

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT  
MAY 14, 2008**

**1. Call to Order and Roll Call:**

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00 PM, Wednesday, May 14, 2008. Chairman Aceto presided with the following members present: Bellamy, Bisette, Bryson, Creighton, Haner, Sobol and VeHaun. Those members absent were: Gantt, Kelly, Metcalf and Russell.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Leah Karpen with the League of Women Voters, Stan Boyd, Jim Hemphill, Scott Powell, Ed Bradford, John Kiviniemi, Angel Banks, Ken Stines, Peter Weed, Julie Willingham and Sondra Honeycutt, MSD.

**2. Inquiry as to Conflict of Interest:**

Mr. Aceto asked if there were any conflicts of interest with the agenda items. Ms. Bellamy reported that she has a conflict with Item f. of the Consolidated Motion Agenda. Mr. Aceto excused Ms. Bellamy from voting on this item. No other conflicts were reported.

**3. Approval of Minutes of the April 16, 2008 Board Meeting:**

Mr. Aceto asked if there were any objections to approving the Minutes of the April 16, 2008 meeting as presented. With no objections, the Minutes were approved by acclamation.

**4. Discussion and Adjustment of Agenda:**

None

**5. Informal Discussion and Public Comment:**

Mr. Aceto welcomed Ms. Karpen. Ms. Karpen asked if the increase in fuel has affected the MSD. Mr. Hartye stated that it has, and the increase is reflected in the proposed budget.

**6. Report of General Manager:**

Mr. Hartye announced the upcoming WEFTEC Conference in Chicago, October 18<sup>th</sup> through the 22<sup>nd</sup>.

Mr. Hartye reported that a call was received from Ms. Peterson of 2 Appian Way to say how much she appreciated Ricky Bates for his great customer service. An e-mail was received from Ms. Anne Alston of 36 Forest Hill Drive expressing her appreciation to Lisa Tolley for assisting with a water leak caused by MSD. Also, a call was received from Mr. Skinner of 55 High View Drive in Black Mountain to express his appreciation to Robert Burnett who was dispatched to his home when there was a problem with a sewer line backing up below his house. He stated that "Robert was very knowledgeable, worked very hard to solve the problem and really knows what he is doing."

Mr. Hartye reported that MSD received a "pat on the back" from the WNC Regional Air Quality Agency for compliance with all air quality rules and regulations during 2007.

Mr. Hartye presented a nomination description for the Hoyt Abney Outstanding Community Service Award, which was recently presented to Jerry VeHaun by Buncombe County. He presented an article in the Mountain Express regarding Mr. Bisette's involvement in counseling non-profits and presented letters from a third grade class to Julie Willingham and Jon Van Hoff, thanking them for their presentations on grease.

Mr. Hartye reported that the Right of Way Committee will meet May 28<sup>th</sup> at 9AM. The regular monthly meeting of the Board and Public Hearing on the Budget will

be held June 11<sup>th</sup> at 2PM. He stated that a Planning Committee meeting will likely be scheduled prior to the June Board Meeting.

**7. Report of Committees:**

**Personnel Committee:**

Mr. VeHaun reported that the Personnel Committee met April 21, 2008 to consider the self-insured health plan and cost of living/merit pay plan and post-employment health benefits, GASB 45 liability. He stated that the Committee approved staffs recommendation of a 5.0% merit increase and a 6.4% increase in employee contributions for health insurance. The Committee also approved staff's recommendation to move MSD's vesting time from 5 to 10 years of service, link the vesting amount of subsidy to years of creditable service and to allow spouses or retirees access to health insurance at actuarial cost. Mr. Hemphill reported that in 1988 the Board provided a medical insurance benefit for retirees of MSD. He stated that at that time, the criteria were 55 years of age with five years of service. It was realized later that many of the employees would qualify for retirement benefits earlier than age 55, therefore, a scale plan was developed that allows employees to qualify for a post retirement health insurance benefit, i.e., 100% coverage for 30 years of service, 90% coverage for 25 years of service, etc. He further stated that the employees also requested that spouses of MSD employees be allowed access to health insurance at actuarial cost, which was included in staff's recommendation. Mr. Hemphill reported that Scott Powell did an excellent job of putting the numbers together and working with the actuaries to find out what it would cost to make sure it would not have any impact on rates. Mr. Haner asked if staff is looking at how a spouse can get into or out of the plan. Mr. Hemphill stated that MSD will follow the ERISA federal regulations governing this. He further stated that when a person reaches Medicare eligible age, then they would come off the plan. Mr. Haner asked if MSD is obligated to have open enrollment. Mr. Hemphill said yes, that major changes in the medical plan will require MSD to have an open enrollment period, which will result in an education process that will allow employees to make changes in the month of June.

**Right of Way Committee:**

Ms. Banks reported that the Right of Way Committee met April 23, 2008 to consider a compensation budget on the Merchant Street Sewer Rehabilitation Project; Condemnation on the Weaverville Highway @ Hillcrest Road Sewer Replacement Project and Construction without Easement or Condemnation on the Reems Creek Wet Weather Interceptor Project. Regarding condemnation on the Weaverville project, Ms. Banks stated that the property owner has no issues with the project itself, or the compensation being offered, but has a major concern pertaining to the property line boundary shown on the easement plat. Despite revision to the easement plat, the property owner will not sign due to the location of the western property line shown on the plat. Regarding the Reems Creek Wet Weather Interceptor, Ms. Banks reported that title to a landlocked area within the project lying along Reems Creek has been researched and ownership cannot be determined. Therefore, staff recommends authority to proceed with construction without an easement or condemnation at this time. If owners or heirs do come forth, staff will negotiate or condemn if necessary at that time. In other business, the Committee reviewed the Third Quarter Project Status Summary for all active acquisition projects.

**Finance Committee:**

Mr. Powell reported that the Finance Committee met April 23, 2008 to discuss several items. He stated that a third quarter review of the budget versus actual was presented and that the revenues and expenditures are in line. Regarding the self-insured health plan, Mr. Powell reported that there was an overall increase of 1.6% in expenses from the previous year. Although there was a decrease in medical claims of 20.5%, prescription costs increased 29.6% due to a large number of cancer diagnoses and an increase in utilization of generic drugs compared to last year. He further reported that

Mr. Hartye went over the MSD sewer rates compared to the CPI and NACWA. He stated that MSD rate increases in the last ten years stayed near or even with inflation, but track significantly lower than similar utilities within the EPA region IV. Mr. Hartye also went over MSD's business plan/financial forecast and how this document is used to plan for the future as far as the upcoming budget. A schedule of sewer rates and fees for FY 09 was presented showing a proposed 3% rate increase. Mr. Powell reported that the Committee was informed of the Personnel Committee's endorsement of a 5.0% merit increase, a 6.4% increase in the MSD contribution to the self-funded health insurance plan and modifications to the post-employment health benefits as reported by Mr. Hemphill. He stated that the fiscal impact to fund the initial year (FY09) is \$169,000, contributing a 1.25% increase to the O&M budget. He further stated that the Committee went over the budget in general and a summarization of the CIP budget for FY09 of \$18.8 million dollars.

**8. Consolidated Motion Agenda:**

**a. Consideration of Compensation Budget – Merchant Street Sewer Rehabilitation:**

Mr. Hartye reported that the Right of Way Committee recommends approval of the Compensation Budget for Merchant Street Sewer Rehabilitation.

**b. Consideration of Condemnation – Weaverville Highway @ Hillcrest Road Sewer Replacement Project:**

Mr. Hartye reported that the Right of Way Committee recommends authority to obtain appraisal and proceed with condemnation.

**c. Consideration of Construction without Easement or Condemnation – Reems Creek Wet Weather Interceptor:**

Mr. Hartye reported that the Right of Way Committee recommends authority to proceed with construction without an easement or condemnation at this time. If owners or heirs do come forth, Staff will negotiate or condemn if necessary at that time.

**d. Consideration of Sanitary Sewer Rehabilitation Project: Mardell Circle Four-inch Main:**

Mr. Hartye reported that this project is comprised of 1,000 LF of 8 inch DIP and is being coordinated with the City of Asheville Water Improvement Project. He further reported that the following bids were received on May 1, 2001: Thunder Disaster Services with a total bid of \$202,044.53; Carolina Specialties with a total bid of \$199,862.92; MacKenzie Company NC, LLC with a total bid of \$180,159.00; Wolfpen Developers with a total bid of \$166,040.00; Blythe Co. Construction, LLC with a total bid of \$160,994.00; Hobson Construction Company with a total bid of \$160,900.00; Bryant's Land & Development, Inc. with a total bid of \$160,615.06; BE&L Mechanicals with a total bid of \$159,800.00; Buncombe Construction with a total bid of \$137,400.00 and Terry Brothers Construction Co., Inc. with a total bid of \$123,015.50. Mr. Hartye stated that staff recommends award of this contract to Terry Brothers Construction Co., Inc., in the amount of \$123,015.50, subject to review and approval by District Counsel.

**e. Consideration of Sanitary Sewer Rehabilitation Project – Dunwell Avenue:**

Mr. Hartye reported that this project is comprised of 3,108 LF of 8-inch DIP and is being coordinated with a City of Asheville Water Improvement Project. He further reported that the following bids were received on May 1, 2008: Thunder Disaster Services with a total bid of \$714,563.19; Cooper Construction Co., with a total bid of \$688,308.20; Carolina Specialties with a total bid of \$659,832.73; Wolfpen Associates, Inc. with a total bid of \$571,687.60; Bryant's Land & Development, Inc. with a total bid of \$494,816.00; Hobson Construction Co. with a total bid of \$451,140.00; Blythe Co. Construction, LLC with a total bid of \$441,228.00;

Buncombe Construction Co. with a total bid of \$408,000.00 and Terry Brothers Construction Co., Inc. with a total bid of \$396,008.00. Mr. Hartye stated that staff recommends award of this contract to Terry Brothers Construction Co., Inc. in the amount of \$396,008.00, subject to review and approval by District Counsel.

**f. Consideration of Cost Recovery for Crowell Park Apartments (Mountain Housing Opportunities):**

Mr. Hartye reported that Crowell Park consists of 63 units to be rented by Mountain Housing Opportunities. The cost of the sewer extension was approximately \$75,642 and the net five-year revenue is \$78,582.00. He stated that staff recommends that the General Manager be authorized to disburse \$40,000 to Mountain Housing Opportunities for cost recovery for the Crowell Park Apartments upon acceptance of the sewer system extension by the Board and receipt of satisfactory security.

**g. Consideration of Developer Constructed Sewer Systems: Reems Creek Village Lots 18-40 and Curtis Affordable Housing:**

Mr. Hartye reported that Staff recommends acceptance of the developer constructed sewer systems. All MSD requirements have been met.

**h. Report on Third Quarter City of Asheville Billing:**

Mr. Hartye reported that a comparison of the first three quarters of FY 08 with the same time period in FY 07 reveals a good likelihood of all funds being remitted to MSD in a timely manner.

**i. Third Quarter Budget to Actual Review:**

Mr. Hartye reported that revenues appear to be on target and year-end amounts may be more or less than budgeted. He stated that industrial user fees were budgeted under the assumption that Anvil, Inc. would substantially wind down production and cease operations by early FY 08.

**j. Consideration of Self Insured Heal Plan & Cost of Living/Merit Pay Plan:**

Mr. Hartye reported that the Personnel Committee recommends that the Board grant staff's request of a 5.0% merit increase and a 6.4% increase in MSD contributions for the self-funded health insurance plan.

**k. Consideration of Post-Employment Health Benefit GASB 45 Liability:**

Mr. Hartye reported that the Personnel Committee recommends that the Board grant staff's request to change the vesting period for new employees from 5 to 10 years of service and 55 years of age; link the vesting amount of subsidy to years of creditable service, and to allow post employment spousal coverage with the retired employee paying full actuarial cost.

**l. Cash Commitment/Investment Report – Month Ended March 31, 2008:**

Presented as information only.

Mr. Aceto called for a motion to approve the Consolidated Motion Agenda, excluding Item f. Mr. Bissette made the motion. Ms. Bellamy seconded the motion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 8 Ayes; 0 Nays.

Mr. Aceto called for a motion to approve the Consolidated Motion Agenda Item f. (Cost Recovery for Crowell Park Apartments). Mr. VeHaun made the motion. Mr. Creighton seconded the motion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 7 Ayes; 0 Nays. Ms. Bellamy was excused from voting.



**9. Consideration of Schedule of Sewer Rates & Fees:**

Mr. Hartye reported that the Finance Committee went over the District's Financial Forecast. He stated that even with significant increases in fuel, chemicals, the addition of GASB 45 and medical increases, MSD has been able to keep the rate at 3%; given current revenue projections. Regarding sewer rates, Mr. Hartye reported that over the past 10 years the average CPI was at 2.5%. He stated that other sewer agencies in Region IV have run about 4.5% for the same period and that MSD sewer bills are below the average for the region.

Regarding facility fees for affordable housing, Mr. Hartye reported that the affordable housing break on these fees has typically been 70%. He stated that Mr. Sobol brought up the question of what the impact would be if MSD kept the fees for affordable housing at \$490 instead of the proposed \$580 for FY 09. Mr. Hartye reported that over the last four years MSD has averaged about 125 units per year, amounting to an estimated total rebate of about \$11,000, which was not significant enough to change the budget. Mr. Aceto asked if there are any issues with the fees for affordable housing. Mr. Clarke stated that there is some cause for concern and that he would be more comfortable if the affordable housing fee were increased. Ms. Bellamy stated that the City of Asheville recently passed the affordable housing resolution. Mr. Sobol moved that the Board approve the recommendation of the Finance Committee to adopt staff's recommendation to incorporate the FY 09 Schedule of Rates & Fees into the FY09 Budget and adopted at the June 11, 2008 Board Meeting, with the exception that there be no increase in fees for affordable housing. Ms. Bellamy seconded the motion. Mr. Haner stated that he is proud of MSD for having a lower rate increase next year, which shows it's responsive to the financial demands of the rate payers. Mr. Haner asked if MSD is open to legal action because of a reduction in fees for affordable housing. Mr. Clarke stated that MSD cannot discriminate among rate payers unless there is a compelling governmental interest. Ms. Bellamy stated that she supports the motion because of the orderly way MSD has gone about increasing its rates. With no further discussion, roll call vote was as follows: 8 Ayes; 0 Nays.

**10. Consideration of Resolution Adopting the Preliminary Budget for FY 2008-2009:**

Mr. Hartye called on Scott Powell for a report on the Preliminary Budget. Mr. Powell referred to the Budget Summary on page 11, showing the proposed FY 2008-2009 budget of \$41,021,895.

Regarding revenues, Mr. Powell noted that Domestic, Industrial, Billing and Collection, Facility and Tap fees are budgeted based on the schedule of sewer rates and fees, previously presented by Mr. Hartye. Interest Income is budgeted at a conservative 2.5% rate of return on available funds and employee contributions to the self-insured health fund is budgeted based on 12.6% increase.

Regarding expenditures, Mr. Powell noted that the estimated construction expenditures for FY 09 are \$18.8 million, which is comprised of an estimated \$17.2 million in construction, \$600,000 of reimbursement projects and \$1 million in contingency. He explained that the CIP budget helps MSD continue to rehabilitate the state-mandated 250,000 feet of sewer line every 5 years and other projects identified in the Master Plan, one of which is the design and procurement of the secondary microscreens in FY09, with construction expected to begin in FY10. The total cost of this project is estimated to be \$8.7 million. He stated that a detailed CIP budget can be seen on pages 21-23.

Regarding operations, Mr. Powell noted the Personnel Committee's recommendation of a 5% merit increase as well as a 6.4% increase in funding of the self-insured medical plan. He stated that the current funding for both of the plans is \$487,390 which represents a 4% increase of total operations. He reported that a new item this year is the funding of the post employment health benefit. He stated that an actuarial study was done to compare the cost of MSD's current plan to the current plans of the City of Asheville and Buncombe County. Based on the study it was determined that MSD could modify its plan to resemble the City of Asheville's post-employment health plan without

significantly impacting the current proposed rate structure. The current funding of \$169,000 represents 1.25% of total operations. He further reported that Materials, Supplies and Service expenditures increased 5.6% over last year. He stated that the driving factor of this increase was a 44.5% increase in chemicals or about \$135,000 due to new de-chlorination treatment required by the NPDES permit; 32.2% increase in motor fuel and lubricants or \$73,000 due to rising diesel and gas prices and a 96.6% increase in O&M capital equipment or about \$83,000 due to a proposed purchase of a compact hydraulic excavator for the System Services division. He stated that a detailed O&M budget can be seen on page 18.

Mr. Powell presented a Resolution adopting the Preliminary Budget for FY 2008-2009. Mr. Aceto called for a motion. Mr. Haner moved that the Board adopt the Resolution as presented. Ms. Bryson seconded the motion. Mr. Sobol asked if this cost for dechlorination is the first step of the process or the entire process. Mr. Hartye stated that the cost is for the chemicals used in the process. Mr. Sobol asked if this process is chlorine free. Mr. Kiviniemi said it is below 28 micrograms per liter. With no further discussion, Mr. Aceto called for the question. Roll call vote was as follows: 8 Ayes; 0 Nays.

**11. Old Business:**

None

**12. New Business:**

None

**13. Adjournment:**

With no further business, Mr. Aceto called for adjournment at 2:51PM.

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Jackie W. Bryson, Secretary/Treasurer

# MSD

## Regular Board Meeting

Metropolitan Sewerage District  
of Buncombe County, NC

## AGENDA FOR 5/14/08

✓	Agenda Item	Presenter	Time	
	Call to Order and Roll Call	Aceto	2:00	
	01. Inquiry as to Conflict of Interest	Aceto	2:05	
	02. Approval of Minutes of the 4/16/08 Board Meeting.	Aceto	2:10	
	03. Discussion and Adjustment of Agenda	Aceto	2:15	
	04. Informal Discussion and Public Comment	Aceto	2:20	
	05. Report of General Manager	Hartye	2:30	
	06. Report of Committees:			
	a. Personnel Committee – 4/21/08	VeHaun	2:45	
	b. Right of Way Committee – 4/23/08	Kelly		
	c. Finance Committee – 4/23/08	Kelly		
	07. Consolidated Motion Agenda		3:00	
	a. Consideration of Compensation Budget – Merchant Street Sewer Rehabilitation project	Hartye		
	b. Consideration of Condemnation – Weaverville Highway @ Hillcrest Road Sewer Replacement Project	Hartye		
	c. Consideration of Construction without Easement or Condemnation – Reems Creek Wet Weather Interceptor	Hartye		
	d. Consideration of Bids for Mardell Circle GSR Project	Hartye		
	e. Consideration of Bids for Dunwell Avenue GSR Project	Hartye		
	f. Consideration of Cost Recovery for Crowell Park Apts.	Hartye		
	g. Consideration of Developer Constructed Sewer Systems: Reems Creek Village Lots 18-40; Curtis Affordable Housing.	Hartye		
	h. Report on Third Quarter City of Asheville Billing	Hartye		
	i. Report on First Nine Months Revenues & Expenditures for FY 08.	Hartye		
	j. Consideration of Self Insured Health Plan & Cost of Living/Merit Pay Plan	Hartye		
	k. Consideration of Post-Employment Health Benefit GASB 45 Liability.	Hartye		
	l. Cash Commitment/Investment Report – Month ended March 31, 2008.	Hartye		
	08. Consideration of Schedule of Sewer Rates & Fees	Hartye	3:20	
	09. Consideration of Resolution Adopting the Preliminary Budget for FY 2008-2009.	Hartye	3:35	
	10. Old Business:	Aceto	3:45	
	11. New Business:	Aceto	3:55	
	10. Adjournment (Next Meeting and Public Hearing 6/11/08)	Aceto	4:05	

# **BOARD MINUTES**

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT  
APRIL 16, 2008**

**1. Call to Order and Roll Call:**

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00PM, Wednesday, April 16, 2008. Chairman Aceto presided with the following members present: Bellamy, Bisette, Bryson, Creighton, Gantt, Haner, Kelly, Metcalf, Sobol and VeHaun. Mr. Russell was absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Leah Karpen with the League of Women Voters, Joseph Martin with Woodfin Sanitary Water & Sewer District, Stan Boyd, Ed Bradford, Jim Hemphill, Scott Powell, Angel Banks, Ken Stines, Peter Weed, Mike Butler and Sondra Honeycutt, MSD.

**2. Inquiry as to Conflict of Interest:**

Mr. Aceto asked if there were any conflicts of interest with the agenda items. No conflicts were reported.

**3. Approval of Minutes of the March 19, 2008 Board Retreat, Regular Board Meeting and Special Meeting of the Board on March 25, 2008.**

Mr. Aceto asked if there were any objections to approving the Minutes of the March 19, 2008 Board Retreat and Regular Board Meeting and Special Meeting of the Board on March 25, 2008 as presented. With no objections, the Minutes were approved by acclamation.

**4. Discussion and Adjustment of Agenda:**

None

**5. Informal Discussion and Public Comment:**

Mr. Aceto welcomed Ms. Karpen and Mr. Martin.

**6. Report of General Manager:**

Mr. Hartye presented an article in MSD's MetroLite featuring the efforts of the Building Trades Crew and Plant personnel who made emergency repairs to the incinerator.

Mr. Hartye presented a Resolution on Affordable Housing drafted by Mr. Clarke to be distributed to the member agencies for adoption and brought back to the Board at a future meeting, along with information and letters from the Affordable Housing Coalition.

Mr. Hartye reported that MSD recently received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its FY 2007 CAFR. He expressed his appreciation to Scott Powell and Teresa Gilbert for their efforts.

Mr. Hartye reported that the Annual Developers and Engineers Meeting was held on April 8, 2008. He stated that approximately 20 attendees from outside MSD and 8 from within participated. He expressed his appreciation to Stan Boyd, Kevin Johnson, Mike Butler, Kay Farlow and Shannon Aiken for their efforts in putting this meeting together.

Mr. Hartye reported that MSD sponsored a booth at the Annual Home Show held March 13-16 at the Civic Center. Handouts included those for sewer extensions, GIS website mapping, and grease disposal were distributed along with grease lids and magnets indicating call MSD First and the phone numbers. He stated that those who stopped by the booth expressed appreciation for the information offered. Also, there were positive comments about responses to calls by System Services. Mr. Hartye expressed his appreciation to Kay Farlow, Mary Alice Hunter, Tim Revis, Steven Briggs, David Montieth and Lisa Tolley for manning the booth.

Mr. Hartye presented a WEF article on Microconstituents in the Water Environment. He stated that the WEF is doing research on this issue and that he will keep the Board advised. Mr. Hartye also presented a Drought Workshop announcement sponsored by the Woodfin Sanitary Water & Sewer District to be held on Tuesday, April 22, 2008 from 12-1 PM at MSD.

Mr. Hartye announced that the Personnel Committee will meet Monday, April 21<sup>st</sup> at 11:30 a.m. The Finance Committee will meet on Wednesday, April 23<sup>rd</sup> at 3 p.m. The next Right of Way Committee meeting will be held April 30<sup>th</sup> at 9 a.m. The next regular Board Meeting will be held May 14<sup>th</sup> at 2 p.m.

## **7. Report of Committees:**

### Right of Way Committee

Mr. Kelly called on Mr. Sobol for a report. Mr. Sobol reported that the Right of Way Committee met March 26, 2008 to consider Compensation Budgets on the Heywood Road Interceptor Phase 2 and Monroe Place General Sewer Rehabilitation projects. The Committee also considered Condemnation on the Dingle Creek Interceptor Phase II, Project.

### CIP Committee

Mr. Sobol reported that the Capital Improvement Program (CIP) Committee met April 10, 2008. He stated that the Committee discussed the lack of attendance and possible reasons why. Mr. Sobol explained that because most of the annexation projects that came to MSD through Consolidation are complete, member agencies are no longer concerned, therefore, do not feel the need to attend. Mr. Clarke stated that the Consolidation Agreement requires the CIP Committee to meet annually to report on the rehabilitation of the District Sewerage System.

Mr. Sobol reported that a presentation was given by Mr. Bradford on the highlights of the current CIP. Regarding the Right of Way Clearing Program, Mr. Sobol reported that approximately 38,000 feet of recorded rights of way is being cleared annually in addition to clearing on capital projects and on System Services in-house clearing efforts and that an additional 11,000 feet is currently underway. Mr. Hartye stated that GIS will be utilized in this effort; showing areas that need to be bush hogged in the future. The cost of the program is about \$50,000 annually. Mr. Sobol further reported that a status report on Reimbursement Projects and Rehabilitation Program Priorities was given along with a Review of the 10-year CIP Document and approval of the CIP budget for FY 08-09 of \$18,803,725. Mr. Hartye stated that the value of the CIP document is that it shows when and where MSD is going now and in the future. Mr. Haner stated that he had made a suggestion that member agencies be contacted after receiving the information package and that staff obtain some type of feedback before the meeting as to their attendance, if they approve the budget, and just general input regarding the CIP. Mr. McGill stated that part of the reason attendance is low is because staff does such a good job of providing information, they do not feel the need to attend.

**8. Consolidated Motion Agenda:**

**a. Consideration of Compensation Budget – Heywood Road Interceptor Phase 2.**

Mr. Hartye reported that the Right of Way Committee recommends approval of the Compensation Budget for Heywood Road Interceptor Phase 2.

**b. Consideration of Compensation Budget – Monroe Place General Sewer Rehabilitation:**

Mr. Hartye reported that the Right of Way Committee recommends approval of the Compensation Budget for Monroe Place General Sewer Rehabilitation.

**c. Consideration of Condemnation – Dingle Creek Interceptor Phase 11:**

Mr. Hartye reported that the Right of Way Committee recommends authority to obtain appraisal and proceed with condemnation on the Dingle Creek Interceptor Phase 11.

**d. Cash Commitment/Investment Report – Month Ended February 29, 2008:**

Presented as information only.

Mr. Bellamy asked if MSD is working with the City of Asheville Storm Water Department on the Dingle Creek Project. Mr. Hartye said yes. Ms. Bellamy moved that the Board approve the Consolidated Motion Agenda as presented. Mr. Kelly seconded the motion. Mr. Aceto called for discussion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 11 Ayes; 0 Nays.

**9. Old Business:**

**Consideration of Resolution Regarding the Current Economic Crisis:**

Regarding the fiduciary responsibilities of the Board, Mr. Sobol stated that there are several areas he would like to address; where MSD is, how it got there, and what it should do.

Mr. Sobol reported that because of the downgrade of XL Capital, MSD was forced to pay thousands of dollars per week for new insurance for its bonds. He stated that if not for the General Manager, Counsel and the Chairman obtaining an improved rating on MSD's bonds, MSD would have had to pay over one million dollars in one year for extra insurance. He further reported that as the credit market worsens, homeowners are losing homes, resulting in a loss of revenue, which affects MSD directly.

Mr. Sobol reported that in the late 80's and early 90's complex derivatives came on the scene. He explained what derivatives are and how they work. He further reported that Credit Default Swaps (CDS's) also came on the scene, which is another form of credit derivatives. He stated that CDS's are bets between two parties on whether or not a company will default on its bonds and that they are completely deregulated by the federal government. Mr. Sobol presented an article on Birmingham/Jefferson County Alabama, regarding its \$4.6 billion dollar debt. He stated that Jefferson County is paying millions of dollars in extra premiums because their credit rating has dropped.

Mr. Sobol stated that this is not a banking crisis, but a housing crisis and other loans are facing scrutiny as well. Mr. Aceto asked how this affects MSD. Mr. Sobol stated that deregulation has got to the point where the bank insurers were downgraded, which directly affected MSD. He presented a table showing the top 25 holding companies

with derivatives. He noted that the Bank of International Settlement's (BIS) 2007 valuation of the world's derivatives is now \$516 trillion. Mr. Sobol stated that he is asking the Board to support a return to regulatory controls, pre-1999, where the banking industry was normal; it was transparent, sane and trustworthy. He further stated that where it stands now, there is tremendous exposure that has not only affected MSD, but could affect homes being foreclosed on if there is a severe downturn in the economy, which in turn would affect the MSD. Mr. Sobol moved that the Board consider adoption of the Resolution previously presented. Ms. Bellamy seconded the motion. Mr. Aceto asked what the next step will be if the motion is adopted? Mr. Sobol stated that this will send a message to legislators asking that they consider adding more regulation to the derivative market. Mr. Haner stated that he feels Mr. Sobol presented the information in a way that shows it did affect MSD in dealing with bond matters; in the money it was forced to pay. He further stated that he is supportive of the resolution and feels it should not only go to state representatives, but to the member agencies. Mr. Aceto stated that he has a grave concern with the resolution in that this is a political issue, which only has an indirect effect on MSD. He further stated that there are many political issues that have an indirect effect on what MSD does, and if this Board takes a stand to address generally, the public welfare, then it will be preoccupied with many issues. In addition, it takes the Board a step further toward becoming a political board, which it's worked very hard not to be. Mr. Haner asked Mr. Aceto if he would feel better about it if it were not sent to state representatives. Mr. Aceto said no. He respectfully advised the Board not act on this motion. Mr. Sobol stated that this is something that will affect everyone in the District and hopes that the rest of the Board will support this resolution. Mr. Clarke cautioned the Board about adopting a resolution based on opinion, rather than fact. Mr. Bissette stated that he appreciated Mr. Sobol's presentation, but has an issue with the wording of the resolution and cannot support passing it since he's not sure he understands exactly what it says. Mr. Metcalf stated that he shares Mr. Aceto's concern and needs more time to understand the information presented. Mr. Metcalf moved that the Board table the motion. Mr. Sobol stated that although time is of the essence, he would agree to table the motion for now. With no objection, the motion was tabled.

**10. New Business:**

None

**11. Adjournment:**

With no further business, Mr. Aceto called for adjournment at 2:50 PM.

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Jackie W. Bryson, Secretary/Treasurer



# **REPORT OF GENERAL MANAGER**

## MEMORANDUM

TO: MSD Board  
FROM: Thomas E. Hartye, P.E., General Manager  
DATE: May 8, 2008  
SUBJECT: Report from the General Manager

- Kudos

- Ms. Peterson of 2 Appian Way called (4/28) to relay how much she appreciated Ricky Bates great customer service.
- Anne Alston of 36 Forest Hill Dr. emailed (attached) to express her appreciation for help from Lisa Tolley for assisting with a water leak caused by MSD.

- WNC Regional Air Quality “Pat on the Back”

MSD has received a “pat on the back” for compliance with all air quality rules and regulations during 2007.

- READING

- Nomination Description for the Hoyt Abney Outstanding Community Service Award to Jerry VeHaun.
- Article on nonprofits and Mr. Bissette.
- Thank you letters from 3<sup>rd</sup> grade Class to Julie Willingham and Jon Van Hoff.

- Board/Committee Meetings

The next Regular Board Meeting will be held June 11<sup>th</sup> at 2pm. The next ROW Committee will be held on May 28<sup>th</sup> at 9am. A Planning Committee will likely be scheduled sometime before the June Board meeting.

**Tom Hartye**

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**From:** Barry Cook [bcook@msdbc.org]  
**Sent:** Monday, May 05, 2008 8:29 AM  
**To:** Hemphill, Jim (SMTP); HARTYE, TOM (SMTP)  
**Subject:** FW: Praise

-----Original Message-----

**From:** Anne Alston [mailto:annealston@gmail.com]  
**Sent:** Wednesday, April 30, 2008 10:16 AM  
**To:** bcook@msdbc.org  
**Subject:** Praise

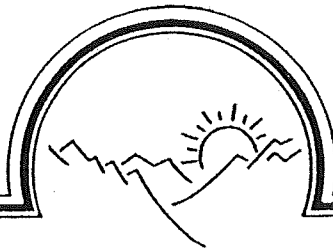
Dear Barry,

I wanted to let you know that Lisa Tolley was extremely helpful in assisting us with a situation that involved MSD damaging a water pipe that ultimately resulted in an exorbitant water bill. From the beginning Lisa was helpful and responsive to assisting us in navigating the correct people to get in touch with regarding this matter. It made such a difference to have someone we could check in with on the status and knowledgeable about our next steps. When our water bill arrived for \$1400, I called the City of Asheville first and learned they would only be willing to forgive a portion of the bill even knowing it was an MSD mistake. I called Lisa and she immediately took up the case and I did not have to do another thing and learned yesterday the City will be adjusting the bill to a normal rate.

I can't say enough praise for this experience and Lisa's wonderful help!!!

Thanks,  
Anne Alston  
36 Forest Hill Dr  
Asheville, NC 28803  
828.545.1358

**Western North Carolina**



**Regional Air Quality Agency**

David A. Brigman, Director

Serving Buncombe County and the City of Asheville

April 18, 2008

Tom Hartye  
Metropolitan Sewerage District of Buncombe County  
2028 Riverside Drive  
Asheville, NC 28804

Dear Tom Hartye:

The Western North Carolina Regional Air Quality Agency would like to recognize Metropolitan Sewerage District of Buncombe County for compliance with air quality rules and regulations during 2007.

We appreciate your diligence in complying with your permit. As always, if we can be of assistance in any matter, particularly with pollution prevention activities, please let us know.

Sincerely,

David A. Brigman  
Director

**METROPOLITAN SEWERAGE  
DISTRICT OF BUNCOMBE COUNTY**

**DESERVES A *PAT ON THE BACK***

FOR COMPLIANCE WITH THE WNC  
REGIONAL AIR QUALITY AGENCY'S  
RULES AND REGULATIONS  
DURING 2007

*David A. Brigman*  
DAVID A. BRIGMAN, DIRECTOR

*4/21/08*  
DATE

## **Nomination Description**

### **Hoyt Abney Outstanding Community Service Award**

Jerry VeHaun has been the Emergency Services Director for Buncombe County since December 1, 1972. During the 34 years with Buncombe County, Jerry has single handedly set the direction for the Emergency Services for both local and state wide services. Jerry has seen emergency services grow from only first aid training personnel to a full Advanced Life Support (ALS) Ambulance program. Jerry has been instrumental in the planning and implementation of many services used daily by our citizens including the Buncombe County's 911 emergency telephone system, our areas Hazardous Waste Plan and Ordinance, area Flood Management System, and the Buncombe County Fire Code.

Jerry is currently involved with many organizations that are not required of his position in Buncombe County. He is involved because he feels that his participation will play a vital role in supporting Emergency Services for the betterment of our area.

Jerry is a member of the NC Emergency Management Association, Western Carolina Safety Council, Civil Air Patrol, Western Carolina Safety Council, American Society of Safety Engineers, Red Cross First Aid Committee, Federal Disaster Mortuary Operational Response Team, the Asheville Chapter of the American Red Cross, and the Aston Park Heath Care Center.

Jerry has served on the National Task Force on Hazardous Materials, State EMS Advisory Council, NC Emergency Management Association, American Society of Professional Emergency Planners, International Association of Emergency Managers, NC Emergency Response Commission, Buncombe County Rescue Squad, Manna Food Bank, and Buncombe County Environmental Affairs Board.

Jerry received the Department of the Army Certificate of Appreciation for Patriotic Civilian Service award, The Clayton R. Christopher Award, presented by the International Association of Emergency Managers, and the Patrick Henry Citation award, presented by the National Guard Association of the United States.



# Sharing the wealth

## Local nonprofits play key role in regional economy

BY HAL L. MILLARD

Tax time is bearing down on both businesses and individuals like a runaway semi, but a whole host of local institutions won't be paying a penny this year. No need to get indignant about it, though, because without those institutions, life here in Western North Carolina wouldn't be nearly as good, argues former Asheville Mayor Lou Bissette.

The entities in question are tax-exempt, nonprofit organizations, and their influence extends into practically every nook and cranny of the social fabric. They also play a significant role in forming the region's economic backbone.

"It's such a big part of our community, and it's so varied," says Bissette, a local attorney who counsels nonprofits and also serves on the boards of a lot of them. "I sit on just about every nonprofit board in town, it seems," he says with a chuckle.

"It's difficult to wrap your arms around just how significant nonprofits are," adds Bissette, "but they're one big reason Asheville is such a great place to live."

Pat Smith, president of the nonprofit Community Foundation of Western North Carolina, agrees. "We have a very strong nonprofit sector here in Western North Carolina, and we are able to accomplish so much," she says. The foundation, which has about \$170 million in assets, paid out more than \$9.4 million in grants in 2007. "Our region really is very fortunate to have the number and caliber of nonprofits we have."

To many WNC residents, however, these groups remain largely a terra incognita. Here's a look at who some of them are, what they do — and what it means for the region's life and well-being.

### Air aid

Some local groups have a surprisingly long reach.

Helimission, for instance, is a European group whose North American headquarters is in Montreal. Founded in Switzerland in 1971 by Ernie Tanner, the nonprofit maintains a number of permanent bases in Africa and Asia, using its fleet of helicopters to bring social, medical and spiritual help to people in remote and inaccessible areas on those continents as well as in South America and elsewhere. Though primarily a religious operation, Helimission is nondenominational. And in times of trouble, the group will go anywhere it's needed.

Originally focused on transporting missionaries, Helimission soon expanded into disaster relief. In 2004, for example, its volunteer pilots transported medical personnel and supplies to victims of the massive Boxing Day tsunami that devastated parts of Indonesia, one of many such efforts the group has assisted with since 1974. Other nonprofits — such as Doctors Without Borders, Oxfam, Save the Children, and United Nations relief organizations — often call on Helimission for help.

Such calls came in 2002, when

**"The nonprofit sector does so much, and the list just goes on and on. Who would pick up the price tag if the nonprofits weren't here?"**

— Pat Smith, Community Foundation of WNC

Helimission joined forces with Astrames (the Regional Organization for Medical Supply), Doctors Without Borders, UN, seismologists and various film teams in the wake of a volcanic eruption in Goma in the Democratic Republic of the Congo. About 10,000 people had been left without housing, and Helimission dispatched two helicopters to the scene from a base in Kenya — the only ones available to support relief efforts. The lava flow had cut the city in two, making it hard to deliver humanitarian aid. Thanks to the helicopters, seismologists were able to allay fears of a further eruption, Doctors Without Borders gained an overview of the refugee situation, and much-needed medicine was delivered to various aid centers in partnership with Astrames.

The nonprofit's work has not gone unnoticed, as evidenced by this note from former German President Richard von Weizsäcker following a 1985 hunger crisis in the Sudan:

"Our flights with your helicopter to the hunger camps and distribution centers for food supplies in West Sudan are now several months past. They will never be forgotten.

"For your engagement and your willingness to



**Go-to guy:** Attorney and former Asheville Mayor Lou Bissette counsels nonprofits, sits on numerous boards and says that without nonprofits, Asheville would not be the great place it is.



**Pardon the interruption ...** : General Manager Ed Subkis oversees public radio station WCOS, perhaps Asheville's most ubiquitous nonprofit.

PHOTOS BY JONATHAN WELCH

help in this — a trip unlikely to ever be repeated — I want to thank you with all my heart. Thanks to your motivation and your know-how in aviation it was possible, in the short time available, to see and to experience much.

"These people, their faces expressing the suffering but also reflecting hope, have impacted all of us who took part in this trip. I wish you and your blessed mission much success for the benefit of the many that will be helped by you."

Lisa D'Innocenzi runs Helimission's U.S. office along with her husband, John; they've been involved with the group for 27 years. "It's been interesting," says D'Innocenzi, who also works in a doctor's office. "We've met some really interesting people, and we've dealt with a lot of government agencies, such as the ones in Rwanda and Zaire during all the Hutu-refugee issues."

### Charity begins at home

Most local nonprofits, however, have their biggest impact right here in the mountains.

In WNC, you can hardly swing a cat without hitting a local nonprofit (and chances are that cat was either bought from or spayed/neutered by a locally based group such as the Asheville Humane Society).

Many such organizations are just what you'd expect: churches, charities and the like. But the nonprofit umbrella shelters a surprising range of undertakings, including hospitals, arts groups,



4-1-50

Dear Mrs. Julie,

Thank you for coming to  
our classroom again.

To tell us about the  
glaze and lipids.

Were lipids really fat?  
if you said yes, they need to  
loose weight.

Are you really a Mrs.  
worker?

I really want to see  
you again Mrs. Julie,

your friend,  
Shadia



K4 910



2  
3



4-2-08

Dear Mr. John,

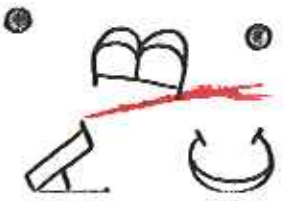
Thank you for coming  
to our classroom.  
I hope the story gets  
published.

The grease and oil experiment  
was cool.

The story was great.  
When can you come again?

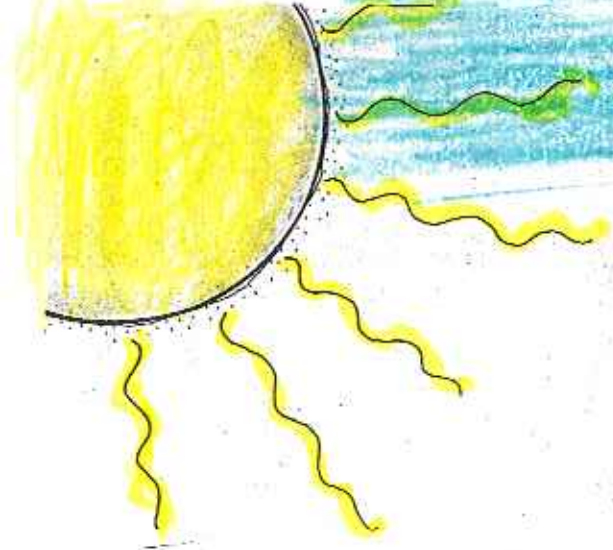
Your friend,

Hunter



2  
3



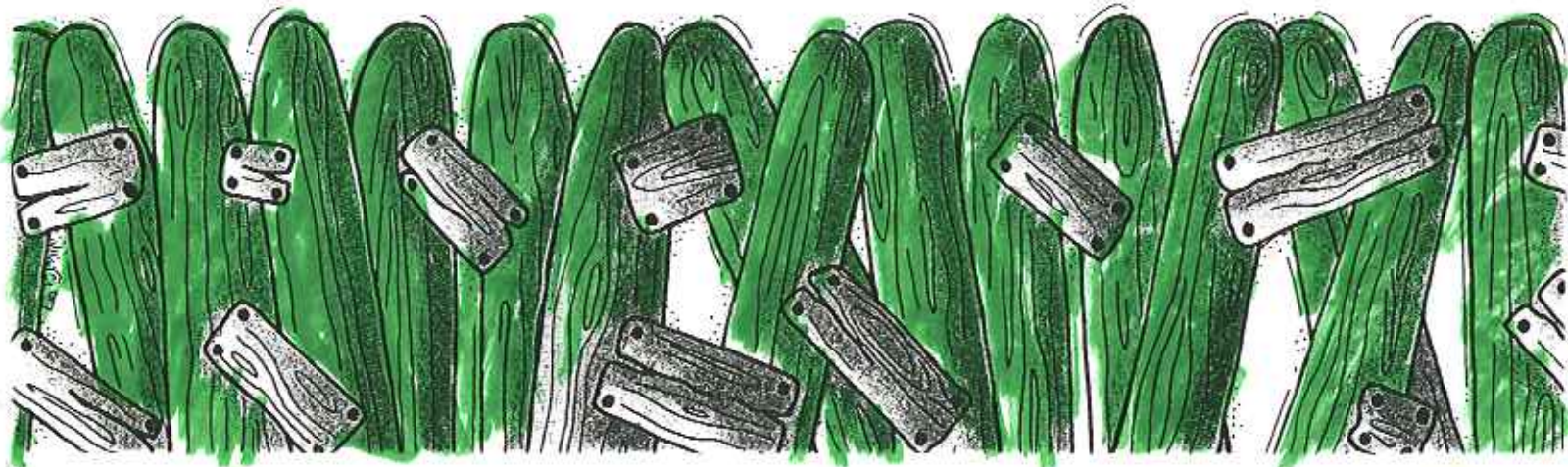


4/1/08

Dear Ms. Julie,

Thank you for coming  
to our classroom again.  
you were great reading the stories.  
you are very nice! Did you know  
that I broke my shoulder? I also  
hit my face on a wall.

Love,  
Kyiv



# **REPORT OF COMMITTEES**

- a. Personnel Committee**
- b. Right of Way Committee**
- c. Finance Committee**

# PERSONNEL COMMITTEE MEETING

April 21, 2008

11:30 a.m.

## 1. Call to Order

Chairman VeHaun called the meeting to order at 11:40 a.m. in the W.H. Mull Building of the Metropolitan Sewerage District. In attendance, were the following members: Jackie Bryson, Mike Sobol, and Stephen Metcalf. Also present were Max Haner, Billy Clarke, Tom Hartye, Jim Hemphill, Scott Powell, and Pam Thomas.

## 2. Inquiry as to Conflict of Interest

Mr. VeHaun stated there was none at this time.

## 3. Human Resource Activities

Mr. Hemphill discussed several topics about areas of activity within the Human Resource Department: flow chart on the total of 150 budgeted employees, 7 (seven) vacancies with 143 current employees; total number of employees in each division; demographic information.

Mr. Sobol asked if the vacancies were mostly wastewater treatment plant or system services. Mr. Hemphill stated there are 3 (three) at the Treatment Plant, 1 (one) Admin, 1 (one) Human Resource and 1 (one) Engineering; he then provided an overview of employment, vacancies, and demographics.

Mr. VeHaun asked how many employees were over 25 years of service. Mr. Hemphill replied that there are 5 over 25 years of service. He also presented a chart on personnel growth from FY 2000-01 of 167 employees to FY 2007-08 of 150 employees; chart showing the turnover rate being 6% which indicates 9 (nine) people.

Mr. Haner asked if we had comparisons for turnover rates from similar entities. Mr. Hemphill stated that for Buncombe County it was 8.7% and the City of Asheville was 12%. He then presented information on our wellness program; our Health Fair for 2007 with 115 participants; health risk assessments which provides information related to family history, height, weight, blood pressure, glucose, cholesterol, and BM Index; the partner participants at the health fair; and MSD's sponsored weight watchers program with a total weight loss to date of 1053 pounds for 3 different group sessions.

Ms. Bryson asked if spouses were involved in the program. Mr. Powell stated that MSD will sponsor as long as the employee and the spouse are currently on our health plan and if the spouses are not, then the employee will be responsible for the cost. Mr. Hemphill presented information about our current workout facilities; disease management program through the NC Health Coalition; and information provided from Eblen Charities. A lengthy discussion followed about the drug cost savings, and cost of physicians assistant provided through the Eblen Charities. Mr. Hartye stated the most cost savings are realized through the wellness and disease management program. Mr. Hemphill also mentioned that we were considering the idea of a spousal by-out on our insurance. Mr. Powell stated that 40% of our health care cost are related to spousal coverage. Mr. Hemphill further stated that if your spouse works somewhere else that insurance is offered, the employee may be offered a monetary incentive to take the spouse off of our the plan. He also presented a model retirement spreadsheet that was given to employees showing their estimated retirement incomes at different ages and service levels; succession planning for the future, and employee relations activities.

#### **4. Consideration of Self Insured Health Plan & Cost of Living /Merit Pay Plan**

Mr. Hemphill stated that the cost of living and merit pay plan are developed primarily based on two factors, the CPI (consumer price index), and what is happening with other area governments and utilities. He also discussed where the employees were in their pay grades and that half or more are above the mid-point of the range. The CPI from Dec. 06 to Dec. 07 is 4.4%, and Jan. 08 is 4.9%.

Mr. VeHaun stated that he thought the CPI was 4.1%. Mr. Powell stated that the numbers we reported were for the southeast region. Mr. Hemphill explained that MSD's FY'08 merit increase was 3.6% and this year we are requesting 5.0%. He also explained what other entities are projecting towards cost of living adjustments and merit. Mr. VeHaun stated that Buncombe County gave an increase of 4.1% last year, in comparison to the CPI, and that this year there will be an automatic increase with what the projected CPI is for this year. He also stated that there may be another increase of 3.0% in either Oct. or Nov. and that the county does not do merit increases, just a cost of living.

Mr. Sobol asked if the merit is a check or added to the salaries. Mr. Hemphill stated that it is added to the base salary, unless a person is at the maximum of the ranges. Mr. Hartye stated that the division directors a few years back decided to combine the cost of living and merit into one increase towards employee salaries. Mr. VeHaun asked how many employees received a merit last year. A discussion followed concerning how merit was distributed through each division based on evaluations and how the health benefits are combined into one final decision.

Mr. VeHaun asked what MSD does towards 401K contributions. Mr. Hemphill stated that if an employee contributes 1% MSD matches with 2%, employee contributes 2% MSD matches 4%, and employee contributes 3% MSD matches with 5%. Mr. VeHaun stated that Buncombe County's 401K contribution is 8%.

Mr. Hemphill stated that our projected claims for health insurance will increase 15.8% due to a larger number of high dollar claims in the last 6 to 18 months. The final renewal quote for insurance will come in around the first week of May. He also stated that the employee advisory committee was presented with a tiered basic plan of \$500.00 deductible, 80/20 payment plan, and a \$1500.00 maximum "out of pocket". A lengthy discussion followed concerning prescription costs, premium savings, and the expense costs to be saved with a step therapy program. Mr. Hemphill stated that MSD's savings in the tiered insurance plan is around \$195,000, changes in the prescription plan almost \$42,000, employee premiums \$37,000 totaling \$274,365, and emphasizing that the employee will be absorbing more cost of the insurance plan. Mr. Hemphill stated that staffs' recommendation is a 5.0% merit increase and a 6.4% increase in contributions for health insurance. Mr. Haner asked if the 15.8% that the insurance has suggested is negotiable. Mr. Hartye stated that if the quote came in significantly different for May we would bring back to the employees and board for review. Mr. Hemphill presented the fiscal impact, a total estimated increase of \$487,390. Mr. Sobol stated that cost of living seems more than what the CPI is, due to the absence cost of fuel and food with CPI calculator. Mr. Powell stated that the CPI does reflect the cost of fuel and food.

#### **Recommendation:**

Ms. Bryson moved to consider staffs recommendations of a 5.0% merit increase and a 6.4% increase in contributions for health insurance. Mr. Metcalf seconded that motion. Voice vote was unanimous in favor.

## **5. Post-Employment Health Benefit, GASB 45 Liability**

Mr. Powell made a presentation the District's current post-employment health benefit and how it will be affected by the governmental accounting standards board (GASB) pronouncement 45, GASB 45 is a financial pronouncement which requires state and local governments to report future health insurance benefits provided to retirees, in the financial statements.

MSD's current benefit is that the District will pay 50% of insurance cost for employees with 5 years of service at age 55.

Mr. Powell stated that staff and the employee advisory committee had 3 options to look at: 1) leave the plan as is, 2) a defined contribution plan (currently we have a defined benefit plan of 50%). An example of a defined contribution plan would be if MSD funded a fixed amount for each employee of \$1,000 a year; 3) modify the eligibility or subsidy in our current plan.

Based on the survey of employees, there were two requests. First was to offer employee spouse access to post retirement health insurance coverage (at full actuarial cost), second, could the employee get their post employment benefit at a 100% paid by MSD, if they worked at MSD for 30 years, regardless of age. Currently the plan shows you have to be 55 years old with 5 years of service to be eligible. If you have an 18 year old come to work for MSD, and work 30 years, they would not be able to use the benefit due to their age less than 55 years. Mr. Powell also stated that MSD compared other entities plans to ours.

The proposal would be to change the vesting period for new employees from 5 to 10 years and link the subsidy to creditable service at MSD. The change in the health care subsidy for employees would be 100% after 30 years of MSD service, 90% subsidy after 25 years at age 55, 80% subsidy after 20 years of service and age 55, 65% subsidy after 15 years of service and age 55, 55% subsidy after 10 years of service at age 55, 50% subsidy after 5 years at age 55. Finally, to allow post-employment spousal coverage, with the retiree paying full actuarial cost.

Mr. Powell also indicated that the fiscal impact for FY 08-09 at \$169,000, to be set aside in the first year to meet the current financial obligations. The actuaries estimate that 75% would participate in the plan. MSD would have to recognize a \$1.2 million, liability in the financial statements. Mr. Clarke asked how MSD got the \$169,000 and \$1.2 million amounts. Mr. Powell stated that this is the potential liability of the plan as determined by the actuaries and every municipality has to record that statement. Mr. Clarke also asked if the amount has to be put into a fund account. Mr. Powell stated that you can put the amount into either a trust or keep the money here and set it aside, with restricted accounts like our self insurance fund. If it is in a trust the funding liability goes away, if you leave it here at MSD you can have access to the funds. Mr. Clarke stated that GASB 45 requires you to account for the potential liability, it does not require you to fund the account. Mr. Hartye stated that we did not want to put there funds nto a trust, but into a separate fund that is not restricted as far as investments. He also stated that every 3 years the actuarial study may change the estimated amount and we can adjust the fund accordingly, with more flexibility to the contributions. A discussion followed concerning spouse electing to leave plan, reason why, and why it would not be a good idea. Mr. Sobol asked what the cost would be if we left plan as is and is the actual cost coming from the vesting amount or from the spousal coverage. Mr. Powell stated that the actual cost is from the vesting amount and that the initial cost would be \$79,000 as opposed to \$169,000 with 50% participation. Mr. Hartye stated that the employee spouses will pay the full actuarial cost.

**Recommendation:**

Mr. Metcalf moved to adopt the staff recommendation to; move vesting time from 5 to 10 years of service link the vesting amount of subsidy to years of creditable service and to allow access spouses or retirees to health insurance at actuarial cost. Mrs. Bryson seconded that motion. Voice vote was unanimous in favor.

**6. Other**

There was no new business.

**7. Adjourn**

With no further business, the meeting was adjourned at 12:55 p.m. No future meeting has been scheduled.

**RIGHT OF WAY  
COMMITTEE RECOMMENDATIONS  
AND MINUTES  
April 23, 2008**

**I. Call To Order**

The regular monthly meeting of the Right of Way Committee was held in the Boardroom of the William H. Mull Building and called to order at approximately 2:30 p.m. on Wednesday, April 23, 2008. The following Right of Way Committee members were present: Glenn Kelly, Jackie Bryson, Jon Creighton and Mike Sobol.

Others present were: Steven Aceto, Chairman of the Board; Max Haner, Board member; Ellen McKinnon, Martin-McGill; Tom Hartye, Angel Banks, Ed Bradford, Mike Stamey, Shaun Armistead, Roger Watson and Pam Nolan, M.S.D.

**II. Inquiry as to Conflict of Interest**

Glenn Kelly inquired if anyone had a conflict of interest with Agenda items. There was none.

**III. Consideration of Compensation Budget – Merchant Street Sewer Rehabilitation, Project No. 2004259**

The attached Compensation Budget is based on current ad valorem tax values and follows the MSD approved formula.

**STAFF RECOMMENDATION: Approval of Compensation Budget.**

Ms. Banks explained the location of the project and that it consists of approximately 1300 LF of 8” ductile iron pipe to replace existing 6” and 8” clay pipe. There was no discussion. Glenn Kelly made the motion to accept Staff’s recommendation. Jackie Bryson seconded the motion. Voice vote was unanimous.

**COMMITTEE RECOMMENDATION: Approval of Compensation Budget.**

**IV: Consideration of Condemnation – Weaverville Highway @ Hillcrest Road Sewer Replacement, Project No. 2007022**

**PIN No. 9731.19.60.0056** – The property owner does not have any issues with the project itself, but his major concern pertaining to the project is the property line boundary shown on the easement plat. There is a property boundary dispute between the property owner and the adjoining property owner that has been on going for years. The property owner believes that by signing the easement agreement that he is essentially in agreement with property line shown on the plat. MSD had our surveyor note on the easement plat that the western property line is disputed by the property owner in efforts to address this issue. Despite this revision to the easement plat the property owner will not sign due to the location of the western property line shown on the plat. The property owner has not voiced any concerns pertaining to the compensation that is being offered (\$500).

Total Contacts: 9



**STAFF RECOMMENDATION: Authority to obtain appraisal and proceed with condemnation.**

Ms. Banks explained the above situation. There was brief discussion regarding the note being added to the survey and the owner still not being willing to sign. Jon Creighton made the motion to accept Staff's recommendation. Glenn Kelly seconded the motion. Voice vote was unanimous.

**COMMITTEE RECOMMENDATION: Authority to obtain appraisal and proceed with condemnation.**

**V. Consideration of Construction without Easement or Condemnation – Reems Creek Wet Weather Interceptor, Project No. 2003046**

**Background** – Title to a landlocked area within the project lying along Reems Creek has been researched and ownership cannot be determined at this time. The 1966 deed into prior owner Lois Israel included the area in question but the 1969 deed out of Israel excluded the area in question. Tax maps show area in question being owned by David Hyder. We have discussed this issue with Mr. Hyder and all contiguous owners; none claims ownership. We located Ms. Israel and she states she does not own this area.

Our title attorney's opinion is as follows. "I think that the only thing MSD can do is to go ahead and construct. If someone comes along and can prove that the area is their property, then MSD can try to obtain an easement. If the "owner" is unwilling to sign an easement, then MSD could file condemnation action...."

**STAFF RECOMMENDATION: Authority to proceed with construction without an easement or condemnation at this time. If owners or heirs do come forth, Staff will negotiate or condemn if necessary at that time.**

Ms. Banks explained the above situation. Mr. Kelly asked how large of an area this was. Ms. Banks stated that it was less than half an acre. Jackie Bryson made the motion to accept Staff's recommendation. Jon Creighton seconded the motion. Voice vote was unanimous.

**COMMITTEE RECOMMENDATION: Authority to proceed with construction without an easement or condemnation at this time. If owners or heirs do come forth, Staff will negotiate or condemn if necessary at that time.**

**VI. Quarterly Report – Third Quarter**

Attached you will find a Project Status Summary for all active acquisition projects. This report provides information on percentage of easements complete, percentage of compensation expended and comments on condemnations. This information is provided for your review.

**STAFF RECOMMENDATION: For information only. No action required.**

There was some discussion regarding active condemnation cases, Ms. Banks stated that there were 17 at this time.

There being no further business the meeting adjourned at approximately 2:40 pm.

# MINUTES

## Finance Committee Meeting April 23, 2008

The Finance Committee of the Metropolitan Sewerage District of Buncombe County met in the Boardroom of the WH Mull Building located at 2028 Riverside Drive, Asheville, North Carolina, April 23, 2008 with Chairman Kelly calling the meeting to order at 3:00 p.m.

In attendance were the following Committee Members: Chairman Glenn Kelly, Jackie Bryson, Jon Creighton, and Max Haner. Also present were Steven Aceto, Mike Sobol, Billy Clarke of Roberts & Stevens and MSD staff Tom Hartye, Scott Powell, Peter Weed, Stan Boyd, Jim Hemphill, Cheryl Rice, Barry Cook, Ed Bradford and John Kiviniemi.

### 1. Third Quarter Budget to Actual Review

Scott Powell provided the Committee with the following highlights of this agenda item:

- 1) Domestic/Industrial User Fees – Are tracking in-line with what was projected in the budget.
- 2) Facility Fees – Came in higher than was projected due to a \$464,100 receipt from Town Square West for a 269 residential complex at Biltmore Park Urban Village.
- 3) Tap Fees – Is higher than projected as we have received more requests for taps.
- 4) Interest and Miscellaneous Income – Higher than budget due to a greater return on investments in the first two quarters and also receipts from pump stations.
- 5) Rental Income – Lower than expected due to not having a new tenant in the Old Admin Bldg from when Buncombe County moved out.
- 6) Our expenditures are following in accordance with the budgets, with no unusual items except the interest expense on our bonds, however sufficient funds are budgeted to cover this.

Following his report, Mr. Powell called for questions, with there being none, meeting continued onto the next agenda item.

### 2. Self-Insured Health Plan-Nine Months Report

Scott Powell reported that Exhibit 1 shows an overall increase of 1.6% in expenses from the previous year with medical claims having decrease 20.5%, equating to \$155,000. However, our prescription costs have increased 29.6%, due to large number of cancer diagnosis and an increase in utilization of the generic drugs this year as compared to last year.

Following a brief discussion, meeting continued onto the next agenda item.

### 3. MSD Rates versus CPI and NACWA

Tom Hartye informed the Committee that annually a report from National Association of Clean Water Agencies (NACWA), formerly known as AMSA, is produced comparing national and regional sewer service charges to the Consumer Price Index (CPI). The information obtained provides a good representation of trends within our industry. Every three years, a comprehensive report is provided and upon receipt will be made available to the Board.

Shown in the attached two graphs, MSD rate increases in the last ten years have stayed near even with inflation (CPI) but track significantly lower than similar utilities within the EPA region IV. Average residential monthly sewer bills also track lower within this group. The recommended 3% increase for this year is under CPI and will further the relative affordability of our average monthly bill.

Following a brief discussion, meeting continued onto the next agenda item.

# MINUTES

Finance Committee Meeting  
April 23, 2008  
Page 2

## 4. MSD Business Plan/Financial Forecast

Tom Hartye presented that this is our ten-year cash basis projection that encompasses all Committee budgetary recommendations, consisting of CIP budget expenditures, COL/Merit/Self-Insured Health Plan funding and the new GASB 45 Post Retirement contribution for the upcoming fiscal year. As in years' past, assumptions used in the projections are a 1% growth in domestic revenue, with no growth in industrial, in conjunction with a 20-year Industrial Rate Parity. Further, general sewer rehab to cover 50,000 lineal ft/year, ENR 10-year Construction Index @ 3.190%, 3% inflation in O&M, replacement funds and engineering force account, bond issues figured at 5.0% yield, minimum Debt coverage 1.5, minimum carry-over for construction \$3,000,000 and reserve fund contributions match expenses.

Following a brief discussion, the meeting continued onto the next agenda item.

## 5. Schedule of Sewer Rates and Fees FY09

Tom Hartye informed the Committee that during the FY07 budget process, staff reviewed the fees and charges and recommended increases represented to cover the actual costs for the services provided. The Board chose to spread the implementation over 5 years (approximately 20% per year), to lessen the impact on the customers. The attached Schedule of Rates & Fees reflects the current FY08 charges and the proposed FY09 increases.

Major fee components consist of a 3% increase to the volumetric (flow) charge from \$3.41 to \$3.51, a flat rate portion, which is based on meter size from \$5.25 to \$5.41. In addition, a billing fee (per bill) which is charged by each municipality to issue a billing statement is going up from \$1.95 to \$2.05. In total, an average monthly sewer bill would increase from \$23.28 to \$23.99.

Following a brief discussion, the following recommendation was made.

Mrs. Bryson moved that the Finance Committee recommend to the Board that the attached Schedule of Fees & Charges be incorporated into the FY09 Budget and adopted at the June 11, 2008 Board Meeting. Mr. Haner seconded the motion. Voice vote was unanimous.

## 6. Cost of Living/Merit and Self-Insured Health Plan for FY 2008-09

Scott Powell presented that staff is recommending, along with the Personnel Committee endorsing, a 5.0% Merit Pay funding cap and a 6.4% increase in the MSD contribution to the Self-funded Health Insurance Plan. The combined fiscal impact is a 4% increase to the O&M budget as compared to the current year's budget, equating to \$487,000. Prior to disbursement, a percentage range is established and in conjunction with performance evaluations, the Division Directors are allowed discretion when administering the salary increases within their department.

Following a brief discussion, the meeting continued onto the next agenda item.

## 7. Post-Employment Health Benefit GASB 45 Liability

Scott Powell informed the Committee that staff is recommending modifications to the existing retirement health benefit, which the Division Directors and EAC concur, and the Personnel Committee has endorsed. Currently, District policy states that employees, who wish to retain insurance coverage with the District upon taking an early retirement, must have 5 years of service with the District and be at least 55 years of age. If these requirements are met, the District will pay half the employee's health insurance premium (additional coverage for spouse or family must be paid by the employee) and the retired employee will pay the other half of the health insurance premium.

# MINUTES

Finance Committee Meeting  
April 23, 2008  
Page 3

The request changes to the policy are:

1. Change the vesting period for new employees from 5 to 10 years of service and 55 years of age.
2. Link the vesting amount of subsidy to Years of Creditable Service as follows:

Years of Service	Subsidy Vesting %
30 at any age	100%
25 at 55 years of age	90%
20 at 55 years of age	80%
15 at 55 years of age	65%
10 at 55 years of age	55%- Existing Employees 50% - New Employees hired after 7/1/08
5 at 55 years of age	50% -Existing Employees

3. To allow post-employment spousal coverage with the retired employee paying full actuarial cost.

Beginning in FY09, the District is required by Governmental Accounting Standards Board – GASB 45 to record a liability in the footnotes of the financial statements of \$1.2 million. Fiscal impact to fund the initial year (FY09) is \$169,000, contributing a 1.3% increase to the O&M budget.

Following a brief discussion, the meeting continued onto the next agenda item.

## 8. FY08-09 Budgets and Proposed Sewer Rates

Tom Hartye presented that one of the major CIP projects is the continued utilization of Infrastructure Rehabilitation System (IRS) lining and dig-and-replacement construction to rehabilitate and replace at least 20,000 linear feet by in-house crews, while also providing preventative maintenance for approximately 500,000 linear feet of the system by employing wash cleaning and both chemical and mechanical root control. In conjunction with this, is the update to the Collection System Master Plan, which should be completed in the summer 2008. This project will be a combined effort of District engineering staff and an engineering consultant. The plan will help identify areas of future growth along with the location and sizing of the infrastructure required to provide public sewer service to these areas.

Scott Powell informed the Committee that major components of the \$13.7 proposed operating budget are a 5.0% salary increase to be applied on a merit basis, and an increase of 6.4% in the District's contribution to the health care plan, thus representing a 4.0% increase in budget as compared to last year. A new budget item this year, pursuant to the requirements of GASB 45, is post-employment retiree health insurance benefit with an initial funding of \$169,000 representing 1.25% of total operations. Materials, supplies, and services expenditures have increased 5.1% over prior year. Significant contributing factors are chemicals expenses, up 44.5% or about \$135,000 due to a new dechlorination treatment required by NPDES permit and the cost of motor fuel and lubricants by at least 32.2% or over \$73,000 next year brought on by the anticipated continuation of rising diesel and gas prices. Further, capital equipment is increasing by 96.6%, or about \$83,000, due to a proposed purchase of a compact hydraulic excavator, which will allow System Services crews to work in close quarters and critical areas necessary for small equipment.

Tom Hartye continued that in regard to the Capital Improvement Program, since most of the consolidation projects are complete, a change in focus is necessary, with our focus being redirected to the rehabilitation of the State-mandated 250,000 feet of sewer line every five (5) years and other

# MINUTES

Finance Committee Meeting  
April 23, 2008  
Page 4

projects identified in the Master Plan. The estimated construction expenditure for FY09 is \$18.8 million, which is comprised of an estimated \$17.2 million in construction, \$600,000 of reimbursement and \$1 million in contingency.

Scott Powell summarizes that budgeted revenues for FY09 of \$41,190,895 represents a 3% of industrial user fees and investment interest and miscellaneous income respectively. In addition, facility/tap fees are 4%, 59% is domestic user and billing fees along with 32% in the use of available funds. On the budgeted expenses, the O&M equates to 33%, construction projects – 45%, capital equipment – 2% and debt service – 20%.

Following a brief discussion, the following recommendation was made:

Jon Creighton moved that the Finance Committee recommend to the Board the adoption of the FY08-09 Budgets and Proposed Sewer Rates as pertained to staff's April 23, 2008 letter and attachments. Max Haner seconded the motion. Voice vote was unanimous.

There being no further discussions, the meeting was adjourned at 3:57 pm.

# **CONSOLIDATED MOTION AGENDA**

# Metropolitan Sewerage District of Buncombe County Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 4/23/08

BOARD MEETING DATE: 5/14/2008

SUBMITTED BY: Tom Hartye, PE, General Manager  
PREPARED BY: Angel Banks, Right of Way Manager  
REVIEWED BY: Ed Bradford, PE, Director of CIP

**SUBJECT: Consideration of Compensation Budget – Merchant Street Sewer Rehabilitation, Project No. 2004259**

The attached Compensation Budget is based on current ad valorem tax values and follows the MSD approved formula.

**STAFF RECOMMENDATION: Approval of Compensation Budget.**

Ms. Banks explained the location of the project and that it consists of approximately 1300 LF of 8” ductile iron pipe to replace existing 6” and 8” clay pipe. There was no discussion. Glenn Kelly made the motion to accept Staff’s recommendation. Jackie Bryson seconded the motion. Voice vote was unanimous.

**COMMITTEE RECOMMENDATION: Approval of Compensation Budget.**

<b>COMMITTEE ACTION TAKEN</b>	
Motion by: Glenn Kelly	To: <input checked="" type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by: Jackie Bryson	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff
<input type="checkbox"/> Other	
<b>BOARD ACTION TAKEN</b>	
Motion by:	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff
<input type="checkbox"/> Other	

# Merchant Street PRP

Project Number 2004259

## Compensation Budget

14-Apr-08

Pin Number and Name	Acres	Parcel SF	Land Value	LV/SF	PE	PE Assd. Value	50% PE Assd. Value	TCE SF	TCE Assd. Value	10% Annl Return	Proj Time (Months)	TCE Rent Value	Total Comp. (Rounded)
965710379305	0.78	33,976.80	\$31,100.00	\$0.92	895.63	\$823.98	\$411.99	1,735.93	\$1,597.06	\$159.71	4	\$53.24	\$465
965706470644	0.41	17,859.60	\$29,200.00	\$1.64	724.59	\$1,188.33	\$594.16	2,644.04	\$4,336.23	\$433.62	4	\$144.54	\$739
965706377561	0.48	20,908.80	\$29,700.00	\$1.42	601.50	\$854.13	\$427.07	1,550.82	\$2,202.16	\$220.22	4	\$73.41	\$500
965706480040	0.49	21,344.40	\$27,900.00	\$1.31	0.00	\$0.00	\$0.00	991.83	\$1,299.30	\$129.93	4	\$43.31	\$43
965706377967	8.52	371,131.20	\$111,900.00	\$0.30	1,048.16	\$314.45	\$157.22	21,493.88	\$6,448.16	\$644.82	4	\$214.94	\$372
965706379662	0.24	10,454.40	\$28,000.00	\$2.68	506.69	\$1,357.93	\$678.96	2,656.33	\$7,118.96	\$711.90	4	\$237.30	\$916
965706470890	0.61	26,571.60	\$24,500.00	\$0.92	0.00	\$0.00	\$0.00	1,476.54	\$1,358.42	\$135.84	4	\$45.28	\$45

<b>TOTALS:</b>	\$3,081
<b>Staff Contingency:</b>	\$5,000
<b>GM's Contingency</b>	\$5,000
<b>Amendment</b>	
<b>Total Budget:</b>	\$13,081



# Metropolitan Sewerage District of Buncombe County Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 4/23/08

BOARD MEETING DATE: 5/14/2008

SUBMITTED BY: Tom Hartye, PE, General Manager  
 PREPARED BY: Angel Banks, Right of Way Manager  
 REVIEWED BY: Ed Bradford, PE, Director of CIP

**SUBJECT: Consideration of Condemnation – Weaverville Highway @ Hillcrest Road Sewer Replacement, Project No. 2007022**

**PIN No. 9731.19.60.0056** – The property owner does not have any issues with the project itself, but his major concern pertaining to the project is the property line boundary shown on the easement plat. There is a property boundary dispute between the property owner and the adjoining property owner that has been on going for years. The property owner believes that by signing the easement agreement that he is essentially in agreement with property line shown on the plat. MSD had our surveyor note on the easement plat that the western property line is disputed by the property owner in efforts to address this issue. Despite this revision to the easement plat the property owner will not sign due to the location of the western property line shown on the plat. The property owner has not voiced any concerns pertaining to the compensation that is being offered (\$500).

Total Contacts: 9

**STAFF RECOMMENDATION: Authority to obtain appraisal and proceed with condemnation.**

Ms. Banks explained the above situation. There was brief discussion regarding the note being added to the survey and the owner still not being willing to sign. Jon Creighton made the motion to accept Staff's recommendation. Glenn Kelly seconded the motion. Voice vote was unanimous.

**COMMITTEE RECOMMENDATION: Authority to obtain appraisal and proceed with condemnation.**

<b>COMMITTEE ACTION TAKEN</b>	
Motion by: Jon Creighton	To: XX Approve <input type="checkbox"/> Disapprove
Second by: Glenn Kelly	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff
<input type="checkbox"/> Other	
<b>BOARD ACTION TAKEN</b>	
Motion by:	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff
<input type="checkbox"/> Other	

# Metropolitan Sewerage District of Buncombe County

## Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 4/23/08

BOARD MEETING DATE: 5/14/2008

SUBMITTED BY: Tom Hartye, PE, General Manager  
 PREPARED BY: Angel Banks, Right of Way Manager  
 REVIEWED BY: Ed Bradford, PE, Director of CIP

**SUBJECT: Consideration of Construction without Easement or Condemnation – Reems Creek Wet Weather Interceptor, Project No. 2003046**

**Background** – Title to a landlocked area within the project lying along Reems Creek has been researched and ownership cannot be determined at this time. The 1966 deed into prior owner Lois Israel included the area in question but the 1969 deed out of Israel excluded the area in question. Tax maps show area in question being owned by David Hyder. We have discussed this issue with Mr. Hyder and all contiguous owners; none claims ownership. We located Ms. Israel and she states she does not own this area.

Our title attorney's opinion is as follows. "I think that the only thing MSD can do is to go ahead and construct. If someone comes along and can prove that the area is their property, then MSD can try to obtain an easement. If the "owner" is unwilling to sign an easement, then MSD could file condemnation action....."

**STAFF RECOMMENDATION: Authority to proceed with construction without an easement or condemnation at this time. If owners or heirs do come forth, Staff will negotiate or condemn if necessary at that time.**

Ms. Banks explained the above situation. Mr. Kelly asked how large of an area this was. Ms. Banks stated that it was less than half an acre. Jackie Bryson made the motion to accept Staff's recommendation. Jon Creighton seconded the motion. Voice vote was unanimous.

**COMMITTEE RECOMMENDATION: Authority to proceed with construction without an easement or condemnation at this time. If owners or heirs do come forth, Staff will negotiate or condemn if necessary at that time.**

COMMITTEE ACTION TAKEN	
Motion by: Jackie Bryson	To: <input checked="" type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by: Jon Creighton	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff
<input type="checkbox"/> Other	
BOARD ACTION TAKEN	
Motion by:	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff
<input type="checkbox"/> Other	

## Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

**BOARD MEETING DATE:** May 14, 2008

**SUBMITTED BY:** Tom Hartye, P.E. - General Manager

**PREPARED BY:** Ed Bradford, P.E. - Director of CIP  
Mike Stamey, P.E. - Project Manager

**SUBJECT:** Sanitary Sewer Rehabilitation Project: Mardell Circle Four-Inch Main, MSD Project No. 2006020.

**BACKGROUND:** This project is necessary due to the repeated overflows, backups, and structural failures associated with aged and undersized clay line segments. The project is located in West Asheville near Burton Street and is comprised of 1,000 LF of 8-inch DIP.

The sewer rehabilitation work is being coordinated with a City of Asheville Water Improvement Project. The City's water project has recently begun; therefore, District staff accelerated this project's bidding/award phase.

The contract was advertised and bids were received on May 1, 2008 in the following amounts:

<u>Contractor</u>	<u>Bid Amount</u>
1) Thunder Disaster Services	\$202,044.53
2) Carolina Specialties	\$199,862.92
3) MacKenzie Company NC, LLC	\$180,159.00
4) Wolfpen Developers	\$166,040.00
5) BlytheCo. Construction, LLC	\$160,994.00
6) Hobson Construction Company	\$160,900.00
7) Bryant's Land & Development Inc.	\$160,615.06
8) BE& L Mechanicals	\$159,800.00
9) Buncombe Construction Co.	\$137,400.00
<b>10) Terry Brothers Const. Co., Inc.</b>	<b>\$123,015.50</b>

The apparent low bidder is Terry Brothers Const. Co., Inc., with a bid amount of \$123,015.50. Terry Brothers has performed numerous rehabilitation projects for the District, and has an excellent performance history.

Please refer to the attached documentation for further details.

**FISCAL IMPACT:** The proposed FY09 construction budget for this project is \$215,000.00.

**STAFF RECOMMENDATION:** Staff recommends award of this contract to Terry Brothers Construction Co., Inc., in the amount of \$123,015.50, subject to review and approval by District Counsel.

**METROPOLITAN SEWERAGE DISTRICT  
OF BUNCOMBE COUNTY, NORTH CAROLINA**

**MARDELL CIRCLE FOUR-INCH  
SANITARY SEWER REHABILITATION  
PROJECT NO. 2006020**

**BID TABULATION**

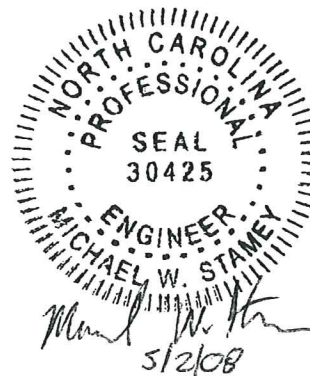
**May 1, 2008**

<b>BIDDER</b>	<b>BID BOND</b>	<b>MBE FORM</b>	<b>BID FORMS (PROPOSAL)</b>	<b>TOTAL BID AMOUNT</b>
Thunder Disaster Services	5%	1	Yes	\$ 202,044.53
Carolina Specialties Construction	5%	1	Yes	\$ 199,862.92
MacKenzie Company NC, LLC	5%	1	Yes	\$ 180,159.00
Wolfpen Associates, Inc.	5%	2	Yes	\$ 166,040.00
BlytheCo. Construction, LLC	5%	1	Yes	(*) \$ 160,994.00
Hobson Construction Company	5%	1	Yes	\$ 160,900.00
Bryant's Land & Development	5%	2	Yes	\$ 160,615.06
B E & L Mechanicals	5%	2	Yes	\$ 159,800.00
Buncombe Construction Company	5%	1	Yes	\$ 137,400.00
<b>Terry Brothers Construction Co.</b>	5%	1	Yes	<b>\$ 123,015.50</b>

(\*) Indicates correction in Contractor's bid amounts.

**APPARENT LOW BIDDER**

Michael W. Stamey, P.E.  
Project Engineer  
Metropolitan Sewerage District  
of Buncombe County, North Carolina



This is to certify that the bids tabulated herein were publicly opened and read aloud at 2:00 p.m. on the 1st day of May, 2008, in the W. H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina, and that said bids were accompanied by acceptable bidders bonds in the amount of 5% of the bid.

## Interoffice Memorandum

**TO:** Tom Hartye, General Manager

**FROM:** Ed Bradford, CIP Manager  
Mike Stamey, Project Engineer

**DATE:** May 2, 2008

**RE:** Mardell Circle Four Inch Main Sewer Rehabilitation, Project No. 2006020

This project is necessary due to the repeated overflows, backups, and structural failures associated with aged and undersized line segments. The project is located in West Asheville off of Burton Street and is comprised of 1,000 LF of 8-inch DIP.

MSD is coordinating this project with the City of Asheville as part of a Water Improvement Project and will cost share with the City on resurfacing of the affected roadway.

Ten bids were received on Thursday, May 1, 2008 as follows:

<u>Contractor</u>	<u>Bid Amount</u>
1) Thunder Disaster Services	\$202,044.53
2) Carolina Specialties	\$199,862.92
3) MacKenzie Company NC, LLC	\$180,159.00
4) Wolfpen Developers	\$166,040.00
5) BlytheCo. Construction, LLC	\$160,994.00
6) Hobson Construction Company	\$160,900.00
7) Bryant's Land & Development Inc.	\$160,615.06
8) BE& L Mechanicals	\$159,800.00
9) Buncombe Construction Co.	\$137,400.00
10) Terry Brothers Construction Co., Inc.	\$123,015.50

The FY08/09 construction budget for this project is \$215,000.00. Terry Brothers Construction Co., Inc. is the apparent low bidder for this contract with a bid amount of \$123,015.50. Terry Brothers has extensive experience with District rehabilitation projects and has an excellent performance history.

Staff recommends award of this contract to Terry Brothers Const. Co., Inc., contingent upon review and approval by District legal counsel.



METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

**CAPITAL IMPROVEMENT PROGRAM**

**BUDGET DATA SHEET - FY 2008 - 2009**

<b>PROJECT:</b> Four Inch Main - Mardell Circle				<b>LOCATION:</b> W. Asheville		<b>REVIEWED BY:</b>
<b>TYPE:</b> Four Inch Rehabilitation				<b>DATE OF REPORT:</b> January-08		
<b>PROJECT NO.:</b> 2006020				<b>TOTAL L.F.:</b> 1,100		E.B.
<b>PROJECT BUDGET:</b> \$255,618.00				<b>PROJECT ORIGIN:</b> Problematic Four Inch Sewer Main		M.S.
						A.B.

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 6/30/07	TOTAL COSTS JULY - DEC 07	EST. COST JAN - JUNE 08	EST. BUDGET FY 08-09
01 - SURVEY / EASEMENT PLATS # PLATS: [ 3 ]	\$2,500.00	\$2,250.00		\$250.00	
02 - LEGAL FEES	\$3,000.00	\$1,462.00	\$1,184.00	\$354.00	
03 - ENGINEERING ASSISTANCE					
04 - ACQUISITION SERVICES					
05 - COMPENSATION	\$18,268.00		\$5,618.00	\$12,650.00	
06 - APPRAISAL	\$1,800.00			\$1,800.00	
07 - CONDEMNATION	\$5,000.00			\$2,000.00	\$3,000.00
08 - ENVIRONMENTAL SURVEY					
09 - PRELIM. ENG. REP.					
10 - DESIGN / ASBUILT SURVEYS	\$9,050.00	\$7,450.00			\$1,600.00
11 - ENVIRONMENTAL ASSESSMENT					
12 - ARCHAEOLOGICAL					
13 - GEOTECHNICAL					
14 - CONSTRUCTION CONTRACT ADM.					
15 - CONSTRUCTION	\$215,000.00				\$215,000.00
16 - PERMITS					
17 - PUBLIC MEETINGS					
18 - TESTING	\$1,000.00				\$1,000.00
<b>TOTAL AMOUNT</b>	<b>\$255,618.00</b>	<b>\$11,162.00</b>	<b>\$6,802.00</b>	<b>\$17,054.00</b>	<b>\$220,600.00</b>

<b>ENGINEER:</b> MSD	<b>ESTIMATED BUDGETS - FY '09 -'18</b>	
<b>CONTRACTOR:</b>	FY 09-10	\$0.00
<b>CONSTRUCTION ADMINISTRATION:</b> MSD	FY 10-11	\$0.00
<b>INSPECTION:</b> MSD	FY 11-12	\$0.00
<b>R.O.W. ACQUISITION:</b> MSD	FY 12-13	\$0.00
	FY 13-14	\$0.00
<b>PROJECT NOTES:</b> This project is being coordinated with City of Asheville Water Line projects in same area.	FY 14-15	\$0.00
	FY 15-16	\$0.00
	FY 16-17	\$0.00
	FY 17-18	\$0.00





METROPOLITAN SEWERAGE DISTRICT  
of  
BUNCOMBE COUNTY, NORTH CAROLINA  
**Budget Map**



# Four Inch Main - Mardell Circle Project No. 2006020

NOT TO SCALE





## Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

**BOARD MEETING DATE:** May 14, 2008

**SUBMITTED BY:** Tom Hartye, P.E. - General Manager

**PREPARED BY:** Ed Bradford, P.E. - Director of CIP  
Mike Stamey, P.E. - Project Manager

**SUBJECT:** Sanitary Sewer Rehabilitation Project: Dunwell Avenue, MSD Project No. 2004250.

**BACKGROUND:** This project is necessary due to the repeated overflows, backups, and structural failures associated with aged clay line segments. It is located in West Asheville near Haywood Road, and is comprised of 3,108 LF of 8-inch DIP.

The sewer rehabilitation work is being coordinated with a City of Asheville Water Improvement Project. The City's water project has recently begun; therefore, District staff accelerated this project's bidding/award phase.

The contract was advertised and bids were received on May 1, 2008 in the following amounts:

<u>Contractor</u>	<u>Bid Amount</u>
1) Thunder Disaster Services	\$714,563.19
2) Cooper Construction Company	\$688,308.20
3) Carolina Specialties	\$659,832.73
4) Wolfpen Associates, Inc.	\$571,687.60
5) Bryant's Land & Development Inc.	\$494,816.00
6) Hobson Construction Company	\$451,140.00
7) BlytheCo. Construction, LLC	\$441,228.00
8) Buncombe Construction Co.	\$408,000.00
<b>9) Terry Brothers Const. Co., Inc.</b>	<b>\$396,008.00</b>

The apparent low bidder is Terry Brothers Const. Co., Inc., with a bid amount of \$396,008.00. Terry Brothers has performed numerous rehabilitation projects for the District, and has an excellent performance history.

Please refer to the attached documentation for further details.

**FISCAL IMPACT:** The proposed FY09 construction budget for this project is \$650,000.00.

**STAFF RECOMMENDATION:** Staff recommends award of this contract to Terry Brothers Construction Co., Inc., in the amount of \$396,008.00, subject to review and approval by District Counsel.

**METROPOLITAN SEWERAGE DISTRICT  
OF BUNCOMBE COUNTY, NORTH CAROLINA**

**DUNWELL AVENUE  
SANITARY SEWER REHABILITATION  
PROJECT NO. 2004250**

**BID TABULATION**

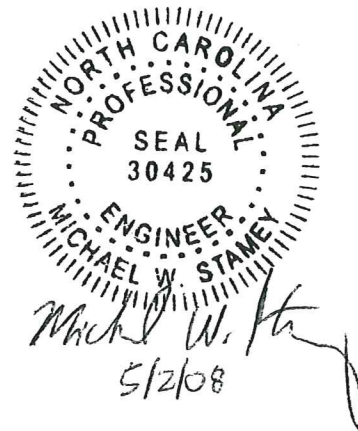
**May 1, 2008**

<b>BIDDER</b>	<b>BID BOND</b>	<b>MBE FORM</b>	<b>BID FORMS (PROPOSAL)</b>	<b>TOTAL BID AMOUNT</b>
Thunder Disaster Services	5%	1	Yes	\$ 714,563.19
Cooper Construction Company	5%	1	Yes	\$ 688,308.20
Carolina Specialties Construction	5%	1	Yes	(*) \$ 659,832.73
Wolfpen Associates, Inc.	5%	2	Yes	\$ 571,687.60
Bryant's Land & Development	5%	2	Yes	\$ 494,816.00
Hobson Construction Company	5%	1	Yes	(*) \$ 451,140.00
BlytheCo. Construction LLC	5%	1	Yes	\$ 441,228.00
Buncombe Construction Company	5%	1	Yes	\$ 408,000.00
<b>Terry Brothers Construction Co.</b>	5%	1	Yes	<b>\$ 396,008.00</b>

(\*) Indicates correction in Contractor's bid amounts.

**APPARENT LOW BIDDER**

Michael W. Stamey, P.E.  
Project Engineer  
Metropolitan Sewerage District  
of Buncombe County, North Carolina



This is to certify that the bids tabulated herein were publicly opened and read aloud at 3:00 p.m. on the 1st day of May, 2008, in the W. H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina, and that said bids were accompanied by acceptable bidders bonds in the amount of 5% of the bid.

## Interoffice Memorandum

**TO:** Tom Hartye, General Manager

**FROM:** Ed Bradford, CIP Manager  
Mike Stamey, Project Engineer

**DATE:** May 2, 2008

**RE:** Dunwell Avenue Sewer Replacement, Project No. 2004250

This project is necessary due to the repeated overflows, backups, and structural failures associated with aged line segments. The project is located in West Asheville off of Haywood Road and is comprised of 3,108 LF of 8-inch DIP.

MSD is coordinating this project with the City of Asheville as part of a Water Improvement Project and will cost share with the City on resurfacing of the affected roadways.

Nine bids were received on Thursday, May 1, 2008 as follows:

<u>Contractor</u>	<u>Bid Amount</u>
1) Thunder Disaster Services	\$714,563.19
2) Cooper Construction Company	\$688,308.20
3) Carolina Specialties	\$659,832.73
4) Wolfpen Associates, Inc.	\$571,687.60
5) Bryant's Land & Development Inc.	\$494,816.00
6) Hobson Construction Company	\$451,140.00
7) BlytheCo. Construction, LLC	\$441,228.00
8) Buncombe Construction Co.	\$408,000.00
9) Terry Brothers Construction Co., Inc.	\$396,008.00

The FY08/09 construction budget for this project is \$650,000.00. Terry Brothers Construction Co., Inc. is the apparent low bidder for this contract with a bid amount of \$396,008.00 Terry Brothers has extensive experience with District rehabilitation projects and has an excellent performance history.

Staff recommends award of this contract to Terry Brothers Const. Co., Inc., contingent upon review and approval by District legal counsel.



METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

**CAPITAL IMPROVEMENT PROGRAM**

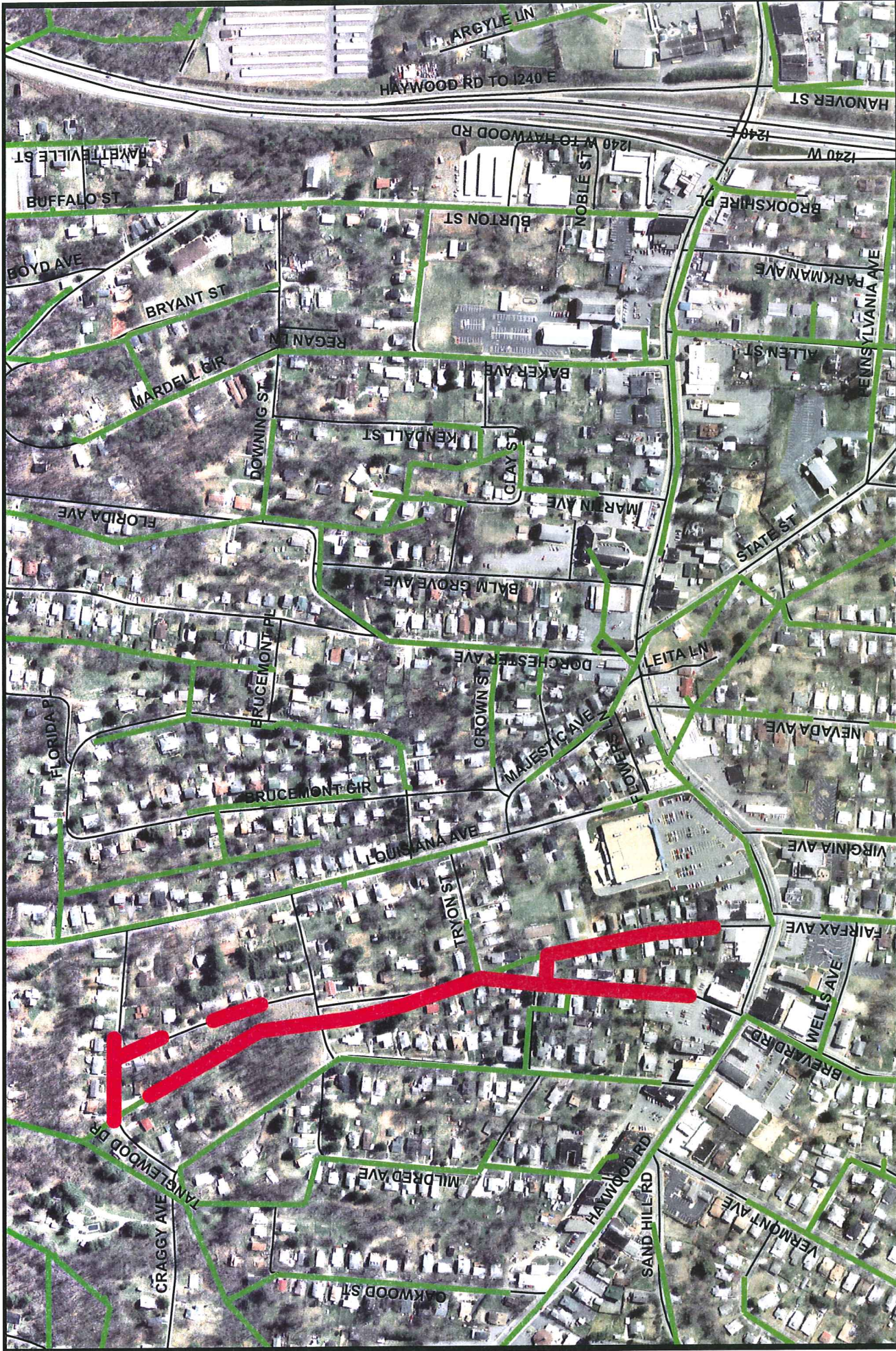
**BUDGET DATA SHEET - FY 2008 - 2009**

PROJECT: Dunwell Ave.				LOCATION: Asheville		REVIEWED BY:
TYPE: General Sewer Rehabilitation				DATE OF REPORT: January-08		E.B.
PROJECT NO. 2004250				TOTAL L.F.: 3,065		M.S.
PROJECT BUDGET: \$728,800.00				PROJECT ORIGIN: SSO's, Work Orders, Line Condition		A.B.

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 6/30/07	TOTAL COSTS JULY - DEC 07	EST. COST JAN - JUNE 08	EST. BUDGET FY 08-09
01 - SURVEY / EASEMENT PLATS # PLATS: [ 13 ]	\$8,400.00	\$580.00	\$6,630.00	\$8,400.00	
02 - LEGAL FEES	\$10,000.00		\$6,434.00	\$3,566.00	
03 - ENGINEERING ASSISTANCE					
04 - ACQUISITION SERVICES					
05 - COMPENSATION	\$25,000.00		\$834.00	\$24,166.00	
06 - APPRAISAL	\$5,400.00				\$5,400.00
07 - CONDEMNATION	\$10,000.00			\$2,000.00	\$2,000.00
08 - ENVIRONMENTAL SURVEY					
09 - PRELIM. ENG. REP.					
10 - DESIGN / ASBUILT SURVEYS	\$18,000.00	\$14,000.00			
11 - ENVIRONMENTAL ASSESSMENT					
12 - ARCHAEOLOGICAL					
13 - GEOTECHNICAL					
14 - CONSTRUCTION CONTRACT ADM.					
15 - CONSTRUCTION	\$650,000.00				\$650,000.00
16 - PERMITS					
17 - PUBLIC MEETINGS					
18 - TESTING	\$2,000.00				\$2,000.00
<b>TOTAL AMOUNT</b>	<b>\$728,800.00</b>	<b>\$14,580.00</b>	<b>\$13,898.00</b>	<b>\$38,132.00</b>	<b>\$659,400.00</b>

ENGINEER: MSD	ESTIMATED BUDGETS - FY '09 -'18	
CONTRACTOR:	FY 09-10	\$10,000.00
CONSTRUCTION ADMINISTRATION: MSD	FY 10-11	\$0.00
INSPECTION: MSD	FY 11-12	\$0.00
R.O.W. ACQUISITION: MSD	FY 12-13	\$0.00
	FY 13-14	\$0.00
PROJECT NOTES: Project to be constructed with City of Asheville Water Line project.	FY 14-15	\$0.00
	FY 15-16	\$0.00
	FY 16-17	\$0.00
	FY 17-18	\$0.00





METROPOLITAN SEWERAGE DISTRICT  
of  
BUNCOMBE COUNTY, NORTH CAROLINA



NOT TO SCALE

**Dunwell Avenue  
Project No. 2004250**

Budget Map





## **Metropolitan Sewerage District of Buncombe County**

### **Board Action Item**

**BOARD MEETING DATE:** May 14, 2008

**SUBMITTED BY:** Tom Hartye, General Manager

**REVIEWED BY:** Stan Boyd, Director, Engineering Services

**SUBJECT:** Consideration of Cost Recovery for Crowell Park Apartments (Mountain Housing Opportunities)

**BACKGROUND:** Crowell Park consists of 63 units to be rented by Mountain Housing Opportunities. The units conform to affordable housing rental guidelines. The property was developed by Mountain Housing Opportunities. An offsite gravity sewer extension was required for the development and therefore it qualifies for the District's cost recovery program. The cost of the sewer extension was approximately \$75,642 and the net five-year revenue is \$78,582. The District's policy allows the developer to be reimbursed the lesser of the construction cost of the offsite extension or the net five-year revenue. Mountain Housing Opportunities guarantees the five-year revenue with appropriate security.

**FISCAL IMPACT:** Funds are budgeted for Cost Recovery for FY 08 and are available for this.

**RECOMMENDATION:** Staff recommends that the General Manager be authorized to disburse \$40,000 to Mountain Housing Opportunities Banks for cost recovery for the Crowell Park Apartments upon acceptance of the sewer system extension by the Board and receipt of satisfactory security.



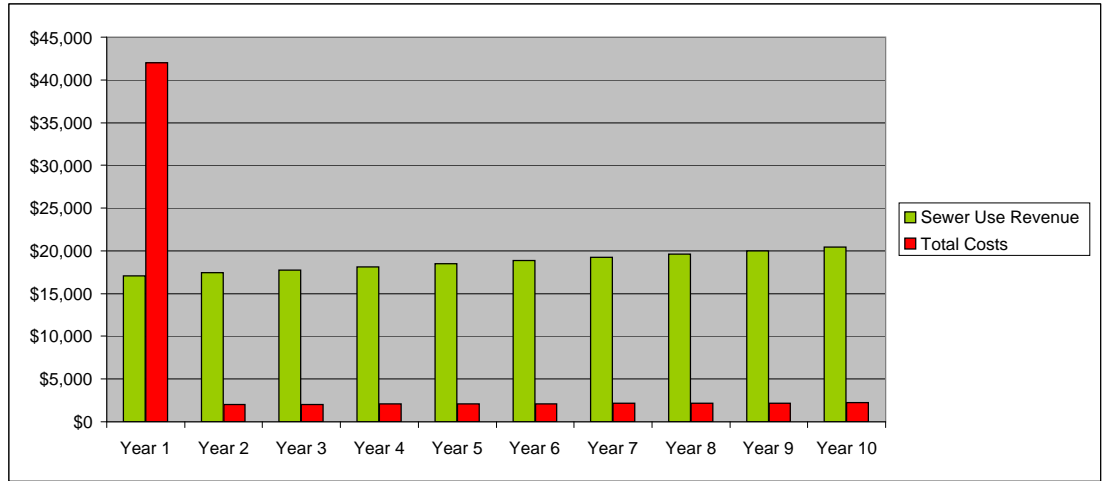


### Crowell Park - Cost Recovery

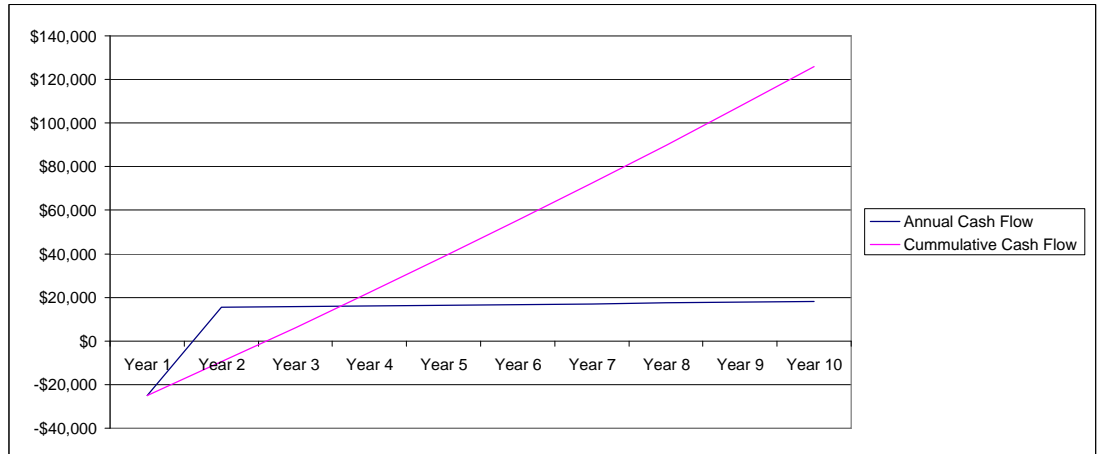
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Wastewater Treatment</b>	\$1,047	\$1,067	\$1,089	\$1,111	\$1,133	\$1,155	\$1,179	\$1,202	\$1,226	\$1,251
<b>Collection System PM</b>	\$138	\$141	\$144	\$147	\$150	\$153	\$156	\$159	\$162	\$165
<b>Total O &amp; M Costs</b>	\$1,185	\$1,208	\$1,233	\$1,257	\$1,282	\$1,308	\$1,334	\$1,361	\$1,388	\$1,416

<b>Sewer Line Participation</b>	\$40,000									
<b>Depreciation</b>	\$820	\$820	\$820	\$820	\$820	\$820	\$820	\$820	\$820	\$820
<b>Total Capital Costs</b>	\$40,820	\$820	\$820	\$820	\$820	\$820	\$820	\$820	\$820	\$820

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Sewer Use Revenue</b>	\$17,073	\$17,414	\$17,763	\$18,118	\$18,480	\$18,850	\$19,227	\$19,611	\$20,003	\$20,404
<b>Total Costs</b>	\$42,005	\$2,028	\$2,053	\$2,077	\$2,102	\$2,128	\$2,154	\$2,181	\$2,208	\$2,236
<b>Net Revenue</b>	-\$24,932	\$15,386	\$15,710	\$16,040	\$16,378	\$16,722	\$17,072	\$17,430	\$17,795	\$18,168



<b>Annual Cash Flow</b>	-\$24,932	\$15,386	\$15,710	\$16,040	\$16,378	\$16,722	\$17,072	\$17,430	\$17,795	\$18,168
<b>Cummulative Cash Flow</b>	-\$24,932	-\$9,546	\$6,164	\$22,204	\$38,582	\$55,303	\$72,376	\$89,806	\$107,602	\$125,769



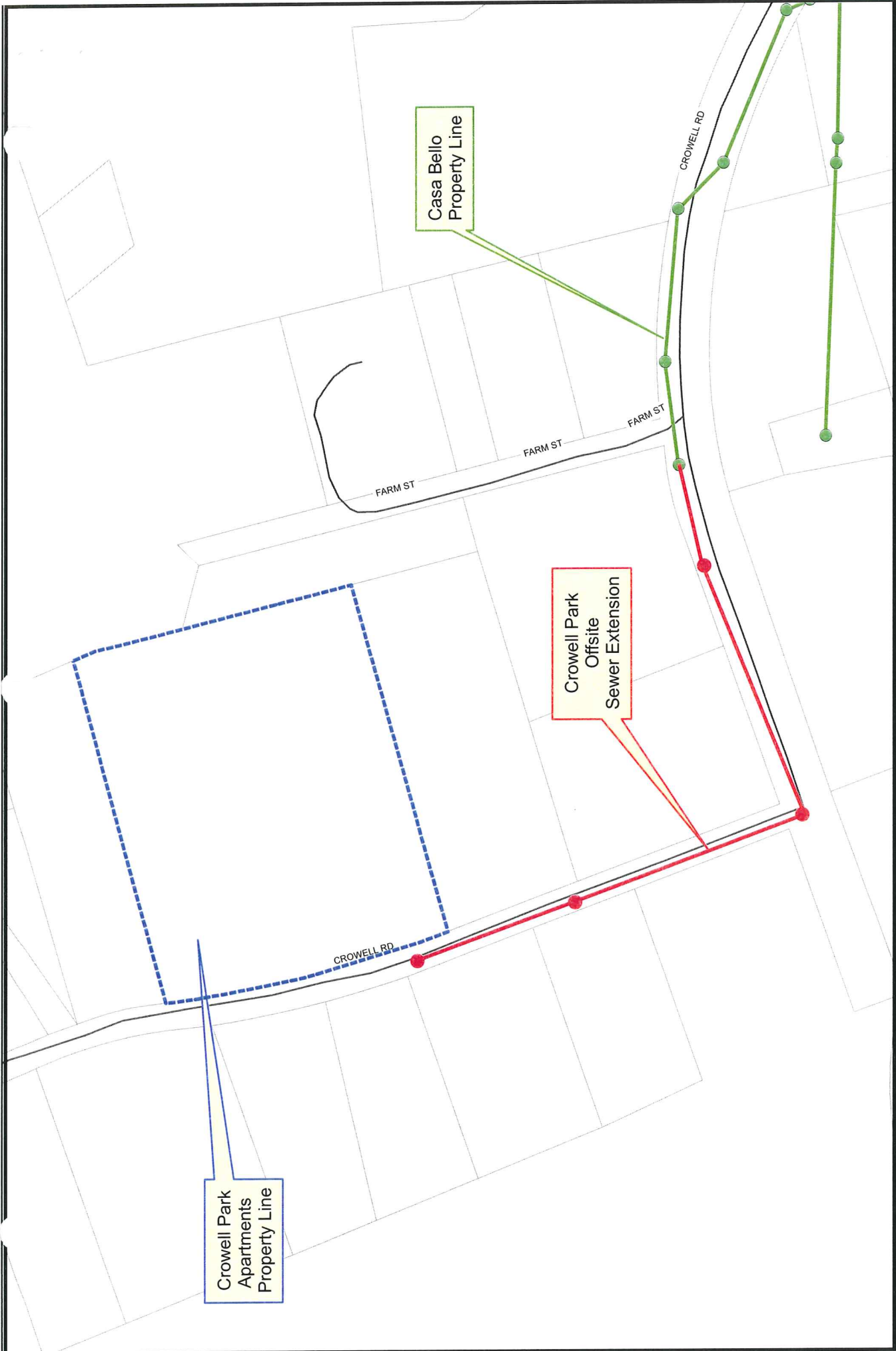
<b>Service Connections</b>	63 (5/8" Meters)
<b>Off-site Construction Costs</b>	\$75,642
<b>On-site Public Sewer Mains (for Depreciation &amp; P.M.)</b>	0 feet
<b>Off-site Sewer Mains</b>	1,025 feet
<b>Estimated 5-Year Revenue</b>	\$78,582
<b>MSD Sewer Line Participation</b>	<b>\$40,000</b>

## Reimbursement Projects

### Status Report

April 1, 2008

Cost Recovery		Cost Participation	
Project	Amount	Project	Amount
Maple Grove	<b>Disbursed FY 01-02</b>		<b>Disbursed FY 01-02</b>
	\$2,570	Castle Street Homes	\$4,205
		Kocha Project	\$4,800
		Sassafras Valley	\$80,025
Mt. Carmel Commercial Park	<b>Disbursed FY 02-03</b>		<b>Disbursed FY 02-03</b>
	\$55,270	Mayfair Glenn	\$7,873
	\$2,303	Mountain Area Hospice	\$17,450
Woodland Ave	\$14,084		
Holcombe Woods			
Kirkland Estates	<b>Disbursed FY 03-04</b>	Tunnel Rd. Business Park	<b>Disbursed FY 03-04</b>
	\$5,614		\$3,009
	\$7,614		
	\$82,606		
	\$142,639		
Cedar Crest Heights	\$4,371		
Craggy View Cottages	<b>Disbursed FY 04-05</b>		<b>Disbursed FY 04-05</b>
	\$52,525		
	\$74,134		
	\$12,586		
	\$4,859		
Ross Creek Commons	\$5,000		
Northpoint Commons	<b>Disbursed FY 05-06</b>		<b>Disbursed FY 05-06</b>
	\$42,500		
Broadview Road Subdivision	\$5,198		
Enka Land Subdivision	<b>Disbursed FY 06-07</b>		<b>Disbursed FY 06-07</b>
	\$37,145		
Howard Wise / Candler Ext.	<b>Pending FY 07-08</b>	Volvo	<b>Disbursed FY 07-08</b>
	\$28,165		\$40,000
	\$12,031		\$48,446
	\$40,000		<b>Pending FY 07-08</b>
Springs @ North Asheville	\$3,943	Biltmore Residences	\$28,535
Taylor Apartments			
Holcombe Acres	<b>Disbursed FY 07-08</b>		<b>Pending FY 08-09</b>
	\$4,421		
Waighstill Mountain	<b>Pending FY 08-09</b>		
	\$40,000		
	<b>Pending FY 09-10</b>	Laurel Village	<b>Pending FY 09-10</b>
			\$50,000



Crowell Park  
Apartments  
Property Line

Casa Bello  
Property Line

Crowell Park  
Offsite  
Sewer Extension



**Project # 2006082**



**METROPOLITAN SEWERAGE DISTRICT**  
of  
BUNCOMBE COUNTY, NORTH CAROLINA  
**CROWELL PARK APARTMENTS**  
Sewer Extension

NOT TO SCALE

# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: May `14, 2008

SUBMITTED BY: Thomas Hartye, P.E., General Manager

PREPARED BY: Kevin Johnson, David Monteith,

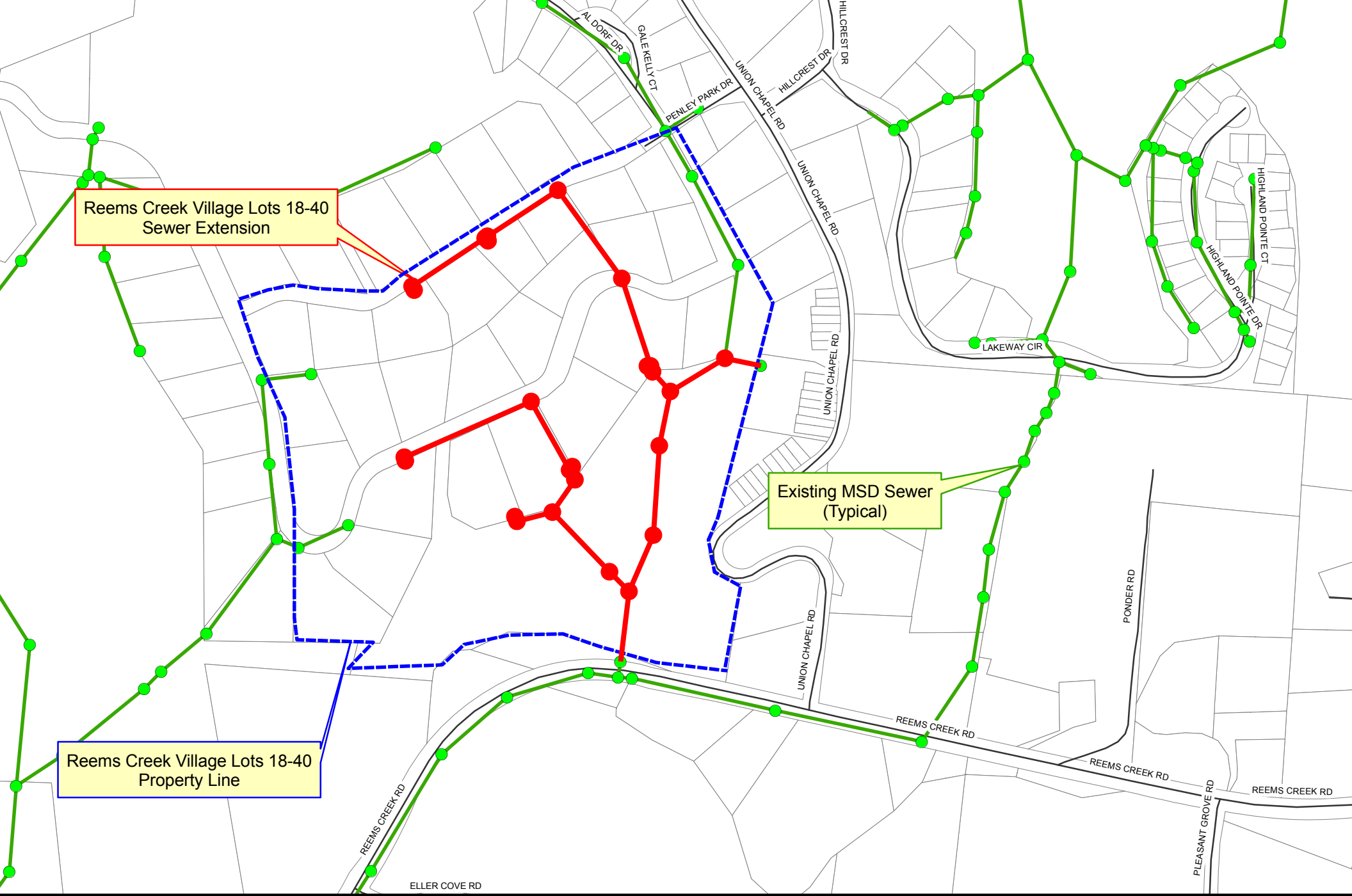
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System  
Reems Creek Village Lots 18-40

BACKGROUND: This project is located inside the District boundary off Penley Park Drive in Buncombe County, North Carolina. The developer of the project is Mr. William Dorf (Rabbit Ridge Properties). The project included the installation of approximately 1972 linear feet of 8" gravity sewer extension to serve a residential development. A wastewater allocation was issued in the amount of 10,000 GPD for the project. The estimated cost of the sewer extension is \$127,000.00.

STAFF RECOMMENDATION: Acceptance of developer constructed sewer system.  
(All MSD requirements have been met)

<b>COMMITTEE ACTION TAKEN</b>	
Motion by :	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to staff
<input type="checkbox"/> Other:	
<b>BOARD ACTION TAKEN</b>	
Motion by	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to staff
<input type="checkbox"/> Other:	



Reems Creek Village Lots 18-40  
Sewer Extension

Reems Creek Village Lots 18-40  
Property Line

Existing MSD Sewer  
(Typical)



**Project # 2005066**

NOT TO SCALE



**METROPOLITAN SEWERAGE DISTRICT**  
of  
BUNCOMBE COUNTY, NORTH CAROLINA

**Reems Creek Village Lots 18-40  
Sewer Extension**

# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: May `14, 2008

SUBMITTED BY: Thomas Hartye, P.E., General Manager

PREPARED BY: Kevin Johnson, David Monteith,

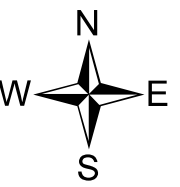
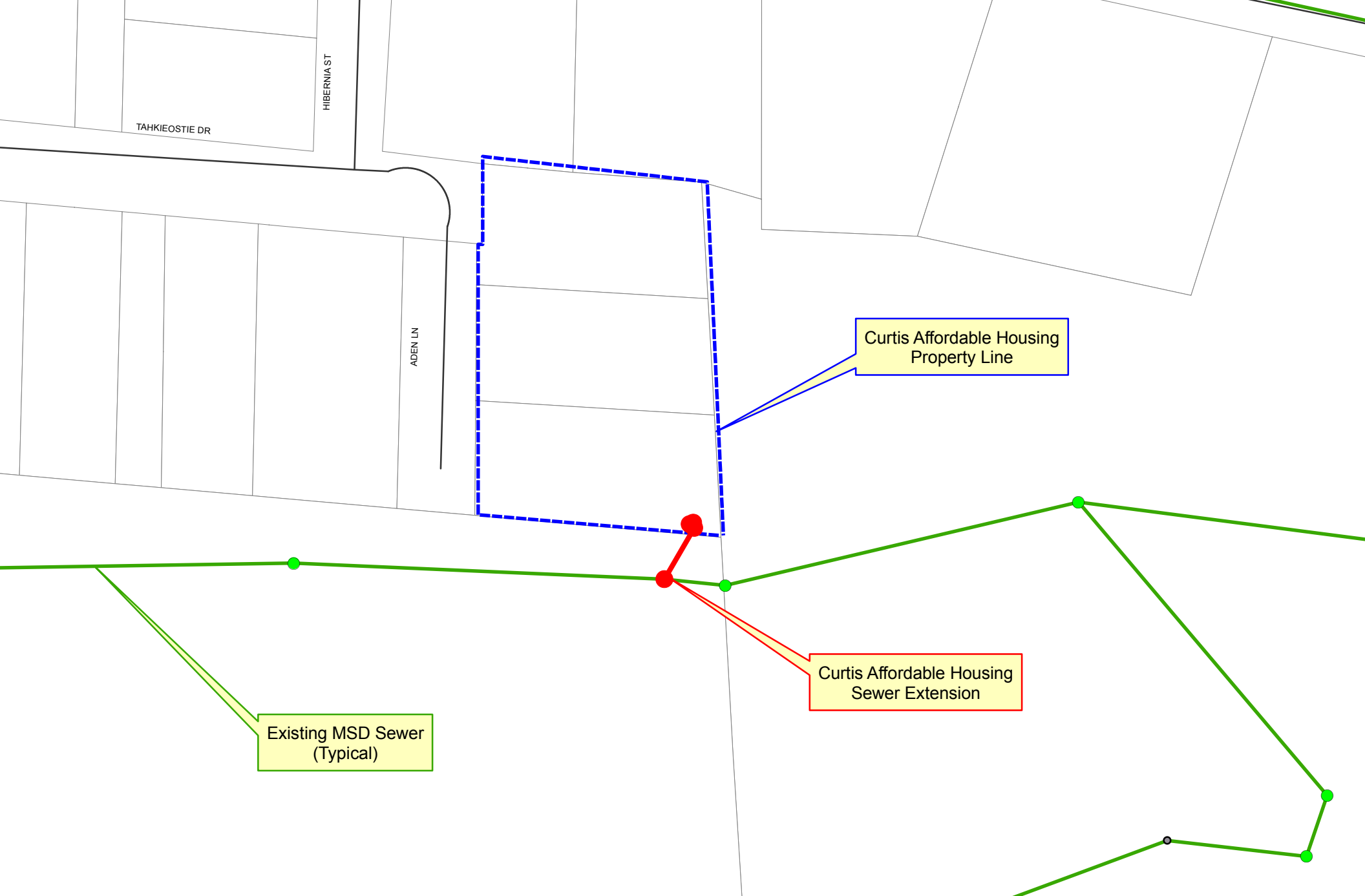
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System  
Curtis Affordable Housing

BACKGROUND: This project is located inside the District boundary off Penley Park Drive in Asheville, North Carolina. The developer of the project is Mr. Richard V. Curtis. The project included the installation of approximately 41 linear feet of 8" gravity sewer extension to serve a residential development. A wastewater allocation was issued in the amount of 900 GPD for the project. The estimated cost of the sewer extension is \$11,650.00.

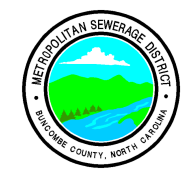
STAFF RECOMMENDATION: Acceptance of developer constructed sewer system.  
(All MSD requirements have been met)

<b>COMMITTEE ACTION TAKEN</b>	
Motion by :	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to staff
<input type="checkbox"/> Other:	
<b>BOARD ACTION TAKEN</b>	
Motion by	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to staff
<input type="checkbox"/> Other:	



**Project # 2006205**

NOT TO SCALE



**METROPOLITAN SEWERAGE DISTRICT**  
of  
BUNCOMBE COUNTY, NORTH CAROLINA

**Curtis Affordable Housing  
Sewer Extension**

## Metropolitan Sewerage District of Buncombe County BOARD INFORMATIONAL ITEM

**Meeting Date:** May 14, 2008  
**Submitted By:** Thomas E. Hartye, PE., General Manager  
**Prepared By:** W. Scott Powell, Director of Finance  
**Subject:** Third Quarter City of Asheville Billing Report

### **Background**

At the end of each quarter, the City of Asheville Staff prepares a summary of all billing and collections activity for MSD, which is reconciled to beginning and ending receivables balance. This is designed to monitor billing and collection rates and trends to maximize the accuracy of financial projections for the current fiscal year and budgeted revenues for the upcoming year. The City of Asheville remits approximately 80% of domestic sewer revenues so data is periodically reviewed for trends and anomalies impacting MSD financial management decisions.

### **Discussion**

The attached report summarizes billing activity over the last seven quarters. A comparison of the first three quarters of FY 08 with the same time period in FY 07 reveals a good likelihood of all funds being remitted to MSD in a timely manner.

### **Staff Recommendation**

None. Information Only.

### **Action Taken**

<b>Motion by:</b>	to	Approve	Disapprove
<b>Second by:</b>		Table	Send to Committee
<b>Other:</b>			
<b>Follow-up required:</b>			
<b>Person responsible:</b>			<b>Deadline:</b>





# Metropolitan Sewerage District of Buncombe County

## BOARD INFORMATIONAL ITEM

**Meeting Date:** May 14, 2008

**Submitted By:** Thomas E. Hartye, PE., General Manager

**Prepared By:** W. Scott Powell, Director of Finance

**Subject:** Third Quarter Budget to Actual Review

### **Background**

At the end of each quarter, actual revenue and expenditure amounts are compared with the budget to evaluate departmental performance. The third quarter report is analyzed to estimate year-end results, and project revenues and expenditures for the subsequent year's budget. See the attached schedule for comparison of year-to-date actual amounts at March 31, 2008 with original budget for FY 07-08.

### **Discussion**

There are several explanatory notes at the bottom of the page to assist in using this schedule as a management tool. Other considerations are as follows:

- Although revenues appear to be right on target, year-end amounts may be more or less than budgeted. Historically, revenues are greater in the first half of the year (52%) when proportionately more water is used during the warmer months. Nothing unusual was noted in the revenue and consumption reports provided by the City of Asheville for the third quarter.
- Industrial User Fees were budgeted under the assumption that Anvil, Inc. would substantially wind down production and cease operations by early FY 08.
- Facility fees, traditionally budgeted very conservatively, illustrate the continued growth in the District and substantiate the increase in metered locations.
- Billing and collection fees are below budget due to invoices from the municipalities, being presented 30 to 60 days after the service is provided.
- Interest and miscellaneous income reflects the dramatic increases in interest rates on investments, as well as receiving a pump station fee from the Cliff Management Services, LLC in FY 08.
- Rental income is down, as the facility vacated by the Buncombe County Solid Waste Department has not yet been leased to another tenant.
- Operational and maintenance expenditures and debt service are anticipated to be equal to or less than budgeted amounts for FY 08. The percentage of year-to-date encumbered and actual reflects the amounts presently encumbered which will be spent prior to the end of the year.
- Bond principal and interest are slightly above budget due to the trustee requiring receipt of funds the month prior to the due date. In other words, actual to date reflects debt service for ten months rather than nine plus all of principal. There will be no effect of FY 08 budget relating to the refunding of the Series 2004 and Series 2005 bonds.
- Amounts budgeted for capital equipment are rarely expended proportionately throughout the year and are expected to be fully spent prior to the end of the year.
- Capital projects are also projected to be equal to or less than budgeted amounts as warmer weather in the fourth quarter accelerates construction activity.

## Board Meeting

May 14, 2008

**Subject:** Third Quarter Budget to Actual Review

Page -2-

### Staff Recommendation

None – Informational only

### Action Taken

**Motion by:** \_\_\_\_\_ to Approve Disapprove  
**Second by:** \_\_\_\_\_ Table Send to Committee  
**Other:** \_\_\_\_\_  
**Follow-up required:** \_\_\_\_\_  
**Person responsible:** \_\_\_\_\_ **Deadline:** \_\_\_\_\_

## Metropolitan Sewerage District

### *Budget to Actual Revenue and Expenditure Report*

For the nine months ended March 31, 2008

UNAUDITED--NON-GAAP

	Budget	Actual to Date	% Budget to Actual
<b>REVENUES</b>			
Domestic User Fees <sup>1</sup>	\$ 21,781,808	\$ 17,628,272	80.93%
Industrial User Fees	1,496,051	1,263,038	84.42%
Facility Fees <sup>2</sup>	2,023,066	2,019,684	99.83%
Tap Fees	176,934	226,295	127.90%
Billing and Collection	537,285	385,656	71.78%
Interest and Misc. Income <sup>8</sup>	1,603,500	1,705,084	106.34%
Employee Contribution to Health Ins.	296,000	255,841	86.43%
City of Asheville (Enka Bonds) <sup>3</sup>	37,000	-	0.00%
Rental Income	58,750	12,420	21.14%
Use of Available Funds <sup>4</sup>	8,389,773		0.00%
<b>Total Revenues <sup>5</sup></b>	<b>\$ 36,400,167</b>	<b>\$ 23,496,290</b>	<b>83.88%</b>
<b>EXPENDITURES</b>			
Operations and Maintenance <sup>6</sup>	\$ 12,793,101	\$ 9,072,050	70.91%
Bond Principal and Interest <sup>7</sup>	8,192,946	7,438,232	90.79%
Capital Equipment (Other than O&M)	645,000	405,907	62.93%
Capital Projects	13,769,120	9,037,200	61.19%
Contingency	1,000,000	-	
<b>Total Expenditures</b>	<b>\$ 36,400,167</b>	<b>\$ 25,953,389</b>	<b>71.30%</b>

#### Notes:

<sup>1</sup> Revenues are on the cash basis

<sup>2</sup> Received \$464,100 from Town Square West Development

<sup>3</sup> Payment to be received in May

<sup>4</sup> Prior year bond and pay-as-go funds to be used for CIP

<sup>5</sup> Budget-to-Actual Ratio does not include use of available funds

<sup>6</sup> Includes encumbered amounts as well as actual insurance expenditures

<sup>7</sup> Over 50% because 100% of principal payments due on July 1 for the entire FY08

<sup>8</sup> Received \$150,000 from Cliffs Management Services, LLC for a pump station

**Metropolitan Sewerage District of Buncombe County**  
**BOARD ACTION ITEM - Personnel Committee**

**COMMITTEE MEETING DATE:** April 21, 2008      **BOARD MEETING DATE:** May 14, 2008

**SUBMITTED BY:** Thomas E. Hartye, General Manager  
Jim Hemphill, Director of Human Resources  
Scott Powell, Director of Finance

**SUBJECT:** Consideration of Self Insured Health Plan & Cost of Living/Merit Pay Plan

**BACKGROUND:** The District obtains consumer price index data, reflecting the “cost of living”, from the Bureau of Labor Statistics for the South Region. The index has increased 4.4% for all urban consumers and wage earners during the period of Dec. 06 to Dec. 07. Staff and Division Directors feel that the increase should come from performance evaluations (merit based only) and recommend a 5.0% increase. Our insurance consultants have provided a preliminary 7.5% premium increases in stop-loss and aggregate coverage. The projected increase in medical claims expense (15.8%) is significantly above the 7.0% estimated increase from the Office of the Actuary at the Centers of Medicare and Medicaid Service for 2008. Staff has taken cost reduction measures such as changes in premiums, medical plan, and drug cost, saving \$274,365 to the plan and therefore an increase of 6.4% in MSD funding for the medical plan is requested. Please see attached memo from Personnel Committee.

**FISCAL IMPACT:** Total amount estimated increase for merit/insurance \$487,390

**COMMITTEE RECOMMENDATION:**

Recommends that the Board grant staff request of a 5.0% merit increase and a 6.4% increase in MSD contributions for the self-funded health insurance plan.

# Metropolitan Sewerage District of Buncombe County

## PERSONNEL COMMITTEE ACTION ITEM

**Meeting Date:** April 21, 2008

**Submitted By:** Thomas E. Hartye, P.E., General Manager  
Jim Hemphill, Human Resources Director  
W. Scott Powell, Director of Finance

**Subject:** Cost of Living/Merit and Self-Insured Health Plan  
for FY 2008-09

### Staff Recommendation:

- A. 5.0% Merit Pay Plan funding cap.
- B. 6.4% increase in MSD contributions for the self-funded health insurance plan.
- C. Staff recommends that the selection of the Third Party Administrator (TPA) and insurance company, to provide stop-loss and aggregate coverage, be deferred until quotes are received. Selection of the best qualified proposal will be made subject to parameters approved by the Personnel Committee.

### Background:

As the Board has requested, the recommendations reflect a composite view of the costs associated with both salary and benefit programs costs.

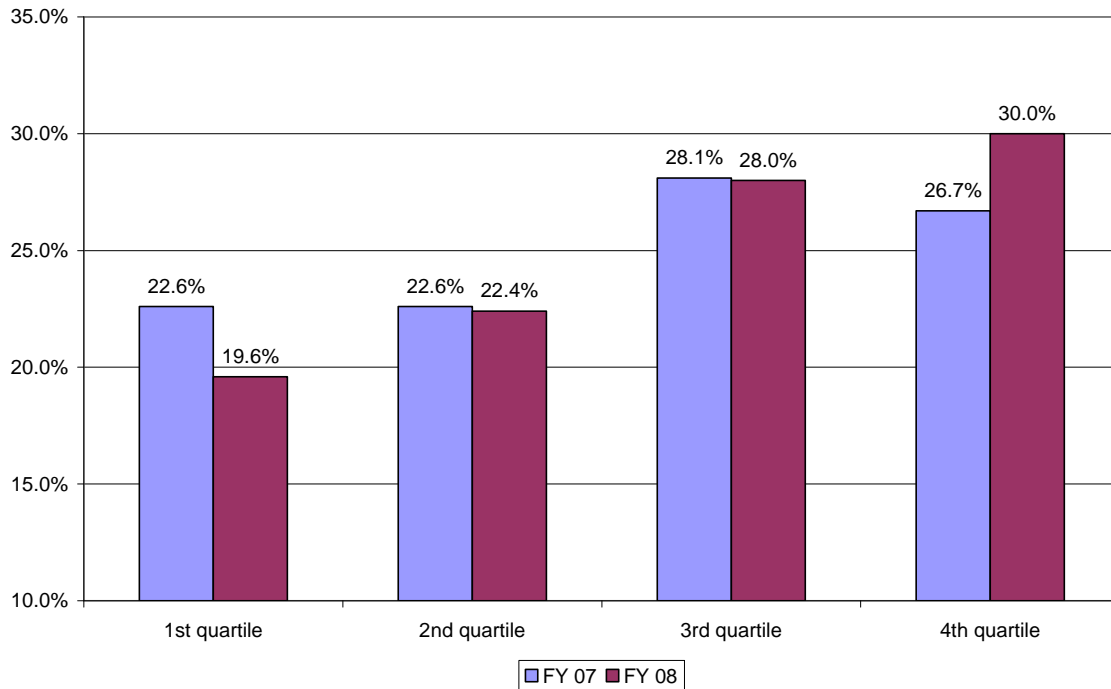
Each year during the budgetary process the Personnel Committee considers cost of living and merit pay salary adjustments to keep MSD's compensation program competitive with other area employers to meet the objective of retaining skilled, high-performing employees. Inadequate wages lead to high turnover levels and increased costs from training new employees and loss of efficiencies until they are fully proficient.

The Personnel Committee also considers benefits as an integral part of budgeting a comprehensive compensation package. The Employee Advisory Committee participated in developing the recommendations presented.

The MSD pay plan is updated by a consulting firm every three to five years to keep salaries in line with regional economic changes and industry norms as well as to ensure equal pay for equal responsibilities that may change with internal reorganizations of job duties. This salary survey was most recently completed in the spring of 2005, and ranges have been updated by the annual cost of living to avoid costly "catch-up" in future years.

Comparing earnings levels between years provides information to evaluate how MSD employees are progressing across salary ranges over time. The chart below compares employees relative position for each year.

**Employee Position in Labor Grade by Quartile**



**CPI Discussion:**

The benefit to MSD of keeping professional and motivated employees has been illustrated repeatedly over the recent past with national and state awards for ISO 14001 and the AMSA 2003 Environmental Achievement Award, among others. The District has attempted to provide employees with competitive wages and benefits as a means of retaining and rewarding high-performing employees.

A summary of the last seven years' Consumer Price Index compared with actual and proposed FY 2008-09 cost of living and merit raises is summarized below:

<u>Consumer Price Index (CPI)</u> <u>for South Urban Region</u>	<u>District Adopted COLA and Merit</u>	
2000 – 3.2%	FY 2001-02	2.5% 2.5%
2001 – 2.3%	FY 2002-03	2.5% 0.0%
2002 – 2.5%	FY 2003-04	2.5% 2.5%
2003 – 1.8%	FY 2004-05	2.0% 2.0%
2004 – 3.5%	FY 2005-06	0.0% 4.0%
2005 – 4.1%	FY 2006-07	0.0% 4.1%
2006 – 2.6%	FY 2007-08	0.0% 3.6%
2007 - 4.4%	FY 2008-09	0.0% 5.0% (proposed)

**Cost of Living:** The District obtains cost of living data from the Bureau of Labor Statistics for the South Region. The cost of living has increased 4.4% for all urban consumers and for wage earners and clerical workers during the period of December of 2006 to December of 2007.

**\*No increase in Cost-of Living is being requested because management believes it would dilute the value of merit pay in a year when raises must be limited.**



However, the grade salary ranges will be increased by 4.4% to prevent a dramatic “catch-up” after the next salary study.

**Merit Pay Plan:** The recommended 5.0% merit raise will fairly compensate all employees who are performing adequately. Marginally performing employees do not receive a merit increase. Instead they are counseled and placed on improvement plans. They DO receive a COLA adjustment, if one is granted.

Written annual evaluations are completed for all District employees and provide the basis for Division Directors’ allocation of merit pay. Each Division is allocated a percentage of its total salaries and the Director may distribute the amount allocated to the department among employees within certain designated parameters.

**Other Utilities:** To compare MSD’s proposed COLA and Merit increases with other area governments and utilities, see the table below.

Entity	COLA	Merit	Combined	401k/457
MSD	0%	5.0%	5.0%	Match: 1% -- 2% 2% -- 4% 3% -- 5%
City of Asheville			Labor Market Survey	5%
Buncombe County	Undecided	Undecided	Undecided	6%
OWASA	0%	3.7%	3.7%	Years of service
CMUD	0%	3.5%	3.5%	0
Knoxville Utilities	0%	3.5%	3.5%	3% Match
Spartanburg Water & Sewer (Calendar 2008)	0%	4.0%	4.0%	0
Western Carolina Sewer	3.0%	3.0%	6.0%	0
Fayetteville Public Works	0%	2.5%	2.5%	0
Greenville Utilities	3.0%	1.5%	4.5%	\$35/employee/ pay period
Greer Public Works (Calendar 2008)	0%	4.0%	4.0%	0
Henderson County	2.5%	3.0%	5.5%	2%

**Health Insurance:** The District’s insurance consultants have provided preliminary 7.5% estimates of premium increases for stop-loss and aggregate coverage. Based on the last 2 years experience, relevant to the types and number of claims, the consultants initially projected a 15.8% increase for claim liabilities. The staff and the Employee Advisory Committee have come together and instituted changes to the current plan which will bring the cost down to an estimated 7.5% overall increase. The projected increase in medical claims expense is minimally above the 7.0% estimated increase from the Office of the Actuary at the Centers for Medicare & Medicaid Service for 2008. An increase of 6.4% in funding for the medical plan is requested.

**Cost Saving Initiatives Endorsed by Staff and EAC:**

	<b>FY 08</b>	
	<b>%</b>	<b>\$ Impact on Staff</b>
Additional Employee Cost Sharing	12.4%	\$232,370
Pharmacy Plan Costs	2.2%	\$41,995
<b>Total Increase</b>	<b>14.6%</b>	<b>\$274,365</b>

**Fiscal Impact:**

The table below estimates the financial impact of a 5% merit increase and a 6.4% increase in board contribution for health insurance.

	<b>FY 08</b>
<b>Marginal Costs</b>	<b>Increased Amount</b>
Merit Pay	\$ 348,354
Payroll Tax	26,775
401K	16,315
Retirement	17,150
Health Insurance	78,796
<b>Total Estimated \$ Increase</b>	<b>\$ 487,390</b>

The Employee Advisory Committee has met numerous times to review claims reports, study and compare plans and benefits to those offered by the City of Asheville and Buncombe County, and to learn about innovative options used by other employers. After careful deliberation, the EAC endorses the above recommendation. The Division Directors concur with this recommendation.

Employees realize health care costs are continuing to increase and that the Board cannot provide the entire amount of increased funding. The employees have agreed to assume more liability for their medical costs for the opportunity of increased discretionary income.

Therefore, to keep MSD salaries competitive in the Buncombe County area, the utility/wastewater industry and to allow managers an effective tool for encouraging and rewarding job performance, the staff requests that the Personnel Committee approve the recommendations.

<b>COMMITTEE ACTION TAKEN</b>	
Motion by:	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to staff
<input type="checkbox"/> Other:	

**Metropolitan Sewerage District of Buncombe County**  
**BOARD ACTION ITEM - Personnel Committee**

**COMMITTEE MEETING DATE:** April 21, 2008    **BOARD MEETING DATE:** May 14, 2008

**SUBMITTED BY:** Thomas E. Hartye, General Manager  
Jim Hemphill, Director of Human Resources  
Scott Powell, Director of Finance

**SUBJECT:** Post-Employment Health Benefit GASB 45 Liability

**BACKGROUND:** GASB 45 requires State and local governments to report the liability for future health insurance benefits provided to retirees in the current financial statements. GASB 45 also requires that MSD periodically obtain actuarial studies to determine funding needs. Staff explored strategies for funding the liability with minimal effect on rate increases and bond ratings. The current post employment health benefit is MSD funded at 50% if employee service after 5 years and 55 years of age. The EAC has had several meetings and have requested that 100% of the cost of their post-employment health benefit be paid by MSD for employees who worked at MSD for 30 years, regardless of retirement age. Employee's also wanted the opportunity to include their spouse, with the employee incurring the full cost

**FISCAL IMPACT:** The current estimate for the annual required contribution is approximately \$169,000 which represents about .58% of total operating revenues.

**COMMITTEE RECOMMENDATION:**

Recommends that the Board grant staff request to change the vesting period for new employees from 5 to 10 years of service and 55 years of age, link the vesting amount of subsidy to years of creditable service, and to allow post-employment spousal coverage with the retired employee paying full actuarial cost

# Metropolitan Sewerage District of Buncombe County

## PERSONNEL COMMITTEE ACTION ITEM

**Meeting Date:** April 21, 2008

**Submitted By:** Thomas E. Hartye, P.E., General Manager  
Jim Hemphill, Human Resources Director  
W. Scott Powell, Director of Finance

**Subject:** Post-Employment Health Benefit GASB 45 Liability

### Staff Recommendation:

That the Committee endorse the proposed changes to the current post-employment health benefit.

1. Change the vesting period for new employees from 5 to 10 years of service and 55 years of age.
2. Link the vesting amount of subsidy to Years of Creditable Service as follows:

Years of Service	Subsidy Vesting %
30 at any age	100%
25 at 55 years of age	90%
20 at 55 years of age	80%
15 at 55 years of age	65%
10 at 55 years of age	55%- Existing Employees 50% - New Employees hired after 7/1/08
5 at 55 years of age	50% -Existing Employees

3. To allow post-employment spousal coverage with the retired employee paying full actuarial cost.

### Background:

In September of 2005, the Finance Committee was advised of the Governmental Accounting Standards Board Statement 45 (GASB 45), issued in June 2004. GASB 45 requires State and local governments to report future health insurance benefits provided to retirees in the financial statements. Informal polling of other local governments found strategies ranging from wait-and-see, to reducing benefits while increasing vesting requirements.

GASB 45 requires that MSD periodically obtain actuarial studies to determine the amount of funds needed to be set aside annually to provide for health insurance benefits to retirees over the upcoming 30 years. These amounts, which include the cost incurred for the current year, plus a portion of the accumulated liability including interest, will need to be reported on the District's financial statements.

At the briefing in September of 2005, staff committed to study the implications and examine alternatives for managing these costs including changes to retiree eligibility, modification of health care benefits, or additional cost sharing with participants. In addition, staff explored strategies for funding the GASB 45 liability with minimal effect on rate increases and bond ratings. The findings and recommendations resulting from these inquiries follow.

**Discussion:**

***Current Benefit.*** The February 1988 Board minutes establish the retiree benefit as follows:

“The Committees [Insurance/Personnel] recommend that employees who wish to retain their Blue Cross/Blue Shield Health Insurance upon taking an early retirement, must have 5 years of service with the Metropolitan Sewerage District and be at least 55 years of age. If these requirements are met, the District will pay half the employee's health insurance premium (additional coverage for spouse or family must be paid by the employee) and the retired employee will pay the other half of the health insurance premium.”

***Authority to Modify Benefits.*** The Board has the authority to modify this post-employment benefit in any manner by resolution. However, to the extent a participant is vested, the Board may not reduce benefits.

A vested participant is any former employee who has already retired and has continued as a participant in the District's health care plan under this provision, and therefore must be allowed to remain until qualification for Medicare is attained as specified in the Health Plan Summary Description. Vested retirees remain subject to the plan requirements for active employees. In other words, although vested retirees must remain able to participate. They are not “locked in” for premium costs, coverage levels or any other features of the plan. The District is free to increase premiums or plan coverage but may not unjustifiably discriminate against retirees. This means that although retirees may not be subject to a higher deductible than an employee in the same tier, retirees could be required to pay additional age-based premiums which are actuarially-determined.

To compare MSD's current post-employment health benefit plan with other area governments and utilities, see the table below.

<b>Entity</b>	<b>Retiree Health Insurance Benefit</b>	<b>Years of Service must be with entity</b>	<b>Dependents allowed</b>
MSD	50% -5yrs service Age 55	Yes	No
City of Asheville	100%- 25yrs service 80% -20-24yrs service 65%- 15-19yrs service 55%- 10-14yrs service 50%- 5-9yrs service	Yes	Yes
Buncombe County	100% -5yrs in NC Retirement System with 3 yrs at county	No	Yes – employee must have 20yrs at county
City of Greensboro	90%- 30yrs service 75% -25-29yrs service 50%- 20-24yrs service	Yes	Yes
OWASA	100%- 10 yrs service	Yes	Yes - at active employee cost
CMUD	100%- 20yrs service 50% - 10-19yrs service	Yes	Yes

Staff and the Employee Advisory Committee initially considered three approaches to address this issue:

1. Leave the Plan as is.
2. Consider a defined contribution plan
3. Modify the retiree eligibility and/or subsidy

In addition, a survey was done of the District’s employees to get their input as well. From the survey there were two overwhelming requests from the employees to consider. First, employee’s wanted the opportunity to include their spouse with the employee incurring the full cost of the benefit. Second, employee’s wanted 100% of the cost of their post-employment health benefit paid by MSD for employees which worked for MSD for 30 years regardless of retirement age.

An actuarial study was done to compare the cost of MSD’s current plan to what the cost would be, as compared to the current plans of the City of Asheville and Buncombe County. Based on this study, it was determined that MSD could modify its plan to mirror the City of Asheville post-employment health without impacting the current proposed rate structure.

The Employee Advisory Committee has met numerous times to address the issue comparing MSD post-employment health benefit plan to those offered by the City of Asheville and Buncombe County. After careful deliberation, the EAC endorses the above recommendation. The Division Directors concur with this recommendation.

**Fiscal Impact:**

*Cost.* Based upon preliminary actuarial studies, changing the current benefit will require that the District recognize a \$1.2 million liability on the financial statements beginning in FY 08-09 which means that \$169,000 needs to be set aside in the first year, to meet the future financial obligation incurred by this benefit. Additionally, actuarial evaluations must be performed every three years, and annual required contributions will probably vary over time, based on employee census and retirement patterns, health care costs, and investment income rate trends.

*Effect on bond covenant or debt coverage.* The annual required contribution will be an additional operational expense that must be deducted from gross revenues to compute coverage for debt service. However, this amount has been incorporated into the 10-year business model without pushing the coverage ratio under the 1.5 target.

*Effect on future rate increases.* The current estimate for the annual required contribution is approximately \$169,000 which represents about .58% of total operating revenues. As mentioned above, this additional amount has been factored into the 10-year business model and basically will have the positive effect of evening out rate increases. By accumulating funds now, it will reduce future operational expenditures when significant numbers of retirees begin taking advantage of this benefit.

<b>COMMITTEE ACTION TAKEN</b>		
Motion by:	To:	<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:		<input type="checkbox"/> Table <input type="checkbox"/> Send back to staff
<input type="checkbox"/> Other:		



# Metropolitan Sewerage District of Buncombe County

## BOARD INFORMATIONAL ITEM

**Meeting Date:** May 14, 2008  
**Submitted By:** Thomas E. Hartye, PE., General Manager  
**Prepared By:** W. Scott Powell, Director of Finance  
**Subject:** Cash Commitment/Investment Report-Month Ended March 31, 2008

### **Background**

Each month staff presents to the Board an investment report for all monies in bank accounts and specific investment instruments. The total investments as of March 31, 2008 were \$41,970,740. The detailed listing of accounts is available upon request. The average rate of return for all investments is 4.882%. These investments comply with North Carolina General Statutes, Board written investment policies and the District's Bond Order.

The attached investment report represents cash and cash equivalents as of March 31, 2008 does not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of March 31, 2008 reduced by contractual commitments, bond funds and District reserve funds. The balance available for future capital outlay is \$18,358,433.

<b>Total Cash &amp; Investments as of 03/31/08</b>	41,970,740
<b>Less:</b>	
Budgeted Commitments (Required to pay remaining FY08 budgeted expenditures from unrestricted cash)	
Construction Funds	(5,719,610)
Operations & Maintenance Fund	<u>(4,010,035)</u>
	(9,729,645)
Bond Restricted Funds	
Bond Service (Funds held by trustee):	
Funds in Principal & Interest Accounts	(1,654,536)
Debt Service Reserve	(4,841,000)
Remaining Principal & Interest Due	<u>(4,292,609)</u>
	(10,788,145)
District Reserve Funds	
Fleet Replacement	(946,638)
WWTP Replacement	(810,922)
Maintenance Reserve	<u>(786,238)</u>
	(2,543,798)
Self-Funded Employee Medical	<u>(550,719)</u>
<b>Designated for Capital Outlay</b>	<u><u>18,358,433</u></u>

### **Staff Recommendation**

None. Information Only.

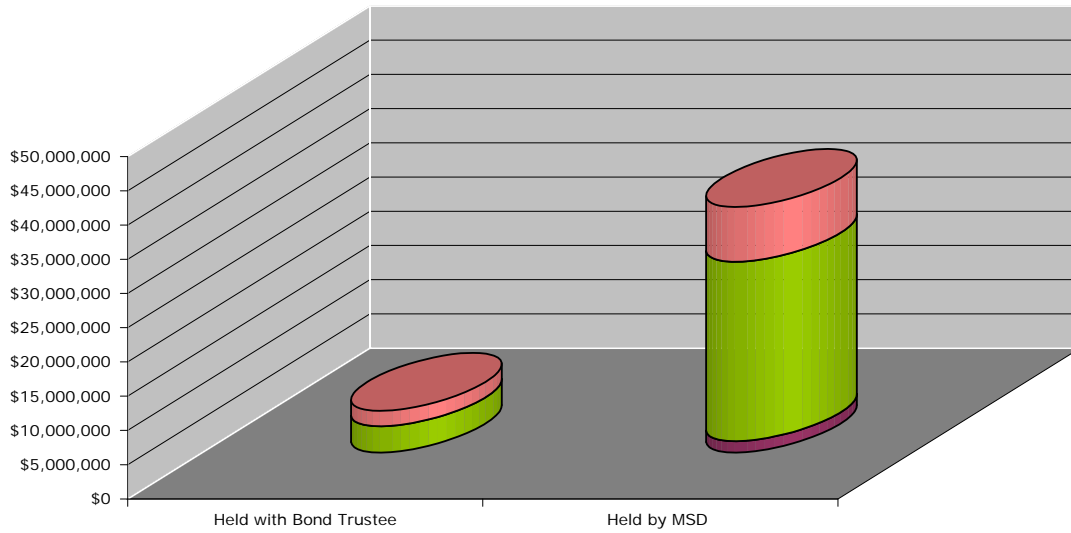
### **Action Taken**

<b>Motion by:</b>	to	Approve Table	Disapprove Send to Committee
<b>Second by:</b>			
<b>Other:</b>			
<b>Follow-up required:</b>			
<b>Person responsible:</b>			<b>Deadline:</b>

**Metropolitan Sewerage District of Buncombe County  
Investment Portfolio**

	<b>Cash in Interest Bearing Accounts</b>	<b>NCCMT (Money Market)</b>	<b>Commercial Paper</b>	<b>Cash Reserve</b>	<b>Gov't Agencies &amp; Treasuries</b>	<b>Total</b>
Held with Bond Trustee	\$ -	\$ 3,822,958		\$ -	\$ 2,263,717	\$ 6,086,675
Held by MSD	1,642,198	26,243,708	0		7,998,160	35,884,066
	<b>\$ 1,642,198</b>	<b>\$ 30,066,666</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,261,877</b>	<b>\$ 41,970,740</b>

**MSD of Buncombe County  
Investment Portfolio by Location  
As of March 31, 2008**



■ Cash in Interest Bearing Accounts  
 ■ NCCMT (Money Market)  
 ■ Cash Reserve  
 ■ Commercial Paper  
 ■ Gov't Agencies & Treasuries

# MSD Investment Managers' Report at March 31, 2008

## Summary of Asset Transactions

	Original	
	Cost	Market
Beginning Balance	\$ 33,429,114	\$ 33,605,429
Capital Contributed (Withdrawn)	0	0
Realized Income	259,718	259,718
Unrealized/Accrued Income	0	(30,712)
Ending Balance	<u>\$ 33,688,832</u>	<u>\$ 33,834,435</u>

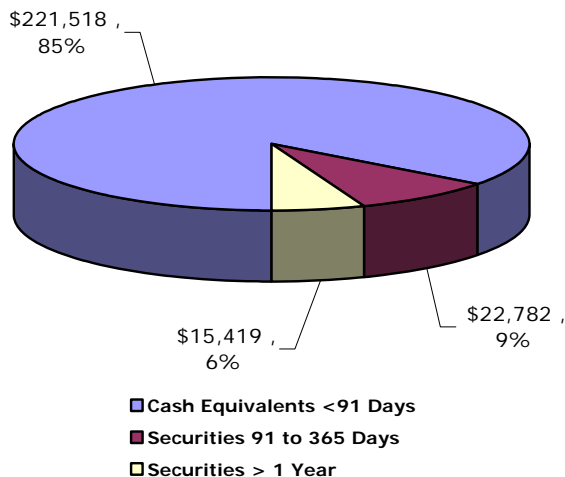
## Value and Income by Maturity

	Original Cost	Income
Cash Equivalents <91 Days	\$ 28,733,770	\$ 221,518
Securities 91 to 365 Days	2,955,062	\$ 22,782
Securities > 1 Year	2,000,000	\$ 15,419
	<u>\$ 33,688,832</u>	<u>\$ 259,718</u>

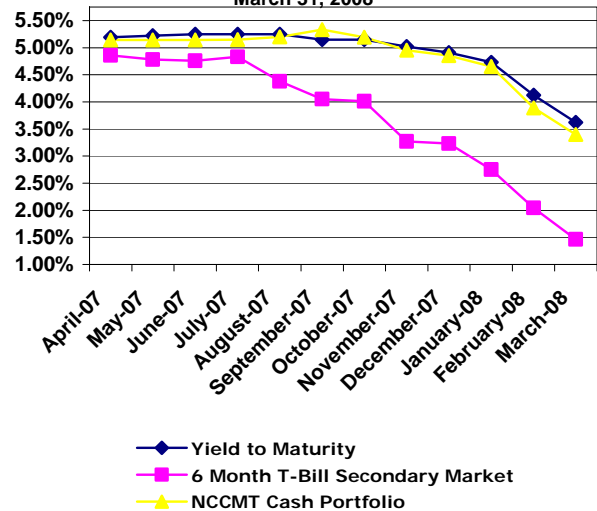
## Month End Portfolio Information

Weighted Average Maturity	376 Days
Yield to Maturity	3.62%
6 Month T-Bill Secondary Market	1.46%
NCCMT Cash Portfolio	3.40%

Metropolitan Sewerage District of Buncombe Co  
Investment Portfolio Income by Maturity  
March 31, 2008



Metropolitan Sewerage District of Buncombe County  
Yield Comparison  
March 31, 2008



**SCHEDULE OF SEWER  
RATES & FEES**

# Metropolitan Sewerage District of Buncombe County

## BOARD ACTION ITEM

**Meeting Date:** May 14, 2008  
**Submitted By:** Finance Committee  
**Prepared By:** Thomas E. Hartye, PE, General Manager  
**Subject:** Schedule of Sewer Rates and Fees FY 09

### Background

At the budget work session on March 31, 2006, staff was directed to revisit fees and charges to determine if they adequately represented actual current costs for services. During the process of determining facility fees for FY 07, the Board decided to spread the increase in actual cost equally over five years to temper the effect on ratepayers.

### Discussion

- **Tap Fee:** The tap fee is the charge for the actual physical connection to the sewer system. The District has traditionally done this work with its System Services forces while outsourcing certain parts of the tap installation, usually the use of bores to cross roads and streets without disturbing the pavement and pavement replacement.
- During the detailed review last year, there were no significant differences between estimated full cost, and the current charge. For FY 09, there is no unusual cost increases anticipated, so no increase in the tap fee is proposed.
- **Facility Fee:** The District established the facility fee in 1990 to put new users on a parity basis with existing customers. The District had taken the position that all of its revenues come from users of the system. Therefore, a new user would not have contributed to the cost of any portion of the sewage collection, transport, and treatment infrastructure. Therefore, the new users should pay a fee to offset the investment in existing sewerage facilities made by existing customers over the years.

Facility fees are based on a certain percentage of the value of the infrastructure and have been updated periodically to reflect improvements and discoveries to the infrastructure as documented in the GIS records. In 2006, the District performed a comprehensive calculation of the replacement value of the entire system. This study is being used to compute the "fair share" for an incoming customer's capital contribution to the infrastructure. The attached schedule reflects year three of the incremental increase to actual cost.

- **Manhole Installation:** These costs have remained constant as no significant cost increases for materials, labor, or equipment are anticipated.
- **Allocation and Other Fees:** These fees have not traditionally been computed to recover actual cost of Planning and Development personnel. However, the Board accepted staff recommendation of a 20% increase in FY 08, and the same increase is recommended for FY 09. The proposed fee is still considerably below the actual cost for P&D staff to perform this service.
- **Bulk Charges:** Septage hauler fees have been updated to reflect the current industrial rates in accordance with the parity plan.
- **Returned Check Charge:** Such charges do not fully reimburse the time spent by District staff processing and collecting bad checks, nor for charges assessed by our bank. However, these fees are comparable to charges assessed by retail merchants and other governments, and no change is recommended at this time.

**Board Meeting**

May 14, 2008

**Subject:** Schedule of Sewer Rates and Fees FY 09

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- **Copy and Printing Fees:** These were computed by Information Technology staff and reflect the cost of materials used to be in compliance with NC public records regulations. They also are in line with copy fees assessed by certain other NC governmental units. No change is recommended at this time.

**Fiscal Impact**

Adoption of the fees in the schedule attached would result in an approximate 21% increase in Facility Fees, assuming development activity stays level. The business plan anticipates a slight drop in development activity. The impact of other fee and charge increases is not anticipated to be material.

**Finance Committee Recommendation**

Mrs. Bryson moved that the Finance Committee recommend to the Board of staff's recommendation to incorporate the FY09 Schedule of Rates & Fees into the FY09 Budget and adopted at the June 11, 2008 Board Meeting. Mr. Haner seconded the motion. Voice vote was unanimous.

**Action Taken**

**Motion by:**

to

Approve  
Table

Disapprove  
Send to Board

**Second by:**

**Other:**

**Follow-up required:**

**Person responsible:**

**Deadline:**

# Metropolitan Sewerage District

## FY 09 Rates, Fees & Charges

Effective July 1, 2008

	CURRENT FY 08	PROPOSED FY 09
<b>Rate increase</b>	4.0%	3.0%
<b>Average Monthly Sewer Charge</b> (Without Billing Charges)	\$ 22.30	\$ 22.96
<b>Average Monthly Sewer Charge</b> (With 1/2 Billing Charges-COA example)	\$ 23.28	\$ 23.99
<b>Collection Treatment Charge</b>		
Residential & Commercial Volume Charges (per CCF) Inside	\$ 3.41	\$ 3.51
Industrial Volume Charges (per CCF) Inside	\$ 1.83	\$ 2.045
Industrial Surcharge for BOD (per lb., BOD >160mg/l) Inside	\$ 0.394	\$ 0.386
Industrial Surcharge for TSS (per lb., TSS >160mg/l) Inside	\$ 0.285	\$ 0.283
Residential & Commercial Volume Charges (per CCF) Outside	\$ 3.42	\$ 3.52
Industrial Volume Charges (per CCF) Outside	\$ 1.84	\$ 2.055
Industrial Surcharge for BOD (per lb., BOD >160mg/l) Outside	\$ 0.394	\$ 0.386
Industrial Surcharge for TSS (per lb., TSS >160mg/l) Outside	\$ 0.285	\$ 0.283
<b>Base Meter/Maintenance Charge &amp; Billing Fee</b>		
5/8"	\$ 5.25	\$ 5.41
3/4"	\$ 7.64	\$ 7.87
1"	\$ 13.54	\$ 13.95
1 1/2"	\$ 31.04	\$ 31.97
2"	\$ 54.92	\$ 56.56
3"	\$ 121.77	\$ 125.42
4"	\$ 217.26	\$ 223.78
6"	\$ 489.43	\$ 504.11
8"	\$ 869.05	\$ 895.12
10"	\$ 1,360.87	\$ 1,401.70
Billing Fee (per bill)	\$ 1.95	\$ 2.05
<b>Sewer Facility Fees</b>		
Residential		
Per Unit (non-mobile home)	\$ 1,600	\$ 1,900
Mobile Home	\$ 1,110	\$ 1,320
Affordable Housing	\$ 490	\$ 580
Nonresidential (modifiable per economic development waiver)		
5/8"	\$ 1,600	\$ 1,900
3/4"	\$ 1,830	\$ 2,200
1"	\$ 3,560	\$ 4,200
1 1/2"	\$ 7,250	\$ 8,600
2"	\$ 12,800	\$ 15,200
3"	\$ 28,800	\$ 34,200
4"	\$ 56,000	\$ 66,500
6"	\$ 124,600	\$ 158,200
8"	\$ 152,000	\$ 180,500
Additions < 1,400 GPD	\$ 555	\$ 660

Note: Facility fees being raised to actual allocated cost at March 2006 over 5 years



# Metropolitan Sewerage District

## FY 09 Rates, Fees & Charges

Effective July 1, 2008

Page -2-

	CURRENT FY 08	PROPOSED FY 09
<b>Sewer Tap Fees</b>		
Tap installed by MSD	\$ 600	\$ 600
Additional Charge for Pavement Disturbance	\$ 2,200	\$ 2,200
Additional Charge for Boring	N/A	N/A
Refund if Boring avoids pavement disturbance	\$ (1,300)	\$ (1,300)
Inspection Fee for Developer-Installed Tap	\$ 130	\$ 140
<b>Manhole Installation/Replacement</b>		
Cost per foot	\$ 250	\$ 250
Pavement replacement (if required)	\$ 1,800	\$ 1,800
<b>Other Fees</b>		
Allocation Fee	\$ 140	\$ 170
Non-Discharge Permit	\$ 200	\$ 200
Plan Review Fee	\$ 340	\$ 400
Plan re-review Fee	\$ 290	\$ 350
Final Inspection	\$ 290	\$ 350
Pump Station Acceptance Fee	Note 1	Note 1
Note 1-- See policy for details of computation of O&M and equipment replacement costs for upcoming 20 years;		
50% discount for affordable housing		
<b>Bulk Charges</b>		
Volume Charge for Septic Haulers (per 1000 Gal.)	\$ 45.00	\$ 45.00
Biochemical Oxygen Demand > 160 mg/l (per lb.)	\$ 0.394	\$ 0.386
Total Suspended Solids >160 mg/l (per lb.)	\$ 0.285	\$ 0.283
<b>Returned Check Charge</b>		
Returned Check (per event)	\$ 50.00	\$ 50.00
Dishonored Draft (per event)	\$ 25.00	\$ 25.00
<b>Copy and Printing Fees (each)</b>		
8x11 first print of standard GIS inquiry	\$ 1.00	\$ 1.00
8x14 first print of standard GIS inquiry	\$ 1.00	\$ 1.00
11x17 first print of standard GIS inquiry	\$ 2.00	\$ 2.00
24x36 first print of standard GIS inquiry	\$ 7.00	\$ 7.00
34x44 first print of standard GIS inquiry	\$ 12.00	\$ 12.00
36x48 first print of standard GIS inquiry	\$ 14.00	\$ 14.00
8x11, 8x14 and 11x17 copies after first print	N/A	N/A
8x11 or 8x14 copies after first print	\$ 0.11	\$ 0.11
11x17 copies after first print	\$ 0.20	\$ 0.20
24x36 copies after first print	\$ 0.94	\$ 0.94
34x44 copies after first print	\$ 1.76	\$ 1.76
36x48 copies after first print	\$ 2.03	\$ 2.03
Foam Core mounting per sq. foot	\$ 3.00	\$ 3.00
Data CD	\$ 30.00	\$ 30.00
Shipping for CD	\$ 5.00	\$ 5.00

**RESOLUTION ADOPTING  
PRELIMINARY BUDGET FOR  
FY 2008-2009**

**RESOLUTION ADOPTING PRELIMINARY BUDGET  
FOR THE  
METROPOLITAN SEWERAGE DISTRICT  
OF BUNCOMBE COUNTY, NORTH CAROLINA  
FOR THE FISCAL YEAR JULY 1, 2008 THRU JUNE 30, 2009**

**WHEREAS**, the Board of Directors has reviewed the Preliminary Budget for the District and the sources of revenue and allocations (uses) of expenditures for the 2009 Fiscal Year;

**NOW, THEREFORE, BE IT RESOLVED:**

- The following amounts are hereby appropriated in the Revenue Fund for the Operations and Maintenance of the District and for transfers to the debt service and general funds for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

Operating and Maintenance Expenses	\$11,061,087
Transfer to insurance accounts	2,244,644
Transfer to Fleet Replacement Reserve	200,000
Transfer to Wastewater Treatment Plant Reserve	<u>200,000</u>
Subtotal O&M	13,705,731
Transfer to Debt Service Fund	8,160,540
Transfer to General Fund	<u>8,774,770</u>
	<u>\$30,641,041</u>

It is estimated that the following revenues will be available in the Revenue Fund for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

Domestic User Fees	\$23,408,339
Industrial User Fees	1,438,311
Billing and Collection Fees	590,181
Investment Interest	262,500
Reimbursement for Debt Service from COA	37,000
Rental Income	58,750
Grants	5,000
Appropriated Net Assets	<u>4,840,960</u>
	<u>\$30,641,041</u>

- The following amounts are hereby appropriated in the General Fund for the transfers to the construction fund for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

Transfer into construction	<u>\$18,803,725</u>
----------------------------	---------------------

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

Facility and Tap Fees	\$ 1,477,000
Investment Income	262,500
Transferred from Revenue Fund	8,774,770
Appropriated Net Assets	<u>8,289,455</u>
	<u>\$18,803,725</u>

- The following amounts are included in the financial plan for the Internal Service Funds providing insurance. Estimated operating expenditures for the fiscal year beginning July 1, 2008 and ending June 30, 2009 follow:

Operating expenditures	<u>\$2,459,043</u>
------------------------	--------------------

It is estimated that the following revenues will be available in the Insurance Funds for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

Transfer in from the Revenue Fund	\$2,244,644
Investment income	12,250
Employee health insurance premiums	333,370
Contribution to Net Assets	<u>(131,221)</u>
	<u>\$2,459,043</u>

4. The following amounts are included in the Financial Plan for the Fleet Replacement Fund for capital equipment expenditures for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

Capital equipment	<u>\$ 337,500</u>
-------------------	-------------------

It is estimated that the following revenues will be available in the Fleet Replacement Fund for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

Transfer in from the Revenue Fund	\$ 200,000
Sale of surplus property	50,625
Investment income	24,632
Appropriated Net Assets	<u>62,243</u>
	<u>\$ 337,500</u>

5. The following amounts are included in the Financial Plan for the Wastewater Treatment Plant Replacement Fund for capital equipment expenditures for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

Capital equipment	<u>\$ 200,000</u>
-------------------	-------------------

It is estimated that the following revenues will be available in the Wastewater Treatment Plant Replacement Fund for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

Transfer in from the Revenue Fund	\$ 200,000
Investment income	17,300
Contribution to Net Assets	<u>(17,300)</u>
	<u>\$ 200,000</u>

6. The following amounts are hereby appropriated in the Debt Service Fund for principal and interest payments for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

Debt Service	<u>\$ 8,160,540</u>
--------------	---------------------

It is estimated that the following revenues will be available in the Debt Service Fund for the fiscal year beginning July 1, 2008 and ending June 30, 2009:

Transfer in from the Revenue Fund	\$ 8,160,540
Investment Income	16,000
Contribution to Net Assets	<u>(16,000)</u>
	<u>\$ 8,160,540</u>

7. That the Board of the Metropolitan Sewerage District does hereby approve an increase in the Budget to the amount necessary to reflect any contributions to the Debt Service Reserve Fund or Capital Reserve Fund as determined by the Bond Trustee to be necessary to comply with covenants in the Bond Order.
8. That the Board of the Metropolitan Sewerage District of Buncombe County does hereby approve an increase in the Budget to the amount necessary to reflect the amount of the Reserve for Encumbrances at June 30, 2008.

9. That the Board of the Metropolitan Sewerage District does hereby authorize the General Manager to modify the start dates of any specific project in the ten-year capital improvement program based on the best interests of the District and authorizes the encumbrance of funds for projects continuing into a future fiscal year provided that the total amount of funds expended and encumbered for the fiscal year beginning July 1, 2008 and ending June 30, 2009 does not exceed the appropriation in the Construction Fund of \$18,803,825.
10. The General Manager is hereby authorized to transfer appropriations as contained herein under the following conditions:
  - a. He may transfer amounts without limitation between departments in a fund.
  - b. He may transfer any amounts within debt service and reserve funds designated as excess by the Trustee into another fund.
11. That this resolution shall be entered in the minutes of the District and within five (5) days after its adoption, copies thereof are ordered to be filed with the Finance and Budget Officer and Secretary of the Board as required by G.S. 159-13 (d).
12. That a date for a public hearing on said Budget and Sewer Use Charges to be held 2:00 p.m., June 11, 2008, in the Boardroom of the MSD Administration Building located at 2028 Riverside Drive North at Woodfin, North Carolina. The Preliminary Budget shall remain available for public inspection in the office of the District until adopted by the Board.

Adopted this 14<sup>th</sup> day of May, 2008.

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Steven T. Aceto, Chairman  
Metropolitan Sewerage District of  
Buncombe County, North Carolina

Attest:

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Jackie W. Bryson,  
Secretary/Treasurer

# **STATUS REPORTS**



**CAPITAL IMPROVEMENT PROGRAM**

**STATUS REPORT SUMMARY**

**Current as of May 6, 2008**

PROJECT	AWARD DATE	NOTICE TO PROCEED	*COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
DELAWARE AVENUE	2/20/08	4/2/08	6/30/08	\$59,636.00	98%	Project is complete, and in close out.
DUNWELL AVENUE	TBA	TBA	TBA	TBA	0%	Bids were opened on May 1. Terry Brothers Construction Company is the apparent low bidder. Project will be presented at the May Board Meeting.
PRP-19001 FAIR OAKS ROAD	2/20/08	4/2/08	6/30/08	\$97,512.00	97%	Mainline construction is complete. Working on restoration.
LOWER SMITH MILL CREEK INTERCEPTOR	6/14/06	7/5/06	12/31/07	\$3,178,317.00	90%	Crew is working on Druid Drive. Project is nearing completion.
MARDELL CIRCLE FOUR INCH	TBA	TBA	TBA	TBA	0%	Bids were opened on May 1. Terry Brothers Construction Company is the apparent low bidder. Project will be presented at the May Board Meeting.
NORTHWOOD ROAD	12/19/07	1/28/08	5/26/08	\$93,803.00	98%	Project is complete, and in close out.
PIPE RATING CONTRACT # 5 - LINING	7/18/07	8/10/07	5/5/08	\$985,517.18	97%	All lining is complete. Paving yet to be done.
SHAWNEE TRAIL	12/19/07	1/28/08	5/26/08	\$38,694.00	97%	Mainline construction is complete. Working on restoration.
SHELBURNE ROAD INTERCEPTOR	1/16/08	1/28/08	5/26/08	\$537,197.00	97%	Mainline construction is complete. Working on restoration.
SWEETEN CREEK @ ROCK HILL ROAD PHASE 2	9/19/07	11/12/07	8/17/08	\$1,616,013.58	85%	Crew is removing rock behind BP Gas Station. Project is nearing completion.
WINDING ROAD	12/19/07	1/28/08	5/26/08	\$87,960.00	97%	Mainline construction is complete. Working on restoration.
WRF - GRIT AND GREASE (SCHREIBER REHAB & RETROFIT PROJECT)	3/21/07	4/1/07	8/1/08	\$351,300.00	85%	Working through air supply issues. Grease portion essentially complete. Grit portion complete..

\*Updated to reflect approved Change Orders and Time Extensions

Planning and Development Projects  
Status Report May 7, 2008

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
Complete-Waiting on Final Documents	Ashley Woods Phase 3	1999066	Avery's Creek		2,008	7/14/2005	Complete-Waiting on final documents
	Gene Bradley Subdivision	2004022	Fletcher	9	420	3/3/2005	Complete-Waiting on final documents
	The Ramble Block B Phase 1	2003175	Asheville	380	5,741	1/27/2005	Complete-Pending Board Acceptance
	Craggy View Cottages Phase 3	2004187	Swannanoa	10	193	2/22/2004	Complete-Waiting on final documents
	Franklin Road Sewer Extension	2004020	Swannanoa	1	263	5/26/2005	Complete-Waiting on final documents
	Acton Woods Apartments	2002195	Enka	20	0	1/27/2003	Complete-Waiting on final documents
	Davidson Road Sewer Extension	2004154	Asheville	3	109	12/15/2004	Complete-Waiting on final documents
	Givens Estates	2001143	S. Asheville	116	267	7/16/2003	Complete-Waiting on final documents
	Falconwood Subdivision	2004122	Enka	23	502	12/6/2005	Complete-Waiting on final documents
	Reynolds Mountain Phase IV	1995126	Asheville	37	2,036	7/6/2005	Complete-Waiting on final documents
	Riverbend Urban Village	2004206	Asheville	260	1250	8/29/2006	Complete-Waiting on final documents
	Meadows at Bradley Branch	1999110	Skyland	132	9,820	1/21/2005	Complete-Waiting on final documents
	Indian Branch	2005154	Enka	40	764	2/14/2006	Complete - Waiting on final documents
	Northpoint Commons Phas 2	2000120	Woodfin	5	101	8/24/2006	Complete - Waiting on final documents
	N. Bear Creek Road Subdivision	2005137	Asheville	20	127	7/11/2006	Complete - Waiting on final documents
	Winterberry Subdivision	2005040	Arden	24	847	9/8/2006	Complete - Waiting on final documents
	Woodfin Manor	2003154	Woodfin	60	575	10/11/2006	Complete - Waiting on final documents
	Willowcreek Village Ph.3	2003110	Asheville	26	597	4/21/2006	Complete - Waiting on final documents
	East Oaks Subdivision	2006121	Candler	8	537	4/4/2007	Complete - Waiting on final documents
	Reems Creek Village	2005066	Weaverville	37	1972	3/27/2006	Complete - Waiting on final documents
	Reems Creek Village - Section 2	2006119	Weaverville	17	6,531	11/28/2006	Complete - Waiting on final documents
	Westmore Subdivision	2003003	West Asheville	92	1163	8/29/2006	Complete - Waiting on final documents
	Rock Hill Road Subdivision	2005153	Asheville	2	277	8/7/2006	Complete - Waiting on final documents
	Ken Higgins	199153	Asheville	-	240	6/15/2007	Complete - Waiting on final documents
	Monticello Commons	2006305	Weaverville		835	4/13/2007	Complete - Waiting on final documents
	Overlook Office Park	2006188	Arden	Comm.	375	5/23/2007	Complete - Waiting on final documents
	Sisters of Mercy Tract	2006092	Asheville	Comm.	1,600	5/3/2007	Complete - Waiting on final documents
	Chapel Park	2007083	Asheville	8	263	10/18/2007	Complete - Waiting on final documents
	Waightstill Mountain Ph-2-A	2003158	Arden	50	5011	10/14/2005	Complete - Waiting on final documents
	Waightstill Mountain Ph.2	2003158	Arden	32	5,011	5/5/2006	Complete - Waiting on final documents
	Reems Creek Golf-Phase 9	2006180	Weaverville	39	2361	8/30/2006	Complete - Waiting on final documents
	Waightstill Mountain PH-9	2006026	Arden	80	1878	8/7/2006	Complete - Waiting on final documents
	Jim Beck	2003003	West Asheville	future	75	12/12/2000	Complete - Waiting on final documents
Hudson Street Cottages	2005147	Asheville	8	141	6/7/2006	Complete- Waiting on final documents	
Versant Off-site Sewer Extension	2005090	Asheville		4,575	10/18/2006	Complete- Waiting on final documents	
Pinebrook Farms	2005169	Weaverville	145	6796	9/8/2006	Complete- Waiting on final documents	
Ridgefield Business Park	2004188	Asheville	18	758	2/16/2005	Complete-Waiting on final documents	
			Subtotal	1702	66,019		

Planning and Development Projects  
Status Report May 7, 2008

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
Under Construction	Bell Road	2007159	Black Mtn	5	285	11/28/2007	Pre-con held, ready for construction
	Craven Street Sewer Extension	2007098	Asheville	4	382	12/4/2007	testing
	Crayton Creek Green	2006282	Asheville	10	482	3/15/2007	Ready for final inspection
	Southcliff On-Site PH-2	2004220	Fairview		6008	7/20/2006	Ready for final inspection
	Walmart (Airport Rd.)	2006144	Asheville	Comm.	2624	12/4/2007	Installing
	Grove Park Cove Subdivision	2004101	Asheville	14	1122	6/28/2006	Pre-con held ready for construction
	The Settings (6 Acre Outparcel)	2004192	Black Mountain	21	623	3/15/2006	Ready for final inspection
	Northridge Commons	2006198	Weaverville	-	5,826	6/15/2007	Installing
	McGinnis Sewer Extension	2004225	Asheville	9	48	5/19/2005	In redesign.
	Falcon Ridge	2004240	Asheville	38	3,279	10/11/2006	Pre-con held- construction on hold
	Waightstill Mountain PH-8	2006277	Arden	66	3,387	7/26/2007	testing
	Artisan Park	1998125	West Asheville	133	4,529	4/26/2001	Changed Engineer - work to restart soon
	Byrd Street Condos	2007085	Asheville	14	300	7/31/2007	Ready for final inspection
	Scenic View	2006194	Asheville	48	534	11/15/2006	Ready for final inspection
	Reynolds Road Townhomes	2004178	Asheville	22	564	2/21/2007	Ready for final inspection
	Asheville Rental Commercial Ctr.	2006286	Asheville	Comm.	331	8/22/2007	Punchlist Pending
	Ingles	2007214	Black Mtn.	Comm.	594	3/4/2008	Pre-con held, ready for construction
	Reems Creek Townhomes - PH IV	2007279	Weaverville	8	796	12/11/2007	testing
	Lake Julian Trails Ph. 3,4, & 5	2006223	Asheville	74		8/2/2007	Pre-con held, waiting on connection point.
	Grandview Phase II	2007036	Asheville	7	352	2/13/2007	Testing
	Versant Phase I	2007008	Woodfin	64	12,837	2/14/2007	Redesign in process
	Crowell Park	2006082	Asheville	74	860	8/2/2007	Ready for final inspection
	Central Valley	2006166	Black Mtn	12	472	8/8/2007	Punchlist pending
	Biltmore A6	2006227	Asheville	40	6,635	12/12/2007	Installing
	Biltmore Park Town Square II-1	2007076	Arden	-	967	6/21/2007	Installing
	Biltmore Park Town Square II-2	2007077	Arden	-	1,331	6/21/2007	Installing
	Biltmore Park Town Square II-3	2007078	Arden	-	527	6/21/2007	Installing
	Bitmore Park Town Square II-4	2007079	Arden	-	481	6/21/2007	Installing
	Providence Place	2004149	Asheville	35	596	10/16/2007	Installing
	Haw Creek Tract	2006267	Asheville	49	1,817	10/16/2007	Installing
	Howard Street	2007150	Asheville	4	217	10/22/2007	Ready for final inspection
	Hominy Valley Center	2005010	Candler	5	433	8/9/2005	Punchlist pending
	Bee Tree Village Phase 3a	2007042	Swannanoa	31	2,347	8/21/2007	testing
	CVS-Acton Circle	2005163	Asheville	4	557	5/3/2006	Ready for final inspection
	The Settings Phase 2	2004192	Black Mountain	100	8016	6/15/2006	Ready for final inspection
	Hamburg Mountain Phase 3	2004086	Weaverville	13	844	11/10/2005	Ready for final inspection
	UNCA New Science Building	2005039	Asheville	5	538	10/28/2005	Ready for final inspection
	Bostic Place Sewer Relocation	2005102	Asheville	3	88	8/25/2005	Ready for final inspection
	Franklin Road Sewer Extension	2004020	Swannanoa	1	263	5/26/2005	Ready for final inspection
	Kyfields	2003100	Weaverville	35	1,118	5/10/2004	Testing
Holiday Inn	2001068	Asheville	1	474	8/11/2003	Ready for final inspection	

Planning and Development Projects  
Status Report May 7, 2008

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
	Brotherton Co-Housing	1999162	West Asheville	32	152	1/24/2003	Ready for final inspection
	Reynolds Diner	2003185	Fairview	5	202	3/10/2004	Ready for pre-final inspection
	Whitney Heights Off-Site	2006008	Asheville	-	584	2/7/2007	Ready for final inspection
	456 Weaverville Road	2007182	Weaverville	Comm.	203	10/24/2007	Installing
	Central Avenue	2005140	Black Mtn	15	509	12/4/2006	Punchlist pending
	Thom's Estate	2006309	Asheville	162	3,422	1/24/2008	Pre-con held, ready for construction
	Carolina Day School	2007090	Asheville	1	1,827	3/10/2008	Pre-con held, ready for construction
	Tampa Blvd	2007218	Asheville	3	48	3/12/2008	Pre-con held, ready for construction
	Residences at Biltmore	2006162	Asheville	16	277	3/14/2008	Pre-con held, ready for construction
	Indian Branch Phase 2	2006171	Asheville	20	571	2/26/2007	Ready for final inspection
	Reynolds Village Phase V	2006250	Woodfin	Comm.	4,786	4/3/2008	Pre-con held, ready for construction
	Moore Street Sewer Extension	2008047	Weaverville	7	336	4/9/2008	Pre-con held, ready for construction
	Oak Crest Place	2004056	West Asheville	27	791	12/3/2004	Ready for final inspection
	Subtotal			3102	160,765		
	Total Units:			4,804			
	Total LF:				226,784		

***Right of Way Section  
Project Status Summary  
Open Projects***

<b><i>Project</i></b>	<b><i>Total ROW Budget</i></b>	<b><i>Total Expends to Date</i></b>	<b><i>Comment</i></b>
Crockett Road PRP	\$17,109		Negotiations underway, no funds expended to date.
Dingle Creek Interceptor, Ph II	\$64,657	\$41,947	Access 88% complete with 65% of Total Budget expended to date. Notify Monty Payne to smoke test neighborhood upon completion of all easements.
Dunwell Avenue GSR	\$23,218	\$2,423	Access 62% complete with 10% of Total Budget expended to date.
Eastwood Ave @ Old US 70 PRP	\$11,778	\$2,488	Access 90% complete with 21% of Total Budget expended to date.
Evergreen Avenue Four Inch Main	\$10,971	\$587	Access 50% complete with 5% of Total Budget expended to date. One condemnation filed with settlement pending.
Inglewood Road	\$43,990	\$41,486	Access 100% complete with 94% of Total Budget expended to date. One condemnation filed with judgment pending.
Long Shoals Road PRP	\$340,584	\$213,591	Access 100% complete with 63% of Total Budget expended to date. Three condemnations filed with judgments pending.
Lower Smith Mill Creek Rehabilitation	\$295,324	\$265,443	Access 100% complete with 90% of Total Budget expended to date. Ten condemnations filed; two have been dismissed, three settled prior to trial and five are pending judgments.
Mardell Circle Four Inch Main	\$18,268	\$10,035	Project 100% complete with 55% of Total Budget expended and no condemnations.
Merrimon Ave @ Ottari Rd GSR	\$200,497		All owners contacted and in agreement with discussed alignment revisions. Awaiting revised documents.
Merrimon Avenue @ Stratford Road GSR	\$55,854	\$35,539	Access 91% complete with 64% of Total Budget expended to date.
Monroe Place GSR	\$15,461		Negotiations underway, no funds expended to date.
Nasty Branch Interceptor	\$19,962	\$6,477	Access 67% complete with 32% of Total Budget expended to date.
Old Home @ Weaverville Highway PRP	\$100,394	\$99,277	Access 100% complete with 99% of Total Budget expended to date. Market values much greater than tax values in this corridor and appraised damages were high. One condemnation filed with judgment pending.
Reems Creek Interceptor	\$58,824	\$39,309	Access 94% complete with 67% of Total Budget expended to date. One condemnation filed with judgment pending.

<i>Project</i>	<i>Total ROW Budget</i>	<i>Total Expends to Date</i>	<i>Comment</i>
Riverside Drive/Westover Drive	\$19,322		Access 33% complete with 72% of Total Budget expended to date. Two condemnations filed with judgments pending.
US 70 @ Neil Price Avenue GSR	\$21,143	\$11,374	Access 93% complete with 54% of Total Budget expended to date.
Weaverville Hwy. @ Hillcrest Road SS Replacement	\$31,751		Negotiations underway, no funds expended to date.