

**TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN**  
**Requestions Board Discussion & Guidance**  
**Meeting Date: May 9, 2011**

**SUBJECT:** Discussion of Sewer Extension Policy and Review of Final Obligation Under 1988 Annexation Agreement (Cragmont area)

**AGENDA INFORMATION**

**Agenda Location:** Unfinished Business  
**Item Number:** Item 7-B  
**Department:** Public Services  
**Contact:** Mark Combs, Public Services Director  
**Presenter:** Mark Combs, Public Services Director

**BRIEF SUMMARY:**

In accordance with the 1988 Annexation Agreement and recent sewer expansion planning, capital funds (via MSD capital reimbursement on the Blue Ridge, Avena, McCoy Cove projects) are being reserved for the area of Cragmont/Highland Farms. Both the Town and MSD have anticipated and approved in concept the completion in FY11-12 of the final sewer extension obligation under annexation and consolidation agreements.

On April 6<sup>th</sup> staff met with David D. Smith, LLC (Engineering Consultant) regarding design for possible expansion of sewer lines in the vicinity of Highland Farms on the west side of Town. The consultant's preliminary plans revealed the need to run a significant portion of lines outside Town limits in order to accommodate the residents in the annexation area. Furthermore, in consideration of Highland Farms' reevaluation of expansion plans, coupled with a low adjacent population density, current plans for extension into this area should be re-evaluated.

Current MSD mapping shows several large areas within Town limits with no MSD-maintained system, which means either sewer systems do not exist or the lines are privately maintained. Field study and further research are necessary to ascertain sewer systems in such neighborhoods. Other key factors will include budgetary limits, construction viability, proximity to adjacent sewer infrastructure, households/businesses served, and other key factors as determined by the Board.

**MOTION FOR CONSIDERATION:** No motion requested at this time, but staff requests Board guidance in how to proceed.

**FUNDING SOURCE:** No additional funds requested.

**ATTACHMENTS:** 4 slides of MSD sewer mapping

**MANAGER'S COMMENTS AND RECOMMENDATIONS:** Town staff, in conjunction with consulting engineers, should prepare a more detailed evaluation of current under-served areas for consideration by the Board of Aldermen at a subsequent meeting.

Equity of service issue continues to be a concern. Many residents on private sewer do not realize they are on a private line until the system fails and they are faced with a significant expense to remedy. Members of the Board have expressed interest in serving all citizens within our jurisdictional boundaries, but geography and cost considerations prevent or hinder cost effective solutions in some areas.

Although MSD recently adopted an extension policy that would allow the Town to recoup costs of new construction over 10 years through retention of 50% of sewer fees, that policy would not apply to the Cragmont/Highland Farms area within town limits due to prior contractual obligation, and the fact that Highland Farms operates its own waste treatment system. The new MSD reimbursement policy might apply to any area outside the town limits in which the Town chooses to extend, but the Cragmont/Highland Farms area is largely undeveloped, agricultural or timbered land that might not provide much in the way of revenue reimbursement anytime soon (although extension in that area might serve as a catalyst for new development).

The precedent set by going beyond the requirements of the annexation agreement to provide service to four additional customers on Laurel Lane at the cost of \$50,000 has already opened the door to other similar requests, which are difficult to justify morally or financially in the absence of a comprehensive capital plan, and the existing lack of universal service.

These are just a few of the complexities associated with extension of sewer lines in Black Mountain and surrounding area, and the Board's guidance is requested before staff moves further on plans specifically for the Cragmont/Highland Farms area.