

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
FEBRUARY 17, 2010**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00 P.M., Wednesday, February 20, 2010. Chairman Aceto presided with the following members present: Bellamy, Bryson, Creighton, Haner, Kelly, Root, Russell, Stanley, VeHaun and Watts. Mr. Bissette was absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Leah Karpen with the League of Women Voters, Joseph Martin with Woodfin Sanitary Water & Sewer District, Lucy Crown with Parks, Greenways & Recreation Services of Buncombe Co., David Tuch of Equinox Environmental, Dwayne Stutzman with the Greenway Commission, Stan Boyd, Ed Bradford, John Kiviniemi, Peter Weed, Jim Hemphill, Scott Powell, Ken Stines, Angel Banks, Julie Willingham, 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 January 20, 2010 Board Meeting:

Mr. Aceto asked if there were any objections to approving the Minutes of the January 20, 2010 Board Meeting as presented. With no objections, the Minutes were approved by acclamation.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. Aceto welcomed Ms. Karpen, Ms. Crown, Mr. Tuch and Mr. Stutzman.

6. Report of General Manager:

Mr. Hartye introduced Ms. Lucy Crown, with Parks, Greenways & Recreation (PGR) Services of Buncombe County for a presentation on an 11-mile Greenway Master Plan and Feasibility Study being done by Equinox Environmental. Ms. Crown introduced Mr. Dwayne Stutzman, Chairman of the Greenway Commission and Mr. David Tuch, Vice President of Equinox Environmental.

Ms. Crown reported that Buncombe County (PRG) Services is administering a multi-jurisdictional, multi-party grant to look closely at the feasibility for a greenway along the US 70 and Swannanoa River Corridor. The project area is just over 11 miles from the county line in the vicinity of Ridgecrest and the Point Lookout Trail, through the Town of Black Mountain and Swannanoa, to Azalea Road Park within the City of Asheville, where the trail will connect with the Wilma Dykeman Riverway Plan.

Ms. Crown reported that in March of 2008, the Buncombe County Commissioners passed a resolution to form a Greenway and Trails Commission. The Commission, comprised of 14 members, began working in September of 2008. She stated that the mission of the Commission is "To support and promote the development of an environmentally friendly system of connected trails and greenways to improve health, alternative travel, economic development, and recreation in coordination with towns, cities, communities, businesses, non-profit organizations and adjacent counties."

Another mission is to create trees in top priority areas such as along the US 70 Corridor in Swannanoa. Ms. Crown further reported that the Commission sought funding through the French Broad River Metropolitan Funding Organization (FBRMPO) through its United Planning Workers Program (UPWP). The grant is for \$30,000 with an 80/20 match, and although the Buncombe County PGR is administering the grant, they are working with four other partners; Town of Black Mountain, City of Asheville, Blue Ridge Bike Club, and the Swannanoa Greenway Committee, of which all have contributed to the 20% match. The municipalities of these partners are contributing technical support through planning and recreational staff as well as support through greenway commissions.

Ms. Crown reported that the study area is an eleven-mile stretch serving two municipalities, Warren Wilson College, and un-incorporated areas of the County. These areas have been broken down into five sectors, with each sector having its own level of development as far as greenways. Ms. Crown went over the location of each sector and the opportunities and obstacles of each. She stated that the goals for the project are to create a conceptual plan; conduct public meeting for input; develop feasible routes for multi-use trail or series of trails within each sector; work with NCDOT and Norfolk Southern to determine ROW boundaries; work with the MSD to verify sewer easements; identify barriers in each sector and propose possible resolutions, and provide cost estimates for each sector. The objectives of the project are two-fold. First, to create a conceptual plan that covers the entire study area, and second address challenges and obstacles. Ms. Crown stated that at the end of the study they expect a technical document, trail alignment, costs and design needs and solutions. This information will be used for public outreach, funding opportunities and political approval.

Mr. Aceto asked where MSD fits into the study. Mr. Tuch stated that they are creating maps for the entire corridor showing all of the MSD alignments. This information will then be overlapped with the alignments for the greenway. He further stated that the greenway will follow the river as much as possible and the reason for MSD's involvement is that approximately one-half of the 11-mile area could be following the MSD sewer line. Also, MSD is allowing them to piggy-back on top of its easements that are in place. Ms. Banks stated that MSD has agreements with Fletcher, Black Mountain and the City of Asheville to dovetail greenway sewer easements. These agreements specify issues such as access to sewer lines for repair, restoration issues and physical liability issues. She explained that if any greenway overlaps MSD rights of way, they would become a part of that particular municipality's Parks and Recreation Division and would be under their umbrella liability insurance coverage. Mr. Aceto asked if the scope of MSD easements is broad enough to allow it to introduce public greenways. Mr. Clarke said no. However, MSD does not object to the various towns acquiring additional rights from individual land owners. Ms. Crown stated that currently the County does not have a User Agreement with MSD. Mr. Stutzman stated that the Commission is very excited about the fact that there are opportunities available, and in instances where greenways are part of the infrastructure, this does a lot to assist in the economic viability of an area. He further stated that they are looking forward to creating a comprehensive system where everyone has the ability to utilize these facilities. Mr. Haner asked if this effort will have to deal with each and every property owner. Mr. Clarke stated that although MSD has a sewer easement, it cannot give the right to cross an easement for a greenway to Buncombe County, but MSD is cooperating fully in identifying these easements, providing maps, etc. for Buncombe County's use. Mr. Root stated that since the land owner has already granted an MSD easement, adding this on might not be as much of a problem. Mr. Stutzman stated that the Commission understands the financial ramifications and that this will be a long process.

Mr. Hartye continued with his report. He announced that the Board Retreat will be held in the Boardroom on March 17th from 11:30 a.m. till 1:55 p.m. Lunch will be served. The regular Board Meeting will begin at 2 p.m. Mr. Hartye reported that some

of the agenda items for the Retreat include: Serving areas with failing septic tanks; MSD Board Travel Policy; Policy for the extension of sewer into areas identified in the Master Plan, and Press Relations, education, etc.

Mr. Hartye presented an Asheville Citizens Times (AC-T) article on a sewage spill; MSD wellness newsletter "Rejuvenations", and the Chairman's letter to the editor of the AC-T.

Mr. Hartye reported that the Right of Way Committee meeting scheduled for February has been cancelled. The next regular Board meeting will be held March 17th at 2 p.m. The Board Retreat will be held just prior to the Board Meeting from 11:30 a.m. to 1:55 p.m. The Finance and Ethics program given by the UNC School of Government will be held February 24th at the Biltmore Doubletree. Registration/refreshments will begin at 8 a.m. and the program will start at 8:30 a.m. Mr. Hartye provided a copy of the District's audited financial statements along with current budget forecast for those participants who plan to attend.

7. Report of Committees:

Mr. Kelly reported that the Right of Way Committee met January 27, 2010 to consider Compensation Budgets for the Liberty Street and Morris Street @ Talmadge Rehabilitation projects, and a review of the Quarterly Report for the Second Quarter. He stated that Mr. Clarke presented documents and information concerning the ongoing negotiations with Norfolk Southern Railway. Mr. Kelly stated that in an e-mail from Mr. Clarke, he suggested that the Board defer any action on the proposed Memorandum of Agreement and License Agreements until the March meeting. Mr. Haner asked if this issue will be brought back to the Right of Way Committee first. Mr. Kelly said yes.

8. Consolidated Motion Agenda:

a. Consideration of Compensation Budgets for Liberty Street Rehabilitation and Morris Street @ Talmadge Rehabilitation:

Mr. Hartye reported that the ROW Committee recommends approval of the compensation budgets for Liberty Street Rehabilitation and Morris Street @ Talmadge Rehabilitation.

b. Consideration of Bids for Sanitary Sewer Replacement Projects: Forest Hill Drive No's 1 & 2:

Mr. Hartye reported that these rehabilitation projects are for the replacement of aged six and eight-inch clay lines, which contain a significant number of structural defects. He stated that these projects are located in the Kenilworth area of Asheville, near Mission Hospital, and are comprised of a total of 1,831 LF of 8-inch DIP. The following bids were received on Tuesday, February 2, 2010 as follows: Fallon Utility Construction with a total bid of \$463,400.16; Carolina Specialties, Inc. with a total bid of \$324,522.17; Patton Construction Group with a total bid of \$311,700.00; Buckeye Construction Co., with a total bid of \$289,553.15; Spur Construction Co., with a total bid of \$272,837.55; Huntley Construction Co., with a total bid of \$228,647.00; Terry Brothers Construction Co., with a total bid of \$228,402.50, and T&K Utilities, Inc. with a total bid of \$216,243.00. Mr. Hartye further stated that staff recommends award of this contract to T&K Utilities, Inc. in the amount of \$216,243.00, subject to review and approval by District Counsel.

c. Consideration of Acceptance of Developer Constructed Sewer Systems – Asheville Ford Dealership Project:

Mr. Hartye reported that this project is located inside the District boundary at the intersection of Pond Road and Interstate Boulevard in Asheville and consists of approximately 273 LF of 8" public gravity sewer. He stated that staff recommends acceptance of the developer constructed sewer system. All MSD requirements have been met.

d. Adoption of Budget Calendar:

Mr. Hartye presented a proposed Budget Calendar showing the dates and times of the Personnel, CIP, Finance and Board Meetings through June. Staff recommends approval of the proposed Budget Calendar.

e. Second Quarter Budget to Actual Review – FY 2009-2010:

Mr. Powell reported that Domestic User Fees are below expectations. He explained that typically the District achieves 52% of its budgeted revenues through December, but it is currently at 48.4%. He stated that if the current percentage holds true for the remainder of the year, the District could miss its budgeted revenues by 3.5 to 4.0%, which equates to a shortfall of approximately \$1 million. He further reported that Facility and Tap Fees are above budgeted expectations, due to the District's approach in conservatively budgeting these revenues. Interest and miscellaneous income reflect expected earnings on investments. O&M expenditures are below 50%, and amounts budgeted for capital equipment and projects are rarely expended proportionately throughout the year. He stated that the Secondary Microscreen project has been placed on hold until staff has a clearer picture on revenue trends. Mr. Hartye stated that all of the numbers on the expenditure and revenue side are good, except for a decline in consumption for both residential and commercial usage. Mr. Watts asked if there is a relationship between the decrease in user fees and flows. Mr. Hartye said yes. Consumption is based on meter consumption, which translates into flows. However, flows at the plant are higher during this period due to wet weather. Mr. Watts stated that in Black Mountain he has seen a tremendous increase during dry weather in water used for irrigation that would not show up in sewer flows. Mr. Hartye stated that some people choose to have an irrigation meter installed so the amount used can be deducted from their bill, which MSD allows.

f. Second Quarter City of Asheville Billing Report – FY 2010:

Mr. Powell reported that Net Billings are up .40%; Cash receipts during the first half of the year were down 2.5%; Receivables are up 11%, and the aging percentages are showing signs of accounts requiring addition time to collect. Ms. Bellamy asked if MSD has discussed the possibility of monthly billing for all customers, instead of bi-monthly. Mr. Hartye stated that some discussion has been held with the water department in the past, but MSD has not heard anything regarding this for several months. He further stated that there are pros and cons to monthly billing. Ms. Bellamy asked the Board if it is okay to ask Staff to make a position on this issue to send to City Council, so Council will know how this would impact the District. Mr. Hartye stated that in order for staff to come up with a position, it needs to see what Asheville's intent is as far as the cost of billing. Mr. Haner asked if the cost would be negotiable. Mr. Hartye stated that the City needs to look at their cost first, particularly since the number of bills will be double, and since a stormwater fee will be added. Mr. Russell stated that as Chairman of Finance Committee, he will try to bring something back to the Board at the next meeting. Mr. Aceto suggested that this issue be brought to Retreat for consideration.

g. Cash Commitment/Investment Report-Month Ended December 31, 2009:

Mr. Powell reported that Page 2 presents the makeup of the District's Investment Portfolio. There has been no change in the makeup of the portfolio from the prior month. Page 3 is MSD's Investment Managers' report as of the month of December. Mr. Powell stated that because of the nature of the business of the District, and the amount of CIP that is done, the weighted average maturity of the investment portfolio is 96 days. The yield to maturity is 1.45% and is exceeding the bench marks of 6 month T-Bill and NCCMT cash portfolio. Mr. Powell further reported that Page 6 is MSD's Variable Debt Service report. He stated that both the 2008 A&B Series are performing better than budgeted expectations, and as of the end of January, both issues have saved District ratepayers \$2.1 million in debt service. Ms. Karpen asked if MSD's travel policy will be discussed at the upcoming retreat, and if there has been any further discussion with Progress Energy about providing back up power. Mr. Hartye said yes. Mr. Hartye stated that staff has met with Progress Energy and will continue to meet in more detail about potential improvements that Progress Energy can make along with associated costs and bring this information back to the Board.

Mr. Kelly moved that the Board approve the Consolidated Motion Agenda as presented. Mr. Stanley seconded the motion. Roll call vote was as follows: 11 Ayes; 0 Nays.

9. Old Business:

Mr. Clarke reminded the Board that it needed to fill the Vice Chairman vacancy within 60 days of the January meeting. Mr. Aceto called for nominations for Vice Chair. Ms. Bryson nominated Mr. Bissette. Mr. VeHaun nominated Mr. Stanley. Mr. Root moved that the nominations be closed. Mr. Watts seconded the motion. Voice vote in favor of motion was unanimous. Mr. Aceto called for a show of hands in favor of the nomination for Mr. Bissette. Mr. Aceto called for a show of hands in favor of the nomination for Mr. Stanley. Mr. Stanley was elected Vice Chair by a vote of 6 to 4.

10. New Business:

Mr. Hartye announced that Ken Stines is available outside to give a demonstration of MSD's new Vactor Truck.

11. Adjournment:

With no further business, the meeting adjourned at 2:50 P.M.

Jackie W. Bryson, Secretary/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 02/17/10

| ✓ | Agenda Item | Presenter | Time | |
|---|--|-----------|------|--|
| | Call to Order and Roll Call | Aceto | 2:00 | |
| | 01. Inquiry as to Conflict of Interest | Aceto | 2:02 | |
| | 02. Approval of Minutes of the January 20, 2010 Board Meeting. | Aceto | 2:05 | |
| | 03. Discussion and Adjustment of Agenda | Aceto | 2:10 | |
| | 04. Informal Discussion and Public Comment | Aceto | 2:15 | |
| | 05. Report of General Manager | Hartye | 2:20 | |
| | 06. Report of Committees a. Right of Way Committee – 1/27/10 – Kelly | Aceto | 2:45 | |
| | 07. Consolidated Motion Agenda | | 3:00 | |
| | a. Consideration of Compensation Budgets: Liberty Street Rehab and Morris Street @ Talmadge Rehab. | Hartye | | |
| | b. Consideration of Bids for Forest Hill Drive No. 1 and No. 2 | Hartye | | |
| | c. Consideration of Developer Constructed Sewer System – Asheville Ford. | Hartye | | |
| | d. Consideration of Adoption of Budget Calendar. | Hartye | | |
| | e. Second Quarter Budget to Actual Review. | Hartye | | |
| | f. Second Quarter City of Asheville Billing. | Hartye | | |
| | g. Cash Commitment/Investment Report–Month Ended December 31, 2009. | Hartye | | |
| | 08. Old Business: | Aceto | 3:15 | |
| | 09. New Business: | Aceto | 3:20 | |
| | 10. Adjournment (Next Meeting (3/17/10) | Aceto | 3:25 | |

APPROVAL OF MINUTES

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
JANUARY 20, 2010**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00 P.M., Wednesday, January 20, 2010. Chairman Aceto presided with the following members present: Bellamy, Bissette, Bryson, Creighton, Haner, Kelly, Root, Russell, VeHaun and Watts. Mr. Stanley was absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Leah Karpen with the League of Women Voters, Chuck McGrady with Henderson County, Stan Boyd, Ed Bradford, John Kiviniemi, Scott Powell, Angel Banks, Peter Weed, Jim Hemphill, Julie Willingham, Mike Schraven, Ken Stines 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 December 16, 2009 Board Meeting:

Mr. Haner moved that the minutes of the December 16, 2009 Board Meeting be approved as presented. Mr. VeHaun seconded the motion. Voice vote in favor of the motion was unanimous.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. Aceto welcomed Ms. Karpen, Mr. McGrady and Staff. Mr. Aceto announced that a luncheon in recognition of Mr. Sobol and Mr. Metcalf will be held Wednesday, February 17th prior to the regular Board meeting. He stated that a new Vice Chairman will be elected at this meeting.

Mr. Aceto introduced Mr. Bob Watts, Public Works Director with the Town of Black Mountain and Al Root, Mayor of the Town of Weaverville as new Members of the District Board, replacing Michael Sobol and Steven Metcalf respectively. He welcomed them to the Board and presented each with a traditional manhole puller.

Mr. Aceto recognized Mr. Chuck McGrady, Commissioner with Henderson County. Mr. McGrady stated that the Board of Commissioners elected him to serve as a representative along with Charlie Messer to attend MSD Board meetings. He reported that Henderson County is in discussions with the City of Asheville regarding a range of issues, such as water and sewer. He stated that because the Cane Creek Authority is one of MSD's largest users, Henderson County is expressing preliminary interest with the City of Asheville, other municipalities, and legislative delegation about potentially stepping up and officially joining MSD. Mr. Aceto expressed his appreciation on behalf of the Board for Mr. McGrady's attendance and future participation from Henderson County.

Mr. Aceto reported that in addition to the appointments of Mr. Watts and Mr. Root, he, Ms. Bellamy, Mr. Haner and Mr. Kelly, were recently re-appointed to serve another term on the District Board.

6. Report of General Manager:

Mr. Hartye reported that the District has once again been granted the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award. He expressed his appreciation to Teresa Gilbert and Scott Powell for their effort.

Mr. Hartye called on John Kiviniemi, Plant Manager for a report on the generator incident at 2 a.m. on Christmas Day following the Progress Energy outage. Mr. Kiviniemi reported that the plant experienced a loss of power from Progress Energy on December 25th at 2 a.m. However, the plant has a 2 megawatt diesel backup generator that is sufficient to carry the plant load and is designed to automatically start and transfer power once it senses loss of utility power. Although the generator started as designed, it did not produce power. Staff responded within 15 minutes and determined there was something wrong with the generator internally. The power was restored by Progress Energy by 3 a.m., but due to wet weather that proceeded Christmas Day, this resulted in a substantial amount of flow, causing the manhole behind the Administration Building to overflow for a short period of time. He stated that the overflow into the French Broad River was estimated at 374,000 gallons, and at the same time, the flow into the treatment plant was running at 30 mg. He further stated that on Christmas day, staff was able to identify and contact the generator repair specialist (Carolina Generator Company) outside of Greensboro and they were on site later that day, and the part (potential transformer) was replaced by noon the next day. He expressed his appreciation to the plant response staff for an excellent job.

Mr. Kiviniemi reported that following the incident, a spare part was purchased and staff met with Progress Energy to discuss some potential options on how to shore-up some of the potential for power outages on their utility side. Mr. Hartye stated that the generator did work under load on the previous Friday during the snow storm. He further stated that this generator is the main one for the plant, but the District also has 32 pump stations, 27 of which have stationary generators. Mr. Kiviniemi stated that on the preceding weekend, staff made sure all of the generators were fueled. In response to the newspaper article about the incident, Mr. VeHaun stated that he does not feel MSD is in any way responsible. Mr. Haner asked if there is any adjustment in Preventative Maintenance (PM) that could be made to keep this from happening again. Mr. Kiviniemi stated that an extensive amount of PM is done, both from load-testing the generators quarterly, as well as normal PM on the engine itself. However, staff has contacted Carolina Generator Company about retaining them to come in annually to check all of the generators for additional maintenance not normally done. Mr. Hartye stated that meetings with Progress Energy are taking place and staff will report back to the Board on the findings. He further stated that when the generator was installed in 1999, prior to Y2K, MSD did not envision using it six to eight times a year. Therefore, staff is looking to Progress Energy to shore-up redundancy on their part. Regarding the erroneous press given the incident, Mr. Haner suggested bringing the newspaper up to date on what is being done to minimize the chance for reoccurrence.

Mr. Hartye reported that the District has made significant progress with regard to SSO's. He presented a graph showing 10-years of SSO's, from 1999, with 280 per year, down to 23, during the last fiscal year. Mr. Haner asked how many of the pump station generators kicked-in during the power outage. Mr. Kiviniemi said most of them. Ms. Bellamy asked what staff would have done differently. Mr. Kiviniemi stated beyond the increased awareness of the equipment, discussions with Progress Energy to potentially shore-up utility provisions is MSD's best option. Ms. Bellamy asked about the possibility of alternative energy sources. Mr. Hartye stated that along with a series of options, the Hydro-electric facility is the biggest alternative, but it can not be used by itself; it has to be energized with power to keep it going and would not be available during low flow periods on the French Broad River. Mr. Aceto asked what scope and duration of power outage is MSD prepared to sustain. Mr. Kiviniemi said without refueling, up to

48 hours, after which MSD would have to ferry fuel to generators to keep them going. Mr. Aceto suggested that staff consider expanding the capacity to sustain the outage for an extended period of time; longer than 48 hours.

Prior to a presentation by Michael Schraven, MSD's Contract Construction Manager, Mr. Hartye presented a slide of MSD's organizational chart showing the six MSD divisions and a chart showing the Capital Improvement Program (CIP) Division, responsible for MSD's contract construction at an estimated cost of \$15 million a year. He also presented a slide of the CIP for the next 10 years, FY 10 through FY 19, with a total budget of \$145.6 million, which includes interceptor/wet weather rehab; collection system rehab; treatment plant/pump station; and reimbursements. Mr. Hartye reported that since Consolidation in 1990, MSD has spent approximately \$250 million on rehabbing or replacing over 800,000 feet of sewer. Mr. Hartye called on Mr. Schraven for a presentation on some of MSD's recent projects.

Using a Power Point presentation, Mr. Schraven introduced the Construction Management Team consisting of Denise Moore, Mike Presley, Jim Frey and Kevin Devlin. The team is responsible for quality assurance, quality control, and fiscal monitoring of the estimated \$15 million annual CIP. Mr. Schraven presented slides showing why MSD needs additional rights of way from a temporary construction easement standpoint, due to the sheer size and magnitude of the construction site. Slides were shown portraying site requirements for trenchless operations and lay-down areas on pipe projects. He stated that all projects are not pipe related; some are done at the Treatment Plant, while others may involve work in the crawl spaces under homes served by MSD. Slides were shown of work done on the Thermal Converter building rehabilitation project as well as plumbing work completed under an apartment building, required by mainline relocation. Mr. Schraven presented slides of a project in West Asheville showing the equipment used to set a 27' deep manhole and cranes that were utilized to set a wet well base on another project. Also, he presented slides of an old brick manhole prior to rehabilitation and a similar manhole after a cementitious liner was installed during a rehabilitation project. This type of rehabilitation is resistant to chemical attack inside the sewer and keeps out roots and water infiltration. He talked about crossing rivers and how coffer dams are used to divert the river to one side in order to dig the pipe in below the riverbed. In smaller streams and tributaries, it is easier to pump the creek around construction. He presented a slide showing a pump-a-round on the Reems Creek project where the creek was pumped around construction allowing the pipe to be laid in relative dry. On the same project a creek ford was built to keep traffic and mud out of the stream bed. He explained that in order to cut a manhole into an existing main, a by-pass pump operation was required as was done on the Hominy Creek Interceptor.

Mr. Schraven reported that occasionally a project will require night work, which is avoided when possible for safety reasons and the availability of other utilities in case of emergency. Other factors that cause problems are frost, wet weather, roadways and railways. He presented several slides showing a jack and bore operation where machinery augers or bores a hole under the roadway or railroad tracks.

Mr. Hartye stated that the major difference between sewer and water construction is MSD has to continually go down hill using gravity to move sewage, where water lines can run up and down hills because it is pumped. Also, because sewage is not pumped, it is sometimes necessary for construction to be in deep trenches. This makes sewer construction much more expensive than water. Mr. Schraven stated that the mountain topography helps to move sewer for great distances. Sewage from Black Mountain and Ridgecrest make the trip all the way to the plant without any assistance from pumps.

Mr. Schraven elaborated further on problems where, on occasion, crews cannot open dig a roadway, yet rock is present in the path of the boring operation. He presented

a slide of a rotary rock cutter used to perform a rock bore across Leicester Highway. This type of boring equipment crushes and grinds solid granite. He made a comparison of a rock to earth bore where a rock bore may progress 18 inches a day compared to 18 feet per day in earth. Mr. Schraven presented other machinery and tools used in construction ranging from a pavement milling machine to a chipper shredder used in clearing operations to a huge concrete saw used to remove concrete obstructions. He showed slides of equipment installed at the treatment plant and finally a slide of a new product being used to replace the typical round manhole. Ms. Karpen asked if MSD owns any of the large equipment shown. Mr. Schraven stated that the equipment shown in the slides is owned by the contractors.

Mr. Hartye continued with his report. He presented two articles; an AC-T article on the sewage spill and an article on smoking. Mr. Hartye reported that the next Right of Way Committee meeting will be held January 27th at 9 a.m. and the next regular Board Meeting will be held February 17th at 2 p.m. He further reported that a Finance Committee meeting will be scheduled for sometime in February and the Local Government Finance and Ethics workshop will be held February 24th.

Mr. Hartye called the Board's attention to the CIP and the Planning and Development Department's status reports.

7. Consolidated Motion Agenda:

a. Consideration of Annual Meeting Dates:

Presented as information only

b. Consideration of Development Constructed Sewer System for the Leicester Village Apartments/Townhouse Project:

Mr. Hartye reported that this project is located outside the District boundary off New Leicester Highway on English Ivy Drive. The project included the installation of approximately 440 linear feet of 8" gravity sewer to serve a 56 unit residential development. Staff recommends acceptance of the system. All MSD requirements have been met.

c. Cash Commitment/Investment Report – Month Ended November 30, 2009:

Mr. Hartye called on Scott Powell for a report. Mr. Powell stated that on Page 2 of the report, the District's Investment Portfolio has shown little change from month to month. In October, monies from the Bond Issues were received and added in November and there was a lot of money in the North Carolina Cash Management Trust (NCCMT). In November, this money was put in short-term CD's. He explained that local CD's in five-star banks is where the District is earning the most yields. He stated that in the past MSD has invested in agencies, commercial paper, etc, but due to the downturn in the economy a couple of years ago, those investment instruments have been yielding less return. On Page 3, Mr. Powell noted the weighted average maturity is 94 days and yield to maturity is 1.56%, Six-month T-Bill secondary market is 0.15% and NCCMT Cash Portfolio is 0.14%. He stated that the portfolio is short in duration and MSD is maximizing its returns in CD's, which is done due to the economy. He explained that when the economy improves, yields improve and if the MSD locks in more than a year it will pay for it with less return on investments.

Regarding revenues, Mr. Powell reported that on a YTD perspective, revenues are down approximately 3% in comparison to last year. MSD has received preliminary numbers from the City of Asheville (COA) as far as their consumption. He stated that as of the end of December, consumption is down approximately 9%, which will

have an impact on both the COA and MSD budgets, but is waiting to get the final information from the COA. Mr. Powell stated that the reason MSD uses the COA information is because this represents 80% of MSD's revenue information. This same trend is being seen in other municipalities. He further stated that the downturn in consumption is based on two factors; recessionary pressures and a wet summer and fall that have impacted water usage.

With regard to expenditures, Mr. Powell reported that comparison on a monthly as well as a YTD perspective is in line with historical trends and within the current year budget. He stated that YTD capital projects, depending on the nature of those projects, are within 17.8% of budget. As reported by Mr. Hartye, the secondary microscreen project is on hold until MSD gets some definitive information as it pertains to the duration of the impacts of the revenue downturn.

Mr. Powell reported that both of the Variable Rate Debt Series have performed in relation to budget, and as of December, MSD has saved ratepayers approximately \$2 million on both Series in Debt Service. Ms. Bellamy expressed her appreciation for the transparency with which Scott Powell reports the District's finances and that he does a good job in trying to meet the needs of the Board and to insure on a monthly basis that the Board is aware of what is happening with the dollars and how they are being spent. Mr. Powell stated that as soon as the numbers are received from the COA and staff has a chance to analyze this, the Board will be notified by e-mail of a possible Finance Committee meeting in February. Ms. Bellamy moved that the Board approve the Consolidated Motion Agenda as presented. Mr. Kelly seconded the motion. Roll call vote was as follows: 11 Ayes; 0 Nays.

8. Old Business:

None

9. New Business:

Mr. Aceto recognized Mr. Russell. Mr. Russell asked if there is a Board policy on travel. Mr. Clarke stated that there was some discussion several years ago having to do with what Board Members could accept as far as meals, etc., but the Board does not have a formal travel policy. However, it does have an Ethics, Conduct and Attendance Policy. Mr. Haner stated that this was discussed at the last retreat and feels this is an issue the Board needs to develop as a policy, which gives the impression of being progressive in thoughts and decisions. He suggested that the pros and cons of a travel policy should be discussed again at the upcoming retreat. Mr. Aceto stated that although the Board does not have a written policy, there is an understanding that if a particular Board Member has an interest in attending a conference because of the subject matter or they serve on a state or national committee, then travel is justified on that basis, but the Board's policy over the last several years is to discourage travel. Ms. Bellamy stated that traveling to conferences benefit organizations and ratepayers and feels this should be discussed at the next retreat. Mr. Russell suggested that Board Member travel be presented to the Board and voted on. Mr. Aceto asked Counsel to draft an addendum to the Board's current Ethics, Conduct and Attendance Policy to be presented to the Planning Committee. Mr. Aceto asked staff to poll the Board on a date for the retreat and items to be discussed.

10. Adjournment:

With no further business, Mr. Aceto called for adjournment at 3:20 p.m.

Jackie W. Bryson, Secretary/Treasurer

REPORT OF GENERAL MANAGER

MEMORANDUM

TO: MSD Board
 FROM: Thomas E. Hartye, P.E., General Manager
 DATE: February 9, 2010
 SUBJECT: Report from the General Manager

- US 70/Swannanoa River Greenway Presentation

Equinox was hired to complete an 11- mile Greenway Master Plan and Feasibility Study by the Buncombe County Parks Greenways and Recreation Services Department along the Swannanoa River. This project area spans from the county line in the vicinity of Ridgecrest and the Point Lookout Trail, through the Town of Black Mountain and Swannanoa, to Azalea Road Park within the City of Asheville, where the trail alignment will connect with the Wilma Dykeman Riverway Plan. The project includes developing a conceptual plan of the greenway/multi-use trail that will travel throughout the more than 11 mile stretch serving two municipalities, Warren Wilson College, and unincorporated areas of the County. This regional concept plan will be used to promote public support, and illustrate the trails regional benefits for grant application and future funding. Mr. David Tuch of Equinox Environmental will be on hand to give a short presentation to the Board regarding the feasibility study.

- MSD Board Retreat

The Retreat will be held here in the MSD Boardroom on March 17th from 11:30 am till 1:55 pm. Lunch will be served. The Regular Board Meeting for that month will begin at 2 pm.

The Agenda:

1. Serving areas with failing septic tanks
2. MSD Board Travel Policy
3. Policy for the extension of sewer into areas identified in the Master Plan
4. Press Relations, education etc

- Reading

- AC-T article on sewage spill
- Rejuvenations – MSD wellness newsletter
- Chairman's letter to the editor of AC-T

- Board/Committee Meetings

The Right of Way Committee meeting for February has been cancelled. The next Regular Board Meeting will be held March 17th at 2pm. The Board Retreat will be held just prior from 11:30 am to 1:55 pm. The Finance and ethics program given by the UNC School of Government will be held February 24th at the Biltmore Doubletree, registration/refreshments at 8 and program start 8:30am.

Raw sewage fouls Buncombe creek

BLACK MOUNTAIN —

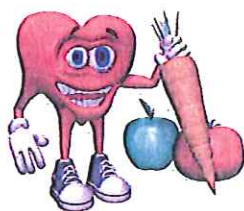
About 1,000 gallons of raw sewage spilled into a creek on Monday.

The sewage from the Metropolitan Sewerage District of Buncombe County manhole entered an unnamed creek that flows into the Swannanoa River, said Ken Stines, the district's assistant division director.

The spill happened about 10:30 a.m. Monday along Old U.S. 70 near the Western Carolina State Veterans Cemetery.

The manhole problem, which involved interior bricks falling into the line and blocking the flow of waste, was quickly repaired, Stines said.

No environmental damage was reported.



Vol. 1 Issue 2

Rejuvenations

The Wellness Newsletter of MSD



February 2010

Love cures people — both the ones who give it and the ones who receive it.

—Dr. Karl Menninger

Healthy Hearts

Everyday Heart Health Tips

The human heart's job is to pump nutrient-rich blood throughout your body.

If you smoke, take drugs, or drink alcohol excessively, you are giving your heart extra work. How do you feel when you have too much work to do? Your heart cannot handle too much extra work over a long period of time. Over time, the health of your heart will suffer.

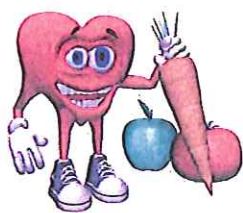
If you're not convinced about the need to develop an exercise program for your life, you can at least try following some of these tips in your everyday routine. Take advantage of any opportunity for exercise. Try some today.

- Take the stairs instead of an elevator or escalator at school or the mall. Just start with one flight. Soon, you'll be ready for two.
- Park your car at the far end of the parking lot. The short walk to and from the store or school helps your heart.
- If you ride a bus or subway, get off a stop before your destination. Walk the rest of the way.

- If you can, spend a few minutes of your lunch break taking a stroll around the campus grounds. It should help you stay awake after lunch.
- Think of housework as an extra chance to exercise. Vacuuming briskly can be a real workout.
- Mowing the lawn, pulling weeds, and raking leaves are chores that can be done yourself as a chance to exercise.
- If you have a dog, think of the dog as an exercise machine with fur. A brisk walk with the dog is good for both of your hearts. Make it a part of your daily routine.
- If you have a family, schedule an after-dinner walk. Make it quality time.

Controllable Risk Factors:

- Cigarette smoking
- Being overweight by 30 percent
- Hypertension -- high blood pressure
- High cholesterol levels (specifically, high LDL cholesterol and low HDL cholesterol and high triglycerides)
- Stressful lifestyle
- Sedentary lifestyle (physical inactivity)



Vol. 1 Issue 2

Rejuvenations

The Wellness Newsletter of MSD



February 2010

10 Tips for a Healthy Heart

The low-drug or no-drug approach

PREVENTION

Eat plenty of fiber and good fat. New research suggests that inflammation of the arteries may be as big a risk factor for heart disease as clogging with cholesterol deposits. And a high-fiber diet featuring plenty of beneficial fats proved better at controlling that damaging inflammation than the standard low-fat diet, according to a recent two-year clinical trial.

(Participants also found it tastier and more filling.) Good sources of fiber include fruits, legumes, nuts, whole grains, and vegetables. Best of all: the soluble fiber from barley, beans, and oats. As for fat, choose high-omega-3 but low-mercury fish such as salmon, sardines, and trout, and vegetable oils such as canola, olive, safflower, and soybean. Stay away from trans fats, which move cholesterol numbers in the wrong direction. The Nutrition Facts label on packaged food now

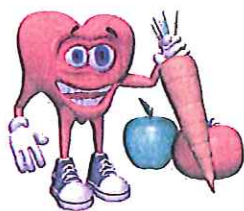
includes the trans-fat count.

Lay off cholesterol and salt. Anyone diagnosed with an elevated level of LDL (bad) cholesterol should consume less than 200 milligrams of cholesterol a day. That's the amount in one egg yolk, 8 ounces of skinless chicken breast, or 10 ounces of lean sirloin. As for salt, if you have high blood pressure or are at risk of developing it, cutting back on salt could

reduce your risk of a heart attack by 25 percent or more. Your goal should be less than 2,300 mg of sodium a day, which is about a teaspoon of salt.

Lose the gut. Even if you are not significantly overweight, carrying extra fat around your middle is bad, bad, bad. It raises blood pressure, adversely affects blood lipids, causes insulin resistance, and produces substances that inflame the arteries. The critical point is a waist measurement of 40 inches or more for men, or 35 inches for women, regardless of height. Sadly, no amount of crunches can spot reduce belly fat. The only way to get rid of it is to lose weight overall, preferably through a combination of diet and exercise.

Huff and pump. Name a cardiac risk factor, and regular aerobic and strength exercise can improve it—including arterial inflammation. Updated recommendations from the American Heart Association and the American College of Sports Medicine call for at least 30 minutes of moderate-intensity aerobic activity, such as brisk walking, five days a week, or 20 minutes of vigorous activity, such as jogging, three days a week. Strength training, in addition to improving overall fitness, improves fat-burning capacity by increasing muscle mass. Do a strength workout twice a week, on non-consecutive days to give your muscles time to recover. Include a couple of sets of exercises involving the major muscles in the arms, legs, and torso, and



Vol. 1 Issue 2

Rejuvenations

The Wellness Newsletter of MSD



February 2010

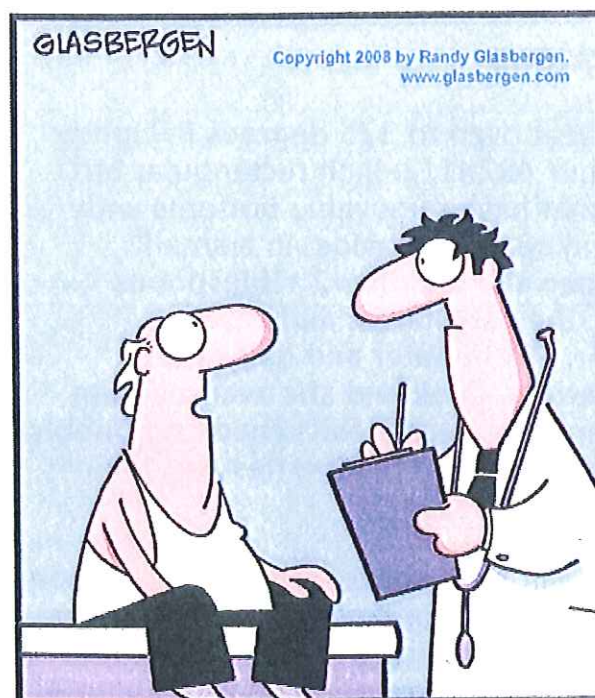
use weights or bands resistant enough that you can complete only 8 to 12 repetitions. If you're over 45, already have some kind of cardiovascular problem, or haven't exercised regularly for years, see a doctor before lacing up your workout shoes.

Calm down. Negative emotions, such as stress or panic attacks, trigger the release of hormones that can threaten your heart; studies show that people who experience those troubles have more heart attacks and strokes than calmer, more cheerful types. Curbing negative emotions is almost as good for your heart as proper diet and exercising. For stress, try yoga, tai chi, meditation, and measured breathing. Regular aerobic exercise helps ease depression. If you can't shake negative emotions and they are interfering with your functioning, seek professional counseling.

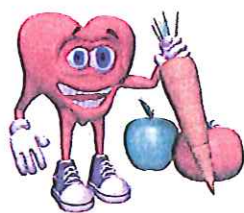
Know your CRP number. Elevated levels of C-reactive protein, or CRP, serve as a marker for artery inflammation, even if you have no other symptoms. Ask your doctor to include the inexpensive blood test for CRP the next time your cholesterol is checked. (And be sure to floss.)

What's New?

Tobacco Cessation
Exercise Room Usage
Bike To Work
National Heart Month



"I try to eat healthy. I never sprinkle salt on ice cream, I only eat decaffeinated pizza and my beer is 100% fat-free."



Vol. 1 Issue 2

Regjuvenations

The Wellness Newsletter of MSD



February 2010

Easy Blueberry Tarts

[Create Cookbook](#)

Makes: 4 servings

Prep: 25 minutes

Bake: 8 minutes

- Nonstick cooking spray
- 2 tablespoons sugar
- 1 teaspoon cornstarch
- 1/8 teaspoon cayenne pepper
- 1/4 cup water
- 1 cup fresh blueberries
- 1 cup fresh raspberries
- 1 tablespoon sugar
- 1/4 teaspoon ground cinnamon
- 4 sheets frozen phyllo dough (9 x14-inch rectangles), thawed

Directions

1. Preheat oven to 375 degrees F. Lightly coat four 4x2x1/2-inch rectangular tart pans that have removable bottoms with cooking spray; set aside. In a small saucepan stir together 2 tablespoons sugar, the cornstarch, and cayenne pepper. Stir in water and half of the blueberries. Cook and stir over medium heat until mixture is thickened and bubbly. Fold in remaining blueberries and the raspberries; set aside.

2. In small bowl stir together 1 tablespoon sugar and the cinnamon. Place one sheet of phyllo on cutting board. Lightly coat with cooking spray; sprinkle with about 1

teaspoon sugar mixture. Repeat layering with remaining phyllo and sugar mixture, ending with cooking spray. With a sharp knife, cut phyllo stack in half lengthwise and crosswise, forming four rectangles. Ease rectangles into prepared tart pans.

3. Bake for 8 minutes or until phyllo is golden brown. Cool slightly; remove shells from pans. Spoon filling into shells just before serving. Serve warm or cool. Makes 4 servings.



AC-T's 'F' overlooked

MSD's excellent reputation

The AC-T recently gave the Metropolitan Sewerage District an editorial report card grade of "F" for a sewage spill.

The spill occurred during a power outage as a result of failure of a meticulously maintained, triple-redundant backup power system that functioned perfectly during an outage the previous week and six times before that in the previous year.

The F grade overlooks the fact that the MSD staff regularly receives top national awards for management excellence and has completed over \$250 million in sewer line upgrades and replacements since 1989, reducing reportable spills from over 200 in the year 2000 to 20 last year.

The AC-T may give MSD an F, but the bond rating agencies give MSD the AA grade awarded to the top 5 percent of municipal utility districts nationwide.

Steven T. Aceto, Asheville

Aceto is the chairman of the MSD board of directors

COMMITTEE REPORTS

**RIGHT OF WAY
COMMITTEE RECOMMENDATIONS
AND MINUTES
January 27, 2010**

I. Call To Order

The regular monthly meeting of the Right of Way Committee was held in the Boardroom of the William H. Mull Building and called to order at approximately 9:00 a.m. on Wednesday, January 27, 2010. The following Right of Way Committee members were present: Glenn Kelly, Jackie Bryson and Jerry Vebaun.

Others present were: Billy Clarke, MSD Counsel; Steven Aceto, Chairman of the Board; Max Haner, Board member; Ellen McKinnon, Martin/McGill; Tom Hartye, Ed Bradford, Angel Banks, Mike Stamey, Stan Boyd, Kevin Johnson, Daniel Marsh, Wesley Banner and Pam Nolan, M.S.D.

II. Inquiry as to Conflict of Interest

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

III. Consideration of Compensation Budgets—

**Liberty Street Rehabilitation, Project No. 2008002
Morris Street @ Talmadge Rehabilitation, Project No. 2009106**

The attached Compensation Budgets are based on current ad valorem tax values and follow the MSD approved formula.

STAFF RECOMMENDATION: Approval of Compensation Budgets.

Ms. Banks explained the location of projects. The Liberty Street project contains 17 parcels and consists of replacing approximately 2045 lf of 8" DIP. The Morris Street @ Talmadge project consists of replacing approximately 3,380 lf of 8"DIP. Sewerlines on both projects are undersized and in poor condition. There was no discussion. Mr. Kelly made the motion to accept Staff's recommendation. Mr. VeHaun seconded the motion. Voice vote was unanimous.

COMMITTEE RECOMMENDATION: Approval of Compensation Budgets.

IV. Informational Item – Norfolk Southern Railway

Mr. Clarke presented documents and information concerning the ongoing negotiations with Norfolk Southern Railway. He explained that Norfolk Southern proposed to enter into a memorandum of agreement with MSD for the operation, maintenance, repair and replacement of existing crossings. The term of the agreement would be 10 years. MSD would pay a \$2500 occupancy fee to replace existing sewers under 28 inches in diameter or \$5000 to replace existing sewers 28 inches or greater. In addition, MSD would be required to pay an application fee, a \$1,000 Risk Financing fee and flagging fees for Railway to have an employee present to flag and stop traffic as necessary. MSD

would enter into an actual agreement with Norfolk Southern for each crossing. The Agreement would include language requiring MSD to remove its crossing, if, in the good faith opinion of the Railway's chief engineer, the continued operation of the MSD facilities would interfere with the Railway's operations. If MSD had to remove its facilities, it would have an absolute right to cross the Railway right of way at another location. MSD and Norfolk Southern would enter into a new license agreement for the new location and MSD would not have to pay an additional occupancy fee.

Mr. Clarke noted that discussions have been ongoing with Norfolk Southern for some months. The language of Paragraph 16 of the proposed agreement for each crossing is almost in a form acceptable to MSD. Mr. Clarke noted that the Right of Way Committee expressed a desire to obtain a permanent right to cross in exchange for payment of consideration instead of a license agreement. Norfolk Southern is not comfortable giving MSD an easement in every situation, although they have given MSD two easements in the past.

Mr. Clarke stated that the other item to discuss is where developers need to cross Norfolk Southern and need a right of way in order to convey the system to MSD. MSD requires developers to obtain actual easements over any property the developer does not own or control prior to conveying any sewer extensions to MSD. Developers are encountering difficulty conveying their systems to MSD with only a license agreement over or under Norfolk Southern. Norfolk Southern proposes giving the standard license agreement to the developers for construction, then allow the developer to assign the license agreement to MSD. MSD would then receive a new agreement with an absolute right to cross should Norfolk Southern require removal.

There was some discussion that this was an "agreement to agree". Mr. Kelly stated that an "agreement to agree" was not really an agreement and his concerns would be taken care of if there was something in the language that said that if the "agreement to agree" does not work, then MSD will still have its right to condemn under North Carolina law. Mr. Kelly stated that would basically tell Norfolk Southern to be reasonable. Mr. Clarke stated that MSD is not paying any money to Norfolk Southern for the Memorandum of Agreement, and MSD can certainly include language reserving its rights. There was further discussion regarding some of the other fees. Mr. Clarke stated that the flagging fees may be required by Norfolk Southern's union contract and are not something MSD can control. Mr. Kelly stated that if Norfolk Southern asked MSD to remove a line and relocate in a location that was too far, again, MSD needed to reserve the right to say no or condemn. Mr. Aceto stated that he didn't think we could ever waive our condemnation rights, except in the case where we say we would allow Norfolk Southern to locate where they wanted the crossing located. Mr. Clarke stated that this language could be worked on and that he has asked them to include "if MSD and Norfolk Southern cannot reach an agreement on a mutually agreeable location, then MSD shall have an absolute right to cross at another location satisfactory to MSD". Mr. Aceto stated that he is ok with the agreement as long as if all else fails, condemnation is still an option.

Mr. Kelly asked if the District had the authority to condemn for a developer to gain access to our main line. Mr. Clarke stated that MSD has authority to condemn a line for a public purpose and could only condemn for a sewer system that MSD would eventually own. Mr. Haner asked if a developer were doing a project that would be in the best interest of Asheville to proceed and Norfolk Southern fees were exorbitant, would MSD have the ability to intervene and take the line under this agreement. Mr. Clarke stated that the developer now gets the license agreement with Norfolk Southern and pays whatever Norfolk Southern wants them to pay. Under the proposed agreement that is being reviewed, MSD would not have the ability to intervene in that negotiation. Mr. Clarke pointed out that the proposed agreement is for existing sewers only. There was some discussion regarding the depth of Norfolk Southern rights of way.

Mr. Kelly asked what the other members thought about reviewing the new documents that were received today and bringing the matter back before the full Board with any concerns. He asked that some language be inserted which states that by signing this agreement, MSD is not foregoing any right to condemnation that we might now or hereafter have, to be reviewed at or before next Board meeting. All present were in agreement. Mr. Clarke asked if the Committee minds if he continues to discuss the agreement with Ms. Billingsley. All present were ok with Mr. Clarke continuing discussions with Ms. Billingsley.

STAFF RECOMMENDATION: For information only. No action required.

V. Quarterly Report – Second Quarter

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

STAFF RECOMMENDATION: For information only. No action required.

Mr. VeHaun asked if the number of projects on the reports was smaller than normal, Ms. Banks stated no. Mr. Haner asked if the budget included any percentage to go to possible legal fees. Ms. Banks stated that the numbers approved in the compensation budget and seen in the quarterly reports were just for compensation. She further explained compensation, legal, survey, engineering assistance and all other project line items had already been approved by the Board in the fiscal year CIP budget process. The compensation budgets coming before the Right of Way Committee are simply a mechanism to focus a little closer on details such as square footage and tax values. Mr. Aceto asked about the condemnations on Lower Smith Mill Creek and Ms. Banks explained that five of those were owned by one property owner. There was some further discussion on this project.

VI. Other business – Hand out 2010 Meeting Schedule

There being no further business the meeting adjourned at approximately 9:26 am.

CONSOLIDATED MOTION AGENDA

Metropolitan Sewerage District of Buncombe County

Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 1/27/2010

BOARD MEETING DATE: 2/17/2010

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

SUBJECT: Consideration of Compensation Budgets—

Liberty Street Rehabilitation, Project No. 2008002
Morris Street @ Talmadge Rehabilitation, Project No. 2009106

The attached Compensation Budgets are based on current ad valorem tax values and follow the MSD approved formula.

STAFF RECOMMENDATION: Approval of Compensation Budgets.

Ms. Banks explained the location of projects. The Liberty Street project contains 17 parcels and consists of replacing approximately 2045 lf of 8" DIP. The Morris Street @ Talmadge project consists of replacing approximately 3,380 lf of 8" DIP. Sewerlines on both projects are undersized and in poor condition. There was no discussion. Mr. Kelly made the motion to accept Staff's recommendation. Mr. VeHaun seconded the motion. Voice vote was unanimous.

COMMITTEE RECOMMENDATION: Approval of Compensation Budgets.

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

Morris Street @ Talmadge Rehabilitation

Project Number 2009106

Compensation Budget

11-Jan-10

| Pin Number and Name | | Acres | Parcel SF | Land Value | LV/SF | PE | PE Assd. Value | 50% PE Assd. Value | TCE SF | TCE Assd. | 10% Annl Return | Proj Time (Months) | TCE Rent Value | Total Comp. (Rounded) |
|---------------------|------------|-------|-----------|-------------|--------|----------|----------------|--------------------|----------|------------|-----------------|--------------------|----------------|-----------------------|
| 27 Pin | 83 Pin | | | | | | | | | | | | | |
| | 9628919848 | 0.00 | 0.00 | \$0.00 | \$0.00 | 0.00 | \$0.00 | \$0.00 | 0.00 | \$0.00 | \$0.00 | 7 | \$0.00 | \$0 |
| | 9638010563 | 0.20 | 8,712.00 | \$25,100.00 | \$2.88 | 1,026.00 | \$2,954.88 | \$1,477.44 | 1,087.50 | \$3,132.00 | \$313.20 | 7 | \$182.70 | \$1,660 |
| TOTALS: | | | | | | | | | | | | | | \$1,660 |
| Staff Contingency: | | | | | | | | | | | | | | \$5,000 |
| GM's Contingency | | | | | | | | | | | | | | \$5,000 |
| Amendment | | | | | | | | | | | | | | |
| Total Budget: | | | | | | | | | | | | | | \$11,660 |

Pin 9628-91-9848 belongsto the City of Asheville. MSD does not compensate state agencies, county agencies, municipalities, etc.

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

BOARD MEETING DATE: February 17, 2010

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 Projects: Forest Hill Drive No's 1 & 2, MSD Project No's 2004260 and 2004258, respectively.

BACKGROUND: These rehabilitation projects are for the replacement of aged six and eight-inch clay lines, which contain a significant number of structural defects. The bad joints and broken sections of these lines allow root intrusion and groundwater infiltration into the system.

These were generated through MSD's Pipe Rating program, which numerically rates pipe segments based on several structural factors. Line segments with high (meaning bad) ratings are then evaluated by an engineer for possible rehabilitation needs.

These projects are located in the Kenilworth area of Asheville, near Mission Hospital, and comprise a total of 1,831 LF of 8-inch DIP.

The contract was advertised and eight bids were received on Tuesday, February 2, 2010 as follows:

| <u>Contractor</u> | <u>Total Bid</u> |
|--------------------------------|---------------------|
| 1) Fallon Utility Construction | \$463,400.16 |
| 2) Carolina Specialties, Inc. | \$324,522.17 |
| 3) Patton Construction Group | \$311,700.00 |
| 4) Buckeye Construction Co. | \$289,553.15 |
| 5) Spur Construction Co. | \$272,837.55 |
| 6) Huntley Construction Co. | \$228,647.00 |
| 7) Terry Brothers Const. Co. | \$228,402.50 |
| 8) T & K Utilities, Inc. | \$216,243.00 |

The apparent low bidder is T&K Utilities, Inc., with a combined total bid amount of \$216,243.00. T&K Utilities has extensive experience on previous MSD rehabilitation projects, and their work quality has been excellent.

Please refer to the attached documentation for further details.

FISCAL IMPACT: The FY09-10 construction budgets for these projects total \$444,000.00.

STAFF RECOMMENDATION: Staff recommends award of this contract to T&K Utilities, Inc. in the amount of \$216,243.00, subject to review and approval by District Counsel.

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

SEWER REPLACEMENT PROJECTS

Forest Hill Drive #1 (PRP 11006), Project No. 2004260

Forest Hill Drive #2 (PRP 11005), Project No. 2004258


BID TABULATION

February 2, 2010

| BIDDER | Bid Bond | MBE Form | Bid Forms (Proposal) | Forest Hill Drive #1 | Forest Hill Drive #2 | Combined Total Bid Amount |
|--|-----------------|-----------------|-----------------------------|-----------------------------|-----------------------------|----------------------------------|
| Fallon Utility Construction Asheville, NC | 5% | 1 | Yes | (*) \$282,255.16 | \$181,145.00 | (*) \$463,400.16 |
| Carolina Specialties Hendersonville, NC | 5% | 1 | Yes | \$193,682.29 | \$130,839.88 | \$324,522.17 |
| Patton Construction Group Asheville, NC | 5% | 1 | Yes | \$185,500.00 | \$126,200.00 | \$311,700.00 |
| Buckeye Construction Company Canton, NC | 5% | 1 | Yes | \$188,724.70 | \$100,828.45 | \$289,553.15 |
| Spur Construction Company Waynesville, NC | 5% | 1 | Yes | \$159,827.65 | \$113,009.90 | \$272,837.55 |
| Huntley Construction Company Asheville, NC | 5% | 1 | Yes | \$146,989.00 | \$81,658.00 | \$228,647.00 |
| Terry Brothers Construction Co. Leicester, NC | 5% | 1 | Yes | \$157,704.00 | \$70,698.50 | \$228,402.50 |
| T & K Utilities Asheville, NC | 5% | 1 | Yes | \$147,653.00 | \$68,590.00 | \$216,243.00 |

APPARENT LOW BIDDER

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


F. Roger Watson, P.E.

Project Engineer

Metropolitan Sewerage District of

Buncombe County, North Carolina

2-8-10



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 February, 2010, 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: February 3, 2010

RE: Forest Hill Drive No. 1 (PRP 11006) MSD Project No. 2004260
Forest Hill Drive No. 2 (PRP 11005) MSD Project No. 2004258

These projects are for the replacement of existing sanitary sewer lines serving residents and businesses along Forest Hill Drive and Biltmore Avenue in the Kenilworth area of Asheville. The line is aged vitrified clay, with very poor joints and broken sections. The bad joints and broken sections allow root intrusion and ground water infiltration into the sewer system.

The Forest Hill Drive No. 1 Project consists of replacing an existing 6" VCP sewer main with 1,031 LF of 8" Ductile Iron pipe, plus manholes, pavement repairs and miscellaneous items. The Forest Hill Drive No. 2 project is along a drainage way at the rear of lots fronting Forest Hill Drive, and consists of replacing an existing 8" VCP sewer main with 780 LF of 8" Ductile Iron Pipe, plus manholes and miscellaneous items.

Bids were received at 2:00 PM on February 2, 2010 from eight utility construction contractors as follows:

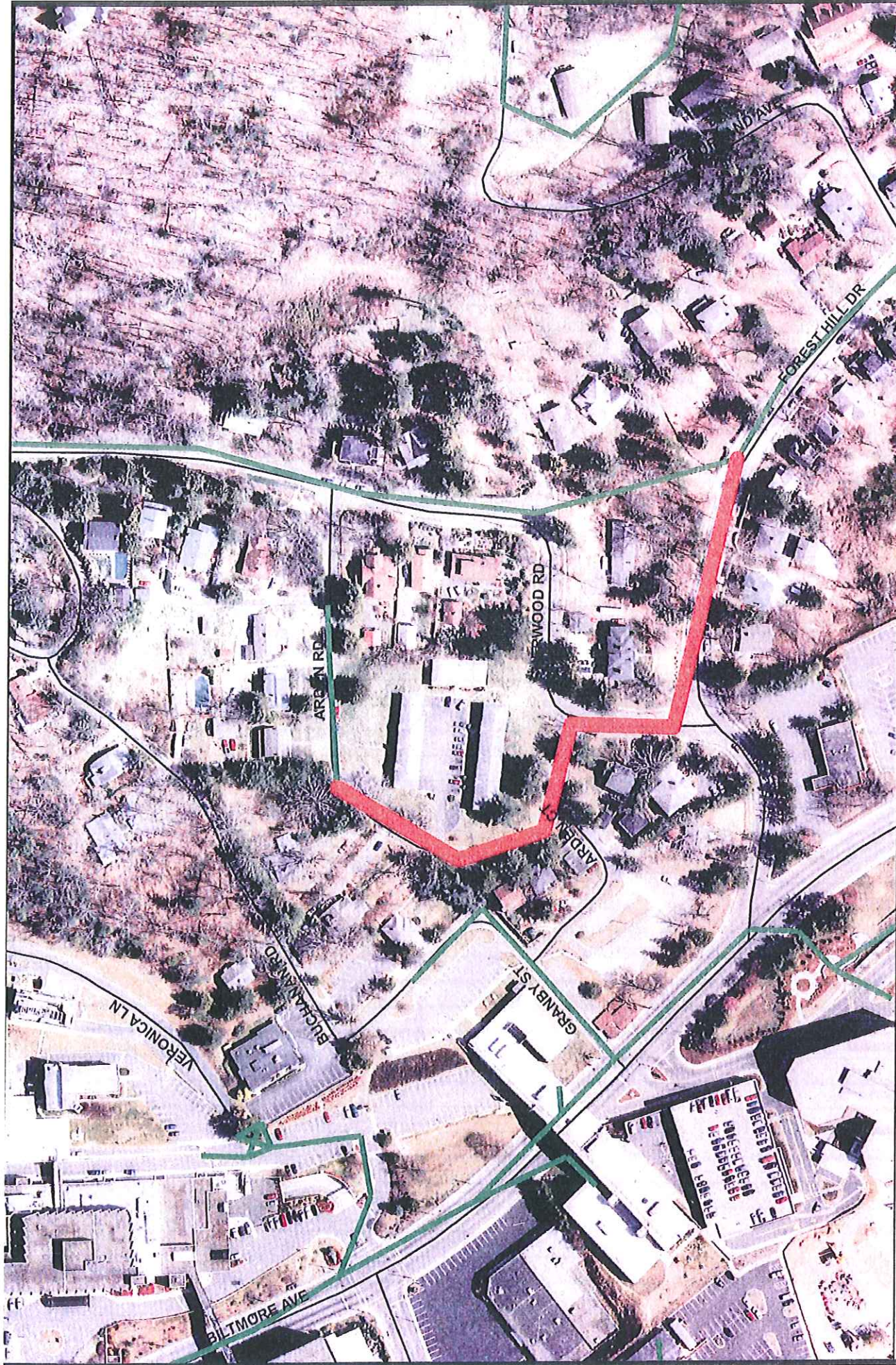
| <u>Contractor</u> | <u>Forest Hill Dr. #1</u> | <u>Forest Hill Dr. #2</u> | <u>Total Bid</u> |
|--|---------------------------|---------------------------|------------------|
| 1) Fallon Utility Construction – Asheville | \$282,255.16 | \$181,145.00 | \$463,400.16 |
| 2) Carolina Specialties Inc – Hendersonville | \$193,682.29 | \$130,839.88 | \$324,522.17 |
| 3) Patton Construction Group – Asheville | \$185,500.00 | \$126,200.00 | \$311,700.00 |
| 4) Buckeye Construction Co – Asheville | \$188,724.70 | \$100,828.45 | \$289,553.15 |
| 5) Spur Construction Co – Waynesville | \$159,827.65 | \$113,009.90 | \$272,837.55 |
| 6) Huntley Construction Co – Asheville | \$146,989.00 | \$ 81,658.00 | \$228,647.00 |
| 7) Terry Brothers Const. Co. – Leicester | \$157,704.00 | \$ 70,698.50 | \$228,402.50 |
| 8) T & K Utilities - Asheville | \$147,653.00 | \$ 68,590.00 | \$216,243.00 |


Bids were advertised to be awarded based on the total bid for both projects.

T & K Utilities of Asheville, NC is the apparent low bidder with a total bid of \$216,243.00. T&K has extensive experience with MSD rehabilitation projects, and their work quality has been excellent to date.

The FY 2009/2010 combined construction budgets for these projects is \$444,000.00, which is based upon bids received during the 2008 calendar year.

Staff recommends that this contract be awarded to T & K Utilities of Asheville, NC for the amount of \$216,243.00, subject to review and approval of MSD Legal Counsel.






METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Forest Hill Drive #1 - PRP 11006
Project No. 2004260

Budget Map

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

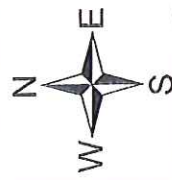
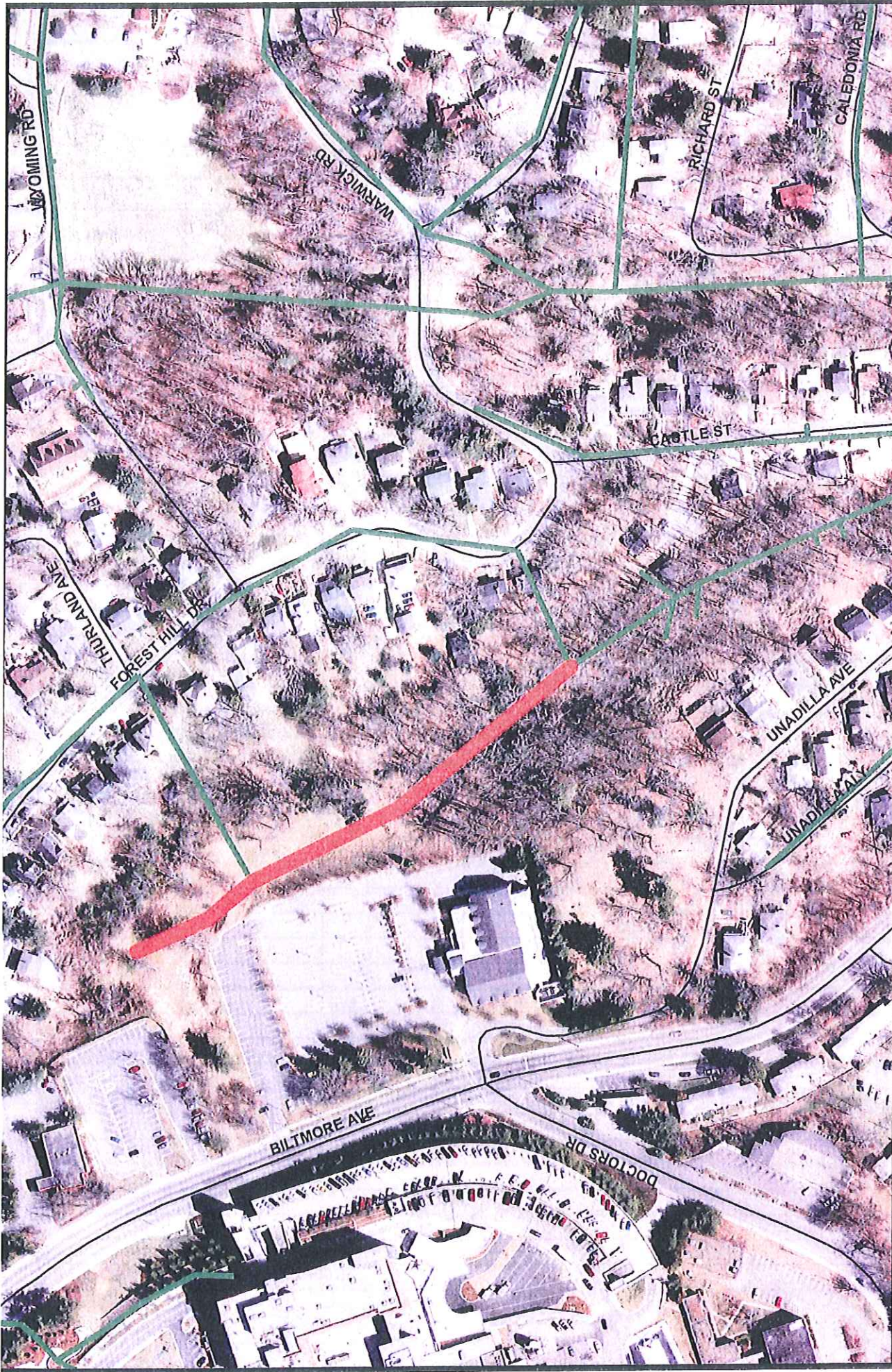
CAPITAL IMPROVEMENT PROGRAM

BUDGET DATA SHEET - FY 2009 - 2010

| | | | | |
|-----------------|----------------------------------|-----------------|---------------------|--------------|
| | | | | REVIEWED BY: |
| PROJECT: | Forest Hill Drive #1 - PRP 11006 | LOCATION: | Asheville | |
| | | | | |
| TYPE: | Pipe Rated Projects | DATE OF REPORT: | January-09 | EB |
| | | | | |
| PROJECT NO. | 2004260 | TOTAL L.F.: | 1,011 | RW |
| | | | | |
| PROJECT BUDGET: | \$297,800.00 | PROJECT ORIGIN: | Pipe Rating Program | AB |
| | | | | |

| 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: [0] | | | | | |
| 02 - LEGAL FEES | | | | | |
| 03 - ENGINEERING ASSISTANCE | | | | | |
| 04 - ACQUISITION SERVICES | | | | | |
| 05 - COMPENSATION | | | | | |
| 06 - APPRAISAL | | | | | |
| 07 - CONDEMNATION | | | | | |
| 08 - ENVIRONMENTAL SURVEY | | | | | |
| 09 - PRELIM. ENG. REP. | | | | | |
| 10 - DESIGN / ASBUILT SURVEYS | \$13,800.00 | \$10,750.00 | | \$1,000.00 | |
| 11 - ENVIRONMENTAL ASSESSMENT | | | | | |
| 12 - ARCHAEOLOGICAL | | | | | |
| 13 - GEOTECHNICAL | | | | | |
| 14 - CONSTRUCTION CONTRACT ADM. | | | | | |
| 15 - CONSTRUCTION | \$283,000.00 | | | | \$283,000.00 |
| 16 - PERMITS | | | | | |
| 17 - PUBLIC MEETINGS | | | | | |
| 18 - TESTING | \$1,000.00 | | | | \$1,000.00 |
| TOTAL AMOUNT | \$297,800.00 | \$10,750.00 | \$0.00 | \$1,000.00 | \$284,000.00 |

| | | | |
|---|--|---|------------|
| ENGINEER: Cavanaugh & Assoc. | | ESTIMATED BUDGETS - FY '09 - '18 | |
| CONTRACTOR: | | FY 10-11 | \$2,000.00 |
| CONSTRUCTION ADMINISTRATION: MSD | | FY 11-12 | \$0.00 |
| INSPECTION: MSD | | FY 12-13 | \$0.00 |
| R.O.W. ACQUISITION: N/A | | FY 13-14 | \$0.00 |
| | | FY 14-15 | \$0.00 |
| PROJECT NOTES: | | FY 15-16 | \$0.00 |
| | | FY 16-17 | \$0.00 |
| | | FY 17-18 | \$0.00 |
| | | FY 18-19 | \$0.00 |



Forest Hill Drive #2 - PRP 11005
Project No. 2004258



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map

NOT TO SCALE

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

CAPITAL IMPROVEMENT PROGRAM

BUDGET DATA SHEET - FY 2009 - 2010

| | | | | | |
|-----------------|----------------------------------|--|-----------------|---------------------|-----------|
| | | | | REVIEWED BY: | |
| PROJECT: | Forest Hill Drive #2 - PRP 11005 | | LOCATION: | | Asheville |
| | | | | | |
| TYPE: | Pipe Rated Projects | | DATE OF REPORT: | January-09 | EB |
| | | | | | |
| PROJECT NO. | 2004258 | | TOTAL L.F.: | 762 | RW |
| | | | | | |
| PROJECT BUDGET: | \$274,800.00 | | PROJECT ORIGIN: | Pipe Rating Program | AB |
| | | | | | |

| 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: [6] | \$7,500.00 | | | \$7,500.00 | |
| 02 - LEGAL FEES | \$4,000.00 | | \$3,198.00 | \$902.00 | |
| 03 - ENGINEERING ASSISTANCE | | | | | |
| 04 - ACQUISITION SERVICES | | | | | |
| 05 - COMPENSATION | \$85,000.00 | | \$3,929.00 | \$81,071.00 | |
| 06 - APPRAISAL | \$1,800.00 | | | \$1,800.00 | |
| 07 - CONDEMNATION | \$5,000.00 | | | \$500.00 | \$500.00 |
| 08 - ENVIRONMENTAL SURVEY | | | | | |
| 09 - PRELIM. ENG. REP. | | | | | |
| 10 - DESIGN / ASBUILT SURVEYS | \$9,500.00 | \$9,500.00 | | \$1,000.00 | |
| 11 - ENVIRONMENTAL ASSESSMENT | | | | | |
| 12 - ARCHAEOLOGICAL | | | | | |
| 13 - GEOTECHNICAL | | | | | |
| 14 - CONSTRUCTION CONTRACT ADM. | | | | | |
| 15 - CONSTRUCTION | \$161,000.00 | | | | \$161,000.00 |
| 16 - PERMITS | | | | | |
| 17 - PUBLIC MEETINGS | | | | | |
| 18 - TESTING | \$1,000.00 | | | | \$1,000.00 |
| TOTAL AMOUNT | \$274,800.00 | \$6,500.00 | \$7,127.00 | \$92,673.00 | \$162,500.00 |

| | | | |
|---|--|--|------------|
| ENGINEER: Cavanaugh & Assoc. | | ESTIMATED BUDGETS - FY '09 -'18 | |
| CONTRACTOR: | | FY 10-11 | \$6,000.00 |
| CONSTRUCTION ADMINISTRATION: MSD | | FY 11-12 | \$0.00 |
| INSPECTION: MSD | | FY 12-13 | \$0.00 |
| R.O.W. ACQUISITION: MSD | | FY 13-14 | \$0.00 |
| | | FY 14-15 | \$0.00 |
| PROJECT NOTES: | | 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: February 17, 2010

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

PREPARED BY: David Monteith, Kevin Johnson

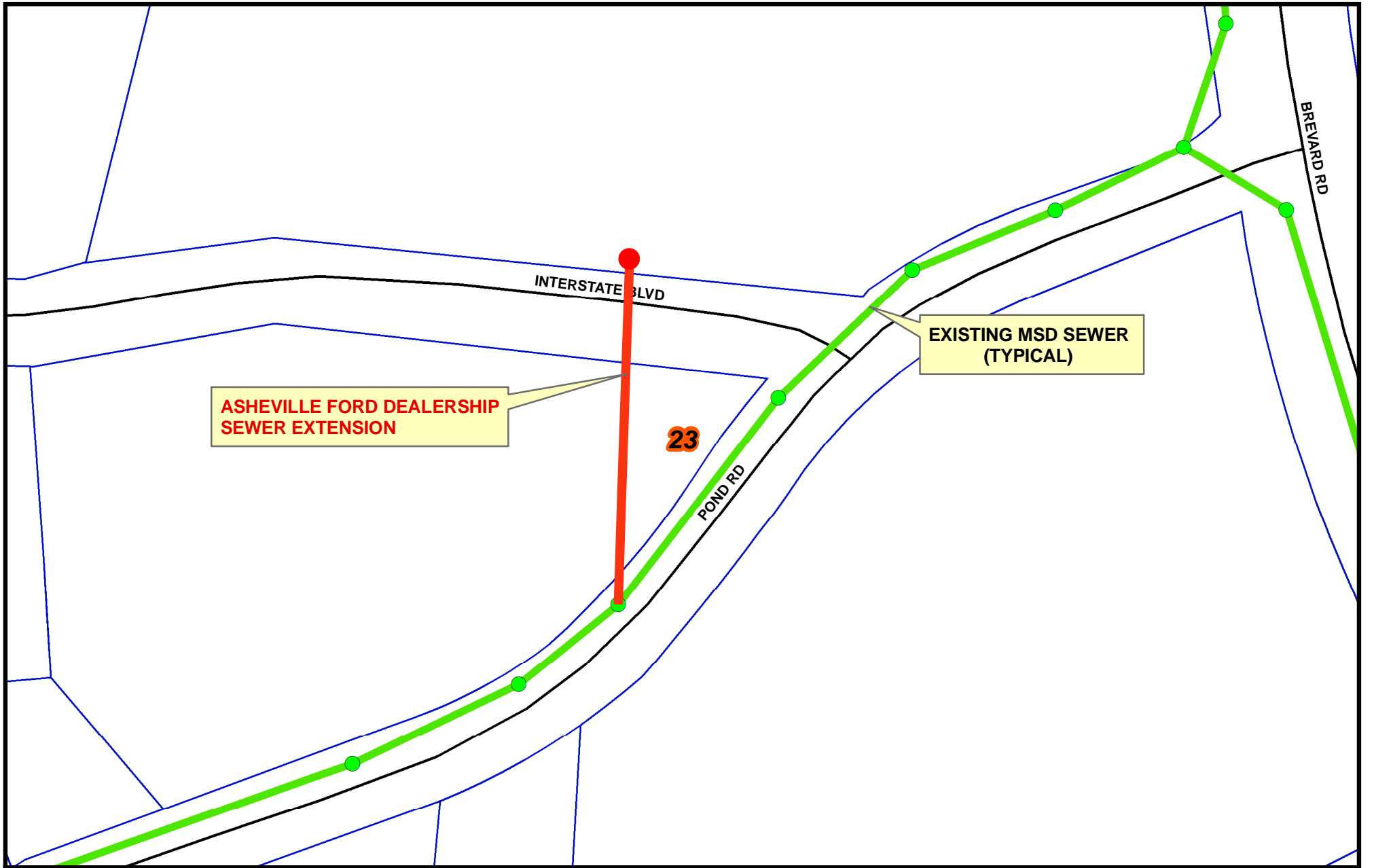
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Asheville Ford Dealership Project.

BACKGROUND: This project is located inside the District boundary at the intersection of Pond Road and Interstate Boulevard in Asheville, North Carolina. The developer of the project is Tom Hollis of TLH Investments. The project included installation of approximately 273 linear feet of 8" public gravity sewer to serve the commercial (automotive dealership/service center) development. A wastewater allocation was issued in the amount of 4,000 GPD for the project. The estimated cost of the sewer extension is \$8,700.00.

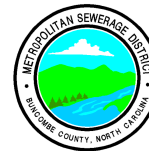
STAFF RECOMMENDATION: Acceptance of developer constructed sewer system.
(All MSD requirements have been met)

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



Project # 2008083

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

**Asheville Ford Dealership
Sewer Extension**

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

Meeting Date: February 17, 2010

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

Prepared By: W. Scott Powell, Director of Finance

Subject: Adoption of Budget Calendar – FY2010-2011

Background

The District's budget process must satisfy requirements in the North Carolina General Statutes as well as the 1999 Amended and Restated Bond Order. NC statutes require an annual balanced budget ordinance based upon expected revenues, along with a budget message to be presented to the governing board no later than June 1. Thereafter, the budget must be adopted no earlier than 10 days after the budget is first presented to the Board and not later than July 1. The Bond Order calls for the budget to be adopted by the Board on or before June 15.

Discussion

The attached budget calendar is designed to allow for input by all stakeholders into a systematic and deliberate process. Time between committee and board meetings has been scheduled to prepare and distribute agenda items, including preparation time for any revisions requested to be presented at a subsequent meeting.

The Finance Committee meeting to discuss the proposed budget is scheduled for May 12th with the expectation that fairly firm estimates of health and other insurance renewal care costs will be available by the middle of April.

This calendar is a guide and committee meetings may be added and/or rescheduled as necessary to accommodate the preliminary budget being presented on May 19th and the final budget being adopted on June 09th.

Fiscal Impact

None.

Staff Recommendation

Approval of the proposed Budget Calendar.

Action Taken

Motion by:

Second by:

Other:

Follow-up required:

Person responsible:

to

Approve
Table

Disapprove
Send to Committee

Deadline:

FY 2010-11 Budget Calendar

| Date | Time | Meeting/Subject |
|------|------|-----------------|
|------|------|-----------------|

| May 2010 | | | | | | |
|----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

May 05 2:00 p.m. Personnel Committee Meeting

- Cost of Living & Merit Pay
- Amount Allocated to Benefits

May 06 8:30 a.m. CIP Committee Meeting

- Update of Ten-Year Capital Improvement Program
- Update of Construction Program Financing
- 2010-2011 Construction Fund Budget

May 12 2:00 p.m. Finance Committee Meeting

- Nine month Revenue/Expenditure Report
- Self-funded Medical/Dental Program
- Proposed FY10-11 Construction Fund Budget
- Proposed FY10-11 Budgets and Sewer Rates

May 19 2:00 p.m. Board Meeting

- Preliminary FY10-11 Budget and Sewer Rates

| June 2010 | | | | | | |
|-----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | | | |

June 09 2:00 p.m. Board Meeting

- Public Hearing
- Adoption of FY10-11 Final Budget and Sewer Rates

| July 2010 | | | | | | |
|-----------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

July 1

Start of 2010-2011 Fiscal Year

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: February 17, 2010

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

Prepared By: W. Scott Powell, Director of Finance

Subject: Second Quarter Budget to Actual Review – FY 2009-2010

Background

Attached for the Board's information is a budget to actual comparison of the revenues and expenditures for the second quarter of the fiscal year ending June 30, 2010. This information is based on cash revenues and invoices received prior to January 1, 2010 and may not include some accruals of revenue and expenditures as explained below.

Discussion

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

- ✚ Domestic User Fees are below budgeted expectations. This is attributed to a decrease in consumption due to a wet summer and continuing recessionary pressures on our commercial customers. Staff is monitoring consumption data closely due to its direct effect on the District's budget.
- ✚ Facility and Tap Fees, also conservatively budgeted, are often significantly higher than budget. The higher than expected variance is due to receiving \$128,000 for various apartment developments in the first quarter.
- ✚ Interest and miscellaneous income reflect expected earnings on investments.
- ✚ Rental income reflects expected earnings,
- ✚ Actual O&M expenditures are below 50% and they include encumbered amounts, which will be spent in the future.
- ✚ Bond principal and interest actually spent/reserved are below 50% of budgeted amounts due to the entire amount of principal payments being made on July 1, 2010.
- ✚ Amounts budgeted for capital equipment and projects are rarely expended proportionately throughout the year and are expected to be fully spent prior to the end of the year.

Staff Recommendation

None – Informational only.

Action Taken

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

Metropolitan Sewerage District
Budget to Actual Revenue and Expenditure Report
For the six months ended December 31, 2009
 UNAUDITED--NON-GAAP

| | Budget | Actual to Date | % Budget to Actual |
|---|----------------------|-----------------------|---------------------------|
| REVENUES | | | |
| Domestic User Fees ¹ | \$ 23,353,145 | \$ 11,307,623 | 48.42% |
| Industrial User Fees | 1,427,014 | 742,607 | 52.04% |
| Facility Fees ² | 332,500 | 569,760 | 171.36% |
| Tap Fees ³ | 36,750 | 140,400 | 382.04% |
| Billing and Collection | 596,083 | 307,994 | 51.67% |
| Interest and Misc. Income | 704,203 | 343,676 | 48.80% |
| Employee Contribution to Health Ins. | 333,386 | 157,653 | 47.29% |
| City of Asheville (Enka Bonds) ⁴ | 37,000 | - | 0.00% |
| Proceeds from Revenue Bonds | 19,000,000 | 18,400,262 | 96.84% |
| Stimulus Loan/Grant | 1,000,000 | 680,307 | 68.03% |
| Rental Income | 16,560 | 8,280 | 50.00% |
| Use of Available Funds ⁵ | (3,707,729) | - | 0.00% |
| Total Revenues ⁶ | \$ 43,128,912 | \$ 32,658,562 | 75.72% |
| EXPENDITURES | | | |
| Operations and Maintenance ⁷ | \$ 13,494,385 | \$ 6,523,696 | 48.34% |
| Bond Principal and Interest ⁸ | 8,539,519 | 1,608,128 | 18.83% |
| Capital Equipment (Other than O&M) | 663,000 | 576,558 | 86.96% |
| Capital Projects | 19,432,008 | 7,793,010 | 38.14% |
| Contingency | 1,000,000 | - | |
| Total Expenditures | \$ 43,128,912 | \$ 16,501,392 | 38.26% |

Notes:

¹ Revenues are on the cash basis

² Received \$128,000 for new apartments, Pine Mtn. Drive, Church St., Hendersonville Rd, Flat Creek Village Drive, and Creekside Village

³ Increase in number of Taps requiring Bore Fees

⁴ Payment to be received in May

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

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

⁷ Includes encumbered amounts as well as actual insurance expenditures

⁸ Below 50% because 100% of principal payments due on July 1, 2010 for the entire FY10

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: February 17, 2010

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

Prepared By: W. Scott Powell, Director of Finance

Subject: Second Quarter City of Asheville Billing Report – FY2010

Background

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

Discussion

The attached report summarizes billing activity for the last six quarters. A comparison of the first quarter of FY 10 with the same time period in FY 09 reveals the following:

- ❖ Net billings are up .40% from the previous period last year. Since the billing data includes the board approved 3.75% rate increase for the current fiscal year, this corresponds to the consumption data which shows a decrease of nearly 3.35%. Staff believes the decrease is attributed to a reduction in residential consumption due to a wet summer as well as recessionary constraints on commercial usage. Staff will continue to monitor consumption data as this has a direct effect on the District's current budgets.
- ❖ Cash received during the fiscal year is down 2.5% which is attributed to a timing issue of one cash receipt.
- ❖ The aging percentages show signs of outstanding accounts requiring additional time to collect. Staff will continue to monitor future quarters as this could have a cash flow effect on the District.
- ❖ The comparability of changes in billings, receivables, and payments indicates a good likelihood of all funds being remitted to MSD in a timely manner.

Staff Recommendation

None. Information only.

Action Taken

Motion by:

to

Approve

Disapprove

Second by:

Table

Send to Committee

Other:

Follow-up required:

Person responsible:

Deadline:

City of Asheville Quarterly Billing Report

| Billing Report Summary: | | | | | | | | |
|---|-----------------------|------------------------|-----------------------|------------------------|------------------------|-------------------------|------------------------|-------------------------|
| | First Quarter FY09 | Second Quarter FY09 | Third Quarter FY09 | Fourth Quarter FY09 | First Quarter FY 10 | Second Quarter FY 10 | Third Quarter FY 10 | Fourth Quarter FY 10 |
| Beginning Receivables | \$ 1,135,787 | \$ 1,077,751 | \$ 954,284 | \$ 885,554 | \$ 968,944 | \$ 1,037,070 | \$ - | \$ - |
| Activity: | | | | | | | | |
| Billings | 4,834,187 | 4,669,866 | 4,489,849 | 4,379,119 | 4,736,685 | 4,764,892 | - | - |
| Bad Debt Collected | (347) | 489 | 14,019 | 4,445 | 504 | 654 | - | - |
| Bad Debt Remitted | (539) | (456) | (13,967) | (4,445) | (230) | (381) | - | - |
| Payments | (4,256,369) | (4,305,319) | (3,898,322) | (4,053,672) | (4,367,993) | (4,308,430) | - | - |
| Payments Collected but not yet remitted | (583,813) | (334,309) | (503,279) | (160,278) | (235,863) | (330,942) | - | - |
| Adjustments | (51,156) | (153,739) | (157,028) | (47,207) | (64,977) | (102,699) | - | - |
| Total Activity | (58,036) | (123,467) | (68,729) | 117,962 | 68,126 | 23,093 | 0 | 0 |
| Bad Debt Write-off | | | | (34,572) | | | | |
| Ending Receivables | \$ 1,077,751 | \$ 954,284 | \$ 885,554 | \$ 968,944 | \$ 1,037,070 | \$ 1,060,163 | \$ - | \$ - |
| Current Receivables <30 Days | \$ 931,544 | \$ 805,615 | \$ 747,949 | \$ 864,429 | \$ 873,738 | \$ 860,611 | \$ - | \$ - |
| Aged Receivables | | | | | | | | |
| 30 to 60 Days | \$ 70,643 | \$ 70,832 | \$ 76,878 | \$ 63,014 | \$ 77,142 | \$ 91,223 | \$ - | \$ - |
| Over 60 Days | 75,565 | 77,837 | 60,727 | 41,501 | 86,189 | 108,329 | - | - |
| Total Over 30 Days | \$ 146,208 | \$ 148,669 | \$ 137,605 | \$ 104,515 | \$ 163,331 | \$ 199,552 | \$ - | \$ - |
| Aging Percentages | | | | | | | | |
| Less than 30 Days | 86.43% | 84.42% | 84.46% | 89.21% | 84.25% | 81.18% | | |
| 30 to 60 Days | 6.55% | 7.42% | 8.68% | 6.50% | 7.44% | 8.60% | | |
| Over 60 Days | 7.01% | 8.16% | 6.86% | 4.28% | 8.31% | 10.22% | | |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 0.00% | 0.00% |

| | |
|------------------------------------|--------------|
| Net Billings First Two Qtrs. FY 10 | \$ 9,333,901 |
| Net Billings First Two Qtrs. FY 09 | 9,299,158 |
| % Increase | \$ 34,743 |
| | 0.4% |

| | |
|------------------------------------|--------------|
| Net Payments First Two Qtrs. FY 10 | \$ 9,242,681 |
| Net Payments First Two Qtrs. FY 09 | 9,480,662 |
| % Decrease | \$ (237,981) |
| | -2.5% |

| | |
|------------------------------|--------------|
| A/R End of Second Qtr. FY 10 | \$ 1,060,163 |
| A/R End of Second Qtr. FY 09 | 954,284 |
| % Increase | \$ 105,879 |
| | 11.1% |

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: February 17, 2010

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

Prepared By: W. Scott Powell, Director of Finance

Subject: Cash Commitment/Investment Report-Month Ended December 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 December 31, 2009 were \$50,136,173. The detailed listing of accounts is available upon request. The average rate of return for all investments is 1.866%. 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 December 31, 2009 does not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of December 31, 2009 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$13,601,148.

| | | |
|--|--------------|--------------------------|
| Total Cash & Investments as of 12/31/2009 | | 50,136,173 |
| Less: | | |
| Budgeted Commitments (Required to pay remaining FY10 budgeted expenditures from unrestricted cash) | | |
| Construction Funds | (16,106,762) | |
| Operations & Maintenance Fund | (7,419,140) | |
| | | (23,525,902) |
| Bond Restricted Funds | | |
| Bond Service (Funds held by trustee): | | |
| Funds in Principal & Interest Accounts | (813,607) | |
| Debt Service Reserve | (2,555,052) | |
| Remaining Principal & Interest Due | (6,266,734) | |
| | | (9,635,393) |
| District Reserve Funds | | |
| Fleet Replacement | (946,649) | |
| WWTP Replacement | (900,368) | |
| Maintenance Reserve | (806,098) | |
| | | (2,653,115) |
| Post-Retirement Benefit | | (43,338) |
| Self-Funded Employee Medical | | (677,277) |
| Designated for Capital Outlay | | <u><u>13,601,148</u></u> |

Staff Recommendation

None. Information Only.

Action Taken

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

Board Meeting

February 17, 2010

Subject: Cash Commitment/Investment Report-Month Ended December 31, 2009

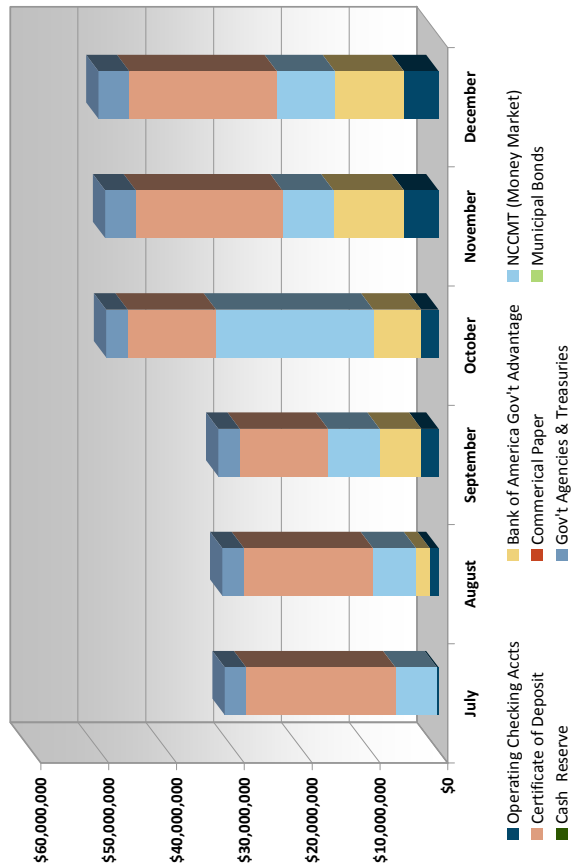
Page -2-

Metropolitan Sewerage District of Buncombe County

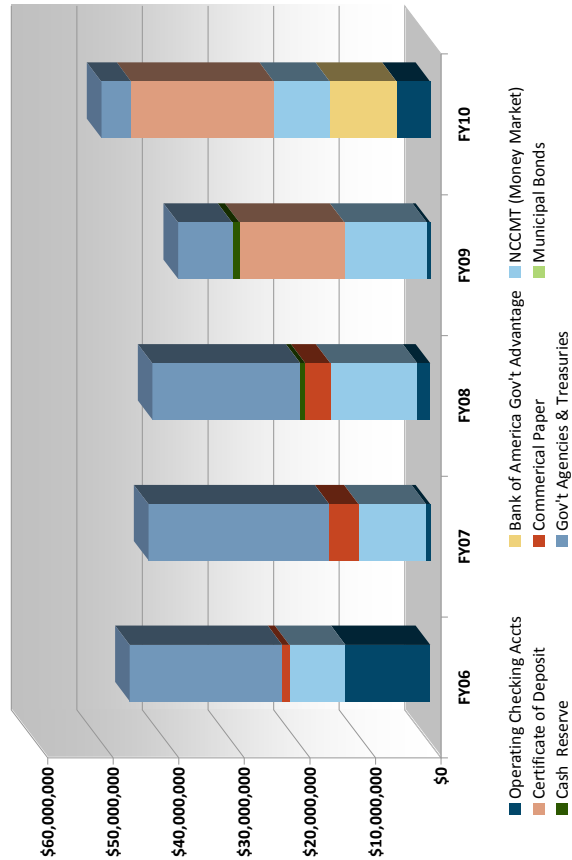
Investment Portfolio

| | Cash in Operating Checking Accounts | Bank of America Gov't Advantage | NCCMT (Money Market) | Certificate of Deposit | Commercial Paper | Municipal Bonds | Cash Reserve | Gov't Agencies & Treasuries | Total |
|------------------------|--|------------------------------------|-------------------------|---------------------------|---------------------|--------------------|-----------------|--------------------------------|------------|
| Held with Bond Trustee | \$ | - \$ | 848,128 \$ | - \$ | - \$ | - \$ | - \$ | 2,520,531 \$ | 3,368,659 |
| Held by MSD | 5,110,862 | 10,172,498 | 7,711,080 | 21,746,194 | - | - | - | 2,026,880 | 46,767,514 |
| | \$ | 10,172,498 \$ | 8,559,208 \$ | 21,746,194 \$ | - \$ | - \$ | - \$ | 4,547,411 \$ | 50,136,173 |

MSD of Buncombe County
Investment Portfolio - FY10



MSD of Buncombe County
Investment Portfolio - As of December 31, 2009



Board Meeting

February 17, 2010

Subject: Cash Commitment/Investment Report-Month Ended December 31, 2009

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**MSD Investment Managers' Report
at December 31, 2009****Summary of Asset Transactions**

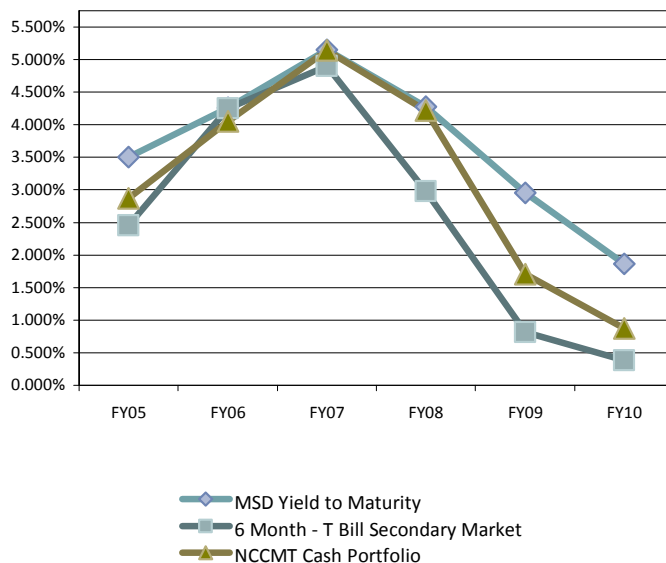
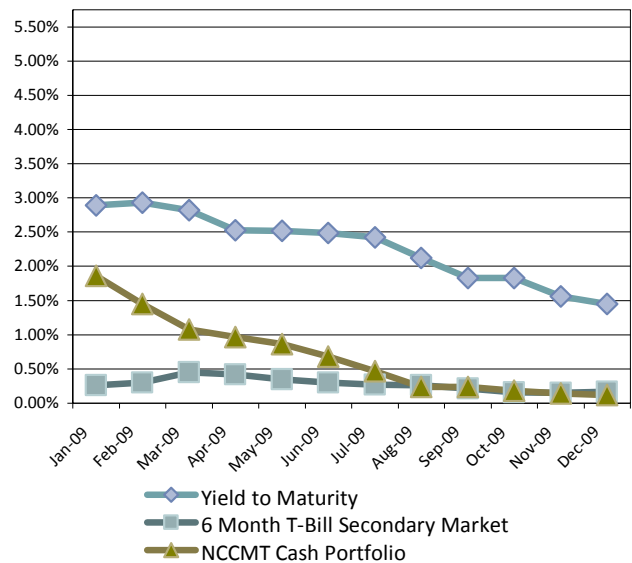
| | Original Cost | Market | Interest Receivable |
|---------------------------------|----------------------|----------------------|------------------------|
| Beginning Balance | \$ 41,081,883 | \$ 41,113,143 | \$ 334,499 |
| Capital Contributed (Withdrawn) | (105,017) | (105,017) | |
| Realized Income | 169,338 | 169,338 | (163,814) |
| Unrealized/Accrued Income | - | (4,380) | 46,109 |
| Ending Balance | <u>\$ 41,146,204</u> | <u>\$ 41,173,084</u> | <u>\$ 216,794</u> |

Value and Income by Maturity

| | Original Cost | Income |
|--------------------------------|----------------------|------------------|
| Cash Equivalents <91 Days | \$ 17,400,010 | \$ 19,983 |
| Securities/CD's 91 to 365 Days | 21,746,194 | \$ 24,974 |
| Securities/CD's > 1 Year | 2,000,000 | \$ 2,297 |
| | <u>\$ 41,146,204</u> | <u>\$ 47,253</u> |

Month End Portfolio Information

| | |
|---------------------------------|---------|
| Weighted Average Maturity | 96 Days |
| Yield to Maturity | 1.45% |
| 6 Month T-Bill Secondary Market | 0.17% |
| NCCMT Cash Portfolio | 0.12% |

**Metropolitan Sewerage District of Buncombe Co
Annual Yield Comparison
FY 2005-2010****Metropolitan Sewerage District of Buncombe Co
Yield Comparison
December 31, 2009**

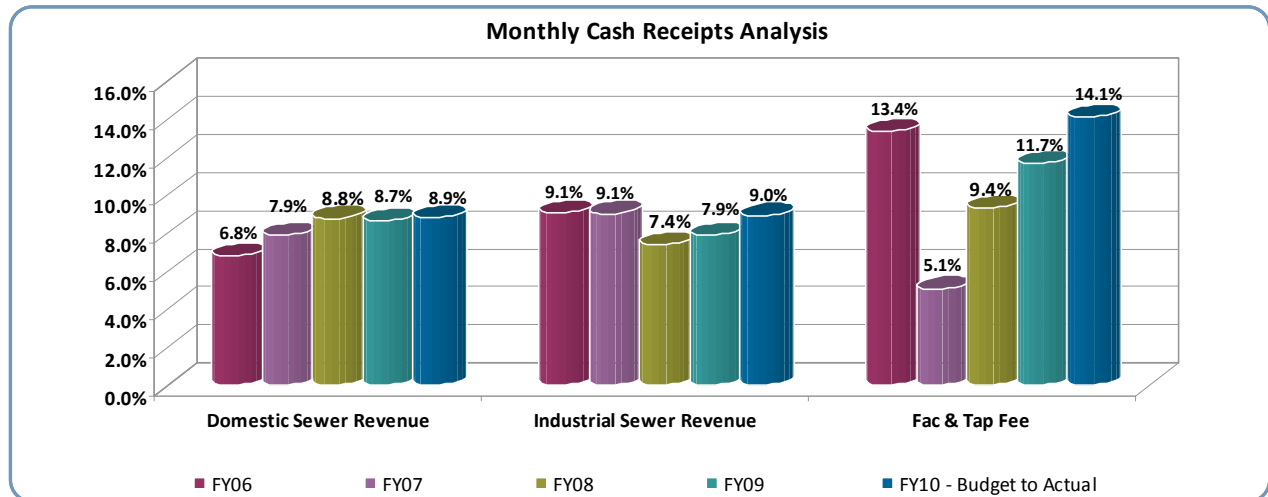
Board Meeting

February 17, 2010

Subject: Cash Commitment/Investment Report-Month Ended December 31, 2009

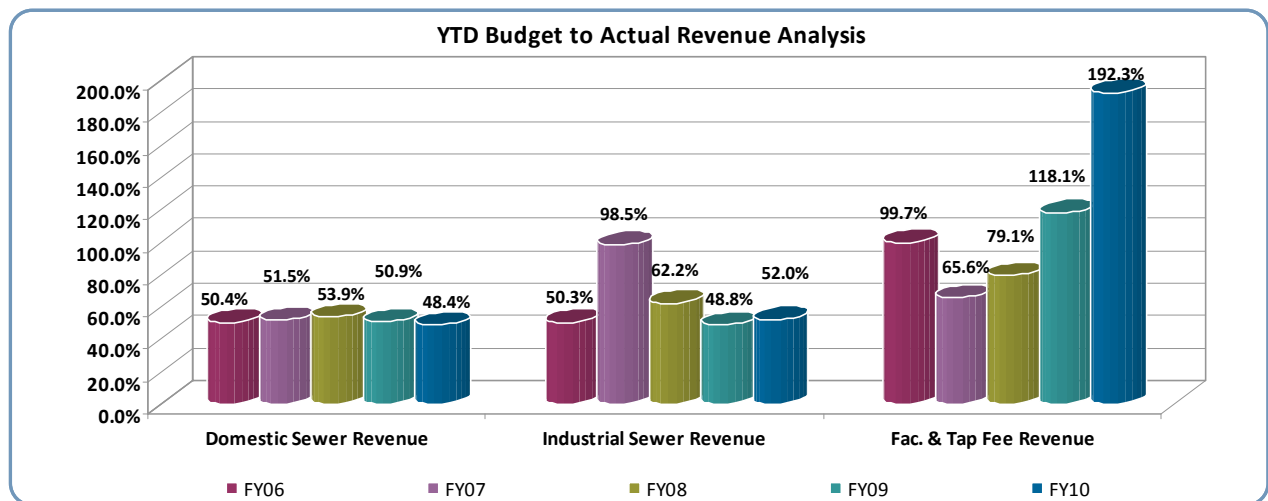
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METROPOLITAN SEWERAGE DISTRICT ANALYSIS OF CASH RECEIPTS AS OF 12/31/09



Monthly Cash Receipts Analysis:

- Monthly Domestic Sewer Revenue is considered reasonable based on historical trends.
- Monthly Industrial Sewer Revenue is considered reasonable based on historical trends.
- Due to the unpredictable nature of facility and tap fee revenue, staff budgets this revenue stream conservatively. Based on that facility and tap fee revenue is considered reasonable.



YTD Budget to Actual Revenue Analysis:

- YTD Domestic Sewer Revenue is lower due to a wet summer as well as continuing recessionary pressures.
- YTD Industrial Sewer Revenue is considered reasonable based on historical trends.
- Due to the unpredictable nature of facility and tap fee revenue, staff budgets this revenue stream conservatively. Based on that facility and tap fee revenue is considered reasonable.

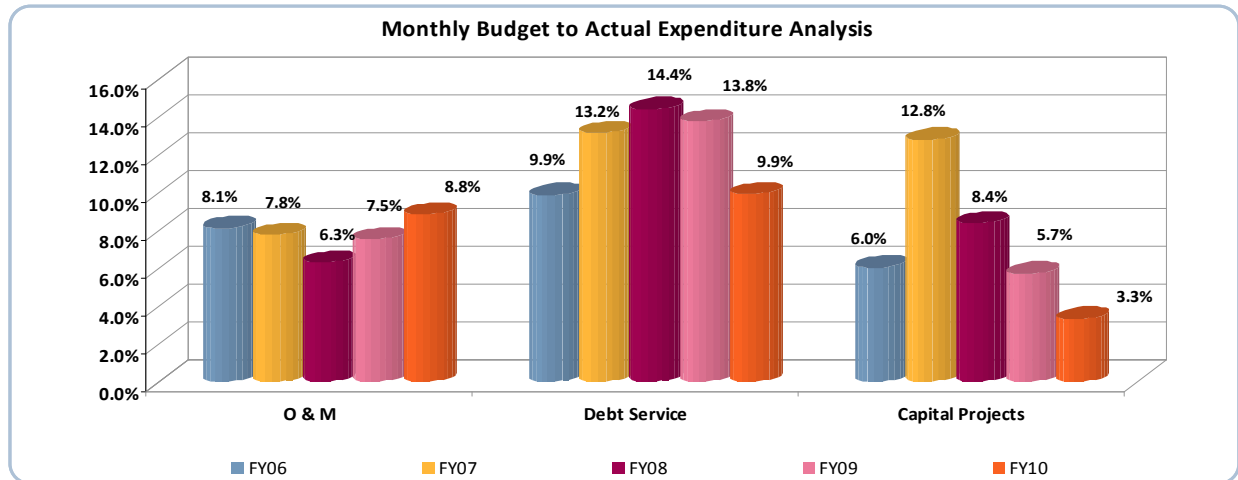
Board Meeting

February 17, 2010

Subject: Cash Commitment/Investment Report-Month Ended December 31, 2009

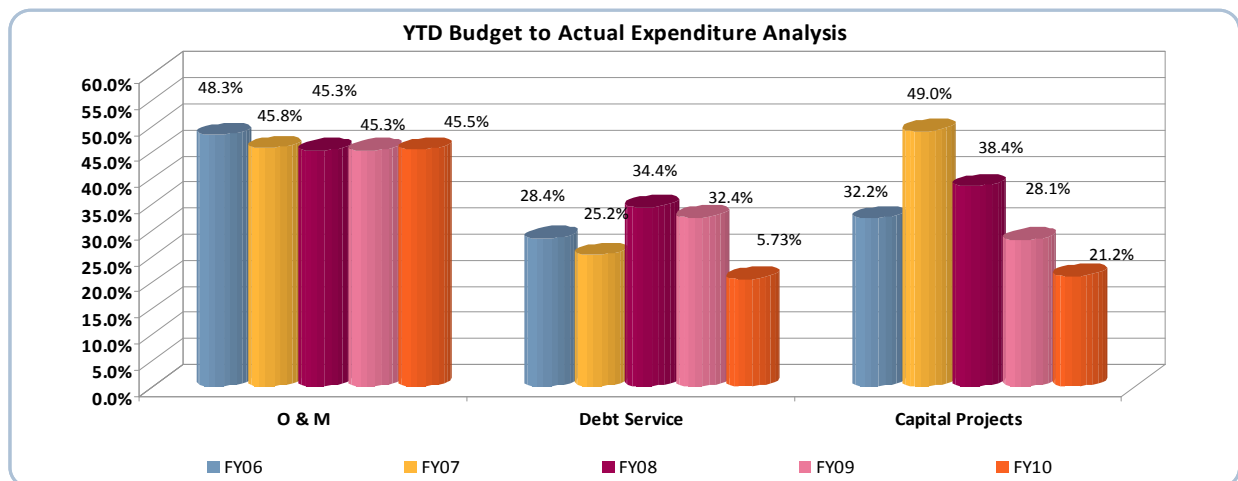
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METROPOLITAN SEWERAGE DISTRICT ANALYSIS OF EXPENDITURES AS OF DECEMBER 31, 2009



Monthly Budget to Actual Expenditure Analysis:

- Monthly O&M expenditures are slightly elevated due to three pay periods in the month of December.
- Due to the nature of the variable rate bond market, monthly expenditures can vary year to year. Based on current variable interest rates monthly debt service expenditures are consider reasonable.
- Due to nature and timing of capital projects, monthly expenditures can vary from year to year. Based on the current outstanding capital projects, monthly capital project expenditures are consider reasonable.



YTD Budget to Actual Expenditure Analysis:

- YTD O&M expenditures are considered reasonable based on historical trends.
- Due to the nature of the variable rate bond market, YTD expenditures can vary year to year. Based on current variable interest rates YTD debt service expenditures are consider reasonable.
- Due to nature and timing of capital projects, YTD expenditures can vary from year to year. Based on the current outstanding capital projects, YTD capital project expenditures are consider reasonable.

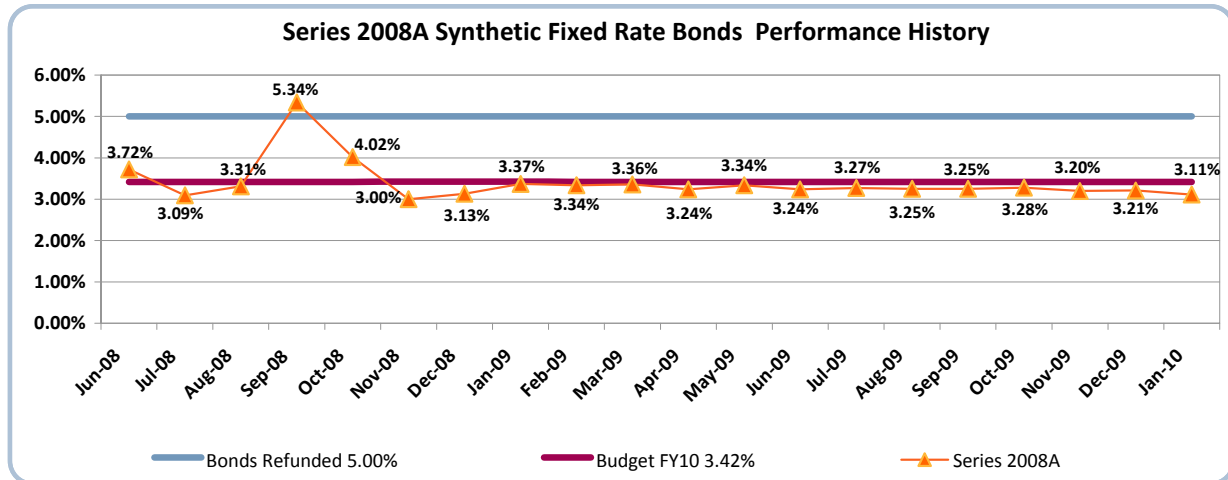
Board Meeting

February 17, 2010

Subject: Cash Commitment/Investment Report-Month Ended December 31, 2009

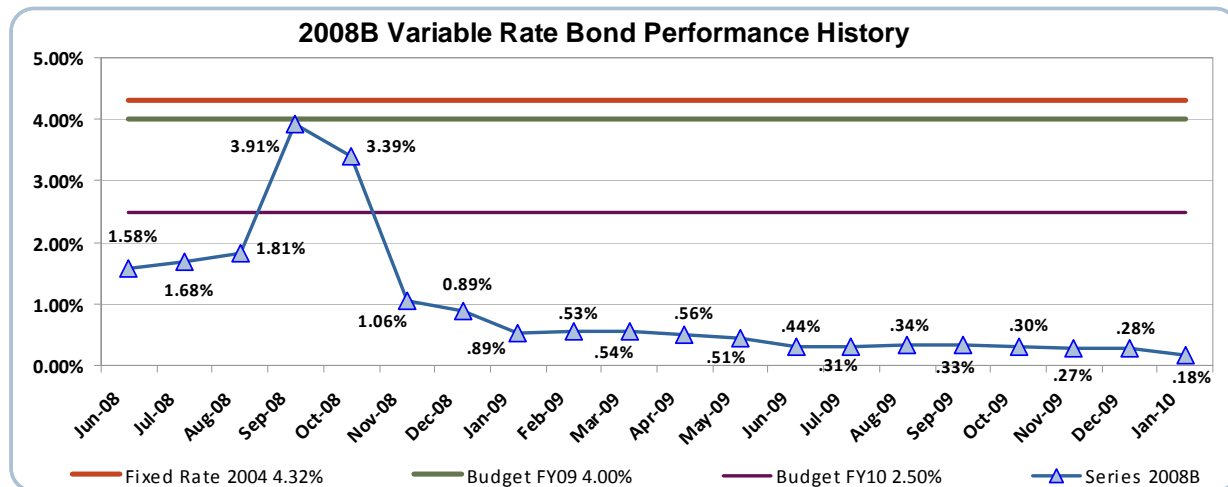
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MSD Variable Debt Service Report As of January 31, 2009



Series 2008A:

- ◆ Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$880,906 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 4.1675%. MSD will achieve cash savings of \$3,503,702 over the life of the bonds.
- ◆ MSD would pay \$2,675,000 to terminate the existing Bank of America Swap Agreement.



Series 2008B:

- ◆ Saving to date on the 2008B Variable Rate Bonds is \$1,243,249 as compared to 5/1 fixed rate of 4.32%
- ◆ Since May 1, 2008, the Series 2008B Bonds average variable rate has been 1.02%.
- ◆ MSD will achieve \$7,252,000 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 February 10, 2010

| PROJECT | AWARD DATE | NOTICE TO PROCEED | *COMPLETION DATE | *CONTRACT AMOUNT | *COMPLETION STATUS (WORK) | COMMENTS |
|--|------------|-------------------|------------------|------------------|---------------------------|--|
| BILTMORE AVENUE BRIDGE REPLACEMENT (NCDOT) / THOMPSON STREET SEWER | 10/16/2009 | 10/26/2009 | 12/9/2009 | \$42,068.00 | 95% | Informal Project is complete and cleaned up with exception of final paving which will wait until Spring and warm weather. |
| DINGLE CREEK INTERCEPTOR @ CROWFIELDS, PHASE 1 | 12/16/2009 | 2/15/2010 | 5/16/2010 | \$85,869.00 | 0% | Informal No work has begun yet. |
| EASTWOOD AVENUE @ OLD U.S. 70 | 9/16/2009 | 12/2/2009 | 5/31/2010 | \$165,330.00 | 20% | Informal Project is going well. Work in roadway is complete. Working in ROW now. |
| FOREST HILL DRIVE #1 (PRP 11006) | TBA | TBA | TBA | TBA | 0% | Formal Bids were opened on February 2nd. T & K Utilities is the apparent low bidder. Project will be presented at the February Board meeting. |
| FOREST HILL DRIVE #2 (PRP 11005) | TBA | TBA | TBA | TBA | 0% | Formal Bids were opened on February 2nd. T & K Utilities is the apparent low bidder. Project will be presented at the February Board meeting. |
| LONG SHOALS ROAD (PRP 48002) | 6/10/2009 | 7/6/2009 | 2/1/2010 | \$365,024.50 | 95% | Formal - ARRA project Project essentially complete. A couple of minor pavement issues must wait until Spring. |
| MIDDLE BEAVERDAM CREEK INTERCEPTOR | 7/15/2009 | 8/31/2009 | 2/27/2010 | \$736,476.00 | 50% | Formal 30-inch mainline construction is complete. Numerous weather delays. Rock Excavation has been horrific. |
| TOWN BRANCH INTERCEPTOR | 8/19/2009 | 9/21/2009 | 2/18/2010 | \$726,875.00 | 25% | Formal Contractor has progressed 120 feet in the second bore. Multiple obstructions have been encountered in the bore, delaying the boring process. |
| U.S. HIGHWAY 70 @ NEIL PRICE AVENUE, PHASES I AND II B | 12/16/2009 | 1/18/2010 | 7/16/2010 | \$247,382.70 | 10% | Formal RR / US 70 jack and bore is complete. |
| WRF - INTERMEDIATE PUMPING REPLACEMENT | 7/15/2009 | 8/19/2009 | 8/19/2010 | \$1,690,788.00 | 25% | Formal Contractor was directed to build alternate route / plan for the primary electrical feed. Old electrical room has been demolished and the structural portion of the new room is complete. No change from last month. |

*Updated to reflect approved Change Orders and Time Extensions

Planning and Development Projects
Status Report February 17, 2010

| 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 |
| | 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 |
| | 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 |
| | 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 |
| | Buncombe County Animal Shelter | 2007216 | Asheville | Comm. | 78 | 5/1/2008 | Complete - Waiting on final documents |
| | Oak Crest Drive | 2008138 | Asheville | 5 | 290 | 1/14/2009 | Complete - Waiting on final documents |
| | Lodging at Farm (Gottfried) | 2008169 | Candler | 20 | 45 | 6/2/2009 | Complete - Waiting on final documents |
| | Camp Dorothy Walls - Ph. 1 | 2007294 | Black Mtn. | Comm. | 593 | 6/16/2009 | Complete - Waiting on final documents |
| | Momentum Health Adventure | 2008097 | Asheville | Comm. | 184 | 8/19/2009 | Complete - Waiting on final documents |
| | Honeysuckle Breeze | 2007246 | Asheville | 5 | 70 | 9/22/2009 | Complete - Waiting on final documents |
| | Ridgefield Business Park | 2004188 | Asheville | 18 | 758 | 2/16/2005 | Complete-Waiting on final documents |
| | Subtotal | | | 612 | 10,267 | | |

Planning and Development Projects
Status Report February 17, 2010

| Status | Project Name | Project Number | Work Location | Units | LF | Pre-Construction Conference Date | Comments |
|--------|-------------------------------------|----------------|----------------|-------|--------|----------------------------------|---|
| | Crayton Creek Green | 2006282 | Asheville | 10 | 482 | 3/15/2007 | New developer & Engineer, ready for final |
| | 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 |
| | 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 / in foreclosure |
| | 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 | Ready for final inspection |
| | 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 | Undergoing redesign by new developer |
| | 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 - Phase 2 | 2008109 | Asheville | 256 | 4072 | 1/27/2009 | Punchlist pending |
| | Skyland Apartments | 2007117 | Arden | 63 | 96 | 4/23/2008 | Installing |
| | Berrington Village Apartments | 2008164 | Asheville | 308 | 4,690 | 5/5/2009 | Installing |
| | Cottonwood Townhomes | 2009110 | Black Mtn. | 8 | 580 | 10/20/2009 | Installing |
| | North Point Baptist Church | 2008105 | Weaverville | Comm. | 723 | 5/20/2009 | Ready for final inspection |
| | The Villages at Crest Mountain | 2009049 | Asheville | 63 | 1,364 | 9/9/2009 | Pre-con held, ready for construction |
| | Carolina Hand Surgery | 2009063 | Asheville | Comm. | 298 | 10/7/2009 | Pre-con held, ready for construction |
| | CVS- Weaverville Hwy | 2006301 | Woodfin | Comm. | 59 | 8/18/2009 | Pre-con held, ready for construction |
| | Camp Dorothy Walls - Ph. 2 | 2007294 | Black Mtn. | Comm. | 593 | 6/16/2009 | Pre-con held, ready for construction |
| | Forest Manor Complex | 2088050 | Asheville | Comm. | 96 | 12/4/2008 | Ready for final inspection |
| | Subtotal | | | 2311 | 82,397 | | |
| | Total Units: | | | 2,923 | | | |
| | Total LF: | | | | 92,664 | | |

Right of Way Section 2nd Quarter Summary Open Projects

| <i>Project</i> | <i>Total ROW Budget</i> | <i>Total Expend to Date</i> | <i>Comment</i> |
|---|-----------------------------|---------------------------------|--|
| Charland Forest GSR | \$34,906 | \$15,852 | Project 100% complete with 45% of Total Budget expended and no condemnations filed. |
| Crockett Road PRP | \$17,109 | \$26,878 | Access 100% complete with 157% of Total Budget expended to date. One condemnation filed with judgment pending. Appraisal reflects higher market values than tax values. Additionally, existing trench could not be used due to structures, thereby encumbering new area. |
| Cub Road Sewer Replacement | \$18,472 | \$6,680 | Access 62% complete with 36% of Total Budget expended to date. |
| Dingle Creek Interceptor (formerly Ph II) | \$64,657 | \$48,004 | Access 100% complete with 74% of Total Budget expended to date. One condemnation filed with judgment pending. |
| Evergreen Avenue Four Inch Main | \$10,971 | \$838 | Project 100% complete with 8% of Total Budget expended. One condemnation filed and settled prior to trial. |
| Forest Hill Drive #2 PRP | \$85,404 | \$70,376 | Access 100% complete with 82% of Total Budget expended to date. Two condemnations filed with judgments pending. |
| Forest Ridge Road GSR | \$16,045 | \$3,065 | Access 50% complete with 19% of Total Budget expended to date. |
| Gladstone Road 4" Main | \$14,624 | \$5,527 | Project 100% complete with 38% of Total Budget expended to date and no condemnations. |
| Heywood Rd Interceptor Ph 2 | \$26,419 | \$31,863 | Project 100% complete with 120% of Total Budget expended and no condemnations filed. Appraisals reflect higher market values than tax values. |
| Laurel Road Phase II Rehabilitation | \$13,737 | \$5,300 | Project 100 % complete with 39% of Total Budget expended and no condemnations filed. |
| Long Shoals Road PRP | \$340,584 | \$213,591 | Access 100% complete with 63% of Total Budget expended to date. Three condemnations filed; one settled prior to trial and two are pending judgments. |
| Lower Smith Mill Creek Rehabilitation | \$295,324 | \$265,443 | Access 100% complete with 90% of Total Budget expended to date. Ten condemnations filed; two have been dismissed, three settled prior to trial and five are pending judgments. |
| Merrimon Ave @ Ottari Rd GSR | \$221,473 | \$148,280 | Project 100% complete with 67% Total Budget expended. One condemnation filed and settled prior to trial. Sky King easement partially executed & compensation held until resolution. |
| Merrimon Avenue @ Stratford Road GSR | \$55,854 | \$44,030 | Access 100% complete with 79% of Total Budget expended to date. One condemnation filed with judgment pending. |

| <i>Project</i> | <i>Total ROW Budget</i> | <i>Total Expends to Date</i> | <i>Comment</i> |
|---|------------------------------------|---|--|
| North Griffing Boulevard 4" Main | \$17,250 | \$300 | Access 25% complete with 2% of Total Budget expended to date. |
| Old Home @ Weaverville Highway PRP | \$100,394 | \$99,277 | Access 100% complete with 99% of Total Budget expended to date. Market values much greater than tax values in this corridor and appraised damages were high. One condemnation filed with judgment pending. |
| Reems Creek Master Plan Extension | \$84,130 | \$61,320 | Access 92% complete with 73% of Total Budget expended and no condemnations. Original alignment was revised due to trout buffer restrictions and permitting requirements, deleting four of the original parcels, adding three new parcels and modifying one easement already acquired. Still awaiting easement from developer who initiated project. |
| Riverside Drive/Westover Drive | \$19,322 | \$13,895 | Access 100% complete with 72% of Total Budget expended to date. Two condemnations filed with judgments pending. |
| Rockdale Ave PRP | \$24,000 | \$6,369 | Project 100% complete with 27% of Total Budget expended and no condemnations. |
| Short Coxe @ Southside GSR | \$133,906 | | Consultant mailed intro letters to owners 4/27/09. On 5/4/09 engineer contacted consultant stating he was making design adjustments that would affect project alignment. ROW notified 6/26/09 that it would be several more weeks before construction conflicts were resolved. Negotiations were stopped until design revised. Revised plats received 12/1/09. Revised agreements received 12/15/09. Negotiations resume January 2010. |
| Sycamore Terrace PRP | \$17,817 | \$1,000 | Access 50% complete with 6% of Total Budget expended to date. |
| Town Mountain Road 4" Main Rehabilitation | \$14,992 | | Negotiations in process. |
| US 70 @ Neil Price Avenue Phase II | \$17,890 | \$4,133 | Access 80% complete with 23% of Total Budget expended to date. |