**Summary of Previous Offers - County to City**

*Guiding Principles in all offers:*

 *Creation of an Independent Water Authority*

 *No differential rates between city versus county residents*

 *No forced annexation to received water services*

*Summary of Offers:*

*July 2004: (Written Offer) #1*

*Regional Water System and Recreation Authority:*

*Transfer assets and water employees to MSD and form a regional water/sewer authority.*

*Create a Recreation Authority (with taxing power); and combine City and County recreation facilities, festival activities and the Civic Center to form the Recreation Authority. Transfer all related assets to the Authority and remove reversion clauses from the deeds.*

*The current revenues received by the city will be provided to offset losses in the citys general fund. These include the value of the 5% contribution from the Water Authority ($1,100,000); and patrol and investigation payments (est. $1,800,000). We assume the indirect costs paid by the Water Authority are based on costs that can be avoided if services are not provided.*

*This can be offset by transferring $800,000 of subsidy for the civic center and the City General Fund subsidy for recreation to the to the Recreation Authority.*

*February 2005: (Written Offer) #2*

*Establish a Recreation Authority that includes all City and County recreation services, Civic Center, Pack Place and Memorial Stadium. This would have a net positive impact of over $2 million on the City General Fund (reduced expenses of $5.8 million net of losses from the water agreement of $3.7 million).*

*Have the General Assembly pass a local bill establishing an Independent Water/Sewer Authority and transfer all assets related to the current Regional Water Authority to the new Independent Authority.*

*Have the General Assembly pass a local bill converting MSD to MSWD and transferring all district water lines (from 1981 maps), as improved, for which the County serves as trustee to MSWD. Include in that transfer the Mills River Treatment Plant and related water revenue bond debt. Basically, this is telling the County to donate their assets to the Independent Water/Sewer District, and the City to transfer the Mills River Plant, which they say they do not need, to the Independent Water/Sewer District.*

*In exchange for agreeing to a regional water authority, Buncombe County will provide funding for an independent recreation authority that encompasses all city and county recreation, Pack Square, the Civic Center, and future recreation needs of the community. A five-member board will govern this recreation authority, with 3 members appointed by City Council and 2 members appointed by Buncombe Commissioners. The transfer of all recreation and Civic Center related expenses would relieve the City of $5 million in annual expenses. When this is combined with the impact of canceling the water agreement, the City will net $2 million to devote to maintaining and/or expanding other city programs.*

*In addition to the $2 million the City will have to dedicate to other projects, water rates will remain the same for all regional authority customers, and all water revenues will remain available to repair, renovate and expand the water system.*

*Mediation of April 27, 2005: (Verbal Offers)An attorney for the City stated that no amount of $, even $1 billion would persuade City to sell or lease water system*

*Independent Authority Offer #3*

 *50 year term*

 *Termination by mutual agreement only*

 *No rate differentials*

 *No forced annexation by water tap*

 *Full accounting of all water assets, budgeting, funding7.5% of yearly gross revenues to City (~ $1.5 million) payable to City general fundNo % of yearly gross revenue to County*

 *County to pay City general fund $2 million/yr with $60,000/yr increase for term of agreement*

 *County to pay $1 million/yr for capital improvements to either Water Authority or Civic Center at choice of City*

 *Both parties to release any potential legal claims arising out of current agreement*

 *Director hired by Board*

 *No government staff on Board*

 *City appoints a majority of Board (4-3)*

 *County to maintain Nature Center, Recreation Park, McCormick Field, Golf Course and gets fee simple title*

 *No withhold water for any annexation purposes*

*Independent Authority Offer # 4*

 *Same except the following:*

 *30 year term*

 *Board to set rates up to 5%- Any increase over 5% must be also approved by City and County*

 *5% of gross revenue to City general fund*

 *2.5% of gross revenue stay in system for improvements rather than go to County general fund*

 *City elects who owns Nature Center, Recreation Park, McCormick Field, Golf Course and the owner gets fee simple title*

*Independent Authority Offer # 5*

 *Same except the following:*

 *County to also maintain, operate, and renovate the Civic Center- Estimated at $1 million/yr operating and at least $3 million/yr to repair, renovate for a $4 million/yr, for a total commitment of $50 million*

 *The County advanced several other versions of the above 3 proposals, the ones noted contained the best offer after rejections by the City (examples include (1)tax equity payment offer started at $1 million/yr and climbed to $2 million/yr (2) City share of gross revenue grew from 0% to 7.5%)*

*May 2005:*

*Consolidated Water and Sewer Authority: (Written Offer) #6*

*In this consolidation, the Commissioners include provisions to:*

 *Pay Asheville for the water assets*

 *Adopt differential tap fees to pay for Asheville to expand water and sewer lines for annexation*

 *Avoid millions of dollars of costs that should be paid by the Department of Transportation.*

*Even though the customers and developers have already paid for existing infrastructure, we support the water and sewer authority purchasing the water assets from Asheville over several years for an annual payment of $2.5 million or some other negotiated amount. The water and sewer authority would then assume full responsibility for $350 million repair and replacement of the water system.*

*The Commissioners are proposing that transfer of the recreation assets proceed as specified under the water agreement, and that the County assume the full cost of the Criminal Justice Information System and City/County Identification Bureau, relieving Asheville of $1 million recurring annual costs. When combined with the purchase of assets, Asheville would realize an immediate positive impact of $3.5 million basically breaking even in the City general fund.*

*This proposal provides:*

 *Tap fee differentials for both water and sewer will provide funding for future Asheville annexations.*

 *A regional water resource.*

 *Comprehensive planning reduced capital costs.*

 *Payment to Asheville for the water system assets.*

 *Regional responsibility for the repair and replacement of the system.*

 *Enhanced regional relationships to ensure that we are able to continue drawing jobs to our area and retaining the jobs we already enjoy in the community.*

*June 2005: (Written Offer) # 7*

*In the spirit of compromise and cooperation, and to avoid years of litigation and hundreds of thousands of dollars in legal expense, we are willing to accept the following proposal.*

 *All residents will be charged the same rate for water - no differential water rates.*

 *Water service will be provided to anyone who requests it and receipt of service will not be contingent on forcing the user to annex into Asheville.*

 *New developments within a half-mile can be annexed using the same criteria other North Carolina cities utilize.*

 *Future annexations with comply with the North Carolina annexation laws.*

 *Water will become a City Department.*

 *The City will build water lines in unincorporated areas where most growth is occurring.*

 *All water revenues will remain with the water department and be used only for water services.*

 *The County would not make any payments to the City for tax equity or any other purpose.*

 *35 year agreement all water assets restricted for water use*

 *Forego any legal actions on agreement of funding*

 *Support passage of Sullivan II*

*December 2005: (Written Offer) #8*

*Establish an independent water authority and combine with the existing Sewer Authority ( MWSD). (Under NCGS 162A)*

 *City gets an additional appointment to the MWSD.*

 *Non-betterment costs are eliminated based on NCGS.*

 *Sullivan Acts under this proposal, Sullivan is not violated.*

 *Establish a differential tap fee schedule based on cost, not corporate limits.*

 *Establish rates based on cost, not on corporate boundaries, no differential rates.*

 *City and County will clarify specific ownership of water assets and propose an annual payment amount to compensate Asheville for their investment in water assets. The County will contribute all water assets owned or previously donated to the MWSD.*

With City and County Managers as point persons, develop a comprehensive plan and budget for development of Asheville and Buncombe County, including the Civic Center and other projects under consideration. Both City and County will work with the Local Delegation to identify a funding source. We cannot have a preconceived plan for the specific funding source that will be a Local Delegation decision.

Under this plan, all lawsuits concerning water, the water agreement, and Sullivan will be dropped, and no new lawsuits will be filed on these topics.

*April 2006 # 9*

*In exchange for an independent authority, the County will provide $1.7 million to the City General Fund. Additionally, the County supports the Water Authority purchasing the water assets from the City with an annual payment of $1.0 - $1.5 million.*

*June 2006: (Written Offer) #10*

$ *Water will be a Municipal system.*

$ *The County and the water districts will transfer to the City both the title and responsibility for all water facilities.*

$ *There will be no differential rates.*

$ *There will no diversion of water revenues, and this will be verified annually through an independent review.*

$ *Water will not be used as a tool to force annexation.*

$ *The City will transfer to the County both title and responsibility for McCormick Field, Nature Center, Golf Course, Recreation Park, and the Civic Center. (This relieves the City of a net operating loss that is currently $1.1 million annually and which will grow substantially in the future. Additionally, the County could address the much-needed and long-deferred issue of improving or replacing the Civic Center.)*

$ *All lawsuits on water issues and any related claims will be dropped.*

$ *The County and the City will cooperate in seeking the appropriate legislation necessary to implement this agreement.*

*August 6, 2006 (Written offer) #11*

G *Option #A- Transfer all depreciable water assets to MSD and lease the water related land to them for an annual payment of $4.5 million for the next 30 years OR*

G *Option #B- In exchange for a municipal system that has title and responsibility for all water facilities, there will be no differential rates or diversion of funds nor will water be used as a tool to force annexation. The County will have both title and responsibility for McCormick Field, Nature Center, Golf Course, Recreation Park, and the Civic Center. The County will complete the much needed and long-deferred improvement of Civic Center. With an expected renovation of cost of $50 million, this offer provides an annual benefit of $5.6 million to the City of Asheville.*