



A Research Triangle Region Community

www.FranklinCountyNC.gov

County Manager's Office

113 Market Street, Louisburg, NC 27549

Phone **919.496.5994**

May 21, 2026

Via E-Mail and U.S. Mail

Gary Spruill
City Manager
Henderson City Hall
134 Rose Avenue
P. O. Box 1434
Henderson, NC 27536

Via E-Mail and U.S. Mail

W. Brent Taylor
City Manager
Oxford City Hall
300 Williamsboro Street
P. O. Box 1434
Oxford, NC 27565

Via E-Mail and U.S. Mail

Crystal Smith
County Manager
Warren County
302 W. Ridgeway Street
Warrenton, NC 27589

Re: Request from Members of the General Assembly
That Franklin County (Franklin) Participate in Discussions
About a Regional Water Supply

Dear Madam and Sirs:

As a courtesy I am sending this to you and not your elected officials so you may communicate privately with your elected officials if you wish, and I am not facilitating quorums in this discussion. I selected this letter format hoping to be a good steward of everyone's time.

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I. Franklin's Challenge

So long as Raleigh-Durham-Chapel Hill remains on all the best places to live lists, Franklin will continue to experience dramatic growth. Franklin is contiguous to Wake County. Franklin is challenged by growth; however, Franklin cannot prevent its landowners from selling developers their land. Franklin cannot legally deny landowners or developers of all economically viable uses of their property. The best Franklin can do is continue to ensure smart growth in a deliberate and planned way. The great news for the region, though, is that, as Franklin grows, neighboring counties are more likely to grow. The converse is equally true, namely, if Franklin stagnates, so too will neighboring counties farther from Raleigh-Durham-Chapel Hill.

Franklin has 5.5 million gallons per day (MGD) in water supply from Henderson, Raleigh, Louisburg, and the Franklinton water plant. Franklin has granted allocations of 4.082 MGD. As we see continued demand through development, the County must responsibly allocate water in a manner that protects our water supply while meeting the needs of our growing communities. Again, this is not only good for Franklin, but also for neighboring counties as urban growth and amenities fan outward.

If the demand were annual average instead of maximum daily, Franklin would be over the 80% Rule on water (R.61-58.7C(12)). At that point, if Franklin did not have plans for expansion of supply, Franklin would have to stop allocating water supply, and Franklin would see a proliferation of community well systems. Because geology in the Piedmont of North Carolina is not conducive to yielding high rates of groundwater withdrawal, community well use is not common for large capacity water supply. Since 2017, Franklin has had water allocation restrictions by ordinance. While Franklin receives applications for allocations totaling 120,000 GPD per year (except in 2024, the number was 180,000 GPD), Franklin is only able to award total allocations of 75,000 GPD per year. Hence, the queue and timeline for allocation is about 2 years.

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II. Franklin's Recent Attempts to Meet the Challenge

In a November 2020 open session, Franklin presented publicly its Water Supply Master Plan. Finished water demand over the 30-year planning horizon was determined to be 8 MGD; raw water supply was determined to be 11 MGD. Finished water alternatives included Rocky Mount, Wilson, and Henderson. Raw water alternatives included Kerr Lake and Lake Gaston.¹ The raw water alternatives presumed Franklin would build its own water plant. Franklin subsequently added Granville County as a potential raw water source since Granville was also proximate to Kerr Lake.

Rocky Mount and Wilson declined to sell water to Franklin. There were also concerns that the length of the pipeline would require excessive flushing to avoid water quality issues.² Although KLRWS is expanding its plant from 10 MGD to 20 MGD, there did not appear to be any plans for Henderson to expand its water distribution infrastructure beyond the current 24" line which can only convey up to 5 MGD; Henderson and Vance County need some of that 5 MGD.³ Practically, for Henderson (which holds a 60% stake in KLRWS's 20 MGD) to sell 8 MGD to Franklin, Henderson would have to agree to sell 67% of its supply to Franklin and substantially upgrade its water distribution line, elevated storage and pump stations. A sale of 8 MGD does not solve Franklin's challenge because 80% of 8 MGD is just 6.4 MGD which is not much more than what Franklin already has.

In 2021 and 2022, Franklin had discussions with Warren, Vance and Granville about Franklin installing water distribution infrastructure in one of their counties. Franklin began discussions with each County by offering \$750,000 (\$150,000 upon signing an agreement, \$100,000 upon design, permitting and land acquisition, \$225,000 during construction, and \$275,000 upon

¹ An off-site reservoir fed by the Tar was concluded to be infeasible. Franklin would be depleting Louisburg's raw water source. There was not enough water flow in the Tar for Franklin's demand. Louisburg subsequently hired Hazen and Sawyer which confirmed an off-site reservoir would be very expensive and only provide an unreliable drought buffer of 3 MGD.

² Franklin has to flush now on the water purchased from Henderson.

³ Franklin asked Henderson in October 2024 for 500,000 GPD more in short-term supply. A member of the council was e-mailed the proposed rate language in December 2024. Henderson has not agreed to sell any more supply.

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issuance of the permit to operate). In addition, Franklin offered to pay \$.05/1,000 gallons with a .025% annual escalator, roughly \$125,000 per year every year water for Franklin flowed through the other county. Although Franklin had been talking with Warren about buying water since Warren's engineers Rivers and Associates began studying how to connect systems in 2007, Warren was unwilling for Franklin to install lines in Warren unless Henderson consented. Vance also said no unless Henderson consented. Henderson did not consent.

Discussions with Granville and South Granville Water and Sewer Authority (SGWASA) evolved into a joint project where Franklin was amenable to \$8.55 million in value to them, but in the end Granville and SGWASA were only willing to consider a swap of water and sewer services which was never reached. In fairness, though, SGWASA did express an interest in selling water to Franklin on a short-term basis. Unfortunately, the cost coupled with the proposed sale terms prevented Franklin from using any of its debt capacity on the short-term supply. After conversations with Granville and SGWASA ceased, their legal counsel offered two legislative proposals to Representative Matthew Winslow that contemplated a regional water supply solution. The second proposal, which was in 2023, depended upon an award of \$50 million from the NC General Assembly. Franklin did not support either proposal because neither proposal addressed Franklin's long-term supply needs nor offered enough water for Franklin to meet its consumption demand.

During all of this time (2020 to the present), Franklin had ongoing discussions with Henderson about long-term water supply. Rix Edwards, City Attorney, asked Franklin to furnish a term sheet of what Franklin needed to participate in any regional solution. In the term sheet, Franklin either had to have a 51% stake in KLRWS to ensure the ability to expand as Franklin grew, or regardless of the percentage of ownership Franklin had to have at least some ownership and the ability to increase the capacity of KLRWS through Franklin County funds if the other participants were unwilling to expand (hereafter, the "Basic Terms"). Then City Manager Terrell Blackmon courteously updated Franklin on discussions of the KLRWS Advisory Committee about Franklin's need, but he never said KLRWS was willing to agree to Franklin having an ownership interest or an ability to expand KLRWS's capacity. Further, both Terrell Blackmon and his successor Hassan

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Kingsbury said no by e-mail to any further short-term supply for Franklin. On April 4, 2025, Franklin told City Manager Hassan Kingsbury Franklin would proceed to obtain supply elsewhere.

Franklin engaged the Army Corps to undertake a reallocation study. At the request of the Corps, Franklin updated its Master Plan to 50 years, which reveals Franklin now needs 14.3 MGD of finished water and 15.7 MGD of raw water. Even once KLRWS completes its expansion to 20 MGD, it is unlikely Henderson would give Franklin 14.3 MGD when Henderson only has 12 MGD. A more proactive approach is needed so that growth can be managed strategically, supported responsibly, and matched with the infrastructure required to sustain it. With this letter, Franklin is inviting Henderson to commit that it has the money or borrowing capacity to improve sufficiently its distribution infrastructure to provide 14.3 MGD of finished water to Franklin. As a local government, Franklin cannot borrow money for Henderson to improve its infrastructure without approval from its own Board and the Local Government Commission which seems unlikely unless Franklin receives ownership commensurate with its debt.

III. Franklin's Conclusion about a Regional Solution

Franklin has been in discussions within the region about short-term and long-term water supply for at least 19 years (since 2007). Henderson supplies Franklin with an additional 450,000 GPD but that is all Henderson is willing to do given the size of its water distribution infrastructure. Franklin respects that. Short-term, Franklin cannot pay \$35 million for 2.5 MGD when there are other potential sellers at a lower cost. Franklin is open to regional discussions, but KLRWS must either agree to sell at an agreed upon fair market value of a 51% stake in KLRWS or sell a lower percentage interest but give Franklin the right to expand at its cost to develop additional capacity that belongs to Franklin (the Basic Terms). If either of these options are amenable, we would like to discuss terms to move this forward. Any business formation issues (create an authority or a joint venture) are irrelevant unless Franklin is going to solve its supply challenge with a regional solution.

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Please indicate your willingness to accept the Basic Terms within thirty (30) days of the date of this letter, by **June 21, 2026**. If you would like to setup a meeting after accepting the Basic Terms, please let me know.

Granville County, SGWASA and their respective counsel have been copied on this letter. So too have certain members of the General Assembly who have been active in the pending legislation. I have also copied the news outlets that have reported on this topic.

Thank you for your prompt consideration.

Sincerely,


Ryan C. Preble, County Manager

Cc: Members of General Assembly
Granville County
Jim Wrenn, Esq.
SGWASA
Dana Simpson, Esq.
Warren Dispatch
Henderson Dispatch
Franklin Times
WRAL

We agree that any regional solution will have to satisfy the Basic Terms:

City of Henderson

By: _____

Gary Spruill

City Manager

City of Oxford

By: _____

W. Brent Taylor

City Manager

Warren County

By: _____

Crystal Smith

County Manager

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