

STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

INTERLOCAL AGREEMENT

This Agreement is made and entered into this the _____ day of _____, 2025, by and between the **CITY OF HENDERSONVILLE**, a North Carolina municipal corporation (the *City*), and the **COUNTY OF HENDERSON**, a body corporate and politic of the State of North Carolina (the *County*).

Circumstances

A. The City operates a water system providing potable water service. The City's treatment plant is located outside City limits in the County and serves customers within the City and also outside the City in the County.

B. The City operates a sanitary sewer system, which serves customers within the City and also outside the City in the County.

C. The County zones all of the land area not located within one of its municipalities.

D. The City and the County entered into a "Contract for Purchase and Interlocal Cooperation and Settlement Agreement" December 20, 2000 (the *Mud Creek Agreement*). Under its terms, the Mud Creek Agreement expires thirty (30) years after its execution.

E. Various disputes between the City and the County have arisen over the years, which the parties seek to resolve hereby.

F. This Agreement is entered under the provisions of Article 20 of Chapter 160A of the North Carolina General Statutes.

Agreement

NOW, THEREFORE, in consideration of the mutual promises and covenants made to one another, the parties agree as follows:

Water and Sewer

1. The Joint Water and Sewer Commission (the *JWSC*) created by the General Assembly shall:

A. The JWSC shall develop policies that will assist in the development of affordable housing projects in the City and outside the City in the County.

B. The JWSC shall work closely with the Henderson County Partnership for Economic Development to provide utility service to existing and prospective industries.

C. The JWSC shall work closely with the County and Henderson County Agricultural Development Corporation to assist the County in meeting its farmland preservation and agricultural development goals.

2. The City will allow the extension of their sewer system to the Flat Rock Cidery property (off Upward Road) and the Baystone Glen development (off U.S. Highway 25) without requiring annexation into the City. Such extensions shall be in accordance to the policies of the Water and Sewer Commission as approved by the City.

3. After consultation with its counsel, the County waives any possible claim of conflict of interest or any potential conflict of interest of the City Attorney in representing the City arising from the negotiation or drafting of the Mud Creek Agreement or with interpretation and application of the provisions of the Mud Creek Agreement while it is in effect.

Land Use Planning

4. The City shall have the right to request zoning map and text zoning changes from the County, and City's planning staff may work with County's planning staff when rezonings of interest to both parties are considered.

State Action Required

5. The parties shall jointly request the North Carolina General Assembly to pass a revised version of Senate Bill 69 (copy attached), in order to accomplish their mutual goals.

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Executed after majority vote of both the Hendersonville City Council and the Board of Commissioners of Henderson County, this the _____ day of June, 2025.

CITY OF HENDERSONVILLE

COUNTY OF HENDERSON

By: _____
BARBARA VOLK, Mayor

By: _____
WILLIAM LAPSLEY, Chairman
Board of Commissioners

Attest:

Attest:

City Clerk

Clerk to the Board of Commissioners

Approved as to form:

Approved as to form:

City Attorney

County Attorney