

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
NOVEMBER 19, 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 P.M., Wednesday, November 19, 2008. Mr. Aceto presided with the following members present: Bissette, Bryson, Creighton, Gantt, Haner, Kelly, Metcalf, Russell, Sobol and VeHaun. Ms. Bellamy was absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Leah Karpen with the League of Women Voters, Mr. Henry Leissing, Intern with the law firm of Steven T. Aceto, Ed Bradford, Jim Hemphill, Scott Powell, Barry Cook, Ken Stines, Angel Banks, Peter Weed, Julie Willingham and Sondra Honeycutt, MSD.

2. Inquiry as to Conflict of Interest:

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

3. Approval of Minutes of the October 15, 2008 Board Meeting:

Mr. Aceto asked if there were any objections to approving the Minutes of the October 15, 2008 Board 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 and Mr. Leissing.

6. Report of General Manager:

Mr. Hartye reported that MSD was once again selected as an honoree for the 2008 Excellence in Management Award for its innovation and achievement in effective utility management from the National Association of Clean Water Agencies (NACWA). He expressed his appreciation to Ed Bradford for gathering the information for this award and his congratulations to everyone from the Board on down. He stated that MSD's commitment to clean water includes everything from how MSD is doing with SSO's, ISO Certification, financial management, customer service initiatives, etc.

Mr. Hartye presented a letter of thanks from the United Way for an overall campaign contribution of approximately \$22,000. He expressed his appreciation to Peter Weed, Jim Naber and Sandra Moore for heading up this effort. He also expressed his appreciation to Mike Schraven, Mike Butler and John Kiviniemi for their help with the United Way golf tournament.

Mr. Hartye reported that a letter was received from Jo Lynn of Forest Court expressing her appreciation to Jesse Hunter and Randy Mull for a job well done. Also, a call was received from Jeff Schmidt of Honeycomb Circle expressing his appreciation to Bobby Arrowood, Clement Crowe, Lloyd Anders, McKinley Hensley and Robert Denny for their quick response (45 minutes) on a sink hole problem.

Mr. Hartye presented letters from the State Treasurer on October 13th and October 16th regarding the pension fund, and notices from NACWA from 10/17, 10/24 and 10/31

regarding a Stimulus Bill, with a significant infrastructure component. He stated that MSD has prepared a “ready to go” list of projects in case there is a stimulus package. He further stated that Mr. Sobol is on a conference call with NACWA to discuss the timing of this Bill.

Mr. Hartye presented a copy of the Metro Lite and called on Mr. Hemphill for a report on the Health Fair and other programs the Human Resources Department provides to employees. Mr. Hemphill reported that the Health Fair was attended by 91 employees and 15 family dependents, who took advantage of information and screening provided by Memorial Mission Hospital, Three Streams Medical Services, with flu shots, 401-K representatives, Credit Unions, and On-Track Financial Services. He further reported that last week, 33 employees participated in MSD’s annual physicals, which included stress testing, EKG’s, etc. Of the total who participated, 5 employees will require follow-up treatment for heart issues, which will have an impact on insurance savings. In addition, seminars have been held on financial planning and credit reporting. Ms. Bryson said it is very encouraging to see the Board support the Health Fair as part of MSD’s Wellness Program.

Mr. Aceto expressed congratulations to David Gantt, for his election as Chairman of the Buncombe County Board of Commissioners. Mr. Gantt stated that his term on the MSD Board will be up in December. He has enjoyed serving on the Board. MSD is a good example of a Board that is regional; it does the right things for the right reasons, and gets things done. On behalf of the Board, Mr. Aceto expressed his appreciation to Mr. Gantt for his service on the Board. Mr. Hartye expressed his appreciation on behalf of staff.

Mr. Hartye reported that the next ROW Committee meeting will be held November 26th at 9 a.m. The next regular Board Meeting will be held December 17th at 2 p.m.

7. Consolidated Motion Agenda:

a. Consideration of Developer Constructed Sewer Systems: Franklin Road Sewer Extension, Hudson Street Cottages, Whitney Heights Subdivision, Shelburne Road Cottages, Old West Chapel Road, Holcombe Village, Riverwalk Subdivision, Phase 11 and Montreat-Chapman Subdivision:

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

b. Consideration of Bids for Purchase and Installation of Closed Circuit TV Equipment:

Mr. Hartye reported that System Services has an on-going inspection program utilizing van-mounted CCTV Equipment. Crews inspect the condition of sewer lines, digitally recording the video, and storing that data on District computers. He further reported that the following bids were received and opened on October 9, 2008: Adams Equipment with a total bid of \$100,525.00; Public Works Equipment, no bid on this option, 2000 ft. cable not available, and Jet-Vac Sewer Equipment with a total bid of \$163,869.60. He stated that staff recommends award of the contract to Adams Equipment in the amount of \$100,525.00.

c. Consideration to Rescind Equipment Procurement Authorization – Final Microscreen Replacement:

Mr. Hartye reported that at the September 17th regular Board Meeting, the Board approved the purchase of equipment for the Final Microscreen Replacement project.

He stated that because of the economy, staff recommends rescinding the authorization to procure this equipment based on the fact that the authorization would obligate not only \$5 million for equipment procurement, but another \$5 million for construction, which would put the District on a course for another Bond issue in 12-18 months. Another factor is that NACWA is working on including wastewater projects in an anticipated stimulus package. This project along with others is on MSD's "ready to go" list which totals approximately \$24 million. Mr. Hartye stated that as far as trends and how the economy will affect the District, staff will know more six months from now, at the time of the budget, but will keep the Board apprised of the trends. Mr. Clarke stated that since the Board took formal action to authorize the procurement, it should take formal action to rescind the purchase. Ms. Karpen asked if the cost of the equipment is guaranteed. Mr. Hartye stated that staff requested the manufacturer to extend the original price for 60 days. The manufacturer agreed to hold the price until December.

d. First Quarter Budget to Actual Review:

Mr. Hartye presented a budget to actual comparison of revenues and expenditures for the first quarter of the fiscal year ending June 30, 2009, based on cash revenues and invoices received prior to November 1, 2008. He stated that on the Revenue side, Residential and Commercial User Charges account for the majority at \$24 million, followed by Industrial User Charges at \$1.4 million, Facility Fees at \$1.3 million and Bond Proceeds plus Pay-as-go funds at \$12.8 million. On the Expense side, CIP Construction is at \$18.8 million this year. He noted that a lot of this work is done in-house by the System Services Division, Engineering and Inspections staff. Operations Expense is at \$13.3 million. Of this amount, \$10 million is in salaries. Principal and Interest Expense paid each year on the Bonds is \$8.2 million. Mr. Hartye stated that MSD is doing well compared to budget. He noted that residential and commercial user charges shown at 25.67%, is under the projected first quarter amount of 26.6%. He further noted that Facility and Tap Fees, conservatively budgeted, are often significantly higher than budget. The unusually large variance is due to receiving an unanticipated check for \$608,000 from a single new development.

e. Cash Commitment/Investment Report – Month Ended September 30, 2008:

Mr. Hartye presented a Variable and Fixed Rate Market History as of October 31, 2008, and a Variable Debt Performance History from September 3, 2008 thru November 12, 2008 for both the Series 2008A synthetic fixed rate Bonds and 2008B variable rate Bonds.

Mr. Gantt moved that the Board approve the Consolidated Motion Agenda as presented. Mr. Bisette seconded the motion. Mr. Aceto called for discussion. With no discussion, roll call vote was as follows: 10 Ayes; 0 Nays. Mr. Sobol was absent during the vote.

8. Master Plan Endorsement:

Mr. Hartye stated that each Board Member was sent a CD with Mr. McGill's power point presentation and the complete Master Plan document for review. Also sent was a copy of the Executive Summary. From this information, staff is asking the Board for it's endorsement of the plan. Ms. Karpen asked if the Cliffs at High Carolina are included in the Master Plan. Mr. Boyd said that half of the project is included. Mr. Haner asked if this is a 20-year Master Plan. Mr. McGill stated that the Collection System Master Plan includes areas within the current MSD boundary not served with public sewer service, potential service areas identified in the Buncombe County Land Use Plan, and potential services areas identified by other MSD member agencies and their respective land use planning. He further stated that this is a build-out plan, so that MSD

will not find itself with pipes that are too small in 20 years, and shows how MSD will provide service to every tract of land that currently exists in those planning areas. Mr. Haner asked if this Plan will need to be looked at again in several years. Mr. McGill said conceptually, no, but the numbers will change. He stated that the Plan will be continually updated because there are hydraulic models in the Plan that will show any changes, and at that point, adjustments can be made without having to do another plan. Mr. Hartye stated other impacts that affect the Master Plan are policy changes, wet and dry weather modeling. Mr. McGill stated that the power point presentation defines where MSD is in the bigger picture, in order to be in a position to support the efforts of its member agencies. Mr. Vehaun moved that the Board adopt the Collection System Master Plan. Mr. Kelly seconded the motion. Mr. Aceto called for discussion. With no discussion, roll call vote was as follows: 10 Ayes; 0 Nays. Mr. Sobol was absent during the vote.

Regarding the Master Plan presentation, Mr. Haner reported that he and Mr. Kelly attended the national Water Environment Federation Technical Conference in Chicago and feels this type of presentation would be well received. He stated that the entire Board and Management should take the opportunity to attend this conference since MSD is interested, not so much in the technical side of the conference, but in the public policy side. He reported that a lot of emphasis was placed on “going green”, which MSD is already involved in, and there was a good deal of discussion on value based rate structures. He stated that MSD is represented well and has an excellent presence at the State Conference, and should have the same presence at the national conference and feels the return is worth the expense. Mr. Hartye stated he has attended many water and wastewater conferences over the years, but feels there are other agencies that represent the wastewater industry better; NACWA is one that is very active and is geared more toward management, as well as the State Conference. He further stated that because it is very expensive to attend the national convention, staff is rotated, so it is not always the same staff attending each year. Mr. Aceto stated that although it would be of some benefit for Board Members to attend the national convention, he asked staff to recommend a few useful conferences that Board Members could attend if they were interested. Mr. Hartye recommended the State Conference, where he and Ed Bradford and Roger Watson presented a paper on MSD’s Septage Facility.

Mr. Aceto called on Mr. Sobol for a report on the Stimulus Bill. Mr. Sobol reported that if the stimulus bill had passed this year, there was \$6.5 billion for the Clean Water State Revolving Fund (CWSRF). NACWA has urged both Senate and House staff to increase this number to \$10 billion in the form of grants, for “ready to go” projects. He stated that the emphasis would be on the environment, so anything that deals with “green” projects will need to be at the top of the list. MSD will need to contact its Representatives and Senators urging support for a stimulus package with a significant wastewater funding component. With regard to the Clean Water Trust Fund, Mr. Sobol stated the General Accounting Office will come back with an oral report in January, but will not have a written report until March or April; as to the revenue stream that they see as a way of trying to fund this. He further stated that the main goal of NACWA is to try and get something through the stimulus package, then work on legislation for the Trust Fund at a later date.

9. Old Business:

None

10. New Business:

None

11. Adjournment:

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

Jackie W. Bryson, Secretary/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 11/19/08

✓	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 October 15, 2008 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 - None	Aceto	-	
	07. Consolidated Motion Agenda		2:30	
	a. Consideration of Developer Constructed Sewer Systems: Franklin Rd. Sewer Extension, Hudson St. Cottages, Whitney Heights Subdivision, Shelburne Rd. Cottages, Old West Chapel Rd., Holcombe Village, Riverwalk Subdivision, Phase 11 and Montreat-Chapman Subdivision.	Hartye		
	b. Consideration of Bids for Purchase and Installation of Closed Circuit TV Equipment.	Hartye		
	c. Consideration to Rescind Equipment Procurement Authorization - Final Microscreen Replacement.	Hartye		
	d. First Quarter Budget to Actual Review	Hartye		
	e. Cash Commitment/Investment Report – Month ended September 30, 2008.	Hartye		
	08. Master Plan Endorsement	Hartye	2:45	
	09. Old Business:	Aceto	3:00	
	10. New Business:	Aceto	3:10	
	11. Adjournment (Next Regular Meeting 12/17/08)	Aceto	3:20	

APPROVAL OF MINUTES

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
OCTOBER 15, 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 P.M., Wednesday, October 15, 2008. Mr. Aceto presided with the following members present: Bissette, Bryson, Creighton, Gantt, Haner, Kelly, Metcalf, Russell and Sobol. Ms. Bellamy and Mr. VeHaun 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, Tom Brzpzinski, Charles Christy and Dave Gildersleeve with WadeTrim, Ed Bradford, Stan Boyd, John Kiviniemi, Jim Hemphill, Scott Powell, Peter Weed, Ken Stines, Angel Banks, Matthew Walter, Mike Butler and Sondra Honeycutt, MSD.

2. Inquiry as to Conflict of Interest:

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

3. Approval of Minutes of the September 17, 2008 Board Meeting:

Mr. Aceto asked if there were any objections to approving the Minutes of the September 17, 2008 Board 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 Mr. Brzpzinski, Mr. Christy, Mr. Gildersleeve, Ms. Karpen and Mr. Martin.

6. Report of General Manager:

Mr. Hartye reported that MSD is partnering with Buncombe County and, potentially with the City of Asheville, to create a one stop shop for permitting. He stated that an MSD employee has relocated to a downtown office in order to make this effort more accessible. He further reported that Mr. Creighton has brought the Starnes Cove affordable housing issue to the County, which is moving forward and may come back to the Board in the near future. Also, MSD is partnering with the City of Asheville in an Environmental Education Program on water, sewer and storm water and that consideration is being given to the idea of utilizing MSD's old administration building as a Learning Center.

Mr. Hartye reported that an e-mail was received from Mr. Roy Davis of NCDENR who expressed his appreciation to Ken Stines, Grady Brooks, Eric Sams and Wayne Rice who responded to his call for assistance in clearing a blocked and overflowing private sewer line. The person whose property the sewer crossed did not have the resources to bring in a plumbing contractor. He further reported that he received a phone call from Mr. Clarence William at 10 Royal Oaks who claimed that over the years he has dealt with many folks at utilities, but none were as professional as Steve Meeks and that MSD is lucky to have such quality people representing them.

Mr. Hartye reported that last year the MSD Preventative Maintenance Crews; using vacuum and rod trucks, performed 866,000 feet of main line cleaning and 72,000

feet of root removal. He stated that these are “behind the scenes” efforts that play a large part of why the SSO’s have gone down from 289 to 41 over the last eight years. He expressed his appreciation to Jason Capizzi, Shaun Meadows, Mitch Hawes, Mike Rice, Ray Lunsford, Anthony England, Greg Patton, Ed Whatham, Allan Knighten and Lee Plemmons.

Mr. Hartye provided a copy of the annual VWIN report for the Board’s review. In addition, he presented an article from the Raleigh News & Observer on Wake County projects.

Mr. Hartye stated that this meeting is primarily dedicated to an update of the Master Plan. With regard to what is happening with the economy, staff plans to bring this issue, along with the purchase of the Microscreens back to the Board in November.

Mr. Haner asked what the life of a vacuum truck is. Mr. Weed said 10 years. Mr. Hartye stated that MSD has a replacement program for the entire fleet, with different types of vehicles on different cycles. Mr. Weed stated that generally, the life of a heavy duty vehicle is 10 years, and 8 years on a diesel pickup vehicle.

Mr. Hartye reported that the next regular Board Meeting will be held November 19th at 2PM.

7. Report of Committees:

Right of Way Committee

Mr. Kelly reported that the Right of Way Committee met September 24, 2008 to consider compensation budgets on the Charland Forest GSR and US 70 @ Neil Price Avenue Phase II projects. The Committee also considered condemnation on the Heywood Road Interceptor Phase II project. He stated that recommendations on these issues are reported as part of the Consolidation Motion Agenda.

8. Consolidated Motion Agenda:

a. Consideration of Compensation Budget – Charland Forest GSR:

Mr. Hartye reported that the Right of Way Committee recommends approval of the Compensation Budget.

b. Consideration of Compensation Budget – US 70 @ Neil Price Avenue Phase II:

Mr. Hartye reported that the Right of Way Committee recommends approval of the Compensation Budget.

c. Consideration of Condemnation – Heywood Road Interceptor Phase II:

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

d. Consideration of Developer Constructed Sewer Systems, Craven Street, Wal-Mart-Airport Road, Biltmore Lake-A6 and The Residences at Biltmore:

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

e. Adoption of Identity Theft Prevention Program/Red Flag Rules:

Mr. Hartye reported that the new Federal Trade Commission rules require all utilities to adopt an identity theft prevention program by November 1, 2008. The Program must encompass procedures to identify, detect, and respond to possible signals of identity theft known as Red Flags. Mr. Hartye stated that staff recommends the Board adopt the proposed Identity Theft Prevention Program Policy.

f. Cash Commitment/Investment Report – Month Ended August 31, 2008:

Presented as information only.

Mr. Gantt moved that the Board approve the Consolidated Motion Agenda as presented. Mr. Bisette seconded the motion. Mr. Aceto called for discussion. With no discussion, roll call vote was as follows: 10 Ayes; 0 Nays.

9. Master Plan Presentation:

Mr. Hartye stated that Mr. McGill will give a presentation on the Master Plan and, prior to the next Board meeting, a digital copy of the Master Plan will be provided to Board Members. The Master Plan will then be officially endorsed by the Board at the November meeting.

Mr. McGill reported that the Master Plan is a collection system plan that is not in place yet and does not involve the Treatment Plant or get into rehabilitation, preventative maintenance or other areas of operation. He reported that some of the Master Plan objectives are to define MSD's role in Land Use Planning, support community growth plans and strengthen partnerships with local governments. He stated that the 20-year plan allows for the efficient and orderly growth of the system; avoiding excessive increases in O&M cost. Mr. McGill went over the 4-step planning approach that includes future collection system layout; 20-year flow projections; system facilities sizing, and GIS based planning maps/attributes. He stated that this approach will give Staff the ability to provide pertinent information about property, not served by MSD, to anyone who inquires. He presented a map of the MSD District Boundary, showing areas inside the District that are not being served. He also presented a Buncombe County Land Use Plan map. He explained that the area shown in gray is the current District Boundary. The red areas are primary areas that are the main focus of the County Land Use Plan and are areas that are currently un-served. He stated that collection lines were planned to every parcel of land in these areas. The blue areas are the secondary areas that are not the primary focus of the Land Use Plan, but recognized as areas that will come later, however, they did size interceptors in these areas and allocated flows. The green areas are tertiary areas that are the third tier of the County Land Use Plan. Flows were allocated in these areas as well.

Mr. McGill reported that they met with the local governments to talk about what they were planning for the future and what MSD was planning and meshed these plans together. In addition to the MSD member agencies, they went to the Town of Fletcher, Madison County, Cane Creek Water & Sewer District, the Town of Mars Hill and Henderson County to discuss their plans. Mr. McGill briefly addressed the plans for each of the areas mentioned. Mr. Aceto asked if Avery's Creek was involved in the process. Mr. McGill stated that other than the need for flow and service area information, planning was not an issue in Avery's Creek.

Using the Reems Creek basin as an example of the planning approach, Mr. McGill presented a map showing the existing collection lines, parcels and tertiary areas, which is the boundary used in laying out the lines. He stated that all of these areas were broken down into sub-basins in order to allocate flows. He presented a map showing the

existing system and a new layout of the systems that shows the parcels in it. He stated that they modeled the flows through the pipes to determine pipe size and the depth of flow through the pipes over time. Attribute tables were prepared showing maximum flow capacity, design capacity, slopes of the pipes and details of the pipes themselves. He further stated that there will be a set of attribute tables for all of the pipe segments, with all of the manholes, in the system, to find out what its capacities are.

Mr. McGill presented an informational summary showing the existing and additional service areas; additional wastewater flow and the new wastewater lines and pump stations that will be deleted or added. Ms. Karpen asked if this encompasses the entire Buncombe County area. Mr. McGill said no. Ms. Karpen asked why the whole county is not included. Mr. McGill stated that some areas were identified as not needing sewer in the next 20 years and that it's up to the individual agencies to do their own plans. Mr. McGill stated that the next step in the process is to do flow monitoring and modeling in the existing system for dry weather baseline and wet weather. Mr. McGill addressed the collection system planning challenges; specifically with crossing the French Broad River. Other planning challenges include the plan update process; policy considerations and achieving gravity flow. He presented a map showing future interceptor expansions. Mr. Haner asked if there is an indication from Woodfin or the County as to the time frame for development on the West side of the River. Mr. McGill stated that time frames were not discussed, but what they got instead, was the big picture planning process. Mr. Haner asked if it's MSD's choice as to how it will develop service. Mr. McGill stated that the MSD collection system is very focused on its rehab programs and the Master Plan is not set up to initiate those actions. He further stated that MSD's role is to support what the member agencies want to do. If Woodfin wants to pursue development on the West side of the river, he would like to sit down with them and ask how they would go about it. A discussion was held regarding projected flows and pipe sizes. Mr. Hartye expressed his appreciation to Mr. McGill and his staff for a great job. Mr. Aceto stated that MSD has met a major obligation to the community in compiling the Master Plan. Mr. McGill stated that the responses from the municipalities, were very positive and the MSD planning effort was well received.

10. Old Business:

With regard to the lawsuit brought by Timothy R. Waddell on behalf of his wife arising out of a sledding accident involving a sewer manhole, Mr. Clarke reported that Summary Judgment was granted in favor of MSD and all remaining defendants.

With regard to MSD's financial status, Mr. Haner asked Mr. Powell to address the economic triggers mentioned at the last meeting. Mr. Powell stated that MSD has not reached the trigger points yet, however, after the last meeting there was an increase in variable rates for a three week period, but these rates are back down to 3.25 percent. Regarding the second trigger, (Bank of American being downgraded) Mr. Powell said they have not been downgraded or put on watch. Mr. Aceto asked for confirmation from Mr. Powell that MSD deposits are diversified, that they comply with the securitization rules and that none are secured by corporate bonds, but are secured by other means of collateral. Mr. Powell said yes.

11. New Business:

None

12. Adjournment:

With no further business, Mr. Aceto called for adjournment at 3:27 P.M.

REPORT OF GENERAL MANAGER

MEMORANDUM

TO: MSD Board
 FROM: Thomas E. Hartye, P.E., General Manager
 DATE: November 14, 2008
 SUBJECT: Report from the General Manager

- Excellence in Management Award to MSD

MSD was once again selected as an honoree for the 2008 Excellence in Management Award for its innovation and achievement in effective utility management from the National Association of Clean Water Agencies (NACWA). Attached is the notification letter. We will be issuing a press release soon. Congratulations to everyone from the Board on down....

- MSD United Way Campaign a Success

Attached is a letter of thanks from the United Way for an overall campaign contribution of approximately \$22,000. Much thanks to Peter Weed, Jim Naber and Sandra Moore for heading up the campaign effort. Also thanks to Mike Schraven, Mike Butler and John Kiviniemi for their help with the Golf tournament.

- Kudos

- Jo Lynn of Forest Court sent the attached letter regarding her appreciation of the job done by Jesse Hunter and Randy Mull.
- Call on November 3rd from Jeff Schmidt of Honeycomb Circle stating that he had a sink hole, and called MSD, crew responded within 45 minutes. The crew dug it up recompacted, resurfaced the area and was out of there before he knew it. Says that he was very pleased and that they did a wonderful job and wants everyone at MSD to know how much he appreciates them and the work they do. Thanks to Bobby Arrowood, Clement Crowe, Lloyd Anders, McKinley Hensley, and Robert Denny.

- Reading

- Letters from the State Treasurer on October 13th and October 16th regarding pension fund.
- NACWA notices regarding Stimulus Package from 10/17,10/24,10/31.

- Board/Committee Meetings

The next ROW Committee will be held November 26th at 9 am. The next Regular Board Meeting will be held December 17th at 2pm.



EXECUTIVE COMMITTEE

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Marian A. Orfeo
*Director of Planning
& Coordination*
Massachusetts Water
Resources Authority
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Oakland, CA

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*Assistant City Attorney -
Public Works General Counsel*
City of Los Angeles
Los Angeles, CA

EXECUTIVE DIRECTOR

Ken Kirk

October 8, 2008

Thomas E. Hartye
General Manager
Metropolitan Sewerage District of Buncombe County
2028 Riverside Drive
Asheville, NC 28804-3054

Dear Tom:

Congratulations! On behalf of the National Association of Clean Water Agencies (NACWA), I am pleased to inform you that the Metropolitan Sewerage District of Buncombe County has been selected as a *2008 Excellence in Management* honoree. Receiving this honor celebrates your utility for its innovation and achievement in effective utility management.


As an *Excellence in Management Program* honoree, your utility will be recognized during NACWA's 2009 Winter Conference, *Controlling Chaos: Managing Rising Capital Costs*, to be held at the Westin Buckhead, February 3-6, 2009, in Atlanta, Georgia. In the coming months, you will receive a packet of information detailing the award ceremony, as well as conference registration information. Recognition and public relations information will also be made available to you via the NACWA website.

Again, congratulations on this prestigious honor. We look forward to seeing you in Atlanta!

Sincerely,

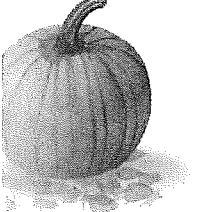

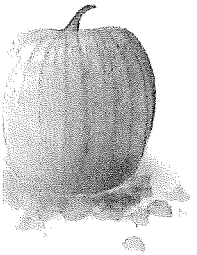
Philip L. Friess
Chair, NACWA Award Committee
Departmental Engineer
Sanitation Districts of Los Angeles County, CA

CC: Ed Bradford, Director of Capital Improvement





November 3, 2008

To Mr. Tom Hartye;



Without your continuous support the United Way would not be able to continue funding worthwhile agency programs through Manna Food Bank, On Track, Children First, and many other invaluable programs. We realize the sacrifices your employees have made in order to make and keep your community strong, and wish to thank you for your dedication to your neighbors and community.



Congratulations on your achievement of the 2008-09 United Way Campaign. Your employees raised **\$10,939.21**. In addition to your employee contributions; like to thank Peter Weed, Jim Naber and Sandra Moore for their hard work. This accomplishment is a wonderful example of how your company is committed to building our community by helping people Live United.

I also would like to thank Mike Schraven, Mike Butler and John Kiviniemi for their help with the Golf Tournament which raised \$11,000.00.

On behalf of United Way of Asheville and Buncombe County I thank you for all you have done.

Sincerely,



Julie Buckner

Julie Buckner

Pacesetter Chair for the United Way Campaign

To whom it may concern!

The two men that were
in charge of the work
done in my yard & the
removal of the tree were
very nice and did a
great job. They were
Jesse Hunter & Randy Mull

To You
140 Forest Ct
Orden, NC

Tom Hartye

From: Jim Hemphill [jhemphill@msdbc.org]
Sent: Tuesday, November 04, 2008 11:24 AM
To: 'HARTYE, TOM (SMTP)'
Subject: FW: Message from customer

Tom,

Another "Thank you" call from a well satisfied customer.

Jim

Jim Hemphill
HR Director, MSD of Buncombe County
828-225-8258

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

From: Lisa Tolley [mailto:ltolley@msdbc.org]
Sent: Tuesday, November 04, 2008 11:22 AM
To: THOMAS, PAMELA (SMTP); Hemphill, Jim (SMTP); FOSTER, WALLACE (SMTP); COOK, BARRY (SMTP); Arrowood, Bobby (SMTP)
Subject: FW: Message from customer

WO#412009
Bobby Arrowood
Clement Crowe
Lloyd Anders
McKinley Hensley
Robert Denny

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

From: Kathy Meeks [mailto:kmeeks@msdbc.org]
Sent: Monday, November 03, 2008 2:19 PM
To: ltolley@msdbc.org
Subject: Message from customer

Jeff Schmidt - 12 Honeycomb Cir. called 11/3/08 @1:45pm

Says he had a sink hole, called MSD, crew responded within 45 minutes. Dug up, recompact, resurfaced the area and was out of there before he knew it.
Says they did a wonderful job and he wants everyone at MSD to know how much he appreciates them and the work they do.
Was very pleased.



RICHARD H. MOORE
Treasurer
State of North Carolina

October 13, 2008

Dear Members & Retirees,

With the deepening financial crisis and the turbulent stock market, many of you have been concerned about our pension fund. Like all investors, the pension fund has felt the effects of the current market conditions. However, I want to assure you that our conservative investment strategy and strong management mean that the pension fund is secure.

North Carolina has a tradition of investing conservatively and protecting your benefits against down markets, as evidenced by our historically high allocation to quality bonds. While the financial crisis is impacting all investors, that strategy means that North Carolina's pension fund will be impacted far less than other funds and investors across the country. That is how North Carolina was among the best performers during the economic downturn of 2002 and how we have remained the second best pension fund in the country.

Our preliminary estimates show that the pension fund has lost about 12 percent over the year ending September 30th, far less than the 24 percent lost in the S&P 500, a standard benchmark for the stock market. It is also less than the losses experienced by other state pension funds. The nation's largest public pension fund, CalPERS, has lost about 17 percent of its value since June.

Your pension fund is prepared to weather this downturn. We remain fully funded, one of just five pension plans nationwide with the money on hand to meet its promises. We manage our investments for the long term, so you can count on your benefits to be there when you need them. We will continue to monitor the market very carefully and to keep you updated. To learn more about the pension fund and the current market, please visit our website at www.nctreasurer.com.

Sincerely,

A handwritten signature in cursive script that reads "Richard H. Moore".

Richard H. Moore
State Treasurer



North Carolina Department of State Treasurer

RICHARD H. MOORE
STATE TREASURER

325 NORTH SALISBURY STREET
RALEIGH, NORTH CAROLINA 27603-1385

October 16, 2008

For Immediate Release
Contact: Sara Lang 919-807-3132

ANNUAL STUDY SHOWS N.C. PENSION FUND REMAINS STRONG

Retirement System Funded at 104.7 Percent According to Annual Valuation

RALEIGH – State Treasurer Richard Moore released the annual actuarial study of the North Carolina pension fund, which demonstrates that the fund remains one of the strongest in the nation with a funding level of 104.7 percent. North Carolina's fund is one of the very few in the nation with a funding ratio, or assets divided by liabilities, greater than 100 percent.

The annual actuarial study is based on data in the Teachers' and State Employees' Retirement System (TSERS) collected through December 31, 2007 and does not reflect any of the current market turmoil. As Moore predicted earlier this week, the actuarial value of TSERS did increase by approximately \$2 billion. The change in funding ratio from 106.1 percent last year to 104.7 percent is the result of actions taken by the General Assembly to draw down the system's surplus by reducing the employer contributions.

"This study shows that our state's pension fund is among the strongest in the nation and, in fact, is the envy of other states," Moore said. "North Carolina's teachers, state employees and retirees can count on their benefits to be there for them."

Such strong financial standing is rare in public pension funds. The average funding ratio for public pension plans is 86.1 percent, according to the Public Fund Survey by the National Association of State Retirement Administrators. The survey also showed that only five other public funds have funding levels above 100 percent. In February, Standard & Poor's named North Carolina's pension fund the second strongest in the nation for the third year in a row.

Funding for TSERS is collected from three sources:

- **Employee Contributions:** All public employees contribute 6 percent of their paychecks to the System each month.
- **Employer Contributions:** The General Assembly appropriates an actuarially determined amount to the System each year. In order to maintain benefits, the General Assembly will need to increase their contribution to 3.57 percent from last year's 3.36 percent.
- **Investment Earnings:** Treasurer Moore invests the System's contributions, and earnings from these investments help fund all of the System's benefits.

TSERS provides retirement benefits for more than 500,000 working and retired teachers, state law enforcement officers and state employees.

###

Fax: (919) 508-5167

Phone: (919) 508-5176

website: www.treasurer.state.nc.us

The Department of State Treasurer includes Local Government Commission Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, Public Employees' Social Security Agency, Legislative Retirement Fund, Escheats Fund, and Tax Review Board.
An Affirmative Action/Equal Opportunity Employer



Clean Water Current

October 31, 2008

House Hearing on Stimulus Bill Puts Spotlight on Wastewater Infrastructure Investment

The Transportation & Infrastructure (T&I) Committee held a hearing Oct. 29 on "Investing in Infrastructure: The Road to Recovery," which featured 19 witnesses and a significant focus on wastewater infrastructure funding as a key component of any future stimulus package. NACWA submitted [written testimony](#) (PDF) for the record, which called on Congress to include \$10 billion for wastewater infrastructure in the bill. The Association's position was supported by several key witnesses, including Louisville, Ky., Mayor Jerry E. Abramson, testifying for the U.S. Conference of Mayors, who noted that "Congress should allocate an additional \$18.75 billion directly to cities as grants to assist with rehabilitating aging water and sewer infrastructure, complying with sewer overflow issues, and promoting source water protection" via a second stimulus package. Similar testimony was provided by Judith Enck, New York deputy secretary for the environment, and Terry Dillon, president of the National Utility Contractors Association, both of whom referenced NACWA's ready-to-go wastewater project list and echoed the Association's call for \$10 billion to pay for the projects in any future stimulus bill. The testimony of these and other key witnesses is available on the [T&I Committee's website](#).

Rep. James Oberstar (D-Minn.), chair of the committee, and Ranking Member John Mica (R-Fla.) spoke of the need to have wastewater projects in the stimulus package on several occasions during the hearing. Oberstar also noted that stimulus legislation would generally follow the lines of an earlier stimulus bill (H.R. 7110) that passed the House, but stalled in the Senate prior to recess. That bill contained \$6.5 billion for wastewater infrastructure. Oberstar told reporters later that the new version likely would have higher funding levels. NACWA also issued a [press release](#) to ensure coverage of its position in the media.

On the same day, Sen. Barbara Boxer (D-Calif.), chair of the Senate Environment and Public Works Committee, held a [press conference](#) in California calling for more infrastructure funding as a way to help California's and the Nation's the economy. Specifically, she said "Additional investment in our nation's water infrastructure is more than just an investment in America's public health and safety — it also supports jobs in communities across the country."

Congress is set to return Nov. 17 in order to consider a stimulus bill. NACWA has met with staff for House members and Senators in the past two weeks, and will continue to set up such meetings, to urge inclusion of and support for wastewater infrastructure funding in any stimulus package. The Association continues to update its list of ready-to-go projects submitted by member agencies that currently totals more than \$3 billion and has used this information to build support for more wastewater funding in the stimulus bill. If you have not yet shared such information with NACWA, please contact Byron DeLuka at bdeluka@nacwa.org.

Dick Lanyon Provides Insight into Chicago's Work on Sewer Overflow Control, Biosolids

Dick Lanyon, general superintendent of the Metropolitan Water Reclamation District of Greater Chicago, provided a detailed overview of the rich history and water quality leadership of his utility at NACWA's *Utility Executives Perspectives Luncheon* this week. In particular, Lanyon focused on Chicago's enormous investment in its Tunnel and Reservoir Program (TARP) to control sewer overflows and its historical leadership in the biosolids arena, from playing a vital role in the development of BPA's Part 503 program to consistently furthering the safety of its biosolids land application program. Lanyon also spoke of the difficulties of

NACWA Clean Water Current

A Clear Commitment to America's Waters

October 24, 2008

Stimulus Bill Talk Heats Up in D.C., NACWA Focuses on Wastewater Projects

With market instability continuing and unemployment on the rise, discussion of a second economic stimulus bill with a significant infrastructure component to help struggling municipalities, boost the economy, and put people to work has been gathering momentum. Recent remarks by Federal Reserve Chairman Ben Bernanke, as well as those by President Bush, noting their willingness to consider a second stimulus package are encouraging signs. Similarly, the House Transportation and Infrastructure (T&I) Committee has scheduled an October 29 hearing titled *Investing in Infrastructure: the Road to Recovery*, focusing on the need for an infrastructure-based stimulus package. NACWA, this week, provided written testimony to the T&I Committee for distribution to committee members and inclusion in the record of the hearing and will report on the proceedings in next week's *Current*.

NACWA also met yesterday with a large group of organizations representing key infrastructure interests at a meeting hosted by the Associated General Contractors of America (AGC) to ensure that all key groups are on the same page in their support of a stimulus bill. There was general agreement that a strong wastewater infrastructure component of approximately \$10 billion in project funding, as recommended by NACWA, should be a part of the next stimulus bill. Several groups plan to showcase NACWA's ready-to-go project list in their testimony before the T&I Committee, as well as emphasize NACWA's recommendation for \$10 billion for wastewater infrastructure.

Over the course of this and last week, NACWA has delivered and e-mailed its October 15 letter and accompanying ready-to-go projects list to every Congressional office and to their key staff. The response has been strong, with numerous House and Senate offices seeking to meet and discuss the issue further with NACWA and its members. NACWA urges its membership to use the Association's letter as a template to send to your Representatives and Senators urging them to support a stimulus package with a significant wastewater funding component.

Currently, the timing of a stimulus package is uncertain because of the approaching elections. While some on the Hill say that it would be better to get it done during a lame-duck session and demonstrate bipartisan support for such a package, others note that it would be easier to pass an infrastructure-based package after the election. Regardless of the timing of the bill, however, NACWA will continue its work to broaden support for a strong wastewater infrastructure component in the stimulus package, building on the recent House-passed version (H.R. 7110), which provided \$6.5 billion to the Clean Water State Revolving Fund (CWSRF) but was blocked in the Senate. If you have discussed the issue with your Members of Congress and received feedback, please share it with Adam Krantz at akrantz@nacwa.org.

NACWA Highlights Clean Water Advocacy Priorities at WEFTEC

NACWA's clean water advocacy priorities were well-represented this year at WEFTEC'08 in Chicago with two booths on the exhibit floor, its annual *Hot Topics Breakfast* on Tuesday, and an important presentation by Executive Director Ken Kirk on the impacts of the financial crisis on the nation's clean water agencies and the need for a federal recommitment to sustainable clean water investment.

NACWA Executive Director Ken Kirk spoke on a Monday morning panel regarding the need for a strong, revitalized partnership with the federal government and urged Congress to pass a second stimulus package, pointing out that a renewed federal commitment would not only benefit the environment and public health, but would provide thousands of jobs to help bolster the sagging economy. Also speaking on the panel was Chicago Mayor Richard Daley, who spoke of the importance of clean water infrastructure to Chicago as well



Clean Water Current

October 17, 2008

NACWA Urges Congress to Enact Stimulus Bill with Water Infrastructure Funding

NACWA sent a [letter](#) to House Speaker Nancy Pelosi (D-Calif.), Senate Majority Leader Harry Reid (D-Nev.), and to every member of Congress this week urging them to enact a second stimulus package this year that would include significant grant funding for wastewater infrastructure. The letter points out that while the earlier House-passed stimulus bill, H.R. 7110, provides \$6.5 billion for the clean water state revolving fund (CWSRF), with a limit of only about \$100 million that can be distributed in the form of grants, NACWA believes more money overall, including an increase in grant funding, is needed. "When considering the current economic circumstances municipalities face, these funds should be distributed primarily in the form of grants or negative interest loans for ready-to-go clean water projects based, of course, on a community's economic situation," the letter said. NACWA sent a Sept. 4 [memo](#) listing public agency ready-to-go projects to Rep. David Obey (D-Wis.), chairman of the House Appropriations Committee, and met with congressional staff to ensure that H.R. 7110, which passed on Sept. 26, included significant money for the CWSRF.

The second stimulus package was put on the back burner as Congress diverted its attention to the financial rescue package in September. However, it is becoming increasingly likely that both the House and Senate will come back for a lame-duck session after the November elections to consider a stimulus package. Work has already begun on a \$150 billion bill, and even if it is not enacted this year, stimulus legislation will likely be considered next year. NACWA urges its public member agencies to continue to stress to their congressional representatives the importance of infrastructure funding that will create jobs and stimulate the economy.

NRC Report on Stormwater Calls for Watershed Permitting, Increased Federal Funding

The National Research Council (NRC) issued a [report](#) Oct. 15 identifying watershed-based permitting and increased federal funding to state and local governments as critical components of future efforts to better manage stormwater runoff. The report, *Urban Stormwater Management in the United States*, finds that "the course of action most likely to check and reverse degradation of the nation's aquatic resources would be to base all stormwater and other wastewater discharge permits on watershed boundaries instead of political boundaries" and calls on EPA to implement watershed-based permitting within the next five to 10 years. As part of this new permitting structure, the report recommends municipalities take the lead in implementing and regulating watershed permits, working with both point and nonpoint sources within the watershed to improve water quality. The plan would incorporate a variety of techniques to reduce water pollution, including water quality trading and green infrastructure. NRC also recommends a substantial increase in federal funding to implement the watershed approach, noting that "EPA should seek significant congressional funding to support the states and municipalities in undertaking this new program, in the nature of the support distributed to upgrade municipal wastewater treatment plants after the 1972 passage" of the Clean Water Act. Such funding would aid municipalities as they take on a new and more critical role in implementing and overseeing a new generation of watershed permits. The report affirms much of NACWA's thinking, including that of the Strategic Watershed Task Force, and can be used as an important tool for the Association to advocate for a meaningful federal partnership to address clean water challenges on a watershed basis, renewed federal funding, and incentives to promote the use of green infrastructure as a viable means to control stormwater runoff. NACWA continues to review the report and looks forward to working with EPA and other stakeholders to implement many of its recommendations.

CONSOLIDATED MOTION AGENDA

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: November 19, 2008

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

PREPARED BY: Kevin Johnson, David Monteith

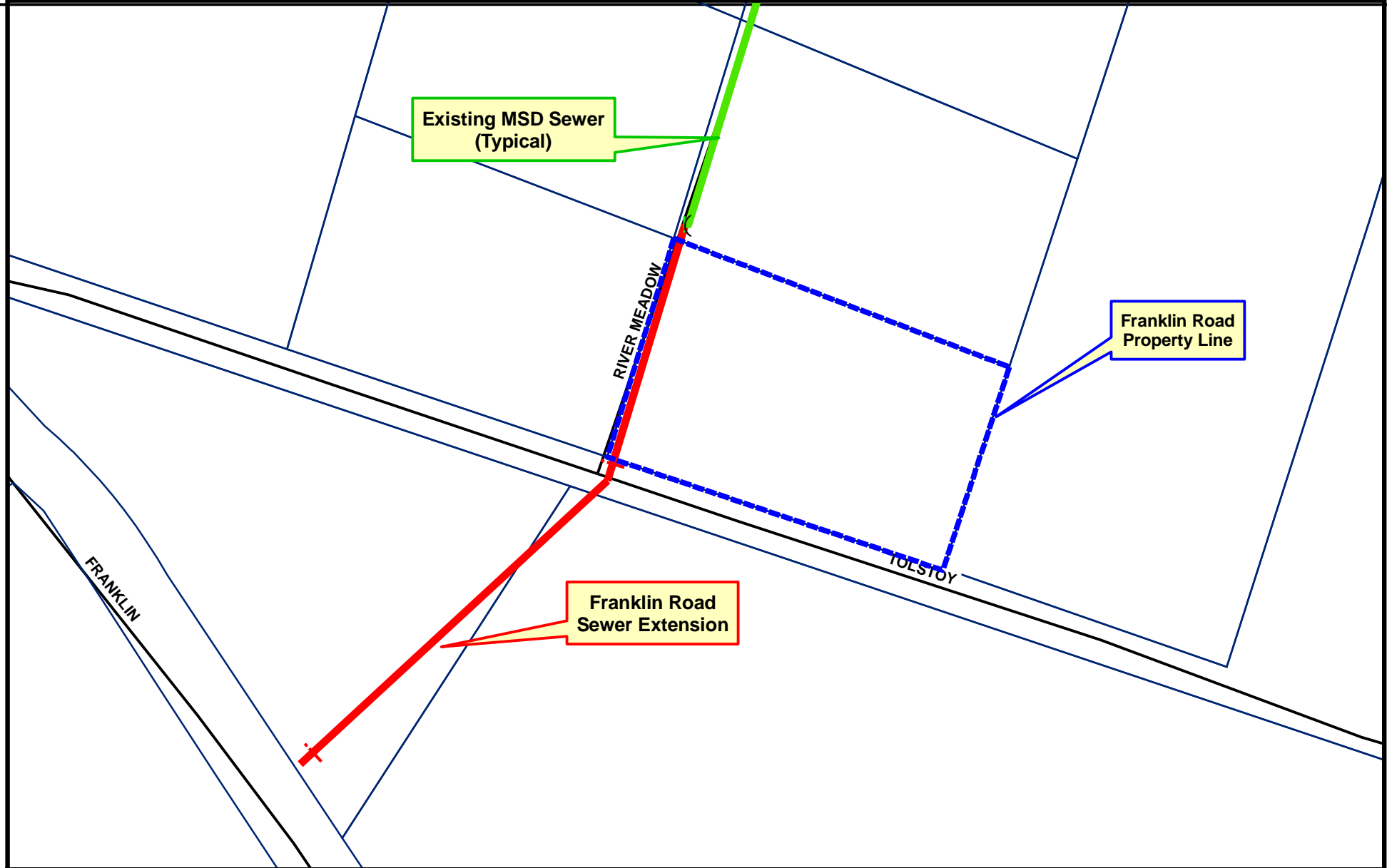
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System
Franklin Road Sewer Extension.

BACKGROUND: This project is located inside the District boundary off Franklin Road in Buncombe County, North Carolina. The developer of the project is Philip N. Atkinson. The project included the installation of approximately 263 linear feet of 8" gravity sewer extension to serve a residential development. A wastewater allocation was issued in the amount of 300 GPD for the project. The estimated cost of the sewer extension is \$ 25,000.00.

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 #2004020

Not To Scale



METROPOLITAN SEWERAGE DISTRICT of BUNCOMBE COUNTY, NORTH CAROLINA
Franklin Road Sewer Extension

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: November 19, 2008

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

PREPARED BY: Kevin Johnson, David Monteith

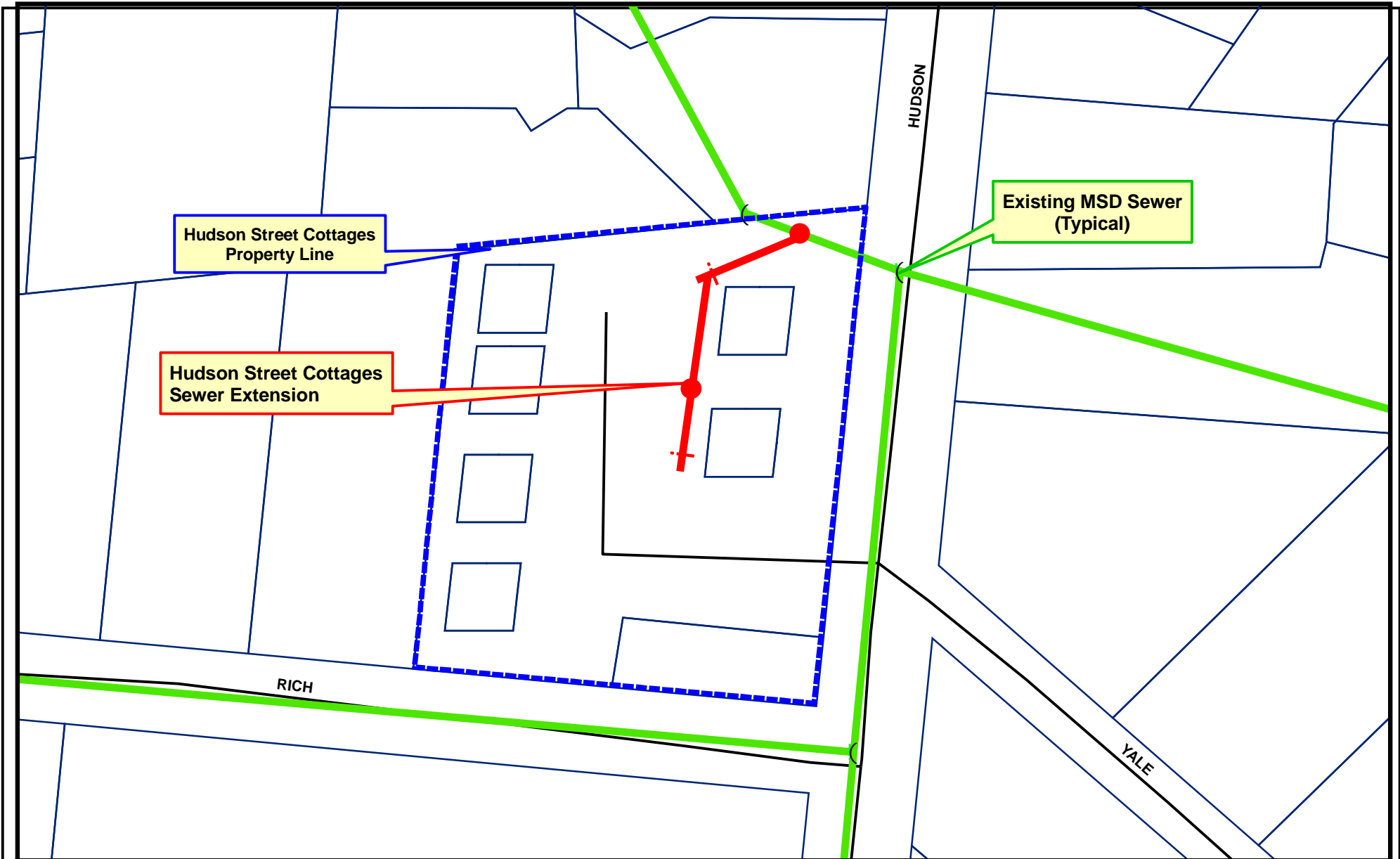
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System
Hudson Street Cottages.

BACKGROUND: This project is located inside the District boundary off Hudson Street in Asheville, North Carolina. The developer of the project is Mr. Chris Cashman. The project included the installation of approximately 141 linear feet of 8" gravity sewer extension to serve a residential development. A wastewater allocation was issued in the amount of 2,200 GPD for the project. The estimated cost of the sewer extension is \$ 30,000.00.

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
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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
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Hudson Street Cottages
Property Line

Hudson Street Cottages
Sewer Extension

Existing MSD Sewer
(Typical)

RICH

HUDSON

YALE

Project #2005147

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

**Hudson Street Cottages
Sewer Extension**

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: November 19, 2008

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

PREPARED BY: Kevin Johnson, David Monteith

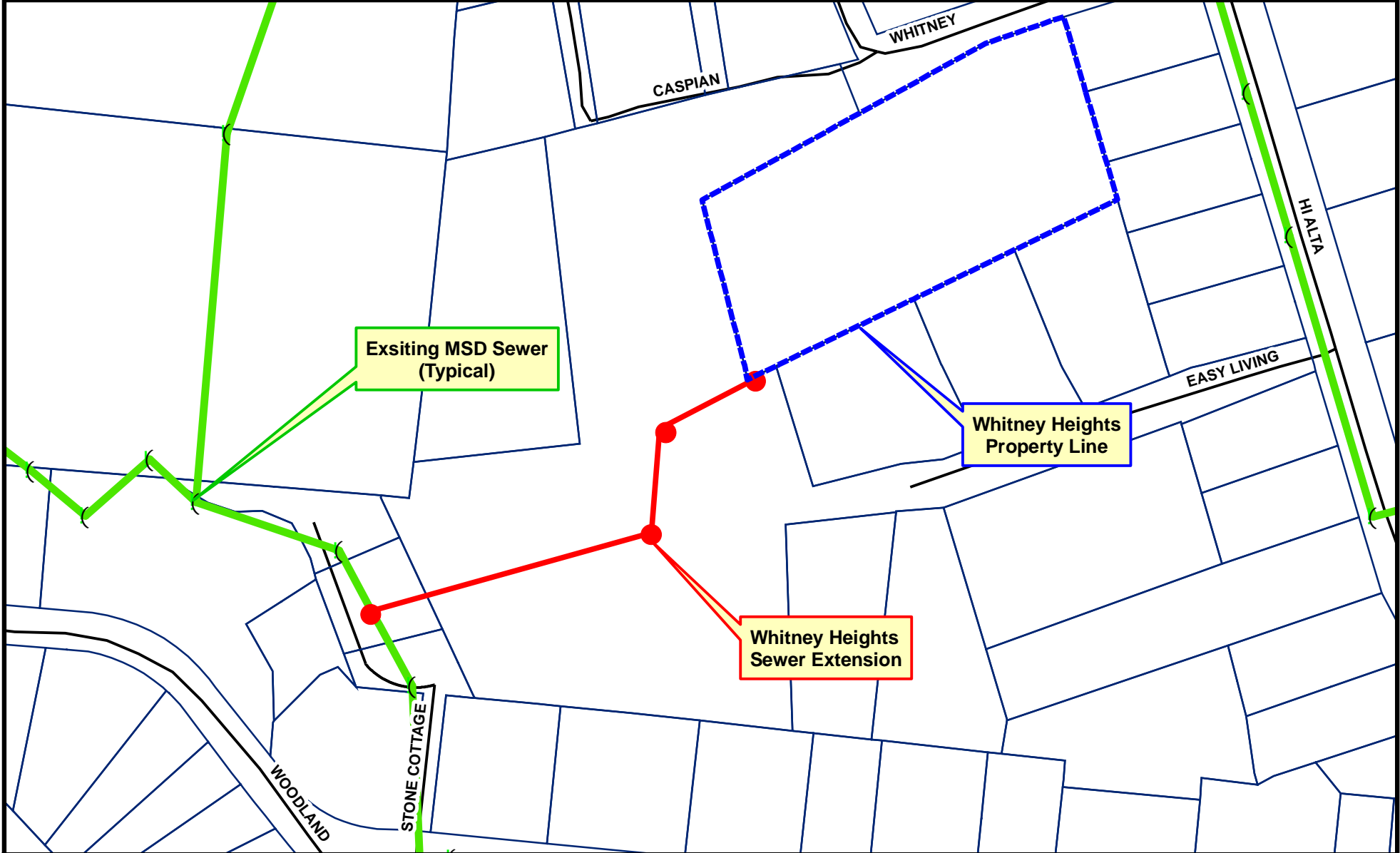
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System
Whitney Heights Subdivision.

BACKGROUND: This project is located inside the District boundary off High-Alta Avenue in Asheville, North Carolina. The developer of the project is Ms. Lynda Rerych. The project included the installation of approximately 584 linear feet of 8" gravity sewer extension to serve a residential development. A wastewater allocation was issued in the amount of 6,000 GPD for the project. The estimated cost of the sewer extension is \$ 25,000.00.

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

COMMITTEE ACTION TAKEN	
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Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to staff
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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
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Project #2006008

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

**Whitney Heights Subdivision
Sewer Extension**

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: November 19, 2008

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

PREPARED BY: Kevin Johnson, David Monteith

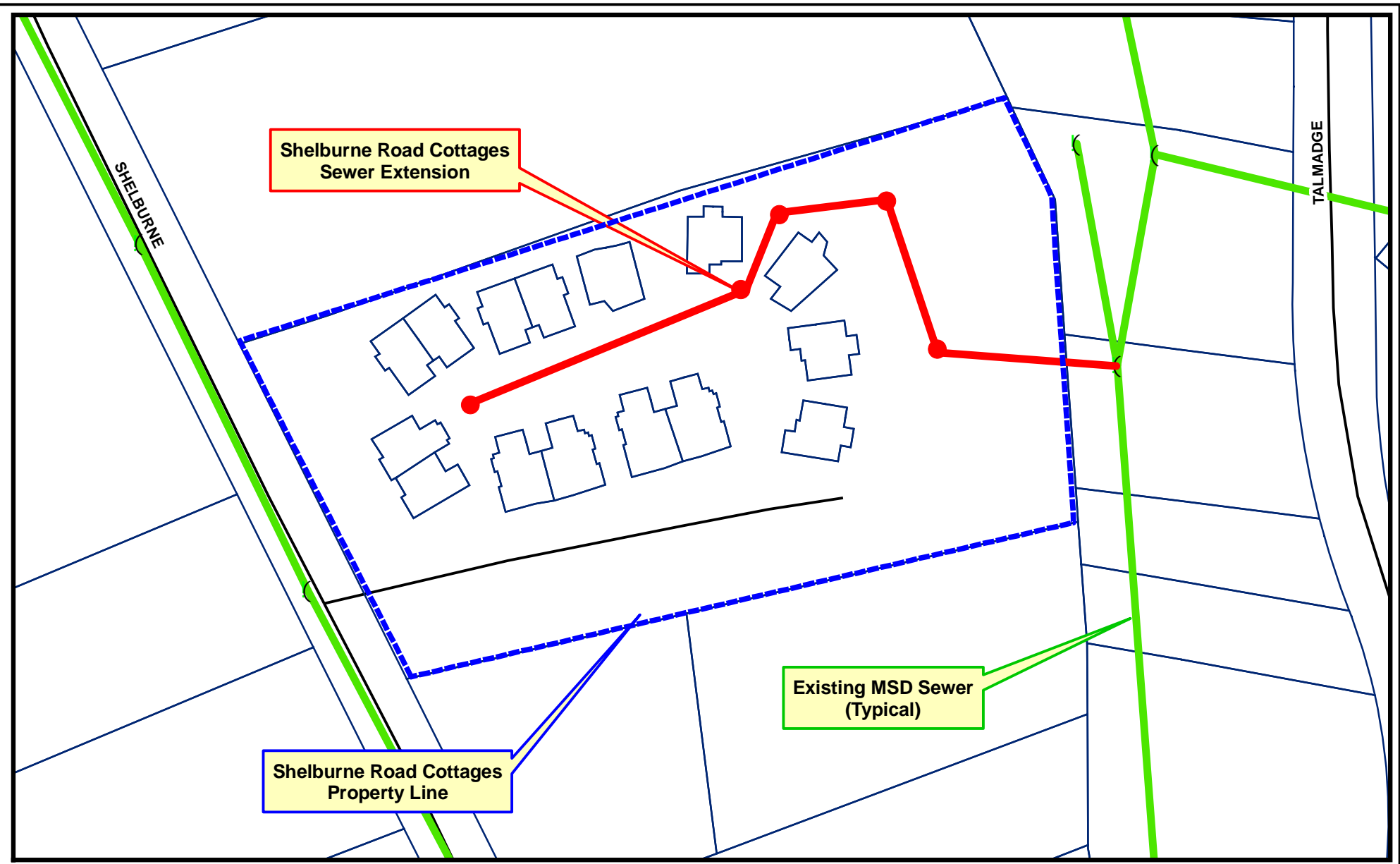
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System
Shelburne Road Cottages.

BACKGROUND: This project is located inside the District boundary off Shelburne Road in Asheville, North Carolina. The developer of the project is Ms. Bernice Millen. The project included the installation of approximately 436 linear feet of 8" gravity sewer extension to serve a residential development. A wastewater allocation was issued in the amount of 3,800 GPD for the project. The estimated cost of the sewer extension is \$ 43,000.00.

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
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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
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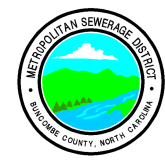
Shelburne Road Cottages
Sewer Extension

Shelburne Road Cottages
Property Line

Existing MSD Sewer
(Typical)

Project #2006208

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA
**Shelburne Road Cottages
Sewer Extension**

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: November 19, 2008

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

PREPARED BY: Kevin Johnson, David Monteith

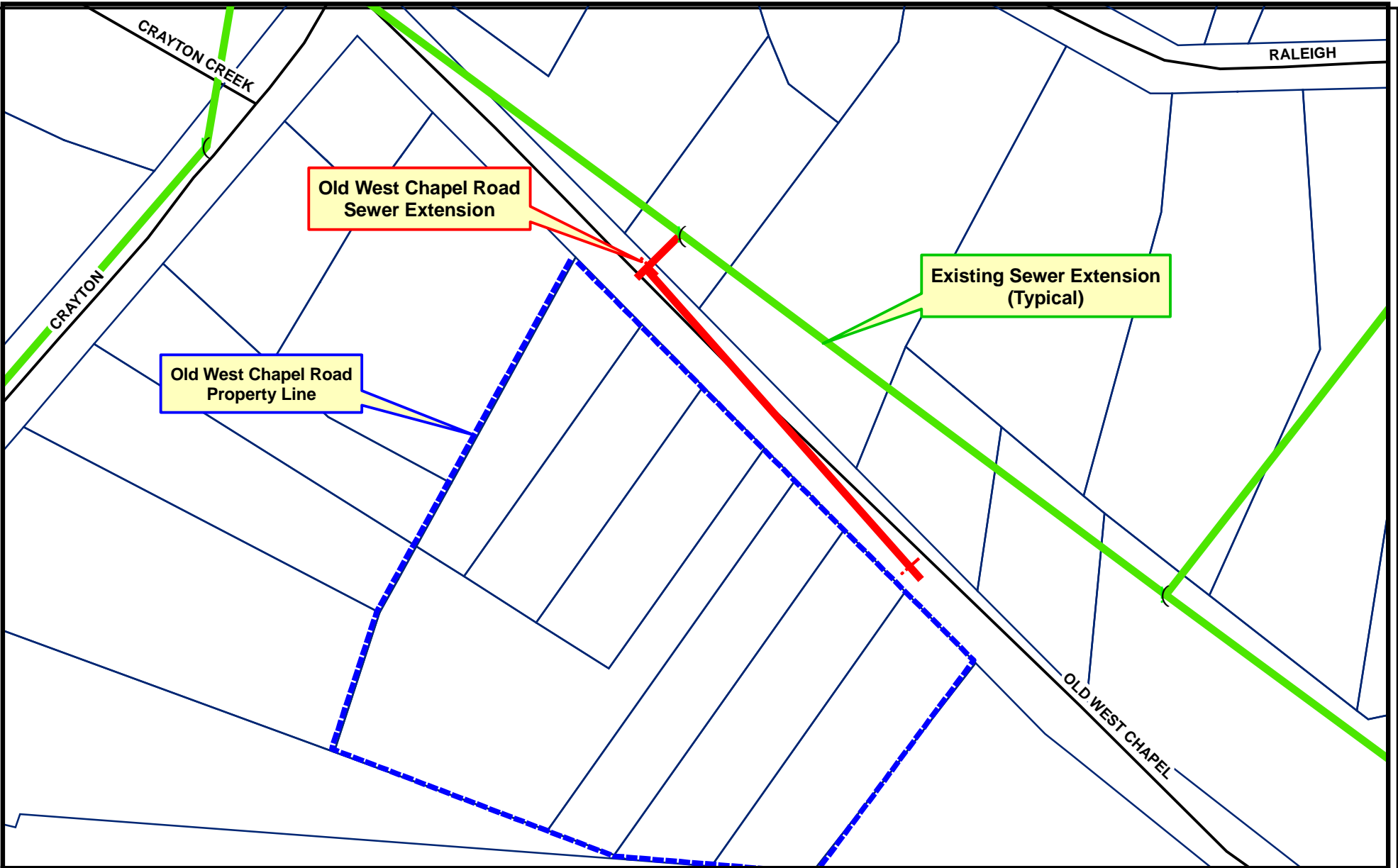
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System
Old West Chapel Road.

BACKGROUND: This project is located inside the District boundary off Old West Chapel Road in Asheville, North Carolina. The developer of the project is Mr. John West. The project included the installation of approximately 269 linear feet of 8" gravity sewer extension to serve a residential development. A wastewater allocation was issued in the amount of 3,250 GPD for the project. The estimated cost of the sewer extension is \$ 30,000.00.

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
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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
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Project #2007091

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

**Old West Chapel Road
Sewer Extension**

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: November 19, 2008

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

PREPARED BY: Kevin Johnson, David Monteith

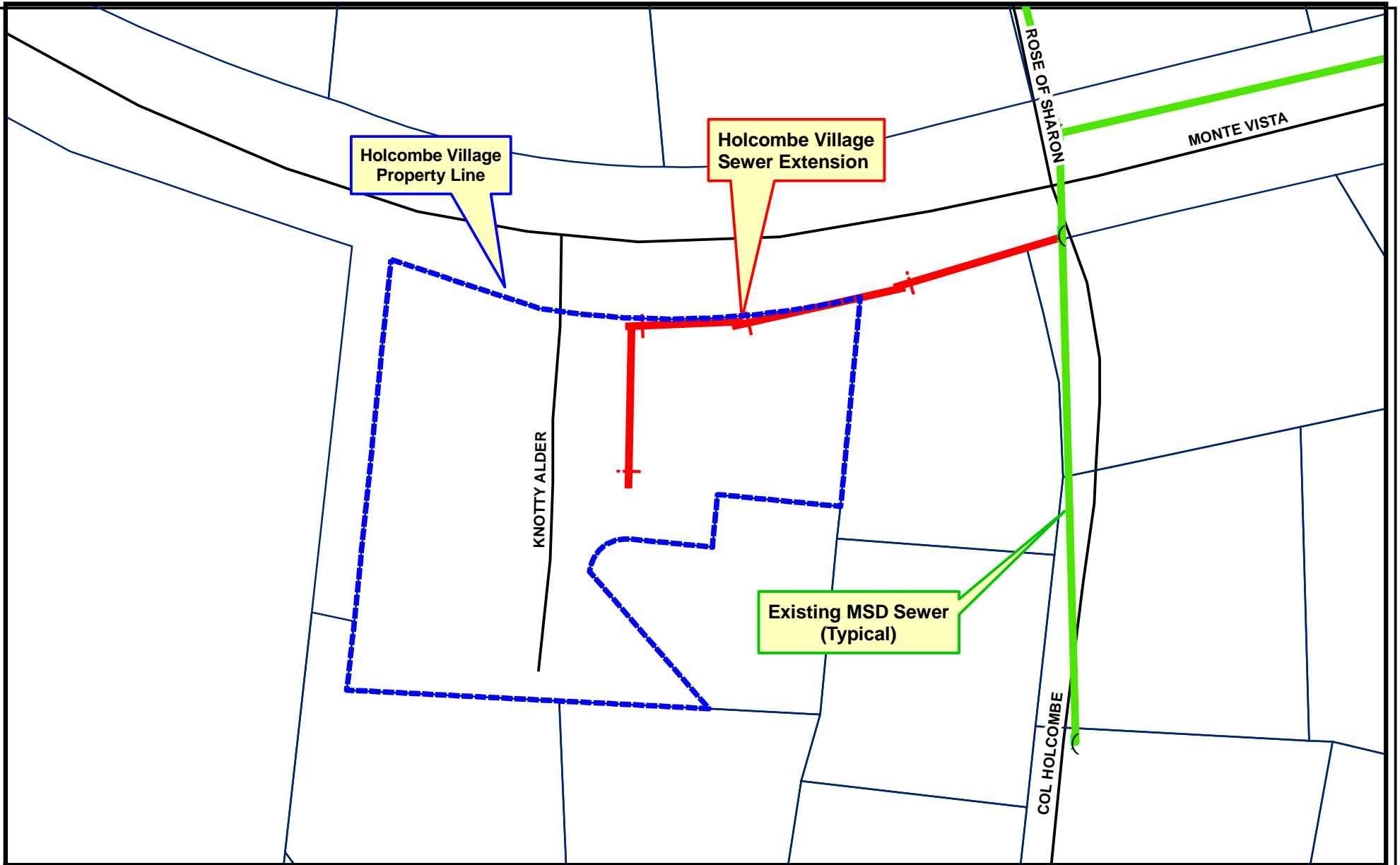
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System
Holcombe Village.

BACKGROUND: This project is located inside the District boundary off Monte Vista Road in Asheville, North Carolina. The developer of the project is Mr. Nick Dimitris. The project included the installation of approximately 294 linear feet of 8" gravity sewer extension to serve a residential development. A wastewater allocation was issued in the amount of 2,400 GPD for the project. The estimated cost of the sewer extension is \$ 30,000.00.

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
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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
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Project #2007167

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

**Holcombe Village
Sewer Extension**

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: November 19, 2008

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

PREPARED BY: Kevin Johnson, David Monteith

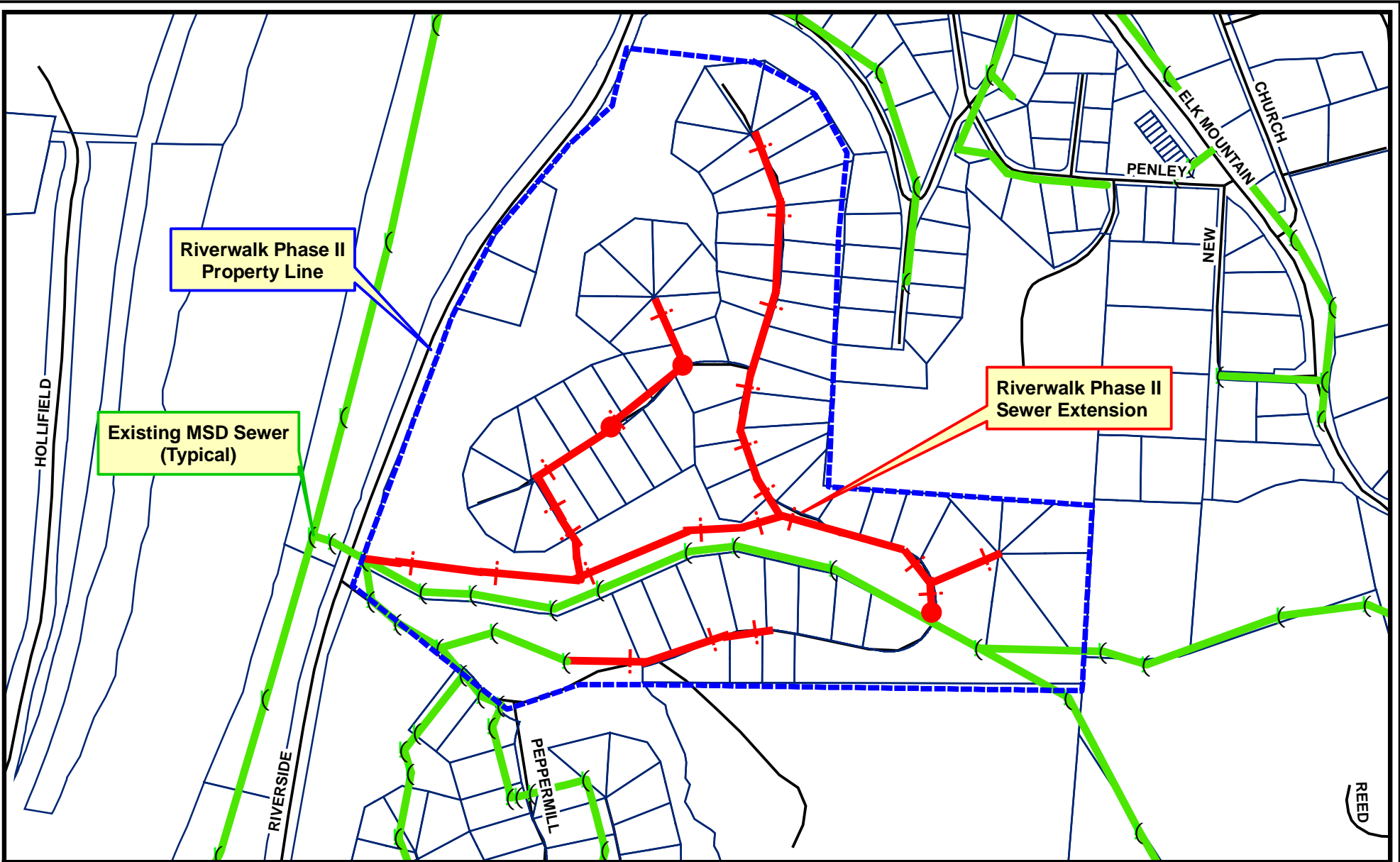
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System
Riverwalk Subdivision Phase II.

BACKGROUND: This project is located inside the District boundary off Riverside Drive in Buncombe County, North Carolina. The developer of the project is Mr. Drew Norwood. The project included the installation of approximately 3640 linear feet of 8" gravity sewer extension to serve a residential development. A wastewater allocation was issued in the amount of 54,000 GPD for the project. The estimated cost of the sewer extension is \$ 198,000.00.

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
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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 #2007241

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

**Riverwalk Phase II
Sewer Extension**

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: November 19, 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
Montreat-Chapman Subdivision.

BACKGROUND: This project is located inside the District boundary off Chapman Road in Buncombe County, North Carolina. The developer of the project is Longmeadow Homes, LLC. The project included the installation of approximately 1096 linear feet of 8" gravity sewer extension to serve a residential development. A wastewater allocation was issued in the amount of 1,500 GPD for the project. The estimated cost of the sewer extension is \$ 65,000.00.

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
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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:	

Montreat-Chapman
Sewer Extension

Existing MSD Sewer
(Typical)

Montreat-Chapman
Property Line

CHAPMAN

Project #2007275

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA
**Montreat-Chapman Subdivision
Sewer Extension**

Metropolitan Sewerage District of Buncombe County Board Action Item

Meeting Date: November 19, 2008

Subject: Consideration of Bids for Purchase and Installation of Closed Circuit Television Equipment

Prepared by: Barry Cook; Director – System Services Division
Ken Stines, Asst. Director – System Services Division
Neil Hall, Fleet Manager
Julie Willingham, CLGPO; Purchasing Coordinator

Reviewed by: Billy Clarke, District Counsel
Scott Powell, Director Finance

Background: System Services has an on-going inspection program utilizing van-mounted CCTV Equipment. Crews inspect the condition of sewer lines, digitally recording the video, and storing that data on District computers. Video inspection plays a major role in the MSD pipe rating program, locating problems and potential problems, SSO evaluations, and asset management. The purchase of this equipment is to replace a 1999 van-mounted camera system. This equipment will be mounted in a 2009 4x4 pickup truck with ambulance-type Utility Bed. Adams Equipment, Lexington, SC, is the authorized distributor for CUES Manufacturing, Orlando, FL, who will do the actual installation. The CCTV equipment will be outfitted to inspect sewer lines ranging in size from 6 inch to 36 inch in size, and shall have optical zoom pan/tilt camera with built-in transmitters.

Discussion: Bids were solicited in September of 2008. Three bid packages were received and the bid opening was held October 9, 2008. Adams Equipment was the lowest bidder; supplying the Camera System with 2000 ft. cable, mounted in a District supplied vehicle. District staff has demonstrated the equipment that Adams will supply and feels comfortable with both the quality of the system, as well as the service and assistance that Adams will supply the District.

Billy Clarke has reviewed the contract and has found nothing of concern to be modified prior to signing.

Fiscal Impact: Funds are budgeted in the Fleet Replacement Fund.

Staff Recommendation: Staff recommends that the contract with Adams Equipment be awarded.

Bid Tab:

Vendor	Cost for CCTV System, 2000 ft. Cable, MSD supplied vehicle
Adams Equipment Lexington, SC	\$ 100,525.00
Public Works Equipment Monroe, NC	\$ No Bid on this option – 2000 ft. cable not available
Jet-Vac Sewer Equipment Sumter, SC	\$ 163,869.60

**ROBERTS
&
STEVENS**

ATTORNEYS AT LAW

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ANN-PATTON NELSON
CHAD RAY DONNAHO

LONDON ROBERTS
(1921-2007)

November 3, 2008

Ms. Julie Willingham
MSD
2028 Riverside Drive
Asheville, NC 28804

Re: *Purchase of CCTV Camera for Sewer Line Inspection*

Dear Julie:


I have received and reviewed the MSD bid materials, bidder's responses and the spreadsheet you prepared. As I understand it, MSD offered bidders four options:

- 1) Supply the CCTV camera with 2000 foot cable only;
- 2) Supply the CCTV camera with 1500 foot cable only;
- 3) Supply the CCTV camera with 2000 foot cable and vehicle upon which the camera would be mounted; and
- 4) Supply the CCTV camera with 1500 foot cable and vehicle upon which the camera would be mounted.

MSD staff have reviewed the bids and decided that none of the vehicles meet the specifications in the bid documents. The apparent low bidder for the CCTV camera is Adams Equipment. MSD can award the bid for the CCTV camera with 2000 foot cable (no vehicle) to the lowest responsible, responsive bidder. In this case, that appears to be Adams Equipment. Please let me know if you have questions.

Sincerely,

ROBERTS & STEVENS, PA



William Clarke

WC/sh

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

Meeting Date: November 19, 2008

Submitted By: Thomas E. Hartye – General Manager

Subject: Final Microscreen Replacement Project
MSD Project # 2007026
Rescind Equipment Procurement

Background: At the September 17th Regular Board Meeting , at the request of Staff, the Board approved the purchase of the equipment for the Final Microscreen Replacement project. Since that time the nations' financial markets have been in turmoil. Staff requested the manufacturer hold the price for 60 days to see how things either progressed or digressed.

Staff recommends rescinding the authorization to procure the disk filter equipment from Aqua Aerobic Systems, Inc. based upon the following considerations:

1. The authorization would obligate not only the \$5 million for the equipment procurement but also another \$5million for construction for a total of \$10 million.
2. This would put the District on a course to go to market for another Bond issue in 12-18 months. While the credit market appears to have come back down, other economic factors will effect our revenues and in turn our rate projections.
3. This project is important for future water quality compliance but currently is not required by our permit whereas many of the collection system projects are.
4. NACWA is working on including "ready to go" wastewater projects in the anticipated stimulus package. This project along with others is on our list which has been provided.

Fiscal Impact: Delay of \$10 Million project and possibly the timing of next Bond issue.

Staff

Recommendation: Rescind procurement authorization given September 17, 2008 for the Disk Filter equipment.

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: November 19, 2008

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

Prepared By: W. Scott Powell, Director of Finance

Subject: First Quarter Budget to Actual Review

Background

Attached for the Board's information is a budget to actual comparison of the revenues and expenditures for the first quarter of the fiscal year ending June 30, 2009. This information is based on cash revenues and invoices received prior to November 1, 2008 and may not include some accruals of revenue and expenditures as explained below.

Discussion

The attached sheet summarizes revenues and expenditures per the budget summary, comparing actual plus encumbered expenditures to budgeted amounts. The notes are added to anticipate any questions or comments concerning amounts reported. Additional notes to aid in the analysis the District's financial performance for the fiscal year are as follows:

- Domestic User Fees are slightly above projected. This reflects the collection of revenues from higher than usual accruals at June 30, 2008.
- Facility and Tap Fees, also conservatively budgeted, are often significantly higher than budget. The unusually large variance is due to receiving an unanticipated check for \$608,000 or almost 46% of the annual budgeted revenue, from a single new development.
- Interest and miscellaneous income reflect higher than expected earnings on investments.
- Rental income is down, as the facility vacated by the Buncombe County Solid Waste Department has not yet been leased to another tenant.
- Actual O&M expenditures are slightly over 25% as they also include encumbered amounts which will be spent in the future.
- Bond principal and interest actually spent/reserved are below 25% of budgeted amounts due to the entire amount of principal payments being made on July 1 2009.
- Amounts budgeted for capital equipment and projects are rarely expended proportionately throughout the year and are expected to be fully spent prior to the end of the year.

Staff Recommendation

None – Informational only

Action Taken

Motion by:

to Approve
Table

Disapprove

Second by:

Send to Committee

Other:

Follow-up required:

Person responsible:

Deadline:

Metropolitan Sewerage District
 Budget to Actual Revenue and Expenditure Report
 For the fiscal year ended September 30, 2008
 UNAUDITED--NON-GAAP

	Budget	Actual to Date	% Budget to Actual
REVENUES			
Domestic User Fees ¹	\$ 23,408,339	\$ 6,008,106	25.67%
Industrial User Fees	1,438,311	349,147	24.27%
Facility Fees ²	1,330,000	1,077,885	81.04%
Tap Fees ³	147,000	102,800	69.93%
Billing and Collection	590,181	146,465	24.82%
Interest and Misc. Income	855,607	304,230	35.56%
Employee Contribution to Health Ins.	333,370	81,936	24.58%
City of Asheville (Enka Bonds) ⁴	37,000	-	0.00%
Rental Income	58,750	4,140	7.05%
Use of Available Funds ⁵	12,823,337		0.00%
Total Revenues ⁶	\$ 41,021,895	\$ 8,074,709	28.64%
EXPENDITURES			
Operations and Maintenance ⁷	\$ 13,520,130	\$ 3,839,678	28.40%
Bond Principal and Interest ⁸	8,160,540	465,868	5.71%
Capital Equipment (Other than O&M)	537,500	39,210	7.29%
Capital Projects	17,803,725	3,976,905	21.15%
Contingency	1,000,000		
Total Expenditures	\$ 41,021,895	\$ 8,321,661	20.29%

Notes:

¹ Revenues are on the cash basis

² Received \$608,000 from Continential Properties

³ Increase in number of Taps requiring Bore Fees

⁴ Payment to be received in May

⁵ Prior year bond and pay-as-go funds to be used for CIP

⁶ Budget-to-Actual Ratio does not include use of available funds

⁷ Includes encumbered amounts as well as actual insurance expenditures

⁸ Below 25% because 100% of principal payments due on July 1, 2009 for the entire FY09

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: November 19, 2008
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, Director of Finance
Subject: Cash Commitment/Investment Report-Month Ended September 30, 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 September 30, 2008 were \$37,406,302. The detailed listing of accounts is available upon request. The average rate of return for all investments is 3.651%. 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 September 30, 2008 does not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of September 30, 2008 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is (\$5,591,272).

Total Cash & Investments as of 09/30/08	37,406,302
Less:	
Budgeted Commitments (Required to pay remaining FY09 budgeted expenditures from unrestricted cash)	
Construction Funds	(16,732,117)
Operations & Maintenance Fund	(10,615,586)
	(27,347,703)
Bond Restricted Funds	
Bond Service (Funds held by trustee):	
Funds in Principal & Interest Accounts	(667,998)
Debt Service Reserve	(4,937,359)
Remaining Principal & Interest Due	(6,840,373)
	(12,445,730)
District Reserve Funds	
Fleet Replacement	(1,100,929)
WWTP Replacement	(739,038)
Maintenance Reserve	(796,561)
	(2,636,528)
Self-Funded Employee Medical	(567,613)
Designated for Capital Outlay	(5,591,272)

Staff Recommendation

None. Information Only.

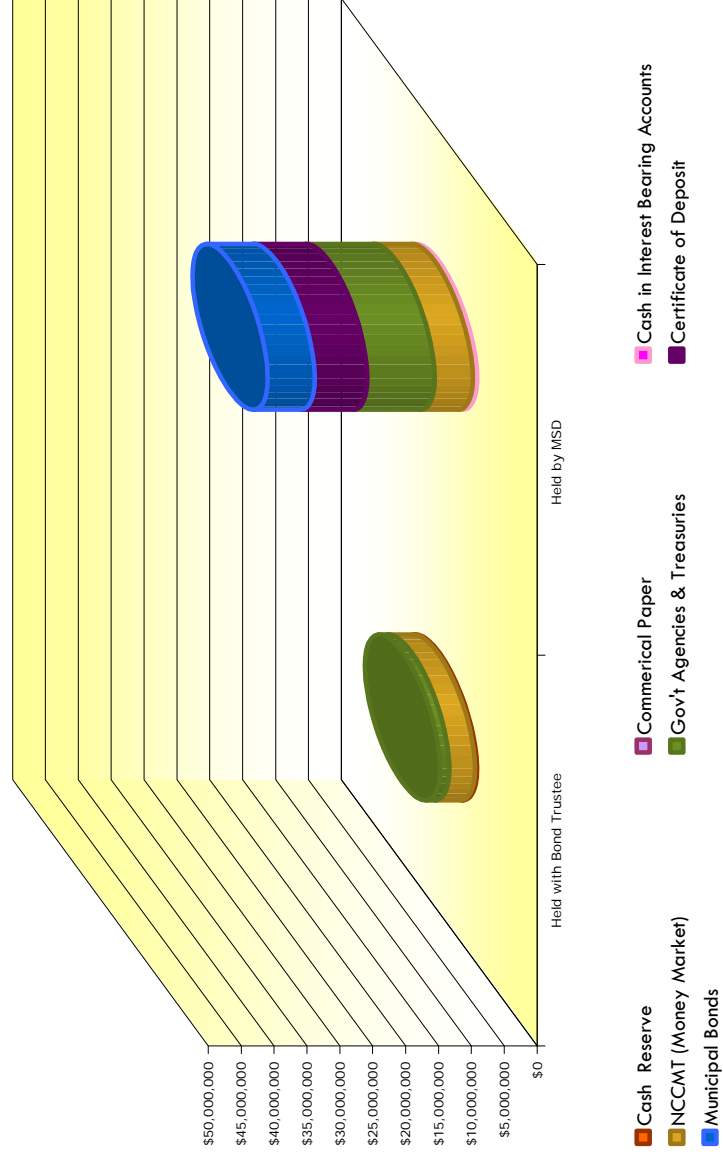
Action Taken

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

Metropolitan Sewerage District of Buncombe County Investment Portfolio

Cash in Interest Bearing Accounts	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee \$	3,915,562				\$ 276,250	\$ 1,413,544	\$ 5,605,357
Held by MSD	5,806,044	8,000,000	0	7,130,000		10,246,880	31,800,945
\$	\$ 9,721,605	\$ 8,000,000	\$ 0	\$ 7,130,000	\$ 276,250	\$ 11,660,425	\$ 37,406,302

**MSD of Buncombe County
Investment Portfolio by Location
As of September 30, 2008**



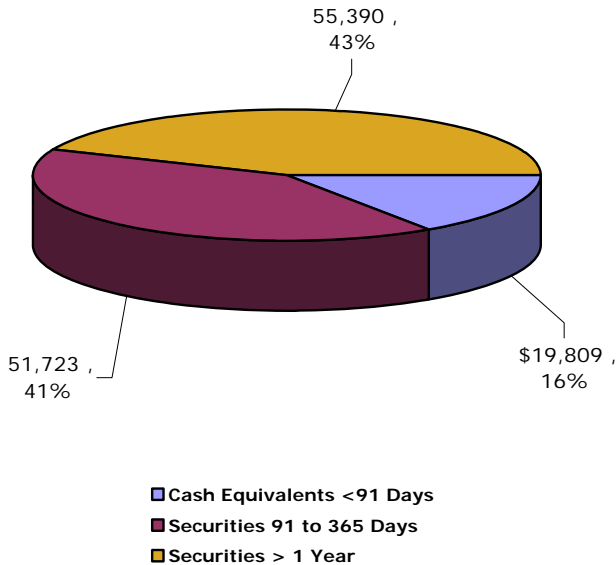
MSD Investment Managers' Report at September 30, 2008

<u>Summary of Asset Transactions</u>	Original Cost	Market
Beginning Balance	\$ 29,632,876	\$ 29,687,882
Capital Contributed (Withdrawn)	302,172	302,172
Realized Income	126,922	126,922
Unrealized/Accrued Income	-	(48,256)
Ending Balance	<u>\$ 30,061,970</u>	<u>\$ 30,068,720</u>

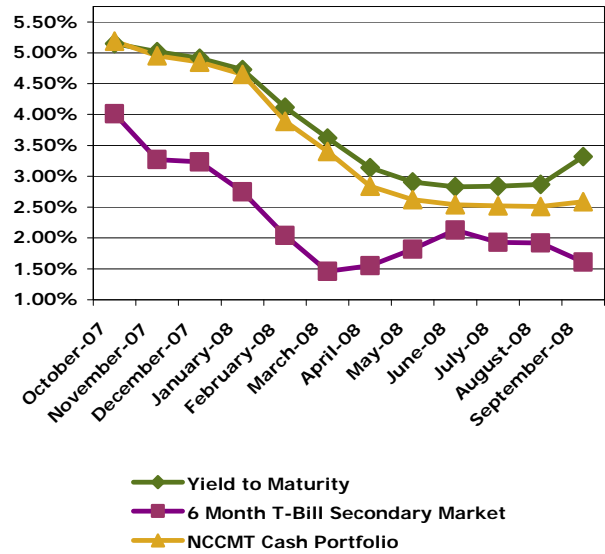
<u>Value and Income by Maturity</u>	Original Cost	Income
Cash Equivalents <91 Days	\$ 4,691,840	\$ 19,809
Securities 91 to 365 Days	12,250,750	51,723
Securities > 1 Year	13,119,380	55,390
	<u>\$ 30,061,970</u>	<u>\$ 126,922</u>

<u>Month End Portfolio Information</u>	
Weighted Average Maturity	213 Days
Yield to Maturity	3.32%
6 Month T-Bill Secondary Market	1.61%
NCCMT Cash Portfolio	2.59%

Metropolitan Sewerage District of Buncombe Co.
Investment Portfolio Income by Maturity
September 30, 2008

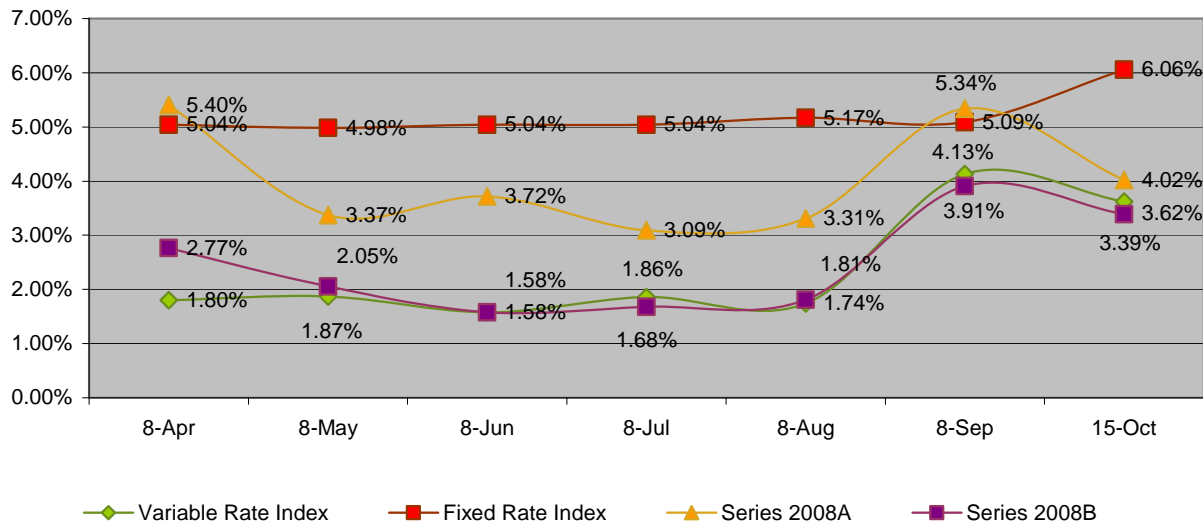


Metropolitan Sewerage District of Buncombe County
Yield Comparison
September 30, 2008

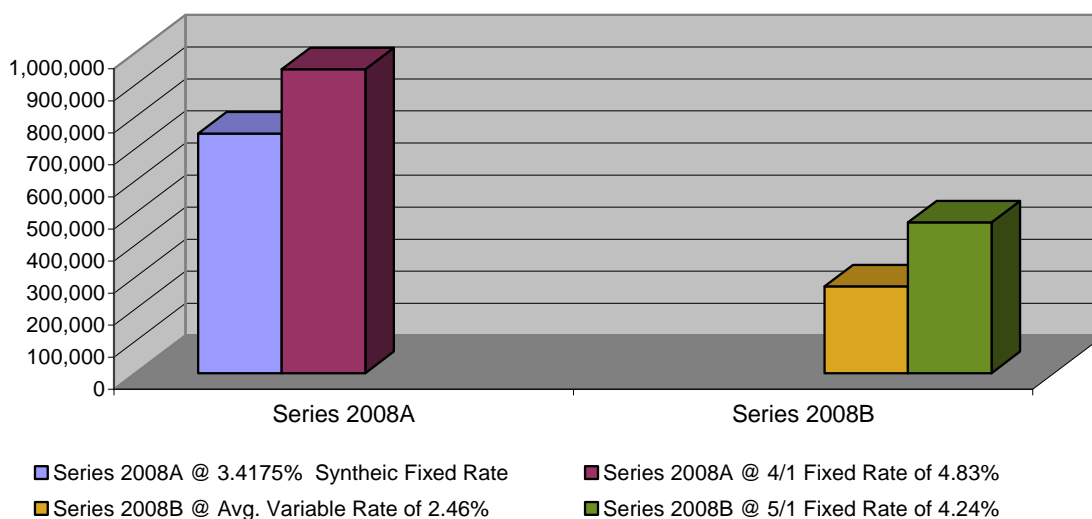


MSD Variable Debt Service Report As of October 31, 2008

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 \$200,731 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 \$2,019,970 to terminate the existing Bank of America Swap Agreement.

Series 2008B:

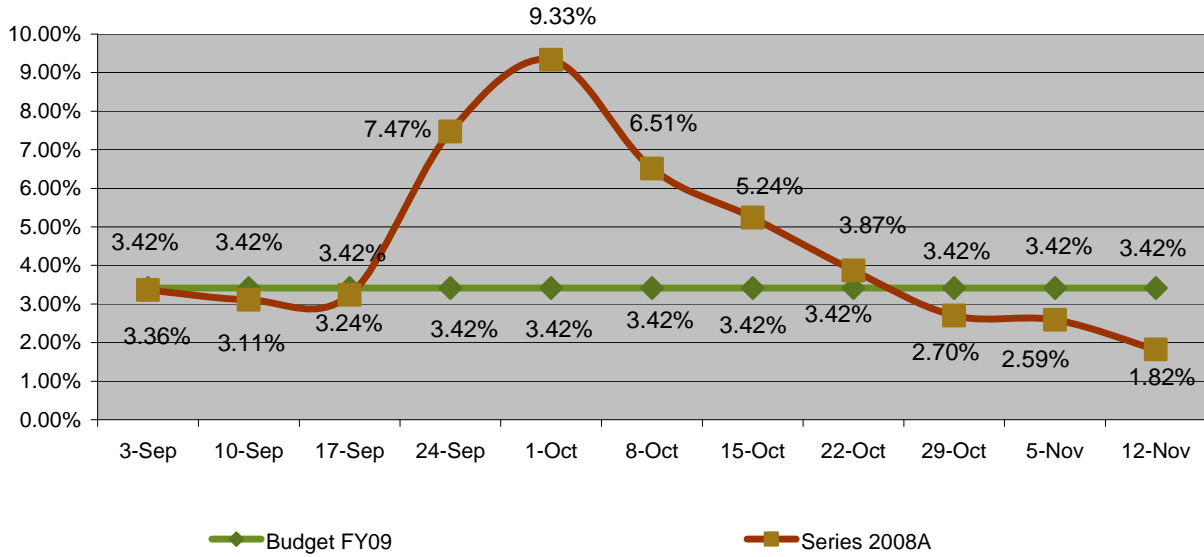
Saving to date on the 2008B Variable Rate Bonds is \$199,237 as compared to 5/1 fixed rate of 4.24%

Since May 1, 2008, the Series 2008B Bonds average variable rate has been 2.46% .

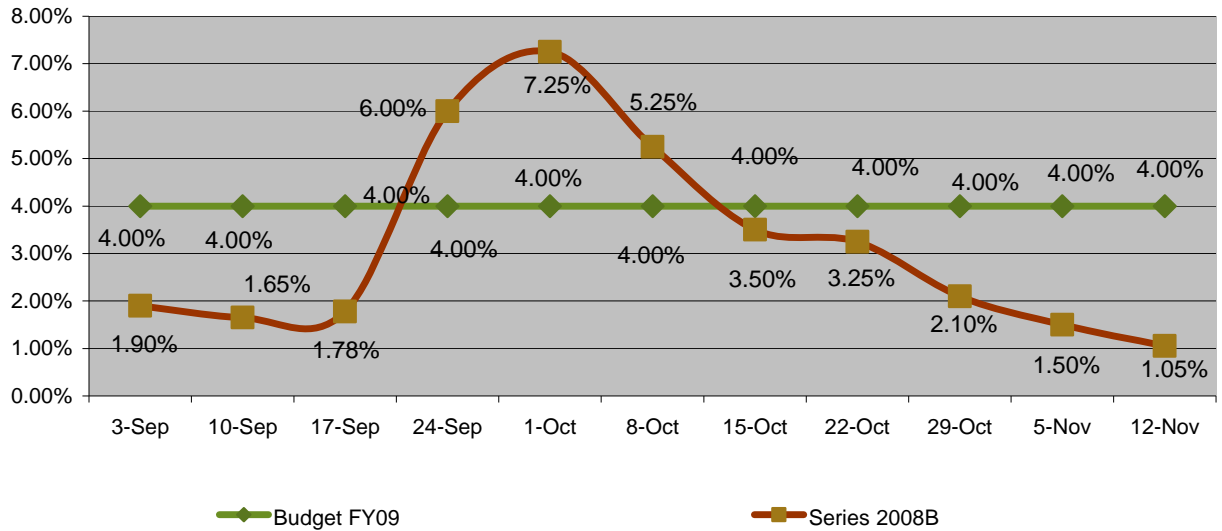
MSD will achieve \$4,600,838 in cash savings over the life of the bonds at the current average variable rate.

MSD Variable Debt Performance History September 3, 2008 thru November 12, 2008

Series 2008A Performance History



2008B Performance History



MASTER PLAN

**Metropolitan Sewerage District of Buncombe County
BOARD ACTION ITEM**

BOARD MEETING DATE: 11/19/08

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

PREPARED BY: Ed Bradford, P.E. - Director of CIP

SUBJECT: Adoption of the District's Collection System Master Plan, MSD Project Number 2007050

BACKGROUND: The District's Collection System Master Plan is now complete. This plan, completed by McGill Associates, addresses the orderly extension of the District's collection system into future service areas.

The plan has been prepared in close cooperation with the District's member agencies and regional stakeholders. The land use policies and zoning regulations of each agency were used for land usage, growth projections/densities, and line locations. For areas outside of corporate or jurisdictional limits, Buncombe County's new Zoning Ordinance has played an integral role in defining future service areas.

Lines have been located at a planning level of detail - in an orderly, predictable fashion utilizing natural drainage patterns and the existing topography. Existing roads and rights-of-way have been used for routing when feasible, and pump stations have been minimized to the greatest extent possible.

This has been a significant effort which involved mapping over 890 miles of new collection lines. In addition - flow projections, hydraulic modeling, and GIS mapping of the new areas have also been completed. The newly mapped areas comprise over 128,000 acres, in addition to the District's current service area of approximately 67,000 acres.

The plan will serve as a basis to ensure that the sewer system will be extended in an orderly fashion, and is done so in accordance with the planning policies of the various local governments within the District's service area.

Please refer to the attached Executive Summary for further information. A copy of the full plan has been provided on the CD mailed to each Board Member.

STAFF RECOMMENDATION: Staff recommends adoption of the Collection System Master Plan.



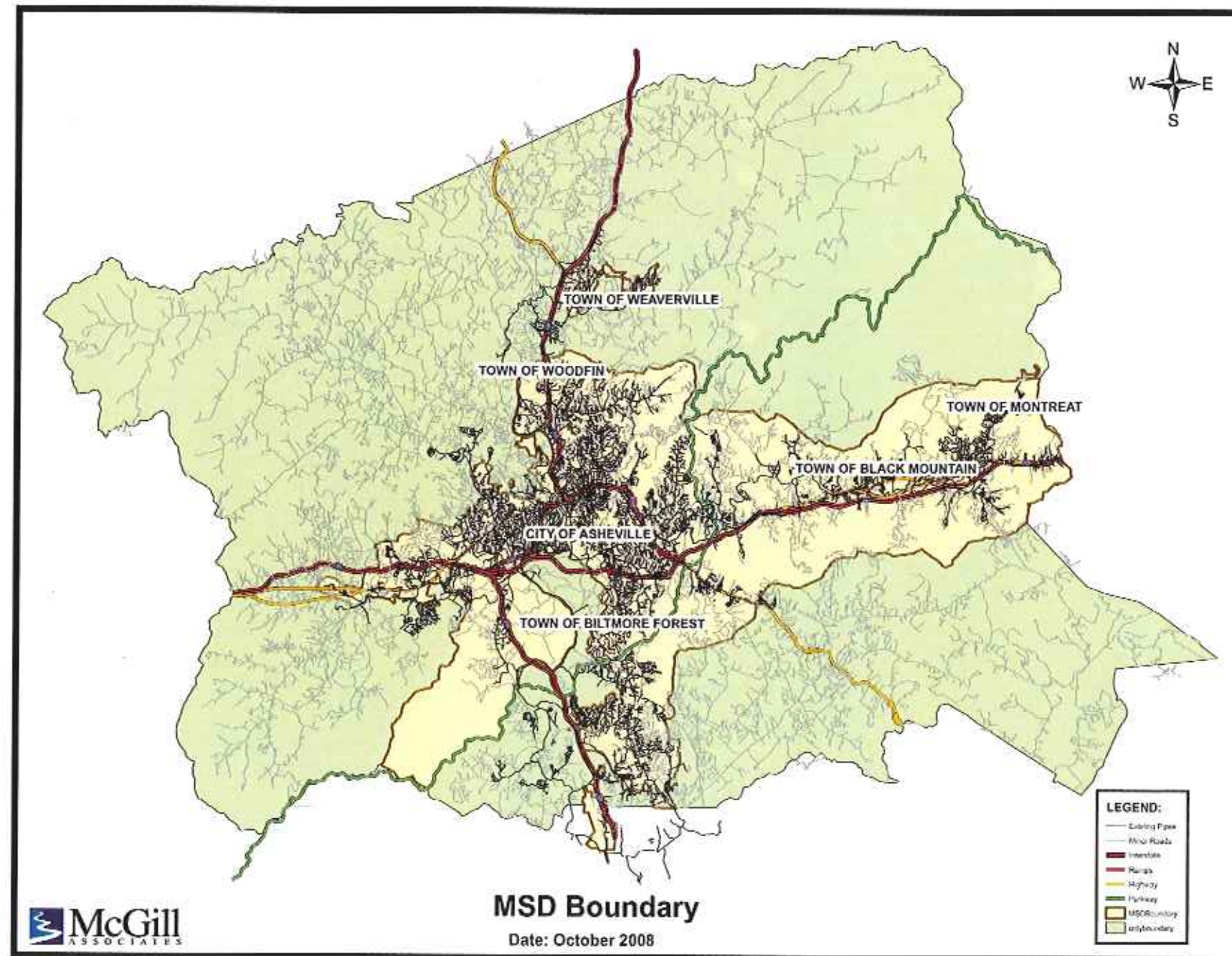
Executive Summary

I.

- Planning for the Future
- Buncombe County Land Use Plan Update
- Collection System Master Plan
- Overview of Planning Process
- A Dynamic Planning Tool
- Summary of Collection System Master Plan

Planning for the Future

MSD recognizes the importance of linking the public wastewater system to the planned growth and the quality of living in the Buncombe County community. Since the consolidation of the public wastewater collection systems under MSD in 1990, MSD has conducted multiple Board retreats and discussion sessions regarding the appropriate role of the wastewater system in the economic development and the environmental health of the community. Much of these discussions have centered on how MSD's role should be defined, planned and managed in partnership with the local governments and public agencies that are also part of the community.



MSD believes their role is one of support for the local governments that conduct their planning processes on a more comprehensive scale with a broader viewpoint. This Collection System Master Plan is one of the tools MSD can bring forth in partnership and support of the more comprehensive plans of the local governments. MSD can continue to play a crucial role by providing wastewater planning and technical guidance to ensure that wastewater infrastructure is designed, operated and maintained to meet both the immediate and future needs of the community.



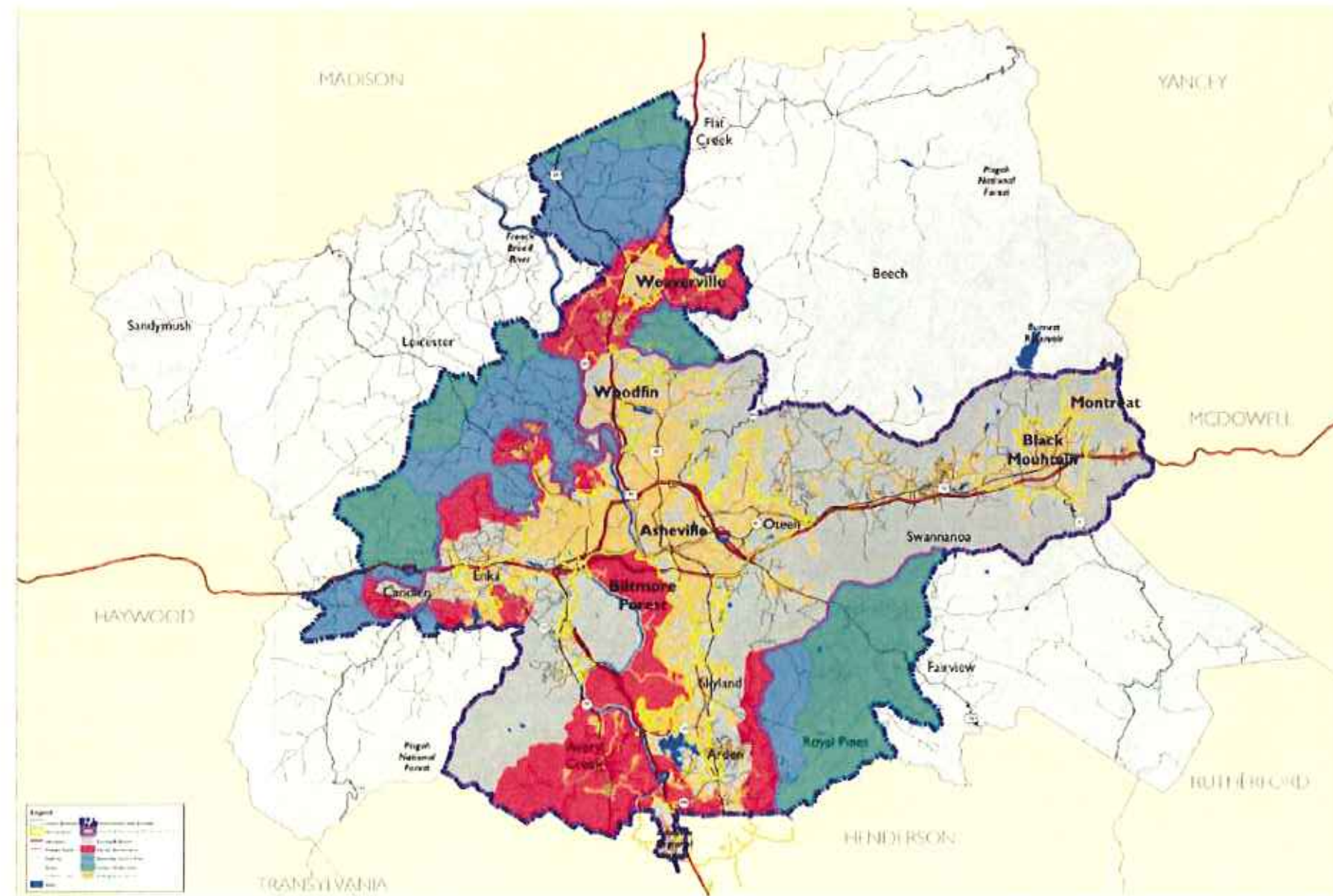
Buncombe County Land Use Plan Update



In 2006, Buncombe County completed a Comprehensive Land Use Plan Update which reviewed several strategies to guide the anticipated growth in Buncombe County, including identifying potential areas for expansion of the MSD service area. The Comprehensive Land Use Plan Update takes into consideration the following factors in the identification of future growth areas and the prioritization of subsequent need for wastewater infrastructure:

- Existing Development Density
- Ground Slope Topography
- Ground Elevation
- Existing Road Infrastructure
- Proximity to Existing MSD Sewer Lines
- Presence of Failing Private Sewer Systems

The Land Use Plan Update identifies potential areas for expansion of the MSD boundary from approximately 67,000 acres to approximately 196,000 acres. Although much of the area within the current MSD boundary does not have sewer service at this time, the Buncombe County Comprehensive Land Use Update assumes the MSD collection system plan would include sewer service to the remaining unserved areas within the existing MSD boundary, as well as the more outlying areas planned by Buncombe County for sewer service in the future. The areas planned for sewer service expansion beyond the existing MSD boundary are defined in the Buncombe County Comprehensive Land Use Plan Update as primary areas, secondary areas and tertiary areas to prioritize the planned need for public sewer service.

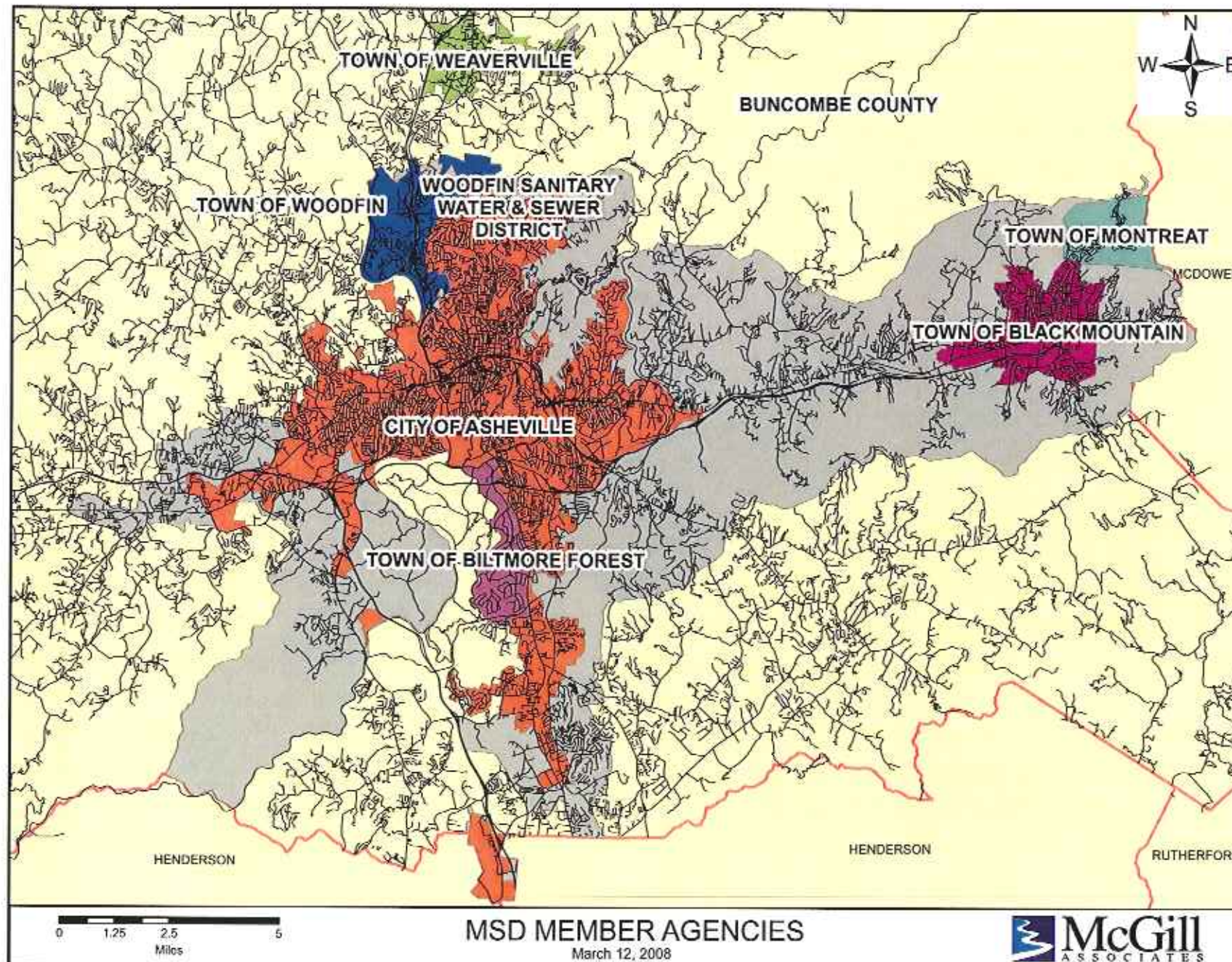


Collection System Master Plan



In July 2007, MSD initiated the preparation of a Collection System Master Plan to:

- Assess the Challenges of Sewer Collection System Expansion
- Determine Projected Wastewater Flows within the Proposed Future Service Areas
- Provide Conceptual Layouts for Future Sewer Lines and Pump Stations in the Future Service Areas
- Estimate Future Sewer Line Sizes needed to support the Projected Growth
- Prepare a Computer Hydraulic Model for the Proposed Collection System
- Input the Proposed Collection System into a complete GIS format



Input from Our Partners

MSD sought and received valuable insight through informal meetings with the member local governments and regional stakeholders during this planning process, including the City of Asheville, the Town of Biltmore Forest, the Town of Black Mountain, Buncombe County, the Cane Creek Water and Sewer District, Henderson County, the Town of Mars Hill, the Town of Montreat, the Town of Weaverville, the Town of Woodfin, and the Woodfin Sanitary Water and Sewer District. The purpose of these meetings was to describe the MSD master planning effort and the potential need for future sewer service from MSD based on their respective planning. Each stakeholder provided important planning information that became a part of the Collection System Master Plan, such as:

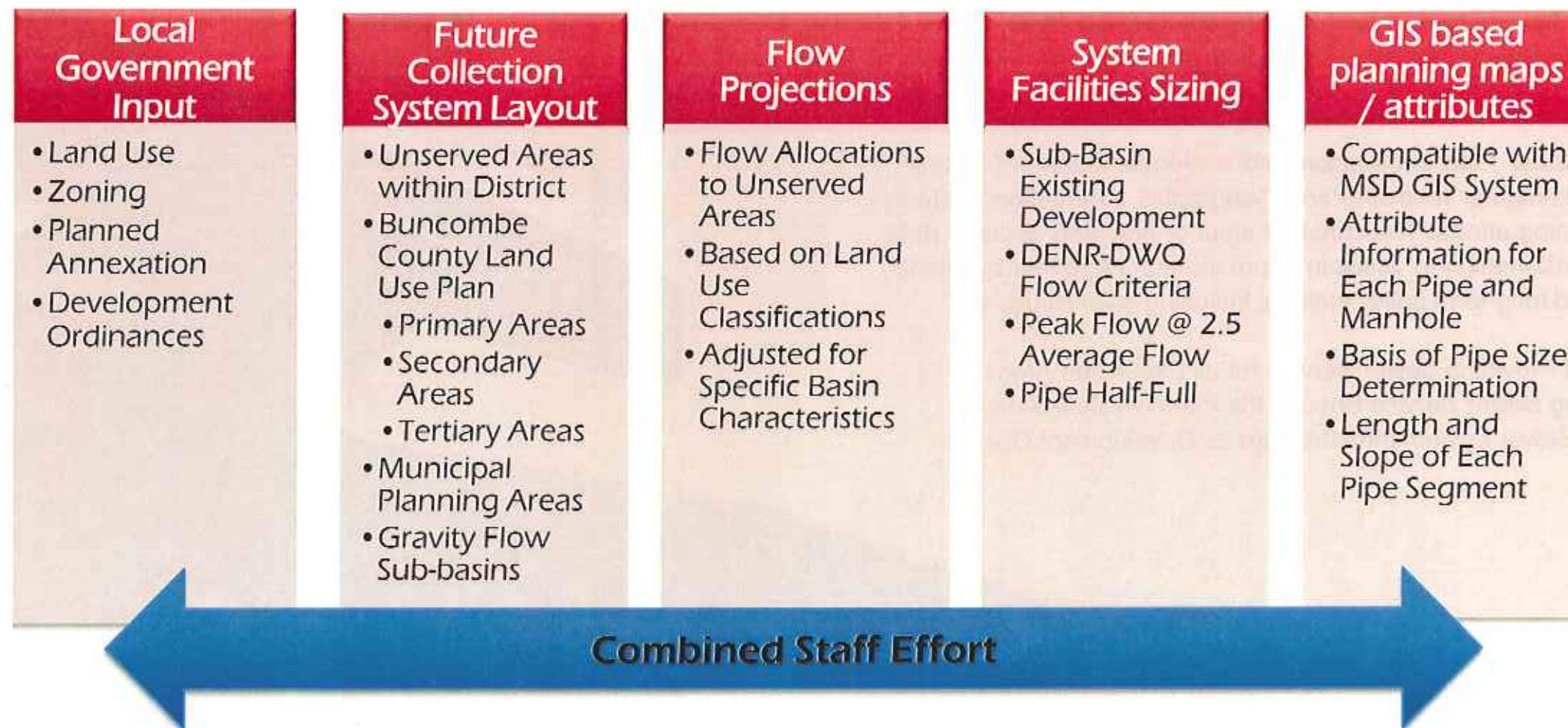
- Current and Future Land Use Plans
- Zoning Plans, where applicable
- Planned Annexations and Growth Expansions
- Development Ordinances
- Critical Need Areas

Overview of Planning Process



This Collection System Master Plan includes areas within the current MSD boundary that are not served with public sewer service, and the potential service areas identified in the Buncombe County Comprehensive Land Use Plan Update, and potential service areas identified by other MSD member local governments in their respective land use planning. This Master Plan does not include the evaluation of capacities or conditions of existing MSD collection system sewer lines or pump stations, or any required upgrades to existing collection facilities that may be necessary in the future.

Future sewer lines and, when necessary, pump stations were located at a planning level of detail using the MSD's existing Geographical Information System (GIS) data and other available base mapping for Buncombe County. Future wastewater flows were projected for each basin and sub-basin within the designated planning areas utilizing the information obtained from each participating local government. Collection system pipe sizes were developed for the proposed sewer facilities based on the projected future wastewater flows.



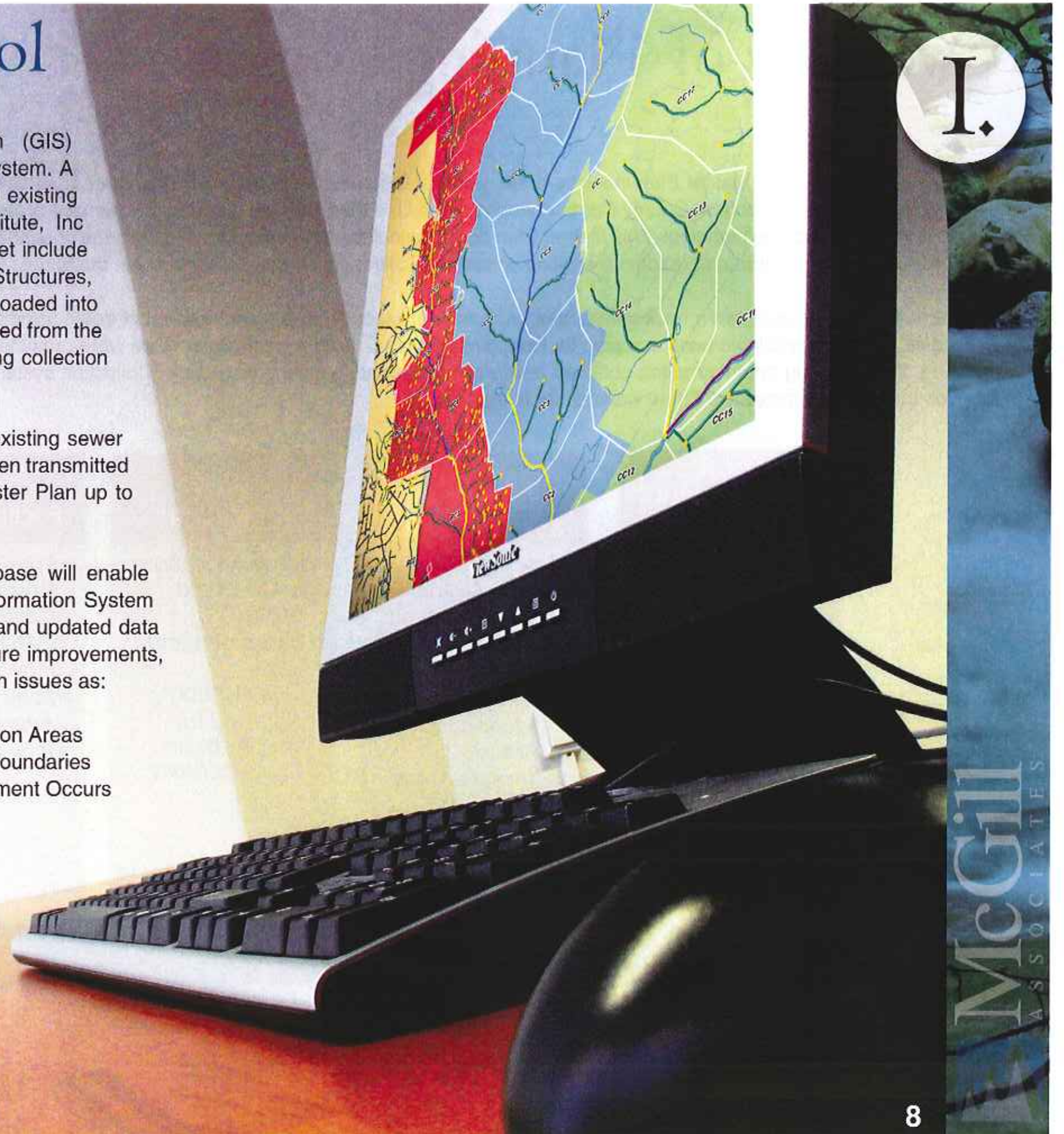
A Dynamic Planning Tool

MSD currently maintains a Geographical Information System (GIS) Geodatabase for mapping and information on the existing collection system. A Geodatabase for the future sewer lines was developed using the MSD existing database as a template and Environmental Systems Research Institute, Inc (ESRI), ArcGIS software, ArcInfo 9.2. The feature classes in the dataset include Pipes, Structures, Pump Stations and Sewer Basins. The Pipes and Structures, from the SewerGEMS hydraulic model in the form of Shapefiles were loaded into the Geodatabase feature set. The attributes of these entities were imported from the SewerGEMS data to populate the database fields in and MSD's existing collection system template.

GIS maps were produced showing the future sewer lines and the existing sewer system along with MSD's future Service Area. The Geodatabase has been transmitted in electronic format to MSD to maintain and assist in keeping the Master Plan up to date.

The incorporation of the Master Plan information into a Geodatabase will enable MSD to utilize state-of-the-art computer modeling and Geographic Information System (GIS) technology in future planning efforts. The constant input of new and updated data will provide the best available information to assist in future infrastructure improvements, financial planning decisions, and long-term policy making, including such issues as:

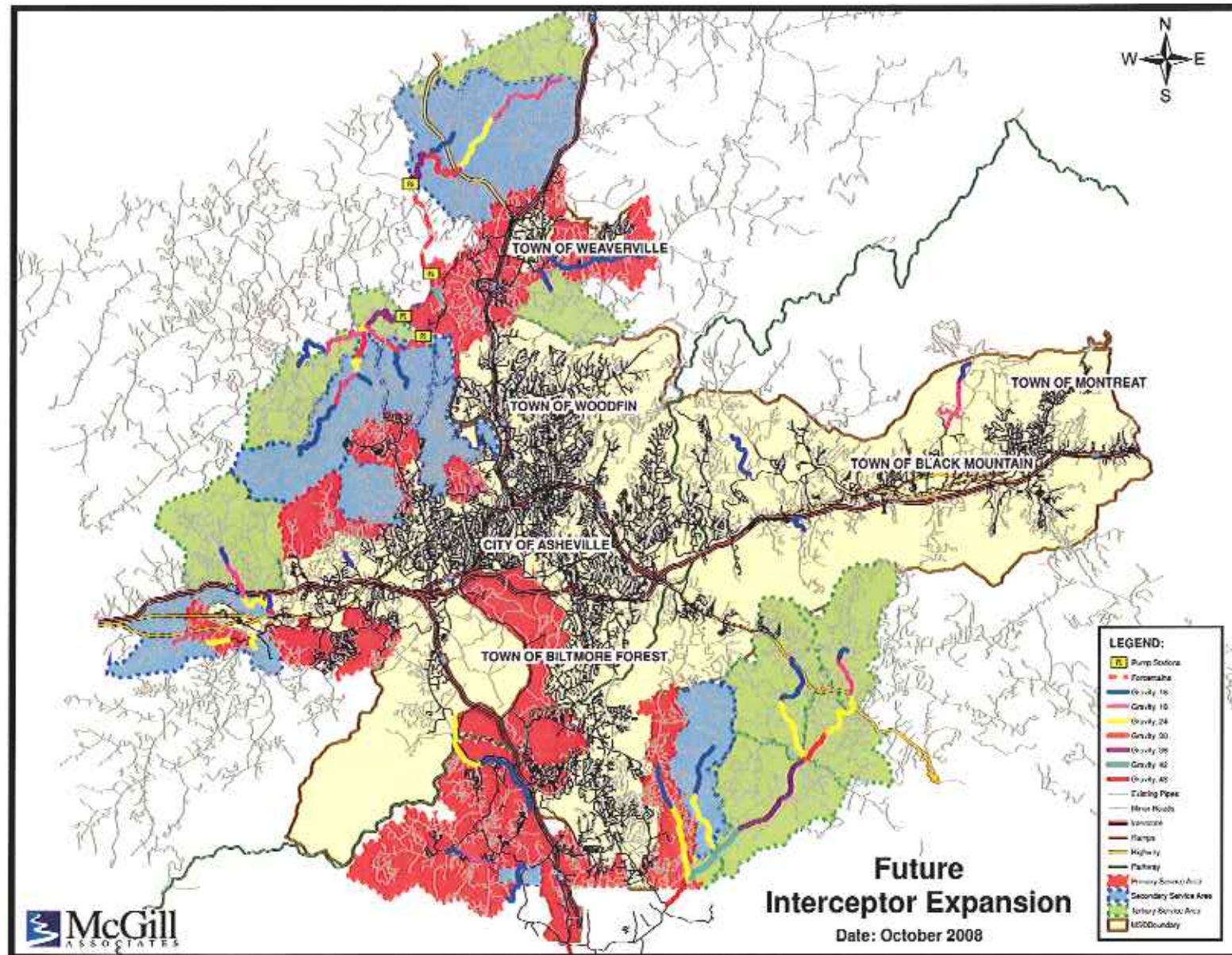
- The Cost-Effectiveness of Providing Sewer Service for all Expansion Areas
- The Feasibility of Providing Sewer Service Beyond the Planning Boundaries
- Cost Responsibilities for Sewer System Infrastructure as Development Occurs



Summary of Collection System Master Plan



The preparation of the Collection System Master Plan consumed approximately 15 months of intense effort to create, process, analyze and formulate a plan for the future collection system for MSD. The effort included meetings with stakeholders, regular progress meetings between MSD staff and McGill Associates, site visits within the future service areas, layout and sizing of future sewer lines, planning projections, computer modeling and GIS mapping.



Listed below is a summary of results of the Collection System Master Plan:

- Expanded MSD Service Area from 67,000 acres to 196,000 acres
- Future Sewer Interceptors along Major Drainage Basins in Expansion Area
- Projected Additional Wastewater Flow of 21 Million Gallons per Day
- 890 miles of Future Sewer Lines
- Elimination of 10 Existing MSD Pump Stations and 12 Private Pump Stations
- Addition of 13 MSD Pump Stations, 10 on the west side of the French Broad River
- GIS Mapping for all Planned Sewer Lines with electronic Geodatabase
- SewerGems Hydraulic Computer Model for all Future Sewer Lines

STATUS REPORTS

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

Current as of November 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	100%	Project is complete and in close out.
DUNWELL AVENUE	5/15/2008	5/29/2008	11/24/2008	\$396,008.00	98%	Mainline construction is complete. Waiting on punchlist.
EVERGREEN AVENUE	8/20/2008	9/9/2008	1/7/2009	\$18,299.00	98%	Mainline construction is complete. Waiting on punchlist.
GREELEY STREET	8/20/2008	9/9/2008	1/7/2009	\$44,457.00	80%	Mainline construction is complete. Binder and services to be done.
HAYWOOD STREET @ INDIGO HOTEL	TBA	TBA	TBA	TBA	0%	Project scheduled for bid on December 4, 2008
LENOX STREET	8/20/2008	9/4/2008	2/1/2009	\$85,186.00	98%	Mainline construction is complete. Waiting on punchlist.
MONROE PLACE	TBA	TBA	TBA	TBA	0%	Project scheduled for bid on December 4, 2008
PENLEY AVENUE	8/20/2008	9/9/2008	1/7/2009	\$31,775.00	0%	Project not started yet.
REEMS CREEK INTERCEPTOR	9/17/2008	10/9/2008	6/30/2010	\$3,549,320.00	5%	Pipe and manholes are being installed. Project going well.
REESE ROAD	8/20/2008	9/9/2008	1/7/2009	\$92,892.00	98%	Mainline construction is complete. Waiting on punchlist.
ROGERS PLACE	TBA	TBA	TBA	TBA	0%	Project scheduled for bid on December 4, 2008
U.S. 70 @ NEIL PRICE AVENUE PHASE 2 SECTION A	10/3/2008	10/6/2008	10/26/2008	\$42,424.00	100%	Project is complete and in close out.
WRF - FINAL MICROSCREEN REPLACEMENT PROJECT	9/17/2008	TBA	TBA	TBA	0%	Purchase of AquaDisk system is currently on hold.

*Updated to reflect approved Change Orders and Time Extensions

Planning and Development Projects
Status Report November 7, 2008

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
Complete-Waiting on Final Documents	Ashley Woods Phase 3	1999066	Avery's Creek		2,008	7/14/2005	Complete-Waiting on final documents
	Gene Bradley Subdivision	2004022	Fletcher	9	420	3/3/2005	Complete-Waiting on final documents
	The Ramble Block B Phase 1	2003175	Asheville	380	5,741	1/27/2005	Complete-Pending Board Acceptance
	Craggy View Cottages Phase 3	2004187	Swannanoa	10	193	2/22/2004	Complete-Waiting on final documents
	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
	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
	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
	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
	Reems Creek Townhomes - PH IV	2007279	Weaverville	8	796	12/11/2007	Complete- Waiting on final documents
	Grandview Phase II	2007036	Asheville	7	352	2/13/2007	Complete - Waiting on final documents
	Biltmore Park Town Square II-1	2007076	Arden	-	967	6/21/2007	Complete - Waiting on final documents
	Biltmore Park Town Square II-3	2007078	Arden	-	527	6/21/2007	Complete - Waiting on final documents
	Holiday Inn	2001068	Asheville	1	474	8/11/2003	Complete - Waiting on final documents
	Moore Street Sewer Extension	2008047	Weaverville	7	336	4/9/2008	Complete - Waiting on final documents
	Reynolds Road Townhomes	2004178	Asheville	22	564	2/21/2007	Complete - Waiting on final documents
	Biltmore Park Town Square II-2	2007077	Arden	-	1,331	6/21/2007	Complete - Waiting on final documents
	Bitmore Park Town Square II-4	2007079	Arden	-	481	6/21/2007	Complete - Waiting on final documents
	Reynolds Village Phase V	2006250	Woodfin	Comm.	4,786	4/3/2008	Complete - Waiting on final documents
	Carolina Day School	2007090	Asheville	1	1,827	3/10/2008	Complete - Waiting on final documents
	Ridgefield Business Park	2004188	Asheville	18	758	2/16/2005	Complete-Waiting on final documents
			Subtotal	1278	38,801		

Planning and Development Projects
Status Report November 7, 2008

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
Under Construction	Bell Road	2007159	Black Mtn	5	285	11/28/2007	Punchlist pending
	Crayton Creek Green	2006282	Asheville	10	482	3/15/2007	Ready for final inspection
	Haywood Village	2007172	Asheville	55	749	7/15/2008	testing
	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	Ready for final inspection
	McGinnis Sewer Extension	2004225	Asheville	9	48	5/19/2005	In redesign.
	Falcon Ridge	2004240	Asheville	38	3,279	10/11/2006	testing
	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	Punchlist pending
	Scenic View	2006194	Asheville	48	534	11/15/2006	Ready for final inspection
	Ingles	2007214	Black Mtn.	Comm.	594	3/4/2008	Ready for final inspection
	Bartram's Walk	2007065	Asheville	100	10,077	7/28/2008	Installing
	New Bridge Commons	2008070	Woodfin	Comm.	192	8/26/2008	testing
	Creekside Village	2007138	Weaverville	295	1,265	8/21/2008	testing
	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	Installing
	Versant Phase I	2007008	Woodfin	64	12,837	2/14/2007	Ready for final inspection
	Canoe Landing	2007137	Woodfin	4	303	5/12/2008	Ready for construction
	Central Valley	2006166	Black Mtn	12	472	8/8/2007	Punchlist pending
	Haw Creek Tract	2006267	Asheville	49	1,817	10/16/2007	Punchlist pending
	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
	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
	Brotherton Co-Housing	1999162	West Asheville	32	152	1/24/2003	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	testing
	Thom's Estate - Phase II	2008071	Asheville	40	3,701	6/10/2008	Installing
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	Installing	
Buncombe County Animal Shelter	2007216	Asheville	Comm.	78	5/1/2008	Ready for final inspection	
Skyland Apartments	2007117	Arden	63	96	4/23/2008	Ready for construction	
Leicester Village Townhomes	2007291	Weaverville	56	427	4/15/2008	Installing	
Baird Mountain Park	2008035	Woodfin	28	1,413	9/12/2008	Permit Issued, ready for pre-con	
Oak Crest Drive	2008138	Asheville	5	290	9/30/2008	Permit Issued, ready for pre-con	
Biltmore Lake Block D2	2006228	Asheville	103	2,600	6/13/2008	Permit Issued, ready for pre-con	

Planning and Development Projects
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Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
	Oak Crest Place	2004056	West Asheville	27	791	12/3/2004	Ready for final inspection
			Subtotal	2842	120,871		
			Total Units:	4,120			
			Total LF:		159,672		

***Right of Way Section
1st Quarter Summary
Open Projects***

<i>Project</i>	<i>Total ROW Budget</i>	<i>Total Expends to Date</i>	<i>Comment</i>
Charland Forest GSR	\$34,906		Negotiations underway, no funds expended to date.
Crockett Road PRP	\$17,109		Negotiations underway, no funds expended to date.
Delano Road 4" Main	\$12,944	\$2,943	Project 100% complete with 23% of Total Budget expended and no condemnations.
Dingle Creek Interceptor, Ph II	\$64,657	\$41,947	Access 88% complete with 65% of Total Budget expended to date. Notify Monty Payne to smoke test neighborhood upon completion of all easements.
Evergreen Avenue Four Inch Main	\$10,971	\$838	Access 100% complete with 8% of Total Budget expended to date. One condemnation filed with settlement pending.
Heywood Rd Interceptor Ph 2	\$26,419		Negotiations underway; no funds expended to date.
Inglewood Road	\$43,990	\$41,486	Access 100% complete with 94% of Total Budget expended to date. One condemnation filed with judgment pending.
Long Shoals Road PRP	\$340,584	\$213,591	Access 100% complete with 63% of Total Budget expended to date. Three condemnations filed with judgments pending.
Lower Smith Mill Creek Rehabilitation	\$295,324	\$265,443	Access 100% complete with 90% of Total Budget expended to date. Ten condemnations filed; two have been dismissed, three settled prior to trial and five are pending judgments.
Merchant Street PRP	\$13,081	\$2,788	Access 71% complete with 21 % of Total Budget expended to date.
Merrimon Ave @ Ottari Rd GSR	\$221,473	\$77,572	Access 25% complete with 35% Total Budget expended to date.
Merrimon Avenue @ Stratford Road GSR	\$55,854	\$44,030	Access 91% complete with 79% of Total Budget expended to date.
Monroe Place GSR	\$15,461	\$9,452	Project 100% complete with 61% of Total Budget expended to date.
Nasty Branch Interceptor	\$19,962	\$6,477	Access 75% complete with 32% of Total Budget expended to date.
Old Home @ Weaverville Highway PRP	\$100,394	\$99,277	Access 100% complete with 99% of Total Budget expended to date. Market values much greater than tax values in this corridor and appraised damages were high. One condemnation filed with judgment pending.
Reems Creek Interceptor	\$58,824	\$44,710	Access 100% complete with 76% of Total Budget expended to date. One condemnation filed with judgment pending.

<i>Project</i>	<i>Total ROW Budget</i>	<i>Total Expends to Date</i>	<i>Comment</i>
Riverside Drive/Westover Drive	\$19,322	\$13,895	Access 100% complete with 72% of Total Budget expended to date. Two condemnations filed with judgments pending.
Weaverville Hwy. @ Hillcrest Road SS Replacement	\$31,751	\$9,547	Access 50% complete with 30% of Total Budget expended to date.