



Village of Flat Rock
North Carolina

Incorporated in 1995

April 6, 2017

Hon. Chuck McGrady
N.C. House of Representatives
300 North Salisbury Street, Room 304
Raleigh, NC 27603-5925

Hon. Cody Henson
N.C. House of Representatives
300 North Salisbury Street, Room 537
Raleigh, NC 27603-5925

Hon. Chuck Edwards
N.C. Senate
16 West Jones Street, Room 2115
Raleigh, NC 27601-2808

Gentlemen:

The Flat Rock Village Council has considered the Henderson County Board of Commissioners' positions with respect to the public water system owned and operated by the City of Hendersonville, and the council has a number of concerns about the disposition of the water system sought by the commissioners.

Council members are aware of the inside/outside rate structure and are somewhat sympathetic to the commissioners' argument that such rate structure is unfair to the seventy+ percent of city water customers who reside outside the Hendersonville city limits. They are hopeful that, over a reasonable period of time, the difference in rates may be reduced or eliminated. Council members are also aware of Commissioner Bill Lapsley's opinion, which may be shared by other commissioners, that the public interest is not protected under Hendersonville's operation of the water system, and would be better served by the system's being turned over to a regional authority or its becoming a regulated utility under the oversight of the North Carolina Utilities Commission. We disagree.

While the council would not object to participation, with the county and other municipalities within the county, in an advisory capacity to Hendersonville on water issues, we have some concern about a *regional authority* that might include local governments outside of Henderson County. Because of the history of Henderson County-City of Asheville regional water squabbles, we would not want the Hendersonville water system to be involved in any such embroiling relationship.

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Council members are even more concerned about the possibility of Hendersonville's water system's coming under the oversight of the North Carolina Utilities Commission. In our opinion nothing positive would be gained by such oversight by unelected commissioners with no knowledge or understanding of local operations; and it would be far better to leave operating policies, rate structure, connection fees, expansion plans, and related matters in the hands of those now operating the system, and to let all such decisions be made and problems resolved locally.

The Village of Flat Rock and the City of Hendersonville have had a good relationship from the beginning, especially in water and sewer matters. Soon after the village's incorporation in 1995, the village and Hendersonville collaborated on the installation of a sewer system in the village. With financial help from a grant, the village installed the system and, upon completion in 1999, conveyed it to the city for incorporation into its sewage disposal system. Since then, we have worked together on water and sewer issues as we administer our zoning and land use ordinances as residential projects have been developed in the village. We also worked well together through the process of approval of a special use for a communication tower in the village to accommodate the city's new meter reading system.

In 2015 the village was included as a stakeholder in an effort to determine what the city is doing well and where improvements could be made in the operation of the water and sewer systems. That effort led to the establishment of the Water and Sewer Technical Advisory Committee for input as to areas of concern and future water and sewer needs in the community. We look forward to our continued involvement with Hendersonville in that regard as we experience a pick-up in development in Flat Rock and elsewhere around the county.

The village council has found Hendersonville to be responsive to the needs of the residents of the village, and we have had no – zero – complaints from our citizens about the operation of the water system, the rate structure or any other water matter. We see no reason to remove from Hendersonville governance of its water system, and we see no benefit to be gained by oversight of the water system by the North Carolina Utilities Commission.

Our council has seen nothing to support the removal from Hendersonville of governance of its water system, which in our view serves us well.

Sincerely,



Robert V. Staton
Mayor