

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

Others present were: Thomas E. Hartye, General Manager, John S. Stevens, General Counsel, Mary Robinson, Law Student with Roberts & Stevens, Gary McGill with McGill Associates, Inc., Joseph Martin with Woodfin Sanitary Water & Sewer District, Leah Karpen with the League of Women Voters, Stan Boyd, Ed Bradford, Jim Hemphill, Peter Weed, John Kiviniemi, Angel Banks, Cheryl Rice, Julie Willingham, Neil Hall, Jim Naber, Lisa Tolley and Sondra Honeycutt, MSD.

2. Election of Officers:

Mr. Aceto called on Mr. Stevens to preside over the election of Chairman. Mr. Stevens called for nominations for Chairman of the MSD Board. Mr. Bissette nominated Mr. Aceto as Chairman. Mr. Watts seconded the nomination. Mr. Stevens called for further nominations. Mr. VeHaun moved that the nominations be closed and that Mr. Aceto be elected Chairman. With no discussion, voice vote in favor of the motion was unanimous.

Mr. Aceto called for nominations for Vice Chairman of the MSD Board. Mr. Kelly nominated Mr. Stanley as Vice Chairman. Mr. Creighton seconded the nomination. Mr. Aceto called for further nominations. Mr. Bissette moved that the nominations be closed and that Mr. Stanley be elected Vice Chairman. With no discussion, Mr. Stanley was elected Vice Chairman by acclamation.

Mr. Aceto re-appointed Ms. Bryson to serve as Secretary/Treasurer of the Board. The re-appointment of Ms. Bryson was approved by acclamation.

3. Inquiry as to Conflict of Interest:

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

4. Approval of Minutes of the June 9, 2010 Meeting:

Mr. Aceto asked if there were any changes to the Minutes of the June 9, 2010 Board Meeting. With no changes the Minutes were approved as presented.

5. Discussion and Adjustment of Agenda:

Mr. Aceto stated that in Mr. Stanley's absence, he has asked that discussion on the proposed revisions to the MSD Sewer Extension Reimbursement Policy be postponed until the August meeting of the Board so he could participate and vote on this issue. Mr. Aceto asked if there was any objection or comment regarding Mr. Stanley's request. With no objection, Mr. Aceto postponed discussion on this item until the August meeting of the Board.

6. Informal Discussion and Public Comment:

Mr. Aceto welcomed Ms. Robinson, Ms. Karpen and Mr. Martin. Mr. Aceto asked if there was any public comment. Ms. Karpen asked if the MSD By-laws specify term limits on Board Members. Mr. Aceto said no, that Members are appointed to the Board by the various municipalities.

7. Report of the General Manager:

Mr. Hartye announced that the MSD United Way Golf Tournament will be held at 10AM on Friday, September 24th at Broadmoor Golf Links.

Mr. Hartye reported that MSD has received a Gold Safety Award for safety performance in 2009 from the North Carolina Department of Labor. He stated the award is based upon MSD calculated incident rates, which are below the State average. He further stated that due to low illness and injury rates, MSD has been able to keep its experience modifier rates (EMOD) below 1.0, which has reduced MSD's workers comp premiums by thousands of dollars over the last four years. He expressed his thanks to all employees and especially to Jim Naber and Sandra Moore for their vigilance in leading this effort.

Mr. Hartye presented a copy of the bill stuffer that will appear in MSD customer bills on the increase in sewer service rates. He noted the message on the back "Call MSD First" regarding sewer backups and information on ways to ensure the protection of property and the environment through responsible sewer maintenance.

Mr. Hartye reported that the Right of Way Committee meeting scheduled for July 28th is cancelled. The next meeting will be held August 25th at 9AM. The Personnel Committee will meet August 12th at 9 AM, and the next regular Board Meeting will be held August 18th at 2PM.

Mr. Hartye noted the Status Reports located in the back of each Board book, which includes Construction projects, Planning & Development projects, Right of Way Projects, and Condemnations Statistics. He stated that from July 1, 1991 to June 30, 2010 there was a total of 1,662 Easements. Of that total, there were 123 condemnation actions with 103 settled prior to trial, 5 going to trial and 15 pending.

8. Report of Committees:

Planning Committee

Mr. Bissette stated that since discussion regarding the proposed revisions to MSD's Sewer Extension Reimbursement Policy is delayed until next month, he will give the Planning Committee report at that time.

9. Consolidated Motion Agenda:

a. Consideration of Bids for Dump Truck Replacement:

Mr. Hartye reported that the Equipment Review Committee recommends the purchase of one (1) Tandem Axle Replacement Dump Truck. He stated that the following bids were received and opened on June 25th: Rush Enterprises with a total bid of \$107,962.21; Nalley Atlanta with a total bid of \$89,382.68; Advantage Truck Center with a total bid of \$115,670.00; Advantage Truck Center with an Alt. bid of \$114,277.60; Christopher Trucks with a total bid of \$110,344.00; Christopher Trucks with Alt. bid #1 of \$114,139.00 and Christopher Trucks with Alt. bid #2 of \$94,117.00. Mr. Hartye stated that since the bid of Nalley Atlanta and the Alt. bid #2 of Christopher Trucks were considered non-responsive, staff recommends award of the bid to Rush Enterprises in the amount of \$107,962.21. Mr. Watts asked what model the truck is. Mr. Hall said a new 2009.

b. Consideration of Developer Constructed Sewer Systems; Oak Springs Subdivision; Ken Higgins Sewer Extension, and Hope Sewer Extension:

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

c. Cash Commitment/Investment Report – Month Ended May 31, 2010:

Mr. Hartye reported that Page 1 shows that the amount designated for Capital Outlay is \$24,767,407, which is a carry-over and is utilized for the Capital Improvement Program of \$22,000,000. Pages 2 and 3 are the Investment Portfolio. The graphs show the switch from NCCMT (money market) to CD's with an increase in yields. Page 4 is the Analysis of Cash Receipts both on a monthly and YTD basis; shown as a percentage of budget. He stated that both graphs show a large increase in Facility & Tap Fee Revenues for FY 10, however, the value in dollars is less than one-half of the \$3 million dollars average brought in over the last three (3) years. Page 5 is the Analysis of Expenditures, both on a monthly and YTD basis. He stated that the reduction in Capital Projects for FY 10 is due to the Microscreen project. Page 6 show yields on the Series 2008A Synthetic Fixed Rate Bonds and the 2008B Variable Rate Bonds. He stated that both Series are performing better than budgeted expectations. Mr. Aceto asked who holds the CD's. Ms. Rice said First Citizens and Home Trust. Mr. Aceto asked if they are collateralized. Ms. Rice said yes.

Mr. VeHaun moved that the Board adopt the Consolidated Motion Agenda as presented. Mr. Russell seconded the motion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 11Ayes; 0 Nays.

10. Discussion of Proposed Revisions to MSD Sewer Extension Reimbursement Policy.

Postponed until the August Board Meeting.

11. Old Business:

Mr. Aceto expressed his appreciation to Mr. Stevens for filling in for Mr. Clarke.

12. New Business:

None

13. Adjournment:

With no further business, Mr. Aceto called for adjournment at 2:26 PM.

Jackie W. Bryson, Secretary/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 7/21/10

✓	Agenda Item	Presenter	Time	
	Call to Order and Roll Call	Aceto	2:00	
	01. Election of Officers	Aceto	2.02	
	02. Inquiry as to Conflict of Interest	Aceto	2.15	
	03. Approval of Minutes of the June 9, 2010 Board Meeting.	Aceto	2:20	
	04. Discussion and Adjustment of Agenda	Aceto	2:25	
	05. Informal Discussion and Public Comment	Aceto	2:30	
	06. Report of General Manager	Hartye	2:35	
	07. Report of Committees a. Planning Committee – July 8, 2010 - Bissette	Aceto	2:50	
	08. Consolidated Motion Agenda		3:05	
	a. Consideration of Bids for Dump Truck Replacement	Hartye		
	b. Consideration of Developer Constructed Sewer Systems; Oak Springs Subdivision; Ken Higgins Sewer Extension, and Hope Sewer Extension.	Hartye		
	c. Cash Commitment/Investment Report–Month Ended May 31, 2010	Hartye		
	09. Discussion of Proposed Revisions to MSD Sewer Extension Reimbursement Policy.	Aceto	3:15	
	10. Old Business:	Aceto	3:30	
	11. New Business:	Aceto	3.40	
	12. Adjournment (Next Meeting August 18, 2010)	Aceto	3.50	

ELECTION OF OFFICERS

APPROVAL OF MINUTES

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
JUNE 9, 2010**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board and Public Hearing on the Budget, Rates and Fees for FY 2010-2011 was held in the Boardroom of MSD's Administration Building at 2:00 P.M., Wednesday, June 9, 2010. Chairman Aceto presided with the following members present: Bissette, Bryson, Creighton, Haner, Kelly, Russell, Stanley, VeHaun and Watts. Ms. Bellamy and Mr. Root were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Chuck McGrady with Henderson County, Stan Boyd, Ed Bradford, John Kiviniemi, Scott Powell, Peter Weed, Barry Cook, Angel Banks, Pam Thomas, Mike Butler, 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 May 19, 2010 Meeting:

Mr. Aceto asked if there were any changes to the Minutes of the May 19, 2010 Board Meeting. Mr. Watts moved that the minutes be approved as presented. Mr. Stanley seconded the motion. The minutes were approved by acclamation.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. Aceto welcomed Mr. McGrady.

6. Report of General Manager:

Mr. Hartye reported that MSD received a thank you letter from a customer to Jodi Germaine, MSD's Billings and Collections Coordinator, for being so kind on the phone when calling to remind the customer about a late payment due.

Mr. Hartye announced that MSD received the "Pat on the Back" award from the WNC Regional Air Quality Agency for a clean record for 2009. He expressed thanks to John Kiviniemi and all the plant staff who made this happen. Mr. Hartye reported that MSD's website has a link on it called SPAR, which is the System Performance Annual Report. The report includes details on the function and performance of the collection system over the last year as well as the Plant with air quality information.

Mr. Hartye reported that the First Annual Health Care Summit was put on by the WNC Health Coalition and included participants such as IBM, Primary Physicians Care, Mission Hospital and UNC-A. He stated that Mr. Jim Hemphill participated in a panel discussion and gave a presentation on MSD's story for the employers' perspective. The presentation talked about MSD's support of Wellness initiatives, increased exercise and nutritional activities. This included programs such as "Know your Numbers" campaigns, the Asheville Project for chronic conditions, required physicals, the on-site Nurse practitioner, MSD's "Exercise Room" and the increased exercise programs. The employee produced video "Just Move" was the highlight of the morning. He expressed his appreciation to Jim Hemphill, Pam Thomas and Sheila Pike for their efforts.

Mr. Hartye presented a copy of the NACWA 2009 Service Charge Index information.

Mr. Hartye reported that the paving contract MSD puts out every two (2) years is being brought to the Board this month as a one-year contract. The reason behind this is MSD has been working with the City of Asheville to partner on the paving effort for street cuts or emergency repairs within the City. The hope is to put more money into actual pavement and to reduce a significant administrative burden of the current process involved in smaller street cuts necessary for the repair of sewer mains. The pavement restoration for all larger projects and any work outside of the City limits will continue to be contracted out. To date there has been some preliminary negotiations concerning general conditions. The City is in the process of developing a draft contract for MSD, which will be brought to the MSD Board for consideration. Mr. Aceto asked what other utilities are involved. Mr. Hartye said gas, water, stormwater, general street cuts and the MSD.

Mr. Hartye reported that the Right of Way Committee Meeting scheduled for June 23rd at 9AM is cancelled. A Planning Committee meeting will be scheduled for July and the next regular Board Meeting will be held July 21st at 2PM.

7. Report of Committees:

Mr. Bisette reported that the Planning Committee met June 8th to consider several issues. He stated that Mr. Hartye gave a report on his discussions with the Cane Creek Water & Sewer District. A review of MSD's existing policies for participation in extension of the sewer system was held. Also, a discussion was held regarding MSD's participation in extending sewers in areas that have failing septic systems. He further reported that, at the request of the City of Asheville, the Committee discussed various alternatives for MSD's participation in sewer line extensions to annexed areas. The Committee asked staff to bring additional information back to the Planning Committee meeting in July. Mr. Russell asked if the incentives given to developers when turning over systems to MSD is only for projects that include affordable housing. Mr. Hartye explained there are three (3) different types of reimbursement. One is the cost recovery which is based on either five-year revenues or the cost of the line. He stated that at one time, this was available to all developers, but was amended by the Board a few years ago to apply only to affordable housing. The second reimbursement is when a developer does an extension and improves MSD's existing system. In this case, MSD's participation depends on the cost of the upgrade to the developer which is based on a scale from 0-75%. The third reimbursement is when a developer constructs a line pursuant to MSD's Master Plan, where the required line size is larger, MSD will pay the differential. Mr. Bisette stated that MSD's allocates \$200,000 per year for these cost participation programs combined.

8. Consolidated Motion Agenda:

a. Consideration of Sanitary Sewer Rehabilitation Project: Morris Street @ Talmadge:

Mr. Hartye reported that this project, located in West Asheville, is for the replacement of aged six and eight-inch clay lines and is comprised of 3,382 LF of 8-inch DIP. Mr. Hartye stated that this project has been accelerated from its original schedule in order to partner with the City of Asheville to coordinate water, sewer, and street rehabilitation projects. The following bids were received and opened on Thursday, May 20, 2010: Moore & Son Site Contractors with a total bid of \$763,086.00; Buckeye Construction Co., with a total bid of \$646,405.85; Spur Construction Co., with a total bid of \$512,328.34; Patton Construction Group, Inc. with a total bid of \$ 498,400.00; T&K Utilities, Inc. with a total bid of \$467,820.00;

Fallon Utilities with a total bid of \$454,307.00; Huntley Construction Co., with a total bid of \$395,082.00 and Terry Brothers Construction Co., Inc. with a total bid of \$368,972.50. Mr. Hartye further stated that the construction budget for this project is \$590,000 and staff recommends award of this contract to Terry Brothers Construction Co., Inc. in the amount of \$368,972.50, subject to review and approval by District Counsel. Mr. Aceto asked about the fluctuation in construction estimates. Mr. Hartye stated that the estimated budget for this project was based on the last twelve months of bids starting in calendar year 2009.

b. Consideration of Sanitary Sewer Rehabilitation Project: Martel Lane @ Penley Avenue:

Mr. Hartye reported that this project located in Woodfin, is for the replacement of aged six-inch clay lines and is comprised of 800 linear feet of 8-inch DIP. Mr. Hartye stated that this project has been accelerated from its original schedule to accommodate a Town of Woodfin sidewalk project. The following bids were received and opened on Thursday, May 20, 2010: Moore & Son Site Contractors with a total bid of \$197,510.00; Fallon Utilities with a total bid of \$164,850.00; Spur Construction with a total bid of \$149,022.50; Patton Construction Group, Inc. with a total bid of \$130,200.00; T&K Utilities, Inc. with a total bid of \$126,700.00; Terry Brothers Construction Co., Inc. with a total bid of \$109,343.00 and Huntley Construction with a total bid of \$106,300.00. Mr. Hartye further stated that the construction budget for this project is \$158,000 and staff recommends award of this contract to Huntley Construction in the amount of \$106,300.00, subject to review and approval by District Counsel.

c. Consideration of MSD Paving Restoration Contract:

As previously reported, Mr. Hartye stated that this paving contract is a one-year contract due to partnering with the City of Asheville on its paving effort for streets within the City. Mr. Hartye reported that the contract was advertised and three (3) bids were received on May 20, 2010. However, one bid bond was incorrect and all bids were returned unopened. The project was re-advertised and the following bids were received and opened on May 27, 2010: Moore & Son Contractors, Inc. with a total bid of \$694,722.50; French Broad Paving, Inc. with a total bid of \$610,595.00; JLS Company, LLC with a total bid of \$608,040.00 and APAC-Atlantic, Inc. with a total bid of \$567,100.00. Staff recommends award of this contract to APAC-Atlantic, Inc. in the amount of \$567,100.00, contingent upon review and approval by District Counsel.

d. Consideration of Bids for Sodium Hypochlorite Contract:

Mr. Hartye reported that the Water Reclamation Facility is required to disinfect the effluent prior to discharge into the French Broad River. On May 11, 2010, bids were e-mailed to five vendors and an advertisement was placed on the MSD web site. The following bids were received and opened on May 26, 2010: Brenntag SE, Duncan, SC with a bid of \$0.7125 per gallon and Univar, Spartanburg, SC with a bid of \$.084 per gallon. Mr. Hartye stated that although Brenntag SE was the lowest bidder, the bid was rejected as non-responsive due to nonconformance with MSD's material specifications. Therefore, staff recommends that the Board award the contract for the supply of Sodium Hypochlorite to Univar USA at a unit price of \$0.84 per gallon. Based on historical use, FY expenditures are anticipated to be \$168,000.

e. Cash Commitment/Investment Report – Month Ended April 30, 2010:

Mr. Powell reported that Page 2 presents the makeup of the District's Investment Portfolio and there has been no change in the makeup of the portfolio from the prior

month. He stated that investments are in bank CD's, fixed agency bonds and governmental advantage money market account with Bank of America. Page 3 is the Investment Manager report as of the month of December. The weighted average maturity of the portfolio is 111 days, and the yield to maturity is 1.35% and exceeds MSD bench marks of 6 month T-Bill and NCCMT cash portfolio. Page 4 is the Analysis of Cash Receipts. YTD Domestic Sewer Revenue is lower than historic averages due to a wet summer and recessionary pressures. These items could equate to a 2.5 to 3.0% budget shortfall which amounts to approximately \$500,000. However, with the efficiencies incurred in CIP projects, this outweighs the shortfall. Facility and Tap Fees, both on a month and a year perspective, are above budgeted expectations. This is due to the District's approach in budgeting these revenues conservatively. From a year to year comparison, revenues are down \$1.3 million dollars from this time last year. Page 5 is the MSD Analysis of Expenditures. The District's O&M expenditures are considered 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 the District's variable rate debt. Due to the nature and timing of capital projects, YTD expenditures can vary from year to year. Based on the current outstanding capital projects, YTD expenditures are considered reasonable. Page 6 is the Variable Debt Service report. Both the 2008 A&B Series are performing better than budgeted expectations. As of the end of May, both issues have saved District rate payers 2.6 million dollars in debt service since April, 2008.

Mr. Vebaun moved that the Board adopt the Consolidated Motion Agenda as presented. Mr. Stanley seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

9. Public Hearing – Consideration of Resolution Adopting the Final Budget and Rates and Fees for Fiscal Year 2010-2011:

MINUTES OF PUBLIC HEARING

At 2:20 PM, Mr. Aceto opened the Public Hearing on the Budget, Rates & Fees for Fiscal Year 2010-2011.

Mr. Powell expressed his appreciation to the Division Directors and staff for their input into developing the Budget Document. Mr. Powell reported that behind the Introduction tab is the District's budget message which includes the Current Year Highlights section outlining the decrease in domestic consumption due to a wet spring and summer in both 2009 and 2010. The Operating Budget section outlines the proposed \$13.9 million O&M Budget and proposed changes for the upcoming year. The Capital Improvement Program section outlines the proposed \$22.2 million construction budget as well as the outstanding debt and debt service for the upcoming year. The Sewer Rate Increase section outlines the past five year domestic rate increases and the proposed FY 11 domestic rate increase of 3.5%.

Mr. Powell further reported that behind the Policies & Budget Process tab is a description of the Fiscal Plan Policy and the budget process, including the Statutory and Bond Order requirements, budget administration, and if needed, budget amendments. He stated that Page 12 describes the methodology and includes the current business plan, which outlines the current year proposed budget as well as estimates of needs for the next nine years. On Page 26 is the proposed \$45,420,400 FY 11 budget which incorporates the following: 3.5% domestic rate increase; continuation of the Industrial Rate Parity Plan; 145% or a \$535,000 increase in facility and tap fee revenue; 2.0% rate of return on investments; 2.9% Cost of Living increase with a net impact of \$164,000; 5.2% increase in funding for self-insured medical plan with a net impact of \$52,000; 32.3% increase in

funding for North Carolina retirement cost with a net impact of \$72,000, and funding for post-employment health benefit with a net impact of \$232,000.

Mr. Powell reported that behind the Operation & Maintenance tab is a detailed account of the proposed budget by department as well as current year projected and prior years actual. Behind the Insurance Fund tab is a concise overview of the various insurance funds along with their respective proposed budgets and FY 09 actuals and current year projected. Behind the Replacement Fund tab is an overview of the various insurance funds along with their respective proposed budgets and FY 09 actuals and current year projected. Behind the CIP Program tab is an overview of the CIP program run by the engineering department along with their proposed current year budget and a projection of needs for the upcoming nine years. Behind the Debt Financing tab is an overview of debt management as well as a description of capital projects funding. It also includes a detailed listing of current outstanding debt as well as an aggregate debt service for each outstanding issue. Behind the statistical tab is an overview of demographics of the area which includes the City of Asheville and Buncombe County. It also has the principal commercial users and principal employers as well as revenue and expenditure trends for the past ten years. Behind the appendix tab is an overview of the MSD service area along with a detailed job classification by pay grade. Also included is the last three years staff history and the proposed FY 11 budget resolution with the schedule of rates and fees. Regarding the Budget Resolution, Mr. Powell said a graphical representation was included.

Mr. Aceto called for public comment on the proposed Budget, Rates & Fees for Fiscal Year 2010-2011. There being no comment, Mr. Aceto declared the public hearing closed at 2:35 PM.

Mr. Aceto called for a motion to approve the Resolution adopting the Final Budget, Rates & Fees for FY 2010-2011. Mr. Stanley moved. Mr. Kelly seconded the motion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 10 Ayes; 0 Nays.

10. Old Business: Consideration of Transfer of Avery Creek District System;

Mr. Clarke reported that in December, 2009, the District Board voted to accept ownership of the Avery Creek Sanitary District System. He presented a copy of the Agreement to Convey the Avery Creek Sanitary District to the MSD with amendments to paragraphs 15 and 16, along with a Resolution of the District Board of the Avery Creek Sanitary District adopted June 8, 2010, authorizing the transfer of ownership of the Avery Creek Sanitary District Sewerage System to MSD according to the terms and conditions of the Transfer Agreement with some amendment. In addition, Mr. Clarke presented a Resolution for the District Board of the Metropolitan Sewerage District dated June 9, 2010 to consider and adopt.

Mr. Clarke reported that the two provisions Avery Creek had some concern about were that MSD not assume any liabilities. Mr. Clarke stated that he is comfortable with the paragraph which states "the District Board has determined that the Avery Creek Sewerage System is not subject to any lien or other encumbrance materially adverse." The other concern is when Avery Creek acquired easements for sewer lines in the 80's a letter went out to customers saying they would swap out easements for taps. Mr. Clarke stated that if there are people who never connected, the MSD Board could deal with this on a policy basis going forward. Mr. Bissette asked about changes to paragraph 15. Mr. Clarke stated that the old paragraph 15 was eliminated and read as follows: "By accepting ownership of the Avery Creek Sewerage System, the District does not assume or otherwise make itself liable for any obligations of the Avery Creek Sanitary District except as the District may assume pursuant to this agreement."

Mr. Creighton asked Mr. Clarke to explain the transfer of \$2,500 to the County. Mr. Clarke stated that the District will receive approximately \$670,000 from Avery Creek, less \$2,500 to be transferred to Buncombe County to pay for dissolution of the Avery Creek District. Mr. Creighton stated this will be paid out of the same budget Avery Creek has been using in order to close the account out. Mr. Aceto questioned the effective date of the Agreement. Mr. Hartye said the effective date is July 1, 2010. He stated there is a subdivision with a gravity system and a pump station that was in the process of transferring to Avery Creek, but instead will transfer directly to the District. Mr. Hartye further stated that staff will be surveying the lines to determine line cleaning, TV inspections, right of way clearing and the possible elimination of some private pump stations. Mr. Aceto asked if Avery Creek's customer billing will go up or down. Mr. Hartye said that while Avery Creek was outside the District it would remain the same until they disband or the policy changes. With no further discussion, Mr. Creighton moved that the Board adopt the Resolution presented by Counsel. Mr. Kelly seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

11. New Business:

None

12. Adjournment:

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

Jackie W. Bryson, Secretary/Treasurer

REPORT OF GENERAL MANAGER

MEMORANDUM

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

- Safety Award

MSD has received, from the North Carolina Department of Labor, a Gold Safety Award for safety performance in 2009. This is the seventh consecutive year the District has received this award. The award is based upon MSD calculated incident rates which are below the State average.

Due to low illness and injury rates, MSD has been able to keep its experience modifier rates (EMOD) below 1.0, which has reduced our workers comp premiums by thousands of dollars over the last four years.

Thanks to all employees and especially to Jim Naber and Sandra Moore for their vigilance in leading this effort.

- Reading

- A copy of the bill stuffer that appears in our customer bills is in the sleeve of your Board Book.

- Board/Committee Meetings

The next Right of Way Committee is scheduled for July 28th at 9am. The Personnel Committee will meet August 12th at 9 am. The next Regular Board Meeting will be held August 18th at 2pm.

REPORT OF COMMITTEES

**Planning Committee
Minutes**

**July 8, 2010
11:30 a.m.**

Chairman

Lou Bisette

Members

Terry Bellamy
Jon Creighton
Al Root
Bill Stanley
Jerry VeHaun
Bob Watts

The Planning Committee of the Board of the Metropolitan Sewerage District met on Thursday, July 8, 2010, in the Board Room of the Mull Administration Building with the following persons present: Lou Bisette - Committee Chair; Jon Creighton, Bill Stanley, Jerry VeHaun, Bob Watts, Al Root and Terry Bellamy - Committee Members; Steve Aceto, Jackie Bryson and Max Haner, - Board Members; Tom Hartye - MSD General Manager; Billy Clarke, Attorney - Roberts & Stevens; Gary McGill - McGill Associates; Ed Bradford, Stan Boyd, Peter Weed, Scott Powell, Jim Hemphill and Sharon Walk - MSD.

Item 1: Call to Order:

The meeting was called to order at 11:40 a.m.

Mr. Bisette welcomed everyone to the meeting and explained that this was a continuation of discussion from the last Planning Committee meeting and the last Board meeting relating to proposed revisions to the sewer extension reimbursement policy. He then turned the meeting over to Mr. Hartye for presentation of information.

The following items were considered:

Item 2: Discussion of Proposed Revisions to MSD Sewer Extension Reimbursement Policy

Mr. Hartye stated that at the last Planning Committee, staff was asked to unify all of the reimbursement and extension policies in an effort to address some of the concerns expressed in that meeting. He presented a proposed Unified Sewer Extension Reimbursement Policy with General Conditions and Requirements which is an attempt to address some of the following competing concerns expressed by the Committee at its last meeting:

1. That MSD financially participate in those extensions to the systems that the District will benefit from financially.
2. That MSD not stray from its obligations and permits requiring the current level of rehab and capital reinvestment in the plant and collection system.
3. That currently projected rates and debt not be significantly increased by this effort. The philosophy of using 50% debt for CIP is to utilize revenues from expansion to pay the debt portion.
4. That annexation sewer extensions not be singled out as distinct from other similar extensions by others from which MSD will benefit.

Mr. Hartye explained that the philosophy behind Item 3 above was that the revenue from expansion would help pay for that debt, i.e. when replacing a line that will be serving more residences into the future, you spread that cost between the existing customers and those customers that could benefit later on.

He went on to state that these, in addition to the two new issues of Failing Septic Tank Emergencies and Expansion via Annexation, extensions, etc. would be incorporated into a proposed sewer extension reimbursement policy.

Mr. Hartye explained that staff researched information regarding annexations for all the member agencies to compile a schedule of proposed annexations and time frames on these areas – other than the ones previously brought to the Board. He presented a slide of these areas including Asheville - Sardis Rd, Airport Rd. 2005 and Airport Rd. 2010, Montreat - (Greybeard Rd.) and Weaverville - (Woodland Hills and Monticello Road sewer extension). He stated that Greybeard Rd only has 8 existing houses out of 50 at this point and would involve a fair amount of extensions to be involved. The Woodland Hills area is already sewerred and would not affect MSD in terms of this policy.

He went on to explain that Monticello Road has some residential and commercial property, and Greybeard is all residential and no commercial. He stated that these were all evaluated to determine estimated 5-year revenues. The total projected revenue for all these areas is between \$400,000 and \$800,000 based on historical adjusted revenues for other extensions. Actual revenues have come in at about 50% of total potential revenues. Mr. Hartye stated that these estimates are only for public entity – potential annexation areas. These do not include any private development. There are not a lot of private projects that will be eligible for this in the queue right now because of the economy – just a few finishing up old jobs. In the future as things pick up, there will be more private extensions. Mr. Hartye included the Brookwood Subdivision because of failing septic tanks and because the City of Asheville has had interest in this area as a potential annexation. He explained that this area was a horse of a different color as this was a \$10 million project, \$3 million of which would be upsizing which MSD would fund based on current policy.

Mr. Hartye then reviewed a conceptual Unified Sewer Extension Reimbursement Policy. He stated that Item A – Reimbursement for Upgrading Existing MSD Sewer Line; Item B – Additional capacity reimbursements; and Item D – Developer to Developer Reimbursement, are all the same as they are in the current policy with no changes. He then briefly reviewed each of these programs.

He then reviewed Item C – Cost Recovery Reimbursements for Sewer Line Extensions by Others. He explained that these have been prioritized based on public health and the environment and are as follows:

Item 1 - Documented Failing Septic Tank Emergencies - Will be subject to requirements set forth below and eligible for the equivalent of 10 years of estimated revenues once the extension is complete and accepted by the MSD Board. Mr. Hartye stated that, based on staff estimates in most of these cases, MSD reimbursement will not be the lion's share of the total cost of the extension. The member agencies have to and will get involved, and special assessments may also be required as there may be increases in property values resulting from the sewer extension. These are considered to be the first priority of what the District would participate in financially.

Item 2 - New Affordable Housing Projects - Will be subject to the requirements set forth below and eligible for the equivalent of 5 years of **estimated** revenues up to \$50,000 maximum per project. Disbursements will be made once the extension is complete and accepted by the MSD Board.

Item 3 - Extension to System by Others - Will be subject to the requirements set forth below and eligible for 5 years of **actual** revenues to be disbursed semi annually. This will apply only to projects over \$50,000 of estimated revenue whose systems have been approved by the MSD Board.

Mr. Hartye explained that the main difference between Item 2 and Item 3 is affordable housing projects are eligible to receive five years of **estimated** revenues up to \$50,000 immediately, whereas Extensions by Others are eligible for five years of **actual** revenues to be disbursed semi annually for estimated revenues of over \$50,000. This would spread the payments out over five years for the latter, whereas Affordable housing projects would receive the disbursement as soon as the project is complete.

Mr. Watts asked if these were gross revenues or net revenues. Mr. Hartye stated that this estimate was based strictly on how much revenue was coming in from the house in the development. The simpler it is - the less onerous it is on staff, and less quibbling with everyone. He went on to explain that the proposed increase from \$200,000 to \$350,000 per year for reimbursements was estimated based on an average over a 5 to 10 year period, and with not knowing how the economy was going to be, or the timing of the annexations, it is hard to estimate what to budget. He reiterated that all projects over \$50,000 should come to the Board for approval so there wouldn't be any surprises. If the timing is such that we get over the \$350,000 one year, it can be discussed at the Board meeting regarding budgeting. The \$350,000 was put in as a placeholder in the model, and can be changed for future years.

Mr. Aceto stated that he would like express reference made to the Master Plan so these projects are governed by the prioritized area designations within the Master Plan and land use plans of the member agencies - not just some ad hoc land use planning exercise. Mr. Hartye stated that this has been put into the conditions for all extensions whether or not they get reimbursement money, but this was a given and applied to all of the reimbursements -- even the failing septic systems. He gave an example the previous meeting when they had shown failing septic system areas and overlapping those with the Master Plan lines in areas that were earmarked for public sewer. He went on to explain that areas may not develop exactly like the Master Plan anticipates, so there may be some slight variations.

Mr. Aceto reiterated that we wanted to make it clear that we're committed to extending our systems; that it not be a political exercise and that it follow a plan that has been laid out and specified by the member agencies and not tolerate any "excursions" into new areas.

Ms. Bellamy asked regarding the jurisdiction of the municipalities' master plans that coincided with MSD's Master Plan and how this would affect areas outside of MSD's master plan but perhaps had not as yet been identified by the municipality - would these areas not qualify because they have not been identified on MSD's master plan? Mr. Hartye stated that MSD's Master Plan was developed based on all the member agencies plans - land use plans, zoning plans, etc. As those plans change, so will MSD's master plan - it will have to be updated every five years to incorporate those changes. In the interim, if the member agency changes or includes an area where they want growth, then it's automatically changed in MSD's plan. Mr. Aceto explained that the current iteration of MSD's Master Plan is predicated on the member agency plans and is driven by the prioritization of the member agency plans. The whole idea is that MSD is not the land use planner.

Mr. Root asked if a development was proposed which did not match our current plan, would MSD then direct that developer go to the appropriate member agency. Mr. Hartye stated yes, that was correct. Mr. McGill stated that this would happen in every location - the Master Plan was a snapshot in time and was conceived based on plans at a certain time, and as member agencies' plans change, so will MSD's. If something happens that is outside of MSD's plan, either the member agency has changed their plan and MSD has not yet been informed, or it's outside the agency's plan and they will address it. Ms. Bellamy asked about a certain concrete plant outside of Weaverville, located in somewhat of a "no-man's" land.

Mr. Aceto stated that there are no areas that do not have a land use plan - there are plans from agencies or jurisdictions that show priorities that cover the entire District, and we are deferring to those plans. Much of it is Buncombe County's plan that we are deferring to as they cover most of the area. Mr. Hartye explained that regarding this issue, if Buncombe County approved a variance to the plan, then MSD would honor that.

Mr. McGill stated that there would be some isolated things that will probably come up, such as septic tank failures, etc. and MSD's policy would be that we would engage the jurisdiction that it is related to, be it a town, city, or Buncombe County.

Mr. Hartye stated that if this goes to the Board as a recommendation, and the policy goes forward, the information and items that were brought to the last Planning Committee meeting with respect to the septic tank failure requirements for participation would be incorporated into the General Conditions and Requirements. Mr. Aceto stated that he hopes that this would keep the Board out of judging the merits of developments – this would be done more by the appropriate member agencies.

Mr. Creighton asked about the budget of \$350,000. Mr. Hartye explained that this was for a budgeting cap – right now there is \$200,000 budgeted for reimbursements in the CIP, and because of the nature of these things, you don't know what's going to come up from year to year. This is just an estimate of averaging everything out for five years. He stated he didn't think we would hit this soon because of the economy, but if a couple of the annexations were to come in the same year, we could have a spike one year and next to nothing the next year. The cap is just to keep the Board informed in case they want to adjust the policy in one way or another. At any rate, **any** of these projects over \$50,000 will come to the Board for approval. Of the Cost Recovery, an average of \$100,000 per year for the last seven years has been spent, with about \$50,000 per year going to upgrades of existing systems. Mr. Creighton stated that with the annexations, this would be a whole new pot thrown into the mix. Mr. Hartye stated that for the identified annexations, the estimated average over a five year period would be about \$400,000 to \$800,000 depending if you used the historically adjusted rate or the maximum potential rate. We anticipate that when we get to the Board item for those over \$50,000, we will take a hard look at that point to determine an appropriate budget amount. These are all estimates and are developed at the time the main line is put in. Most developments happen over time with phases, so the amount would probably be somewhere between these two amounts based on the actual revenues. The only ones we would have to pay immediately would be the affordable housing projects.

Mr. Hartye explained that several previous annexation areas were examined for actual revenues and the estimates for the potential annexation areas were developed from those figures. MSD will only pay out what the actual revenues are as they come in so as not to deter from the CIP program.

Mr. Aceto stated we were basically taking a few words out of our "vocabulary" - it is just an extension and if it benefits the District then it shouldn't matter if the project is an annexation or developer driven – this language takes it out of the political discussion.

Mr. Hartye then reviewed the benefits vs. the liabilities of having a Unified Extension Reimbursement Policy. He stated the benefits are: MSD gets the actual asset, facilities fees from each property, and user charge revenues after five years.

Mr. Creighton stated that when it gets back to where there is a lot of development happening, MSD would just be giving back what they didn't need to – development would happen anyway, and at the end of the year, MSD would have to raise rates...this is hard to swallow. Mr. Hartye stated that this was the philosophical question we had before, some high end developers would get this money and it seemed like a bonus to them and that's why we changed the policy before. Mr. Aceto stated that was true, but in the end, we're in the sewer business, and we have a plan that says this is where the sewer goes. Mr. Creighton stated that he agreed, but MSD was giving money back that in most cases they didn't have to.

Following brief further discussion, Mr. Bissette asked if there were further comments. He then asked for a motion. All the Committee members were present. Ms. Bellamy made a motion to adopt staff's recommendation to recommend to the full MSD Board that staff revise the MSD Sewer Extension Reimbursement Policy. Motion was seconded by Al Root. Mr. Aceto asked if Ms. Bellamy would accept a friendly amendment to the motion stating that MSD participation in any extensions be guided by the MSD Master Plan which incorporates the Buncombe County Land Use Plan and Land Use Plans of MSD member agencies. Ms. Bellamy indicated she would accept the Amendment as did Mr. Root.

Mr. Bissette stated that he assumed the General Conditions and Requirements, along with the additional requirements regarding septic tanks would be included in the policy. Mr. Hartye stated they would be included.

Vote on the Motion by a show of hands was as follows: 4 in favor (Bellamy, Root, Watts and Bissette) and 3 opposed (Vehaun, Creighton and Stanley). The motion passed.
Mr. Haner, Ms. Bryson and Mr. Aceto (non committee members) were also present.

Item 3: Other Business

There was no other business.

Item 4: Adjourn

The meeting was adjourned at 12:40 p.m.

CONSOLIDATED MOTION AGENDA

Metropolitan Sewerage District of Buncombe County Board Action Item

Meeting Date: July 21, 2010

Subject: Dump Truck Replacement - Fleet Purchase

Prepared by: Peter Weed, Administration Division Director
Julie Willingham, CLGPO; Purchasing Supervisor
Neil Hall, Fleet Manager

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

Background: The District's policy is to annually evaluate the condition of fleet vehicles and purchase replacements when the estimated cost of repair and maintenance will exceed the cost of a new one. At the March 11, 2010, Equipment Review Committee meeting, the members recommended the purchase of one (1) Tandem Axle Replacement Dump Truck, as presented to this Board for approval. This purchase was included in the FY2011 Budget.

Discussion: Pursuant to North Carolina Purchasing Statutes and MSD Procedures, bids for the trucks were faxed to nine vendors and an advertisement placed on the MSD web site. Seven bid packages were received from four different vendors and opened on June 25, 2010, at 2:00pm. Rush Enterprises was the lowest responsive bidder to the MSD specifications. The bids from Nalley Atlanta and Christopher Alt. #2 were lower than Rush; however, their bid packages do not meet MSD specifications. The bids are summarized below. Because the cost of this truck exceeds \$90,000.00, the contract must receive Board approval.

Fiscal Impact: The total cost of this contract will be \$107,962.21, and funds are budgeted in the Fleet Replacement Fund.

Staff Recommendation: Staff recommends that the bid from Rush Enterprises be awarded.

Vendor	Truck Cost	Comments
Rush Enterprises Jacksonville, FL	\$107,962.21	
Nalley Atlanta Atlanta, GA	\$89,382.68	Considered Non-Responsive
Advantage Truck Center Charlotte, NC Bid #1	\$115,670.00	

Vendor	Truck Cost	Comments
Advantage Truck Center Charlotte, NC Bid #2	\$114,277.60	
Christopher Trucks Greenville, SC Main Bid	\$110,344.00	
Christopher Trucks Greenville, SC Alt. Bid	\$114,139.00	
Christopher Trucks Greenville, SC Alt. Bid #2	\$94,117.00	Considered Non-Responsive

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: July 21, 2010

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

PREPARED BY: David Monteith, Kevin Johnson

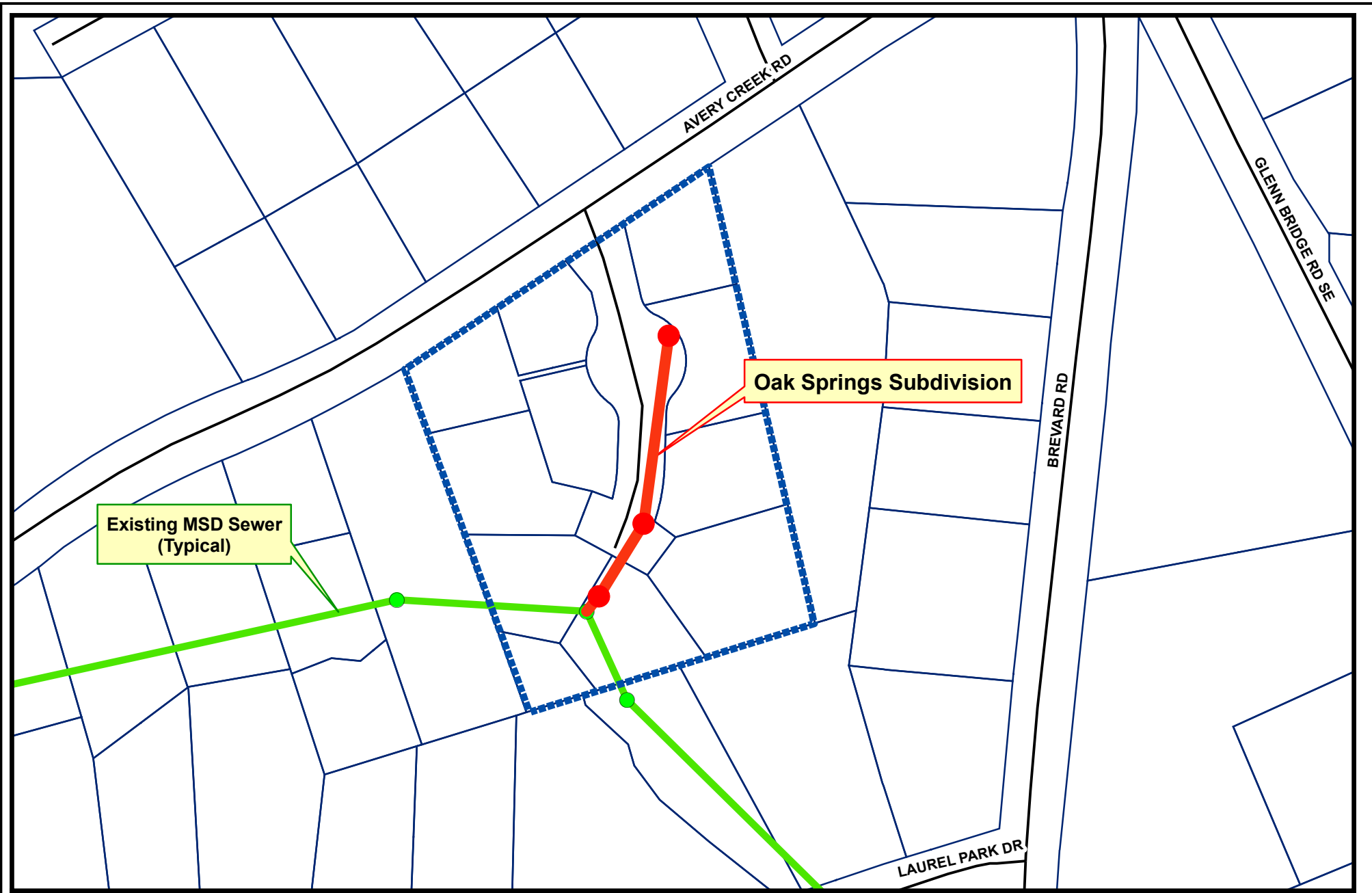
REVIEWED BY: Stan Boyd, PE, Engineering Director

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

BACKGROUND: This project is located outside the District boundary off Avery Creek Road in Buncombe County, North Carolina. The developer of the project is Kevin Kerr of Set Sail Development. The project included the installation of approximately 267 linear feet of 8" gravity sewer to serve a 10 unit residential development. A wastewater allocation was issued in the amount of 3,000 GPD for the project. The estimated cost of the sewer extension is \$21,500.00.

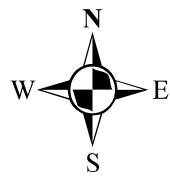
STAFF RECOMMENDATION: Acceptance of developer constructed sewer system.
(All MSD requirements have been met)

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



Existing MSD Sewer
(Typical)

Oak Springs Subdivision



Project #2005045

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Oak Springs Subdivision

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: July 21, 2010

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

PREPARED BY: David Monteith, Kevin Johnson

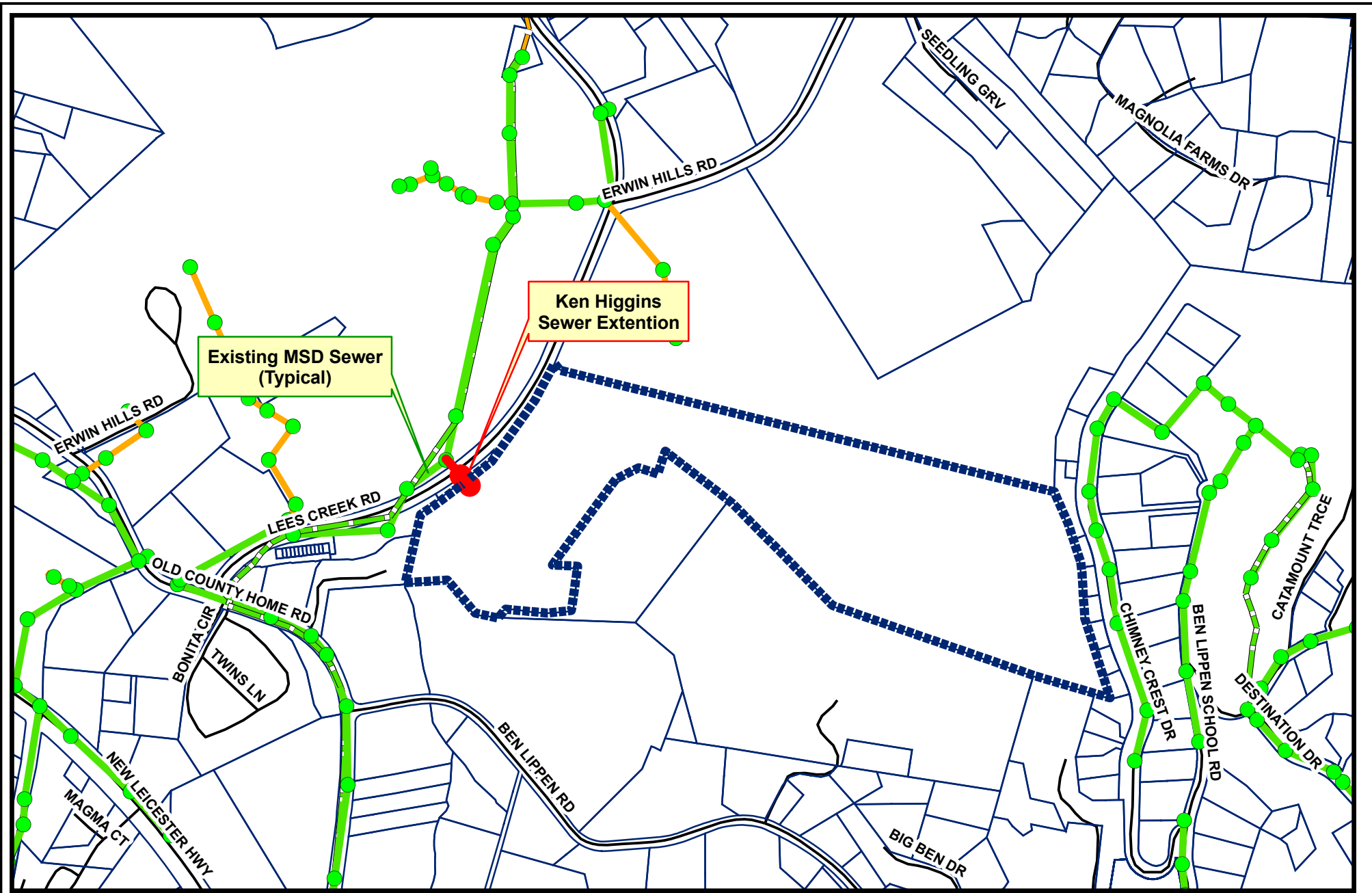
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Ken Higgins Sewer Extension Project.

BACKGROUND: This project is located outside the District boundary off Lee's Creek Road in Buncombe County, North Carolina. The developer of the project is Ken Higgins. The project included the installation of approximately 143 linear feet of 8" gravity sewer to serve a commercial development. A wastewater allocation was issued in the amount of 2,125 GPD for the project. The estimated cost of the sewer extension is \$10,000.00.

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 #1999153

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Ken Higgins Sewer Extention

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: July 21, 2010

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

PREPARED BY: David Monteith, Kevin Johnson

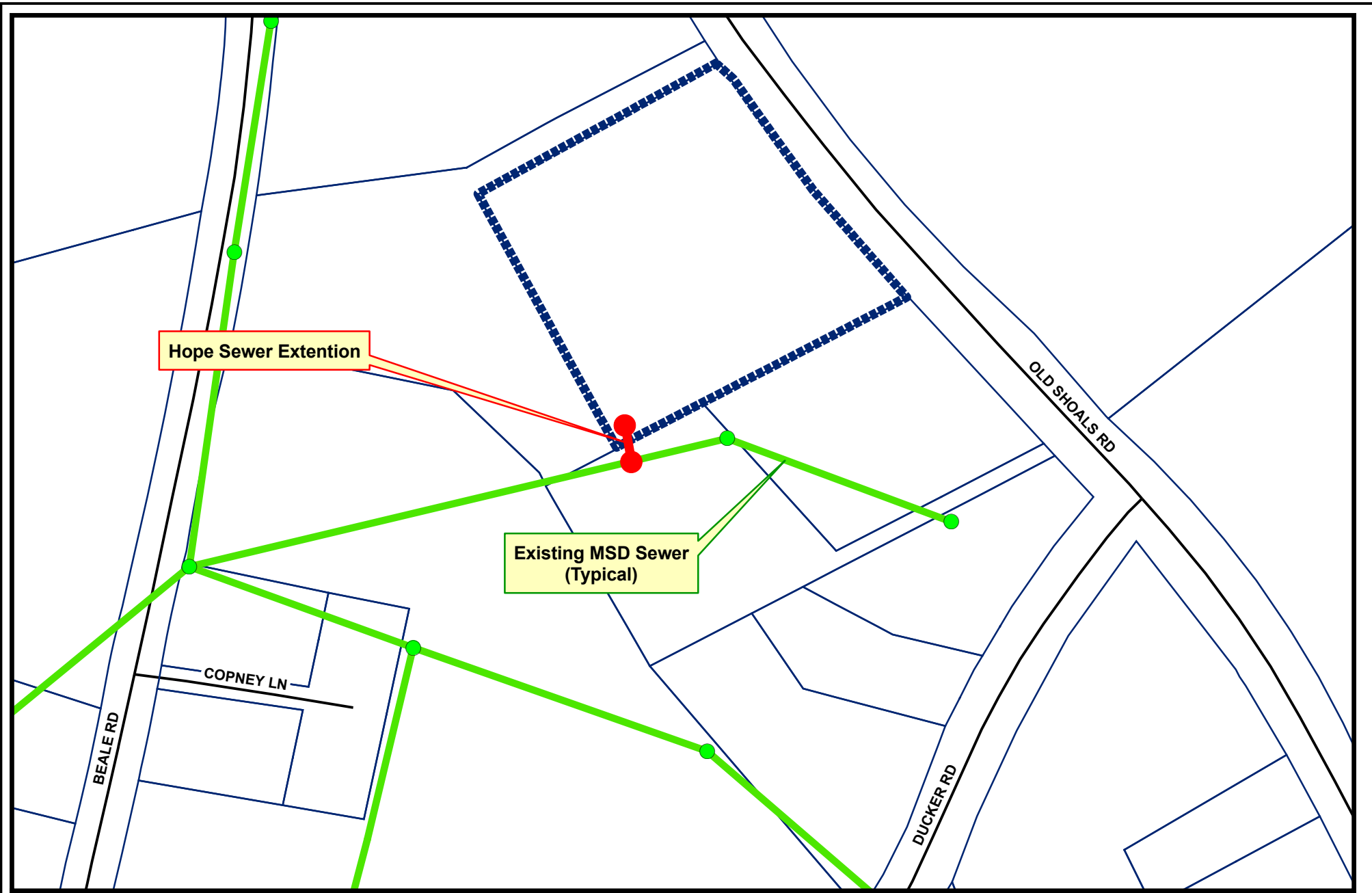
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Hope Sewer Extension Project.

BACKGROUND: This project is located inside the District boundary off Old Shoals Road in Buncombe County, North Carolina. The developer of the project is Dwayne Leik of AT 112, LLC. The project included the installation of approximately 38 linear feet of 8" gravity sewer to serve a commercial development. A wastewater allocation was issued in the amount of 1,000 GPD for the project. The estimated cost of the sewer extension is \$5,100.00.

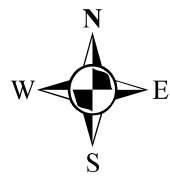
STAFF RECOMMENDATION: Acceptance of developer constructed sewer system.
(All MSD requirements have been met)

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:	



Hope Sewer Extension

Existing MSD Sewer (Typical)



Project #2009046

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Hope Sewer Extension

Metropolitan Sewerage District of Buncombe County BOARD INFORMATIONAL ITEM

Meeting Date: July 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 May 31, 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 May 31, 2010 were \$51,147,464. The detailed listing of accounts is available upon request. The average rate of return for all investments is 1.325%. These investments comply with North Carolina General Statutes, Board written investment policies and the District's Bond Order.

The attached investment report represents cash and cash equivalents as of May 31, 2010 does not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of May 31, 2010 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$24,767,407.

Total Cash & Investments as of 5/31/2010	51,147,464
Less:	
Budgeted Commitments (Required to pay remaining FY10 budgeted expenditures from unrestricted cash)	
Construction Funds	(12,516,116)
Operations & Maintenance Fund	(2,468,688)
	(14,984,804)
Bond Restricted Funds	
Bond Service (Funds held by trustee):	
Funds in Principal & Interest Accounts	(161,350)
Debt Service Reserve	(2,577,624)
Remaining Principal & Interest Due	(5,267,079)
	(8,006,053)
District Reserve Funds	
Fleet Replacement	(677,365)
WWTP Replacement	(862,308)
Maintenance Reserve	(806,224)
	(2,345,897)
Post-Retirement Benefit	(421,986)
Self-Funded Employee Medical	(621,318)
Designated for Capital Outlay	24,767,407

Staff Recommendation

None. Information Only.

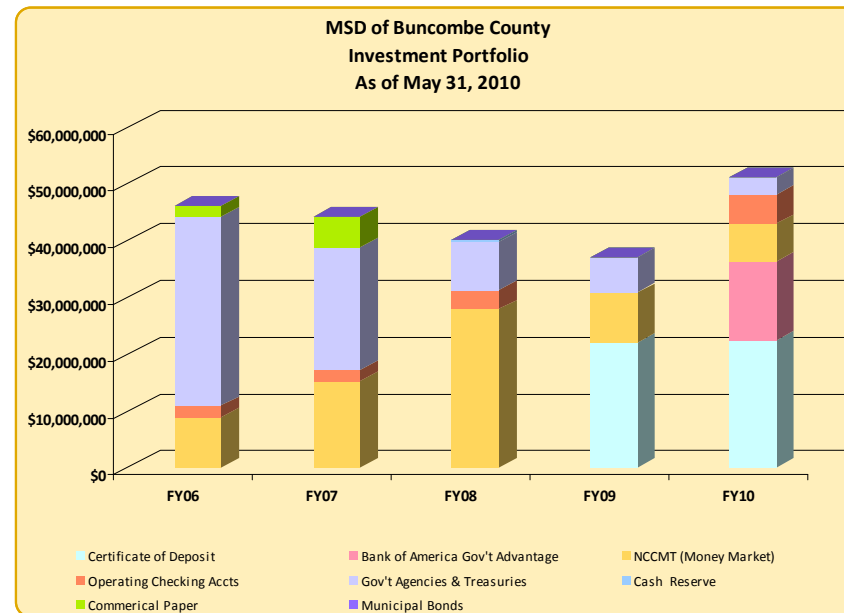
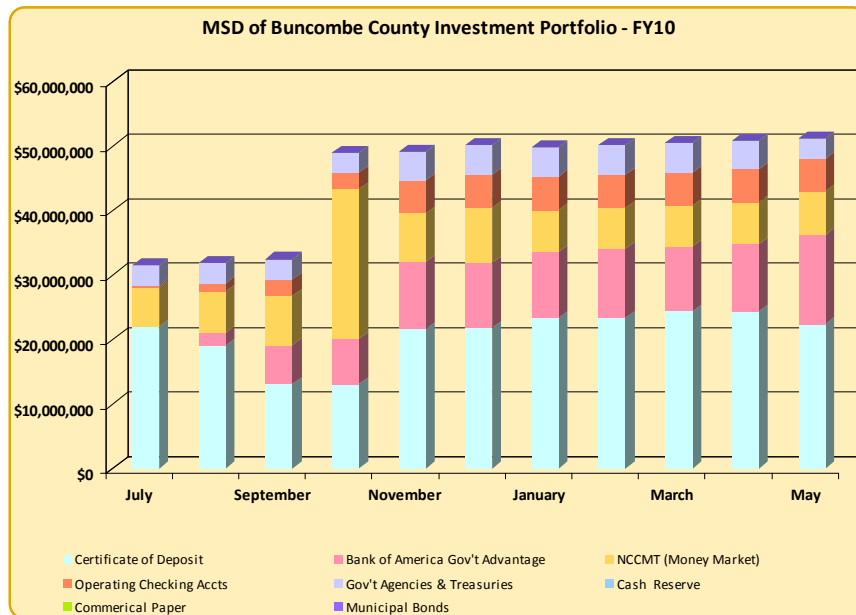
Action Taken

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

Metropolitan Sewerage District of Buncombe County Investment Portfolio

	Cash in Operating Checking Accounts	Bank of America Gov't Advantage	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -		\$ 1,614,501				\$ -	\$ 1,124,473	\$ 2,738,974
Held by MSD	5,059,216	13,810,400	5,122,881	22,414,733	-	-		2,001,260	48,408,490
	<u>\$ 5,059,216</u>	<u>\$ 13,810,400</u>	<u>\$ 6,737,382</u>	<u>\$22,414,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,125,733</u>	<u>\$51,147,464</u>

<u>Investment Policy Asset Allocation</u>	<u>Maximum Percent</u>	<u>Actual Percent</u>
U.S. Government Treasuries, Agencies and Instrumentalities	100.00%	6.11%
Bankers' Acceptances	20.00%	0.00%
Certificates of Deposit	100.00%	43.82%
Commercial Paper	20.00%	0.00%
North Carolina Capital Management Trust	100.00%	13.17%
Checking Accounts	100.00%	36.89%



Board Meeting

July 21, 2010

Subject: Cash Commitment/Investment Report-Month Ended May 31, 2010

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**METROPOLITAN SEWERAGE DISTRICT
INVESTMENT MANAGERS' REPORT
AT MAY 31, 2010**

Summary of Asset Transactions

	<u>Original Cost</u>	<u>Market</u>	<u>Interest Receivable</u>
Beginning Balance	\$ 42,660,525	\$ 42,666,785	\$ 179,804
Capital Contributed (Withdrawn)	146,928	146,928	
Realized Income	24,725	24,725	(18,293)
Unrealized/Accrued Income	-	9,527	39,447
Ending Balance	<u>\$ 42,832,178</u>	<u>\$ 42,847,965</u>	<u>\$ 200,958</u>

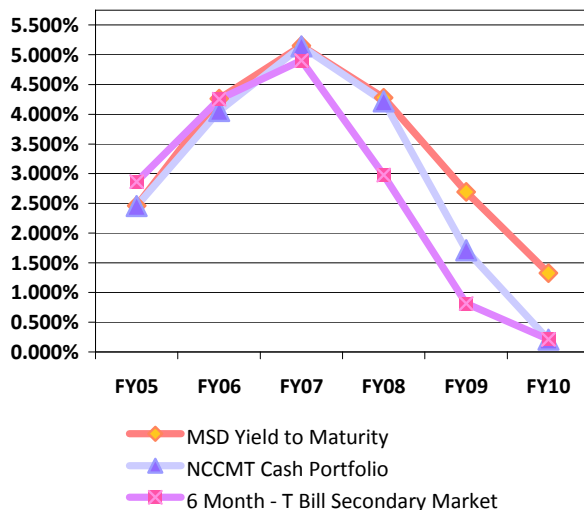
Value and Income by Maturity

	<u>Original Cost</u>	<u>Income</u>
Cash Equivalents <91 Days	\$ 18,417,445	\$ 23,824
Securities/CD's 91 to 365 Days	22,414,733	\$ 28,995
Securities/CD's > 1 Year	2,000,000	\$ 2,587
	<u>\$ 42,832,178</u>	<u>\$ 55,406</u>

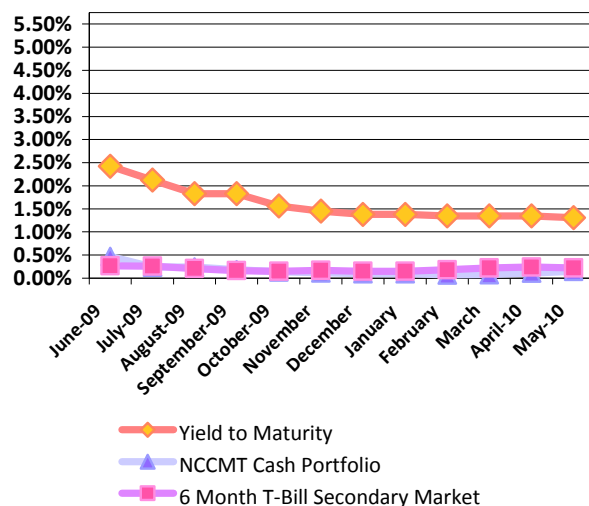
Month End Portfolio Information

Weighted Average Maturity	88 Days
Yield to Maturity	1.31%
6 Month T-Bill Secondary Market	0.22%
NCCMT Cash Portfolio	0.15%

**Metropolitan Sewerage District
Annual Yield Comparison**



**Metropolitan Sewerage District
Yield Comparison - May 31, 2010**



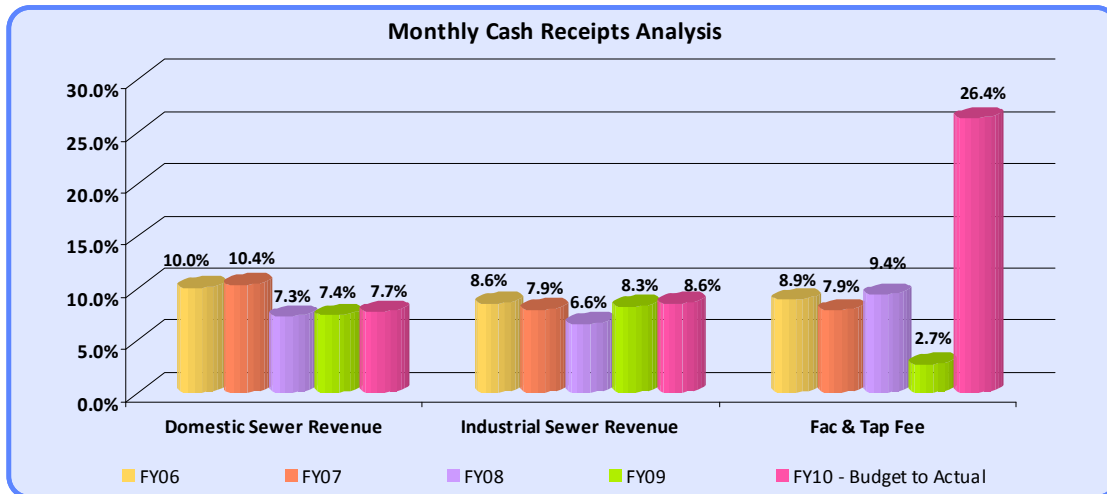
Board Meeting

July 21, 2010

Subject: Cash Commitment/Investment Report-Month Ended May 31, 2010

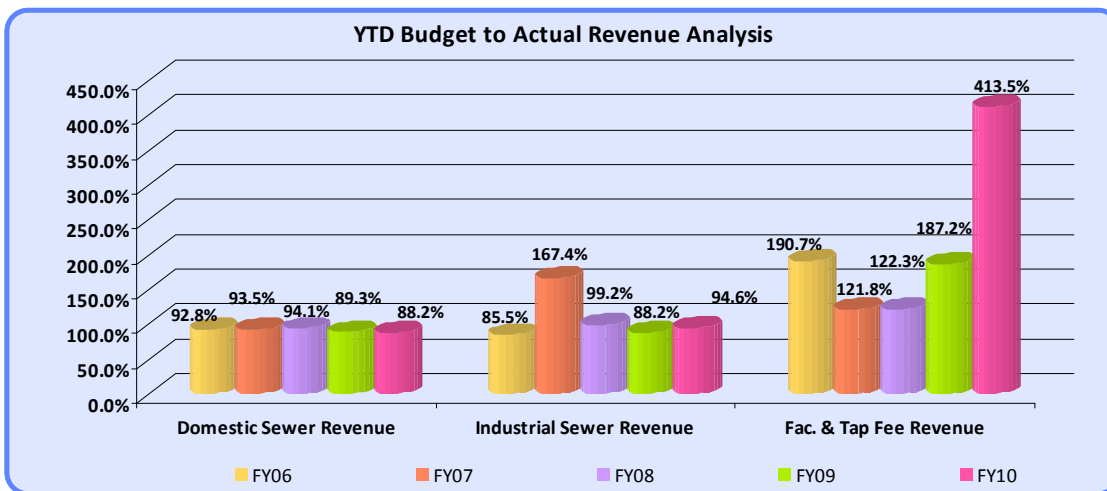
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**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF CASH RECEIPTS
AS OF MAY 31, 2010**



Monthly Cash Receipts Analysis:

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



YTD Budget to Actual Revenue Analysis:

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

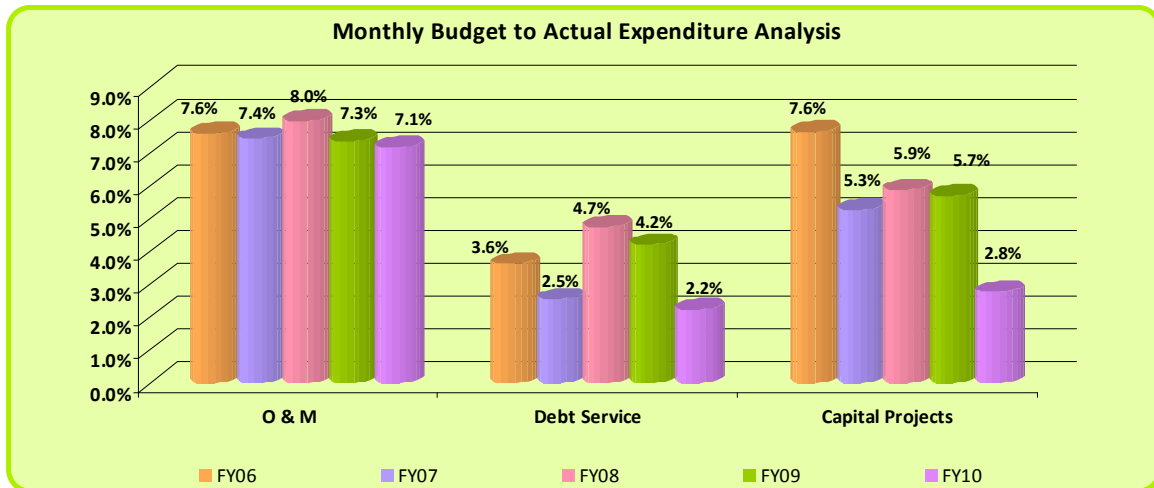
Board Meeting

July 21, 2010

Subject: Cash Commitment/Investment Report-Month Ended May 31, 2010

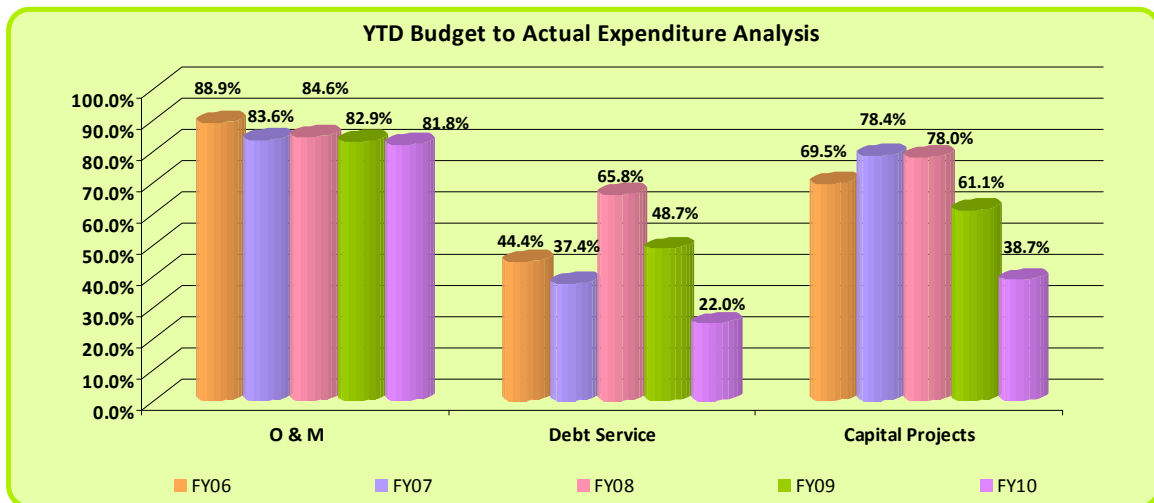
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**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF EXPENDITURES
AS OF MAY 31, 2010**



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.

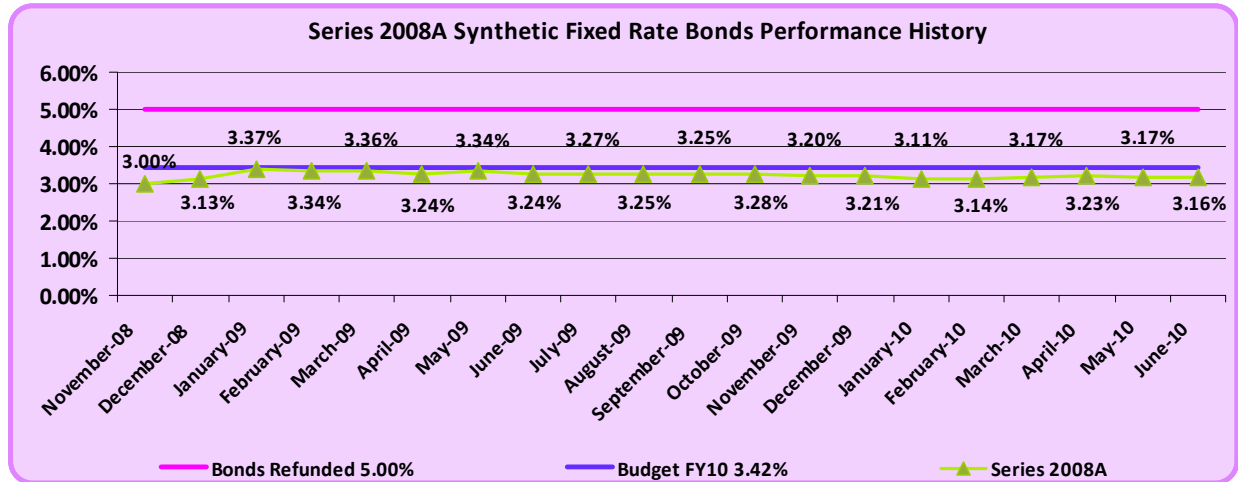
Board Meeting

July 21, 2010

Subject: Cash Commitment/Investment Report-Month Ended May 31, 2010

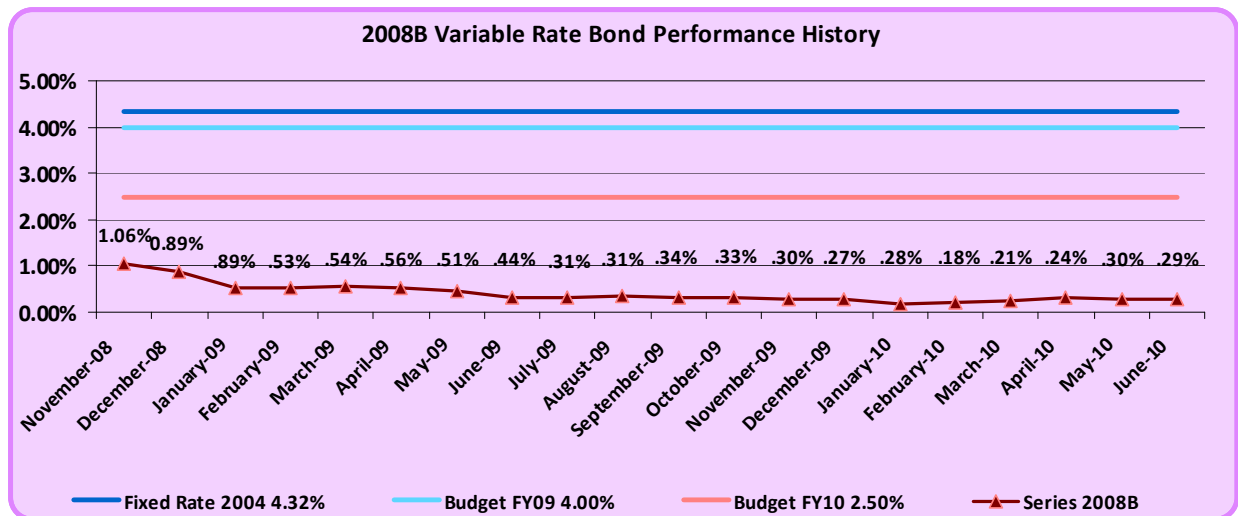
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**METROPOLITAN SEWERAGE DISTRICT
Variable Debt Service Report
As of June 30, 2010**



Series 2008A:

- ◆ Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$1,119,590 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 \$3,668,000 to terminate the existing Bank of America Swap Agreement.



Series 2008B:

- ◆ Savings to date on the 2008B Variable Rate Bonds is \$1,598,187 as compared to 5/1 fixed rate of 4.32%.
- ◆ Since May 1, 2008, the Series 2008B Bonds average variable rate has been 0.89%.
- ◆ MSD will achieve \$8,080,000 in cash savings over the life of the bonds at the current average variable rate.

**MSD SEWER EXTENSION
REIMBURSEMENT POLICY**

Metropolitan Sewerage District of Buncombe County

Board Action Item – Planning Committee

COMMITTEE MEETING DATE: 7/08/10

BOARD MEETING DATE: 7/21/10

SUBMITTED BY: Tom Hartye, General Manager

SUBJECT: Discussion of Proposed Revisions to MSD Sewer Extension Reimbursement Policy

BACKGROUND:

At the last Planning Committee Staff was asked to unify into one policy the circumstances under which MSD would financially participate in sewer line extensions. These were to be prioritized and the participation level established accordingly. Attached is an outline of the proposed reimbursement policy based upon input from the Planning Committee. Once the Committee and the Board agree on the conceptual basis of this outline staff and counsel will revise the extension policy accordingly.

The attached policy is an attempt to address some of the following competing concerns expressed by the Committee:

1. That MSD financially participate in extensions to the system that the District will financially benefit from.
2. That MSD not stray from it's obligations and permits requiring the current level of rehab and capital reinvestment in the plant and collection system.
3. That currently projected rates and debt not be significantly increased by this effort. The philosophy of using 50% debt for CIP is to utilize revenues from expansion to pay the debt portion.
4. That annexation sewer extensions not be singled out as distinct from other similar extensions by others from which MSD will benefit.

FISCAL IMPACT: The revisions are likely to increase expenses by an average of \$150,000 per year from the Districts Capital Improvement Plan. However, timing of disbursements from this program will be driven by others and may vary from this figure significantly. Staff recommends increasing the budget cap from \$200,000 per year to \$350,000 per year unless otherwise amended by the Board.

STAFF RECOMMENDATION: Give Staff input and direction concerning the proposed changes to the sewer extension reimbursement policy discussed herein above.

COMMITTEE RECOMMENDATION: Adopt staff's recommendation to revise the MSD Sewer Extension Reimbursement Policy with language stating that MSD participation in any extensions be guided by the MSD Master Plan which incorporates the Buncombe County Land Use Plan and Land Use Plans of MSD member agencies.

Unified Sewer Extension Reimbursement Policy

This program and all of its offerings are subject to available funding. Any Project that is eligible for reimbursements over \$50,000 will require approval of the MSD Board of Directors. The annual budget cap of \$350,000 will not be exceeded without Board approval.

A. Reimbursement for Upgrading Existing MSD Sewer Line:

Reimbursement for rehabilitation of existing sewer lines and pump stations applies where the developer has to rehabilitate or replace an existing MSD sewer to accommodate the proposed development. The District's participation is based on an evaluation by the District with point assignment for various criteria. The District's share usually ranges from 0% to 75% of the construction costs for the sewer rehabilitation.

B. Additional capacity reimbursements:

The Additional Capacity Reimbursement Policy applies where a larger size sewer line extension is required by the District for other future users. The purpose is to provide capacity for future customers that will eventually drain into the new line being constructed. The District will reimburse the Developer the differential costs between the minimum size pipe necessary for the development and the larger size required.

C. Cost Recovery Reimbursements for Sewer Line Extensions by Others:

1. Documented Failing Septic Tank Emergencies - Will be subject to requirements set forth below and eligible for the equivalent of 10 years of estimated revenues once the extension is complete and accepted by the MSD Board.
2. New Affordable Housing Projects - Will be subject to the requirements set forth below and eligible for the equivalent of 5 years of estimated revenues up to \$50,000 maximum per project. Disbursements will be made once the extension is complete and accepted by the MSD Board.
3. Extension to System by Others - Will be subject to the requirements set forth below and eligible for 5 years of **actual** revenues to be disbursed semi annually. This will apply only to projects over \$50,000 of estimated revenue whose systems have been approved by the MSD Board.

D. Developer to Developer Reimbursement - The current policy also offers a program where MSD will require future developers to reimburse the original developer who extended the sewer if they tie on to this extension within 10 years. The reimbursement amount is based upon relative flows. This would continue but does not have a financial impact to the District.

General Conditions and Requirements

- Those who seek reimbursements pursuant to District Policy shall notify the General Manager after final design plans have been approved and estimated revenues developed but prior to receiving a permit to construct a sewer extension.
- This program and all of its offerings are subject to available funding. Any Project that is eligible for reimbursements over \$50,000 will require approval of the MSD Board of Directors.
- All cost recovery program offerings are to be limited by the lesser of the revenues generated during the designated time period or the cost of the eligible extension. The eligible extension for certified Affordable Housing projects will be all public sewer lines to be taken over by the District. The eligible extension for projects done by others is that off-site part of the extension that is between the existing District sewer line and the development property.
- All estimates of potential revenue shall be determined by MSD staff.
- All estimates of line size differential costs shall be determined by District Staff.
- Reimbursement should be subject to completion of construction and final inspection and acceptance of the system and easements therefore by the District
- Determination of how available funds will be allocated among reimbursement projects in a given year shall be in sole and absolute discretion of the District.

Requirements for Failing Septic Tanks Projects

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. Minimum 10 houses affected.
6. MSD preliminary design and estimate for agreement to be entered into by parties involved.
7. MSD pledge 10 yr. revenue from affected residences
8. City/Local Government/Residents pay balance of extension (from their 5- 20 year tax revenue then special assess the rest)
9. Facility Fee required from residences
10. MSD acquire easements and construct

Proposed Annexation Sewer Projects

7/5/10

Project	Sewer Line Cost (estimates)	Potential Sites	Occupied Sites	5YR Revenue Max. Potential	Historically Adjusted Revenue (50%)
Sardis RD 2009, Asheville	\$1,800,000	53 Residential 1 Commercial	46	\$147,609	\$73,805
Airport RD 2005(6), Asheville	\$170,000	2 Commercial 3 Residential	5	\$124,959	\$62,480
Airport RD 2010, Asheville	\$177,100	6 Commercial	2	\$360,000	\$180,000
Monticello RD, Weaverville	\$4,900,000	76 Residential 11 Commercial	83	\$158,628	\$79,314
Greybeard RD, Montreat	\$1,000,000	50 Residential no Commercial	8	\$82,650	\$41,325
	\$8,047,100	198	144	\$873,846	\$436,923
Project	Sewer Line Cost (estimates)	Potential Sites	Occupied Sites	5YR Revenue Max. Potential	Historically Adjusted Revenue (50%)
Brookwood (Residential)	\$10,688,200	464	300	\$766,992	\$383,496

Activity on Asheville Annexation Sewer Projects

7/7/10

Project	Date Accepted	Sewer Line Cost	Sites	5YR Revenue Max. Potential	Actual 5YR Sewer Payments
Maple Springs RD	2002	\$154,973	11	\$15,365	\$986
Carter Cove - Beaverdam	2004	\$584,400	31	\$43,301	\$16,583
Old Haywood RD	2005	\$74,442	15	\$20,952	\$15,183
Haw Creek	Nov-06	\$128,259	13	\$18,158	\$10,797
		\$942,074	70	\$97,776	\$43,549
					45%

STATUS REPORTS

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

July 9, 2010

PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	*COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
CHARLAND FOREST	TBA	TBA	TBA	TBA	TBA	0%	Informal Bid opening is scheduled for August 5, 2010.
DELANO ROAD - 4 INCH MAINLINE	Terry Brothers	4/21/2010	4/28/2010	7/27/2010	\$113,582.00	90%	Informal Mainline construction is complete. Paving yet to be done.
FOREST HILL DRIVE #1 (PRP 11006)	T & K Utilities	2/17/2010	3/29/2010	7/27/2010	\$147,653.00	0%	Formal Contractor has mobilized on site. 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	95%	Formal Mainline construction is complete; working on restoration.
MARTEL LANE @ PENLEY AVENUE	Huntley Construction	6/9/2010	TBA	TBA	\$106,300.00	0%	Informal Huntley Construction was awarded the contract. No work has begun yet.
MIDDLE BEAVERDAM CREEK INTERCEPTOR	Moore & Son	7/15/2009	8/31/2009	2/27/2010	\$777,154.41	80%	Formal 30-inch and 18-inch mainline construction is complete. 12-inch mainline construction along Merrimon Avenue is slow due to rock excavation.
MORRIS STREET @ TALMADGE STREET	Terry Brothers	6/9/2010	TBA	TBA	\$368,972.50	0%	Formal Terry Brothers was awarded the contract. No work has begun yet.
REEMS CREEK MASTER PLAN EXTENSION PHASE II	Dillard Excavating Co.	N/A	N/A	7/3/2010	\$198,621.99	75%	Construction by developer. MSD cost participation is \$198,621.99. Mainline construction is in progress. Rock excavation is making progress extremely slow. Pipeline construction is 80% complete.
RIVERSIDE DRIVE @ WESTOVER DRIVE	Terry Brothers	4/21/2010	4/28/2010	7/27/2010	\$92,121.00	10%	Informal Work has begun. Project was held up because of a ROW issue with Progress Energy.
TOWN BRANCH INTERCEPTOR	BC&D Associates	8/19/2009	9/21/2009	2/18/2010	\$726,875.00	28%	Formal Contractor has progressed 160 feet in the second bore. Jack and bore has changed to hand mining utilizing tunnel liner plates to correct grade problems caused by obstructions buried in rail yard. Tunnel has progressed approximately 60 feet.
WRF - INTERMEDIATE PUMPING REPLACEMENT	Hickory Construction	7/15/2009	8/19/2009	8/19/2010	\$1,690,788.00	35%	Formal Construction for primary feed nearing completion. Pumps tested. Preparing for bypass. Electrical at 60% completion.

*Updated to reflect approved Change Orders and Time Extensions

Planning and Development Projects
Status Report July 12, 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
	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
	Forest Manor Complex	2088050	Asheville	Comm.	96	12/4/2008	Complete - Waiting on final documents
	Honeysuckle Breeze	2007246	Asheville	5	70	9/22/2009	Complete - Waiting on final documents
	North Point Baptist Church	2008105	Weaverville	Comm.	723	5/20/2009	Complete - Waiting on final documents
	Family Dollar - U.S. 70	2009113	Swannanoa	Comm.	40	4/29/2010	Complete - Waiting on final documents
	CVS- Weaverville Hwy	2006301	Woodfin	Comm.	59	8/18/2009	Complete - Waiting on final documents
	Crayton Creek Green	2006282	Asheville	10	482	3/15/2007	New developer & Engineer, ready for final
	Ridgefield Business Park	2004188	Asheville	18	758	2/16/2005	Complete-Waiting on final documents
			Subtotal	525	9,974		

Planning and Development Projects
Status Report July 12, 2010

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
	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
	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
	Mission Hospitals (Victoria Road)	2009022	Asheville	Comm.	532	2/12/2010	Installing
	Lutheridge - Phase I	2009112	Arden	Comm.	330	3/16/2010	Ready for final inspection
	Kenilworth Cottages	2008031	Asheville	11	177	5/12/2010	Pre-con held, ready for construction
	AVL Technologies	2010018	Woodfin	Comm.	133	5/21/2010	Pre-con held, ready for construction
	The Villages at Crest Mountain	2009049	Asheville	63	1,364	9/9/2009	Testing
	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
	Camp Dorothy Walls - Ph. 2	2007294	Black Mtn.	Comm.	593	6/16/2009	Pre-con held, ready for construction
	South Buncombe Intermediate Sch.	2009065	Arden	Comm.	1,656	6/7/2010	Pre-con held, ready for construction
	The Settings at Blk Mtn. - Ph. 3	2006297	Black Mtn.	45	3,906	4/22/2010	Installing
	Subtotal			1998	84,665		
	Total Units:			2,523			
	Total LF:				94,639		

***Right of Way Section
4th Quarter Summary
Open Projects***

<i>Project</i>	<i>Total ROW Budget</i>	<i>Total Expends to Date</i>	<i>Comment</i>
Crockett Road PRP	\$17,109	\$14,000	As of 1/13/09 access was 100% complete with 157% of Total Budget expended to date. One condemnation filed with judgment pending. Appraisal reflects higher market values than tax values. Additionally, existing trench could not be used due to structures, thereby encumbering new area. NOTE: As of 5/3/10 a property foreclosure was discovered with new owner in place. Condemnation against former owner dismissed and deposited compensation refunded. Will negotiate with new owner for signature of easement. If no agreement can be reached we will file another suit substituting the new owner.
Dingle Creek Interceptor (formerly Ph II)	\$64,657	\$48,004	Access 100% complete with 74% of Total Budget expended to date. One condemnation filed with judgment pending.
Elk Park Drive PRP 35001	\$33,886	\$10,722	Access 78% complete with 32% of Total Budget expended to date.
Forest Hill Drive #2 PRP	\$85,404	\$70,376	Access 100% complete with 82% of Total Budget expended to date. Two condemnations filed with judgments pending.
Lake Julian W W Interceptor Ph 4	\$15,620		Access 50% complete with no funds expended to date.
Liberty Street Sewer Rehabilitation	\$22,093	\$937	Access 29% complete with 4% of Total Budget expended to date.
Long Shoals Road PRP	\$340,584	\$213,591	Access 100% complete with 63% of Total Budget expended to date. Three condemnations filed; one settled prior to trial and two are pending judgments.
Lower Smith Mill Creek Rehabilitation	\$295,324	\$265,443	Access 100% complete with 90% of Total Budget expended to date. Ten condemnations filed; two have been dismissed, three settled prior to trial and five are pending judgments.
Merrimon Avenue @ Stratford Road GSR	\$55,854	\$44,030	Access 100% complete with 79% of Total Budget expended to date. One condemnation filed with judgment pending.
Old Home @ Weaverville Highway PRP	\$100,394	\$99,277	Access 100% complete with 99% of Total Budget expended to date. Market values much greater than tax values in this corridor and appraised damages were high. One condemnation filed with judgment pending.
Patton Avenue @ Parkwood Road	\$98,247	\$17,179	Access 14% complete with 17% of Total Budget expended to date.

<i>Project</i>	<i>Total ROW Budget</i>	<i>Total Expends to Date</i>	<i>Comment</i>
Reems Creek Master Plan Extension	\$84,130	\$61,320	Access 92% complete with 73% of Total Budget expended and no condemnations. Original alignment was revised due to trout buffer restrictions and permitting requirements, deleting four of the original parcels, adding three new parcels and modifying one easement already acquired. Still awaiting easement from developer who initiated project.
Riverside Drive/Westover Drive	\$19,322	\$13,895	Access 100% complete with 72% of Total Budget expended to date. Two condemnations filed with judgments pending.
Ruth Street Sewer Rehabilitation	\$13,820		Access 50% complete with no funds expended to date.
Short Coxe @ Southside	\$165,652		Consultant mailed intro letters to owners 4/27/09. On 5/4/09 engineer contacted consultant stating he was making design adjustments that would affect project alignment. ROW notified 6/26/09 that it would be several more weeks before construction conflicts were resolved. Negotiations were stopped until design revised. Revised plats received 12/1/09. Revised agreements received 12/15/09. Negotiations resume January 2010. NOTE: More design revisions as of 6/17/10. No funds expended to date.
Town Mountain Road 4" Main Rehabilitation	\$14,992		Negotiations in process; no funds expended to date.

Condemnation Statistics
July 1, 1991 - June 30, 2010

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
Anvil Knitwear	3				
Azalea Avenue PSR	3				
Bankstown Road MSP	10				
Biltmore Forest Rehabilitation	7				
Biltmore Forest/Ram Branch	20	1		1	
Black Mountain 4"	1				
Black Mountain Chevrolet	2				
Black Mountain Rehabilitation	30				
Broadway Avenue	6				
Broadway Avenue @ 5 Points	12	4	4		
Brucemont Circle	3				
Brucemont Place Phase 2	32				
Campground Road AMP	2				
Carson Creek	4				
Charland Forest GSR	11				
Clingman Avenue Rehabilitation	11				
Craven Street Access	2				
Crockett Road PRP	3	1			1
Cub Road	8				
Delano Road 4" Main	2				
Delaware Avenue	9				

Condemnation Statistics
July 1, 1991 to June 30, 2010

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
Depot Street @ Nasty Branch	2				
Depot Street Emergency Rehab.	2	1	1		
Dingle Creek @ Crowfields	3				
Dingle Creek Interceptor, Ph. 2	10	1			1
Druid Drive	4				
Dula MSR	2				
Dunwell Avenue	13				
Earl Capps Hollow	21				
East Euclid Parkway	3				
East Kenilworth Lake	11	5	5		
Eastwood Avenue @ US 70	10				
Elk Mountain Road PSR	3				
Elk Park Drive PRP	14				
Emma Industrial Park	6				
Evergreen Avenue	4	1	1		
Fair Oaks Road PRP	7	1	1		
Fairfax Avenue	11	3	3		
Fairway Drive	2				
Forest Hill Drive #2 PRP	7	2			2
Forest Ridge Road	2				
Gladstone Road 4" Main	7				
Glen Bridge Road PRP	14				
Glen Bridge Road Rehabilitation	11	2	2		

Condemnation Statistics
July 1, 1991 to June 30, 2010

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
Glenview Road Rehabilitation	9				
Grassy Branch Rehabilitation	37	9	9		
Greeley Street PSR	3				
Grindstaff Road	2				
Grove Park Inn Rehabilitation	1				
Harmony Lane Rehabilitation	3				
Harnett Street	2				
Heywood Road Rehabilitation	7	2	2		
Heywood Road Interceptor II	3				
Hi Alta Avenue	14	2	2		
Hilliard/Coxe Avenue	4				
Holiday Inn/Kinko	2				
Honey Drive	9				
Inglewood Road	9	1	1		
Johnston Boulevard	17				
Juvenile Evaluation Center	3				
Kitazuma Road	1				
Lake Julian Interceptor	7	1	1		
Lake Julian Phase 3	1				
Lake Julian Pump Station	3				
Lake Louise Interceptor	34				
Laakey Gap Rehabilitation	2				
Laurel Road Phase 2	8				

Condemnation Statistics
July 1, 1991 to June 30, 2010

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
Lennox Street	8				
Liberty Street	5				
London Rd. Pilot Basin, 2b	43				
London Road AMP	12	2	2		
Long Shoals Road	2				
Long Shoals Road PRP	16	3	1		2
Lookout Road Rehabilitation	16	3	3		
Lower Ross Creek Interceptor	29	8	8		
Lower Smith Mill Creek Int.	39	10	5		5
Mardell Circle	3				
Martel Lane @ Penley Avenue	1				
Merchant Street PRP	5				
Merrimon Avenue @ Ottari	4	1	1		
Merrimon Ave. @ Beaverdam Crk.	7				
Merrimon Ave. @ Reed Creek	41	5	5		
Merrimon Ave. @ Stratford	10	1			1
Merrimon Avenue Rehabilitation	4				
Merrimon Ave./I-240 Ramp	1				
Middle Beaverdam Creek Ph. 1	13				
Middle Beaverdam Creek Ph. 2	3				
Middlebrook AMP	8				
Midland Drive AMP	3				
Monroe Place GSR	2				

Condemnation Statistics
July 1, 1991 to June 30, 2010

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
Montford Ave. @ US 19/23	4				
Morningside Drive	4				
Morris Street @ Talmadge	2				
Nasty Branch Interceptor	4				
NCDOT @ Lowes	1				
Nesbitt Drive Rehabilitation	9				
North Fork @ KOA Emergency	2				
North Griffing Blvd. PSR	9				
North Griffing Blvd. 4" Main	4				
North Swannanoa Phase I	62	2	1	1	
North Swannanoa Phase II, 1	50	11	11		
North Swannanoa Phase II, 2	71	6	5	1	
North Swannanoa Phase II, 3	89	12	12		
Northwood Road Rehabilitation	7				
Oaken Hill Place Rehabilitation	5				
Oakland Avenue Rehabilitation	3				
Old Heywood Road MSR	27	2	2		
Old Home @ Weaverville Hwy.	16	1			1
Old Home Road PSR	1				
Patton Mountain PSR	14				
Patton Ave. @ Parkwood Road	1				
Penley Avenue PSR	4				
Pinehurst Road Rehabilitation	6				
Pisgah View Rehabilitation	20	1	1		

Condemnation Statistics
July 1, 1991 to June 30, 2010

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
Pressley Branch Rehabilitation	5				
Reems Creek @ Balcrank	12				
Reems Creek Interceptor	19	1	1		
Reems Creek Master Plan	10				
Riceville Road Rehabilitation	5				
Riverside Cemetary	1				
Riverside/Westover Rehabilitation	1	1	1		
Riverside/Westover Drive	2	2			2
Roberts Street Rehabilitation	3				
Rockdale Avenue PRP	10				
Roebing Circle Rehabilitation	1				
Roger's Place Rehabilitation	2				
Rollingwood Road PSR	6				
Russell Avenue Rehabilitation	3				
Ruth Street Rehabilitation	1				
Shelburne Road Rehabilitation	20				
Shiloh Road MSR	14				
Smith Mill Creek AMP	19				
State Street MSR	2				
Sulphur Springs Creek Rehabilitation	24	3	2	1	
Swannanoa River Road	19				
Sweeten Creek @ Rock Hill Road	29				
Sweeten Creek MSR	5				

Condemnation Statistics
July 1, 1991 to June 30, 2010

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
Sweeten Creek/Wilson Creek	63	1		1	
Swindale Street PSR	5	1	1		
Sycamore Terrace PRP	2				
Tomahawk Basin Phase III	31				
Tomahawk Branch	16	1	1		
Trinity Chapel Road	4				
Trotter Place to Middlemont AMP	9	1	1		
Upper Ross Creek Rehabilitation	20				
US 70 @ Neil Price Ave. GSR	9				
US 70 @ Neil Price Ave. Phase 2	2				
US 70 @ Parkway GSR	3				
US 74	20	5	5		
VA Hospital	1				
View Street Rehabilitation	3				
Volvo Construction Equipment	1				
Waters Road Rehabilitation	10	1	1		
Weaverville Hwy. @ Hillcrest	4	1	1		
Weaverville Main Street Rehabilitatio	8				
Webster Street PSR	1				
Wilmington Street MSR	9				
Winding Road PSR	3				
Woodland Road MSR	4				
Total	1662	123	103	5	15