

REQUEST FOR BOARD ACTION
CANE CREEK WATER AND SEWER DISTRICT
BOARD OF TRUSTEES

MEETING DATE: 19 December 2007

SUBJECT: Sewer Extension Assessment policy

ATTACHMENT: Proposed Resolution Adopting Policy on Assessments

SUMMARY OF REQUEST:

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 will demonstrate how the possible bases for assessments affect the assessments in this case.

County staff will present further information on this matter.

BOARD ACTION REQUESTED:

Approval of a sewer extension assessment policy and setting of specific assessments for the “Fletcher Fire & Rescue” extension.

If the Board is so inclined, the following motion is suggested:

I move the Board adopt the resolution setting out assessment policy as recommended.

I further move that the Board adopt a/an [acreage][frontage][hybrid acreage/frontage] assessment scheme in the “Fletcher Fire & Rescue” sewer extension, such assessments to be required to be paid in monthly installments over five years.

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 _____ day of December, 2007.

CANE CREEK WATER AND SEWER DISTRICT

By: _____
Chairman, Board of Trustees

Attest:

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 benefitted 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.