



Town of Shallotte

ACTION AGENDA ITEM

2026

TO: Board of Alderman

FROM: Mimi Gaither, Town Manager

EXT. #

ACTION ITEM #:

MEETING DATE: 7.28.26

DATE SUBMITTED: 7.15.26

ISSUE/ACTION REQUESTED: Reduce Out of Town Rates from 1.5 fee currently charging to 1.25. **PUBLIC HEARING:** ☐ YES ☒ NO

BACKGROUND/PURPOSE OF REQUEST: Out-of-Town Sewer Rates

The North Carolina General Assembly recently enacted Session Law 2026-32, creating G.S. 162A-19.2. Under this new law, a local government utility that charges water or sewer rates to customers outside its jurisdiction that exceed the rates charged to in-town customers by more than twenty-five percent (25%) must hold a public hearing and explain how those rates were determined.

In response to this legislation, staff conducted a review of the Town's out-of-town sewer customers. The review found that the Town currently serves 22 out-of-town sewer accounts. Of those 22 accounts, only three are not in close proximity to existing in-town customers, meaning that the additional cost of providing service to most out-of-town customers is minimal.

Based on this evaluation, staff recommends reducing the out-of-town sewer rate from **150% (1.50 times)** the in-town rate to **125% (1.25 times)** the in-town rate. This recommendation reflects the actual service characteristics of our existing customer base, provides a more equitable rate structure, and brings the differential to 25%, eliminating the need for the additional public hearing requirements established under G.S. 162A-19.2.

This will have minimal impact on the budget as we have very conservative estimates for out of town services.

FISCAL IMPACT:

BUDGET AMENDMENT REQUIRED:

☐ YES ☒ NO

CAPITAL PROJECT ORDINANCE REQUIRED:

☐ YES ☒ NO

PRE-AUDIT CERTIFICATION REQUIRED:

☐ YES ☒ NO

REVIEWED BY DIRECTOR OF FISCAL OPERATIONS

☐ YES ☒ NO

CONTRACTS/AGREEMENTS:

REVIEWED BY TOWN ATTORNEY:

☐ YES ☒ NO ☐ N/A

ADVISORY BOARD RECOMMENDATION: N/A

TOWN MANAGER'S RECOMMENDATION: Approve MOG

FINANCE RECOMMENDATION: N/A

ATTACHMENTS:

1.

ACTION OF THE BOARD OF ALDERMEN

APPROVED:

☐

ATTEST:

CLERK TO THE BOARD

DENIED:

☐

**DEFERRED
UNTIL:**

SIGNATURE

OTHER: