

UTILITY ASSESSMENT POLICY AND PROCEDURE

FOR SEWER AND WATER IMPROVEMENTS

Introduction and Purpose

The City of Hendersonville (“City”) desires to provide a fiscally responsible method for area residents to connect to the City’s public sewer and water systems. Through its sewer master planning efforts, the City identified various areas adjacent to the existing sewer service area that have the potential to convert from septic systems to public sewer. The City also conducted water master planning efforts that identified areas that have the potential to be served through extensions of the City’s water system. The purpose of this utility assessment policy is to provide an organized and coordinated process by which existing area residents may petition the City to receive public sewer and/or water service through an extension of the City’s water or sewer system and pay for these extensions through special assessments.

Scope

This policy applies to all property-owner driven requests to extend the sewer and/or water system owned and operated by the City of Hendersonville where the requested extension is proposed to be paid for by special assessments. This policy shall only be applied to existing, developed, residential areas and shall not be applied to new commercial, industrial, or residential development. These requests shall be in the form of a written petition submitted to the City in accordance with the process and procedure outlined herein.

Authority

This policy is adopted by the City Council of the City of Hendersonville in accordance with the authority granted by North Carolina General Statutes Chapter 160A Article 10 (“Special Assessments”) and Sec. 52-89 et seq of the City of Hendersonville Code of Ordinances. This policy outlines the procedure for the City’s consideration and approval of utility infrastructure improvements to be funded in whole or in part by special assessments as is hereinafter provided. Nothing herein shall be deemed to limit or restrict any other available options to proceed with utility infrastructure improvements as are now or may be prescribed by the general laws of the State.

PROCESS AND PROCEDURE

Phase I – Petition

1. Area property owner(s) expressing interest in extending the sewer and/or water system owned and operated by the City shall first contact the City and communicate such interest to appropriate City staff along with any additional background

information that may assist in identifying the level of interest present in the given area.

2. After receiving such notification of interest, City staff shall conduct a preliminary review of the feasibility of the proposed project and determine the project area including the properties within such area with cooperation from neighboring local government jurisdictions as applicable.
3. After conducting a feasibility review of the proposed project, City staff shall send interested property owner(s) a map of the potential project area along with a rough cost estimate (including a single-family equivalent assessment amount) and petition forms to be circulated among area residents. As part of the cost estimate, City staff shall identify the recommended basis upon which assessments would be determined. The single-family equivalent assessment amount shall be calculated by City staff in accordance with the recommended basis and shall be adjusted over time based on the Construction Cost Index provided by the Engineering News-Record. Until confirmation of an assessment roll, the City reserves the right to reevaluate and alter this amount from time to time at its discretion.
4. The interested property owner(s) shall be responsible for the circulation of petition forms and may identify a “neighborhood champion” to organize and coordinate the petition distribution and collection process. All assessment amounts and project cost estimates provided by the City at this stage are preliminary and subject to change. City staff shall notify other local government jurisdictions if required based on the location of the potential project.
5. Before a water and/or sewer extension will be considered by City Council under this policy, the owners of at least 66% of the assessable properties in the proposed project area shall submit signed petitions to the City requesting that the City extend the sewer and/or water system to serve the project area. Such petitions must acknowledge that **all** property owners in the proposed project area will be required to pay the full assessment amount once the petition percentage threshold requirement has been met.
6. The City will deliver petition forms to the interested property owners either at the City Operations Center or by regular US Mail. The interested property owners shall have six (6) months from the date of delivery of the petition (either the date received in-person or the date of mailing) to circulate the petition and obtain signatures of at least 66% of property owners within the project area. The expiration date will be indicated on the petition forms.
7. If, after six (6) months from the date of delivery of the petition forms, the interested property owners have not obtained the signatures of at least 66% of property owners within the project area, the petition effort shall fail. Once a petition effort fails, a moratorium period will be imposed wherein no subsequent petition effort encompassing all or any part of the project area shall be prepared or accepted for consideration until the passage of eighteen (18) months from the

date the original petition was delivered to the interested property owners. After the moratorium period has passed, interested property owners are free to initiate another petition effort but shall be subject to the same rules as the original petition effort.

8. The signed petitions shall be submitted in form and manner acceptable to and approved by the City. Upon receipt of the signed petitions, City staff shall secure approval to make special assessments from other local government jurisdictions, if required, by interlocal agreement. Alternatively, petitioners may request annexation into a municipality. Resolution #20-0582 by the City of Hendersonville City Council updating the 1997 water extension policy, adopted October 1, 2020, Resolution #R-21-45 by the City of Hendersonville City Council to adopt a utility assessment policy & procedure, adopted June 3, 2021, and Ordinance #O-21-22 to amend Chapter 52 of the Code of Ordinances for the City of Hendersonville to add a new section 52-96, Special Assessments, adopted on June 3, 2021, are hereby incorporated into this policy. All official actions of the City Council pertaining to water and/or sewer extensions, whether effectuated by Ordinance, Resolution, or otherwise, shall be incorporated into this policy.

Phase II – Project

1. In accordance with the provisions stipulated in G.S. §160A-223, as amended, the City Council shall adopt a preliminary assessment resolution containing, at a minimum, the following information:
 - a. A statement that the City Council intends to undertake the requested extension(s) (the “project”).
 - b. A general description of the nature, location, and scope of the project. (Please note that the scope of the project may not be increased after adoption of the preliminary assessment resolution.)
 - c. The percentage of the total cost that will be assessed.
 - d. The proposed basis for making the assessments.
 - e. The proposed terms of payment of the assessment, either payment in full within 30 days of confirmation of the assessment roll or payment in 10 annual installments at the specified interest rate.
 - f. A statement as to which, if any, assessments will be held in abeyance and for how long.
 - g. An order setting the time and place for a public hearing on all matters covered by the preliminary assessment resolution.
2. After the adoption of the preliminary assessment resolution by the City Council, a notice describing the project and its location, and summarizing the terms of the preliminary assessment resolution shall be published in the newspaper, at least 10 days prior to the public hearing date, in the manner prescribed by G.S. §160A-224, as amended. The City shall mail this notice to all affected property owners at least 10 days prior to the public hearing date.
3. Following the publication of this notice, a public hearing as outlined in G.S. §160A-225 shall be held on the preliminary resolution.
4. After this public hearing, the City Council may approve or reject the project. If the City Council elects to approve the project, the City Council shall adopt a final assessment resolution directing City staff to undertake the project. The final assessment resolution shall, at a minimum, contain the following information:
 - a. A general description of the project.
 - b. The basis on which the special assessments will be levied. (Please note, the basis of assessment may not be changed after adoption of the final assessment resolution.)
 - c. The percentage of the project costs to be assessed. (Please note, this must be the same percentage as was stated in the preliminary assessment resolution.)

- d. The terms of payment, including the conditions under which assessments will be held in abeyance, if any. (Please note, the City may not change the terms of payment after the final assessment resolution is adopted.)
 - e. City staff shall then establish an official project budget and present a capital project ordinance to City Council for adoption.
5. After the capital project ordinance has been adopted, the City shall complete the design, permitting, bidding, and construction of the project.

Phase III – Assessment

1. After the project has been completed, City staff shall prepare a preliminary assessment roll in accordance with the provisions in G.S. §160A-227. This preliminary assessment roll shall include a map showing each property to be assessed, the basis of the assessment, the amount to be assessed against each property, the name of each property owner, and the terms of payment.
2. The preliminary assessment roll shall then be filed in the City Clerk's office where it shall be available for public inspection. The City shall notify all affected property owners when the preliminary assessment roll has been filed.
3. The City shall then hold a public hearing on the contents of the preliminary assessment roll and make any modifications to it as are appropriate. Notice of the public hearing must be published at least ten days before the date of the public hearing. The notice must provide a general description of the project and alert individuals that the preliminary assessment roll is available in the City Clerk's office for inspection. In addition, a copy of the preliminary assessment roll must be mailed to each owner of the property subject to assessment, along with the amount of the assessment against the particular property.
4. At that same public hearing and after all persons in attendance have had an opportunity to be heard, the City Council may confirm the assessment roll, annul the assessments, or modify them as allowed by law. The City Clerk shall enter the date, hour, and minute of the confirmation in the minutes. From and after the time of confirmation, the assessments shall be a lien on the property assessed of the same nature and to the same extent as the lien for county and City property taxes, according to the priorities set out in G.S. §160A-233(c).
5. Following the confirmation of the assessment roll, the City shall publish a notice in accordance with G.S. §160A-229 that the assessment roll has been confirmed and the assessment roll shall be forwarded to the City Tax Collector for collection.
6. After the publication of this notice, all affected property owners shall make the assessment payments to the City in up to 10 (ten) annual installments over time or in one lump sum payment as may be authorized by the City. If the assessments are

to be paid annually, they shall be included on the property tax bill for each assessed property for all years in which payment is due.

7. Once confirmed, assessments may be set aside in whole as allowed by N.C.G.S. § 160A-231. The assessments on an individual property may not be released or altered.