

PUBLIC INPUT SIGN UP SHEET

1-19-05

PUBLIC INPUT SHALL BE LIMITED TO
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EACH PERSON SHOULD:

- (1) STATE YOUR NAME
- (2) IN WHAT AREA OF THE COUNTY YOU LIVE
- (3) SPEAK IN A CLEAR AND COURTEOUS MANNER.

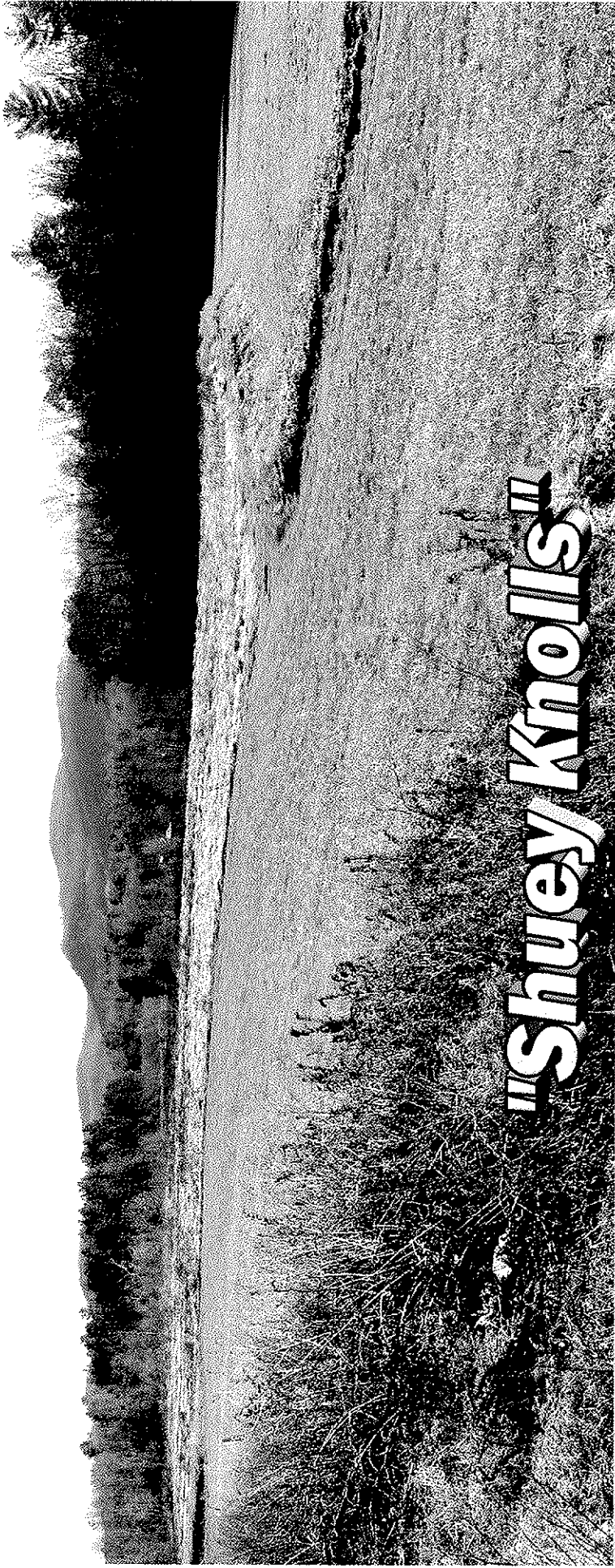
Please Print:

	<u>NAME</u>	<u>ADDRESS</u>	<u>ISSUE</u>
✓ 1.	Kee Luebbe	4017 Little River Rd	Distrib of ^{LWD} Research
✓ 2.	Tom E. Orr (Tom E. ORR) as a citizen		Historic Courthouse
✓ 3.	Jay Jackson	Hendersonville	2005 --- 100th Anniversary cemetery
✓ 4.	Norman Miller	Hendersonville	cem adv, comm.
✓ 5.	Jessica Miller	H'ville	cemetery
✓ 6.	PHIL ANDERSON	MOUNTAIN HOME	COMPETITIVE BIDDING
✓ 7.	MICHAEL ARROWOOD	123 BRIGHTWATER FALLS JR: new Chapter 16 of H. Co. Code	re: Courthouse project CEMETERY ADVISORY COME.
✓ 8.	EDWARD VOGEL	200 RIDGEVIEW DR	11x 25N
✓ 9.	SHANNON BADWIN	60 ROCKY HILL DRIVE	AGENDA SETTING
✓ 10.	Mary Jo Padgett	334 Bird Ave W 28739	water quality ECD.
11.			
12.			
13.			

167.000

77.000

22.000



"Shuey Knolls"



Development



Henderson County
HABITAT FOR HUMANITY

**Western Highlands Network
Providers with Service Locations in Henderson County
Fiscal Year 2005 Contracts & Memoranda of Agreement
Updated 1/18/05**

Adult Mental Health: 9 Providers with Contracts on File

1. ACT Medical Group (*Psychiatry & Psychology in Nursing Facilities*)
2. Appalachian Counseling (*Case Management, Outpatient Therapy, Psychiatry*)
3. CRE Care Management (*Outpatient Therapy*)
4. Feinberg, Diane (*Outpatient Therapy*)
5. Jamison, Janet, LCSW (*Outpatient Therapy*)
6. Mental Health Association of NC (*Apartments*)
7. Mountain Laurel Community Services (*Outpatient, Psychiatry, Case Management, Psychosocial Rehabilitation-Clubhouse, Emergency*)
8. Psychological Perspectives (*Outpatient Therapy*)
9. Quality Mental Health (*Case Management, Outpatient Therapy, CBS*)

Child Mental Health: 24 Providers with Contracts &/or MOA's on File

1. Appalachian Counseling (*Case Management, Outpatient Therapy, Psychiatry*)
2. Baer, Margaret (*Directly Enrolled with DMA – MOA - Child Outpatient*)
3. Barthel, Carol, LCSW (*Directly Enrolled with DMA – MOA - Child Outpatient*)
4. Bethany Christian Services (*Respite*)
5. CNC/Access (*CBS*)
6. CRE Care Management (*Outpatient Therapy, CBS*)
7. Easter Seals/UCP (*CBS*)
8. Eliada Homes (*Home-Based Professional CBS*)
9. Families First of North Carolina (*Case Management, CBS, respite*)
10. Families Together (*Case Management, Respite, Home-Based Professional CBS*)
11. Jamison, Janet, LCSW (*Outpatient Therapy*)
12. Levine, Valerie, Ph.D. (*Directly Enrolled with DMA – MOA - Child Outpatient*)
13. Lutheran Family Services (*Residential Treatment Levels 2 & 3*)
14. Mentor Healthcare (*Case Management, CBS, Respite*)
15. Mountain Laurel Community Services (*Outpatient, Psychiatry, Case Management, Family Preservation, Early Intervention, Emergency*)
16. Omni-Visions (*Therapeutic Foster Care, Respite, CBS*)
17. Pivot Training and Treatment Academy (*CBS*)
18. Psychological Perspectives (*Outpatient Therapy, Guardianship*)
19. Quality Family Services (*Residential Treatment Level 2*)
20. Quality Mental Health (*Case Management, Outpatient Therapy, CBS*)
21. SCW Residential Care, Inc. (*CBS*)
22. Tanyi's Respite and Habilitation Services (*Case Management, Residential Treatment Level 3, CBS, Respite*)
23. Turning Point (*CBS*)
24. Universal Mental Health (*CBS*)

Developmental Disabilities: 36 Providers with Contracts &/or MOA's on File

1. Advantage Home and Community Care (*Case Management, CAP, CBS*)
2. Arc of North Carolina (*Case Management, CAP, CBS, Respite*)
3. Arc Life Guardianship (*Guardianship*)
4. Autism Society (*CBS, CAP*)
5. Blue Magnolia, LLC (*CAP*)
6. Carolina Habilitation/Maxim (*CBS, Respite, CAP*)
7. CNC/Access (*CBS, Respite, CAP, Alternative Family Living*)
8. Community Alternatives of North Carolina (*Supervised Living, CBS, CAP*)

9. Community Living Concepts (*Supervised Living, CBS, CAP*)
10. Davidson Homes (*AFL, Supervised Living, Respite, CBS, CAP*)
11. Easter Seals/UCP (*DDA Group Home, CBS, Respite, CAP*)
12. Families First of North Carolina (*Case Management, CBS, Respite, CAP*)
13. Family Tree (*Alternative Family Living, CAP*)
14. Footprints of North Carolina (*Case Management*)
15. Halcyon (*Supervised Living, CBS, CAP*)
16. Helping Hand Developmental Center (*Developmental Day*)
17. Liberty Corner Enterprises (*Case Management, CBS, CAP, Supervised Living, Supported Employment*)
18. Life Span (*Supervised Living, respite, CBS, CAP*)
19. Lutheran Family Services (*CAP*)
20. Mountain Area Community Services (*CBS, CAP*)
21. Mountain Laurel Community Services (*Case Management, ICF-MR, DDA Group Home, Day Program*)
22. Noir Enterprises (*CBS, CAP*)
23. Omni-Visions (*CBS, CAP*)
24. Onas's Place (*Alternative Family Living, CAP*)
25. Pardee Pavillion (*Adult Day Activity*)
26. Pinaire Psychological Associates (*Psychological Assessment, Outpatient Therapy*)
27. Pioneers in Special Needs (*CAP*)
28. Plans for Life (*Case Management*)
29. Psychological Perspectives (*Outpatient, Guardianship*)
30. Skill Creations (*Case Management, CAP, CBS, Respite*)
31. SSEACO (*ADVP, CBS, CAP*)
32. Storybook Farm (*CBS, CAP*)
33. Sunpath, LLC (*CBS, CAP*)
34. Support, Inc. (*CBS, CAP*)
35. Turning Point (*Case Management, CBS, Respite, CAP*)
36. Universal Mental Health (*Case Management, CBS, CAP*)

Substance Abuse: 5 Providers with Contracts on File

1. Appalachian Counseling (*Case Management, Assessment, Outpatient Treatment*)
2. Crossroads/Phoenix (*Case Management, Assessment, Outpatient Treatment*)
3. Horizon Recovery (*Assessment, Treatment, Spanish speaking*)
4. Mountain Laurel Community Services (*Case Management, Assessment, Outpatient Therapy, Emergency*)
5. Partnership for a Drug Free North Carolina (*Pathways of Change, Perinatal Health Partners, TASC*)

Unduplicated Total: 58 Active Providers with Contracts &/or Memoranda of Agreement on File



William G. Lapsley & Associates, P.A.

Consulting Civil Engineers and Land Planners

William G. Lapsley, P.E.
William R. Buie, P.E.
G. Thomas Jones III, P.E.
Donald L. Hunley, P.E.

MEMORANDUM

To: William Moyer, Chairman
Henderson County Board of Commissioners
From: William G. Lapsley, P.E.
Date: January 19, 2004

Subject: Regional Water Authority of
Asheville, Buncombe Henderson

I am pleased to submit for your consideration a collection of newspaper articles which review the actions of the Water Authority during the calendar year 2004.

There have been two (2) significant events, which impact the Water Authority's service to customers in Henderson County:

- (1) In April, 2004, the Mayor of the City of Asheville announced that the City of Hendersonville (Mayor Niehoff & City Manager, Chris Carter) had been meeting with the City of Asheville (Mayor Worley & City Manager, Jim Westbrook) since August, 2003, in private to develop a proposed agreement which would allow the City of Hendersonville to expand the Regional Water Plant in Mills River. These discussions were held without the knowledge or participation of the Buncombe County Board of Commissioners, Henderson County Board of Commissioners or the Regional Water Authority.

This proposed agreement was approved on a very short time frame in April, 2004, by the Hendersonville City Council and the Asheville City Council. The Regional water agreement requires the Regional Water Authority to approve "all such contracts" and at the May, 2004 meeting, this proposed agreement was turned down.

The Regional Water Authority supported the intent of regional cooperation and requested a joint meeting with all of the parties to the Regional Water Agreement to discuss Hendersonville's interest in the Mills River Water Treatment Plant.

- (2) On May 25, 2004, the City Council of the City of Asheville passed a resolution which served a one (1) year advance notice of termination (effective June 30, 2005), of the Regional Water Agreement. This notice was sent to the Chairman of the Buncombe County Board of

William Moyer
Page 2
January 19, 2005

Commissioners. To the best of my knowledge, no notification was provided to the Henderson County Board of Commissioners.

It is my understanding that the City of Asheville expects to regain total control of the water system on July 1, 2005. They intend to introduce legislation in the General Assembly, which would abolish the Sullivan Act (which restricts differential water rates to outside City customers), and that they believe that all commitments to Henderson County under the Regional Agreement will become null and void at that time.

It is also my understanding that over the past 6 months the Buncombe County Commissioners and Asheville City Council members have had informal discussions on this matter and that there has been no indication that a solution has been reached to avoid the proposed termination.

As you know, the Regional Water Treatment Plant and its transmission line currently serve approximately 100 residential customers and 5 major industrial customers in Henderson County. If the ability to obtain our water supply from this system is removed, it will have a dramatically negative impact on the future economic development of our county. There were two (2) main objectives for Henderson County to participate in this agreement with Buncombe County and the City of Asheville:

- (1) **Water Supply** – to develop the French Broad River as a source of water for Hendersonville and Henderson County.
- (2) **Water Distribution** – To provide water lines to the prime industrial development sites in Henderson County.

The Regional Water Authority members are very concerned about the outcome of this proposed termination of the agreement and its impact on the customers. We serve at the pleasure of our respective governing bodies and certainly are available to participate in any discussions that would lead to a resolution of this matter.

UNCOMBE
COUNTY

Asheville Regional
Airport

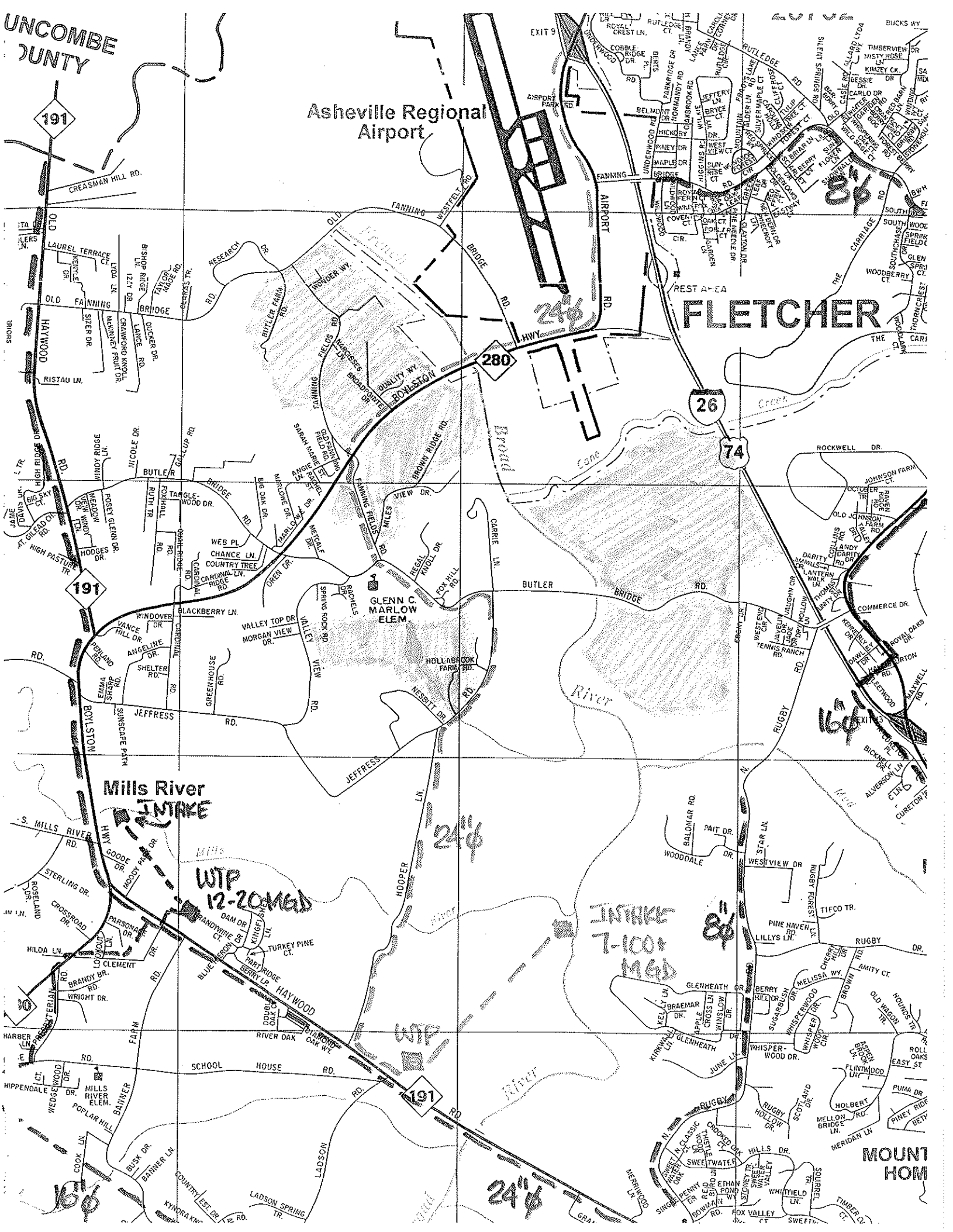
FLETCHER

Mills River
INTAKE

WTP
12-20 MGD

INTAKE
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MOUNT
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OPINION

DEDICATED TO THE UPRBUILDING OF WESTERN NORTH CAROLINA 1870-2004

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ASHEVILLE CITIZEN-TIMES

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.

The First Amendment of the U.S. Constitution

CITIZEN-TIMES.COM
ASHEVILLE CITIZEN-TIMES, IN THE MOUNTAINS

EDITORIAL

For best interests of users, water authority deserves its revenue request

Through its chairman, the Regional Water Authority has asked Asheville and Buncombe County to relinquish the percentage of the water revenue that existing agreements allow the two local governments to collect. The water authority wants to keep the money to help offset the costs of repairing the aging system.

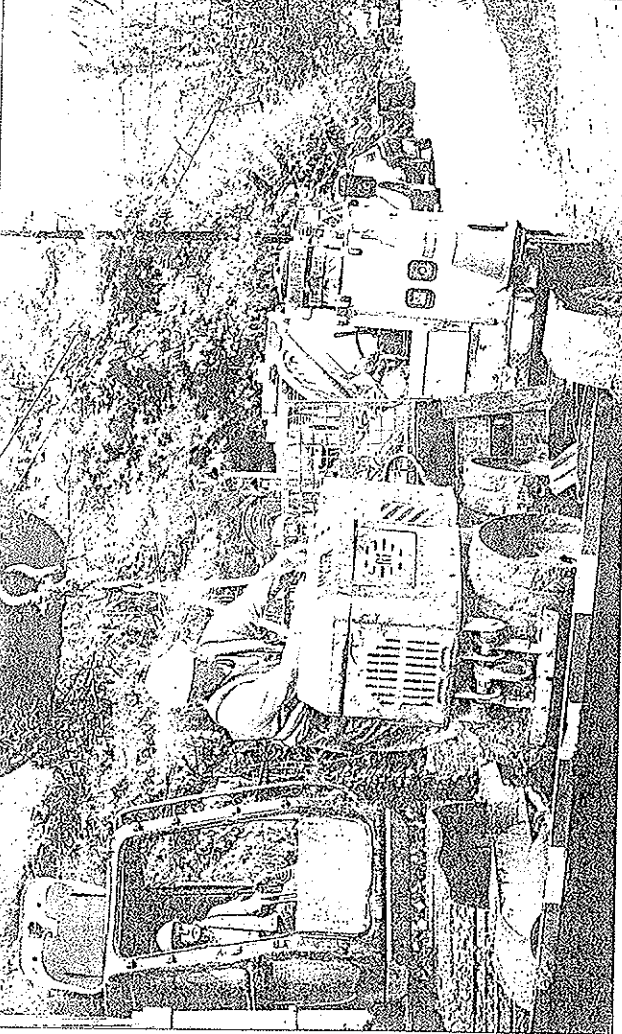
In the short term, both the city and the county would serve their constituents' best interests by agreeing to the request. In the long term, they need to renegotiate the agreement that puts the water authority in a position of having to plead to keep the revenue it receives from ratepayers.

The authority postponed voting on its \$27.9 million budget last week to give water authority chairman Bill Lapsley time to talk with Mayor Charles Worley and commission Chairman Nathan Ramsey about giving up the 5 percent and 2.5 percent, respectively, the city and county keep of the money collected from ratepayers. The 75 percent amounts to about \$2 million of the proposed budget. The city's share goes into its general fund. The county uses its share for economic development.

Both governments undoubtedly need the money to operate important programs. But that's 75 percent of the amount water users pay that isn't going to operate or maintain an old, decaying water system. Consultants say the water authority needs to collect an additional \$5.2 million in the upcoming budget to begin addressing the problems, and that the amount devoted to repairs will need to increase by 10 percent a year for the foreseeable future.

Instead of raising water rates by an equal percentage across the board, the water authority department staff recommended establishing a fee, which ranges from \$5 per month for those with 5/8-inch meters, typical for residential customers, to \$1,300 per month for large customers using 10-inch meters.

The 75 percent the city and county collect off the top means the new fee will add \$264,000 to city coffers and \$332,000 in revenue for the county.



Asheville City Water Department employees Roger Gunter, left, and Chris Morris work on installing a new water line in Haw Creek on May 13.

Regional Water Authority customers already pay among the highest water rates in the state. It's indefensible to add to their cost for an essential service in order to support programs, no matter how laudable, that have nothing to do with supplying water.

By agreeing to let the \$2 million they will receive from the 2004-2005 budget be kept by the water authority, the city and county would make it possible for the authority to reduce the fees, conceivably by as much as 40 percent, according to Lapsley. That will make a difference to residential users, and it will make an even bigger difference to commercial and industrial customers with larger meters.

Lapsley said Thursday that he has talked with Ramsey, who agreed to take the proposal to his board at its next meeting. Worley also said he would discuss the request with other council members.

Continuing to allow the water system to deteriorate is no longer an option. For starters, about \$3 million is needed in the next year's budget just to pay for federally mandated improvements at the North Fork Reservoir, according to David Hanks, interim water resources director. Seventy percent of existing lines may be in need of repair, Hanks estimates. He can't quote an exact percentage because the city doesn't even know where many of the lines are, much

less what condition they're in. Projects that are as yet unfunded include about \$26.7 million to replace water lines that are too small to support fire hydrants. For users, in addition to the obvious public safety issue, the consequences of not fixing the system include more waterline breaks and disrupted service. For the city, county and region, it means an inability to support economic development. And ultimately, it means even larger rate increases for everyone.

Not being able to support development is one consequence of not managing the water system wisely, and having development — especially businesses and industry — go elsewhere because of the high cost is another. Those are con-

sequences Western North Carolina can't afford.

The city and county will have to cut programs or make up the lost revenue if they honor the water authority's request to give up the more than \$1.3 million for the city and almost \$700,000 for the county built into the 2004-2005 budget. But they will also be benefiting their constituents — most of them also water ratepayers.

The convoluted, complex agreements and relationships among the three local governments who make up the Regional Water Authority, which also includes Henderson County, severely cripple the authority's ability to be a good steward of the resource. As we have said previously, those outdated and/or ill-conceived agreements have created a dysfunctional arrangement that makes adversaries of leaders who ought to be cooperating to find the best solution to the region's water problems.

The authority's most fundamental problem is that it has no actual power. While there are representatives on the water authority board from Buncombe and Henderson counties, the board serves only in an advisory capacity. Asheville owns the water system and Asheville's city manager supervises the water authority staff.

While almost everyone acknowledges that the present water agreement is unworkable, there has been little progress when it comes to finding a way forward that all three governments can agree to.

Buncombe and Henderson counties have both advocated a true regional water authority, but thus far Asheville has been steadfast in refusing to consider that as an alternative.

But the present system is inefficient and unaccountable to the people who pay to keep it going and who depend on it — the users. The region desperately needs leaders who have the vision to understand the bigger picture and the forthrightness to put all the issues on the table so that they can be addressed in a way that serves the greater good of the entire region.

Asheville wants new water deal

By Julie Ball
STAFF WRITER

CT
5/26/04

ASHEVILLE — Asheville City Council on Tuesday agreed to re-open negotiations with Buncombe County over a controversial water agreement, a move that ultimately could affect rates for water customers.

The resolution adopted by council does two things: authorizes city staff to renegotiate the agreement and authorizes Mayor Charles Worley to give Buncombe County one year's notice of the termination of the deal.

"This will give us a one-year time frame to conduct negotiations," Worley said.

The city wants to regain control of the water system and the ability to set rates, specifically differential rates.

That could mean those living outside the city could eventually pay more for water than those inside the city. Right now, the agreement keeps the city from challenging a 1930s-era state law that required a single rate. Most cities charge customers outside their limits a higher rate for water.

But the agreement covers far more than water, and dissolving it could affect everything from McCormick Field and Recreation Park to senior programs.

"The water agreement includes everything except water, it seems like," Buncombe County Manager Wanda Greene said.

Reached in 1981, the agreement established a water authority that would later come to include Henderson County. The early agreement consolidated water districts. And in the agreement, Buncombe County took over a number of city recreational facilities including McCormick Field.

As part of the deal, the city gets 5 percent of water revenues. The county gets 2.5 percent of the revenues earmarked for economic development.

That part of the agreement has come under fire recently by some members of the Regional Water Authority, who have suggested that revenue needs to go back into repairing the aging water system.

Contact Ball at 232-5851 or
JBall@CITIZEN-TIMES.com.

Coming Sunday

Read more about how the water agreement between Asheville and Buncombe County affects you.

Mountain Express 5/26/04

A thirst for change

Water Authority postpones approving budget

BY JONATHAN BARNARD

A funny thing happened to the Regional Water Authority of Asheville, Buncombe and Henderson on the way to finalizing its annual budget. With the June 1 deadline looming large, Authority members suddenly began talking about pushing for major reforms — specifically, the kind of fundamental structural changes water activists have advocated for years. And instead of voting on their Budget Committee's recommendations on May 18 (as they usually do on the third Tuesday in May), they decided to have Chairman Bill Lapsley approach Asheville and Buncombe County

and poor (who must pay more in order to support these payments) in order to keep property taxes (which are progressive, in that the wealthy pay more) lower.

And in recent months, Authority member Shannon Baldwin (who's also a Henderson County commissioner) has argued that the arrangement is particularly unfair to the system's Henderson County water customers, who help pay for these transfers while getting no break on their property taxes.

These various frustrations came to a boil during a May 13 public hearing on the Water Authority's budget, when Authority member

"Don't let the city and county get away with it!"

— Hazel Fobes, *Citizens for Safe Drinking Water and Air*

about revising the Water Agreement (the comprehensive document that created the Regional Water Authority a decade ago) and then to reconvene on May 27.

At issue was the \$1.7 million a year now paid out to Asheville and Buncombe County as a percentage of the Authority's gross revenues. The city, which owns the water infrastructure, gets 5 percent (which it can spend as it sees fit); the county gets 2.5 percent (which must be spent on economic development).

Authority member Brian Peterson (an Asheville appointee) and others have long derided these off-the-top payments. Besides diverting funds from an already cash-strapped Authority, the arrangement, these critics maintain, also functions as a regressive tax, extracting extra money equally from water users rich

Joe Dunn (who also serves on the Asheville City Council) led his colleagues in complaining about the transfers in particular and the Water Agreement in general. That hearing was continued to the beginning of the Authority's regular monthly meeting on May 18.

To be, or not to be...

The whole turn of events came as a pleasant surprise to longtime water watchers such as Hazel Fobes (chair of Citizens for Safe Drinking Water and Air) and Nelda Holder (outgoing president of the Asheville-Buncombe League of Women Voters). The two women — both frequent speakers during the public-comment portion of Water Authority meetings — have pushed for ample funding to repair the

STORY CONTINUES ON NEXT PAGE

STORY CONTINUED FROM PREVIOUS PAGE

decrepit infrastructure and for pursuing negotiations to create an autonomous Authority that would own the water system (as called for by a nonbinding clause in the 1995-96 Water Agreement).

During the public-hearing portion of the May 18 meeting, Fobes praised Authority members for their willingness to tackle the larger issues and to push for a repeal of the transfers. "Don't let the city and county get away with it!" she implored. And Fobes seemed to speak for many in the room when she described the Water Agreement as "a horrible thing that needs to be renegotiated or thrown in a ditch."

Mere minutes later, however, some Authority members began backpedaling, suggesting that it would be difficult, if not infeasible, to eliminate the transfers at this point in the budget cycle.

"The timing would be somewhat irresponsible," argued Authority member (and Buncombe County Commissioner) Patsy Kever, since the city and county, which are close to finalizing their own budgets, "would have to raise taxes somewhere else."

And Dunn, whom Fobes had singled out for special praise for his May 13 comments against the transfers, now distanced himself from those remarks, explaining that though he wears two hats as both a Water Authority and a City Council member, his first responsibility is to his constituents in Asheville. "You can't hold the City Council hostage," Dunn declared, noting that the city is responsible for issuing the Authority's bonds. After the meeting, he told *Xpress* that it would be hard for other Council members to get up to speed on the notoriously convoluted Water Agreement on such short notice.

In the same vein, Asheville Finance Director Bill Schaefer warned about problems with bondholders if political battles resulted in inadequate funding for infrastructure repairs. "In the revenue bonds we've issued, one of the covenants is that the city will maintain the system," he explained.

The Authority, the Asheville City Council, and the boards of commissioners of both Buncombe

and Henderson counties must all agree on the Water Authority's budget — or, by default, the previous year's budget is simply re-adopted. That's exactly what happened last year after the Buncombe County Board of Commissioners vetoed a proposed new capital-improvements fee designed to raise money for infrastructure repairs. In part, the commissioners had argued that the Authority and city staff hadn't given them enough hard data about the state of the system and projected future maintenance costs.

Since last summer, however, the city's Water Resources Department has been working with consultants Brown and Caldwell to provide that information. The consultants performed an asset-management evaluation, a drought-management study, and a detailed examination of water usage and billing. Based on the results, the Authority drafted and passed a plan for funding maintenance that was aimed at "optimizing the life-cycle costs of asset management." And the Budget Committee then produced a budget that included meter-based charges quite similar to the capital-improvements fee rejected by Buncombe County last year.

Schaefer went on to note that the bondholders are aware of the consultants' findings and now, more than ever, will be watching to see if system maintenance is getting properly funded. As Authority member Darryl Hart (an Asheville appointee) put it, "The cat's out of the bag."

Brian Peterson, meanwhile, suggested that rather than expecting Asheville and Buncombe County to give up the transfers all at once, the Authority could ask them to begin by relinquishing their shares of the money that would be raised by the proposed new meter fees (about \$264,000 for the city and \$132,000 for the county).

At press time, the agenda for the May 25 Asheville City Council meeting included a resolution to "amend or terminate" the Water Agreement, which would open the door to a wholesale re-examination of water rates (including charging non-city residents more). ☐

Freelance translator/writer Jonathan Barnard lives in West Asheville.

ASHEVILLE WATER DEAL

Some local rates may get flooded

By JOEL BURGESS
Times-News Staff Writer

TN
5/28/04

How the renegotiation of a 1996 water deal between Asheville and Buncombe County will affect Henderson County remains to be seen, but some already say it will lead to higher bills for a group of local water customers.

The Asheville City Council voted unanimously Tuesday to give the required one-year notice of termination of the water agreement it has with Buncombe County.

The city officials said they hope to renegotiate a water deal with the county during the next 12 months. Primarily Asheville wants to install a differential-rate system, meaning it could charge more for customers outside its limits.

Such an increase would come on top of a proposed systemwide rate hike to pay for repairs to a long neglected infrastructure.

The agreement currently stops Asheville from challenging a 1930s law that requires the single rate. Most cities charge customers living outside their limits higher rates.

A 1995 agreement that included Henderson County in the Asheville Buncombe Henderson Regional Water Authority gave Asheville the right to build a \$35 million plant on the Mills River. In return the county got 100 acres of land in Bent Creek to build a waste water treatment plant and access to treated water from the new plant for its residents.

But how much those 200 county water customers will pay Asheville after a renegotiation is up for debate.

PLEASE SEE WATER, 3B

Water

Continued from Page 1B

Members of the Water Authority, three of whom are appointed by Asheville, three by Buncombe and two by Henderson, had different opinions on whether Henderson customers would be subject to the differential rates.

Chairman Bill Lapsley, a Henderson appointee, said the termination of the agreement between Asheville and Buncombe County would not necessarily change arrangements made between Henderson County and Asheville.

"It would seem to me that as part of that termination of the agreement each of the parties would have to negotiate what the impact is on those contractual obligations," Lapsley said. "The city just says in its resolution that they want to be able to charge an outside-city rate. Whether that indicates a change to Henderson County customers, I don't know."

But board member Dr. Joe Dunn, who is also an Asheville city councilman, said it would only be fair for Henderson County customers to pay more than city customers, who could end up paying for most of the system repairs.

"You've got to look at it from Asheville's point of view. Our taxpayers are the majority of the water users, but they are paying the same rate that Henderson County users are paying," Dunn said.

Dunn said he knew of no proposals for out-of-city rate increases yet, but that any such rise would not be burdensome.

"As far as what that rate will be I think you will see the City Council being very, very careful of not making it too onerous."

Residential customers currently pay \$3.32 per 100 cubic feet, or 748 gallons. Larger non-residential users pay \$2.77 per 100 cubic feet for the first 748,000 gallons then \$1.24 for every 100 cubic feet after that.

About 80 percent of the 200 county users are residential, many living in the Fanning Bridge Road area.

Giving up the revenues

The Asheville City Council told Water Authority members Tuesday that it would not consider immediately giving up part of the water deal that allows it and Buncombe County to take some of the Water Authority's profits.

Water Authority board members have protested the arrangement that allows Asheville to take 5 percent of profits and Buncombe 2.5 percent, saying rate increases could be avoided if the two governments relinquished the payments.

"The Water Authority believes that the revenues generated from the users should remain in the water fund to repair the water system and those are a significant amount of dollars," Lapsley said.

The Water Authority is supposed to run as a self-sustaining enterprise fund but next year it is estimated the Authority will pay \$1.5 million to Asheville and \$750,000 to Buncombe County.

Dunn, who has voiced support for eliminating the revenue sharing arrangement, said the city could not afford to give up the money immediately but would almost certainly do so during the anticipated renegotiation.

"For Asheville to do that right now the city would have to give back over \$1 million," he said. "We would have to take that out of the budget and possibly increase taxes."

Hendersonville deal

The renegotiations would not affect a deal struck between Hendersonville, Asheville and the Water Authority over the emergency sale of water.

The Water Authority and Asheville, which owns the Authority system, have passed an agreement to sell Hendersonville water on an emergency basis.

State law requires Hendersonville, whose water plant hit 80 percent of its capacity during peak months, to have a back-up arrangement.

Part of the agreement mandates that Hendersonville consider buying into an expansion of Asheville's Mills River plant if Hendersonville buys water for 24 months in a row.

Water board approves \$3 rate increase

By Julie Ball
STAFF WRITER

5/28/04
ASHEVILLE — A water budget that includes a new \$3 per month fee for most residential customers cleared one hurdle Thursday, but county or city leaders still could derail the plan.

Members of the Regional Water Authority gave their approval to the \$27.9 million water budget, including the new fee. It still needs approval from Asheville City Council and Buncombe County commissioners.

And the chairman of the county board is already saying he'll vote against it. Nathan Ramsey said he wants Asheville and Buncombe County to work out problems surrounding the structure of the water authority before approving higher bills for customers.

"We're not going to approve a rate increase. We need to settle this governance structure first," Ramsey said.

Asheville leaders this week agreed to "amend or terminate" the water agreement, saying they want to regain control of the water system and water rates.

Asheville City Councilman and water authority member Joe Dunn, who voted against the budget, acknowledged the system has problems but said "we're taking it out on the water users."

At the same time, Dunn said there's no way the city would give up the 5 percent in water revenue it receives as part of the water agreement with Buncombe County. Some authority members want to keep that money to help pay for mounting costs of replacing lines and refurbishing the system. The water system loses about \$1.7 million annually in payments to the city and county.

In the next six years, the system is going to need to raise \$52 million for repair and replacement costs, according to David Hanks, interim water resources director. That includes more than \$3 million needed next year for improvements at the North Fork water treatment plant.

"I don't know what part of no you don't understand," Dunn said as Shannon Baldwin, another board member, pressed for a vote by City Council. "We are not going to give it (the water revenue) back. We feel like there's a bigger problem."

Contact Ball at 232-5851 or
JBall@CITIZEN-TIMES.com.

Coming Sunday

Learn how the water agreement between Asheville and Buncombe County affects water customers like you.



and briefs from
and the region

oday offers a few things to
formation for your holiday

DAY EVENTS

8 a.m. Monday at Francy-
icar. Legion Post 70 in
-6921.
EVENING: 10 a.m. Monday
i Carolina State Veterans
Old U.S. 70, Black Moun-
peaker is Preston F. Garris,
e. Call 669-0684.
SENCE: 2 p.m. Monday,
aza, downtown Asheville.
113's Bob Caldwell-emces
ring military and civilian
lost their lives in service.
is Air Force Gen. Ralph
mmander of the newly
hern Command and

CRIAL CELEBRATION



1994 Dyer/STAFF PHOTOGRAPHER

By Julie Ball
STAFF WRITER

ASHEVILLE — Like most wa-
ter customers, Latikia David-
son wants to be assured of a
good, clean source of water
when she turns on the faucet.
And like many customers,
she's concerned about the bill
that arrives every other month.
"I think right now we're
paying too much. For people
on a fixed income that's hurt-
ing them," the 26-year-old
Swannanoa resident said.

But Davidson hasn't given
much thought to just who is
running the water system that
serves her.

That could be about to
change.

The city of Asheville wants
to regain control of the system
and the ability to set rates for
customers such as Davidson.
To that end, city officials have
begun a process that could un-
ravel a complicated water
agreement that involves much
more than water.

Whether you're an
Asheville Tourists fan, a regu-
lar at the municipal golf course
or a water customer, the agree-
ment affects you.

Even residents of other
towns like Black Mountain and
Weaverville that have their

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Hear what Asheville city
leaders have to say about
the possible future of the
regional water agreement.

own water systems have a
stake in the agreement. Those
communities could lose rev-
enue if the water deal is dis-
solved.

"You either cut services or
raise taxes or hope you've got
growth enough to cover that,"
Please see **WATER** on C2

What is the water agreement?

Reached in 1981, the agree-
ment established a water
authority that would later
come to include Henderson
County. The early agreement
consolidated water districts.
And in the agreement, Bun-
combe County took over a
number of city recreational
facilities, including McCor-
mick Field.

As part of the deal, the city
gets 5 percent of water rev-
enues. Buncombe County
gets 2.5 percent of the rev-

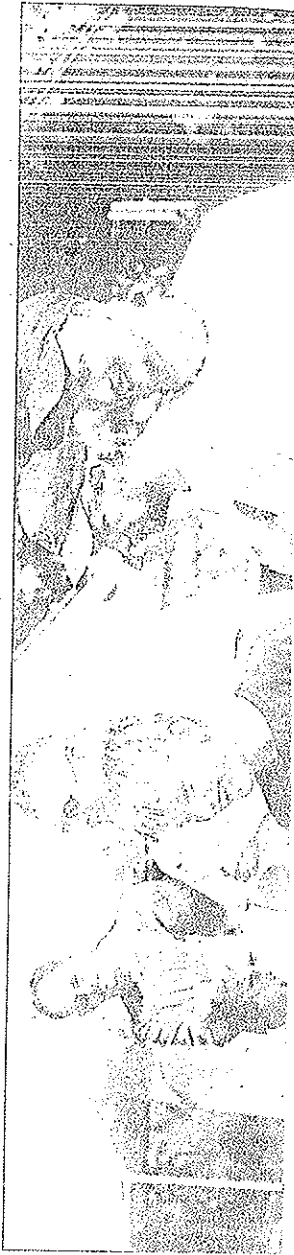
enues earmarked for eco-
nomic development.
That part of the agreement
has come under fire recently
by some members of the
Regional Water Authority,
who think that revenue
should go back into repairing
the aging water system. The
water system's rates are the
highest in the state com-
pared with other inside-city
rates. The system needs
millions of dollars in line
replacements.

WNC trout festival makes learning fishing skills, outdoors lessons fun

By Jon Ostendorf
STAFF WRITER

MACQUE VALLEY — Dave
Dudeck gathered a group of
20 children in a circle for a
game he called Go Fish.

He counted the kids off
into smaller groups, 1-4.
Some would be fish, said the
Haywood Community Col-
lege fish and wildlife in-



WATER: If pact dissolved, areas could see higher or lower bills

Continued from C1

which in our case we may have," Woodfin Mayor Jerry McLaughlin said of possibly losing funding that the town gets because of the agreement.

It hasn't come to that yet. Right now, Asheville and Buncombe County leaders are trying to get a handle on the consequences of dissolving the agreement and maybe getting rid of the Regional Water Authority, which has been in place for more than 20 years.

"I think it (the agreement) is on its deathbed right now," Buncombe County Commissioner David Gantt said.

'Water is power'

So, why should you care about some agreement reached more than two decades ago that you've never heard about?

If you're a water customer, it could end up affecting your water bill for better or worse depending on where you live.

Many customers agree with Davidson that they already pay too much.

"I think we're paying way too much as it is," 45-year-old Debra Gaddy said after paying a bill at Asheville City Hall recently.

But Asheville is in a unique position. A 1933 state law and subsequent agreements with Buncombe County have kept the water system from doing what most other systems do — charge a differential rate.

"It is probably the norm that the rates for outside people (customers outside municipal limits) are higher," said Andy Romanet, general counsel for the North Carolina League of Municipalities.

Romanet said it's not unusual for cities to charge outside customers twice as much as those living inside their corporate boundaries. That allows cities to recoup the cost of building the infrastructure and the cost of getting water to those customers, he said.

Asheville Mayor Charles Worley said the city has been handicapped "pretty seriously for the last 70 years" by the Sullivan Act, which restricts the city's ability to charge different rates.

One of the benefits of differential rates, from the point of view of a city, is annexation. A lower water bill provides one incentive to those being annexed.

Who wants what?

With its resolution, Asheville leaders say they want to regain control of the water system, and they want the ability to charge different rates to those inside and outside the corporate limits.

Buncombe County leaders have said they would like to see an independent water authority running the water system. They also have concerns about differential rates that would likely

Worley said city customers could see their rates go down. Those outside the city would probably pay more. At this point, no one is saying how much more. Asheville City Councilman Joe Dunn has said, "We want to be evenhanded in this."

But some Buncombe County leaders are worried about the effect on customers.

"The primary concern I have is the rates could skyrocket," Gantt said.

Customers have seen their water bills go up four of the last six years.

"Water is power," Buncombe County Commissioner Bill Stanley said. "We may want to buy stock in these well companies around town."

Baseball fields and waterlines

How did it get to this point?

The 1981 water agreement between the city and county took years and a great deal of bitter debate to fashion.

Buncombe County was seeing rapid growth and needed waterlines to serve that growing population, according to Jon Creighton, assistant county manager.

"That's how we got into a water agreement, because there was really no interest in the city to expand lines into the county. They weren't getting those differential rates," Creighton said.

The county was divided into a series of water districts. People living in those districts were subject to a tax to pay to build and extend lines, according to Creighton.

So what started out as an agreement about water turned into a deal that involved McCormick Field, Aston Park, Recreation Park, the Municipal Golf Course, fees for law enforcement patrol and investi-

mean people outside the city would pay more.

Henderson County Manager David Nicholson says whoever ends up running the water system will have to keep the promises made to Henderson County in its agreement with Asheville and Buncombe County. That includes the promise to extend waterlines into Henderson County.

gation, senior programs and rent for the Asheville Symphony.

"This octopus has a tremendous amount of tentacles out there," said former Buncombe County Commissioner Tom Sobol.

Ron McKee, Asheville Tourists general manager, was around before the agreement.

"The whole purpose was that facilities used countywide would be maintained by county government not just by the city," McKee said.

So Buncombe County took over McCormick Field, the home of the minor-league Asheville Tourists.

The county also took over some other recreational facilities and agreed to pay municipalities a "patrol and investigation" fee for law enforcement services.

The city pays the county for collecting city taxes. And Buncombe County has been getting free water at its facilities, including the jail.

In addition, both the city and county receive a percentage of the revenue generated by the water system. The city gets 5 percent, and the county receives 2.5 percent.

The agreement also created a water authority, a board made up of members selected by both the city and county. Membership on that board expanded in the mid-1990s when Henderson County became part of the authority and the Mills River water treatment plant was built.

But the agreement has been prickly since the start. Henderson County sued Asheville over land promised in the agreement. The two entities also clashed over regional waterlines.

And there have been questions raised about who is in charge of what when it comes to the water system.

To adopt a budget, the board needs approval from Buncombe County and the city. Last year, the county put the brakes on plans to charge customers a new fee to pay for growing costs associated with the aging system. That could happen again this year.

Unknowns

Some county leaders say they'd like to see an independent body similar to the Metropolitan Sewerage District running the water system. But Worley says the city isn't headed in that direction.

So what happens if the city and county can't find common ground, and the agreement is dissolved?

Those facilities that the county inherited as part of the agreement could revert back to the city. Maintenance of McCormick Field, for example, could become a city function.

McKee says he's worked well with both the city and county, and he thinks the city would simply pick up the Tourists contract.

What isn't clear is which government will be responsible for the outstanding debt on the field. Buncombe County Manager Wanda Greene said the county spent about \$3 million rebuilding McCormick Field and another \$500,000 on the field. The financing was part of the same package that paid for the county detention center.

Greene said the county spent more than \$1 million to replace the Recreation Park pool.

The county also handed over more than \$20 million in water assets to the city at the time of the agreement.

"I don't think we want to be in the water business, but I also think we have a responsibility for those assets," Greene said.

Another unknown is the law enforcement fees the county has been paying to each municipality. Those total \$2.25 million. The city gets \$1.8 million, and the rest is divided among Black Mountain, Woodfin, Montreat, Biltmore Forest and Weaverville.

"It represents probably 4 percent of our general fund budget," said Black Mountain Town Manager Tony Caudle. "We do have a lot of questions. We just don't know where they are in the negotiation process."

Contact Ball at 232-5851 or JBall@CITIZEN-TIMES.com.



FORMAL SESSION

may 25th

BY BRIAN SARZYNSKI

In the aftermath of the Asheville City Council's May 25 formal session, two things are crystal clear: City leaders are sufficiently fed up with the Water Agreement that they're prepared to walk away from it, and they want the city, not the Regional Water Authority, to control Asheville's water system.

Everything else is clear as mud.

On May 25, City Council unanimously authorized Mayor Charles Worley to announce Asheville's intention to renegotiate or terminate the 1996 Water Agreement. The document requires member governments to give a year's notice, but the clock is ticking. Three days later, Worley told *Xpress* that the city has notified both the Water Authority and Buncombe County of Asheville's intentions.

Proclaiming that it's time "to regain control of water," Worley added that the resolution "gives us a one-year time frame for negotiations — and an option down the road if the negotiations aren't successful."

And former Council member Brian Peterson, who serves on the Water Authority board, told *Xpress* after the meeting: "This is one of the biggest decisions this Council's ever made. Moreover, all seven members are united on this. They are standing shoulder to shoulder, ready to fight Buncombe and Henderson counties and the state legislature in order to reclaim complete control of the water system." The city owns the water infrastructure, and city staffers operate the system, but the Water Authority sets the rates and authorizes line extensions.

But the confusion begins with the question of which Water Agreement we're talking about. City officials are now distinguishing between the 1996 Supplemental Amended Water Agreement (which expanded the existing authority into the Regional Water Authority of Asheville, Buncombe and Henderson) and the 1995 Regional Water Supply and Water Service Agreement (which agreed to supply water to Henderson County). Originally hailed as a model of regional cooperation, the '96 document has been a source of controversy and bickering almost since its inception.

Water service has been a bitterly contested issue locally at least since the 1930s, when the N.C. General Assembly passed the Sullivan Act. The law specifically prohibits

WATER POWER

Council takes steps to annul Water Agreement



"This does not diminish
our regional commitment."

— Mayor Charles Worley on the
city's decision to renegotiate or
terminate the Water Agreement

CITY

COUNTY

REGIONAL

MOUNTAIN

Asheville from charging non-city residents more for water (as most North Carolina cities do).

In an interview with *Xpress* after the meeting, Mayor Worley said the city "wants to take back control of the water system — set its budget, set the rates, and operate the system as other cities across North Carolina do."

And during the May 25 public hearing on the resolution, Council member Terry Bellamy decried the current water rates, which she called "some of the highest ... in the state. We need to retool [them] and see some relief within the city limits." In fact, city residents pay exceptionally high rates, while large commercial users in the city pay competitive rates, and large commercial users in the county pay extremely low rates.

Continuing disputes about rates have contributed to the Water Authority's inability to repair its crumbling water lines.

But any attempt by the city to disengage itself from the Water Agreement will inevitably collide head on with the document's daunting complexity. In its various avatars, the Water Agreement has embodied an ongoing tit for tat between city and county governments that have frequently been at loggerheads on any number of issues. Accordingly, the "Water Agreement" has included such diverse non-water-related matters as law enforcement, street repairs and an agreement transferring McCormick Field, a golf course and the Aston Park Tennis Center from the city to Buncombe County.

Apparently, all these issues are now up for renegotiation. What's more, the city now appears ready to contest the Sullivan Act — which the '96 Water Agreement prohibits. "The Sullivan Act applies only within those districts where Asheville took over lines in the 1930s," Worley told *Xpress*. "Through annexation, we've acquired a lot of those districts. The remainder is a small area in the county. The bottom line is the Sullivan Act is limited in scope. And there are still questions about its constitutionality."

Another major bone of contention is the portion of the Water Agreement that gives Asheville 5 percent of the system's gross revenues (currently about \$1.1 million a year) and Buncombe County 2.5 percent. Some Water Authority board members have questioned those payments, saying money should be funneled back into the system to fund desperately needed repairs.

At the council meeting, Worley noted that the city's bold move had grown out of the visioning process undertaken during a recent series of Council retreats. The Strategic Operating Plan, adopted in the wake of those meetings, calls the city to, among other things, "gain control of growth by disengaging from the existing Water Agreement." To achieve that end, the document lays out the following tasks:

- Resolve participation of Henderson County;
- Formulate a sequential strategy to eliminate non-water issues from the water agreement;
- Revise structure to encourage voluntary annexation;
- Complete restructuring prior to any annexation law revision.

Items no. 3 and 4 appear telling in light of legislation now pending in the state legislature that could limit cities' ability to annex outlying areas. Asheville has conducted a steady stream of annexations in recent years that have added to the tax base. And charging county residents more for water might make the prospect of annexation more appealing.

All together now

The only member of the public to speak against the resolution at the hearing was Hazel Fobes, chair of Citizens for Safe Drinking Water and Air. Criticizing Council for considering a "hastily drawn" plan, Fobes added: "I was stunned to receive, only two days ago, your draft resolution — an action to amend or terminate the current provisions for a Water Authority. ... The document deals with the basis and justification for radical change with only implied reasons and argumentation."

But it was clear from the outset of the hearing that while Council members were solidly behind the resolution, they were also concerned about how the move would be received.

"This does not diminish our regional commitment," Worley declared, adding, "We will continue to work with our neighbors." And at a hastily called press conference the next morning, he observed, "Regionalism is the method of providing water, not ... the method of distributing water."

Council member Joe Dunn, one of the city's two appointees to the Water Authority board, echoed that sentiment, saying, "Regionalism, for me, is who gets the water — not who owns the system."

And Terry Bellamy chimed in, "Regionalism is making sure everyone has water; who owns the system is a different issue."

Asked if Asheville had informed Henderson County officials of the city's intentions, however, Mayor Worley said, "No. They're not a party to this agreement. This is an agreement between us and Buncombe."

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Council coverage
even earlier!

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Buncombe County leaders have also expressed an interest in reconsidering the Water Agreement. Worley maintained And the next step, said the mayor, will be for city and Buncombe County staffers to review the document and prepare a report on

renegotiation.

Clearly, however, major questions remain. Repairing the decrepit water system would require hundreds of millions of dollars over the coming decades, according to consultants hired by the Water Authority. And although Council members made it clear they favor charging county residents more for water, they also promised rate reductions for city residents — which would presumably offset a portion of any revenue gained. Asked if the city had looked at how much money could be raised that way, Worley said, "We're unaware of any specific numbers."

Where all this leaves the Water Authority, meanwhile, is anybody's guess. On May 27, the authority board passed its 2004-05 budget on a 6-2 vote, with Dunn and Peterson opposed; the document must now be approved by all three member governments. But the budget, which would take effect July 1, includes new meter fees designed to raise money for infrastructure repairs — recalling last year's budget fight, when the Buncombe County Commissioners refused to approve the budget due to similar proposed fees. That forced the Water Authority to operate on the previous year's budget.

Paying for money

Council also considered whether to renew the city's contract with Ball-Janik, a Washington, D.C., lobbying firm.

When the city was discussing the contract last spring, some Council members questioned the need for a lobbyist when U.S. Rep. Charles Taylor maintains an office just around the corner from

STORY CONTINUES ON NEXT PAGE

■ NORTH CAROLINA

Annexation referendums fail in House

THE ASSOCIATED PRESS

RALEIGH — In what may be a harbinger for next year's General Assembly, a House committee Wednesday debated — but declined to endorse — a measure that would let voters use referendums to block forced annexations.

While the measure applies to the town of Kernersville, bill opponents said other lawmakers likely would attempt to add their towns and cities in the years ahead if the bill became law.

That's fine with the bill sponsor, Rep. Michael Decker, R-Forsyth. Legislative rules hindered the proposal from covering the entire state.

"Annexation is actively taxation without representation," Decker told the House Ways and Means Committee, of which he is a co-chairman. "The vote of the people is the most precious right we have."

Decker's measure would let Kernersville residents file a petition seeking a vote for or against the wishes of town leaders to forcibly annex unincorporated land. Fifteen percent of the voters in an affected area would have to sign the petition. Otherwise, there would be no vote and the forced annexation would continue as scheduled.

North Carolina allowed similar annexation referenda before the Legislature eliminated them in 1959.

The North Carolina League of Municipalities — out in force at the Legislative Building for its members' lobbying day — said the bill would set a terrible precedent.

The league said the 1959 law and subsequent changes lay out a uniform method for towns and cities to annex unincorporated areas that have reached a certain population density.

"Bills like this sound good, but this would be a big step backward," said Ellis Flankins, the league's executive director. "Those annexation statutes have served the entire state very well."

Catherine Heath, a Wake County resident who supports the measure, said it would force officials to promote the municipality to county residents.

Greensboro Mayor Keith Holaday said people living on the outskirts of large cities don't want to join a town because that requires them to pay a higher property tax. But those people should pay their share of services that they use within that municipality, he said.

Kernersville's town aldermen signed a letter opposing the bill. Mayor Larry Brown, who is challenging Decker in the July 20 GOP primary, says he would try to change the current annexation law if elected.

County, city wrestle over approval of water budget

By John Boyle
STAFF WRITER

The city of Asheville is about to have its arm twisted, courtesy of Buncombe County.

The county commissioners on Tuesday unanimously passed a resolution saying they won't approve the Regional Water Authority's proposed

2004-05 budget unless the city rescinds its recent decision to begin the withdrawal process from the authority

and pledges not to pull out for three years. Buncombe County and Asheville must approve the authority's budget, or it will revert to its current budget.

Inside

Buncombe County adopts its new budget. See Out There, Page B1.

The authority oversees the Asheville Water Resources Department, which has about 1,800 miles of pipeline and 47,500 customers, mostly in Asheville and Buncombe County. Asheville wants to regain control of the water system, which became a regional enterprise under a 1981 agreement that would later include Henderson County.

David Hanks, interim director of the water resources department, presented the authority's request Tuesday, saying repairs are badly needed.

The authority requested a \$27.9 million budget, a \$5.2 million increase over the current budget. The increase mostly would fix aging waterlines. The authority has increased water rates 26.25 percent since 1996.

Of the water system's revenues, Buncombe County receives 2.5 percent and Asheville 5 percent. Henderson County does not have a vote over the budget.

Tuesday's decision leaves the authority "in limbo," according to Buncombe County Commission Chairman Nathan Ramsey, who proposed the resolution. Asheville will now have to reconsider its decision.

Contact Boyle at 232-5947 or
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OPINION

DEDICATED TO THE UPBUILDING OF WESTERN NORTH CAROLINA 1870-2004

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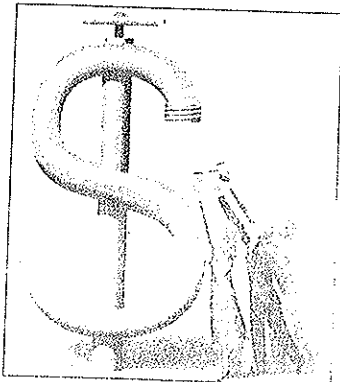
Asheville's hardheaded stance again highlights need for truly independent water authority

The City of Asheville's arrogant behavior toward its partners in the Regional Water Authority will have consequences. One of them became clear earlier this week when Buncombe County Commissioners refused to approve a water authority budget that includes increased fees to pay for desperately needed maintenance.

In May, the city adopted a resolution authorizing city staff to renegotiate the agreement and authorizing Mayor Charles Worley to give Buncombe County a one-year notice of termination.

"This will give us a one-year time frame to conduct negotiations," Worley said at the time.

As long as the city maintains its present stance, no amount of negotiations will result in an amicable outcome. There have been attempts for three years, since Regional Water Authority Director Tom Frederick resigned in 2001, to renegotiate the agreement. Negotiations are stymied because the city, which holds ownership of the water system, refuses to regain control and with it the ability to set differential water rates. That will mean that those living outside the city will eventually



pay considerably higher rates. The Sullivan Act, a 1930s-era state law passed when the city took over the water systems of several surrounding communities, requires a single rate for all users. The water agreement prevents the city from challenging the Sullivan Act. The city believes that once it regains control of the system, it can get the act overturned because most of the areas taken over in the 1930s are now part of the city as a result of annexation.

County commissioners understandably took a dim view of a fee increase in the upcoming budget when it's a pretty safe bet the city will increase rates steeply a year from now for those living outside the city. The county told the city that unless it rescinds its resolution to terminate the agreement in one year, and agrees not to withdraw for at least three years, it won't approve the water authority's budget. More precisely, it won't approve the budget with additional per-month fees of \$3 per residential customer and much higher fees for some commercial users. The fees would raise \$5 million during the fiscal year to pay for needed repairs.

Terminating the agreement will be a legal nightmare. When it was originally passed in 1981, the county handed over \$20 million in water assets to the city. In return for the city's agreement to extend the water system, the county agreed to take over the operation of the Municipal Golf Course, Recreation Park, Aston Park and McCormick Field. It also agreed to pay the city nearly \$2 million dollars a year to help operate the police department. The county has made at least \$4.5 million in improvements to the recreation facilities for

No fee increase in water budget

Regional authority's revision also means no money for system improvements

By Julie Ball
STAFF WRITER

ASHEVILLE — The Regional Water Authority has approved what one member called a "bare-bones" budget, one that doesn't include a new fee for customers or money for upgrades at the North Fork water treatment plant.

The authority was forced to revise the water budget after Buncombe County leaders refused earlier this month to

go along with the new fee and failed to adopt the original \$27.9 million budget proposal. The budget needs the approval of the authority, county commissioners and Asheville City Council.

The revised version approved Friday is \$53 million less than the original budget adopted by the water authority in May. The new version includes a \$1.2 million reduction in the water system's operating budget.

"We've cut out \$1.2 million. The only way we can make more cuts is by laying off staff," said David Hanks, the system's interim director. "I don't want to do that."

While residential customers will be spared an extra \$3 per month on their bills, the budget doesn't include money for needed improvements at the North Fork treatment plant. Hanks said the system could dip into reserve

funds to begin addressing the problem. Hanks said he's more worried about having enough money to deal with water line breaks and leaks in the coming winter.

"That (the tight budget) won't stop us from fixing things," he said.

Regional Water Authority Member Brian Peterson called the budget "irresponsible" but said "what else can we do?"

Please see **WATER** on E3

Continued from E1

Without a new budget, the water system would have reverted to this year's budget. But Hanks said that would not have included money needed for mandatory projects next year.

Buncombe County commissioners refused to approve the authority's original budget, which included the new fee for water customers. The money from the fee was supposed to be earmarked for upgrades like the North Fork project and repairs to the aging water system.

Commissioners instead wanted Asheville City Council to rescind its recent decision to begin the process of backing out of the water agreement and to pledge not to pull out of the agreement for three years. The 1981 agreement established the water authority, but the city now wants to regain control of the water system. City Council is not

backing away from its decision, according to officials.

The city has already signed off on the revised budget. Commissioners will meet Tuesday to talk about the issue.

Buncombe County Commissioner Bill Stanley, who serves on the water board, said the idea of a reduced fee for customers has been floated, but he's not sure where board members stand on that idea.

Regardless of what happens on the water side of the bill, the Metropolitan Sewerage District board, which sets sewer rates, has already adopted a budget that will include slightly higher sewer rates for customers.

Rates will go up 2 percent starting Thursday.

MSD has been replacing about 50,000 linear feet of sewer line each year, according to Tom Hartye, MSD general manager. Over the next 20 years, the sewer system will spend \$260 mil-

lion replacing old lines. The rate hike is the sixth straight increase for sewer customers.

"The philosophy of our board is to keep rate increases small but consistent," Hartye said. By keeping up with increasing costs, "We avoid these large rate increases."

Contact Julie Ball at 232-5851 or jball@citizen-times.com.

which it will undoubtedly expect compensation.

Buncombe County water users won't be the only ones hurt by termination of the agreement. Henderson County, which was added to the agreement in the mid-1990s when it allowed Asheville to build a water plant at the confluence of the Mills and French Broad rivers, will lose what little control it now has in the form of two members on the regional authority. Asheville already has a poor history of living up to its end of the bargain with Henderson County.

It's common practice for municipal water systems to charge higher rates for users outside city limits. It's a way to augment the city's general fund and to offer a tangible benefit to areas being annexed. In one respect, it's easy to understand city council's and staff's position. The General Assembly could make involuntary annexation harder. And, aside from sales tax, few other mechanisms allow the city to relieve the burden on city taxpayers who support services used by regional residents who visit the city to work, shop and recreate.

But, unlike other municipalities, Asheville entered into agreements with neighboring local governments, agreements from which the city has received substantial benefit. The honorable thing to do would be to respect its agreements. If that's not possible, the next most honorable thing would be to go to its partners and negotiate in good faith to reach an agreement that is fair and benefits everyone.

Asheville's path not only promises to damage regional cooperation for the foreseeable future, there's a very good chance that it will end up in a court battle, potentially postponing any improvements to the ancient and crumbling water system indefinitely, causing inconvenience and driving up costs even further.

Virtually everyone acknowledges that the agreements are dysfunctional. But the disrespectful way Asheville has treated Buncombe and Henderson counties seldom results in a good outcome. Sadly, the entire region will pay for an appalling lack of vision demonstrated by a few city leaders.

As County Commissioner Bill Stanley said recently, water is power. It's a regional resource that's essential to life. It ought to be available to everyone at the minimum cost required to deliver it.

That can best be accomplished by establishing a truly independent regional water authority. Both Henderson and Buncombe counties support that idea, but it can't happen as long as Asheville stands in the way.

Water pressure

Commissioners reject Water
Authority budget

MTN. EXPRESS
6/25/04

BY CECIL BOTHWELL

COUNTY Commissioners REPORT

REGULAR SESSION

june 15th

If the Asheville City Council's May 25 decision to "renegotiate or terminate the 1996 Water Agreement" (see "Water Power," June 2 *Xpress*) chopped a leg off the Regional Water Authority, the Buncombe County Board of Commissioners seems to have applied a tourniquet. But whether that tourniquet is being tightened around the bleeding stump or the neck of the regional agreement will be up to Council to decide.

Board Chairman Nathan Ramsey likened the dispute to a family quarrel, observing that it's entirely possible to love someone and still disagree.

According to FBI statistics, however, most murder victims know their killers — many of whom are blood kin.

Taking care of business

Budget matters dominated the commissioners' June 15 meeting. The big one — the county's own — slid through virtually without comment, though county resident Jerry Rice did take the board to task for failing to amend the school budget in light of his detailed critique during the June 1 budget hearing. The \$202 million county budget for fiscal year 2004-05 passed unanimously, with the commissioners thanking county staffers for their hard work. The election-year spending plan includes no change in tax rates and little change in spending patterns; the 4 percent increase in total expenditures is expected to be funded by anticipated growth in tax revenues.

The Water Authority budget, on the other hand, drew close scrutiny.

The Authority's veteran interim director, David Hanks, described a system in sore need of extensive renovation. On any given winter day, he said, there are 20-30 *major* breaks in the crumbling water lines. According to consultants Brown and Williamson, the needed repairs will require an investment of \$5.6 million next year and more than \$50 million by 2010.

Otherwise, under certain conditions (notably drought), the system's water might not meet federal standards for turbidity, which would trigger fines and penalties and perhaps require customers to boil the water before using it.

A majority of both residential and industrial customers responding to a recent survey said they're willing to pay more to ensure the system's continued viability, noted Hanks.

He then presented a newly hatched budget proposal — hammered out at a Water Authority board meeting that very morning — which included a monthly meter surcharge designed to raise the money for the recommended repairs and upgrades. Residential customers would pay an extra \$4 a month; the largest industrial users would face monthly increases of up to \$650.

Up until that morning, those numbers had been \$3 and \$1,300 respectively, and commissioners Patsy Keever and Bill Stanley, both members of the Water Authority Board, expressed reservations about the surcharge. Stanley complained that the burden was being placed on residential users, though he acknowledged the need to avoid driving away businesses.

Keever worried about the impact on schools. "We have more than 70 county schools," she noted, "and this kind of an increase will blow their budgets out of the water."

Water Authority Chair Bill Lapsley described in detail both the negotiations of recent months and his consultations with Ramsey and Asheville Mayor Charles Worley. But all that, he said, will come to naught if the city follows through on its decision to dissolve the regional pact.

STORY CONTINUES ON NEXT PAGE

Rates and conditions

In the ensuing discussion, the commissioners took widely varying positions. David Young said he couldn't support the budget, emphasizing that "the big issue is what is happening between the city and the county. ... There is the potential for a big [rate] increase next year when the city dissolves the Authority." Young said he would oppose the budget pending resolution of the larger issue.

Keever, on the other hand, argued that this could take years. "Look at the JPA [Joint Planning Area, the subject of protracted negotiations over portions of the county that the city might annex in the future]," she admonished, noting that, in the meantime, the water system is falling apart. "That's why we should approve the budget now."

David Gantt sided with Young. "Asheville has expressed an interest in *not* being a regional authority. That's the bottom line."

Keever's motion to approve the budget failed for lack of a second. Then Ramsey made a motion, followed by a chorus of seconds, to approve it provided that the city agree not to dissolve the Water Agreement for three years. This led to a question for County Attorney Joe Connolly: Could the county put conditions on its budget approval?

Connolly said yes, but then Keever said: "Great — if they approve it. What happens if the city rejects it? Can we come back and fund it a little bit?"

"Yes, we can always go back and approve funding," argued Young.

Then Gantt chimed in, saying: "I've been looking at the rate of increase. Rates have gone up over 25 percent since 1996. We can't throw the people we represent to the wolves."

In response to questions about whether Ramsey's motion really involved two separate actions, County Manager Wanda Greene suggested that there were two separate parts: one involving the Authority's operating budget and the other concerning capital expenses (i.e. the repairs). Keever then made a motion "to approve the operating budget without the capital-expense increase."

Then it was Hanks' turn to weigh in again, observing, "I've read the Water Agreement between 200 and 300 times, and every time I get a different perspective on it." If the commissioners chose not to approve the budget, he said, the Authority would continue to operate under the previous year's budget — which is larger than the proposed new one. Hanks admitted to being pleased by that prospect. (Ironically, however, the previous year's budget was itself the result of the commissioners' refusal to approve the \$1 per month surcharge presented to them last June.)

At that point, all earlier resolutions were withdrawn, and Ramsey made a motion saying that if the city rescinded its notice of intention to terminate the Water Agreement and agreed to extend it for three years, the Board of Commissioners would approve both the extension and the Authority's budget. That motion carried 5-0.

More money matters

On another fiscal note, Economic Development Director Mac Williams gave a presentation on a statewide initiative to legalize self-funding bonds; the measure will appear on the November ballot. Williams noted that he was appearing in his capacity as co-chair of North Carolinians for Jobs and Progress, a grassroots group formed to advocate for the initiative.

Self-funding bonds, already legal in 48 states, are financial instruments designed to facilitate government/private sector development partnerships, Williams explained. The bonds, which involve no general revenue and no government liability, are repaid via property taxes on the developed properties. Therefore, said Williams, they offer local governments a risk-free way to stimulate business growth. To make the bonds legal in North Carolina, the state constitution would have to be amended; the ballot initiative represents a step in that process.

The board unanimously approved a resolution supporting passage of the ballot measure.

Other business

Albert Sneed presented the commissioners with Asheville Buncombe Vision's 2004 report, and Sonya Friederich, chair of the Nursing Home Community Advisory Committee, delivered a progress report. The commissioners rejected an offer to buy the derelict Red Oak and Old French Broad elementary schools from the Buncombe County Board of Education, and endorsed a resolution urging the state Department of Transportation to designate a portion of Brevard Road/N.C. 191 as the Bob Pressley Memorial Highway.

The board also made the following appointments: Emily Boyce and Mike Kirstein (library board of trustees); Katina Turner and Jerry Young (URTV board); Gerald Mozian and commissioner Gantt (Asheville Regional Airport Authority). The latter appointment prompted Ramsey to quip: "No one can say I never voted for a Democrat. And this is an election year!"

Cecil Bothwell can be contacted at 251-1333, ext.115 or at cbothwell@mountainx.com



WEDNESDAY, JUNE 30, 2004

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Commissioners add fee to water budget

City Council and water authority still must OK plan before \$1 charge is added

By Rebecca Gaudy-Falk
STAFF WRITER

Tuesday.

ASHEVILLE — The Regional Water Authority finally has an operating budget for 2004-05, but it includes no fee increase for improvements officials say are needed to maintain a quality system.

Nevertheless, members of the Buncombe County Board of Commissioners said they would still like to see a fee increase and would like to see one

missioners voted 3-2 to amend it by adding a fee increase that would amount to \$1 monthly for most residential customers. The amendment stipulated that all revenues from the fee — \$1.2 million — would go toward infrastructure improvements at the North Fork and Bee Tree water treatment plants.

Asheville City Council, the water authority and commissioners have wrestled over the budget for a month. According to the regional water agreement, all three bodies must approve the budget by July 1. Before the \$1 fee in-

crease could become official it, too, would have to be approved by all three bodies. But there is no deadline on amending the budget to add the increase.

The original budget proposal totaled \$27.9 million and included a higher fee increase. But a \$1 fee would enable the authority to at least begin making improvements, David Hanks, the water system interim director, said. The fee increase commissioners proposed would generate \$1.2 million, while the total cost of needed work is \$3.5 million, Hanks said.

Continued from B2

"At least this gets us going, and hopefully, the council will approve it (the fee)," he said. This year's budget negotiations were stymied after City Council's decision to opt out of the agreement establishing the Regional Water Authority.

The authority oversees the Asheville Water Resources Department, which has about 46,000 customers, mostly in Asheville and Buncombe County. Council wants to regain control of the water system, which became a regional enterprise in 1981.

Please see **WATER** on B3

Council members have said the agreement governing the Regional Water Authority is not functional and that the city should be able to charge different rates for customers outside city limits.

The commissioners had refused to adopt the authority's budget earlier this month, saying it wanted City Council to rescind its decision and agree to not pull out of the agreement. Commissioner Patsy Keever said Tuesday that regardless of the city's decision, improvements to the system needed to be funded.

Commissioners David Young and David Gantt voted against the \$1 fee amendment. Gantt said he has concerns about what lies ahead for water system customers in the county.

"This is the end of the water agreement as we know it because the city has divorced from it," he said. "If they continue down this road, we will have no control and say about the budget, and we'll have no control over rates for the people we represent."

Contact Rebecca Falk at 232-2938 or RFalk@Citizen-Times.com.

By Cecil Bothwell

Amid talk of divorce and neutralizing hints of reconciliation, the Board of the County Board of Commissioners unanimously approved the Regional Water Authority's 2004-05 budget during a special session on June 29. The \$22.6 million budget, previously approved by Asheville City Council and the Water Authority board, took effect July 1.

David Hanks, the county's long-running interim director, had been handed away empty-handed when he presented the spending plan to the commission on June 15. This time, however, he left the special session with his bucket one-quarter full. From now on, king point in the initial rejection was a 2.5 percent monthly Capital Improvement Projects surcharge — \$4 on residential water bills and up to \$650 for the Authority's biggest customers — to pay for repairs and improvements to the distribution water system.

In a government game of chess, the commissioners had to reject the budget while offering to approve it. The Asheville City Council backed off on its plan to renege the 1981 Water Agreement (see "Water Pressure," June 23 *Xpress*). Rejecting the new budget would force the Authority to continue operating under the previous year's spending plan. The commissioners also rejected the Authority's proposed budget last year (because of a nearly 100 percent proposed capital-improvements fee), but they subsequently approved it after the fee was removed.

This time around, however, Hanks asked the commissioners to approve the budget and the surcharge separately. For the first time, last year's total budget was 2 percent higher, he said, there wouldn't be enough money to cover projected expenses in certain categories.

Commissioner David Young's motion to approve the budget was seconded by Bill Stanley. Commissioners then suggested

that the board also approve one-quarter of the capital-improvements fee — with the stipulation that the city and county not claim their respective shares of those revenues (under the Water Agreement, Asheville gets 5 percent and Buncombe County 2.5 percent of all Authority receipts).

Chairman Nathan Ramsey asked County Attorney Joe Connolly if such a move would be legal.

Connolly said it would, but he also urged the commissioners to "be very clear" in whatever action was taken.

Commissioner David Gantt asked Hanks, "Does this affect other municipalities?" But Hanks didn't really answer the question.

Gantt later told *Xpress* that though he'd decided not to press the matter at the time, he did obtain figures from County Manager Wanda Greene showing that terminating the Water Agreement will put an end to non-water-related payments included in the document. Among these are "patrol and investigation" payments the county makes to areas the Sheriff's Department does not patrol, to reimburse those municipalities for law-enforcement costs. Ending those payments would cost Asheville \$1.8 million, Biltmore Forest \$38,000, Black Mountain \$200,000, Montreat \$17,000, Weaverville \$64,000 and Woodfin \$84,000, the figures show.

Hanks did spell out, however, what one-quarter of the capital-improvements fee would cost: an

extra \$1 a month for residential customers and up to \$162.50 a month for large industrial users. (Ironically, the commissioners rejected last year's Water Authority budget because it included a \$1 capital-improvements surcharge.)

"As I understand it, we have been given a termination notice by the city?" Young asked Greene.

"That's correct," the county manager replied. "Next year we won't have any say in water rates," concluded Young.

"I would hesitate to call it a divorce. It's more like the wife wakes up one morning and says, 'I think I want a divorce.'"

— Board of Commissioners
Chairman Nathan Ramsey

Ramsey interjected: "I have had discussions with Council members and have been assured that they will be fair with us. By acting on this capital fee this year, we are assuring the city that we want to help."

Keever, echoing Young's point, noted, "Once we aren't in the Authority anymore, we can't control rates." But she went on to support Ramsey's position, saying, "We need to make a good-faith gesture to our constituents that we want to make this system work."

Young, however, repeated a point he'd raised at the June 15 meeting: "We have raised rates 25 percent in the past five years."

Ramsey, meanwhile, sought to reassure his fellow commissioners, saying, "Four Council members have told me that it is not a foregone conclusion that we will be out next July 1."

"Whether we like it or not," rejoined Gantt, "we have been given our divorce papers. The divorce is going to happen. We represent the people of all six cities involved, not just Asheville." Then, continuing his simile, he said: "To me, it's like going through a divorce and buying a house right before the divorce. It's a bad idea. This is the wrong time to raise rates. If we were going to an independent Authority, I would

say, 'OK.'"

But Ramsey repeated, "Four Council members have said that it isn't necessarily over. What they are rejecting is the current structure, which is flawed."

Commissioner Bill Stanley asked Hanks, "Is there work that needs to be done now?"

"We have \$3.8 million worth of work that needs to be done at North Fork and Bee Tree."

Keever interjected, "We need to vote on the budget now."

Ramsey shot back, "Thank you, Chairman Keever."

The board then unanimously voted to approve the budget.

After that, Keever made a motion to approve "one-quarter of the original C.I.P. fee, contingent on neither the city nor the county taking money from that funding, so that 100 percent of that money goes to the Authority."

In the ensuing discussion, Ramsey observed: "I would hesitate to call it a divorce. It's more like the wife wakes up one morning and says, 'I think I want a divorce.'"

Young replied, "They're not sure what the structure will be — but they seem to think it will be a city Water Department."

At that point, Keever suggested that it was time to vote, and Ramsey once again thanked "Chairman Keever." The revised capital-improvements fee was approved on a 3-2 vote, with Gantt and Young opposed. ☼

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WATER AUTHORITY TAKES STOCK AFTER FLOODS

MTN. EXPRESS 9/21/02

Repairs to the area drinking-water-supply system will cost about \$1.25 million, according to estimates presented Sept. 21 to the Regional Water Authority of Asheville, Buncombe and Henderson, at the group's first meeting since flooding from Hurricane Frances left most of the Authority's customers without water for several days.

The Federal Emergency Management Agency will reimburse the city for much of that sum, predicted David Hanks, interim director of Asheville's Water Resources Department. But in the meantime, the Authority unanimously approved a budget amendment to pay for the repairs using cash reserves.

During the storm, 20 inches of rain fell at the city's main reservoir and 22 in its watershed, causing water to back up behind a narrow gorge of the Swannanoa River's North Fork below the reservoir dam, Hanks told Authority members. The rapidly rising water then spilled over the nearest ridge, where the two principal mains from the reservoir were buried under a road and 8 feet of earth. About 200 feet of these lines ended up getting washed out.

Hanks explained that the city used all of its own dump trucks, as well as those of its contractors, to bring in 3 million pounds of rock to cover the lines after they replaced them. In the event of another major flood, "It should not wash out there," Hanks asserted.

Authority Chairman Bill Lapsley said that the flooding "highlighted weak spots in the system," which would now be easier to diagnose and address. But the flooding also demonstrated the system's strengths, he continued, such as unimpeded operations at the Mills River Plant, where the control rooms were built high above the flood plain. With the lines from North Fork out of commission, the state had allowed Mills River to increase its output capacity to 7.5 million gallons a day, which the facility handled flawlessly.

After the flooding, some local business owners criticized the city for not releasing more water from the reservoir before the storm, which might have reduced the ensuing flood. After the meeting, Lapsley defended the city's handling of the disaster. Noting that only 7 inches of rain had been forecast, he stressed that Hanks had kept Authority members informed and had acted in accordance with recommendations made by consultants several years ago. The recommendations are based on models that seek to balance the need to prevent flooding with the need to protect the system's water reserves. Asked whether releasing more water earlier would have substantially reduced flooding, Lapsley, who is a certified water and sewer-systems engineer, replied, "You could write a Ph.D. dissertation trying to answer that."

During the meeting, City Manager Jim Westbrook commended the work of the city's Water Resources Department, whose staff had been on duty for 21 days straight. Likewise, Asheville City Council and Authority member Joe Dunn described city staff's response to the flood as "impressive," saying "I know we're in good hands."

But during public comment, Hazel Fobes, chair of Citizens for Safe Drinking Water and Air, criticized the city for dragging its heels on appointing a permanent water resources director. "David [Hanks] has done an amazing job," she said, "but we need an engineer."

Westbrook later told *Xpress* that it would be difficult to attract well-qualified candidates to apply for the position of water resources director until governance issues clouding the future of the Authority are resolved. On July 1, Asheville gave Buncombe County a year's notice that it plans to withdraw from the water agreement, which will dissolve the Water Authority itself.

— Jonathan Barnard

CT 10/3/04

Recent floods expose local politicians as too inept to run our water system

The plumber just left my flooded house after replacing the main water pressure reducer valve. This emergency house call was quite expensive; however, getting all the water out of my house will cost considerably more. To add to my frustration, the plumber told me that the reason the valve failed was due to the recent water outage.

When the water was finally turned back on, the line filled with debris, which caused the valve's diaphragm to rupture, spewing water all over the place. Now, I realize that my situation, compared to those who have lost their homes, businesses and property, is minor. But I'm still frustrated and looking for someone or something to blame.

Now, I realize that God and nature had a hand in this. These are forces we can't control, but what about the forces or events we could have controlled?

■ We knew that Frances was on her way long before she arrived. Why weren't the spillways partially opened a day or two before the storm hit? This would have alleviated much of the flooding, and a lot of people would still have their businesses and homes.

■ Why weren't fire hydrants opened sooner to relieve the back pressure, allowing water to return to outlying areas a day or two earlier than it did?

■ Why are politicians making these decisions instead of water system engineers?

■ Why does Western North Carolina have no recent flood plain maps, when the state just spent more than \$42 million updating these maps for every other area of the state?

■ How did our water system be-



Craig Young has a BS in management from UNC Asheville. A retired Army first sergeant, he is a member of the Disabled American Veterans and Veterans of Foreign Wars. He lives in Asheville.

come so decrepit and antiquated that we have to get custom made couplers from across the country to repair the system?

■ Why is more than \$1.5 million of water revenue going to the general funds of Asheville and Buncombe County to help build now-flooded river greenways and purchase overpriced land for a north Buncombe library? Why isn't this money being spent on replacing a broken system that still loses more than 25 percent of its water and averages about 560 maintenance jobs a month?

■ When a pipe is broken or rerouted due to work by the DOT on state roads, the City of Asheville pay for the repair; this is called "a non-betterment charge." Asheville's 2025 plan budgeted one million dollars per year for this expense. As far as I know, we are the only water authority in the state that has to bear this charge, because of typically complicated and convoluted state requirements. Both houses in the state government passed a bill to correct this a couple of years ago, but it was stalled "pending funding." Why aren't our state and local politicians fixing this problem?

■ Most cities in North Carolina use the differential between cheaper city water and more expensive county water and sewer rates as an enticement to voluntarily annex county property. That doesn't happen here because of

the Sullivan Act, an antiquated state regulation that needs to be rescinded. Presently, our city residents are paying one of the highest, if not the highest, water rates in the state, yet we have the best water supply in the state. Why?

■ The Henderson County politicians are not happy with the Buncombe County politicians, who aren't happy with the Asheville politicians, who are not happy with either one. They all seem to be posturing for their constituents instead of forming a cohesive authority. On top of that, we have the Asheville Water Resource Department under the control of the city manager. This department seems to take the advice of the Regional Water Authority when it's to their advantage. We have a citizens' advisory board whose advice is taken when it's to the advantage of the Authority. Who's operating the store?

■ We have over \$100 million worth of water system property and equipment, but we don't seem to have any united organization to operate it. No wonder the system is rotting. If our Regional Water Authority were a business, it would already be bankrupt. I would rather see our water system operated by a private company than inept politicians. Why not get the politics out of our water system and create a truly independent regional water authority?

With the exception of Buncombe County Commissioner Nathan Ramsey, who's the only reasonable one in the bunch, make your vote counts in November and vote your present county commissioners and state representatives (including Gov. Easley) out. We deserve better representation than what we've been getting.

OPINION

DEDICATED TO THE UPBUILDING OF WESTERN NORTH CAROLINA 1870-2004

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EDITORIALS

DEC. 10, 2004

Latest water main fiasco highlights need for truly regional water authority

Once again Asheville has received a graphic reminder of the state of its water system. This one could have been tragic as well.

Last week, a 16-inch water main blew out beneath the Firestone store on Tunnel Road. The force of the early-morning blast was so strong that city inspectors had to condemn the building due to the damage. "Luckily, nobody was in there when this happened," said David Hanks, interim director of the Water Resources Department.

"It probably would have killed somebody.

"When that thing blew out, water filled up that building quickly. It pushed the walls and stuff out. I certainly wouldn't have wanted to be in there."

Hanks said the cause probably was a combination of old pipes and cold weather. "As soon as we get freezing weather the ground starts to move," he said.

We can't do anything about cold weather, but we should be able to do something about aging, fragile water pipes. The water system is old and getting older, the Regional Water Authority said in its most recent budget presentation. A careful analysis has estimated the cost to replace 110 miles of old water pipes at more than \$200 million, or about \$2 million a year.

Constance Arthur, chief, the numbers gal even. Eugene O'Connell has estimated the cost over 35 years to be in the hundreds of millions of dollars.

One example of the problem is the fact that the city water system includes

from 1,600 to 1,800 miles of pipes. In the first place, that's a lot of pipe. Beyond that, the city doesn't even know within perhaps 200 miles how much pipe it has.

Rehabilitation would be a difficult task under the best of conditions, and the situation in Asheville is complicated by a dysfunctional system of administration.

The water systems of Asheville, Buncombe County and Henderson County ostensibly are controlled by the Regional Water Authority. In fact, the authority is toothless because Asheville continues to operate the system and control assets.

Constant wrangling over the structure of the system has, among other things, impeded the ability to develop and finance a comprehensive plan to fix the pipes.

If the issue were simply the operation of a water system the parties presumably could reach agreement fairly easily, but much of the difference revolves around Asheville's desire to protect its investment and gain revenue from people who use city services but don't pay city taxes.

The whole structure may in fact collapse if Asheville follows through with its threat to withdraw from the agreement. That would not be healthy for either Asheville or Buncombe.

Buncombe County needs a true regional water authority, and there ought to be a way to create one while protecting Asheville's interests.

With that done, the question of fixing the aging pipes would be a bit less vexing.

City to study choices for water accord

By Rebecca Cantley-Falk
STAFF WRITER

FLAT ROCK — Asheville City Council inched closer to renegotiating the Regional Water Authority agreement Saturday by resolving that city and Buncombe County staff members should study options that might be agreeable to both governmental bodies.

"We want the staffs to sit down together and talk about the different scenarios and weed those down to the ones that have some degree of acceptability," Mayor Charles Worley said.

City Council members discussed the water agreement, which expires June 30, during their annual retreat Saturday at the Highland Lake Inn in Flat Rock. A letter from the Buncombe County Board of Commissioners dated Dec. 9 prompted council's discussion. The Board of Commissioners requested that city and county staff members explore scenarios, including impacts of the city controlling the system and of an independent authority managing it.

"We feel that the best decisions are made with a broad spectrum of information," board members and Chairman Nathan Ramsey said in the letter.

The Regional Water Authority oversees the Asheville Water Resources Department, which has about 46,000 customers, mostly in Asheville and Buncombe County. The council wants to regain control of the water system, which became a regional enterprise in 1981. The system also includes a portion of Henderson County.

Inside

See highlights of Asheville City Council members' individual priorities for 2005 on **Page C2**.

"We want the staffs to sit down together and talk about the different scenarios and weed out those down to the ones that have some degree of acceptability."

MAYOR CHARLES
WORLEY

Asheville owns the water infrastructure, but City Council, the Board of Commissioners and the Water Authority make management decisions. Council members say having to seek approval from three entities has been ineffective and has caused delays in maintenance and repairs.

"We've got to have a way we can build our infrastructure, and it's not working right now," Councilwoman Holly Jones said. "It's too tied up in politics."

Water rates also are an issue. The city wants the ability to charge differential rates for county residents. But the Sullivan Act, a 1930s state law, requires a single rate for all users. The water agreement prevents the city from challenging the Sullivan Act, but city officials believe that once they regain control of the system, they can get the act overturned.

Most cities today now have the ability to charge differential rates, but county residents have been leery of giving the city complete control.

Council members voted unanimously to have a portion of their water agreement discussion in closed session, citing attorney-client privilege. Councilman Brownie Newman said county residents have threatened to sue the City Council over its intentions.

"The whole thing is very likely to end up in court unless we can come up with an agreement," he said.

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OPINION

DEDICATED TO THE UPBUILDING OF WESTERN NORTH CAROLINA 1870-2004

EDITORIAL

A rapidly growing city needs a cohesive, effective council

If they hadn't already come to this conclusion, residents of Asheville got one important bit of insight from City Council's recent retreat in Flat Rock: Council may have a strategic plan, but there is no consensus among council members about what the city's priorities should be.

As for the one issue council discussed in depth — the regional water agreement — council members resolved that city and Buncombe County staff members should study options that might be agreeable to both governments. Despite a lengthy discussion about their inability to get along with one another, council seems to have resolved little else.

The \$10,000 retreat at the Highland Lake Inn in Flat Rock is indicative of council's performance thus far. The council spends too much time dealing with interpersonal conflicts and relatively unimportant issues like panhandling, while avoiding matters of far more significant long-term consequence to city residents, like transportation planning and the future of the Civic Center.

Among other things, council

discussed having shorter, more efficient meetings — then came back to hold a meeting that lasted past midnight Tuesday and included a four-hour debate about building a parking garage.

In the absence of any strong leadership, council members' ineffective relationship leaves the city rudderless and drifting.

Issues surrounding the regional water agreement are a perfect example of the problem. The agreement between Asheville and Buncombe County, which dates from the 1980s, was expanded in 1995 to include Henderson County. It ran into serious problems three and a half years ago when a conflict arose between Asheville and Henderson County over construction of a waterline, which Henderson County said the water authority was obligated to build under the agreement. Asheville, which owns the Regional Water Authority's assets, eventually agreed to build the line, but only after the Water Authority board threatened to contract out the job. Fatal flaws in the regional agreement were exposed then and talks began to find options

agreeable to the governments involved. What have they been doing for the past three and a half years?

Meanwhile, city waterlines continue to crumble. In the next six years, the system is going to need to raise \$52 million for repair and replacement costs, according to David Hanks, interim water resources director. That includes more than \$3 million needed in the current fiscal year for improvements at the North Fork water treatment plant, which was not approved in the current budget because Buncombe County refused to go along with rate increases. Hanks, who has been interim director for more than three years, said the system could face fines if it violates federal water quality guidelines, and the North Fork improvements are needed to meet those regulations. The city's ongoing inability or unwillingness to work with other local governments to resolve the water issue reflects an unbelievably parochial and constricted vision.

The Civic Center is another example of failure to move forward. The City Council has been

talking about the Civic Center for 10 years but, despite a task force and costly studies, has done nothing while the facility continues to deteriorate. In early 2003, Mayor Charles Worley said the Civic Center was "number one" on the city's priority list that year, but still nothing happened. Before the election, all three council members elected in 2003 — Jan Davis, Brownie Newman and Terry Bellamy — supported renovating the existing facility rather than building a new one. Still nothing has happened.

It would seem the Civic Center had fallen entirely off the city's agenda except for Mayor Worley's list of priorities at the recent retreat.

The list includes the following: "Move forward with seeking revenue source to fund needed improvements to the Civic Center."

Feels like déjà vu. Vice Mayor Carl Mumpower also mentioned the Civic Center, but his first priority is getting rid of the city's drug problem in public housing. Worley also focuses on needed improvements in public housing. Councilwoman Bellamy said

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A GANNETT NEWSPAPER

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the council needs to be proactive by guiding new development into areas that can support it through infrastructure, such as water and sewage, and traffic capacity.

"If we continue to wait for something to come before us and then deal with the infrastructure problems," she said.

Councilman Brownie Newman said he would like to develop transportation including walking, bicycling and taking the bus. One of his ideas is a fare-free transit system, which has been implemented in other cities including Chapel Hill.

Councilman Jan Davis agreed with Bellamy that council should pay more attention to locating development in areas that make sense.

Councilman Joe Dunn said the city should focus on providing basic services.

"The role of government to me is to provide the services people cannot do for themselves," he said. "I'm not sure we're always focused on that."

Councilwoman Holly Jones said the council should look for ways to involve the public.

"I believe in community, and I get excited when various, diverse groups of people come together and make a plan," she said.

That's great sentiment, but for it to mean anything, it has to happen.

So far, the diverse group of people who make up City Council haven't been able to deliver the results, or the workable plans, to move the city forward in a number of critical areas. That might be tolerable in an era of slow growth.

But Asheville is undergoing another renaissance. Major construction projects — from the new Wal-Mart to the new condominiums where the old Penney's building stood to the parking garage just approved — are changing the city's face.

This is a time when it needs a comprehensive vision and the forward-thinking pro-active management and infrastructure development to which several council members alluded. But talk is cheap.

It's time they stopped talking about their relationship and start focusing on the critical issues facing the city.

MOUNTAIN EXPRESS 12/22/04

Mayor Charles Worley told *Xpress* later that Slavin has since been contacted, and that company representatives will meet with Council members soon to determine their priorities for a city manager. Although the consultants will narrow the field, City Council will make the final decision.

The deep end

An equally pressing topic — the city's plans to withdraw from the Water Agreement, effective June 30 — resurfaced in the form of a letter from the Buncombe County commissioners asking that staff members sit down together to discuss options.

Earlier this year, the city and county had agreed to put the issue on hold so the commissioners could focus on the November elections.

At the retreat, however, Council members agreed on the importance of ironing out the details as quickly as possible.

And though the press had been alerted that City Council would discuss the ever-gnarly water issue at the retreat, Council members promptly prepared to go into closed session, which is permitted under state law when discussing legal matters.

Asheville Citizen-Times reporter Rebecca Cantley-Falk protested the decision, pointing out that no litigation is pending and emphasizing the considerable public interest in the Water Agreement.

City Attorney Bob Oast said there doesn't need to be an actual lawsuit to justify going into closed session. He went on to note that litigation has

indeed been threatened and is probably inevitable as the situation evolves.

After some discussion — and assurances to the press that only legal matters would be addressed behind closed doors — Council members went into closed session for about an hour.

When they returned, the discussion centered on the county's letter, which some Council members said seemed unclear.


"This is the vaguest question in the whole wide world," said Jones. "I don't know if they know what they want."

The letter reads, in part, "There may be many other alternatives that staff identifies that would give us far greater options to help us meet our goal of providing the best services at the lowest, reasonable cost for our citizens."

"I would prefer the city run the system with as few limitations as possible," said Newman. "But it is desirable to see if we can reach an agreement that everyone can work with."

Jan Davis said he thinks most of the facts are in and the city needs to move ahead on the water issue.

But Mayor Worley said the city "had agreed that negotiations would take place at the staff level." Accordingly, he suggested sending a letter to the county to try to clarify whether what the commissioners have in mind meshes with what the city wants.

A draft letter was approved by Council members and sent to the commissioners the following week. 

Brian Postelle is a regular contributor to Mountain Xpress.

OPINION

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- The First Amendment of the U.S. Constitution

DEDICATED TO THE UPRILDLING OF WESTERN NORTH CAROLINA 1870-2005

EDITORIAL

Local governments need to develop some cooperation on water, airport tussles

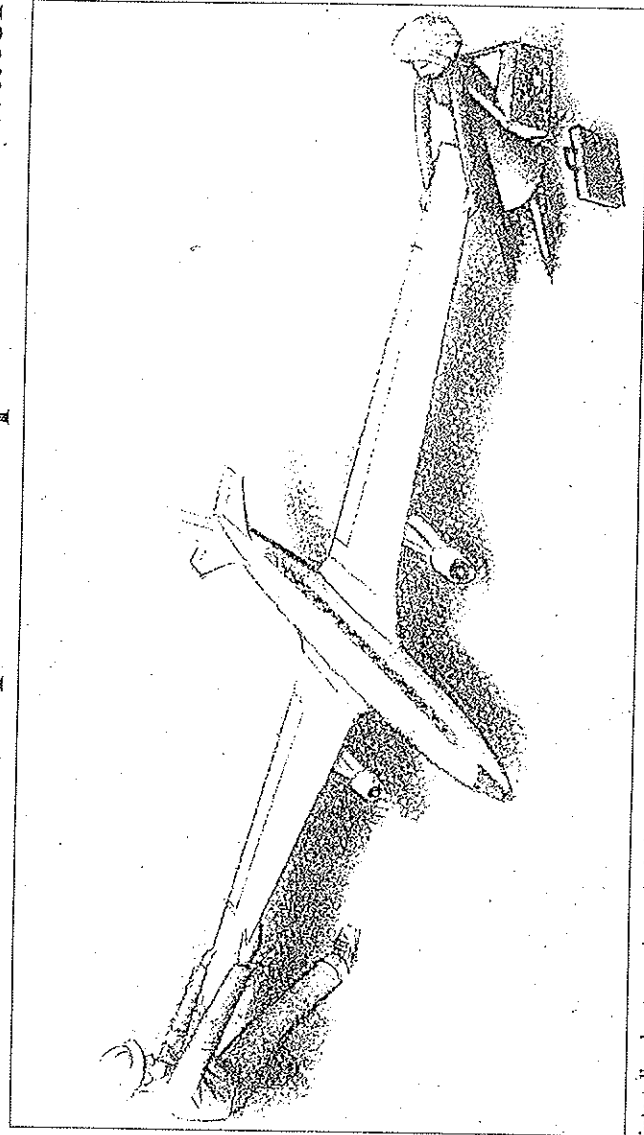
Henderson County wants a seat on the Asheville Regional Airport Authority and commissioners think they have a useful bargaining chip with which to negotiate. The county, which surrounds three sides of the airport, should be granted a seat, with or without a bargaining chip. But Henderson County Commissioners' discussion of the matter reflects their antagonistic relationship with the City of Asheville, a result of unresolved issues surrounding the regional water agreement.

It's a discussion that should serve as a warning to all elected leaders in local government and to the staffs they direct. By failing to respect one another and work cooperatively for the betterment of the region, they risk an escalating hostility that will undermine theirs and their neighbors' economic and infrastructure needs.

Airport Authority Executive Director Dave Edwards appeared before Henderson County Commissioners on Jan. 3 asking their approval to purchase a 1.5-acre tract of land on N.C. 280. Airport Authority bylaws require that its property be held by the City of Asheville. State law requires municipalities to get permission to buy property in a county other than the one in which they are located.

The property in question, owned by Murphy-Wilson Investment Co. of Asheville, is located between the J&S Cafeteria and the Fairfield Inn. The Airport Authority has agreed to pay \$795,000 for the tract, which could be used for additional parking or for rental car companies. The prime reason to buy the property, though, according to Edwards, is to protect it for future use by the airport as it grows. The lot is located adjacent to property in Buncombe County already owned by Asheville. The airport would like to combine the two pieces of property.

Commissioners voted 3 to 2 to enter



into talks about granting permission in exchange for board representation and annual payments in lieu of the tax revenue they would otherwise collect on a high-dollar piece of commercial property. But before the vote was taken Commissioner Larry Young argued that the county should use the request as a way to reopen talks on the water agreement, which allowed the Regional Water Authority to build a water plant on the Mills and French Broad rivers in Henderson County. Asheville's handling of the agreement has angered Henderson County leaders, who believe the city renegotiated on its part of the pact. Asheville, which owns the Water Authority assets, has since announced its plans to terminate the water agreement and reclaim total control of the water department.

Edwards is unfortunately caught in the middle of a dispute that's not of his making and he is rightfully concerned only with what's in the best interest of the airport. He points out that the airport is an asset to Henderson County as well as Asheville and Buncombe County, and insists that Henderson County's approval of the request to buy the 1.5-acre lot should not come with conditions.

Henderson County Manager David Nicholson thinks otherwise. He recommended to the commissioners that they not only negotiate for payment in lieu of taxes for the 1.5-acre parcel, but for an additional three parcels totaling 105 acres owned by the City of Asheville on behalf of the airport. Those parcels were bought in the early 1990s — apparently illegally. They were purchased without

Henderson County's permission. Henderson County discovered the illegal purchase of the parcels while researching the water agreement dispute, Nicholson said.

Edwards says he is open to giving Henderson County representation on the Airport Authority, though that would have to be negotiated with Asheville City Council and Buncombe County Commissioners. He doesn't feel, however, that such a negotiation should be tied to permission to buy the tract in question. At present the Airport Authority consists of seven members, three appointed by Buncombe County, three appointed by Asheville and one at-large member elected by the other six.

Edwards said he will strongly oppose any type of payment in lieu of taxes to

Henderson County because of the precedent it would set.

What we have here is a cautionary tale about the problems that can emerge when there is a lack of trust and respect among leaders of the area's local governments. Asheville's go-it-alone approach to the water authority, which overreaches what is by rights a regional resource, is now creating roadblocks for another regional resource.

It's also a reminder of the importance of regional cooperation. The airport is an asset to all of Western North Carolina. Edwards is correct when he argues that it is important to the economies of both Henderson and Buncombe counties. And Nicholson is correct when he points out that because Henderson County surrounds the airport on three sides, it has a vital interest in airport development.

For one thing, the property the airport wants to buy is prime commercial real estate which will cost the county money if it's taken off the tax rolls. For another, the approach to the airport is over Henderson County, so how Henderson County zones that property underneath the approach is important to the airport.

It's long past time for local leaders to stop thinking only of turf protection and to think about what's in the best interest of the region as a whole, because that will ultimately best serve the individual interests of each county and municipality. In this particular instance, Henderson County should get a seat on the Airport Authority and it should grant the authority permission to buy the property in question.

In the matter of the water agreement, Asheville will serve its own long-term interests, as well as those of the region, only by reaching out to its partners, Henderson and Buncombe counties, to arrive at an amicable outcome that benefits everyone.

DRAFT (2/2/04)
Memorandum of Understanding

Re: Regional Cooperation between The City of Asheville, The City of Hendersonville, and the
Regional Water Authority of Asheville, Buncombe and Hendersonville for Future Water Plant
Construction and Emergency Water Supply

THIS MEMORANDUM OF UNDERSTANDING is made and entered into this the _____ day of _____, 2004 by and between The City of Asheville (hereinafter referred to as "Asheville"), The City of Hendersonville (hereinafter referred to as "Hendersonville") and the Regional Water Authority of Asheville, Buncombe and Henderson (hereinafter referred to as the "Authority").

WHEREAS, The City of Asheville, the City of Hendersonville, and the Regional Water Authority agree that regional cooperation between the two major drinking water producers is in the best interest of the greater Asheville-Hendersonville area; and

WHEREAS, the City of Asheville, the City of Hendersonville, and the Regional Water Authority agree that as expansions take place at their respective plants located on the Mills River they will cooperate in the areas of plant expansion and other water infrastructure needs; and

WHEREAS, during emergency operations or season droughts, it is in the best interest of Asheville and Hendersonville to be able to share water resources; and

WHEREAS, Asheville and Hendersonville own separate water treatment plants located in the Mills River area of Henderson County; and

WHEREAS, Hendersonville desires at some future date to expand their water treatment plant or seek additional water from the Authority water treatment plant located on the Mills River; and

WHEREAS, Asheville and Hendersonville desire to agree to share water resources during short term emergencies; and

WHEREAS, at the point at which Hendersonville needs to expand their water treatment plant to meet the growing needs of their water system, Hendersonville will determine if it would be in their best interest to cooperate with the Authority by expanding the Authority's Mills River Water Treatment Plant;

NOW THEREFORE, the City of Asheville, the City of Hendersonville, and the Regional Water Authority of Asheville, Buncombe and Hendersonville agree to the following:

I. Regional Cooperation

A. Definitions

1. Emergency Water – water provided by Asheville or Hendersonville due to unforeseen major interruptions of a distribution system.
2. Temporary water – water provided on an interim basis as a result of a water system not having sufficient capacity to serve its needs on a routine basis.
3. Wholesale contract water – water provided as a result of an agreement negotiated to provide water at a specific rate for a fixed period of time.

B. The City of Hendersonville is granted an option to request the expansion of the Mills River Water Treatment Plant, as an alternative to expanding its treatment plant, on the following basis:

1. Upon written request of Hendersonville, Asheville and the Authority will provide a detailed feasibility analysis of any required expansion of the Authority's Mills River Water Treatment Plant resulting from Hendersonville's request. The analysis will take into consideration four factors to include:
 - a. An analysis of regional cooperation and system redundancy.
 - b. An analysis of the availability of raw water from other sources.
 - c. A cost analysis of a future proposed plant expansion at the Mills River Water Treatment Plant. Hendersonville will be responsible for all costs associated with producing this analysis. The current cost analysis of a proposed plant expansion is attached as Addendum 1.
 - d. Other factors as mutually agreed upon by Asheville and Hendersonville.
2. After Hendersonville examines the analysis provided for in B(1), its decision will be based on the four factors listed (B, 1, a-d) and equal weight to all factors will be given in making a decision as to whether or not Hendersonville will join Asheville in expanding the Mills River Plant. The decision will not be unreasonably withheld.

3. Hendersonville agrees that it will pay for the cost of the water treatment plant expansion required to deliver a specific amount of water to a specified point of delivery to the Hendersonville water system and any additional future capacity needed. Infrastructure costs and water treatment plant costs required to deliver water to other Authority customers would be paid by the Authority. Hendersonville will also provide the City and the Authority a financial analysis as to how payment for the expansion of the Mills River Treatment Plant will be made. Repayment or prepayment of capital costs and the water rate will be established by Asheville, Hendersonville and the Authority as part of an approval process outlined in B(1) above.
4. The option for Hendersonville to build additional capacity at the Authority's Mills River Water Treatment Plant pursuant to this memorandum expires ten (10) years from the date of the execution of this memorandum, unless renewed by mutual approval of all necessary parties.

II. Emergency, Temporary, Wholesale Water Supply

- A. Asheville, the Authority, and Hendersonville agree to supply each other with water, on a temporary or wholesale basis, when needed. Temporary or wholesale water provided pursuant to this agreement is based on the following:
 1. Water will come from each system's overall, excess capacity.

2. Request for water must be made by authorized and designated personnel with a minimum 24 hour notice in order for technical personnel to make adjustments required to process an increased plant capacity to provide water.
3. Hendersonville agrees not to rely on the temporary or emergency water provided for in this agreement on a continuous basis as a substitute for providing for their long-term needs.
4. Emergency or temporary water requests with less than 24 hours notice will be considered by Asheville, the Authority, and Hendersonville on a case by case basis.
5. All parties retain the right to discontinue the temporary water supply at any time based upon the overall needs of their water system, with a 24 hour notice.
6. If Asheville provides temporary, emergency or wholesale water to Hendersonville for more than 24 consecutive months, the water service is deemed to be permanent and Hendersonville agrees to perform the feasibility analysis as described in I(B)(1).
7. Hendersonville agrees to pay the sum of \$.90 per CCF (hundred cubic feet) of water obtained from the Authority on a temporary or emergency basis. Further, Asheville and the Authority agree that any annual increase in operating costs of the City's Water Treatment System for water provided under this agreement for emergency and temporary purposes will be calculated based on the increased cost of producing water for Hendersonville only for any rate adjustment. Future adjustments in the rate will require the seller to provide detailed documentation to the purchaser for water purchased for temporary or emergency wholesale purposes.

- B. Any changes in applicable Federal or State laws or regulations requiring more restrictive operations of the water system shall automatically become part of this Agreement, and the selling party shall notify the receiving party within a reasonable length of time of those changes, but no later than 30 days after receipt of such changes.
- C. The selling party hereby acknowledges that the receiving party is purchasing water for resale to its customers. The selling party implies no warranty or responsibility for water quality beyond the meter connection(s).
- D. Each party shall indemnify and hold harmless the other party, its officials, employees, and agents from and against any damages, liabilities, judgments, fees (including reasonable fees for attorneys and expert witnesses) or costs resulting, either directly or indirectly, from this Agreement.
- E. This Agreement is not to be construed as creating any third party beneficiaries and may only be enforced by the parties herein.
- F. This Agreement shall be construed in accordance with the laws of North Carolina.

IN WITNESS WHEREOF, the parties have placed their hands and seals, and if corporate, the duly authorized officers have signed under corporate seal, the day and year first above written.

City of Asheville:

I agree by my signature below of the stipulations and conditions of this Memorandum of Understanding.

Charles R. Worley, Mayor
City of Asheville

City of Hendersonville:

I agree by my signature below of the stipulations and conditions of this Memorandum of Understanding.

Fred H. Niehoff, Jr., Mayor
City of Hendersonville

Regional Water Authority of Asheville, Buncombe and Henderson:

I agree by my signature below of the stipulations and conditions of this Memorandum of Understanding.

,Chairman
Regional Water Authority of Asheville, Buncombe and Henderson

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

I, a Notary Public of the State and County aforesaid, do hereby certify that Charles R. Worley personally appeared before me and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal this the _____ day of _____, 2004.

Notary Public

My Commission Expires:

(SEAL)

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

I, a Notary Public of the State and County aforesaid, do hereby certify that Fred H. Niehoff, Jr. personally appeared before me and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal this the _____ day of _____, 2004.

Notary Public

My Commission Expires:

(SEAL)

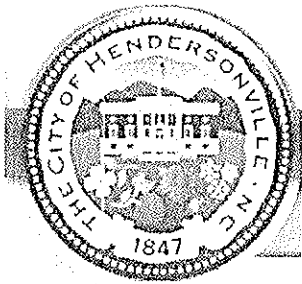
STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

I, a Notary Public of the State and County aforesaid, do hereby certify that
_____ personally appeared before me and acknowledged the execution
of the foregoing instrument. Witness my hand and official stamp or seal this the _____ day of
_____, 2004.

Notary Public

My Commission Expires:

(SEAL)



Current Date: 8 April 2004
Current Time: 3:00 PM ET

hendersonville, nc
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2004 Agendas



April 2004

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AGENDA City of Hendersonville City Council April 8, 2004 Public Comment Time 5:45 PM-6:00 PM Regular Meeting 6:00 PM

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[March 2004](#)

[April 2004](#)

1. CALL TO ORDER

2. INVOCATION AND PLEDGE OF ALLEGIANCE

3. CONSIDERATION OF AGENDA

4. CONSIDERATION OF CONSENT AGENDA (Note: All items denoted with an asterisk (*) are considered routine, non controversial in nature and will be considered and disposed of through a singular motion and vote.)

* Minutes of March 4 Regular Meeting and March 18 and 24 Special Meetings.

* Consideration of Utility Line Extension Agreements:

Water: Children & Family Resource Center, Aspen Educational

Sewer: Children & Family Resource Center

* Consideration of Tax Releases/Refunds.

* Consideration of Resolution Supporting Efforts and Pledging Assistance to Renovate Historic Memorial Stadium.

* Consideration of Petition by Nappier & Turner for Satellite Annexation of 2.72 acres adjoining Wolfpen Development (receipt of Clerk's letter of validation).

* Consideration of Petition by State Employees Credit Union for Satellite Annexation of 1.99 acres on the southwest corner of Upward Road and Commercial Boulevard.

* Consideration of Resolution of Intent to close a portion of an unopened street by Dale Maxwell.

5. PRESENTATION OF AWARD FROM THE NORTH CAROLINA CHAPTER OF THE AMERICAN PLANNING

ASSOCIATION FOR THE SOUTHSIDE DEVELOPMENT INITIATIVE BY GEOFFREY WILLETT, NC DIVISION OF COMMUNITY ASSISTANCE.

6. PUBLIC HEARING – CONSIDERATION OF A PETITION FROM T.M. EQUITY FOR THE CLOSING OF A PORTION OF AN UNOPENED ALLEY.

7. CONSIDERATION OF A RESOLUTION ESTABLISHING WATER AND SEWER RATES AND OTHER CHARGES RELATING TO THE OPERATION OF THE WATER AND SEWER DEPARTMENT.

8. PRESENTATION BY APPLE COUNTRY TRANSPORTATION AND CONSIDERATION OF REQUEST FOR FINANCIAL SUPPORT FOR THE UPCOMING FISCAL YEAR.

9. CONSIDERATION OF CHANGE IN SPECIAL EVENT APPLICATION FOR "MUSIC ON MAIN".

10. CONSIDERATION OF REQUEST FROM DOWNTOWN HENDERSONVILLE, INC. FOR A CHANGE IN PARKING REGULATIONS.

11. REVIEW OF CONCEPTUAL DESIGNS FOR MARTIN LUTHER KING, JR. MEMORIAL PARK.

12. CONSIDERATION OF REQUEST FOR ONE-YEAR EXTENSION OF SPECIAL USE PERMIT FOR IRG/UNDERWOOD.

13. CONSIDERATION OF WATER-LINE EXTENSION AGREEMENT BETWEEN THE CITY AND MR. JIM LANNING.

14. CONSIDERATION OF MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ASHEVILLE, THE CITY OF HENDERSONVILLE AND THE REGIONAL WATER AUTHORITY OF ASHEVILLE, BUNCOMBE AND HENDERSON COUNTIES FOR FUTURE WATER PLANT CONSTRUCTION AND EMERGENCY WATER SUPPLY.

15. COMMENTS FROM STAFF AND CITY ATTORNEY.

- A. Request for Special Meeting to Discuss Personnel Matters, Consider bids for water line construction.
- B. Update on Phase II Stormwater Regulations Implementation

16. MAYOR AND CITY COUNCIL COMMENTS.

- A. Consideration of Appointment to Apple Country Greenway

Commission.

17. NEW BUSINESS.

18. CITY ATTORNEY REQUEST FOR CLOSED SESSION TO CONSULT WITH THE CITY ATTORNEY TO PRESERVE THE ATTORNEY-CLIENT PRIVILEGE BETWEEN THE ATTORNEY AND THE CITY COUNCIL AS PROVIDED UNDER NCGS §143-318.11(A)(3).

19. ADJOURNMENT.

Future of water plants ebbs and flows

BY JOEL BURGESS

Times-News Staff Writer

The Henderson County Board of Commissioners could again try to broker the sale of a \$36 million Asheville water treatment plant on the Mills River that the city said it might shut down.

One possible buyer for the plant is Hendersonville, which is considering a formal agreement to buy water from Asheville, Board Chairman Grady Hawkins said Monday.

"It's a major asset in Henderson County, and I think someone in Henderson County ought to own it," Hawkins said during a contentious meeting with commissioners over regional water issues.

Asheville Mayor Charles Worley last week said selling the plant was "not off the table," but such a deal would likely be down the road.

"I don't see those discussions being serious until population growth and water demands are much more than they are right now," Worley said.

"We are so far away from our 12-million gallon capacity, that that would be many years down the road," he said. It would be cheaper, Niehoff said to expand the Hendersonville plant.

Still Hawkins and Commissioner Shannon Baldwin, who represents the county on the water authority, suggested that commissioners meet with officials from Asheville, Buncombe County and Hendersonville about the plant and related ideas.

Niehoff said he expected to reject such proposals, including any ideas of a new water authority, which is a type body that removes policy makers too far from voters, he said. But he would still listen, the mayor said.

"They've already asked, and we've already told them, but if they've got some new ideas we're willing to listen," he said.

A rocky relationship

But even if Asheville is willing to sell, Hendersonville is not buying.

Hawkins and Vice chairman Larry Young suggested last year that Hendersonville, rather than expand its own Mills River water treatment plant, consider buying the Asheville plant.

Hendersonville rejected the idea, pointing to the 5-million gallon plant's high price tag and the expensive process it uses for treating water. The plant's ozonation process costs the 59 cents per 1,000 gallons.

On Wednesday, Mayor Fred Niehoff said the city still had no interest.

"We've been down that road before. It is such a far-out idea that there is no interest on our part," Niehoff said.

Today, Hendersonville City Council will consider an agreement proposed by Asheville to buy water from that city's system, which reaches as far south as Mills River.

Niehoff characterized the agreement as formalizing a relationship that dates back a decade.

"We have a connection between the two systems from back in 1994 when the city of Asheville approached us and asked us if we could sell them some water," he said.

It turned out Asheville did not need the water then, but a few years later it did.

To solve the shortage Asheville built its Mills River plant. The county gave Asheville rights to the land and water. In return Asheville agreed to several measures, including water lines for Henderson County customers and the county's membership in the Asheville, Buncombe Henderson Regional Water Authority.

But that relationship has been less than cordial, and in 2001 Henderson County threatened to sue over what commissioners said was Asheville's breach of the agreement.

Now the loss of major industrial customers and the high price of water produc-

tion at the plant might mean moth-balling the plant, Asheville has said.

Coming up with a plan

Hendersonville, meanwhile, is looking at the limitations of its plant, which during peak summer months has reached 80 percent capacity.

The city is not facing a dire need, Niehoff said, but state rules require the city to have a contingency plan when demand reaches such a point. That is where the agreement with Asheville comes in, he said.

Besides saying Asheville will sell Hendersonville water when it needs it, the agreement also puts a cap on water sales. If Hendersonville finds itself purchasing water from Asheville 24 months in a row it should start considering other options, including expanding the Asheville plant, the agreement says.

But Niehoff said that should not happen any time soon.

PLEASE SEE WATER, 3B

Commissioner Bill Moyer, meanwhile, asked what Hendersonville or anyone else in Henderson County would do with the plant if they bought it.

"If you spend (\$36 million) to buy this plant, what do you do with it?" Moyer asked Hawkins. "Hendersonville doesn't need it. Asheville doesn't need it."

Hawkins though said customers in watershed areas in the South and Piedmont might be willing to pay the higher price.

"If you really want to think on a regional basis ... that's a regional basis to think on," he said.

In other business Monday commissioners:

William G. Lapsley

From: "City of Asheville" <lbradley@ashevillenc.gov>
To: <wlapsley@wglc.com>
Sent: Thursday, April 08, 2004 2:06 PM
Subject: eNews - April 8, 2004

CITY OF ASHEVILLE

APRIL 8, 2004

CLICK TO TOPICS
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Commissions
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City offices closed
Friday, April 9

EMSDC
redevelopment plan
update

Proposed annual
action plan for CDBG
and HOME programs

Annexation update

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10 & 17 Altitude
games at the Civic
Center

Stephens-Lee
community yard
sales

Nature discoveries
for youth

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at (828) 259-5484.

CITY COUNCIL AGENDA

City Council Regular Meeting – April 13, 5 p.m.
City Hall Building, Council Chamber

AGENDA

Click here to view the online agenda with links to supporting documents.

The following has been set as the tentative agenda for the April 13, 2004, regular meeting of the City Council. At the conclusion of this agenda the meeting will be open for the presentation of other matters by members of Council and the public:

Pledge of Allegiance

Invocation to be given by Mayor Worley.

PRESENTATIONS BY THE PUBLIC SHALL BE LIMITED TO NO MORE THAN THREE (3) MINUTES FOR INDIVIDUALS; PROVIDED, THAT IN LIEU OF THE THREE MINUTE INDIVIDUAL PRESENTATIONS, A GROUP IN THE CHAMBER MAY DESIGNATE A MAIN SPOKESPERSON WHO MAY TAKE UP TO TEN (10) MINUTES. ADDITIONAL INFORMATION MAY BE CONVEYED TO THE CITY COUNCIL IN WRITTEN FORM.

I. PROCLAMATIONS:**II. CONSENT AGENDA:**

A. Approval of the minutes of the formal meeting held on March 23, 2004.

B. Resolution declaring the intent of the City of Asheville to reimburse itself for capital expenditures incurred in connection with the acquisition and construction of Fire Station No. 6 from proceeds of a financing.

C. Budget amendment, in the amount of \$3,380, to accept grant money from the N.C. Dept. of Environment & Natural Resources and a local match from the West End/Clingman Avenue Neighborhood for the preparation of the Clingman/Riverside Industrial National Register Nomination Report.

D. Resolution setting a public hearing on May 11, 2004, to consider the closure of an unnamed alley off Commerce Street, behind Asheville Savings.

E. Resolution setting a public hearing on May 11, 2004, to consider adoption of an ordinance directly that the dwelling located at 451 Kenilworth Road be vacated and closed.

F. Resolution authorizing the City Clerk to advertise for upset bids regarding an offer to license space for a concealed wireless communication facility at 50 Oregon Avenue.

APRIL

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4/8/2004

III. PUBLIC HEARINGS:

- A.** Public hearing on the Consolidated Action Plan for 2004-05 allocating federal Community Development Block Grant and HOME funds. (Read more about this item below.)
- B.** Public hearing to consider adoption of an ordinance directing the dwelling located at 86 Crayton Road be demolished.
- C.** Public hearing to consider rezoning a portion of 812 Merrimon Avenue from RS-8 Residential Single Family High Density District to Community Business II District.
- D.** Public hearing to consider the initial zoning of a .77 acre parcel adjoining property at 31 College Place to Central Business District.
- E.** Public hearing to consider the conditional use zoning of property located at 15 Lynndale Avenue from RM-8 Residential Multi-Family Medium Density District to Institutional District/Conditional Use; and the issuance of a conditional use permit for the conversion of temporary use buildings for permanent use.

Overnight

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French
IV, 11**IV. UNFINISHED BUSINESS:**

- A.** Resolution amending the Annexation Services Plan to reflect adding a portion of Honey Drive for public maintenance and correction of a typographical error.
- B.** Ordinance extending the corporate limits of the City of Asheville to include the Heritage Business Park area.
- C.** Ordinance extending the corporate limits of the City of Asheville to include the Honey Drive area.
- D.** Ordinance extending the corporate limits of the City of Asheville to include the Enka Park area.
- E.** Ordinance extending the corporate limits of the City of Asheville to include the Ashwood area.
- F.** Ordinance extending the corporate limits of the City of Asheville to include the Heathbrook area.
- G.** Ordinance extending the corporate limits of the City of Asheville to include the Sweeten Creek Road area.
- H.** Approve form of Ordinance No. 3100, an ordinance denying a conditional use permit for property located off Britt Drive for the construction of a 100 unit apartment complex in an RM-16 Residential Multi-Family High Density District.

May 7-
Mount
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Civic CMay 11
Senior
(828) 7May 11
Bill Cos
Civic CMay 11
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Discove
Investi**V. NEW BUSINESS:**

- A.** Budget amendment, in the amount of \$1,140,000, to recognize receipt of a Section 108 Guaranteed Loan and an Economic Development Incentive Grant from the U.S. Dept. of Housing and Urban Development and expenditure of the proceeds on the redevelopment of South Pack Square. (Read more about this item below.)
- B.** Resolution authorizing the Mayor to sign a Memorandum of Understanding with the City of Hendersonville and the Regional Water Authority concerning future water plant construction and emergency, temporary or wholesale contract water treatment.
- C.** Resolution amending City Council Rules regarding the conduct of meetings.

VI. OTHER BUSINESS:**VII. INFORMAL DISCUSSION AND PUBLIC COMMENTS:****VIII. ADJOURNMENT:**

BOARD VACANCIES

(1) **Historic Resources Commission.** Deadline for receiving applications is Thursday, March 11, at 5 p.m. Call 259-5601 for an application.

(2) **URTV, INC. (public access television station).** Application deadline is Thursday, March 11, at 5 p.m. The application and additional information can be found at www.urtv.org or by calling 299-8251 or the city clerk's office at 259-5601.

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CURRENT NEWS

***CITY OFFICES WILL BE CLOSED FRIDAY, APRIL 9**

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EMSDC REDEVELOPMENT PLAN UPDATE

Rogers and Associates, Inc. submitted a letter to city officials indicating that funds available through the federal New Markets Tax Credit program have reduced forecasted residential, retail and office rents in the Eagle Market Streets Development Corporation's redevelopment plan, making the project significantly more affordable.

In addition, Rogers and Associates, Inc. is committed to working with the city to remove the fence around the Market Street site, which is expected to be removed by early next week. The city intends to temporarily sublease the lot for public parking and assume liability for the property while the EMSDC redevelopment plan is reconsidered.

Due to the project's progress and modifications, the budget amendment has been placed on city council's April 13 agenda for consideration. See the above item A under "New Business."

(back to top)

PROPOSED ANNUAL ACTION PLAN FOR CDBG AND HOME PROGRAMS

The City of Asheville is pleased to announce its draft Consolidated Annual Action Plan for the federally funded Community Development Block Grant (CDBG) and HOME programs. [Click here](#) to review a summary of proposed fund uses during the fiscal year beginning July 1, 2004. The public hearing for this plan is scheduled for city council's April 13 meeting, noted above in the agenda.

(back to top)

ANNEXATION UPDATE

During its April 13 meeting, Asheville City Council will consider an amendment to the Annexation Services Plan approved on January 27 to add a portion of Honey Drive, a street located within the proposed annexation area, for city maintenance.

City Council will then consider adopting ordinances to annex the six proposed areas (Heritage Business Park, Honey Drive, Enka Park, Ashwood, Heathbrook and Sweeten Creek Road). If adopted by council, these areas could be brought within the city limits as early as June 30, 2004.

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RECREATION & EVENTS

NBA TV TO AIR APRIL 10 & 17 ALTITUDE GAMES

The Asheville Civic Center and Altitude will air on NBA TV twice this month. Support the Civic Center and your local NBDL team by attending these games:

SATURDAY, APRIL 10 - Asheville Altitude vs. Fayetteville Patriots at 7:15 p.m. The game will air on NBA TV on Monday, April 12th, at 4 p.m.

SATURDAY, APRIL 17 - Asheville Altitude vs. TBD at 7:15 p.m. This semi-final playoff game will air on NBA TV on Monday, April 19.
(back to top)

STEPHENS-LEE COMMUNITY YARD SALES

The Stephens-Lee Recreation Center begins its community yard sale series with the first sale on April 17, 8:30 a.m.-12:30 p.m. at 30 George Washington Carver St. Future yard sales will be on the third Saturday of each month at the same time through July. Tables are \$5 and require reservations by Wednesday prior to the sale. To make a table reservation, contact Shateisha Lenoir at (828) 350-2058.
(back to top)

NATURE DISCOVERIES FOR YOUTH APRIL 14

FOR THE BIRDS

Discover the wonders of nature through games, crafts and trips to local trails for ages 4-6. Join the April 14 session from 10 a.m. to noon. Call Katy Palombi at (828) 254-5561 for more information and directions to the class site.
(back to top)

This message was sent from City of Asheville to wlapsley@wgla.com. It was sent from: City of Asheville, PO Box 7148, Asheville, NC 28802. You can modify/update your subscription via the link below.

IntelliContact

To be removed click here

Council approves water agreement

4/10/04

BY JONATHAN RICH
Times-News Staff Writer

The debate between Hendersonville and the Asheville Buncombe Henderson Regional Water Authority over the city buying emergency water from the authority's Mills River water treatment plant continued Thursday night at a city council meeting.

Since 1996, Hendersonville has had a 'handshake agreement' with Asheville and the Regional Water Authority to purchase emergency water supplies from them during times of major interruptions in local service. Last summer that happened for eight straight days. A formal agreement approved Thursday night says if the Asheville plant provides temporary, emergency or wholesale water service to Hendersonville for more than 24 consecutive months, city officials will consider participating in expanding the plant, if that becomes necessary.

"What we're doing now is buying time for our future expansion because we have this agreement," Hendersonville Mayor Fred Niehoff said Thursday night. "There's nothing that says we'll participate in a plant expansion. If we buy their water for more than 24 consecutive months, it's something we will consider."

City Manager Chris Carter agreed. "Other than just looking at (it), there's nothing to compel us to expand that plant," Carter said. "It says if we rely on them too much, we'll have to go through a 'good faith' effort and consider it."

Councilwoman Mary Jo Padgett said she thought the formal agreement would work out well for all involved.

"As far as I can see, it gives Asheville some hope they can sell water now and then," Padgett said. "To me, it offers ... the Regional Water Authority one more possible customer."

After half an hour of discussion on the matter, the memo of understanding was unanimously approved and will be shared with Asheville Mayor Charles Worley and the chairman of the Regional Water Authority of Asheville, Buncombe and Henderson.

Contact Rich at 694-7890 or via e-mail at jonathan.rich@hendersonvillenews.com.

REGIONAL
WATER AUTHORITY

ASHEVILLE • BUNCOMBE • HENDERSON

May 28, 2004

Hon. Fred Niehoff, Mayor
City of Hendersonville
P.O. Box 1670
Hendersonville, NC 28793-1670

Re: Emergency Water Supply Agreement

Dear Mayor Niehoff:

As you know, the Regional Water Authority received a proposed Memorandum of Understanding between the City of Asheville and the City of Hendersonville at its regular meeting on April 20, 2004. The Authority members appreciate the interest of the City of Hendersonville in working together whenever emergency water supply conditions develop for either water system. The Regional Water Authority has previously submitted a standard agreement for these services to all of our neighboring water supply systems (Woodfin, Weaverville and Black Mountain). In the interest of being consistent with the other systems we would appreciate the City of Hendersonville considering adoption of the attached agreement. If the Board of City Commissioners has any questions or concerns about the content please feel free to contact the Authority's Interim Director, David Hanks, at your convenience.

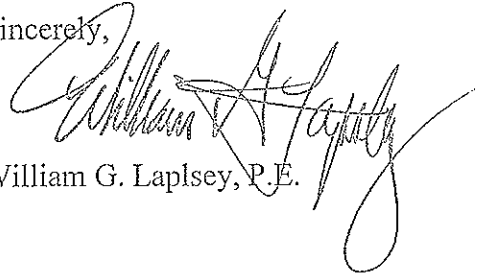
The proposed Memorandum of Understanding also included language regarding an expansion of the Mills River Regional Water Treatment Facility. The Authority discussed the conditions outlined and raised several concerns which resulted in final approval of this document being tabled for further discussion.

The Authority has recently been informed by the Mayor of the City of Asheville that City Council intends to renegotiate the terms of the current enabling agreement with the Buncombe County Board of Commissioners. Therefore, at a special meeting of the Water Authority held yesterday (May 27, 2004), the proposed discussions regarding the City of Hendersonville's interest in the Mills River Water Treatment Facility have been placed on hold. Once the issues between the City of Asheville and Buncombe County have been resolved we expect this matter to be brought back to a high priority.

Mr. Fred Niehoff, Mayor
May 28, 2004
Page 2

If you have any questions about the actions of the Regional Water Authority, please feel free to call on us at any time.

Sincerely,

A handwritten signature in black ink, appearing to read "William G. Laplsey". The signature is fluid and cursive, with a large loop at the end of the last name.

William G. Laplsey, P.E.

WGL/jg
cc: Mr. James A. Westbrook
Mr. David Hanks
Members of the Regional Water Authority

REGIONAL WATER AUTHORITY
OF ASHEVILLE, BUNCOMBE & HENDERSON

EMERGENCY WATER
SUPPLY AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 2004, by and between the Regional Water Authority of Asheville, Buncombe & Henderson (hereinafter called "Authority"), and the City of Hendersonville (hereinafter called "Hendersonville")

The parties to this agreement intend to proceed cooperatively in utilizing water resources and facilities to support their respective service areas during short term emergencies as defined herein.

NOW, THEREFORE, in consideration of mutual covenants, terms and conditions contained herein accruing to the benefit of each respective party hereto, the Authority and Hendersonville agree as follows:

- I. Types of uses which may constitute an emergency by the requesting party are as follows:
 1. A sudden loss of water pressure or interruption of water service in a part of the distribution system due to a water main line break with repairs anticipated to take over 48 hours;
 2. Unusual and significant increase in unaccounted for water due to a problem of unknown source, resulting in low pressure or low water storage levels in the distribution system, request may be for water until problem is corrected but will not exceed 30 days;
 3. Need for additional water supply due to a major fire demand, including up to 24 hours after the duration of the fire to enable tanks to be replenished;
 4. Need for additional water due to an emergency public notification that a water quality threat exists and has been verified by the appropriate State agency;
 5. Supplemental water source due to drought, for as long as a public notification of mandatory conservation restrictions exists and supplying party has adequate water to supply.
 6. Available daily water pumping and treatment capacity has reached 120 % of the projected peak daily demand of the water system for more than five (5) days; daily demand must be based upon the most recent water supply plan approved by State of North Carolina.
- II. Any current wholesale water rate contracts between the Authority and Hendersonville will still be in affect. The receiver will be charged for any additional water required above established limits at the current wholesale water rates. Water required above established daily limits will not be used to calculate any future increase of desired capacity or cause any automatic price increases of capacity or other charges to be invoked.
- III. Any party which does not have a wholesale water contract with the Authority shall pay the lowest municipal water rate for all water used. The Authority agrees to pay the lowest municipal rate for any and all water obtained from Hendersonville.
- IV. The party supplying water agrees to temporarily reduce or terminate water service due to water system repairs, i.e., main line breaks, pump station repairs,

when requested verbally or in writing by the affected party. Each party agrees to shut off water as soon as possible due to any emergency repairs or breaks but no later than two (2) hours after notification.

- V. The amount of water furnished per this agreement will be determined based upon each specific incident and request for emergency water. At no time are any of the parties expected to deplete their water supply to drought type conditions requiring mandatory customer restrictions in order to furnish another party water.
- VI. All parties agree to use existing water infrastructure connections between the Authority water system and their respective water systems. The Authority agrees to only use existing connections to other water systems. However, if additional connections are required, this request must be in written form from the respective Town/City Manager or Director of Water & Sewer to the Director of Water Resources. Any new connection requests from the Authority will be in written form to the respective Town/City Manager from the Director of Water Resources.
- VII. All parties agree that all water connections to and from the Authority water system will be metered. Any new meter connections will be paid for by the requesting party. The party selling the water will be responsible for all meter reading and any other meter services required to maintain the meter(s) in good calibrated working order. Any disputes over meter reads will be handled by the Water Resources Director and the Town/City Manager or their designee.
- VIII. Meter reading and water billing of each of the parties apply and each party agrees to pay any bills received based upon the water sellers billing requirements. Failure of any receiving party to pay a bill based upon the sellers payment requirements and schedule will be subject to the seller's penalties and late fees.
- IX. Any changes in applicable Federal or State laws or regulations requiring more restrictive changes in the operation of the water system shall automatically become part of this Agreement, and the selling party shall notify the receiving party within a reasonable length of time of any such changes, but no later than 30 days after receipt of such changes.
- X. The selling party hereby acknowledges that the receiving party is purchasing water for resale to its customers. The selling party implies no warranty or responsibility for water quality beyond the meter connection(s).
- XI. Neither party shall indemnify and hold harmless the other party, its officials, employees, and agents, from and against any damages, liabilities, judgments, fees (including reasonable attorney's and expert witness fees) or costs resulting, either directly or indirectly, from this Agreement.
- XII. This Agreement is not to be construed as creating any third party beneficiaries and may only be enforced by the parties herein.
- XIII. This Agreement shall be construed in accordance with the laws of North Carolina.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in duplicate originals by their duly authorized officers as of the day first above written.

ATTEST:

REGIONAL WATER AUTHORITY OF ASHEVILLE,
BUNCOMBE & HENDERSON

By: _____
Chairman

CITY OF HENDERSONVILLE

By: _____
City Manager

Approved As to Form:

Authority Counsel

OFFICERS:

Fred H. Niehoff, Jr.
Mayor
Ron Stephens
Mayor Pro-Tem
Chris A. Carter
City Manager

CITY OF HENDERSONVILLE

"The City of Four Seasons"

OFFICE OF THE MAYOR
Fred H. Niehoff, Jr.

CITY COUNCIL:

BARBARA VOLK
MARY JO PADGETT
RON STEPHENS
JON LAUGHTER

July 13, 2004

Mr. William Lapsley, Chairman
Regional Water Authority
PO Box 7148
Asheville, NC 28802

Dear Bill:

I wanted to bring you up to date on your request for us to approve the Emergency Water Supply Agreement.

We are working on additional language that addresses an issue other the "emergency" supply, and that is the desirability to have an arrangement whereby we can purchase water from each other on an as-needed basis, as opposed to just an emergency. That is the reason that I have not yet gotten back to you on your request.

Hopefully we will have the suggested wording fairly soon.

Sincerely,



Fred H. Niehoff, Jr., Mayor
City of Hendersonville

Cc: City Council
Chris Carter



City of Asheville, NC

Office of the Mayor

May 27, 2004

The Honorable Nathan Ramsey
Chairman
Buncombe County Board of Commissioners
60 Court Plaza
Asheville, NC 28801-3565

Dear Chairman Ramsey:

At its regularly scheduled May 25, 2004 meeting, the City Council voted to authorize the Mayor on behalf of the City to give notice of termination of the water agreement. As Mayor of the City of Asheville, I hereby give notice of termination of the water agreement as provided for in paragraph XV.A.5 of the "Restated and Amended Supplemental Water Agreement" dated August 13, 1996. A certified copy of the resolution is enclosed. As we discussed recently, the water agreement has many parts that include non-water issues. It is the City's desire to discuss and negotiate with the County on those issues that mutually may be of interest to us in order to terminate the agreement in an orderly manner.

The City looks forward to our discussions with representatives of the County concerning this issue.

Sincerely,

A handwritten signature in black ink that reads "Charles R. Worley". The signature is written in a cursive, flowing style.

Charles R. Worley
Mayor

CRW/pc

Enclosure

pc: William G. Lapsley, Chairman, Regional Water Authority of
Asheville, Buncombe and Henderson
Asheville City Council Members

CERTIFICATE

I, Magdalen Burleson, City Clerk of the City of Asheville do hereby certify that the attached is a true and accurate copy of: Resolution No 04-122 adopted by the Asheville City Council on May 25, 2004, + found in Resolution Book 28 at page 268

Magdalen Burleson
Magdalen Burleson
City Clerk

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

I, Janet M. Rhodes, a Notary Public of the aforesaid County and State do hereby acknowledge that Magdalen Burleson, City Clerk, personally appeared before me this day and acknowledged the due execution by her of the foregoing Certificate.

Witness my hand and notarial seal this 26th day of May, 2004.

Janet M. Rhodes
Notary Public
My Commission Expires: 10-3-2008

RESOLUTION TO AMEND OR TERMINATE THE RESTATED AND AMENDED
SUPPLEMENTAL WATER AGREEMENT

WHEREAS, the City of Asheville and Buncombe County, for itself and for certain water and sewer districts operating within Buncombe County, on August 13, 1996, entered into an agreement entitled "Restated and Amended Supplemental Water Agreement" (herein "1996 Water Agreement"), which agreement incorporated and continued in effect earlier water agreements between the City and Buncombe County; and

WHEREAS, said 1996 Water Agreement and its predecessors established an entity known as the Asheville / Buncombe Water Authority, now the Regional Water Authority of Asheville, Buncombe and Henderson (herein "RWA") to establish and administer certain policies and plans for the water distribution system; and

WHEREAS, the primary purpose of the 1996 Water Agreement was to provide for the operation of a unified water distribution system that was regional in scope, and to provide a means for the orderly extension of water service to unincorporated areas of Buncombe County and beyond, and to provide for the cost-effective repair and maintenance of the existing water distribution system;

WHEREAS, included among the purposes of the 1996 Water Agreement are the following:

1. Allocate costs and responsibilities for the operation and maintenance of certain governmental services or facilities between the City and County.
2. Allocate costs and responsibilities as to certain aspects of law enforcement within the County.
3. Allocate responsibility for billing and collection of City and County taxes.
4. Allocate funding responsibilities as to civic arts and certain services provided by outside agencies.

and;

WHEREAS, the City has a desire to renegotiate the terms and conditions of the 1996 Water Agreement and understands that Buncombe County has likewise indicated a desire to renegotiate; and

WHEREAS, the City has previously adopted a goal of regaining control of its water system, in particular regaining the ability to set rates and apply differential rates; and

WHEREAS, the City desires to work with other water producing and/or distributing entities within the region to assure plentiful water for all and sharing of water in times of shortage and is limited in that endeavor by the current structure; and

WHEREAS, the City desires to protect the interests of City residents through a rate structure that more closely resembles the rate structures of other cities throughout the State; and

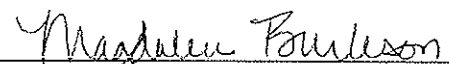
WHEREAS, the 1996 Water Agreement provides for the termination of the Agreement by either the City or the County by giving one (1) year's notice to the other party and to the Authority; and

WHEREAS, it is in the best interest of the City in undertaking to renegotiate the terms and conditions of the Water Agreement to give one year's notice of termination to the County and to the Authority;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

1. The City, through appropriate staff and officials shall seek to obtain amendments to the 1996 Water Agreement to address the matters set forth in the above premises, together with such other matters as the Council may identify.
2. The Mayor, acting on behalf of the City, is directed to give one year's notice of termination of the 1996 Water Agreement to the County and to the Authority, and to seek appropriate amendments to applicable financing instruments.

Read, approved and adopted this 25th day of May, 2004.

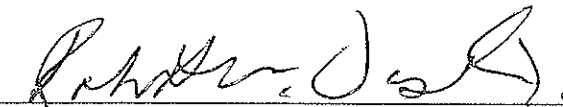


City Clerk



Mayor

Approved as to form:



City Attorney

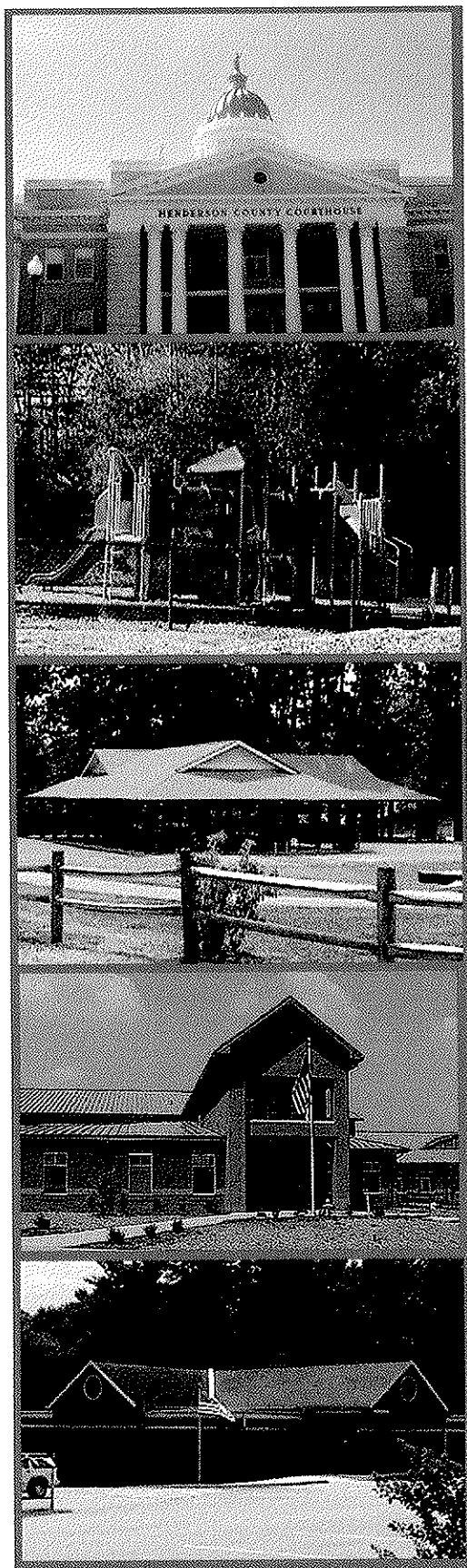
Animal Shelter
Preliminary Budget
January 19, 2005

Last Construction Estimate	\$1,134,150
----------------------------	-------------

Current Estimate:	\$1,227,570	Construction
	61,378	5% Contingencies
	<u>61,378</u>	FF&E
	\$1,350,326	Construction Budget
	<u>108,026</u>	8.8% Architect Fee
	\$1,458,352	Total Budget

~~Time Line~~

March - to bid
April - to BOC
May - to award bid
start construction



***HENDERSON COUNTY
NORTH CAROLINA***

**County Manager's
Monthly Report**

January 2005

**David E. Nicholson
*County Manager***

**Presented
January 19, 2005**



HENDERSON COUNTY GOVERNMENT

100 NORTH KING STREET
HENDERSONVILLE, NC 28792-5097
PHONE (828) 697-4809 FAX (828) 698-6014
www.hendersoncountync.org

Board of Commissioners

William L. Moyer
Chairman

Charlie Messer
Vice Chair

Larry Young
Commissioner

Shannon Baldwin
Commissioner

Chuck McGrady
Commissioner

COUNTY MANAGER'S MONTHLY REPORT

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- I. Introduction: Memo from the County Manager**
- II. Capital Improvements Program Updates**
- III. 2005 Strategic Plan Project Update**
- IV. Other Project Updates**

Management Team

David E. Nicholson
County Manager

Justin Hembree
Assistant County Manager

Carey McLelland
Finance Director

Karen Smith
Planning Director

Selena D. Coffey
Budget & Management Director

Rocky Hyder
Emergency Management Director

Gary Tweed
County Engineer

Russ Burrell
Acting County Attorney



HENDERSON COUNTY
OFFICE OF THE COUNTY MANAGER

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Assistant County Manager
jhembree@hendersoncountync.org

Selena D. Coffey
Budget & Management Director
selenac@hendersoncountync.org

Avalina Merrill
Administrative Assistant
avalina@hendersoncountync.org

MEMO

TO: Board of Commissioners

FROM: David E. Nicholson
County Manager

A handwritten signature in black ink, appearing to read "David E. Nicholson".

DATE: January 19, 2005

SUBJECT: Manager's Update

I am pleased to provide the Board with the beginning of a new process to keep the Board informed on the progress of the County's various projects. We are planning to provide this type of information to the Board at each of your mid-month meetings based on accomplishments from the previous month as well as the steps planned for the upcoming months. This information will be provided to the Board in two formats. The first will be in the form of a written report on each project. The second form will be a time chart that focuses on the overall deadlines for the projects.

For purposes of this booklet, staff will be dividing the information into the following three categories.

1. Strategic Plan: At this point, staff has included a chart showing the process to develop the 2005-2006 Strategic Plan. Once the plan is established by the Board, each individual action step will be documented. The actions associated with the implementation of the County Comprehensive Plan will be included within this section.
2. Capital Improvement Program: Each County project contained within the CIP will be tracked in this section.
3. Other Projects: There are a number of projects that are outside the Strategic Plan that will be captured in this section. I expect that various projects will be added and deleted to this section throughout the year.

It is my hope that by providing this level of information to the Board on a monthly basis that the Board will be assured that staff is working to complete the tasks that you have set forth. I look forward to presenting this report to the Board.



Project Updates

This form should be completed monthly and sent to the County Manager electronically. Forms are due on the first business day of the following month.

Category of Projects: **Capital Improvements Program**

Month: **January 2005**

*See enclosed timeline for details on these projects.

Project Description: (Name/description of project)	Current Status of Project (Includes most recent activity)	Immediate Steps Forward: (Describe upcoming project activities)	Significant Project Changes: (Describe any changes in timeline or scope.)	Projected Completion Date:
Jail Demolition	Awaiting engineer assessment regarding stability of annex wall.	<ul style="list-style-type: none"> Approval of planning and design contract with Kohan Group January 2005. Plan completion February 2005. 	Wall assessment may impact the project scope and timeline.	September 2005
Animal Shelter	Currently completing the planning and design documents.	<ul style="list-style-type: none"> New timeline expected from architect by January 19, 2005. 	Bid documents, to include alternates, to be finalized.	March 2006
Historic Courthouse	Formal presentation to Board of Commissioners on project status on January 19, 2005.	<ul style="list-style-type: none"> Execution of formal contract for planning and design February 2005. 	Design of service annex and parking issues to be resolved.	August 2006
Human Services Building	Currently completing planning and design documents.	<ul style="list-style-type: none"> Bid project March 2005. 	None at this time.	June 2006
Relocation of Administration to City Water Department Building	Board has initiated the process towards exercising its option on the facility, delivers Intent to Exercise Option.	<ul style="list-style-type: none"> County and City to hire MAI Appraisers; Appraisals to be performed, County to pay average of the two appraisals. 	None at this time.	March 2005
Relocation of Sheriff's Department to Administration Building	Awaiting Administration relocation.	<ul style="list-style-type: none"> Sheriff's Department to begin relocating to Admin. Building upon Admin relocation to City Water Building. 	None at this time.	April 2005

Henderson County

[illegible]



Project Updates

This form should be completed monthly and sent to the County Manager electronically. Forms are due on the first business day of the following month.

Category of Projects: 2005 Strategic Plan

Month: January 2005

Project Description: (Name/description of project)	Current Status of Project (Includes most recent activity)	Immediate Steps Forward: (Describe upcoming project activities)	Significant Project Changes: (Describe any changes in timeline or scope.)	Projected Completion Date:
Strategic Plan	Management Team has prepared a draft of the 2005 Strategic Plan. The Board of Commissioners will receive the Management Team Draft on January 20, 2005.	<ul style="list-style-type: none"> • Comments from the Board provided to the County Manager January 20 - 24, 2005. • Staff to formally present and discuss first draft at scheduled retreat on January 25, 2005. 	N/A	January/February 2005

January 2005

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
	2005 Strategic Planning Process					
2	3	4	5	6	7	8
		● Management Team Retreat to discuss Strategic Plan				
9	10	11	12	13	14	15
				First draft of Strategic Plan developed		
16	17	18	19	20	21	22
	● First draft presented to County Manager	● County Manager's review of first draft	● First draft presented to Board of Commissioners			
				Board review and comment period		
23	24	25	26	27	28	29
Board review and comment period		☆ Board workshop to discuss first draft				
30	31					



Project Updates

This form should be completed monthly and sent to the County Manager electronically. Forms are due on the first business day of the following month.

Category of Projects: Other

Month: January 2005

Project Description: (Name/description of project)	Current Status of Project (Includes most recent activity)	Immediate Steps Forward: (Describe upcoming project activities)	Significant Project Changes: (Describe any changes in timeline or scope.)	Projected Completion Date:
Compensation & Classification Study	Job descriptions reviewed and revised by employees and department heads; Salary survey developed by consultant and sent it out to the identified "market" counties and municipalities.	<ul style="list-style-type: none"> Salary surveys due back to consultant by 1/17/05. Preliminary report to the Project Team by mid-February. 	None	April 2005
Budget Process	Department heads and outside agencies (i.e. schools, community college, non-profits) developing budget requests.	<ul style="list-style-type: none"> Initial departmental budgets due (including Governing Body, County Manager, Legal, Finance, and Human Resources) on February 16, 2005. 	N/A	N/A