

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT**  
**APRIL 20, 2011**

**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 20, 2011. Chairman Aceto presided with the following members present: Bellamy, Bissette, Bryson, Creighton, Kelly, Root, Russell, Stanley, VeHaun and Watts. Mr. Haner was absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Inc., Joseph Martin with Woodfin Sanitary Water & Sewer, Leah Karpen with the League of Women Voters, Stan Boyd, Ed Bradford, Peter Weed, Jim Hemphill, Scott Powell, Ken Stines, John Kiviniemi, Angel Banks, Julie Willingham, Kathryn Brewer, Eric Mann, Dean Allen, Sharon Walk, 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 16, 2011 Meeting:**

Mr. Aceto called for corrections or additions to the Minutes of the March 16, 2011 meeting. With no changes, the minutes were approved by acclamation.

**4. Adjustment of Agenda:**

None

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

Mr. Aceto welcomed Mr. Martin.

**6. Report of General Manager:**

Mr. Hartye reported that Dr. Wesley Clapp called to express his gratitude for the way in which Linda Phillips, Mary Alice Hunter and Grady Brooks helped him with a sewer problem.

Mr. Hartye called on Mr. Clarke, Kathryn Brewer and Eric Mann for a presentation on the census results and the statutory computation to determine the number of Board appointments. Mr. Clarke stated that at the February meeting, Mr. Kelly asked (based on the 2010 Census results) if there should be any change in the Board representation. Mr. Clarke explained that the General Statutes state "if any city or town within the District shall have a population, as determined from the latest decennial census, greater than that of all other political subdivisions (other than counties) and unincorporated areas within the District, the governing body of any such city or town shall appoint three members". He further explained that there is separate section of the Statutes that state "if you are a county with more than 25,000 people, the county appoints three members," therefore; the District Board has historically had three (3) members from the City of Asheville and three (3) members from Buncombe County. He stated that the population was checked during the 2000 census and again this year with the help of Kathryn Brewer and Eric Mann of the GIS Division. Mr. Clarke presented a slide showing the 2010 census total for each municipality, compared to the 2000 census total. He presented a map of the MSD District Boundaries and the municipalities within the District. He stated that when a city annexes, that area automatically becomes a part of the MSD, but the process to expand the District is cumbersome in that you have to get 50% of the registered landholders. Mr. Clarke called on Mr. Mann for an explanation of

census blocks. Mr. Mann stated that census blocks are division areas of the entire country that are broken down to compare various data. The U.S. Census Bureau gathers information from all the counties and municipalities in the country, with the exception of special districts, to create blocks that can be divided up well enough to have accurate population counts, etc. He presented a map of all the census blocks in Buncombe County. Mr. Clarke stated that each block is identified by number and population. In doing the analysis, they took the population of each municipality then counted all of the census blocks that were in the District, but not in incorporated areas. He explained that any census block that touched any part of the District was counted as being an unincorporated area within the District. Mr. Mann presented an example of how the total population for each block is determined and how the census blocks are used. Mr. Clarke presented a population comparison showing the population of all other municipalities, excluding the City of Asheville, of 19,157 and unincorporated areas of 61,978 for a total of 81,135. He stated that the City of Asheville has a population (83,393) greater than all other municipalities and unincorporated areas within the District, therefore, no change in the appointments to the MSD Board. With regard to Weaverville, Mr. Root stated that the census did not take into consideration the approximately 600 people that were annexed. Mr. Clarke said they would be happy to look at the numbers again if there was a significant difference. Mr. Watts stated that Black Mountain also questioned the numbers, but that more homes are being bought by people that claim residence elsewhere. With no further discussion, Mr. Clarke thanked Kathryn Brewer and Eric Mann for their work on this project.

Mr. Aceto presented Ms. Karpen with a Resolution honoring her attendance at and participation in meetings of the District Board and her service to the people and community of Asheville and Buncombe County since the 1990's. Ms. Karpen said she has enjoyed attending MSD Board meetings on behalf of the League of Women Voters, but found it hard to continue with her busy schedule.

Mr. Hartye called on John Kiviniemi for a presentation on future regulatory initiatives (both State and Federal) that may have an impact on MSD operations and the CIP.

Mr. Kiviniemi reported that upcoming State regulations include the Triennial Review, which is an update of water quality standards; Air Emissions Standards for Incinerators called SSI MACT and NPDES Permit for potential effluent limits.

He reported that the 2010 Triennial Review is a requirement of the Clean Water Act done every 3 years and requires every delegated State program to review the adequacy of water quality guidelines issued by the EPA to State water quality standards to assure State standards are protective of State Waters as published in the EPA guidelines. He further reported that the Division of Water Quality (DWQ) proposal is to move from dissolved metal standards from total recoverable. This approach is more stringent, resulting in significant reductions in various water quality standards and may impact MSD discharge and the businesses it serves. Also, the DWQ is adding acute toxicity standards as opposed to the chronic only approach which they have historically used and could trigger more stringent requirements. He stated that the potential impacts include lower limits for some pollutants, specifically metals; many current Significant Industrial Users (SIU's) would have permits modified to lower limits; potential increased treatment costs; higher sampling and analysis costs; higher program administration costs and more companies would be regulated as SIU's. He further stated that many groups have objected to the proposal in both the municipal and industrial community due to NPDES Permitting and Pretreatment Policies that are already quite conservative. The State has heard a lot of these comments and is considering policy changes that will have some positive impact. Currently, the NC Environmental Management Commission has charged the State with developing a fiscal impact study with a period of public comment to be scheduled after the study is released.

With regard to the 2010 SSI (Sewage Sludge Incinerator) MACT (Maximum Achievable Control Technology) Rule, Mr. Kiviniemi reported that historically SSI's were regulated under Section 112 of the Clean Air Act (CAA), but recent changes in how EPA is defining solid waste has caused sewage sludge incinerators to be thrust into a different category of the CAA, specifically Section 129. The new rule was proposed by those affected on October, 14 2010 with the comment period ending November 29, 2010. The final rule was released on February 21, 2011 and published in the Federal Register on March 21, 2011. As a result of the new rule, a host of emissions limits will be applied to all sewage sludge incinerators. Mr. Kiviniemi stated that the compliance deadline for existing SSI's is 3-5 years. The Rule also includes monitoring-testing, operator training, and permit requirements. He further stated that the impacts to MSD include Mercury (Hg) emission data indicates potential for additional air pollution control equipment; Particulate Matter (PM) is within range, but close to limit; Sulfur Dioxide (SO<sub>2</sub>) is within range, but close to limit; Annual Performance testing required at cost up to \$50,000 per year; Operator training required and Title V permit required. Additionally, there is a section in the Standard that requires all incinerators to keep track of future improvements. He explained that if MSD crosses over the 50% threshold for original installation, it could be considered a "New SSI" which would have far more stringent limitations.

With regard to NPDES Permit renewal, Mr. Kiviniemi reported that MSD was issued a new permit in February, 2011. Changes to the Permit include removal of the Cyanide limit following a year-long study by MSD. As part of the permit renewal application, the study was presented to the DWQ and they agreed to remove the limit, which will reduce monitoring, risk and liability costs. Also, a new Ammonia Reduction Evaluation Provision was added to the Permit, and as a result, MSD will be conducting a long-term study over the next 5 years to reduce Ammonia with the potential for new summer/winter limits. Mr. Kiviniemi went over the timeframes for each of the aforementioned State Regulations. With regard to advocacy efforts, Mr. Kiviniemi stated that MSD is a member of two organizations that serve to keep its members abreast of different State and regulatory changes. At the Federal level is the North America Clean Water Agencies (NACWA) and at the State level is the North Carolina Water Quality Association (NCWQA). Ms. Bellamy asked if MSD had provided any information regarding the financial impact the State is looking at. Mr. Kiviniemi stated that MSD has provided comments as well as virtually everyone else who is affected. Ms. Bellamy asked for an example of the impact to industry. Mr. Kiviniemi stated that as far as the Triennial Review and where the water quality standards end up, some allocations could change, but the impact to MSD will be minimal. Mr. Root asked about the decision to remove Cyanide testing. Mr. Kiviniemi stated Cyanide testing is very easy to do and very accurate on clean water, but in testing wastewater, there are a lot of interferences and the data generated over time was biased, so MSD improved the sampling and analysis technique and proved those to be phantom hits for Cyanide. Mr. McGill added that there were Cyanide hits that showed up in monitoring at the plant when there was no cyanide present in the influent to the plant. Mr. Aceto asked for a report on the Intermediate Pump Project. Mr. Kiviniemi stated that this project is officially closed out and the new pumps are operating well and the final Microscreen Replacement Project is currently under construction.

Mr. Hartye announced that the annual Developer/Engineers meeting will be held Tuesday, May 3<sup>rd</sup> at 9 a.m. at the MSD. MSD will have a booth at the Realtors REXPO Conference May 19<sup>th</sup> at the Crowne Plaza. He reported that the annual Industrial Users meeting was held April 12<sup>th</sup> at 10 a.m. and was very well attended.

Mr. Hartye presented a Mountain Xpress article on MSD.

Mr. Hartye announced that the Personnel Committee will meet April 28<sup>th</sup> at 2:00 p.m. to review salary and medical benefit recommendations for the upcoming fiscal year. The CIP Committee will hold its annual meeting May 5<sup>th</sup> at 8:30 a.m. to consider next year's CIP budget along with the 10-year CIP. The Finance Committee will meet May

11<sup>th</sup> at 2 p.m. to consider the FY12 Preliminary Budget and Rate recommendations. The next regular Board meeting will be held May 18<sup>th</sup> at 2 p.m. and the next Right of Way Committee meeting will be held May 25<sup>th</sup> at 9 a.m.

**7. Consolidated Motion Agenda:**

**a. Consideration of Acceptance of Developer Constructed Sewer Systems: Ashley Woods Subdivision, Covewood Subdivision, and Woodland and Central Homes Sewer Extension:**

Mr. Hartye reported that the Ashley Woods Subdivision is a 108 unit residential subdivision located outside the District boundary in Avery Creek. The sewer system consists of approximately 12,260 linear feet of sewer, force main, and pump station. The pump station maintenance fee has been paid to MSD and all District requirements have been met. Staff recommends acceptance of the developer constructed sewer system.

Mr. Hartye reported that the Covewood subdivision is a thirty (30) unit residential development. The homeowners have been responsible for the maintenance of the system serving the subdivision and wanted to get out of the sewer business after several overflows. The homeowners association worked with the District and obtained the required easements. This system includes approximately 5,508 linear feet of gravity sewer at an approximate value of \$104,000. Staff recommends acceptance of the developer constructed sewer system and all MSD requirements have been met.

Mr. Hartye reported that the Woodland and Central Homes Sewer Extension is located inside the District boundary in the City of Asheville. The project includes the installation of approximately 113 linear feet of 8" gravity sewer to serve a five (5) unit residential subdivision. A wastewater allocation was issued in the amount of 1,200 GPD for the project and the estimated cost of the extension is \$10,000.00. Staff recommends acceptance of the developer constructed sewer system and all MSD requirements have been met.

**b. Cash Commitment/Investment Report – Month Ended February 28, 2011:**

Mr. Powell reported that Page 2 presents the makeup of the District's Investment Portfolio with no significant changes from the prior month. Page 3 is the Investment Manager report as of the month of February. The weighted average maturity of the investment portfolio is 352 days and the yield to maturity is 1.09% and is exceeding bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 4 is an analysis of the District's Cash Receipts. Monthly domestic sewer revenue is considered reasonable based on timing of cash receipts in their respective fiscal periods. Monthly YTD Industrial Sewer Revenue is considered reasonable based on historical trends. YTD Facility & Tap fees are above historical trends due to the timing of one cash receipt of \$609,000 as well as impact fees being budgeted conservatively. Page 5 is an analysis of the District's Expenditures. Monthly and YTD expenditures are considered reasonable based on historical trends. Page 6 is MSD's Variable Debt Service report. Both the 2008 A&B Series are continuing to perform better than budgeted expectations. As of the end of March, both issues have saved District rate payers approximately \$3.74 million dollars in debt service since April, 2008.

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

**8. Old Business:**

None

**9. New Business:**

Ms. Bryson expressed her appreciation to Mr. Hartye and Mr. Kiviniemi who gave the Woodfin Water Board a tour of the Mull Building and the Plant. She stated that they were very impressed.

**10. Adjournment:**

With no further business, Mr. Aceto called for adjournment at 2:38 p.m.

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Jackie W. Bryson, Secretary/Treasurer

<h1 style="margin: 0;">MSD</h1> <h2 style="margin: 0;">Regular Board Meeting</h2>
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Metropolitan Sewerage District  
of Buncombe County, NC

## AGENDA FOR 4/20/11

✓	Agenda Item	Presenter	Time	
	Call to Order and Roll Call	Aceto	2:00	
	01. Inquiry as to Conflict of Interest	Aceto	2:05	
	02. Approval of Minutes of the March 16, 2011 Board Meeting.	Aceto	2:10	
	03. Discussion and Adjustment of Agenda	Aceto	2:15	
	04. Informal Discussion, Public Comment, and Presentation to Leah Karpen.	Aceto	2:20	
	05. Report of General Manager	Hartye	2:25	
	06. Consolidated Motion Agenda		2:50	
	a. Consideration of Developer Constructed Sewer Systems: Ashley Woods, Covewood, Woodland and Central.	Hartye		
	b. Cash/Commitment Investment Report Month Ending February 28, 2011.	Powell		
	07. Old Business:	Aceto	3:00	
	08. New Business:	Aceto	3:05	
	09. Adjournment (Next Meeting May 18, 2011)	Aceto	3:10	

# **APPROVAL OF MINUTES**

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT  
MARCH 16, 2011**

**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, March 16, 2011. 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, Gary McGill with McGill Associates, Inc., Tim Johnson and Tom Tribble with the North Carolina Center of Geographic Information & Analysis (NCCGIA), Stan Boyd, Ed Bradford, Peter Weed, Jim Hemphill, Scott Powell, Ken Stines, Angel Banks, Julie Willingham, Kathryn Brewer, Daniel Marsh, Pam Thomas, Sheila Pike 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 16, 2011 Meeting:**

Mr. Aceto called for corrections or additions to the minutes of the February 16, 2011 meeting. Mr. Watts stated that he voted in favor of the motion on the Unified Sewer Extension Policy. Mr. Aceto stated that page 3, paragraph 5 of the minutes should be amended to show Mr. Watts voted in favor of the motion and Mr. Creighton voted against the motion. Mr. Haner asked if the motion should include a 3-year time limit as discussed. Following review of the minutes, Mr. Bissette noted that the motion did include a 3-year time limit as shown on page 3, paragraph 1. With no further discussion, the minutes were approved by acclamation as amended.

**4. Adjustment of Agenda:**

None

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

Mr. Aceto welcomed Mr. Tim Johnson, Director and Tom Tribble with NCCGIA.

**6. Report of General Manager:**

Mr. Hartye reported that Mr. Gene Dugger of Washington Road wrote to thank Cecelia Cardascio and Wallace Foster for the prompt and professional handling on an application and sewer problem. Also, Ms. Jean Baker of Chunns View Drive called to express appreciation for the great job, and the neatness and politeness of the crews that replaced a sewer line through her property. Mr. Hartye recognized Eric Bryant, Jason Brigmon, Lee Plemmons, John Crowe, Marcus Bynum and Carl Ellington.

Mr. Hartye announced that the Annual River Clean-up (MSD/Riverlink) will take place on March 31<sup>st</sup> from 12 noon to 4PM. He stated that MSD has adopted an area of the French Broad from the Plant down to the prison. All volunteers are welcome and lunch will be provided at the EHS office.

Mr. Hartye stated that prior to a presentation by Kathryn Brewer, MSD's GIS Manager; he recognized Mr. Tim Johnson with the NCCGIA. Mr. Johnson reported that last month at the NC GIS Conference in Raleigh, Kathryn Brewer, on behalf of Mr. Hartye, was presented the G. Herbert Stout Award in the Regional category for



exemplary use of GIS by a Local Government in North Carolina which was presented in front of 800+ conference attendees.

Mr. Johnson reported that Mr. Stout was a Wake County Commissioner and Chairman of the Triangle Council of Governments until his death in 1992 and was an advocate of the GIS Conference which he started in 1987. Mr. Stout was Chair of the Conference and wanted to see local governments make better use of the technology for supporting citizens for what they need to accomplish. He cared very deeply for local governments, and just before his death, worked with the Department of Defense to force them to release some highly classified imagery for use by local governments. Since 1993 this award has been given to cities, counties and now regional organizations to show their use of this technology in visionary ways. He stated that Mr. Stout would have been very proud of MSD and what it has accomplished in working together and improving operations within the organization and its use of GIS in decision making to support those operations. With this background, Mr. Johnson presented the award to Mr. Hartye and Ms. Brewer on behalf of the State of North Carolina and the NC GIS Conference Committee.

Mr. Hartye called on Ms. Brewer for a presentation. Ms. Brewer stated that this is a collaborative effort of MSD to develop an application that merges the streamlining of business processes with the latest technology to provide a cost effective solution to standardize MSD's GIS data in a common delivery format.

Ms. Brewer demonstrated how to access the external site. She stated that MSD Flex Viewer is for use by the general public; realtors, surveyors, home/business owners, plumbers, appraisers, etc. She explained that this program allows the user to search for a particular address, with the use of aerial photography; identify parcels using the Buncombe County Tax Card and print/save maps. Also, a multi-search tool is available to search by street, manhole number, pump stations and pipe ID and the user can turn on Contours (network infrastructure>reference layers).

Ms. Brewer demonstrated how to access the internal site for use by the General Manager, Engineers, Drafting, ROW, Finance, P&D and System Services Division-office to field, etc., which has more technical information than the external site. Staff can access report layers for Basin Summaries; Master Plan Data and Municipal Summaries. Ms. Brewer reported that the internal site shows Operational Layers, not shown on the external site. The Operational Layers show SSO's by year; access to ROW and Pipe video layers, showing a video of the pipe and a link to ROW documents and information for a particular parcel. Other things that can be looked at are CIP projects, Creek Crossings, and Flow Monitors.

Mr. Haner asked Ms. Brewer to address the accuracy of data entry. Ms. Brewer stated that data entry can come from several different aspects within the organization. Sewer related information is entered from as-builts and from film crews. As this information is received, data is entered and double checked by another GIS staff to make sure it was entered correctly. Mr. Haner asked how many people use the external site. Ms. Brewer said 50-75 unique visitors use the site on a weekly basis. Mr. Aceto asked why some or all of the operational data is not available on the external site. Mr. Hartye stated that the more layers of information involved, the more chance there is of misinterpretation. MSD does provide this information to realtors, engineers, surveyors, etc. when needed, but want them to coordinate with the MSD if they are talking about putting in a Master Plan line. Mr. Aceto asked what the implication is of coordinating with other entities. Mr. Hartye said it makes coordination of information faster and helps communication on projects. Mr. Aceto asked who uses this information the most. Mr. Hartye said the people who use this the most are realtors, engineers, surveyors and builders; thus one of the reasons for participating in the annual Home Show. Mr. Aceto asked if this is new technology. Ms. Brewer said the Flex technology is new to the GIS

Industry in the last year or so and MSD is one of the first in this area to use it. She stated that this technology is very visually appealing and fast. Whereas, Henderson Co., Buncombe Co. and the City of Asheville have their own web site, the technology MSD is using is one of the newest, but putting GIS on the web is not unique in itself. Mr. Johnson stated that an update of the aerial photography will take place statewide at the end of April. Ms. Brewer added the new aerials are cost free to local governments.

Mr. Hartye continued with his report. He announced the annual Home Show will take place at the Asheville Civic Center on March 17-20<sup>th</sup>. MSD will have a booth there as it has done for the past 10 plus years.

Mr. Hartye presented a copy of an article from Southern City on Mayor Terry Bellamy's appointment to the EPA Advisory Committee.

Mr. Hartye reported that the next regular Board Meeting will be held April 20<sup>th</sup> at 2PM. The next Right of Way Committee meeting will be held April 27<sup>th</sup> at 9AM.

**7. Report of Committees:**

**Right of Way Committee**

Mr. Kelly reported that the Right of Way Committee met February 23<sup>rd</sup> to approve Compensation Budgets for the Bradley Branch, Dillingham Road and Mountain Terrace Rehabilitation projects. The Committee also considered Condemnation on the Patton Avenue @ Parkwood Road Rehabilitation Project.

**8. Consolidated Motion Agenda:**

**a. Consideration of Compensation Budgets: Bradley Branch, Dillingham Road and Mountain Terrace Rehabilitation Projects:**

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

**b. Consideration of Bids for Sanitary Sewer Rehabilitation Project: Heywood Road Interceptor, Phase 11.**

Mr. Hartye reported that this project is for the replacement of an aged twelve-inch reinforced concrete interceptor. This line is undersized for the basin it serves and is also structurally deficient. The project is located in South Asheville and consists of 1,425 linear feet of 12-inch and 16-inch DIP. He further reported that the following bids were received and opened on March 3<sup>rd</sup>: Huntley Construction Co., with a total bid of \$508,680.00; Haywood Grading and Excavation with a total bid of \$429,936.00; Carolina Specialties, Inc. with a total bid of \$405,412.00; Disaster Recovery Group with a total bid of \$329,845.00; Payne, McGinn, and Cummins, Inc. with a total bid of \$297,554.78; Patton Construction Group with a total bid of \$277,385.00; Terry Brothers Construction Co., Inc. with a total bid of \$251,862.00 and T&K Utilities with a total bid of \$247,095.00. Staff recommends award of this contract to T&K Utilities, Inc. in the amount of \$247,095.00, subject to review and approval by District Counsel.

**c. Consideration of Bids for Sanitary Sewer Rehabilitation Project: Wellington Drive Unclaimed Sewer:**

Mr. Hartye reported that this project is for the replacement of a private unclaimed sewer system located in Woodfin. The system is comprised of 1,070 linear feet of single 8-inch DIP located within Wellington Drive. He further reported that the

following bids were received and opened on March 3<sup>rd</sup>: Disaster Recovery Group with a total bid of \$226,574.00; Carolina Specialties, Inc. with a total bid of \$193,225.00; T&K Utilities with a total bid of \$182,485.00; Haywood Grading and Excavation with a total bid of \$152,915.00; Terry Brothers Construction Co., Inc. with a total bid of \$152,165.00; Patton Construction Group with a total bid of \$151,500.00; Huntley Construction Company with a total bid of \$149,376.00 and Payne, McGinn, and Cummings, Inc. (PM&C) with a total bid of \$144,118.24. Mr. Hartye stated that PM&C have bid on other projects, but this is the first time they were the lowest bidder. Staff checked several references including the City of Asheville and all references stated that PM&C's work quality was good to excellent. Staff recommends award of this contract to PM&C in the amount of \$144,118.24, subject to review and approval by District Counsel.

Mr. Watts reported they did good work for Black Mountain.

**d. Resolution of Appreciation Honoring Leah Karpen:**

Mr. Hartye presented a Resolution of Appreciation for Leah Karpen.

**e. Consideration of Auditing Services for FY2011:**

Mr. Powell reported that Cherry, Bekaert & Holland, LLP was engaged as MSD's auditors. He stated that they specialize in utility audits and use a rotating partner and staff approach to their audit engagements. Therefore, every two to five years, they rotate partners as well as staff to ensure someone new is looking at the engagement. They do approximately 19 utility audits in the State; OWASA, Durham, Guilford County, Mecklenburg and municipal units such as Cary, Charlotte, Raleigh and Winston-Salem. He further stated that during last year's audit there was a full staff rotation. The cost of the audit was to be \$52,710 which included the Single Audit due to ARRA money from the Stimulus grant and that audit came in at \$47,500. He explained that typically when you are on a fixed contract, the auditors charge what the contract is. For the last three years, there was a decrease in the audit contract and these savings were passed along to the District. For this year's engagement, the auditors proposed a 7.66% decrease in fees from \$52,710 to \$48,670 due to the auditors not having to perform a Single Audit for the receipt of federal funds. He stated that the auditor's experience and the District's preparedness on previous engagements have helped in containing cost. Staff recommends approval of the FY2011 audit contract with Cherry, Bekaert & Holland, LLP.

**f. Cash Commitment/Investment Report – Month Ended January 31, 2011:**

Mr. Powell reported that Page 2 represents the makeup of the District's Investment Portfolio. He stated that there has been one investment change in comparison to December. The District transferred \$5 million dollars to BB&T to open the Board approved Public Funds Money Rate Savings Account. Page 3 is the MSD Investment Manager Report as of January 31, 2011. The weighted average maturity of the investment portfolio is 336 days. The yield to maturity is 1.09% and is exceeding bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 4 is an analysis of the District's Cash Receipts. Monthly domestic sewer revenue is considered reasonable based on timing of cash receipts. Monthly and YTD industrial sewer revenue is considered reasonable due to historical trends. YTD facility and tap fees are above historical trends due to the timing of one cash receipt of \$609,000 as well as impact fees being budgeted conservatively. Page 5 is the analysis of the District's Expenditures. Monthly and YTD expenditures are considered reasonable based on historical trends. Page 6 is the MSD Variable Debt Service Report. Both the 2008 A&B Series are continuing to perform better than budgeted expectations. As of the

end of September, both issues have saved District rate payers approximately \$3.6 million dollars in debt service since April, 2008.

Mr. Russell moved that the Board adopt the Consolidated Motion Agenda as presented. Mr. Kelly seconded the motion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 10 Ayes; 0 Nays.

**9. Old Business:**

Mr. Creighton asked if MSD has a problem with people stealing manhole covers. Mr. Stines stated that MSD has not had a problem recently, but the DOT has. He further stated that a couple of years ago MSD was having a problem, so staff went to the various scrap metal businesses to inform them not to accept MSD manhole covers. The new covers have the MSD logo on them and are not being taken. Mr. Creighton said the County is having a problem at the landfill; with people breaking into the hazardous waste collection units where electronics are stored in order to steal copper wiring, etc. Mr. Russell stated that City Council is considering a "Secondhand Dealers Ordinance" where dealers will be required to submit daily pawn/purchase transactions to law enforcement through electronic means.

Mr. Haner reported that MSD leased its old Administration Building to Smart Start and he had the occasion last month to attend their open house. He stated that they have adjusted very well to the property and are taking care of it and that MSD should be pleased with the job they are doing.

Mr. Hartye reported that earlier in the month he sent out to each Board Member the current MSD Salary and Benefits costs in preparation for the Budget and requested that if Members have any questions or comments, to please contact him.

**10. New Business:**

None

**11. Adjournment:**

With no further business, Mr. Aceto called for adjournment at 2:56 PM.

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Jackie W. Bryson, Secretary/Treasurer

# **REPORT OF GENERAL MANAGER**

## MEMORANDUM

TO: MSD Board

FROM: Thomas E. Hartye, P.E., General Manager

DATE: April 8, 2011

SUBJECT: Report from the General Manager

- Kudos
  - Dr. Wesley Clapp called to express his gratitude for the way in which Linda Phillips, Mary Alice Hunter, and Grady Brooks helped him with his sewer problem.
  
- 2010 Census/ Board Appointment Presentation
 

Billy Clarke and Kathryn Brewer will give a short presentation of the census results and the statutory computation to determine the number of Board Appointments.
  
- Future Regulatory Issues Presentation
 

John Kiviniemi and Gary McGill will speak to the future regulatory initiatives (both State and Federal) that may have an impact on MSD operations and CIP.
  
- Customer Meetings
 

The annual Developers/Engineers meeting will be held Tuesday May 3<sup>rd</sup> at 9 am. MSD will have a booth at the Realtors REXPO conference May 19<sup>th</sup> at Crowne Plaza. The annual Industrial Users meeting will be held April 12<sup>th</sup> at 10 am.
  
- Reading
 

Mountain Xpress article on MSD
  
- Board/Committee Meetings
 

The next Regular Board Meeting will be held May 18<sup>th</sup> at 2 pm. The next Right of Way Committee will be held May 25<sup>th</sup> at 9am. The Personnel Committee will meet April 28<sup>th</sup> at 2 pm to review the salary and medical benefit recommendations for the upcoming fiscal year. The CIP Committee will hold its annual meeting May 5<sup>th</sup> at 8:30 am to consider next year's CIP budget along with the 10 year CIP. The Finance Committee will meet May 11 at 2pm to consider the FY12 preliminary budget and rate recommendation.



## Sultans of sewage MSD oversees the ultimate recycling

by Susan Andrew

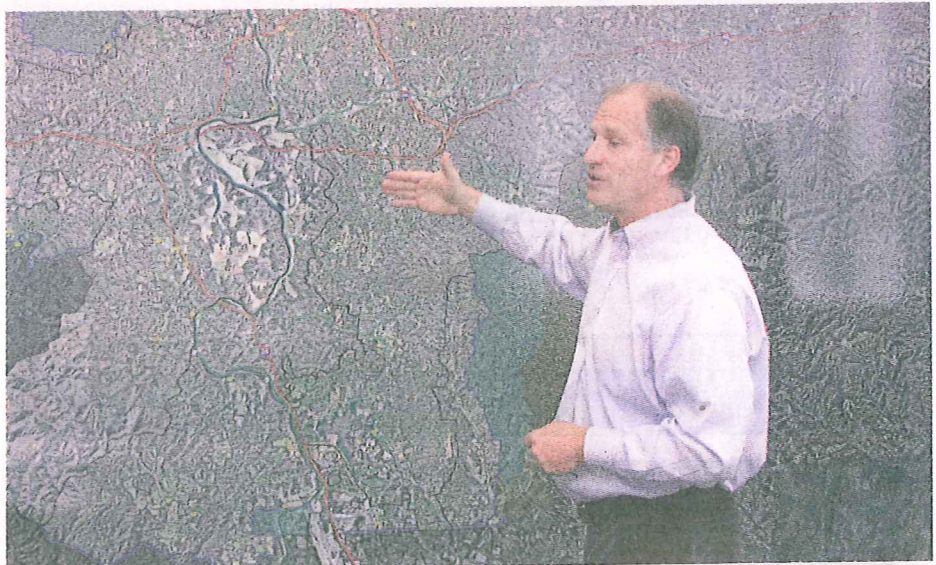
Most of us don't give much thought to what happens once we flush the toilet — and thanks to the Metropolitan Sewerage District, we don't have to.

But without MSD, we'd be wading in waste: Before the treatment plant on Riverside Drive in Woodfin came online in 1967, untreated wastewater was discharged directly into local waterways. Large, sudden discharges can be serious: On April 6, a massive sewage spill in Gatlinburg, Tenn., killed two workers and sent millions of gallons of raw sewage into the Little Pigeon River. Such spills typically result in fish kills and other environmental damage and can also have negative health impacts.

Established under state law in 1962, MSD is charged with collecting and treating wastewater in Asheville and environs. It's a tall order: The agency's service area covers about 180 square miles, with 960 miles of sewer lines linking Asheville, Biltmore Forest, Black Mountain, Montreat, Weaverville, Woodfin and unincorporated areas. Every day, the utility treats an average of 16 million gallons of wastewater, relying on millions of microbes to do what they do best: consume organic waste.

### From toilet to turbine

"Unfortunately, a lot of folks use their toilet as a trash can [for] everything from ballpoint



## pipelined

Visitors to the MSD website ([msdbc.org](http://msdbc.org)) can view video of the inside of the sewer line near their home or business. Need to report a sewage-line leak? Call MSD's 24/7 emergency-repair line: 255-0061.

**The nitty gritty:** The Metropolitan Sewerage District serves about 180 square miles in Buncombe County, General Manager Tom Hartye explains; the collected waste is drained, pressed and burned.

PHOTOS BY JONATHAN WELCH



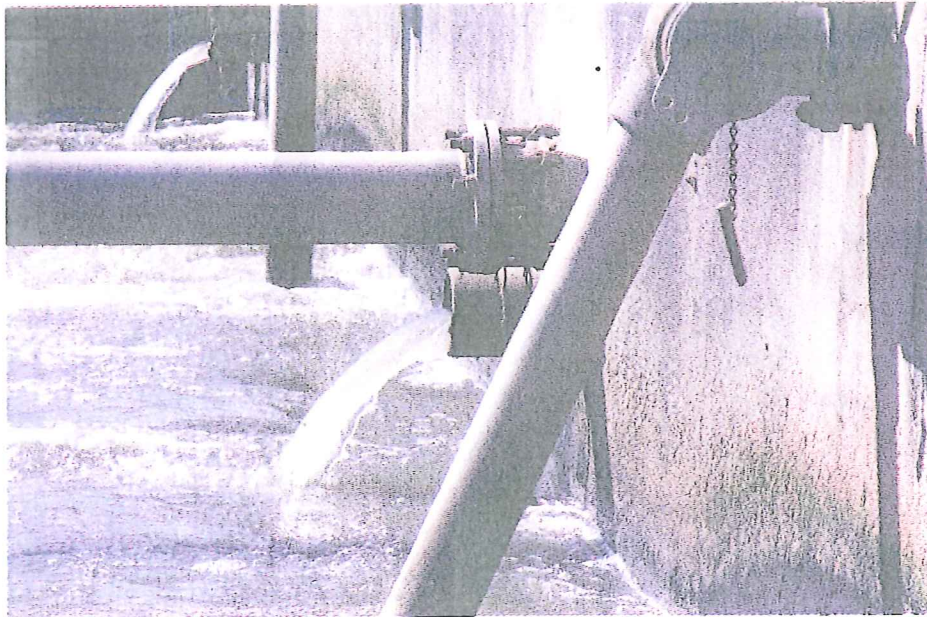
**Seeking clarity:** First, MSD treats the raw sewage with microbes, then lets the solids settle to the bottom of these ponds.

pens to prophylactics," says John Kiviniemi, MSD's director of water reclamation. To avoid clogging, he explains, "The first step is to get that material out and take it to the landfill."

An aerated chamber separates inorganic solids; then comes the painstaking process of removing accumulated grease. "It's very labor-intensive," Kiviniemi reports. "We're really trying to educate homeowners about not putting

grease down the drain."

Biological treatment relies on 152 huge, rotating drums, whose grooved surfaces host hungry microbes in a living layer of slime, all steeped in a watery mix providing everything a one-celled organism could want. Amazingly, the odor around the drums is minimal; a foul smell means the system isn't working properly. Installed in the 1980s, this aerobic process pro-



**You are what you excrete:** After being screened for debris — ballpoint pens, sanitary products and such — MSD aerates the waste water.

duces no methane (a potent greenhouse gas that contributes to global warming).

The next stage is clarification: holding ponds allow sludge to settle out, so it can be pressed until nearly dry and then incinerated. This produces air emissions, including nitrous oxides, sulphur dioxide, toxic metals and other pollutants, which are monitored by the WNC Regional Air Quality Agency. The treated wastewater is then disinfected (using chlorine) and tested for a long list of pollutants — way more than what they're required to monitor, says Kiviniemi.

As the water exits the plant, MSD harvests kinetic energy from the river via its hydroelectric installation on the French Broad River. "We could make even more power," he adds, "but we're required to maintain the water level."



and 2009, MSD spent more than \$254 million on system updates (including replacing more than 746,000 linear feet of pipe). But much work remains: Replacing roughly 1 percent of the lines per year is expected to cost more than \$275 million over the next two decades.

Preventive maintenance is equally vital: Using high-pressure equipment, MSD cleaned nearly 1 million linear feet of sewer lines in 2009 alone. The utility's acclaimed pipe-rating program inserts video cameras into aged sewer lines to evaluate their condition, helping prioritize projects.

Even so, the system overflowed 32 times last year (down considerably from the 288 releases in 2000). MSD must notify the public of such releases within 48 hours; the agency says the environmental impacts are minimal and are cleaned up according to state standards. Katie Hicks of Clean Water for North Carolina agrees, saying, "MSD does a pretty good job — better than many other treatment facilities in the state."

These accidental discharges typically come during big storms. "The lines get so much [stormwater] coming in, they can't handle any more. [If] the pipes aren't large enough to

## Pipe gripes

Perhaps the biggest single challenge is getting sewage to the treatment plant without losing any en route. In 1990, MSD assumed ownership of a hodgepodge of smaller local collection systems, many between 50 and 100 years old and in dire need of replacement. Since then, the utility has undertaken an aggressive program to correct the inherited problems. Between 1990



**Sultans of sewage (and proud of it):** MSD's Ken Stines, John Kiviniemi and Peter Weed, left to right, make sure the system does its job 24/7.

handle that much flow ... it's gonna come out a manhole cover," System Services Coordinator Ken Stines explains.

But blockages can also cause spills, and "If you have a spill in dry weather conditions, it's all sewage coming out," he notes. "We're really putting a lot of money into keeping these from happening."

There are other hazards too. "We issue permits on 22 industries to ensure they aren't dumping bad things on us," notes General Manager Tom Hartye. They include Milkco in West Asheville and Shakespeare Conductive Fibers in Enka.

## All together now

Laying sewer lines requires incredible precision. "Sewer is the most difficult utility to construct," says Capital Improvement Director Ed Bradford

"We're very fortunate, with the topography in the mountains, to be able to do everything by gravity," Chief Inspector Mike Schraven points out. "The furthest reach of our system is at Ridgecrest in Black Mountain. The effluent from Ridgecrest comes to the treatment facility

to keeping it all moving, he notes, is gradient. In one current project, Schraven explains, "We're at two-tenths of a percent — meaning there's only that much change in 100 lineal feet of pipe. And it's done for miles."

"It's very expensive work," he continues. "We fixed the interceptor from Ross Creek all the way down to the Swannanoa River, accommodating all that commercial development along the way. But in the end, it protects Ross Creek," which the state considers an impaired stream.

Clearly, MSD sees itself as a major environmental steward. "I live downstream of the treatment plant," Stines reveals. "I want us to do everything we can to protect the rivers ... and recreation. Everybody here at MSD does."

Kiviniemi concurs. "This treatment plant is publicly owned — it belongs to the ratepayers. The wastewater that we're treating, it's not an us-and-them thing. It's us. We're all in this together." ☺

*Direct your local environmental news to Susan Andrew (251-1333, ext. 153, or sandrew@mountainx.com).*

# **CONSOLIDATED MOTION AGENDA**

# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: April 20, 2011

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

PREPARED BY: David Monteith, Kevin Johnson

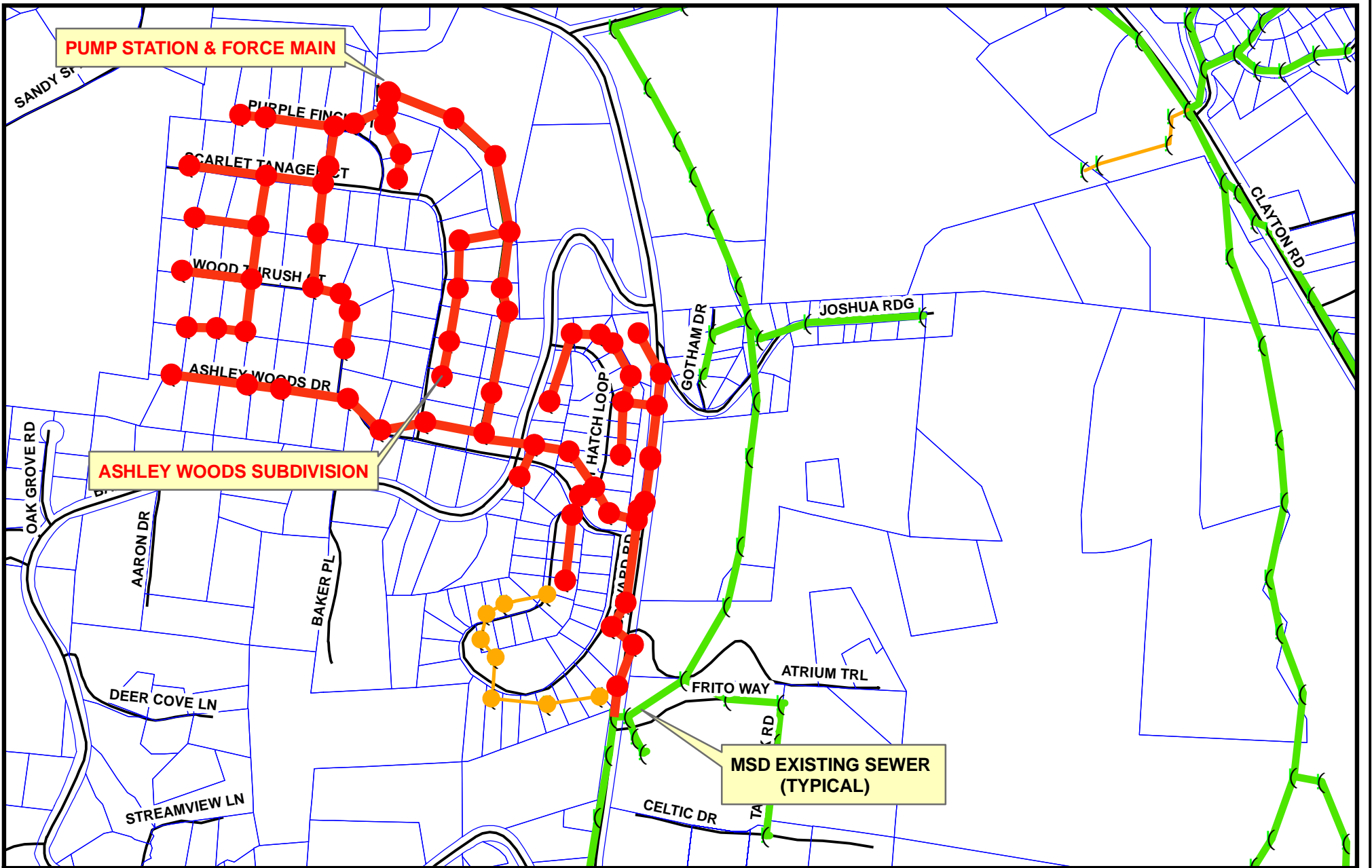
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Ashley Woods Subdivision.

BACKGROUND: The Ashley Woods Subdivision is a 108 unit residential subdivision located outside the District boundary in Avery Creek. The Avery Creek District did not accept the sewer system when it was constructed because it required a pump station; however the sewer system was constructed to MSD standards. The sewer system serving the subdivision consists of approximately 12,260 linear feet of sewer, force main, and pump station. The pump station maintenance fee has been paid to MSD. All District requirements have been met. The final phase of sewer system will be submitted for acceptance after right of way matters are resolved. A wastewater allocation was issued in the amount of 40,800 GPD for the project. The estimated cost of the sewer system including pump station is \$262,000.00.

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

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



**Project # 1999066**

Not To Scale



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

**Ashley Woods Subdivision**

# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: April 20, 2011

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

PREPARED BY: David Monteith, Kevin Johnson

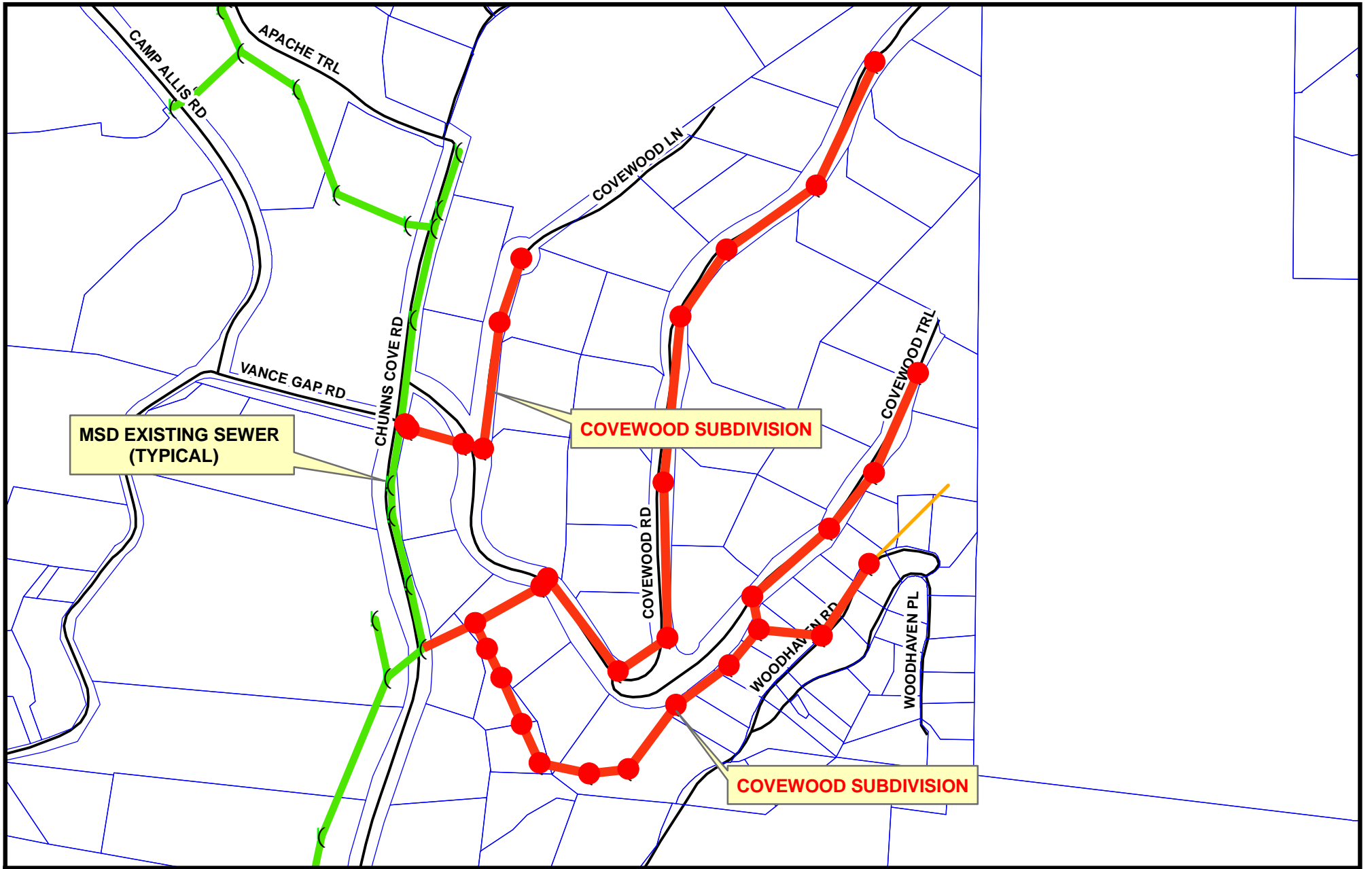
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for The Covewood Subdivision.

**BACKGROUND:** The Covewood subdivision is a thirty (30) unit residential development constructed in the 1960's and is in Buncombe County within the District Boundary off of Chunn's Cove Road. The sewer system however was never accepted by the County. The developer is deceased and the corporations associated with the developer are now bankrupt and/or dissolved. The homeowners have been responsible for the maintenance of the system serving the subdivision and wanted to get out of the sewer business after several overflows and the persuasive influence of the NC Department of Environment and Natural Resources. The original subdivision plats did not show easements on all lots where the sewer lines were outside of road rights of way. The homeowners association worked with the District and acquired and recorded the required easements. This process has taken several years. The documentation has now been recorded to transfer the system. This system includes approximately 5,508 linear feet of gravity sewer. The approximate value of this system is \$104,000.

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

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



MSD EXISTING SEWER  
(TYPICAL)

COVEWOOD SUBDIVISION

COVEWOOD SUBDIVISION

Project # 1985008

Not To Scale



METROPOLITAN SEWERAGE DISTRICT  
of  
BUNCOMBE COUNTY, NORTH CAROLINA

Covewood Subdivision

# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: April 20, 2011

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

PREPARED BY: David Monteith, Kevin Johnson

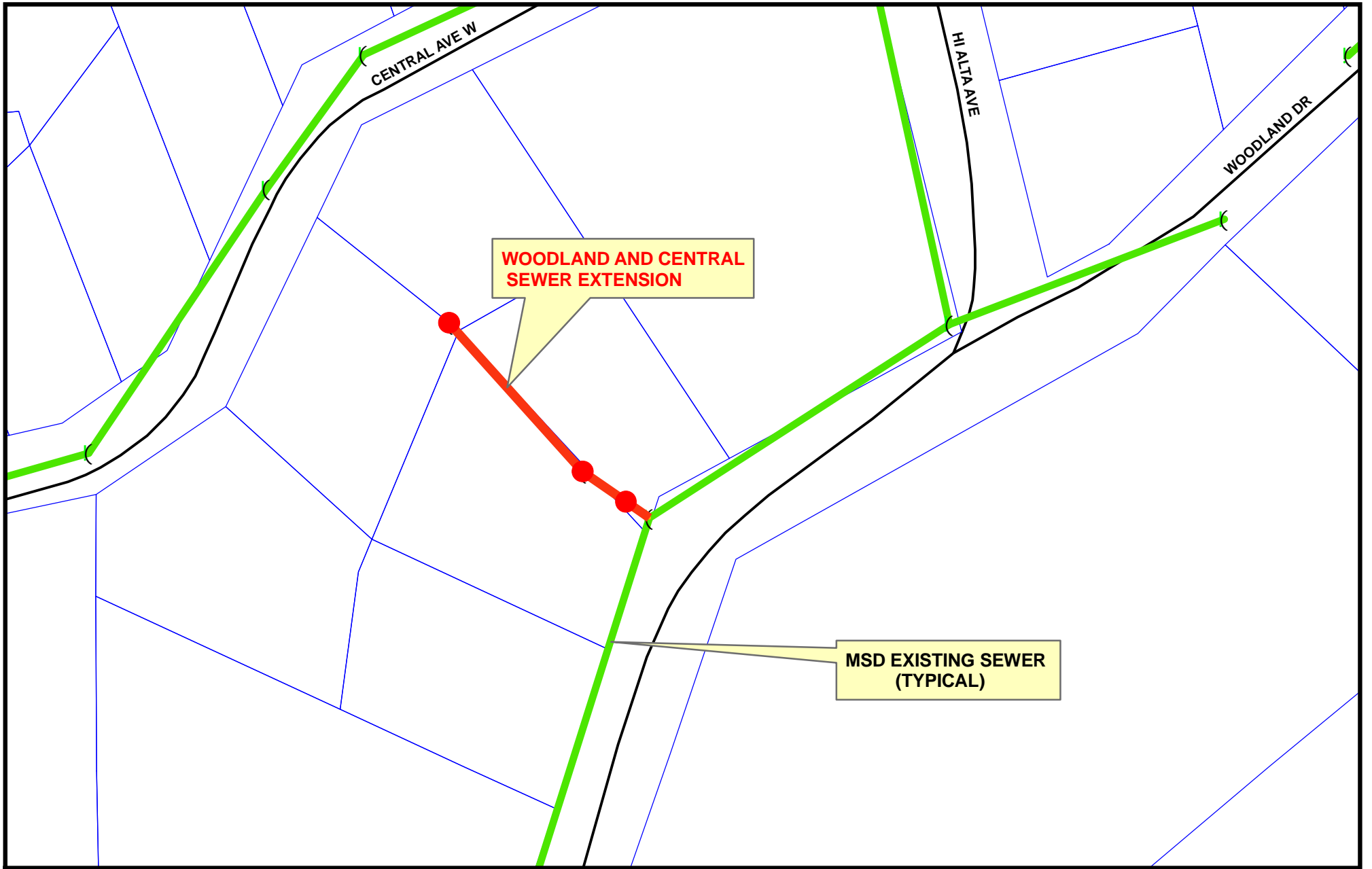
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Woodland and Central Homes Sewer Extension Project.

BACKGROUND: This project is located inside the District boundary between Woodland Drive and Central Avenue West in the City of Asheville. The developer of the project is Jesse Meinch. The project included the installation of approximately 113 linear feet of 8" gravity sewer to serve a five (5) unit residential subdivision. A wastewater allocation was issued in the amount of 1,200 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)

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



**Project # 2010073**

Not To Scale



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

**Woodland and Central Homes  
Sewer Extension**



# Metropolitan Sewerage District of Buncombe County

## BOARD INFORMATIONAL ITEM

**Meeting Date:** April 20, 2011  
**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, 2011

### **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, 2011 were \$47,126,154. The detailed listing of accounts is available upon request. The average rate of return for all investments is 1.065%. 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, 2011 does not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of February 28, 2011 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$16,720,681.

<b>Total Cash &amp; Investments as of 02/28/2011</b>	47,126,154
<b>Less:</b>	
Budgeted Commitments (Required to pay remaining FY11 budgeted expenditures from unrestricted cash)	
Construction Funds	(12,687,324)
Operations & Maintenance Fund	(5,469,572)
	(18,156,896)
Bond Restricted Funds	
Bond Service (Funds held by trustee):	
Funds in Principal & Interest Accounts	(19,764)
Debt Service Reserve	(2,628,403)
Remaining Principal & Interest Due	<u>(6,203,413)</u>
	(8,851,580)
District Reserve Funds	
Fleet Replacement	(520,365)
WWTP Replacement	(872,265)
Maintenance Reserve	<u>(813,672)</u>
	(2,206,302)
Post-Retirement Benefit	(595,262)
Self-Funded Employee Medical	<u>(595,433)</u>
<b>Designated for Capital Outlay</b>	<b><u><u>16,720,681</u></u></b>

### **Staff Recommendation**

None. Information Only.

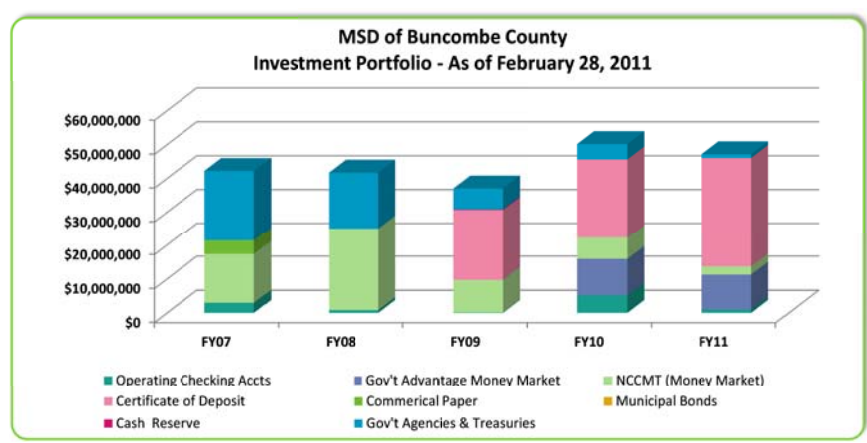
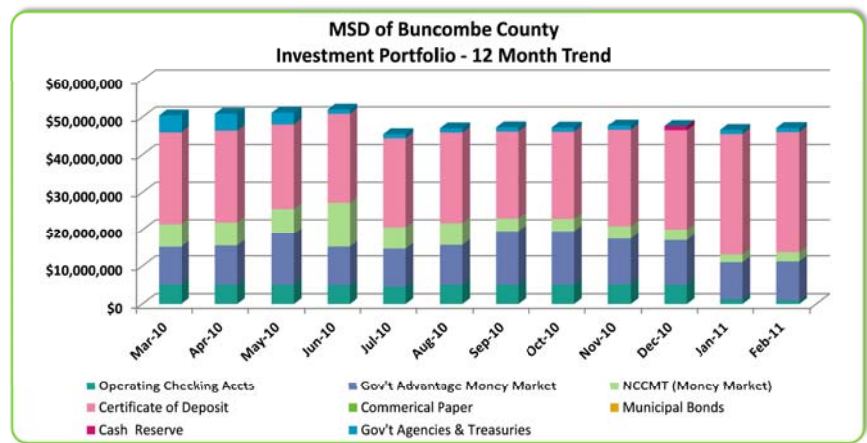
### **Action Taken**

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

### Metropolitan Sewerage District of Buncombe County Investment Portfolio

	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -		\$ 1,531,757				\$ -	\$ 1,116,410	\$ 2,648,167
Held by MSD	988,122	10,253,151	871,733	32,364,981	-	-		-	44,477,987
	<u>\$ 988,122</u>	<u>\$ 10,253,151</u>	<u>\$ 2,403,490</u>	<u>\$ 32,364,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,116,410</u>	<u>\$ 47,126,154</u>

<u>Investment Policy Asset Allocation</u>	<u>Maximum Percent</u>	<u>Actual Percent</u>	
U.S. Government Treasuries, Agencies and Instrumentalities	100%	2.37%	No significant changes in the investment portfolio as to makeup or total amount.
Bankers' Acceptances	20%	0.00%	
Certificates of Deposit	100%	68.67%	The District's YTM of 1.05% is exceeding the YTM benchmarks of the 6 month T-Bill and NCCMT Cash Portfolio.
Commercial Paper	20%	0.00%	
North Carolina Capital Management Trust	100%	5.10%	All funds invested in CD's, operating checking accounts, Gov't Advantage money market are fully collateralized with the State Treasurer.
Checking Accounts:	100%		
Operating Checking Accounts		2.10%	
Gov't Advantage Money Market		21.76%	



**Board Meeting**

April 20, 2011

Subject: Cash Commitment/Investment Report-Month Ended February 28, 2011

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**METROPOLITAN SEWERAGE DISTRICT  
INVESTMENT MANAGERS' REPORT  
AT FEBRUARY 28, 2011**

**Summary of Asset Transactions**

	<b>Original</b>		<b>Interest</b>
	<b>Cost</b>	<b>Market</b>	<b>Receivable</b>
Beginning Balance	\$ 42,457,562	\$ 42,457,562	\$ 182,726
Capital Contributed (Withdrawn)	762,895	762,895	
Realized Income	15,726	15,726	(11,621)
Unrealized/Accrued Income	-	-	32,577
Ending Balance	<u>\$ 43,236,183</u>	<u>\$ 43,236,183</u>	<u>\$ 203,682</u>

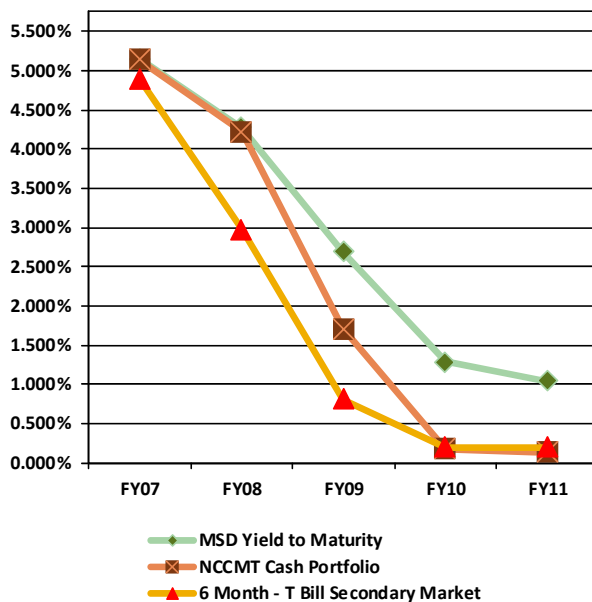
**Value and Income by Maturity**

	<b>Original Cost</b>		<b>Income</b>	
Cash Equivalents <91 Days	\$ 10,871,202		\$ 9,223	
Securities/CD's 91 to 365 Days	32,364,981		27,459	
Securities/CD's > 1 Year	-		-	
	<u>\$ 43,236,183</u>		<u>\$ 36,682</u>	

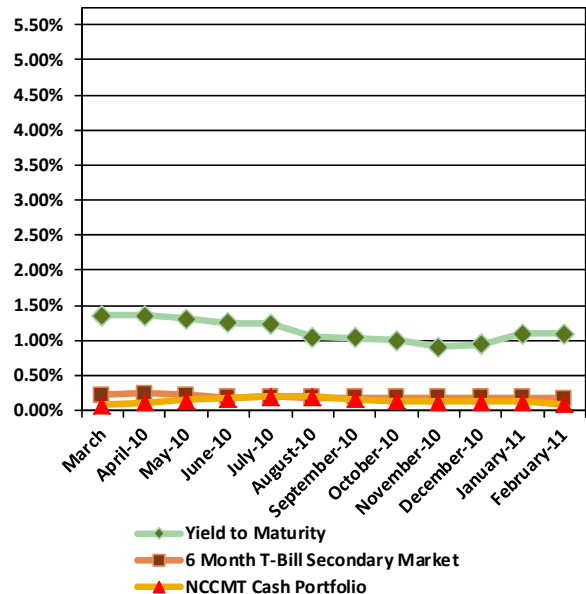
**Month End Portfolio Information**

Weighted Average Maturity	352 Days
Yield to Maturity	1.09%
6 Month T-Bill Secondary Market	0.17%
NCCMT Cash Portfolio	0.09%

**Metropolitan Sewerage District  
Annual Yield Comparison**



**Metropolitan Sewerage District  
Yield Comparison - February 28, 2011**



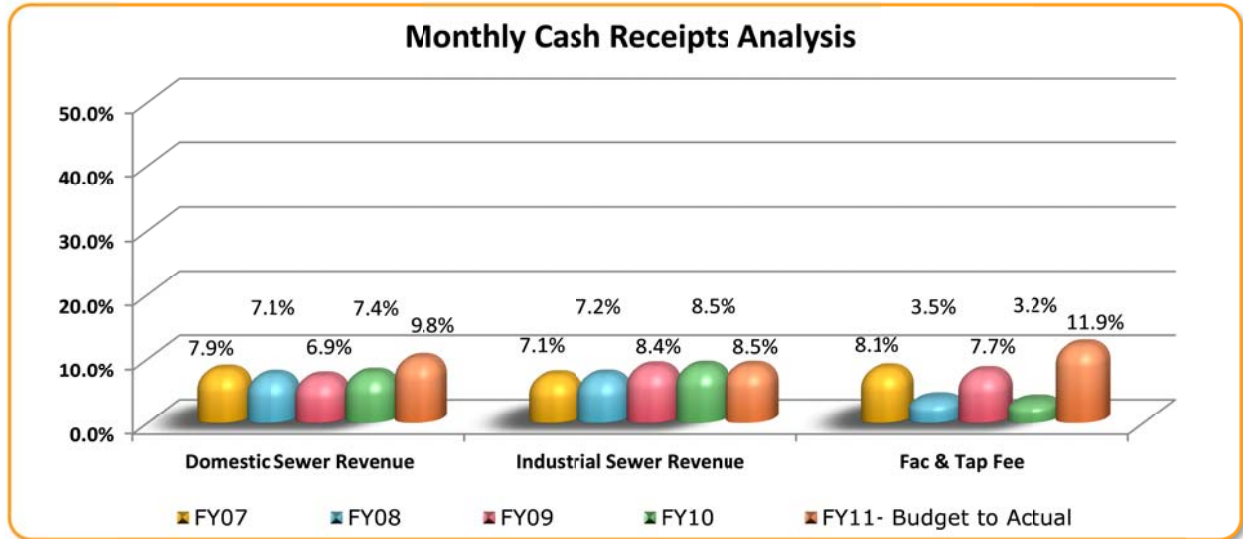
**Board Meeting**

April 20, 2011

Subject: Cash Commitment/Investment Report-Month Ended February 28, 2011

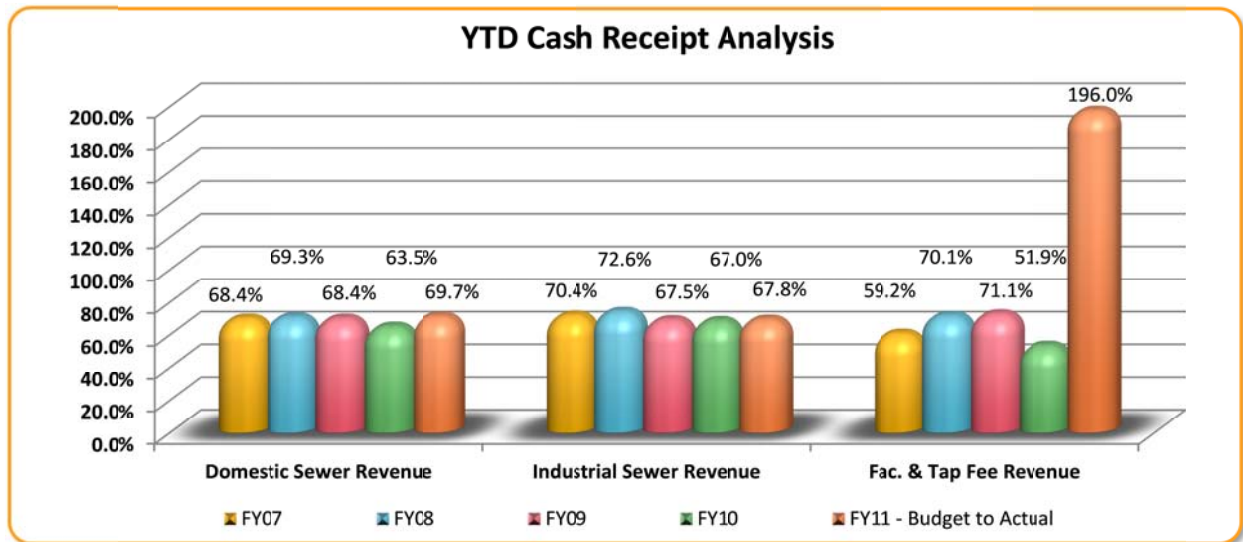
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**METROPOLITAN SEWERAGE DISTRICT  
ANALYSIS OF CASH RECEIPTS  
AS OF FEBRUARY 28, 2011**



**Monthly Cash Receipts Analysis:**

- ★ Monthly domestic sewer revenue is considered reasonable based on timing of cash receipts in their respective fiscal periods.
- ★ Monthly industrial sewer revenue is considered reasonable based on historical trends.
- ★ Due to the unpredictable nature of facility and tap fee revenue, staff considers facility and tap fee revenue reasonable.



**YTD Actual Revenue Analysis:**

- ★ YTD domestic sewer revenue is considered reasonable based on historical trends.
- ★ YTD industrial sewer revenue is considered reasonable based on historical trends.
- ★ YTD facility and tap fee is higher due to two unexpected developments.

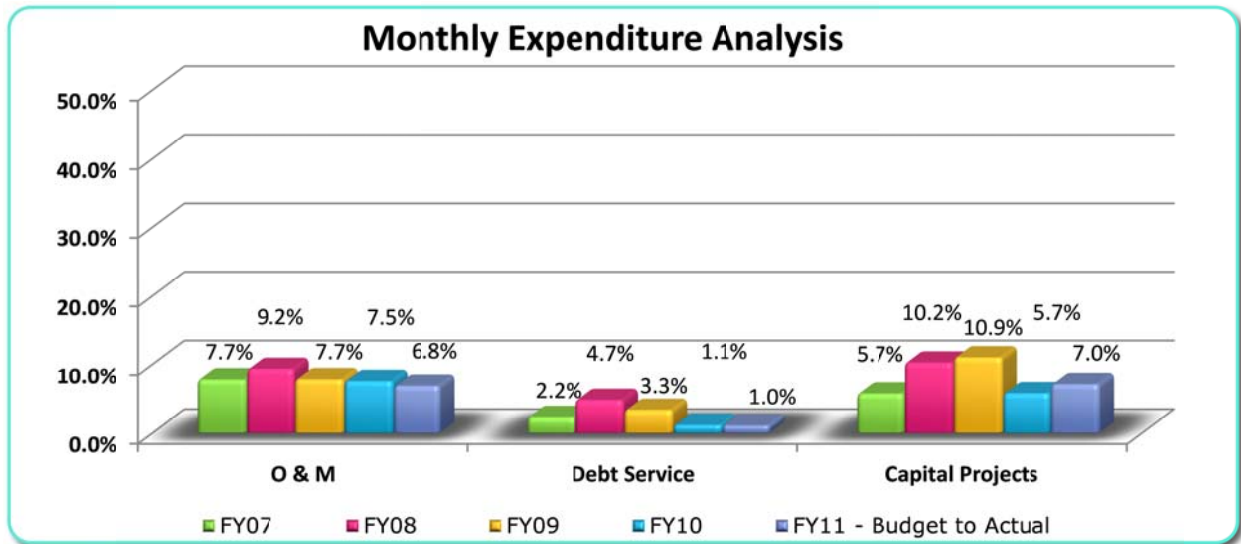
**Board Meeting**

April 20, 2011

Subject: Cash Commitment/Investment Report-Month Ended February 28, 2011

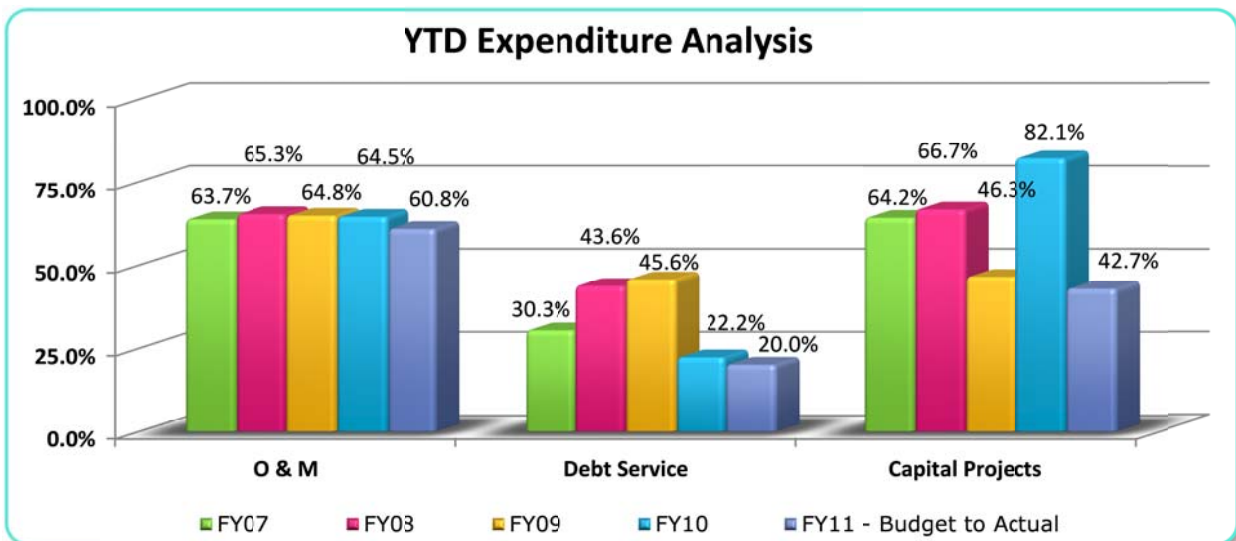
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**METROPOLITAN SEWERAGE DISTRICT  
ANALYSIS OF EXPENDITURES  
AS OF FEBRUARY 28, 2011**



**Monthly Expenditure Analysis:**

- ◆ Monthly O&M expenditures are considered reasonable based on historical trends and timing of expenditures in the current year.
- ◆ 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 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.

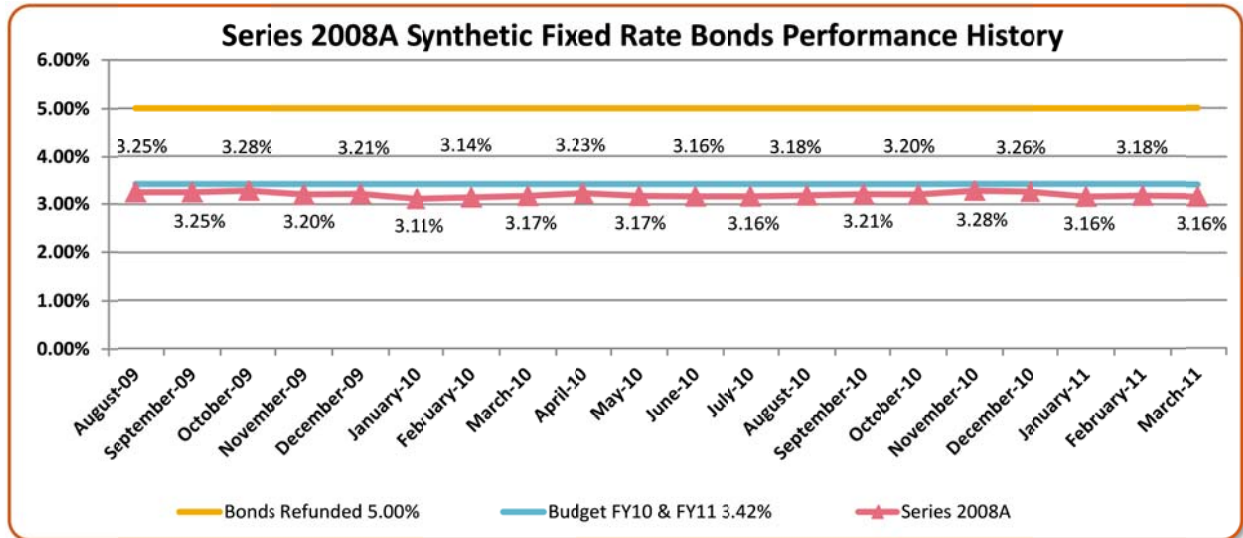
**Board Meeting**

April 20, 2011

Subject: Cash Commitment/Investment Report-Month Ended February 28, 2011

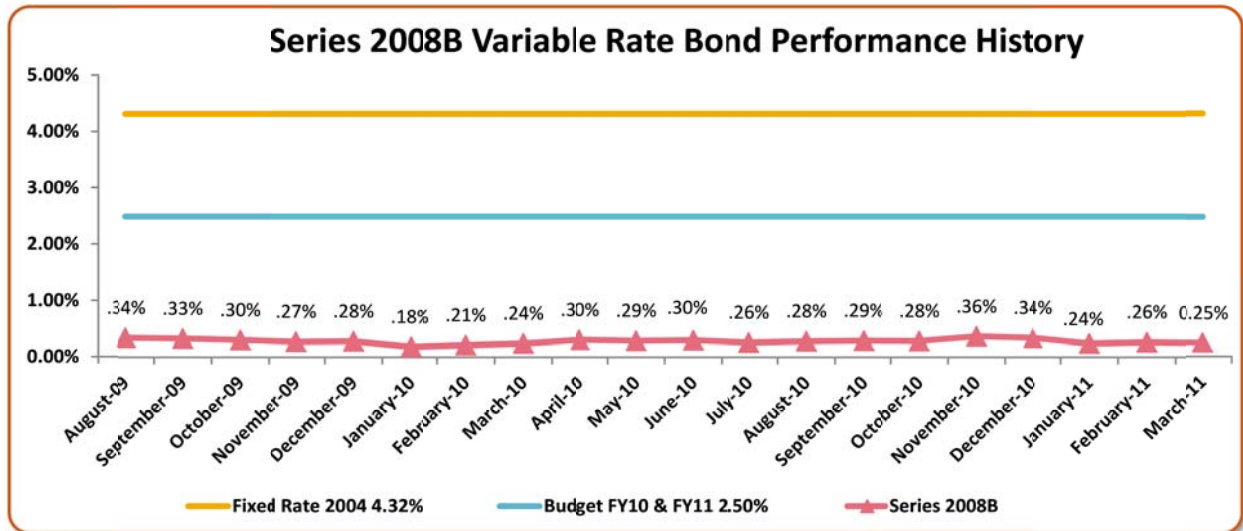
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**METROPOLITAN SEWERAGE DISTRICT  
Variable Debt Service Report  
As of March 31, 2011**



**Series 2008A:**

- Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$1,528,532 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 4.0675%, MSD will achieve cash savings of \$3,503,702 over the life of the bonds.
- MSD would pay \$3,309,000 to terminate the existing Bank of America Swap Agreement.



**Series 2008B:**

- Savings to date on the 2008B Variable Rate Bonds is \$2,211,823 as compared to 5/1 fixed rate of 4.32%.
- Since May 1, 2008, the Series 2008B Bonds average variable rate has been 0.73%.
- MSD will achieve \$8,470,000 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, 2011**

PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
CHARLAND FOREST	T & K Utilities	8/18/2010	11/22/2010	4/21/2011	\$127,170.00	90%	<b>Informal</b> Mainline construction is complete. Restoration of ROW in progress.
HEYWOOD ROAD INTERCEPTOR PHASE II	T & K Utilities	3/16/2011	TBA	TBA	\$247,095.00	0%	<b>Informal</b> Project was awarded to T & K Utilities. A preconstruction meeting is scheduled for April 20th.
LAKE JULIAN INTERCEPTOR PHASE III	Ruby-Collins	10/20/2010	11/1/2010	11/1/2011	\$2,725,961.93	52%	<b>Formal</b> Mainline construction is progressing well, nearing the Progress Energy coal pile. Bores complete as well as connection to main interceptor.
MARTEL LANE @ PENLEY AVENUE	Huntley Construction	6/9/2010	9/7/2010	4/15/2011	\$106,300.00	95%	<b>Informal</b> Mainline construction complete, and awaiting pre-final inspection. Contractor is ready to pave.
MORRIS STREET @ TALMADGE STREET	Terry Brothers	6/9/2010	7/21/2010	Dependent on COA	\$368,972.50	98%	<b>Formal</b> Construction complete and punchlist nearly done. MSD has partnered with COA Public Works.
OLD HOME RD. @ WEAVERVILLE HWY. (PRP64001)	Terry Brothers	2/16/2011	3/3/2011	8/30/2011	\$320,931.00	2%	<b>Informal</b> Contractor has mobilized to site and started digging.
ROCKDALE AVENUE (PRP 29003)	Buckeye Construction	11/17/2010	2/1/2011	8/30/2011	\$408,486.05	30%	<b>Formal</b> Mainline installation on Grovemont Avenue is in progress.
TOWN BRANCH INTERCEPTOR	BC&D Associates	8/19/2009	9/21/2009	4/30/2011	\$831,817.22	98%	<b>Formal</b> Punchlist generated 3/8/11. Restoration is all that remains and is late due to weather.
TC BUILDING PUMP STATION REMOVAL	Carolina Specialties	11/17/2010	1/3/2011	4/30/2011	\$132,038.50	30%	<b>Informal</b> Very difficult project. Contractor is progressing very slowly and encountering many obstacles.
U.S. HWY. 70 @ PARKWAY	Terry Brothers	11/17/2010	1/17/2011	7/16/2011	\$547,088.00	40%	<b>Formal</b> Mainline construction in Hwy. 70 is complete, including service connections. Rock bore is in progress at Parkway ramp, south bound. Contractor forced to demobilize due to time required by Park Service to provide a blasting permit.
WELLINGTON DRIVE USR	Payne, McGinn & Cummins	3/16/2011	4/18/2011	7/17/2011	\$144,118.24	0%	<b>Informal</b> Project was awarded to Payne, McGinn & Cummins. A preconstruction meeting is scheduled for April 14th.
WRF - FINAL MICROSCREEN REPLACEMENT	Hickory Construction	10/20/2010	1/3/2011	4/2/2012	\$8,937,108.20	10%	<b>Formal</b> Demolition nearing completion. Concrete work has begun with chlorine contact area as well as baffle walls in the outer channels. Project is on schedule.
WRF - INTERMEDIATE PUMPING REPLACEMENT	Hickory Construction	7/15/2009	8/19/2009	4/30/2011	\$1,754,675.22	99%	<b>Formal</b> Contractor working on last items of punchlist.

**\*Updated to reflect approved Change Orders and Time Extensions**



Planning and Development Projects Status Report  
April 20, 2011

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
	The Villages at Crest Mountain	2009049	Asheville	63	1,364	9/9/2009	Complete - Waiting on final documents
	Grove Park Cove Subdivision	2004101	Asheville	14	1122	6/28/2006	Complete - Waiting on final documents
	Crayton Creek Green	2006282	Asheville	10	482	3/15/2007	Complete-Waiting on final documents
	Lutheridge - Phase I	2009112	Arden	Comm.	330	3/16/2010	Complete-Waiting on final documents
	Airport Road Fastop	2010010	Arden	Comm.	98	12/22/2010	Complete-Waiting on final documents
	AVL Technologies	2010018	Woodfin	Comm.	133	5/21/2010	Complete-Waiting on final documents
	Graylyn Hills	2008108	Asheville	4	176	2/12/2010	Complete-Waiting on final documents
	Ridgefield Business Park	2004188	Asheville	18	758	2/16/2005	Complete-Waiting on final documents

Subtotal	606	13,098
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Planning and Development Projects Status Report  
April 20, 2011

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
	Brookgreen at Crest Mtn. - Phase II	2011019	Woodfin	29	1,567	3/28/2011	Pre-con held, ready for construction
	The Settings (6 Acre Outparcel)	2004192	Black Mountain	21	623	3/15/2006	Ready for final inspection
	Falcon Ridge	2004240	Asheville	38	3,279	10/11/2006	Punchlist pending
	Waightstill Mountain PH-8	2006277	Arden	66	3,387	7/26/2007	testing / in foreclosure
	CVS	2010036	Swannanoa	Comm.	435	2/7/2011	Installing
	Emergency Services Training Center	2009027	Woodfin	Comm.	2,512	2/7/2011	Installing
	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	testing
	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
	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
	Thom's Estate	2006309	Asheville	40	3,422	1/24/2008	testing
	Thom's Estate - Phase II	2008071	Asheville	40	3,701	2/9/2011	Redesign
	Berrington Village Apartments	2008164	Asheville	308	4,690	5/5/2009	Testing
	Cottonwood Townhomes	2009110	Black Mtn.	8	580	10/20/2009	Installing
	Mission Hospitals (Victoria Road)	2009022	Asheville	Comm.	532	2/12/2010	Installing
	Brookgreen Phase I	2010045	Asheville	44	1,302	9/27/2010	testing
	Woodbriar Subdivision	2009004	Weaverville	72	3,888	8/2/2010	Ready for final inspection
	Westmore	2009004	Asheville	72	675	8/3/2010	Installing
	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	Installing
	Black Mtn Annex: Avena Rd.	1999026	Black Mtn.	24	4,300	8/19/2010	Installing
	Black Mtn Annex: Blue Ridge Rd.	1992171	Black Mtn.	24	2,560	8/19/2010	testing
	Black Mtn Annex: McCoy Cove	1992174	Black Mtn.	24	2,067	8/19/2010	Installing
			Subtotal	1995	95,459		
			Total Units:	2,601			
			Total LF:		108,557		