

DRAFT MINUTES

**STATE OF NORTH CAROLINA
COUNTY OF HENDERSON**

**CANE CREEK WATER & SEWER DISTRICT
DECEMBER 19, 2007**

The Cane Creek Water & Sewer District Board met for a regular meeting at 9:00 a.m. in the Commissioner's Conference Room of the Henderson County Office Building at 100 North King Street, Hendersonville, North Carolina.

Present were: Chairman Bill Moyer, Vice-Chairman Charlie Messer, Commissioner Larry Young, Commissioner Chuck McGrady, Commissioner Mark Williams, County Manager Steve Wyatt, Assistant County Manager Selena Coffey, County Attorney Russell Burrell, and Clerk to the Board Elizabeth W. Corn.

Also present were: Deputy Clerk to the Board Terry Wilson, Research and Budget Analyst Amy Brantley, Tax Assessor Stan Duncan, Planning Director Anthony Starr, Communications Officer Pam Brice, and Engineering and Facility Services Director Marcus Jones.

CALL TO ORDER

Chairman Moyer called the meeting to order.

Commissioner Messer made the motion for the Board to convene as Cane Creek Water & Sewer District. All voted in favor and the motion carried.

SEWER EXTENSION ASSESSMENT POLICY

Chairman Moyer stated that in the past discussion was held in regards to the sewer line and how it affects the Fletcher Substation that is on Highway 25. The board was willing to get involved in loaning the money for the funding but not take it out of the general funds. It would be made available through the Cane Creek Sewer District but the Board wanted a policy that would ensure that the money came back from the people that would benefit from it. The Board has looked at a number of alternatives and requested that County Engineer Marcus Jones discuss this further.

Marcus Jones explained that the agreement that had been developed for reimbursement from the last meeting has the Fire Department concerned that it will not recoup the full expense of that extension. Marcus felt that this was not an inaccurate assumption. The Fire Department would like for the Board and staff to consider a way to assure that the cost of the line is recovered from the people that the line will serve. There are five parcels that will be served by that extension and the recommendation to accomplish that would be:

- 1) For the Board to approve an assessment policy
- 2) To apply that policy to the particular case of the Fletcher Fire and Rescue Department

Chairman Moyer stated that the issue is broader than just the Fire Department and he felt that when the Board approved it their intent was to come up with a formula that would be sure to get the money back that is being put forth for this line. Initially when the Board started looking at it the plan was to do this based on usage, but depending on how the land was developed etc., this would probably ensure that CCWSD would not be reimbursed.

Marcus Jones explained that the reimbursement agreement contained two variables that we have no control over. 1) If the property owners apply for sewer within the ten (10) year timeframe and 2) The amount of land use that the parcel applies for (example: A storage facility would require less use in the capacity of the line than compared to a restaurant).

Chairman Moyer stated that the Board and staff had looked at other alternatives and wrestled with looking at frontage. Most residential projects are done on the assessment of so much frontage but most of these parcels have a smaller amount of frontage but a lot of acreage. The Board looked at several combination approaches. The assessments would be based on the formula and then CCWSD would work out with the property owners that they would have up to five (5) years to pay for it. He feels that this acreage is a prime site for development with two highway crossings. He was in favor of adopting this agreement. Chairman Moyer stated that this will set the policy for the future. The CCWSD has had other requests to have the line run and now the policy will be clear.

County Attorney Russ Burrell stated that this policy would give the Board the most flexibility to choose any one of the six (6) options available that would best apply to that certain project per General Statutes.

Chairman Moyer was in favor of the 60 frontage/40 acreage option for this project.

The County Manager and the County Engineer recommend the adoption of a policy which requires the assessment of affected parcels abutting extensions of the Cane Creek sewer system. The Manager and Engineer also request the Board adopt specific assessments for the "Fletcher Fire & Rescue" extension. The County Engineer demonstrated how the possible basis for assessments would affect the assessments in this case.

Commissioner McGrady made the motion that the Board adopt the resolution setting out the assessment policy as recommended in the Board packet. He further moved that the Board adopt a 60% frontage and 40% acreage assessment scheme in the Fletcher Fire and Rescue Sewer extension, such assessments to be required to be paid in monthly installments up to five years. The motion passed 4 to 1 with Commissioner Williams voting nay.

County Manager Steve Wyatt stated that the funds would come directly from the CCWSD funds and then they will recoup the cost by use of this policy.

RESOLUTION ADOPTING ASSESSMENT POLICY APPLICABLE TO SEWER EXTENSIONS TO EXISTING UNSERVED AREAS

WHEREAS, the Board of Trustees of the Cane Creek Water and Sewer District of Henderson County ("CCWSD") has determined to review its assessment policies in order to assure that the manner in which the costs of sewer extension projects are calculated and assessed is fair and meets the requirements of the general statutes, and, in particular, that it does not impair the orderly availability or unduly discourage otherwise necessary connections to these vital public services; and

WHEREAS, the Board of Trustees of CCWSD has determined that the attached policy is necessary and appropriate to assure the availability and orderly provision of public sewer service to CCWSD's service area, and that it is necessary and will result in the protection of the environment and public water supply, and that it will primarily benefit persons who are able to connect to these services as well as their neighbors and the public at large;

NOW, THEREFORE, BE IT RESOLVED:

- 1. That the CCWSD Board of Trustees adopts the attached policy entitled, "Assessment Policy Applicable To Sewer Extensions To Existing Unserved Areas",
- 2. That the policy shall become effective upon adoption.
- 3. That staff is directed to implement and interpret the "Assessment Policy Applicable to Sewer Extensions to Existing Unserved Areas."

Adopted this the 19th day of December, 2007.

CANE CREEK WATER AND SEWER DISTRICT

By: _____
Chairman, Board of Trustees

Attest:

Elizabeth W. Corn Clerk to the Board

ASSESSMENT POLICY APPLICABLE TO SEWER
EXTENSIONS TO EXISTING UNSERVED AREAS

PURPOSE: The purpose of this policy is to set forth the principles and guidelines for the extension of and the allocation of cost for the sewer mains of the Cane Creek Water and Sewer District (CCWSD) when such facilities are extended through the assessment process.

BACKGROUND:

An integral part of the operation of CCWSD is the orderly extension of sewer service from its existing facilities or the construction of new facilities. This extension of service may consist of the construction of new collectors, interceptors, mains, pump stations and other appurtenances necessary to serve a group of properties whose owners have petitioned CCWSD for service and have agreed to assume the cost of the sewer extension or to serve properties without a petition from property owners that CCWSD has determined are benefited by the extensions. The North Carolina General Statutes enable CCWSD to make such extensions and assess benefited properties the costs associated with the extensions.

POLICY:

CCWSD, at the discretion of its Board of Trustees, may arrange for the installation of sewer mains to serve specified areas and assess the cost of the improvements to the benefited properties in accordance with the North Carolina General Statutes. Extension to new residential development will not be financed through the assessment process. If undeveloped land within

an assessment area benefits from an assessment project then such land will be assessed for the improvements. Undeveloped land through or along construction of off-site line extensions may also be assessed.

Assessment projects must have prior approval of the CCWSD Board of Trustees and may be initiated by petition of property owners, County or State public health agencies, by a municipality, or by CCWSD at its discretion. CCWSD's decision to undertake an assessment project shall not be subject to prior endorsement from a majority of the property owners benefiting from said project. In determining whether or not to proceed with an assessment project, CCWSD will consider the needs of all property owners who are impacted by such project. Multiple assessment project requests will be prioritized for construction by CCWSD.

Extension of service shall be made in a manner to appropriately serve individual properties and to allow for the future orderly development of the sewer system to serve other properties. Sewer main extensions and appurtenant facilities installed by CCWSD through the assessment process shall be financed by the owners of the benefited properties through (1) special assessments made in accordance with the provisions of the North Carolina statutes and laws; (2) prior funding of the improvements; and/or (3) other financial arrangements satisfactory to CCWSD.

The cost of the assessment project, as determined by CCWSD, shall be specially assessed against each of the lots or parcels determined by CCWSD as benefiting from the project and set out in a Final Assessment Roll. Such allocation of cost shall be in accordance with the provisions of North Carolina General Statutes 153A, Article 9, Special Assessments.

Costs recovered through assessments shall not include the engineering design and construction observation expenses in an amount up to 15% of total expenditures for a given project costs recovered through assessments shall not include the legal expenses in an amount up to 5% of total expenditures for a given project. Any such engineering design and observation costs in excess of 15% and/or legal costs in excess of 5% will be included in the summation of costs to be assessed. Costs recovered through assessments shall not include off-site costs, including any easement acquisitions of intervening improvements required to connect assessment projects situated within any incorporated limits when the CCWSD Board of Trustees determines that (a) the off site improvements are assessed to intervening benefited properties; or, the cost of the off site improvements are reasonably anticipated to be recovered within the next 10 year period through fees from service connections or extensions to the proximate intervening properties; and (b) the costs of the off-site improvements that are not assessed are in reasonable relationship to the costs of the assessment project and funding is available in the approved Capital Improvements Budget for such off-site cost, or funds are reliably available from other sources such as grants, subsidies or contributions in aid of construction from private or public parties.

Off-site mains shall be defined as those sections of mains installed outside of the benefited project area which do not provide service directly to individual lots within the benefited area and are of a size so as to provide service to areas other than that defined by the assessment project resolution.

Upon completion of the project, property owners will be notified and a Final Assessment Roll adopted. Liens against the property will be recorded as security for the amount of the assessment.

Assessments may be paid without interest at any time before the expiration of thirty (30) days

from the date that notice of confirmation of the Final Assessment Roll is published. If the assessments are not paid within this time, all installments shall bear interest at a rate set by the CCWSD Board of Trustees in the assessment proceedings until paid. In the event one or more payments of the assessment against a parcel of property are not made in accordance with the terms for such payment, CCWSD will take action under the lien to collect the money due.

For assessment projects, the property owner connecting within sixty (60) days of the confirmation of the Final Assessment Roll may enter into a contract with CCWSD to pay service availability fees for connections to lines extended by an assessment project, but not service connection fees, under established terms and conditions by monthly installments over the same time period and at the same interest rate as established for the assessment project costs. The installment payment of service availability fees shall become a part of the monthly billing for service, and nonpayment shall be subject to the same policies and penalties that apply to delinquency in the payment of monthly charges for sewer services provided by CCWSD. The unpaid balance shall be secured by a lien against the benefited property and personal security to satisfy any outstanding balance upon sale of the property. The payment of the unpaid balance shall become due upon transfer of the property.

For assessment projects, the residential property owners connecting within ninety (90) days of notice from CCWSD that the construction has been completed and service is available for active service connections, the service availability fees applicable to the property will be reduced by 25%, not to exceed \$500 per benefited property:

If an assessed lot is subdivided at any time after adoption of the Final Assessment Roll, the newly created lots shall be required to pay all applicable availability fees in accordance with the Schedule of Rates and Fees in effect at the time, prior to establishing a service connection to the system(s) owned by CCWSD.

MINUTES

Draft minutes were presented for the Board's review and consent approval of the following meetings: August 2, 2006 - October 2, 2006 - July 18, 2007 - August 2, 2007 - August 14, 2007

Commissioner McGrady made the motion that the Board approve the minutes for CCWSD for August 2, 2006, October 2, 2006, July 18, 2007, August 2, 2007 and August 14, 2007. All voted in favor and the motion carried.

SEWER EXTENSION ASSESSMENT POLICY CONTINUED

County Manager Steve Wyatt asked the CCWSD Board to approve the project and budget with a contingency.

Chairman Moyer made the motion that the CCWSD Board approve accepting the contract from the Fire Department with the price increase in the amount of \$123,760 with the possibility of adding a 10% contingency. All voted in favor and the motion carried.

Adjourn

Commissioner McGrady made the motion to adjourn as the Cane Creek Water & Sewer District Board. All voted in favor and the motion carried.

December 19, 2007

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Attest:

Teresa L. Wilson, Deputy Clerk to the Board

William L. Moyer, Chairman