



City of Asheville
Office of the Mayor

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June 19, 2012

Representative Tim D. Moffitt
NC House of Representatives
16 W. Jones Street, Room 1025
Raleigh, NC 27601-1096

Re: HB 1009 Water/Sewerage Systems

Dear Representative Moffitt:

During the winter and early spring of 2012, the Legislative Research Commission's Committee on Metropolitan Sewerage/Water System, chaired by Representative Moffitt, met four times to consider issues regarding water and sewer service in Buncombe and Henderson counties. Legislative staff conducted additional research on the Committee's charge. On April 19, the Committee Report was finalized, and on May 14, the Report was submitted to and accepted by the Legislative Research Commission.

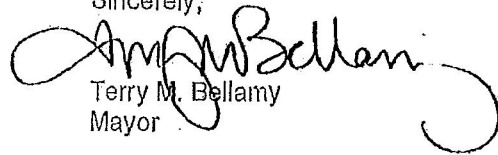
That Report contains several recommendations regarding the City of Asheville's Water System, the Metropolitan Sewerage District of Buncombe County, and regional water and sewer service in general. Those recommendations include: (1) amending the enabling authority for the Metropolitan Sewerage District to reflect population shifts in single county districts, modify representation in multi-county districts, and allow metropolitan sewerage districts to exercise the same authority as water districts; (2) merging the City water system with the Metropolitan Sewerage District of Buncombe County; (3) clarifying the 1996 conservation easement on the North Fork and Bee Tree Watershed property. The Report directed the interested local government parties to undertake good faith negotiations to craft their own solution for consolidation prior to the convening of the 2013 Session of the General Assembly.

Since the finalization and submission of the Committee Report, the City of Asheville has undertaken several actions pursuant to the Report's recommendations: (1) City staff have undertaken a review of the 1996 conservation easement that is currently in place with respect to the North Fork and Bee Tree Watershed property, and have met with a representative of the Southern Appalachian Highlands Conservancy to identify ways in which the easement may be clarified and amended in the interests of all parties; (2) the City has extended the time for fulfilling the condition on the 137 acre property on Brevard Road conveyed to Henderson County pursuant to the 1995 Water Agreement, such that the reversion of the property will not occur until 2014; (3) the City Manager has contacted the Henderson County Manager to initiate discussions regarding continuation and expansion of water service in Henderson County; (4) the City has been working with MSD and on its own to gather and analyze information on the two systems and on other public utility systems within the respective service areas of each, and to review and analyze various models for consolidation or merged operation of a regional system.

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We think that these actions are evidence of the City's "good faith" in crafting a local solution with other governments in the area, as contemplated in the Committee Report. However, since this directive has come from the General Assembly, we seek your guidance, as legislators representing the local governments in the area, on how best to fulfill the expectations of the Study Committee. To this end, we invite you to meet with the Asheville City Council to review the City's progress, and advise us of any further or additional steps that we may take in meeting your expectations. If you are interested in such a meeting, please contact my office so that we may begin making appropriate arrangements for a meeting in the near future.

Sincerely,


Terry M. Bellamy
Mayor

TMB/sc

cc: City Council
Gary W. Jackson, City Manager
Robert W. Oast, Jr., City Attorney