

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT  
AUGUST 17, 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, August 17, 2011. Chairman Aceto presided with the following members present: Bellamy, Bryson, Haner, Kelly, Manheimer, Root, Russell, VeHaun & Watts. Mr. Creighton and Mr. Stanley were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Inc., Stan Boyd, Ed Bradford, Mike Stamey, Ken Stines, Jim Hemphill, Peter Weed, Scott Powell, Angel Banks, Julie Willingham and Sondra Honeycutt, MSD.

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

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

**3. Approval of Minutes of the July 20, 2011 Meeting:**

Mr. Aceto asked if there were any changes to the Minutes of the July 20, 2011 Board Meeting. With no changes, the Minutes were approved as presented.

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

None

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

None

**6. Report of the General Manager:**

Mr. Hartye reported that MSD has once again received the "Peak Performance Award" for complete and consistent compliance with the NPDES permit for the plant discharge. He expressed his appreciation to all operations and maintenance employees who keep the plant going 24/7/365.

Mr. Hartye presented a summary of the Annexation Reform Act of 2011 from the League of Municipalities.

Mr. Hartye reported that he and Scott Powell received a call from Fitch to discuss the District's operation outcome in regard to its AA+ credit rating. With regard to the recent accident, OSHA is still investigating and MSD anticipates a final meeting with them next week. Mr. Haner asked if OSHA has raised any issues. Mr. Hartye said no not at this point.

Mr. Hartye called on Sondra Honeycutt to read a letter from Mary Alice Hunter addressed to Steve Aceto and the Board regarding the loss of John Crowe and how this tragedy was handled by MSD's caring leadership; bringing the MSD family even closer together.

Mr. Hartye reported that the Personnel Committee met prior to today's Board meeting. The Right of Way Committee Meeting schedule for August 24<sup>th</sup> is cancelled. The next meeting will be held September 28<sup>th</sup> at 9 a.m. The Planning Committee will meet August 29<sup>th</sup> at 2 p.m. to discuss the potential water/sewer consolidation study, and the next regular meeting of the Board will be held September 21<sup>st</sup> at 2 p.m.

Mr. Hartye called on Ken Stines, Technical Services Director for a Power Point presentation on cleaning and CCTV inspection of the South French Broad Interceptor from Dingle Creek through the Biltmore Estate.

Mr. Stines reported that in 1998 MSD started looking at cleaning and CCTV inspection on all 16 drainage basins, which took about eight years to accomplish. Currently there are approximately 3.5 million linear feet of line that have been TV inspected in the county; about 80% of the entire system. He presented an overlay of the collection system that has been TV'd and has video. He stated that lines that do not have video, are lines that have been rehabilitated in the last six years.

He presented several slides showing interceptor lines built in the 60's that have been cleaned and CCTV inspected. The first section, approximately 40,000 LF, is the interceptor from Long Shoals Road to the I-26 bridge. He explained that the original line was a 24" line built in the 60's. In the late 80's a 30" line was built parallel to the original line. The second section, approximately 23,000 LF, started at Target on I-240 and west to the Carrier Bridge Pump Station at the Roundhouse. The lower end of this section, beginning at Biltmore Iron & Metal to the entrance of the Biltmore Estate, is a parallel system consisting of two twin 36" lines. The last section, approximately 21,000 LF, is located on the Biltmore Estate from Dingle Creek to Hominy Creek. He presented slides showing plugs that are inserted into the sewer line to stop the flow so the lines can be cleaned, along with a diagram showing how this is done.

Mr. Stines reported that the Biltmore Estate Project started January 1, 2011 at the request of the Biltmore Estate, in order to work around their visitors. He presented several slides showing work being done using a pump, by-pass line and discharge point into a manhole. He explained how the line is cleaned using the MSD vacuum truck and two tankers trucks; one MSD and one rental. He presented a slide showing the CCTV tractor that is placed in the line to video and record the condition of the line. Mr. Haner asked if the line is cleaned from manhole to manhole. Mr. Stines said yes. He presented slides showing a 50lb cleaning nozzle that is inserted into the line, which brings all of the debris back downstream to the manhole. He presented videos showing silt build-up in the line before cleaning; a nozzle inside a pipe, and post cleaning. He explained that once the line is cleaned, the nozzle is run and the debris is pulled back to the manhole and vacuumed up into a holding tank to haul off. He presented several slides showing the amount of debris that is brought back to MSD and placed in a dumpster. He stated that two days of cleaning can fill a 15cy dumpster. In addition, he presented slides showing the types of debris collected such as rope, bricks, old manhole rim and lid, corrugated metal pipe, etc. Mr. Haner asked about wet weather overflows on this line. Mr. Stines stated there have been several overflows prior to cleaning, but no overflows since then. He further stated that several areas of infiltration were found on the Biltmore Estate, but there are plans to line sections of the pipe next to the lake to correct this problem. Mr. Hartye said the crews did a fantastic job on the entire project.

## **7. Report of Committees:**

### **Right of Way Committee**

Mr. Kelly reported that the Right of Way Committee met July 27, 2011 to consider compensation budgets on the Black Mountain Ingles @ I-40 Emergency Rehabilitation project, Givens Estates Rehabilitation Project, Willowbrook Road Rehabilitation project and condemnation on the Bradley Branch Sanitary Sewer Project. The Committee also received a copy of the Quarterly Report for the Fourth Quarter and a copy of Condemnation Statistics – July 1, 1991 to June 30, 2011.

**Personnel Committee**

Mr. VeHaun reported that the Personnel Committee met August 17, 2011 at 1:00 p.m. to consider the evaluation of the General Manager. On behalf of the Committee Mr. VeHaun moved that Board approve a 1.5% increase in the General Manager's salary, a one-time payment of \$775.00, and discontinuing the annual auto allowance of \$4,500 and purchasing a vehicle for the General Manager's use. Mr. Russell seconded the motion. Ms. Bellamy asked if the annual cost of the car is less than the annual auto allowance, can MSD pay Mr. Hartye the difference. With no objection, Mr. Clarke restated the recommendation adding that if purchasing the vehicle results in less compensation to the General Manager that the District make up the difference. Mr. Clarke stated that the Board needs to authorize the appropriation of funds from the Fleet Reserve Fund to purchase the vehicle. Mr. Clarke suggested approving the Committee's recommendation and, if there is an issue, come back to the Board after a vehicle is purchased. Ms. Bellamy agreed. Mr. Clarke stated that the new motion should read: Increase the General Manager's salary by 1.5% together with a one-time payment of \$775.00 and authorize the purchase of a vehicle for the General Manager by MSD, and authorize the appropriation of these funds from the Fleet Reserve Fund. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 10 Ayes; 0 Nays.

**8. Consolidated Motion Agenda:**

**a. Consideration of Compensation Budgets: Black Mountain Ingles @ I-40 Emergency Rehabilitation Project, Givens Estates Rehabilitation and Willowbrook Road Rehabilitation:**

Mr. Hartye reported that the Black Mountain Ingles @ I-40 project was an emergency rehabilitation project and is complete. The project consisted of approximately 370 linear feet of 8" ductile iron pipe. The Givens Estate Project is located at the Dingle Creek Shopping Center on Hendersonville Highway and consists of approximately 3,650 linear feet of 8" – 12" ductile iron pipe to replace an existing clay and ductile iron pipe that is undersized and in poor condition. The Willowbrook Road project is located in the Haw Creek area of Asheville and consists of approximately 1,500 linear feet of 8" ductile iron pipe that will replace an existing 6" clay pipe that is undersized and in poor condition. The Right of Way Committee recommends approval of the Compensation Budgets.

**b. Consideration of Condemnation – Bradley Branch Sanitary Sewer Rehab:**

Mr. Hartye reported that the property owner directed MSD to deal with the lessee during easement negotiations. The lessee was offered \$14,941 in compensation for the easement areas. The lessee did not want to sign until the construction date, however, MSD made it clear that the easement must be signed in advance of construction. Despite an on-site meeting and several phone calls the lessee has not been willing to sign. He further reported that the Committee recommends authority to obtain an appraisal and proceed with condemnation.

**c. Consideration of Bids: Rollingwood Road USR Project:**

Mr. Hartye reported that the Rollingwood Road USR Project is for the replacement of a private unclaimed sanitary sewer line. He stated that System Services has maintained the line for years, but has requested that it be rehabilitated due to the need for frequent repairs. The project was generated through MSD's Unclaimed Sewer Rehabilitation Program and is located in Chunns Cove near I-240, and is comprised of 2,225 linear feet of 8-inch DIP. The following bids were received on August 4, 2011: Buckeye Construction Co., with a total bid of \$375,036.30; Carolina Specialties, Inc. with a total bid of \$289,370.00; Payne,

McGinn and Cummings, Inc. with a total bid of \$250,521.35; Moore & Son Site Contractors, with a total bid of \$241,776.50; T&K Utilities, with a total bid of \$234,145.00; Terry Brothers Construction Co., Inc., with a total bid of \$219,787.00; Freestone Construction Co. Inc., with a total bid of \$212,799.00, and Huntley Construction Co., with a total bid of \$206,957.50. Staff recommends award of this contract to Huntley Construction Co. in the amount of \$206,957.50, subject to review and approval by District Counsel.

**d. Consideration of Developer Constructed Sewer Systems - Gene Bradley Subdivision; Craggy Street; The Villages at Crest Mountain; Brookgreen Phase I and Graylyn Hills:**

Mr. Hartye reported that the Gene Bradley Subdivision is located inside the District boundary at the intersection of Sirenas Way and Taylor Rae Drive in South Asheville and included the installation of approximately 284 linear feet of 8" gravity sewer to serve a nine (9) unit residential development. Staff recommends acceptance of the sewer system. All MSD requirements have been met.

Mr. Hartye reported that the Craggy Street project is located inside the District boundary off Craggy Street in the Town Black Mountain. The project included the installation of approximately 203 linear feet of 8" gravity sewer to serve a four (4) unit residential development. Staff recommends acceptance of the sewer system. All MSD requirements have been met.

Mr. Hartye reported that the Villages at Crest Mountain project is located inside the District boundary off Dryman Mountain Road at Crest Mountain in the Town of Woodfin. The project included the installation of approximately 1,288 linear feet of 8" gravity sewer to serve a mixed use development with 63 residential units and one restaurant. Staff recommends acceptance of the sewer system. All MSD requirements have been met.

Mr. Hartye reported that the Brookgreen Phase I project is located inside the District boundary off Ben Lippen Road at Crest Mountain in the Town of Woodfin. The project included the installation of approximately 767 linear feet of 8" gravity sewer to serve a 14 unit residential subdivision. Staff recommends acceptance of the sewer system. All MSD requirements have been met.

Mr. Hartye reported that the Graylyn Hills project is located inside the District boundary off Padgettown Road in the Town of Black Mountain. The project included the installation of approximately 180 linear feet of 8" gravity sewer to serve a four (4) unit residential development. Staff recommends acceptance of the sewer system. All MSD requirements have been met.

**e. Fourth Quarter Budget to Actual Review – FY 2011:**

Mr. Powell reported that Domestic User Fees are above budgeted expectations due to staff's customer discovery initiative and consumption trends being slightly better than expected. Facility and Tap Fees are above budgeted expectations, due to the District receiving unanticipated revenue of \$1.1 million from two developments. Interest and Miscellaneous Income are below budgeted expectations due to recessionary pressure on the fixed income market. He stated that based on economic data last year, projected returns on investments was 2.5%. As of June, the average rate of return was 1.08%. With regard to expenditures, Mr. Powell reported that O&M expenditures are at 95.19% of budget. This amount may vary slightly from audited numbers due to final accruals and miscellaneous audit adjustments. Bond principal and interest are at budgeted expectations. He stated that staff used the current year interest rate savings to take advantage of a call option on its 2001 Series

Revenue Bonds which will save the District \$23,000 in interest expense in FY 2012. Capital project expenditures are at approximately 72% of budget. This is due to current year projects receiving continued favorable pricing in a sluggish economy as well as timing of the secondary micro screen project expenditures being delayed.

Ms. Bellamy requested information on the Enka Bonds. Mr. Powell said he would be happy to provide that information.

**f. Fourth Quarter City of Asheville Billing Report:**

Mr. Powell reported that at the end of each quarter, the City of Asheville staff prepares a summary of all billing and collection activities for MSD, which is reconciled to beginning and ending account receivable balances. He stated that Net billings were up 3.6% and Cash Receipts were up 7.4%. He further stated that Receivables are down 27.8% due in part to the City implementing a new billing system as of July 1, 2011, which had an impact on the June billing cycles. Year-end net billing and accounts receivable are understated by approximately \$100,000 to \$200,000. This amount will be included in the District's unbilled usage and unbilled receivables at year end, which will increase Net Billings to approximately 4.7%.

**g. Consideration of Extension of Standby Bond Purchase Agreement:**

Mr. Powell reported that due to impending international banking regulations and current market conditions, staff investigated alternatives for extending the District's current Standby Bond Purchase Agreement. The current agreement is set to expire in December 2013. The District currently pays .55 basis points on outstanding 2008 A&B series revenue bonds. He further reported that staff was able to negotiate an extension of the current agreement for two additional years at .60 basis points for the life of the agreement and recommends the Board extend the current Standby Bond Purchase Agreement with Bank of America through December 2015. He stated that currently, .60 basis points is what most banking entities are giving to AAA utilities and/or GO municipal entities.

Mr. Aceto asked how this will affect thinking on the variable rate debt. Mr. Powell stated that this will give two additional years so the economy can recover for the District to get out of the interest rate swap. The interest rate swap is set at 3.4175 and for the last two years, it's averaged approximately 3.16 and is performing better in low rate environments, but in order to get out of the interest rate swap, it would currently cost the District \$4 million.

Mr. Aceto asked if the District were a counter party in default with Bank of America, could the District lose the benefits of the agreement if Bank of America loses its underlying rate. Mr. Powell said yes. Mr. Aceto stated that this is similar to what happened before when the District had a synthetic fixed rate and it lost its counter party who suddenly did not have an AA rating. Mr. Clarke stated that this was different in that MSD bonds were insured by an insurance company with an AAA rating, and when the insurance company lost this rating, MSD variable rate bonds traded at the insurance company's lower rating. He explained that the bonds are remarketed each week and the Standby Bond Purchase Agreement is in place so that if the bonds are not sold, the bank buys them.

Mr. Aceto stated that he wants the Board to be aware of the possible risks involved and go on record of having taken the time to consider this very carefully. Mr. Hartye stated that worse case is if the District had to terminate the interest rate swap and refund the bonds. Option one, the District could always find someone else to enter into a new Standby Bond Purchase Agreement if Bank of America lost its tier

one status. Option two, the District could terminate the interest rate swap and refund the associated bonds. As time goes on, if the termination fee gets smaller, this may become the desired option. Mr. Aceto asked if Bank of America were to default would the District have to pay the \$4million termination fee on the interest rate swap. Mr. Clarke stated that if the bank's rating falls below its original rating, the District has the right to terminate without paying. Mr. Powell said the District could terminate the Standby Bond Purchase Agreement as well as the Swap. He further stated that even if Bank of America loses its tier one status, the agreement is still in force until the District terminates it. This would mean the District's bonds would reset at a higher weekly rate and there would be time for other parties to step in and negotiate a new Standby Bond Purchase Agreement.

Ms. Bellamy asked Mr. Powell to explain what happened when the insurance company lost its AAA rating and how staff responded. Mr. Powell stated that he was only on staff as Finance Director a few days before this happened and when the insurance company lost its AAA rating, this caused the bonds to reset at 100-150 basis points higher than the market was at that time, which was 1.5%, so the bonds were trading at approximately 3%. Staff went to the rating agencies to see if it could get an AA rating across the board in order to remove the need for insurance, which staff was able to do. Ms. Bellamy stated that staff has spent a lot of time looking at these issues and feels comfortable with their recommendations, therefore the Board should proceed. Ms. Manheimer asked what the alternative is if the District is not relying on the rating of Bank of America. Mr. Clarke stated that the District would re-issue fixed rate bonds instead of variable rate bonds. Ms. Manheimer asked why the decision was made to issue variable rate bonds. Mr. Clarke said to save money. Mr. Powell explained that the pure variable rate bonds have traded at 1.5% over the last six (6) years. The swap has traded at 3.5%. At the time these deals were entered into, the rate on fixed rate bonds was at 5%; saving the District over \$4.2 million since the refunding. Mr. Clarke stated that the Local Government Commission will not allow any entity to have more than 25% of its debt portfolio in variable rate bonds. With no further discussion, Mr. Aceto called for a motion to approve the Consolidated Motion Agenda. Mr. VeHaun moved. Mr. Haner seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

**h. Cash/Commitment Investment Report Month Ending June 30, 2011:**

Presented as information only.

**9. Old Business:**

Mr. Aceto called for a moment of silence in memory of System Services staff, John Mark Crowe who passed away in the line of duty. He stated that he attended the graveside service, which was attended in caravan by MSD staff, Asheville City firefighters and other public service workers and volunteers. He further stated that he was able to speak to his widow to express gratitude for John's service and to share the sorrow of their loss. Mr. Haner expressed his appreciation to Mr. Aceto for the letter he drafted to the Asheville Citizen Times in this regard.

Ms. Manheimer requested that PIN names for condemnations be included as part of the information provided to the Board. Mr. Clarke stated that the Board decided not to include this information, but feels an exception should be made in her case. The Right of Way staff agreed to forward this information.

**10. New Business:**

None

**11. Adjournment:**

With no further business, Mr. Aceto called for adjournment at 2:58 p.m.

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Jackie W. Bryson, Secretary/Treasurer

# MSD

## Regular Board Meeting

Metropolitan Sewerage District  
of Buncombe County, NC

## AGENDA FOR 8/17/11

✓	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 July 20, 2011 Board Meeting.	Aceto	2:10
	03. Discussion and Adjustment of Agenda	Aceto	2:15
	04. Informal Discussion and Public Comment.	Aceto	2:20
	05. Report of General Manager	Hartye	2:25
	06. Report of Committees: a. Right of Way Committee – 7/27/11 – Kelly b. Personnel Committee – 8/17/11 - VeHaun	Aceto	2:45
	07. Consolidated Motion Agenda	Hartye	3:00
	a. Consideration of Compensation Budgets: Black Mountain Ingles @ I-40 Emergency Rehabilitation; Givens Estates Sewer Rehabilitation, and Willowbrook Road Sewer Rehabilitation.	Hartye	
	b. Consideration of Condemnation – Bradley Branch Sanitary Sewer Rehabilitation	Hartye	
	c. Consideration of Bids: Rollingwood Road Unclaimed Sewer Rehabilitation Project.	Hartye	
	d. Consideration of Developer Constructed Sewer Systems: Gene Bradley Subdivision; Craggy Street; The Villages at Crest Mountain; Brookgreen Phase I and Graylyn Hills.	Hartye	
	e. Preliminary Report on FY 2011 Budget-to-Actual Revenues and Expenditures	Powell	
	f. Fourth Quarter City of Asheville Billing Report	Powell	
	g. Consideration of Extension of Standby Bond Purchase Agreement.	Powell	
	h. Cash/Commitment Investment Report Month Ending June 30, 2011.	Powell	
	08. Old Business	Aceto	3:15
	09. New Business:	Aceto	3:20
	10. Adjournment (Next Meeting September 21, 2011)	Aceto	3:25

# **APPROVAL OF MINUTES**

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT  
JULY 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 July 20, 2011. Chairman Aceto presided with the following members present: Creighton, Kelly, Haner, Manheimer, VeHaun and Watts: Ms. Bellamy, Ms. Bryson, Mr. Root, Mr. Russell and Mr. Stanley were 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 District, Lee Thomason and Chad Lloyd with Biltmore Farms LLC, Stan Boyd, Ed Bradford, Mike Stamey, Ken Stines, Jim Hemphill, Peter Weed, Monty Payne, Cheryl Rice, Roger Watson, Julie Willingham and Sondra Honeycutt, MSD.

**2. Election of Officers:**

Mr. Aceto called on Mr. Clarke to preside over the election of Chairman. Mr. Clarke called for nominations for Chairman of the MSD Board. Mr. Watts nominated Mr. Aceto as Chairman. Mr. Kelly seconded the nomination. Mr. Clarke called for further nominations. With no further nominations, Mr. Creighton moved that the nominations be closed. Mr. VeHaun seconded the motion. Mr. Clarke called for the question. Voice vote in favor of the motion was unanimous. Mr. Clarke called for a vote on the election of Mr. Aceto as Chairman of the MSD Board. Voice vote in favor of the motion was unanimous.

Mr. Aceto called for nominations for Vice Chairman of the MSD Board. Mr. Creighton nominated Mr. Stanley as Vice Chairman. Mr. Watts seconded the nomination. Mr. Aceto called for further nominations. Mr. Watts moved that the nominations be closed. Mr. VeHaun seconded the motion. Mr. Aceto called for the question. Voice vote in favor of the motion was unanimous. Mr. Aceto called for a vote on the election of Mr. Stanley as Vice Chairman of the MSD Board. Voice vote in favor of the motion was unanimous.

Mr. Aceto re-appointed Ms. Bryson to serve as Secretary/Treasurer of the Board. Mr. Clarke reminded the Board that the By-laws call for the Chairman to appoint a Board Member to serve as Secretary and Treasurer; to either serve both offices, or one person to serve as both and, is subject to ratification by the Board. Mr. VeHaun moved to ratify the appointment. Mr. Haner seconded the motion. Voice vote in favor of the motion was unanimous.

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

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

**4. Approval of Minutes of the June 15, 2011 Meeting:**

Mr. Aceto asked if there were any changes to the Minutes of the June 15, 2011 Board Meeting. With no changes, the Minutes were approved as presented.

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

None

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

Mr. Aceto welcomed Mr. Martin, Mr. Thomason and Mr. Lloyd. There was no public comment.

**7. Report of the General Manager:**

Mr. Hartye presented a note from the Biltmore Estate regarding the interceptor work conducted by MSD crews. He expressed his appreciation to Ken Stines, Jason Capizzi, Jason Norton, Grey Patton, David Hightower, Mitch Hawes, Ray Lunsford, Anthony England, Rick Bradley, Shaun Buckner and Shaun Meadows.

Mr. Hartye presented a synopsis of MSD's current budget prepared for easy reference by the Board.

Mr. Hartye reported that once again, MSD received the Certificate of Excellence from the Government Finance Officers Association (GFOA) for the Fiscal Year 2010 Comprehensive Annual Financial Report (CAFR). He expressed his thanks to Scott Powell and Teresa Gilbert.

Mr. Hartye reported that the next Right of Way Committee meeting will be held July 27<sup>th</sup> at 9 a.m. The Personnel Committee will meet August 4<sup>th</sup> at 9 a.m. The next regular Board Meeting will be held August 17<sup>th</sup> at 2 p.m. The Planning Committee will meet August 29<sup>th</sup> at 2 p.m. to discuss the potential water/sewer consolidation study. He further reported that the United Way Golf Tournament will be held September 16<sup>th</sup> at Broadmoor Golf Links.

**8. Consolidated Motion Agenda:**

**a. Consideration of Bids – Lake Julian Interceptor Phase IV:**

Mr. Hartye reported that Phase IV of the Lake Julian Interceptor is the final phase of the rehabilitation project is for the replacement of an aged sanitary sewer interceptor line along the southern boundary of Lake Julian. He called on Ed Bradford for a Power Point presentation.

Mr. Bradford presented a slide of the Lake Julian area and reported that in total, there is approximately 53,000 LF of line around the lake itself, in both interceptor work and AARA stimulus work. Mr. Bradford presented a slide showing the various phases of work. He reported that Phase I of the project consisted of 8,161 LF and was completed five or six years ago. Phase II, MSD partnered with the DOT and consisted of 4,806 LF. Phase III, located near the power plant, consisted of 8,200 LF and is near completion. Under consideration is Phase IV of the interceptor and it consists of approximately 1,600 LF of mostly 18-inch through 20-inch DIP. Mr. Bradford presented a budget map showing the location of the final phase of the project. He stated that this project is for the replacement of a portion of an existing sanitary sewer line along the southern side of Lake Julian between the Progress Energy's Electrical Generation Plant and Glenn Bridge Road. This particular section is comprised of two parallel clay lines; a 15-inch and 10-inch VCP, which are in poor structural condition and have contributed to numerous maintenance problems over the years, including SSO's.

Mr. Bradford reported that the Phase IV contract was advertised and the following bids were received on July 7, 2011: Payne, McGinn & Cummins, Inc. with a total bid of \$381,083.02; Ruby-Collins with a total bid of \$361,118.00; Haywood Grading & Excavating, LLC with a total bid of \$323,730.00; Carolina Specialties with a total bid of \$316,050.00; Huntley Construction Co., with a total bid of \$314,802.70; T&K

Utilities with a total bid of \$303,744.00; Moore & Sons Site Contractors with a total bid of \$274,338.35; Freestone Construction, LLC with a total bid of \$257,516.00, and Terry Brothers Construction Co., with a total bid of \$247,035.00. Staff recommends award of this contract to Terry Brothers Construction Co., in the amount of \$247,035.00, subject to review and approval by District Counsel. Mr. Hartye added that in addition to the interceptor lines, there has been a significant amount of collection line rehab in this area as well. Mr. Watts asked who the contractor was on Phase III. Mr. Bradford said Ruby-Collins.

**b. West French Broad Master Plan Interceptor – Reimbursement Agreement:**

Mr. Hartye reported that the West French Broad Master Plan Interceptor is for the installation of a new sanitary sewer interceptor along the French Broad River in Avery Creek. Biltmore Farms, LLC (Biltmore) proposes to install this new 16-inch line in accordance with the District's Collection System Master Plan. He called on Mr. Bradford for a power point presentation.

Mr. Bradford presented a slide showing the areas of the Collection System Master Plan. He reported that this Plan serves as a basis to ensure extensions are located in an orderly, predictable fashion and prepared in close cooperation and guidance of member agencies and regional stakeholders; using their land use policies, zoning regulations and projections for growth to determine the areas of this plan. He stated that the plan was adopted by the Board in November, 2008 and the largest project under this plan are the Reems Creek Interceptor, completed last year and, the West French Broad Interceptor which is now under consideration.

Mr. Bradford reported that Biltmore Farms, LLC came to MSD earlier this year to discuss their project. They propose to develop a 61 acre tract @ Long Shoals Road near 1-26 with both commercial and residential; commercial first. He stated that since the CIP Budget process was underway, staff added the eligible reimbursement portion to the budget, which was reviewed by the CIP Committee in May. He presented a budget map showing the location of the project. He explained that this project qualified for Additional Capacity Reimbursement because the interceptor is sized at 16-inches in accordance with the Master Plan and the property is located within the Primary Service Area as defined by Buncombe County's Zoning Plan. Additionally, for interceptor lines 12-inches and larger, MSD will provide the design and right-of-way acquisition services; revenue sharing – 50% actual user revenues over 10 years, and developer to developer reimbursements. He presented slides showing different perspectives of the project location.

In summary, Mr. Bradford reported that this project will be built in accordance with MSD's Master Plan. He stated that the total linear feet is 7,055 at a construction cost of \$3.19 million dollars. MSD will design the project, acquire rights-of-way, and the developer constructs at their cost. MSD's share (at approximately \$225,000) is within FY12 budgeted amount. He further stated that the FY 11-12 construction reimbursement budget for this project is \$305,000.00. The proposed lump-sum payment of \$225,138.49 will not be issued until the project is fully closed out and accepted by the District Board. He further reported that staff recommends that the District enter into a reimbursement agreement with Biltmore Farms, LLC, in the amount of \$225,138.49, subject to review and approval by District Counsel. Mr. Thomason stated that he has enjoyed working with MSD on this project and is very pleased.

**c. Cooking Oil Recycling Program Grant from Biofuels Center of NC FY12 Budget Amendment:**

Mr. Hartye reported that MSD was the first major purchaser of biodiesel in Buncombe County and has been using biodiesel in its fleet of 85 vehicles for over 7

years. He stated that Blue Ridge Biofuels (BRB) has managed to stay in business by sourcing local waste oils, fats, and greases as feedstocks from the Buncombe County region. He further stated that fats, oils and grease are one of the major causes of costly sewer maintenance and SSO's. As a result, MSD partnered with BRB to propose a Cooking Oil Recycling (COR) Program and was awarded a grant in the amount of \$119,675.00 from the Biofuels Center of North Carolina. This grant will fund 40 feedstock collection bins made by TLF, Inc. in Asheville and maintained by BRB. The bins will be placed at locations across Buncombe County, such as housing developments, community centers, recycling centers, and fire stations. He further reported that an informational campaign will be launched to educate the public about the program and a paid intern from Green Opportunities will work with MSD to develop and implement a campaign that specifically targets public housing development residents. He presented the budget amendment, which was not included in the District's FY12 budget, but is required to account for the COR grant revenue and associated expenditures of \$119,675.00. He stated that MSD will administer the grant without receiving any direct compensation. He further stated that staff recommends approval of the required budget amendment to facilitate implementation of the COR Program with the grant funds provided from the Biofuels Center of North Carolina. Mr. Haner asked where the bins will be located. Mr. Payne stated that some will be located in the Asheville area and the rest distributed throughout the county. Mr. Haner asked if MSD has any input as to where the bins are located. Mr. Payne said MSD will make recommendations as to their location. Mr. Haner asked if MSD is satisfied that the bins are designed in a way that they will not cause a nuisance situation. Mr. Payne said yes. Mr. Hartye stated that the MSD Seal will not be displayed on the bins and Monty Payne will be working with BRB to make sure the bins are properly maintained.

**d. Consideration of Sole Source Purchase and Installation of Closed Circuit Television Equipment:**

Mr. Hartye reported that MSD currently uses two (2) CCTV inspection vehicles to inspect the condition of sewer lines, digitally record the video and, store data on MSD servers. Video inspection plays a major role in MSD's pipe rating program, locating problems, SSO evaluations and asset management. He further reported that the purchase of this system is to replace an older van-mounted CCTV Inspection system purchased in 2003. He stated that a primary overriding concern for the proposed new CCTV system is that it be standardized and compatible with MSD's existing equipment. The Cues CCTV system currently being used throughout the District is of proprietary design and, in order to provide compatibility with existing equipment and software must be purchased through Southern Municipal Equipment on a sole source basis at a cost of \$128,995.00. Staff recommends award of the sole source purchase and installation of the CCTV equipment to Southern Municipal Equipment in the amount of \$128,995.00, subject to review and approval of District Counsel. Funds are budgeted in the Fleet Replacement Fund. Mr. VeHaun asked if MSD will be able to stay with this system well into the future considering the proprietary design. Mr. Hartye stated that this company has been in business for quite some time, therefore, does not see a problem.

**e. Cash Commitment Investment Report as of May 31, 2011:**

Mr. Hartye reported that total cash & investments as of 5/31/2011 is \$46,593,027. Page 3 is the MSD Investment Manager's Report which shows there is no appreciable change in the Investment Portfolio from the prior month. The weighted average maturity of the investment portfolio is 312 days and the yield to maturity is 0.96% and exceeds MSD bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 4 is an analysis of the District's Cash Receipts. Monthly Cash Receipts ratio is 8.3%. Domestic sewer revenue is considered reasonable based on timing of cash receipts in their respective fiscal periods. Monthly industrial sewer

revenue is considered reasonable due to historical trends and, facility and tap fee revenue is reasonable. YTD Cash Receipts is at 91%. YTD domestic and industrial sewer revenue is considered reasonable based on historical trends and facility and tap fees is higher due to two unexpected developments. Page 5 is an Analysis of Expenditures. Monthly expenditure is the same at 8.3%. YTD expenditures is 91% except for capital projects, due to the Microscreen project, which will level out in a couple of months. Page 6 is the Synthetic Fixed and Variable Rate Bond Performance History, which are both performing well, with a recent reset value on the variable rate as low as .04%.

With no discussion, Mr. Aceto called for the question. Mr. Watts moved that the Board approve the Consolidated Motion Agenda as presented. Mr. VeHaun seconded the motion. Roll call vote was as follows: 7 Ayes; 0 Nays.

**9. Old Business:**

None

**10. New Business:**

None

**11. Adjournment:**

With no further business, Mr. Aceto called for adjournment at 2:30 p.m.

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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: August 11, 2011  
SUBJECT: Report from the General Manager

- NACWA Peak Performance Award for 2010

MSD has once again received the Peak Performance Award for complete and consistent compliance with the NPDES permit for the Plant discharge. Many thanks to all the operations and maintenance employees who keep the plant going 24/7/365!

- Reading

Summary of Annexation Reform Act of 2011 from League of Municipalities

- South French Broad Interceptor Cleaning

This last fiscal year the Technical Services Branch cleaned the critical 36" South French Broad Interceptor from Dingle creek all the way through the Biltmore Estate. This interceptor had not been cleaned in the 50 years of its existence. This effort helped regain much capacity and showed areas where lining will be beneficial to reduce I/I on this critical section to the south. Lines of this size are usually dealt with by contractors but our in-house crews have recently gained expertise in handling these large lines. The effort was remarkable. Ken Stines, The Technical Services Director will give a brief presentation on this effort at the meeting.

- Board/Committee Meetings

The Personnel Committee will be held at 1 pm prior to the August 17<sup>th</sup> Regular Board meeting. The ROW Committee for August 24<sup>th</sup> has been cancelled. The next Planning Committee Meeting will be held August 29<sup>th</sup> at 2 pm to discuss the water/sewer consolidation study. The next Regular Board Meeting will be held September 21<sup>st</sup> at 2 pm. The next Right of Way Committee will be held September 28<sup>th</sup> at 9am.

GOLD AWARD



The National Association of Clean Water Agencies  
is pleased to present this award to

**Metropolitan Sewerage District of Buncombe  
County, NC**

*French Broad River Water Reclamation Facility*

in recognition of its complete and consistent National  
Pollutant Discharge Elimination System permit compliance  
during the calendar year **2010**

A handwritten signature in black ink that reads "K Kirk".

---

Ken Kirk, *NACWA Executive Director*

## **Summary of the Annexation Reform Act of 2011 Session Law 2011-396**

HB 845, the Annexation Reform Act of 2011 (the Act) makes several fundamental changes in how annexation is conducted in North Carolina, as well as numerous smaller procedural changes. Municipal financial responsibility for water and sewer extensions is increased dramatically, annexed residents now have the ability to deny an annexation by petition after the ordinance is adopted, and new types of voluntary annexations are established for high poverty areas. These changes are summarized below.

Be aware that the Act is unclear in some respects and will require significant legal analysis and interpretation. It also raises a number of questions that cannot easily be answered. For example, the requirement to use public funds to make infrastructure improvements to private property raises constitutional concerns.

### **City-Initiated Annexation Changes**

#### Water And Sewer

When municipalities initiate an annexation, they no longer can set the terms of financial participation by annexed property owners in the extension of water and sewer services. If the owners of a majority of the annexed properties request the extension of an existing service, water and sewer lines must be provided at no cost within 3½ years of the effective date of the annexation to all properties requesting service. For developed lots, the line must be extended all the way to the structure at the municipality's cost. In order for the line to be installed to the structure, the property owner must provide the municipality with an installment easement. Following installation of the pipes and connections, the property owner takes ownership of them and becomes responsible for their maintenance and repair.

The property owners who may sign up for water and sewer extensions at no cost are those registered as owning the property as of the combined notice of the public informational meeting and public hearing.

If a the owners of a majority of the parcels do not sign up for service, the municipality may proceed with the annexation and is not required to provide water and sewer services to any property owners in the area that is annexed. If it nonetheless decides to provide the services, the Act sets out a sliding scale of the amount that a requesting property owner can be charged for the connection during the first five years after the effective date.

The municipality may not require the payment of capacity charges, availability fees, or any other similar charge from property owners in the annexed area who do not choose to become customers of the water or sewer system.

If the municipality is unable to provide water or sewer service within 3½ years due to permitting delays that are caused through no fault of the municipality, the municipality may petition the Local Government Commission for a reasonable time extension.

### Property Owner Relief Changes

The Act moves up the point at which property owners can seek relief if services are not being provided from 12 months to 30 days following the effective date of the annexation ordinance.

The Act requires an annexing municipality to make reports to the Local Government Commission about the delivery of services. If the Commission determines that the municipality failed to deliver police, fire, solid waste, and street maintenance services within 30 days, the residents of the annexation area are not included in its population of the municipality for state, federal, or county funding distributions based on population until all of the services are provided. If the Commission determines that the municipality failed to deliver water or sewer services within 3½ years, the municipality must stop any other annexation in progress and must restart a stopped annexation from the beginning once water and sewer services are provided.

The filing period for lawsuits appealing the annexation is moved to 60 days after the close of the denial petition signature period. The court now may award attorney's fees if a final court order is issued against the municipality.

### **Voluntary Annexation Changes**

Two new types of voluntary contiguous petition annexations are established that allow annexation with less than a 100% petition. For one of these types, the city retains discretion on whether to annex but for the other the municipality is required to annex under specified circumstances. These new voluntary annexations are available only for high poverty areas.

For annexation petitions covering contiguous areas in which at least 51% of the households in the annexation area have incomes that are 200% or less than the most recently published U.S. Census Bureau poverty thresholds, the municipality may annex the area when an adult resident in at least 2/3 of the households in the area has signed. The city is required to annex such distressed areas if the owners of at least 75% of the parcels have signed and the area meets some additional contiguity and population standards.

Upon determining that a petition meets the requirements for a mandatory annexation, the municipality is not immediately required to annex the area. Instead, the municipality has 60 days to determine whether the estimated annual debt service payment that would be required to extend water and sewer to all properties in the annexed area is less than 5 percent of the annual revenues of the municipality's water and sewer system. If so, the municipality must annex the area. If not, the municipality can choose not to annex the area, provided that the Local Government Commission certifies its cost estimates

For both of these new types of voluntary annexations, the petitioners are required to submit reasonable evidence to demonstrate the area meets the required poverty thresholds. Also for both of these new types of voluntary annexations, services must be provided to the new area following the effective date of the annexation in the same manner and according to the same schedules as apply to municipally-initiated annexations.

The requirement to extend lines applies to municipalities that already provide water or sewer service to customers within their existing boundaries. If the municipality does not provide water or sewer, but existing city residents are served by certain other entities such as a sanitary district, and the municipality does not have financial responsibility for the extensions by agreement with the entity, then the municipality is not required to pay for the extensions.

#### Denial Petition

A municipality can no longer annex qualified urbanized land near its borders simply by following a set of prescribed procedures. The municipality must now acquire the approval or acquiescence of the owners of more than 40 percent of the properties annexed in order to complete the annexation. As a result, municipalities must convince a sizable minority of the property owners of the value of joining the municipality.

Following the adoption of the ordinance, the municipality must send the county assessor a list of owners of real property within the annexation area, and the county board of elections must mail a blank denial petition to the address of record for each real property owner. The property owners also must receive a summary of the ordinance. If the municipality has a website, a blank copy of the denial petition must be posted there.

Property owners can submit the signed petition to the county board of elections. Petitions also may be gathered through a signature drive and submitted in a group. A majority of the property owners of a single parcel of real property must sign the petition before the board of elections may count that parcel as having submitted a petition to deny annexation.

The denial petition signature process closes 130 days after the adoption of the annexation ordinance and the board of elections must certify the results within 10 business days. The municipality is required to reimburse the board of elections for its costs.

If the property owners of at least 60 percent of the parcels submit denial petitions, then the annexation terminates and the municipality may not adopt a resolution of consideration for the area described in the annexation ordinance for at least 36 months. The denial petition process does not apply to an annexation area that is completely surrounded by the municipality's primary corporate limits (i.e. doughnut holes).

#### Procedural Changes

The annexation process must begin with a resolution of consideration identifying the proposed area as under consideration for annexation; that is, there is no longer an option to begin with the resolution of intent and delay the effective date. A resolution of intent to proceed with annexation of some or all of the area described in the resolution of consideration cannot be adopted until at least one year after adoption of the resolution of consideration. Density and contiguity standards did not change, although doughnut holes can be annexed without the need to meet the density standards. Annexation ordinances must be effective on the first or second June 30<sup>th</sup> following adoption.

### **Effective Date**

The changes in the Act are effective July 1, 2011 and apply to municipally-initiated annexations for which no annexation ordinance has been adopted as of that date and to petitions for annexation presented on or after that date.

For annexations initiated by a municipality prior to July 1, 2011, but for which no annexation ordinance has been adopted as of that date, the municipality may reinstate the annexation, but must comply with the provisions of the Act.

# **REPORT OF COMMITTEES**

**RIGHT OF WAY  
COMMITTEE RECOMMENDATIONS  
AND MINUTES  
July 27, 2011**

**I. Call To Order**

The regular monthly meeting of the Right of Way Committee was held in the Boardroom of the William H. Mull Building and called to order at approximately 9:00 a.m. on Wednesday, July 27, 2011. The following Right of Way Committee members were present: Glenn Kelly, Jackie Bryson, Jon Creighton, Robert Watts and Esther Manheimer.

Others present were: Ellen McKinnon, Martin-McGill; Tom Hartye, Ed Bradford, Angel Banks, Mike Stamey, Ken Stines, Jim Hemphill, Wesley Banner and Pam Nolan, M.S.D.

**II. Inquiry as to Conflict of Interest**

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

**III. Consideration of Compensation Budgets—**

**Black Mountain Ingles @ I-40 Emergency Rehabilitation, Project No. 2011017  
Givens Estates Rehabilitation, Project No. 2006014  
Willowbrook Road Rehabilitation, Project No. 2009128**

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

**STAFF RECOMMENDATION: Approval of Compensation Budgets.**

Ms. Banks explained the above project locations. Black Mountain Ingles @ I-40 Project was an emergency rehabilitation project and is already in the ground. It is located between Ingles and the I-40 controlled access. This project consisted of approximately 370 linear feet of 8" ductile iron pipe which was re-routed and replaced existing 8" clay pipe on piers crossing the Swannanoa River. This pipe was imminently going to fail. The Givens Estates Project starts at Dingle Creek Shopping Center on Hendersonville Highway and follows Dingle Creek behind the shopping center, crosses Hendersonville Highway and into Givens Estates. It consists of approximately 3650 linear feet of 8" – 12" ductile iron pipe to replace existing clay and ductile iron pipe that is undersized and in poor condition. The Willowbrook Road project is located in the Haw Creek area of Asheville and consists of approximately 1500 linear feet of 8" ductile iron pipe that will replace existing 6" clay pipe that is also undersized and in poor condition. There was no discussion. Mr. Watts made the motion to accept staff's recommendation. Mr. Kelly seconded the motion. Voice vote was unanimous.

**COMMITTEE RECOMMENDATION: Approval of Compensation Budgets.**

#### **IV. Consideration of Condemnation – Bradley Branch Sanitary Sewer Rehabilitation, Project No. 2007319**

**PIN 9654-00-7733-**The property owner directed MSD to deal with the lessee during easement negotiations. The lessee was offered \$14,941 in compensation for the easement areas. The lessee does not want to sign until the construction date, however, MSD made it clear that the easement must be signed in advance of construction. Despite an onsite meeting and several phone calls the lessee has not been willing to sign.

Total Contacts: 9

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

Ms. Banks explained the situation with this property owner and lessee. This project is located off of Airport Road beside Wal-mart and is scheduled to bid in July of 2012. Lessee feels that if he waits the property will escalate in value and he will receive more compensation. This is the remaining property owner to sign on this project. Mr. Kelly asked if this lessee held a short or long term lease. Mr. Banner stated that it was long term. There was no further discussion. Mr. Kelly made the motion to accept staff's recommendation. Ms. Bryson seconded the motion. Voice vote was unanimous.

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

#### **V. Quarterly Report – Fourth Quarter**

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

#### **STAFF RECOMMENDATION: For information only. No action required.**

#### **VI. Condemnation Statistics – July 1, 1991 to June 30, 2011**

Attached you will find a report outlining condemnation statistics from July 1, 1991 to June 30, 2011.

#### **STAFF RECOMMENDATION: For information only. No action required.**

Ms. Banks briefly reviewed the contents of the Quarterly Reports and the Condemnation Statistics included above. There was no further discussion.

**There being no further business the meeting adjourned at approximately 9:10 am.**

# **CONSOLIDATED MOTION AGENDA**

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

COMMITTEE MEETING DATE: 7/27/2011      BOARD MEETING DATE: 8/17/2011

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

**SUBJECT: Consideration of Compensation Budgets–**

**Black Mountain Ingles @ I-40 Emergency Rehabilitation, Project No. 2011017  
Givens Estates Rehabilitation, Project No. 2006014  
Willowbrook Road Rehabilitation, Project No. 2009128**

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

**STAFF RECOMMENDATION: Approval of Compensation Budgets.**

Ms. Banks explained the above project locations. Black Mountain Ingles @ I-40 Project was an emergency rehabilitation project and is already in the ground. It is located between Ingles and the I-40 controlled access. This project consisted of approximately 370 linear feet of 8” ductile iron pipe which was re-routed and replaced existing 8” clay pipe on piers crossing the Swannanoa River. This pipe was imminently going to fail. The Givens Estates Project starts at Dingle Creek Shopping Center on Hendersonville Highway and follows Dingle Creek behind the shopping center, crosses Hendersonville Highway and into Givens Estates. It consists of approximately 3650 linear feet of 8” – 12” ductile iron pipe to replace existing clay and ductile iron pipe that is undersized and in poor condition. The Willowbrook Road project is located in the Haw Creek area of Asheville and consists of approximately 1500 linear feet of 8” ductile iron pipe that will replace existing 6” clay pipe that is also undersized and in poor condition. There was no discussion. Mr. Watts made the motion to accept staff’s recommendation. Mr. Kelly seconded the motion. Voice vote was unanimous.

**COMMITTEE RECOMMENDATION: Approval of Compensation Budgets.**

<b>COMMITTEE ACTION TAKEN</b>	
Motion by: Robert Watts	To: XX Approve <input type="checkbox"/> Disapprove
Second by: Glenn Kelly	<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

# Black Mountain Ingles @ I-40 Emergency Rehab

Project Number 2011017

## Compensation Budget

07-Jul-11

Pin Number and Name

27 Pin	83 Pin	Acres	Parcel SF	Land Value	LV/SF	PE	PE Assd. Value	50% PE Assd. Value	TCE SF	TCE Assd.	10% Annl Return	Proj Time (Months)	TCE Rent Value	Total Comp. (Rounded)
	0619237071	1.56	67,953.60	\$230,900.00	\$3.40	4,522.40	\$15,376.16	\$7,688.08	0.00	\$0.00	\$0.00	1	\$0.00	\$7,688

<b>TOTALS:</b>	\$7,688
<b>Staff Contingency:</b>	\$5,000
<b>GM's Contingency</b>	\$5,000
<b>Amendment</b>	
<b>Total Budget:</b>	\$17,688

# Givens Estate Sanitary Sewer Rehabilitation

Project Number 2006014

## Compensation Budget

07-Jul-11

Pin Number and Name

27 Pin	83 Pin	Acres	Parcel SF	Land Value	LV/SF	PE	PE Assd. Value	50% PE Assd. Value	TCE SF	TCE Assd. Value	10% Annl Return	Proj Time (Months)	TCE Rent Value	Total Comp. (Rounded)
	9655060742	10.00	435,600.00	\$1,171,500.00	\$2.69	33.00	\$88.77	\$44.39	2,028.00	\$5,455.32	\$545.53	6	\$272.77	\$317
	9655172780	1.23	53,578.80	\$733,600.00	\$13.69	0.00	\$0.00	\$0.00	213.00	\$2,915.97	\$291.60	6	\$145.80	\$146
	9655286235	11.20	487,872.00	\$1,234,500.00	\$2.53	1,385.00	\$3,504.05	\$1,752.03	38,181.00	\$96,597.93	\$9,659.79	6	\$4,829.90	\$6,582
	9655581478	54.79	2,386,652.40	\$4,383,200.00	\$1.84	6,520.00	\$11,996.80	\$5,998.40	20,534.00	\$37,782.56	\$3,778.26	6	\$1,889.13	\$7,888
	9655184240	8.91	388,119.60	\$2,295,600.00	\$5.91	702.00	\$4,148.82	\$2,074.41	18,238.00	\$107,786.58	\$10,778.66	6	\$5,389.33	\$7,464
	9655175849	1.78	77,536.80	\$385,900.00	\$4.98	14.00	\$69.72	\$34.86	6,410.00	\$31,921.80	\$3,192.18	6	\$1,596.09	\$1,631
	9655280036	30.61	1,333,371.60	\$4,591,500.00	\$3.44	1,390.00	\$4,781.60	\$2,390.80	12,099.00	\$41,620.56	\$4,162.06	6	\$2,081.03	\$4,472
	9655176378	14.27	621,601.20	\$2,945,300.00	\$4.74	0.00	\$0.00	\$0.00	2,692.00	\$12,760.08	\$1,276.01	6	\$638.00	\$638

<b>TOTALS:</b>	\$29,137
<b>Staff Contingency:</b>	\$10,000
<b>GM's Contingency</b>	\$10,000
<b>Amendment</b>	
<b>Total Budget:</b>	\$49,137

# Willowbrook Road Sanitary Sewer Rehabilitation

Project Number 2009128

## Compensation Budget

07-Jul-11

Pin Number and Name

27 Pin	83 Pin	Acres	Parcel SF	Land Value	LV/SF	PE	PE Assd. Value	50% PE Assd. Value	TCE SF	TCE Assd. Value	10% Annl Return	Proj Time (Months)	TCE Rent Value	Total Comp. (Rounded)
	9659719314	0.46	20,037.60	\$57,300.00	\$2.86	8,538.60	\$24,420.40	\$12,210.20	4,960.50	\$14,187.03	\$1,418.70	4	\$472.90	\$12,683
	9659810614	1.70	74,052.00	\$92,300.00	\$1.25	6,429.20	\$8,036.50	\$4,018.25	9,699.60	\$12,124.50	\$1,212.45	4	\$404.15	\$4,422

<b>TOTALS:</b>	\$17,105
<b>Staff Contingency:</b>	\$5,000
<b>GM's Contingency</b>	\$5,000
<b>Amendment</b>	
<b>Total Budget:</b>	\$27,105

# Metropolitan Sewerage District of Buncombe County

## Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 7/27/2011

BOARD MEETING DATE: 8/17/2011

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

**SUBJECT: Consideration of Condemnation – Bradley Branch Sanitary Sewer Rehabilitation, Project No. 2007319**

**PIN 9654-00-7733**-The property owner directed MSD to deal with the lessee during easement negotiations. The lessee was offered \$14,941 in compensation for the easement areas. The lessee does not want to sign until the construction date, however, MSD made it clear that the easement must be signed in advance of construction. Despite an onsite meeting and several phone calls the lessee has not been willing to sign.

Total Contacts: 9

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

Ms. Banks explained the situation with this property owner and lessee. This project is located off of Airport Road beside Wal-mart and is scheduled to bid in July of 2012. Lessee feels that if he waits the property will escalate in value and he will receive more compensation. This is the remaining property owner to sign on this project. Mr. Kelly asked if this lessee held a short or long term lease. Mr. Banner stated that it was long term. There was no further discussion. Mr. Kelly made the motion to accept staff's recommendation. Ms. Bryson seconded the motion. Voice vote was unanimous.

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

<b>COMMITTEE ACTION TAKEN</b>	
Motion by: Glenn Kelly	To: <input checked="" type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by: Jackie Bryson	<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

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

**BOARD MEETING DATE:** August 17, 2011

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

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

**SUBJECT:** Sanitary Sewer Rehabilitation Project: Rollingwood Road Unclaimed Sewer Rehabilitation, MSD Project No. 2005078

**BACKGROUND:** This project is for the replacement of a private unclaimed sanitary sewer line. System Services has been maintaining this line for years, but has requested that it be rehabilitated due to the frequent repairs associated with its deteriorating structural condition.

The project was generated through MSD's Unclaimed Sewer Rehabilitation Program. This is a voluntary program to rehabilitate private *unclaimed* sewers which are failing. Once all connected property owners have signed the required agreements, MSD will maintain the line until full rehabilitation is needed. Property owners must actively work with MSD for the system to become qualified, and must grant easements to MSD at no cost.

This project is located in Chunns Cove near I-240, and is comprised of 2,225 linear feet of 8-inch DIP.

The contract was advertised and eight bids were received on Thursday, August 4, 2011 as follows:

<u>Contractor</u>	<u>Bid</u>
1) Buckeye Construction Company	\$375,036.30
2) Carolina Specialties, Inc.	\$289,370.00
3) Payne, McGinn, and Cummins, Inc.	\$250,521.35
4) Moore & Son Site Contractors	\$241,776.50
5) T&K Utilities	\$234,145.00
6) Terry Brothers Construction Co, Inc.	\$219,787.00
7) Freestone Construction Co, Inc.	\$212,799.00
<b>8) Huntley Construction Company</b>	<b>\$206,957.50</b>

The apparent low bidder is Huntley Const. Co. with a bid amount of \$206,957.50. Huntley has experience with previous MSD rehabilitation projects, and their work quality has been excellent to date.

Please refer to the attached documentation for further details.

**FISCAL IMPACT:** The FY11-12 construction budget for this project is \$308,000.00.

**STAFF RECOMMENDATION:** Staff recommends award of this contract to Huntley Construction Co. in the amount of \$206,957.50, subject to review and approval by District Counsel.

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

**Rollingwood Road Unclaimed Sewer Replacement  
Project No. 2005078**

**BID TABULATION  
August 4, 2011**

BIDDER	MBE Form	Bid Forms (Proposal)	Total Bid Amount
Buckeye Construction Company Canton, NC	1	Yes	\$375,036.30
Carolina Specialties Hendersonville, NC	1	Yes	\$289,370.00
Payne, McGinn & Cummins Travelers Rest, SC	1	Yes	\$250,521.35
Moore & Son Site Contractors Mills River, NC	1	Yes	\$241,776.50
T & K Utilities, Inc. Asheville, NC	1	Yes	\$234,145.00
Terry Brothers Construction Company Leicester, NC	1	Yes	\$219,787.00
Freestone Construction Company Hazelwood, NC	2	Yes	\$212,799.00
Huntley Construction Company Asheville, NC	1	Yes	\$206,957.50

**APPARENT LOW BIDDER**

*Shaun K. Armistead* 8/4/2011  
 Shaun Armistead, P.E.  
 Project Engineer  
 Metropolitan Sewerage District of  
 Buncombe County, North Carolina



This is to certify that the bids tabulated herein were publicly opened and read aloud at 2:00 p.m. on the 4th day of August, 2011, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina. This was an informal bid and no bid bond was required.

## Interoffice Memorandum

**TO:** Tom Hartye, General Manager

**FROM:** Ed Bradford, CIP Manager  
Shaun Armistead, Project Manager

**DATE:** August 4, 2011

**RE:** Rollingwood Road Unclaimed Sewer Rehabilitation, MSD Project # 2005078

The Rollingwood Road Unclaimed Sewer Replacement is located in East Asheville near Chunns Cove Road, and consists of 2,225 linear feet of 8-inch DIP.

This unclaimed private system has been maintained by System Services for years (as a qualified unclaimed system). It has now reached the point, however, where rehabilitation is necessary due to the repeated overflows, backups, and structural failures associated with the existing line segments.

Eight bids were received on Thursday, August 4, 2011 as follows:

<u>Contractor</u>	<u>Bid</u>
1) Buckeye Construction Company	\$375,036.30
2) Carolina Specialties, Inc.	\$289,370.00
3) Payne, McGinn, and Cummins, Inc.	\$250,521.35
4) Moore & Son Site Contractors	\$241,776.50
5) T&K Utilities	\$234,145.00
6) Terry Brothers Construction Co, Inc.	\$219,787.00
7) Freestone Construction Co, Inc.	\$212,799.00
<b>8) Huntley Construction Company</b>	<b>\$206,957.50</b>

The FY11-12 construction budget is \$308,000.00 with an anticipated construction date of August, 2011.

Huntley Construction Company is the apparent low bidder for this contract with a bid amount of \$206,957. Huntley Construction Company has extensive experience with District rehabilitation projects and has an excellent performance history.

Staff recommends award of this contract to Huntley Construction Company contingent upon review and approval by District legal counsel.



METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

**CAPITAL IMPROVEMENT PROGRAM**

*BUDGET DATA SHEET - FY 2011 - 2012*

PROJECT:	Rollingwood Road USR	LOCATION:	Asheville	REVIEWED BY:
TYPE:	Unclaimed Sewer Rehabilitation	DATE OF REPORT:	January-11	EB
PROJECT NO.	2005078	TOTAL L.F.:	2,225	SA
PROJECT BUDGET:	\$331,833.00	PROJECT ORIGIN:	Unclaimed Sewer Rehabilitation Program	AD

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 8/30/10	TOTAL COSTS JULY - DEC 10	EST. COST JAN - JUNE 11	EST. BUDGET FY 11-12
01 - SURVEY / EASEMENT PLATS # PLATS: [ 6 ]	\$4,950.00	\$4,950.00			
02 - LEGAL FEES	\$2,633.00	\$2,633.00			
03 - ENGINEERING ASSISTANCE					
04 - ACQUISITION SERVICES					
05 - COMPENSATION	\$250.00	\$250.00			
06 - APPRAISAL					
07 - CONDEMNATION					
08 - ENVIRONMENTAL SURVEY					
09 - PRELIM. ENG. REP.					
10 - DESIGN / ASBUILT SURVEYS	\$14,000.00	\$10,500.00			\$3,500.00
11 - ENVIRONMENTAL ASSESSMENT					
12 - ARCHAEOLOGICAL					
13 - GEOTECHNICAL					
14 - CONSTRUCTION CONTRACT ADM.					
15 - CONSTRUCTION	\$308,000.00				\$308,000.00
16 - PERMITS					
17 - PUBLIC MEETINGS					
18 - TESTING	\$2,000.00				\$2,000.00
<b>TOTAL AMOUNT</b>	<b>\$331,833.00</b>	<b>\$18,333.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$313,500.00</b>

ENGINEER:	MSD	ESTIMATED BUDGETS - FY '12-'21	
CONTRACTOR:		FY 12-13	\$0.00
CONSTRUCTION ADMINISTRATION:	MSD	FY 13-14	\$0.00
INSPECTION:	MSD	FY 14-15	\$0.00
R.O.W. ACQUISITION:	MSD	FY 15-16	\$0.00
		FY 16-17	\$0.00
PROJECT NOTES:		FY 17-18	\$0.00
		FY 18-19	\$0.00
		FY 19-20	\$0.00
		FY 20-21	\$0.00

# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: August 17, 2011

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

PREPARED BY: David Monteith, Kevin Johnson

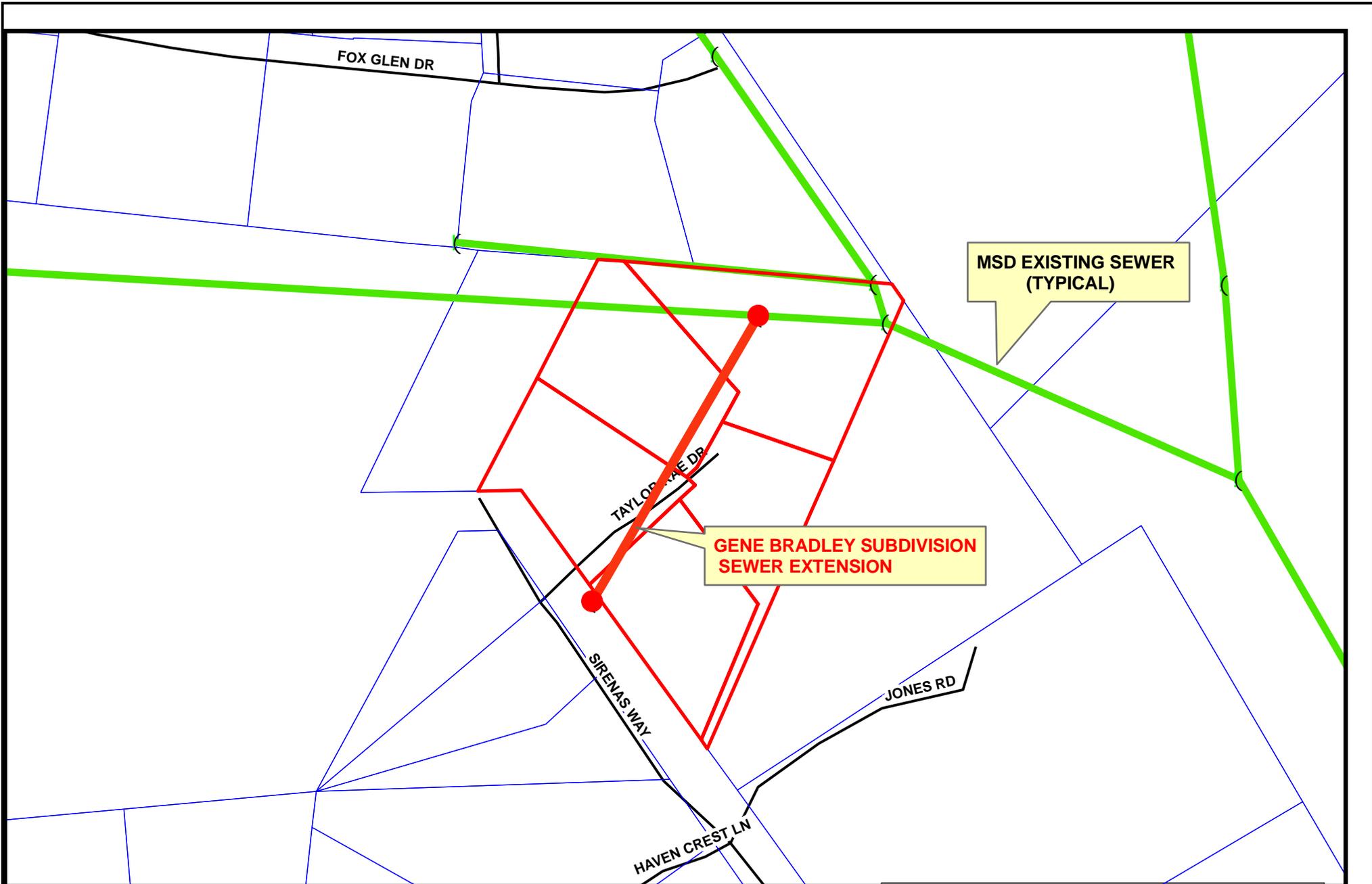
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Gene Bradley Subdivision Sewer Extension Project.

BACKGROUND: This project is located inside the District boundary at the intersection of Sirenas Way and Taylor Rae Drive in South Buncombe County. The developer of the project is Gene Bradley. The project included the installation of approximately 284 linear feet of 8" gravity sewer to serve a Nine (9) Unit Residential Development. A wastewater allocation was issued in the amount of 2,600 GPD for the project. The estimated cost of the sewer extension is \$12,000.00.

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 # 2004022**

Not To Scale



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

**Gene Bradley Subdivision  
Sewer Extension**

# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: August 17, 2011

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

PREPARED BY: David Monteith, Kevin Johnson

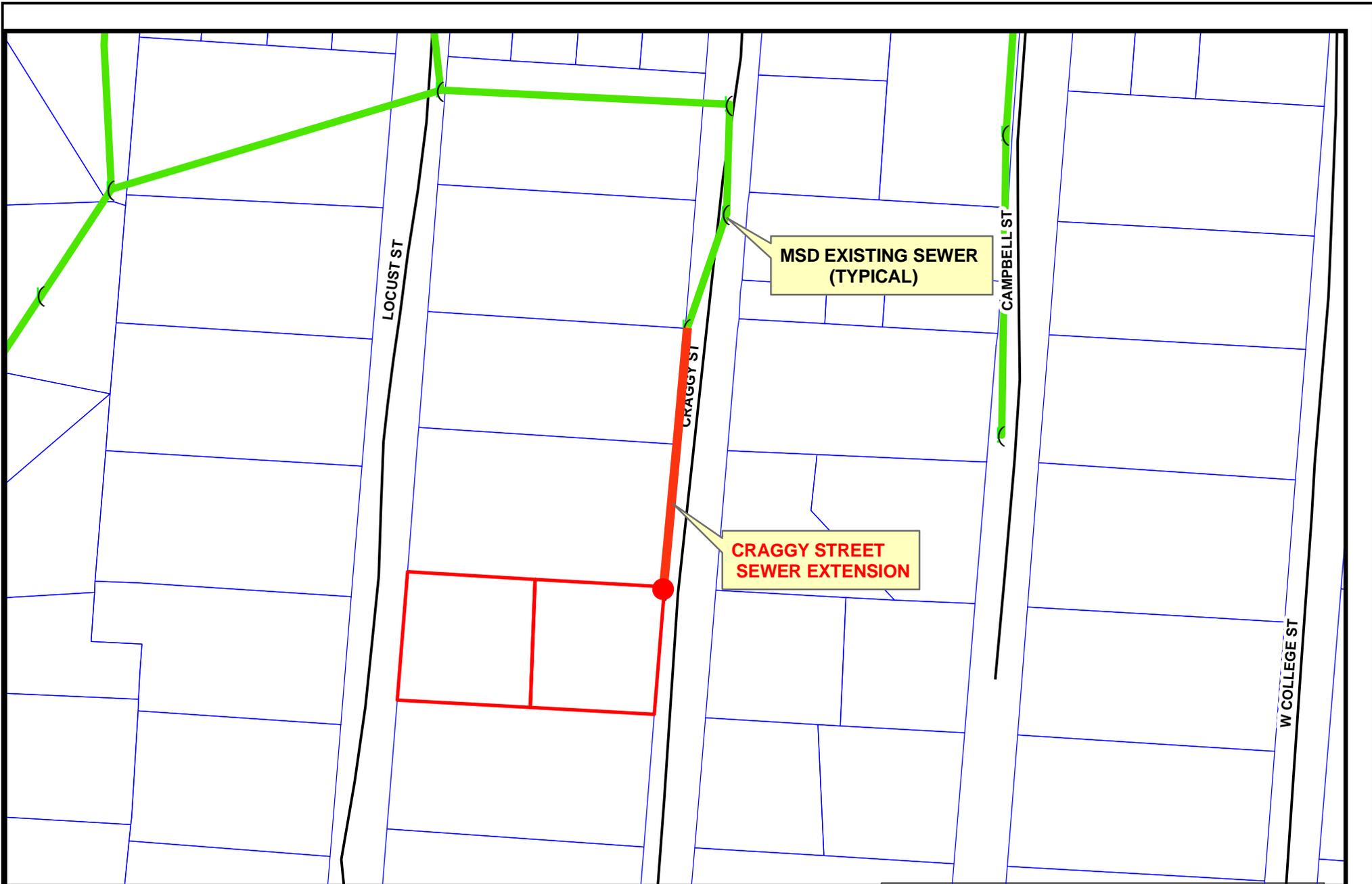
REVIEWED BY: Stan Boyd, PE, Engineering Director

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

BACKGROUND: This project is located inside the District boundary off Craggy Street in the Town of Black Mountain. The developer of the project is Dana Bobilya of Mountain Life Developments, LLC. The project included the installation of approximately 203 linear feet of 8" gravity sewer to serve a Four (4) Unit Residential Development. A wastewater allocation was issued in the amount of 1,000 GPD for the project. The estimated cost of the sewer extension is \$11,000.00.

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 # 2011001**

Not To Scale



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

**Craggy Street  
Sewer Extension**

# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: August 17, 2011

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

PREPARED BY: David Monteith, Kevin Johnson

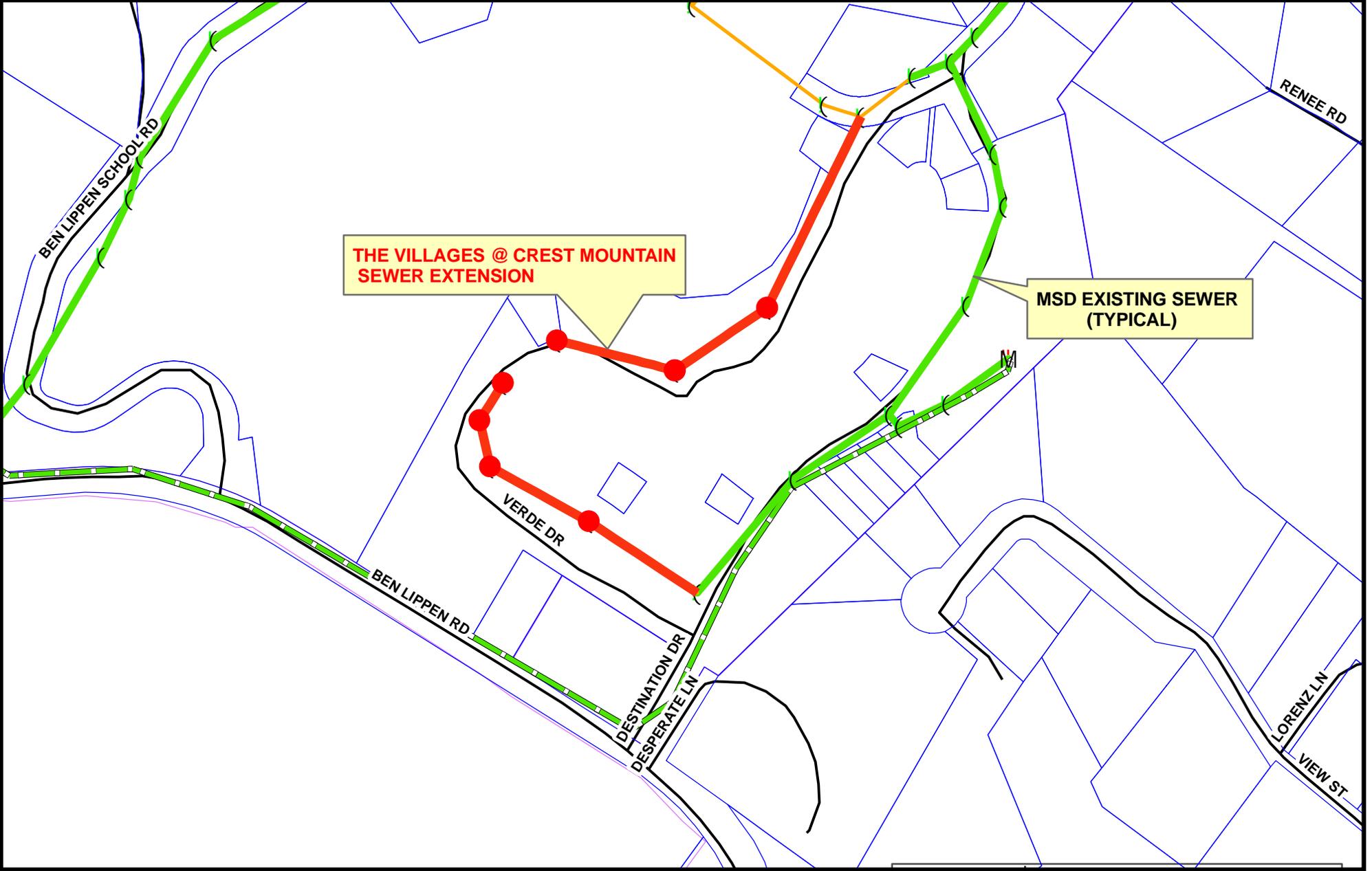
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for The Villages at Crest Mountain Sewer Extension Project.

BACKGROUND: This project is located inside the District boundary off Dryman Mountain Road at Crest Mountain in the Town of Woodfin. The developer of the project is Reese Lasher of Crest Mountain Communities, LLC. The project included the installation of approximately 1,288 linear feet of 8" gravity sewer to serve a Mixed Use Development with 63 residential units and one restaurant. A wastewater allocation was issued in the amount of 23,200 GPD for the project. The estimated cost of the sewer extension is \$95,000.00.

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:	



**THE VILLAGES @ CREST MOUNTAIN  
SEWER EXTENSION**

**MSD EXISTING SEWER  
(TYPICAL)**

**Project # 2009049**

Not To Scale



**METROPOLITAN SEWERAGE DISTRICT**  
of  
BUNCOMBE COUNTY, NORTH CAROLINA  
**The Villages @ Crest Mountain  
Sewer Extension**

# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: August 17, 2011

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

PREPARED BY: David Monteith, Kevin Johnson

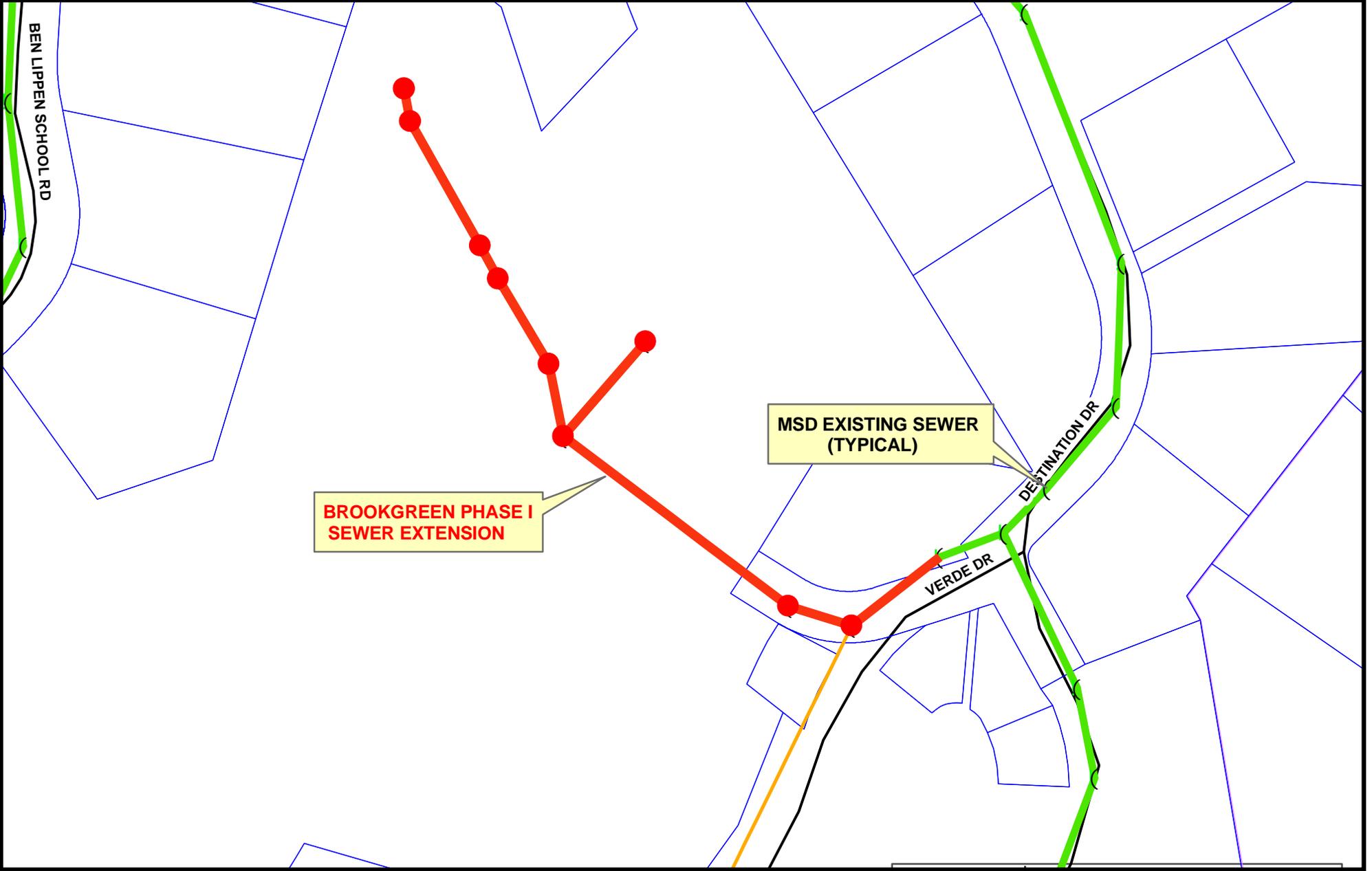
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Brookgreen Phase I Sewer Extension Project.

BACKGROUND: This project is located inside the District boundary off Ben Lippen Road at Crest Mountain in the Town of Woodfin. The developer of the project is Reese Lasher of Brookgreen, LLC. The project included the installation of approximately 767 linear feet of 8" gravity sewer to serve a 14 unit residential subdivision. A wastewater allocation was issued in the amount of 4,200 GPD for the project. The estimated cost of the sewer extension is \$30,000.00.

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

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



**Project # 2010045**

Not To Scale



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

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**BrookGreen Phase I  
Sewer Extension**

# Metropolitan Sewerage District of Buncombe County

## Board Action Item

BOARD MEETING DATE: August 17, 2011

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

PREPARED BY: David Monteith, Kevin Johnson

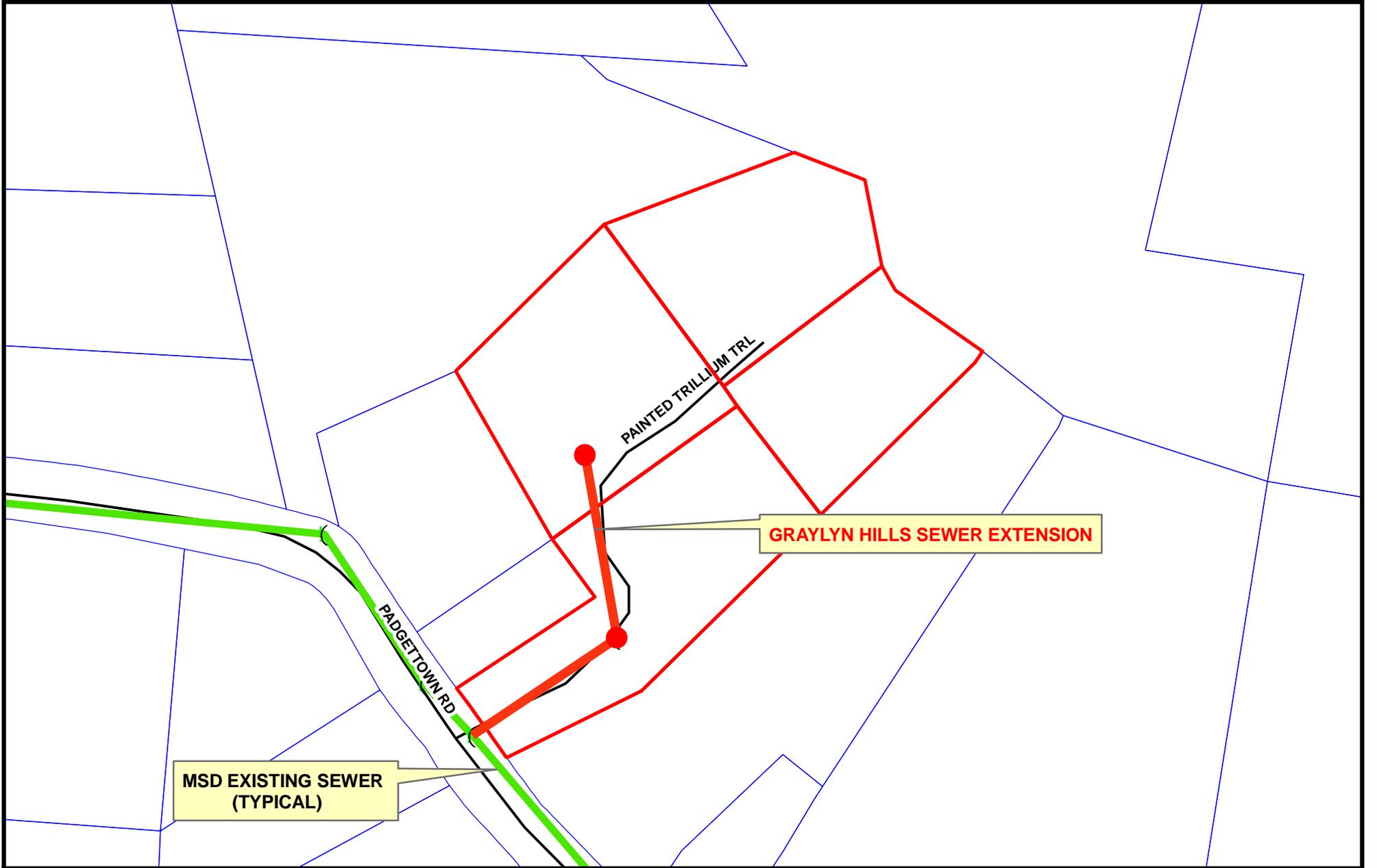
REVIEWED BY: Stan Boyd, PE, Engineering Director

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

BACKGROUND: This project is located inside the District boundary off Padgettown Road in the Town of Black Mountain. The developer of the project is Duane Banks. The project included the installation of approximately 180 linear feet of 8" gravity sewer to serve a Four (4) Unit Residential Development. A wastewater allocation was issued in the amount of 1,200 GPD for the project. The estimated cost of the sewer extension is \$20,000.00.

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:	



MSD EXISTING SEWER  
(TYPICAL)

GRAYLYN HILLS SEWER EXTENSION

PAINTED TRILLIUM TRL

PAGGETTOWN RD

**Project # 2008108**

Not To Scale



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

**Graylyn Hills  
Sewer Extension**

# Metropolitan Sewerage District of Buncombe County

## BOARD INFORMATIONAL ITEM

**Meeting Date:** August 17, 2011

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

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

**Subject:** Fourth Quarter Budget to Actual Review – FY2011

### **Background**

At the end of each quarter, actual revenue and expenditure amounts are compared with the budget to evaluate performance. The fourth quarter report is analyzed to estimate year-end results, and project revenues and expenditures for the subsequent year's budget. See the attached schedule for comparison of year-to-date actual amounts at June 30, 2011 with original budget for FY 2011.

### **Discussion**

There are several explanatory notes at the bottom of the page to assist in using this schedule as a management tool. Other considerations are as follows:

- ◆ Domestic and Industrial User Fees are above budgeted expectations. Staff believes Domestic User Fee variance will end up around 103% when June accounts receivable data is received from the Member Agencies in September. The variance is due to staff's customer discovery initiative and consumption trends being slightly better than expected. Staff monitors consumption trends as they have a direct effect on the District's current and future revenue projections.
- ◆ Facility and Tap Fees are budgeted conservatively. This leads to actual revenues being significantly higher than budget. The unusually large variance as of the end of the third quarter is due to receiving unanticipated revenue of \$1,140,000 from two developments.
- ◆ Interest and miscellaneous income are below budgeted expectations. This is a direct result of recessionary pressure on the fixed income market.
- ◆ Rental income exceeded budgeted expectations due to the old administration building being leased in the last four months of FY2011.
- ◆ Actual and encumbered O&M expenditures appear reasonable but once accruals and adjustments are made, may vary slightly in the final audit.
- ◆ Bond principal and interest are at budgeted expectations. Staff used variable interest rate savings to take advantage of a call option on its 2001 Series Revenue bond. The call options will save the District \$23,000 in interest expense in FY 2012.
- ◆ Capital project expenditures are at approximately 72% of budget. This is due to projects receiving continued favorable pricing in a sluggish economy as well as timing of secondary microscreen project expenditures being delayed.

**Meeting Date:** August 17, 2011

**Subject:** Fourth Quarter Budget to Actual Review – FY 2011

Page 2

**Metropolitan Sewerage District**  
**Budget to Actual Revenue and Expenditure Report**  
**For the twelve months ended June 30, 2011**  
 UNAUDITED--NON-GAAP

	Budget	Actual to Date	% Budget to Actual
<b>REVENUES</b>			
Domestic User Fees <sup>1</sup>	\$ 23,654,586	\$ 24,501,842	103.58%
Industrial User Fees	1,562,644	1,569,493	100.44%
Facility Fees <sup>2</sup>	825,000	2,027,006	245.70%
Tap Fees <sup>3</sup>	78,750	211,165	268.15%
Billing and Collection	645,243	643,264	99.69%
Interest and Misc. Income <sup>4</sup>	929,201	720,712	77.56%
Employee Contribution to Health Ins.	368,361	357,356	97.01%
City of Asheville (Enka Bonds)	37,000	37,085	100.23%
Rental Income	16,560	20,507	123.84%
Use of Available Funds <sup>5</sup>	17,303,055	8,483,315	49.03%
<b>Total Revenues<sup>7</sup></b>	<b>\$ 45,420,400</b>	<b>\$ 38,571,745</b>	<b>84.92%</b>
<b>EXPENDITURES</b>			
Operations and Maintenance <sup>6</sup>	\$ 14,086,560	\$ 13,408,970	95.19%
Bond Principal and Interest	8,577,769	8,565,201	99.85%
Capital Equipment (Other than O&M) <sup>7</sup>	600,000	556,104	92.68%
Capital Projects <sup>7</sup>	21,156,071	16,041,470	72.40%
Contingency	1,000,000		
<b>Total Expenditures</b>	<b>\$ 45,420,400</b>	<b>\$ 38,571,745</b>	<b>84.92%</b>

**Notes:**

<sup>1</sup> Revenues are on the cash basis

<sup>2</sup> Increase due to unanticipated revenue from two developments

<sup>3</sup> Increase in number of Taps requiring Bore Fees

<sup>4</sup> Interest Rates have fallen below budgeted expectations

<sup>5</sup> Pay-as-go funds to be used for CIP

<sup>6</sup> Budget-to-Actual Ratio does not include use of available funds

<sup>7</sup> Includes encumbered amounts as well as actual insurance expenditures

**Staff Recommendation**

None – Informational only.

**Action Taken**

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

# Metropolitan Sewerage District of Buncombe County

## BOARD INFORMATIONAL ITEM

**Meeting Date:** August 17, 2011  
**Submitted By:** Thomas E. Hartye, PE., General Manager  
**Prepared By:** W. Scott Powell, CLGFO, Director of Finance  
**Subject:** Fourth Quarter City of Asheville Billing Report – FY 2011

### **Background**

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

### **Discussion**

The attached report summarizes billing activity for the last eight quarters. A comparison of FY 11 with the same time period in FY 10 reveals the following:

- ◆ Net billings are up 3.6% from the previous period last year. This increase includes the board approved 3.5% rate increase for FY 2011. The City of Asheville's water department implemented a new billing system as of July 1, 2011. In preparation, billing cycles in June were read early. Year-end net billings and accounts receivables are understated by approximately \$100,000 to \$200,000. The understatement will only affect FY2011 and will be included in the District's unbilled usage calculation at year-end. Staff continues to monitor both the number of customers and consumption data as they both have a direct effect on the District's future budgets and business plan.
- ◆ Cash received during the fiscal year is up 7.4%, which is attributed to collection patterns.
- ◆ The aging percentages reflect the implementation of the new software, which does not write-off old delinquent accounts. Typically, year-end write-offs are around \$50,000. Staff is working in coordination with the water department to obtain delinquent account information to share in future periods. Staff will continue to monitor aging percentages as they can indicate future cash flow issues for the District.
- ◆ The comparability of increased rates of billings, receivables, and payments indicates all funds being remitted to MSD in a timely manner.

### **Staff Recommendation**

None – Informational 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>	

### City of Asheville Quarterly Billing Report

Billing Report Summary:	First Quarter FY10	Second Quarter FY10	Third Quarter FY10	Fourth Quarter FY10	First Quarter FY 11	Second Quarter FY 11	Third Quarter FY 11	Fourth Quarter FY 11	
<b>Beginning Receivables</b>	\$ 968,944	\$ 1,037,070	\$ 1,060,163	\$ 995,011	\$ 1,259,460	\$ 1,170,116	\$ 1,160,344	\$ 968,672	
									<b>Net Billings FY 11 *</b>
									\$ 19,298,579
Activity:									
Billings	4,736,685	4,764,892	4,527,740	4,857,303	5,113,204	5,075,857	4,806,698	4,991,795	<b>Net Billings FY 10</b>
Bad Debt Collected	504	654	10,146	2,531	163	84	2,944	1,277	\$ 18,620,860
Bad Debt Remitted	(230)	(381)	0	(1,105)	0	-	-	(997)	<b>% Increase</b>
Payments	(4,367,993)	(4,308,430)	(4,256,663)	(4,290,337)	(4,716,535)	(4,569,064)	(4,528,969)	(4,561,710)	3.6%
Payments Collected but not yet remitted	(235,863)	(330,942)	(245,025)	(263,631)	(259,049)	(370,018)	(289,256)	(353,057)	<b>Net Payments FY 11</b>
Adjustments	(64,977)	(102,699)	(101,350)	3,267	(227,127)	(146,631)	(183,090)	(132,127)	\$ 19,644,187
Total Activity	68,126	23,093	(65,152)	308,028	(89,344)	(9,772)	(191,672)	(54,819)	<b>Net Payments FY 10</b>
Bad Debt Write-off				(43,579)				(5,043)	\$ 18,286,765
<b>Ending Receivables</b>	\$ 1,037,070	\$ 1,060,163	\$ 995,011	\$ 1,259,460	\$ 1,170,116	\$ 1,160,344	\$ 968,672	\$ 908,810	<b>% Increase</b>
									7.4%
<b>Current Receivables &lt;30 Days</b>	\$ 873,738	\$ 860,611	\$ 758,339	\$ 1,111,649	\$ 949,397	\$ 943,678	\$ 815,019	\$ 742,621	
									<b>A/R End FY 11 *</b>
									\$ 908,810
<b>Aged Receivables</b>									<b>A/R End FY 10</b>
30 to 60 Days	\$ 77,142	\$ 91,223	\$ 120,278	\$ 68,027	\$ 118,533	\$ 89,080	\$ 18,535	\$ 20,826	1,259,460
Over 60 Days	86,189	108,329	116,394	79,783	102,186	127,586	135,118	145,362	\$ (350,650)
Total Over 30 Days	\$ 163,331	\$ 199,552	\$ 236,672	\$ 147,811	\$ 220,719	\$ 216,666	\$ 153,653	\$ 166,188	<b>% Increase</b>
									-27.8%
<b>Aging Percentages</b>									
Less than 30 Days	84.25%	81.18%	76.21%	88.26%	81.14%	81.33%	84.14%	81.71%	
30 to 60 Days	7.44%	8.60%	12.09%	5.40%	10.13%	7.68%	1.91%	2.29%	
Over 60 Days	8.31%	10.22%	11.70%	6.33%	8.73%	11.00%	13.95%	15.99%	
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	

\* The City of Asheville water department implemented a new billing system as of 7/1/11. In preparation, billing cycles in June were read early. Year-end Net Billing and Accounts Receivable are understated by approximately \$100,000 to \$200,000. The understatement will be reflected in the District's unbilled usage calculation at year-end.

## Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

**Meeting Date:** August 17, 2011

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

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

**Subject:** Standby Bond Purchase Agreement

### Background

Series 2008A and 2008B Standby Bond Purchase Agreement with Bank of America will expire on December 22, 2013. Currently, the District has a .55% agreement with Bank of America at an annual cost of approximately \$297,000. Staff investigated alternatives for a two-year extension of the current agreement in June of this year due to impending banking regulations and market conditions.

### Discussion

A Standby Bond Purchase Agreement is an agreement with a third party, typically a bank, in which the bank agrees to purchase variable rate bonds tendered for purchase in the event the bonds cannot be remarketed. MSD is required to have such an agreement in place for its outstanding variable rate bonds. Due to continuing economic conditions, the cost of providing such an agreement in the variable rate market continues to increase from 15% to 30% depending on the provider. Some banking institutions still require substantial formal banking relationships.

Staff informally investigated the Standby Bond Purchase Agreement market. They received informal quotes from banking institutions such as Wells Fargo, BB&T, and Bank of America. Quotes ranged from .60% to as high as 1.00% for an agreement extending to December 2015. Wells Fargo and BB&T require substantial banking relationship in order to secure a Standby Purchase Agreement.

Bank of America has proposed extending the District's current agreement to December 2015 at .60%. The District will have the option to terminate the agreement at any time if Bank of America's short-term ratings fall below A-1/P-1. Finally, the District can terminate the agreement if market conditions are favorable to refund either series.

### Fiscal Impact

Staff estimates savings of \$108,000 to \$220,000 over the life of the agreement.

### Staff/Committee Recommendation

Staff recommends to the board extending the current Standby Bond Purchase Agreement with Bank of America through December 2015.

### Action Taken

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

# Metropolitan Sewerage District of Buncombe County BOARD INFORMATIONAL ITEM

**Meeting Date:** August 17, 2011  
**Submitted By:** Thomas E. Hartye, PE., General Manager  
**Prepared By:** W. Scott Powell, CLGFO, Director of Finance  
**Subject:** Cash Commitment/Investment Report-Month Ended June 30, 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 June 30, 2011 were \$46,002,859. The detailed listing of accounts is available upon request. The average rate of return for all investments is 1.080%. 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 June 30, 2011 does not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of June 30, 2011 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is (\$8,960,321).

<b>Total Cash &amp; Investments as of 06/30/2011</b>		46,002,859
<b>Less:</b>		
FY12 O & M Expenditures approved June 15, 2011	(14,360,298)	
FY12 Construction Expenditures approved June 15, 2011	(19,687,776)	
		(34,048,074)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(6,317,411)	
Debt Service Reserve	(2,664,877)	
FY 12 Principle and Interest	(8,371,858)	
		(17,354,146)
District Reserve Funds		
Fleet Replacement	(587,351)	
WWTP Replacement	(815,594)	
Maintenance Reserve	(813,687)	
		(2,216,632)
Post-Retirement Benefit		(630,273)
Self-Funded Employee Medical		(714,055)
<b>Designated for Capital Outlay</b>		<b>(8,960,321)</b>

### Staff Recommendation

None. Information Only.

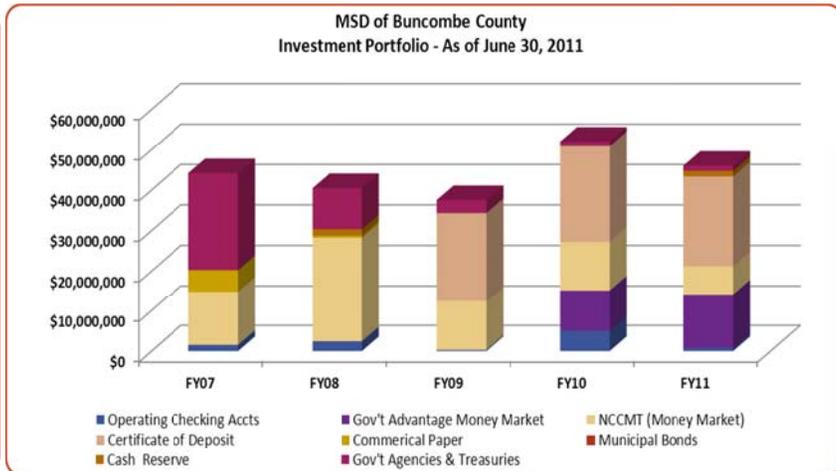
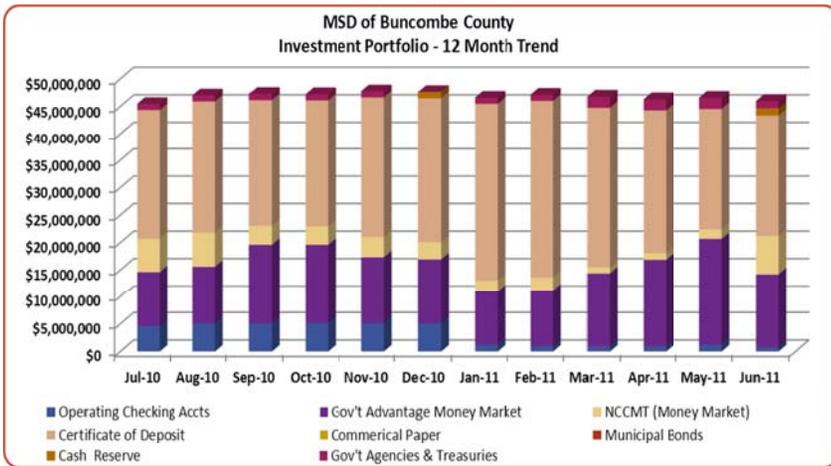
### Action Taken

<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
<b>Held with Bond Trustee</b>	\$ -		\$ 6,331,879				\$ 1,325,794	\$ 1,323,831	\$ 8,981,504
<b>Held by MSD</b>	778,649	13,432,768	672,301	22,136,853	-	-		-	37,020,571
	\$ 778,649	\$ 13,432,768	\$ 7,004,180	\$22,136,853	\$ -	\$ -	\$ 1,325,794	\$ 1,323,831	\$ 46,002,075

Investment Policy Asset Allocation	Maximum Percent	Actual Percent	
U.S. Government Treasuries, Agencies and Instrumentalities	100%	2.88%	No significant changes in the investment portfolio as to makeup or total amount.
Bankers' Acceptances	20%	0.00%	
Certificates of Deposit	100%	48.12%	The District 's YTM of .99% 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%	15.23%	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		1.69%	
Gov't Advantage Money Market		29.20%	



**Board Meeting**

August 17, 2011

Subject: Cash Commitment/Investment Report-Month Ended June 30, 2011

Page -3-

**METROPOLITAN SEWERAGE DISTRICT  
INVESTMENT MANAGERS' REPORT  
AT JUNE 30, 2011**

**Summary of Asset Transactions**

	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 42,363,400	\$ 42,363,400	\$ 210,504
Capital Contributed (Withdrawn)	(6,540,868)	(6,540,868)	
Realized Income	6,959	6,959	
Unrealized/Accrued Income	-	-	25,534
Ending Balance	\$ 35,829,491	\$ 35,829,491	\$ 236,038

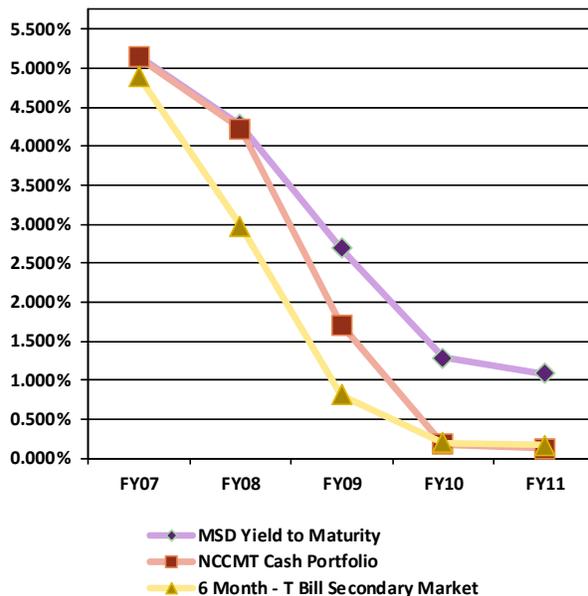
**Value and Income by Maturity**

	Original Cost	Income
Cash Equivalents <91 Days	\$ 13,692,639	\$ 12,418
Securities/CD's 91 to 365 Days	22,136,852	\$ 20,075
Securities/CD's > 1 Year	-	\$ -
	\$ 35,829,491	\$ 32,493

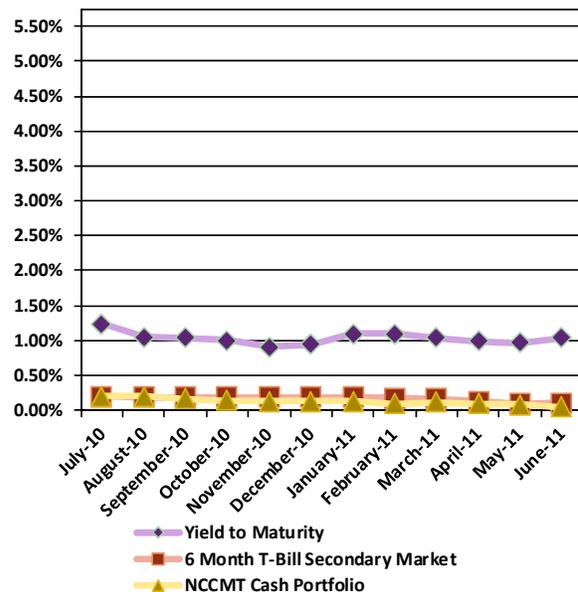
**Month End Portfolio Information**

Weighted Average Maturity	342 Days
Yield to Maturity	1.04%
6 Month T-Bill Secondary Market	0.10%
NCCMT Cash Portfolio	0.04%

**Metropolitan Sewerage District  
Annual Yield Comparison**



**Metropolitan Sewerage District  
Yield Comparison - June 30, 2011**



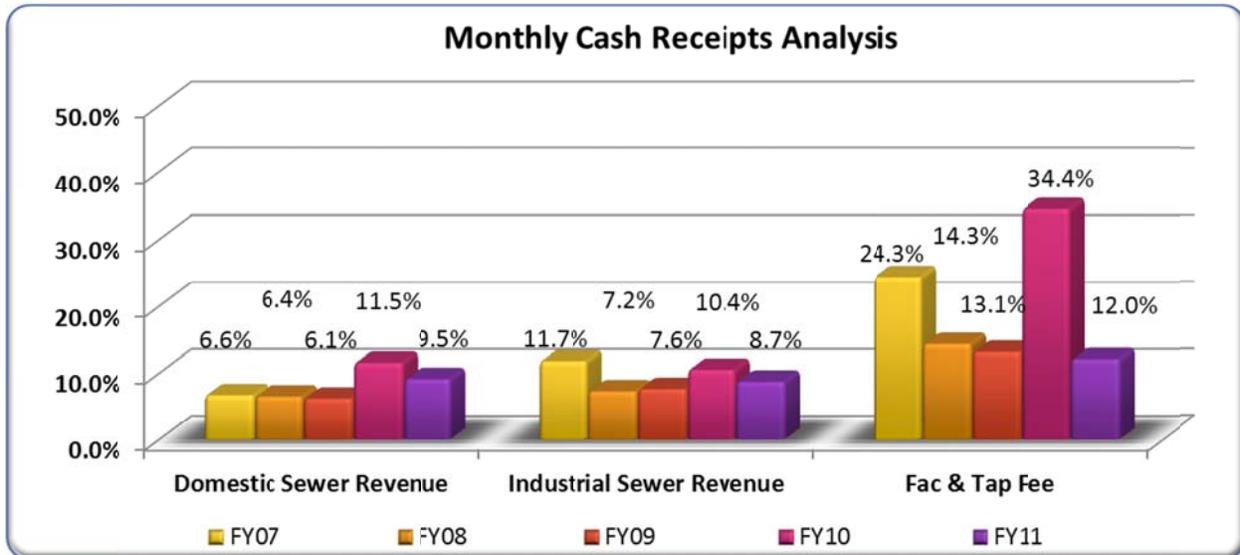
**Board Meeting**

August 17, 2011

Subject: Cash Commitment/Investment Report-Month Ended June 30, 2011

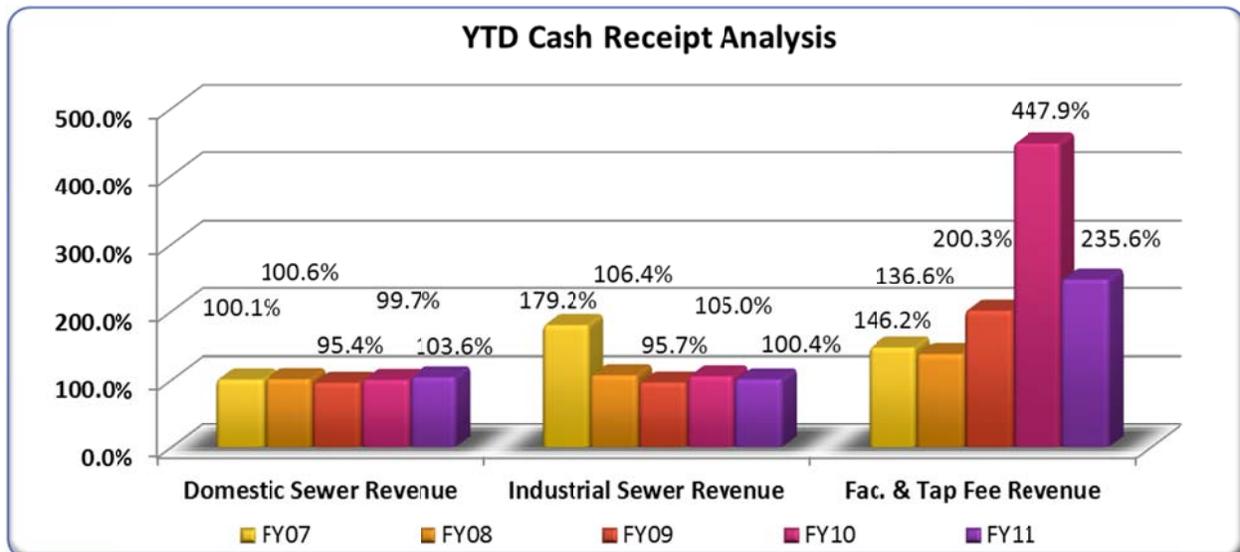
Page -4-

**METROPOLITAN SEWERAGE DISTRICT  
ANALYSIS OF CASH RECEIPTS  
AS OF JUNE 30, 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.

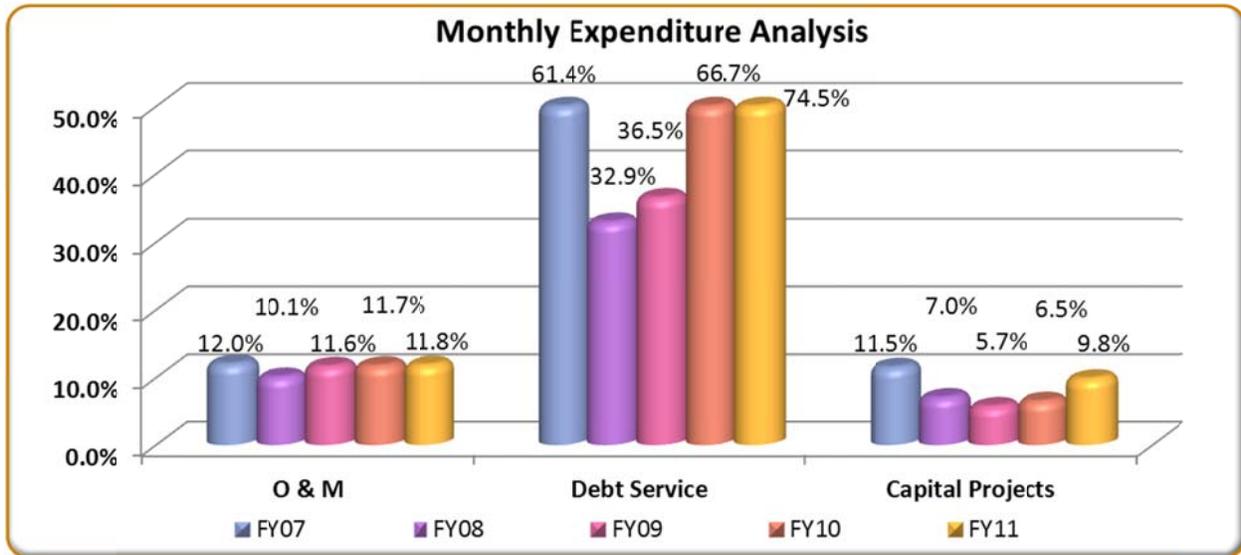
**Board Meeting**

August 17, 2011

Subject: Cash Commitment/Investment Report-Month Ended June 30, 2011

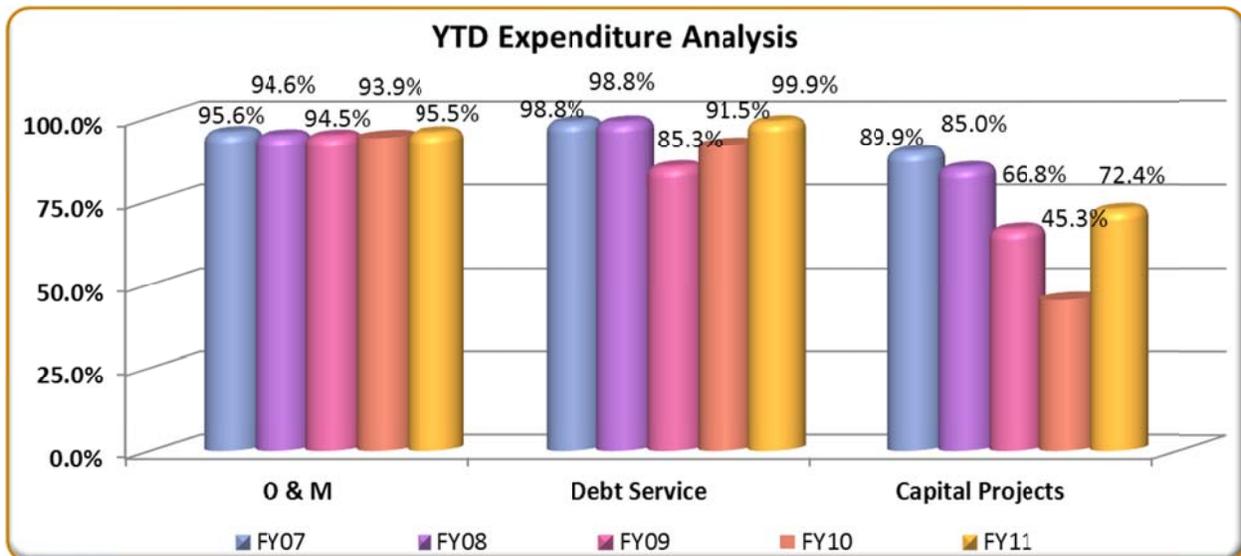
Page -5-

**METROPOLITAN SEWERAGE DISTRICT  
ANALYSIS OF EXPENDITURES  
AS OF JUNE 30, 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.

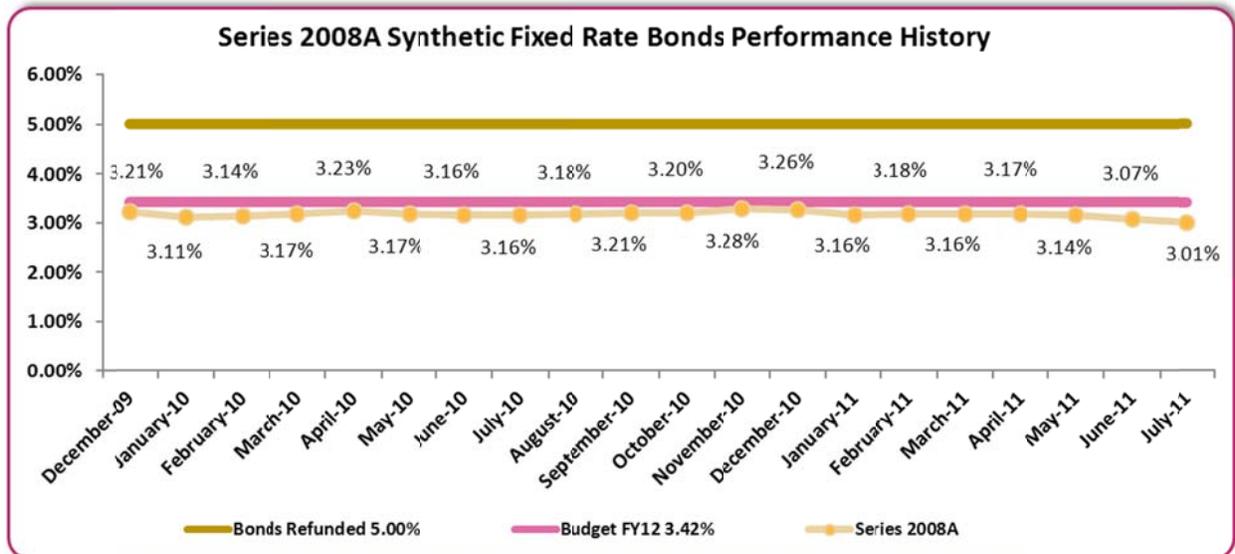
**Board Meeting**

August 17, 2011

Subject: Cash Commitment/Investment Report-Month Ended June 30, 2011

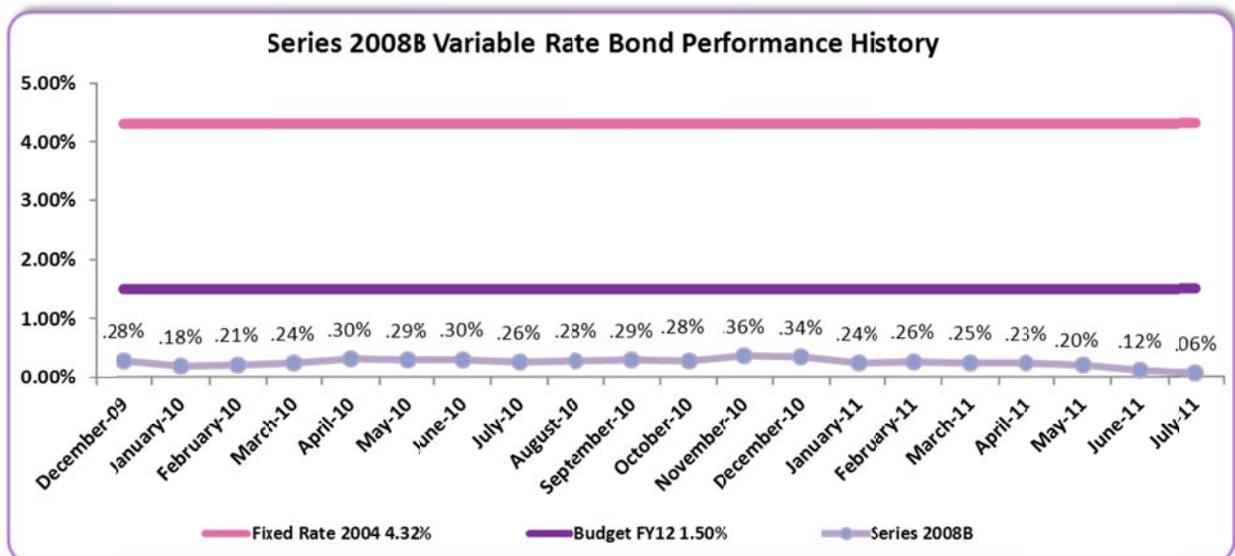
Page -6-

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



**Series 2008A:**

- Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$1,720,484 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 \$4,188,000 to terminate the existing Bank of America Swap Agreement.



**Series 2008B:**

- ▲ Savings to date on the 2008B Variable Rate Bonds is \$2,491,412 as compared to 5/1 fixed rate of 4.32%.
- ▲ Since May 1, 2008, the Series 2008B Bonds average variable rate has been 0.66%.
- ▲ MSD will achieve \$8,655,000 in cash savings over the life of the bonds at the current average variable rate.

# **STATUS REPORTS**

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

<b><i>Project</i></b>	<b><i>Total ROW Budget</i></b>	<b><i>Total Expend to Date</i></b>	<b><i>Comment</i></b>
Bradley Branch Sanitary Sewer Rehabilitation	\$59,229	\$35,934	Project 78% complete with 61% of Total Budget expended to date.
Dillingham Road 4" Main	\$11,883		Only one easement and it is being reconfigured. Await revised plat.
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.
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.
Givens Estate Sanitary Sewer Rehabilitation	\$49,137		Negotiations just begun.
Liberty Street Sewer Rehabilitation	\$22,093	\$2,551	Access 88% complete with 12% of Total Budget expended to date. Two condemnations filed with judgments pending.
Long Shoals Road PRP	\$340,584	\$219,443	Access 100% complete with 64% of Total Budget expended to date. Three condemnations filed; two settled prior to trial; one pending trial.
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.
Mountain Terrace 4" Main Rehabilitation	\$13,639	\$3,279	Access 75% complete with 24% of Total Budget expended to date.
Old Home @ Weaverville Highway PRP	\$100,394	\$99,277	Access 100% complete with 99% of Total Budget expended to date. Market values much greater than tax values in this corridor and appraised damages were high. One condemnation filed with judgment pending.
Riverside Drive/Westover Drive	\$19,322	\$13,895	Access 100% complete with 72% of Total Budget expended to date. Two condemnations filed with trial pending.
Short Coxe @ Southside	\$165,652	\$103,032	Access 44% complete with 62% of Total Budget expended to date. Five condemnations/declaratory judgments filed. Two settled for appraised damages; three judgements pending.

<i>Project</i>	<i>Total ROW Budget</i>	<i>Total Expends to Date</i>	<i>Comment</i>
Skyland Circle 4" Main Sewer Replacement	\$0		Access 50% complete. This was an SSD project built prior to ROW acquisitions. Pre-project agreements were obtained from owners to convey easements at no cost after construction, thus no compensation will be paid.
Town Mountain Road 4" Main Rehabilitation	\$14,992	\$5,500	Three parcels on this project are all owned by the same person who is unwilling to grant easement. Condemantions filed with judgments pending. 37% of Total Budget expended to date.
Willowbrook Road Sanitary Sewer Rehabilitation	\$27,105		Negotiations just begun.

**Condemnation Statistics**  
**July 1, 1991 - June 30, 2011**

<b>Project</b>	<b>Easements</b>	<b>Actions</b>	<b>Settled Prior to Trial</b>	<b>Trial</b>	<b>Pending</b>
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				
Bradley Branch Rehabilitation	9				
Broadway Avenue	6				
Broadway Avenue @ 5 Points	12	4	4		
Brucemont Circle	3				
Brucemont Place Phase 2	32				
Campground Road AMP	2				
Canterbury Heights	1				
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, 2011**

<b>Project</b>	<b>Easements</b>	<b>Actions</b>	<b>Settled Prior to Trial</b>	<b>Trial</b>	<b>Pending</b>
Depot Street @ Nasty Branch	2				
Depot Street Emergency Rehab.	2	1	1		
Dillingham Road 4" Main	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				

**Condemnation Statistics**  
**July 1, 1991 to June 30, 2011**

<b>Project</b>	<b>Easements</b>	<b>Actions</b>	<b>Settled Prior to Trial</b>	<b>Trial</b>	<b>Pending</b>
Givens Estate	8				
Gladstone Road 4" Main	7				
Glen Bridge Road PRP	14				
Glen Bridge Road Rehabilitation	11	2	2		
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				

**Condemnation Statistics**  
**July 1, 1991 to June 30, 2011**

<b>Project</b>	<b>Easements</b>	<b>Actions</b>	<b>Settled Prior to Trial</b>	<b>Trial</b>	<b>Pending</b>
Lake Louise Interceptor	34				
Lakey Gap Rehabilitation	2				
Laurel Road Phase 2	8				
Lennox Street	8				
Liberty Street	17	2			2
London Rd. Pilot Basin, 2b	43				
London Road AMP	12	2	2		
Long Shoals Road	2				
Long Shoals Road PRP	16	3	2		1
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	11	1			1
Merrimon Avenue Rehabilitation	4				
Merrimon Ave./I-240 Ramp	1				
Middle Beaverdam Creek Ph. 1	13				
Middle Beaverdam Creek Ph. 2	3				

**Condemnation Statistics**  
**July 1, 1991 to June 30, 2011**

<b>Project</b>	<b>Easements</b>	<b>Actions</b>	<b>Settled Prior to Trial</b>	<b>Trial</b>	<b>Pending</b>
Middlebrook AMP	8				
Midland Drive AMP	3				
Monroe Place GSR	2				
Montford Ave. @ US 19/23	4				
Morningside Drive	4				
Morris Street @ Talmadge	2				
Mountain Terrace 4" Main	4				
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				

**Condemnation Statistics**  
**July 1, 1991 to June 30, 2011**

<b>Project</b>	<b>Easements</b>	<b>Actions</b>	<b>Settled Prior to Trial</b>	<b>Trial</b>	<b>Pending</b>
Patton Mountain PSR	14				
Patton Ave. @ Parkwood Road	1				
Penley Avenue PSR	4				
Pinehurst Road Rehabilitation	6				
Pisgah View Rehabilitation	20	1	1		
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				
Short Coxe @ Southside	8	5	2		3

**Condemnation Statistics**  
**July 1, 1991 to June 30, 2011**

<b>Project</b>	<b>Easements</b>	<b>Actions</b>	<b>Settled Prior to Trial</b>	<b>Trial</b>	<b>Pending</b>
Skyland Circle 4" Main	4				
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				
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		
Town Mountain Road 4" Main	3	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	3				
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		

**Condemnation Statistics**  
**July 1, 1991 to June 30, 2011**

<b>Project</b>	<b>Easements</b>	<b>Actions</b>	<b>Settled Prior to Trial</b>	<b>Trial</b>	<b>Pending</b>
Weaverville Hwy. @ Hillcrest	4	1	1		
Weaverville Main Street Rehabilitatio	8				
Webster Street PSR	1				
Wilmington Street MSR	9				
Willowbrook Road	2				
Winding Road PSR	3				
Woodland Road MSR	4				
<b>Total</b>	<b>1716</b>	<b>131</b>	<b>106</b>	<b>5</b>	<b>20</b>

**CAPITAL IMPROVEMENT PROGRAM**

**STATUS REPORT SUMMARY**

**August 8, 2011**

PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
DINGLE CREEK INTERCEPTOR @ CROWFIELDS, PHASE II	TBA	TBA	TBA	TBA	TBA	0%	<b>Informal</b> Project is scheduled to bid on September 8th.
HEYWOOD ROAD INTERCEPTOR PHASE II	T & K Utilities	3/16/2011	4/20/2011	8/12/2011	\$247,095.00	95%	<b>Informal</b> Mainline construction complete. Contractor touching up in preparation for final inspection.
LAKE JULIAN INTERCEPTOR PHASE III	Ruby-Collins	10/20/2010	11/1/2010	11/1/2011	\$2,750,059.43	85%	<b>Formal</b> Mainline construction is progressing east of Progress Energy plant, along the RR tracks.
LAKE JULIAN INTERCEPTOR PHASE IV	Terry Brothers	7/20/2011	8/8/2011	12/6/2011	\$247,035.00	0%	<b>Informal</b> Project was awarded to Terry Brothers Construction.
LAUREL LANE - BLACK MOUNTAIN ANNEXATION	T & K Utilities	3/1/2011	3/14/2011	8/5/2011	\$108,205.00	98%	<b>Informal</b> Contractor working on punchlist.
OLD HOME RD. @ WEAVERVILLE HWY. (PRP64001)	Terry Brothers	2/16/2011	3/3/2011	8/30/2011	\$372,301.00	95%	<b>Informal</b> Mainline construction and paving complete; working on final clean up and inspection.
ROCKDALE AVENUE (PRP 29003)	Buckeye Construction	11/17/2010	2/1/2011	8/12/2011	\$408,486.05	95%	<b>Formal</b> Mainline construction and paving complete. Project being prepared for final inspection.
ROLLINGWOOD ROAD	TBA	TBA	TBA	TBA	TBA	0%	<b>Informal</b> Bids were opened on August 4th. Huntley Construction is the apparent low bidder.
TOWN BRANCH INTERCEPTOR PHASE II	Moore and Son	6/15/2011	7/18/2011	1/14/2012	\$511,753.30	1%	<b>Formal</b> Contractor has mobilized to jobsite and preparing to set up bypass pumps and begin construction.
U.S. HWY. 70 @ PARKWAY	Terry Brothers	11/17/2010	1/17/2011	7/31/2011	\$636,244.00	93%	<b>Formal</b> Mainline construction is complete and ready for final inspection.
WELLINGTON DRIVE USR	Payne, McGinn & Cummins	3/16/2011	4/18/2011	7/31/2011	\$144,118.24	95%	<b>Informal</b> All paving is complete. Contractor working on final clean up; ready for final inspection.
WRF - FINAL MICROSCREEN REPLACEMENT	Hickory Construction	10/20/2010	1/3/2011	4/2/2012	\$8,937,108.20	30%	<b>Formal</b> Final phase of demolition has started and placement of new concrete is well under way.
WRF - INTERMEDIATE PUMPING REPLACEMENT	Hickory Construction	7/15/2009	8/19/2009	7/30/2011	\$1,754,675.22	99%	<b>Formal</b> In closeout

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

Planning and Development Projects Status Report  
August 17, 2011

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
	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
	North Point Baptist Church	2008105	Weaverville	Comm.	723	5/20/2009	Complete - Waiting on final documents
	Lutheridge - Phase I	2009112	Arden	Comm.	330	3/16/2010	Complete-Waiting on final documents
	Black Mtn Annex: Blue Ridge Rd.	1992171	Black Mtn.	24	2,560	8/19/2010	Complete, waiting final documents
	AVL Technologies	2010018	Woodfin	Comm.	133	5/21/2010	Complete-Waiting on final documents
	Ridgefield Business Park	2004188	Asheville	18	758	2/16/2005	Complete-Waiting on final documents

Subtotal	525	11,830
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Planning and Development Projects Status Report  
August 17, 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	Complete - waiting final documents
	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
	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	Ready for final inspection
	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	Ready for final inspection
	Thom's Estate - Phase II	2008071	Asheville	40	3,701	2/9/2011	Testing
	Berrington Village Apartments	2008164	Asheville	308	4,690	5/5/2009	Testing
	Cottonwood Townhomes	2009110	Black Mtn.	8	580	10/20/2009	Testing
	Mission Hospitals (Victoria Road)	2009022	Asheville	Comm.	532	2/12/2010	Ready for final inspection
	Weaver Village	2008054	Weaverville	Comm.	1600	5/31/2011	Installing
	Woodbriar Subdivision	2009004	Weaverville	72	3,888	8/2/2010	Ready for final inspection
	Westmore Partments	2009004	Asheville	72	675	8/3/2010	Complete - waiting final documents
	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	Ready for final inspection
	Black Mtn Annex: Avena Rd.	1999026	Black Mtn.	24	4,300	8/19/2010	Punchlist pending
	Richlyn Tract	2010009	Asheville	6	586	6/28/2011	Installing
	Black Mtn Annex: McCoy Cove	1992174	Black Mtn.	24	2,067	8/19/2010	Punchlist pending
			Subtotal	1824	91,232		
			Total Units:	2,349			
			Total LF:		103,062		