

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT  
SEPTEMBER 17, 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, September 17, 2008. Mr. Aceto presided with the following members present: Bellamy, Bissette, Bryson, Creighton, Gantt, Haner, Kelly, Sobol and VeHaun. Mr. Metcalf and Mr. Russell were 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, Todd Biggeman, Kent Lackey and Charlie Browning with Black & Veatch, Charlie Clogston with the Forest Homeowners Association, Ed Bradford, John Kiviniemi, Roger Watson, Peter Weed, Scott Powell, Jim Hemphill, Ken Stines, Julie Willingham, Kevin Johnson 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 August 20, 2008 Board Meeting:**

Mr. Aceto asked if there were any objections to approving the Minutes of the August 20, 2008 Board Meeting as presented. Mr. Clarke noted a typographical error on page five, paragraph two that read "French Board instead of French Broad." With no other corrections, the Minutes were approved by acclamation as amended.

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

None

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

Mr. Aceto welcomed Ms. Karpen, Mr. Biggeman, Mr. Lackey, Mr. Browning, Mr. Clogston and Mr. Martin.

**6. Report of General Manager:**

Mr. Hartye called on Mr. Powell for a report on the recent happenings on Wall Street and the potential impact to MSD. Mr. Powell reported that with MSD's synthetic fixed rate bonds, the maximum exposure, should the Bank of America (BOA) go under, is MSD bonds would become variable rate bonds. Currently the interest rate is at 1.8%. On an average, from the refunding in April, the bonds have averaged about 1.75%. Therefore any exposure to MSD in relation to the synthetic fixed rate bonds, is just exposure to the variable fixed rate market. Mr. Powell further reported that as far as MSD's overall investments right now, MSD has a third in governmental securities; a third in NC Capital Management Trust and a third in bank CD's. Regarding the CD's, Mr. Powell explained that the banks participate in a pooling method with the State Treasurer and if the institutions default, MSD would get its money from the State Treasurer. Mr. Sobol asked how much money is at risk if MSD goes to a variable rate. Mr. Powell said \$55 million of its total debt. Mr. Hartye stated that some of this money is already variable rate and the additional \$33 million of synthetic fixed would become variable. He further stated that depending on what the rate is MSD may be saving money.

Mr. Sobol asked what the trigger point is and the plan should (BOA) go under. Mr. Powell stated that MSD is watching the market on a weekly basis and when the variable market gets above 3.5% on average, MSD needs to look at alternatives in

relation to that. As far as MSD's synthetic rate bonds, if MSD needs to terminate the Swap Agreement on those bonds today, it would cost MSD \$2.8 million and there would be an additional cost pertaining to tax issues which remain until 2010. Mr. Powell stated that with (BOA) buying Merrill Lynch, Standard & Poors, Moody's and Fitch did not change any of their ratings. He further stated that the trigger point for MSD, as far as getting out of the Swap Agreement, is to regularly monitor how the rating agencies are monitoring (BOA), which is the second largest bank in America and is the second highest rated bank, besides JP Morgan. Mr. Powell reported that as of last week, the fixed rate market was at 5.09% and if you issued bonds today, they would be issued at 5.05%. He stated that with the savings MSD has realized in the first two months of the fiscal year and what the market is anticipated to do for the next month, MSD is in very good shape. Mr. Sobol confirmed that MSD would wait until the interest rate got to 3.5%, and then staff, Mr. Clarke and (BOA) would sit down and discuss this, then call a special meeting of the Finance Committee. Mr. Hartye stated that the buy out for MSD is very expensive and if MSD goes to a fixed rate, it would have to pay the re-issuance cost of \$400,000 on top of that. He further stated that if (BOA) defaulted, MSD would not have to buy out, but just pay the re-issuance cost if the LGC wants MSD to go to a fixed rate on all of its bonds. Mr. Sobol stated that it's the Board's fiduciary responsibility to stay on top of this. Mr. Clarke stated that if interest rates go up, the fixed rate bonds will cost more than the variable rate bonds.

Mr. Sobol asked how the CD's are guaranteed. Mr. Powell stated that the banks must put up a minimum of 110% collateral, which is placed with the State Treasurer. If the banks default, MSD would go to the State Treasurer to recover its losses. Mr. Sobol asked Mr. Powell to provide more information about collateralization. Mr. Aceto stated that it was important the Board had this discussion in reviewing its cash position and plan should the interest rates go up.

Mr. Hartye continued with his report. He stated that the MSD's United Way golf tournament will be held September 18<sup>th</sup> and the employee picnic will be held October 2<sup>nd</sup>.

Mr. Hartye reported that MSD received a letter of appreciation from Mr. Barnett regarding the work of the following staff around his property at 21 Westchester Drive in Kenilworth: Bobby Arrowood, McKinley Hensley, Lloyd Anders, Ray Lunsford and Clement Crowe. Also, a letter was received from Copper Coggins regarding the professionalism of Ken Stines. He further reported that a call was received from Jackie Salabert of 25 Alclare Drive to compliment the following dig up crew: Bobby Arrowood, McKinley Hensley, Lloyd Anders, Ray Lunsford, Clement Crowe, Robert Denny, Marcus Bynum, Jesse Hunter and Randy Mull. A call was received from Ms. Marta Johnson of 6 Persimmon Lane in Asheville to compliment Ricky Bates who responded quickly and provided customer service that was thorough and professional.

Mr. Hartye reported that after the Plant presentation at the last Board meeting there were questions regarding the T.C. air emissions. He presented copies of slides showing components of this system and some test results of the emissions. He stated that MSD has always been in compliance with the emission standards and has received the WNC Air Quality "Pat on the Back" award for several years.

Mr. Hartye presented a copy of an editorial in the Asheville Citizen Times regarding the City of Asheville's battle over rates for water. He also presented an excerpt from the NCLM Legislative Bulletin.

Mr. Hartye announced that the next regular meeting of the Board will be held October 15<sup>th</sup> at 2PM. The ROW Committee Meeting is scheduled for September 24<sup>th</sup> at 9 AM.

Ms. Bryson expressed her appreciation to Mr. Hartye for his presentation to the Woodfin Town Board.

**7. Report of Committees:**

**Finance Committee**

Mr. Kelly reported that the Finance Committee met August 28, 2008 to hear a report from Scott Powell on MSD's Self-Funded Health Insurance Plan for FY 2008, a Report on Worker's Compensation Claim Experience, the Fourth Quarter City of Asheville Billing Report, and an Update on Debt Financing. No action was taken.

**8. Consolidated Motion Agenda:**

**a. Consideration of Bids for the Reems Creek Interceptor Rehabilitation Project:**

Mr. Hartye reported that this project consists of the replacement of an aged clay interceptor line which serves the Reems Creek Valley, including the Town of Weaverville. The project is comprised of 15,032 LF of 24 and 20-inch DIP and has been sized for future build-out within the basin. The construction budget for this project is \$3,252,700.00. He further reported that the following bids were received on August 28, 2008: Haren Construction Co. with a total base bid of \$5,300,520.00, no alternate bid; Mackenzie Company, LLC with a base bid of \$4,771,441.20, an alternate bid of \$182,139.50; Payne, McGinn & Cummins with a base bid of \$4,753,231.00, an alternate bid of \$0.00; Terry Brothers Construction Co., with a base bid of \$4,738,995.00, an alternate bid of \$625.00; Moorhead Construction, Inc. with a base bid of \$4,729,733.00, an alternate bid of \$24,570.00; Ruby-Collins, Inc. with a base bid of \$4,555,705.00, an alternate bid of \$10,737.00; D.H. Griffin Infrastructure with a base bid of \$4,494,902.00, an alternate bid of \$9,721.00; Morgan Contracting, Inc. with a base bid of \$4,394,195.00, an alternate bid of \$190,300.00; John D. Stephens, Inc. with a base bid of \$4,100,561.20, an alternate bid of \$26,906.00; Buckeye Construction Co., with a base bid of \$4,043,733.30, an alternate bid of \$36,684.00; Metra Industries with a base bid of \$3,751,653.00, an alternate bid of \$0.00; S.J. Lewis Construction Co., with a base bid of \$3,725,007.00, an alternate bid of \$96,000.00 and Mendon Pipeline, Inc. with a base bid of \$3,549,320.00, an alternate bid of \$0.00. The bid of Haren Construction Company was rejected because an Alternate Bid was not submitted and the bid of Payne, McGinn & Cummings was rejected due to invalid Bid Bond. Mr. Hartye stated that staff recommend award of this contract to Mendon Pipeline, Inc. in the base bid amount of \$3,549,320.00, subject to review and approval by District Counsel.

Mr. Aceto asked why the bids came in over budget. Mr. Bradford stated that since January, the base pipe cost has increased by 35%, resulting in an additional cost of \$295,000 due to the length of this project. Mr. Hartye stated that the amount of rock in this project is another factor.

**b. Consideration of Developer Constructed Sewer Systems: Ross Creek Phase II, Asheville Rental Commercial Center, Crowell Park Apartments and The Forest:**

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

**c. Cash Commitment/Investment Report – Month ended July 31, 2008:**

Mr. Hartye reported that included in this month's report is the variable and fixed rate market history, interest rate performance and long-term interest rate history.

Ms. Bellamy moved that the Board approve the Consolidated Motion Agenda as presented. Mr. Kelly seconded the motion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 10 Ayes; 0 Nays.

**9. Consideration of Procurement of Disk Filter Equipment from Aqua Aerobics Systems for the Final Microscreen Replacement Project:**

Mr. Hartye reported that at the last meeting a presentation was given on the Plant and recent history of the microscreens. On November 14, 2007 the Board authorized staff to proceed with the sole source procurement of the AquaDisk System to replace the final microscreens. He stated that Black & Veatch (B&V) has been working on a design that is best suited for MSD's operational characteristics and facility needs. Mr. Hartye introduced Mr. Kent Lackey with Black & Veatch for a presentation.

Mr. Lackey reported that the main goal of the project is to replace the final microscreens, which are in a state of disrepair, and very difficult to get replacement parts for and provides ineffective treatment. He stated that pilot testing was done in the spring of 2007 with the Kruger Hydrotech disk filter system and the Aqua-Aerobics AquaDisk system, which consistently performed better than the Kruger System. The secondary goal was to look at enhancement of the disinfection process. With regard to the status of the disk filter procurement, (B&V) worked closely with staff and the manufacturer, since they were looking at a sole source scenario, and completed the procurement documents and bid. He further stated that the construction document development is ninety percent complete, is currently in QA/QC review and they anticipate submitting this to staff for final review as well as to the permitting agencies; primarily County inspections as well as the State in early October.

Mr. Lackey presented a slide of what the Disk Filters look like. He stated that originally there were 16 units with a backwash pump and control panel for each unit. However, a collaborative effort between (B&V), Aqua Aerobics Systems, Inc. (AASI) and MSD staff resulted in a tailored design around the specific equipment/process resulting in the consolidation of the backwash system from what would have been 32 pumps to 8 pumps for 16 filters and the consolidation of the filter control systems to a single control panel for four filters in lieu of a panel for each filter. Additionally, by working with AASI and MSD staff, it was possible to consolidate the electrical motor control system. He explained that in this design, the two existing microscreen basins would each house two disc filters with another existing microscreen basin between them housing the consolidated backwash pumping system. This would ultimately result in four filter quad installations. He presented a current overview of the microscreen facility and a snapshot of the 3-D model.

Mr. Lackey reported that in an effort to save money, the electrical system from the intermediate pump project and the microscreen project will be housed in one building. He presented actual 3-D design sketches of the proposed filter installation as well as a unique 3-D "walk through" of the process as part of the overall Powerpoint presentation. Mr. Haner asked how much water is under the disk filter. Mr. Lackey said a minimum of one foot, according to the flow going to the plant. Mr. Lackey reported that Bid Alternative A was to provide for an additional two filters to complete the four Quad and bring the total installed filters to 16. The controls, control panels and backwash pumps associated with the two additional filters were included in the base filter bid. Considering long term costs, the cost to MSD to install the two additional filters and gain additional installed redundancy will only increase over time, therefore, (B&V) recommends Alternative A for the two additional filters to be installed under this project.

Mr. Bissette moved that the Board approve the recommendation of staff to sole-source procure the specified Aqua Aerobics Systems, Inc., AquaDisk System for the replacement of its Final Microscreen process based upon the fact that 1) performance and

price competition are not available among other disk-filter suppliers; and 2) the bulk of this equipment is available from only one source of supply. Staff also recommends the addition of Alternate "A" for the purchase of two additional filters. The total purchase amount is \$5,145,904.52, including \$319,279.52 in refundable State sales tax. Mr. Sobol seconded the motion. Mr. Aceto called for discussion. Mr. Sobol asked if this system will be a bonus to MSD. Mr. McGill stated that this system is the final barrier before the river that works, rather than having a system that has not worked for some time. He further stated that there is recognition from the State that MSD has had trouble with the old system and that it's replacing it with a new system. Mr. Sobol asked what would happen if there is a flood. Mr. Kiviniemi stated that the filters are designed to handle 70 mgd of flow. Mr. Hartye stated that the main bonus of this system is the water quality will be better. With no further discussion, Mr. Aceto called for the question. Roll call vote was as follows: 9 Ayes; 0 Nays. Mr. Kelly was absent during the vote.

**10. Old Business:**

None

**11. New Business:**

Mr. Sobol suggested the Board consider discussing what is going on in Washington.

**12. Adjournment:**

With no further business, Mr. Aceto called for adjournment at 2:58 P.M.

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Jackie W. Bryson, Secretary/Treasurer

# MSD

## Regular Board Meeting

Metropolitan Sewerage District  
of Buncombe County, NC

## AGENDA FOR 9/17/08

✓	Agenda Item	Presenter	Time	
	Call to Order and Roll Call	Aceto	2:00	
	01. Inquiry as to Conflict of Interest	Aceto	2:02	
	02. Approval of Minutes of the 8/20/08 Board Meeting.	Aceto	2:07	
	03. Discussion and Adjustment of Agenda	Aceto	2:12	
	04. Informal Discussion and Public Comment	Aceto	2:14	
	05. Report of General Manager	Hartye	2:16	
	06. Report of Committees	Aceto	2:26	
	a. Finance Committee Meeting	Kelly		
	07. Consolidated Motion Agenda		2:36	
	a. Consideration of Bids for Reems Creek Interceptor Rehabilitation Project.	Hartye		
	b. Consideration of Developer Constructed Sewer Systems: Ross Creek Phase II, Asheville Rental Commercial Center, Crowell Park Apartments and The Forest.	Hartye		
	c. Cash Commitment/Investment Report – Month ended July 31, 2008.	Hartye		
	08. Consideration of Procurement of Disk Filter Equipment from Aqua Aerobics Systems for Final Microscreen Replacement Project.	Hartye	2:50	
	09. Old Business:	Aceto	3:15	
	10. New Business:	Aceto	3:25	
	11. Adjournment (Next Regular Meeting 10/15/08)	Aceto	3:35	

# **APPROVAL OF MINUTES**

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT  
AUGUST 20, 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, August 20, 2008. In the absence of Chairman Aceto, Vice Chairman Sobol called the meeting to order with the following members present: Bellamy, Bisette, Bryson, Creighton, Haner, Kelly, Russell, Sobol and VeHaun. Mr. Gantt and Mr. Metcalf were 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, Mr. Gildersleeve and Mr. Christy with WadeTrim, Ed Bradford, John Kiviniemi, Angel Banks, Peter Weed, Stan Boyd, Scott Powell, Jim Hemphill, Ken Stines, Julie Willingham and Sondra Honeycutt, MSD.

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

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

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

Mr. Sobol turned the meeting over to Mr. Aceto. Mr. Aceto asked if there were any objections to approving the Minutes of the July 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, Mr. Gilbersleeve and Mr. Cristy.

**6. Report of General Manager:**

Mr. Hartye presented a comparison of water and sewer rates for the member agencies. In addition, he presented a short summary and graph depicting MSD's fuel usage, costs and efficiency measures prepared by Peter Weed.

Mr. Hartye presented articles from the Asheville Citizen Times on Homebuilding in the area and Drought and French Broad River Levels. He also presented a copy of the NCLM Legislative Bulletin, and a copy of a letter from the US Department of Interior regarding MSD's minimum release requirements for the hydro dam facility. Mr. Sobol asked how much flow is required to produce power. Mr. Kiviniemi stated that 500 to 600 cfs is needed.

Mr. Hartye reported that a call was received from Mr. Vance Miller of Adamswood Road praising Herman Shelton, Jason Brigmon and Wayne Rice for their excellent service. These employees were described as very professional, courteous, considerate and gentlemanly. A call was received from a customer at 37 Evelake Drive saying what great service Herman Shelton and Robert Burnette gave when they came out and fixed a blockage. A Thank You card was received from Mr. Coggins of 65 Town Mountain Road thanking Steve Meeks, Robert Burnette, Wayne Rice, Jason Brigmon, Marcus Bynum, John Crowe and Carl Ellington for a great job. A call was received from Harlow Brown for David Monteith being so responsive, knowledgeable, and tough but fair in reviewing and permitting plans. Also a call was received from Ms. Widener to



express her appreciation for Linda Phillips, Dispatcher, for getting her help so quickly and to Herman Shelton for responding promptly and who was very helpful and courteous.

Mr. Hartye announced the upcoming United Way Golf Tournament scheduled for September 18<sup>th</sup>, headed up by Peter Weed.

Mr. Hartye reported that the next regular Board Meeting will be held September 17<sup>th</sup> at 2PM. The Finance Committee will meet August 28<sup>th</sup> at 3PM.

**7. Report of Committees:**

**Personnel Committee**

Mr. VeHaun reported that the Personnel Committee met July 22, 2008 to discuss the evaluation of the General Manager. He stated that the Committee recommends that Mr. Hartye receive a 7% increase in salary to \$140,350.00 retroactive to July 1, 2008, along with a \$4,000.00 bonus. Mr. VeHaun moved that the Board approve the recommendation of the Personnel Committee. With no discussion, roll call vote was as follows: 10 Ayes; 0 Nays.

**Right of Way Committee**

Mr. Kelly reported that the Right of Way Committee met July 23, 2008 to consider condemnations on the Crocket Road PRP Project, Weaverville Highway @ Hillcrest Road Project, Merrimon Avenue @ Ottari Road Project and Monroe Place General Sewer Rehabilitation Project. He further reported that the Committee reviewed the Fourth Quarter Project Status Summary and Condemnation Statistics from July 1, 1991 to June 30, 2008

**8. Consolidated Motion Agenda:**

**a. Consideration of Condemnations – Crocket Road PRP:**

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

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

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

**c. Consideration of Condemnation – Merrimon Avenue at Ottari Road:**

Mr. Hartye reported that the Right of Way Committee recommends authority to obtain appraisal and proceed with condemnation. Ms. Bellamy asked Mr. Clarke for an explanation of the condemnation process. He explained that MSD will obtain an appraisal, then send a Notice of Condemnation and 30 days later a lawsuit can be filed. He further explained that MSD must deposit what it feels is just compensation in court then the property owner can contest the amount of just compensation, but cannot contest the taking of property. Ms. Banks noted the condemnation statistics provided, which shows the number of easements since 1991; the number of actions filed; the number of settlements prior to trial; how many went to trial and those that are pending. She stated that out of 1,634 easements, only 6 went to trial.

**d. Consideration of Condemnation – Monroe Place GSR:**

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

**e. Consideration of Developer Constructed Sewer Systems: Banks Knoll View, Mills Creek Condominiums, Northpoint Commons, Phase II, Sisters of Mercy, The Village at Monticello and Indian Branch, Phase II.**

Mr. Hartye reported that Staff recommends acceptance of the Developer Constructed Sewer Systems. All MSD requirements have been met.

**f. Consideration of Bids for Lenox Street GSR and Alta Avenue PRP Projects:**

Mr. Hartye reported that the Lenox Street project is located in North Asheville just off Charlotte Street and consists of 420 linear feet of 8-inch DIP. The Alta Avenue project is located in the Oakley Section of Asheville off of Fairview Road and consists of 1,735 linear feet of 8-inch DIP. He stated that both projects are necessary due to repeated overflows, backups, and structural failures associated with aged line segments. He further stated that the following bids were received on August 7, 2008: Payne, McGinn & Cummins with a total bid of \$718,276.26; Buckeye Construction Co., Inc. with a total bid of \$578,791.25; Carolina Specialties, Inc. with a total bid of \$435,092.72; Huntley Construction Co., Inc. with a total bid of \$421,766.50; T & K Utilities, Inc. with a total bid of \$386,415.00; Hobson Construction Co., Inc. with a total bid of \$381,145.00; Wolfpen Associates, Inc. with a total bid of \$367,686.80; Blythe Co. Construction with a total bid of \$319,250.00 and Terry Brothers Construction Co., Inc. with a total bid of \$292,284.00. Staff recommends award of this contract to Terry Brothers Construction Co., Inc. in the amount of \$292,284.00, subject to review and approval by District Counsel.

**g. Consideration of Bids for Evergreen Avenue Four-inch Main, Greeley Street USR, Penley Avenue USR and Reese Road GSR Projects:**

Mr. Hartye reported that this contract is a combination of four small projects. The Greeley Street and Penley Avenue projects are for the replacement of failing, unclaimed private sewers. The Evergreen Avenue and Reese Road projects will replace under-sized and structurally defective sewer mains. He stated that the following bids were received on August 7, 2008: Payne, McGinn & Cummins with a total bid of \$579,088.75; Huntley Construction Co., Inc. with a total bid of \$356,148.19; Buckeye Construction Co., Inc. with a total bid of \$353,819.10; Carolina Specialties, Inc. with a total bid of \$292,890.17; Hobson Construction Co., Inc. with a total bid of \$273,052.00; T&K Utilities, Inc. with a total bid of \$252,019.00; Blythe Co. Construction with a total bid of \$212,510.00 and Terry Brothers Construction Co., Inc. with a total bid of \$187,423.00. He further stated that staff recommends award of this contract to Terry Brothers Construction Co., Inc. in the amount of \$187,423.00, subject to review and approval by District Counsel.

**h. Consideration of NC WaterWARN Mutual Aid Agreement:**

Mr. Hartye reported that the NC WaterWARN Agreement establishes a process for peer-to-peer mutual aid to provide rapid, short-term deployment of emergency assistance. The agreement does not obligate members to do anything; yet members are eligible for federal reimbursement provided the agreement is established prior to the event or emergency. Mr. Haner asked if this is an update of the current agreement. Mr. Hartye stated that in 1999-2000 MSD had some mutual aid agreements with small entities in the area that would pay the cost associated with a response, but MSD was not obligated to respond. Mr. Haner questioned the cost of providing equipment

in an emergency situation. Mr. Hartye stated that MSD had a schedule of values, i.e., the rental value of a VAC truck would be \$100 per hour. Mr. Haner asked if MSD has ever collected money for use of equipment. Mr. Hartye said no; there were no major responses. Mr. Stines said MSD did help Henderson County out a couple of times during an SSO. Mr. Haner asked if the administrative costs, to ensure reimbursement by the federal government, is included, or is that a separate expense incurred by MSD. Mr. Clarke stated that this is a more comprehensive approach to the current Mutual Aid Agreement. He further stated that he recommends the Board approve it. However, before the Agreement is signed by the General Manager, there are some language changes that need to be made, therefore, the motion should read, "Staff recommends the MSD Board endorse the Mutual Aid and Assistance Agreement and authorize the General Manager to sign said Agreement with the advice and input of Counsel and the Director of the Water Reclamation Facility to negotiate the terms."

Regarding Henderson County's use of MSD equipment, Mr. VeHaun asked if MSD would bill Henderson County for what FEMA would pay them. Mr. Stines stated that this particular situation was not a FEMA type emergency; it was an SSO emergency. Mr. Hartye stated that an MSD employee would stay with the equipment whatever the circumstance would be. Mr. Clarke stated that this agreement requires MSD to publish a schedule of rates and charges.

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

Ms. Bellamy asked when the audit will take place and if the numbers shown will change. Mr. Powell stated that the audit will take place beginning September 15<sup>th</sup> and that revenues will only go up, not down. Ms. Bellamy asked what happens if the District overspends. Mr. Hartye stated that the District has not overspent in the last 10 years, but if overspending is anticipated, a budget amendment would be brought to the Board in June before the end of the fiscal year.

**j. Cash Commitment/Investment Report – Month ended June 30, 2008:**

Presented as information only.

Mr. Haner moved that the Board approve the Consolidated Motion Agenda as presented. Ms. Bryson seconded the motion. With no further discussion, Mr. Aceto called for the question. Roll call vote was as follows: 10 Ayes; 0 Nays.

**9. Treatment Plant Presentation:**

Mr. Kiviniemi presented an aerial photo of the treatment plant complex, showing the hydro electric facility, the main treatment plant, the ash lagoon and the alkaline facility. He reported that the plant is operational 24/7, 365 days a year and is comprised of the following divisions: Operations and Maintenance Division, managed by Dennis Lance; Electrical, managed by Tony Franklin; Building Trades, managed by Scott Monroe and Industrial Waste - Pretreatment managed by Monty Payne.

Mr. Kiviniemi explained that wastewater comes from many sources; domestic waste, commercial waste, storm water, ground water and industrial waste. He stated that the industrial waste – pretreatment group is there to protect the plant, to make sure what goes down the drain will not disturb the plant in any way. One of the main aspects of this program is grease control, which is a large contributor of SSO's. He further stated that along with a comprehensive education program to inform the public of this problem and how to prevent it, monitoring and inspection of industries and commercial establishments are done. He presented a diagram showing how a grease interceptor works.

Mr. Kiviniemi reported that MSD maintains 30+ remote pumping stations throughout the MSD service area, which pump wastewater to the plant. He went over the various stages of treatment and de-chlorination before the water is released back into the French Broad River. He stated that the treatment process generates approximately 1 dry tons/day of sludge for every million gallons of water treated or approximately 14 dry tons per day. The sludge is separated from the water; thickened; dewatered to about 24-25% and sent to the incinerator. After incineration, the resulting ash is then pumped to the lagoon.

Mr. Kiviniemi went over the many responsibilities and accomplishments for each division of the Water Reclamation Facility. Ms. Bellamy asked if pharmaceuticals are removed from the wastewater. Mr. Kiviniemi stated that the treatment process is designed to remove a certain amount of organics, but pharmaceuticals are somewhat of an emerging technology and the level of detection is low at this point. However, there is quite a bit of study being done on pharmaceuticals. Mr. Kelly asked how much water is taken out of the French Board each day and how much is put back. Mr. Kiviniemi stated that approximately 10,000/gpd is removed for non-potable water use and the rest of the water that is removed just affects the quarter mile segment from the dam to the tail race. On average, anything above the minimum release goes into the hydro. He further stated that you need 500cfs from the river to consistently make power without having to shut down. Mr. Kiviniemi introduced Ed Bradford for a short synopsis of rehab projects.

Mr. Bradford presented an aerial photo showing facility improvements over the last nine years. He reported that in 2000, full backup power was completed and is used for critical plant functions during power outages. In 2005, the Septage Receiving Facility was completed and during the past year this facility has generated \$199,000 in revenue. Other projects include: The Grit and Grease Removal process, currently in close out; Influent Barscreens complete in 1999-2000; Blowers for the RBC's, recently completed; Sodium Hypochlorite Facility completed in 2000-2001; Dechlorination Facility completed in 2004-2005, which was an in-house project; Incineration Facilities, 2004-2005, with new Belt Filter Presses and replacement of refractory lining; Hydroelectric Facility with switch gear and turbine work, completed in 2003-2004; Intermediate Pump replacement, currently in design, and the Final Microscreen Replacement, which has been problematic for many years and is one of the primary recommendations from the recently completed Facilities Plan. Mr. Bradford reported that pilot testing of two viable technologies for this project was done in May, 2007 and a selection was made. Mr. Bradford presented a strip-away view showing the current plan and stated that the procurement will be brought to the September Board meeting. Mr. Hartye stated that the new filtering units will enhance the quality of water going out of the plant. Construction will not begin until next summer, since the manufacturing of this equipment requires a long lead time.

**10. Old Business:**

None

**11. New Business:**

None

**12. Adjournment:**

With no further business, Mr. Aceto called for adjournment at 3:10 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: September 10, 2008

SUBJECT: Report from the General Manager

- Kudos
  - Mr. Randall Barnett sent the attached letter regarding the work of the following crew around his property at 21 Westchester Drive in Kenilworth. Thanks to Bobby Arrowood, Mckinley Hensley, Lloyd Anders, Ray Lunsford, and Clement Crowe.
  - Copper Coggins sent the attached letter regarding the professionalism of Ken Stines.
  - Jackie Salabert of 25 Alclare Drive called to compliment the dig up crew saying they are very nice people and she appreciates the work. Thanks to Bobby Arrowood, Mckinley Hensley, Lloyd Anders, Ray Lunsford, Clement Crowe, Robert Denny, Marcus Bynum, Jesse Hunter and Randy Mull.
  - Ms. Marta Johnson of 6 Persimmon lane in Asheville called to compliment Ricky Bates who responded quickly and provided customer service that was thorough and professional. It was a very pleasant surprise to get that kind of service.
- T.C. Air Emissions
 

After the Plant presentation at the last Board meeting there were questions regarding the T.C. air emissions. Attached are a few slides showing components of this system and some test results of the emissions. MSD has always been well in compliance with the emission standards and has received the WNC Air Quality "Pat on the Back" award for several years.
- Reading
  - AC-T editorial
  - NCLM Legislative Bulletin excerpt
- Board/Committee Meetings
 

The next Regular Board Meeting will be held October 15<sup>th</sup> at 2pm. The ROW Committee Meeting is scheduled for September 24th at 9 am.



## THE BUYER'S AGENT

asheville 21 Westchester Drive  
Asheville, NC 28803  
September 5, 2008

Metropolitan Sewage District  
2028 Riverside Drive  
Asheville, NC 28804

Dear District,

I just wanted to write a letter of appreciation to your organization and to the crew that did the new sewer line from the street to my line in my front yard at 21 Westchester Drive in the Kenilworth neighborhood.

The crew did an awesome job locating, digging, installing and cleaning up for this job on Friday, August 29, 2008.

They were very careful not to damage my driveway. They let me take pictures as they proceed through the project. They seem to enjoy doing their jobs and serving the public with their skills and workmanship.

I want this crew to be commended for the manner in the way they worked in my yard. I appreciate their work ethics.

Please thank this crew on my behalf.

Sincerely,

  
Randall Barnett

Crew:  
Bobby Arrowood  
McKinley Hemsley  
LLOYD ANDERS  
RAY LUNSFORD  
Clement Crowe





July 24, 2008

Mr. Cook,

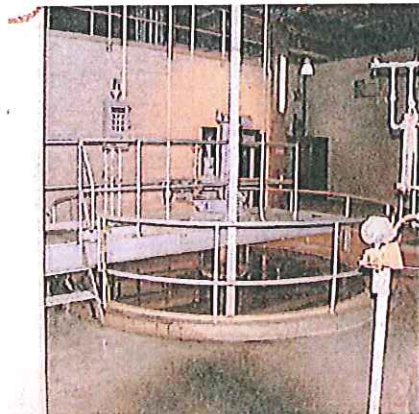
I am writing to commend the professionalism of Mr. Ken Stines. One of the MSD crews had to break a lock & push through a gate on a lot I hold in trust. Mr. Stines sounded glad to hear from me when I called about it. I admit I had expected to get a response that was unforgotten & degenerate (based on past experience with the water dept.). In contrast, Mr. Stines handling of the situation was a model of excellent public service and public relations. How Refreshing!!

Bob Smith

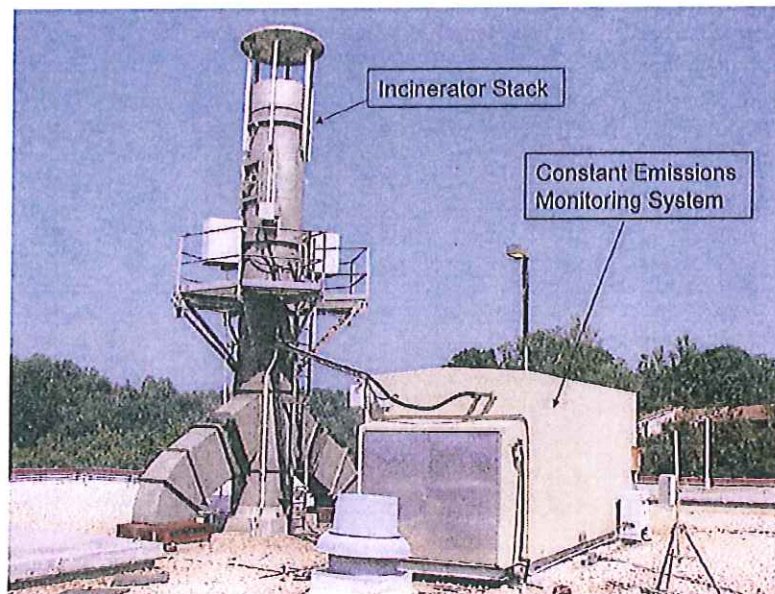
## Venturi Scrubber System

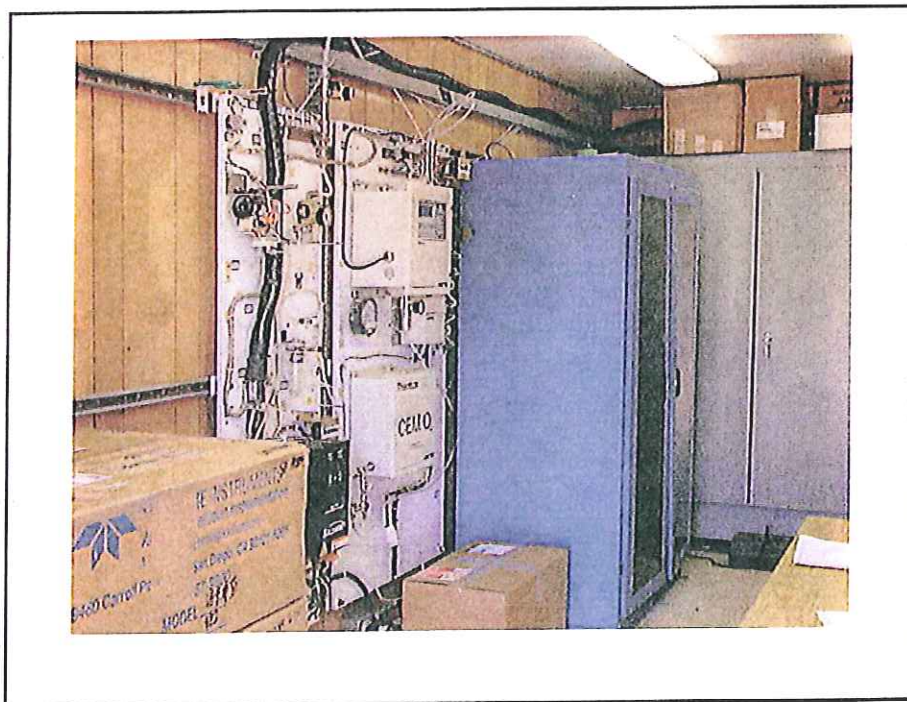
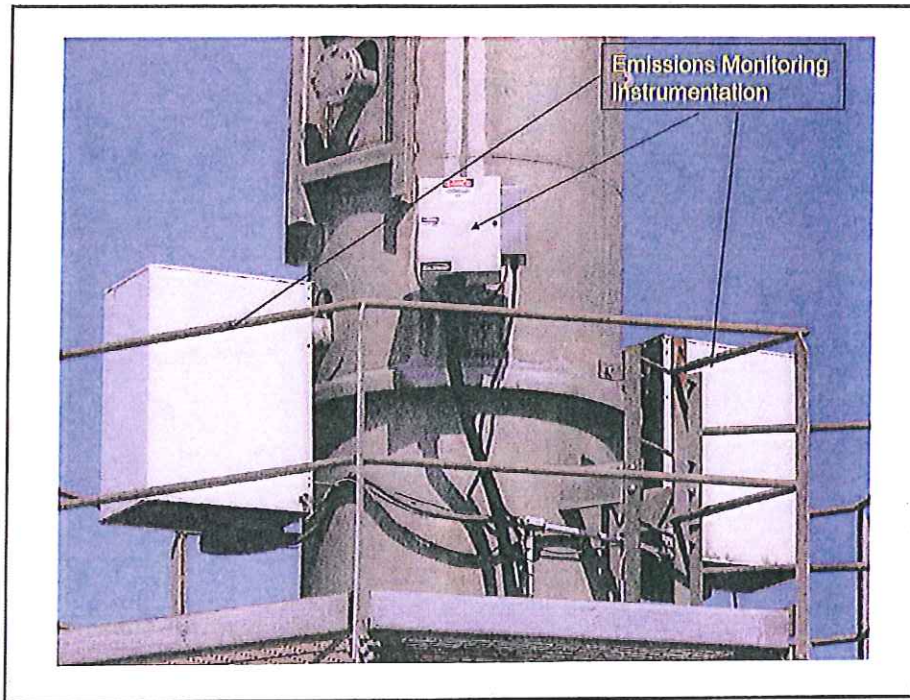


## Ash Thickener

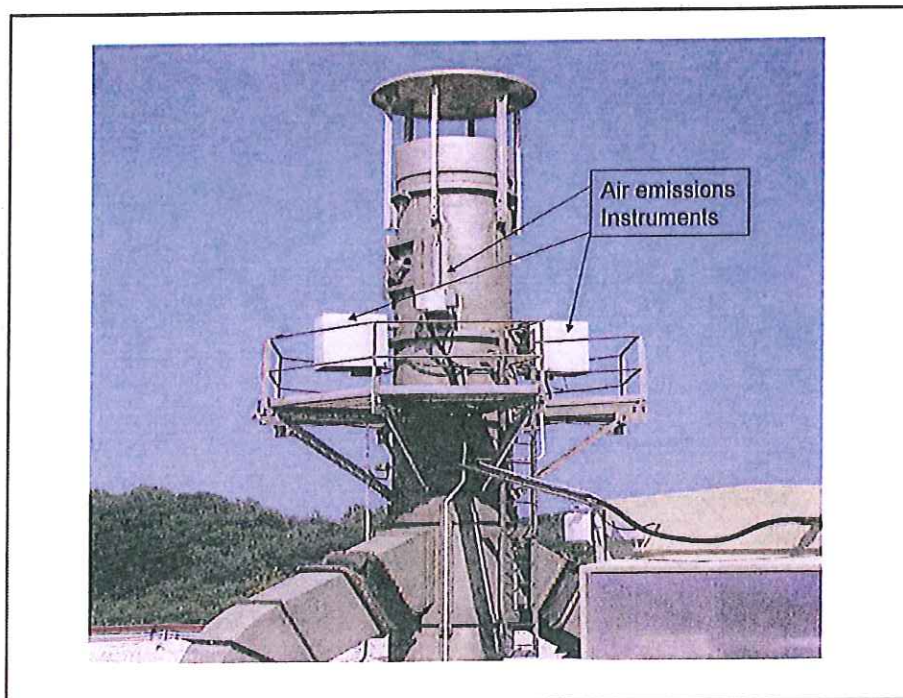
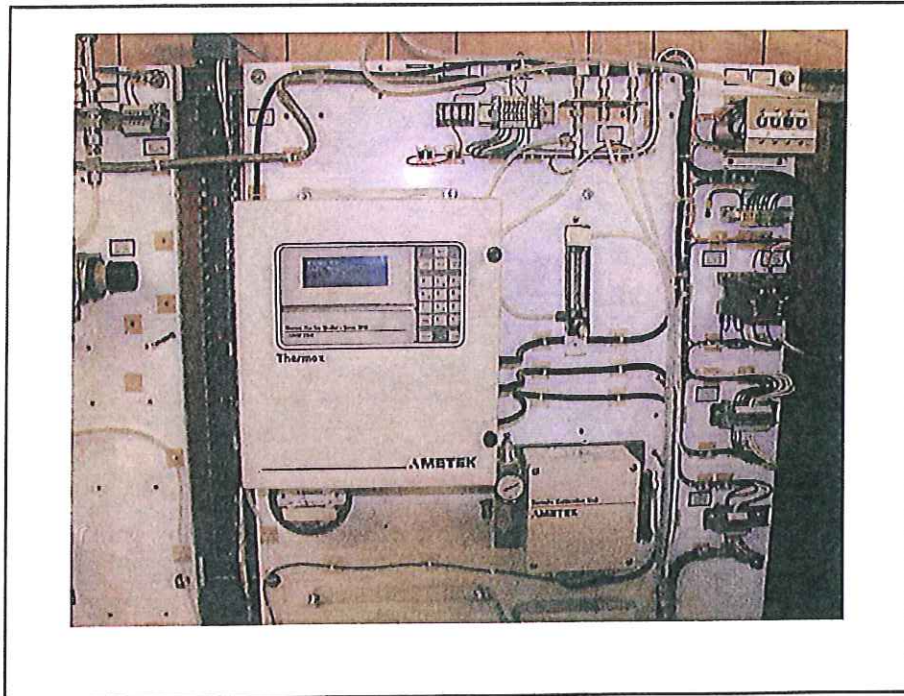


# Emissions Monitoring System









# Air Emissions Data

METROPOLITAN SEWERAGE DISTRICT				AIR EMISSIONS DATA FY07-08											
B.F.P. SLUDGE METALS DATA	Removal Efficiency	RSC ug/M3	LIMITS Mg/Kg	dispersion factor = 26											
				JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
ARSENIC	99.83%	0.023	1,419	ND	2.80	1.10	ND	ND	2.40	ND	1.90	2.80	2.50	1.50	2.90
BERYLLIUM	99.83%		10	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
CADMIUM	99.89%	0.057	5,433	0.74	2.30	2.40	1.70	0.83	0.95	1.30	2.00	0.72	2.40	4.70	6.70
CHROME	99.85%	0.65	45,435	26	30	25	24	19	27	21	26	43	25	35	52
COPPER	99.99%			300	364	304	319	322	311	263	270	236	342	352	341
NICKEL	99.83%	2.0	123,354	25	36	28	24	21	28	41	43	38	31	34	37
LEAD	99.81%	0.15	8,278	51	62	55	50	52	44	35	40	38	45	48	51
ZINC	99.99%			1200	2010	1400	1410	1440	1490	1340	1370	1040	1360	1600	1520
MERCURY	25%		3,200	0.10	0.04	0.08	0.22	0.31	0.15	ND	0.07	0.07	0.04	0.20	0.07
PRESSURE DROP	Venturi & Tray Scrubber			20/9	22/6	24/5	21/5	21/5	22/5	21/5	20/5	22/5	22/6	22/5	22/5
OXYGEN	In Stack Gas			12.8	15.2	13.2	14.7	13.4	11.0	10.7	12.3	10.7	13.4	17.3	11.3
CARBON MONOXIDE	In Stack Gas		100	4.4	8.1	4.8	6.1	4.0	2.1	1.7	2.0	2.6	4.8	8.8	3.7
COMBUSTION TEMP.	In Sand Bed			1485	1479	1477	1462	1466	1485	1479	1436	1507	1531	1501	1483
TONS BURNED				463	338	375	334	347	372	373	313	629	502	469	441
HOURS OPERATED				619	506	554	529	533	502	464	317	317	589	531	523



## Citizen-Times viewpoint

## May city/county water cooperation proceed at last

Asheville has wasted enough time and money fighting a losing battle over control of its water system.

It was an ill-advised battle from the beginning, one that has already cost city and county taxpayers more than \$30,000 in legal fees.

Earlier this week the N.C. Court of Appeals upheld a superior court ruling dismissing the city's 2005 lawsuit against the state and Buncombe County. The lawsuit argued that state lawmakers overstepped their bounds when, at the behest of Buncombe County commissioners, they passed laws called the Sullivan Acts.

The acts prevent Asheville from charging higher rates to customers outside the city limits, from requiring developments be annexed before providing them water service and from using water revenue for any purpose other than maintaining the water system. The laws came about because of the unique history of Asheville's water system, which took over several smaller water systems in the early 20th century on condition it not charge higher rates outside city limits.

Other municipal water systems have the ability to charge noncity residents higher rates and to make voluntary annexation a requirement of connection to the system.

## City at disadvantage

Not having those abilities puts Asheville at a disadvantage when it comes to planning and managing the growth on its borders.

It may well be that Asheville City Council members believe losing the lawsuit deprives them of the leverage they need to get a fair deal for city residents. That's flawed thinking.

It also means that taxpayers who live inside the city limits and pay both city and county taxes get no break on their water bills.

Council members are justified in feeling that's unfair. The urbanized areas on the city's edges are there primarily because of the amenities provided by the city.

Yet city taxpayers bear the burden for the streets, sidewalks and other infrastructure

heavily used by these noncity residents. That's flawed thinking.

When the city terminated the regional water agreement in 2005 and dissolved the Regional Water Authority, which included Buncombe and Henderson counties, it created the hostile, uncooperative atmosphere that led to the passage of the 2005 Sullivan Acts.

## End this dispute

It's long past time for the city to come to terms with the reality it faces and to take the lead in resolving its long-running dispute with its former water authority partners over their failed agreement.

It may well be that Asheville City Council members believe losing the lawsuit deprives them of the leverage they need to get a fair deal for

city residents. That's flawed thinking.

Along with the beauty of the region, proximity to a thriving Asheville provides the impetus for residential and business growth and tourists' visits in Buncombe and adjoining counties.

Strangling Asheville's ability to provide the planning and infrastructure it needs to continue offering a high quality of life with an affordable tax burden is a sure way to kill the goose that laid the golden egg, to exploit an overused cliché, for Buncombe County especially and the region generally.

In the past, Asheville's arrogant, go-it-alone attitude hasn't served it or the region well.

It's time to look toward developing a cooperative

arrangement among good neighbors who work together for the good of all.

## New urgency

Mayor Terry Bellamy offered a ray of hope that might be possible when she said the ruling might allow city and county leaders to hash out an agreement.

"It creates opportunities for us to see at this point how we can come together for the greater good of Asheville and Buncombe County," she said.

That it does. Here's hoping City Council doesn't squander those opportunities by asking the Supreme Court for permission to appeal the outcome of the lawsuit yet again.

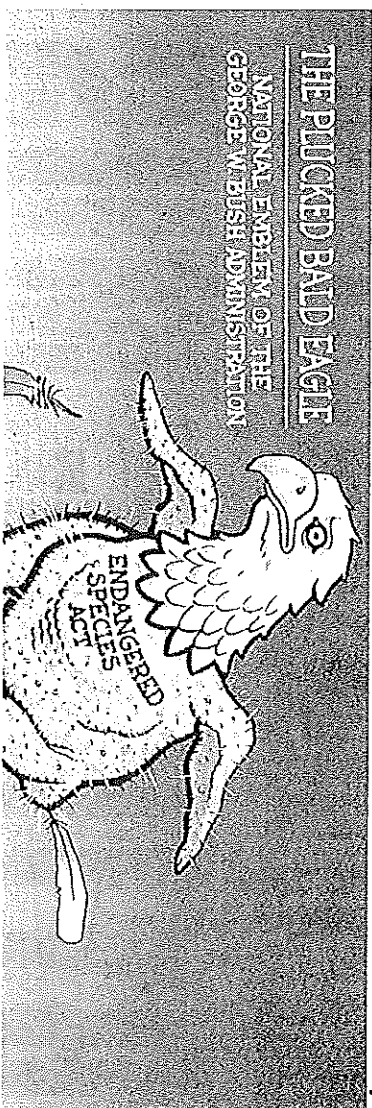
As this time of drought has shown, regional cooperation is no longer optional.

## Instalatters

I think "Bruce Tinsley's attempts at political satire ... are right on the mark. It's that silly strip by Garry Trudeau that doesn't make sense. Leave the duck alone.

Sandra Bradbury, Asheville

Unintended consequences:



## Syndicated columnist

Next phase:  
McCain camp  
will go dirty  
by necessity



# Legislative Bulletin

NCLM.ORG NORTH CAROLINA LEAGUE OF MUNICIPALITIES

P.O. BOX 3069 • RALEIGH, NC 27602-3069 • (919) 715-4000 • FAX (919) 733-9519

**Bulletin No. 11**

## **2008 Legislative Wrap-Up**

The General Assembly adjourned its 2008 Regular Session on Friday, July 18. The two-year legislative cycle saw the highest number of bill filings since 1913. The League monitored over 1,500 bills during the biennium and fought many battles along the way. We were successful in achieving several of our priority advocacy agenda items, and were able to defend against the erosion of municipal authority as well as negotiate improvements to numerous proposals.

Of particular note are new provisions for the prevention and suppression of criminal street gangs; a new revenue bond and special assessment financing tool for infrastructure; a workable compromise on drought legislation, liability protection for water systems, and a public records exception for personal information about minors.

The following are highlights of the state budget and of actions taken on priority municipal issues by category. If you need a copy of these or any other bills, remember that bills and legislative calendars are available on the internet at <http://www.ncleg.net>, or you can contact the Legislative Printed Bills Office at 919-733-5648 or the League office. Please feel free to contact the League staff if you have any particular interest or concern regarding any piece of legislation.

Under the state constitution, the Governor had 30 days after adjournment to act on all pending bills. The 30-day period concluded on August 17, with Governor Mike Easley vetoing one bill (the veto was later overridden) and 228 others becoming law. Throughout this *Legislative Bulletin*, legislation that has become law is delineated with its session law chapter number after the bill title (e.g. SL 2008-1). Even though these acts have become law, some have delayed effective dates, so please be sure to check the legislation itself.

**August 29, 2008**

### **Thanks**

We very much appreciate the hard work of our legislators, and we thank the many members of the General Assembly who supported the municipal position on bills and worked with us in various ways. We express our thanks as well to the leaders of the two bodies, House Speaker Joe Hackney and Senate President Pro Tem Marc Basnight, and the members of their staffs, for their many courtesies during the session.

We also appreciate the willingness of other members of the House and Senate leadership to work with us on municipal issues. It would be impossible to list the many members of the House and Senate that worked with us during the legislative session but we have attempted to give special recognition above to those who sponsored or provided special assistance on legislation of interest to municipalities.

### **Annexation**

The big news this session was House action on an annexation moratorium. The House passed *HB 2367 – Involuntary Annexation Moratorium*, but the bill remained in the Senate Rules Committee at the end of the session and was not enacted. Long-standing NCLM core principles include strong support for the state's annexation laws, and the membership opposed a moratorium as unnecessarily tying municipal officials' hands in dealing with the growth that is occurring in their areas.

The bill would have prohibited municipalities from adopting resolutions of consideration, resolutions of intent or annexation ordinances between August 31, 2008 and May 31, 2009. City-initiated annexations that had already started or were in litigation would also have been affected, as the annexation could not have become effective during that period.

We appreciate the efforts of Reps. Dan Blue, Lucy Allen and Becky Carney, who spoke on



the floor in support of cities and towns. We thank the members who voted against a harmful amendment: Representatives Alexander, K.; Alexander, M.; Allen; Bell; Blue; Bordsen; Bryant; Carney; Cole; Cotham; Dickson; Earle; Faison; Farmer-Butterfield; Fisher; Gibson; Glazier; Goodwin; Haire; Hill; Hughes; Jeffus; Killian; Love; Martin; Mobley; Neumann; Parmon; Ross; Samuelson; Saunders; Sutton; Tarleton; Tolson; Tucker; Underhill; Wainwright; Wilkins; Womble; and Wray. We owe special thanks to the members who voted against the bill on third reading, after an overly restrictive amendment: Representatives Alexander, K.; Alexander, M.; Earle; Fisher; Furr; Gibson; Glazier; Goodwin; Gulley; Haire; Hughes; Jeffus; Martin; Mobley; Owens; Saunders; Tolson; and Tucker.

There were also several local bills to restrict annexation authority this session. *HB 2754 – Rowan County/Annexation Moratorium*, *HB 2764/SB 2128 – New Hanover Annexation Moratorium*, *SB 2149 – Rowan Annexation* and *SB 2150 – Davie Annexation* did not advance.

However, annexation remains a volatile and divisive issue and the discussion is far from over. *HB 2431 – Studies Act of 2008 (SL 2008-181)*, creates the 28-member Joint Legislative Study Commission on Municipal Annexation that is to report to the 2009 session. Two of the seats on the commission are to be representatives of the League. The Speaker of the House and the President Pro-Tem of the Senate are in the process of appointing the members and we hope that it will be a balanced commission that will thoughtfully consider all sides of the issue. We believe that municipal officials are open to reasonable changes to annexation laws as long as they don't undermine the sound principles put in place by legislators nearly 50 years ago.

## Elections

One major piece of legislation was enacted affecting election laws. *SB 1263 – Election Law Amendments (SL 2008-150)* created a new Joint Legislative Elections Oversight Committee that is to examine, on a continuing basis, election administration and campaign finance regulation in the state. The act also reauthorizes a pilot program for instant runoff voting. This method is a system in which voters rank up to three of the candidates by order of preference, thereby eliminating the need for runoffs. The State Board of Elections

is authorized to select local elections in which to use the method in up to ten local jurisdictions in each of the following years: 2009, 2010 and 2011. The local governing board that is the subject of the election must approve participation in the pilot and agree to cooperate in the development and implementation of a plan to educate candidates and voters about instant runoff voting. The session law also enacts a new provision requiring all campaign treasurers to report according to the municipal campaign reporting schedule if their candidates or committees participate in municipal elections.

## Environment

As is becoming traditional in short session years, we worked on several major environmental issues and participated in numerous stakeholders' negotiation groups.

**Drought/Water Resources**—After an intense and fast-moving negotiation process, the General Assembly enacted legislation seeking to create a working partnership between the state and local governments in responding to drought and water shortage emergencies. Under *HB 2499 – Drought/ Water Management Recommendations (SL 2008-143)*, cities and counties will be able to implement the water shortage response plans developed under state rules that became effective in 2007. Systems without plans must implement the default conservation measures currently required by the rules in the event of an extreme or exceptional drought. The Department of Environment and Natural Resources would ensure that local plans provide for increasingly stringent conservation measures and would be authorized to require water systems to move to the next level of response in their plans if measures are not effective in an extreme or exceptional drought. Existing emergency power to declare a water shortage emergency--and potentially divert water between systems--is shifted from the Environmental Management Commission to the Governor.

The act creates additional funding criteria for water treatment capacity expansion or waterline extensions, and requires separate meters for new in-ground irrigation systems connected to the public water systems. The bill also expands the registration and reporting requirements to include agricultural water use for withdrawals of 10,000 gallons per day or

more. Revised water shortage response plans are due by July 1, 2009.

The final version was revised substantially from the original proposals following extensive negotiations with DENR and the Governor's office. Our thanks to Rep. Lucy Allen, Rep. Pryor Gibson, and Sen. Dan Clodfelter for allowing us the opportunity to work on the bill and for their leadership on the issue. We also thank Rep. Paul Stam for working with us on his amendment, and the many legislators who responded to local government concerns.

*SB 1872 – Extend Water Allocation Study (SL 2008-10)* extends the study and corresponding final report on state water resources and water allocation to the General Assembly until October 1, 2010. The study will be conducted by the Environmental Review Commission, DENR, and the UNC School of Government. *SB 1046 – Yadkin Project Study (SL 2008-137)* authorizes the Environmental Review Commission to study the impacts of the potential issuance of a new fifty-year license by the Federal Energy Regulatory Commission to Alcoa Power Generating, Inc. The ERC is to report no later than February 1, 2009.

**Interbasin Transfer**—*HB 821 – Specify Out-of-State Areas for IBT Notice (SL 2008-125)* specifies, by cataloging units from the United States Geological Survey, the areas in which notices related to the surface drainage basin area of the source river basin must be published. The Environmental Review Commission is to study the delineation of major river basins and sub-basins within North Carolina as part of its study on the allocation of water resources.

**Irrigation Contractors**—*HB 2353 – Irrigation Contractors Licensure/Fees (SL 2008-177)* creates the North Carolina Irrigation Contractors' Licensing Board and prohibits the installation and construction of irrigation systems without a license effective January 1, 2009. Among others, it exempts from the license requirement any federal or state agency or any political subdivision performing irrigation construction or contracting work on public property; any property owner who performs irrigation construction or contracting work on his or her own property; and licensed public utility contractors.

**Pervious Parking**—*SB 845 – Amend Env. Laws/Env. Tech. Corrections (SL 2008-198)*

repealed the 2007 state budget provision setting new statewide limitations on the paving of parking areas that was scheduled to go into effect on October 1, 2008. The bill enacts a new provision, effective April 1, 2009, that only applies to parking lots larger than one acre in areas of the state without current stormwater rules. The new provision has two options for compliance: (1) constructing no more than 80% of the parking out of impervious material, or (2) diverting the first two inches of rainfall falling on at least 20% of the parking lot to a bio-retention area. The act applies to building permits for which applications are received on or after April 1, 2009.

**Solid Waste**—See *Finance and Tax* below for changes to the solid waste tip tax distribution. *HB 819 – Electronic Recycling Amends/Add TVs (SL 2008-208)* adds televisions to the manufacturer take-back program for electronics that was enacted in 2007 and creates a landfill ban for discarded televisions (effective 2011) and computers (effective 2012). The bill includes requirements applicable to television manufacturers, retailers, and television collectors. Municipalities and counties acting as collectors of discarded electronics and televisions must properly store electronics and televisions and hold them for pickup by a manufacturer or delivery to a facility designated by a manufacturer. Computer manufacturers must submit a plan that, in addition to other requirements, must describe in detail how the manufacturer will provide for transportation of discarded computer equipment at no cost from discarded computer equipment collectors. Television manufacturers must contract with a recycler. The act prohibits state agencies, political subdivisions of the state, and other public bodies from purchasing televisions from any manufacturer not in compliance with the act. Local government authority to manage computer equipment and televisions is not preempted. The act is generally effective January 1, 2011.

*HB 1134 – Cleanup of Abandoned Manufactured Homes (SL 2008-136)* requires counties adopting programs for the cleanup of abandoned manufactured housing to develop written plans as part of their comprehensive solid waste plans. The program must include a method for designation of abandoned manufactured homes, a plan for deconstructing them, a plan for removal of components for recycling as appropriate, and a plan for proper

disposal of the remainder. Counties can contract with other units of local government or private entities to implement their plans. The act requires notification to the responsible party for each identified abandoned manufactured home in the county that the home must be properly disposed of within 90 days. After notice and a hearing, the public officer may issue an order requiring disposal. If the responsible party fails to comply, the county may remedy the situation and charge the costs against the responsible party or the owner of the property on which the home was located. Disposal of an intact manufactured home in a landfill is prohibited. Up to \$1 million from the Solid Waste Management Trust Fund may be used to provide grants to reimburse the expenses for activities under the act. The act specifies that it does not limit the planning and zoning authority of cities or counties. It becomes effective July 1, 2009 and expires October 1, 2023. We appreciate Rep. Phil Haire for working with us on the funding aspect of the legislation.

**Stormwater**—*SB 1967 – Improve Coastal Stormwater Management (SL 2008-211)* disapproved rules applicable to the 20 coastal counties that were adopted by the Environmental Management Commission earlier this year, and substitutes compromise provisions. The bill provides that the following types of development activities in the coastal counties must manage stormwater: non-residential development activities that will add more than 10,000 square feet of built-upon area or that require a Sedimentation and Erosion Control Permit or a Coastal Area Management Act Major Development Permit, and residential development activities that require a Sedimentation and Erosion Control Permit or a CAMA Major Development Permit. There are specific requirements for development near certain classified waters such as Outstanding Resource Waters and shellfish waters. These rules replace the existing coastal stormwater rules enacted in 1995 under CAMA and become effective October 1, 2008.

DENR's Division of Water Quality will hold a series of workshops in September on the legislation: Sept. 18 in Washington; Sept. 19 in Manteo; Sept. 23 in Wilmington; Sept. 24 in Beaufort; and Sept. 26 in Raleigh. Contact Bridget Munger at (919) 807-6363 or [Bridget.Munger@ncmail.net](mailto:Bridget.Munger@ncmail.net) for more information.

A provision of the state budget, *HB 2436 – Modify Appropriations Act of 2007 (SL 2008-107)*, requires the NC Department of Transportation to conduct a pilot study on 50 bridges of the installation of various types of stormwater detention, collection, and filtering systems during bridge construction over waterways.

**Sustainability**—The budget bill, *HB 2436 – Modify Appropriations Act of 2007 (SL 2008-107)*, allows a tax credit to taxpayers that donate money to a local government unit for the government unit to acquire renewable energy property. Legislation enacted in 2007 created a renewable energy and energy efficiency portfolio standard for electric power suppliers and included the tax credit for donations to non-profit organizations. This provision clarifies that the tax credit is also available for donors to local governments. *SB 1946 – Energy Efficiency in Public Buildings (SL 2008-203)* codifies performance standards for sustainable, energy-efficient public buildings to be used in major facility construction and renovation projects. It is applicable only to state agencies and institutions of higher education, not to local governments.

**Underground Tanks**—*HB 2498 – Underground Storage Tank Prgm Amends (SL 2008-195)* raises the fee for storage tank owners to \$420 per year and eliminates fee levels based on the size of the tank. It requires owners to request reimbursement within a year of the assessment or cleanup and amends financial responsibility amounts. The act also establishes more stringent requirements for secondary containment, and requires DENR to establish a pilot program to evaluate the use of site-specific cleanup standards. It is effective January 1, 2009.

**Wetlands Mitigation**—*SB 1885 – Promote Private Compensatory Mitigation (SL 2008-152)* amends the priority of actions that may be taken to satisfy wetland mitigation requirements for non-NC Department of Transportation projects. An applicant other than DOT may satisfy the requirements by the following actions: (1) participation in a private wetlands mitigation bank by approved hydrologic areas; (2) payment of a fee to the Ecosystem Restoration Fund if the first option is unavailable; (3) donation of land to the Ecosystem Enhancement Program or to other public or private nonprofit conservation organizations; or (4) preparing and

# **REPORT OF COMMITTEES**

# MINUTES

## Finance Committee Meeting August 28, 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, August 28, 2008 with Chairman Kelly calling the meeting to order at 3:00 p.m.

In attendance were the following Committee Members: Chairman Glenn Kelly, Terry Bellamy, Jon Creighton, and Max Haner. Also present were Steven Aceto, Mike Sobol, Jerry VeHaun, Billy Clarke of Roberts & Stevens and MSD staff Tom Hartye, Scott Powell, Peter Weed, and Jim Hemphill.

### 1. Annual Report on Self-Funded Health Insurance Plan for FY2008

Scott Powell reported that in comparing budget-to-actual numbers, plan revenues are on target, with employee contributions slightly more than anticipated due to additional employees retiring and electing dependent coverage. In addition, items noteworthy are:

- A 13.7% decrease in medical claims paid over the prior year, due to the District MSD not having any claims in excess of \$50,000 as compared to four claims in FY2007 totaling \$289,086.
- A 15% decrease in claims for individuals with chronic conditions, attributable to the implementation of Disease Management program in the current year.

Mr. Powell summarized that FY08 actual expenditures ended up within 7% of budget and for FY09 modifications were made to the health insurance benefits and premium amount to help manage anticipated healthcare cost.

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

### 2. Report on Worker's Compensation Claim Experience

Scott Powell reported that the District has experienced a reduction in workers' compensation claims during the past several years, summarized in the attached graph of the past eight years. As a result, the District has lowered its experience modifier rating. In addition, Mr. Powell reported that for during FY09 process, the District was able to renew with a 46% reduction in premiums.

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

### 3. Fourth Quarter City of Asheville Billing Report

Scott Powell reported that the City of Asheville submits domestic sewer revenue data to the District on a quarterly basis, which in turn is analyzed/reviewed by staff for trends and anomalies that might affect the District's financial management decisions. He continued further that based on the attached report, net billings have increased 5.8%, which includes the FY08 rate increase of 4% as well as a 1.8% increase in growth.

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

# MINUTES

Finance Committee Meeting  
August 28, 2008

#### 4. Update on Debt Financing

Scott Powell reported that as of June 30, 2008, the District had \$98.6million in outstanding debt. This debt consisted of 44% traditional fixed - \$42.8 million, 34% synthetic fixed-\$33.6 million and 22% variable-\$22.2 million. Mr. Powell stated that prior to the insurance issue with the 2004 Series Bonds, the District saved \$1.3 million with an average interest rate of 2.99%, compared to a 4.46% traditional fixed interest rate. In addition, the District has saved over \$278,000 on the Series 2005 Bonds.

Scott Powell indicated that prior to the refunding of the 2005 Synthetic Fixed Rate Bonds, staff evaluated the cost of terminating the swap agreement, the interest rate of converting the bonds to traditional fixed, and if there were any tax considerations for going to the traditional fixed rate. Based on this evaluation, staff felt that it prudent to leave the bonds as synthetic fixed rate and revisit its status at the next bond issuance in 2011.

Mr. Powell concluded assuming the 2008A Bonds continue to yield 3.7175%, the District will realize a cash savings of \$5.9 million. In addition, the District will realize a \$159,000 savings as of August 31, 2008.

In closing, Scott Powell presented to the Committee two (2) graphs containing variable/fixed rate history and 2008A/2008B interest rate performance. This information, if approved by the Committee, could be provided to the Board on a monthly basis, which would assist in Board oversight and understanding of the Bond Series 2008 A&B. Committee voiced agreement of the report.

There being no further discussions, the meeting was adjourned at 3:53 pm.

# **CONSOLIDATED MOTION AGENDA**

# Metropolitan Sewerage District of Buncombe County

## BOARD ACTION ITEM

**BOARD MEETING DATE:** 9/17/08

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

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

**SUBJECT:** Reems Creek Interceptor Rehabilitation Project, MSD Project No. 2003046

**BACKGROUND:** This project consists of the replacement of an aged clay interceptor line which serves the Reems Creek Valley, including the Town of Weaverville. The project is necessary due to the poor structural condition, maintenance history, and inadequate capacity of this line.

The project is located along Reems Creek, and is within the both the county and the southern town limits of Weaverville. It is comprised of 15,032 LF of 24 and 30-inch DIP, and has been sized for future buildout within this basin.

The project was advertised and thirteen bids were received on August 28, 2008 for this contract in the following amounts.

<u>Contractor</u>	<u>Base Bid</u>	<u>Alternate Bid</u>
1. Haren Construction Co. (*)	\$ 5,300,520.00	No Bid
2. Mackenzie Company LLC	\$ 4,771,441.20	\$182,139.50
3. Payne, McGinn & Cummins (**)	\$ 4,753,231.00	\$ 0.00
4. Terry Brothers Construction Co.	\$ 4,738,995.00	(\$ 625.00)
5. Moorhead Construction, Inc.	\$ 4,729,733.00	(\$ 24,570.00)
6. Ruby-Collins, Inc.	\$ 4,555,705.00	(\$ 10,737.00)
7. D.H. Griffin Infrastructure	\$ 4,494,902.00	(\$ 9,721.00)
8. Morgan Contracting Inc.	\$ 4,394,195.00	\$190,300.00
9. John D. Stephens, Inc.	\$ 4,100,562.20	\$ 26,906.00
10. Buckeye Construction Co.	\$ 4,043,733.30	(\$ 36,684.00)
11. Metra Industries	\$ 3,751,653.00	\$ 0.00
12. S.J. Lewis Construction Co.	\$ 3,725,007.00	(\$ 96,000.00)
<b>13. Mendon Pipeline, Inc.</b>	<b>\$ 3,549,320.00</b>	<b>\$ 0.00</b>

(\*) Bid is rejected because an Alternate Bid was not submitted.

(\*\*) Bid is rejected due to invalid Bid Bond.

The apparent low bidder is Mendon Pipeline, Inc., with a bid amount of \$3,549,320.00. Mendon recently completed a similar rehabilitation project on this same line (Reems Creek @ Balcrank). Their performance on that project was excellent.



*Alternate Bid – Discussion*

*The Alternate Bid is for the use of “T-Base” manholes, which are smaller and lighter than regular manholes. Mendon offered no net savings for use of these manholes; therefore, staff does not recommend that the Alternate Bid be included.*

The construction budget for this project is \$3,252,700.00. The difference between the low bid and the engineer's estimate is due to a significant increase in the base cost of this large-diameter pipe since the current budget was prepared. From January '08 to August '08, the base pipe cost has increased by 35%, which results in an additional cost of \$295,000 due to the significant length of this project.

**FISCAL IMPACT:** The construction budget for this project is \$3,252,700.00. The overage of \$296,620.00 will be transferred from projects whose construction bids are less than budgeted amounts, or the contingency fund, as required.

**STAFF RECOMMENDATION:** Staff recommends award of this contract to Mendon Pipeline, Inc. in the base bid amount of \$3,549,320.00, subject to review and approval by District Counsel.


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

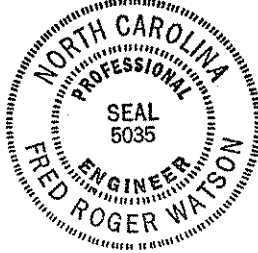
**SANITARY SEWER REHAB  
REEMS CREEK INTERCEPTOR, PROJECT NO. 2003046  
BID TABULATION  
August 28, 2008**

BIDDER	BID BOND	MBE FORM	BID FORMS (PROPOSAL)	TOTAL BASE BID AMOUNT	ALTERNATE BID (T-Series Manholes)
Haren Construction Company (**) Etowah, TN	5%	1	Yes	\$ 5,300,520.00	NO BID
Mackenzie Company LLC Asheville, NC	5%	1	Yes	\$ 4,771,441.20	\$ 182,139.50
Payne, McGinn & Cummins (***) Travelers Rest, SC	5%	1	Yes	\$ 4,753,231.00	\$0.00
Terry Brothers Construction Company Leicester, NC	5%	1	Yes	\$ 4,738,995.00	\$ (625.00)
Don Moorhead Construction Company Belton, SC	5%	1	Yes	\$ 4,729,733.00	\$ (24,570.00)
Ruby-Collins, Inc. Smyrna, GA	5%	1	Yes	(*) \$ 4,555,705.00	\$ (10,737.00)
D. H. Griffin Infrastructure Greensboro, NC	5%	1	Yes	\$ 4,494,902.00	\$ (9,721.00)
Morgan Contracting Company Baker, FL	5%	1,3	Yes	\$ 4,394,195.00	(*) \$190,300.00
John D. Stephens, Inc. Lawrenceville, GA	5%	1	Yes	(*) \$ 4,100,562.20	\$ 26,906.00
Buckeye Construction Company Canton, NC	5%	1	Yes	(*) \$ 4,043,733.30	\$ (36,684.00)
Metra Industries Little Falls, NJ	5%	1	Yes	\$ 3,751,653.00	\$0.00
S. J. Louis Construction Company Rockville, MN	5%	1	Yes	\$ 3,725,007.00	\$ (96,000.00)
Mendon Pipeline, Inc. Ghent, WV	5%	2	Yes	<b>\$ 3,549,320.00</b>	\$0.00

**APPARENT LOW BIDDER** - Contract will be awarded based on the Total Base Bid Amount.

- (\*) Indicates correction in Contractor's bid amounts.  
 (\*\*) Bid is rejected because no alternate bid was submitted.  
 (\*\*\*) Bid is rejected because POA does not match the Attorney in Fact on Bid Bond.

  
 F. Roger Watson, 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 28th day of August, 2008, in the W. H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina. Other than noted, all other 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  
Roger Watson, Project Engineer

**DATE:** September 3, 2008

**RE:** **Reems Creek Interceptor - MSD Project No. 2003046**

This project is for the replacement of an existing sanitary sewer interceptor line serving the Reems Creek valley, which also includes the town of Weaverville and the surrounding area. This portion of the Reems Creek Interceptor line begins at MSD's Pump Station on Reems Creek, and extends approximately 15,032 feet upstream to Lake Louise. Lines above this portion of the Interceptor have been upsized and repaired by previous projects.

The existing line in this portion of the Reems Creek Interceptor was installed in 1967. Flows into this system have dramatically increased since that time due to the significant growth within this basin. The capability of this line to handle the existing average daily flows from this basin is marginal, and peak flows and wet weather flows have caused backups and overflows from this pipe system. The existing 18" line will be replaced with a 30" and 24" ductile iron pipe, which should provide sufficient capacity to serve this basin to buildout.

This project is in an area that is primarily rural residential. This project will consist of replacing an existing 18" clay sewer main with 8570 L.F. of 30"; 6462 L.F. of 24" and 238 L.F. of 8" DIP. Twelve (12) of thirteen (13) existing aerial crossings will be lowered to subaqueous crossings; thereby greatly reducing the possibility of this line being damaged by flood flows, which has occurred in previous years. The existing line was installed ca. 1967 and is not of sufficient size to handle current and projected flows from the Weaverville area.

Bids were received at 2:00 PM on Thursday, August 28, 2008. An alternate bid was requested for T-base manholes. The bid instructions specified that determination of the Low Bidder would be based on the Base Bid price. Bids were received from 13 bidders and the results of the bids are shown below:

<u>Contractor</u>	<u>Base Bid</u>	<u>Alternate Bid</u>
1. Haren Construction Company of Etowah, TN	\$ 5,300,520.00	No Bid
2. Mackenzie Company NC. LLC of Asheville, NC	\$ 4,771,441.20	\$182,139.50
3. Payne, McGinn & Cummins of Travelers Rest, SC	\$ 4,753,231.00	\$ 0.00
4. Terry Brothers Construction Co of Leicester, NC	\$ 4,738,995.00	(\$ 625.00)
5. Moorhead Construction, Inc of Belton, SC	\$ 4,729,733.00	(\$ 24,570.00)
6. Ruby-Collins, Inc of Smyrna GA	\$ 4,555,705.00	(\$ 10,737.00)
7. D.H. Griffin Infrastructure of Greensboro, NC	\$ 4,494,902.80	(\$ 9,721.00)
8. Morgan Contracting Inc of Baker FL	\$ 4,394,195.00	\$ 190,300.00
9. John D. Stephens, Inc of Lawrenceville, GA	\$ 4,100,562.20	\$ 26,906.00
10. Buckeye Construction Company of Canton, NC	\$ 4,043,733.30	(\$ 36,684.00)
11. Metra Industries of Clemmons, SC	\$ 3,751,653.00	\$ 0.00
12. S.J. Lewis Construction Co, Inc of Rockville, MD	\$ 3,725,007.00	(\$ 96,000.00)
13. Mendon Pipeline of Inc. of Ghent WV	\$ 3,549,320.00	\$ 0.00

The Haren Construction Co. bid did not include a bid on the Alternate Bid and did not acknowledge all addendums to the specifications, therefore their bid was rejected. In addition, the bid submitted by Payne, McGinn, and Cummins did not have a valid bid bond, which caused their bid to also be rejected.

Mendon Pipeline, Inc. of Ghent, West Virginia is the apparent low bidder on this project. They worked on MSD's recent Reems Creek @ Balcrank project and did excellent work. They are Licensed General Contractors in the State of N.C. and have excellent references. According to their references, their work on other jobs has been found to meet or exceed project standards and objectives.

The Alternate Bid is for the use of "T-Base" type manholes which are lighter than standard circular-base manholes. Mendon did not offer any savings by utilizing this type of manhole; therefore, staff does not recommend that the Alternate Bid be included.

Construction is projected to extend for 630 calendar days from the date of the issuance of the "Notice to Proceed". The sum of \$3,252,700 has been projected in the FY2008 and FY2009 budgets for the construction of this project. Based on the apparent low base bid of \$3,549,320, an additional \$296,620 is needed to fund this project.

Staff consulted a local pipe supplier to determine current bare pipe pricing. The January '08 price from this supplier was \$59.00 and \$54.00 per foot, for 30-inch and 24-inch pipe, respectively. As of August '08, the price had risen 35% to \$79.65 and \$72.90. This results in a net increase of \$299,102.30 since the time that the budget was prepared for this project.

This is particularly significant for a project of this type and length. Unlike a "typical" smaller urban project - there is no paving, large numbers of service lines, nor special restoration work required. A significant percentage of the project cost (estimated at approx. \$1.2 million, or 37% of the bid) is in the bare pipe price, meaning that fluctuations in pipe price will have a greater effect on a project of this type and length.

It is recommended that the contract for this project be awarded to Mendon Pipeline, Inc. of Ghent, W.V. for the Base Bid of \$3,549,320.00, subject to review and approval by MSD Counsel.

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

**CAPITAL IMPROVEMENT PROGRAM**

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

<b>PROJECT:</b> Reems Creek Interceptor <b>LOCATION:</b> Weaverville					<b>REVIEWED BY:</b>  
<b>TYPE:</b> Interceptor <b>DATE OF REPORT:</b> January-08					
<b>PROJECT NO.</b> 2003046 <b>TOTAL L.F.:</b> 15,272					<b>E.B.</b>  
<b>PROJECT BUDGET:</b> \$3,500,700.00 <b>PROJECT ORIGIN:</b> Master Plan, Line Condition, SSO's, Access					<b>R.W.</b>  
					<b>A.B.</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: [ 23 ]	\$26,735.00	\$22,300.00	\$1,935.00		\$2,500.00
02 - LEGAL FEES	\$38,000.00	\$25,024.00	\$3,369.00	\$9,607.00	
03 - ENGINEERING ASSISTANCE					
04 - ACQUISITION SERVICES	\$13,515.00		\$8,283.00	\$5,232.00	
05 - COMPENSATION	\$76,000.00		\$31,435.00	\$30,000.00	\$14,565.00
06 - APPRAISAL	\$7,650.00	\$3,150.00		\$4,500.00	
07 - CONDEMNATION	\$10,000.00	\$2,163.00		\$1,000.00	\$1,000.00
08 - ENVIRONMENTAL SURVEY					
09 - PRELIM. ENG. REP.					
10 - DESIGN / ASBUILT SURVEYS	\$69,100.00	\$39,139.00	\$3,250.00		
11 - ENVIRONMENTAL ASSESSMENT	\$2,000.00				
12 - ARCHAEOLOGICAL					
13 - GEOTECHNICAL					
14 - CONSTRUCTION CONTRACT ADM.					
15 - CONSTRUCTION	\$3,252,700.00		\$4,575.00		\$1,624,060.00
16 - PERMITS	\$1,000.00				
17 - PUBLIC MEETINGS					
18 - TESTING	\$4,000.00				\$2,000.00
<b>TOTAL AMOUNT</b>	<b>\$3,500,700.00</b>	<b>\$91,776.00</b>	<b>\$52,847.00</b>	<b>\$50,339.00</b>	<b>\$1,644,125.00</b>

ENGINEER: MSD	<b>ESTIMATED BUDGETS - FY '09 - '18</b>	
CONTRACTOR:	FY 09-10	\$1,627,160.00
CONSTRUCTION ADMINISTRATION: MSD	FY 10-11	\$31,537.00
INSPECTION: MSD	FY 11-12	\$0.00
R.O.W. ACQUISITION: Martin-McGill	FY 12-13	\$0.00
	FY 13-14	\$0.00
PROJECT NOTES: Includes CDM W1A WW, CDM W2 WW and CDM WPS#1 (Weaverville PS #1) projects.	FY 14-15	\$0.00
	FY 15-16	\$0.00
	FY 16-17	\$0.00
	FY 17-18	\$0.00





## Reems Creek Interceptor Project No. 2003046

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT  
of  
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map



# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: September 17, 2008

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

PREPARED BY: Kevin Johnson, David Monteith

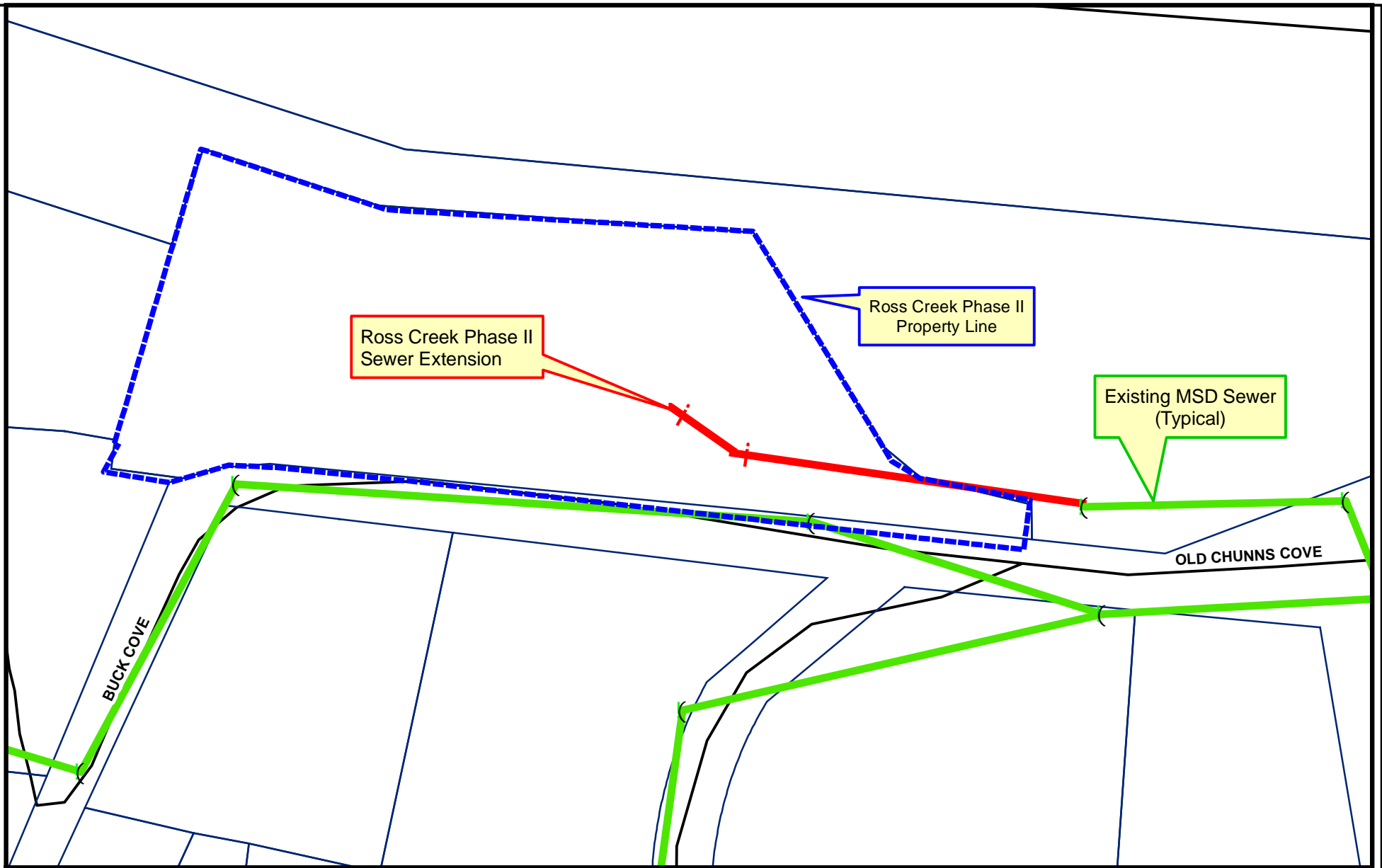
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System  
Ross Creek Phase II

BACKGROUND: This project is located inside the District boundary off Chunns Cove Road in Asheville, North Carolina. The developer of the project is WNC Housing, Inc. (Ray A. Clarke). The project included the installation of approximately 192 linear feet of 8" gravity sewer extension to serve a residential development. A wastewater allocation was issued in the amount of 1200 GPD for the project. The estimated cost of the sewer extension is \$25,334.00.

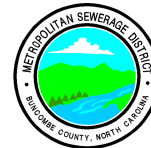
STAFF RECOMMENDATION: Acceptance of developer constructed sewer system.  
(All MSD requirements have been met)

COMMITTEE 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:	
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:	



**Project #2007084**

Not To Scale



<b>METROPOLITAN SEWERAGE DISTRICT</b> of BUNCOMBE COUNTY, NORTH CAROLINA
<b>Ross Creek Phase II Sewer Extension</b>



# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: September 17, 2008

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

PREPARED BY: Kevin Johnson, David Monteith

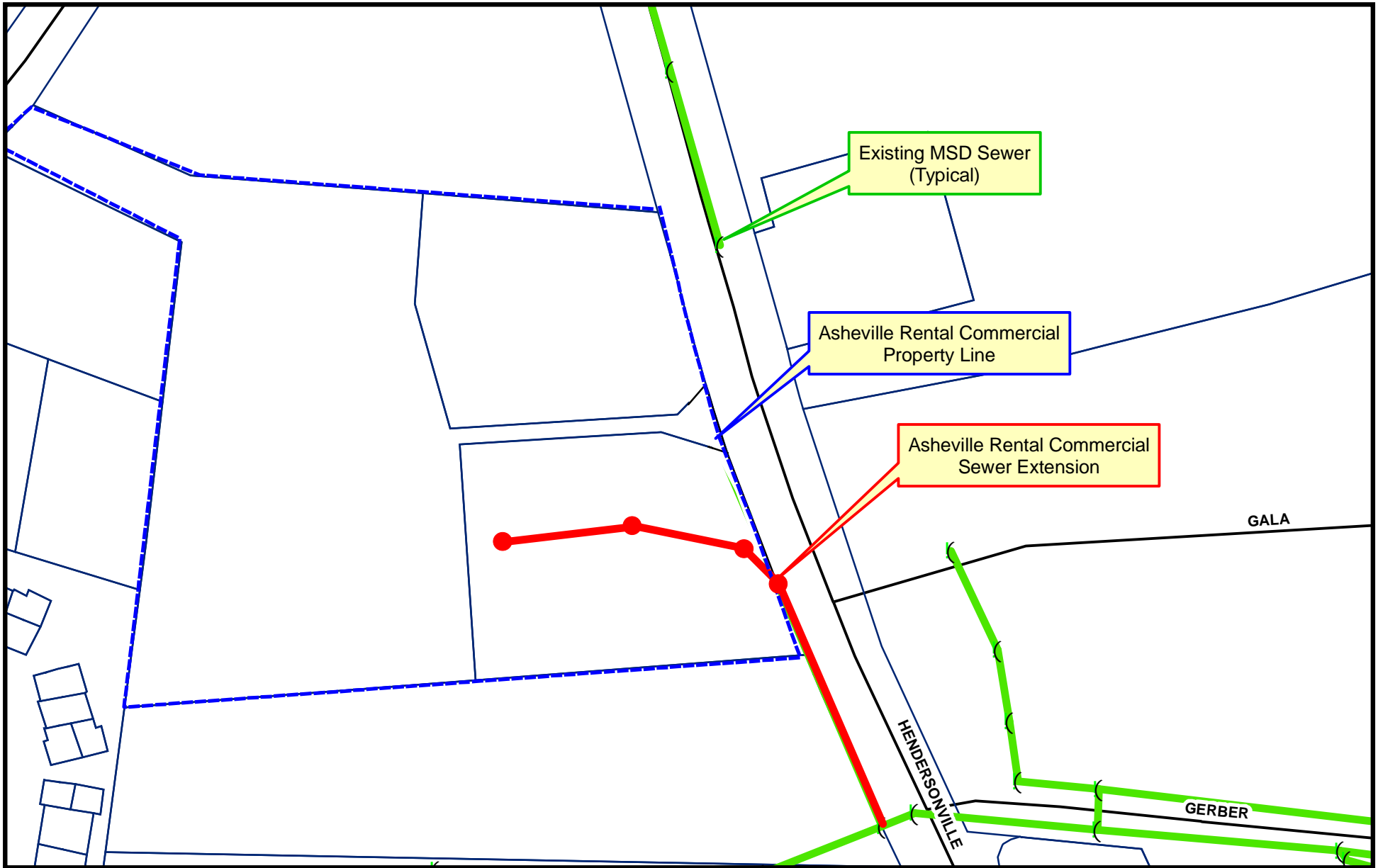
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System  
Asheville Rental Commercial Center

BACKGROUND: This project is located inside the District boundary off Hendersonville Road in Asheville, North Carolina. The developer of the project is Asheville Rental Partners, LLC (Rusty Pulliam). The project included the installation of approximately 331 linear feet of 8" gravity sewer extension to serve a commercial development. A wastewater allocation was issued in the amount of 17,140 GPD for the project. The estimated cost of the sewer extension is \$17,470.00.

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

COMMITTEE 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:	
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:	



Existing MSD Sewer  
(Typical)

Asheville Rental Commercial  
Property Line

Asheville Rental Commercial  
Sewer Extension

GALA

HENDERSONVILLE

GERBER

Project #2006286

Not To Scale



**METROPOLITAN SEWERAGE DISTRICT**  
of  
BUNCOMBE COUNTY, NORTH CAROLINA  
**ASHEVILLE RENTAL COMMERCIAL CENTER**  
Sewer Extension

# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: September 17, 2008

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

PREPARED BY: Kevin Johnson, David Monteith

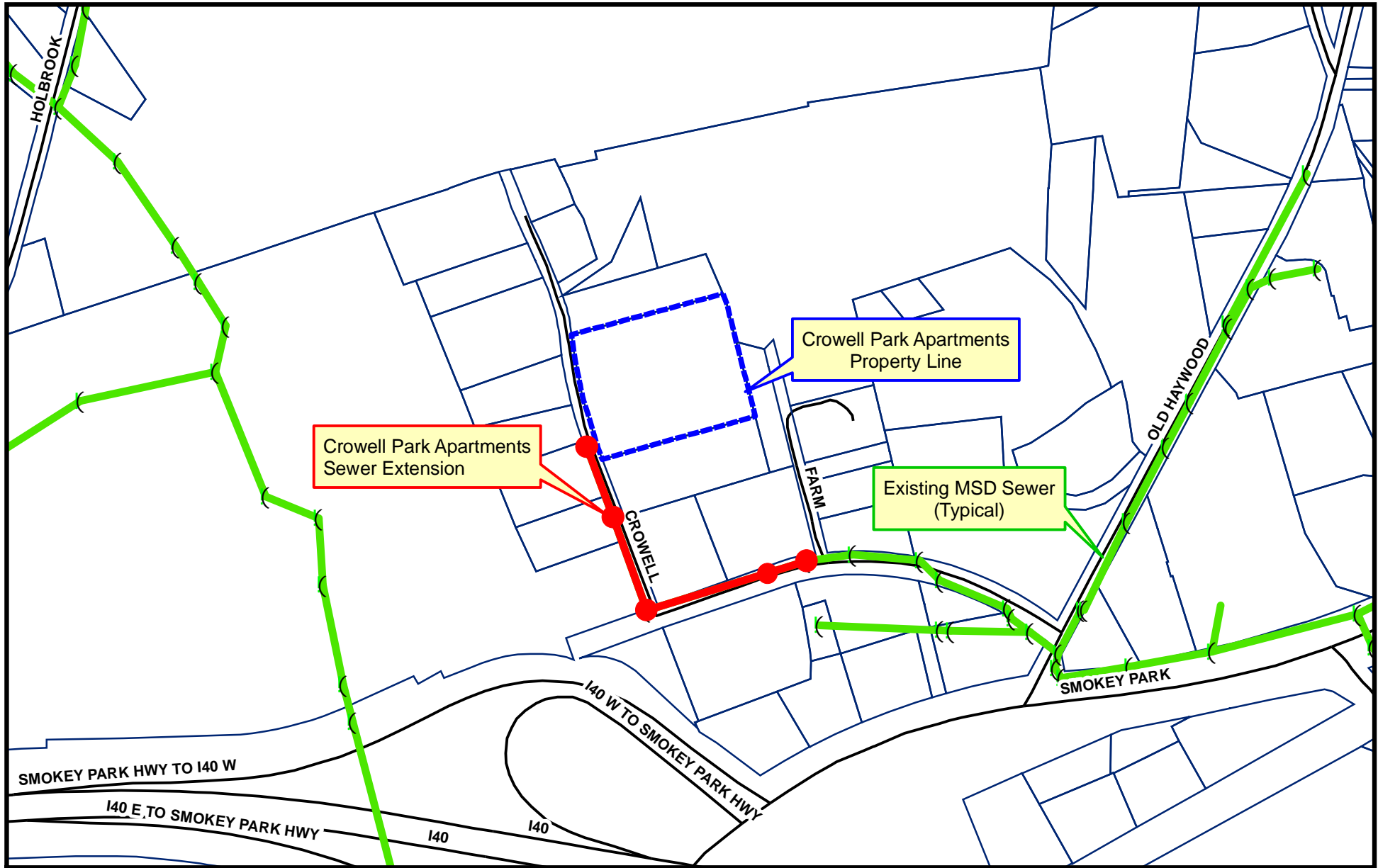
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System  
Crowell Park Apartments

BACKGROUND: This project is located inside the District boundary off Crowell Road in Buncombe County, North Carolina. The developer of the project is Mountain Housing Opportunities. The project included the installation of approximately 860 linear feet of 8" gravity sewer extension to serve a residential development. A wastewater allocation was issued in the amount of 15,000 GPD for the project. The estimated cost of the sewer extension is \$106,640.00.

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

COMMITTEE 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:	
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:	



Project #2006082

Not To Scale



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

# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: September 17, 2008

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

PREPARED BY: Kevin Johnson, David Monteith

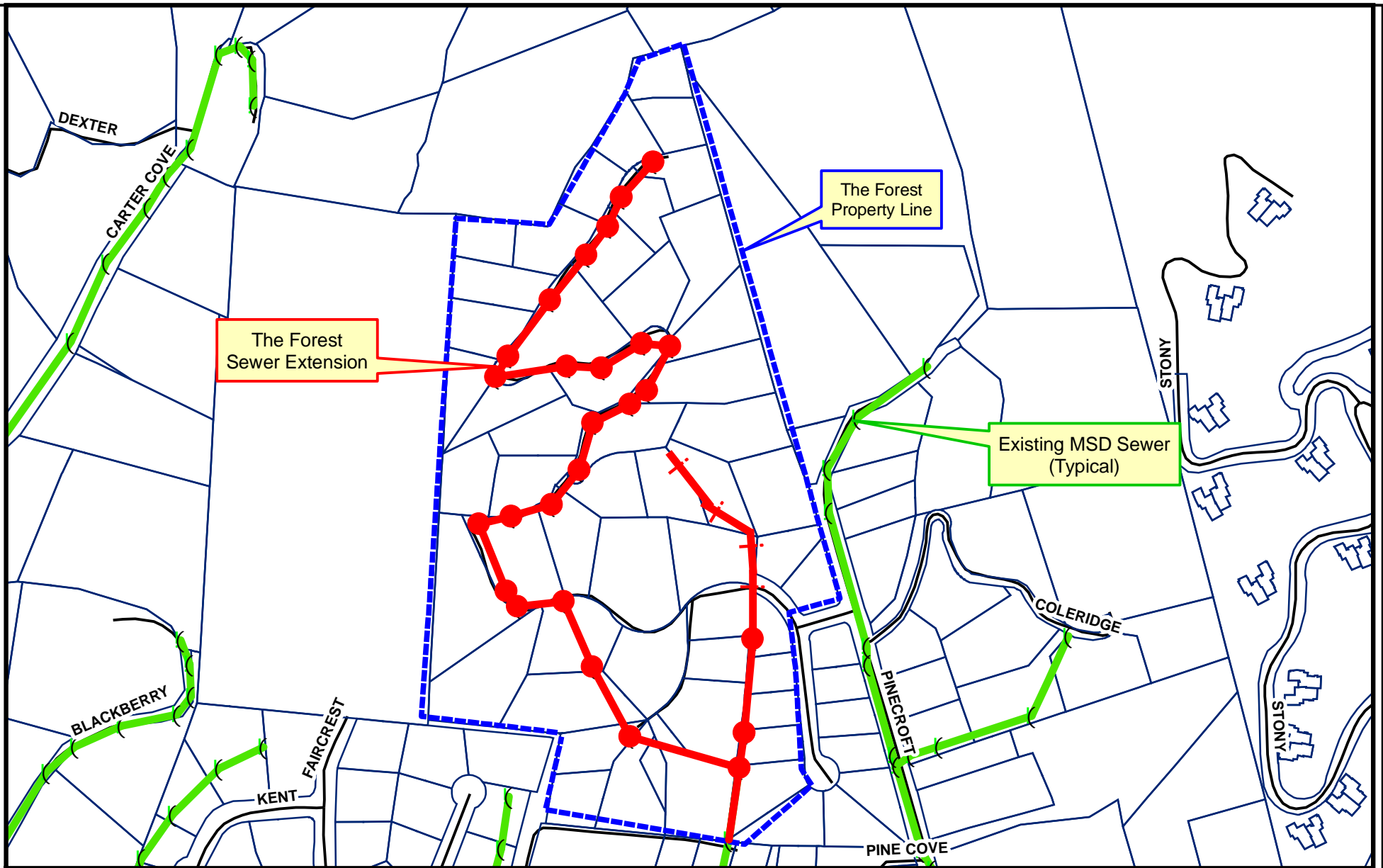
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System  
The Forest

BACKGROUND: The Forest is located within the District Boundary in the Beaverdam Valley of North Asheville. The subdivision infrastructure was constructed in the 1980's by Joe Reynolds (Mountain Investment Company). At that time, Buncombe County owned the sewer system in that area. The sewer extension serving The Forest was never accepted by Buncombe County due to incomplete construction. The District inspected the extension as requested by the Homeowner's Association and Mr. Reynolds in 2003. The required work was satisfactorily completed in June 2008. The system recommended for acceptance consists of approximately 4,453 linear feet of 8" diameter sewer with an estimated value of \$311,723.00.

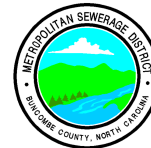
STAFF RECOMMENDATION: Acceptance of developer constructed sewer system.  
(All MSD requirements have been met)

COMMITTEE 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:	
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:	



**Project #1983053**

Not To Scale



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

**The Forest  
Sewer Extension**

# Metropolitan Sewerage District of Buncombe County

## BOARD INFORMATIONAL ITEM

**Meeting Date:** September 17, 2008

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

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

**Subject:** Cash Commitment/Investment Report-Month Ended July 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 July 31, 2008 were \$36,553,625. The detailed listing of accounts is available upon request. The average rate of return for all investments is 4.141%. 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 July 31, 2008 does not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of July 31, 2008 reduced by contractual commitments, bond funds and District reserve funds. The balance available for future capital outlay is (\$9,685,679).

<b>Total Cash &amp; Investments as of 07/31/08</b>		36,553,625
<b>Less:</b>		
Budgeted Commitments (Required to pay remaining FY09 budgeted expenditures from unrestricted cash)		
Construction Funds	(18,193,645)	
Operations & Maintenance Fund	(12,999,082)	
		(31,192,727)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(227,600)	
Debt Service Reserve	(4,970,045)	
Remaining Principal & Interest Due	<u>(6,692,577)</u>	
		(11,890,221)
District Reserve Funds		
Fleet Replacement	(1,036,409)	
WWTP Replacement	(714,491)	
Maintenance Reserve	<u>(793,177)</u>	
		(2,544,080)
Self-Funded Employee Medical		<u>(612,276)</u>
<b>Designated for Capital Outlay</b>		<u><u>(9,685,679)</u></u>

### **Staff Recommendation**

None. Information Only.

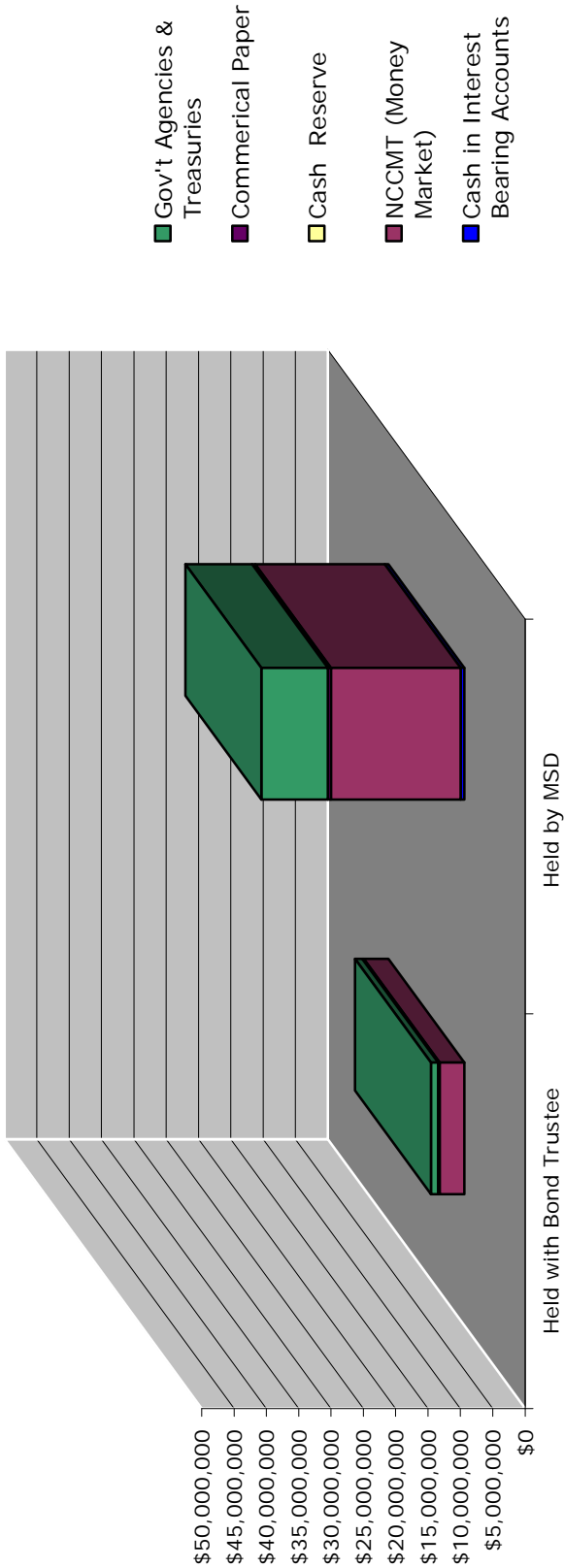
### **Action Taken**

<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 Investment Portfolio

	Cash in Interest Bearing Accounts	NCCMT (Money Market)	Commercial Paper	Cash Reserve	Gov't Agencies & Treasuries	Total
\$	-	\$ 3,822,958	\$	\$ 225,207	\$ 1,116,048	\$ 5,164,213
Held with Bond Trustee	582,760	20,052,234	497,838		10,256,580	31,389,412
Held by MSD						
\$	582,760	\$ 23,875,192	\$ 497,838	\$ 225,207	\$ 11,372,628	\$ 36,553,625

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





## MSD Investment Managers' Report at July 31, 2008

### Summary of Asset Transactions

	Original Cost	Market
Beginning Balance	\$ 28,713,710	\$ 28,769,489
Capital Contributed (Withdrawn)	579,108	579,108
Realized Income	42,432	42,432
Unrealized/Accrued Income	0	5,609
Ending Balance	<u>\$ 29,335,250</u>	<u>\$ 29,396,638</u>

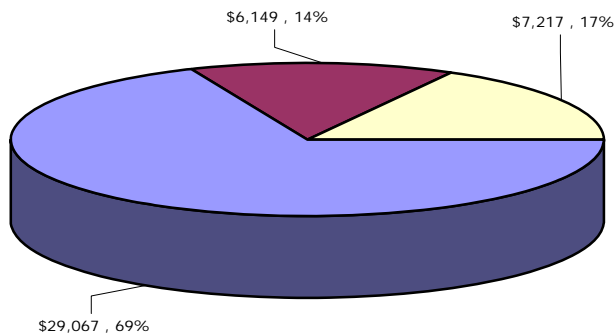
### Value and Income by Maturity

	Original Cost	Income
Cash Equivalents <91 Days	\$ 20,095,120	\$ 29,067
Securities 91 to 365 Days	4,250,750	\$ 6,149
Securities > 1 Year	4,989,380	\$ 7,217
	<u>\$ 29,335,250</u>	<u>\$ 42,432</u>

### Month End Portfolio Information

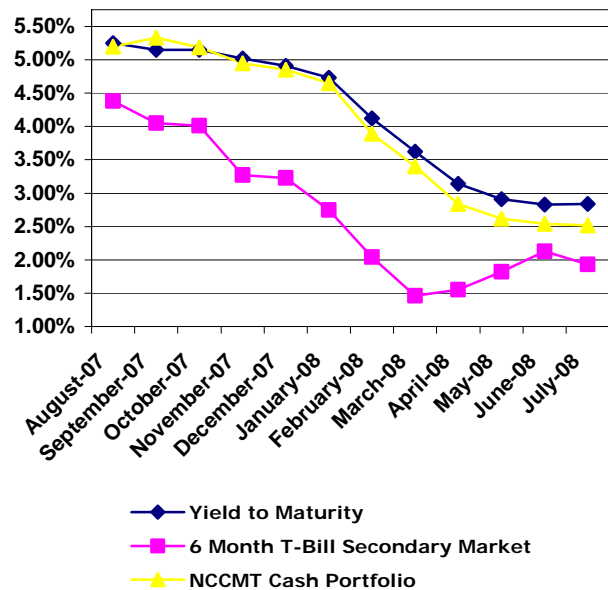
Weighted Average Maturity	201 Days
Yield to Maturity	2.84%
6 Month T-Bill Secondary Market	1.93%
NCCMT Cash Portfolio	2.52%

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



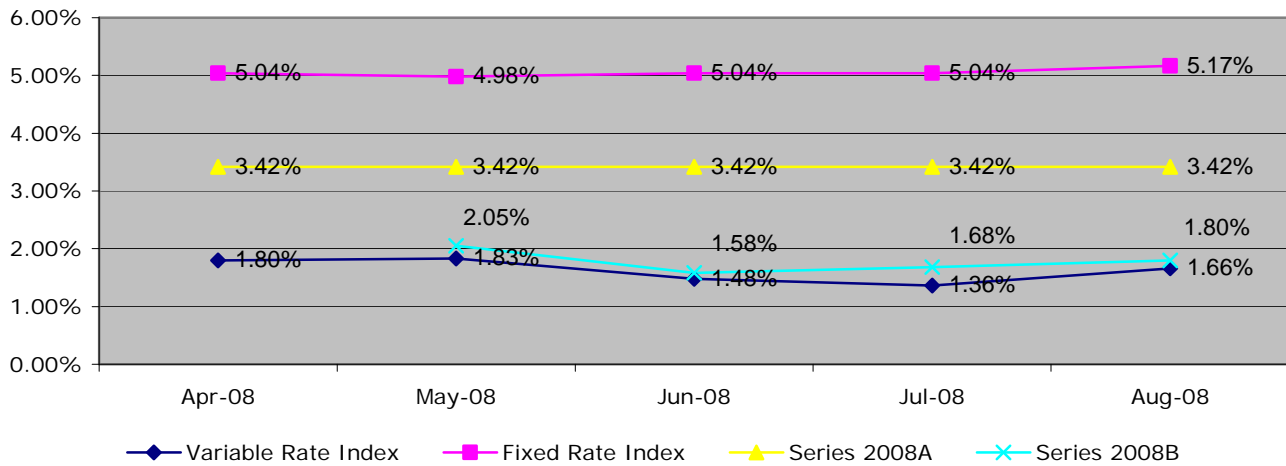
- Cash Equivalents <91 Days
- Securities 91 to 365 Days
- Securities > 1 Year

Metropolitan Sewerage District of Buncombe Co.  
Yield Comparison  
July 31, 2008

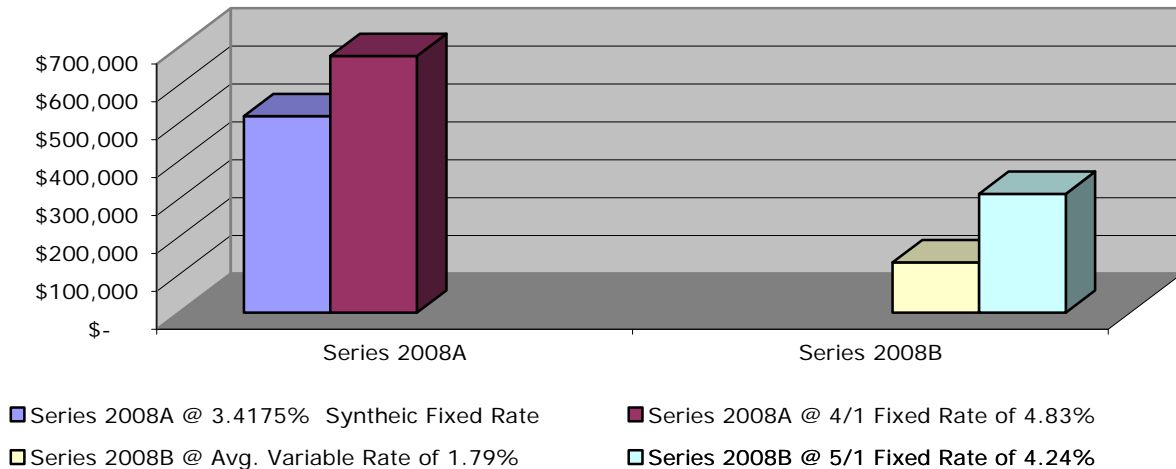


## MSD Variable Debt Service Report As of August 31, 2008

### Variable & Fixed Rate Market History



### Series 2008 A&B Interest Rate Performance



#### Series 2008A:

Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$159,354 as compared to 4/1 fixed rate of 4.83%.

Assuming that the rate on the Series 2008A Bonds continue at the current all-in rate of 3.7175%. MSD will achieve cash savings of \$5,923,374 over the life of the bonds.

MSD would pay \$1,334,995 to terminate the existing Bank of America Swap Agreement.

#### Series 2008B:

Saving to date on the 2008B Variable Rate Bonds is \$181,014 as compared to 5/1 fixed rate of 4.24%

Since May 1, 2008, the Series 2008B Bonds average variable rate has been 1.79% .

MSD will achieve \$6,293,918 in cash savings over the life of the bonds at the current average variable rate.

# **CONSIDERATION OF SOLE SOURCE PROCUREMENT**

## Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

**BOARD MEETING DATE:** 9/17/08

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

**REVIEWED BY:** Billy Clarke - District Counsel  
Gary McGill, P.E. - Engineer of Record  
Black & Veatch - Project Engineers

**PREPARED BY:** John Kiviniemi - Director of WRF  
Ed Bradford, P.E. - Director of CIP

**SUBJECT:** Final Microscreen Replacement Project, MSD Project Number 2007026:  
Procurement of Disk Filter Equipment from Aqua Aerobics Systems, Inc.  
(AASI)

**BACKGROUND:** The Final Microscreen System is a filtration process which was intended to remove residual solids from the treated wastewater. This system has been problematic since its construction in 1987, and has never given reliable, trouble-free performance. It is also important to note that the Intermediate Clarifier was added shortly after construction of this system, in order to offset its lack of performance.

A primary recommendation from the District's Facilities Plan is the abandonment of this type of filtration. *This is a particularly critical process because it serves as the final barrier in the process train*, immediately prior to disinfection and discharge into the French Broad River.

Various alternative filtration technologies were evaluated, and two were pilot tested on-site during Spring of 2007. The AquaDisk™ system consistently performed better, and was ultimately selected as the replacement process. This was based upon the performance data from the pilot testing, operational characteristics, references, lower equipment cost, and better fitment into the existing microscreen facility.

At its November 14, 2007 regular meeting, the MSD Board authorized staff to proceed with a sole-source procurement of the AquaDisk™ system. The primary benefits of sole-sourcing this equipment will be:

- That the District will receive the better performing equipment at a lower cost; and
- To allow the design of the new facilities to be customized around the specific equipment being supplied. This leads to cost savings in both engineering and construction because of the ability to focus the design effort on a single, customized layout rather than the bidding of multiple designs for different equipment; and
- To take greater advantage of the disk filter manufacturer's expertise and experience *during the design phase* to optimize the overall facility design.

Accordingly, staff and Black & Veatch (B&V) visited multiple facilities utilizing AquaDisk™ systems and also met with AASI in order to tailor a specific system best suited for MSD's operational characteristics and facility needs.

B&V then prepared equipment plans and specifications. An equipment procurement bid was then solicited from AASI and received on August 4, 2008 in the following amounts:

**AASI Lump Sum Bid**

Base Bid

a. Filter Equipment	\$ 4,118,100.00
b. MCC and AFD's	\$ 311,070.00
c. Taxes(*)	<u>\$ 292,451.31</u>

**Total Base Bid (a+b+c) \$ 4,721,621.31**

(\*) Startup Services valued at \$96,588 is tax-exempt.

Alternative A (Two Additional Filters)

d. Filters	\$ 397,455.00
e. Taxes(*)	<u>\$ 26,828.21</u>

**Total Alternative A (d+e) \$ 424,283.21**

MSD is tax-exempt; therefore the taxes noted above (\$292,451.31+ \$26,828.21 = \$319,279.52) will be refunded by the State of N.C.

**Alternative A – Discussion**

*Alternative A is for the purchase of two additional filters. Based upon design criteria, a minimum of 14 filters are required. With these 14 filters, there remains one extra, empty basin which must still have the required pumps, electrical systems, etc. for the adjacent Filter No's. 13 and 14.*

*Purchasing and installing these two additional filters will provide significant increased system redundancy for future operational, maintenance, and long-term growth needs. Both B&V and MSD staff consider this to be a good value, and recommend that Alternate A be included.*

B&V has reviewed AASI's bid, and their opinion is that the price given to MSD for the filters "is a competitive price in line with recent pricing for similar equipment" (see attached bid review). B&V will present information on this project and will be available to answer any questions.

A competitively-bid installation/construction contract will follow in 2009.

Please refer to the attached documentation for more detailed information.

**FISCAL IMPACT:** The FY09 budgeted estimate for procurement of this equipment is \$4,500,000.00. The Base Bid, excluding refundable taxes, is **\$4,429,170.00.**

Including Alternate "A" and excluding refundable taxes, the net equipment cost will be **\$4,826,625.00.**

Payments are specified to occur in strict accordance with a payment schedule based upon the manufacturing process, safe equipment delivery, and satisfactory performance after installation. Final payment for this equipment will not be issued until the equipment is installed and fully operational in accordance with the specifications.

The cost difference of \$326,625.00 will be transferred from projects whose construction bids are less than budgeted amounts, or the contingency fund, as required.

**STAFF RECOMMENDATION:** Staff recommends that the District sole-source procure the specified Aqua Aerobics Systems, Inc. AquaDisk™ System for the replacement of its Final Microscreen process based upon the fact that:

- I) Performance and price competition are not available among other disk-filter suppliers; and
- II) The bulk of this equipment is available from only one source of supply.

Staff also recommends the addition of Alternate "A" for the purchase of two additional filters.

The total purchase amount will be \$5,145,904.52, including \$319,279.52 in refundable state tax.

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

*Final Microscreen Replacement Project, MSD Project No. 2007026*

***Equipment Procurement***

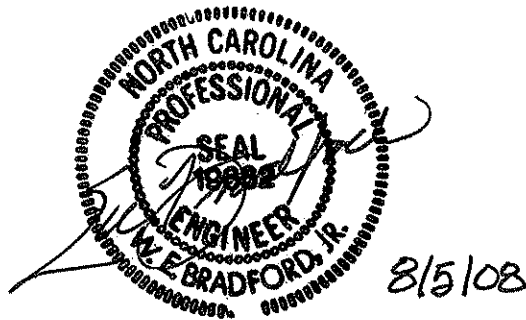
**BID TABULATION**

BIDDER	BID BOND	MBE FORM	BID FORMS (PROPOSAL)	BASE BID AMOUNT (*)	ALTERNATIVE A (**)
Aqua-Aerobic Systems, Inc.	5%	N/A	Yes	\$4,721,621.31	\$424,283.21

(\*) Includes \$292,451.31 in reimbursable N.C. Sales Tax.

(\*\*) Includes \$ 26,828.21 in reimbursable N.C. Sales Tax.

Ed Bradford, P.E.  
Project Engineer  
Metropolitan Sewerage District  
of Buncombe County  
North Carolina



This is to certify that this bid tabulated herein was publicly opened and read aloud at 5:00 p.m. on the 4'th day of August, 2008, in the W. H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina, and that this bid was accompanied by an acceptable bidders bond in the amount of 5% of the bid.

**ROBERTS  
&  
STEVENS**  
ATTORNEYS AT LAW

JOHN S. STEVENS  
JAMES W. WILLIAMS  
JOHN W. MASON  
MARC RUDOW  
SHERYL H. WILLIAMS  
WILLIAM CLARKE  
VINCENT D. CHILDRESS, JR.  
MARJORIE ROWE MANN\*  
GREGORY D. HUTCHINS  
JACKSON D. HAMILTON  
WYATT S. STEVENS  
MARK C. KURDYS  
JACQUELINE D. GRANT  
CHRISTOPHER Z. CAMPBELL  
PATSY BRISON

\*DRC CERTIFIED MEDIATOR

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CYNTHIA S. GRADY  
F. LACHICOTTE "LACH" ZEMP, JR.  
M. FRANCES DURDEN  
KENNETH R. HUNT  
DENNIS L. MARTIN, JR.  
PETER B. MCGUIRE  
KEVIN P. KOPP  
REBECCA JOHNSTON REINHARDT  
K. DEAN SHATLEY, II  
ANN-PATTON NELSON  
CHAD RAY DONNAHO

LANDON ROBERTS  
(1921-2007)

September 2, 2008

Mr. Ed Bradford  
MSD  
2028 Riverside Drive  
Asheville, NC 28804

*Re: Procurement of Disk Filter Equipment from Aqua Aerobics Systems, Inc*

Dear Ed:

I have reviewed the disk filter procurement bid provided by Aqua Aerobics Systems, Inc. (AASI), a letter from Black & Veatch, dated September 2, 2008, reviewing the bid and a portion of the performance specifications prepared by Black & Veatch. As you are aware, the District Board approved the District proceeding with the purchase of the Disk Filter Equipment from AASI as a sole source procurement from AASI earlier this year.

In order to proceed with a sole source purchase of equipment in the estimated amount of \$4.7 million dollars, the District must demonstrate that performance or price competition for the product are not available, that product is available from only one source of supply, or that standardization or compatibility are overriding considerations. The Board must approve the purchase in open session at a regular meeting.

Based on the letter from Black & Veatch and the extensive work done by MSD with Black & Veatch and AASI, it is clear that the Disk Filter Equipment AASI is proposing to supply is the only product capable of providing the performance MSD needs for this component of the Water Reclamation Facility. It is also clear that compatibility with other parts of the system are an important consideration for MSD in purchasing this equipment given the underperformance of the equipment the disk filters will replace. MSD may proceed with the sole source purchase of the disk filter equipment from AASI. Please let me know if you have questions:



Sincerely,

ROBERTS & STEVENS, PA



William Clarke

WC/sh

cc: Mr. Tom Hartye  
Mr. Gary McGill  
Mr. Kent Lackey, P.E., Black & Veatch



## BLACK & VEATCH

8520 Cliff Cameron Drive  
Suite 210  
Charlotte, North Carolina 28269

Black & Veatch International Company

Ph (704) 548-8461  
Fax (704) 548-8640

Metropolitan Sewerage District of Buncombe County  
Final Microscreen Replacement Project  
Filter Procurement Bid Evaluation

B&V Project 160163  
B&V File Cygnet  
September 4, 2008

Ed Bradford - Director of Capital Improvement  
2028 Riverside Drive  
Asheville, N.C. 28804

Dear Ed,

We have received the disk filter equipment procurement bid provided by Aqua Aerobics Systems, Inc (AASI). This letter summarizes our evaluation of the bid and our recommendations to the Metropolitan Sewerage District of Buncombe County (MSD)

### **Bid Evaluation**

#### **Filters**

The Bid for the Filter Procurement was received from AASI on August 4, 2008. The bid was compared to a construction bid received from AASI in November of 2007 for the installation of comparable filters at the Lubbock Southeast WRP located in Lubbock, Texas. At that time, the Lubbock bid was deemed reasonable based on our previous experience and evaluations. The cost comparison is shown in Table 1 below.

There are a few differences between the MSD filters and the Lubbock filters. First, the MSD project includes chlorine resistant media on the filters where Lubbock did not. The MSD proposal also includes a performance bond that was not included in the Lubbock project cost. Next, there are additional performance testing requirements and extended site visits included in the MSD project filters. Each of these differences would be expected to increase the filter price. Finally, the MSD project had some anticipated savings compared to Lubbock due to the utilization of a consolidated backwash piping and control system arrangement that results in fewer backwash pumps per filter and a reduced number of control panels and control packages.

**Table 1: Filter Price Comparison**

	MSD of Buncombe County	Lubbock
Cost per Filter	\$294,150	\$271,554
Total Base Amount (based on 14 filters)	\$4,118,100	\$3,801,756
Chlorine Resistant Media cost increase, estimated	0	\$100,000
Performance Bond, estimated	0	\$200,000
Escalation (9 months at 10%)	0	\$281,708
Approximate Equivalent Cost	\$4,118,100	\$4,383,464
Estimated Consolidated Backwash and Controls total Savings	\$265,364	

Based upon this comparison, it is the opinion of Black & Veatch that the price given to MSD for the filters is a competitive price in line with recent pricing for similar equipment. It is also evident that significant cost savings were achieved by utilizing the consolidated backwash and control approach. Additionally, when compared to the liability line item costs, even if the consolidated backwash and control system has to be revised to utilize a single pump per basin (two filters), there still appears to be a savings of over \$100k over the Lubbock system.

#### **MCC and AFDs**

Black & Veatch received a preliminary budget estimate from Allen Bradley for the motor control center (MCC) and backwash pump adjustable frequency drives (AFD) in March, 2008. There were some changes made to the MCC and AFD since the quote in March, so some price adjustments must be made to get to a comparable cost. The quote in March also did not include shipment of the equipment. The comparison of the price received from Allen Bradley is shown in table 2 below.

**Table 2: MCC Cost Comparison**

	Allen Bradley Quote	AASI Bid
MCC with AFDs	\$175,000	\$311,070
Modifications from March Quote, (AFD hp change, additional breakers, etc)	\$40,000	Included
Escalation*	\$8,710	\$0
Shipping	\$10,000	Included
Management, Coordination, and Engineering by AASI	\$15,000	Included
Estimated Contractor Markup**	\$33,557	Included
Comparable Price	\$282,267	\$311,070
Difference	\$28,803	

\*Assumes a 10 percent escalation rate over the five month period.

\*\*Assumes 15 percent contractor markup.

There are several advantages to including the MCC and AFD in the AASI scope of supply. First, it puts the responsibility for engineering, coordination, and quality of the MCC and AFD onto AASI as the primary equipment supplier. The overall responsibility helps to ensure that when the system is installed all components will work together and will communicate properly between various devices. Next, including the MCC in the AASI scope allows MSD to select Allen Bradley as the MCC and AFD supplier to match the existing equipment on site and provide the level of service and responsiveness that MSD is used to for this equipment. Finally, the Allen Bradley system offers an intelligent MCC arrangement that will increase the data that can be gathered and transmitted from the equipment to the operator workstations. This increases the functionality of the equipment and increases the ability of the operators to troubleshoot and trend important feedback data. Because of the integrated communication system, field wiring is substantially reduced which saves on installation costs and improves trouble shooting once the system is installed.

The advantages gained by including the MCC in the AASI scope are difficult to estimate. However, it is our opinion that the advantages gained are worth at least the cost difference calculated between the preliminary Allen Bradley bid and the AASI bid and that based on that the cost included in their bid for the MCC and AFDs is reasonable.

#### **Alternative A**

Bid alternative A was to provide an additional two filters to complete the four Quad and bring the total installed filters to 16. The controls, control panels, and backwash pumps associated with the two additional filters are already included in the base filter bid because two filters will already be installed in that Quad. Therefore, it is expected that the cost per

filter for the two additional filters should be less than the per filter cost in the base bid. The cost per filter for Alternative A is \$198,000 per filter unit or about \$100k less than the cost per filter in the base bid. It is the opinion of Black & Veatch that this per filter cost is very reasonable.

Considering long term costs, the cost to MSD to install the two additional filters and gain additional installed redundancy will only increase over time. Material escalation rates will continue to increase the cost of the filters anywhere from 8 to 12 percent per year. Additionally, installing the additional filters under a separate installation contract will increase the future cost due to additional mobilization costs and overhead from a separate contractor. Therefore, it is the opinion of Black & Veatch that if MSD has funding available, MSD should consider selecting Alternative A for the two additional filters and have them installed under the upcoming Final Microscreen Replacement Project.

### **Sole Source Procurement Recommendation**

We previously provided our considerations for the sole source procurement of the Aqua Aerobic's AquaDisk filters in our memorandum dated October 25, 2007. We based our recommendation on our experience executing similar projects with disk filters and the results of the pilot testing completed by MSD. There are few competitors in the market that provide disk filters and the pilot test results indicated the AASI filter outperformed the major competitor, Kruger. It is to MSD's advantage to get the best performance possible out of the new filtration system and it is clear based on the pilot test results that AAS provided the best performance and that the competition would not be able to meet the same performance level. The specific equipment provided for the AquaDisk filter system is only manufactured by Aqua Aerobics and in order to allow for competition MSD would have to allow for alternative system configurations that as stated above would not have the same performance.

Furthermore, disk filter systems vary dramatically with regards to installation of the equipment and it was in the best interest of the project and MSD to finalize the system manufacturer ahead of design to allow for a tailored design around the specific equipment to be purchased. If multiple equipment vendors were allowed it would have led to higher engineering costs because multiple design documents would have to be developed to allow for the installation of the different systems. Furthermore construction costs would have been higher due to portions of the facility that would have been designed for either system such as electrical or control systems. We are comfortable that based on the final AASI proposal costs and information regarding life cycle costs provided during the pilot testing that the AASI system represents the lowest cost to MSD.

Aqua Aerobics fully supported Black & Veatch during the design of the Disk Filter Retrofit project. As stated in our procurement recommendation memorandum this provides significant value to MSD. By working with Aqua Aerobics directly we were able to develop alternative system configurations that reduced the overall cost of the project. Two significant

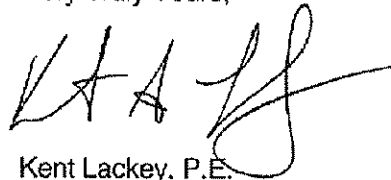
changes include: the consolidation of backwashing systems from what would be 32 pumps to 8 pumps for 16 filters, and the consolidation of the filter control systems to a single panel for four filters in lieu of a panel for each filter. Additionally, by working with AASI we were able to consolidate the electrical motor control system such that all electrical loads for the facility would be incorporated into the AASI provided MCC in lieu of having a separate MCC for building loads.

**Bid Recommendation**

Based upon the Bid received from AASI on August 4, 2008, and our evaluation of the proposal for the purchase of the cloth disk filters submitted by AASI, their proposal appears to be reasonable with regard to both cost and performance. We would therefore recommend MSD proceed with the approval of the sole source procurement contract based on their proposal. Their cost of the additional two filters is also very reasonable. The additional two filters would provide for an increased level of redundancy and reliability as well as provide for additional capacity in the future. We would, therefore, also recommend Alternative A for the additional two (2) filters be accepted provided project funding allows.

Please feel free to contact me (704.510.8421) if you should have any questions or would like to discuss this evaluation further.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'K. Lackey', with a stylized flourish at the end.

Kent Lackey, P.E.  
Project Manager

Enclosure: AASI section 00400P – BID Form

CC: John Kiviniemi, MSD  
Gary Hunter, Black & Veatch  
Chris Debarbadillo, Black & Veatch  
Todd Briggeman, Black & Veatch

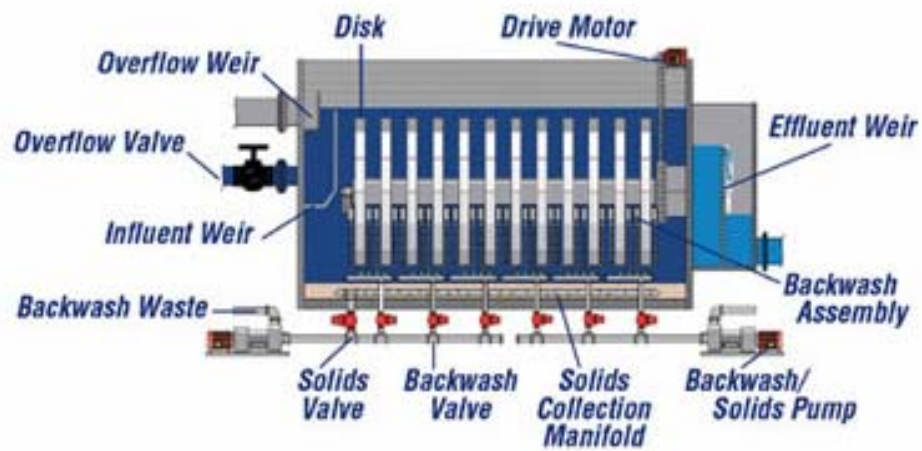
## CAPITAL IMPROVEMENT PROGRAM

						<b>REVIEWED BY:</b>
<b>PROJECT:</b>	Secondary Microscreen Replacement		<b>LOCATION:</b>	MSD-WRF		
<b>TYPE:</b>	WRF		<b>DATE OF REPORT:</b>	January-08		E.B.
<b>PROJECT NO.</b>	2007026		<b>TOTAL L.F.:</b>	0		J.K.
<b>PROJECT BUDGET:</b>	\$8,665,500.00		<b>PROJECT ORIGIN:</b>	Facilities Plan		
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: [   ]						
02 - LEGAL FEES						
03 - ENGINEERING ASSISTANCE						
04 - ACQUISITION SERVICES						
05 - COMPENSATION						
06 - APPRAISAL						
07 - CONDEMNATION						
08 - ENVIRONMENTAL SURVEY						
09 - PRELIM. ENG. REP.						
10 - DESIGN / SURVEY		\$660,000.00	\$6,852.00	\$8,351.00	\$84,797.00	\$500,000.00
11 - ENVIRONMENTAL ASSESSMENT						
12 - ARCHAEOLOGICAL						
13 - GEOTECHNICAL						
14 - CONSTRUCTION CONTRACT ADM.						
15 - CONSTRUCTION		\$8,000,000.00				\$4,500,000.00
16 - PERMITS		\$500.00				\$500.00
17 - PUBLIC MEETINGS						
18 - TESTING		\$5,000.00				
<b>TOTAL AMOUNT</b>		<b>\$8,665,500.00</b>	<b>\$6,852.00</b>	<b>\$8,351.00</b>	<b>\$84,797.00</b>	<b>\$5,000,500.00</b>
<b>ENGINEER:</b>					<b>ESTIMATED BUDGETS - FY '08 -'17</b>	
Black & Veatch, Inc.					FY 09-10	\$3,565,000.00
<b>CONTRACTOR:</b>					FY 10-11	\$0.00
MSD					FY 11-12	\$0.00
<b>CONSTRUCTION ADMINISTRATION:</b>					FY 12-13	\$0.00
MSD / Black & Veatch					FY 13-14	\$0.00
<b>INSPECTION:</b>					FY 14-15	\$0.00
R.O.W. ACQUISITION:					FY 15-16	\$0.00
					FY 16-17	\$0.00
					FY 17-18	\$0.00
<b>PROJECT NOTES:</b>						
FY 08 - Equipment selection and preliminary design.						
FY 09 - General design and equipment procurement						
FY 10 & FY 11 - Construction						





~ Side-By-Side Pilot Testing (May 2007) at the MSD Final Microscreen Facility ~  
On the left is the Aqua-Aerobics AquaDisk System, on the right is the Kruger Hydrotech Diskfilter.



Cutaway View of an AquaDisk





# Secondary Microscreen Replacement Project No. 2007026

NOT TO SCALE



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

**Budget Map**



# **STATUS REPORTS**

**CAPITAL IMPROVEMENT PROGRAM**
**STATUS REPORT SUMMARY**
**Current as of September 10, 2008**

PROJECT	AWARD DATE	NOTICE TO PROCEED	*COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
ALTA AVENUE - PRP 34010	8/20/2008	9/4/2008	2/1/2009	\$207,098.00	0%	Clearing has begun.
DUNWELL AVENUE	5/15/2008	5/29/2008	11/24/2008	\$396,008.00	90%	Construction is going very well.
EVERGREEN AVENUE	8/20/2008	9/9/2008	1/7/2009	\$18,299.00	0%	Contract was awarded to Terry Brothers Construction Company.
GREELEY STREET	8/20/2008	9/9/2008	1/7/2009	\$44,457.00	0%	Contract was awarded to Terry Brothers Construction Company.
LENOX STREET	8/20/2008	9/4/2008	2/1/2009	\$85,186.00	0%	Contract was awarded to Terry Brothers Construction Company.
MARDELL CIRCLE FOUR INCH	5/15/2008	5/29/2008	8/27/2008	\$123,015.50	99%	Project turned over to City of Asheville for paving per interlocal agreement.
PENLEY AVENUE	8/20/2008	9/9/2008	1/7/2009	\$31,775.00	0%	Contract was awarded to Terry Brothers Construction Company.
REEMS CREEK INTERCEPTOR	TBA	TBA	TBA	TBA	0%	Bids were opened on August 28th. Mendon Pipeline, Inc. is the apparent low bidder. This project will be presented at the September Board meeting.
REESE ROAD	8/20/2008	9/9/2008	1/7/2009	\$92,892.00	0%	Contract was awarded to Terry Brothers Construction Company.
WRF - GRIT AND GREASE (SCHREIBER REHAB & RETROFIT PROJECT)	3/21/2007	4/1/2007	8/1/2008	\$351,300.00	99%	Final blower has been installed and project is nearing completion.
WRF - FINAL MICROSCREEN REPLACEMENT PROJECT	TBA	TBA	TBA	TBA	0%	Equipment procurement bid will be presented at the September Board meeting.

\*Updated to reflect approved Change Orders and Time Extensions

Planning and Development Projects  
Status Report September 8, 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
	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
	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
	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
	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
	Lake Julian Trails Ph. 3,4, & 5	2006223	Asheville	74		8/2/2007	Complete - Waiting on final documents
	Hudson Street Cottages	2005147	Asheville	8	141	6/7/2006	Complete- Waiting on final documents
	Reems Creek Townhomes - PH IV	2007279	Weaverville	8	796	12/11/2007	Complete- Waiting on final documents
	Pinebrook Farms	2005169	Weaverville	145	6796	9/8/2006	Complete- Waiting on final documents
	Craven Street Sewer Extension	2007098	Asheville	4	382	12/4/2007	Complete - Waiting on final documents
	Walmart (Airport Rd.)	2006144	Asheville	Comm.	2624	12/4/2007	Complete - Waiting on final documents
	Ridgefield Business Park	2004188	Asheville	18	758	2/16/2005	Complete-Waiting on final documents
Subtotal				1510	40,350		

Planning and Development Projects  
Status Report September 8, 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
	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
	Haywood Village	2007172	Asheville	55	749	7/15/2008	Ready for construction
	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
	Bartram's Walk	2007065	Asheville	100	10,077	7/28/2008	Pre-con held, ready for construction
	New Bridge Commons	2008070	Woodfin	Comm.	192	8/26/2008	Pre-con held, ready for construction
	Creeside Village	2007138	Weaverville	295	1,265	8/21/2008	Pre-con held, ready for construction
	Morgan Property	2008007	Candler	10	1,721	8/11/2008	Pre-con held, ready for construction
	Village at Bradley Branch - Ph. III	2008076	Asheville	44	783	8/8/2008	Pre-con held, ready for construction
	Grandview Phase II	2007036	Asheville	7	352	2/13/2007	Testing
	Versant Phase I	2007008	Woodfin	64	12,837	2/14/2007	Installing
	Canoe Landing	2007137	Woodfin	4	303	5/12/2008	Ready for construction
	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
	Haw Creek Tract	2006267	Asheville	49	1,817	10/16/2007	Installing
	Montreat-Chapman	2007275	Montreat	5	1096	5/12/2008	Pre-con held, ready for construction
	Hominy Valley Center	2005010	Candler	5	433	8/9/2005	Punchlist pending
	Kenilworth Cottages	2008031	Asheville	11	177	5/12/2008	Ready for construction
	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
	Kyfields	2003100	Weaverville	35	1,118	5/10/2004	Ready for final inspection
	Holiday Inn	2001068	Asheville	1	474	8/11/2003	Ready for final inspection

Planning and Development Projects  
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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
	Whitney Heights Off-Site	2006008	Asheville	-	584	2/7/2007	Ready for final inspection
	Teems Road Subdivision	2007143	Asheville	40	1,308	5/27/2008	Ready for construction
	Thom's Estate	2006309	Asheville	40	3,422	1/24/2008	Pre-con held, ready for construction
	Thom's Estate - Phase II	2008071	Asheville	40	3,701	6/10/2008	Pre-con held, ready for construction
	Carolina Day School	2007090	Asheville	1	1,827	3/10/2008	Pre-con held, ready for construction
	Residences at Biltmore	2006162	Asheville	16	277	3/14/2008	Pre-con held, ready for construction
	The Cottages on Liberty Green	2007297	Asheville	7	124	5/30/2008	Ready for construction
	MWB Sewer Extension	2008046	Asheville	Comm.	285	5/12/2008	Ready for construction
	Buncombe County Animal Shelter	2007216	Asheville	Comm.	78	5/1/2008	Ready for construction
	Skyland Apartments	2007117	Arden	63	96	4/23/2008	Ready for construction
	Leicester Village Townhomes	2007291	Weaverville	56	427	4/15/2008	Ready for construction
	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	Installing
	Biltmore Lake Block D2	2006228	Asheville	103	2,600	6/13/2008	Pre-con held, ready for construction
	Oak Crest Place	2004056	West Asheville	27	791	12/3/2004	Ready for final inspection
	Subtotal			3351	153,466		
	Total Units:			4,861			
	Total LF:				193,816		