



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

August 20, 2020

Thomas W. Huyck  
[thuyck@apprhs.org](mailto:thuyck@apprhs.org)

**Exempt from Review**

**Record #:** 3334  
**Facility Name:** Watauga Medical Center, Inc.  
**FID #:** 933533  
**Business Name:** Watauga Medical Center, Inc.  
**Business #:** 2040  
**Project Description:** Replace the central energy plant  
**County:** Watauga

Dear Mr. Huyck:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of **August 17, 2020** the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(4). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Agency's Construction and Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Agency. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Ena Lightbourne  
Project Analyst

Martha J. Frisone  
Chief

cc: Construction Section, DHSR  
Acute and Home Care Licensure and Certification Section, DHSR

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION**

**HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION**

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603  
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704  
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



**APPALACHIAN REGIONAL  
HEALTHCARE SYSTEM**



August 17, 2020

VIA Overnight Courier

Ms. Martha J. Frisone  
Chief  
Healthcare Planning and Certificate of Need Section  
North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
809 Ruggles Drive  
Raleigh, North Carolina 27603

RE: Exempt Project at Watauga Medical Center, Inc. (License # H0077; Watauga County) pursuant to N.C. Gen. Stat. § 131E-184(a)(4)

Dear Ms. Frisone:

Pursuant to N.C. Gen. Stat. §§ 131E-184(a)(4), Watauga Medical Center, Inc. (“Watauga Medical Center” or the “Hospital”) is providing prior written notice of its intention to replace its existing central energy plant (“CEP”) and to construct a new CEP located on its main hospital campus.

**Proposed Project**

Watauga Medical Center is an acute care hospital licensed by the state of North Carolina. The main campus of Watauga Medical Center is located at 336 Deerfield Road, Boone, Watauga County, North Carolina.

Watauga Medical Center proposes to replace its ageing CEP, which was built in late 1960’s and has undergone minimal updates since its construction. The project concerns only the replacement of the CEP and no other buildings. This project will allow Watauga Medical Center to modernize its CEP to be more energy efficient and to better support the operations of the Hospital. The construction of the replacement CEP is scheduled to commence during the fall of 2020 with completion anticipated by October 2021.

The enclosed Exhibit A is a rendering of the proposed replacement CEP and its floor plan upon completion of the project.

**Exemption Under N.C. Gen. Stat. § 131E-184(a)(4)**

N.C. Gen. Stat. § 131E-184(a)(4) provides that upon prior written notice, the Agency shall exempt from CON review projects to:



**APPALACHIAN REGIONAL  
HEALTHCARE SYSTEM**

... provide parking, heating or cooling systems, elevators, or other basic plant or mechanical improvements, unless these activities are integral portions of a project that involves the construction of a new health service facility or portion thereof...

The replacement of the CEP does not involve the construction of a new health service facility or portion thereof that is subject to CON review. The CEP is necessary to support the Hospital's operations and needs to be modernized to ensure that the Hospital can continue to accommodate the needs of its patients and staff.

We would appreciate the Agency's written confirmation that the foregoing project to construct a new central energy plant and to replace the Hospital's existing central energy plant on its main hospital campus is exempt from CON review.

Thank you for your time and attention to this matter. Should you have any questions, please don't hesitate to contact me at [thuyck@apprhs.org](mailto:thuyck@apprhs.org) or 828-268-8915.

Sincerely,

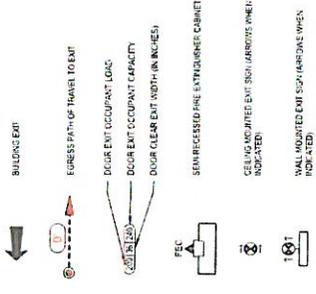
THOMAS W. HUYCK  
Chief Legal Office

Enclosure



# LIFE SAFETY LEGEND

- FIRE RATING AND FIRE PROOFING NOTES**
1. SEE FLOOR PLANS AND WALL TYPE SCHEDULE FOR WALL ASSEMBLY TYPES AND CONSTRUCTION.
  2. FIRE DAMPERS AND ALL ELECTRICAL CIRCUIT PASSING THROUGH WALLS.
  3. SEE MECHANICAL AND PLUMBING DRAWINGS FOR THROUGH WALLS, THROUGH DOORS, THROUGH WALLS, THROUGH WALLS.
  4. REFER TO SHEET G115 FOR GENERAL FLOOR, ROOF AND STRUCTURAL RATING REQUIREMENTS AND RELEVANT PROPOSED PROTECTION SYSTEMS.
  5. MAINTAIN/PRESERVE ANY EXISTING FIRE AND/OR STRUCTURAL RATING ASSEMBLY TYPES AND CONSTRUCTION DETAILS DURING ALL CONSTRUCTION.



**WALL RATING LEGEND**

SYMBOL	DESCRIPTION
[Symbol]	SMOKE PARTIAL
[Symbol]	1 HOUR FIRE BARRIER
[Symbol]	2 HOUR FIRE BARRIER
[Symbol]	3 HOUR FIRE BARRIER
[Symbol]	4 HOUR FIRE BARRIER

# KEY PLAN

