

Senate Bill 69 – Implementation Proposal

On Monday, June 16, 2025, the Hendersonville City Council and Henderson County Board of Commissioners unanimously approved proposed substitute language for Senate Bill 69. Unfortunately, this proposed substitute language has not yet moved forward in the North Carolina House of Representatives, and no specific timeline for its passage has been established. In addition, members of the state legislature and local stakeholders have expressed concerns regarding some provisions in the proposed substitute language for Senate Bill 69 and subsequent interlocal agreements. These include annexation standards, inclusion of joint planning areas, and land use regulations. The state legislator and local stakeholder concerns were addressed as part of a recent City Council approved draft agreement that was forwarded to Henderson County on Friday August 8, 2025. Until these items are resolved and an interlocal agreement is approved and executed by all parties, we feel that most of the unquestioned items that had previously been approved by the City Council and Board of Commissioners can be implemented within established authority. The Hendersonville City Council proposes that the City and County proceed with implementation of the unquestioned components of the unanimously approved substitute language until a mutually agreed upon amended interlocal agreement and/or local bill is adopted. The following draft implementation plan has been developed for consideration:

1. **Water and Sewer Commission** – The City of Hendersonville has drafted the proposed charter for the water and sewer commission. The charter is based on the language in the unanimously approved proposed substitute language for Senate Bill 69. The City of Hendersonville proposes the following schedule for establishment of the Henderson County Water and Sewer Commission.
 - a. **Key Dates:**
 - i. Approval of charter by governing boards – October 2025
 - ii. Recruitment of commission members – October 1, 2025 – November 30, 2025
 - iii. Appointment of members and chairperson – December 2025
 - iv. First meeting of Water and Sewer Commission – January 2026
2. **Annexation Standards and Land Use Regulation** – These two items are unresolved and being discussed by the City Council, County Commissioners and our local legislative delegation. It is our recommendation that representatives of all parties meet to discuss the best path forward on these topics.
3. **Rural Fire Department Contracts** – The City of Hendersonville with the assistance of the Henderson County Emergency Management Department will develop a fire service contract with individual non-profit fire departments
 - a. **Key Dates:**
 - i. Contract Execution – January 1, 2026
 - ii. Effective Date – July 1, 2026
4. **Water and Sewer Planning** - It is the desire of Hendersonville Water and Sewer to actively engage Henderson County, municipalities within Henderson County, and other stakeholders in water and sewer planning. The joint Water and Sewer Commission will incorporate stakeholder involvement into the water and sewer master plan update processes.
5. **Utility Rate Equalization** - Hendersonville water and sewer rate differentials will be equalized on the following schedule (based on 5% adjustment per year):

a. Schedule

- i. Water Rates – Fiscal Year 2030
- ii. Sewer Rates – Fiscal Year 2036