



Spruce Pine Town Council Meeting
Town Hall
11050 S. Highway 226
Spruce Pine, NC 28777
Monday, February 9, 2026
5:30 PM



AGENDA

I. CALL TO ORDER – MAYOR BETH HOLMES:

- A. Roll Call
- B. Notification and Posting of the Agenda
- C. Pledge of Allegiance (Councilman Buchanan)
- D. Invocation (Councilman Peight)
- E. Approval of Minutes (1/12/2026)

II. PUBLIC COMMENT

Public comments are limited to 3 minutes. This time is provided to share general thoughts with the Town Council. Individuals who desire to make a public comment must complete the sign-in sheet made available at each meeting and speak at the lecture (unless physically unable).

III. PRESENTATIONS

- A. Mitchell Giving Gardens
- B. High Country Council of Governments (2026 Spruce Pine Action Plan)

IV. ACTION ITEMS

- A. **Department Head Updates:** Discussion and Approval to Maintain Department Head Updates in Person, by Department Heads on a Monthly Basis, or to Include Department Head Updates Within the Monthly Managers Report, With Department Heads Reporting In-Person, at a Minimum on a Quarterly Basis or Appear as Requested.
- B. **Resolution 2026.001:** Discussion and Approval of Resolution 2026.001: SRF-Helene Grant for Waste-Water Infrastructure.
- C. **In-Water Services Contract:** Discussion and Approval of a Contract for Services and Repair to the North Toe Raw Water Intake.
- D. **NCLM – Services Agreement:** Discussion and Approval, to Amend
- E. **Budget Retreat:** Discussion and Approval of a New Date

V. MANAGER'S REPORT

VI. MAYOR/COUNCIL REQUESTS OR COMMENT

VII. ADJOURNMENT



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MINUTES

I. CALL TO ORDER:

Mayor Holmes called the meeting to order at 5:30 pm

A. Roll Call:

Mayor Holmes requested a roll call. Marsha Hoilman, Town Clerk, conducted roll call for Councilmembers Peight, Buchanan, McKinney, Taylor, and Mayor Holmes.

B. Notification and Posting of the Agenda:

Proper notification and posting of the agenda were acknowledged.

Councilman Buchanan motioned to approve the agenda, and Councilman McKinney seconded the motion; the council then adopted the agenda. Motion passed 5/0.

C. Pledge of Allegiance:

Councilman McKinney led the Pledge of Allegiance.

D. Invocation:

Councilwoman Taylor led the Invocation.

E. Approval of Minutes (12/8)

The council reviewed the minutes of the Regular meeting as presented.

Councilman McKinney motioned to approve, and Councilman Peight seconded.

Motion approved, and motion passed 5/0

II. BOARD OF APPOINTMENTS:

Zoning Board of Adjustment Nomination.

Councilman McKinney nominated Phillip Hise. Councilman Buchanan seconded the motion. Motion approved and passed 5/0.



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III. **ACTION ITEMS:**

A. **Town Personnel Policy:** Discussion and Approval of the Town of Spruce Pine's Updated Personnel Policy.

As part of the Compensation and Classification study that was conducted in the summer of 2025, by the North Carolina League of Municipalities MAPS Group, part of the study included a review of the Town's Personnel Policy. The Town Council has adopted the Town's new Pay Classification Plan, but the Personnel Policy was left separate to allow a separate review.

The Town's Personnel Policy has been previously updated and reviewed in 2023 by the Town's Attorney. While there are not many significant changes to the policy, the following sections did undergo edits, additions, or changes:

- Article 1 (General Provisions), Section 2 (At will Employment), Section 5 (Application of Policies, Plans, Rules, and Regulations), Section 6 (Department Rules), Section 7 (Definitions).
- Article V (Conditions of Employment) Section 1 (Technology/ Social Media Policy)
- Article VI (Employee Benefits) Section 9 (Law Enforcement Separation Allowance) Section 10 (Credit Union Membership)
- Article VII (Holidays & Leaves of Absence) Section 15 (Leave Prorated) Section 20 (Parental Leave)
- Article VIII (Separation and Reinstatement) Section 10 (Exit Process)
- Article IX (Unsatisfactory Job Performance and Detrimental Personal Conduct) Section 6 (Pre-Dismissal Conference) Section 8 (Name Clearing Hearing)

These sections were highlighted by the consultant Becky Veazy and were amended or added due to statutory reasons or changes in industry standards. Some changes are basic in nature, such as verbiage. As an exhibit to this memo, the recommendations and major changes have been further highlighted by the NCLM and were included in the council packet.



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Mayor Holmes had commented about a typing error in Section 6 of VII: III, Section 6, which should be corrected to read 'Town Council' instead of 'Town'. There were questions regarding family members working at the same location. It was clarified that it means that a family member can't be over or supervise another family member.

The Town Council motioned to approve the Town Personnel Policy, subject to changes being made to the existing policy. The new changes and policy will be effective immediately.

Councilman Peight motioned to approve the personnel policy. Councilwoman Taylor seconded the motion. Motion was approved 5/0. 0 opposed.

B. FY27 Budget Calendar: Discussion and Approval of the FY27 Budget Meeting Calendar.

Three additional meeting dates were scheduled outside of the scheduled meetings.

The following dates were added:

- Staff/Council Budget Retreat, Tuesday, March 3, 2026
- Budget Workshop #1, Monday, March 30, 2026
- Budget Workshop #2, Monday, April 20, 2026

IV. Public Comment:

Public comments are limited to 3 minutes. This time is provided to share general thoughts with the Town Council. Individuals who desire to make a public comment must complete the sign-in sheet made available at each meeting and speak at the lecture unless physically unable.

Several people who live on Ollis Road in Spruce Pine came to speak and share their frustrations of not having water at their homes since before Christmas. They speak of the water pressure being so low that showers, cooking meals, washing dishes, or using the toilet is impossible. Their frustrations are understood, and the Town Manager Daniel Stines and Director of Public Services Travis Phillips are looking into what can be done to help them. This is something that can't be done overnight.



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The following residents spoke:

- Martin Frady (220 Ollis Rd)
- Kala Sullins (398 Ollis Rd)
- Ben Varney (149 Ollis Rd)

Claire Wygand signed up to speak. Her topic of conversation was about the advertisements of the same individual being placed on utility poles in the area.

Councilman Peight requested to be excused for a friend's memorial service @ 619pm. Mayor Holmes excused him from the meeting.

V. Managers' Report:

Town Manager Daniel Stines gave the following department updates:

- **Administration:**
 - **Personnel Policy Update:** Staff will present the updated Town Personnel Policy at the January 12, 2026, meeting.
 - **FEMA:** Staff has spent substantial time with HGA and Bolten Menk configuring the wastewater treatment plant repairs and or replacement. Staff has secured contracts for engineering, architectural, and bidding services on all major FEMA disaster projects. These include the pedestrian bridge (awarded to Mattern & Craig), Riverside and Riverbend Parks (awarded to Benesh), and the Waste-Water Treatment Plant (awarded to Bolten & Menk). The Town also has several other micro projects related to storm recovery, including road collapses, culverts, and slides. The Town has engineering firms secured for those projects and is working with FEMA to get those projects awarded.
 - **GRANTS:** Staff spend a significant amount of time applying for grants. The most recent grant awards are from the Office of State Budget Management (OSBM). The Town was awarded \$1,220,982.15 for the Public Services Building. The Town was awarded \$266,517.86 for the replacement of the Pine Branch Lift Station service line. The Town was



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Awarded \$1,000,000 to be applied as the match for a pending EDA grant of four million. Outside of OSBM grant awards, the Town has also been awarded: \$1,000,000 from the NC Department of Commerce for infrastructure improvements to Sycamore Alley, \$700,000 from Appalachian Region Commission (ARC) for infrastructure improvements to Burleson Hill Pump Station. This project will be matched by Direct Appropriation Funds from Legislation. To date, outside of FEMA recovery funds received, the Town has secured \$4,187,500.01 in grant funding since March 2025. The Town has grant requests pending from SRF in the amount \$5,000,000 from EDA for \$4,000,000. Staff hope to hear from late January/early February about the results of these grants.

- **Personnel Update:** Staff will readvertise the Building Official position and adjust the requirement to meet Level II certifications in hopes of opening the candidacy pool. Staff will utilize the assistance of the newly secured 3rd party HR services for recruitment and utilize a couple more marketing platforms.
- **2024/2025 Audit:** Staff have been very busy with the 2024 audit, which includes a FEMA audit for all projects and expenditures related. The 24/25 funds are balanced. This year's audit will not be a normal audit for these reasons. Staff are working with the auditors to determine completion, but recent conversations have concluded that the audit may be extended to allow more time to compile FEMA data. Audit extensions are not uncommon, should this be needed.
- **Website:** The Town's new website is complete, all but finalizing staff bios, headshots, and a few last pieces of data. Staff are excited to launch this new site and look forward to the feedback. The new site will be robust with new features, information, and user friendliness.
- **Zoning Re-Write:** The Town began re-writing its zoning ordinance in July 2025, and January 2026 marked the committee's 7th workshop. The committee has been meeting on the 2nd Thursday of the month at 4 pm. The committee anticipates bringing the new zoning ordinance to Council for consideration and adoption in the late Fall/Year-End 2026.



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- **Parks & Recreation Dept:** Staff have been continuing with leaf and brush pickup. They have been working around the pool and removing Christmas lights at Town Hall. Gutters have been cleaned, and the shed has been organized. The privacy fence has been reattached at the tennis courts. Mike has been working with Main Street Director Spencer Bost on a PARTF (Parks and Recreation Trust Fund) Grant for Brad Ragan Park.
- **Public Services:** Crews have worked numerous breaks, and issues have occurred since December, including a system failure requiring work on Christmas Eve and Christmas Day.
Travis has spent a lot of time on administrative work, helping provide data on the water and wastewater system, as well as working with engineers and firms for the major projects affected throughout the town. Ronnie Letterman gets the Cold Plunge Award for 2025, after diving into the N. Toe River to secure a temporary pump intake. The temp was 22 that evening and no one wanted to know about the river temp! Crews have been performing pressure checks throughout the system, identifying problem zones. Town Admin is using this data for grant requests, in efforts to secure funding to fix the issues. Some issues are larger than others.
Crews put up the 25' Town Christmas Tree and wrapping it in lights. Crews have maintained running the sweeper truck in-between water/sewer breaks and maintenance.
Crews will be removing the 25' Town Christmas tree on January 12, assuming no major issues arise.
The paving list has been completed for this year's Powell Bill. Work included but wasn't limited to: East and West Valley Road, Petterson St, Pendley Rd, Woodland St and several patches throughout Town.
- **Police Department:** During the reporting period, the department maintained routine patrol coverage, responded to calls for service, and addressed public safety concerns within the town limits. Officers continued to perform their duties in accordance with the town limits. Officers continued to perform their duties in accordance with departmental policy and applicable laws.
Key operational areas included:
 - Patrol and Traffic Enforcement (Burleson Hill will continue to be a focus for us)



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- Response to calls for service
- Community presence and visibility
- Drug Enforcement is still the top priority

Personnel & Staffing: Department is at full capacity, and everything is Going great.

Administrative & Internal Matters: The department addressed routine administrative responsibilities, including report reviews, policy compliance, and supervisory oversight.

Any internal complaints or concerns received during this period were reviewed and investigated in accordance with established procedures.

Where applicable, investigations were completed and properly documented, with notifications provided to the appropriate town officials.

Community Relations: The department continued efforts to maintain positive relationships with residents. Officers engaged with the community during routine interactions and remained responsive to citizens' concerns brought to the department's attention.

Equipment & Resources: The patrol vehicle I was driving was turned over to the Town Manager, and I put my new patrol vehicle on the road.

Summary: Overall, the Spruce Pine Police Department continued to fulfill its responsibilities professionally and efficiently throughout the past month. The department remains committed to transparency, accountability, and providing reliable law enforcement services to the Town of Spruce Pine. We are excited for a new year. Please feel free to contact me if additional information or clarification is needed.



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Finance: Reconciliations are fully caught up, and staff have almost completed a revised process that will expedite the reconciliation process.

NCLM has continued to be on-site, helping train staff, evaluate processes, and improve processes. The NCLM and LGC are very happy with the progress and overall condition of the Town's improved processes and reports.

Tax Collections as of January 9, 2026, is 98.25 % collected. This is a 2.13% increase from this time last year and 4.63% increase from 2023. Staff would like to recognize Marie Murphy for her diligence and hard work in getting notifications and reminders out to customers. Marie has been a tremendous asset and addition to the Town.

New processes have been put in place for the Federal and State payroll tax calculations and payments.

The FY27 Budget process has begun, Administration has started collecting Department requests.

Mainstreet: Did a free gift-wrapping program in the pocket park.

Committee members for the Recreation Economies for Rural Communities have been finalized. The first meeting will be in February.

Fire on the Mountain planning efforts are underway, with the schedule and blacksmiths being finalized this week.

Mainstreet Director Spencer Bost is working on several grants for the 2026 Festival year.



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VI. MAYOR/COUNCIL REQUESTS OR COMMENTS:

There were discussions about Strategic Planning for goals and priorities. Mayor Holmes said it will be on an upcoming agenda.

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VII. ADJOURNMENT:

Mayor Holmes motioned for Adjournment at 7:00 pm. Councilman Buchanan seconded the motion.



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ATTEST:

Marsha Hoilman, Town Clerk

Beth Holmes, Mayor

Rocky Buchanan, Mayor Pro Tem

Larry McKinney, Council Member

Wayne Peight, Council Member

Tessa Taylor, Council Member



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MEMOS

To: Mayor & Town Council
From: Town Manager
Date: 01/26/2026
Subject: **Resolution 2026.001**

Resolution 2026.001 is included in the packet. The resolution is to grant staff authority to apply for SRF-Helene grant funds for Waste-Water Infrastructure projects.

Respectfully,

Daniel Stines
Town Manager

RESOLUTION BY GOVERNING BODY OF APPLICANT

WHEREAS, The Town of Spruce Pine, NC, has a need for and intends to construct, plan for, or conduct a study in a project described as Wastewater Treatment Plant (WWTP)/Collection System Repairs and Water System Repairs, and

WHEREAS, The Town of Spruce Pine, NC, intends to request State loan and/or grant assistance for the project,

NOW THEREFORE BE IT RESOLVED, BY THE TOWN COUNCIL OF THE TOWN OF SPRUCE PINE, NC:

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

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

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

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

That Daniel Stines, Town Manager, the **Authorized Representative** and successors so titled, is hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a loan and/or grant to aid in the study of or construction of the project described above.

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

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

Adopted this 26th day of January, 2026, in Spruce Pine, North Carolina.

Beth Holmes, Mayor

FORM FOR CERTIFICATION BY THE RECORDING OFFICER

The undersigned duly qualified and acting Town Clerk of the Town of Spruce Pine does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the Town Council duly held on the 26th day of January, 2026; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of January, 2026.

(Signature of Clerk)

(Town Clerk)

Note: an Attestation by the Clerk/Recording Officer may be used in lieu of the Form for Certification by the Recording Officer



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MEMOS

To: Mayor & Town Council
From: Town Manager
Date: 01/26/2026
Subject: **In-Water Services Contract**

On Saturday night, December 20st, 2025, staff responded to the North Toe Raw Water Intake due to a drop in water flow. Crews had to place temporary pumps to restore proper intake flow.

The water intake is located in the river, several feet below the surface and requires the use of divers for service and repair. In-Water Services was called on scene Sunday, December 21st to inspect the intake to find the blowoff valves to keep the intake clear of debris, as well the intake was fully impacted by debris, stopping flow.

Divers cleared what they could to get flow re-established but a second trip will be required for the divers to dredged the area in front of the intake as well reinstall new blowoff piping that is required to keep the intake clear. A contract and agreement is included in the packet for review.

Staff recommends approval of the agreement, for work in the amount of \$34,250.00.

Respectfully,

Daniel Stines
Town Manager

STANDARD SERVICE AGREEMENT – TOWN OF SPRUCE PINE

This **STANDARD SERVICE AGREEMENT** (this “Agreement”) is made and entered as of the date of last execution of this Agreement by both Parties (the “Effective Date”), and is made by and between the **TOWN OF SPRUCE PINE**, a municipal corporation located in Mitchell County, North Carolina (the “Town”), and **IN-WATER SERVICES COMPANY, INC.**, a North Carolina corporation authorized to do business in the State of North Carolina, with its principal place of business at 3683 SE School Rd., Greensboro, NC 27406 (“Contractor”) (collectively “Parties”).

This Agreement sets forth the terms and conditions under which Contractor will perform certain services for the Town as more specifically detailed in the Scope of Work (as hereinafter defined). In consideration of the mutual promises contained in this Agreement, and for other valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties agree as follows:

1 DEFINITIONS

The following terms have the meanings given below unless otherwise specified in this Agreement:

1.1 *Deliverables* means the Services provided, including goods and materials, identified in the SOW.

1.2 *Services* means the services furnished by or on behalf of Contractor to the Town under this Agreement.

1.3 *Scope of Work* (“SOW”) means the description of the Services, specifications, Deliverables, and the fees due in exchange for the same, attached hereto and incorporated herein as Exhibit A. Any preprinted terms and conditions on any Contractor issued documents are hereby rejected by the Parties, and any such terms are hereby voided.

2 SERVICES AND DELIVERABLES

2.1 Services and Deliverables. Contractor shall perform the Services in a good and workmanlike manner in accordance with this Agreement and the SOW. Contractor represents and agrees that:

2.1.1 Contractor is experienced, qualified, skilled and fully capable of performing the Services in a competent and professional manner;

2.1.2 Contractor will exercise reasonable care and diligence, and will act in accordance with generally accepted standards of Contractor’s practice that are applicable in the area;

2.1.3 Contractor shall comply with all applicable federal, state, and local laws, ordinances, codes, rules, and regulations;

2.1.4 Contractor shall possess all necessary qualifications, licenses, and certifications to perform the Services or provide the Deliverables;

2.1.5 Contractor shall perform all work in a timely manner and in accordance with all schedules or agreed upon delivery dates;

2.1.6 Contractor shall work in good faith with the Town to meet any requirements imposed by the federal or state government or other funding entity if grants are used to fund any portion of the work; and

2.1.7 Contractor shall ensure that the individual(s) signing this Agreement have the right and power to do so and bind Contractor to the obligations set forth herein, and such individual(s) warrant that they have such authority.

2.2 Amendment to Agreement. Either party may propose changes to the SOW or this Agreement. In order to be effective, such changes must be mutually agreed to in a writing signed by the Parties.

3 COOPERATION AND DELAYS

3.1 Cooperation. The Parties agree to reasonably cooperate in good faith to ensure the successful completion of the SOW including the dedication of necessary resources and personnel necessary to achieve completion within established timeframes and maintaining ongoing communications throughout the duration of the SOW.

3.2 Contractor Delay. Time is of the essence in the performance of this Agreement. In the event the SOW specifies a due date, and Contractor is unable to meet the due date, Contractor shall promptly notify Town of the delay. Contractor shall be responsible for any delay in the Services and failure to meet the specified due dates to the extent such delay arises out of Contractor's action or inaction, including the action or inaction of Contractor's employees, agents or subcontractors ("Contractor Delay"). For purposes of this Section, "Contractor" includes Contractor's employees, agents and all subcontractors working for Contractor. Whether a Contractor Delay constitutes a material breach of this Agreement shall be determined in the Town's reasonable discretion.

4 PAYMENT AND ACCEPTANCE

4.1 Invoicing. Contractor shall invoice Town for the fees payable for the Services and Deliverables for completed work on a monthly basis. The invoice for the work performed in the preceding month shall be due to the Town no later than the tenth (10th) day of the next month. Payments for Services and Deliverables accepted by Town as set forth in this Agreement shall be due within thirty (30) days from the date Town receives an invoice for same. In the event Town finds any part of an invoice not to be acceptable, it shall identify to Contractor the part or parts which are not acceptable and shall pay the part or parts of the invoice which are acceptable. The Town shall have the right to withhold from payments to the Contractor any costs or damages incurred, or which may be incurred, as a result of Contractor's failure to perform the Services and/or provide the Deliverables. If Town withholds any amount of the payment, Town shall provide written notice to Contractor.

4.2 Expenses and Equipment. Unless otherwise agreed to in a writing signed by the Parties, each party shall be solely responsible for its own expenses associated with performing its obligations under this Agreement, including but not limited to out of pocket expenses paid or incurred by the Contractor (such as travel, lodging, meals, gas, tolls, and mileage), as well as provision and maintenance of all equipment, tools, supplies, hardware, software, facilities, and other materials and services necessary for the performance of the Services and creation of the Deliverables. Town assumes no responsibility for the equipment or property of Contractor used in connection with the performance of its obligations hereunder and no insurance coverage provided to Town by Town's provider shall apply to said equipment or property.

4.3 Acceptance. All work performed pursuant to this Agreement is subject to inspection and approval by Town, through its authorized employees or agents and Town's agents, as necessary, which may include without limitation inspection for functionality, as well as regulatory, environmental or occupational compliance. Contractor shall be responsible for the professional quality, technical accuracy, competence, methodology, and coordination of all services hereunder to the satisfaction of the Town.

4.4 Total Compensation. Unless otherwise agreed to in writing by Town, the total amount of compensation payable by Town to Contractor under this Agreement shall not exceed Thirty-Four Thousand Two Hundred Fifty Dollars (\$34,250.00). This amount represents the total amount allocated for the services rendered or goods provided under this Agreement and may be increased only through an amendment to this Agreement executed by the Parties.

5 PERSONNEL. Each Party shall be fully responsible for, and comply with all applicable laws, rules and regulations regarding any personnel performing obligations hereunder, including but not limited to any employees, contractors, subcontractors, consultants, agents, and representatives. Should the Town determine in its discretion that any person on the project appears to be incompetent, disorderly, or otherwise unsatisfactory, Town shall notify Contractor in writing and such person shall be removed from the project and shall not again be employed on it except with the prior written consent of the Town. No automatic extension of the Agreement term will be granted for replacement of personnel or subcontractors.

6 TERM AND TERMINATION

6.1 Term. The term of this Agreement (the "Term") shall begin on the Effective Date and continue until the services identified in the SOW are completed, unless earlier terminated due to (i) termination for convenience as provided for in Section 6.2 below; or (ii) termination for an Event of Default (as hereinafter defined) as provided for in Article 13 below.

6.2 Termination for Convenience. Town may terminate this Agreement for convenience, without penalty or further liability, by providing thirty (30) days written notice to the Contractor. Contractor shall be paid for all completed Services and Deliverables performed through the termination date less any costs or expenses incurred or anticipated to be incurred by the Town due to any errors or omissions of Contractor.

6.3 Termination due to Event of Default and Payments. In the event of a termination due to an Event of Default by Contractor, Contractor shall be paid for any Services performed and Deliverables provided up to the date of notice of termination, less any costs or expenses incurred or anticipated to be incurred by Town due to any errors or omissions of Contractor or by reason of Contractor's breach of this Agreement.

7 OWNERSHIP OF DOCUMENTS AND DELIVERABLES

7.1 Ownership of Documents and Deliverables. Town shall be granted, at no additional cost, ownership of all documents and Deliverables, including any reports, memorandum, drawings, specifications, plans, or other documents or goods which are, by their nature, designed to be delivered to the Town under this Agreement. Contractor shall deliver such documents or Deliverables prior to final payment, if not delivered earlier, or within seven (7) days after termination of this Agreement if this Agreement is terminated for any reason.

7.2 Other Projects. Town may use such documents or Deliverables for any reason not related to this project without additional compensation to the Contractor. Such use by Town for other projects shall be at the Town's full risk.

7.3 Copyrightable Materials and Inventions. To the extent permitted by law, any copyrightable material or patentable inventions, including but not limited to drawings, photographs and videos, (herein the "Work Product"), shall be deemed a work for hire and all copyrights in such Work Product shall be the property of the Town. In the event it is determined by that any Work Product is not a work for hire under applicable law, the Contractor hereby assigns to Town all copyrights, intellectual property rights, and any common law, statutory and other reserved rights to such works constituting the Work Product when and as created with the royalty-free, non-exclusive, worldwide, irrevocable right to reproduce, publish or otherwise use and to authorize others to use, the Work Product for Town purposes. Contractor agrees to execute any documents Town requests to formalize this transfer and assignment of rights.

8 PUBLIC RECORDS. Contractor acknowledges and agrees that Town is subject to the Public Records Act ("Act"), as codified in Chapter 132 of the North Carolina General Statutes. By executing this Agreement, Contractor acknowledges that Town is obligated to comply with the Public Records Act, which may be amended from time-to-time, and in so complying, the Town may disclose any and all information Contractor has provided to Town, including but not limited to, this Agreement and any correspondence from or to Town. Pursuant to G.S. 132-1.2(1), Contractor may designate confidential information as a "trade secret" or "confidential" and, upon Contractor's request, Town will not disclose such records that would otherwise be entitled to protection under G.S. 132-1.2(1). Town will determine in its sole discretion whether such information is entitled to such protection under the Act. Should Town withhold such information from any public records request at Contractor's request, Contractor shall indemnify and hold Town harmless from any action or claim brought against Town that such records are public. Town shall not be liable to Contractor for disclosing this Agreement, or any documents or communications made or received in relation thereto, to any third party or the public at large, if such disclosure is made by Town in a good faith effort, within its sole discretion, to comply with any public records request or other applicable laws.

9 REPRESENTATIONS AND WARRANTIES

9.1 Mutual Representations and Warranties. The Parties represents and warrants to the other that (i) it has the full corporate power and authority to enter into this Agreement and to perform its obligations hereunder; (ii) the person executing this Agreement on behalf of such party has been authorized to do so; (iii) this Agreement does not conflict with or breach any Agreement between such party and a third party; (iv) in performing this Agreement, it will comply with all applicable laws, rules, and regulations, whether local, state or federal; and (v) it will obtain and maintain at its own expense all approvals, permissions, permits, licenses, and other forms of documentation or certification required for its performance under this Agreement, except to the extent expressly stated elsewhere herein.

9.2 Services Warranty. Contractor represents and warrants that, subject to Contractor's professional and ethical obligations: (i) the Services will be provided in a timely, professional, and workmanlike manner; (ii) Contractor's personnel will have the requisite experience, skills, knowledge, training, licensure (as applicable) and education to perform the Services in accordance with this Agreement; and (iii) any goods, products, or work product which resulted from the Services will comply with all specifications contained in the SOW and be free from material defects for a period of one (1) year from the date the SOW is completed as evidenced by final payment and a formal written acceptance from Town, if required, unless a longer period is specified in the SOW or a longer period is necessitated due to a reported defect. Contractor shall, at its sole expense, obtain any and all licenses, permissions, approvals or similar

consents required to perform this Agreement unless otherwise noted. Should there be any deficiency in the Deliverables noted by Town for cure, even if final payment has been made, then said warranty period shall not begin until said deficiency is cured to Town's satisfaction and a formal written acceptance is provided.

9.4 Intellectual Property. Contractor represents and warrants that all Deliverables provided shall be original and shall not infringe any copyright or violate any rights of any persons or entities whatsoever, except that Contractor shall not be responsible for any claim arising solely from Contractor's adherence to Town's written instructions or directions which do not involve items of Contractor's origin, design or selection. Should any Deliverable not be an original, Contractor warrants that it has obtained all necessary licenses and has the rights to use the copyright, trademark or other intellectual property rights regarding the Deliverable and to assign the same to Town if necessary. Contractor shall indemnify and hold harmless Town for any breach by Contractor of this warranty.

9.5 Goods and Materials. Contractor represents and warrants that all Deliverables, materials, supplies and/or goods provided or obtained by Contractor shall be free from defects, be of merchantable quality and appropriate for the use made thereof.

9.6 Applicable Law. Contractor shall have the sole responsibility to comply and to ensure compliance by any subcontractors with all local, state and federal laws pertaining to its performance under this Agreement and any SOW, including adherence to all applicable building or safety codes, life safety requirements, and the acquisition and expense of any required permits, licenses, approvals or similar consents. By way of example and not limitation, Contractor and all subcontractors Contractor hires shall comply, when applicable, with the Occupational Safety and Health Act of 1970 ("OSHA") and regulations relating thereto, The Occupational Safety and Health Act of North Carolina in Chapter 95 of Article 16 in the North Carolina General Statutes and any regulations relating thereto, the Americans with Disabilities Act of 1990 ("ADA"), the 2010 Americans with Disabilities Act Standards for Accessible Design and other laws or regulations relating thereto., the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended by the Superfund Amendment and Reauthorization Act of 1986 (SARA) and related regulations of the Environmental Protection Agency ("EPA"). Town, in its sole discretion, may require Contractor or its subcontractors to submit a safety plan. Additionally, Contractor shall comply with any Town standards of conduct while on Town property or while performing work on behalf of the Town. Failure to comply with applicable law or other standards shall be grounds for immediate termination.

10 CONFLICTS OF INTEREST, GIFTS AND FAVORS. Contractor certifies that it is aware of and shall comply with all laws related to conflicts of interest, gifts, favors and the like, specifically including but not limited to G.S. §133-31, G.S. §133-32, and G.S. §14- 234. Contractor hereby certifies it has no undisclosed conflicts of interest with respect to this Agreement, including but not limited to conflicts that may be due to representation of other clients, customer or vendees, other contractual relationships of Contractor, or any interest in property that Contractor may have. Furthermore, Contractor asserts it will not engage in any action that would create a conflict of interest for any Town employee or other person during performance of, or otherwise related to, this Agreement. Should a conflict of interest arise during the term of this Agreement, Contractor shall immediately disclose said conflict in writing to Town. Violation of this section shall justify immediate termination of this Agreement.

11. INSURANCE. As a condition precedent to this Agreement, Contractor shall provide proof of insurance for the required policies and coverages or at least the required minimum limits: 1) Workers' Compensation (statutory coverage limits); 2) Commercial General Liability ("CGL") (one-million-dollar occurrence, one-million-dollar aggregate); and 3) Commercial Automotive Liability (one-million-dollar combined single limit or \$500,000 per person, \$500,000 per occurrence, \$100,000 property damage, and \$1,000.00 medical payment), provided however, that this coverage is only required if the Contractor is

performing any of the following activities: (a) construction or remodeling work; (b) tree trimming, cutting or similar services; (c) landscaping services; (d) the use of vehicles to transport materials to the job site; (e) job sites and projects that are conducted on or near roadways that would alter traffic; and (f) work that requires the use of one of more vehicles. Town shall be listed as an additional insured on the Contractor's CGL policy and Automobile policy, if applicable. Prior to the start of any work under this Agreement, Contractor will submit to Town copies of Certificates of Insurance on the latest approved North Carolina Department of Insurance Acord Form 25 by an insurer authorized to do business in North Carolina by the North Carolina Department of Insurance and rated A- (minus) or better by A.M. Best Company. The certificates shall certify that the insurance policies carried by Contractor were in force before the Project commenced and certifying that these policies will not be canceled during the Agreement other than by an endorsement added to the policies and certificates reading substantially as follows: "The policies herein referred to are not cancelable or subject to reduction of coverage by the Insurer unless the Town of Spruce Pine has received thirty (30) days written notice via registered or certified letter." Certificates of Insurance containing disclaimers holding the insurer harmless for failure to notify Town of Contractor's policy cancellations will not be acceptable and should be modified to delete such disclaimers from the Insurance Certificate forms. Depending on the type of work performed pursuant to the SOW, the Town may require additional types of insurance coverage.

Contractor's insurance shall be the primary coverage for any claims related to this Agreement, and the insurer shall have no right of recovery or subrogation against the Town, or its agents, it being the intention of the Parties that the insurance policies shall protect the Town and be primary coverage for any and all losses covered by the policies.

The North Carolina Workers' Compensation Act (the "NCWCA") requires that all businesses which employ three or more employees (N.C.G.S. § 97-2), including those operating as corporations, sole proprietorships, limited liability companies and partnerships, obtain workers' compensation insurance or qualify as self-insured employers for purposes of paying worker's compensation benefits to their employees. An employer is not relieved of its liability under the NCWCA by calling its employees "independent contractors." Even if the employer refers to its workers as independent contractors and issues a Form 1099 for tax purposes, the North Carolina Industrial Commission may still find that the workers were in fact employees, based upon its analysis of several factors, including but not limited to the degree of control exercised by the employer over the details of the work. Town requires all vendors and contractors working for the Town to provide evidence of worker's compensation insurance coverage unless excluded from coverage under North Carolina law. By execution of this agreement, Contractor is certifying compliance with the NCWCA.

12 LIMITATION OF LIABILITY AND INDEMNIFICATION

12.1 Limitation of Liability. Town shall not have any liability to Contractor for any lost profits, loss of business, loss of use, lost savings, or other consequential, special, incidental, indirect, exemplary, or punitive damages, even if the Contractor has been advised of the possibility of such damages.

12.2 Indemnification. Contractor shall hold harmless and indemnify Town, and its officers and employees from any claim, expense, liability, loss, or damages, including reasonable attorneys' fees, by whomsoever brought or alleged, resulting from (a) any breach by Contractor of any term or condition of this Agreement or an amendment thereto, (b) any breach or violation by Contractor of any applicable federal, state, or local law, (c) any third party injury or death to any person; (d) any injury or death of Contractor or any employee, agent, or subcontractor working at the direction of the Contractor; or (e) any loss, damage, or destruction to any property, except to the extent such claims, expenses, loss, or other damage results from the negligence or intentional acts or omissions of the Town, its officers and

employees, or any third party not under control or working at the direction of Contractor. Town agrees to give Contractor prompt written notice of any indemnifiable claim.

12.3 Intellectual Property Indemnification. Contractor shall indemnify and hold harmless Town against all loss, liability and damage, including costs and expenses (including reasonable attorneys' fees), by whomsoever brought or alleged, resulting from any action or claim brought or threatened alleging that the manufacture, use, sale, or resale of any goods or the Services supplied under this Agreement infringes any patent or patent rights, trademark, trade secret, copyright, or other intellectual property right of a third party and Contractor shall when notified, defend any action or claim of such infringement at its own expense. Contractor shall, at its expense, and Town's approval, either (i) obtain for Town the right to continue to use the goods or work product which resulted from the Services as intended, (ii) modify the goods or work product which resulted from the Services so that it becomes non-infringing, without materially altering the functionality, or (iii) replace the goods or work product which resulted from the Services with a functionally equivalent non-infringing good or Work Product.

12.4 Constitutional Limitation on Indemnification. The Parties acknowledge and understand that an unlimited indemnification by Town constitutes a violation of the North Carolina Constitution and is void and unenforceable by operation of law. Any indemnification given by Town to Contractor under the Agreement shall be deemed to be given only to the fullest extent allowed by law.

13 EVENT OF DEFAULT AND SURVIVAL

13.1 Default. An "Event of Default" hereunder means either party's failure to perform any of its obligations hereunder or to make adequate progress toward completion, which failure is not cured within seven (7) days after written notice from the non-defaulting party, or, in the event such failure cannot be reasonably cured within such seven (7) day period, such time period as is reasonable under the circumstances, not to exceed a total of twenty-one (21) days, provided the defaulting party shall promptly commence to cure and diligently prosecute same to completion. Additionally, the filing of bankruptcy by a party, any act of assignment or the appointment of a receiver for the benefit of creditors shall immediately be considered an Event of Default without any requirement for notice or opportunity to cure.

13.2 Rights upon Default. If an Event of Default occurs, either party will have all rights and remedies available to it at law or in equity, subject to any limitations of liability contained in this Agreement. In addition to such rights and remedies, the non-defaulting party also may declare this Agreement immediately terminated upon written notice.

13.3 Other Rights. In addition to any other remedies available by law, Town shall have the right to deduct from payments to Contractor any costs, damages, and expenses that have been or may be incurred by Town as a result of an Event of Default of the under this Agreement.

13.4 Surviving Provisions. Upon the expiration of this Agreement, or if this Agreement is terminated for any reason whatsoever, the terms in the following provisions will survive: Articles 9, 11, 12, and 13.

14 CHOICE OF LAW AND VENUE

14.1 Governing Law. This Agreement shall be governed by and interpreted according to the laws of the State of North Carolina, without regard to conflict of laws provisions.

14.2 Choice of Venue. The parties designate the state court of Mitchell County, North Carolina exclusively as the proper venue for any dispute arising out of or related to this Agreement.

15 MISCELLANEOUS.

15.1 Assignment. Contractor shall not assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of Town. Town's consent to any assignment shall not relieve Contractor of any obligation under this Agreement. Any attempted assignment in violation of this Section 15.1 will be void and of no effect; and the non-assigning party may choose to treat the attempted assignment as an Event of Default under Section 13.1. This Agreement will be binding upon, and shall inure to the benefit of, the Parties hereto and their respective successors, permitted assigns, and legal representatives.

15.2 Independence of Parties. The Parties to this Agreement are independent contractors. There is no relationship of partnership, joint venture, employment, franchise, or agency between the parties. Neither party will have the power to bind the other or incur obligations on the other's behalf without the other's prior written consent. Contractor is solely responsible for its Services and the supervision of its employees and permitted subcontractors. All persons assigned by Contractor to provide Services pursuant to this Agreement, shall, for all purposes of this Agreement, be considered employees of Contractor only. Contractor shall assume sole and exclusive responsibility for the payment of wages to individuals for services performed under this Agreement and the withholding of all applicable Federal, State, and local taxes, unemployment insurance, and maintaining workers compensation coverage in an amount and under such terms required by law. Should Contractor, any of its employees, subcontractors or subcontractors' employees be injured while performing under this Agreement, Contractor shall remain liable for the same and indemnify and hold Town harmless from any liability therefor, regardless of whether Contractor carries workers' compensation insurance coverage or not.

15.3 Integration. Each party acknowledges that this Agreement and the SOW together constitute the entire Agreement and complete and exclusive statement of the terms and conditions between the Parties, which supersedes and merges all prior proposals, understandings and all other agreements, oral and written, between the parties relating to the subject matter of this Agreement. This Agreement may not be modified or altered except by written instrument duly executed by both Parties.

15.4 Force Majeure. Neither party will be responsible for any failure to perform due to causes beyond its reasonable control (each a "Force Majeure"), including, but not limited to, acts of God, war, riot, embargoes, acts of civil or military authorities, denial of or delays in processing of export license applications, fire, floods, earthquakes, accidents, strikes, or fuel crises, provided that the party claiming a delay or adverse effect due to Force Majeure gives prompt written notice thereof to the other party. The time for performance will be extended for a period equal to the duration of the Force Majeure, but in no event longer than thirty (30) days.

15.5 Notices. Unless otherwise specified in this Agreement, all notices and other communications hereunder shall be in writing and shall be sent by US Mail, via certified mail, to the relevant party at the address listed on the front (or at such other address a party shall specify).

To Town: Town of Spruce Pine
c/o Town Manager
PO Box 189
11050 S. 226 HWY
Spruce Pine, NC 28777

To Contractor: In-Water Services
3683 SE School Rd.
Greensboro, NC 27406

Notices and communications may also be sent by electronic mail, but such method shall not be a substitute for providing written notice as required by this Section 15.5.

15.6 No Waiver. No failure or delay by either party in exercising any right, power, or remedy will operate as a waiver of such right, power, or remedy, and no waiver will be effective unless it is in writing and signed by the waiving party. If either party waives any right, power, or remedy, such waiver will not be effective to waive any successive or other right, power, or remedy the party may have under this Agreement.

15.7 Captions. The captions used in this Agreement are for convenience of reference only, are not part of this Agreement, and will not be deemed to define, limit, describe, or modify the meaning of any provision of this Agreement.

15.8 Severability. The provisions of this Agreement will be deemed severable, and the unenforceability of one or more provisions will not affect the enforceability of any other provisions. In addition, if any provision of this Agreement is declared to be unenforceable, the parties will substitute an enforceable provision that, to the maximum extent possible under applicable law, preserves the original intentions and economic positions of the parties.

15.9 Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart to this Agreement by electronic mail in “.pdf” or other non-editable format shall be as effective as delivery of a manually signed original. Manually executed signatures are permitted but not required. Execution by other electronic signatures (including, without limitation, DocuSign, AdobeSign, and/or via stylus) are expressly permitted by the parties.

15.10 Non-discrimination. During the performance of the Agreement, all parties agree not to discriminate against any employee or applicant for employment in terms of initial employment, tenure, terms of employment or otherwise because of race, color, religion, sex, national origin, political affiliation or belief, age, sexual orientation, ancestry, or disability that is unrelated to the individual’s ability to perform the duties of a particular job or position, height, weight, or marital status. All parties will post, when appropriate, all notices related to nondiscrimination as may be required by applicable law. Contractor shall insert a non-discrimination clause in all subcontracts and require the same in any lower tier subcontracts. Contractor shall be responsible for compliance with this provision for Contractor, Contractor’s employees, and all subcontractors of any tier.

15.11 E-verify. If this Agreement is subject to formal bidding requirements pursuant to N.C.G.S. § 143-129 (non-general service contracts that are: (i) greater than \$90,000 or more for the purchase of apparatus, supplies, materials or equipment; or (ii) greater than \$500,000 for construction or repair work), at all times during performance of this Agreement, the Parties shall fully comply with Article 2 of Chapter 64 of the North Carolina General Statutes and shall ensure compliance by any subcontractors utilized. All Parties shall execute an affidavit verifying such compliance upon request by Town. Contractor shall not knowingly employ unauthorized alien workers in violation of 8 U.S.C. §1324a or Section 274A of the Immigration and Nationality Act. Evidence of any such violation by Contractor will be cause for immediate termination of this Agreement by Town. Contractor shall insert an E-verify clause of substantial similarity to this provision in all subcontracts and require the same in any lower tier subcontracts. Contractor shall be responsible for compliance with this provision for Contractor’s employees and all subcontractors of any tier.

15.12 Contractual Conflict and Precedence. Notwithstanding any statement or provision in any later amendment or modification to this Agreement, the terms and conditions contained in

this Agreement shall supersede, control over, and prevail in the event of any conflict with any differing or contrary terms or conditions of any related document unless the same is reduced in writing, signed separately by all Parties, and attached to the Agreement labeled as “Additional Terms & Conditions” clearly referencing this provision and this Agreement, and specifically stating that it shall take precedence over and control in the event of a conflict with this Agreement.

15.13 No Waiver of Immunity. Nothing in this Agreement shall be construed to mandate purchase of insurance by the Town pursuant to G.S. § 160A-485 or to in any way waive the Town’s defense of governmental immunity from any cause of action alleged or brought against any Party for any reason if otherwise available as a matter of law. No officer, agent, or employee of the Town shall be subject to any personal liability by reason of execution of this Agreement or any other documents related to the transactions contemplated hereunder. Such officers, agents, or employees shall be deemed to execute this Agreement in their official capacities only, and not in their individual capacities.

15.14 Performance of Governmental Functions. Nothing contained in this Agreement shall be deemed or construed to restrict or inhibit the Town’s police powers or regulatory authority.

15.15 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

15.16 Federal Uniform Guidance Requirements and Funds. Contractor shall make all necessary inquiries to correctly identify the source of funding for this Agreement. If the source of funds for this Agreement is federal funds, the following federal provisions apply pursuant to 2 C.F.R. § 200.326 and 2 C.F.R. Part 200, Appendix II (as applicable), unless a more stringent local or state law or regulation is applicable: Equal Employment Opportunity (41 C.F.R. Part 60); Davis-Bacon Act (40 U.S.C. §§3141-3148); Copeland “Anti-Kickback” Act (40 USC § 3145); Contract Work Hours and Safety Standards Act (40 USC §§3701-3708); Clean Air Act (42 USC §§ 7401-7671q.) and the Federal Water Pollution Control Act 33 U.S.C. §§ 1251-1387); Debarment and Suspension (Executive Orders 12549 and 12689); Byrd Anti-Lobbying Amendment (31 USC § 1352); Procurement of Recovered Materials (2 CFR §200.322); Record Retention Requirements (2 CFR §200.324); Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment (2 C.F.R. § 200.216); and Domestic Preferences for Procurements (2 C.F.R. § 200.323). Should federal law require Contractor’s compliance with any of the foregoing federal provisions, then Contractor shall likewise insert such requirement in any contract with a subcontractor and be responsible for compliance with the same.

15.17 Divestment Acts. Contractor hereby certifies that as of the date listed below, it is not on any of the Final Divestment Lists as created by the state Treasurer pursuant to The Sudan (Darfur) Divestment Act of 2007, as amended, The Iran Divestment Act of 2015, as amended, or the Divestment from Companies Boycotting Israel Act of 2017, as amended, respectively codified in NCGS §147-86.41 et seq., NCGS §147-86.55 et seq. and NCGS §147-86.80 et seq. Contractor shall not utilize in the performance of this Agreement any subcontractor that is identified on any Final Divestment List.

Signatures on Following Page

Each party has caused its duly authorized representative to execute and deliver this Agreement as of the Effective Date.

TOWN OF SPRUCE PINE

By: _____
Name: Daniel Stines
Title: Town Manager
Date: _____

IN-WATER SERVICES, INC.

By: _____
Name: _____
Title: _____
Date: _____

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

Finance Director Date: _____

EXHIBIT A

SCOPE OF WORK



Spruce Pine Town Council Meeting
Town Hall
11050 S. Highway 226
Spruce Pine, NC 29777



MEMOS

To: Mayor & Town Council
From: Town Manager
Date: 02/09/2026
Subject: **NCLM MEMO**

The North Carolina League of Municipalities offers services to all municipalities across the state. As such, a services agreement is put in place in the form of an MOU, to cover the details of said services.

Last year, the Town entered into an agreement related to emergency services as it relates to Hurricane Helene recovery efforts. The attached MOU is related to the original services agreement (MOU) approved in December 2023.

Within the packet, is an amendment to the standard Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement (MOU).

The purposes of the amendment are explained in the MOU and are attached within the packet as Exhibit A.

Respectfully,

Daniel Stines
Town Manager

AMENDMENT #1
To the MUNICIPAL ACCOUNTING SERVICES, CYBERSECURITY AND
TECHNICAL ASSISTANCE MEMORANDUM OF AGREEMENT

This **AMENDMENT #1** to the Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement (hereinafter the “Amendment #1”) is entered into as of the Effective Date set out below, by and between the Town of Spruce Pine, (hereinafter the “Municipality”) and the NC League of Municipalities (hereinafter the “League”), each additionally referred to as a “Party”; and collectively as the “Parties.”

WHEREAS, the Parties executed a Municipal Accounting Services, Cybersecurity and Technical Assistance Memorandum of Agreement (“MOA”) dated 12/18/2023;

WHEREAS, pursuant to Section 5 of the MOA, the League is offering, and the Municipality is willing to accept, Additional Services as set forth in Amended Exhibit A to this Amendment #1.

THEREFORE, for good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties agree to amend the original MOA by adding the attached Amended Exhibit A to the MOA. The MOA, with this Amendment #1, constitutes the entire agreement of the Parties with respect to the subject matter hereof. Except as provided in this Amendment #1, the MOA and any previous amendments, if any, will remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by digital signature on the respective dates below, and this Agreement shall be effective upon the date of the MUNICIPALITY’s signature.

NC LEAGUE OF MUNICIPALITIES:

MUNICIPALITY:

TOWN OF SPRUCE PINE

a North Carolina municipal corporation

By:

By:

Signature

Signature

Rose Vaughn Williams

Name

Executive Director

Title

Date of Signature

Date of Signature

ATTEST:

Town Clerk (or designee)

Amended Exhibit A

League Services

In addition to the Contractor Services set out in Exhibit B, as applicable (and subsequent Exhibits, as applicable, pursuant to Section 4.b. above) the League may provide some or all of the services described below.

1. Cyber Security Assessment

The League's Cyber Security Advisor, or Cyber Field Technician ("Security Team"), will conduct a comprehensive assessment of the Municipality's overall cyber security posture ("Security Assessment") against the current standardized framework established by the Center for Internet Security ("CIS"). The Security Team will review approximately 155 security controls in coordination with the Municipality's management, and will provide IT support to establish a baseline security posture matrix. The Security Team will review the results and make appropriate hardware, software, policy, and procedure recommendations in accordance with industry best practices and the baseline standards set by the CIS assessment framework.

2. IT Evaluation

Prior to the installation of accounting software, including Black Mountain software, the League's IT technicians ("Technical Team") will review and evaluate the IT System's environment ("IT Evaluation") of the Municipality to verify the system is adequate to operate the software. The Technical Team will review the computer system for minimum security controls such as password protection, firewall installation and operation, and up to date antivirus programs. The Technical Team will act as a liaison to assist with communications between the software Contractor, which may include Black Mountain Software, and the Municipality. The Technical Team will make appropriate hardware and software recommendations if any deficiencies are found during the IT Evaluation.

3. Hardware and Software Acquisition

In the event that hardware or software deficiencies are found during the IT Evaluation, the League, utilizing funds from the **Municipal Accounting Services and Cybersecurity Grant**, will acquire and transfer title to the Municipality sufficient hardware and software to meet the "Minimum Requirements" as determined by the accounting software Contractor, which may include Black Mountain Software. As determined by the League's IT Director, Cyber Security Advisor, or Cyber Field Technician, computer hardware may be provided under this Agreement, which may include the following: 2 Computers, 1 Laser Printer, 1 Scanner, 2 Monitors, 2 Keyboards, 2 mouse devices, 2 UPS devices. Computer software to be provided under this Agreement may include a Microsoft Office license (if organization has no license).

In the event specific security hardware or software gaps are found during the Security Assessment, the League, utilizing funds from the Cybersecurity Grant, will acquire and transfer title to the Municipality sufficient hardware and software to meet the "Baseline Requirements" as determined by the Security Assessment. As determined by the League's Cyber Advisor, security hardware may be provided under this Agreement, which may include the following: ("NGFW") Next Generation Firewall, Layer 3 Network Switch. Security software may be provided under this agreement, which may include the following: Endpoint Detection & Response ("EDR"), Endpoint Protection Platform ("EPP"), Extended Detection and Response ("XDR"), or Multi-Factor Authentication ("MFA").

4. Assistance, Instruction, and Mentorship (AIM)

League staff will work in a variety of ways to provide financial technical guidance that is tailored to the Municipality's specific situation, including but not limited to assistance with accounting issues, implementation of routine processes and best practices, one-on-one mentorship, and practical application tools, including a

comprehensive manual. When necessary, the League may offer Contractor Services pursuant to Article I, Section 4.b. to assist with auditing and bookkeeping requirements. An emphasis will be placed on helping the Municipality develop a fiscally responsible program that meets State requirements and empowers municipal staff, administration, and board members to effectively communicate the Municipality's financial position.

All hardware and software shall be used only for governmental purposes and primarily used for MAS purposes. The Municipality is responsible for the security, operation, support and maintenance of the provided assets.

5. Hardware and Software Installation

Hardware and software provided by the League will be installed by the Municipality's IT professionals. If the Municipality has no IT service provider, the League, utilizing funds from the **Municipal Accounting Services and Cybersecurity Grant**, will contract for a third-party IT professional installer to set up and load the hardware and software provided pursuant to this Agreement.

6. Finance Evaluation and Assistance During Implementation

Prior to the installation of the accounting software, which may include Black Mountain software, the League's Finance Team ("Finance Team"), in consultation with the Municipality and the software Contractor, which may include Black Mountain Software, will determine the appropriate accounting software to be installed. League MAS representatives will further work with accounting software Contractor during the pre-implementation period to prepare the Municipality for conversion actions and assist the Municipality in adopting best practice options for the new system.

7. Ongoing Cyber Security Consulting

Following the initial Security Assessment described in Section 1, the Security Team will consult with the Municipality on an ongoing basis to assist with meeting the recommendations set forth in the assessment and municipal-related cyber security concerns that would typically be addressed by a Chief Information Security Officer ("CISO").

8. Accounting Assistance Efforts

During the term of this Agreement (as described in Article I, Paragraph 6 above), League Accounting Assistance personnel will provide the Municipality with ongoing assistance with accounting issues, review and assist with best practice accounting and finance processes, and generally assist the Municipality to be current with its bookkeeping and accounting. An emphasis will be placed on ensuring participating Municipalities are prepared for their annual audit. The implementation of best practices and timely preparation should improve the audit experience for both the Municipality and the firm performing the audit.

8. Communication Services

The League's ARP Communications Specialist will provide the Municipality with communications services to help document and describe how the Municipality utilized ARP/CSLFRF grant funding and the impact of those efforts on the community. Communication activities include, but are not limited to, conducting interviews of municipal staff and officials, researching plans and investment strategies, verifying details of grant investments to deliver community outreach strategies and a press conference.

9. Duties of the Municipality

Where applicable, Municipality further agrees to: (1) give the League access to data managed by the Municipality in order to facilitate implementation of the Municipal Accounting Services and Cybersecurity Grant; (2) provide on-line "read only" access into the Municipal Accounting System by the League's Accounting Assistance

personnel; (3) permit the League to contact applicable Contractor, including but not limited to Black Mountain Software, on behalf of the Municipality as needed to facilitate implementation of the League's Grants; (4) make reasonable efforts to maintain industry standards for cybersecurity, which may include allowing the League to perform security audits in the League's sole discretion; (5) if applicable, use the Standardized Chart of Accounts as provided in the accounting software installation; and (6) respond to all requests from the League or Contractor, as applicable, to verify accuracy of monthly invoices submitted to the League by Contractor for grant-funded services provided by Contractor on behalf of the Municipality.

10. Duties of the League Related to Data Security

The League agrees to: (1) access only the Municipality's data that is necessary to implement the software; (2) restrict access to the Municipality's data to designated League employees and agents; and (3) take reasonable measures to safeguard the Municipality's data.



Spruce Pine Town Council Meeting
Town Hall
11050 S. Highway 226
Spruce Pine, NC 29777



MEMOS

To: Mayor & Town Council
From: Town Manager
Date: February 9, 2026
Subject: **Managers Report (Reporting on January 2026)**

- **Administration:**

- FEMA: Staff continues to work weekly with FEMA. Staff recently submitted a detailed PER (Preliminary Engineers Report), recently complete by Bolten and Menk. This has been a major project detailing the replacement justifications of the Towns Waste Water Treatment Plant. Staff and partners are optimistic FEMA will be ready to move this project forward, towards the next step of funding obligation. Staff has recently completed a PER and Construction Docs for Willis St, and are securing bids. Work on this street is anticipated in the next 60-90 days. Staff recently received a PER on Elm St, this is under review and will require further evaluation. The damage on Elm St is complicated due to the adjoining private properties where most of the damage is and work is needed.
- Grants: In addition to the \$4,187,500.01 in grant funding the Town has secured, Staff recently received notice from Congressman Edwards Office that solicitation for Direct Appropriations was successful and we will receive \$4,000,000 to go towards water infrastructure repairs in Spruce Pine.

- **Parks & Rec Department: Report Attached**
- **Public Services: Report Attached**
- **Police Department: Report Attached**
- **Finance: Report Attached**
- **Mainstreet: Report Attached**
- **WWTP/WTP: Report Attached**

Respectfully,

Daniel Stines
Town Manager

Parks and Rec Business Meeting

(2/9/26)

- The Parks and Recreation department completed snow removal on town side walks and helped with maintenance with other task.
- A monthly playground safety inspection was conducted to ensure that safety standards were met.
- Performed walking trail clean ups to remove debris and trash.
- The department has been in contact with SofSurfaces to obtain quotes for playground safety surfacing options.
- The parks portion of the PARTF grant was completed and submitted to Spencer

Town of Spruce Pine Monthly Report

January 2026

Public Services Department

Travis Phillips

Public Services Director

Work summary:

- Worked with Pine Branch Baptist church and Sibelco to obtain easements to cross property to connect a larger line to Sullins branch and Ollis road area. Work will start as soon as weather allows.
- Withers Ravenel working on mapping AIA grant. They have completed phase one of water mapping and should start phase one of sewer mapping in the next couple of weeks.
- Spent a lot of time preparing for the winter storms and placing generators at specific pump stations to keep water flowing in the event of a power outage, if we learned one thing from Helene that is to be prepared.
- The past couple of weeks have been a strain on the public services crew. Days, nights, weekends these guys have been here trying to keep roads passible and clean as possible. Crews have been on duty 20 straight days (two consecutive weekends).
- Winter weather and below freezing temps brings water line breaks. We have had three large diameter main breaks that were accompanied by system pressure advisories the past two weeks. All three advisories, water samples returned free of bacteria. The breaks are the result of moving frozen ground and continued settling as a result of Helene.

Spruce Pine Police Department

Monthly Activity & Operations Report

Reporting Period: January 1st-February 6th 2026

Submitted By: Chief of Police, Spruce Pine Police Department

Submitted To: Town Manager, Town of Spruce Pine

Overview

This report provides a summary of operations, activities, and notable matters involving the Spruce Pine Police Department over the past month. The department has continued to focus on public safety, professional conduct, and accountability while maintaining daily law enforcement services to the community.

Department Operations

During the reporting period, the department maintained routine patrol coverage, responded to calls for service, and addressed public safety concerns within the town limits. Officers continued to perform their duties in accordance with departmental policy and applicable laws.

Key operational areas included:

- Patrol and traffic enforcement (Burleson Hill will continue to be a focus for us)
- Response to calls for service (attached call sheet for SPPD)
- Community presence and visibility
- Drug Enforcement is still top priority (since January 1st we have seized 72.1 grams of Methamphetamine and 18 grams of cocaine with a street value of approximately \$17k)

Personnel & Staffing

Department is at full capacity, and everything is going great.

Administrative & Internal Matters

The department addressed routine administrative responsibilities, including report reviews, policy compliance, and supervisory oversight.

- Any internal complaints or concerns received during this period were reviewed and investigated in accordance with established procedures.
 - Where applicable, investigations were completed and properly documented, with notifications provided to appropriate town officials.
-

Community Relations

The department continued efforts to maintain positive relationships with residents. Officers engaged with the community during routine interactions and remained responsive to citizen concerns brought to the department's attention.

Equipment & Resources

I was able to turn over my old patrol vehicle to the Town Manager and put my new patrol vehicle on the road.

Summary

Overall, the Spruce Pine Police Department continued to fulfill its responsibilities professionally and efficiently throughout the past month. The department remains committed to transparency, accountability, and providing reliable law enforcement services to the Town of Spruce Pine.

Please feel free to contact me if additional information or clarification is needed.

Chief Kasey Cook

Mitchell County Central Communications
117 Long View Drive Bakersville , NC 28705

CFS By Department - Select Department By Date

For Spruce Pine Police Department 01/01/2026 00:00 - 02/28/2026 23:59

Spruce Pine Police Department	Count	Percent
911 ACCIDENTAL DIAL	2	0.53%
911 CRASH NOTIFICATION	1	0.27%
911 INCOMPLETE	7	1.86%
ADMINISTRATIVE - LAW	8	2.13%
ALARMS- LAW	8	2.13%
ANIMAL- LAW	3	0.80%
ASSAULT/SEXUAL ASSAULT	1	0.27%
ASSIST OTHER AGENCY - LAW	1	0.27%
ATTEMPT TO LOCATE	9	2.39%
BREATHING PROBLEMS	1	0.27%
CARELESS/RECKLESS	4	1.06%
CITIZEN ASSIST	4	1.06%
COMMITMENT	4	1.06%
COURT	2	0.53%
DAMAGE/VANDALISM/MISCHIEF	1	0.27%
DCI / CRIMINAL HISTORY	2	0.53%
DIRECT TRAFFIC	1	0.27%
DISABLED MOTORIST	5	1.33%
DISTURBANCE/NUISANCE	5	1.33%
DOMESTIC VIOLENCE	7	1.86%
DSS REQUEST	1	0.27%
DUI / DWI / INTOXICATED DRIVER	1	0.27%
EQUIPMENT FAILURE - 911	1	0.27%
ESCORT	4	1.06%
FRAUD/DECEPTION	1	0.27%
GENERIC LAW	8	2.13%
HARASSMENT/STALKING/THREAT	3	0.80%
INACCESSIBLE INCIDENT/OTHER ENTRAPMENTS	1	0.27%
INFORMATION ONLY-LAW	1	0.27%
INTOXICATED- PEDESTRIAN	2	0.53%
INVESTIGATIONS	1	0.27%
MENTAL DISORDER/BEHAVIOR	1	0.27%
MISSING/RUNAWAY/FOUND PERSON	2	0.53%
MOTOR VEHICLE COLLISION	1	0.27%
PATROL	7	1.86%
PRISONER TRANSPORT	1	0.27%
PROPERTY/RESO CHECK	1	0.27%
RABID/SICK ANIMAL	1	0.27%
ROAD CONSTRUCTION/CLOSURE	1	0.27%
ROAD HAZARD	3	0.80%
ROAD SIGN MISSING/DOWN	1	0.27%
STRANDED MOTORIST	5	1.33%

Spruce Pine Police Department

	Count	Percent
STRUCTURE FIRE	2	0.53%
SUSPICIOUS ACTIVITY	4	1.06%
SUSPICIOUS PERSON/VEHICLE	21	5.59%
TAG/DMV REQUEST	50	13.30%
THEFT- LARCENY	8	2.13%
TRAFFIC CRASH - LAW	11	2.93%
TRAFFIC STOP	118	31.38%
TRAFFIC TRANSPORTATION INCIDENT - LAW	7	1.86%
TRAFFIC VIOLATION/COMPLAINT/HAZARD	3	0.80%
TRAINING	1	0.27%
TRESPASSING/UNWANTED	4	1.06%
UNCONSCIOUS/FAINTING	1	0.27%
WARMING STATION	3	0.80%
WARRANT / CIVIL	7	1.86%
WEAPONS / FIREARMS	1	0.27%
WELFARE CHECK	11	2.93%
Total Records For Spruce Pine Police Department	376	Group/Total 100.00%
Total Records		376

Finance Dept Report
Brian Hobson

- Audit: '24-25 funds have been balanced and are correct in the view of the auditors. We are still awaiting their final report. Additionally, we have provided final documentation related to FEMA contracts to Tyson in preparation for a potential FEMA audit.
- Tax Billing: Per Marie, As of January 6th, we collected 97.93% of the anticipated 2025 tax revenue. As of February 6th, we have collected 99.53% of 2025 tax revenue.
- Finance: 1099's and W2's were provided on time this year, even with the ice and snow causing issues.
- Monthly bank reconciliations are complete, and the process for expedited reconciliation is almost finished.
- The LGC has continued to assist the town, and is pleased with our current progress.
- New processes have been put in place for Federal and State payroll tax calculation and payment.
- The ORBIT system process used for retirement benefits has been streamlined, with detailed documentation written up by Marsha. This will allow the SPHA to start performing their own ORBIT entries.
- Budget season has started, and we are working to finalize dates for meetings and the budget retreat.
- Analysis has begun on spending and calculating the projected needs of the departments for next year.
- Departments are in the process of providing Daniel and myself Capital Improvement "wishlists" for this upcoming fiscal year.

February Report - Spencer

- **Transition & Orientation**

- This reporting period marked a transition into my new role with the Town. Initial efforts have focused on onboarding, understanding internal processes, and aligning ongoing projects with Town priorities. While still getting fully oriented, I am excited about the work ahead and the opportunities available to strengthen downtown, tourism, and recreation assets in Spruce Pine.
-

- **Fire on the Mountain Blacksmithing Festival**

- Planning is underway for the **Fire on the Mountain Blacksmithing Festival**. Participating blacksmiths have been announced, and the vendor application is currently live. Early interest has been positive, and coordination will continue around logistics, promotion, and event readiness as the festival approaches.
-

- **Tourism Development Authority (TDA) Updates**

- At a recent Tourism Development Authority meeting, Destination by Design presented first drafts of the new county-wide tourism branding and destination plan. Initial concepts are strong and represent a clear, cohesive direction for Mitchell County's tourism strategy.
 - The TDA plans to officially unveil the finalized branding and tourism plan at their **Tourism Summit on March 19th**.
-

- **Brad Ragan Pool – PARTF Grant Application**

- An application was submitted for the **Hurricane Helene PARTF grant** to fund necessary rehabilitation and repair work at the Brad Ragan Pool following storm-related impacts. This grant would address identified infrastructure needs and support the continued operation of this important community facility.
- Grant award notifications are not expected until **late March**.



January 2026 MONTHLY REPORT

SPRUCE PINE WATER / WASTEWATER PLANTS

OPERATED BY VEOLIA NORTH AMERICA

WATER SYSTEM

Operations & Compliance:

- The water treatment plant, all pump stations, and both wells operated in full compliance with all State and Federal regulations for the month.
- Six bacteriological samples were collected from the distribution system, all yielding satisfactory results.
- All required state reports were completed and submitted.
- Quarterly calibrations were completed as scheduled.
- A safety inspection was performed.

Maintenance & Repairs:

- The generator battery at the Mchone station failed to recharge and subsequently died. It was replaced with a new battery and a new trickle charger was installed.

Future Actions:

The quote from In-Water Services for the repair of the air burst lines at the intakes and the complete cleaning of the North Toe River raw water intakes was forwarded to the Town Manager. .

PRODUCTION

	PRODUCTION MG	AVG GAL/DAY LEAVING PLANT MG	GALLONS USED TO BACKWASH FILTERS
Water Plant	36.19	1.17	620000
Wells	1.3		

	WATER TURBIDITY
Raw NTU	0.45
Finished NTU	0.04
Fed. Limit	0.3

EFFLUENT CHLORINE RESIDUAL
1.57



WASTEWATER

Operations Summary

The wastewater treatment plant and all lift stations maintained a high level of operational efficiency throughout the month.

Compliance and Sampling

- Influent and effluent grab samples are currently being collected and analyzed in-house three times per week.
- All sample results to date are satisfactory.
- Required state reports have been completed and submitted.

Ongoing Improvements and Maintenance

Our immediate focus is on fully meeting NPDES permit requirements, specifically regarding flow monitoring and composite sampling:

1. **Effluent Flow Meter:** Work is underway to restore power to the Effluent flow meter to begin obtaining required flow readings.
2. **Composite Samplers:** We are working to establish power at both the Influent and Effluent composite sampler sites. This will allow us to transition from collecting grab samples to the composite sampling method required by our NPDES permit.

Maintenance and Repair Highlights

- Replaced the block heater at the lower prison.
- Generator fuel tanks were topped off in preparation for the ice storm.
- Obtained quotes for the repair of the aerator gearbox and broken coupler at the O2 ditch.
- Repaired a frozen water line at the lab and installed heat tape and insulation for protection.
- The digester blower, which was repaired and installed by Underwood Inc. in December 2025, failed again and locked up. Underwood Inc. was contacted to pull the unit and perform a second repair.

Efficiency of Operations

	INF AVG MG/L	EFF AVG MG/L	% REMOVAL
BOD	137.9	3.6	97%
TSS	225.5	13.0	94%



OTHER CONSIDERATIONS

All employee safety training is up to date.

Respectfully Submitted,

Darrell Graham

Project Leader

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