated under this Contract without prior written approval from the County. Only the subcontractor specified in the written approval document shall be permitted. The County shall not be obligated to pay for any work performed by any unapproved subcontractor. Any approved subcontractor shall also be subject to all terms and conditions of this Contract. BizWorks is ultimately responsible for providing the services of this Contract and shall be responsible for the performance of all of its subcontractors, agents, and employees.
4. **Contract Administrators.** All notices permitted or required to be given by one party to the other and all questions about the Contract from one party to the other shall be addressed and delivered to the other party's Contract Administrator. The name, post office address,

street address, telephone number, and email address (if available) of the parties' respective initial Contract Administrators are set out below. Either party may change its Contract Administrator and contact details by giving timely written notice to the other party.

Contract Administrator for BizWorks:

Matt Raker
153 S Lexington Ave
Asheville, NC 28801
828-253-2834 x 15

Contract Administrator for the County:

Joe Furman
Director, Economic Development Commission
126 Poplar Grove Connector, Suite 201
Boone, NC 28607
(828) 265-8043
(828) 265-8080 (fax)
joe.furman@watgov.org

5. **Amendment.** This Contract may not be amended orally or by performance. Any amendment or modification shall be made in written form and executed by duly authorized representatives of the County and BizWorks.

6. **Confidentiality.** BizWorks acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information, including but not limited to confidential personnel information, it will safeguard and not further disclose the information except as provided by law.

7. **Indemnification.** BizWorks agrees to indemnify, hold harmless, and defend the County, RWF and any of its officers, agents and employees, from any claims of third parties arising out of any act or omission of BizWorks in connection with the performance of this contract. BizWorks agrees to indemnify and hold harmless the County and RWF, its officers, agents, and employees from any and all claims, demands, costs and expenses, including reasonable attorney's fees, arising from this Contract or from any breach or default on the part of BizWorks in the performance of any part of this Contract, or from any act or negligence of BizWorks, its officers, agents, servants, employees, or subcontractors unless caused by the negligence of the County and RWF or its agents. In case of any action, suit, or proceeding brought against the County and RWF, its officers, agents, or employees by reason of any such claim, upon notice from the County and RWF, BizWorks agrees and covenants to defend such action, suit, or

proceeding by counsel reasonably satisfactorily to the County and RWF. BizWorks's obligation and responsibility under this section shall survive the termination of this Contract.

8. **Insurance.** BizWorks agrees their insurance policies shall be endorsed evidencing the minimum insurance coverage and limits set forth below prior to the County and RWF signing of this Agreement. The insurance coverage and limits set forth below shall be deemed minimum coverage limits and shall not be construed in any way as a limitation on BizWorks's duty to carry adequate insurance. All policies of insurance shall be primary insurance and non-contributory with respect to all other available sources. The minimum insurance coverage which BizWorks shall procure and maintain at its sole cost and expense during the term of the Agreement is as follows:

Commercial General Liability. Insurance covering all operations performed by BizWorks with a minimum limit of \$1,000,000 per occurrence with a \$2,000,000 aggregate. Coverage shall not contain any endorsement(s) excluding nor limiting Product/Completed Operations or Contractual Liability. Watauga County and Reenergize Watauga Fund, Inc. shall be named as an additional insured's under the policy.

9. **Additional Insurance Provisions.** If BizWorks maintains higher limits than the minimums shown above, the County and RWF require and shall be entitled to coverage for the higher limits maintained by BizWorks. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County and RWF. BizWorks shall provide the County and RWF with certificates of insurance on an approved form, evidencing the above amounts. Watauga County and Reenergize Watauga Fund, Inc. shall be named as additional insured under the commercial general liability policy.

Each insurance policy required by this Contract must be in effect at or prior to commencement of work under the Contract and remain in effect for the duration of the Agreement. Each insurance policy required above shall state that coverage shall not be canceled, except with written notice to the County and RWF, delivered in accordance with the policy provisions. All insurance shall be procured from reputable insurers authorized and qualified to do business in North Carolina with a rating of A- VII or better as determined by A.M. Best Company and shall be in a form acceptable to the County and RWF.

BizWorks shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and BizWorks shall ensure that the County and RWF is additional insured on insurance required from subcontractors.

Waiver of Subrogation: BizWorks hereby grants to the County and RWF a waiver of any right to subrogation that any insurer of said BizWorks may acquire against the County and RWF by virtue of payment of any loss under such insurance. BizWorks agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The limits of coverage

under each insurance policy maintained by BizWorks shall not be interpreted as limiting BizWorks's liability and obligations under this Agreement.

10. **Termination.** Either party may terminate this Contract for any reason, or for no reason, by giving the other party thirty (30) days written notice.

11. **Scope of Work.**

The County shall: Make the initial deposit to BizWorks to fund the Reenergize Watauga Fund as described in this Contract.

BizWorks shall: Provide the following services as outlined in "Attachment A" to this Contract. If there are conflicting terms in the Attachment, this Contract shall control. BizWorks shall also report to the County and RWF for each loan: (1) the name of the business; (2) the amount loaned; (3) the number of jobs the business has; and (4) whether the business is a minority/women owned businesses.

12. **Reenergize Watauga Fund.** The initial deposit to the Contractor to fund the Reenergize Watauga Fund shall be \$100,000 under the terms of this Contract. Fiscal management of the direct provision of service will be the responsibility of the Contractor. . The Contractor will deposit all funds in a separate bank account to be used only for Reenergize Watauga Fund. As additional funds are available those funds will be made available to the Contractor to fund the Reenergize Watauga Fund. Contract will serve as invoice. Contractor shall be solely responsible for any travel or other costs or expenses incurred by Contractor in connection with the performance of this Agreement.

13. **Compliance with Laws.** BizWorks shall comply with all state, federal, and local laws, ordinances, codes, rules, and regulations governing performance of this Contract. No loan shall be made nor other benefit conferred upon any elected official of County, any officer or director of RWF, or any director or employee of BizWorks (beyond the compensation for BizWorks described in this agreement).

14. **Legal Proceedings.** This contract shall be governed by the laws of North Carolina. Any dispute arising from it which is not resolved by mediation shall be heard in the General Court of Justice in Watauga County.

15. **Non-Waiver.** The waiver by any party of a breach or violation of any provision or paragraph of this Contract shall not operate as, or be considered to be, a waiver of any subsequent breach of the same or other provision or paragraph herein.

NOW THEREFORE, the parties hereby make, agree, and execute this Contract by the below signatures by duly authorized agents.

Watauga County

Deron Geoque, County Manager

This agreement has been pre-audited as required by North Carolina law:

_____, Finance Director

Mountain BizWorks, Inc.

Executive
Director

Attachment A

**WATAUGA RECOVERY FUND
COVID-19 SMALL BUSINESS LOANS PROGRAM
SCOPE OF WORK**

OVERVIEW

In response to the unprecedented challenges being faced by local businesses throughout the County, Watauga County ("County") is partnering with our municipalities and community organizations to announce the Watauga Recovery Fund, a centralized COVID-19 donation center. The mission of the Watauga Recovery Fund ("Fund") is to support the basic needs of individuals and to provide emergency funding to our small businesses during the COVID-19 crisis.

To facilitate this aid, the County is soliciting the assistance of the Mountain BizWorks, Inc., a North Carolina nonprofit corporation ("BizWorks"). BizWorks is a qualified 501(c)(3) organization that receives donations and grants on behalf of services in alignment with County goals and priorities.

The County is engaging Mountain BizWorks, Inc. ("BizWorks") to administer loans to small businesses impacted by COVID-19. Mountain BizWorks is a non-profit, US Treasury-certified community development financial institution (CDFI) based in Asheville with 30 years of small business lending and training experience. Mountain BizWorks will leverage its current capacities to operate the fund, maximize impacts, and minimize operating expenses.

Loans will be designed to provide low-cost "recovery funding" to help businesses stay open or re-open and limit job losses until businesses can return to normal revenue and/or qualify for longer term funding. Loans will be provided on a first-come, first-served basis.

FUND GOALS

- Provide immediate relief to help business remain operational and provide necessary funds for reinvestment in inventory and staffing (be able to start making loans within 7 days of fund establishment);
- Be designed to provide low-cost working capital to affected businesses they can qualify for longer term disaster funding from SBA or others;
- Reach a diverse mix of area businesses in need.

CORE ACTIVITIES & DELIVERABLES

Mountain BizWorks will:

- Quickly establish the Fund operations within one week of contract approval;
- Created a dedicated Fund information and application page on the BizWorks website;
- Accept applications via the online application;

- Process applications, underwrite, and fund loans per the standardized guidelines herein in a consistent and expeditious fashion – towards a goal of deploying the Fund’s first capital round within no more than a few weeks of launch;
- In coordination with the County create necessary communications materials to share this resource within the local business community, and will proactively market the Fund via partners and through BizWorks’s direct communications channels;
- Report Fund progress (# loans made, total amount of loans made, loans per business size (1-5 employees, 6-10 employees, 11-20 employees, 21-25 employees) # of minority/women-owned businesses, # of jobs retained) on a weekly basis until the County and RWF determine that less frequent reports are needed. Impacts will be estimated at time of the loan and subsequently reassessed at loan close out;
- Will support Spanish-language requests where needed using bi-lingual staff as well as comply with Title VI and/or utilizing other language resources to provide equal opportunity in other languages.

TIMELINE / PERIOD OF PERFORMANCE

It’s expected that most acute period of the COVID-19 crisis will be during the next 3 months. Given the loan terms, the total Fund life is expected to be between 3-5 years.

BUDGET / COMPENSATION

To cover staffing, underwriting, documentation, and other fund administrative costs, Mountain BizWorks will assess a 2% fee (based on the loan amount) at time of loan origination and then another 1% fee when a loan is closed out. These will be paid by the Fund and no fees will be assessed to the borrowers under this program. Additionally BizWorks will charge a 1% annual servicing fee in arrears calculated on the previous twelve-month average daily outstanding loan balance of the fund.

THE LOANS

Terms:

- Up to \$10,000 and a minimum loan size of \$2,500;
- Initial 6-month period of no payments of any kind. Interest accrues at 4.0% interest during the 6-month period but is not paid and rolls up into the loan at the end of the 6-month period;
- After 6 months, any principal that has not been refinanced by an SBA Disaster Loan or otherwise repaid, will convert to a second phase of 36 months (3 yrs.) principal and interest payments at 5.5% interest. There is no penalty for early prepayment;
- Eligible uses include payroll, accounts payable, fixed debts, or other bills the business is unable to pay due to COVID impact;
- Funds may not be used to refinance existing debt.

Eligibility:

- Less than 25 (full and part time) employees (excludes waitstaff, temporary and seasonal employees);

- Must have a physical location and be principally based within the County;
- For-profit as of December 31, 2019;
- Demonstrated loss of revenue of 25% or more due to COVID-19;

Underwriting:

- Is designed to be i) standardized and streamlined to be able to expedite the emergency funds, ii) responsible to ensure clear COVID-19 impacts and to prevent fraud, iii) ensure the borrower's ability to repay and likelihood of meeting the business and job retention goals of the Fund;
- Will require most recent tax return and recent financial statements to validate loss of revenue due to COVID-19 and calculate the eligible loan amount. Must be profitable as of December 31, 2019;
- Borrowers must not have a recent bankruptcy or substantial charge off per their credit report;
- For borrowers with credit scores 640 or higher, loans will be secured with a simple UCC filing; Borrowers with less than a 640 score will have a UCC filing plus an additional collateral lien where possible;
- All borrowers will be excluded from credit reporting for these loans.

THE FUND

Financial Structure & Operations:

- Bizworks will be the recipient of contributions to support the Watauga Recovery Fund including economic development appropriations of the County and its municipal partners, and community donations which will be deposited into the account created pursuant to Section 12 of this Agreement.
- The initial deposit to the account to fund the Renergize Watauga Fund shall be \$100,000 under the terms of this Contract.
- Bizworks shall provide to the County monthly accounting statements regarding the Renergize Watauga Fund
- Bizworks and the County will provide regular communication to BizWorks regarding any additional amount of funds available to be deployed;
- BizWorks will process applications, underwrite, and fund eligible loans per the Loan Guidelines outlined herein;
- BizWorks will package the loans and hold all loans. BizWorks will be the servicing agent for the life of the loans. BizWorks will charge a 1% annual servicing fee in arrears calculated on the previous twelve-month average daily outstanding loan balance of the fund;
- As loans mature, are paid off, or otherwise terminated, BizWorks will complete all necessary loan close-out procedures and submit a close out report to Bizworks;
- In situations where the borrower is unable to repay, BizWorks will be responsible for any collections processing or other actions;
- All principal and interest payments on the Fund's loans will be returned to the Fund. During the Fund's "active phase" (the COVID crisis and immediate recovery phase), BizWorks will aim to redeploy these funds to aid additional businesses in need;

- Once COVID impacts and demand for the emergency disaster loans have sufficiently waned, the County will instruct BizWorks to close the Fund to new loans, starting the “closed phase.” During this phase principal and interest payments will be returned to the Fund. On a monthly basis BizWorks will return such monies to the County and RWF based on their original and any future amounts contributed minus any administrative fees outlined herein. All interest payments will be paid solely to BizWorks.

AGENDA ITEM 8:

TAX MATTERS

A. Monthly Collections Report

MANAGER'S COMMENTS:

Mr. Larry Warren, Tax Administrator, will present the Monthly Collections Report and be available for questions and discussion.

The report is for information only; therefore, no action is required.

Monthly Collections Report

Watauga County

Bank deposits of the following amounts have been made and credited to the account of Watauga County. The reported totals do not include small shortages and overages reported to the Watauga County Finance Officer

Monthly Report April 2020

	<u>Current Month</u> <u>Collections</u>	<u>Current Month</u> <u>Percentage</u>	<u>Current FY</u> <u>Collections</u>	<u>Current FY</u> <u>Percentage</u>	<u>Previous FY</u> <u>Percentage</u>
General County					
Taxes 2019	261,983.78	25.75%	35,001,641.96	97.97%	98.34%
Prior Year Taxes	29,144.82		261,046.88		
Solid Waste User Fees	26,483.32	20.35%	2,532,944.17	96.68%	97.40%
Green Box Fees	135.18	NA	1,634.12	NA	NA
Total County Funds	\$317,747.10		\$37,797,267.13		
Fire Districts					
Foscoe Fire	5,254.72	34.24%	459,299.14	98.29%	98.79%
Boone Fire	5,975.41	23.89%	871,198.64	98.04%	98.44%
Fall Creek Service Dist.	152.71	10.35%	8,907.46	91.64%	97.05%
Beaver Dam Fire	669.15	8.51%	96,924.74	94.07%	94.89%
Stewart Simmons Fire	1,240.44	20.02%	234,280.48	98.25%	97.02%
Zionville Fire	1,082.32	18.69%	108,697.95	95.97%	96.81%
Cove Creek Fire	2,863.56	19.96%	233,511.64	96.76%	97.74%
Shawneehaw Fire	1,142.01	34.00%	100,935.50	98.82%	99.18%
Meat Camp Fire	2,198.56	17.82%	198,105.09	95.45%	96.59%
Deep Gap Fire	1,787.76	20.05%	181,820.04	96.88%	97.74%
Todd Fire	990.53	54.78%	60,617.78	98.72%	98.84%
Blowing Rock Fire	2,576.06	21.41%	479,386.70	98.36%	98.42%
M.C. Creston Fire	142.38	19.27%	5,775.76	92.60%	92.08%
Foscoe Service District	1,013.51	47.15%	73,586.92	98.59%	98.77%
Beech Mtn. Service Dist.	0.00	0.00%	1,550.97	95.39%	99.50%
Cove Creek Service Dist.	0.00	0.00%	324.15	100.00%	100.00%
Shawneehaw Service Dist	144.77	35.22%	6,660.86	96.20%	95.63%
	\$27,081.18		\$3,112,676.36		
Towns					
Boone	30,880.51	27.67%	5,814,773.07	98.75%	99.21%
Municipal Services	138.30	1.23%	127,628.16	96.39%	98.88%
Boone MV Fee	NA	NA	NA	NA	NA
Blowing Rock	NA	NA	NA	NA	NA
Seven Devils	NA	NA	NA	NA	NA
Beech Mountain	NA	NA	NA	NA	NA
Total Town Taxes	\$31,018.81		\$5,942,401.23		
Total Amount Collected	\$375,847.09		\$46,852,344.72		

 Tax Collections Director

 Tax Administrator

AGENDA ITEM 8:

TAX MATTERS

B. Refunds and Releases

MANAGER'S COMMENTS:

Mr. Warren will present the Refunds and Releases Reports. Board action is required to accept the Refunds and Releases Reports.

04/30/2020 15:00
Larry.Warren

WATAUGA COUNTY
RELEASES - 04/01/2020 TO 04/30/2020

P 1
tncrarpt

OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE CHARGE	AMOUNT
1799257 ALDACO, CELINA 207 VANNOY LANE BOONE, NC 28607	PP 2019 3095 TAX RELEASES listed on account #1640849	1503	04/30/2020	F02	7232	0 F02 G01 SWF F02L G01L	3.00 20.15 80.00 .30 2.02 <hr/> 105.47
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019 2900-88-5833-000 TAX RELEASES EXEMPT PROPERTY-MUNIS ERROR	35579	04/30/2020	MS1	7237	0 C02 G01 MS1	4,974.53 4,889.60 2,547.93 <hr/> 12,412.06
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019 2910-73-8938-000 TAX RELEASES EXEMPT PROPERTY-MUNIS ERROR	40457	04/30/2020	C02	7238	0 C02 G01	98.81 97.12 <hr/> 195.93
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019 2910-73-9819-000 TAX RELEASES EXEMPT PROPERTY-MUNIS ERROR	40459	04/30/2020	C02	7239	0 C02 G01	111.93 110.02 <hr/> 221.95
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019 2910-74-2371-000 TAX RELEASES MUNIS ERROR-EXEMPT PROPERTY	40463	04/30/2020	C02	7240	0 C02 G01	2,099.20 2,063.36 <hr/> 4,162.56
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019 2910-74-3582-000 TAX RELEASES EXEMPT PROPERT-MUNIS ERROR	40466	04/30/2020	C02	7241	0 C02 G01	69.29 68.11 <hr/> 137.40
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019 2910-74-3620-000 TAX RELEASES EXEMPT PROPERTY-MUNIS ERROR	40468	04/30/2020	C02	7242	0 C02 G01	91.02 89.47 <hr/> 180.49
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019 2910-74-4445-000 TAX RELEASES EXEMPT PROPERTY-MUNIS ERROR	40471	04/30/2020	C02	7243	0 C02 G01	71.75 70.53 <hr/> 142.28
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019 2910-74-4669-000 TAX RELEASES EXEMPT PROPERTY-MUNIS ERROR	40473	04/30/2020	C02	7244	0 C02 G01	70.93 69.72 <hr/> 140.65

04/30/2020 15:00
Larry.Warren

WATAUGA COUNTY
RELEASES - 04/01/2020 TO 04/30/2020

P 2
tncraprt

OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE CHARGE	AMOUNT
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019	40477	04/30/2020			0 C02	97.99
	2910-74-5279-000			C02		G01	96.32
	TAX RELEASES EXEMPT PROPERTY-MUNIS ERROR				7245		194.31
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019	40478	04/30/2020			0 C02	91.43
	2910-74-5317-000			C02		G01	89.87
	TAX RELEASES EXEMPT PROPERTY-MUNIS ERROR				7246		181.30
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019	40480	04/30/2020			0 C02	70.93
	2910-74-5640-000			C02		G01	69.72
	TAX RELEASES EXEMPT PROPERTY-TAX RELEASE				7251		140.65
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019	40482	04/30/2020			0 C02	95.94
	2910-74-6241-000			C02		G01	94.30
	TAX RELEASES EXEMPT PROPERTY-MUNIS ERROR				7247		190.24
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019	40484	04/30/2020			0 C02	64.37
	2910-74-6484-000			C02		G01	63.27
	TAX RELEASES EXEMPT PROPERTY-MUNIS ERROR				7248		127.64
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019	40486	04/30/2020			0 C02	98.81
	2910-74-7076-000			C02		G01	97.12
	TAX RELEASES MUNIS ERROR-EXEMPT PROPERTY				7249		195.93
1161496 BOONE TOWN OF 567 W KING ST BOONE, NC 28607	RE 2019	40488	04/30/2020			0 C02	95.94
	2910-74-7103-000			C02		G01	94.30
	TAX RELEASES EXEMPT PROPERTY-MUNIS ERROR				7250		190.24
1321090 CRITCHER, JOEL E 381 N PINE RUN RD BOONE, NC 28607	PP 2019	2097	04/30/2020			0 SWF	80.00
	321090999			F10		G01	37.76
	TAX RELEASES				7234	F10	4.69
	sold property 2018 listed under 1773145					G01L	3.78
						F10L	.47
							126.70
1723923 FLEISCHER, JANICE M 2523 STAGHORN PL TALLAHASSEE, FL 32301	PP 2019	254	04/30/2020			0 G01	29.34
	689			C05		G01L	2.93
	TAX RELEASES sold home 11/2017				7252		32.27

04/30/2020 15:00
Larry.Warren

WATAUGA COUNTY
RELEASES - 04/01/2020 TO 04/30/2020

P 3
tncrapt

OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE CHARGE	AMOUNT
1791700 GREEN, JASON HOWARD 268 BLUEBIRD LANE BOONE, NC 28607	PP 2019 2919 TAX RELEASES listed under	1343	04/30/2020	F02	7233	0 F02 G01 SWF F02L G01L	3.00 20.15 80.00 .30 2.02 <hr/> 105.47
1616856 GREENE, TIMOTHY B PO BOX 3500 BOONE, NC 28607	PP 2019 2992 TAX RELEASES listed under	1409	04/30/2020	F02	7235	0 F02 G01 SWF F02L G01L	10.50 70.53 160.00 1.05 7.05 <hr/> 249.13
1761851 L SMITH HOLDINGS LLC 1434 HWY 105 S ST #1 BOONE, NC 28607	PP 2018 1801 TAX RELEASES BUSINESS SOLD	845	04/30/2020	C02	7253	0 C02 G01	72.78 62.66 <hr/> 135.44
1761851 L SMITH HOLDINGS LLC 1434 HWY 105 S ST #1 BOONE, NC 28607	PP 2019 1801 TAX RELEASES BUSINESS SOLD	764	04/30/2020	C02	7254	0 C02 G01	63.55 62.47 <hr/> 126.02
1784211 NANDUCA, VERONICA ISABEL MORENO 443 BLUEBIRD LN BOONE, NC 28607	RE 2019 2920-16-7776-011 TAX RELEASES dw was moved to jenwil dr-from	43373	04/30/2020	F02	7236	0 F02 G01 SWF	33.06 222.05 80.00 <hr/> 335.11
DETAIL SUMMARY	COUNT: 23	RELEASES - TOTAL				0	20,029.24

04/30/2020 15:00
 Larry.Warren

WATAUGA COUNTY
 RELEASES - 04/01/2020 TO 04/30/2020

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 tncrapt

RELEASES - CHARGE SUMMARY FOR ALL CLERKS

YEAR	CAT	CHARGE	AMOUNT	
2018	PP	C02	BOONE PP	72.78
2018	PP	G01	WATAUGA COUNTY PP	62.66
			2018 TOTAL	135.44
2019	RE	C02	BOONE RE	8,202.87
2019	RE	F02	BOONE FIRE RE	33.06
2019	RE	G01	WATAUGA COUNTY RE	8,284.88
2019	RE	MS1	BOONE MUNICIPAL SERV DIST RE	2,547.93
2019	RE	SWF	SANITATION USER FEE	80.00
2019	PP	C02	BOONE PP	63.55
2019	PP	F02	BOONE FIRE PP	16.50
2019	PP	F02L	BOONE FIRE LATE LIST	1.65
2019	PP	F10	DEEP GAP FIRE PP	4.69
2019	PP	F10L	DEEP GAP FIRE LATE LIST	.47
2019	PP	G01	WATAUGA COUNTY PP	240.40
2019	PP	G01L	WATAUGA COUNTY LATE LIST	17.80
2019	PP	SWF	SANITATION USER FEE	400.00
			2019 TOTAL	19,893.80
			SUMMARY TOTAL	20,029.24

04/30/2020 15:00
Larry.Warren

WATAUGA COUNTY
RELEASES - 04/01/2020 TO 04/30/2020

P 5
tncrapt

RELEASES - JURISDICTION SUMMARY FOR ALL CLERKS

JUR	YEAR	CHARGE	AMOUNT
C02	2018	C02 BOONE PP	72.78
C02	2018	G01 WATAUGA COUNTY PP	62.66
C02	2019	C02 BOONE RE	3,291.89
C02	2019	G01 WATAUGA COUNTY RE	3,235.70
C02 TOTAL			6,663.03
C05	2019	G01 WATAUGA COUNTY PP	29.34
C05	2019	G01L WATAUGA COUNTY LATE LIST	2.93
C05 TOTAL			32.27
F02	2019	F02 BOONE FIRE PP	49.56
F02	2019	F02L BOONE FIRE LATE LIST	1.65
F02	2019	G01 WATAUGA COUNTY PP	332.88
F02	2019	G01L WATAUGA COUNTY LATE LIST	11.09
F02	2019	SWF SANITATION USER FEE	400.00
F02 TOTAL			795.18
F10	2019	F10 DEEP GAP FIRE PP	4.69
F10	2019	F10L DEEP GAP FIRE LATE LIST	.47
F10	2019	G01 WATAUGA COUNTY PP	37.76
F10	2019	G01L WATAUGA COUNTY LATE LIST	3.78
F10	2019	SWF SANITATION USER FEE	80.00
F10 TOTAL			126.70
MS1	2019	C02 BOONE RE	4,974.53
MS1	2019	G01 WATAUGA COUNTY RE	4,889.60
MS1	2019	MS1 BOONE MUNICIPAL SERV DIST RE	2,547.93
MS1 TOTAL			12,412.06
SUMMARY TOTAL			20,029.24

AGENDA ITEM 9:

BID AWARD REQUEST FOR COURTHOUSE EXTERIOR WATERPROOFING PROJECT

MANAGER'S COMMENTS:

Mr. Marsh, Maintenance Director, will present bids for exterior waterproofing of the County Courthouse. The building received several inches of wind-driven rain in April that infiltrated the exterior precast concrete panels on the front facade. Inspection of the wall panel and window joints revealed areas where the caulk had failed. The County's insurance carrier will reimburse for the interior damage but not the exterior.

Maintenance solicited RFP's from four commercial caulking companies with two responding. One additional vendor may provide a quote by the date of the next Board meeting, which staff will provide if received. Staff is recommending Strickland Waterproofing's bid in the amount of \$40,000. Funds would come from the administrative contingency.

Board action is required to expedite the necessary repairs.



WATAUGA COUNTY

MAINTENANCE DEPARTMENT

274 Winklers Creek Road, Suite B, Boone, NC 28607 - Phone (828) 264-1430
 Fax (828) 264-1473

TO: Deron Geouque, County Manager

FROM: Robert Marsh, Maintenance Director 

DATE: May 13, 2020

RE: Bid Award Recommendation for Courthouse Exterior Waterproofing Project

BACKGROUND

On April 13, 2020, the Courthouse received several inches of wind-driven rain which infiltrated the exterior precast concrete panels on the front facade. Inspection of the wall panel joints and the joints around the windows revealed areas where the caulk had failed. The County’s insurance carrier has agreed to reimburse the County for interior damage, however, the deteriorated panel joints are not covered by insurance. Therefore, all cost to refurbish the joints will be at the County’s expense.

Maintenance solicited RFP’s from four commercial caulking companies and two responded with proposals. The scope of the base level of services includes pressure washing the front of the Courthouse (1982 Pebbletex covered areas) and then refurbishing the panel joints by removing all old caulking and applying new caulk.

BID SUMMARY

Strickland Waterproofing Charlotte, NC	Option 3	\$40,000
Stone Restoration Charlotte, NC	Option 1 and 3	\$54,350

STAFF RECOMMENDATION

Staff recommends the low bidder, Strickland Waterproofing Co., Inc., for this project. Strickland has been in business for over 100 years and has completed many projects in the Boone area. They will begin work on the Courthouse within ten days of notice to proceed.

PROPOSAL
Thursday, May 7, 2020



Strickland Waterproofing Co., Inc.
500 N. Hoskins Rd – Charlotte, NC 28216
Phone: (704) 347-1345 Fax: (704) 347-1347

Sandblasting /
Shot Blasting

Masonry Repairs
/ Tuck Point

Sealants /
Caulking

Exterior
Waterproofing

Epoxy / Urethane
Injection

EIFS / Stucco
Repairs

Elastomeric
Coatings

Post Tendon
Repair

Mold
Remediation

ABAA Certified

Expansion Joint
Systems

Sika Approved
Applicator

Water Repellent
Coatings

Traffic Deck
Coatings

Fire Stopping

Epoxy and
Urethane
Floor Coating

Roof Restoration

Concrete Repair /
Leveling

Grace 3R Certified

FM 4991 Certified

Over 40 Years
Experience

Mr. Robert Marsh
Watauga County
274 Winklers Creek Road
Boone, North Carolina 28607

**PROJECT: WATAUGA COUNTY COURTHOUSE
274 WINKLERS CREEK ROAD
BOONE, NORTH CAROLINA 28607**

TELEPHONE: 828-264-2430
EMAIL: Robert.marsh@watgov.org

Strickland Waterproofing Company, Inc. is pleased to submit the following Proposal for the above-referenced project. We hereby propose to furnish all necessary labor, material, equipment, tools, transportation, supervision, insurance, and overhead to perform the following scope of work:

SCOPE OF WORK	
OPTION #1:	FRONT AND SIDE PRECAST ELEVATIONS
INCLUDES:	Low pressure clean exterior precast and apply clear 10 year water repellent (Protectosil Chemtrete 40 VOC)
	<i>LUMP SUM: \$14,970.00</i>
OPTION #2:	Cut out, clean, install new backer rod in precast to precast joints and precast To metal window frame perimeter and re-caulk with Dymonic 100
INCLUDES:	
	<i>LUMP SUM: \$26,700.00</i>
OPTION #3:	Option #1 and Option #2 completed at same time
INCLUDES:	
	<i>LUMP SUM: \$40,000.00</i>
END OF SCOPE	

Thank you in advance for allowing SWI the opportunity to submit a Proposal to your company. Should you have any questions or comments, please do not hesitate to contact me.

PLEASE NOTE: PRICES ARE BASED ON ALL SPECIFICATION SECTIONS QUOTED. PRICES MAY BE SUBJECT TO CHANGE. PLEASE CALL FOR ANY REVISIONS. A WARRANTY WILL BE ISSUED THAT EXCLUDES DAMAGE CAUSED BY ACTS OF GOD.

TERMS: Payment is due net 30 days. If payment is not received within 30 days of invoice, a service charge of 1 1/2% per month or 18% per year will be charged. All collection fees and attorney fees will be applied to the unpaid balance.

Proposal Submitted By: _____

Randy Strickland
Randy Strickland / President

5/6/2020
Date

Proposal Accepted By: _____

CAULKING & SEALANTS BELOW & ABOVE GRADE WATERPROOFING MASONRY & PRECAST SEALERS BUILDING CLEANING
ROOF REPAIR SPECIAL COATINGS & PAINTING HISTORICAL RESTORATIONS
STRICKLAND WATERPROOFING CO., INC.



2601 Wilkinson Blvd. Charlotte, N.C. office 704.697.9909 fax 704.697.0996

Proposal

5/11/2020

TO:	Watauga County	PROJECT NAME:	Watauga County Courthouse exterior
ATTENTION:	Robert Marsh	STREET ADDRESS:	842 W. King St.
BILLING ADDRESS:	274 Winklers Creek Rd. Suite B	CITY, STATE, ZIP:	Boone, NC 28607
PHONE:	Boone, NC 28607	SALES REP:	John Lambert Jr.
	828-264-1430	E- MAIL:	lambertjr@stoneres.com

Stone Restoration is pleased to present this proposal based on the following scope of work in conjunction with the requirements set forth in the **TERMS AND CONDITIONS**.

Work Type: culking, clean/seal, specialty coating, and **Project size:** Quantities as listed. Photos on page 3
misc repairs

SCOPE OF WORK

- 1) Base bid: 1982 pebble pre-cast wing. Cut out and remove residual residue by grinding all (appx) 2,665 LF of existing sealant joints and replace with new backer rod and silicone sealant. Includes all pre-cast joints and window (metal to precast joints). **Total below.** Includes ribbon windows on the front. Includes water test.
- 2) Alt 1: 1982 Pebble pre-cast wing. Wet seal windows. At all 16 window units and the ribbon windows in the front. Provide a silicone wet seal joint at the existing gasket location (1/4" x 1/4") AND provide a silicone seal at the window openings. NOTE: WINDOWS WILL NO LONGER BE OPERABLE. **Add \$12,800 + RMI tax**
- 3) Alt 2: 1982 pebble pre-cast wing. Clean and seal. Utilize a medium pressure wash, environmentally friendly masonry detergents, and abrasive agitation (as necessary) to remove atmospheric and dirt contaminants. Apply a liberal coating of a penetrating water-repellant. Includes Rilem tube (penetration) testing before and after application to document effectiveness. Approximately 6,500 SF **Add \$16,250 + RMI tax**
- 4) Alt 3: 1968 original masonry wing. Cut out and remove residual residue by grinding all (appx) 2,200 LF of existing sealant joints and replace with new backer rod and silicone sealant. Includes all joints around windows, all pre-cast joint (including pebble panels and around and between the decorative bands surrounding windows). Prep and coat all 11 window lintels with zinc corrosion converter and topcoat. Also cut-out and tuck point approximately 50 LF of broken or missing masonry joints. **Add \$22,000 + RMI tax**
- 5) Alt 4: 1968 original masonry wing. Clean and seal. Utilize a medium pressure wash, environmentally friendly masonry detergents, and abrasive agitation (as necessary) to remove atmospheric and dirt contaminants. Apply a liberal coating of a penetrating water-repellant. Includes Rilem tube (penetration) testing before and after application to document effectiveness. Approximately 9,000 SF. **Add \$18,000 + RMI tax**
- 6) Alt 5: 1968 masonry wing. Decorative pre-cast bands. x 4 insets. These elements are cracked and allowing water to enter. Includes installing 2 coats of a matching elastomeric coating (assumes caulking alternate was selected and instead of a silicone a urethane will be used to coat over for aesthetics). **Add \$5,000 + RMI tax**

NOTE(S): *Includes the use of man lifts. Does not include areas above the roofline (to be covered in panels with roofing project). All alternates priced above would have the 6.75% Watauga RMI tax added.*
Silicone sealant includes a 20-year manufacturer material warranty. Includes a two-year full contractor warranty. Windows to be rinsed if clean/seal selected (not washed).
Does not include any work to the newest wing at the rear of the building.
Includes all pedestrian and vehicular barricades and signage. And damaged landscaping to be repaired

Subtotal: \$38,100.00
RMI tax: ** \$2,571.75
Grand Total: \$40,671.75

AGENDA ITEM 10:

PARKS AND RECREATION DISCUSSIONS ON SUMMER CAMPS AND YOUTH SPORTS PROGRAMS

MANAGER'S COMMENTS:

Mr. Stephen Poulos, Parks and Recreation Director, will update the Board on County summer camps and youth sports programs. Staff has been reviewing the pros and cons related to offering summer camps and youth sports programs in light of the COVID-19 pandemic. WAMY and Blowing Rock Parks and Recreation have cancelled their summer camps. In addition, Mr. Poulos will discuss summer and fall youth sports programs.

Staff will be on hand to discuss and answer questions.



WATAUGA COUNTY PARKS & RECREATION

231 Complex Drive • Boone, NC 28607

Phone : (828) 264-9511

Fax : (828) 264-9523

www.wataugacounty.org



M E M O

To: Deron Geouque, County Manager

From: Stephen J. Poulos, *Director* 

Subject: Summer Camp 2020 Recommendation

Date: Tuesday, March 24, 2020

Watauga County Parks and Recreation has consulted the CDC and NCDHHS Summer Camp guidelines and discussed with Dr. Scott Elliott with the Watauga County schools and AppHealthCare-Appalachian District Health Department Director Jen Greene with regards to offering Summer Camp for 2020. We have also been in contact with Blowing Rock Parks & Recreation, WAMY and other camps across North Carolina via zoom meetings through the North Carolina Recreation and Parks Association. We have also surveyed the participants who have registered for our Summer Adventure Camp. The majorities were still interested in camp but were waiting on more guidelines to be released. We have issued 30 refunds to date of the 117 campers signed up initially.

It is our considered opinion to cancel all Summer Camps offered through Watauga County Parks and Recreation for the summer of 2020. Blowing Rock Parks & Recreation and WAMY officially called off their camps as well.

We will continue to monitor the COVID-19 pandemic and react as needed going forward to support our community.

AGENDA ITEM 11:

FINANCE MATTERS

A. Juvenile Crime Prevention Council (JCPC) Expansion of Funds for 2019-2020

MANAGER'S COMMENTS:

Ms. Misty Watson, Finance Director, will present expansion funds for JCPC. Mountain Alliance, Juvenile Mediation and Western Youth Network received additional funds in the current fiscal year totaling \$9,963; with no County match required.

Board approval is requested.



WATAUGA COUNTY

FINANCE OFFICE

814 West King St., Room 216 - Boone, NC 28607 - Phone (828) 265-8007 Fax (828) 265-8006

MEMORANDUM

TO: Deron Geouque, County Manager
FROM: Misty Watson, Finance Director
SUBJECT: JCPC Expansion of Funds for 2019-20
DATE: May 7, 2020

Attached please find additional awarded discretionary funds for the Juvenile Crime Prevention Council. Watauga Mountain Alliance, Juvenile Mediation and Western Youth Network were awarded additional funds in the current fiscal year totaling \$9,963; no match is required from the County for these additional funds. The document summarizes the current allocation plus the addition of the discretionary funds.

Board approval is requested.

Watauga County NC DPS - Community Programs - County Funding Plan

Available JCPC Funds: \$ 114,285 Local Match: \$ 35,846 Rate: 30%
 Raise the Age Expansion Funds: \$ 17,500

DPS JCPC funds must be committed with a Program Agreement submitted in NC Allies and electronically signed by authorized officials.

#	Program Provider	New 19-20 Total DPS Funds	Original 19-20 DPS Funds	DPS-RtA Expansion/ Discretionary Funding	LOCAL FUNDING			OTHER	OTHER	Total
					County Cash Match	Other Local Cash Match	Local In-Kind	State/ Federal	Funds	
1	Crossnore Watauga	\$8,827	\$8,827		\$2,648					\$11,475
2	JCPC Administration (Watauga)	\$1,000	\$1,000							\$1,000
3	Juvenile Mediation (Watauga)	\$11,398	\$9,833	\$1,565	\$2,950					\$14,348
4	Project Challenge (Watauga)	\$45,542	\$43,542	\$2,000	\$13,063	\$600				\$59,205
5	Sentencing Circles (Watauga)	\$12,000		\$12,000						\$12,000
6	Teen Leadership Development and After-School Program (Watauga)	\$16,269	\$7,833	\$8,436	\$2,350	\$1,122				\$19,741
7	Youth Resource Center (Watauga)	\$46,712	\$43,250	\$3,462	\$12,975		\$138			\$59,825
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
TOTALS:		\$141,748	\$114,285	\$27,463	\$33,986	\$1,722	\$138			\$177,594

The above plan was derived through a planning process by the _____ Watauga County
 Juvenile Crime Prevention Council and represents the County's Plan for use of these funds in FY 19-20

Amount of Unallocated JCPC Funds _____
 Amount of Unallocated RtA Expansion Funds -\$9,963
 Amount of funds reverted back to DPS _____
 Discretionary Funds added \$9,963

Check type: Initial plan Update Final

 Chairperson, Juvenile Crime Prevention Council (Date)

 Chairperson, Board of County Commissioners (Date)
 or County Finance Officer

-----DPS Use Only-----	
Reviewed by _____ Area Consultant	_____ Date
Reviewed by _____ Program Assistant	_____ Date
Verified by _____ Designated State Office Staff	_____ Date

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AGENDA ITEM 11:

FINANCE MATTERS

B. Proposed Audit Contract for Fiscal Year Ending June 30, 2020

MANAGER'S COMMENTS:

Ms. Watson will present the bids recently received for the County's audit service. Four (4) firms were solicited. The County's current provider and C. Randolph CPA, PLLC firm responded to the request for proposals. After careful review and consideration staff is recommending C. Randolph CPA, PLLC firm in the amount of \$46,500 (a savings of \$16,850 for the current year) for a three (3) year period. The \$46,500 is for the first year with increases for the following two (2) years.

Board action is required to approve the letter of engagement and audit contract with C. Randolph CPA, PLLC.



WATAUGA COUNTY FINANCE OFFICE

814 West King St., Room 216 - Boone, NC 28607 - Phone (828) 265-8007 Fax (828) 265-8006

MEMORANDUM

TO: Deron Geouque, County Manager
FROM: Misty Watson, Finance Director
SUBJECT: Audit Contract for fiscal year ending June 30, 2020
DATE: May 6, 2020

County staff issued Requests for Proposals (RFPs) to four local and regional firms. The RFPs were for auditing services for fiscal year ending June 30, 2020 with the ability to contract for three fiscal years. The County received responses from two of the four firms. The County's most recent audit fee was \$63,350.

<u>Audit services</u>		<u>Gould Killian CPA Group, PA</u>	<u>C. Randolph CPA, PLLC</u>
FY 2020	*	\$47,500	\$46,500
FY 2021	*	\$50,000	\$47,895
FY 2022	*	\$52,500	\$49,332

* The fee for Gould Killian CPA Group, PA covers testing of 2 major programs, additional testing is \$2,950 per major program.

All pricing is considered to be a not to exceed amount for the fiscal year noted. All two firms met the minimum requirements listed in the RFP. C. Randolph CPA, PLLC is located in Ashe County and Gould Killian CPA Group, PA is located in Buncombe County. Based on the pricing and evaluation of the RFPs, staff is recommending acceptance of the three year pricing proposed by C. Randolph CPA, PLLC and the audit contract and engagement letter attached. The LGC requires annual contract approval by the Board.

LGC-205

CONTRACT TO AUDIT ACCOUNTS

Rev. 9/2019

The	Governing Board Board of Commissioners
of	Primary Government Unit (or charter holder) Watauga County
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name C. Randolph CPA, PLLC
	Auditor Address 219A Beaver Creek School Rd. West Jefferson, NC 28694

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/20	Audit Report Due Date 10/31/20
-----	--------------------------------	-----------------------------------

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

29. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification). #26

30. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>.

31. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

32. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Governmental Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	Title and Unit / Company:	Email Address:
Misty Watson	Finance Director	misty.watson@watgov.org

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year billings. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

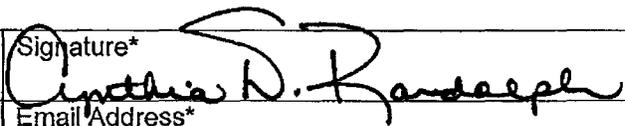
Primary Government Unit	Watauga County
Audit Fee	\$ 38,000.00
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$ 8,500.00
75% Cap for Interim Invoice Approval <i>(not applicable to hospital contracts)</i>	\$ 34,875.00

DPCU FEES (If applicable)

Discretely Presented Component Unit	N/A
Audit Fee	\$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval <i>(not applicable to hospital contracts)</i>	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* C. Randolph CPA, PLLC	
Authorized Firm Representative (typed or printed)* Cynthia D. Randolph	Signature* 
Date* 04/07/20	Email Address* cindy@crandolphcpa.com

GOVERNMENTAL UNIT

Governmental Unit* Watauga County	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* John Welch	Signature*
Date	Email Address john.welch@watgov.org

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer* (typed or printed) Misty Watson	Signature* 
Date of Pre-Audit Certificate* 5/19/20	Email Address* misty.watson@watgov.org

CONTRACT TO AUDIT ACCOUNTS

**SIGNATURE PAGE – DPCU
(complete only if applicable)**

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* N/A	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

DPCU Finance Officer (typed or printed)* N/A	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT

C. Randolph CPA, PLLC
Certified Public Accountant

 219-A Beaver Creek School Rd.
 West Jefferson, North Carolina 28694

Phone: (336) 846-3211

 Fax: (336) 846-1142

To Board of Commissioners and Finance Director

May 7, 2020

 Watauga County
 814 West King St., Room 216
 Boone, NC 28607

We are pleased to confirm our understanding of the services we are to provide Watauga County for the year ended June 30, 2020. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Watauga County as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Watauga County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Watauga County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Changes in the Net Pension Liability-Law Enforcement Officers' Special Separation Allowance Irrevocable Trust (LEOSSA)
- 3) Schedule of the Net Pension Liability (LEOSSA)
- 4) Schedule of County's Contributions (LEOSSA)
- 5) Schedule of Changes in the OPEB Liability and Related Ratios (OPEB)
- 6) Schedule of County's Contributions (OPEB)
- 7) Schedule of Investment Returns (OPEB)
- 8) Schedule of County's Proportionate Share of Net Pension Liability (Asset) (LGERS)
- 9) Schedule of County's Contribution (LGERS)
- 10) Schedule of County's Proportionate Share of Net Pension Liability (Asset) (RODSPF)
- 11) Schedule of County's Contribution (RODSPF)

We have also been engaged to report on supplementary information other than RSI that accompanies Watauga County's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial

statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Expenditures of Federal and State Awards
- 2) Combining and Individual Fund Schedules
- 3) Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

- 1) Schedule of Ad Valorem Taxes Receivable
- 2) Analysis of Current Tax Levy – County-Wide Levy
- 3) Secondary Market Disclosures
- 4) Ten Largest Taxpayers
- 5) Analysis of Current Tax Levy – Fire Districts

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Commissioners of Watauga County. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If,

for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to

management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Watauga County's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and state statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Watauga County's major programs. For federal and state programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Watauga County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of Watauga County in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and state awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on November 15, 2020.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to Watauga County; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of C. Randolph CPA, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Local Government Commission or its designee, a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of C. Randolph CPA, PLLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Local Government Commission. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in early September and to issue our reports no later than November 30, 2020. Cynthia D. Randolph is the engagement partner and is responsible for supervising the engagement and signing the reports.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$46,500. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2018 peer review report accompanies this letter.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We appreciate the opportunity to be of service to Watauga County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Cynthia D. Randolph
CPA

RESPONSE:

This letter correctly sets forth the understanding of Watauga County.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

This instrument has been preaudited in the manner required by the local Government Budget and Fiscal Control Act.

5-7-20 
Date Finance Director



Koonce, Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

To the Owner of C. Randolph CPA, PLLC and the
Peer Review Committee, North Carolina Association
Of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of C. Randolph CPA, PLLC (the firm) in effect for the year ended October 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards* and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of C. Randolph CPA, PLLC in effect for the year ended October 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. C. Randolph CPA, PLLC has received a peer review rating of *pass*.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

December 4, 2018

Raleigh
4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

Durham
3500 Westgate Drive
Suite 203
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro
579 West Street
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

Directory of Governmental Unit and Audit Firm Officials

Watauga County
Governmental Unit

C. Randolph CPA, PLLC
Auditor for the 2019-2020 Fiscal Year

GOVERNMENTAL UNIT

AUDITOR

1. ELECTED OFFICIAL:
(Mayor for Municipalities and chairperson of governing board for all other units)

John Welch
Name

Chairperson
Title

2. MANAGER:
(Or person who serves in this capacity e.g. Administrator, Executive Director, etc.)

Deron Geouque
Name

County Manager
Title

3. FINANCE OFFICER:

Misty Watson
Name

Finance Director
Title

(828) 265-8007
Phone No.

(828) 265-8006
Fax No.

misty.watson@watgov.org
E-Mail Address

1. CONTACT PERSON:
Partner or other person with legal authority to contract for the firm)

Cynthia D. Randolph
Name

CPA
Title

(336) 846-3211
Phone No.

(336) 846-1142
Fax No.

cindy@crandolphcpa.com
E-Mail Address

2. AUDITOR ANTICIPATES PREPARING THE FOLLOWING TYPE OF REPORT:

(Check the appropriate box)

General Purpose Financial Statements with combining, individual fund, and account group financial statements, and schedules required by the LGC

Comprehensive Annual Financial Report (CAFR) including schedules required by the LGC

Notes:

1. Please type all information on this questionnaire.
2. The audit firm representative, the elected official, and the finance officer reported on this questionnaire should agree with the persons reported on the Contract to Audit Accounts.
3. The information on this questionnaire will be used in official correspondence from the Local Government Commission, and the Commission must be notified of any changes in the persons holding these positions.

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AGENDA ITEM 12:

MISCELLANEOUS ADMINISTRATIVE MATTERS

A. CARES Act Relief Funds Plan

MANAGER'S COMMENTS:

The North Carolina General Assembly authorized coronavirus relief funds in Session Law 2020-4. The legislation allocated \$150 million in funding to the 97 counties that did not receive direct federal funding from the CARES Act. In addition, it holds in reserve \$150 million subject to action by the federal government. Key provisions of the Local Government Coronavirus Relief Reserve include:

- Funding is distributed on a per capita basis, with a guaranteed minimum distribution of \$250,000 per county.
- Counties are authorized but not required to allocate a portion of their allotment to municipalities within the county, provided the transfer meets the requirements of the CARES Act and corresponding U.S. Treasury guidance.
- Quarterly reporting to the OSBM on the use of funds is required, beginning Oct. 1, 2020. Unspent and misspent funds are subject to federal recoupment. Counties and municipalities are subject to clawback or other state measures for misuse.
- An additional \$150 million in a Reserve Fund to be appropriated to local governments **IF** local governments experience a revenue shortfall from COVID-19 **AND** the federal government amends the CARES Act to allow CRF money to be spent on revenue replacement.
- Establishes a Pandemic Recovery Office to oversee and coordinate reporting and accounting of CRF funding.
- Unspent or misspent funds are subject to federal recoupment after December 30, 2020.
- All funding is required to be expended according to the requirements of the CARES Act and corresponding U.S. Treasury guidance.

Watauga County received \$1,164,018 in relief funds. Staff has developed the attached plan for the expenditure of these relief funds. The funds are recommended to be distributed as follows:

- 1) Essential Local Government Response
 - a. Watauga County - \$100,000
 - b. Town of Beech Mountain – \$20,290
 - c. Town of Blowing Rock - \$21,153
 - d. Town of Boone - \$38,382
 - e. Town of Seven Devils - \$20,175
- 2) Healthcare Services - Appalachian Regional Healthcare System - \$200,000
- 3) Educational Support Services – Watauga County School System - \$125,000
- 4) Public Health Services – AppHealthCare - \$639,018

The plan is required to be submitted by June 1, 2020. Funds would be distributed on a reimbursement basis. Each entity will be required to submit a County reimbursement form along

with all necessary information and expend all funds by October 1, 2020. Any unspent funds would be reallocated to the other entities included in the plan.

Board approval is required to adopt the plan as presented and submit to the North Carolina Office of State Budget and Management.

Coronavirus Relief Fund
Guidance for State, Territorial, Local, and Tribal Governments
April 22, 2020

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.¹

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost

¹ See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

A cost is “incurred” when the responsible unit of government has expended funds to cover the cost.

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
 - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
 - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
 - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
 - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
 - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Nonexclusive examples of ineligible expenditures²

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.³
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

² In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

³ See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

**Coronavirus Relief Fund
Frequently Asked Questions
Updated as of May 4, 2020**

The following answers to frequently asked questions supplement Treasury’s Coronavirus Relief Fund (“Fund”) Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, (“Guidance”).¹ Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

Eligible Expenditures

Are governments required to submit proposed expenditures to Treasury for approval?

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online

¹ The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

May a State receiving a payment transfer funds to a local government?

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

May a unit of local government receiving a Fund payment transfer funds to another unit of government?

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

Are States permitted to use Fund payments to support state unemployment insurance funds generally?

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers’ compensation coverage. Is the cost of this expanded workers compensation coverage eligible?

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

May Fund payments be used for COVID-19 public health emergency recovery planning?

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

Are expenses associated with contract tracing eligible?

Yes, expenses associated with contract tracing are eligible.

To what extent may a government use Fund payments to support the operations of private hospitals?

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

May recipients create a “payroll support program” for public employees?

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

May Fund payments be used to assist impacted property owners with the payment of their property taxes?

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

Questions Related to Administration of Fund Payments

Do governments have to return unspent funds to Treasury?

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

What records must be kept by governments receiving payment?

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act

May recipients deposit Fund payments into interest bearing accounts?

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government’s general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary

expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

May governments retain assets purchased with payments from the Fund?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

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AGENDA ITEM 12:

MISCELLANEOUS ADMINISTRATIVE MATTERS

B. Boards and Commissions

MANAGER'S COMMENTS:

AppalCART Board

Appalachian State University has requested that, Mr. John Eckman, Associate Vice-Chancellor for Campus Services, be appointed to replace Mr. Paul Forte, Vice-Chancellor for Business Affairs, on the AppalCART Board. This is a first reading.

Economic Development Commission

The terms of the following four (4) members of the Economic Development Commission will expire in June: Mr. Walter Kaudelka, Mr. James Bance, Mr. Wallace Greer, and Mr. Erik Lanier. Terms are three (3) years with a limit of two (2) consecutive terms. Mr. Kaudelka has served two (2) full terms and, therefore, is ineligible for reappointment. Mr. Bance, Mr. Greer, and Mr. Lanier are all eligible to be reappointed and are willing to continue serving. This is a first reading.



Office of the Chancellor
ASU Box 32002
Boone, NC 28608-2002
(828) 262-2040
chancellor.appstate.edu

May 4, 2020

Watauga County Board of Commissioners
814 West King Street, Suite 205
Boone, North Carolina 28607

Dear Watauga County Board of Commissioners:

On behalf of Appalachian State University, I would like to respectfully request that Mr. John Eckman, Associate Vice Chancellor for Campus Services, be appointed to the AppalCART Board of Authority effective immediately. Mr. Eckman will be replacing Mr. Paul Forte, Vice Chancellor for Business Affairs.

Please don't hesitate to contact my office if we can provide you with anything further. Thank you for all that you do for the Boone Community and Appalachian State University.

Sincerely,

A handwritten signature in black ink, appearing to read "SE" followed by a stylized flourish.

Sheri Everts
Chancellor

SN/ada

Copies to: Chair Quint David
Mr. John Eckman
Mr. Paul Forte
Mr. Craig Hughes

AGENDA ITEM 12:

MISCELLANEOUS ADMINISTRATIVE MATTERS

C. Announcements

MANAGER’S COMMENTS:

Ms. Alice Cohen, Collaboration Specialist with the Forest Service National Forests in North Carolina, has announced that the public comment period for the proposed Nantahala and Pisgah National Forests plan revision (as included) has been extended to June 29, 2020, which is an additional 45 days beyond the original 90-days. This provides more time for the public to offer input, given the transition to work and family during the coronavirus pandemic.

Subject: FW: U.S. Forest Service Proposed Forest Plan Review
Attachments: Plan Revision Bulletin_050520.pdf; 7-min county overview.mp4; NPNFs Readers Guide_Rollout_final_020520.pdf; Eastern Escarpment GA.pdf; Timber Mythbuster_020520.pdf; Wilderness Mythbuster_020320.pdf

From: Cohen, Alice R -FS [<mailto:alice.cohen@usda.gov>]
Sent: Thursday, May 7, 2020 6:56 PM
To: John Welch; Deron.Geouque; Joe Furman
Cc: Nicholas, Allen -FS; Fitzsimmons, Cavan -FS; Larson, Nicholas -FS
Subject: U.S. Forest Service Proposed Forest Plan Review

Hello Watauga County representatives.

I'm sure you are busy just trying to keep up with the current state of affairs and shift your work, as are we. That said, we have adjusted our forest plan rollout efforts to better connect with our counties, community members and other interested individuals.

We have extended our public comment period for the proposed Nantahala and Pisgah National Forests plan revision to June 29, 2020, an additional 45 days beyond the original 90-days. This provides the public more time to offer input, given the transition to work and family life in this time of the coronavirus pandemic. The extension also allows us to adjust our outreach efforts and methods to respond to social distancing requirements. We value your input and want to provide you an opportunity to review the draft documents as they pertain to your interests, in lieu of our previous attempts to schedule a face-to-face meeting.

Please find attached outreach pieces and relevant portions of the plan we feel will be most useful for your county. Please find attached a 7-minute overview presentation geared toward county interests as an introduction. The Reader's Guide is a quick and easy overview of the elements of the plan and how we addressed some topics of public interest. The Geographic Areas sections specific to your county reflect what we heard is important to people and what is unique to those areas. Also attached are a Timber Mythbuster and Wilderness Mythbuster to address the misconceptions we have heard around these two topics. We have added numerous informational pieces in a variety of formats to our website along with links to the draft documents and maps at: www.fs.usda.gov/goto/nfsnc/nprevision. A visual depiction of the Geographic Areas including maps is found at: <https://tinyurl.com/yamenmar> and a visual depiction of the Forest Plan and Alternatives including maps is found at <https://tinyurl.com/ybjqyvj1>. These StoryMaps are very user-friendly, visual tools found on the plan revision website listed above. Additionally, our website includes a 45 minute overview video of the documents that will help pull the pieces together.

If these materials don't answer all of your questions, please feel free to reach out to us. We have scheduled conference calls with forest supervisor, Allen Nicholas, and the district rangers to answer county staff and elected officials' questions at the following times:

- Friday, May 15, from 9-10 am
- Tuesday May 19, from 12-1pm

Dial 888-844-9904, then enter the passcode 7038322#.

For broader outreach, we have created a virtual open house format with the materials on our website, to be revealed May 18. We have scheduled four public Question and Answer sessions that only require a phone line to participate in consideration of those individuals who are unable to participate through other virtual technology means. See the attached bulletin for more information on those.

Please let me know if your county is interested in joining one of the county focus calls and don't hesitate to reach out about this or other questions you may have.

Thank you.



Alice Cohen
Collaboration Specialist

Forest Service
National Forests in North Carolina

p: 828-257-4230
c: 828-767-9019
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**Caring for the land and serving
people**

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Nantahala and Pisgah Forest Plan Comment Period Extended

Asheville, NC, May 5, 2020 - The USDA Forest Service is extending the comment period for the proposed Nantahala and Pisgah forest plan and draft Environmental Impact Statement (EIS) by an additional 45 days.

The public review and comment period, which was previously scheduled for February 14 through May 14, will now end on June 29, 2020.

“Since we released the plan in February, we’ve had to make some changes to the ways that we engage with the public,” said Allen Nicholas, Forest Supervisor for the National Forests in North Carolina. “Most of our March open houses were canceled, so we’ve created new opportunities to ensure that everyone can learn more about the plan and ask us questions.”

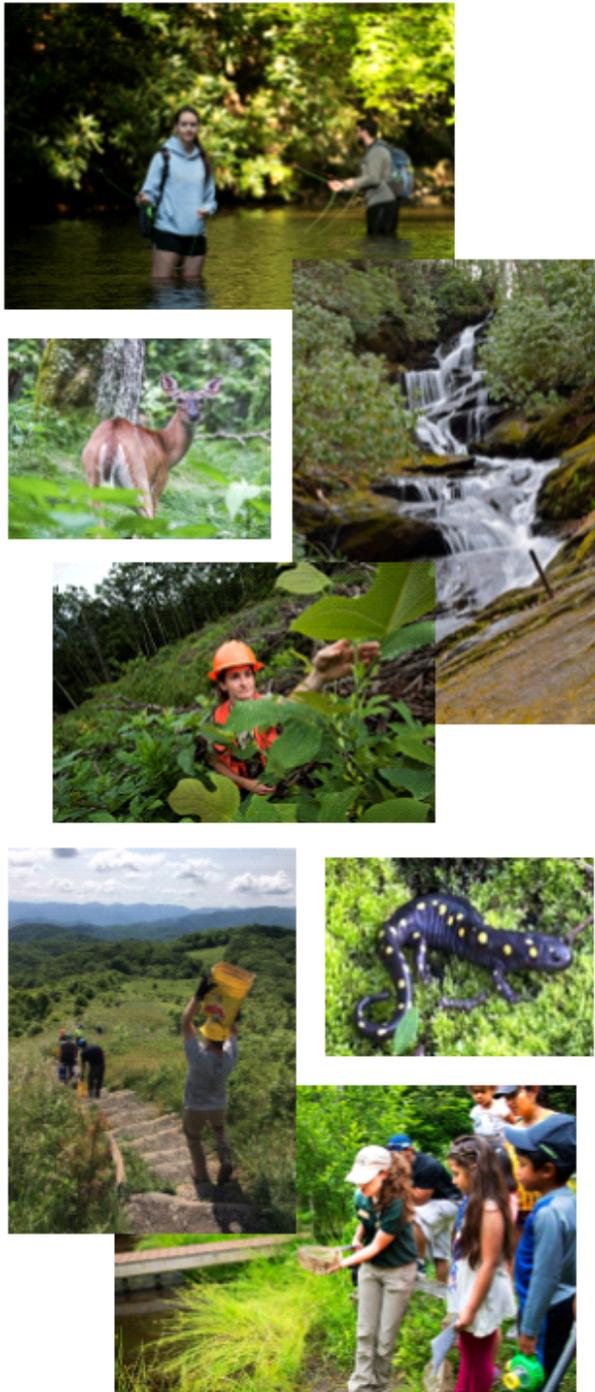
Beginning May 18 and continuing through the end of the comment period, the forest website will feature a virtual open house. Similar to an open house meeting, information will be organized by topics such as recreation, wildlife, timber, and wilderness. In addition to the proposed plan and analysis, a full suite of supporting materials is already online, including a 2-minute introductory video, a visual Readers Guide, an overview presentation, detailed presentations, questions and answers on multiple topics, and interactive maps.

The planning team will answer public questions through conference calls. These do not require internet access to attend. To join, call 888-251-2949 or 215-861-0694 using access code 3889103# at the following times:

- May 28, 6:30-8 p.m.
- June 2, 7:30-9 a.m.
- June 4, 5:30-7 p.m.
- June 8, noon-1:30 p.m.

Questions may be submitted in advance by email to SM.FS.NFsNCQandAs@usda.gov. This email address is exclusively for submitting questions for the telephone question and answer sessions. Comments on the proposed plan must be submitted through the online commenting system or by mail. For more information, including how to submit a question or comment, please visit www.fs.usda.gov/goto/nfsnc/nprevision.

Nantahala and Pisgah Forest Plan Revision Reader's Guide



Greetings forest user,

The U.S. Forest Service is releasing a proposed plan for the Nantahala and Pisgah National Forests. The forest plan provides a strategic framework for managing the Forests over the next 10-15 years. The plan includes desired conditions that describe what we want the Forests to be in the future and objectives that describe actions the Forest Service will take.

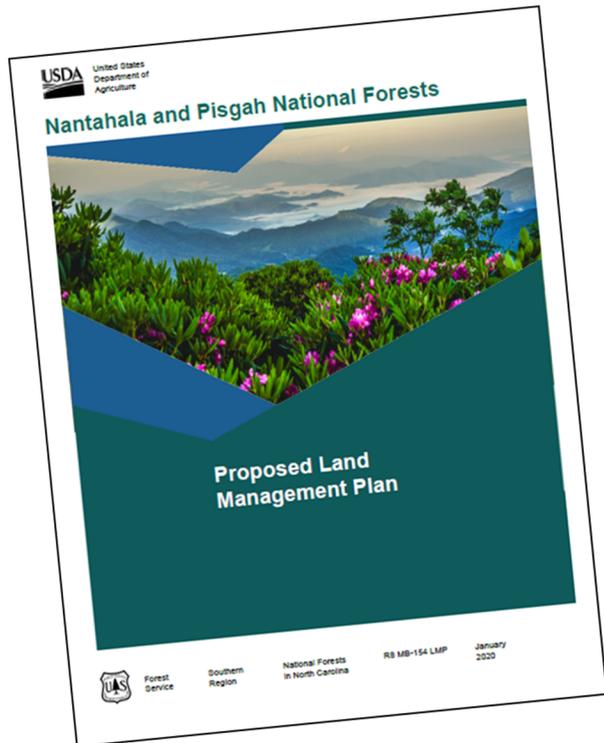
In addition, we are releasing an environmental analysis of four approaches or “alternatives” we could take to implement the forest plan. This Reader's Guide provides an overview of the forest plan with reference to the alternatives.

We have worked with diverse members of the public to build a broadly supported and implementable forest plan that will connect people to the land; restore forest resiliency, forest health, and wildlife habitat; provide clean and abundant water; support recreation and local jobs; and provide a platform for working together toward shared goals.

With the release of the proposed forest plan, a 90-day comment period begins. We seek input on how to refine the plan. We encourage you to reach out to organizations who have been involved in the process and that represent your interests to see how your interests have been incorporated. See the last page for how to share your comments with us.

*-The Nantahala and Pisgah Plan Revision Team
February 2020*

What documents are now available?



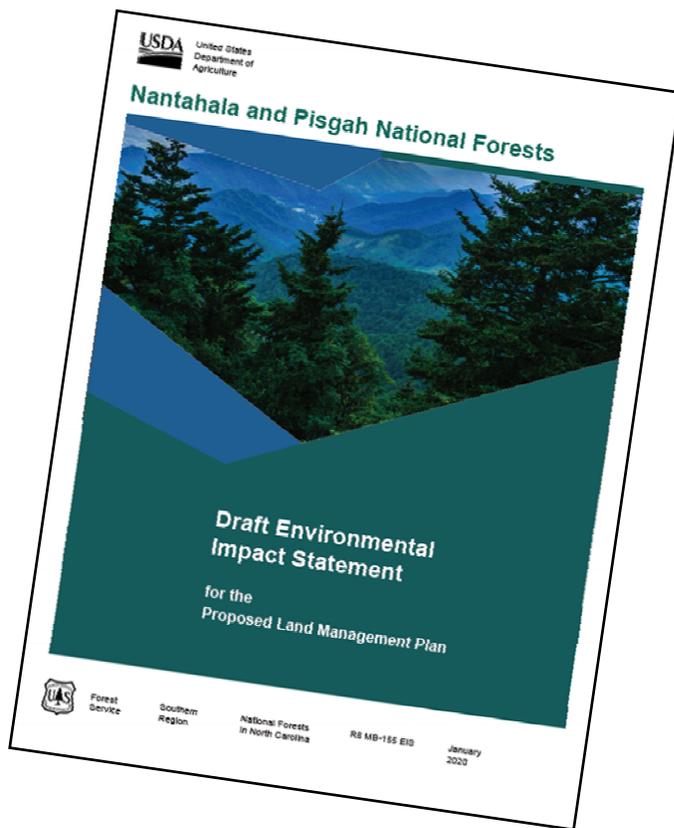
The proposed land management plan, or **proposed forest plan**, establishes a vision for how the Nantahala and Pisgah National Forests will be managed for the next 10 to 15 years, and establishes the strategic framework for achieving that vision. All future projects, everything from trail building to tree harvesting and stream restoration, will have to be consistent with the forest plan.

The plan includes: desired conditions, that describe what we want forest resources to be like in the future and objectives, the measurable steps we will take in the next decade to achieve those longterm goals. The plan also includes a set of maps that show where plan direction will be applied across the forest.

At this stage, the plan is called a “proposed” plan because it is a draft available for public comment. Comments received during this 90 day comment period will shape the final plan.

The **draft environmental impact statement (DEIS)** describes and analyzes in detail the effects of the proposed plan on the physical, biological, and social resources of the Nantahala and Pisgah National Forests.

The DEIS includes 4 proposed plan alternatives, which differ in their methods for managing vegetation patterns and wildlife habitat, special designations, access, sustainable recreation, and economic contributions of the forests, and helps inform the decision about the final plan.



This Readers Guide provides information about the contents of these documents and their appendices, and directs readers to sections that may be of interest to take a closer look.... Look for this book icon for tips on which sections to read for more information.

What will the proposed plan do?

The Proposed Plan will:

- ◇ **Recognize and contribute to multiple uses of the Forest Service mission** including timber harvest, recreation, wildlife, water and wilderness.
- ◇ **Improve forest health and resiliency.** increase the pace and scale of restoration above current levels; maintain and improve the diversity of forest vegetation especially young forest, open forest, and old growth conditions; increase management activity using silviculture and fire as tools; and control invasive species.
- ◇ **Improve or maintain wildlife habitat conditions** for the wildlife species that depend on the forest, including federally-listed species and species of conservation concern, rare and unique habitats, resident and migrant game species, pollinators, birds, bats, fish, and more.
- ◇ **Contribute to clean and abundant water** by sustaining surface water and groundwater flows, protect water quality, maintain fish and wildlife habitat, control erosion, restore streams and streamside zones, and continue to sustain forests as a source of drinking water to communities in Western NC.
- ◇ **Improve the Forests' world class recreation opportunities** for year-round outdoor play and exercise. The plan will provide for both developed and dispersed recreation on land and water, from an outdoor multiple use trail system to indoor facilities, ensuring opportunities and sites are sustainable.
- ◇ **Enable forest access**, including for hunting, fishing and gathering of forest products, as well as providing for the needs of Federally recognized Tribes.
- ◇ **Contribute to local economies** by collaboratively providing resources, improvements to infrastructure, sustainable levels of renewable forest commodities that contribute to local businesses, tourism, and sustainable community growth.
- ◇ **Sustain the Forests' scenic beauty and cultural resources**, enabling the forest to remain a destination for spiritual renewal and connecting to our shared history.
- ◇ **Continue to manage existing administrative and Congressionally designated areas which will not be changed during revision.** These areas include:

<i>National Scenic & Historic Trails, such as the Appalachian Trail and the Trail of Tears</i>	
<i>Congressionally designated Wilderness</i>	<i>Wilderness Study Areas</i>
<i>Wilderness Study Areas</i>	<i>Experimental Forests</i>
<i>Wild & Scenic Rivers</i>	<i>Research Natural Areas</i>
<i>Inventoried Roadless Areas</i>	<i>Cradle of Forestry Historic Site</i>
- ◇ **Recommend land allocations in the following three areas :**

<i>Recommended Wilderness</i>	<i>Eligible Wild and Scenic Rivers</i>	<i>Special Interest Areas</i>
-------------------------------	--	-------------------------------
- ◇ **Recognize the value of partners in shaping our shared future**, identify how other agencies, government and non-government partners, volunteers and visitors contribute to sustaining these National Forests, and will identify and help facilitate additional opportunities to work together for shared goals.
- ◇ **Be inclusive of input from the public, governments, Federally Recognized Tribes, and best available science.** The plan is developed with input from the public and future planning and projects will be undertaken in collaboration with the public. The Forest Service will continue to collaborate with the public on implementing the revised plan.

The Proposed Plan will not: Decide the future of a particular trail, road, recreation site, or project design; make any leasing decisions about oil and gas resources; or authorize activities to take place on the forest. (All future projects must be analyzed prior to implementation).

How is the proposed plan different from the current plan?

The plan is built around 4 themes that serve as the basis for all management direction:



Connecting
People to
the Land



Sustaining
Healthy
Ecosystems



Providing
Clean and
Abundant
Water



Partnering
with Others

The revised plan will be poised to accelerate the achievement of shared goals:

- It establishes a clear vision for each ecological community on the forest.
- It identifies an additional tier of work beyond current Forest Service capacity that may be accomplished with partners.
- It places greater emphasis on the places and uses important to people.
- The alternatives were designed based on shared values we heard from our partners and the public to offer win-win solutions and minimize polarization.

Here are some examples of proposed shifts in management outlined by the proposed plan:

Ecosystem-based approach: Unlike the previous plan that framed activities in terms of outputs and traditional standards and guidelines, the revised plan developed desired conditions for each ecological community. The forest developed a model of the natural range of variation and analyzed departure from that range, developing desired conditions for each ecozone. By using ecological communities, projects will consider needs across a broader landscape, improving restoration efforts for ecosystems and the wildlife that depend on them.

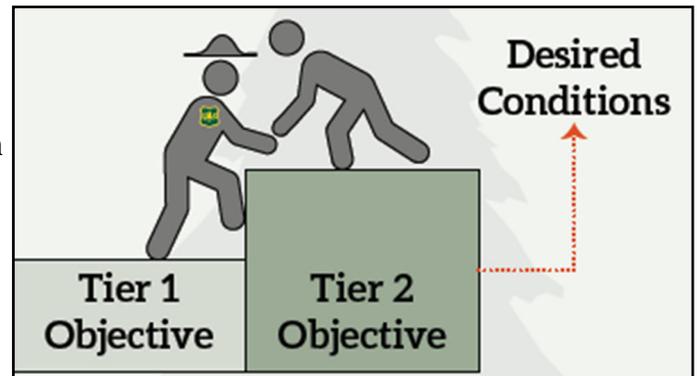
Recognizing the importance of place: The revised plan places a much greater emphasis on the way people use the forest - the places and uses that are important to people. The plan is divided into 12 geographic areas that outline goals for connecting people to the land in different parts of the forest, and discusses opportunities for working across boundaries with neighboring lands. This chapter reflects the interests we heard from thousands of public comments and has been well received by local governments and citizens.

Tribal relations: The Forest has engaged in extensive dialogue with interested tribes to ensure that traditional ecological knowledge and places of tribal significance are recognized and valued in the plan. We have coordinated with Tribes on language and desired management within the Trail of Tears Heritage Corridor.

How is the proposed plan different from the current plan?

Here are more ways that the proposed plan differs from the current plan:

Collaborative capacity: The plan identifies objectives for the next 10 years at two tiers: one if existing FS capacity continues as expected levels, and a second tier if we increase capacity in the form of help from others or additional resources. By outlining what we could do with the help of others we hope to incentivize shared stewardship and build partnerships to accomplish more work.



Local government relationships: The Forest Supervisor and District Rangers have been meeting with county officials to discuss forest plan revision and other topics. More than 15 county meetings have occurred, as well as three meetings with Councils of Government and discussions with local congressional staff. We have reached out to counties again to share the proposed plan. The plan recognizes the value of the forest to the local economy and includes an objective to annually meet with local governments to coordinate on jobs, tourism, and public health and safety.

Operable acres for timber: The plan estimates the total amount of land base that is available and accessible for timber harvest over the next several decades. This analysis is more refined than analyses used in the current plan because it considers current age and condition of the forest, topography, existing and potential road access, and the constraints associated with using contemporary harvest equipment. As a result, the analysis provides a more realistic estimate of how many forest acres could be available for timber harvest, although it is still a landscape estimate.

Addressing sustainable recreation: The action alternatives of the plan guide construction of newly designated trails in order to address sustainability of the trail program, the desire for collaborative recreation planning and minimizing user created impacts. The approach for this varies by alternative - see alternatives section for more information. The revised plan in all action alternatives limits bicycle and horseback riding use to designated trails and roads, rather than cross country travel. These and other plan components help reduce resource impacts of trails recreation, while also considering how we can be more fiscally sustainable in managing recreation.

Addressing old growth: The alternatives explore different ways of providing assurance for maintaining old growth characteristics. Alternatives vary in the acres and locations managed for old growth characteristics. They also vary in the way that existing old growth is treated at the project level when it is identified.

Unprecedented public involvement: The planning process has involved an unprecedented amount of public engagement, which is intended to set the stage for future involvement in project design. The plan has a section on public involvement and a guideline to facilitate collaboration and meaningful public participation during preparation of integrated landscape projects.

What does the proposed plan contain?



The proposed forest plan provides the strategic direction for the Nantahala and Pisgah National Forests. Here's what you'll find inside:

Chapter 1: Introduction

This chapter briefly describes the Nantahala and Pisgah National Forests in the context of surrounding public and private lands in Western North Carolina and summarizes the current condition and trends (which can be found in more detail in the 2014 Assessment report).

Chapter 2: Forestwide Direction

This chapter contains the bulk of the plan direction, organized into 25 resources topics, from air to water and all the letters in between.

Chapter 3: Geographic Area Direction

This chapter provides direction for the Forest's distinct landscapes, recognizing opportunities in each part of the Forest for restoration and sustainable recreation opportunities, connections to nearby communities, and opportunities for partnerships with the public, other organizations, and governments. Geographic areas contain the forestwide resources mentioned in Chapter 2.

Chapter 4: Management Areas

Management areas identify places across the forest that require similar management. They outline the methods and tools the Forest Service will use to maintain National Forest System land. Management areas were identified using the principles of landscape ecology while considering the benefits the Forests provide to people.

Chapter 5: Monitoring and Adaptive Management

This chapter outlines how we will monitor our progress toward our longterm goals and provides a framework to adapt our approach when needed.



Appendices provide in-depth information and are contained in separate files.

Appendix A: Consolidated Forest Plan Objectives identifies all the plan objectives in one spot, organized by theme—a great one-stop resource to understand the proposed plan.

Appendix B: Timber Calculations contains information on the planned timber sale program timber harvest levels and methods of forest vegetation management practices expected during the plan.

Forestwide Plan Direction



The Proposed Plan's Forestwide chapter (Chapter 2) contains plan guidance that applies to the entire Nantahala and Pisgah National Forests.



FORESTWIDE DIRECTION

Describes management for the entire forest
Made up of Desired Conditions, Objectives,
Standards and Guidelines, and Management
Approaches

Think of the Forest Plan as a road through the Forest...

DESIRED CONDITIONS describe your destination. These are the big-picture goals. You may not get there overnight, but you know where you want to go.

OBJECTIVES describe the road you are driving on. These are time specific, measurable, and are the actions you take to get to your destination.

STANDARDS and **GUIDELINES** describe the guardrails that keep you on the road. These are the rules that you must follow.

MANAGEMENT APPROACHES describe the toolbox you have to make sure you get to your destination in one piece. They are optional to use, but can help along the way.

The Plan contains desired conditions, objectives, standards, guidelines and management approaches on each resource topic identified below:

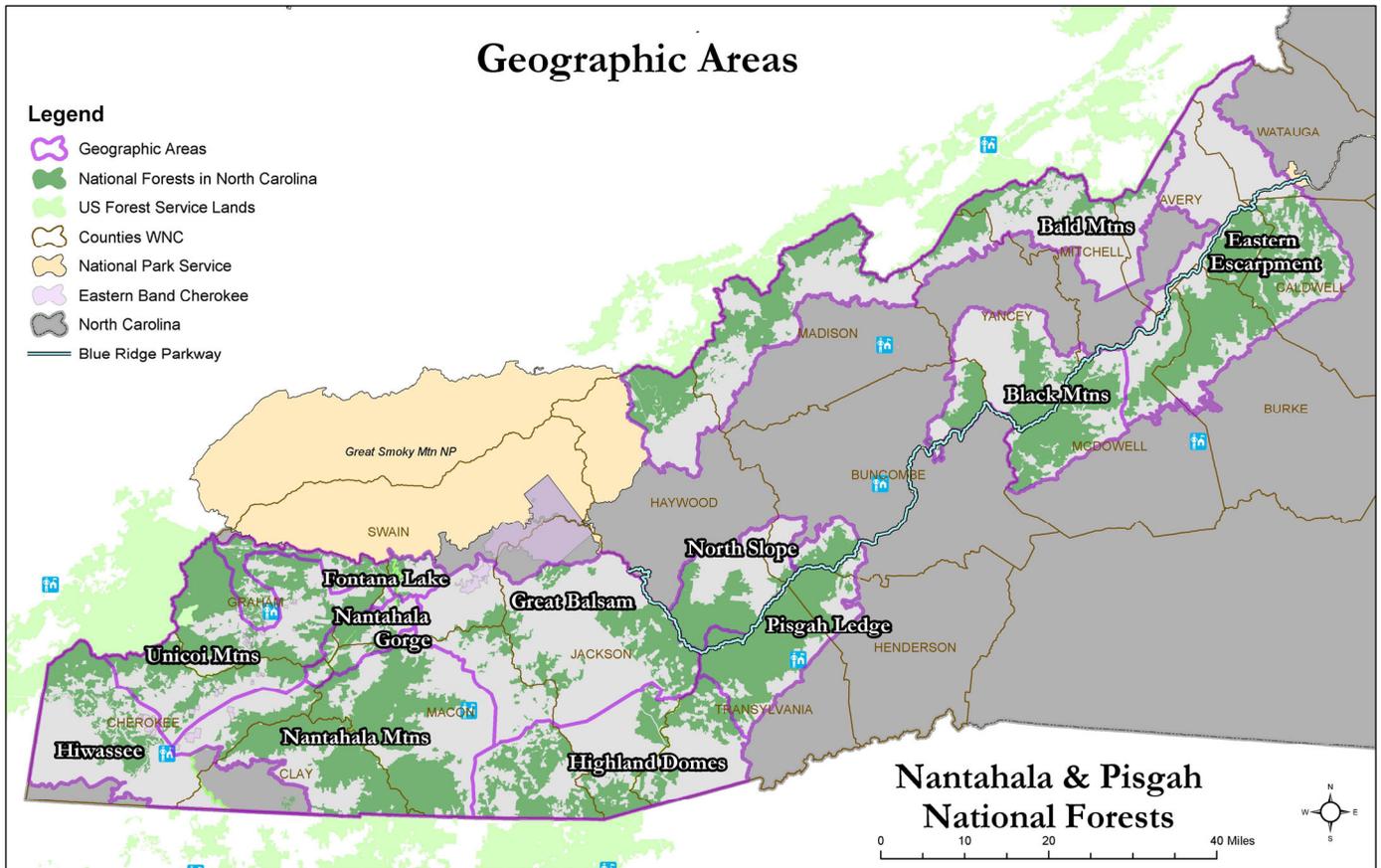
- ◆ Public Involvement
- ◆ Community Connections
- ◆ Air Climate Change
- ◆ Geologic Resources
- ◆ Watershed
- ◆ Soils
- ◆ Water
- ◆ Aquatic Systems
- ◆ Streamside Zones
- ◆ Terrestrial Ecosystems
- ◆ Plant and Animal Diversity
- ◆ Fire and Fuels
- ◆ Lands and Special Uses
- ◆ Transportation and Access
- ◆ Facilities
- ◆ Recreation Settings
- ◆ Developed Recreation
- ◆ Dispersed Recreation
- ◆ Scenery
- ◆ Cultural Resources
- ◆ Tribal Resources
- ◆ Non-timber Forest Products
- ◆ Minerals and Energy
- ◆ Conservation Education & Interpretation

Places Matter - Geographic Areas

 The Proposed Plan’s Geographic Areas chapter (Chapter 3) recognizes Nantahala and Pisgah National Forests’ unique sense of place across more than 1 million acres.

By separating the Forest into distinct landscapes, the proposed plan recognizes opportunities unique to each part of the Forest, including restoration and sustainable recreation opportunities, connections to nearby communities, and opportunities for partnerships with the public, other organizations, and local governments. Geographic areas are impacted by communities and topographic elements that help define each area.

This chapter and concept was added to the plan in response to public input. Each geographic area has goals that will serve as emphases for management and were crafted with input from the public.



What are Management Areas?



The Proposed Plans' Management Areas chapter (Chapter 4) provides direction for areas that have similar management intent and strategy, including general forest zones, and congressionally or administratively designated areas.

While the majority of forest plan direction is contained in the Forestwide Chapter, some areas of the forest have specific management needs. These areas are known as **management areas**.

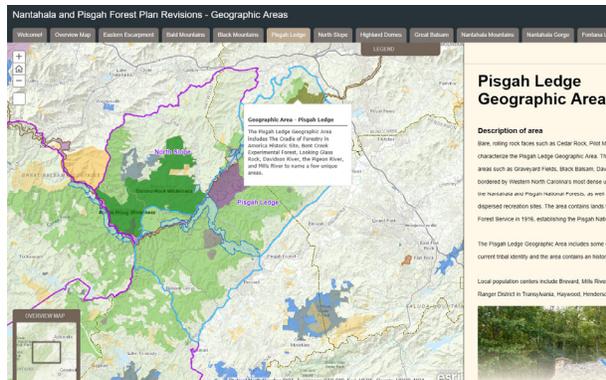
Forest management areas can be compared to city zones. However, instead of being zoned as residential, commercial, or industrial, the forests' management areas are divided into locations emphasizing different aspects of the vision established in the forest plan. For example, there is a management area that emphasizes recreation (Interface), one that emphasizes active management to improve ecosystem health and diverse wildlife habitat (Matrix), and another that emphasizes large landscapes where natural processes dominate (Backcountry). Management areas are drawn on plan maps so managers know where each emphasis applies.

When viewed as a complete forest landscape, these management areas work together to form a network of forest patches, edges, corridors, and mosaics that reflect the forest resources and the ways we manage the land.

The current forest plan has 25 numbered management areas that create unnecessary complexity. The proposed revised plan incorporates public input to decrease the number of management areas to 16 and to name them. This new approach would provide more meaningful management of those areas and reflects public interests and involvement.



The proposed plan and draft Environmental Impact Statement offer different options for how these management areas fall on the landscape. See the mapped options in DEIS Appendix I, or zoom into a location and see all four options at once using our online Storymap at: www.fs.usda.gov/goto/nfsnc/nprevision.



What does the draft Environmental Impact Statement contain?



The draft Environmental Impact Statement analyzes the indirect effects of the plan on forest resources. Here's what you'll find inside:

Chapter 1: Purpose and Need for Action

This chapter briefly describes the purpose and need for the forest plan revision and key issues that emerged from the public involvement process.

Chapter 2: The Proposed Action and Alternatives

This chapter describes alternatives for the proposed plan and how the alternatives were developed to be responsive to public input. This chapter also provides a summary of the environmental consequences associated with each alternative.

Chapter 3: Affected Environment and Environmental Consequences

This chapter describes the current condition of forest resources and the environmental effects of implementing the draft plan and other alternatives. The analysis is organized by physical, biological, and social and economic resource topics.

Chapter 4: List of Preparers and Consultation and Coordination:

This chapter provides a list of preparers and agencies consulted during the development of the EIS.



Appendices provide in depth information about the processes, assumptions and methods used to complete the draft Environmental Impact Statement.

DEIS Appendices (contained in separate files)

Appendix A. Response to Comments (placeholder, used in the final EIS)

Appendix B. Description of the Analysis Process

Appendix C. Ecological Sustainability Analysis

Appendix D. Vegetation Modeling Methods

Appendix E. Wilderness Evaluation Process

Appendix F. Wild and Scenic River Evaluation Process

Appendix G. Coordination with other Public Planning Efforts

Appendix H. Public and Government Involvement

Appendix I. Maps

Forest Plan Alternatives

Four alternative approaches to managing the Forests are presented in the draft Environmental Impact Statement. The alternatives examine different ways that management can make progress towards multiple goals and be sensitive to special places. Alternatives were designed based on shared values we heard from our partners and publics to offer win-win solutions and minimize polarization.

Alternatives were developed with the input of states and local government, Tribes, collaborative groups, and our public. Collaborators specifically asked the Forest Service to design alternatives that would unite interests, building upon shared values, rather than send folks back to their corners to advocate for single interests. As a result, each action alternative offers something significant to gain for multiple interests. For example, in this DEIS, the alternative with the most recommended wilderness is also the alternative with the most land in active timber management, as the locations desired for these different styles of management are typically not mutually exclusive. The Forest Service believes that all of the multiple uses can be accomplished on the 1 million acre forest, doing more for all interests, without pitting interests against each other.

Four alternatives are analyzed in detail. The Forest Service does not have a preferred alternative because we want to hear from you before we make that decision.

Alternative A is the alternative that continues existing plan management direction (or the “No-Action” Alternative).

Alternative B has the most land available for active timber management, motorized access and recommended wilderness, and provides most flexibility to add new trails and adjust the old growth network.

Alternative C has the least land available for active timber management, motorized access and recommended wilderness, and instead places more land in backcountry and a new management area that emphasizes active management for species composition. This alternative adds the most restrictions on new trail development and eliminates future additions to old growth.

Alternative D includes a moderate amount of land available for active timber management, recommended wilderness, backcountry and the new management area that emphasizes active management for species composition. This alternative allows adjustment to the trail network and old growth network in the future, only when specific conditions are met.

Alternatives B, C and D all contain the same level of proposed activities, identified as Tier 1 and Tier 2 objectives. In the three places where plan direction differs between alternatives, the different plan language options are explained in the proposed plan on the appropriate page for each plan component.(ECO-S-28 on p. 70, REC-O-07 on p. 114, and REC-S-14 on p. 115).



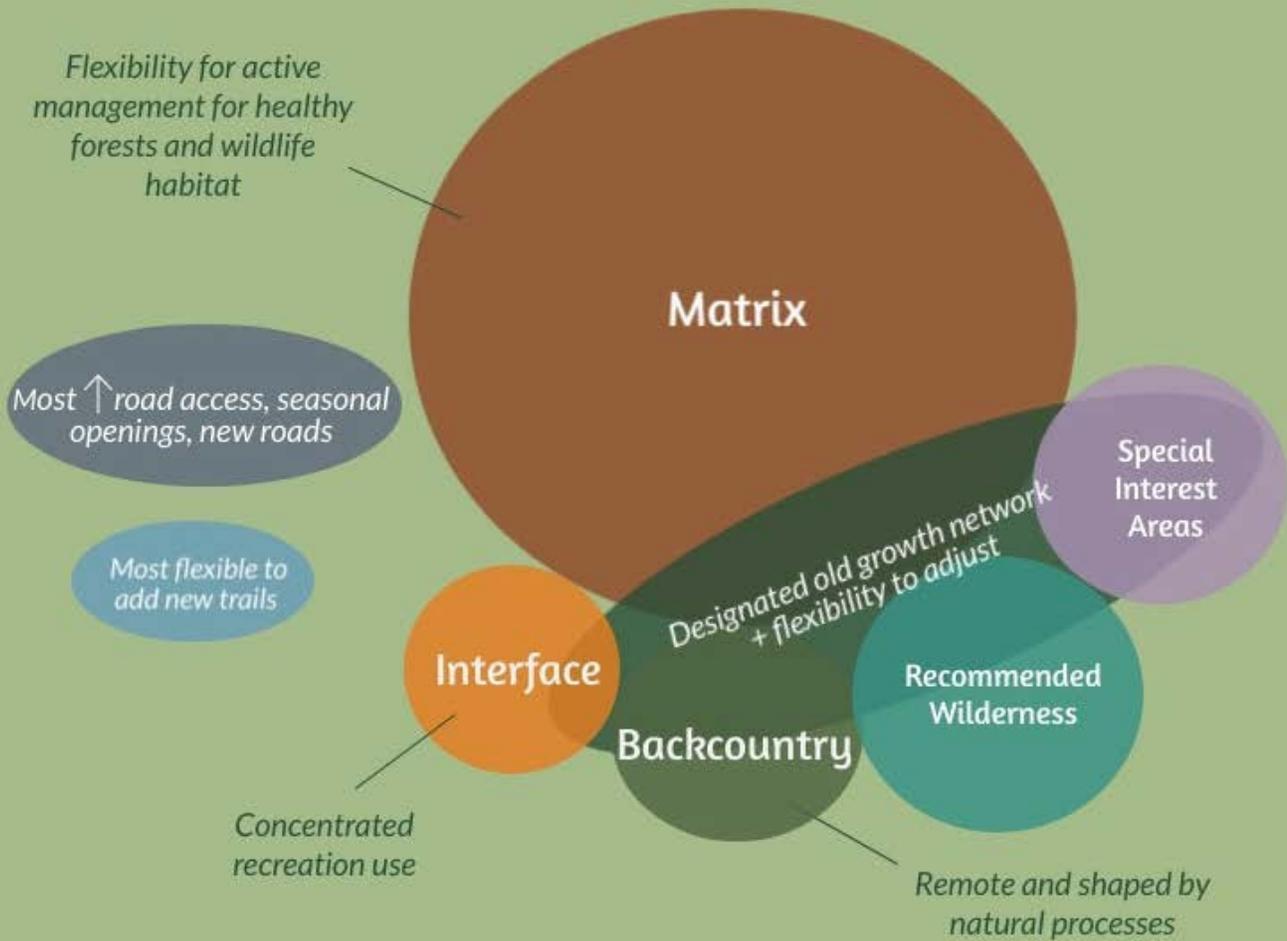
Draft Environmental Impact Statement Chapter 2 outlines differences between the alternatives, and shows comparison tables of key metrics and how effectively alternatives meet longterm desired conditions. Alternative maps are found in **DEIS Appendix I** or see all options at once on our **online Storymap**.

Forest Plan Action Alternatives : Alternative B

Nantahala and Pisgah National Forests Proposed Land Management Plan

Alternative B

Alternative B responds to those who desire more flexibility for managing vegetation patterns, wildlife habitats, recreation, and access.



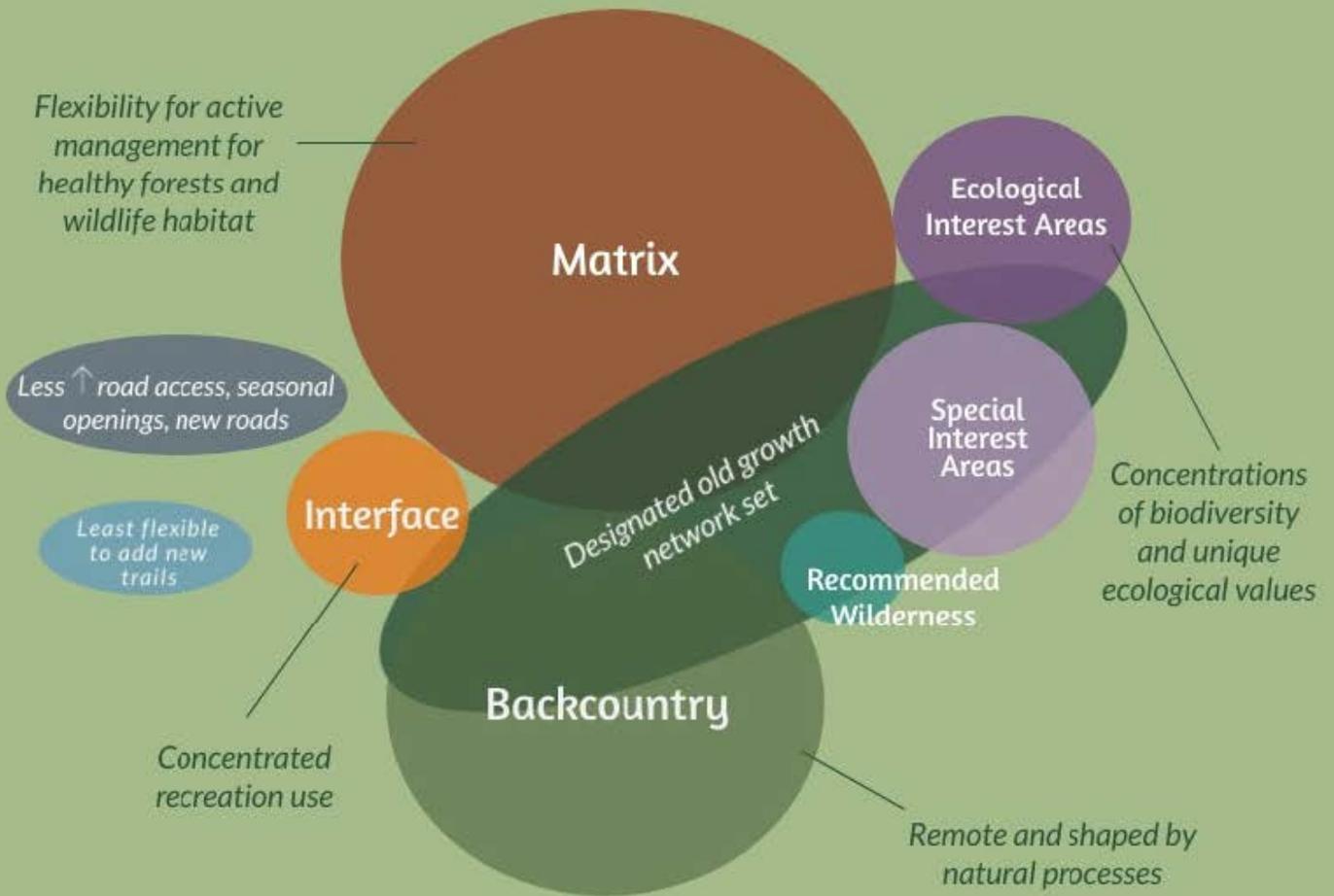
This is a simplification of some of the unique aspects of Alternative B and is not to scale.

Forest Plan Action Alternatives : Alternative C

Nantahala and Pisgah National Forests Proposed Land Management Plan

Alternative C

Alternative C is intended to be responsive to those who desire more certainty defined in the forest plan and less project level flexibility for managing vegetation patterns, wildlife habitats, recreation and access.



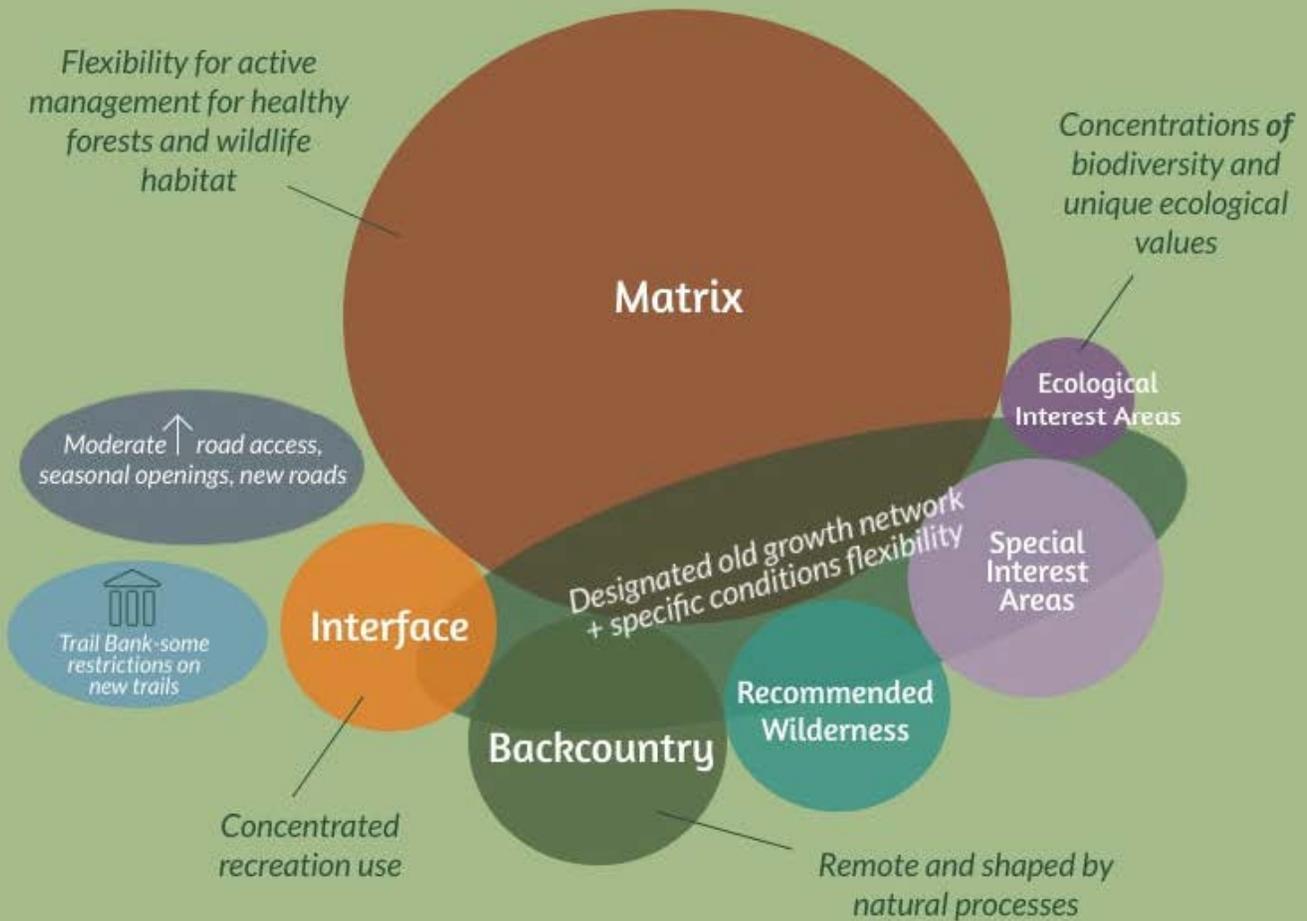
This is a simplification of some of the unique aspects of Alternative C and is not to scale.

Forest Plan Action Alternatives : Alternative D

Nantahala and Pisgah National Forests Proposed Land Management Plan

Alternative D

Alternative D moderates between Alternatives B and C in terms of plan restrictions versus project flexibility for vegetation management, wildlife habitat, recreation, and access.



This is a simplification of some of the unique aspects of Alternative D and is not to scale.

Management Areas that differ in size and shape by alternative

The following management areas have the most variation between alternatives:

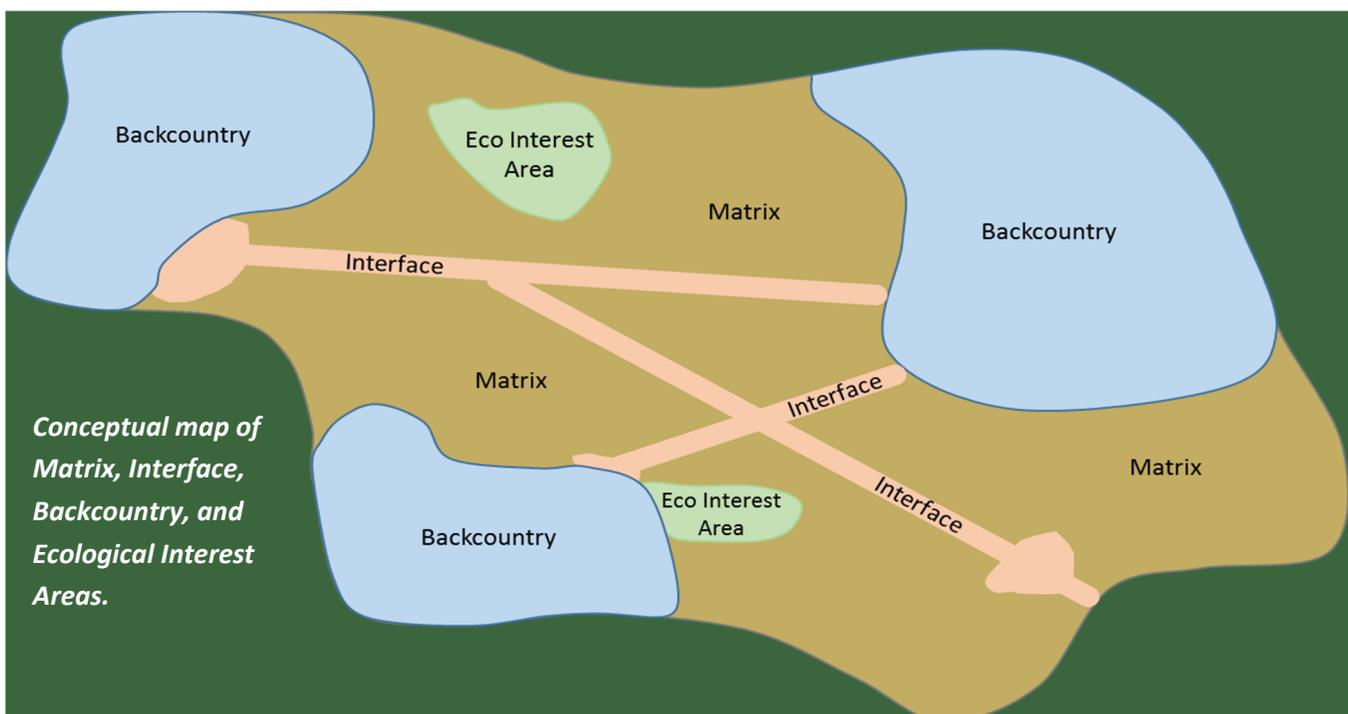
Matrix is the largest general forest management area and emphasizes active management to achieve healthy ecosystems and wildlife populations. This Management Area varies by alternative.

Backcountry contains large blocks of remote and unroaded forest primarily shaped by natural processes, except where active management is utilized to restore ecosystem composition, structure, function and to provide resiliency against forest health threats. This Management Area varies by alternative and includes most of the Forests' designated Inventoried Roadless Areas.

Ecological Interest Areas are places on the forest that support concentrations of the Forests' biodiversity that would benefit from active management focused on restoring and improving the unique values present. This management area varies by alternative.

Recommended Wilderness are national forest lands evaluated, found to have some wilderness characteristics, and considered for recommendation to the National Wilderness Preservation System. These areas vary by alternative.

Interface contains the most concentrated recreation use on the forest, including developed and dispersed recreation locations, National Recreation Trails and heavily used roads that bring visitors to these locations. This management area has some minor differences among alternatives.



Management Areas that are the same across alternatives

Special Interest Areas are those most exceptional ecological communities that serve as core areas for conservation of the most significant and rare elements of biological diversity on the Forests. These areas are generally resilient and not in need of active restoration, although maintenance activities may be needed to maintain their integrity.

Research Natural Areas (Black Mountain and Walker Cove) were designated in 1933 and 1965 respectively, to provide a scientific research baseline for natural forest community conditions where physical and natural processes prevail without human intervention.

Experimental Forests (Bent Creek, Coweeta Hydrological Laboratory and Blue Valley) are jointly managed between the USFS Southern Research Station and the National Forests in North Carolina and serve as real-world laboratories for conducting long-term science and management studies.

The **Appalachian National Scenic Trail** is a long distance hiking trail established by Congress in 1968 and managed jointly between the US Forest Service, the National Park Service, the Appalachian Trail Conservancy and local affiliated ATC hiking clubs.

National Scenic Byways (the Blue Ridge Parkway, Cherohala Skyway and portions of the Forest Heritage Scenic Byway) are administrative designations recognized by the Federal Highway Administration, part of a larger network of scenic routes that exist throughout the country.

Heritage Corridors includes congressionally designated National Historic Trails (the Trail of Tears and Overmountain Victory Trail), National Millennium Trails (Unicoi Turnpike), and other historic routes eligible for listing on the National Register of Historic Places. Ongoing research is improving the spatial accuracy of the location of these trails.

Designated Wild and Scenic Rivers (Chattooga, Horsepasture and Wilson Creek) are those river sections designated by Congress to maintain their free-flowing status and outstandingly remarkable values. The portions that cross Nantahala and Pisgah National Forest lands are covered by this management area.

Eligible Wild and Scenic Rivers (see proposed plan for names and segment info) are those evaluated for possible inclusion in the National Wild and Scenic River System. They will be managed to retain their characteristics until further suitability studies or evaluation is completed. The proposed plan identified newly eligible stretches compared to the current plan (see DEIS Appendix F); these are same across all action alternatives.

Congressionally Designated Wilderness Areas (Ellicott Rock, Joyce-Kilmer Slickrock, Linville Gorge, Middle Prong, Shining Rock and Southern Nantahala) were previously designated by Congress to perpetuate or enhance the natural, untrammeled, and undeveloped character of the area while providing opportunities for primitive and unconfined recreation or solitude.

Wilderness Study Areas (Craggy Mountains, Harper Creek, Lost Cove, Overflow and Snowbird) are designated by Congress to study their potential inclusion in the National Wilderness Preservation System.

Roan Mountain Management Area is a group of mountains along the North Carolina and Tennessee border with rich temperate diversity, including unique ecological communities, plants and animals.

The **Cradle of Forestry in America** was recognized by Congress as the birthplace of forestry and forestry education in America. The site is managed for educational, interpretive, research and historical purposes.

Spotlight: Timber Management

How much timber comes from the Nantahala and Pisgah National Forests?

Timber management is a tool for sustaining healthy ecosystems and diversifying forest habitats. Timber also supplies wood to local communities and national and international markets. Historically, forest timber products were a major contribution of national forest lands to local economies, jobs, income and a way of life. Recent years have seen a decreased supply of forest timber products from the Nantahala and Pisgah NFs along with a decrease in the market for and value of those products. Though recent economic contributions have decreased, in the context of regional and state markets, the national forests are important to the local timber industry. Timber jobs continue to be important to smaller communities whose economies have historically been economically dependent on natural resources.

Timber harvest from the Nantahala and Pisgah NFs fluctuated from 2001 –2018 with a general average of 800 to 1,000 acres. There was a peak of acres harvested in 2016 at 1,271 acres, and a low of 318 acres in 2009. The volume produced over the last decade followed similar trends, with four times exceeding 20,000 CCF sold. The lowest volumes occurred in 2009 and 2010 when volumes sold from the Nantahala and Pisgah NFs did not exceed 10,000 CCF.

What does the proposed plan do?

In the action alternatives, forestwide plan direction reinforces the role that timber management and timber resource outputs have in relation to restoration, wildlife habitat, and healthy forests.

Under all action alternatives, timber harvesting would increase from current averages, although not substantially from a landscape scale perspective. Across the 1.04 million acre forest, the total amount of regeneration and thinning is expected across 1,600 acres annually (Tier 1) or up to 3,800 acres annually (Tier 2). This equates to approximately 1.5% (Tier 1) to 3.8 % (Tier 2) of the total forest being managed by timber harvesting over a decade. These numbers were derived with direct input from a wide variety of collaborators to accomplish broadly supported objectives.

Plan Decision	Alternative A	Alternative B	Alternative C	Alternative D
<i>Annual harvest acres (includes regeneration & thinning)</i>	800 acres	Tier 1: 800-1600 acres Tier 2: 1600 to 3800 acres		

While the same amount of timber activity is expected under all three action alternatives, the location of where that work will occur varies by alternative. On a forest of just over one million acres, the total footprint for potential commercial operations over multiple generations varies between 265,000 and 235,000 acres, depending on the alternative. The majority of timber activity will occur in the Matrix management area where there is the most flexibility to design timber treatments. Timber activity will still occur with lesser frequency and with a focus on restoration in other management areas, including but not limited to Backcountry, Interface, and Ecological Interest Areas. In each of these management areas there are restrictions on the tools or purposes for which timber activity can be used. The placement of management areas varies among alternatives, thus the footprint of potential timber harvest activity varies among alternatives as well.



To read more, see the proposed direction in the **Proposed Plan, Chapter 2: Terrestrial Ecosystems: Timber Management Practices**, and **Plan Appendix B: Timber Calculations**. The analysis of the effects of different alternatives in the **Draft Environmental Impact Statement, Chapter 3: Timber Resources**.

Spotlight: Old Growth Forests

What is the status of old growth forests on the Nantahala and Pisgah?

Using models to paint the picture of how the land would look with less than current levels of human impact, we have learned that the amount of old growth forest currently in existence on the Nantahala and Pisgah is less than would naturally occur. Longterm, desired conditions are to have 430,000 to 560,000 acres of forest in old growth conditions across all ecozones and elevations. Currently, the forest has an estimated 95,700 acres that meet the minimum ecozone age for acquiring old growth characteristics, however, these sites may not be classified as old growth on the ground.

While there is concern that there is not enough old growth today, there is an understanding that more of the forest is aging compared to the amount being harvested or affected by large scale disturbances. There is a need to diversify the patch size and ecozone representation of old growth forest to provide greater resiliency in the long term. There are differences of opinion about how much of the forest should be managed as old growth, and the best way to provide old growth forest conditions, including whether the forests should be allowed to age naturally or be manipulated to expedite the development of old growth characteristics.

What does the proposed plan do?

Alternatives vary in the management of old growth. The size and configuration of the designated old growth network varies by alternative, as does a standard that identifies when future modifications can be made to the designated old growth network.

Plan Decision	Alternative A	Alternative B	Alternative C	Alternative D
<i>Acres identified as part of a plan level old growth network</i>	211,118 acres	202,524 acres	255,968 acres	226,015 acres
<i>Adjustments to the old growth network expected at the project level</i>	Project level adjustments may be made	Project level adjustments may be made	Network set at plan level; no project level adjustments	Project level adjustments must meet identified conditions

Under all forest plan alternatives, the forests will continue to age rapidly into the old growth successional classes, with a net annual gain. Under all alternatives, the ecozones across the forest will achieve their desired amount of old growth, but depending on the ecosystem and level of activity, it could take up to 100 years.

Under all alternatives, the designated old growth network would provide a portion of the forests' future old growth. Large amounts of additional forest are trending toward forest desired conditions outside the designated network. Given that so much of the forest is aging, monitoring forest health conditions is increasingly important.



To read more, see the proposed direction in the **Proposed Plan, Chapter 2: Terrestrial Ecosystems: Old Growth Forests** and the analysis of the effects of different alternatives in the **Draft Environmental Impact Statement, Chapter 3: Terrestrial Ecosystems: Forestwide Structure, and Chapter 3: Designated Old Growth Network.**

Spotlight: Sustainable Recreation

How sustainable is recreation on the Nantahala and Pisgah NFs?

The Nantahala and Pisgah NFs are some of the most heavily recreated forests in the nation with well over 4 million visits per year. Outdoor recreation is increasing annually at significant rates and demanding increased management consideration around the Nantahala and Pisgah NFs. The Forest Service has tried to keep pace with the growing request by providing recreation opportunities in response to public request. Although the Forest Service has invested millions of dollars in recreation, we do not have the fiscal resources to address all of the aging facilities, older and poorly designed trails, underutilized picnic areas, campsites, or other recreation areas. Separate from fiscal constraints, it is not possible for the Forests to meet the desires of all users in all locations in a way that is sustainable into the future. Instead, the Forest Service must work with the public to choose investments wisely. Done well, a strong sustainable recreation program on the Forests would improve the recreation experience, recreational resources, support local communities, generate economic growth, improve quality of life, forge partnerships and alliances, and promote citizen stewardship. Current forest plan direction is outdated and does not reflect contemporary sustainable recreation concepts or account for changing uses or the increased volume of use being experienced in recent years.

What does the proposed plan do?

The proposed plan includes more direction to ensure that recreation infrastructure is ecologically, socially and economically sustainable. The proposed plan alternatives place greater emphasis on prioritizing investments at high priority areas, collaborating with stakeholders and local communities to develop a strategic guidance and a shared vision for sustainable recreation for the future. The action alternatives recognize the role of forest recreation to local economies.

The proposed plan identifies 12 distinct Geographic Areas of the forest, each identifying localized goals and opportunities for recreation. The proposed plan alternatives include a new Interface Management Area that provides a focus on concentrated recreation use that includes developed and dispersed recreation sites, National Recreation Trails, trail heads, scenic overlooks, waterfalls, access corridors and recreation hub areas where the public accesses the forest and recreates. Together, the inclusion of Geographic Area goals and the Interface Management Area will highlight recreation opportunities and settings to increase the quality of visitor experiences.

The revised plan alternatives call for maintaining priority sites to standard, developing a strategy for managing climbing opportunities, developing an operations and maintenance guide for dispersed campsites, and identifying sites where non-commercial mineral collection can be conducted with surface penetrating tools. These actions are expected to minimize impacts to ecological and cultural resources, thus improving ecological sustainability.



*To read more, see the proposed direction in the **Proposed Plan, Chapter 2: Dispersed Recreation** and the analysis of the effects of different alternatives in the **Draft Environmental Impact Statement, Chapter 3: Recreation**.*

Spotlight: New Trail Building

How sustainable are the trails on the Nantahala and Pisgah NFs?

Nearly 1,500 miles of trails for mountain biking, equestrian, and off-highway vehicle use provide access into both national forests. Among these are eight national recreation trails, a national scenic trail, and a national historic trail. The Forest Service works with partners and volunteers to maintain trails, however, there is a maintenance backlog. Just as the Forest is seeing more visitors today, the trail system is also facing more demands. The Forest Service continually has requests for more trail miles. Users want new experiences and assurance of continued access to favorite places. Sometimes trail users desire to use the same trail for different activities. Some trails were constructed with unsustainable practices decades ago and are in need of frequent maintenance, relocation or decommissioning.

What does the proposed plan do?

The revised forest plan focuses on moving the Nantahala and Pisgah NFs' trail system toward environmental, social, and economic sustainability. To address the many unsustainable trails across the landscape, all action alternatives have an objective to decommission or rehabilitate trails that are causing damage or are low use. This is incentivized by the opportunity to offset decommissioned trails with new trails or reroutes that are sustainably designed and constructed. There will be greater consideration within each Geographic Area of availability of trails for different user groups such as bicyclists, equestrians, and hikers. The action alternatives emphasize that a sustainable trail system depends on the help of partners, clarifying that partner organizations and communities are involved in sustainable trail planning and management efforts.

The alternatives differ in their approach to establishing new trail miles for non-motorized trails:

Plan Decision	Alternative A	Alternative B	Alternative C	Alternative D
<i>Approach to adding trail miles to the system</i>	N/A	Least restrictive	Most restrictive	Moderately restrictive

Alternative A, the current plan, is outdated and does not reflect contemporary sustainable recreation concepts, account for changing uses or recent visitation volumes.

Alternative B requires implementation of contemporary trail design principles, minimal resource impacts or user conflicts, and considers ecological, social and economic aspects of sustainability.

Alternative C shares Alternative B's requirements, and also requires a collaborative planning process to promote partner involvement and improve the social sustainability of proposed trails. This alternative requires that new trail miles be offset by decommissioned miles of comparable length of existing system trail within the Geographic Area. In essence, this Alternative C approach caps the overall trail system mileage at its current levels, although trail relocations for resources protection are permitted.

Alternative D offers greater flexibility than Alternative C to construct new trails, via the establishment of a Trail Bank. The Trail Bank begins with 30 miles of initial credits, that creates credits for decommissioned trail miles, which can be exchanged for new system trail miles.



*To read more, see the proposed direction in the **Proposed Plan, Chapter 2: Dispersed Recreation** and the analysis of the effects of different alternatives in the **Draft Environmental Impact Statement, Chapter 3: Recreation**.*

Spotlight: Access

Under all alternatives, coordination, collaboration, and partnerships with other federal, state, and county entities in the management of transportation facilities to and through the forests would continue.

In the proposed plan, the Interface management area was designed around places where people use Forests most heavily, including developed and dispersed recreation locations, as well as National Recreation Trails and some heavily used roads that bring visitors to these locations. Access will continue to be prioritized in this management area.

Trail access: Hiking is allowed anywhere on the forest that is not closed by a forest order. Motorized trail use occurs on designated trails. The current plan does not restrict cross-country bike and equestrian travel, however the proposed plan would restrict mountain biking and equestrian use to designated trails or roads, except in limited circumstances, such as game retrieval. Limiting mountain biking and equestrian use to designated trails would reduce the proliferation of user-created trails, and the associated resource damage to sensitive plants, animals and cultural sites; erosion; and impacts to aquatic habitats from sedimentation. When the Forest Service spends resources to rehabilitate impacts of user-created trails, there are fewer resources available to maintain system trails. Therefore, while this limitation may negatively affect the riding experience for some users that desire challenge associated with navigating user-created trails, but would have an overall positive effect of improved NF system trail condition and visitor experience for the majority of trail users.

Road access: Collectively, the action alternative objectives will improve transportation system conditions and access. Major roads necessary for through traffic would remain open in all alternatives. A road maintenance plan would identify maintenance activities that preserve the transportation system investment with the goal of providing the highest possible level of service with the available funding resources. All proposed plan alternatives call for increasing the mileage of seasonally open roads in the Interface and Matrix Management Areas, prioritizing recreational access, such as hunting and fishing, thereby increasing the motorized access to parts of the forest that would otherwise be accessible only by hiking, biking, or horse. In all proposed plan alternatives, there is no net decrease in miles of open roads in the Interface and Matrix management areas over the life of the plan. However, because alternative C includes the fewest acres of Matrix, and more acres of Backcountry, this alternative results in fewer acres managed to retain open roads.

Road building: Under all alternatives, there are some objectives that would require additional road building. In the proposed plan alternatives, road building would occur primarily in the Matrix management area. Under the alternatives, management areas that do not allow for new road construction comprise approximately 11% of the Forest's acreage in Alternative A, 23% for Alternative B, 14% for Alternative C, and 19% for Alternative D. The remainder of the forest has limitations on where permanent new road construction can occur.

Road decommissioning: The action alternatives include direction to decommission unneeded system roads and obliterate unauthorized roads in the Backcountry. Additionally, all action alternatives include an objective to decommission a minimum of 50 miles of unauthorized roads and trails within priority watersheds and Inventoried Roadless Areas.



*To read more, see the proposed direction in the **Proposed Plan, Chapter 2: Dispersed Recreation and Chapter 2: Transportation and Access**. the analysis of the effects of different alternatives in the **Draft Environmental Impact Statement, Chapter 3: Recreation and Chapter 3: Transportation and Access**.*

Spotlight: Recommended Wilderness

How much wilderness is on the Nantahala and Pisgah today?

Wilderness is the portion of the National Forests that is managed for preservation of the natural environment, predominantly free from human influence. Congress designated six wildernesses on the Nantahala and Pisgah NFs totaling approximately 66,400 acres. Under all alternatives, designated wildernesses would remain the same, as only congress can add or remove lands from the National Wilderness Preservation System. In addition to designated wilderness, the current forest plan also includes five congressionally designated Wilderness Study Areas (WSAs); three of which were recommended for wilderness designation in the 1987 Forest Plan (Lost Cove, Harper Creek and Craggy WSAs). All WSAs, both those recommended and not recommended, have been managed (and will continue) to maintain their wilderness characteristics since designation .

What is the range of acres recommended for wilderness in the proposed plan?

A part of the revision process includes identifying and evaluating lands that may be suitable for inclusion in the National Wilderness Preservation System and determining whether to recommend any such lands for wilderness designation. Public interests range from support for fewer acres in recommended wilderness to support for tens or hundreds of thousands of acres of additional area designations across the Forests.

Building on information from the inventory, and evaluation steps, along with input from public participation, some areas have been identified as recommended wilderness in one or more alternatives in the draft Environmental Impact Statement . The alternatives vary in the number and locations of areas that are recommended for wilderness. **The forest plan can only recommend areas for wilderness, which would be done at the time of issuing a final plan decision. Actual wilderness designation requires an act of Congress.**

Plan Decision	Alternative A	Alternative B	Alternative C	Alternative D
<i>Recommended Wilderness</i>	3 areas (3 WSAs); 15,226 acres	23 areas (5 WSAs); 126,333 acres	2 areas (2 WSAs); 11,193 acres	16 areas (4 WSAs); 74,173 acres

Areas recommended for future wilderness designation would be managed to preserve their condition with minimal evidence of human influence. Human safety is our top priority, so use of motorized equipment would be authorized in for wildfire suppression and search and rescue operations in life threatening situations. Hunting and fishing would continue. Existing trails would continue to be maintained to allow for hiking and equestrian use per current trail-use designations. Collection of non-timber forest products, such as galax, for personal use will continue. Administrative use of motorized equipment for trail maintenance would be allowed and existing roads within recommended areas would either continue to be maintained as linear wildlife fields or decommissioned and allowed to return to a natural state, until designation. No new wildlife fields would be created. In keeping with the 1964 Wilderness Act, there would be no infrastructure development nor timber harvest activities. Restoration activities where the outcomes protect wilderness characteristics would be allowed to continue, including monitoring, relocation of animals, habitat improvements such as removal of nonnative invasive plant species, prescribed fire, and rehabilitation of recreation impacts. Mechanized transport such as bicycles or carts would be prohibited in all recommended areas (with exception of approved mobility devices for the impaired), although there is only one area recommended in one alternative that currently has a trail designated for bike use. Commercial ventures such as collection and sale of non-timber forest products and other commercial activities such as recreation special-use events or commercial filming will not be allowed, preserving the wilderness character of the area.



For more, see the proposed direction in the **Proposed Plan, Chapter 4: Recommended Wilderness Management Area**, the analysis of the effects of different alternatives in the **Draft Environmental Impact Statement, Chapter 3: Wilderness**, and for details on each area considered and an explanation of how alternatives were formed, see **DEIS Appendix E: Wilderness Evaluation Process**.

Spotlight: Social and Economic Resources

How does the forest plan contribute to the economy of Western North Carolina?

The Pisgah and Nantahala NFs both influence and are influenced by individuals nearby and nationally. Uses, products, services, and visitor opportunities supported by the Forests produce benefits which contribute to the robustness and sustainability of communities, particularly those adjacent to the Forest. The proposed plan includes a new section on Community Connections which recognizes the role of the forest in the local economy and includes an objective to "annually meet with interested WNC local governments or their economic development offices to foster shared actions that support local jobs, attract tourism, and encourage coordination on public health and safety issues."

The total amount of forest-related employment accounts for between 2,644 (Alternative A) and 2,932 jobs (action alternatives, Tier 2). Recreation accounts for the majority of Nantahala and Pisgah NF-related employment under all alternatives, contributing more than 2,000 jobs, with Forest Service expenditures. Payments to State and Counties, and timber also contribute jobs.

As with the employment estimates, recreation and Forest Service expenditures account for the majority of Nantahala and Pisgah NFs contributions to local economic activity. Alternative A contributes \$90.9 million, while the action alternatives would increase that income to \$95.2 million (Tier 1), or \$104.4 million (Tier 2). The sectors with the most Nantahala and Pisgah NFs related labor income are government, accommodation and food services, and retail trade. Many of these sectors are associated with the tourism economy.

Partnering to accomplish these benefits is woven into all aspects of the plan. While there are never enough personnel or funds to accomplish all the work that could be done across the Forest, recent trends in budgets and personnel limit the extent that the Forest Service alone can accomplish. In 1995, the National Forests in North Carolina had about 275 full time employees. In 2019, the number of full time employees had decreased to 185. The revised plan's emphasis on partnering will make it easier to identify opportunities to achieve shared goals.

How does the proposed plan provide for the values of forest users?

Public values for the Nantahala and Pisgah NFs are as diverse as those who use and love these forests. Under all action alternatives, all aspects of the revised plan provide an increased emphasis on social values.

Ensuring that public voices continue to be integral to forest management in the years ahead, the Forest makes a commitment in the proposed plan to continue to meaningfully involve members of the public in shaping activities on the ground, (except in emergency circumstances). This direction will ensure that projects and program management at the forest level consider public interests through early public involvement.

The Public Involvement and Community Connections sections of the proposed plan are the first forestwide resources discussed in the plan's table of contents. After all, these lands belong to all of us.



*See the proposed direction in the **Proposed Plan, Chapter 2: Public Involvement, Community Connections; Chapter 3: Geographic Areas; the analysis of effects in the Draft EIS Ch. 3: Social and Economic Resources, Appendix G: Coordination with Public Planning Efforts, and Appendix H: Public and Government Involvement.***

Spotlight: Plants and Animal Species

How do the Forests contribute to biological diversity?

The Forests play a critical role in sustaining the diversity of plant and animal communities present in Western North Carolina. For example, the Forests contain a greater proportion of high elevation ecosystems than the surrounding landscape, including red oak, northern hardwood, spruce-fir, and Southern Appalachian balds. These forest communities provide habitat for rare or uncommon plants and animals such as Gray's lily, spruce-fir moss spider, and Carolina northern flying squirrel. An assemblage of rare and unusual plant and animals species occur in the 25 unique habitats on the Forest. Additionally, there are hundreds of miles of coldwater streams that support aquatic species of high ecological and public value, such as native brook trout. The tradition of hunting and fishing for food is deeply rooted, too.

What does the proposed plan do to improve habitat?

The plan includes multiple objectives to improve habitat for species that depend on young forest and open woodlands, which are currently in short supply, and targets at least 50% of activities to be in locations identified for active management by the NC Wildlife Resources Commission. For example, one new objective calls for daylighting closed roads to create young forest conditions. Additional objectives focus on improving aquatic habitat, such as replacing impaired stream crossings.

Compared to the current forest plan, all action alternatives include an enlarged management area for Special Interest Areas, which are exceptional ecological communities on the forest that were identified through coordination with the NC Natural Heritage Program. Alternatives C and D identify an Ecological Interest Areas management area where species composition is a primary driver of management. All action alternatives include an objective to coordinate with the NC Natural Heritage Program to identify natural areas in potential project areas.

How will the proposed plan impact plant and wildlife habitat?

In this analysis, habitat needs of 1,046 species were analyzed in the EIS, including species of conservation concern identified through coordination with state, federal, tribal academic and nongovernmental organizations; federally-listed threatened and endangered species; and additional plant and animal species that do not have regulatory requirements but were included based on the request of the public or other species experts. Species were placed in groups based on general habitat needs, specific habitat requirements (e.g., snags, den trees, coarse woody debris, hard and soft mast, etc.), limiting factors, or threats. Many species occur in multiple species groups.

Analysis demonstrated that the species evaluated would continue to persist on the National Forests. As a result of this analysis, plan direction will be added into the final Plan for mountain golden heather (*Hudsonia montana*) and Heller's blazing star (*Liatris helleri*) that emphasizes focused prescribed burns and reducing impacts from nonnative invasive species and recreational trampling.

Demand wildlife species commonly hunted, fished, or trapped would see overall improvements in habitat condition across all alternatives, and species populations would persist, with slightly increasing to thriving population levels, depending on the species.



*For more, see the proposed direction in the **Proposed Plan, Chapter 2: Aquatic Ecosystems; Terrestrial Ecosystems; Plant and Animal Diversity; Chapter 3: Ecological Interest Areas & Special Interest Areas**; the analysis of the effects in the **Draft Environmental Impact Statement, Chapter 3: Aquatic Ecosystems; Terrestrial Ecosystems; and DEIS Appendix C: Ecological Sustainability Analysis**.*

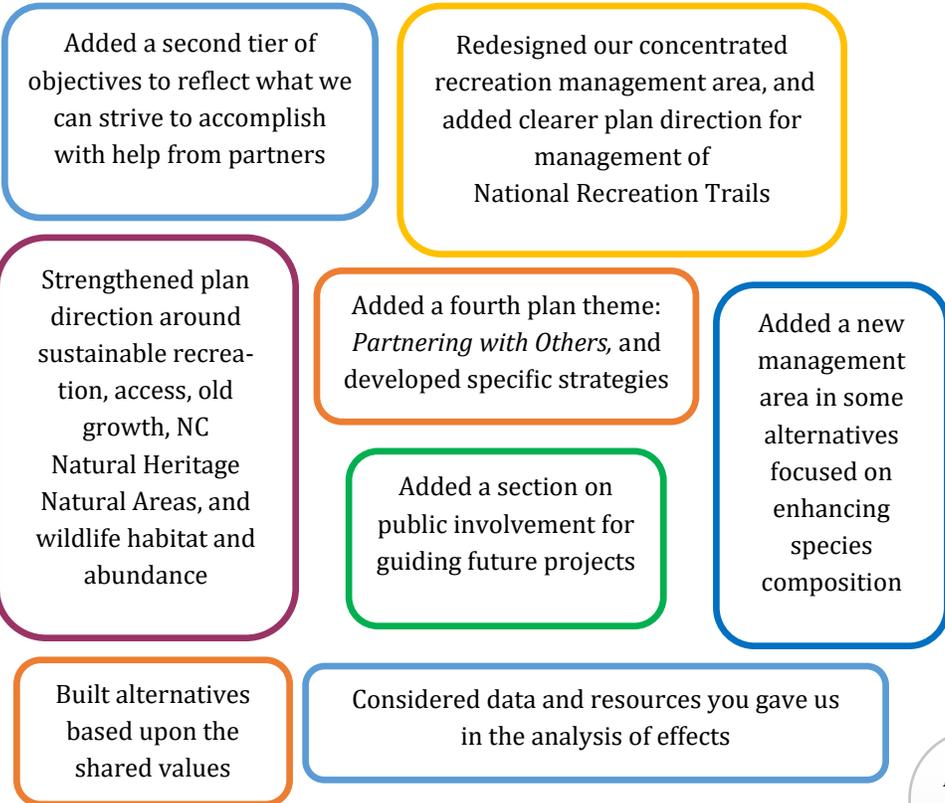
Your input matters



Your input matters! A forest plan that is reflective of diverse interests can only be achieved if we hear from you! The proposed plan and draft Environmental Impact Statement have been built on an unprecedented degree of public and government input for the National Forests in North Carolina. The proposed plan's strong emphasis on public involvement has provided a platform for diverse interests to work together to create a more collaborative plan.

Pre-draft pieces of the Plan have been shared with the public at every stage. Public input has been used to develop plan direction, to develop the management area categories and influence their location on the ground.

Here's a **sample** of what we did with your 2017 input:



Now that we're releasing the proposed Plan and DEIS for a 90 day comment period, you have another opportunity to share your thoughts before we finalize the plan and EIS.

See the next page for how to get involved— these lands belong to all of us!

Public involvement is not just part of plan development – it will be an integral part of plan implementation, monitoring and adaptive management.

Even after we sign a decision, we are committed continue working with partners and the public as we implement the new plan, together.

Next Steps and Providing Input

This Reader's Guide is a summary of several documents available on our website and at our Forest Service offices. We encourage you to visit us if you have more questions: www.fs.usda.gov/goto/nfsnc/nprevision.

What are the next steps?

With the release of the proposed forest plan and Draft Environmental Impact Statement, the public will have the opportunity to review the documents. This will start a formal 90-day comment period. Public meetings and engagement opportunities will be posted on the website and planned to provide a broad range of opportunities to interact with Forest Service specialists and learn more about the process.

How can I provide feedback?

The preferred method to provide comments is by submitting comments electronically at the comment link available on the [NC Plan Revision](http://www.fs.usda.gov/goto/nfsnc/nprevision) website (www.fs.usda.gov/goto/nfsnc/nprevision). This web-based comment page will be available with the publication of the Notice of Availability in the Federal Register and lasts for 90 days. Hard copy comments may also be submitted to National Forests in NC Supervisor's Office, Attn: Forest Plan Revision, 160 Zillicoa Street, Suite A, Asheville NC 28801.

Comments received in response to this notice, including the names and addresses of those who comment, will be part of the public record. Comments submitted anonymously will be accepted and considered. However, only those individuals and entities who have submitted substantive formal comments related to plan revision during the opportunities provided for public comment will be eligible to file an objection (36 CFR 219.53(a)) when that formal process begins.

Contact Michelle Aldridge, Forest Planner, National Forests in North Carolina, 160 Zillicoa Street, Suite A, Asheville, NC 28801, 828-257-4200 for further information. Individuals who use telecommunication devices for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m. and 8 p.m., Eastern Time, Monday through Friday.

Tips for writing good comments:

The Forest Service does not rely on the volume of comments we receive to make a decision. Instead, we rely on the information contained within each comment to help understand the area, the action, and the way the forest resources and its users will be affected.

The strongest comments we receive are:

- ◆ Solution-oriented rather than advocating for or opposing general actions or activities. Comments are not a "vote" on whether the proposed action should take place.
- ◆ Describe specifics, both in terms of what type of management or resources are desired, and also where - identifying portions of the forest or areas of the land, such as bluffs or valleys. Specificity is important, but at the forest plan level, we won't address every road, trail or recreation location - we are developing a strategic plan for use forest-wide, so identifying broader forest regions, or using particular places to make a broader point are both useful.

Please note that all comments, names, and addresses become part of the public record and are subject to Freedom of Information Act requests, except for proprietary information.

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Eastern Escarpment Geographic Area

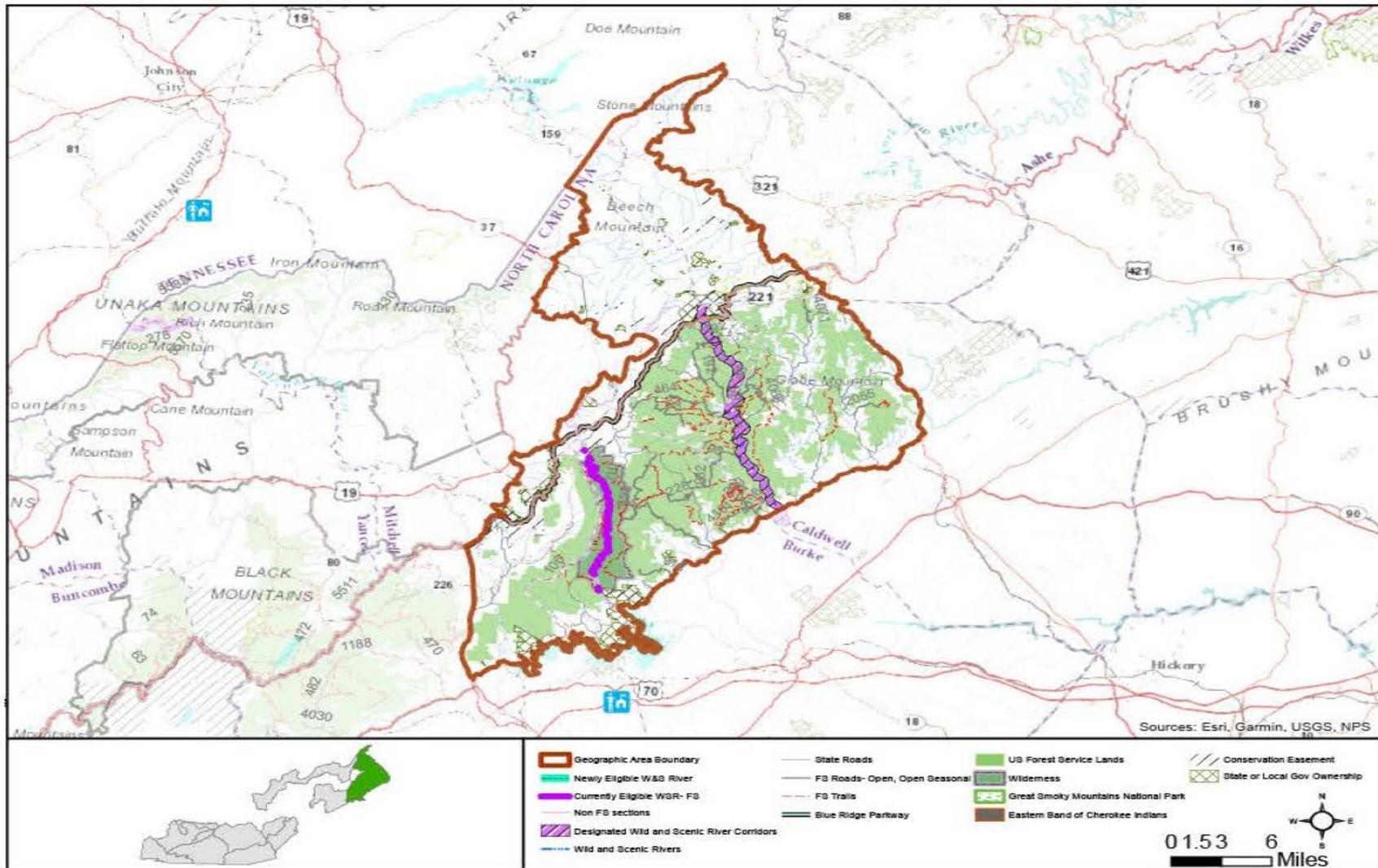


Figure 7. Eastern Escarpment Geographic Area

Nantahala and Pisgah National Forests Proposed Land Management Plan

Description of area

The steep and craggy landscape of the Eastern Escarpment Geographic Area is highly influenced by the Blue Ridge Escarpment, while also being shaped by Grandfather and Grandmother Mountains. The region contains distinct projecting rocks and cliffs and sudden elevation changes - the most dramatic along the perimeter of Linville Gorge. The rugged and massive rock formations along Jonas Ridge, such as Sitting Bear, Hawksbill, Table Rock, and the Chimneys, shape the forest in this geographic area. The area has experienced significant improvements in scenic visibility with reduced air pollution in the region. Air quality is likely to continue to improve toward the goal of natural background visibility by 2064.

While the ridgetops may be described as craggy and dry, rainwater drains into streams and rivers that merge to form the Johns, Catawba, and Linville Rivers, and eventually flow into Lake James. These waterbodies are highly valued for their scenic beauty, diversity of vegetation and wildlife, unique geology, and recreation opportunities. From its headwaters high on Grandfather Mountain, the Linville River carves the steep-walled Linville Gorge, dropping 2,000 feet in elevation before leveling out in the Catawba River valley at Lake James. This area has been called the "Grand Canyon of the East." In addition, the steep slopes and abrupt elevation changes set the stage for scenic waterfalls including Linville Falls.

The Blue Ridge Parkway and Mountains-to-Sea Trail skirt the north and west boundaries of the geographic area and bring visitors to the eastern part of the Pisgah National Forest on the Grandfather Ranger District. The 139,513 acres of Forest Service land in the geographic area (347,298 acres total) fall in Avery, Burke, Caldwell, McDowell, and Watauga counties. These counties and the communities of Blowing Rock, Boone, Lenoir, Linville, and Morganton rely on the Forest for many ecosystem services that contribute to community health and wellness.

Management areas within the geographic area include:

- Scenic Byway Corridor (Blue Ridge Parkway)
- National Historic Trail Corridor (Overmountain Victory Trail)
- Linville Gorge Wilderness (a federally mandated Class I airshed area)
- Harper Creek and Lost Cove Wilderness Study Areas
- Wilson Creek, a designated Wild and Scenic River
- Linville River, an eligible Wild and Scenic River
- John's Creek Botanical Area
- Linville Gorge Geological and Botanical Area
- Inventoried Roadless Areas

Landmarks within the geographic area outside of Forest Service Lands:

- Blue Ridge National Parkway – managed by the National Park Service

Connecting people to the land

The Eastern Escarpment includes ancestral lands of the Catawba and Cherokee Native American tribes. In this geographic area, prominent geographical features and waterways are of particular significance to the tribes. The entire geographic area includes 18.83 miles of pre-contact and early historic routes, 1.14 miles of which are on the Pisgah National Forest.

The Eastern Escarpment is easily-accessible by car, except for the Linville Gorge and Harpers Creek/Lost Cove areas. Historical sites in the area include the Mortimer Civilian Conservation Corps Camp. Driving for pleasure and scenery viewing is often a multigenerational activity in the region with waterfall trails,

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overlooks, and picnic areas bringing visitors deeper into the forest. The area has experienced significant improvements in scenic visibility with reduced air pollution in the region. Air quality is likely to continue to improve toward the goal of natural background visibility by 2064. Water-based recreation areas and campgrounds are popular for fishing and wading, and area waterfalls attract those who enjoy viewing scenery. Brown Mountain is another popular destination, including for those who come to see the famed “Brown Mountain Lights.”

Rugged backcountry areas provide unique opportunities for visitors seeking to escape from the crowds and experience a remote setting and scenery. In the region, adventure seekers enjoy the Brown Mountain off-highway vehicle trails; mountain biking along the Wilson Creek corridor; rock climbing in the Linville Gorge or Lost Cove Cliffs; hiking over rocky terrain on the Mountains-to-Sea Trail; backpacking in roadless settings; or backcountry fishing for trout and smallmouth bass. Wilson Creek and Harper Creek are popular with creek boaters, especially when water flows are high. Bear, deer, and turkey hunting is popular in the geographic area, especially at Forest Service Road 106, Dobson Knob, and Roses Creek. The area includes Pisgah game lands where the Forest Service coordinates with the NC Wildlife Resources Commission.

The region, in particular the Linville Mountain area, is the most lightning prone landscape within the Forests. Compared to all other geographic areas, a greater percentage of the Eastern Escarpment geographic area includes fire adapted vegetation. The urban interface areas from nearby communities surround this geographic area.

Major economic drivers for local communities include manufacturing, health care, construction, agriculture, wood products, and tourism. In addition to providing a wide variety of opportunities for nature-based recreation, National Forest System lands provide support for local economies, as it is used by many outfitters and guides, including summer camps, for multiple recreational and educational purposes. Additionally, commercial gathering of forest products such as Galax and shrubbery contributes to local economies.

Sustaining healthy ecosystems

This geographic area supports the largest expanse of shortleaf pine and pine-oak heath habitats of all of the geographic areas, providing for specific opportunities. Shortleaf pine is a high priority restoration effort across many of the southeast states, and goals can be met by restoring young forest and developing woodland communities in the geographic area. Pine-oak heath habitats will be restored using prescribed fire. Thinning the dominant dry-mesic oak habitats will create open forest and woodland conditions and restore wildlife habitat.

The Eastern Escarpment supports unique ecozones, which provide habitat for rare plant and animal species. Rare vegetation and ecosystems include Carolina hemlock forest, low elevation rocky summits, upland pools, as well as rocky bar and shore communities. The Eastern Escarpment has higher quality Carolina hemlock forests than any other geographic area. It is critical to maintain this rare community, which is currently impacted by hemlock wooly adelgid, within this geographic area to maintain its persistence across the Nantahala and Pisgah National Forests as well as throughout its limited range. Linville Gorge Wilderness provides 80 percent of the entire range-wide occupied habitat for mountain golden heather, a federally listed plant.

Clean and abundant water

The geographic area supplies waters to nearby municipalities from sources including Upper, Steels, Roses, and Irish Creeks.

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Approximately 1,000 miles of streams and rivers run through the geographic area on National Forest System lands. This geographic area supports the western-most population of the brook floater, a rare native freshwater mussel, in North Carolina.

Priority watersheds in this Geographic Area include: Upper and Lower Wilson Creek; Upper, Middle and Lower Johns River; and Lake James-Catabwa River.

Goals

The following goals contribute to identification of management priorities in the Eastern Escarpment Geographic Area. These goals highlight key opportunities and values that will guide Forest Service management and reflect values the Forest Service has heard from the public. These goals are not inclusive of all activities that will occur within the geographic area and do not represent all the values that are present.

Sustaining healthy ecosystems

- EE-GLS-01** Restore and maintain open and woodland forest conditions utilizing a range of management approaches with focus on restoring appropriate fire frequency within pine-oak heath, shortleaf pine, dry oak, and dry-mesic oak ecozones. Emphasize restoration in fire-adapted ecological communities to reduce off-site or nonnative species, improve wildlife habitat and species diversity, and facilitate hunting opportunities for game species such as white-tailed deer, bear, and ruffed grouse.
- EE-GLS-02** Maintain scattered islands of Carolina hemlock forests within geographic area with emphasis at Dobson Knob and in Linville Gorge. Prioritize Carolina hemlock treatment in this geographic area.
- EE-GLS-03** Continue to support conservation and protection of peregrine falcons through monitoring, seasonal closure of select rock faces, and collaboration with the climbing and recreation community.
- EE-GLS-04** Maintain and restore mountain golden heather habitat using prescribed burning and wildfire objectives where appropriate.

Providing clean and abundance water

- EE-GLS-05** Improve watershed conditions across geographic area. Focus restoration efforts in the Johns River watershed and to mitigate effects in the existing off-highway vehicle use area.
- EE-GLS-06** Continue to expand the known, occupied range of the brook floater within the geographic area through increased inventory, population augmentation, and species reintroductions.

Connecting people to the land

- EE-GLS-07** Respond to increasing demands for sustainable mountain biking and horseback riding opportunities in the northern and eastern parts of the geographic area, as well as access to popular rock climbing areas where those opportunities exist.
- EE-GLS-08** Preserve, protect, and restore locations that have significant connections to Catawba history and identity. Partner with the tribe to develop and implement cultural/historical interpretation at appropriate locations.

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Places to be managed in consideration of their unique features

- EE-GLS-09** Wilson Creek: Continue working with partners to maintain a quality recreation experience, reduce erosion and sedimentation, restore aquatic organism passage, improve fisheries and reduce non-native invasive species.
- EE-GLS-10** Linville Gorge:
- i. Maintain scattered islands of Carolina hemlock forests within geographic area with emphasis in Linville Gorge.
 - ii. Anticipate increased visitation to Linville Gorge Wilderness. Emphasize management actions that sustain, restore, or enhance high quality wilderness recreation experiences, including naturalness and opportunities for solitude.
 - iii. Emphasize treatment of non-native invasive species in Linville Gorge Wilderness.
 - iv. Reduce or eliminate impacts to T&E species such as Heller's Blazing Star and mountain golden heather at Linville Gorge.
 - v. Partner with nearby communities in an integrated response to managing fire in and around urban interface areas.

Partnering with others

- EE-GLS-11** Partner with nearby communities in an integrated response to managing fire in and around urban interface areas.
- EE-GLS-12** Partner with wilderness and outdoor recreation groups to assist in managing Linville Gorge Wilderness and the geographic area's Wilderness Study Areas and in educating visitors about Wilderness ethics and low impact camping and climbing techniques.
- EE-GLS-13** Partner with diverse recreation groups to assist in maintaining and enhancing the quality of recreation opportunities.
- EE-GLS-14** Work with recreation groups to maintain the integrity and resiliency of rare plant communities through site specific management, stewardship, and education.

Sustaining forest health and resiliency is one of the four themes of the plan. The plan will maintain and improve diversity of age classes, species composition, and fish and wildlife habitat. Timber management is a way to accomplish many objectives the Forest Service shares with the wide range of collaborators, agencies and individuals who have contributed to the plan revision process. The alternatives in the draft Environmental Impact Statement outline the variety of management approaches and where they will take place in order to accomplish plan objectives.

Timber Management MYTH	Timber Management TRUTH
<p><i>The Forest Service plans to clear cut the forest./ The Forest Service plans to cut millions of board feet. That must be the majority of the trees in the forest.</i></p>	<p>The clear cut method previously referenced large scale cutting all of the trees in an area. It was utilized to maximize the growth of a young forest comprised of sun-loving trees for future economic value and improved habitat conditions. There are many approaches to harvesting timber. The method of harvest is selected based on the management objectives for an area. For example, if an area is being managed primarily for habitat for a targeted wildlife species, timber harvesting techniques in the area would be specific to improving that habitat.</p> <p>Logging terminology can be misleading. For Western North Carolina, there is a broad average 115 board feet per mature tree, though this is highly variable based on species and tree health. Estimating board feet per acre depends on a variety of factors. Generally, if the harvest covers 25 acres, then 215,625 board feet come from that one area. If the timber sale contains five other similar areas harvested for a total of 1,078,125 board feet come from that sale of 150 acres.</p>
<p><i>Forest Service lands are public and should be preserved with no timber harvesting.</i></p>	<p>There are four themes of the revision of the forest plan including sustaining healthy forests. Timber management is one aspect of broader Forest Service vegetation management considerations and objectives. The U.S. Forest Service was originally established to manage water and timber resources sustainably for the benefit and enjoyment of the American public. The Forest Service is required to manage for sustainable, multiple uses of the land.</p>
<p><i>The Forest Service is influenced by special interest groups to cut more timber.</i></p>	<p>The Forest Service bases their timber management efforts on the work needed to meet forest plan goals for a variety of resources. Timber harvesting is a tool used to achieve forest plan goals, objectives and desired future conditions. Throughout the plan revision process we have heard from a wide range of interest groups, many of whom are supportive of vegetation management, including timber harvesting, as an effective tool to restore and maintain forest health and to restore or improve native ecosystems and wildlife habitat.</p> <p>Of the 1.1 million acres within the plan area, approximately 800 acres were harvested annually in recent years. The revised plan proposes an increase to up to 1600 acres, with an additional 2000 acres possible with the support of partners. These numbers were derived with direct input from a wide variety of collaborators, from environmental conservation to wildlife organizations to timber industry representatives, to accomplish broadly supported objectives.</p>

Timber Management MYTH	Timber Management TRUTH
<p><i>Timber harvesting on public lands is all about economics and not the health of the forest.</i></p>	<p>The objectives behind timber harvests on the Nantahala and Pisgah National Forests are restoration and maintenance of healthy forests, to vary the ages and structural diversity of the trees in the forest, create temporary early successional habitat to benefit wildlife species, to supply wood products to local communities, salvage value otherwise lost through storm or fire damage or competition from other species, or create permanent openings to increase forest aesthetics.</p> <p>A commercial timber harvest is when the logs are sold and removed from the landscape. This can benefit local economies through local logging businesses implementing the project. It can also benefit the forest because a large portion of the money paid for the timber stays in the project area and is used for other forest improvement activities such as treating invasive weeds, timber stand improvement, wildlife habitat enhancement, road maintenance, and water quality improvement.</p> <p>The Forest Service continues to support local rural communities adjacent to national forests, recognizing the economic impact of the presence of large acreages of public lands to the local tax base as well as the potential benefit gained through commercial enterprises, including local logging, outdoor recreation and tourism.</p>
<p><i>There will be more logging now that organizations and governments are involved in some timber sales through stewardship contracting and agreements and Good Neighbor Authority.</i></p>	<p>The amount of timber harvesting that will take place will be determined by forest plan objectives for multiple resources. In response to public input, a second tier of objectives was added to include the possibility of expanded capacity through additional resources from partners.</p> <p>The Forest Service was granted authority to broaden its approaches to timber harvests through Stewardship Contracts and Agreements starting in 2003. Stewardship contracting includes natural resource management practices seeking to promote a closer working relationship with local communities in a broad range of activities that improve land conditions. They are also a means for federal agencies to contribute to the development of sustainable rural communities, restore and maintain healthy forest ecosystems, and provide a continuing source of local income and employment. Stewardship contracting is intended to achieve key land-management goals that improve, maintain, or restore forest or rangeland health; restore or maintain water quality; improve fish and wildlife habitat; reestablish native plant species and increase their resilience to insect and disease; and reduce hazardous fuels that pose risks to communities and ecosystem values through an open, collaborative process. The legislation also requires that projects meet local and rural community needs in addition to the land management goals.</p> <p>In addition, the Good Neighbor Authority (GNA) was permanently authorized in 2014. GNA allows the Forest Service to partner with states to achieve restoration and resilient landscape objectives across boundaries through cooperative agreements, including watershed restoration and forest management services on National Forest System lands. GNA is a tool to complete work on Federal and adjacent non-Federal land with a State agency where matching funds is not required but encouraged.</p>

A required piece of the forest plan revision process is to examine Forest Service lands to determine if there are any areas that may qualify for inclusion in the National Wilderness Preservation System. Lands must have a high degree of undeveloped and natural characteristics, among other qualifying elements. The first step of the process is to broadly inventory the landscape. The second step is to evaluate the areas that generally fit into this process in order to identify the locations that have wilderness characteristics. The forest plan will include areas the Forest Service recommends for designation as wilderness. **It takes further action by Congress to designate these areas as Wilderness.**

We heard strong support for and strong criticism against recommending additional wilderness areas on the Nantahala and Pisgah National Forests. Alternatives represent the range of views by varying the amount of recommended wilderness in each of the proposed alternatives. Additionally, we have listed below some myths and truths about designated Wilderness areas.

Wilderness MYTH	Wilderness TRUTH
<i>If a wildfire in the wilderness is threatening property, then the FS can't use the necessary equipment to put it out.</i>	Motorized equipment can be authorized to suppress wildfires in wilderness areas when there is a threat to life and property. In addition, it can be authorized for other reasons, such as preventing the spread of insects and diseases that threaten adjacent property. Traditional tools such as crosscut saws and fire rakes are utilized in fighting fire in wilderness areas, with the intent to preserve the wilderness character of the area. These tools have proven effective in more remote settings in which hiking longer distances with heavy equipment is a consideration.
<i>If someone is lost or injured in the wilderness, the designation prevents using motorized vehicles for rescue.</i>	Human safety is our first priority. The use of motorized equipment (ATVs, helicopters, etc.) can be authorized for search and rescue operations in life threatening situations. Counties and their local Forest Service Ranger Districts work together to develop a Wilderness emergency response plan.
<i>Wilderness designation damages our local economy by locking up the timber.</i>	It is true commercial logging is not allowed in designated Wilderness areas, nor are some other forms of commercial endeavors, such as commercial filming, that would impact the wilderness character of the area or primitive recreation experiences. Much of the land designated Wilderness is steep, inoperable terrain and would not otherwise be logged. Outdoor recreation economies often benefit from nearby Wilderness.
<i>Wilderness designation is about keeping people out of our public lands.</i>	The goal is not to keep people out of Wilderness areas, rather these areas are set aside to provide a primitive recreation experience as a keystone to the original concept of designating wilderness areas. Some key objectives of the National Wilderness Act are to provide opportunities for education, research and primitive forms of recreation, inviting people in to explore, learn and challenge themselves in more primitive settings. Mechanical transportation including wheeled vehicles such as wagons, carts, bicycles and other vehicles are explicitly prohibited by the Wilderness Act with the intent of preserving the wilderness experience and character of the areas.

<p><i>The public hasn't had a say in the wilderness discussion.</i></p>	<p>The public has been actively involved in every step of the wilderness analysis process. The Forest Service has considered all feedback provided. Public comments on Wilderness were carefully considered and significant in the development of the action alternatives in the Draft Environmental Impact Statement.</p>
<p><i>The wilderness recommendation has already been made, my input won't make a difference.</i></p>	<p>The recommendation has not yet been made nor has a decision. Any input can still make a difference in the outcome. The wilderness evaluations and proposed recommendations have been based on a broad range of input, expertise and requirements. Public input has helped shape how Wilderness was addressed in the proposed alternatives. Areas to be recommended will be finalized when the final forest plan is signed, though they would still require an act of Congress for formal designation.</p>
<p><i>Wilderness areas have recently been added to the forests by the Forest Service.</i></p>	<p>Six wilderness areas currently exist in the Nantahala and Pisgah NFs, all of which were <u>congressionally designated</u>. Two were designated in 1964, two in 1975, and two in 1984. Currently the forest has 5 congressionally designated wilderness study areas, all of which were designated in 1984. And we manage WSAs to preserve wilderness characteristics, but we don't manage them "as wilderness". In total, the Nantahala and Pisgah National Forests have 66,337 acres of congressionally designated wilderness and 27,907 acres of congressionally designated wilderness study areas, which are managed as wilderness, out of the 1.1 million total acres.</p>

AGENDA ITEM 13:

PUBLIC COMMENT

AGENDA ITEM 14:

BREAK

AGENDA ITEM 15:

CLOSED SESSION

Attorney/Client Matters – G. S. 143-318.11(a)(3)

Land Acquisition – G. S. 143-318.11(a)(5)(i)

Personnel Matters – G. S. 143-318.11(a)(6)