

**Town of Montreat  
Board of Commissioners  
Special Meeting  
September 24, 2008 – 5:00 p.m.  
Town Services Office**

The Montreat Board of Commissioners held a Special Meeting on September 24, 2008 at 5:00 p.m. in the Town Services Office. Present among the Board were Mayor Letta Jean Taylor, Mayor Pro Tem Eric Nichols, Commissioner Ruth Currie, Commissioner Bill Hollins, Commissioner Jack McCaskill and Commissioner O'Neil Tate. Representing Town Staff were Town Administrator Ron Nalley, and Town Clerk Misty R. Gedlinske. Town Attorney Susan Taylor Rash attended the meeting via telephone. No members of the public were present. Mayor Taylor called the meeting to order and gave the invocation.

**Agenda Adoption**

Mayor Taylor asked that the meeting agenda be amended to add discussion of the Town's response to the current gasoline shortage and a motion to hold a Closed Session for discussion of proposed acquisition of real property. Commissioner Hollins moved to adopt the meeting agenda as amended. Mayor Pro Tem Nichols seconded and the motion carried 5/0.

**Proposed Revisions to the Ordinance Regulating the Construction  
and Financing of Public Improvements**

The Board reviewed the preliminary draft of revisions to the Ordinance Regulating the Construction and Financing of Public Improvements and made comments on each section as follows:

General Provisions: Commissioner Hollins commented that he was not aware that the expansion or extension of public utilities and streets was part of the five-year Capital Improvements Plan. Mr. Nalley said this was included in the fifth year of the plan and was never moved forward as a priority, and that some funding had been set aside for this purpose.

Scope: Commissioner Currie noted a reference to the provisions of the Town's Subdivision Ordinance with reference to extension of public streets in new developments, and Mayor Taylor cited past difficulties in applying those standards to individual cases. Mrs. Rash said separate road standards language could be added to the Public Improvements Ordinance to address individual cases if the Council so chose.

Private Extension of the Public Utility System: Mrs. Rash explained that this section required all individual property owners who wanted to install private utility extensions in the right-of-way of a public street to meet all applicable Town standards for those improvements and to pay all costs associated with installing the extension. She noted that the language of this paragraph would not be needed if the Board decided that all utility extensions would be constructed by the Town and funded publicly.

Dedication of Private Utility Lines: Mayor Taylor asked whether this section implied that all private utility and street extensions would be constructed to Town standards. Mrs. Rash said she

**Montreat Board of Commissioners  
Special Meeting  
September 24, 2008**

believed this was the case but offered to review this section and make sure this requirement was more clearly stated.

Cost of Extension: Commissioner Hollins said he had questions about how agreements between the Town and individual property owners would be drafted to provide for future reimbursement of a portion of the construction costs for utility extensions. Mayor Pro Tem Nichols asked for an explanation of references to Metropolitan Sewerage District (MSD) fees in the first paragraph of this section. Mrs. Rash explained that she intended to make very clear that the provisions of this ordinance were in addition to any regulations which MSD may impose on sewer line extensions. Commissioner McCaskill felt it was important that any agreements between the Town and private property owners should include a requirement that sewer line extensions must be constructed to MSD design standards and that any related engineering costs be included in the assessment amount. He also expressed his concerns that prohibiting private extensions of public utilities may cause a financial strain for the Town due to the potential number of requests from the public and the need to design extensions that would be able to serve all of the potential future users in a given area. Mr. Nalley said that assessments for public utility extensions would be implemented immediately upon approval of a request from the property owners desiring those services, and that the Town would be reimbursed over a period of time for a portion of the construction costs. He agreed that finding ways to fund several extension requests at the same time would prove challenging, and said that one request every year or every other year would be more manageable. In response to Mayor Taylor's questions, Mrs. Rash clarified that privately funded utility extensions must be installed to Town standards and would be done at the property owner's expense, and that the property owner bearing the cost of the installation of those services would gradually be reimbursed for a portion of the construction costs as future users connected to the service provided. She also pointed out for publicly installed utility extensions the State statute regulating special assessments provided property owners with the option of paying for the cost of these improvements in ten annual installments.

Mayor Pro Tem Nichols asked to discuss the ordinance draft in the context of Erskine Clarke's recent sewer line extension request. Mayor Taylor said that if the sewer line to Mr. Clarke's lot on Providence Terrace had been installed as a result of a public request for services, the Town would have incurred the construction costs and all private property owners benefited by the sewer line extension would have been assessed for a portion of that cost. She said that because Mr. Clarke wished to install a private sewer line, he would be responsible for the installation costs and may be able to receive some reimbursement for a portion of the construction costs from the next property owner to connect to that line. Mr. Nalley emphasized that reimbursement would only be available from future users and would not cover the entire installation cost. Commissioner McCaskill asked how private reimbursement amounts would be determined. Mrs. Rash explained that the Town would have the discretion to enter into agreements with property owners who wished to construct and be served by public utility extensions. She said the Town could then adopt fees to be paid by those future property owners who wished to connect to the line. Mrs. Rash advised that these fees were generally calculated by dividing the cost to install the utility extension by the number of property owners served and applying a pro rata share to each user. She cautioned that the future property owners would not incur the reimbursement fee

**Montreat Board of Commissioners**  
**Special Meeting**  
**September 24, 2008**

unless and until they chose to access the line and therefore it could take a number of years for the individual who paid for the extension to be reimbursed. Mayor Taylor asked if the Council members were comfortable with the wording of this section. The Board agreed by consensus.

Public Extensions of the Utility System: Commissioner Hollins asked whether Mr. Clarke would be subject to this section of the draft ordinance if he made a request for public water line extensions. Mr. Nalley replied that water line extensions to Peace Lane and Providence Terrace were scheduled in future years of the Town's Capital Improvement Plan and would affect all of the homes in this area that currently relied on private water lines. Commissioner Currie asked whether the ordinance draft stated that no additional private utility lines would be allowed. Mayor Taylor explained that this statement came from discussion held during the most recent Board Retreat, where the Council had agreed to revise the Public Improvements Ordinance and General Ordinances in order to require all homeowners within the Town limits to connect to public water and sewer lines. Mayor Pro Tem Nichols asked how public utility extensions would be financed. Mrs. Rash said that assessments could be structured to include interest over the payment period. Mr. Nalley explained that staff would develop a project ordinance detailing all proposed revenues and expenditures for the project and use this document when applying for bank financing.

Public Extensions of Streets: Mrs. Rash explained that under this option, State statutes dictated that assessments for public street extensions may only be imposed if a petition is first signed by all of the property owners who wish to have the street improvements made, and that this number must include at least a majority of the property owners to be assessed.

Private Extension of Public Streets: Commissioner Hollins mentioned several instances where private water and sewer lines were located beneath the roadway and said he felt that unless there was a written agreement stating otherwise, the property owners who installed these lines did so at their own risk and the Town was not obligated to repair or replace any private lines that may be damaged in the course of a public improvement project. Mr. Nalley noted that in recent years the Board had approved agreements allowing individuals to use the public right-of-way for certain private purposes and said those agreements had clearly indicated that the property owner was responsible for maintaining any structure built in the right-of-way and may be required at some point in the future to remove that structure at their own expense. He thought it likely that many of existing private water and sewer lines had been constructed based on verbal approval and did not believe any written agreements had been executed.

Commissioner Currie referred to language in this section limiting the number of homes served by private driveways to no more than two and asked whether Town street standards would apply in this situation. Mr. Nalley said the Board would need to decide at what point a driveway became a road and therefore must meet Town standards. He advised that staff believed that more than two homes sharing a private driveway created the potential for stormwater runoff concerns and other related problems. Mayor Taylor asked who would pay for the cost of bringing the driveway up to Town street standards once the driveway served three homes. Mr. Nalley said that the assessment procedures set forth in the State statutes and referenced in Section 5 of the

**Montreat Board of Commissioners**  
**Special Meeting**  
**September 24, 2008**

draft ordinance would then be put into place. Mrs. Rash reiterated that a signed petition would be needed from a majority of the affected property owners and noted that all of the property owners served by the former driveway could be included in that assessment because they would benefit from the improved roadway. Mayor Taylor then asked what options the Board would have if three homes were served by a private driveway and a majority of the property owners refused to sign an assessment petition. Mrs. Rash replied that the Town could require all private driveways to be built to Town road standards even if only one home was served. Otherwise, homeowners would have to either agree to the assessment process or wait for the Town to finance the road extension in a future year of the Capital Improvements Plan. Mrs. Rash said either choice would prevent a third person served by a private driveway from having to bear the entire improvement cost.

Mr. Nalley noted that the Town's ordinances included language that allowed improved gravel roadways and said the Board may want to consider minimal provisions in some cases that required stormwater control measures and a gravel road base instead of pavement. He also pointed out that prohibiting all driveways in the right-of-way could potentially prevent some property owners from accessing their lots. With respect to the property owners on Peace Lane, Salem Drive and Providence Terrace, Mr. Nalley suggested requiring these roads to be improved to Town standards the next time a lot was developed, either through private funding or a petition for assessment. Mayor Taylor suggested that improved private gravel roads be allowed in these areas but to also require that the road be paved before it would be accepted into public maintenance. Mr. Nalley replied that the Town's ordinances would need to be amended to allow private roads. He explained that currently all roads were considered public, and those that did not meet Town standards were simply not maintained. After further discussion, the Board agreed by consensus to require that all driveways located in the public right-of-way to be constructed to Town street standards, and to allow improved gravel roads to be privately maintained but requiring them to be paved and improved to Town street standards before being accepted into public maintenance.

Extensions Outside Town Limits: Mrs. Rash explained that all public utility and street extensions in the Town's Extraterritorial Jurisdiction (ETJ) area must meet the same standards as those located within the Town limits with the exception that the applicant would bear the cost of these improvements. Mr. Nalley pointed out that no privately installed water lines would be approved in the ETJ area unless adequate sewerage services were also available. Commissioner Hollins felt this language was reasonable. Mr. Nalley cautioned that this may cause concern for those property owners who currently use septic systems but wished to connect to public water service instead of using wells. In response to Commissioner Currie's questions, he explained that additional wells could be prohibited if an ordinance were adopted which required all property owners to connect to public water system but said the use of any existing wells could not be prohibited. Mr. Nalley also referred to previous statements the Board had made concerning this issue, saying he believed their intent was to prohibit the installation of any additional wells or septic tanks in their entirety. Mayor Taylor said she understood this limitation would apply only to those properties within the Town limits. Commissioner Hollins and Mayor Pro Tem Nichols both stated they would not be comfortable with prohibiting well and septic

**Montreat Board of Commissioners**  
**Special Meeting**  
**September 24, 2008**

system use in the ETJ area. Mr. Nalley then asked for confirmation that wells and septic systems would not be allowed within Town limits regardless of the property's distance from public lines. The Board agreed by consensus. After further discussion, the Board also agreed with the draft ordinance's proposed regulations for public utility and street extensions outside the Town limits.

Gasoline Shortage Response: Mr. Nalley reported that the current gasoline shortage was affecting certain Town operations such as roadway maintenance and police patrols. He said that the County's offices predicted that the shortage would continue for at least another week and were encouraging conservation wherever possible. He asked for the Council's permission to allow those non-essential employees who may have difficulty traveling to work to use their accumulated compensatory leave if gasoline supplies had not improved over the weekend. After brief discussion, the Council agreed by consensus to authorize Mr. Nalley to assess the situation on Monday and authorize compensatory leave for non-essential employees if necessary,

**Closed Session**

Commissioner Tate moved that Council enter into Closed Session in accordance with North Carolina General Statutes §143-318.11(5) to discuss proposed acquisition of real property. Commissioner Hollins seconded and the motion carried 5/0. No action was taken during the Closed Session.

**Adjournment**

Upon returning to open session, Commissioner Tate moved to adjourn the Special Meeting. Commissioner Hollins seconded. The motion carried 5/0 and the meeting was adjourned at 7:00 p.m.

---

Letta Jean Taylor, Mayor

---

Misty R. Gedlinske, Town Clerk