

**TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN**  
**Meeting Date: February 11, 2011**

**SUBJECT:** MSD Revenue-Share Extension Policy

**AGENDA INFORMATION**

**Agenda Location:** Communications from Boards and Agencies  
**Item Number:** 5-B  
**Department:** Administration/Public Services  
**Contact:** Marcy Onieal, Town Manager  
Mark Combs, Public Services Director  
**Presenters:** Bob Watts, Black Mountain Representative to the Metropolitan  
Sewerage District Board

**BRIEF SUMMARY:** The MSD Board is in the process of considering changes to a long-standing policy that has allowed public member agencies (local governments) and private developers to participate in revenue sharing with MSD as a means to recoup a portion of the construction costs incurred in extending sewer lines to unserved areas. Board and constituent opinion on the matter has been split and debate has been lively over the past several months. Disagreements have focused on several issues: 1) whether public and private developers should be treated the same or differently with regard to reimbursement; 2) whether term of tie-on and revenue sharing should be 5 or 10 years; 3) whether revenue sharing should be unlimited, limited by time, or limited by the cost of any given project; 4) whether the varying formulas for determining reimbursement level the playing field or provide inequitable benefits. Attached are six proposals currently under consideration. It is also possible (but unlikely) that the MSD Board could choose none of these options and would instead opt to do away with revenue-sharing for either public or private developers altogether. Option B, which was proposed by the City of Asheville, is clearly the most financially lucrative for public member agencies which actively engage in sewer extension projects, but for jurisdictions not directly engaged in extending sewer, there may be little practical difference among the options in terms of their direct impact on the member agency. Therefore, it is critical that the Board of Aldermen consider what impact the various options have on the private development community within Black Mountain, and to determine what action by private developers the BoA wishes to either inhibit or incentivize by promoting one revenue-sharing policy over another.

**MOTIONS FOR CONSIDERATION:** At the Board's discretion

**FUNDING SOURCE:** N/A

**ATTACHMENTS:** Excerpts from the MSD Board's Agenda packet for 2/16/2011

**MANAGER'S COMMENTS AND RECOMMENDATIONS:** This presentation is for informational and discussion purposes only. No formal action is necessary, however the Board may wish to instruct the Town's representative, who will be voting on this issue on February 16, 2011 as a member of the MSD Board, which of the six proposals the Town favors and what course of action will potentially be most beneficial to the citizens of Black Mountain. Options B, C or F would preserve the greatest direct financial benefit to the Town of Black Mountain should the Town opt to actively engage in sewer extensions in the future.