

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
APRIL 21, 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, April 21, 2010. Chairman Aceto presided with the following members present: Bellamy, Bissette, Bryson, Creighton, Haner, Kelly, Root, Stanley, VeHaun and Watts. Mr. Russell was absent

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Mike Sobol, Joseph Martin with Woodfin Sanitary Water & Sewer District, Chuck McGrady with Henderson County, Stan Boyd, Ed Bradford, John Kiviniemi, Jim Hemphill, Scott Powell, Barry Cook, Angel Banks, Jon van Hoff, Kay Farlow and Sondra Honeycutt, MSD.

2. Inquiry as to Conflict of Interest:

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

3. Approval of Minutes of the March 17, 2010 Meeting:

Mr. Haner moved that the Minutes of the March 17, 2010 meeting be approved as presented. Mr. Watts 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 Mr. Martin and Mr. Sobol.

Mr. Sobol presented Mr. Aceto with a variety of running clothes, sweat suit and an inscribed towel for his participation in the Cooper River Bridge Run in Charleston, South Carolina, where Mr. Aceto suffered a heart attack during the event. Mr. Aceto expressed his appreciation to Mr. Sobol, for his presentation and to all of the Doctors and Nurses and friends who assisted him.

6. Report of General Manager:

Mr. Hartye reported that the annual Home Show was held at the Civic Center on March 19-21st. He stated that it was another great year in spite of a slow year for new sewer connections. There was a lot of praise for the System Services staff for a job well done. Grease caps and information on reducing grease in the sewer system were given out along with information on "Call MSD First." Mr. Hartye stated that the idea behind "Call MSD First" is that if users have any problems with backups, etc., they should call MSD before calling a plumber, since there may be a problem in the sewer main. He further stated that the response time is approximately thirty minutes anywhere within the District's 180 mile service area. In addition, there is no cost for the MSD First Responder to come out and assess where the problem is. Mr. Hartye expressed his thanks to Lisa Tolley, Myrt Hunter, Amy Alexander, Herman Shelton, Kathy Meeks, Mrs. Bryson and Ellie Hartye for working the booth. He gave a special thanks to Kay Farlow for putting together the MSD Home Show Booth and working long hours for the entire show.

Mr. Hartye announced that the Asheville Board of Realtors is putting on an expo/trade show on April 29th at the Crowne Plaza. MSD is partnering with the City of Asheville to have a booth at the event and the public is invited.

As a follow-up to the retreat discussion concerning travel for seminars and conferences, Mr. Hartye presented a list of conferences that are given by various organizations that are related to the business of the District, along with web site links.

Mr. Hartye called on Jon van Hoff for a Power Point presentation on some of the responsibilities and operations of MSD's Pretreatment Section.

Mr. van Hoff reported that the reason the Pretreatment Program exists is because of Title 40 Code of Federal Regulations, which is regulated by the EPA and passed down to the State level. The State has given MSD the authority, on a local level, to enact this program. He stated that the objectives of this program are to make sure there is no interference with collection lines or the plant itself, or pass-through of pollutants into the river. In addition, staff is responsible to make sure the sewer lines are safe. He further stated that every day the pretreatment staff deals with different types of hazards and skills. The tools used in their job include: The Sewer Use Ordinance, Permits, Monitoring, Inspections and Enforcement.

Mr. van Hoff reported that the first notification MSD gets of an industry coming in is from Planning & Development. The application gives staff the information needed to determine the type of industry it is and what they manufacture. The next step is to go into the Code of Federal Regulations to check on the industry type and the parameters MSD must have the industry test for. He explained that staff must first determine how much they can allocate out in different metals, BOD, TSS and other pollutants and, from the following three sources; Water Quality Standards, Sludge Loading and the Plant interference and chart which is the most limiting. Once the lowest limit capacity for one of the three sources is determined, staff will know what can be allocated out to the different industries. He further stated that prior to issuing a Permit to Discharge Industrial Waste, the industry must submit a flow diagram of its pretreatment system. The industry is given effluent limits and monitoring requirements and are told how often they need to monitor their system, and how often MSD will monitor the system. MSD monitoring is sent to Pace Analytical and results are sent to MSD by e-mail. The industry fills out its monitoring information on the MSD web site. Both electronic reports are downloaded into a database staff can easily access. The database can determine if the industry is in compliance. He stated that MSD has been using this data collection process for the last several years. The State of North Carolina, as far as pretreatment, has just begun to use this same process.

Mr. van Hoff reported that Inspections is another tool used by pretreatment. He presented slides showing the containment of hazardous chemicals, which are inspected to make sure they do not spill or leak into the sewer system

Mr. van Hoff reported that MSD has an Enforcement Response Policy, which is an official document staff can use when an industry is in non-compliance. A Notice of Violation (NOV) is sent by letter informing the industry they are in violation. If the matter can not be resolved, MSD can charge a civil penalty up to \$25,000 per day, terminate service or have the industry written up in the newspaper. He showed slides of a couple of industries that were in violation, i.e., an industry that when first started was a regular machine shop, but over the years added a plating operation. The industry decided not to discharge the waste into the sewer system, but to have it hauled off on a regular basis.

Mr. van Hoff reported that another area Pretreatment is involved in falls under the Collection System Permit. Staff goes out to inspect restaurants to make sure grease does not get into the system; a major contributor to SSO's. In 1993 staff started inspecting restaurants to make sure they were properly equipped with grease interceptors and traps. He stated that through this program, blockages and SSO's due to grease have been reduced by 64%. He further reported that the majority of problems with grease blockages occur from multi-family housing that are collectively compact together. As a result, staff went out into the community to educate people on how to "Can the Grease" instead of pouring it down the drain. Mr. van Hoff presented the Board with lids and brochures that

are given away during presentations and at the annual Home Show. He stated that related advertisements appear on billboards, MSD vehicles, buses, and in water bills. He further stated that staff is now educating children with "The Lippen Story," which is an adventure story where the children can associate with the properties of grease and how it is properly disposed.. Mr. Haner asked if MSD has seen constant progress in grease reduction over the years. Mr. van Hoff, stated that he has not monitored this over the last few years, but prior to that, the reduction was 64%. Mr. Aceto asked how staff becomes aware of un-permitted industrial discharges. Mr. van Hoff stated that every five years an industrial waste survey is done, which is required by the State. Also, they have to go through the phone book and a list of manufacturers, but it is very infrequent that an industry comes in that MSD is not aware of. Mr. Watts asked about pharmaceuticals. Mr. van Hoff said he has never permitted such an industry, but if there was one, they would need a permit. Mr. Watts said he was thinking more about nursing homes dumping pharmaceuticals. Mr. van Hoff said he has local permits with the hospitals and he does check their pharmacies and labs. Also, there is a law coming out that says disposal of pharmaceuticals must be incinerated first. Mr. McGill said the Sewer Use Ordinance addresses medical waste. Mr. Hartye stated that Jon runs a great Pretreatment Section which is a leader in the State, and also serves as MSD's internal auditor for ISO 14001 Environmental Management System. Mr. Hartye expressed his appreciation to Jon for his service.

Mr. Hartye called on Gary McGill for a Power Point presentation on his recommendations for MSD as a result of meetings with Progress Energy and his investigation of MSD's alternatives.

Mr. McGill summarized the events of the power outage on Christmas morning as a result of a tree falling on the Craggy circuit, along with the internal part failure within the MSD generator and staff's response and O&M procedures that followed. He stated that even if a replacement part had been on-site, it could not have been installed quickly enough to avoid the overflow that occurred in the sewer system as a result of the outage. He reported that since the outage, he and staff have been evaluating how to prevent this from happening again. He presented slides of the power supply to the treatment plant and the Elk Mountain sub-station.

Mr. McGill reported that MSD and McGill staff met with local representatives of Progress Energy (PE) to get an understanding of its supply side; particularly the adequacy of the power system to the MSD location and what its reliability was in terms of outage, power quality and risks. He stated that through these discussions, they identified a series of improvements to the PE system to help minimize future outages. He further stated that in mid February a letter was sent to PE requesting the involvement of technical staff to evaluate system improvements. As a result of this effort, the following alternatives were discussed and recommended: (1.) Upgrade existing generator and transfer switch gear to allow for thoroughly "full load" test of standby power system. Tests will perform automatically and report any problems encountered. It is recommended that this work be completed by Power Secure through an agreement with PE at a cost of \$66,326.00. (2.) Establish a Generator Maintenance and Power Monitoring Agreement. This agreement will provide real-time monitoring of the generator and transfer system operation; interactive scheduled testing of the system with status reports, and transfer equipment maintenance. It is recommended that this service be established for a period of one year at a cost of \$14,345 per year. After the initial one year period, the benefits of the agreement should be evaluated based on experience. (3.) Install automatic circuit transfer switch in the PE substation to instantaneously transfer the MSD service from the Craggy distribution circuit to an alternate distribution circuit at Broadway; reducing the number of power outages. It is recommended that the transfer switch be installed at a cost of \$126,000 with an annual facility fee to maintain the switch of \$15,600. (4.) Increase the on-site standby power capacity. This allows full treatment plant operation during all power outages and provides a much higher reliability. In addition, failure of a single generator unit will not cause a complete shutdown of standby power. It is recommended that generation capacity be increased at an estimated cost of \$1.370 million. However, the exact capacity requirements and electrical configuration should be the subject of more

study before implementation. Mr. McGill stated that instead of having a single unit, there would be a building with four (4) smaller units that would equal the duplication of what MSD currently has, which would provide more redundancy. Other alternatives discussed but not recommended include: Install spare transformer in D/D substation; install dedicated underground circuit from PE substation and, install dedicated transformer and circuit from PE substation.

Mr. Bissette asked what the total cost of the four recommendations is. Mr. Hartye said about \$1.5 - \$1.6 million; most of the cost being the \$1.370 million for the generator addition. He further stated that he previously authorized \$67,000 for the upgrade of the existing generator and circuit breaker controls, which can be done in this year's budget and incorporate the cost of the additional stand-by power capacity in the CIP, which will come before the CIP Committee and the Board during the budget process. Mr. Hartye thanked Mr. McGill and staff for their efforts. Mr. Watts asked if MSD switches from one circuit to another how does the power get to the MSD D/D transformers without a dedicated line. Mr. McGill stated that the Craggy Circuit MSD is on would automatically be switched over to the Broadway Circuit, which would be extended to MSD. Mr. Watts asked if PE has a trip beyond MSD's cap point on the Craggy circuit. Mr. McGill said yes. He explained that on the day of the outage, PE had to go to a location and manually trip the switch to get power to the plant. MSD requested an automatic switch be located there, but PE indicated it was not feasible due to system configuration. Mr. Haner asked what the next step is. Mr. Aceto stated there are a couple of questions that need to be addressed. First is there any prospect of partnering with Silver-Line Plastics or other stakeholders who have equal concerns, and second, what impact or input if any can MSD expect from its hydro system or other co-generation opportunities. Mr. Hartye stated that Silver-Line's issues are different than MSD's, since they go through more voltage fluctuations and are going in a different direction on a different feeder than MSD. Regarding the Broadway substation, it was found that 90% of the time this substation is on when the Craggy substation is down; making sense to get the transfer switch between the two lines. Mr. McGill stated that he would like to continue dialogue with PE. With regard to co-generation, Mr. Kiviniemi stated that MSD's hydro facility must have utility power to function. Also, MSD is limited to how much hydro production it can make based on the level of water in the river. Mr. Kelly asked if anyone has checked with the State Utilities Commission to see what the obligation is of PE to provide MSD with power without having to spend its own money to get service. Mr. McGill said not specifically. Mr. Kelly stated that it might be a good idea to see if the State Utilities Commission puts the burden on PE to supply another utility with PE's essential power, in a reasonable manner and price. No action was taken on the recommendations presented.

Mr. Hartye continued with his report and presented a copy of the minutes of the Board Retreat for review and comment. Mr. Aceto asked Mr. Clarke to develop what the action items were from the Retreat in order to have a reference point for next year's Retreat.

Mr. Hartye reported that the next Right of Way Committee meeting will be held April 28th at 9AM. The Personnel Committee will meet at 2PM on May 5th. The CIP Committee will meet May 6th at 8:30 AM. The Finance Committee will meet May 12th at 2PM to go over the preliminary budget, and the next regular meeting of the Board will be held May 19th at 2PM.

7. Report of Committees:

Right of Way Committee

Mr. Kelly reported that the Right of Way Committee met March 24th to consider Compensation Budgets on Elk Park Drive, Lake Julian Interceptor Phase 4 and Short Coxe @ Southside GSR projects. The Committee also considered Condemnation on the North Griffing Boulevard Four-Inch Main Project.

8. Consolidated Motion Agenda:

a. Consideration of Compensation Budgets: Elk Park Drive PRP, Lake Julian Interceptor, Phase 4 and Short Coxe @ Southside GSR Projects:

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

b. Consideration of Bid for Chemical Root Control Application, Preventative Maintenance:

Mr. Hartye reported that as a part of System Services on-going preventative maintenance program, Chemical Root Control plays an important role by helping eliminate root intrusion inside the sewer line; preventing SSO's and sewage backups in dwellings. The contract is to treat approximately 90,000 LF of sanitary sewer line. He further reported that an advertisement for the Chemical Root Control Application was placed on the MSD Website. Four (4) vendors responded and requested bid packages. On March 25, 2010, a bid from one vendor (Duke's Root Control) was received with a total bid of \$115,068.00. Staff recommends that the bid of Duke's Root Control be accepted. Mr. Hartye stated the cost is approximately \$1.29 ft compared to previous contract of \$1.49 ft.

c. Consideration of Bids for Sanitary Sewer Rehabilitation Projects: Four-Inch Main, Delano Road and Riverside Drive @ Westover:

Mr. Hartye reported that the rehabilitation projects are for the replacement of aged four and eight-inch clay lines, which contain a significant number of structural defects, triggering overflows and repeat maintenance calls. The following bids were received and opened on April 8, 2010: B C & D Associates with a total bid of \$1,052,075.00; Buckeye Construction Co., Inc. with a total bid of \$428,192.65; Fallon Utilities with a total bid of \$337,654.94; Carolina Specialties, Inc. with a total bid of \$277,835.00; Patton Construction Group with a total bid of \$265,920.00; Huntley Construction Co., with a total bid of \$252,487.32; T&K Utilities with a total bid of \$216,316.00 and Terry Brothers Construction Co., Inc. with a total bid of \$205,703.00. Mr. Hartye stated that staff recommends award of this contract to Terry Brothers Construction Co., Inc. in the amount of \$205,703.00, subject to review and approval by District Counsel.

d. Consideration of Developer Constructed Sewer Systems: Westmore Subdivision, Oakcrest Village Subdivision and Rockwood Apartments, LLC, Phase II:

Mr. Hartye reported that the Westmore Subdivision consist of 92 homes; Oakcrest Village Subdivisions of 5 homes and Rockwood Apartments of 136 units. Staff recommends acceptance of the developer constructed sewer systems. All MSD requirements have been met.

e. Local Government Employees' Retirement System, Employer Contribution Rate Increase:

Mr. Hartye reported that due to the 2008 recession, the Local Government Employees Retirement System (LGERS) realized a negative 20 percent investment return, which amounted to reduction in plan assets of \$4.9 billion. He stated that LGERS is instituting a common calculation method called asset smoothing in conjunction with future market returns to mitigate the \$4.9 billion reduction. He further reported that as of FY 2010, the District contributes 4.8% of total salaries to the Retirement System. This rate has been in effect since July 1, 1983. However, LGERS is projecting to raise employer contribution rates over the next six years to an amount slightly over 9%. He stated that the projected change will increase the

District's contribution from \$363,746 in FY 2010 to an amount of \$684,546 in FY 2016 holding salaries constant.

f. Third Quarter Budget to Actual Review:

Mr. Powell reported that Domestic User Fees are below budgeted expectations at 73% of budget. This is attributed to a decrease in consumption due to a wet summer and continuing recessionary pressures on MSD's commercial customers. He further reported that O&M Expenditures are in line with staff's expectations. Capital expenditures are low in comparison to 75% year end due to delaying the multi year microscreen project as well as receiving 10 to 40 percent favorable pricing in projects constructed in the current fiscal year. Mr. Aceto asked if the other municipalities are experiencing this same kind of favorable contractor pricing. Mr. Powell said yes.

g. Cash Commitment/Investment Report – Month Ended February 28, 2010:

Mr. Powell reported that Page 2 presents the makeup of the District's Investment Portfolio showing no significant change in the makeup of the portfolio from the prior month. Page 3 is the MSD Investment Manager's report as of the month of February. Mr. Powell stated that the weighted average maturity of the investment portfolio is 92 days. The yield to maturity is 1.35%; exceeding bench marks of 6 month T-Bill and NCCMT cash portfolio. He further stated that MSD is keeping the investment portfolio short and anticipates this will change in makeup starting the third quarter of the calendar year and first quarter of the fiscal year. This is when all of the information coming from various investment houses say MSD should start seeing favorable returns. Page 6 is the MSD Variable Debt Service Report. Mr. Powell stated that both the 2008 A&B Series Bonds are performing better than budgeted expectations. As of the end of February both issues have saved District customers \$2.4 million in debt service since April, 2008.

Mr. VeHaun 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:

None

10. New Business:

None

11. Adjournment:

With no further business, Mr. Aceto called for adjournment at 3:37 PM.

Jackie W. Bryson, Secretary/Treasurer

<h1 style="margin: 0;">MSD</h1> <h2 style="margin: 0;">Regular Board Meeting</h2>

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 04/21/10

✓	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 March 17, 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 – 3/24/10 - Kelly	Hartye	2:45
	07. Consolidated Motion Agenda		2:45
	a. Consideration of Compensation Budgets: Elk Park Drive PRP; Lake Julian Interceptor Phase 4 and Short Coxe @ Southside GSR.	Hartye	
	b. Consideration of Bids for Chemical Root Control.	Hartye	
	c. Consideration of Bids for Sanitary Sewer Rehabilitation Projects: Four-inch Main – Delano Road and Riverside Drive @ Westover Drive	Hartye	
	d. Consideration of Developer Constructed Sewer Systems: Westmore Subdivision, Oakcrest Village Subdivision and Rockwood Apartments, LLC – Phase II.	Hartye	
	e. Local Governmental Employees’ Retirement System Employer Contribution Rate Increase.	Hartye	
	f. Third Quarter Budget to Actual Review.	Hartye	
	g. Cash Commitment/Investment Report–Month Ended February 28, 2010	Hartye	
	08. Old Business:	Aceto	3:05
	09. New Business:	Aceto	3:10
	10. Adjournment (Next Meeting (5/19/10)	Aceto	3:20

APPROVAL OF MINUTES

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
MARCH 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 2:05 P.M., Wednesday, March 17, 2010. Chairman Aceto presided with the following members present: Bellamy, Bisette, Bryson, Creighton, Haner, Kelly, Root, Russell, Stanley, and Watts. Mr. VeHaun was absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Joseph Martin with Woodfin Sanitary Water & Sewer District, Marcus Jones and Chuck McGrady with Henderson County, Stan Boyd, Ed Bradford, Jim Hemphill, Scott Powell, Barry Cook, Angel Banks, Julie Willingham and Sondra Honeycutt, MSD.

2. Inquiry as to Conflict of Interest:

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

3. Approval of Minutes of the February 17, 2010 Board Meeting:

Mr. Aceto asked if there were any objections to approving the Minutes of the February 17, 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 Mr. Jones, Mr. McGrady, and Mr. Martin. Mr. Aceto presented a note from Ann Joyner thanking the District for remembering former Board Member Joe Joyner who represented Weaverville.

6. Report of General Manager:

Mr. Hartye announced that the annual Home Show will be held March 19-21 at the Civic Center and MSD plans to have a booth as it has for the last several years.

Mr. Hartye presented an article from the Asheville Citizen Times (ACT) on the French Broad River getting cleaner. He stated that this is due, in large part, to the efforts of the MSD over the years. In addition, he presented an ACT article on the City of Asheville's proposed water rate increase. He stated that the District will wait for third quarter numbers from the City before making projections on a sewer rate increase. Mr. Hartye also presented an article from Blue Ridge Now on the Cane Creek Water & Sewer District, which provides some of the options they are looking at and some history and background information on negotiating a new agreement with Cane Creek.

Mr. Hartye reported that the next Right of Way Committee meeting will be held March 24th at 9AM, and the next regular Board Meeting will be held April 21st at 2PM.

7. Consolidated Motion Agenda:

a. Consideration of Auditing Services for FY 2010:

Mr. Powell stated that at the December 16th Finance Committee meeting staff reported its findings on the performance of Cherry, Bekaert & Holland (CBH) versus

the need of performing an RFP for auditing services. Staff recommends continuing the relationship with CBH for FY 2010, which the Finance Committee endorsed. He further stated that the auditors proposed to freeze standard fees and reimbursable expenses at the FY 2009 level of \$47,710. He explained that due to the District receiving stimulus funds, a "single audit" will have to be performed. The work performed in a single audit is beyond the normal scope of previous audits and will increase fees by an additional \$5,000. He stated that staff believes the single audit will only have an impact on the FY 2010 engagement, therefore, staff recommends approval of the FY 2010 audit contract. Mr. Stanley expressed a concern about not hiring a local accounting firm. Mr. Powell stated the reason why MSD went with CBH, in 2003, is because staff did an exhaustive RFP process, and CBH has expertise in the utility industry. Ms. Bellamy agreed with Mr. Stanley, in that over the years, there has been changes in the cost as well as qualifications of local firms. Mr. Haner asked if staff is comfortable with the single audit cost. Mr. Powell said yes. He stated that CBH agreed to a \$1,300.00 decrease in last year's fee of \$47,710.00 and if the single audit is less than the not-to-exceed cost of \$5,000.00, they would pass those savings back to the District.

b. Cash Commitment/Investment Report-Month Ended January 31, 2010:

Mr. Powell reported that Page 2 shows the makeup of the District's Investment Portfolio. He stated there has been no change in the makeup of the portfolio from the prior month. He further stated that a box was added showing the District's Investment Portfolio and makeup of the maximum amount the District's investment policy allows. Page 3 is the Investment Managers' Report as of the month of January. Mr. Powell stated that currently the weighted average maturity of the investment portfolio is 100 days. The yield to maturity is 1.38%; exceeding the bench marks of 6 month T-Bill Secondary Market and NCCMT cash portfolio. Page 4 is an Analysis of Cash Receipts. Mr. Powell reported that YTD Domestic Sewer Revenue is lower than historic averages due to a wet summer and recessionary pressures. These items could equate to a 3.5 to 4.0% budget shortfall in the Domestic Revenue line item which amounts to approximately \$1 million dollars. He stated that MSD has seen efficiencies in the CIP Budget, so staff does not think this will have an impact on the current Operational Budget. He further stated that Facility and Tap fees are above budgeted expectations due to the District budgeting these revenues conservatively. From a year to year comparison, revenues are down \$1 million dollars. Page 5 is an Analysis of Expenditures. Mr. Powell reported that O&M expenditures are reasonable based on historical trends and current year budgeted needs. Debt service expenditures are below budgeted expectations due to lower than expected interest rates on variable rate debt, and due to the nature and timing of capital projects, YTD expenditures can vary from year to year. Mr. Powell stated that based on the current outstanding capital projects, YTD capital project expenditures are considered reasonable. Page 6 is the Variable Debt Service Report. Mr. Powell reported that both the 2008 A&B Series are performing better than budgeted expectations, and as of the end of February, both issues have saved District customers \$2.3 million dollars in debt service.

Mr. Kelly asked if there are any expenses exceedingly out of line, such as health care. Mr. Powell stated that as far as health care costs, the numbers look extremely favorable, even with a 5.5% rate increase, which is well below the increase for Medicare/Medicaid inflation at 8-14%. He further stated that because of the work done by Human Resources on the Disease Management Program, the District is starting to see lower increases in health care costs. Mr. Hartye stated that the rest of the operational expenses are in-line.

Mr. Bissette moved that the Board approve the Consolidated Motion Agenda item (Audit Services Contract FY 10) as presented. Mr. Russell seconded the motion. Roll call vote was as follows: 9Ayes; 2 Nays; Ms. Bellamy and Mr. Stanley.

8. Old Business:

None

9. New Business:

None

10. Adjournment:

With no further business, Mr. Aceto called for adjournment at 2:22 PM.

Jackie W. Bryson, Secretary/Treasurer

REPORT OF GENERAL MANAGER

MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: April 15, 2010
SUBJECT: Report from the General Manager

- Home Show 2010

The annual Home Show at the Civic Center was held March 19-21. Another great year at the Home Show in spite of a slow year of new sewer connections. The guy's at System Services got a lot of comments & praises on what a good job they do. We gave out lot of grease cap's and information on reducing grease in sewer system and the "Call MSD first" information.

Thanks to the one's who worked the booth: Lisa Tolley, Myrt Hunter, Amy Alexander, Herman Shelton, Kathy Meeks, Mrs. Bryson, and Ellie Hartye.

Special Thanks to Kay Farlow for putting together MSD Home Show Booth and working long hours for the entire show.

- REXPO

The Asheville Board of Realtors is putting on an expo/trade show on April 29th at Crowne Plaza. MSD is partnering with the City of Asheville to have a booth at the event.

- List of Industry Conferences

As a follow-up to the retreat discussion concerning travel for seminars and conferences, I have attached is a list of conferences that are given by various organizations that are related to the business of the District. Also included are the links to their websites for up to date information. Please coordinate with the Chairman and Sondra of your interest in attending any of them over the next year.

- Treatment Plant Back-up Power

Gary McGill will give a short presentation on his recommendations for MSD as a result of our meetings with Progress Energy and his investigation of our alternatives.

- **MSD Pretreatment Section Presentation**

Jon Van Hoff will give a short presentation on some of the responsibilities and operation of the Pretreatment Section of MSD.

- **Retreat Minutes**

Attached are the minutes for the Board Retreat. Please review for any corrections or omissions.

- **Board/Committee Meetings**

The next Right of Way Committee meeting will be held April 28th at 9 AM. The Personnel Committee will meet at 2pm on May 5th. The CIP Committee will meet May 6th at 8:30 am. The Finance Committee will meet May 12th at 2 pm to go over the preliminary budget. The next Regular Board Meeting will be held May 19st at 2pm.

National and Local Organizations

NACWA National Association of Clean Water Agencies (formerly AMSA) www.nacwa.org/

WEF Water Environment Federation www.wef.org/

AWWA American Water Works Association www.awwa.org/

NC AWWA~WEA NC state organization of AWWA and Water Environment Association
www.ncsafewater.org/

UNC SOG School of Government (N.C.) www.sog.unc.edu/

NCLM NC League of Municipalities www.nclm.org/

WEFTEC Water Environment Federation Technical Exhibition & Conference www.weftec.org/

Conferences & Education

WEFTEC

October

Large exhibit floor of treatment and collection system equipment. Technical papers by engineers and scientists. Small amount of management track papers. Conference geared toward engineers, designers, operators, scientists, regulators and managers.

WEF Collection System Conference

June

Large exhibit floor of collection system maintenance and construction equipment and lining technologies. Technical and management and operations papers given by consultants, engineers and operations personnel and management. Conference geared toward engineers, equipment manufacturers, regulators, managers and operators.

AWWA/WEF Utility Management Conference

February

Joint Management Conference with papers on management trends and failures and successes as well as topics such as rates and rate structures, capital financing, strategic planning, benchmarking, public relations etc. Conference geared toward utility managers, public officials, regulators, and consultants.

AWWA Annual Conference (Public Officials Program)

June

Program designed for and by public officials, geared strictly for their interests as water/sewer board commissioners, mayors and councilpersons. Program develops and enhances critical skills and abilities necessary to achieve excellence in organizations, and sets to enhance communication and sharing between public officials from diverse communities. Large exhibit area for water and wastewater equipment and service providers

NACWA Summer & Annual Meeting

July

Conference deals with current political and regulatory issues regarding the environment and the wastewater and water business.

NACWA Winter Conference

February

Conference deals with current political and regulatory issues regarding the environment and the wastewater and water business.

NACWA/WEF Clean Water Policy Forum

May

Conference deals with current political and regulatory issues regarding the environment and the wastewater and water business. Geared toward policy makers, public officials and utility managers.

NC AWWA/WEA Annual Conference

November

Conference covers technical, operational, and management tracks. Modest exhibition floor in comparison to WEFTEC.

NC AWWA/WEA Spring Conference

April

Smaller sized conference than annual event covering technical, operational and management tracks. Modest exhibition floor.

UNC School of Government

On-going education with select courses provided

Provides research, consulting, teaching, and facilitation to improve environmental governance in North Carolina. Environmental governance includes the efforts of institutions to manage the environmental resources they oversee and to address the impact of their own operations on the environment. State and local government, the federal government, regional planning organizations, nonprofits, other academic institutions, the media, and private firms all play an important role in the complex web of laws and

relationships that affect the state's environment. The School of Government often serves as a convener, facilitator, and neutral mediator between two or more of these players. Sampling of courses available;

- Customized Board Trainings
- Water and Sewer Infrastructure Funding Strategies
- Ethical Issues in Local Government
- Manager Evaluation and Board Assessment
- Rules of Procedure Workshop
- Regional LeaderShop
- Strategic Planning and Capital Budgeting for Local Governing Boards

League of Municipalities Annual Conference

October

Features practical workshops, innovative ideas and networking.

League of Municipalities - other training opportunities

- Essentials of Municipal Government - Training program for municipal elected officials in North Carolina. Co-sponsored by the League and the UNC-Chapel Hill School of Government, this two-and-one-half-day course covers the basics of municipal governance. Classes cover the powers and responsibilities of a municipality, forms of government, responsibility of elected officials, finance and many other topics.
- Emerging Leaders workshop - Building Your Capacity to Lead is a four-day workshop designed specifically to provide emerging public sector leaders feedback on their leadership style, support in developing a personal leadership plan, and coaching to lead more effectively within their organizations.
- Code of Ethics Training – schedule is not yet developed, however, this may become required training if passed by General Assembly of NC.

NC State Ethics Commission - training workshops

Frequent scheduled dates

Basic ethics education for public servants, elected officials, board or commission appointees

Metropolitan Sewerage District of Buncombe County
2010 Board Retreat Minutes
March 17, 2010

The MSD Board convened for its Annual Retreat on Wednesday, March 17, 2010 at 11:30 P.M. Chair Aceto called the meeting to order. The Board considered and discussed the following items.

1. Board Member Travel

Mr. Clarke discussed a memorandum he had distributed to the Board on Board Member Travel. There was some discussion by Board Members of the questions raised in the memorandum: What information do Board Members need? Where do Board Members need to go to get the information? How does attendance at seminars and conferences help Board Members do their jobs? Several Board members spoke about the benefits of attending seminars and conferences. They cited the opportunity to learn, to network with peer boards and to get know their fellow Board Members and staff better.

There was discussion about the fact that Board Member travel was currently in the news as a result of travel by other local boards. MSD Board members noted that MSD should not panic about this, but should continue to encourage Board Member travel consistent with the goal of informing and educating Board Members and staff to better perform their jobs. It was agreed that the General Manager should continue to inform Board Members about available conferences and that Board Members should attend those seminars and conferences which would help them to do their jobs as Board Members. There was a consensus that Board Members should let other members know which conferences they were attending and that Board Members should report to the full Board on conferences and seminars attended.

The Board asked Mr. Clarke to prepare a revised travel policy consistent with its discussion and specifically including Recommendations 2, 3 and 4 in the Memorandum to the Board.

2. Priorities for the Extension of Sewer into Areas Identified in the Master Plan

Mr. Hartye reviewed his Memorandum of March 1, 2010 to the Board on this issue (copy attached). He identified MSD's priorities of rehabbing the existing system and plant, responding to "unclaimed" sewer problems for existing paying customers (PSR program), failing septic issues and new extension or expansion. He then discussed the evolvement of the PSR program to its current status wherein MSD immediately assumes maintenance of "unclaimed" sewers that were maintained in the past by the municipalities. MSD has also eliminated the tap fee for these customers since, in most cases, they have been paying sewer use charges for years.

Mr. Hartye then discussed the issue of areas within the district that do not have public sewer. In some cases, septic tanks in those areas are failing. MSD has been asked to look into the possibility of extending sewer to those areas. Mr. Hartye reported that the cost of extending sewer to these areas is very high, and, in most cases, it is much cheaper to simply repair a septic system. Where septic systems are failing, and there is not sufficient area to repair, Mr. Hartye proposed the possibility of MSD partnering with the particular political subdivision involved. MSD would contribute 20 years of projected revenue, obtain easements and charge residents a facility fee. The political subdivision would provide the balance from ad valorem tax revenue or possibly a special assessment.

Mr. Hartye presented a map showing the septic systems permitted in the last few years in the county (there were a lot of them). There was much discussion among Board Members about how MSD fits in as a public utility. Does MSD extend its system or wait for others? Where do the dollars to pay for all this come from? What is the City of Asheville's policy on this? Some Board Members pointed out that other alternatives for on site waste treatment might have to be considered such as sand filters. The dots on the map indicate this is a problem and will be a problem. It will always be a surprise when it comes up. At what point does MSD get involved?

After further discussion, it was agreed by consensus to refer this matter to the Planning Committee.

3. Monthly Billing Consideration

In response to discussion at the February board meeting about the City of Asheville going to monthly billing for water and sewer instead of the current bimonthly billing, this item was placed on the retreat agenda. Mr. Russell, reporting for the Finance Committee of the City of Asheville said this proposal, if it were to happen, would be at least two years out. He said he would have to see a lot more efficiencies before he could support it. He suggested there was no need for MSD to address the issue at this time.

4. Public Education and Media Initiatives

Mr. Hartye reviewed MSD's public education and media initiatives. Mr. Watts stated that he appreciated the way MSD was coordinating its street cuts with the Town of Black Mountain. Mr. Russell noted that the Board should consider its responsibility to the rate payers in all matters. Mr. Russell noted that the people out there paying the sewer bills are the District. Mr. Bissette raised the issue of the perception of the community about MSD. He noted that, prior to joining the Board, he thought of MSD as an entity with lots of money that should be extending sewers, but he now understands MSD's priorities and the demands on its dollars. Mr. Haner said MSD is doing an exemplary job of providing information to rate payers and customers. Mr. Hartye noted that MSD puts information in the bills about rate increases and what MSD does with its revenues. There was some discussion of the Citizen Times article which criticized MSD for "allowing" the Christmas day sewage spill to happen. There was further discussion of making the newspaper aware of what MSD does.

There being no further business, Chair Aceto thanked the Board for its attendance and participation, and the Retreat was adjourned.

Respectfully Submitted,

William Clarke

MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: March 1, 2010
SUBJECT: Priorities for extension of sewer into areas identified in the MSD Master Plan

- MSD Priorities - Review of CIP
 1. Rehab existing sewer system and plant
 2. Respond to “unclaimed” sewer problems from existing paying customers (PSR program)
 3. Septic Issues
 4. New expansion

- History and evolution of PSR Program and operational response to “unclaimed systems.”

- Septic Issues:

Background

- Several areas within the City of Asheville that were annexed were never provided public sewer by the City. Some areas like Rock Hill Road have had septic tank problems. These were not run due to their exorbitant cost of construction.
- Mayor Bellamy asked if MSD could run sewer to these areas or if MSD could partner with the City to run sewer to these areas if they became a public health problem.
- MSD has completed all those annexation sewers that were stipulated in the 1990 Consolidation Agreement.
- MSD does not have the power to special assess whereas the City does.
- MSD has completed a Collection System Master Plan that identifies where our member agencies have zoned areas that will require public sewer.

Potential partnering parameters for areas with failing septic tanks that are in areas that have been identified by a member agency and the MSD master Plan as requiring public sewer:

Should operate like PSR Program

1. Must be identified as an area that will require public sewer pursuant to Member Agency zoning and MSD Master Plan.
2. Must be a public health hazard
3. Letter from Local Government and/BC health department
4. No repair possible onsite
5. Critical mass in # affected?
6. MSD pledge 20 yr. revenue from affected residences (\$7500)
7. MSD get Easements
8. Facility Fee required from residences(\$1900)
9. City/Local Government/Residents pay balance of extension (from their 20 year tax revenue then special assess the rest)

Proposal

To unilaterally hold out above program to member agencies as MSD's way of anticipating problems and showing willingness to partner in their resolution.

- New Expansion

1. Must be made in accordance with the MSD Collection system Master Plan.
2. All Developments are eligible for additional capacity reimbursement for the difference between the 8 -inch minimum and the size required by the Master Plan.
3. Affordable Housing developments are eligible for the 5 year cost recovery program for all lines that are to become public.
4. If existing system upgrades are necessary prior to extension, the District will share in the cost of rehab pursuant to the approved formula.
5. If the new Commercial/Industrial development meets the job creation/ flow criteria then the initial facility fee will be waived.

REPORT OF COMMITTEES

**RIGHT OF WAY
COMMITTEE RECOMMENDATIONS
AND MINUTES
March 24, 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, March 24, 2010. The following Right of Way Committee members were present: Glenn Kelly, Jackie Bryson and Robert Watts.

Others present were: Steven Aceto, Chairman of the Board; Max Haner, Bill Stanley, Board member; Ellen McKinnon, Martin/McGill; Tom Hartye, Ed Bradford, Angel Banks, Shaun Armistead, Jim Hemphill, 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—

- Elk Park Drive PRP 35001, Project No. 2006028**
- Lake Julian Interceptor Ph. 4, Project No. 2007035**
- Short Coxe @ Southside GSR, Project No. 2004025 (Revised)**

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

Due to constructability issues with initial design of the Short Coxe @ Southside GSR, alignment changes were required. Revised design added one parcel and increased easement areas on several others. Attached is a revised budget incorporating those revisions.

STAFF RECOMMENDATION: Approval of Compensation Budgets.

Ms. Banks explained the location and gave some background on the projects. The Elk Park Drive Project consists of approximately 2300 lf of 8” DIP to replace 6” pvc. The Lake Julian Interceptor Phase 4 project is a continuation of Phase III at the Progress Energy Power Plant, and consists of approximately 1600 lf of 8” DIP to replace 10” and 15” clay and ductile iron pipe. The Short Coxe @ Southside project consists of replacing approximately 3,380 lf of 8”DIP. Sewerlines on all of the projects are undersized and in poor condition. There was no discussion. Mr. Kelly made the motion to accept Staff’s recommendation. Mr. Watts seconded the motion. Voice vote was unanimous.

COMMITTEE RECOMMENDATION: Approval of Compensation Budgets.

**IV. Consideration of Condemnation – North Griffing Boulevard Four-inch Main,
Project No. 2006022**

PIN 9740-72-6773 – The proposed alignment of the sewer on this property is located through a wooded gully area. The property owner's major concern pertaining to the project is potential tree loss which will reduce the buffer between them and the neighboring property.

The project engineer had the easement areas staked on this property to assist the property owner in determining how many trees will actually require removal due to construction. Approximately 5 trees will require removal due to construction on this property.

The property owner seemed to be ok with the compensation (\$4,237) that is being offered for the easement areas on this property.

Despite several phone calls and a meeting on site the property owner has been unresponsive to date.

Total Contacts: 8

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

Ms. Banks explained the above situation. At the time of this meeting the owner has contacted MSD. However, Staff is still requesting authority to proceed with condemnation in the event he decides not to grant. Staff will remove from Agenda if he signs before the April Board meeting. There was no discussion. Mr. Kelly made the motion to accept Staff's recommendation. Ms. Bryson seconded the motion. Voice vote was unanimous.

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

VI. Other business –

Mr. Kelly asked if there had been any word from Norfolk-Southern Railway regarding the status of the Memorandum of Agreement. Ms. Banks stated that there had been no recent developments but Billy Clarke is continuing to talk with them.

There being no further business the meeting adjourned at approximately 9:08 am.

CONSOLIDATED MOTION AGENDA

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

COMMITTEE MEETING DATE: 3/24/2010

BOARD MEETING DATE: 4/21/2010

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—

Elk Park Drive PRP 35001, Project No. 2006028
Lake Julian Interceptor Ph. 4, Project No. 2007035
Short Coxe @ Southside GSR, Project No. 2004025 (Revised)

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

Due to constructability issues with initial design of the Short Coxe @ Southside GSR, alignment changes were required. Revised design added one parcel and increased easement areas on several others. Attached is a revised budget incorporating those revisions.

STAFF RECOMMENDATION: Approval of Compensation Budgets.

Ms. Banks explained the location and gave some background on the projects. The Elk Park Drive Project consists of approximately 2300 lf of 8" DIP to replace 6" pvc. The Lake Julian Interceptor Phase 4 project is a continuation of Phase III at the Progress Energy Power Plant, and consists of approximately 1600 lf of 8" DIP to replace 10" and 15" clay and ductile iron pipe. The Short Coxe @ Southside project consists of replacing approximately 3,380 lf of 8" DIP. Sewerlines on all of the projects are undersized and in poor condition. There was no discussion. Mr. Kelly made the motion to accept Staff's recommendation. Mr. Watts 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: Robert Watts	<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

Elk Park Drive PRP 35001

Project Number 2006028

Compensation Budget

09-Mar-10

Pin Number and Name 27 Pin	83 Pin	Acres	Parcel SF	Land Value	LV/SF	PE	PE Assd. Value	50% PE Assd. Value	TCE SF	TCE Assd. Return	10% Annl Return	Proj Time (Months)	TCE Rent Value	Total Comp. (Rounded)
973010268317	973026848200000	0.57	24,829.20	\$15,000.00	\$0.60	1,471.92	\$883.15	\$441.58	1,343.47	\$806.08	\$80.61	4	\$26.87	\$468
973010268608	973026876400000	1.14	49,658.40	\$43,100.00	\$0.87	1,374.88	\$1,196.15	\$598.07	3,009.59	\$2,618.34	\$261.83	4	\$87.28	\$685
973010350621	973035160300000	2.35	102,366.00	\$57,300.00	\$0.56	4,565.15	\$2,556.48	\$1,278.24	7,487.28	\$4,192.88	\$419.29	4	\$139.76	\$1,418
973010364059	973036419600000	13.50	588,060.00	\$151,200.00	\$0.26	7,252.17	\$1,885.56	\$942.78	13,968.36	\$3,631.77	\$363.18	4	\$121.06	\$1,064
973010268861	973026884400000	1.10	47,916.00	\$41,700.00	\$0.87	199.23	\$173.33	\$86.67	798.84	\$694.99	\$69.50	4	\$23.17	\$110
973010269210	973026928600000	0.55	23,958.00	\$35,700.00	\$1.49	2,068.08	\$3,081.44	\$1,540.72	1,943.52	\$2,895.84	\$289.58	4	\$96.53	\$1,637
973010350835	973035191100000	0.67	29,185.20	\$36,300.00	\$1.24	0.00	\$0.00	\$0.00	1,479.93	\$1,835.11	\$183.51	4	\$61.17	\$61
973010352033	973035218000000	0.64	27,878.40	\$30,500.00	\$1.09	187.33	\$204.19	\$102.09	1,032.34	\$1,125.25	\$112.53	4	\$37.51	\$140
973010350391	973035137600000	1.19	51,836.40	\$37,900.00	\$0.73	2,065.14	\$1,507.55	\$753.78	2,998.08	\$2,188.60	\$218.86	4	\$72.95	\$827
973010353031	973035400400000	0.45	19,602.00	\$29,500.00	\$1.50	0.00	\$0.00	\$0.00	466.10	\$699.15	\$69.92	4	\$23.31	\$23
973010353250	973035328700000	0.97	42,253.20	\$31,900.00	\$0.76	4,137.19	\$3,144.26	\$1,572.13	6,513.35	\$4,950.15	\$495.01	4	\$165.00	\$1,737
973010268239	973026839400000	0.85	37,026.00	\$37,200.00	\$1.00	2,022.85	\$2,022.85	\$1,011.43	2,396.40	\$2,396.40	\$239.64	4	\$79.88	\$1,091
973010472365	973037868800000	156.09	6,799,280.40	\$2,218,400.00	\$0.33	1,381.50	\$455.90	\$227.95	3,135.86	\$1,034.83	\$103.48	4	\$34.49	\$262
973010268508	973026867500000	1.14	49,658.40	\$43,100.00	\$0.87	2,432.08	\$2,115.91	\$1,057.95	1,991.46	\$1,732.57	\$173.26	4	\$57.75	\$1,116
973010353516	973035367500000	3.67	159,865.20	\$73,900.00	\$0.46	6,698.26	\$3,081.20	\$1,540.60	7,906.13	\$3,636.82	\$363.68	4	\$121.23	\$1,662
973010269036	973026918300000	1.43	62,290.80	\$51,200.00	\$0.82	1,145.42	\$939.24	\$469.62	3,383.81	\$2,774.72	\$277.47	4	\$92.49	\$562
973010268418	973026857200000	1.26	54,885.60	\$38,100.00	\$0.69	2,817.68	\$1,944.20	\$972.10	2,176.66	\$1,501.90	\$150.19	4	\$50.06	\$1,022

TOTALS: \$13,886
Staff Contingency: \$10,000
GM's Contingency \$10,000
Amendment
Total Budget: \$33,886

Lake Julian W W Interceptor Ph 4

Project Number 2007035

Compensation Budget

09-Mar-10

Pin Number and Name	83 Pin	27 Pin	Acres	Parcel SF	Land Value	LV/SF	PE	PE Assd. Value	50% PE Assd. Value	TCE SF	TCE Assd. Return	10% Annl Return	Proj Time (Months)	TCE Rent Value	Total Comp. (Rounded)
964420717826	964471964400000		13.08	569,764.80	\$686,700.00	\$1.21	8,282.00	\$10,021.22	\$5,010.61	3,355.00	\$4,059.55	\$405.96	18	\$608.93	\$5,620
964411651842	964466414100000												18		

TOTALS: \$5,620
 Staff Contingency: \$5,000
 GM's Contingency Amendment \$5,000
 Total Budget: \$15,620

Easement for PIN 9644.11-65-1842 was obtained under Lake Julian WW Interceptor Phase 3.

Short Coxe @ Southside GSR

11 Revised

Project Number 2004025

Compensation Budget

11-Mar-10

Pin Number and Name	27 Pin	83 Pin	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)
964806379512	964837957900000		1.02	44,431.20	\$1,020,000.00	\$22.96	3,391.07	\$77,858.97	\$38,929.48	3,429.90	\$78,750.50	\$7,875.05	6	\$3,937.53	\$42,867
964810470493	964847145900000		0.26	11,325.60	\$260,000.00	\$22.96	2,123.02	\$48,744.54	\$24,372.27	1,631.65	\$37,462.68	\$3,746.27	6	\$1,873.13	\$26,245
964810470331	964847039700000		0.79	34,412.40	\$600,000.00	\$17.44	608.45	\$10,611.37	\$5,305.68	216.31	\$3,772.45	\$377.24	6	\$188.62	\$5,494
964810376288	964837734400000		0.11	4,791.60	\$110,000.00	\$22.96	1,031.48	\$23,682.78	\$11,841.39	0.00	\$0.00	\$0.00	6	\$0.00	\$11,841
964810377371	964837834600000		0.31	13,503.60	\$310,000.00	\$22.96	2,508.81	\$57,602.28	\$28,801.14	1,967.89	\$45,182.75	\$4,518.28	6	\$2,259.14	\$31,060
964810379302	964837938800000		0.07	3,049.20	\$16,100.00	\$5.28	426.21	\$2,250.39	\$1,125.19	0.00	\$0.00	\$0.00	6	\$0.00	\$1,125
964810378362	964837933700000		0.25	10,890.00	\$250,000.00	\$22.96	876.09	\$20,115.03	\$10,057.51	870.69	\$19,991.04	\$1,999.10	6	\$999.55	\$11,057
964810377432	964837852000000		0.44	19,166.40	\$242,000.00	\$12.63	1,123.41	\$14,188.67	\$7,094.33	1,781.39	\$22,498.96	\$2,249.90	6	\$1,124.95	\$8,219
964810376334	964837740000000		0.12	5,227.20	\$88,800.00	\$16.99	1,870.31	\$31,776.57	\$15,888.28	2,181.74	\$37,067.76	\$3,706.78	6	\$1,853.39	\$17,742

TOTALS: \$155,652
 Staff Contingency: \$5,000
 GM's Contingency \$5,000
 Amendment
 Total Budget: \$165,652

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

Meeting Date: April 21, 2010

Submitted By: Barry Cook, Director - System Services Division
Ken Stines, System Services Division
Julie Willingham, CLGPO, Purchasing Supervisor

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

Subject: Chemical Root Control Application, Preventative Maintenance

Background: System Services has an on-going preventive maintenance program. Chemical Root Control plays an important role in this program by helping eliminate root intrusion inside the sewer line which prevents SSO's and Sewage Backups in dwellings.

This contracts intention is to treat approximately 90,000 LF of sanitary sewer line located through out MSD's Sewerage District. All lines treated will have a two year warranty for blockages due to root intrusion.

Discussion: Pursuant to North Carolina Purchasing Statutes and MSD Procedures, an advertisement for the Chemical Root Control Application, Preventative Maintenance was placed on the MSD Website. Four vendors responded and requested bid packages. A Bid from one vendor was received and opened on March 25, 2010, at 2:00 pm. Duke's Root Control was the responding bidder, at a total cost of \$115,068.00. Because the total cost of this contract exceeds \$90,000.00, the contract must receive Board approval before awarding to the bidder.

Fiscal Impact: The total cost of this contract will be \$115,068.00 and funds are budgeted in the FY 2010 System Services Operating Budget.

Staff Recommendation: Staff recommends that the bid from Duke's Root Control be accepted

Board Action Taken		
Motion by:	to	<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:		<input type="checkbox"/> Table <input type="checkbox"/> Send to Committee
Other:		
Follow-up required:		
Person responsible:		Deadline:

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

BOARD MEETING DATE: April 21, 2010

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

PREPARED BY: Ed Bradford, P.E. - Director of CIP
Shaun Armistead, E.I. - Project Manager

SUBJECT: Sanitary Sewer Rehabilitation Projects: Four-Inch Main: Delano Road, and Riverside Drive @ Westover, MSD Project No's 2006018 and 2003101, respectively.

BACKGROUND: These rehabilitation projects are for the replacement of aged four and eight-inch clay lines. These lines contain a significant number of structural defects triggering overflows and repeat maintenance calls.

The Delano Road project is located in Asheville on Beaucatcher Mountain, and consists of 761 linear feet of 8-inch DIP. The Riverside Drive @ Westover Drive project is located in Asheville near Riverside Cemetery and consists of 401 linear feet of 10-inch DIP.

The contract was advertised and eight bids were received on Thursday, April 8, 2010 as follows:

<u>Contractor</u>	<u>Bid</u>
1) B C & D Associates	\$1,052,075.00
2) Buckeye Construction Co., Inc.	\$ 428,192.65
3) Fallon Utilities	\$ 337,654.94
4) Carolina Specialties, Inc.	\$ 277,835.00
5) Patton Construction Group	\$ 265,920.00
6) Huntley Construction Company	\$ 252,487.32
7) T&K Utilities	\$ 216,316.00
8) Terry Brothers Construction Co, Inc.	\$ 205,703.00

The apparent low bidder is Terry Brothers Const. Co., Inc., with a combined total bid amount of \$205,703.00. Terry Brothers has extensive experience with previous MSD rehabilitation projects, and their work quality has been excellent.

Please refer to the attached documentation for further details.

FISCAL IMPACT: The combined FY09-10 construction budgets for these projects total \$345,000.00.

STAFF RECOMMENDATION: Staff recommends award of this contract to Terry Brothers Const. Co., Inc. in the amount of \$205,703.00, subject to review and approval by District Counsel.

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

SEWER REPLACEMENT PROJECTS

**Delano Road Four Inch, Project No. 2006018
Riverside Drive @ Westover Drive, Project No. 2003101**

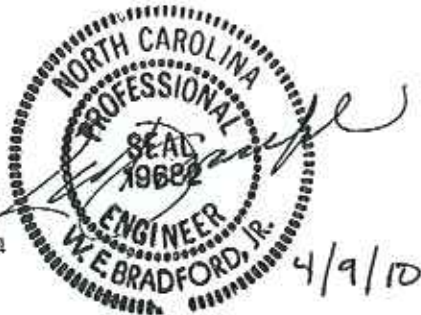
**BID TABULATION
April 8, 2010**

BIDDER	MBE Form	Bid Forms (Proposal)	Delano Road	Riverside @ Westover	Combined Total Bid Amount
B C & D Associates, Inc. Cullowhee, NC	2	Yes	\$687,675.00	\$364,400.00	\$1,052,075.00
Buckeye Construction Co. Canton, NC	1	Yes	\$311,688.45	(*) \$ 116,504.20	(*) \$428,192.65
Fallon Utility Construction Asheville, NC	2	Yes	\$222,755.00	(*) \$114,899.94	(*) \$ 337,654.94
Carolina Specialties Construction Hendersonville, NC	1	Yes	\$165,065.00	\$112,770.00	\$277,835.00
Patton Construction Group Asheville, NC	1	Yes	\$162,000.00	\$103,920.00	\$265,920.00
Huntley Construction Co. Asheville, NC	-	Yes	\$150,540.38	\$101,946.94	\$252,487.32
T & K Utilities, Inc. Asheville, NC	1	Yes	\$124,034.00	\$92,282.00	\$216,316.00
Terry Brothers Const. Co. Leicester, NC	1	Yes	\$113,582.00	\$92,121.00	\$205,703.00

APPARENT LOW BIDDER

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

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



This is to certify that the bids tabulated herein were publicly opened and read aloud at 2:00 p.m. on the 8th day of April, 2010, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina. No bid bond was required.

Interoffice Memorandum

TO: Ed Bradford, CIP Manager
FROM: Shaun Armistead, Project Manager
DATE: April 8, 2010
RE: Four Inch Main – Delano Road – MSD Project No. 2006018
Riverside Drive @ Westover Drive – MSD Project No. 2003101

The proposed replacement sewer projects are necessary due to the repeated overflows, backups, and structural failures associated with the existing line segments.

The Four Inch Main – Delano Road Sanitary Sewer Replacement is located in Asheville on Beaucatcher Mountain, and consists of 761 linear feet of 8-inch DIP. The Riverside Drive @ Westover Drive Sanitary Sewer Replacement is located in Asheville near Riverside Cemetery and consists of 401 linear feet of 10-inch DIP.

Eight bids were received on Thursday, April 8, 2010 as follows:

<u>Contractor</u>	<u>Bid</u>
1) B C & D Associates	\$1,052,075.00
2) Buckeye Construction Co., Inc.	\$ 428,192.65
3) Fallon Utilities	\$ 337,654.94
4) Carolina Specialties, Inc.	\$ 277,835.00
5) Patton Construction Group	\$ 265,920.00
6) Huntley Construction Company	\$ 252,487.32
7) T&K Utilities	\$ 216,316.00
8) Terry Brothers Construction Co, Inc.	\$ 205,703.00

The FY09/10 budget is \$345,000.00. Terry Brothers Construction Co., Inc. is the apparent low bidder for this contract with a bid amount of \$205,703. Terry Brothers has extensive experience with District rehabilitation projects and has an excellent performance history.

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



METROPOLITAN SEWERAGE DISTRICT
 of
 BUNCOMBE COUNTY, NORTH CAROLINA



**Four Inch Main - Delano Road
 Project No. 2006018**

Budget Map

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT OF BUNCOMDE COUNTY, NORTH CAROLINA

CAPITAL IMPROVEMENT PROGRAM

BUDGET DATA SHEET - FY 2009 - 2010

PROJECT:	Four Inch Main - Delano Road	LOCATION:	Asheville	REVIEWED BY:
TYPE:	Four Inch Rehabilitation	DATE OF REPORT:	January-09	EB
PROJECT NO.	2006016	TOTAL L.F.:	775	8A
PROJECT BUDGET:	\$199,533.00	PROJECT ORIGIN:	Problematic Four Inch Sewer Main	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: [2]	\$1,000.00	\$600.00			
02 - LEGAL FEES	\$1,268.00	\$560.00	\$698.00		
03 - ENGINEERING ASSISTANCE					
04 - ACQUISITION SERVICES					
05 - COMPENSATION	\$3,000.00		\$2,943.00		
06 - APPRAISAL					
7 - CONDEMNATION					
08 - ENVIRONMENTAL SURVEY					
09 - PRELIM. ENG. REP.					
10 - DESIGN / ASBUILT SURVEYS	\$4,275.00	\$2,275.00			\$2,000.00
11 - ENVIRONMENTAL ASSESSMENT					
12 - ARCHAEOLOGICAL					
13 - GEOTECHNICAL					
14 - CONSTRUCTION CONTRACT ADM.					
15 - CONSTRUCTION	\$189,000.00				\$189,000.00
16 - PERMITS					
17 - PUBLIC MEETINGS					
18 - TESTING	\$1,000.00				\$1,000.00
TOTAL AMOUNT	\$199,533.00	\$3,635.00	\$3,641.00	\$0.00	\$192,000.00

ENGINEER:	MSD	ESTIMATED BUDGETS - FY '10 -'19	
CONTRACTOR:		FY 10-11	\$0.00
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
BUNCOMBEE COUNTY, NORTH CAROLINA

Budget Map



NOT TO SCALE

Riverside Drive / Westover Drive
Project No. 2003101



METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

CAPITAL IMPROVEMENT PROGRAM

BUDGET DATA SHEET - FY 2009 - 2010

PROJECT:	Riverside Dr. / Westover Dr.	LOCATION:	Asheville	REVIEWED BY:
TYPE:	General Sewer Rehabilitation	DATE OF REPORT:	January-09	
PROJECT NO.	2003101	TOTAL L.F.:	392	
PROJECT BUDGET:	\$215,210.00	PROJECT ORIGIN:	SSO's, Line Condition, Flat grade	

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: [2]	\$2,050.00	\$1,649.00			
02 - LEGAL FEES	\$3,600.00	\$1,772.00			
03 - ENGINEERING ASSISTANCE					
04 - ACQUISITION SERVICES					
05 - COMPENSATION	\$24,000.00	\$24,017.00			
06 - APPRAISAL	\$4,500.00	\$4,600.00			
07 - CONDEMNATION	\$12,000.00	\$2,823.00		\$1,000.00	\$1,000.00
08 - ENVIRONMENTAL SURVEY					
09 - PRELIM. ENG. REP.					
10 - DESIGN / ASBUILT SURVEYS	\$6,460.00	\$4,480.00			
11 - ENVIRONMENTAL ASSESSMENT					
12 - ARCHAEOLOGICAL					
13 - GEOTECHNICAL					
14 - CONSTRUCTION CONTRACT ADM.					
15 - CONSTRUCTION	\$168,000.00				\$168,000.00
16 - PERMITS	\$6,000.00			\$5,000.00	
17 - PUBLIC MEETINGS					
18 - TESTING	\$1,000.00				\$1,000.00
TOTAL AMOUNT	\$215,210.00	\$38,921.00	\$0.00	\$5,000.00	\$168,000.00

ENGINEER:	MSD	ESTIMATED BUDGETS - FY '10 -'19	
CONTRACTOR:		FY 10-11	\$10,000.00
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 16-16	\$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: April 21, 2010

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

PREPARED BY: David Monteith, Kevin Johnson

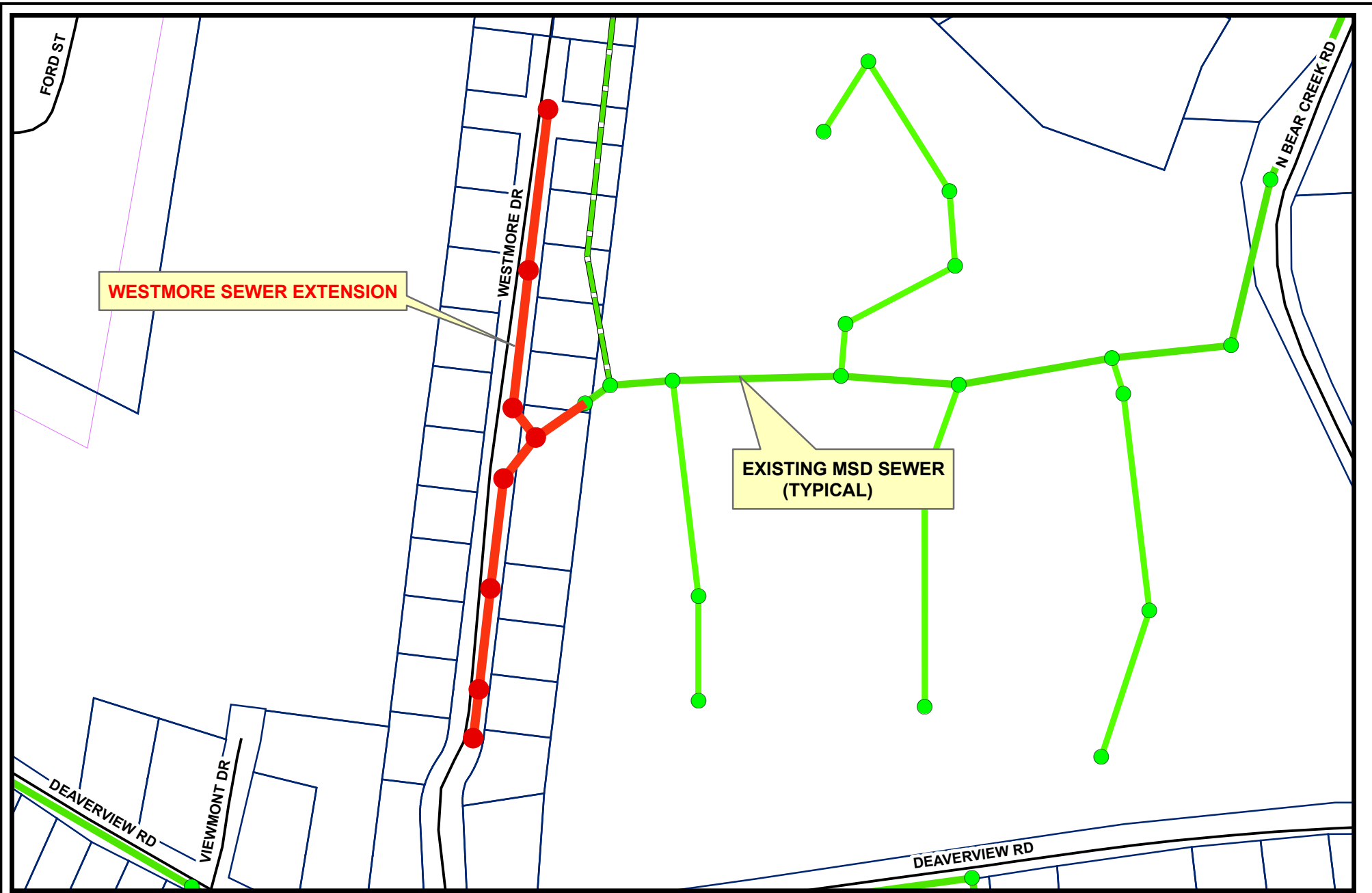
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Westmore Subdivision Project.

BACKGROUND: This project is located inside the District boundary off Deaverview Road in Asheville, North Carolina. The developer of the project is James Beck. This project included the installation of approximately 962 linear feet of 8" gravity sewer to serve the residential (92 SF Homes) development. A wastewater allocation was issued in the amount of 27,600 GPD for this project. The estimated cost of the sewer extension is \$55,000.00

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

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



Project # 2003003

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

**WESTMORE
SEWER EXTENSION**

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: April 21, 2010

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

PREPARED BY: David Monteith, Kevin Johnson

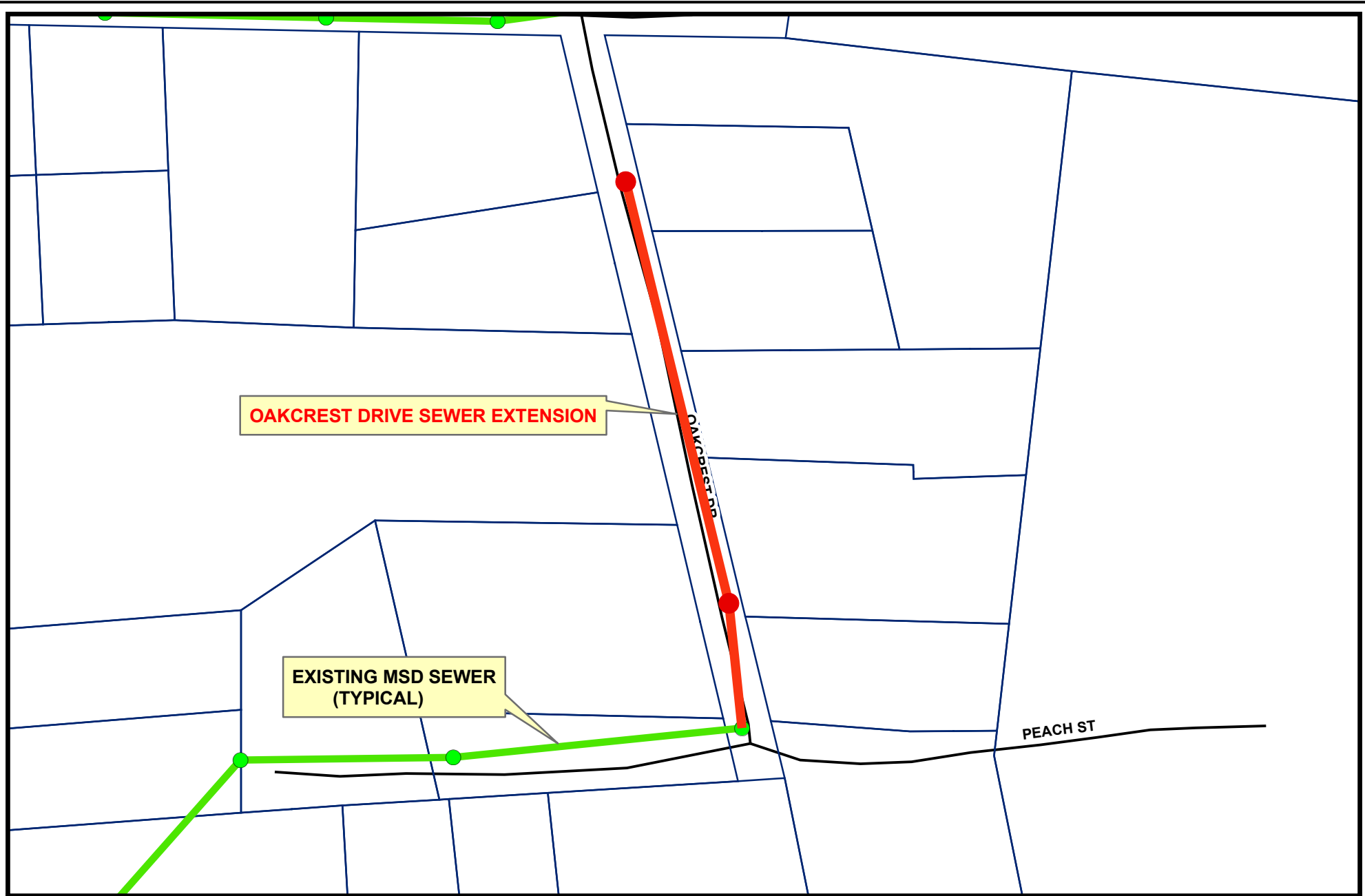
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Oakcrest Village Subdivision Project.

BACKGROUND: This project is located inside the District boundary along Oakcrest Drive in Asheville, North Carolina. The developer of the project is Laura Rickman of Phoenix Housing Group, Inc. This project included the installation of approximately 287 linear feet of 8" gravity sewer to serve the residential (5 SF Homes) development. A wastewater allocation was issued in the amount of 1,500 GPD for this project. The estimated cost of the sewer extension is \$35,000.00

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

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



Project # 2008138

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

OAKCREST DRIVE
Sewer Extension

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: April 21, 2010

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

PREPARED BY: David Monteith, Kevin Johnson

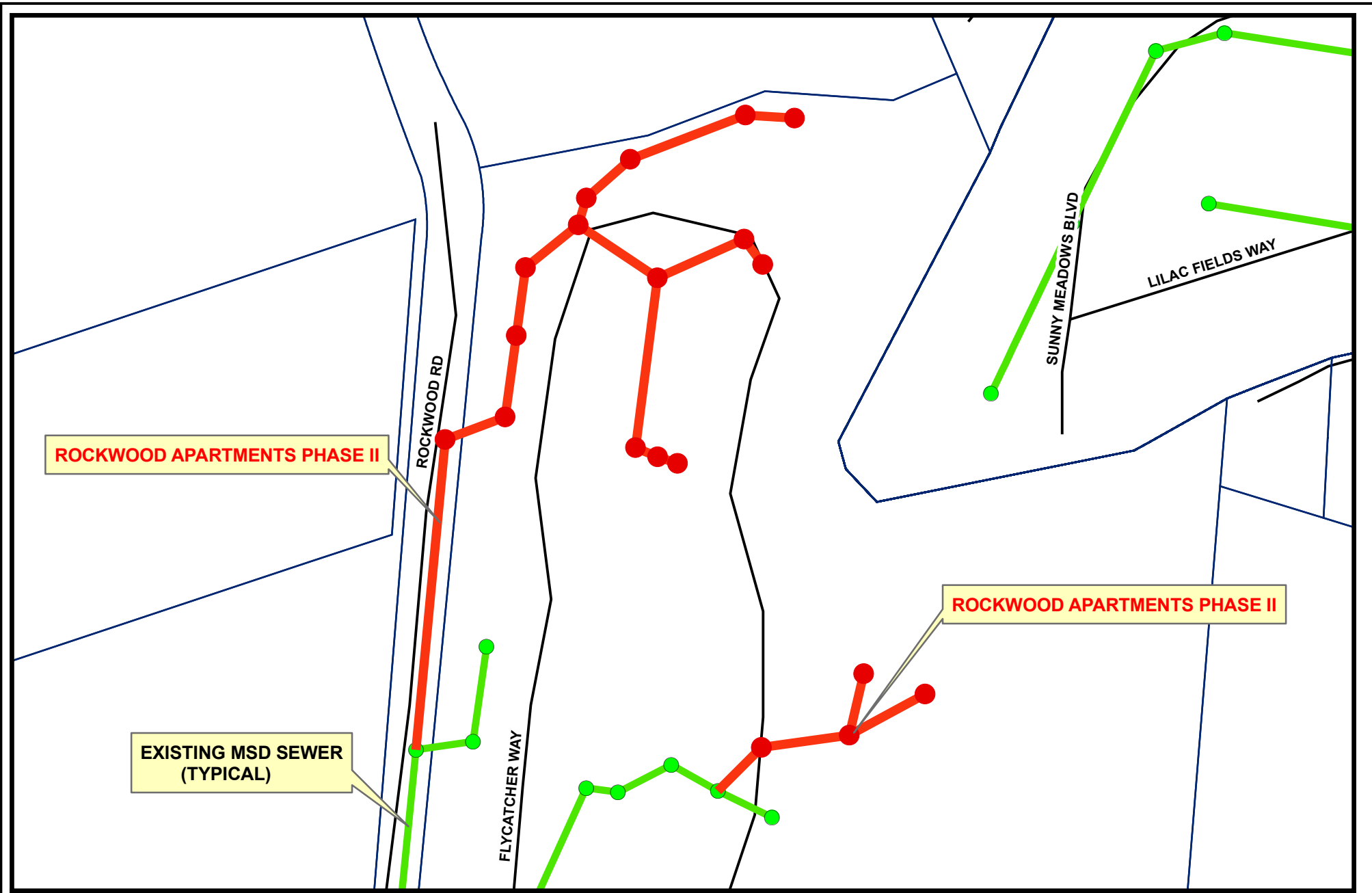
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Rockwood Apartments, LLC - Phase II Project.

BACKGROUND: This project is located outside the District boundary off Rockwood Road in Arden, North Carolina. The developer of the project is Edward Kassinger of Rockwood Road Apartments, LLC. This phase of the project included the installation of approximately 2,023 linear feet of 8" gravity sewer to serve the residential (136 Apartment) development. A wastewater allocation was issued in the amount of 23,700 GPD for this phase of the project. The estimated cost of the sewer extension is \$112,264.00

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:	



ROCKWOOD APARTMENTS PHASE II

ROCKWOOD APARTMENTS PHASE II

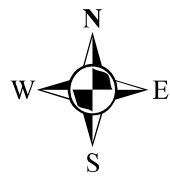
**EXISTING MSD SEWER
(TYPICAL)**

ROCKWOOD RD

FLYCATCHER WAY

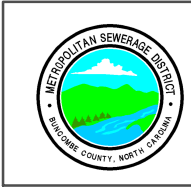
SUNNY MEADOWS BLVD

LILAC FIELDS WAY



Project # 2010031

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA
Rockwood Road Apts. Phase II
Sewer Extension

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: April 21, 2010

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

Prepared By: W. Scott Powell, Director of Finance
Jim Hemphill, Director of Human Resources

Subject: Local Governmental Employees' Retirement System
Employer Contribution Rate Increase

Background

On February 26, 2010, the North Carolina Retirement Systems Division posted a FAQ on Local Governmental Employees' Retirement System (LGERS) and the recent contribution rate changes (www.nctreasurer.com). The FAQ outlined upcoming changes in employer contributions to LGERS, which have future budgetary impact to the District. Additionally, on March 15 the District received its FY 2010-11 contribution notice from the North Carolina Retirement Systems' which indicated a 32% increase in funding over FY 2009-10. Enclosed are both the FAQ and contribution notice.

Discussion

LGERS investment return during the 2008 recession was a negative 20%, which amounted to a reduction in plan assets of \$4.9 billion. The recession impacted all pension funds. The average large public pension fund returned a negative 26% in 2008. The losses realized by LGERS were tempered by its conservative investment strategy, which included a significant asset allocation to fixed income securities (bonds).

LGERS assessed if future short-term investment returns would make up the asset shortfall or if other actions should be implemented to address the plan's solvency and future taxpayers' exposure. They chose the latter. LGERS believe that using a common calculation method called "asset smoothing" in conjunction with future market returns will help mitigate the \$4.9 billion reduction in plan assets realized in 2008.

Before the 2008 recession, the District, as well as most municipal units, was contributing 4.8% of total salaries to LGERS for their employee pension obligation. This contribution rate has been in effect since July 1, 1983. Due to the aforementioned plan losses, LGERS is projecting to raise employer contribution rates over the next six years, to an amount slightly over 9%. The projected contribution rate increases for the next six fiscal years are as follows:

FY 2011	1.55%
FY 2012	1.20%
FY 2013	0.73%
FY 2014	0.47%
FY 2015	0.26%
FY 2016	0.11%

Board Meeting

April 21, 2010

Subject: Local Governmental Employees' Retirement System - Employer Contribution Rate Increase

Page -2-

A FY2008 Public Fund Survey found the average employer contribution among public retirement systems was 8.7%. This average rate is clearly going to increase in upcoming years to make up the reported a negative 26% return experienced in 2008. LGERS projected 9% employer contribution rate should still be below the national average of employer contributions for FY 2016, while maintaining a projected, fully funded pension plan.

Fiscal Impact

The aforementioned projected increases will have the following budgetary impacts, holding salaries constant at FY2010 funding levels.

Current Funding	\$	363,746
FY 2011	\$	478,846
FY 2012	\$	567,946
FY 2013	\$	622,146
FY 2014	\$	657,046
FY 2015	\$	676,346
FY 2016	\$	684,546

Staff Recommendation

None. Informational Only.

Action Taken

Motion by:

Second by:

Other:

Follow-up required:

Person responsible:

to

Approve

Table

Disapprove

Send to Committee

Deadline:

Frequently Asked Questions about Increase in Employer Contribution to Local Governmental Employees' Retirement System (LGERS)

The Retirement Systems Division of the Department of State Treasurer has received numerous questions about the increase in the employer contribution rate for the Local Governmental Employees' Retirement System (LGERS). We have tried to capture most of the answers to those questions in this document.

1. What is the Local Governmental Employees' Retirement System (LGERS)?

This system provides retirement benefits to employees and retirees of local governments (e.g. counties, cities, and towns) in North Carolina that have elected to participate in the system. Almost all local governments have elected to participate. As of 12/31/2008, there were a total of 123,524 active employees, 44,311 benefit recipients and 879 local governments in the system.

2. What body sets the employer contribution rate for the LGERS system?

The Board of Trustees sets the employer contribution rate equal to the Annual Required Contribution (ARC), as developed by the system actuary (Buck Consultants). An actuary is a credentialed professional with expertise in probability and finance. N.C. Statutes require the use of an actuary to calculate the contribution. The Board approved the increase in question at its January 21, 2010 meeting.

3. Does the rate increase still need to be approved by the General Assembly?

No. General Statute 128-28(a) charges the Board of Trustees with "responsibility for the proper operation of the Retirement System" and 128-30(h) authorizes the Board to "make such changes in the accounting methods and procedures of the System from time to time as, in its opinion, are in the interest of sound and proper administration of the System".

4. When was the last increase?

The last increase in the base contribution rate was effective July 1, 1983. There were annual increases in the years leading up to 1983.

5. How much is the increase?

The employer contribution is increasing from a base rate of 4.80% of pay to 6.35% of pay, i.e. by 1.55% of pay. The dollar amount of the increase will differ depending on the payroll of the local government. The total payroll across all local governments is roughly \$5.3 billion, so the total increase is approximately $\$5,300 \times 1.55\% = \82 million. Roughly half of this increase is for counties and half for municipalities (cities and towns).

6. When is the new rate effective?

July 1, 2010

7. What is the new rate that employers pay for law enforcement officers?

The rate for law enforcement officers is increasing from 4.86% of pay to 6.41% of pay, i.e. by the same 1.55% of pay. The law enforcement rates are sometimes expressed differently. The following table shows the full reconciliation:

	Before 7/1/2010	After 7/1/2010
Law-enforcement rate in valuation	5.27%	6.82%
Death benefit contribution (required)	0.14%	0.14%
Offset for court costs	<u>-0.55%</u>	<u>-0.55%</u>
Net law-enforcement contribution	4.86%	6.41%

8. Our rate was not 4.80% before. What will our new rate be?

Some local governments contribute a higher amount because they have elected death benefit coverage for non-law enforcement, they are still paying off an initial liability created when they joined the system, or they participate in the State Health Plan. The death benefit, accrued liability contributions, and State Health Plan contributions are not affected by the same factors that increased the base contribution rate. However, they may change for other reasons, for example a change in the average age of the local government's employees or reaching the end of the liability amortization period. You should receive a rate letter soon with your exact rate (see next question).

9. When will the employer rate letters be sent?

The Retirement Systems Division is in the process of producing these rate letters. We hope to have them in the mail to employers by March 15.

10. Is this the last increase?

No. Contributions are projected to increase again at July 1, 2011 and each year after that for the next five or so years. The base contribution is projected to peak at a little over 9% of pay. These projections are based on a number of assumptions. Actual experience could deviate significantly from these assumptions, resulting in much higher or lower contributions. Projections further into the future are more subject to these deviations than one or two year projections.

11. Is the employee contribution increasing?

At this time, there has been no change to the 6% of pay employee contribution. This rate is specified in statute, so a change would require action by the General Assembly.

12. If the employee contribution rate was increased, could the employer contribution be reduced?

Yes, for every 1.00% increase in the employee contribution rate, the employer contribution rate could be reduced by approximately 0.95%.

13. Is the contribution increasing due to excessive benefit enhancements?

No. Unlike in some other states, benefits were not significantly increased in the LGERS when investment returns were good. Retirees have received cost of living adjustments (COLAs) and the multiplier has been increased. However, the COLAs have fallen short of inflation for many retirees. The multiplier has increased by an average of only 0.01% per year over the last 26 years and there have been no increases for most of this decade.

14. Is the contribution increasing due to a failure to properly fund the system in the past?

No, for 69 years employers have contributed the amount recommended by the actuary as needed to properly fund the system.

15. What is causing the increase?

Investment losses suffered by the fund during 2008. These losses totaled approximately \$4.9 billion.

16. How did the fund lose \$4.9 billion?

At the start of 2008, the fund had assets of \$17,891 million. The investment return during 2008 was -20%, but the expected return was 7.25%, so the difference from the expected return was 27.25% of assets, which is $\$17,891 \times 27.25\% = \$4,875$ million (\$4.9 billion).

The economic downturn of 2008 impacted all pension funds. While recent returns have been positive, the impact of crisis will be felt for years to come. For comparison, the S&P 500 Index returned -37% and the average large public pension fund returned -26% in 2008 (Wilshire TUCS). The return for the LGERS was so much better because it was conservatively invested, including a significant allocation to fixed income securities (bonds).

17. Why do we have to repay this loss now? Can't we wait until the economy is better?

The losses occurred during 2008. The Board has already waited two years, until July 1, 2010, to first increase the contribution. Even in the coming year, the contribution increase is only \$82 million, less than 2% of the losses of \$4.9 billion. In other words, over 98% of the losses are being deferred until future years.

The contribution is increasing so slowly because the system uses a common calculation method called asset smoothing. The asset values are smoothed over five years, so this initial contribution increase reflects only one-fifth of the 2008 losses. This is also why the contributions are projected to continue increasing for the next 5 years.

18. Hasn't the stock market already recovered?

No. One common measure, the S&P 500 Index, was at a high of 1,576 in October, 2007. It reached a low of 667 in March, 2009. It has indeed recovered from that low to reach about 1,100 in early 2010, but that is still over 30% below the peak.

To get back to the funding situation of the system at the beginning of 2008, the fund would have to earn a return of 34% in 2010. Only about 50% of the fund's assets are invested in the stock market. Therefore, the market would need to return about 61% in 2010 in order for the fund to earn 34%.

19. If we increase the contribution, won't it be out of line with the amount paid by employers in other states and the private sector?

No. The average employer contribution among public retirement systems that participate in Social Security (like most NC employers) was 8.7% of pay even before 2008 (Public Fund Survey, FY08). The employer contributions in our neighboring states average about 10% of pay. Many private sector employers also pay a higher percentage of pay for their employees' retirement benefits. The average large private employer paid 7.3% of pay for retirement benefits in June, 2009 (Bureau of Labor Statistics).

20. Many taxpayers have lost their jobs and seen their 401(k) account values shrink. Why should they pay taxes to cover these contributions?

Several NC court cases, for example *Bailey v. State of N.C.* and *Faulkenbury v. Teachers' and State Employees' Ret. Sys.*, have determined that vested benefits cannot be reduced. Whether you agree with these rulings or not, the benefits will eventually have to be paid regardless of whether there are assets set aside. By not making the contributions, taxpayers would only be digging a deeper hole, as described in the next question and answer.

Over the 27 years since the last increase, taxpayers have paid hundreds of millions of dollars less into the system than employees, because the employee contribution has remained at 6% of pay while the base employer contribution has been only 4.80%. Over that same period, taxpayers have also been able to pay billions of dollars less than what the benefits would have otherwise cost thanks to investment gains.

21. What would happen if we just waited a few more years to increase the contribution?

Each year we wait, the increase to get back on track goes up dramatically. If we wait just 2 more years, the increase in contributions is projected to be about \$200 million. If we wait 5 years, it is projected to be over \$350 million. Of course, if \$82 million was too large an increase to accept,

\$350 million will be a lot harder, which might lead to a further delay. Eventually, the contribution increase is projected to be billions of dollars. Once the assets run out, no further delay will be possible, and either taxes will have to immediately increase or spending will have to be immediately cut to come up with those billions.

We have seen other states start down this slippery slope, perhaps believing their deviation would be temporary, and they still have not gotten back on track 5, 10, or even 20 years later. These include New Jersey, Maryland, Pennsylvania, Kentucky, and Colorado.

22. Is the increase voluntary? What happens if a local government refuses to increase its contribution?

The increase is not voluntary and is required by North Carolina state law. We do not know of any other situation in which a local government has refused to make its contribution, but presumably the same mechanisms used to enforce other state laws would apply in this case.

23. Can a local government choose to leave the LGERS?

No. There is no statutory provision for leaving the system.

24. Will the current economic environment lead to lower pay increases, which lead to lower benefits, which reduce the need for higher contributions?

This is a possibility. However, the calculations used to set the contribution rate project benefits for employees retiring 20 or 30 years in the future. The current economic environment is unlikely to determine pay increases that far into the future.

The Board sets assumptions for the contribution calculation based on a study of retirement rates, turnover rates, mortality rates, and salary increases, among other assumptions. This study is updated every five years and the next one would normally take effect with the 12/31/2010 calculations, which determine the 7/1/2012 contribution rate. Upon the request of several local governments, we have agreed to accelerate this timing so that the new study will be effective for the 7/1/2011 contribution. The new study will reflect future expectations based on the current economic environment. It is unclear if the update to the assumptions will result in an increase or a decrease in the contribution rate.

25. Whom can I contact with further questions?

To obtain your new rate, you can contact our Employer Education and Services Unit at EESU@nctreasurer.com, 1-877-807-3131 Option 2, or 919-807-3131 Option 2. As discussed above, you can also just wait to receive your new rate letter.

To ask additional questions about why the rate is increasing, you can contact David Starling at 919-807-3042 or Diane Whaley at 919-508-5156.

Last updated: February 26, 2010



North Carolina Retirement Systems

**North Carolina Department of State Treasurer
Retirement Systems Division**

325 North Salisbury Street - Raleigh, North Carolina 27603-1385
(919) 807-3131 in the Raleigh Area or (877) 807-3131 Toll Free



**LGERS - Local Governmental Employees' Retirement System
NOTICE OF EMPLOYER CONTRIBUTION RATES EFFECTIVE 7/1/2010**

91108 - METRO SEWERAGE DIST OF BUNCOMBE COUNTY
2028 RIVERSIDE DRIVE
ASHEVILLE, NC 288043054

Effective July 01, 2010, your employer contribution rates payable on the covered payroll of your employees who are members of the Retirement System are shown below. The rates are based on the current benefit structure and the actuarial valuation of the Retirement System for the year ended December 31, 2008. Any other changes in rates or liquidation date are the result of a revaluation of your accrued or death benefit liabilities. These rates are applicable to all compensation paid on and after July 01, 2010. The composition of your contribution rates is as follows.

Rate	Local General Class
Pension	6.350%
Death	0.100%
NET PAYABLE	6.450%

You will notice that the Pension line has increased from 4.80% (Firefighters and General) and 5.27% (LEO) last year to 6.35% (F&G) and 6.82% (LEO) this year. This increase is due to investment losses sustained by the fund during 2008. If you have additional questions about this increase, we have posted a Frequently Asked Questions list at <http://www.nctreasurer.com/DSTHome/RetirementSystems/Employers>, click on the first document under "Guidance Publications"

ACCRUED LIABILITY LIQUIDATION DATE - LIQUIDATED

PLEASE NOTE: Our records show that you HAVE elected to tax shelter your employees' retirement contributions under provisions of Section 414(h)(2) of the Internal Revenue Code.

Should actions of the 2010 Session of the General Assembly or some other event require a change in your employer contribution rates, you will receive a further notice.

PLEASE ROUTE TO: CHIEF ADMINISTRATIVE OFFICER
CHIEF FINANCIAL OFFICER
BUDGET OFFICER
PERSONNEL OFFICER

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: April 21, 2010
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, Director of Finance
Subject: Third Quarter Budget to Actual Review

Background

Attached for the Board's information is a budget to actual comparison of the revenues and expenditures for the third quarter of the fiscal year ending June 30, 2010. This information is based on cash revenues and invoices received prior to April 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 \$241,840 for various developments in the first three quarters.
- Interest and miscellaneous income are slightly below budgeted expectations.
- Rental income reflects expected earnings
- Actual O&M expenditures are below 75% and they include encumbered amounts, which will be spent in the future.
- Bond principal and interest actually spent/reserved are below 75% 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 nine months ended March 31, 2010
UNAUDITED--NON-GAAP

	Budget	Actual to Date	% Budget to Actual
REVENUES			
Domestic User Fees ¹	\$ 23,353,145	\$ 17,097,485	73.21%
Industrial User Fees	1,427,014	1,127,834	79.03%
Facility Fees	332,500	824,590	248.00%
Tap Fees ²	36,750	190,900	519.46%
Billing and Collection	596,083	461,763	77.47%
Interest and Misc. Income	704,203	505,114	71.73%
Employee Contribution to Health Ins.	333,386	225,401	67.61%
City of Asheville (Enka Bonds) ³	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	12,420	75.00%
Use of Available Funds ⁴	<u>(3,707,729)</u>	<u>-</u>	0.00%
Total Revenues ⁵	<u>\$ 43,128,912</u>	<u>\$ 39,526,076</u>	91.65%
EXPENDITURES			
Operations and Maintenance ⁶	\$ 13,494,385	\$ 9,349,827	69.29%
Bond Principal and Interest ⁷	8,539,519	1,874,550	21.95%
Capital Equipment (Other than O&M)	663,000	655,287	98.84%
Capital Projects	19,432,008	9,894,227	48.43%
Contingency	<u>1,000,000</u>	<u>-</u>	0.00%
Total Expenditures	<u>\$ 43,128,912</u>	<u>\$ 21,773,891</u>	50.49%
Notes:			
¹ Revenues are on the cash basis			
² Increase in number of Taps requiring Bore Fees. The associated expenditures are reflected in O&M.			
³ Payment to be received in May			
⁴ Prior year bond and pay-as-go funds to be used for CIP			
⁵ Budget-to-Actual Ratio does not include use of available funds			
⁶ Includes encumbered amounts as well as actual insurance expenditures			
⁷ 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: April 21, 2010
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, Director of Finance
Subject: Cash Commitment/Investment Report-Month Ended February 28, 2010

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 February 28, 2010 were \$50,121,854. The detailed listing of accounts is available upon request. The average rate of return for all investments is 1.618%. 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 February 28, 2010 does not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of February 28, 2010 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$17,893,696.

Total Cash & Investments as of 2/28/2010		50,121,854
Less:		
Budgeted Commitments (Required to pay remaining FY10 budgeted expenditures from unrestricted cash)		
Construction Funds	(14,815,391)	
Operations & Maintenance Fund	(5,413,915)	
		(20,229,306)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(62,357)	
Debt Service Reserve	(2,565,644)	
Remaining Principal & Interest Due	(6,056,956)	
		(8,684,957)
District Reserve Funds		
Fleet Replacement	(613,261)	
WWTP Replacement	(896,111)	
Maintenance Reserve	(806,139)	
		(2,315,511)
Post-Retirement Benefit		(367,724)
Self-Funded Employee Medical		(630,660)
Designated for Capital Outlay		17,893,696

Staff Recommendation

None. Information Only.

Action Taken

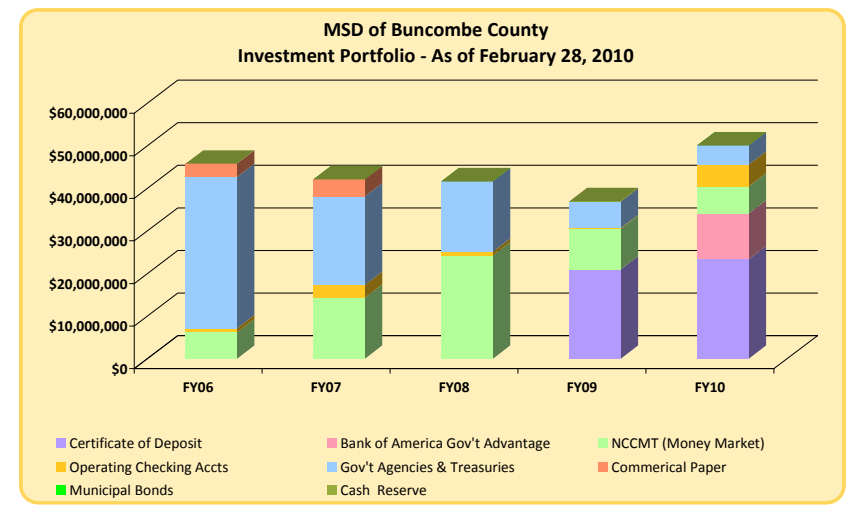
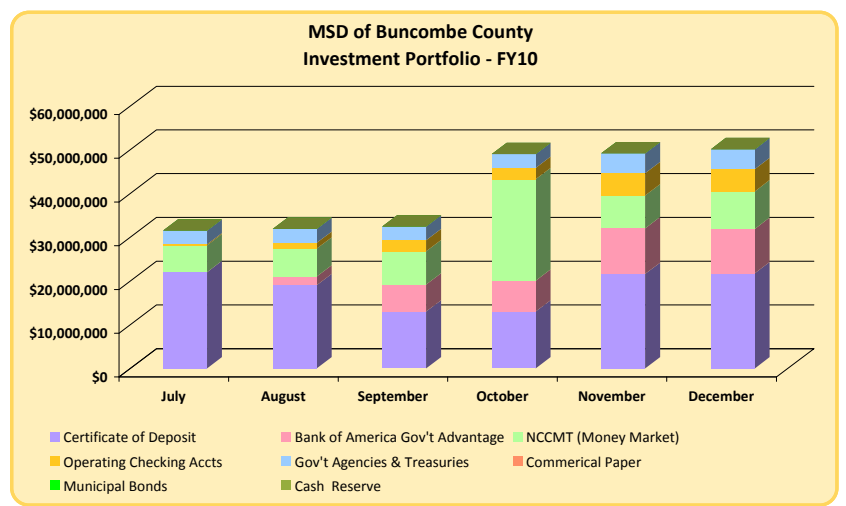
Motion by:	to	Approve Table	Disapprove Send to Committee
Second by:			
Other:			
Follow-up required:			
Person responsible:			Deadline:

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

Held with Bond Trustee
Held by MSD

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
\$ -	\$ -	\$ 107,972				\$ -	\$ 2,520,030	\$ 2,628,002
5,137,999	10,737,485	6,231,031	23,369,837	-	-	-	2,017,500	47,493,852
\$ 5,137,999	\$ 10,737,485	\$ 6,339,003	\$ 23,369,837	\$ -	\$ -	\$ -	\$ 4,537,530	\$ 50,121,854

Investment Policy Asset Allocation	Maximum Percent	Actual Percent
U.S. Government Treasuries, Agencies and Instrumentalities	100.00%	9.05%
Bankers' Acceptances	20.00%	0.00%
Certificates of Deposit	100.00%	46.63%
Commercial Paper	20.00%	0.00%
North Carolina Capital Management Trust	100.00%	12.65%
Checking Accounts	100.00%	31.67%



Board Meeting

April 21, 2010

Subject: Cash Commitment/Investment Report-Month Ended February 28, 2010

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**METROPOLITAN SEWERAGE DISTRICT
INVESTMENT MANAGERS' REPORT
AT FEBRUARY 28, 2010**

Summary of Asset Transactions

	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 41,439,862	\$ 41,462,362	\$ 177,434
Capital Contributed (Withdrawn)	469,222	469,222	
Realized Income	54,858	54,858	(11,727)
Unrealized/Accrued Income	-	(5,000)	
Ending Balance	\$ 41,963,942	\$ 41,981,442	\$ 165,707

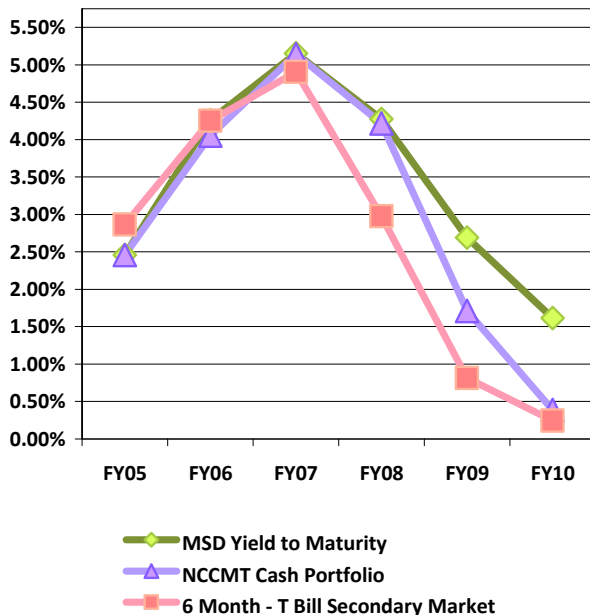
Value and Income by Maturity

	Original Cost	Income
Cash Equivalents <91 Days	\$ 16,594,105	\$ 15,078
Securities/CD's 91 to 365 Days	23,369,837	\$ 21,235
Securities/CD's > 1 Year	2,000,000	\$ 1,817
	\$ 41,963,942	\$ 38,131

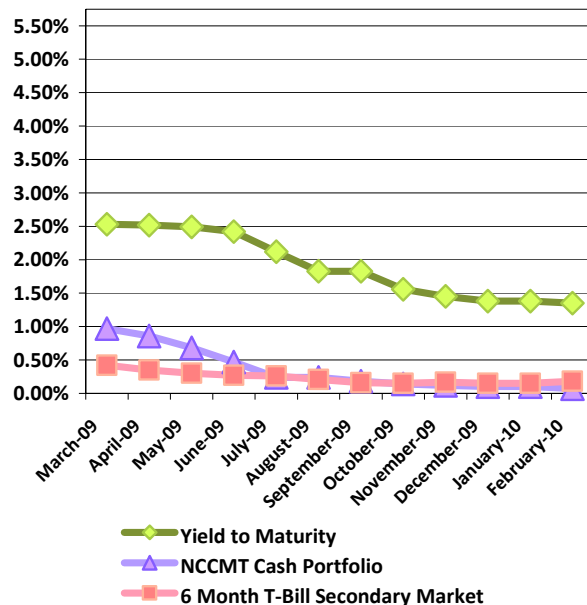
Month End Portfolio Information

Weighted Average Maturity	92 Days
Yield to Maturity	1.35%
6 Month T-Bill Secondary Market	0.18%
NCCMT Cash Portfolio	0.07%

**Metropolitan Sewerage District
Annual Yield Comparison**



**Metropolitan Sewerage District
Yield Comparison
February 28, 2010**



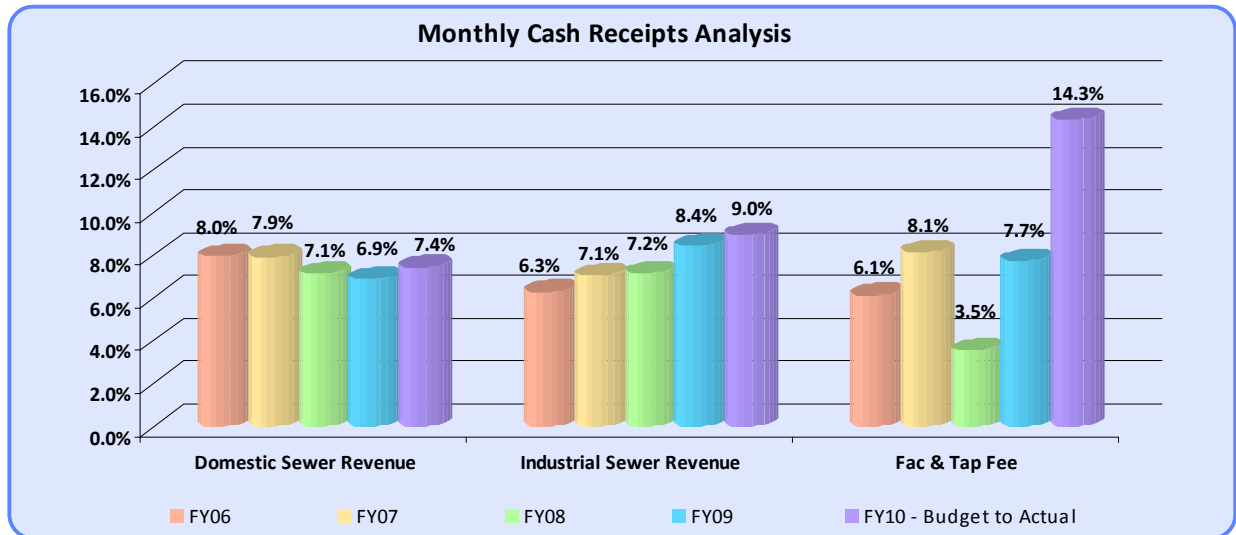
Board Meeting

April 21, 2010

Subject: Cash Commitment/Investment Report-Month Ended February 28, 2010

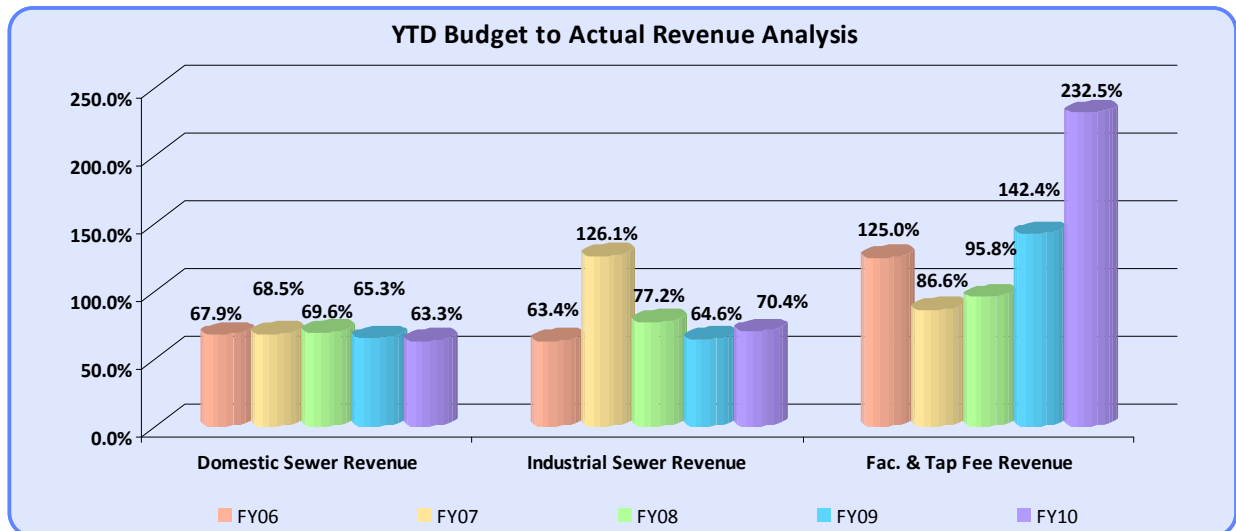
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**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF CASH RECEIPTS
AS OF FEBRUARY 28, 2010**



Monthly Cash Receipts Analysis:

- Monthly Domestic Sewer Revenue is lower due to timing of one cash receipt in the prior year.
- 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.

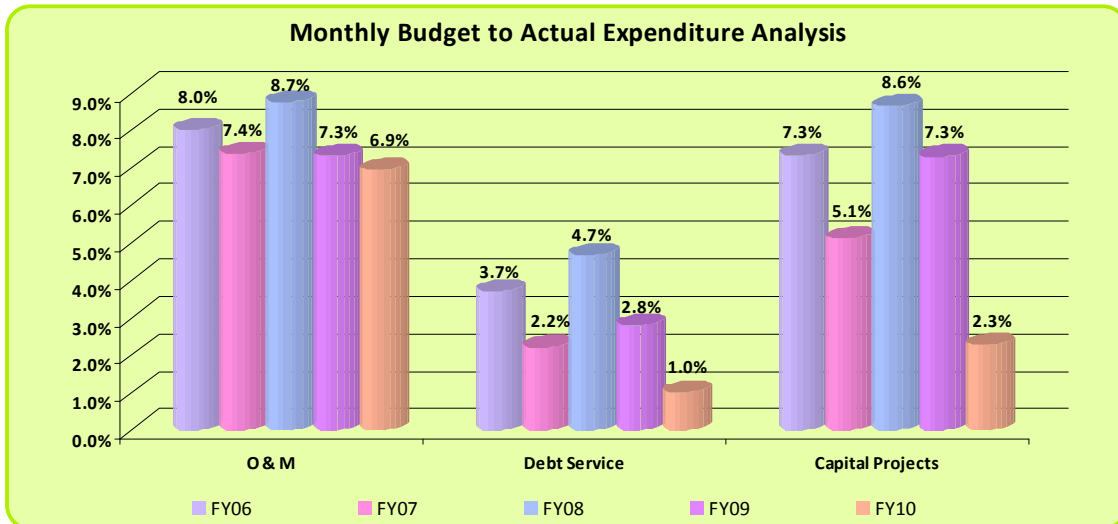
Board Meeting

April 21, 2010

Subject: Cash Commitment/Investment Report-Month Ended February 28, 2010

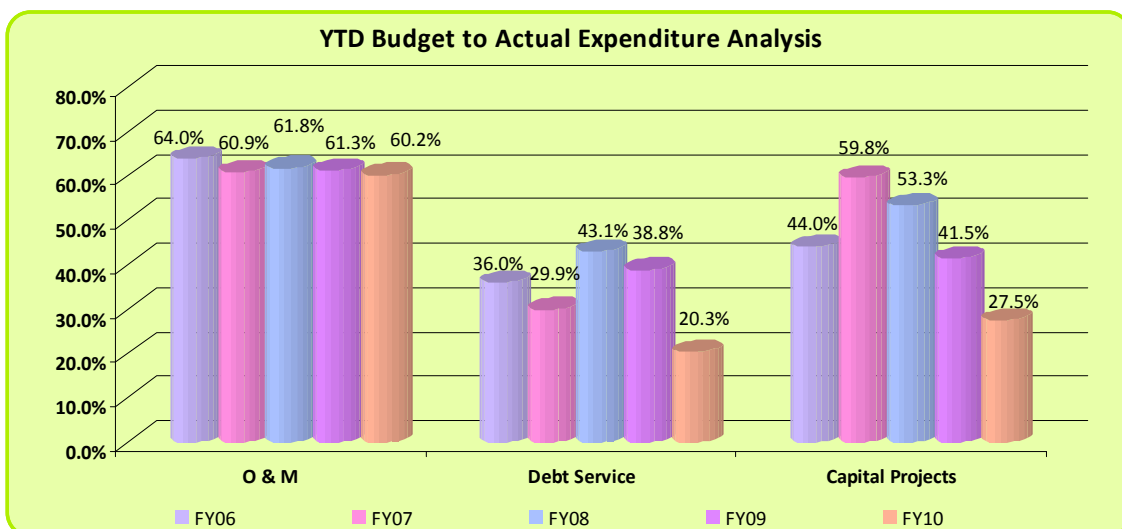
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**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF EXPENDITURES
AS OF FEBRUARY 28, 2010**



Monthly Budget to Actual Expenditure Analysis:

- ◆ Monthly O&M expenditures are considered reasonable based on historical trends.
- ◆ 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 considered 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 considered 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 considered 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 considered reasonable.

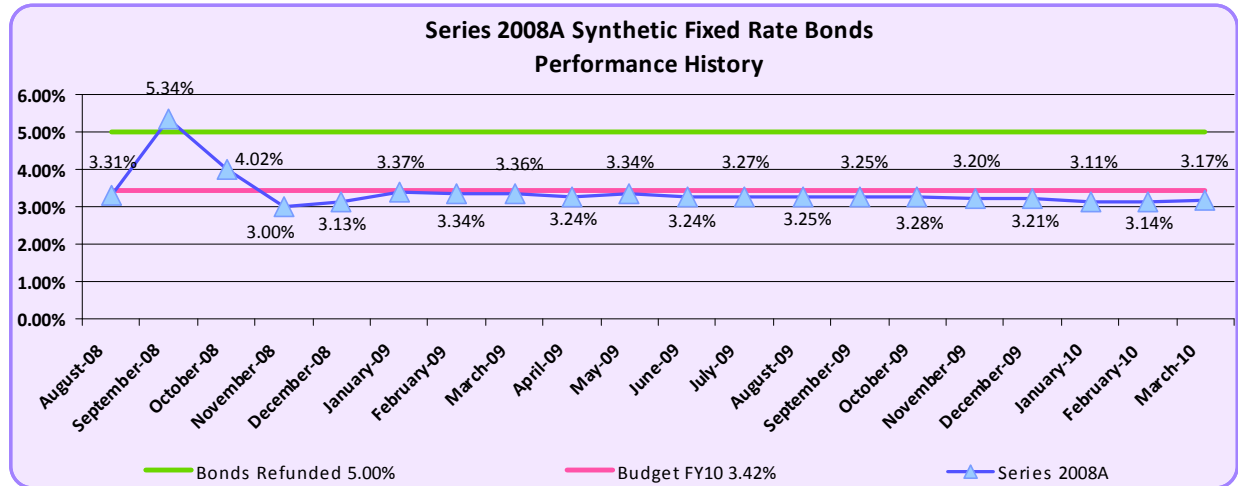
Board Meeting

April 21, 2010

Subject: Cash Commitment/Investment Report-Month Ended February 28, 2010

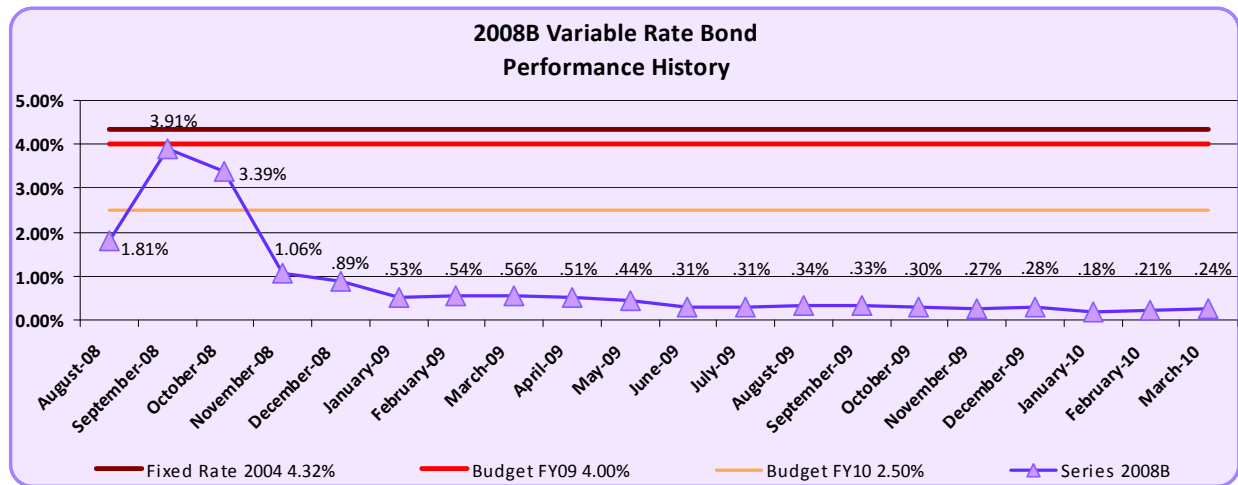
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**METROPOLITAN SEWERAGE DISTRICT
Variable Debt Service Report
As of March 31, 2010**



Series 2008A:

- * Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$980,162 as compared to 4/1 fixed rate of 4.83%.
- * Assuming that the rate on the Series 2008A Bonds continues 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 \$2,753,000 to terminate the existing Bank of America Swap Agreement.



Series 2008B:

- * Saving to date on the 2008B Variable Rate Bonds is \$1,386,938 as compared to 5/1 fixed rate of 4.32%
- * Since May 1, 2008, the Series 2008B Bonds average variable rate has been 1.00%.
- * MSD will achieve \$7,414,000 in cash savings over the life of the bonds at the current average variable rate.

STATUS REPORTS

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

April 12, 2010

PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	*COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
BILTMORE AVENUE BRIDGE REPLACEMENT (NCDOT) / THOMPSON STREET SEWER	Terry Brothers	10/16/2009	10/26/2009	12/9/2009	\$42,068.00	98%	Informal Project in closeout.
DELANO ROAD - 4 INCH MAINLINE	TBA	TBA	TBA	TBA	TBA	0%	Informal Bids were opened April 8th. Terry Brothers is the apparent low bidder.
DINGLE CREEK INTERCEPTOR @ CROWFIELDS, PHASE 1	Huntley Const.	12/16/2009	2/15/2010	5/16/2010	\$85,869.00	95%	Informal All pipe and manholes have been installed. Contractor working on punch list.
EASTWOOD AVENUE @ OLD U.S. 70	T & K Utilities	9/16/2009	12/2/2009	5/31/2010	\$165,330.00	60%	Informal Pipe work is complete. Restoration is on-going.
FOREST HILL DRIVE #1 (PRP 11006)	T & K Utilities	2/17/2010	3/29/2010	7/27/2010	\$147,653.00	0%	Formal No work has begun yet.
FOREST HILL DRIVE #2 (PRP 11005)	T & K Utilities	2/17/2010	3/29/2010	7/27/2010	\$68,590.00	0%	Formal No work has begun yet.
LONG SHOALS ROAD (PRP 48002)	Terry Brothers	6/10/2009	7/6/2009	2/1/2010	\$365,024.50	95%	Formal - ARRA project Expect completion by month's end.
MIDDLE BEAVERDAM CREEK INTERCEPTOR	Moore & Son	7/15/2009	8/31/2009	2/27/2010	\$777,154.41	75%	Formal 30-inch and 18-inch mainline construction is complete. 12-inch mainline construction is progressing on north side of Beaverdam Creek.
REEMS CREEK MASTER PLAN EXTENSION PHASE II	Dillard Excavating Co.	N/A	N/A	7/3/2010	\$198,621.99	15%	Construction by developer. MSD cost participation is \$198,621.99. Mainline construction is in progress.
RIVERSIDE DRIVE @ WESTOVER DRIVE	TBA	TBA	TBA	TBA	TBA	0%	Informal Bids were opened April 8th. Terry Brothers is the apparent low bidder.
TOWN BRANCH INTERCEPTOR	BC&D Associates	8/19/2009	9/21/2009	2/18/2010	\$726,875.00	28%	Formal Contractor has progressed 155 feet in the second bore (still digging by hand). Unknown pipeline was discovered and the project is on hold until it is determined if line is live.
U.S. HIGHWAY 70 @ NEIL PRICE AVENUE, PHASES I AND II B	Buckeye Construction	12/16/2009	1/18/2010	7/16/2010	\$247,582.70	50%	Formal Mainline has progressed past North Price Avenue. Project is going well.
WRF - INTERMEDIATE PUMPING REPLACEMENT	Hickory Construction	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 April 21, 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
	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	Complete - Waiting on final documents
	Buncombe County Animal Shelter	2007216	Asheville	Comm.	78	5/1/2008	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	515	8,814		

Planning and Development Projects
Status Report April 21, 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
	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 (Habitat)	2009079	West Asheville	23	735	1/24/2003	New engineer & developer under constr.
	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
	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
	Mission Hospitals (Victoria Road)	2009022	Asheville	Comm.	532	2/12/2010	Pre-con held, ready for construction
	Lutheridge - Phase I	2009112	Arden	Comm.	330	3/16/2010	Installing
	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	Testing
	Graylyn Hills	2008108	Asheville	4	176	2/12/2010	Pre-con held, ready for construction
	CVS- Weaverville Hwy	2006301	Woodfin	Comm.	59	8/18/2009	Testing
	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	1943	77,770		
			Total Units:	2,458			
			Total LF:		86,584		