

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT**  
**JULY 15, 2009**

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

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00 PM, Wednesday, July 15, 2009. Chairman Aceto presided with the following members present: Bellamy, Bissette, Bryson, Creighton, Haner, Kelly, Russell, Sobol and Stanley. Mr. Metcalf and Mr. VeHaun were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Joseph Martin with Woodfin Sanitary Water & Sewer District, Marcus Jones with Henderson County, Jason Beard and Mike Odom with Hickory Construction, Ken Lackey with Black & Veatch, Stan Boyd, Ed Bradford, John Kiviniemi, Peter Weed, Scott Powell, Angel Banks, Julie Willingham, Pam Thomas, Lisa Tolley and Sondra Honeycutt, MSD.

**2. Election of Officers:**

Mr. Aceto called on Mr. Clarke to preside over the election of Chairman. Mr. Clarke called for nominations for Chairman of the MSD Board. Mr. Kelly nominated Mr. Aceto as Chairman. Ms. Bellamy seconded the nomination. Mr. Clarke called for further nominations. Mr. Haner moved that the nominations be closed. Mr. Stanely seconded the motion. With no discussion, voice vote in favor of Mr. Aceto as Chairman was unanimous.

Mr. Aceto called for nominations for Vice Chairman of the MSD Board. Mr. Kelly nominated Mr. Sobol as Vice Chairman. Ms. Bellamy seconded the nomination. Mr. Aceto asked if there were any other nominations. Mr. Bissette moved that the nominations be closed. Ms. Bryson seconded the motion. With no discussion, Mr. Sobol was elected Vice Chairman by acclamation.

Mr. Aceto appointed Ms. Bryson to serve as Secretary/Treasurer of the Board. Mr. Aceto called for a vote to ratify the appointment by the Chair. Mr. Stanley moved that the Board ratify the appointment by the Chair. Mr. Russell seconded the motion. Voice vote in favor of the motion to ratify the appointment of Ms. Bryson as Secretary/Treasurer by the Chair was unanimous.

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

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

**4. Approval of Minutes of the June 10, 2009 Board Meeting:**

Mr. Aceto asked if there were any objections to approving the Minutes of the June 10, 2009 Board Meeting as presented. Mr. Haner requested a copy of the industry associations, web addresses and conference offerings presented at the last meeting. Mr. Hartye said he would forward a copy. With no further discussion, the Minutes were approved by acclamation.

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

None

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

Mr. Aceto welcomed Mr. Martin, Mr. Jones, Mr. Beard, Mr. Odom and Mr. Lackey.

**7. Report of General Manager:**

Mr. Hartye presented a letter from NCLM Risk Management Services approving MSD for a Wellness Ongoing Grant in the amount of \$2,500.00. He expressed his congratulations to Jim Hemphill, Pam Thomas and Sheila Pike of Human Resources for the progressive array of programs made available to MSD employees.

Mr. Hartye reported that a call was received from Mr. David Herbert of Kenilworth expressing how pleased he and others in the area were with the work that MSD had done repairing a damaged culvert. He expressed his appreciation to Ben Reeves, Roy Lytle, Eric Dawson, Shane Meadows, Chris Johnson and Eric Gillis.

Mr. Hartye presented information regarding the Fiscal Year 2010 Budget along with rate information, which is provided to the Board as a reference sheet. In addition, he presented a summary of average monthly bills for member agencies for water and sewer along with actual increases (billing, flat rate, and volumetric).

Mr. Hartye presented a graph of the annual number of Sanitary Sewer Overflows (SSO's) since beginning in FY 1999, which reflect significant reductions. He stated the numbers are influenced by weather, but have been reduced mainly as a result of both the Districts' aggressive Capital Improvement Program and preventative maintenance performed by System Services.

Mr. Hartye reported that the workshop held by MSD's Pretreatment section on June 16<sup>th</sup> was well attended. He stated there were 25 attendees representing 16 out of the 20 industries. He further stated there was good feedback including requests for more training, include other agencies, and start a website network for sharing of information. He expressed his appreciation to Jon Van Hoff, who headed up the workshop, and to Monty Payne, Wayne Tipton and Maria Slagle of the pretreatment group.

Mr. Hartye presented a letter from the Asheville Chamber of Commerce regarding Asheville publicity, a copy of the NCLM Legislative Bulletin and a Bill stuffer regarding MSD's recent rate increase.

Mr. Hartye reported the next regular Board meeting will be held August 19<sup>th</sup> at 2PM. The Personnel Committee will meet July 22<sup>nd</sup> at 9:30 AM.

**8. Report of Committees:**

**Finance Committee**

Mr. Kelly reported that the Finance Committee met June 25<sup>th</sup> and authorized RFP's to be sent out for Bond Underwriter services. He stated that the RFP's were received and acted on today by the Finance Committee. Mr. Kelly called on Mr. Powell for a report on the recommendations made by the Committee. Mr. Powell reported that the Finance Committee recommends Wells Fargo Securities be selected to serve as Senior Managing Underwriter due to their knowledge of the District as well as municipal bond distribution resources. In addition, that both Citigroup Global Markets, Inc. and BB&T Capital Markets be offered the opportunity to participate in the underwriting as Co-Managing Underwriters. He further reported that the second recommendation of the Committee is to engage Davenport & Company LLC to provide Financial Advisory Services for Debt Issuances. In answer to a question by Mr. Aceto on how MSD could improve its rating, Mr. Clarke stated that MSD is one of the ten utility only Districts in the Southeast to have an AA rating and it would be difficult to increase that rating because MSD does not have the authority to tax. He explained that the double AA or equivalent rating allows MSD's bonds to be purchased by institutional investors. Mr.

Kelly stated that the recommendations by the Finance Committee are part of the Consolidated Motion Agenda.

**9. Consolidated Motion Agenda:**

**a. Consideration of Sodium Hypochlorite Contract:**

Mr. Hartye reported that the following bids were received and opened on June 18, 2009: Univar, with a bid of #164,000.00; Brenntag SE, with a bid of \$163,200.00 and JCI Jones with a bid of \$137,400.00. He further reported that staff recommends the Board award the contract for the supply of Sodium Hypochlorite to JCI Jones at a unit price of \$0.687 per gallon.

**b. Consideration of Acceptance of Developer Constructed Sewer Systems: Falconwood Subdivision and Waightstill Mountain Phase 2:**

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

**c. Consideration of Bids for Water Reclamation Facility Intermediate Pump Replacement Project:**

Mr. Hartye reported that the three hydraulically-driven 300HP pumps are used to lift water from the last RBC basin to the Intermediate Clarifier. He stated that this type of pump is not only inefficient, but also poses a risk of contaminating the effluent with hydraulic fluid, since the pumps are submerged. He stated that the pumps have reached the end of their functional life, and in accordance with the Facilities Plan, are being replaced with more efficient units. Black & Veatch designed the new system to utilize electric pumps rather than hydraulic pumps. Mr. Hartye further reported the following bids were received on June 24, 2009: IMOCO, Inc. with a total bid of \$2,227,400.00; Haren Construction Co., with a total bid of \$2,129,000.00; Gilbert Engineering with a total bid of \$1,960,500.00; Laughlin-Sutton Construction Co., with a total bid of \$1,818,000.00 and Hickory Construction Company with a total bid of \$1,690,788.00. Mr. Hartye stated that Black & Veatch has had extensive experience with Hickory Construction and state they have an excellent performance history. He further stated the second low bidder, Laughlin-Sutton Construction Company, sent MSD a letter alleging that the Hickory Construction bid (the low bid) was non-responsive and not in compliance with MSD's MBE requirements. MSD staff and Black & Veatch have investigated both allegations and are satisfied that the bid is responsive and in compliance with MSD's MBE requirements. Therefore, staff recommends award of this contract to Hickory Construction Company in the amount of \$1,690,788.00, subject to review and approval by District Counsel. Mr. Hartye stated that staff tried to get this in as a green project for the stimulus, but it did not qualify. Mr. Sobol asked what the life expectancy of the pumps is. Mr. Kiviniemi said 20 years.

**d. Consideration of Sanitary Sewer Rehabilitation Project: Middle Beaverdam Creek Interceptor:**

Mr. Hartye reported that the Middle Beaverdam Creek rehabilitation project is necessary due to repeated maintenance calls associated with an undersized and structurally deficient interceptor and that several structures have been built over this line, thus making access impossible in certain areas. The project is located in North Asheville and is comprised of 4,014 LF of 8-inch through 30-inch DIP. He further reported that the following bids were received on July 2, 2009: Mendon Pipe Line with a total bid of \$1,670,475.00; Spur Construction Co., LLC with a total bid of

\$1,010,528.00; T&K Utilities with a total bid of \$919,560.00; B.E. & L. Mechanical, LLC with a total bid of \$901,710.00; DPI Construction with a total bid of \$897,273.90; Terry Brothers Construction Co. with a total bid of \$884,570.00; Buckeye Construction Co. with a total bid of \$864,626.20; Metra Industries with a total bid of \$787,371.00; Blythe Co. Construction, LLC with a total bid of \$780,675.00 and Moore & Son Site Construction with a total bid of \$736,476.00. Mr. Hartye stated that Moore & Son, the apparent low bidder, has not previously worked on MSD rehabilitation projects; however, the supervisor who holds the Contractor's License for this company has worked on previous MSD rehabilitation projects and did an excellent job. He further stated that staff recommends award of this contract to Moore & Son Site Contractors in the amount of \$736,476.00, subject to review and approval by District Counsel. Ms. Bellamy asked how far up Merrimon Avenue does the line go. Mr. Bradford stated that the line goes from Elkmont Drive at Merrimon Avenue to I-26 North and across I-26. Ms. Bellamy asked if this will help the issue of the sink hole. Mr. Bradford stated that this area is located near the Fresh Market and is on the radar as an area of concern. Ms. Bryson asked if part of this project is in Woodfin. Mr. Bradford said it is near the City/Town limit.

**e. Consideration of RFP for Bond Underwriter Services:**

Mr. Hartye reported that the Finance Committee recommends that Wells Fargo Securities be selected to serve as Senior Managing Underwriter due to their knowledge of the District as well as municipal bond distribution resources. Additionally, the Committee recommends both Citigroup Global Markets Inc. and BB&T Capital Markets be offered the opportunity to participate in the underwriting as Co-Managing Underwriters.

**f. Consideration of Resolution Authorizing Filing Application to LGC to Issue Bonds:**

Mr. Hartye reported that this item came out of the June 25<sup>th</sup> Finance Committee Meeting. The Finance Committee endorses approval of the resolution recommended by staff.

**g. Consideration of Resolution Authorizing Filing Application to the LGC to Issue Refunding Bonds:**

Mr. Hartye reported that this item came out of the June 25<sup>th</sup> Finance Committee Meeting. He stated that the LGC requires present value percentage savings of at least 2% on current refunding, and as of the date of this report, the percentage of net present value savings on the refunded bonds is 4.3%; reducing future debt payments by an average of nearly \$78,000 per year with a total net value present savings of nearly \$683,000. The Finance Committee endorses approval of the resolution recommended by staff.

**h. Consideration of Audit Services Contract for FY 2009:**

Mr. Hartye reported that staff recommends and the Finance Committee endorses continuing the auditing relationship with Cherry, Beckaert & Holland, LLP in the amount of \$47,710.00.

**i. Consideration of Operational Checking Account with Bank of America:**

Mr. Hartye reported that the operational checking account is part of the liquidity agreement with Bank of America. Ms. Bellamy asked who MSD's current account is with. Mr. Powell said First Citizens Bank. Mr. Sobol asked if staff obtained a quote

from First Citizens Bank. Mr. Powell stated that the Standby Liquidity Agreement approved earlier this year required MSD to have its operating bank account with Bank of America. In order to insure the .65% basis points Liquidity Agreement, MSD had to have a substantial banking relationship with Bank of America. Mr. Sobol asked if MSD could get a Liquidity Agreement with First Citizens Bank. Mr. Powell said no, that there are only three banks currently providing this; BB&T on deposit with Bank of America at 1.0%, Wachovia at 1.05% at Bank of America at .65% and that MSD's money is 100% secured.

Mr. Kelly moved that the Board adopt the Consolidated Motion Agenda as presented. Mr. Stanley seconded the motion. With regard to Bond Underwriter Services, Mr. Sobol asked if Mr. Powell will negotiate the fees down. Mr. Aceto asked if this is part of Davenport & Company LLC service agreement. Mr. Powell stated that Davenport & Company suggested that staff negotiate the fees. Regarding the swaps offered by Citigroup, Mr. Sobol asked how MSD would go about looking into this. Mr. Hartye stated that the Board can direct staff to investigate this with the underwriter. With no further discussion, roll call vote was as follows: 10 Ayes; 0 Nays.

**10. Old Business:**

Mr. Kelly asked if MSD is making power with the river flow and selling it to Progress Energy. Mr. Kiviniemi stated that during the rainy period more power was generated, but most of that is offset by what is purchased.

**11. New Business:**

None

**12. Adjournment:**

With no further business, Mr. Aceto called for adjournment at 2:33 PM.

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Jackie W. Bryson, Secretary/Treasurer

# MSD

## Regular Board Meeting

Metropolitan Sewerage District  
of Buncombe County, NC

## AGENDA FOR 7/15/09

✓	Agenda Item	Presenter	Time
	01. Call to Order and Roll Call	Aceto	2:00
	02. Election of Officers	Aceto	2:02
	03. Inquiry as to Conflict of Interest	Aceto	2:10
	04. Approval of Minutes of the June 10, 2009 Board Meeting.	Aceto	2:12
	05. Discussion and Adjustment of Agenda	Aceto	2:15
	06. Informal Discussion and Public Comment	Aceto	2:20
	07. Report of General Manager	Hartye	2:25
	08. Report of Committees: a. Finance Committee – 6/25/09 - Kelly	Aceto	2:40
	09. Consolidated Motion Agenda		2:50
	a. Consideration of Bids for Sodium Hypochlorite Contract	Hartye	
	b. Consideration of Developer Constructed Sewer Systems: Falconwood Subdivision and Waightstill Mountain, Phase 2.	Hartye	
	c. Consideration of Bids for Intermediate Pump Replacement Project.	Hartye	
	d. Consideration of Bids for Middle Beaverdam Creek Sewer Rehab Project.	Hartye	
	e. Consideration of RFP for Bond Underwriter Services	Hartye	
	f. Consideration of Resolution Authorizing Filing of Application to LCG to Issue Bonds.	Hartye	
	g. Consideration of Resolution Authorizing Filing of Application to LCG to Issue Refunding Bonds.	Hartye	
	h. Consideration of Audit Services Contract for FY 2009.	Hartye	
	i. Consideration of Operational Checking Account with Bank of America.	Hartye	
	j. Cash Commitment/Investment Report – Month Ended May 31, 2009.	Hartye	
	10. Old Business:	Aceto	3:10
	11. New Business:	Aceto	3:15
	12. Adjournment (Next Regular Meeting – 8/19/09)	Aceto	3:25



# **APPROVAL OF MINUTES**



**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT  
JUNE 10, 2009**

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

The regular monthly meeting of the Metropolitan Sewerage District Board and Public Hearing on the budget, rates & fees for FY 2009-2010 was held in the Boardroom of MSD's Administration Building at 2:00 P.M., Wednesday, June 10, 2009. Mr. Aceto presided with the following members present, Bisette, Bryson, Metcalf, Russell, Sobol, and Stanley. Ms. Bellamy, Mr. Creighton, Mr. Haner, Mr. Kelly and Mr. VeHaun were absent.

Others present were: Thomas 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, Marcus Jones with Henderson County, James Lewis, Intern with Aceto Law, Ed Bradford, Stan Boyd, John Kiviniemi, Jim Hemphill, Scott Powell, Peter Weed, Angel Banks, Ken Stines, Julie Willingham, Mike Stamey, Rodney Smith 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 May 20, 2009 Board Meeting:**

Mr. Aceto asked if there were any objections to approving the Minutes of the May 20, 2009 Board Meeting as presented. With no objections, the Minutes were approved by acclamation.

Mr. Clarke presented a summary of the discussions from the Board Retreat of May 8, 2009. Mr. Aceto deferred further discussion on this item to Old Business.

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

None

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

Mr. Aceto welcomed Ms. Karpen, Mr. Martin, Mr. Jones and Mr. Lewis.

**6. Report of General Manager:**

Mr. Hartye presented a scan of a plaque presented to the System Services Division from the City of Asheville Water Department in appreciation for the teamwork displayed, particularly on the Merrimon Avenue emergency job a month ago. He presented a letter from Linda Snyder commending James Beaver for excellent and professional service and an email account of a phone message received from Katy Cramer expressing appreciation for the good work of Ricky Bates from System Services.

In response to Board interest, Mr. Hartye presented a synopsis of the industry associations, their web addresses as well as some general information regarding the more frequented conference offerings, including the WEFTEC Conference to be held in October.

Mr. Hartye presented a copy of the NCLM Legislative Bulletin noting a blurb on Local Government Ethics. Mr. Aceto asked if MSD will be required to revise its Ethics Policy. Mr. Clarke stated that the Local Government Code of Ethics bill has passed the House and is now in the Senate State and Local Government Committee. The bill requires all cities and towns to adopt a code of ethics by resolution or adopted policy. The proposed legislation would require Board Members to complete a minimum of two hours

of ethics education within 12 months of election or appointment. Mr. Hartye also presented an article in the WEF Utility Executive on stimulus funding.

Mr. Hartye reported that the Right of Way Committee meeting scheduled for June 24<sup>th</sup> has been cancelled. The next Regular Board Meeting will be held July 15<sup>th</sup> at 2PM. Mr. Powell announced that a Finance Committee meeting will be scheduled this month to consider the upcoming Bond Issue.

Mr. Hartye reported that upcoming staff events and meetings include an Industry Workshop with the Pretreatment Section on June 16<sup>th</sup> at 10 AM, a Plumbers Meeting with System Services Department on July 23<sup>rd</sup> and, an Employee Appreciation Lunch on July 2<sup>nd</sup>.

**7. Consolidated Motion Agenda:**

**a. Consideration of Lake Julian Sewer Rehabilitation – ARRA – Resolution of Tentative Award:**

Mr. Hartye reported that the American Reinvestment and Recovery Act (ARRA) project located in South Asheville is a combination of two smaller pipe rated projects that are structurally deficient clay lines, and were flagged by the Pipe Rating Program due to the number and severity of defects within the pipe segments. He further reported that the contract was advertised and the following bids were received and opened on May 21, 2009: Iron Mountain Construction Co., with a total bid of \$1,377,124.50; Mendon Pipeline, with a total bid of \$1,150,070.00; Huntley Construction Company with a total bid of \$1,070,930.00; DPI Construction with a total bid of \$895,011.75; Disaster Recovery Group, with a total bid of \$866,597.20; T&K Utilities, Inc. with a total bid of \$799,110.00; Buckeye Construction Co., Inc. with a total bid of \$790,893.50; Carolina Specialties, Inc., with a total bid of \$788,590.55; Spur Construction, LLC with a total bid of \$716,336.00 and Terry Brothers Construction Co., Inc. with a total bid of \$586,692.00. Mr. Hartye stated that staff recommends the Board adopt a Resolution of Tentative Award to Terry Brothers for this project.

**b. Consideration of Lake Julian Sewer Rehabilitation – ARRA – Resolution by Governing Body of Applicant:**

Mr. Hartye reported that NCDENR requires the Resolution be adopted by the District Board and addresses the following four items: 1. The District accepts the loan and grant offer, 2. The District will adhere to the conditions of the loan and grant, 3. The General Manager is authorized to act on behalf of the District, and 4. The District will adhere to all local, state and federal laws. He stated that NCDENR has directed the District to list the full appropriated offer of \$1,029,600 even though the low bid is about half of this amount. MSD is eligible to add additional work to this project, under limited conditions, up to the full appropriated amount. Staff recommends that the Board adopt the Resolution.

**c. Consideration of Lake Julian Sewer Rehabilitation – ARRA – Capital Project Ordinance:**

Mr. Hartye reported that the Capital Project Ordinance is for \$1,029,600.00. The final loan/grant amount will be adjusted down to the low bid, plus any additional amount added, via a Promissory Note and a Final Note. Staff recommends that the Board adopt the Capital Project Ordinance for this project.

**d. Cash Commitment/Investment Report – Month Ended April 30, 2009:**

Mr. Powell reported that the average rate of return for all investments is 2.919%, and currently MSD has \$37.5 million, of which \$11.8 million is designated for future capital outlays. He stated that of the \$8.4 million construction fund, \$4.5 million is for the Microscreen project delayed until the upcoming fiscal year. The District currently has \$22 million in Certificate of Deposits, \$9 million in NCCMT money market accounts, and \$6 million in 3 government agency fixed income investment instruments. He further stated that MSD has a weighted average maturity in its investment portfolio; yield to maturity is at 2.53%. The Series 2008A Synthetic Fixed Rate Bonds are performing in line with what was budgeted, and the 2008B Variable Rate Bonds are performing better than budgeted due to interest rates. Mr. Powell further reported that in a conversation with Robert Hobson with Bank of America, MSD's termination fee for the swap is at \$2 million. In April the termination fee was at \$4 million. He explained the difference in these numbers is due to treasury bonds going up from 3.4% to 3.9%.

Mr. Bissette moved that the Board adopt the Consolidated Motion Agenda as presented. Mr. Stanley seconded the motion. Mr. Sobol asked if the stimulus money can be used for right of way compensation on the Long Shoals Road portion of the Lake Julian project. Mr. Bradford stated that per federal guidelines, MSD cannot be reimbursed for right of way compensation. With no further discussion, Mr. Aceto called for the question. Roll call vote was as follows: 7 Ayes; 0 Nays.

**8. Public Hearing – Consideration of Resolution Adopting the Final Budget and Rates and Fees for Fiscal Year 2009-2010:**

**MINUTES OF PUBLIC HEARING**

At 2:27 PM, Mr. Aceto declared the Public Hearing open on the Budget, Rates & Fees for Fiscal Year 2009-2010.

Mr. Hartye presented the Resolution adopting the Final Budget and Rates and Fees for Fiscal Year 2009-2010. In addition, he presented the final budget book, which includes goals and objectives, accomplishments, performance figures, along with the information included in the Preliminary Budget. He stated that the public hearing was being held a week early since the budget must be adopted prior to June 15<sup>th</sup> deadline and that there are no changes from the preliminary to the final budget. Ms. Karpen asked if the budget hearing was advertised. Mr. Hartye said yes. Mr. Clarke stated the Board is only required to hold a public hearing if a certain percentage of its bond holders ask for it. No bond holders requested a hearing, but the Board has traditionally held a public hearing at its June meeting.

Mr. Aceto called for public comment on the proposed Budget, Rates & Fees for Fiscal Year 2009-2010. With no comment, Mr. Aceto declared the public hearing closed at 2:32 PM.

Mr. Aceto called for a motion to approve the Resolution adopting the Final Budget, Rates & Fees for FY 2009-2010. Mr. Bissette moved that the Board adopt the FY 2009-2010 budget, rates & fees as presented. Mr. Stanley seconded the motion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 7 Ayes; 0 Nays.

**9. Old Business:**

Regarding the Retreat Minutes, Mr. Aceto stated that from this document he, Mr. Clarke and Mr. Hartye will develop a series of Board Goals & Objectives that will be directed to the appropriate Board Committees.

**10. New Business:**

Mr. Bryson asked what the transfer is to the insurance account on the budget. Mr. Powell stated that this is the amount the Board agreed to pay for MSD's health insurance plan in 2009/2010, which was endorsed by the Personnel and Finance Committees. He explained that this is the employer contribution, and the reason it shows as a transfer is because the insurance funds are internal service funds, and the Budget Resolution is a legal documents that shows the outflow and inflow of funds.

**11. Adjournment:**

With no further business, Mr. Aceto called for adjournment at 2:45 PM.

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Jackie W. Bryson, Secretary/Treasurer

**REPORT OF GENERAL MANAGER**

## MEMORANDUM

TO: MSD Board  
FROM: Thomas E. Hartye, P.E., General Manager  
DATE: July 2, 2008  
SUBJECT: Report from the General Manager

- Kudos

- See attached letter from NCLM Risk Management Services approving MSD for Wellness Ongoing Grant for \$2500. Congratulations to MSD employees in general and to Jim Hemphill, Pam Thomas and Sheila Pike of Human Resources for their progressive array of programs made available to our employees.
- David Herbert called from Kenilworth expressing how pleased he and others in the area were with the work that MSD had done repairing a culvert that had been damaged. Thanks to Ben Reeves, Roy Lytle, Eric Dawson, Shane Meadows, Chris Johnson, and Eric Gillis.

- Budget/Rate Bullets

Attached is a single two-sided sheet that relates the salient information regarding the Fiscal Year 2010 Budget along with rate information. This is provided particularly for the Board as a reference sheet.

- Monthly Bills for Member Agencies Water and Sewer

Attached is a summary of average monthly bills for our member agencies for water and sewer along with actual increases (billing, flat rate, and volumetric).

- Sanitary Sewer Overflows

Attached is a graph of the annual number of Sanitary Sewer Overflows (SSO's) since we began keeping records in FY 1999. As you can see the District has had significant reductions and has been able to keep them down. These numbers are influenced by weather but have been reduced mainly as a result of both the Districts' aggressive Capital Improvement Program and the preventative maintenance performed by System Services. The entire organization shares in this accomplishment from the Board on down.

- Industry Meeting/Workshop

The workshop held by our Pretreatment section on June 16<sup>th</sup> was well attended. There were 25 attendees representing 16 out of the 20 industries that we permit. We received some good feedback including requests for more training, include other agencies and start a website network for the sharing of information. Many thanks to Jon Van Hoff who headed up the workshop and to Monty Payne, Wayne Tipton and Maria Slagle of the pretreatment group.

- Reading

- Asheville Chamber letter regarding Asheville publicity.
- NCLM Legislative Bulletin
- Bill stuffer regarding rate increase will be in your board book sleeve

- Board/Committee Meetings

There will be a Finance Committee at 1 pm July 15<sup>th</sup> prior to this Regular Board Meeting. The next Regular Board Meeting will be held August 19<sup>th</sup> at 2pm. The Personnel Committee will meet July 22<sup>nd</sup> at 9:30am.



**RISK MANAGEMENT SERVICES**

MIT: HEALTH BENEFITS TRUST

WORKERS' COMPENSATION

PROPERTY & LIABILITY

308 WEST JONES STREET

RALEIGH, NC 27603

POST OFFICE BOX 1310 | 27602-1310

919-715-4000 | FAX: 919-715-6656

WWW.NCLM.ORG

May 29, 2009

Ms. Pam Thomas  
Human Resources Analyst  
Metropolitan Sewerage District  
2028 Riverside Drive  
Asheville, NC 28804

Dear Pam:

Congratulations go to you and the Metropolitan Sewerage District for being approved for a Wellness Ongoing Grant. Enclosed please find a check for \$2,500.00 based on the number of employees currently being covered under the North Carolina Interlocal Risk Management Agency's (NCIRMA) worker's compensation insurance program. It's clear that you have developed and implemented some excellent program plans for targeting your Wellness Grant funding.

I am extremely impressed by all the wonderful Wellness events scheduled for your work group. Most impressive was the 80% participation in your last health fair, onsite physicals for males who do not have a medical provider and 60% participation of all employees and spouses in your "Know Your Numbers" fair measuring cholesterol and blood pressure, calculating BMI and checking for diabetes. The other dramatic statistic was your Weight Watcher's group results-- losing a total of 1,100 pounds. WOW!

I encourage you to take advantage of the free LGFCU Financial Wellness seminars we offer our members. If interested, please call Jennifer Miller at (877) 367-5428 or email her at [jennifer.miller@lgfcu.org](mailto:jennifer.miller@lgfcu.org) We developed that partnership with that group some time ago and we hear nothing but excellent feedback from our NCLM members about the quality of those sessions. I hope you may also have an interest in hosting an Eldercare Education for Employees training onsite. With you being a member of our worker's compensation insurance pool, we would be picking up the \$300.00 cost of that training. Please contact me if offering that educational program interests you and your work group. We only ask that you would provide a minimum of 12 participants.

We all know that health care costs continue to increase. Anything we can do to better educate our employees on how to be better healthcare consumers and maintain a healthier lifestyle is always a step in the right direction. As you know, Wellness is a continual, ongoing process. Therefore, there has to be an ongoing commitment to continue encouraging healthy lifestyles. I highly encourage your group to expand your efforts again next year.

By now you know, our Wellness Grant Program for our worker's compensation insurance pool participants like your group, ends July 1, 2009. Should your group opt to buy medical coverage from us in the future, the Wellness Grant Program would again be available to you. If not, I will miss working with you in enhancing your Wellness Program going forward. However, I am so happy that your program is up, running and fruitful. I trust that your organization will continue to support the great effort your group has now created. I hope you continue to keep in touch with me regarding the great ways your program continues to improve. You will still be eligible to use any of our lending library resources. Brenda Rich is the person to call at (800) 228-0986 or email her at [brich@nclm.org](mailto:brich@nclm.org) to borrow any of our wellness, cap or safety videos, DVD's, CD's, audios or reference books free of charge.



As a reminder, your group is currently and will continue after July 1, 2009, to be eligible to apply for EAP Ongoing Grant funding to enhance your Employee Assistance Program. As you requested, I have asked Brenda Rich to email you a copy of that application. You know how an EAP helps employees with personal problems and managers in helping employees to resolve those issues. It's such a great and important resource for employees, their families and supervisors. EAP Ongoing Grant funds cannot pay for contract vendor fees but can help bring additional helpful training programs to employees and supervisors. We encourage your group to continue to expand your manager and employee training over time. Please let me know if there are any new ways that I can assist your group with enhancing your EAP.

Keep up the TERRIFIC work Pam. Stay well and in touch!

Healthfully,



Lisa M. Battaglia  
Health/Wellness and EAP Consultant

Enclosure

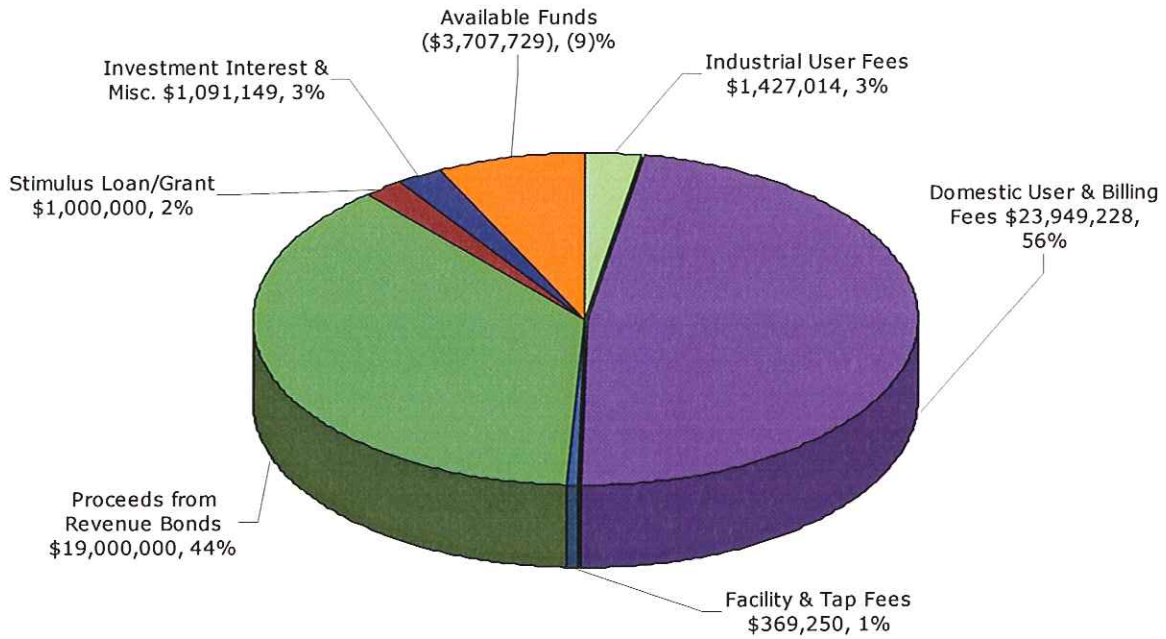
cc: ✓ Thomas E. Hartye, General Manager  
James Davenport, Loss Control and Health Services Manager

**MSD**  
**FY10 RATE/BUDGET BULLETS**

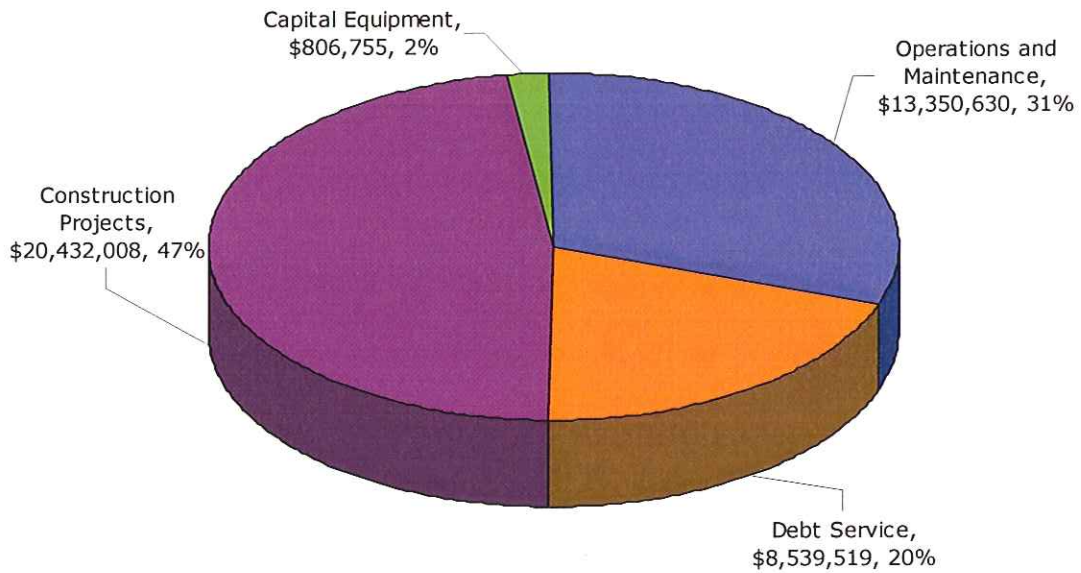
- Residential and Commercial consumption levels are down by 3.1% and 3.7% respectively as of March 31, 2009.
- Total Budget \$43,128,912 (67% Construction related)
  - 1. CIP (Rehab Construction)       \$20,432,008
  - 2. Debt Service                     \$ 8,539,519
  - 3. O&M                               \$13,350,630
  - 4. Capital Equipment             \$ 806,755

**See graphs other side**
- Proposed 3.75% rate increase is required to fund Sewer Main Rehabilitation Construction Program of 250,000 LF/5YR as delineated by the Collection System Permit required by the State DENR.
  - 1. \$20.4 million dollars this year
  - 2. CIP = \$146 million over 10 years
- The rate adjustment is necessary to fund sewer system rehabilitation and sewer line replacement projects. The District's system consists of approximately 4.5 million feet of 6" to 66" pipe and over 28,000 manholes, much of which was constructed in the 1920's, 30's, and 40's and is in dire need of replacement or rehabilitation. It will be necessary to continue this program to eliminate leaking sewers, overflowing manholes and pollution of our streams, to comply with EPA and NCDENR permit obligations.
- O&M budget includes
  - 1. Salaries froze at FY 09 levels (no cola or merit)
  - 2. Holding operations budget at previous year's level in total.
  - 3. Medical Plan funding increase of 16.5%
  - 4. GASB 45 funding of \$222,000
  - 5. Debt Administration Expense increase of \$254,108
- Average residential monthly bill will go up 85 cents from \$23.99 to \$24.84.
- New Residential Facilities Fee will be held at \$1,900.
- Average bill for industrial user to go up 4.3% based upon the 20 year plan approved by the District Board.

**FY 10 Budgeted Revenues**  
**\$43,128,912**



**FY 10 Budgeted Expenditures**  
**\$43,128,912**



# Monthly Bills for Residential Customers (5 CCF or 3,750 gallons)

7/8/09

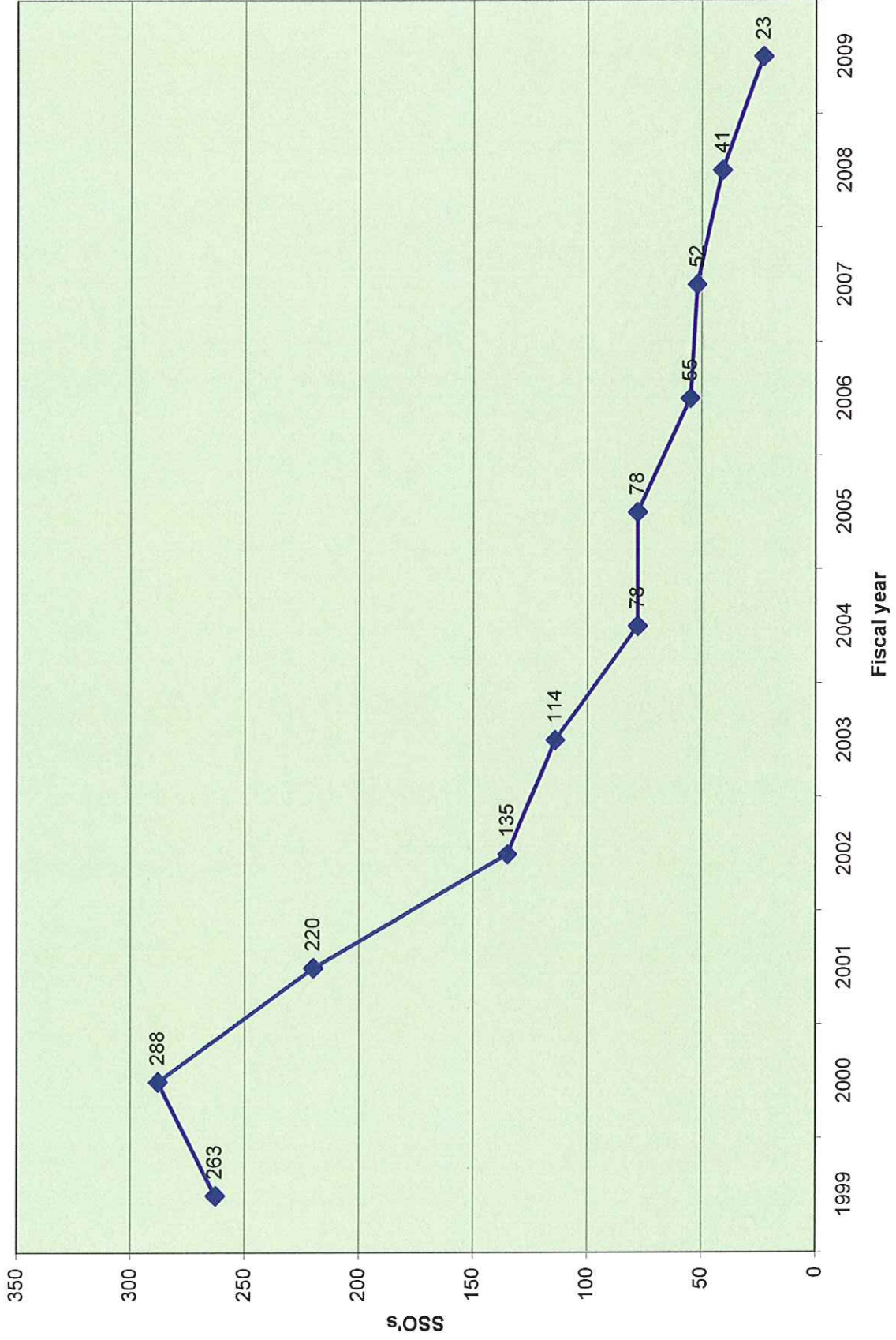
	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	Increase
<b>Asheville (bi-monthly bills)</b>										
Water Service	19.02	19.02	19.02	19.02	19.02	22.52	22.52	23.17	24.59	6.2%
MSD Sewer Service	19.48	20.04	20.43	20.83	21.45	22.41	23.28	23.99	24.84	3.5%
	<b>\$38.49</b>	<b>\$39.05</b>	<b>\$39.44</b>	<b>\$39.85</b>	<b>\$40.47</b>	<b>\$44.93</b>	<b>\$45.79</b>	<b>\$47.16</b>	<b>\$49.43</b>	
	4.8%	1.5%	1.0%	1.0%	1.6%	11.0%	1.9%	3.0%	4.8%	
<b>Biltmore Forest (bi-monthly bills)</b>										
Water Service	19.89	26.88	28.24	28.24	28.24	28.24	28.24	28.24	28.24	0.0%
MSD Sewer Service	19.48	19.94	20.43	20.83	21.45	22.41	23.28	23.99	24.84	3.5%
	<b>\$39.37</b>	<b>\$46.82</b>	<b>\$48.67</b>	<b>\$49.07</b>	<b>\$49.69</b>	<b>\$50.65</b>	<b>\$51.51</b>	<b>\$52.23</b>	<b>\$53.08</b>	
	1.8%	18.9%	4.0%	0.8%	1.3%	1.9%	1.7%	1.4%	1.6%	
<b>Black Mountain (monthly bills)</b>										
Water Service	16.70	19.29	19.67	21.18	21.63	22.08	22.69	23.36	24.17	3.5%
MSD Sewer Service	20.25	20.71	21.30	21.72	22.37	23.37	24.25	25.01	25.86	3.4%
	<b>\$36.95</b>	<b>\$40.00</b>	<b>\$40.97</b>	<b>\$42.90</b>	<b>\$44.00</b>	<b>\$45.45</b>	<b>\$46.94</b>	<b>\$48.37</b>	<b>\$50.03</b>	
	-9.9%	8.3%	2.4%	4.7%	2.6%	3.3%	3.3%	3.0%	3.4%	
<b>Montreat (monthly bills) * All single family homes have larger 3/4" meters</b>										
Water Service	22.74	22.74	22.74	22.74	22.74	22.74	29.50	29.50	29.50	0.0%
MSD Sewer Service *	22.25	22.76	23.39	23.86	24.57	25.67	26.64	27.47	28.42	3.5%
	<b>\$44.99</b>	<b>\$45.50</b>	<b>\$46.13</b>	<b>\$46.60</b>	<b>\$47.31</b>	<b>\$48.41</b>	<b>\$56.14</b>	<b>\$56.97</b>	<b>\$57.92</b>	
	1.8%	1.1%	1.4%	1.0%	1.5%	2.3%	16.0%	1.5%	1.7%	
<b>Weaverville (monthly bills)</b>										
Water Service	18.34	19.26	19.26	20.25	20.86	22.12	22.12	23.01	24.16	5.0%
MSD Sewer Service	20.25	20.71	21.30	21.72	22.37	23.37	24.25	25.01	25.86	3.4%
	<b>\$38.59</b>	<b>\$39.97</b>	<b>\$40.56</b>	<b>\$41.97</b>	<b>\$43.23</b>	<b>\$45.49</b>	<b>\$46.37</b>	<b>\$48.02</b>	<b>\$50.02</b>	
	1.8%	3.6%	1.5%	3.5%	3.0%	5.2%	1.9%	3.6%	4.2%	
<b>Woodfin (bi-monthly bills)</b>										
Water Service	17.44	19.66	19.66	19.87	19.87	19.87	19.87	19.96	19.96	0.0%
MSD Sewer Service	19.48	19.94	20.43	20.83	21.45	22.41	23.28	23.99	24.84	3.5%
	<b>\$36.92</b>	<b>\$39.60</b>	<b>\$40.09</b>	<b>\$40.70</b>	<b>\$41.32</b>	<b>\$42.28</b>	<b>\$43.15</b>	<b>\$43.95</b>	<b>\$44.80</b>	
	1.9%	7.3%	1.2%	1.5%	1.5%	2.3%	2.0%	1.9%	1.9%	

Average Water Bill (weighted) **\$24.42**

Average Sewer Bill (weighted) **\$24.99**

\*Average sewer bill is currently 2% greater than local area water bills. The National average residential sewer bills are typically from 23% to 34% greater than water according to NCLM 2009 and AWWA 2008 surveys respectively.

# Sanitary Sewer Overflows





# ASHEVILLE<sup>®</sup>

AREA CHAMBER OF COMMERCE

The Asheville Area Chamber of Commerce is pleased to announce that Asheville and the surrounding areas will be featured in the September issue of US Airways Magazine, the award-winning in-flight publication of US Airways.

This 20+ page editorial feature is a perfect opportunity to inform a global audience how our rich history, natural beauty, and thriving tourism and business communities put us at the heart of the Blue Ridge Mountains! US Airways Magazine, Profile: Asheville will spotlight how our education and healthcare resources, business opportunities, real estate, and tourism all create an outstanding quality of life here in the mountains of Western North Carolina.

US Airways Magazine reaches an impressive audience of over 5 million affluent business and leisure travelers each month. The airline currently operates 4,000 daily flights to more than 200 cities in 35 countries.

Now is the time to build on Asheville's visibility. US Airways Magazine is providing us a chance to do just that. We are all pleased to support this special opportunity to present the Asheville and Western North Carolina area to the world. We encourage your full participation in this project through the submission of story ideas or through the purchase of advertising space to take advantage of this unique opportunity to showcase your business and promote our beautiful region.

In addition to printed editorial, the Asheville Profile feature will also be available on [usairwaysmag.com](http://usairwaysmag.com) for a full year. The exposure is exceptional and the opportunity to spotlight our region is unparalleled.

Please contact Layne Straka ([layne.straka@paceco.com](mailto:layne.straka@paceco.com) or 336-392-8348), representing the magazine, to discuss this opportunity, or any of us at the Chamber with questions regarding this project. All editorial pitches must be submitted by July 10. Advertising space will be offered on a first-come, first-served basis, with space reservations due by July 20.

Thank you for your support,

Richard J. Lutovsky  
President and CEO  
Asheville Area Chamber of Commerce

# NC LEAGUE OF MUNICIPALITIES Legislative Bulletin

No. 22

[www.ncml.org](http://www.ncml.org)

June 26, 2009

## Action Items

### House Judiciary II Committee approves major changes to annexation statutes

The House Judiciary II Committee late Thursday gave a favorable recommendation to a committee substitute for **HB 524 – Annexation – Omnibus Changes** that, if enacted, will make significant changes to the state's annexation laws. The bill is intended to be a compromise that includes provisions from the three major annexation bills (HB 727, HB 645 and HB 524) that were under consideration by the committee.

The bill requires the extension of water and sewer mains as well as lines to individual properties within three years; prohibits the use of shoestring corridors; increases the urban density standards; prohibits the splitting of subdivisions; requires cities to meet a threshold of meaningful services in order to be eligible to undertake city-initiated annexation; requires oversight of the annexation by the Local Government Commission; doubles the time for property owners to pay any assessments in installments and requires installment payments for tap fees; requires cities and towns to annex certain low-income areas; and makes numerous other changes to improve notice and information provided to property owners, allow additional time for challenges, and require the city to study and plan appropriately.

On the whole the committee substitute for HB 524 will make city-initiated annexations more difficult, especially for smaller cities and towns. It includes more protections for property owners and substantially more stringent annexation standards and water and sewer extension requirements. Before adopting the committee substitute, the committee approved three amendments--one technical, one that would make the contiguity standard much more stringent (1/5 instead of current 1/8 of aggregate external boundary must coincide), and a third requiring the city to prove on appeal that it provides meaningful services (as defined in the bill). Amendments to require a referendum and to require county commissioner approval of annexations were defeated. Although we have serious concerns about some of the bill's provisions and its ultimate impact, it does preserve essential municipal annexation authority and does not require a referendum on city-initiated annexations. Like all compromises, it does not make either side happy. Realistically, however, it may be the best hope of getting legislation passed this session to address annexation issues. As we have said throughout the process, we are committed to reasonable changes to address legitimate concerns.

Our sincere thanks to the members of the House Judiciary II Committee for their thoughtful consideration of this issue. We appreciate the efforts of all those who came to Raleigh to attend committee meetings, contacted their legislators, wrote letters and worked on this issue. This committee vote is just one step in the process, so please continue your work.

*Status:* The bill now goes to the House Finance Committee, likely to be heard next Thursday, July 2. Meanwhile, a Senate Finance subcommittee is also considering the annexation issue and all Senate annexation bills are before that subcommittee.

#### Action Needed:

**Contact members of the House Finance Committee** to ask them to support HB 524 without further amendments. The bill in its current form represents significant change to a law that has served NC well for over 50 years!

Senior Chair: Luebke (919.733.7663 Paul.Luebke@ncleg.net), Chairmen: Gibson (919.715.3007 Pryor.Gibson@ncleg.net), Wainwright (919.733.5995 William.Wainwright@ncleg.net), Weiss (919.715.3010 Jennifer.Weiss@ncleg.net), Vice Chairs: Hill (919.733.5830 Dewey.Hill@ncleg.net), Holliman (919.715.0873 Hugh.Holliman@ncleg.net), Howard (919.733.5904 Julia.Howard@ncleg.net), McComas (919.733.5786 Danny.McComas@ncleg.net), Womble (919.733.5777

Larry.Womble@ncleg.net) Members: K. Alexander (919.733.5778 Kelly.Alexander@ncleg.net), Blackwood (919.733.2406 Curtis.Blackwood@ncleg.net), Blust (919.733.5781 John.Blust@ncleg.net), Braxton (919.715.3017 Van.Braxton@ncleg.net), Carney (919.733.5827 Becky.Carney@ncleg.net), Cotham (919.715.0706 Tricia.Coatham@ncleg.net), Faison (919.733.5749 Bill.Faison@ncleg.net), Folwell (919.733.5787 Dale.Folwell@ncleg.net), Hall (919.733.5872 Larry.Hall@ncleg.net), Hughes (919.733.5754 Sandra.Hughes@ncleg.net), Jones (919.733.5825 Earl.Jones@ncleg.net), Lewis (919.715.3015 David.Lewis@ncleg.net), McCormick (919.733.5654 Darrel.McCormick@ncleg.net), McGee (919.733.5747

#### N.C. GENERAL ASSEMBLY INFORMATION

Main Number  
919-733-4111

Printed Bills Office  
919-733-5648

Bill Status Desk  
919-733-7779

Legislative Bldg.  
Fax 919-733-2599  
Raleigh, NC 27601-1096

Legislative Office Bldg.  
Fax 919-733-3113  
Raleigh, NC 27603-5925

General Assembly website  
[www.ncleg.net](http://www.ncleg.net)

NCLM website  
[www.ncml.org](http://www.ncml.org)

GO TO [WWW.NCLM.ORG](http://WWW.NCLM.ORG). CLICK ON THE ACTION CENTER ICON FOR INFO



William.McGee@ncleg.net), Owens (733.0010 Bill.Owens@ncleg.net), Rhyne (919.733.5732 Johnathan.Rhyne@ncleg.net), Ross (919.733.5773 Deborah.Ross@ncleg.net), Setzer (919.733.4948 Mitchell.Setzer@ncleg.net), Stam (919.733.2962 Paul.Stam@ncleg.net), Starnes (919.733.5931 Edgar.Starnes@ncleg.net), Tillis (919.733.5828 Thom.Tillis@ncleg.net)

### **Oppose SB 600 – Condemnation of Conservation Easements**

*What the bill would do:* Currently, this bill places new procedures and standards for condemnation of properties encumbered by conservation easements that will effectively eliminate the ability of cities and towns to condemn such properties. The bill establishes modified procedures for the N.C. Department of Transportation that will enhance the protection of lands covered by conservation easements and we are asking that cities and towns be authorized to condemn property under the same standards as the DOT. The bill in its current form would likely complicate the extension of water and sewer utilities. We are working with stakeholders on this issue to find a workable solution.

*Sponsor:* Sen. Clodfelter

*Status:* Passed Senate, bill heard in House Environment Committee 6/18, no vote. Pulled from the 6/23 committee agenda and has not been re-scheduled.

*Action Needed:* **Contact members of the House Environment Committee to ask them to oppose SB 600 unless amended to authorize cities and towns to operate under the same standards and procedures as the DOT.**

*Chair:* Allen (919.733.5860 Lucy.Allen@ncleg.net). *Vice Chairs:* Gillespie (919.733.5862 Mitch.Gillespie@ncleg.net), Harrison (919.733.5771 Pricey.Harrison@ncleg.net), Justice (919.715.9664 Carolyn.Justice@ncleg.net), Tarleton (919.733.7727 Cullie.Tarleton@ncleg.net), Underhill (919.733.5853 Alice.Underhill@ncleg.net). *Members:* K. Alexander (919.733.5778 Kelly.Alexander@ncleg.net), Blackwood (919.733.2406 Curtis.Blackwood@ncleg.net), Floyd (919.733.5959 Elmer.Floyd@ncleg.net), Gibson (919.715.3007 Pryor.Gibson@ncleg.net), Haire (919.715.3005 Phillip.Haire@ncleg.net), Insko (919.733.7208 Verla.Insko@ncleg.net), Killian (919.733.5886 Ric.Killian@ncleg.net), Luebke (919.733.7663 Paul.Luebke@ncleg.net), Martin (919.733.5758 Grier.Martin@ncleg.net), McComas (919.733.5786 Danny.McComas@ncleg.net), McElraft (919.733.6275 Pat.McElraft@ncleg.net), Owens (919.733.0010 Bill.Owens@ncleg.net), Samuelson (919.715.3009 Ruth.Samuelson@ncleg.net), Tucker (919.715.3021 Russell.Tucker@ncleg.net), West (919.733.5859 Roger.West@ncleg.net), Womble (919.733.5777 Larry.Womble@ncleg.net)

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## **This week's developments**

### **Deferred property taxes on builder's inventory**

➤ A committee substitute for **HB 852 – Defer Tax on Builder's Inventory** passed the House this week. It creates a property tax deferral (maximum of three years of deferred taxes) on newly constructed homes that are for sale. The deferral applies only to the home – not land, additions, renovations, remodeling, etc. – and the taxes become payable when the home is sold. It is a way to provide relief to builders during the current recession and is supported by House leadership. This proposal was significantly scaled back from attempts in previous sessions to get a tax exemption for homebuilders' inventory. *We were successful in obtaining a sunset on the bill and in removing the impact for the upcoming 2009-10 fiscal year.*

### **Budget negotiations continue**

➤ House and Senate conferees continue their negotiations on a spending and tax package for the state. With the beginning of a new fiscal year only days away, the Senate passed a continuing resolution to keep state government operating at 85 percent of the current year's budget, to expire when the budget bill passes. The House Appropriations Committee revised the resolution to expire July 15, and the full House will take it up on Monday. Gov. Beverly Perdue continues to push for a higher increase in taxes than either the Senate or House plan so that education programs will not have to be cut as deeply. We are working with legislators and legislative staff to analyze the impact of budget proposals on cities and towns and report to you as developments are known.

### **Notice of development fee increases**

➤ A committee substitute for **SB 698 – City/County/Sanitary District Fees/Internet** received a favorable report from House Local Government II after a lengthy discussion. As written, the bill would require local governments and sanitary districts to provide notice of the imposition or increase of certain fees, including changes to water and sewer fees, on its website at least seven days before the first regular meeting where the change is discussed. The original purpose of the bill was to provide supplemental notice of development fees, but in its current form it is far too broad. We will continue to work on it as it moves to House Judiciary.



# **REPORT OF COMMITTEES**

# Finance Committee

June 25, 2009

## 1. Call to Order:

The Finance Committee of the Metropolitan Sewerage District met in the Boardroom of the Administration Building at 1 p.m, Thursday, June 25, 2009. Chairman Kelly presided with the following members present: Louis Bissette, Max Haner, and Bill Russell.

Others present were: Thomas Hartye, General Manager, William Clarke, General Counsel, Steve Aceto, Mike Sobol, Jerry VeHaun, Marshall Jones, intern with Aceto Law, and MSD staff, Scott Powell and Cheryl Rice.

## 2. Consideration of Fixed Rate Debt Issuance

Mr. Powell gave a Power Point presentation on the consideration of Fixed Rate Debt Issuance and reported that in preparation of the FY2010 budget and business plan, it was recommended by management to issue approximately \$18 to \$20 million of new debt in the first quarter of FY2010. Mr. Powell stated that driving factors for this decision were the current interest rate and economic environment. He further stated that fixed interest rates were at historic lows and the Districts underwriters projected a September debt issuance would be in the 4.5% to 4.75% range. Mr. Powell stated Capital Project bids were trending 10% to 30% lower than engineer estimates.

Mr. Powell reported the new debt issuance would have an approximate average annual increase of \$1 to \$1.4 million to the Districts current debt service requirements, and the debt portfolio at the time of issuance, will be comprised of 23.5% variable debt, 36.7% synthetic fixed, and 39.8% traditional fixed. Debt composition after issuance would be 19.5% variable, 30.4% synthetic fixed, and 50.1% traditional fixed. He also stated that the District can maintain an adequate debt coverage ratio with projected growth and incremental rate increases as exhibited in the business plan.

Chairman Kelly asked if 20% of the debt service amount is going to principle. Mr. Powell explained that of the District's current \$8.6 million debt service, \$4 million is principle, and the structuring of recent debt issues has allowed the District to pay principle quicker than in prior debt issuances.

Mr. Powell stated staffs recommendation is for the Finance Committee to recommend the Board approve the preliminary bond resolution, authorizing the filing of an application with the North Carolina Local Government Commission for approval of the issuance and public offering of revenue bonds.

### **Recommendation:**

Chairmen Kelly called for a motion authorizing a preliminary bond resolution up to \$20 million. Mr. Bissette moved that the Committee approve the motion. Mr. Haner seconded the motion. Voice vote in favor of motion was unanimous.

### **3. Consideration of the Current Refunding of Series 1999 Bonds**

Mr. Powell reported that in March, staff and District underwriters recognized an opportunity to decrease the District's debt service to cash flow outlay by refunding the outstanding amounts of the 1999 bonds. He further reported as of June 16, staff had the underwriters prepare a refunding projection, which resulted in a net present value savings of 4.3%. The NC Local Government Commission requires a minimum of a 2% savings to initiate a current refunding. Mr. Powell reported the refunding could have an annual cash flow savings of approximately \$78,000, and when combined with the new debt issue, the District could also save \$62,500 in issuance cost. The cash flow savings are dependent upon current interest rates and the exact amount is subject to change. Mr. Powell stated the staff's recommendation is for the Finance Committee to recommend the Board approve the preliminary bond resolution, authorizing the filing of an application with the North Carolina Local Government Commission for approval of the issuance and public offering of revenue refunding bonds.

#### **Recommendation:**

Chairmen Kelly called for a motion authorizing a preliminary bond resolution to refund the 1999 series bonds. Mr. Russell moved that the Committee approve the motion. Chairman Kelly seconded the motion. Voice vote in favor of motion was unanimous.

### **4. Consideration of Audit Services Contract**

Mr. Powell reported that Cherry, Bekaert, & Holland has provided audit services for the District for the last five years. For this years engagement, Cherry, Bekaert, & Holland has proposed a 5% decrease in professional fees from \$45,000 to \$42,710 and reimbursable expenses will be frozen at last years level of \$5,000. Mr. Powell stated that staff recommends continuing the relationship for an additional year due to GASB 45 implementation in FY2009. Mr. Powell further stated that staff seeks the endorsement of the Finance Committee for an RFP after this years engagement.

Mr. Bissette asked why the District should continue one more year with Cherry, Bekaert, & Holland. Mr. Powell stated Cherry, Bekaert & Holland have been instrumental in the set up and implementation of GASB 45 – Post Employment Benefits, and having Cherry, Bekaert, & Holland continue audit services during this transition would be beneficial to the District.

Mr. Bissette asked if five or six years is a good time frame to go out for RFPs. Mr. Powell stated that the District should probably go out more frequently, however, with the transition in Finance Directors and GASB 45 implementation, staff recommends continuing the current year with Cherry, Bekaert, & Holland for this upcoming audit.

Mr. Haner asked why they lowered their fees. Mr. Powell said staff compared rates with other Water/Sewer Districts, and found some of the rates were lower than the Districts, therefore, staff requested Cherry, Bekaert & Holland to reassess their current fees.

Mr. Bissette asked if Cherry, Bekaert, & Holland had an office in Asheville. Mr. Powell said no. Cherry, Bekaert, & Holland have offices located in Charlotte, Raleigh, and Greenville, SC.

**Recommendation:**

Chairmen Kelly called for a motion to continue with Cherry, Bekaert, & Holland for an additional year. Mr. Haner moved that the Committee approve the motion. Mr. Bissette seconded the motion. Voice vote in favor of motion was unanimous.

**5. New Business**

Mr. Powell requested that Mr. Clarke report on the status of the District's current underwriters at Banc of America Securities. Mr. Clarke stated that he received a phone call from Ed Boyles and Robert Hobson, MSD's current underwriters at Banc of America, stating that they were leaving Bank of America Securities and moving to Wachovia. Mr. Boyles and Mr. Hobson have over 10 years in the public finance industry. Their employment contract prohibits them from working for a competitor for 90 days. There are a number of choices for the District, including doing a request for proposal for other underwriters, going with Wachovia, or staying with Banc of America Securities. He further stated that staying with Banc of America Securities or using Wachovia for the issuance could help ensure a faster turn around time than issuing RFPs, however, an RFP could include a request requiring that the issuance had to be completed in a certain time frame.

Mr. Bissette asked if Banc of America Securities had contacted Mr. Clarke. Mr. Clarke said no.

Mr. Hartye stated that the District would like an endorsement to proceed with an RFP, so the District can take advantage of the lower interest rates that are available at this time.

Mr. Haner asked if the setup of the District requires the Board to respond to the RFP. Mr. Hartye said no.

Chairman Kelly stated that previously the District received RFP's from three or four underwriters, and asked how many RFP's should be requested. Mr. Powell recommended that the District limit the RFP's to five, and provide stipulations in the RFP to meet the District's timeline restrictions.

Mr. Aceto asked if there were many public companies issuing debt as this time. Mr. Hartye replied that there were other utilities issuing debt. Mr. Clarke stated that public finance is a strong area of the market at this time.

Page Four

**Recommendation:**

Chairman Kelly moved that the Finance Committee accept staffs recommendation to send out RFP's, and include a request that they be returned by July 13<sup>th</sup>, and that the number of RFP's be limited to five, including Banc of America Securities and Wachovia, with the remaining three to be chosen by staff. Louis Bisette seconded the motion. Voice vote in favor of motion was unanimous

There being no further discussion, the meeting adjourned at 1:27 p.m.

**CONSOLIDATED MOTION  
AGENDA**

## Metropolitan Sewerage District of Buncombe County Board Action Item

**Meeting Date:** July 15, 2009

**Subject:** Sodium Hypochlorite Contract

**Prepared by:** John Kiviniemi; Director – Water Reclamation Facility  
Julie Willingham, CLGPO; Purchasing Coordinator  
Charles Pertiller; Purchasing Agent

**Reviewed by:** Tom Hartye, General Manager  
W. Scott Powell, Finance Director  
Billy Clarke, District Counsel

**Background:** The Water Reclamation Facility is required to disinfect the effluent prior to discharge to the French Broad River. Liquid sodium hypochlorite is used for this purpose. In June of 2009, new bids for Sodium Hypochlorite were requested from various vendors as a method of keeping rising costs in line, as indicators showed that prices for this material had risen since the previous contract was awarded. These price increases are directly tied to cost of fuels, as well as general price increases in the chemical market over the past year. The bid was based on an estimated usage for 2009-2010 of 200,000 gallons of Sodium Hypochlorite.

**Discussion:** Bids were solicited in June. Three bids were received and the bid opening was held June 18, 2009. JCI Jones was the lowest bidder and agreed to hold their price firm for the total year contract irrespective of market changes. JCI Jones has been the supplier to MSD during the past fiscal year and MSD staff feels comfortable with both the quality of the chemicals and customer service. The bid reflects JCI Jones holding the unit price to that of the current fiscal year.

**Fiscal Impact:** This is a Unit Price Contract, without minimum or maximum quantities. Based on historical use, FY 10 expenditures for Sodium Hypochlorite is anticipated to be \$137,400.00, within the levels budgeted by the WRF. Annual savings under this contract over the next highest bidder are estimated at over \$25,800.00.

**Staff Recommendation:** Staff recommends that the Board award the contract for the supply of Sodium Hypochlorite to JCI Jones at a unit price of \$0.687 per gallon.

**Bid Tab:**

Vendor	Price per Gallon	Extended Price based on 200,000 estimated gallons	Comments
Univar Spartanburg, SC	\$ 0.82	\$164,000.00	Price good for one year
Brenntag SE Duncan, SC	\$ 0.816	\$163,200.00	Price good for one year
JCI Jones Charlotte, NC	\$ 0.687	\$137,400.00	Price good for one year



# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: July 15, 2009

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

PREPARED BY: David Monteith, Kevin Johnson

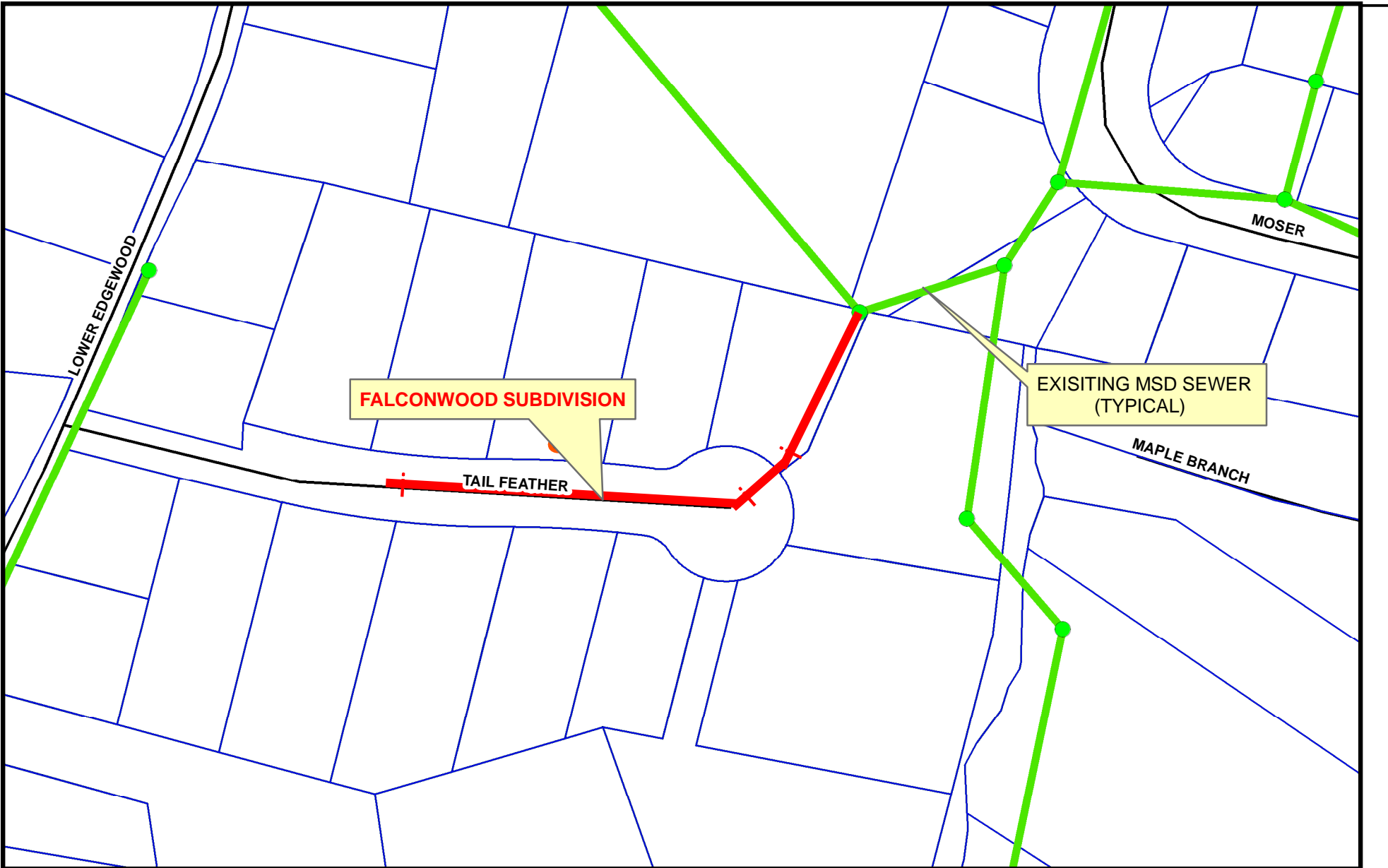
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System known as Falconwood Subdivision

BACKGROUND: This project is located inside the District boundary off Edgewood Road in Asheville, North Carolina. The developer of the project is Thomas Kirkpatrick of Asheville Real Estate Co. The project included the installation of approximately 436 linear feet of 8" gravity sewer to serve a residential development. A wastewater allocation was issued in the amount of 6,800 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)

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



**Project # 2004122**

Not To Scale



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

**FALCONWOOD SUBDIVISION**

# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: July 15, 2009

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

PREPARED BY: David Monteith, Kevin Johnson

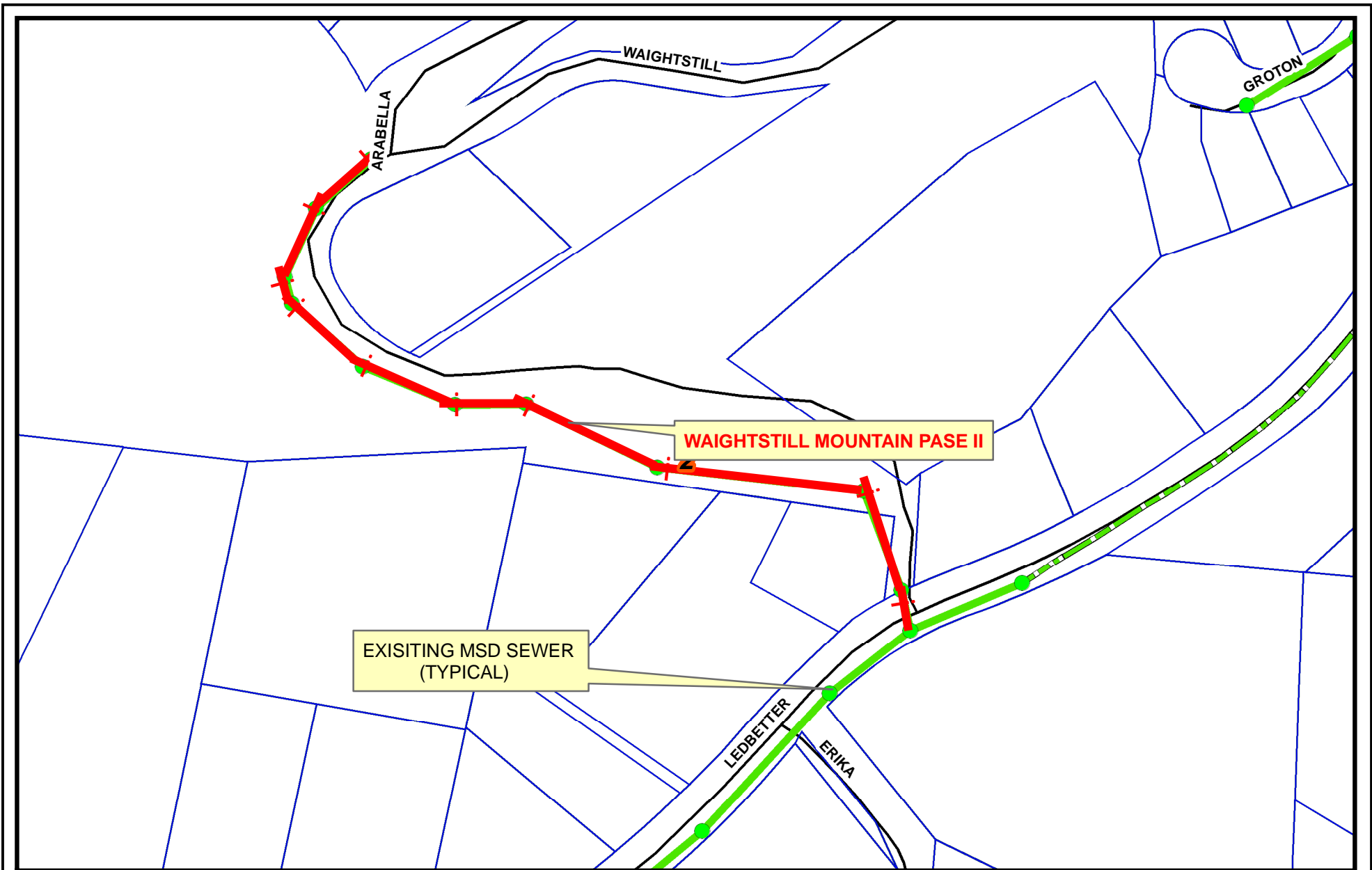
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System known as Waightstill Mountain Phase 2.

BACKGROUND: This project is located outside the District boundary off Ledbetter Road in Avery Creek, North Carolina. The developer of the project is Keith Vinson. The project included the installation of approximately 1,184 linear feet of 8" gravity sewer to serve a residential development. A wastewater allocation was issued in the amount of 38,000 GPD. The estimated cost of the sewer extension is \$222,000.00.

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

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



**Project # 2007162**

Not To Scale



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

**Waightstill Mountain Phase 2  
Sewer Extension**

## Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

**BOARD MEETING DATE:** July 15, 2009

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

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

**REVIEWED BY:** Billy Clarke – District Counsel

**SUBJECT:** Water Reclamation Facility (WRF) – Intermediate Pump Replacement Project, MSD Project No 2007067

**BACKGROUND:** The Intermediate Pumps are a part of the plant's solids separation process (which also includes the Intermediate Clarifier and the Secondary Microscreens). These three hydraulically-driven 300Hp pumps are used to lift water from the last RBC basin to the Intermediate Clarifier. This type of pump is not only inefficient, but also poses a risk of contaminating the effluent with hydraulic fluid, since the pumps are submerged.

The pumps have reached the end of their functional life, and in accordance with the Facilities Plan, are being replaced with more efficient units. Black & Veatch (B&V, the consulting engineer) designed the new pumping system to utilize electric pumps rather than hydraulic pumps.

The new pumps will also be variable speed, and will save an estimated 1.4 megawatt-hours per year over the existing pumps. This will result in a savings of approximately \$72,000 per year in energy costs (@ 5 cents per kW-Hr).

The contract was advertised and five bids were received at 2:00 PM on Wednesday, June 24, 2009, in the following amounts:

<u>Bidder</u>	<u>Amount of Bid</u>
1) IMOCO, Inc.:	\$2,227,400.00
2) Haren Const. Co.:	\$2,129,000.00
3) Gilbert Engineering.:	\$1,960,500.00 (*)
4) Laughlin-Sutton Const. Co.:	\$1,818,000.00
<b>5) Hickory Const. Co.:</b>	<b>\$1,690,788.00</b>

(\*) Bid is rejected due to use of AIA-type Bid Bond.

The apparent low bidder is Hickory Const. Co. with a bid amount of \$1,690,788.00. B&V has had extensive experience with Hickory Const., and state that they have an excellent performance history. B&V's recommendation letter is attached.

Laughlin-Sutton Construction Co., the second low bidder, sent MSD a letter alleging that the Hickory Construction bid (the low bid) was non-responsive and not in compliance with MSD's MBE requirements. MSD staff and Black & Veatch have investigated both allegations and are satisfied that the bid is responsive and in compliance with MSD's MBE requirements.

A copy of the Laughlin Sutton letter, B&V's response, and MSD's response are attached.

**FISCAL IMPACT:** The FY10 construction budget for this project is \$2,432,000.00.

**STAFF RECOMMENDATION:** Staff recommends award of this contract to Hickory Construction Co. in the amount of \$1,690,788.00, subject to review and approval by District Counsel.

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

**Intermediate Pumping Replacement  
Project No. 2007067**

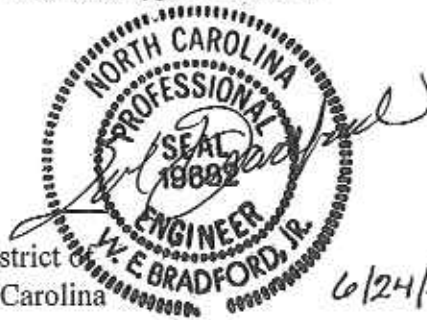
**BID TABULATION  
June 24, 2009**

<b>BIDDER</b>	<b>Bid Bond</b>	<b>MBE Form</b>	<b>Bid Forms (Proposal)</b>	<b>Total Bid Amount</b>
IMOCO, Inc. Fletcher, NC	5%	1	Yes	\$2,227,400.00
Haren Construction Co. Etowah, TN	5%	1	Yes	\$2,129,000.00
Gilbert Engineering (*) Statesville, NC	(*)	1	Yes	\$1,960,500.00
Laughlin-Sutton Construction Co. Greensboro, NC	5%	1	Yes	\$1,818,000.00
Hickory Construction Company Hickory, NC	5%	1	Yes	\$1,690,788.00

**APPARENT LOW BIDDER**

(\*) Bid is rejected due to use of AIA-type Bid Bond.

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



6/24/09

This is to certify that the bids tabulated herein were publicly opened and read aloud at 2:00 p.m. on the 24th day of June, 2009, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina, and that said bids were accompanied by acceptable bidders bonds in the amount of 5% of the bid.



## BLACK & VEATCH

8520 Cliff Cameron Drive  
Suite 210  
Charlotte, North Carolina 28289

Black & Veatch International Company

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

Metropolitan Sewerage District of Buncombe County  
Intermediate Pumping Replacement Project  
Bid Evaluation

B&V Project 160673  
B&V File Cygnet  
June 30, 2009

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

Dear Ed,

B&V has received and evaluated the bid tabulation regarding the bid opening for the Intermediate Pumping Replacement Project. The bids were opened at 2:00 p.m. on Wednesday, June 24, 2009. The bid tabulation as it was received is attached for reference.

MSD received bids from five general contractors. The average bid amount was \$1,965,137.60. The low bid was placed by Hickory Construction Company at \$1,690,788.00. The low bid was approximately 16 percent lower than the average of the bids and was 8 percent lower than the second low bid placed by Laughlin-Sutton Construction in the amount of \$1,818,000.00. All of the bids were below the engineer's opinion of probable construction cost (OPCC). This is a very good bid price based on the current market and material pricing. Additionally we contacted Hickory Construction Company and they are comfortable with their bid.

B&V has worked with Hickory Construction on a number of highly successful water and wastewater construction projects. They have proven to be excellent to work with during construction and provide a professional construction team that is very client focused.

Based upon the bids received, our evaluation of the bids, and B&V's experience with Hickory Construction Company, we believe that MSD has received a quality bid for this project. B&V recommends MSD proceed with the approval of the Intermediate Pumping Replacement contract to the low bidder, Hickory Construction Company, pending budget review by MSD staff and board approval.



Intermediate Pumping Replacement Project  
Bid Evaluation

B&V Project 160673  
June 30, 2009

Please feel free to contact me (704.258.8666) if you should have any questions or would like to discuss this evaluation further.

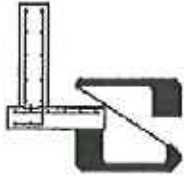
Very Truly Yours,

*Kent Lackey*  
By TJB for Kent Lackey

Kent Lackey, P.E.  
Project Manager

Enclosure: Bid Tabulation

CC: John Kiviniemi, MSD  
Todd Briggeman, Black & Veatch



**LAUGHLIN-SUTTON  
CONSTRUCTION COMPANY**

General Contractors Since 1958

June 25, 2009

Ms. Denise Moore  
MSD of Buncombe County  
2028 Riverside Dr.  
Asheville, NC 28804

Re: MSD of Buncombe County  
French Broad River Water Reclamation Facility  
Intermediate Pumping Replacement Project

Ms. Moore,

Laughlin Sutton believes the discrepancies in the Bid submitted by Hickory Construction on June 24<sup>th</sup>, 2009, should be considered non responsive. Hickory Construction inserted their name on the Equipment Questionnaire, section 00450 #4 (the temporary bypass pumping systems). Under the quality assurance section of the bypass specifications (01500, page 8) it states "contractor shall employ services of a vendor experienced in providing such temporary bypass pumping systems. It is Laughlin-Sutton's opinion that the bid form was designed to require that the general contractor list the vendor because of the specialized nature of a 65 million gallon per day bypass operation and the associated risks and exposures involved in a bypass operation of this magnitude. Laughlin-Sutton used one of the 3 approved vendors in preparing our bid and indicated this on the questionnaire form as required by the bid documents. Omitting or not using one of the approved vendors pricing on bid day could give someone an unfair competitive advantage.

Laughlin-Sutton also believes the MBE Utilization form submitted by Hickory Construction is not in compliance with MSD's MBE requirements or North Carolina general statute requirements. As we indicated on our MBE utilization form, we had several prices from minority vendors and subcontractors on bid day. Most of these prices were from firms that we solicited. Some were prices not solicited which is a good indication all bidders received these quotes. One subcontractor in particular was

instrumentation. In Section 13500 of the bid specifications, three pre-qualified system supplier subcontractors were named. Laughlin-Sutton contacted all three prior to bid day and only one, (CITI), was working on preparing a quotation. CITI was the only approved supplier that provided pricing on bid day and is a certified, North Carolina minority owned business enterprise. Laughlin-Sutton invests a tremendous amount of time and money maintaining our commitment to the recruitment and selection of minority businesses and feel all contractors should be held to the same requirement guidelines and statutes.

If you have any questions, please do not hesitate to give me a call,

Sincerely,

LAUGHLIN-SUTTON CONSTRUCTION COMPANY

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

Brian Rieschick  
Project Manager



## BLACK & VEATCH

8520 Cliff Cameron Drive  
Suite 210  
Charlotte, North Carolina 28269

Black & Veatch International Company

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

Metropolitan Sewerage District of Buncombe County  
Intermediate Pumping Replacement Project  
Bid Protest Response

B&V Project 160673  
B&V File Cygnet  
July 6, 2009

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

Dear Ed:

Per our discussion we have reviewed the bid protest by Laughlin-Sutton Construction Company in particular their request the Hickory Construction Company (HCC) bid be considered non-responsive due to the particulars of the temporary bypass system. Our response to their request is two-fold.

First, their contention there were three approved vendors and that bidders must use one of the three approved bidders is inaccurate. The specification listed three vendors or approved equal. The listing of three vendors provides several known vendors that can provide a temporary bypass system but others are not precluded from providing a system providing they have similar experience and can provide a system meeting the specifications. This is a standard provision in almost all contracts and in no way provides an unfair competitive advantage to a bidder seeking out an equal. It is, however, up to that bidder to make sure their vendor is determined to be "equal".

Second, it is our understanding through discussion with Hickory Construction Company their temporary bypass plan will not require renting pumps. They intend to relocate the existing pumps to a temporary location and provide temporary controls and piping in order to bypass the area of concern. HCC is well qualified and experienced in relocation of pumping units. The intent of the temporary bypass system is to provide a way to divert flow from the intermediate pump wetwell to the intermediate clarifier to allow for the intermediate pump replacement and header modifications to be performed. The plan provided by HCC will accomplish that goal and will meet the requirements of the specifications. The specifications do not preclude the use of the temporary bypass plan HCC intends to use. It is the ingenuity to come up with an alternative bypass configuration if anything that may have provided HCC to find an advantage during bidding. Any bidder could have come up with or proposed a similar system.


Intermediate Pumping Replacement Project  
Bid Evaluation

B&V Project 160673  
July 6, 2009

Based on this information we feel the request by Laughlin-Sutton Construction Company to find HCC's bid non-responsive to be unwarranted. Please feel free to contact me (704.258.8666) if you should have any questions or would like to discuss this evaluation further.

Very Truly Yours,

BLACK & VEATCH  
INTERNATIONAL COMPANY

A handwritten signature in cursive script that reads "Kent A. Lackey by elw".

Kent Lackey, P.E.  
Project Manager

Enclosure: Bid Tabulation

cc: John Kiviniemi, MSD  
Todd Briggeman, Black & Veatch



# Metropolitan Sewerage District

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## OF BUNCOMBE COUNTY, NORTH CAROLINA

Brian Rieschick, Project Manager  
Laughlin-Sutton Construction Company  
PO Box 13226  
Greensboro, NC 27415-3226

July 6, 2009

**Re: MSD of Buncombe County/ WRF - Intermediate Pump Replacement / MSD  
Project No. 2007067**

Dear Mr. Rieschick:

Thank you for your interest in this project. I am responding, on behalf of the Metropolitan Sewerage District of Buncombe County, to your letter of June 25, 2009 to Denise Moore regarding the bids for the above referenced project.

MSD has reviewed all of the proposals for the project and consulted with its Engineer on the Project, Black & Veatch. It is MSD's position that the proposal from Hickory Construction was responsive. It is MSD's understanding that Hickory intends to relocate MSD's existing pumps for use in the bypass phase of the project and that Hickory is experienced in using existing pumps in such an operation. This is permissible under the "or approved equal" clause in Article 22.02, Quality Assurance, Section 01500, Page 8.

The Checklist for Review of Good Faith Efforts indicates Hickory conducted a good faith effort to recruit MBE's for the Project. Hickory Construction, at the request of MSD, has provided documentation of its good faith efforts.

MSD staff intend to proceed with a recommendation to the MSD Board that it award the contract for this project to Hickory Construction at the Board's regularly scheduled meeting on July 15 at 2:00 P.M. Please let me know if you have questions or if you need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Bradford".

METROPOLITAN SEWERAGE DISTRICT  
OF BUNCOMBE COUNTY

Ed Bradford, P.E.  
Project Manager

Cc: Tom Hartye, P.E., General Manager  
John Kiviniemi, Director of Water Reclamation Facility  
Mike Schraven, MSD Construction Manager  
Billy Clarke, MSD Counsel  
File

*~Protecting Our Natural Resources~*



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

**Budget Map**



NOT TO SCALE

**Intermediate Pump Replacement  
Project No. 2007067**



METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

**CAPITAL IMPROVEMENT PROGRAM**

BUDGET DATA SHEET - FY 2009 - 2010

PROJECT:	Intermediate Pump Replacement	LOCATION:	MSD-WRF	REVIEWED BY:
TYPE:	WRF	DATE OF REPORT:	January-09	
PROJECT NO.	2007067	TOTAL L.F.:	0	
PROJECT BUDGET:	\$2,038,500.00	PROJECT ORIGIN:	Facilities Plan	

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 6/30/08	TOTAL COSTS JULY - DEC 08	EST. COST JAN - JUNE 09	EST. BUDGET FY 09-10
01 - SURVEY / EASEMENT PLATS # PLATS: [ ]					
02 - LEGAL FEES					
03 - ENGINEERING ASSISTANCE					
04 - ACQUISITION SERVICES					
05 - COMPENSATION					
06 - APPRAISAL					
07 - CONDEMNATION					
08 - ENVIRONMENTAL SURVEY					
09 - PRELIM. ENG. REP.	\$30,000.00	28,959.00		\$1,041.00	
10 - DESIGN / SURVEY	\$185,000.00		\$68,538.00	\$73,500.00	\$25,000.00
11 - ENVIRONMENTAL ASSESSMENT					
12 - ARCHAEOLOGICAL					
13 - GEOTECHNICAL					
14 - CONSTRUCTION CONTRACT ADM.	\$10,000.00				\$10,000.00
15 - CONSTRUCTION	\$2,432,000.00				\$2,000,000.00
16 - PERMITS					
17 - PUBLIC MEETINGS					
18 - TESTING	\$1,500.00				\$1,000.00
TOTAL AMOUNT	\$2,638,500.00	\$28,959.00	\$68,538.00	\$74,641.00	\$2,036,000.00

ENGINEER:	Black & Veatch	ESTIMATED BUDGETS - FY '10-'19	
CONTRACTOR:		FY 10-11	\$432,500.00
CONSTRUCTION ADMINISTRATION:	MSD	FY 11-12	\$0.00
INSPECTION:	MSD / Black & Veatch	FY 12-13	\$0.00
R.O.W. ACQUISITION:	N/A	FY 13-14	\$0.00
		FY 14-15	\$0.00
PROJECT NOTES:	To replace existing hydraulically-driven pumps with electric pumps.	FY 15-16	\$0.00
		FY 16-17	\$0.00
		FY 17-18	\$0.00
		FY 18-19	\$0.00



## Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

**BOARD MEETING DATE:** July 15, 2009

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

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

**SUBJECT:** Sanitary Sewer Rehabilitation Project: Middle Beaverdam Creek Interceptor, MSD Project No 2002057

**BACKGROUND:** This rehabilitation project is necessary due to repeated maintenance calls associated with an undersized and structurally deficient interceptor. In addition, several structures have been constructed over the line, thus making access impossible in certain areas. This project is located in North Asheville, and is comprised of 4,014 LF of 8-inch through 30-inch DIP.

The contract was advertised and ten bids were received at 2:00 PM on Thursday, July 2, 2009, in the following amounts:

<u>Contractor</u>	<u>Bid Amount</u>
1. Mendon Pipe Line	\$1,670,475.00
2. Spur Construction Co., LLC	\$1,010,528.00
3. T & K Utilities	\$ 919,560.00
4. B. E. & L. Mechanical , LLC	\$ 901,710.00
5. DPI Construction	\$ 897,273.90
6. Terry Brothers Construction Co.	\$ 884,570.00
7. Buckeye Construction Co.	\$ 864,626.20
8. Metra Industries	\$ 787,371.00
9. BlytheCo Construction., LLC	\$ 780,675.00
<b>10. Moore &amp; Son Site Construction</b>	<b>\$ 736,476.00</b>

The apparent low bidder is Moore & Son Site Construction with a bid amount of \$736,476.00. Moore & Son, as a company, has not previously worked on MSD rehabilitation projects; however, the supervisor who holds the Contractor's License for this company has worked on previous MSD rehabilitation projects and did an excellent job.

Moore & Son have done work on private development projects under MSD's jurisdiction, and had satisfactory performance. In addition, their references state that work on other jobs has been found to meet or exceed project standards and objectives.

Please refer to the attached documentation for further details.

**FISCAL IMPACT:** The FY10 construction budget for this project is \$1,050,000.00.

**STAFF RECOMMENDATION:** Staff recommends award of this contract to Moore & Son Site Contractors, in the amount of \$736,476.00, subject to review and approval by District Counsel.

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



**Middle Beaverdam Creek Interceptor Sewer Rehabilitation  
Project No. 2002057**

**BID TABULATION  
July 2, 2009**

<b>BIDDER</b>	<b>Bid Bond</b>	<b>MBE Form</b>	<b>Bid Forms (Proposal)</b>	<b>Total Bid Amount</b>
Mendon Pipeline, Inc. Ghent, WV	5%	2	Yes	(*) \$1,670,475.00
Spur Construction, LLC Waynesville, NC	5%	1	Yes	\$1,010,528.00
T & K Utilities, Inc. Asheville, NC	5%	1	Yes	\$919,560.00
B F & L Mechanical, LLC Mars Hill, NC	5%	1	Yes	\$901,710.00
DPI Construction, Inc. Arden, NC	5%	none	Yes	(*) \$897,273.90
Terry Brothers Construction Company Leicester, NC	5%	1	Yes	\$884,570.00
Buckeye Construction Company Canton, NC	5%	1	Yes	\$864,626.20
Metra Industries High Point, NC	5%	2	Yes	\$787,371.00
BlytheCo Construction Company Penrose, NC	5%	1	Yes	(*) \$780,675.00
Moore & Son Site Contractors Mills River, NC	5%	1	Yes	\$736,476.00

**APPARENT LOW BIDDER**

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

  
  
 F. Roger Watson  
 Project Engineer  
 Metropolitan Sewerage District of  
 Buncombe County, North Carolina

This is to certify that the bids tabulated herein were publicly opened and read aloud at 2:00 p.m. on the 2nd day of July, 2009, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina, and that said bids were accompanied by acceptable bidders bonds in the amount of 5% of the bid.

## Interoffice Memorandum

**TO:** Tom Hartye, General Manager

**FROM:** Ed Bradford, CIP Manager  
Roger Watson, Project Engineer

**DATE:** July 6, 2009

**RE:** Middle Beaverdam Creek Interceptor Sewer - MSD Project No. 2002025

This project is for the replacement of an interceptor line serving the North Beaverdam Creek drainage basin. This project begins at Elkwood Avenue and extends approximately 2000 feet westward to a point just east of I-26. There is also a main that is on the north side of the creek to serve local businesses and areas along Merrimon Avenue. The existing 8", 10" and 24" lines will be replaced with a 30" and 12" ductile iron pipe, which will provide sufficient capacity to serve this basin to buildout.

This project is in an area that is highly developed. This project will consist of replacing an existing clay and ductile 18" sewer main with 1915 LF of 30"; 127 LF of 18"; 1487 LF of 12" and 485 LF of 8" Ductile Iron Pipe. There are 4 creek crossings, 2 of which must remain as aerial crossings due to elevation constraints.

Bids were received at 2:00 PM on Thursday, July 2, 2009. Bids were received from ten bidders and the results of those bids are shown below:

<u>Contractor</u>	<u>Bid Amount</u>
1. Mendon Pipe Line	\$1,670,475.00
2. Spur Construction Co., LLC	\$1,010,528.00
3. T & K Utilities	\$ 919,560.00
4. B. E. & L. Mechanical, LLC	\$ 901,710.00
5. DPI Construction	\$ 897,273.90
6. Terry Brothers Construction Co.	\$ 884,570.00
7. Buckeye Construction Co.	\$ 864,626.20
8. Metra Industries	\$ 787,371.00
9. BlytheCo Construction, LLC	\$ 780,675.00
10. Moore & Son Site Construction	\$ 736,476.00

Moore & Son Site Construction of Mills River, NC is the apparent low bidder on this project. They have not previously worked on MSD rehabilitation projects; however, the supervisor who holds the NC State Contractor's license for this company has worked on MSD rehabilitation projects and has done an excellent job. They have done work on private development projects under MSD's jurisdiction and no problems were found with their work. In addition, their references state that work on other jobs has been found to meet or exceed project standards and objectives.

The FY10 construction budget for this project is \$1,050,000.00. It is recommended that the contract for this project be awarded to Moore & Son Site Construction for the amount of \$736,476.00, subject to review and approval by MSD Counsel.

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

**CAPITAL IMPROVEMENT PROGRAM**

*BUDGET DATA SHEET - FY 2009 - 2010*

PROJECT:	Middle Beaverdam Creek Interceptor	LOCATION:	Woodlin	REVIEWED BY:
TYPE:	Interceptor	DATE OF REPORT:	January-09	
PROJECT NO.	2002057	TOTAL L.F.:	3,851	
PROJECT BUDGET:	\$1,219,025.00	PROJECT ORIGIN:	890's, Work Orders, Line Condition	

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENSES THRU 6/30/08	TOTAL COSTS JULY - DEC 08	EST. COST JAN - JUNE 09	EST. BUDGET FY 09-10
01 - EASEMENT PLATS # PLATS: [ 10 ]	\$9,825.00	\$6,825.00		\$3,000.00	
02 - LEGAL FEES	\$19,700.00	\$15,669.00			\$4,000.00
03 - ENGINEERING ASSISTANCE					
04 - ACQUISITION SERVICES	\$5,550.00	\$5,550.00			
05 - COMPENSATION	\$97,500.00	\$57,493.00			\$30,000.00
06 - APPRAISAL	\$1,800.00				\$1,800.00
07 - CONDEMNATION	\$12,500.00				\$5,000.00
08 - ENVIRONMENTAL SURVEY					
09 - PRELIM. ENG. REP.					
10 - DESIGN / ASBUILT SURVEYS	\$26,600.00	\$19,033.00	\$3,500.00		
11 - ENVIRONMENTAL ASSESSMENT					
12 - ARCHAEOLOGICAL					
13 - GEOTECHNICAL					
14 - CONSTRUCTION CONTRACT ADM.					
15 - CONSTRUCTION	\$1,050,000.00				\$1,050,000.00
16 - PERMITS	\$1,850.00	\$307.00		\$1,500.00	
17 - PUBLIC MEETINGS					
18 - TESTING	\$4,000.00				\$4,000.00
<b>TOTAL AMOUNT</b>	<b>\$1,219,025.00</b>	<b>\$104,677.00</b>	<b>\$3,500.00</b>	<b>\$4,500.00</b>	<b>\$1,090,600.00</b>

ENGINEER:	MSD	ESTIMATED BUDGETS - FY '10 -'19	
CONTRACTOR:		FY 10-11	\$4,000.00
CONSTRUCTION ADMINISTRATION:	MSD	FY 11-12	\$0.00
INSPECTION:	MSD	FY 12-13	\$0.00
R.O.W. ACQUISITION:	Vaughn & Nelson	FY 13-14	\$0.00
		FY 14-15	\$0.00
PROJECT NOTES:	\$11,220 Deposited from Developer (Reynolds Mountain) participation for portion of project in front of Westfall-Chandley	FY 15-16	\$0.00
		FY 16-17	\$0.00
		FY 17-18	\$0.00
		FY 18-19	\$0.00



**Middle Beaverdam Creek Interceptor  
Project No. 2002057**

NOT TO SCALE



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

**Budget Map**

# Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

**Meeting Date:** July 15, 2009

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

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

**Reviewed by:** Billy Clarke, District Counsel

**Subject:** Consideration of RFP for Bond Underwriter Services

## **Background**

A RFP for Investment Banking Services (Underwriter) was issued in response to the Finance Committee and District's staff concerns of personnel movement at our current underwriter Banc of America Securities. The personnel changes at Banc of America Securities were brought to staff's attention on June 23<sup>rd</sup>.

## **Discussion**

Staff recommended to the Finance Committee on June 25<sup>th</sup> that a RFP be sent to the following institutions:

- Banc of America Securities
- Wachovia
- BB&T Capital Markets
- Citigroup
- RBC

The aforementioned institutions represent all entities involved in North Carolina utility fixed rate revenue bonds issued over the last year and a half (Exhibit 1). Staff sent the RFP for Underwriter Services (Exhibit 2) to respective institutions on June 29<sup>th</sup> via email and required that all responses be submitted to the District on July 10<sup>th</sup>.

Due to the complexities of the current economic environment and timing of the District's debt issuances, staff engaged Davenport and Company LLC to assist in the evaluation of the RFPs. Staff's recommendations will be presented to the Finance Committee on July 15<sup>th</sup> and their recommendation will be presented to the Board at the July Board Meeting.

Additionally, Davenport and Company LLC will be able to continue advisory services throughout the debt process. Staff believes their assistance will help to ensure the District's will receive the best rate on debt issued in September 2009.

## **Staff Recommendation**

Staff and the Finance Committee recommendations for underwriter service will be presented at the July 15<sup>th</sup> Board Meeting.

## **Action Taken**

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

North Carolina Utility Revenue Bond Issues  
1/1/2008 - 6/29/2009

Dated Date	Issuer	Amount	Senior Manager	Co-Managers
1/11/08	Brunswick County, NC	\$52,800,000.00	Wachovia Securities	Bank of America
1/16/2008	Fayetteville, NC	\$17,025,000.00	Citi	
1/17/2008	Oak Island, NC	\$33,040,000.00	Wachovia Securities	BB&T Capital
6/12/2008	High Point, NC	\$41,745,000.00	Citi	Wachovia Securities
6/26/2008	Concord, NC	\$27,365,000.00	Citi	Davenport & Company
8/21/2008	Cape Fear Public Utility	\$187,765,000.00	Citi	BB&T Capital; Wachovia Securities
8/28/2008	Charlotte, NC	\$342,715,000.00	Bank of America	Wachovia Securities
2/19/2009	Winston-Salem, NC	\$109,030,000.00	BB&T Capital Markets	Bank of America; Citi; Loop Capital; Wachovia Securities
3/12/2009	Oak Island, NC	\$49,420,000.00	BB&T Capital Markets	Wachovia Securities
3/18/2009	Greensboro, NC	\$43,180,000.00	Bank of America	Wachovia Securities
3/18/2009	Greensboro, NC	\$4,525,000.00	Bank of America	Wachovia Securities
Jun-09	Concord, NC	\$40,415,000.00	Citi	Wachovia Securities





# Metropolitan Sewerage District

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## OF BUNCOMBE COUNTY, NORTH CAROLINA

<b>Date:</b>	June 26, 2009
<b>To:</b>	Selected Underwriting Firms
<b>Subject:</b>	Request for Proposals for underwriting services for the Metropolitan Sewerage District of Buncombe County, NC's proposed Sewerage System Revenue and Sewerage System Revenue Refunding Bonds, Series 2009

The Metropolitan Sewerage District of Buncombe County, North Carolina ("the District") is soliciting proposals from selected firms to serve as underwriter for its proposed Series 2009 Sewerage System Revenue (the "2009 Bonds") and Sewerage System Revenue Refunding Bonds (the "2009 Refunding Bonds").

Proceeds of the 2009 Bonds will be used to finance approximately \$20 million of the District's sewer rehabilitation projects. The 2009 Bonds are expected to be structured with a 25 year amortization, fixed rate with approximately level debt service. Proceeds of the 2009 Refunding Bonds will be used to refund \$15.84 million of Series 1999 Sewerage System Revenue Bonds. The 2009 Refunding Bonds will be structured identical to the Series 1999 Sewerage System Revenue Bonds. The District is anticipating a closing on both issues in September 2009. The 2009 Bonds and 2009 Refunding Bonds will be secured by a pledge of the sewerage system revenues.

The District's bond counsel is Sidley Austin L.L.P.

The District's Comprehensive Annual Financial Report for fiscal year 2008 may be found on the District's website at:

<http://www.msdbc.org/CAFR.aspx>

If your firm would like to be considered as underwriter, please submit a written proposal via e-mail by 4:00 p.m. (EDT) on Friday, July 10, 2009, addressing the following items:

1. Provide an overview of your firm's qualifications and experience to serve as underwriter for a sewerage system revenue bond issue. Please include in your response the following information:
  - Number of North Carolina retail brokers
  - Number of North Carolina retail accounts
  - Total dollar volume of North Carolina retail accounts
2. Identify the banker(s) to be assigned to District's financing and provide their resume(s). Include only those bankers who will have a substantive and ongoing role in providing banking services.
3. The District recognizes that recent mergers and acquisitions have resulted in industry consolidation and personnel movements between investment banking firms. While the experience of the firm is important, the District is most interested in working with individual bankers who have substantial experience in structuring North Carolina sewerage system revenue bonds. For each of the bankers listed in the response to question #2 above, please identify the number and dollar volume of North Carolina sewerage system revenue bond issues the banker has completed since January 1, 2004 (this list may include transactions completed while working for previous employers). Please include only those



# Metropolitan Sewerage District

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## OF BUNCOMBE COUNTY, NORTH CAROLINA

transactions which were completed by the bankers listed in your response to question #2 above. For each transaction, provide the following information:

- Name of Issuer
  - Issue Description
  - Par Amount
  - Dated Date
  - Role of the banker who worked on the transaction (senior manager, co-manager, or selling group member)
4. Provide three client references, including name, telephone number, and e-mail address for transactions completed by the banker designated as the lead for the District's proposed financing.
  5. Provide the average takedown and management fee that would be charged by your firm for a \$35.84 million, fixed rate revenue bond issue. The District will reimburse the underwriter for expenses, including underwriter's counsel.
  6. Provide any additional information which may aid the District in determining a decision on underwriting services.
  7. The District reserves the right to reject any and all proposals. Selection of the underwriter or underwriters shall be in the District's sole and absolute discretion.

Please submit your proposal and questions to W. Scott Powell as described below. The District intends to select underwriters shortly after receipt of proposals. On behalf of the Metropolitan Sewerage District of Buncombe County, NC, we appreciate your interest in working with the District.

**Proposals should be submitted by e-mail to:**

Metropolitan Sewerage District of Buncombe County, NC

W. Scott Powell, Director of Finance E-mail: [spowell@msdbc.org](mailto:spowell@msdbc.org)

# Metropolitan Sewerage District of Buncombe County

## BOARD ACTION ITEM

**Meeting Date:** July 15, 2009

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

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

**Subject:** Resolution Authorizing Filing Application to LCG to Issue Bonds

**Reviewed by:** Billy Clarke, District Counsel

### **Background**

All debt issued by local governmental entities in the state of North Carolina must be authorized by the Local Government Commission (LGC). The LGC requires an application, approved by the entity's Board, to initiate the formal process. This application in no way obligates the District to issue the debt.

In previous meetings, the Finance Committee and Board have deliberated issuing debt in the near future to fund CIP projects. Additionally, the business plan indicates the need for additional funds in this fiscal year.

This resolution includes certain requirements in accordance with North Carolina General Statutes and others for the LGC application.

- The Board has determined that the amount of the proposed bonds is reasonable based the need of the District to borrow funds to pay the cost of acquiring and constructing certain improvements to the District's sewerage system
- Names of the staff members authorized to submit the application
- Identification of the financing team including attorneys, underwriters, and trustees
- Authorization for the LGC to sell the bonds

### **Discussion**

Approval of this resolution is a necessary step to issue debt required to augment pay-as-you-go financing for the District's CIP. A Financing Schedule is attached which outlines the overall process for a September issuance. Also included is a list of projects, which will be funded and/or reimbursed, based on three previous reimbursement resolutions authorizing the use of bond proceeds. Finally, the June 25<sup>th</sup> Finance Committee agenda item on Fixed Rate Issuance is also attached.

### **Financial Impact**

In the event the process is abandoned, the \$2,500 application fee may not be refunded. However, any attorney and underwriting fees contingent on issuing the bonds need not be paid. The District may be liable for minor expenditures such as printing, to the extent ancillary goods and services are provided.

### **Staff Recommendation**

Staff recommends and Finance Committee endorses approval of the attached resolution.

### **Action Taken**

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

The District Board of the Metropolitan Sewerage District of Buncombe County met in a regular session in the Boardroom at the District's office in Woodfin, North Carolina, the regular place of meeting, at 2:00 P.M. on July 15, 2009.

Present: Chairperson Steven T. Aceto, presiding, and Boardmembers \_\_\_\_\_

\_\_\_\_\_

Absent: \_\_\_\_\_

\* \* \* \* \*

Chairperson Aceto introduced the following resolution, which was read by title and summarized by the General Manager of the District:

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF THE ISSUANCE AND PRIVATE SALE OF METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009A AND RELATED ACTIONS

WHEREAS, the Metropolitan Sewerage District of Buncombe County (the "District"), acting by and through its District Board (the "Board"), is authorized by the North Carolina Metropolitan Sewerage Districts Act, being Article 5 of Chapter 162A of the North Carolina General Statutes, as amended, and The State and Local Government Revenue Bond Act of North Carolina, being Article 5 of Chapter 159 of the North Carolina General Statutes, as amended (collectively, the "Enabling Act"), to issue revenue bonds for the purpose of financing the cost of acquisition, construction, reconstruction, enlargement, equipping, extension, maintenance or improvement of facilities for the collection, treatment, purification or disposal of sewage; and

WHEREAS, the District owns and operates facilities for the collection, transmission, treatment and disposal of sewage; and

WHEREAS, the District proposes to issue its Sewerage System Revenue Bonds, Series 2009A (the “Series 2009A Bonds”) in an aggregate principal amount not to exceed \$22,000,000, for the purpose of providing funds, together with other available funds, to (i) pay for the cost of certain improvements to the District’s sewerage system (collectively, the “Additional Improvements”), (ii) pay a portion of the interest on the Series 2009A Bonds, and (iii) pay certain costs and expenses incurred in connection with the issuance of the Series 2009A Bonds; and

WHEREAS, the District has selected for recommendation to the North Carolina Local Government Commission (the “Local Government Commission”) a financing team to be used in connection with the issuance and sale of the Series 2009A Bonds; and

WHEREAS, the District wishes to obtain the approval of the Local Government Commission for said financing team;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY:

Section 1. The Board hereby finds and determines, in connection with the issuance of the Series 2009A Bonds, that (i) the issuance of the Series 2009A Bonds is necessary or expedient for the District, (ii) the proposed principal amount of the Series 2009A Bonds is adequate and not excessive for the proposed purpose of such issue, (iii) the proposed Additional Improvements are feasible, (iv) the District’s debt management procedures and policies are good and the District’s finances are managed in strict compliance with law and (v) under current economic conditions, the Series 2009A Bonds can be marketed at a reasonable interest cost to the District.

Section 2. The Board hereby authorizes the filing of an application with the North Carolina Local Government Commission (the “Local Government Commission”) for approval of the issuance of the Series 2009A Bonds pursuant to The State and Local Government Revenue Bond Act and hereby directs Thomas Hartye, General Manager of the District, and W. Scott Powell, Director of Finance of the District, as representatives of the District, to file such application with the Local Government Commission.

Section 3. The Board hereby recommends that the following financing team members be engaged in connection with the issuance and sale of the Series 2009A Bonds and requests that the Local Government Commission approve said financing team members:

Bond Counsel: Sidley Austin LLP

Underwriter: \_\_\_\_\_

Underwriter’s Counsel: \_\_\_\_\_

Trustee and Bond Registrar: The Bank of New York Mellon Trust Company, N.A.

Section 4. The Local Government Commission is hereby requested to sell the Series 2009A Bonds at private sale without advertisement to any purchaser or purchasers thereof, at such price as the Local Government Commission determines to be in the best interest of the District, subject to the approval of the District.

Section 5. This resolution shall take effect immediately upon its passage.

Thereupon, upon motion of Boardmember \_\_\_\_\_, seconded by Boardmember \_\_\_\_\_, the resolution entitled “RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF THE ISSUANCE AND PRIVATE SALE OF METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE

COUNTY, NORTH CAROLINA SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009A AND RELATED ACTIONS” was adopted by the following vote:

Ayes: Boardmembers\_\_\_\_\_

\_\_\_\_\_.

Noes: \_\_\_\_\_.

The Chairman then announced that the resolution entitled: “RESOLUTION DIRECTING THE FILING OF AN APPLICATION WITH THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF THE ISSUANCE AND PRIVATE SALE OF METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009A AND RELATED ACTIONS” had been adopted.

# METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY (NORTH CAROLINA)

## Sewerage System Revenue Bonds, Series 2009

### Financing Schedule

July 2009							August 2009							September 2009							October 2009						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4	2	3	4	5	6	7	8	6	7	8	9	10	11	12	4	5	6	7	8	9	10
5	6	7	8	9	10	11	9	10	11	12	13	14	15	13	14	15	16	17	18	19	11	12	13	14	15	16	17
12	13	14	15	16	17	18	16	17	18	19	20	21	22	20	21	22	23	24	25	26	18	19	20	21	22	23	24
19	20	21	22	23	24	25	23	24	25	26	27	28	29	27	28	29	30				25	26	27	28	29	30	31
26	27	28	29	30	31		30	31																			

DATE	EVENT	RESPONSIBILITY
July 1	Distribute First Draft of Financing Documents	BC
July 8	Distribute First Draft of Underwriting Documents	UC
Week of July 13	Financing Documents Review Session	All Parties
July 15 or Aug 19	MSD Adopts Preliminary Resolution	MSD, BC
July 24	Distribute 2 <sup>nd</sup> Draft of All Documents	BC, UC
Week of July 27	Financing Documents Review Session	All Parties
August 7	Distribute 3 <sup>rd</sup> Draft of All Documents	All Parties
August 7	Submit Documentation to Rating Agencies	BAS
August 14	Submit LGC Application	MSD
Week of Aug 17	Rating Agency Presentations	MSD, BAS
By August 28	Receive Credit Ratings	MSD, BAS
September 1	Receive LGC Approval	MSD, BC
September 16	MSD Adopts Series Resolution	MSD, BC
September 16	Mail Preliminary Official Statement	UC, BAS
September 23	Price Bonds	All Parties
September 24	Sign Bond Purchase Agreement	All Parties
October 6	Pre-Closing	All Parties
October 7	Closing	All Parties

Key	Working Group Participants
MSD	Metropolitan Sewerage District of Buncombe Co. (and Counsel – Roberts & Stevens)
LGC	North Carolina Local Government Commission
BC	Bond Counsel – Sidley Austin
BAS	Investment Banker – Banc of America Securities
UC	Underwriter’s Counsel – TBD



Metropolitan Sewerage District of Buncombe County  
Exhibit A

At 7/02/09 Proj. No.	Project Name	Total Project Costs	DESCRIPTION	WHEN EXPECTED TO BE BID	START DATE AND COMPLETION DATE
2002056	Lower Smith Creek Interceptor	\$ 760,236	7,226 LF	Complete	Complete
2002057	Middle Beaverdam Crk Interceptor	\$ 1,051,000	3,951 LF	Complete	8/09 - 2/10
2002063	Winding Rd . USR	\$ 84,580	456 LF	Complete	Complete
2002069	Shelburn Road WW ( CDM#2) Sewer Rehabilitation - System	\$ 631,382	3,779 LF	Complete	Complete
2002101	Services Division	\$ 2,700,000	20,000 LF	N/A	7/09 - 6/10
2003025	Lenox Street	\$ 107,000	435 LF	Complete	9/08 - 5/09
2003046	Reems Creek Interceptor	\$ 4,100,000	15,272 LF	Complete	7-08-7/09
2004031	Four Inch Main - Delaware Ave. Sweeten Creek @ Rock Hill Rd.	\$ 56,561	430 LF	Complete	Complete
2004032	Interceptor	\$ 2,522,415	5,602 LF	Complete	Complete
2004033	Rogers Place	\$ 287,000	909 LF	Complete	Complete
2004038	Reems Creek @ Balcrank Interceptor	\$ 789,456	4,230 LF	Complete	Complete
2004230	Nasty Branch Interceptor	\$ 940,423	1,337 LF	8/09	9/09 - 1/10
2004254	Shawnee Trail USR	\$ 38,399	362 LF	Complete	Complete
2004255	PRP 19001 Fair Oaks Road	\$ 86,298	800 LF	Complete	Complete
2004257	PRP 1008 Grindstaff Road	\$ 60,000	172 LF	Complete	6/09 - 7/09
2004259	PRP 34007 Merchant Street	\$ 150,000	1,095 LF	Complete	4/09 - 6/09
2004264	PRP 34010 Alta Ave.	\$ 251,000	1,735 LF	Complete	Complete
2005005	Greeley St. USR	\$ 58,000	326 LF	Complete	Complete
2005096	Northwood Road PRP 29015 Eastwood Ave @ Old US	\$ 92,078	350 LF	Complete	Complete
2006012	70	\$ 497,702	2,100 LF	9/09	10/09 - 2/10
2006029	Penley Ave. USR	\$ 45,000	179 LF	Complete	Complete
2006045	PRP Contract #5	\$ 657,837	12,300 LF	Complete	Complete
2007009	Four Inch Main - Beech Glenn Drive	\$ 118,130	884 LF	Complete	4/09 - 6/09
2007015	Four Inch Main - Dorchester Ave.	\$ 120,000	500 LF	Complete	4/09 - 6/09
2007022	Weaverville @ Hillcrest	\$ 55,000	200 LF	Complete	4/09 - 6/09
2007067	Intermediate Pump Replacement	\$ 1,897,288	Plant Project	Complete	8/09 - 7/10
2007293	Reems Creek Master Plan Sewer Extension Phase 1	\$ 120,000	140 LF	Complete	6/09 - 9/09
<b>Subtotal</b>	<b>Construction in Progress</b>	\$ 18,276,785			
	<b>Contingency (2% uncompleted)</b>	\$ 184,331			
	<b>Total Project Costs</b>	\$ 18,461,116			



# Metropolitan Sewerage District of Buncombe County

## FINANCE COMMITTEE ACTION ITEM

**Meeting Date:** June 25, 2009

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

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

**Subject:** Consideration of Fixed Rate Debt Issuance

### **Background**

In conjunction with our 10-year CIP plan and business plan (Exhibit 1), debt financing is an integral part of meeting management and regulatory initiatives. Staff analyzes the impact of the new debt on the District's future cash flow, rate structures, and debt coverage ratios. Additionally, staff looks at the current composition of the District's debt portfolio to determine the type of new debt (i.e. fixed versus variable) which should be issued. Finally, staff looks at opportunities to combine debt with potential refundings to maximize savings on debt issuance cost.

### **Discussion**

In preparation of FY2010 budget and business plan, it was recommended by management to issue approximately \$19 to \$19.5 million of new debt in the first quarter of FY2010. The driving factors in this decision were the current interest rate and economic environment. Fixed interest rates are historically low. The District's underwriters project a debt issue would be in the 4.5% to 4.75% range at a September issue date. Additionally, capital projects bids are trending at 10% to 30% lower than engineer estimates.

The debt portfolio (Exhibit 2) at the time of issuance is comprised of 23.5% of variable debt, 36.7% of synthetic fixed, and 39.8% of traditional fixed. Exhibit 3 shows the impact the \$19 to \$19.5 million issuance would have on the debt portfolio mix.

Exhibits 1 & 4 show the cash flow impact on the District. The new debt would have an average annual increase in debt service of approximately \$1.29 million. The District can maintain an adequate debt coverage ratio with projected growth and incremental rate increases as exhibited in the business plan. Additionally, the healthy debt coverage ratio demonstrates the future capacity to add prudently needed debt.

As presented by Ted Cole of Davenport & Company at our May 5, 2009 Finance Committee, bank qualified limits have increased from \$10 to \$30 million for private placement offerings. Staff considered the option of a private placement for this issue. However, due to the size of the refunding, along with a \$19 million new money issuance scheduled for September 2009, the District would exceed the bank qualified limit of \$30 million.

### **Staff Recommendation**

The Finance Committee recommends the Board approve the preliminary bond resolution, authorizing the filing of an application with the North Carolina Local Government Commission for approval of the issuance and public offering of revenue bonds.

### **Action Taken**

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

# Exhibit 1.

Draft Forecast for FY10 Budget												Sewer Rate Increase Average Monthly Bill				
	3.0%	4.5%	4.0%	3.0%	3.75%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	FY 2019
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019	FY 2019
July 1 - Available for Construction	38,827,187	35,046,692	32,628,926	29,669,151	23,707,383	27,471,268	14,335,478	2,275,595	19,471,505	12,930,257	5,292,393	23,983,140	18,222,047	12,894,178		
<b>REVENUE:</b>																
Domestic Users	19,840,872	21,523,457	22,800,471	22,865,194	23,353,145	24,299,681	25,195,640	26,224,790	27,276,611	28,351,640	29,504,242	30,862,246	31,941,151	33,227,778		
Industrial Users	2,617,298	2,693,328	1,510,669	1,368,440	1,427,014	1,488,107	1,552,960	1,619,825	1,689,166	1,762,207	1,837,407	1,915,676	1,988,829	2,063,371		
Billing and Collections (User Fee)	522,799	554,317	584,554	590,181	596,083	613,965	632,384	651,356	670,896	691,023	711,754	733,107	755,100	777,753		
Tap Fees	199,600	203,370	333,185	220,000	367,500	73,500	110,250	147,000	147,000	147,000	147,000	147,000	147,000	147,000		
Facility Fees	2,282,250	2,851,580	2,671,989	2,500,000	332,500	770,000	1,312,500	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000		
Interest & Non-operating Revenues	1,520,926	2,582,983	1,792,514	650,000	311,247	521,909	228,402	323,207	486,026	273,340	633,078	622,325	412,783	622,325		
City of Asheville (annex.-Enka)	37,003	37,003	37,003	37,003	37,003	45,000	75,000	103,000	36,000	49,000	37,000	37,000	37,000	37,000		
Rental Income	58,056	37,578	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560	16,560		
Transfer from Reserves (to / from)	(51,926)	500,980	171,411	0	0	0	0	0	0	0	0	0	0	0		
Miscellaneous	2,689	4,324	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Total Revenues</b>	<b>27,029,567</b>	<b>30,988,920</b>	<b>29,918,366</b>	<b>28,247,375</b>	<b>26,310,298</b>	<b>27,828,723</b>	<b>29,123,296</b>	<b>30,838,737</b>	<b>32,072,261</b>	<b>33,040,770</b>	<b>34,443,095</b>	<b>35,914,667</b>	<b>37,267,965</b>	<b>38,452,245</b>		
State and Federal (EPA) Grants					<b>20,000,000</b>						<b>24,000,000</b>					
Revenue Bonds/Stimulus																
<b>EXPENSES:</b>																
Operations & Maintenance	11,264,230	11,584,471	11,754,849	13,305,729	13,303,885	13,792,297	14,227,346	14,767,763	15,277,610	15,871,205	16,492,101	17,141,697	17,821,583	18,533,421		
Replacement Funds (WRF & Fleet)	350,000	360,000	400,000	400,000	300,000	300,000	475,000	475,000	500,000	500,000	500,000	450,000	450,000	450,000		
Debt Service	7,982,730	8,068,069	8,167,726	7,705,189	8,564,519	9,267,302	9,352,247	9,888,875	10,588,267	11,217,905	10,545,575	10,442,315	11,042,412	11,049,237		
<b>CIP (including Bond Projects)</b>	<b>11,213,052</b>	<b>12,732,294</b>	<b>12,555,566</b>	<b>12,788,225</b>	<b>20,432,008</b>	<b>17,550,915</b>	<b>17,428,066</b>	<b>12,511,189</b>	<b>12,247,631</b>	<b>13,089,624</b>	<b>12,244,673</b>	<b>13,641,748</b>	<b>13,281,838</b>	<b>13,568,796</b>		
<b>Total Expenses</b>	<b>30,810,062</b>	<b>32,744,834</b>	<b>32,878,141</b>	<b>34,209,143</b>	<b>42,600,412</b>	<b>40,910,513</b>	<b>41,183,179</b>	<b>37,642,827</b>	<b>36,613,508</b>	<b>40,878,634</b>	<b>39,752,349</b>	<b>41,675,760</b>	<b>42,595,834</b>	<b>43,601,484</b>		
Pay-as-you-go (Current Revenue only)	7,782,557	11,336,380	10,090,081	7,405,037	4,441,894	4,769,125	5,543,203	6,182,100	6,206,383	5,951,760	7,405,420	8,330,655	8,403,970	8,869,586		
Debt Coverage (User Fees only)	1.5	1.8	1.7	1.6	1.5	1.4	1.4	1.4	1.4	1.4	1.5	1.6	1.6	1.6		
Debt Coverage with Total Revenue	2.0	2.4	2.2	1.9	1.5	1.5	1.6	1.6	1.6	1.5	1.7	1.8	1.8	1.8		
<b>4/21/2009 at 10:30AM</b>																
<b>Active Plan CIP</b>																
Interceptor/Wet Weather Rehabilitation	2,200,079	3,177,257	3,208,301	18,494	1,575,406	1,458,033	1,528,104	2,667,104	0	0	0	0	0	0		
General Sewer Rehabilitation	5,793,892	4,291,143	3,778,152	9,128,926	5,289,449	5,247,134	6,849,438	5,132,516	6,091,707	8,270,282	8,556,434	0	0	0		
Pipe Related Projects	1,289,410	2,088,760	1,430,583	1,396,637	3,963,436	2,182,664	1,314,601	1,402,704	1,447,299	1,497,376	0	0	0	0		
Unclaimed Sewer Rehabilitation	110,875	284,412	444,750	116,280	120,304	124,466	128,773	133,228	137,838	142,607	0	0	0	0		
Treatment Plant / Pump Stations	500,000	5,881,863	74,928	166,115	171,863	325,983	183,961	190,326	196,911	67,908	0	0	0	0		
Engineering Force Account	2,307,110	2,798,648	2,672,544	2,737,415	2,817,103	2,885,908	3,029,509	3,104,471	0	0	0	0	0	0		
Reimbursements	596,859	624,500	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000		
Contingency	0	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Capital Improvement Program Totals</b>	<b>11,213,052</b>	<b>12,732,294</b>	<b>12,555,566</b>	<b>12,788,225</b>	<b>20,432,008</b>	<b>17,550,915</b>	<b>17,428,066</b>	<b>12,511,189</b>	<b>12,247,631</b>	<b>13,089,624</b>	<b>12,244,673</b>	<b>13,641,748</b>	<b>13,281,838</b>	<b>13,568,796</b>		

**Assumptions**  
 0% Increase in O&M Expense FY10  
 Consumption / Growth:  
 3% Reduction in FY09  
 2% Reduction in FY10  
 .50% Increase in FY11  
 .75% Increase in FY12  
 1.0% growth in Domestic Revenue thereafter

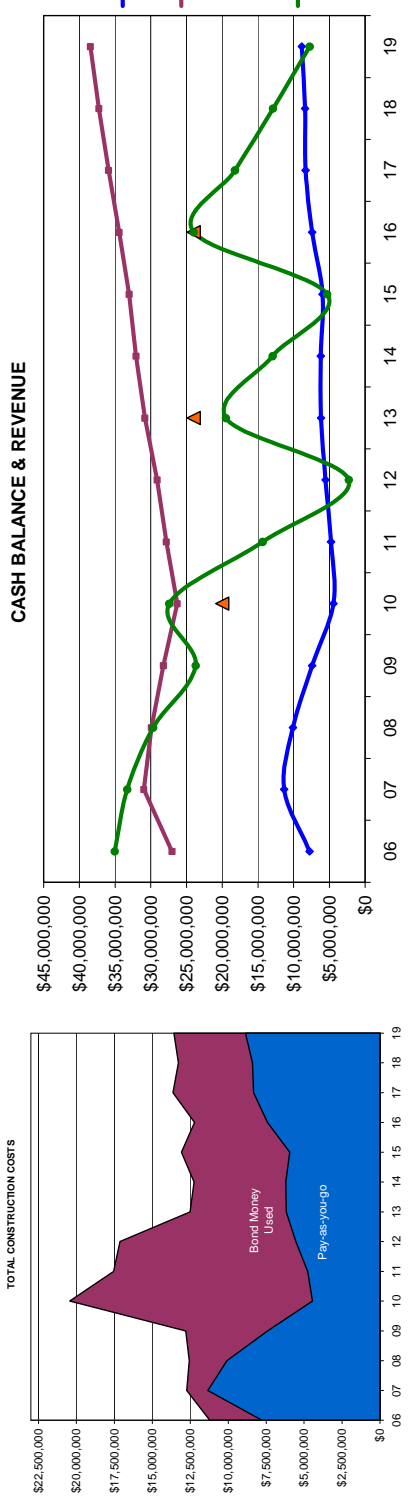
No growth in Industrial Rate Party in 2020  
 2-year full in Facility Fees  
 ENR 10-year Construction Index @ 3.46%  
 3% inflation in O & M, Replacement Funds and Engineering Force Account

Bond issues figured at:  
 4.5% yield FY10  
 5.0% yield FY13  
 5.5% yield FY17

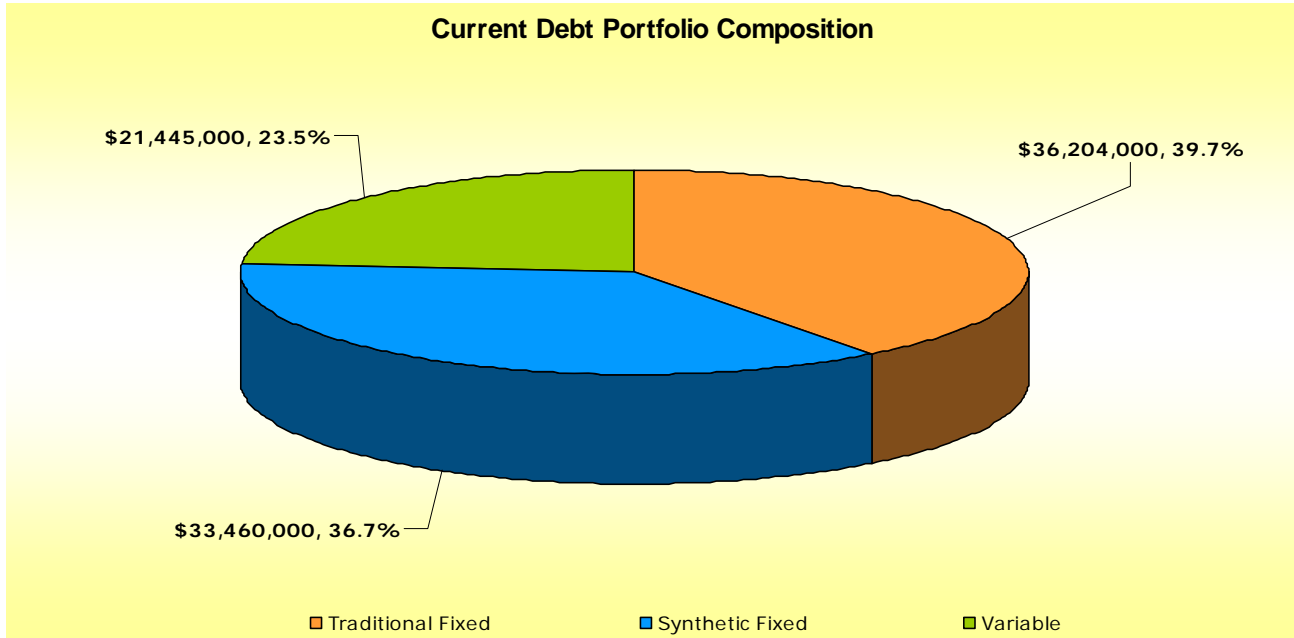
Target Debt Coverage 1.5  
 Minimum Carry-over for Construction \$3,000,000  
 \$1,040,000 in Stimulus Grants/Loans

Pay-as-you-go  
 Revenue w/o Bonds  
 Bond Issues  
 Cash Balance

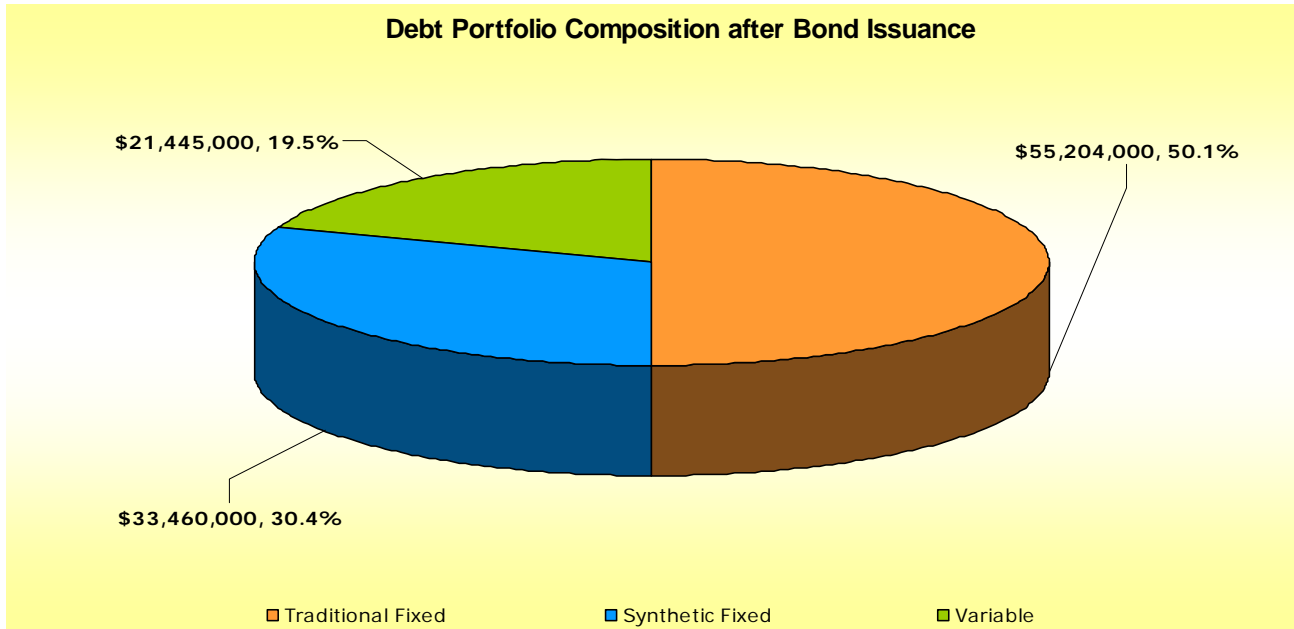
April 29, 2009



## Exhibit 2.



## Exhibit 3.





# Metropolitan Sewerage District of Buncombe County

## BOARD ACTION ITEM

**Meeting Date:** July 15, 2009  
**Submitted By:** Thomas E. Hartye, PE., General Manager  
**Prepared By:** W. Scott Powell, Director of Finance  
**Subject:** Resolution Authorizing Filing Application to LCG to Issue Refunding Bonds  
**Reviewed by:** Billy Clarke, District Counsel

### **Background**

All debt issued by local governmental entities in the state of North Carolina must be authorized by the Local Government Commission (LGC). The LGC requires an application, approved by the entity's Board, to initiate the formal process. This application in no way obligates the District to issue the debt.

Periodically, staff and the District's underwriters analyze our debt portfolio for refunding opportunities. Staff assesses the refunding opportunities and its impact on future debt service. In addition, staff looks at opportunities to combined debt refundings with any upcoming debt needs to maximize savings on debt issuance cost.

### **Discussion**

This resolution includes certain requirements in accordance with North Carolina General Statutes and others for the LGC application.

- The Board has determined that the amount of the proposed bonds is reasonable based the need of the District to borrow funds to pay the cost of acquiring and constructing certain improvements to the District's sewerage system
- Names of the staff members authorized to submit the application
- Identification of the financing team including attorneys, underwriters, and trustees
- Authorization for the LCG to sell the bonds

Approval of this resolution is necessary to allow staff and the financing team to file an application with the Local Government Commission, which is the next step in the process. As stated above, filing an application does not obligate the District to issue debt. For more information on the proposed refunding, attached is the June 25<sup>th</sup> Finance Committee agenda item on the Current Refunding of Series 1999 Bonds.

### **Financial Impact**

Based on market conditions as of June 16, the District might be able to reduce future debt payments by an average of nearly \$78,000 per year with a total net value present savings of nearly \$683,000. The District could have additional savings of \$62,500 in issuance cost when combined with the new money issuance scheduled in the first quarter of fiscal year.

In the event the process is abandoned, the \$2,500 application fee to the LGC is non-refundable, and the swap advisor may be reimbursed for out-of-pocket costs not to exceed \$2,000. The District may be liable for other minor expenditures such as printing and travel, to the extent ancillary goods and services are provided. However, any attorney and underwriting fees contingent on issuing the bonds need not be paid.

### **Staff Recommendation**

Staff recommends and Finance Committee endorses approval of the attached resolution.

### **Action Taken**

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

The District Board of the Metropolitan Sewerage District of Buncombe County met in a regular session in the Boardroom at the District's office in Woodfin, North Carolina, the regular place of meeting, at 2:00 P.M. on July 15, 2009.

Present: Chairperson Steven T. Aceto, presiding, and Boardmembers \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_.

Absent: \_\_\_\_\_.

\* \* \* \* \*

Chairperson Aceto introduced the following resolution, which was read by title and summarized by the General Manager of the District:

**RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF THE ISSUANCE AND PRIVATE SALE OF METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA SEWERAGE SYSTEM REVENUE REFUNDING BONDS, SERIES 2009B AND RELATED ACTIONS**

WHEREAS, the Metropolitan Sewerage District of Buncombe County (the "District"), acting by and through its District Board (the "Board"), is authorized by the North Carolina Metropolitan Sewerage Districts Act, being Article 5 of Chapter 162A of the North Carolina General Statutes, as amended, and The State and Local Government Revenue Bond Act of North Carolina, being Article 5 of Chapter 159 of the North Carolina General Statutes, as amended (collectively, the "Enabling Act"), to issue revenue bonds for the purpose of financing the cost of acquisition, construction, reconstruction, enlargement, equipping, extension, maintenance or improvement of facilities for the collection, treatment, purification or disposal of sewage and to issue revenue refunding bonds; and



WHEREAS, the District owns and operates facilities for the collection, transmission, treatment and disposal of sewage; and

WHEREAS, the District proposes to issue its Sewerage System Revenue Refunding Bonds, Series 2009B (the “Series 2009B Bonds”) in an aggregate principal amount not to exceed \$17,000,000, for the purpose of providing funds, together with other available funds, to (i) refund the District’s outstanding Sewerage System Revenue Bonds, Series 1999 (the “Series 1999 Bonds”), and (ii) pay certain costs and expenses incurred in connection with the issuance of the Series 2009B Bonds; and

WHEREAS, the District has selected for recommendation to the North Carolina Local Government Commission (the “Local Government Commission”) a financing team to be used in connection with the issuance and sale of the Series 2009B Bonds; and

WHEREAS, the District wishes to obtain the approval of the Local Government Commission for said financing team;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY:

Section 1. The Board hereby finds and determines, in connection with the issuance of the Series 2009B Bonds, that (i) the issuance of the Series 2009B Bonds is necessary or expedient for the District, (ii) the proposed principal amount of the Series 2009B Bonds is adequate and not excessive for the proposed purpose of such issue, (iii) the refunding of the Series 1999 Bonds to be effectuated by the issuance of the Series 2009B Bonds is feasible, (iv) the District’s debt management procedures and policies are good and the District’s finances are managed in strict compliance with law and (v) under current economic conditions, the Series 2009B Bonds can be marketed at a reasonable interest cost to the District.

Section 2. The Board hereby authorizes the filing of an application with the North Carolina Local Government Commission (the “Local Government Commission”) for approval of the issuance of the Series 2009B Bonds pursuant to The State and Local Government Revenue Bond Act and hereby directs Thomas Hartye, General Manager of the District, and W. Scott Powell, Director of Finance of the District, as representatives of the District, to file such application with the Local Government Commission.

Section 3. The Board hereby recommends that the following financing team members be engaged in connection with the issuance and sale of the Series 2009B Bonds and requests that the Local Government Commission approve said financing team members:

- Bond Counsel: Sidley Austin LLP
- Underwriter: \_\_\_\_\_
- Underwriter’s Counsel: \_\_\_\_\_
- Trustee and Bond Registrar: The Bank of New York Mellon Trust Company, N.A.
- Escrow Agent: The Bank of New York Mellon Trust Company, N.A.
- Verification Agent: \_\_\_\_\_

Section 4. The Local Government Commission is hereby requested to sell the Series 2009B Bonds at private sale without advertisement to any purchaser or purchasers thereof, at such price as the Local Government Commission determines to be in the best interest of the District, subject to the approval of the District.

Section 5. This resolution shall take effect immediately upon its passage.

Thereupon, upon motion of Boardmember \_\_\_\_\_, seconded by Boardmember \_\_\_\_\_, the resolution entitled “RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH THE NORTH CAROLINA

LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF THE ISSUANCE AND PRIVATE SALE OF METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA SEWERAGE SYSTEM REVENUE REFUNDING BONDS, SERIES 2009B AND RELATED ACTIONS” was adopted by the following vote:

Ayes: Boardmembers \_\_\_\_\_

\_\_\_\_\_.

Noes: \_\_\_\_\_.

The Chairman then announced that the resolution entitled: “RESOLUTION DIRECTING THE FILING OF AN APPLICATION WITH THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF THE ISSUANCE AND PRIVATE SALE OF METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA SEWERAGE SYSTEM REVENUE REFUNDING BONDS, SERIES 2009B AND RELATED ACTIONS” had been adopted.



# Metropolitan Sewerage District of Buncombe County

## FINANCE COMMITTEE ACTION ITEM

**Meeting Date:** June 25, 2009  
**Submitted By:** Thomas E. Hartye, PE., General Manager  
**Prepared By:** W. Scott Powell, Director of Finance  
**Subject:** Consideration of the Current Refunding of Series 1999 Bonds

### **Background**

Periodically, staff and the District's underwriters analyze our debt portfolio for refunding opportunities. Staff assesses the refunding opportunities and its impact on future debt service. In addition, staff looks at opportunities to combined debt refundings with any upcoming debt needs to maximize savings on debt issuance cost.

### **Discussion**

In March of 2009, staff and the District's underwriters analyzed the debt portfolio. Due to the current interest rate environment, the District has an opportunity to pursue a public refunding of \$15.84 million Series 1999 Bonds. At June 16, 2009, the percentage of net present value savings on the refunded bonds was 4.31%. The Local Government Commission requires present value percentage savings of at least 2% on current refundings.

The refunding could have an average annual cash flow savings of approximately \$78,000 (Exhibit 1) over the remaining life of the bonds. In addition, the District could save \$62,500 in issuance cost when combined with the new money issuance scheduled in the first quarter of fiscal year.

As presented by Ted Cole of Davenport & Company at our May 5, 2009 Finance Committee, bank qualified limits have increased from \$10 to \$30 million for private placement offerings. Staff considered the option of a private placement for the refunding. However, due to the size of the refunding along with a \$19 million new money issuance scheduled for September 2009, the District would exceed the bank qualified limit of \$30 million.

### **Staff Recommendation**

The Finance Committee recommends the Board approve the preliminary bond resolution, authorizing the filing of an application with the North Carolina Local Government Commission for approval of the issuance and public offering of revenue refunding bonds.

### **Action Taken**

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

## Exhibit 1.

### Series 1999 Refunding

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Series 1999 Debt Service	3,551,139	3,724,741	3,724,341	3,756,341	150,185	150,185	150,185	1,125,185	1,122,410	1,122,430
Refunding Debt Service	3,453,542	3,624,950	3,627,550	3,673,300	113,800	113,800	113,800	1,028,800	1,022,200	1,024,400
Savings as of June 16th	97,597	99,791	96,791	83,041	36,385	36,385	36,385	96,385	100,210	98,030

**Note:** Refunding was calculated as of June 16th. Savings are subject to interest rate fluctuations and may change by the suggested September issuance date.

# Metropolitan Sewerage District of Buncombe County

## BOARD ACTION ITEM

**Meeting Date:** July 15, 2009

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

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

**Subject:** Consideration of Audit Services Contract for FY 2009

### Background

In FY 2003, the District issued an RFP for audit services. The scope of the contract was for a minimum of three years covering the fiscal years ending June 30, 2004 through 2006. The RFP specified that after the first year of the contract, it could be continued on the basis of annual negotiation. On September 15, 2006, the Finance Committee accepted staff's recommendation that if the General Manager and Director of Finance were satisfied with the quality of the auditor's work and service that they be allowed to negotiate a proposed amount for future audits. An RFP would be issued only upon failure to arrive at a mutually agreeable fee amount.

### Discussion

Cherry, Bekaert & Holland, LLP has provided auditing services for 5 years. Due to GASB 45 implementation in FY 2009, staff recommends continuing the relationship for one additional year. Staff will issue a RFP for auditing services after this year's engagement.

For this year's engagement, the auditors proposed a 5% decrease in professional fees from \$45,000 to \$42,710. In addition, reimbursable expenses were frozen at last year's level of \$5,000. Both items resulted from auditors experience and the District's preparedness on previous engagements. Mr. Russell also stated that Cherry, Bekaert & Holland, LLP will be glad to work hard to control expenses, and pass on any additional savings to the District.

### Fiscal Impact

The decrease of combined audit fees and reimbursable expenses from \$50,000 to \$47,710 represents a positive impact of \$2,290 to be included in the FY 2009-10 budget.

### Staff Recommendation

Staff recommends and Finance Committee endorses continuing the auditing relationship with Cherry, Bekaert & Holland, LLP.

### Action Taken

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

# Metropolitan Sewerage District of Buncombe County

## BOARD ACTION ITEM

**Meeting Date:** July 15, 2009

**Submitted By:** Thomas E. Hartye, PE., General Manager  
W. Scott Powell, Director of Finance

**Subject:** Operational Checking Account with Bank of America

### **Background**

In May, staff reported to the Board that its Series 2008A and 2008B Standby Bond Purchase Agreement with Bank of America were due to expire on June 30, 2009.

Staff obtained informal quotes from three (3) banking institutions, Wachovia [Wells Fargo], BB&T, and Bank of America. These quotes ranged from 1.05% from Wachovia to .55% from Bank of America for a one-year agreement. Two-year agreements ranged from 1.0% from BB&T to .65% from Bank of America. As a condition of entering into the Standby Bond Purchase Agreements, the banks require that MSD establish a banking relationship with them.

The Board approved staff recommendations to renew the existing Standby Bond Purchase Agreement with Bank of America for a period of two years.

### **Discussion**

The District has an operational as well as a self-insurance checking account with First Citizens Bank. Staff recommends keeping its self-insurance with First Citizens to keep the relationship with said bank. The District will transfer its operational checking account to Bank of America. The transfer of the operational checking account will be an integral part of meeting the aforementioned banking relationship requirement.

### **Fiscal Impact**

Staff has timed the need for check stock so that the District will have no cost in the transition to Bank of America.

### **Staff Recommendation**

Staff recommends approval of the attached banking resolution, which establishes an operational banking account with Bank of America.

### **Action Taken**

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





# Deposit Account Documentation Banking Resolution and Certificate of Incumbency

Date: 07/15/09

Select One:  New Resolution/Incumbency     Supersede Banking Resolution     Update Incumbency

**This Banking Resolution and Certificate of Incumbency will apply to all accounts you maintain with us.**

Metropolitan Sewerage District of Buncombe County, North Carolina

Organization Legal Name

The Organization adopts the following Banking Resolution and Certificate of Incumbency (with specimen signatures)\*

The undersigned certifies that:

1) any individual (each an "Authorized Signer") holding any of the following positions:

**Director of Finance**

\_\_\_\_\_ (Title)

\_\_\_\_\_ (Title)

\_\_\_\_\_ (Title)

\_\_\_\_\_ (Title)

is authorized, acting alone, (a) to establish accounts from time to time for the Organization at Bank of America, N.A. (the "Bank"), as well as to operate and close such accounts, and (b) to designate persons to operate each such account including closing the account, and

2) the person whose signature, name, and title appear in the "AGREEMENT, TAX INFORMATION CERTIFICATION and AUTHORIZATION" section of the Deposit Account Documentation Signature Card ("Signature Card") and those persons listed below on the Incumbency Certificate, are Authorized Signers who are authorized to establish accounts and to designate persons to operate each such account and to execute contracts and agreements with the Bank and that their signatures are genuine.

3) the persons who signed in the Designated Account Signers section of the Signature Card are authorized to operate any accounts opened with the deposit account documentation unless otherwise noted on the Signature Card, and that their signatures are genuine.

4) the foregoing is a complete, true and correct copy of the banking resolutions adopted by the Board of Directors, the Members or the General Partners, Commission, Council or Governing Board as applicable, of the Organization, government entity or authority and that the resolutions are still in full force and effect and have not been amended or revoked and do not exceed the objects or powers of the Organization, government entity, authority or the powers of its management or Governing Board, Commission or Council.

Incumbency Certificate: Use when Authorized Signer's signature does not appear on the accompanying Signature Card, or to update authorized signers.

Name	Title	Signature
<u>Jackie Bryson</u>	<u>Secretary / Treasurer</u>	_____
<u>Thomas E. Hartye</u>	<u>General Manager</u>	_____
<u>W. Scott Powell</u>	<u>Director of Finance</u>	_____
_____	_____	_____

\* If you choose to provide your own Banking Resolution and Certificate of Incumbency (with specimen signatures), it must be attached to the signature card.

***This Banking Resolution and Certificate of Incumbency must be signed as follows:***

**Corporations:** Secretary or assistant secretary of the company must sign.

**Any Partnership type:** One of the general partners must sign. If the general partner is an organization, show the name of the general partner and include capacity of signer.

**Limited Liability Company: Member Managed LLC:** One of the members or an officer of the company must sign. If the member or manager is an organization, show the name of the member or manager and include capacity of signer.

**Manager Managed LLC:** The manager or managers or an officer authorized of the company must sign. If the member or manager is an organization, show the name of the member or manager and include capacity of signer.

**Other unincorporated organizations:** An officer of the organization who is authorized by the by-laws or operating agreement of the company must sign.

**Government entities, authorities or agencies:** An authorized signer of the government entity/authority who is authorized by the statutes must sign.

IN WITNESS WHEREOF, I have hereunto set my hand as Chairman (title) of the Organization listed above

this 15 day of July, 2009.

By: Steven T. Aceto

Type or Print Name of Certifying Individual

Signature

\_\_\_\_\_  
(Name of Company who is General Partner or Member)

**THIS DOCUMENT MUST BE PROCESSED BY THE BANK OF AMERICA UNIT LISTED BELOW**

For Bank Use:	Forward to:	_____
Date Received:	Received by:	_____ Phone: _____
Date Reviewed:	Reviewed by:	_____

# Metropolitan Sewerage District of Buncombe County

## BOARD INFORMATIONAL ITEM

**Meeting Date:** July 15, 2009  
**Submitted By:** Thomas E. Hartye, PE., General Manager  
**Prepared By:** W. Scott Powell, Director of Finance  
**Subject:** Cash Commitment/Investment Report-Month Ended May 31, 2009

### 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 May 31, 2009 were \$37,077,570. The detailed listing of accounts is available upon request. The average rate of return for all investments is 2.889%. 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 May 31, 2009 does not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of May 31, 2009 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$13,601,299.

<b>Total Cash &amp; Investments as of 05/31/09</b>	37,077,570
<b>Less:</b>	
Budgeted Commitments (Required to pay remaining FY09 budgeted expenditures from unrestricted cash)	
Construction Funds	(7,331,019)
Operations & Maintenance Fund	(2,374,499)
	(9,705,518)
Bond Restricted Funds	
Bond Service (Funds held by trustee):	
Funds in Principal & Interest Accounts	(1,797,620)
Debt Service Reserve	(5,008,287)
Remaining Principal & Interest Due	(3,588,799)
	(10,394,706)
District Reserve Funds	
Fleet Replacement	(937,286)
WWTP Replacement	(890,025)
Maintenance Reserve	(804,776)
	(2,632,087)
Post-Retirement Benefit	(155,962)
Self-Funded Employee Medical	(587,998)
<b>Designated for Capital Outlay</b>	<b>13,601,299</b>

### Staff Recommendation

None. Information Only.

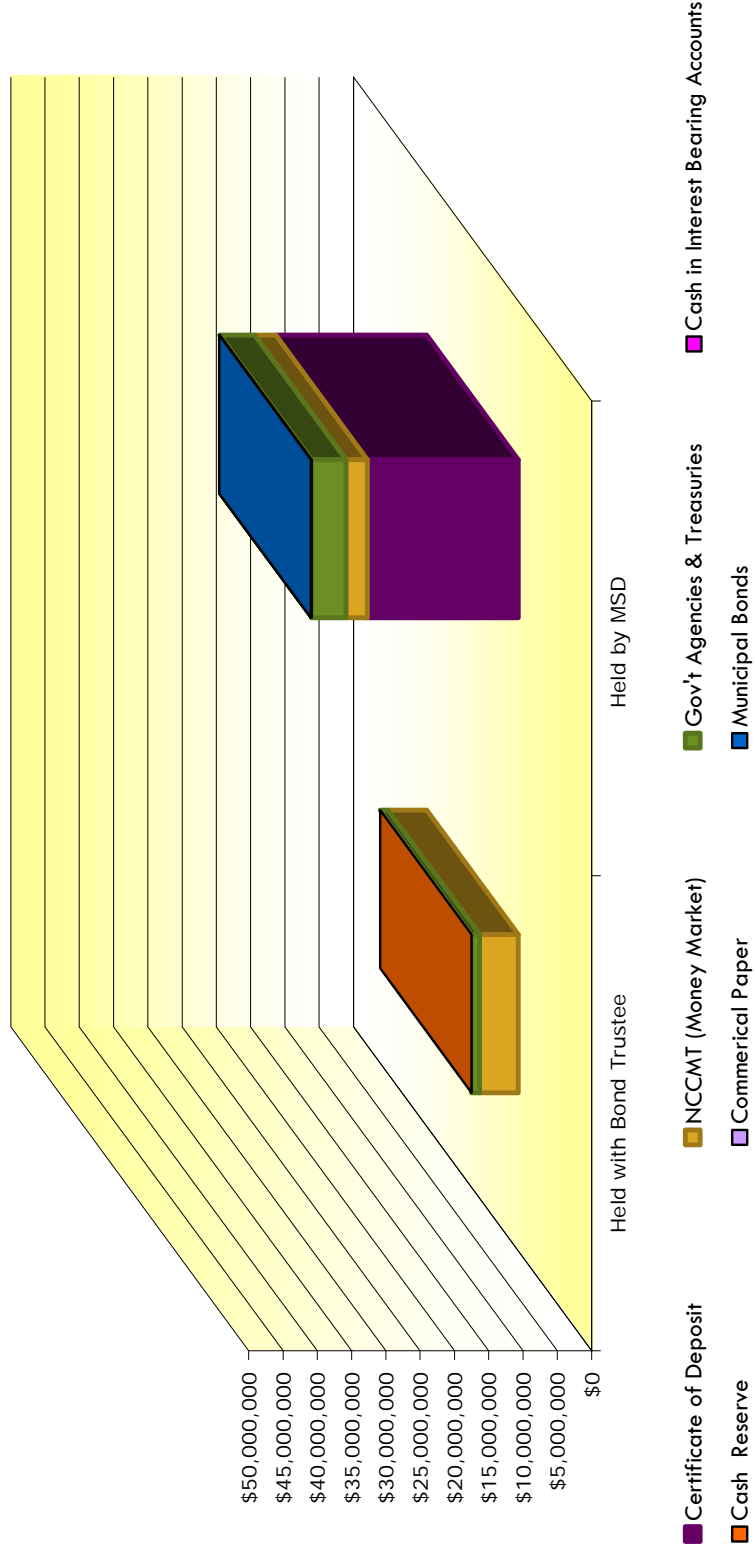
### Action Taken

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

## Metropolitan Sewerage District of Buncombe County Investment Portfolio

	Cash in Interest Bearing Accounts	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee \$	-	\$ 5,671,907				\$ 532	\$ 1,133,468	\$ 6,805,907
Held by MSD	84,346	3,114,651	22,015,796				5,056,870	30,271,663
	\$ 84,346	\$ 8,786,558	\$ 22,015,796	\$ -	\$ -	\$ 532	\$ 6,190,338	\$ 37,077,570

**MSD of Buncombe County  
Investment Portfolio by Location  
As of May 31, 2009**



# MSD Investment Managers' Report at May 31, 2009

## Summary of Asset Transactions

	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 29,204,844	\$ 29,268,154	\$ 219,487
Capital Contributed (Withdrawn)	(587,702)	(587,702)	0
Realized Income	16,884	16,884	(15,796)
Unrealized/Accrued Income	-	(7,190)	79,163
Ending Balance	<u>\$ 28,634,026</u>	<u>\$ 28,690,146</u>	<u>\$ 282,854</u>

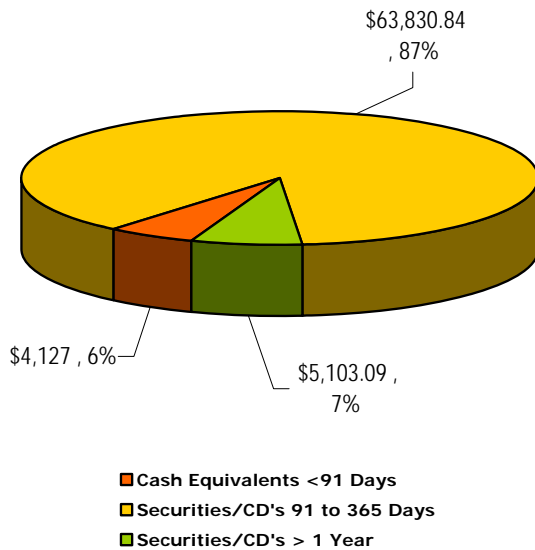
## Value and Income by Maturity

	Original Cost	Income
Cash Equivalents <91 Days	\$ 1,617,480	\$ 4,127
Securities/CD's 91 to 365 Days	25,016,546	\$ 63,830.84
Securities/CD's > 1 Year	2,000,000	\$ 5,103.09
	<u>\$ 28,634,026</u>	<u>\$ 73,061</u>

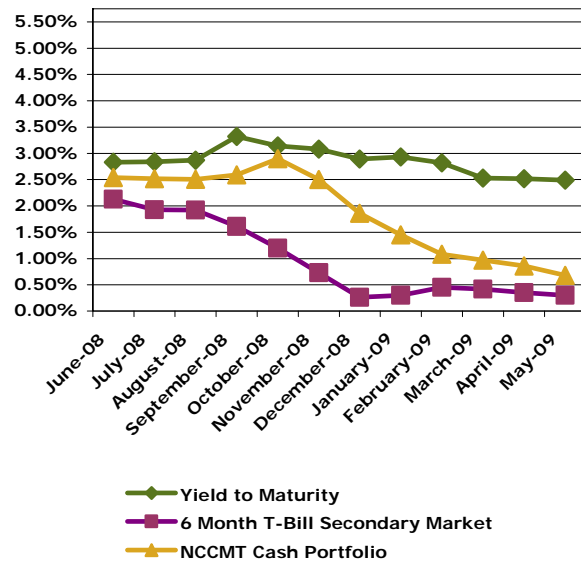
## Month End Portfolio Information

Weighted Average Maturity	159
Yield to Maturity	2.49%
6 Month T-Bill Secondary Market	0.30%
NCCMT Cash Portfolio	0.68%

Metropolitan Sewerage District of Buncombe Co.  
Investment Portfolio Income by Maturity  
May 31, 2009

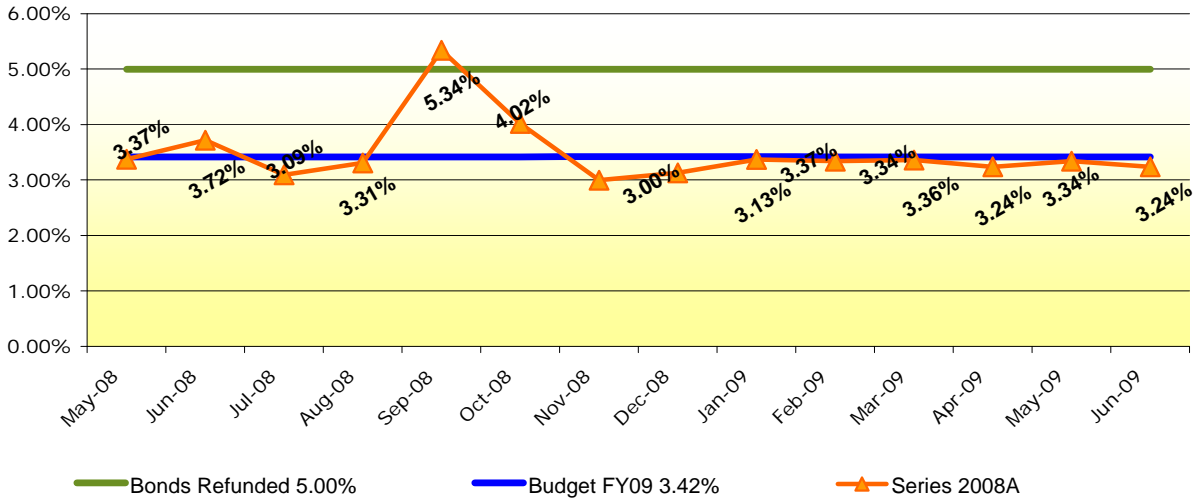


Metropolitan Sewerage District of Buncombe  
County  
Yield Comparison  
May 31, 2009



# MSD Variable Debt Service Report As of June 30, 2009

### Series 2008A Synthetic Fixed Rate Bonds Performance History



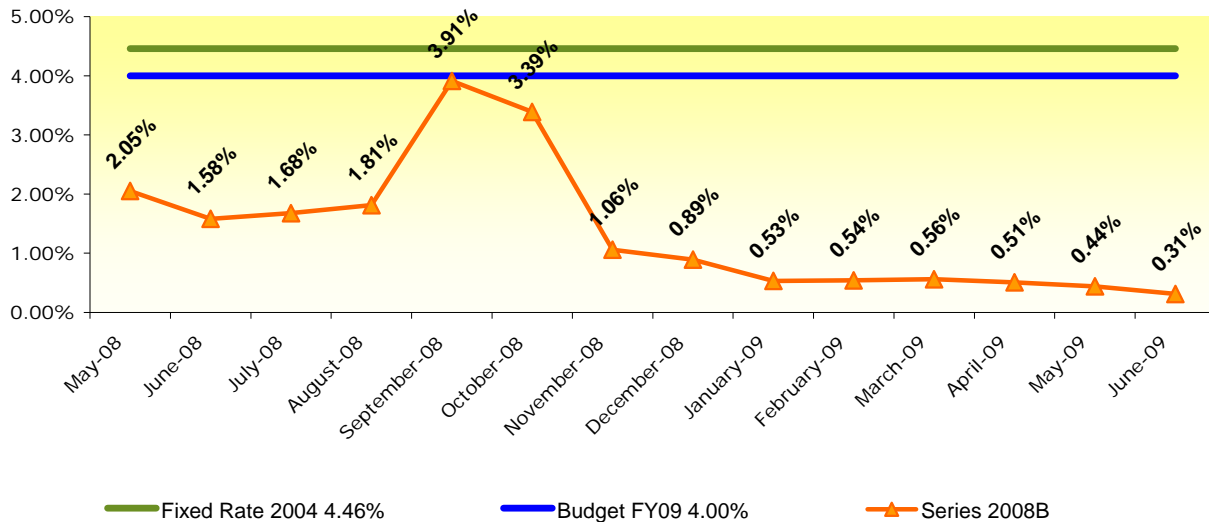
**Series 2008A:**

Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$567,521 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 \$5,923,474 over the life of the bonds.

MSD would pay 2,705,000 to terminate the existing Bank of America Swap Agreement.

### 2008B Variable Rate Bond Performance History



**Series 2008B:**

Saving to date on the 2008B Variable Rate Bonds is \$749,104 as compared to 5/1 fixed rate of 4.46%

Since May 1, 2008, the Series 2008B Bonds average variable rate has been 1.42% .

MSD will achieve \$7,317,522 in cash savings over the life of the bonds at the current average variable rate.

# **STATUS REPORTS**

**CAPITAL IMPROVEMENT PROGRAM**

**STATUS REPORT SUMMARY**

**Current as of July 7, 2009**

PROJECT	AWARD DATE	NOTICE TO PROCEED	*COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
BEECH GLEN DRIVE FOUR INCH MAIN	3/26/2009	4/20/2009	7/18/2009	\$115,830.00	100%	<b>Informal</b> Project is complete and in close out.
DORCHESTER AVENUE FOUR INCH MAIN	3/26/2009	5/4/2009	8/1/2009	\$109,079.00	98%	<b>Informal</b> Project is complete and awaiting final inspection.
GLEN BRIDGE ROAD (PRP 47006)	6/10/2009	7/6/2009	2/1/2010	\$227,967.50	0%	<b>Formal - ARRA project</b> No work has begun yet.
GRINDSTAFF ROAD (PRP 11008)	3/26/2009	5/4/2009	8/1/2009	\$40,971.00	95%	<b>Informal</b> Mainline construction is complete.
LONG SHOALS ROAD (PRP 48002)	6/10/2009	7/6/2009	2/1/2010	\$358,724.50	0%	<b>Formal - ARRA project</b> No work has begun yet.
MERRIMON AVENUE @ OTTARI ROAD	1/21/2009	2/9/2009	6/8/2009	\$283,910.00	98%	<b>Formal</b> Project is complete and awaiting final inspection.
MIDDLE BEAVERDAM CREEK INTERCEPTOR	TBA	TBA	TBA	TBA	0%	<b>Formal</b> Bids were opened July 2nd. Moore and Son Site Contractors is the apparent low bidder. Project will be presented at the July Board meeting.
REEMS CREEK INTERCEPTOR	9/17/2008	10/9/2008	6/30/2010	\$3,549,320.00	98%	<b>Formal</b> Project is complete and awaiting final inspection.
REEMS CREEK INTERCEPTOR SEWER EXTENSION PHASE 1	6/10/2009	6/22/2009	8/20/2009	\$52,803.00	25%	<b>Informal</b> Construction progressing well.
ROGERS PLACE	12/17/2008	1/19/2009	4/18/2009	\$135,253.00	98%	<b>Formal</b> Project is complete and in closeout.
TOWN BRANCH INTERCEPTOR	TBA	TBA	TBA	TBA	0%	<b>Formal</b> Project is scheduled to bid on July 23rd.
WEAVERVILLE HIGHWAY @ HILLCREST ROAD	3/26/2009	5/4/2009	8/1/2009	\$40,973.00	95%	<b>Informal</b> Mainline construction is complete. Paving and final are yet to be done.
WRF - INTERMEDIATE PUMPING REPLACEMENT	TBA	TBA	TBA	TBA	0%	<b>Formal</b> Bids were opened June 24th. Hickory Construction Company is the apparent low bidder. Project will be presented at the July Board meeting.
WRF - VENTURI REHAB AT INCINERATOR	1/21/2009	2/10/2009	10/7/2009	\$263,000.00	100%	Project complete and in closeout.

\*Updated to reflect approved Change Orders and Time Extensions

Planning and Development Projects  
Status Report July 8, 2009

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
	Gene Bradley Subdivision	2004022	Fletcher	9	420	3/3/2005	Complete-Waiting on final documents
	Davidson Road Sewer Extension	2004154	Asheville	3	109	12/15/2004	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	1999153	Asheville	-	240	6/15/2007	Complete - Waiting on final documents
	Jim Beck	2003003	West Asheville	future	75	12/12/2000	Complete - Waiting on final documents
	Holiday Inn	2001068	Asheville	1	474	8/11/2003	Complete - Waiting on final documents
	Bitmore Park Town Square II-4	2007079	Arden	-	481	6/21/2007	Complete - Waiting on final documents
	Byrd Street Condos	2007085	Asheville	14	300	7/31/2007	Complete - Waiting on final documents
	MWB Sewer Extension	2008046	Asheville	Comm.	285	5/12/2008	Complete - Waiting on final documents
	The Cottages on Liberty Green	2007297	Asheville	7	124	5/30/2008	Complete - Waiting on final documents
	Haw Creek Tract	2006267	Asheville	49	1,817	10/16/2007	Complete - Waiting on final documents
	Haywood Village	2007172	Asheville	55	749	7/15/2008	Complete - Waiting on final documents
	Oak Crest Place	2004056	West Asheville	27	791	12/3/2004	Ready for final inspection
	Bell Road	2007159	Black Mtn	5	285	11/28/2007	Punchlist pending
	Buncombe County Animal Shelter	2007216	Asheville	Comm.	78	5/1/2008	Ready for final inspection
	Oak Crest Drive	2008138	Asheville	5	290	1/14/2009	Pre-con held, ready for construction
	Ridgefield Business Park	2004188	Asheville	18	758	2/16/2005	Complete-Waiting on final documents
			Subtotal	690	13,301		



Planning and Development Projects  
Status Report July 8, 2009

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
Under Construction	Buchanan Road	2009005	Asheville	3	392	5/19/2009	Pre-con held, ready for construction
	Crayton Creek Green	2006282	Asheville	10	482	3/15/2007	Ready for final inspection
	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
	Asheville Ford	2008083	Asheville	Comm.	243	2/16/2009	Pre-con held, ready for construction
	McGinnis Sewer Extension	2004225	Asheville	9	48	5/19/2005	In redesign.
	Falcon Ridge	2004240	Asheville	38	3,279	10/11/2006	Ready for final inspection
	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
	Brookside Road Relocation	2008189	Black Mtn	n/A	346	1/14/2009	Pre-con held, ready for construction
	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	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
	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	testing
	Rockwood Apartments	2008109	Asheville	256	4072	1/27/2009	Pre-con held, ready for construction
	Skyland Apartments	2007117	Arden	63	96	4/23/2008	Ready for construction
	Leicester Village Townhomes	2007291	Weaverville	56	427	4/15/2008	testing
	Berrington Village Apartments	2008164	Asheville	308	4,690	5/5/2009	Pre-con held, ready for construction
Lodging at Farm (Gottfried)	2008169	Candler	20	45	6/2/2009	Pre-con held, ready for construction	
Honeysuckle Lane	2007236	Asheville	4	32	6/2/2009	Pre-con held, ready for construction	
North Point Baptist Church	2008105	Weaverville	Comm.	723	5/20/2009	Pre-con held, ready for construction	
Camp Dorothy Walls - Ph. 1	2007294	Black Mtn.	Comm.	593	6/16/2009	Pre-con held, ready for construction	
Forest Manor Complex	2088050	Asheville	Comm.	96	12/4/2008	Installing	
Subtotal				2382	84,617		
Total Units:				3,072			
Total LF:					97,918		