

STATE OF NORTH CAROLINA

COUNTY OF HENDERSON

INTERIM SUPPLEMENTAL 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 and the County entered into an Interlocal Agreement (the *Interlocal Agreement*) on or about the 16th day of June, 2025, covering and resolving certain outstanding issues involving them.

B. Final resolution of all the issues contemplated by the Interlocal Agreement will require final action from the North Carolina General Assembly, as the parties agreed to advocate in a proposed local bill (the *Local Bill*).

C. Action of the General Assembly has been delayed beyond the time frame initially contemplated by the parties.

D. This Interim Supplemental Interlocal Agreement (the *Interim Agreement*) is intended to cover the period from execution until the action of the General Assembly to implement the *Local Bill* as agreed to by the parties, and as attached to the *Interlocal Agreement*, and is intended solely to address those issues otherwise accomplished by the *Local Bill*, to the extent they are within the power of the City and the County, and to not in any way affect the obligations of the parties under the *Interlocal Agreement*.

D. The Interim 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 parties hereby create the Interim Joint Water and Sewer Commission (the ***Interim Commission***), to fulfill, on an interim basis, the purposes of the Joint Water and Sewer Commission in the ***Interlocal Agreement***.

2. The membership, operation, and duties of the ***Interim Commission*** shall be as set out in the proposed N.C. Gen. Stat. §160A-312(d) which was a part of the ***Local Bill***.

3. The City and the County shall undertake, on the terms stated therein, the provisions of the proposed revised N.C. Gen. Stat. §160A-312(e) which was part of the ***Local Bill***.

4.

Annexation

5. The City shall not require annexation under this section for any property located wholly outside of the Mud Creek Drainage Basin as a condition of receiving sewer service for such property, but may require annexation as a condition of receiving water or sewer service for parcels located in whole or in part within the Mud Creek Drainage Basin upon which is proposed new development, or any redevelopment of the parcel which is intended to increase the assessed tax value of the parcel by at least fifty percent (50%).

6. When a property is annexed into the city's corporate limits, and the property was a part of the taxing district where fire coverage is contracted for by a volunteer fire department prior to the annexation, the City shall contract with such volunteer fire department to provide fire protection services to the property for a minimum of 5 years. The contract shall establish a level of service to be provided by the volunteer fire department consistent with the requirements and standards of the Office of the State Fire Marshal for like departments. Nothing herein shall prevent the City from terminating any such contract entered for failing to provide the established level of service. The city shall compensate the volunteer fire department based on the following formula:

(a) The contract shall apply to all properties annexed by the city from and after January 1, 2015, and during the term of the agreement with the volunteer fire department, including all renewals.

(b) The annual fee paid by the City to such volunteer fire department shall be the amount which is one-half of the ad valorem tax which would have been owed and paid on such year's assessed value of the annexed real property or real properties at that year's adopted fire district tax rate that would have applied to the real property but for the annexation.

(c) Fees shall not be paid retroactively.

Planning and Zoning

7. Pursuant to N.C. Gen. Stat. §160D-202(h), the City relinquishes its jurisdiction over areas outside its incorporated area. The effective date of this paragraph 7 is October 1, 2025, and the City shall take any further action to effect this relinquishment by such date, and the County shall undertake a planning process under its ordinances for such area by such date, to allow for adoption of development regulation by it within the timeframe of §160D-202(h).

8. For any property annexed into the City's corporate limits the City shall, at the time of adopting the annexation ordinance, also adopt a resolution requesting that the County assume jurisdiction for land development regulation for the annexed property. The County shall have thirty (30) days from the effective date of the annexation ordinance to adopt a resolution declaring the County's maintenance of land development regulation jurisdiction over the annexed property. Upon the adoption of such an resolution by the County, the County's land development regulations shall continue to apply to the annexed property. In the event the County does not adopt a resolution assuming land development regulation jurisdiction within said thirty (30) day time period, the City shall take over land development regulation jurisdiction over the annexed property and the provisions of N.C. Gen. Stat. §160D-202(g) shall apply.

Executed after majority vote of both the Hendersonville City Council and the Board of Commissioners of Henderson County, the dates shown below.

CITY OF HENDERSONVILLE

COUNTY OF HENDERSON

By: _____
BARBARA VOLK, Mayor

By: _____
WILLIAM LAPSLEY, Chairman
Board of Commissioners

Date: _____

Date: _____

Attest:

City Clerk

Clerk to the Board of Commissioners

Approved as to form:

Approved as to form:

City Attorney

County Attorney