

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
MARCH 21, 2012**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00 p.m., Wednesday, March 21, 2012. Chairman Aceto presided with the following members present: Bryson, Haner, Manheimer, Pelly, Root, Russell, Stanley, Watts and VeHaun. Mr. Creighton and Mr. Kelly were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Gary Jackson, City of Asheville, Ron Kerns, Asheville Water, Valerie Hoh, Barbara McCutchen, Linda Smathers, Samuel Specials, concerned citizens. Also in attendance were Ed Bradford, John Kiviniemi, Stan Boyd, Scott Powell, Peter Weed, Mike Stamey, Ken Stines, Angel Banks and Sondra Honeycutt, MSD.

2. Inquiry as to Conflict of Interest:

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

3. Approval of Minutes of the February 15, 2012 Board Meeting:

Mr. Aceto asked if there were any changes to the Minutes of the February 15, 2012 Board Meeting. With no changes, the Minutes were approved as presented.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. Aceto welcomed Mr. Jackson, Mr. Kerns, Ms. Hoh, Ms. McCutchen, Ms. Smathers and Mr. Specials.

Mr. Aceto called for public comment. Mr. Aceto recognized Ms. Hoh. Ms. Hoh stated that after two public forums and one public hearing, Asheville-Buncombe citizens and elected officials have sent a resounding message to keep the Water System in local control. She further stated that from Representative McGrady's remarks in Blue Ridge Now, it sounds like a few thousand Henderson County customers could end up with an equal voice with the 70,000 customers in Buncombe County. Ms. Hoh questioned how this would work out for the customers in Buncombe County. Secondly, what is the true cost of a takeover of the water system to MSD? Ms. Hoh stated that Asheville would not give up a billion dollar water system without a fight, so how much will it cost MSD and ratepayers to compensate for the system and for the litigation involved to settle it. Mr. Aceto directed Ms. Hoh to the Planning Committee meeting where many of her questions will be specifically addressed.

6. Report of General Manager:

Mr. Hartye presented an email from Courtney Maloney expressing her appreciation for customer service provided by Grady Brooks of the System Services Division.

Mr. Hartye reported that the Legislative Research Committee (LRC) held its third meeting in Raleigh on March 14th. The primary subject was the Cane Creek Sewer Issue, which is on the MSD Planning Committee agenda.

Mr. Hartye reported that the District once again received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). He expressed his thanks to Scott Powell and Teresa Gilbert for their continued excellent work.

Mr. Hartye presented an Asheville Citizen Times Question and Answer article regarding grease disposal and a New York Times article on “toilet to tap.”

Mr. Hartye reported that The Home Show was held at the Civic Center last weekend where MSD had a booth with over 7,000 in attendance over the 3-day period. He expressed his appreciation to Jackie Bryson, Kathy Meeks, Mary Alice Hunter, Mike Rice, Linda Phillips, Sandra Moore and Brenda Parker who worked the booth, and a special thanks to Kay Farlow who has organized this event each year.

Mr. Hartye reported that the Planning Committee will meet immediately following the Board Meeting. The March Right of Way Committee will meet at 9 a.m., on March 28th and the next regular Board Meeting will be held April 18th at 2 p.m.

7. Consolidated Motion Agenda:

a. Consideration of Bids – Four-Inch Main, Dillingham Road, and Roebling Circle:

Mr. Hartye reported that the Dillingham Road sewer replacement project is located in East Asheville, in the Haw Creek area. This project will replace the existing undersized four-inch VCP and PVC line with 923 LF of 8-inch DIP and will improve the stream crossing at Haw Creek. The Roebling Circle Sewer replacement is located in Biltmore Village and consists of 205 LF of 8-inch DIP. This project will increase the line size from 6-inch VCP and is necessary due to repeated maintenance issues with the existing line. Mr. Hartye further reported that the following bids were received on March 8, 2012: Cooper Construction Co., with a total bid of \$401,022.00; Cana Construction Co., with a total bid of \$322,381.50; Huntley Construction Co., with a total bid of \$244,954.00; T&K Utilities with a total bid of \$234,210.00 and Terry Brothers Construction Co., Inc. with a total bid of \$202,143.00. Staff recommends award of this contract to Terry Brothers Construction Co., Inc. in the amount of \$202,143.00, subject to review and approval by District Counsel.

b. Consideration of Developer Constructed Sewer Systems: Beaucatcher Heights and Weaver Village Phase II:

Mr. Hartye reported that the Beaucatcher Heights project is located inside the District boundary in the Kenilworth Community in the City of Asheville and included the installation of approximately 7,913 linear feet of 8” gravity sewer to serve a sixty-four (64) unit residential development. The Weaver Village Phase II project is located inside the District boundary off Weaver Boulevard in Weaverville and included the installation of approximately 1,234 linear feet of 8” gravity sewer to serve twenty (20) residential and five (5) commercial unit developments. Staff recommends approval of the developer constructed sewer systems. All MSD requirements have been met. Ms. Manheimer asked who the owner is of the Beaucatcher Heights project, since she may have a conflict of interest with this project. Mr. Aceto excused Ms. Manheimer from deliberation and vote on this project.

c. Cash Commitment Investment Report as of January 31, 2012:

Mr. Powell reported that Page 2 presents the makeup of the District’s Investment Portfolio. There has been no change in the makeup of the portfolio from the prior month. Page 3 is the MSD Investment Manager report as of the month of January. The weighted average maturity of the investment portfolio is 418 days. The yield to

maturity is .79% and exceeds the benchmarks of the 6 month T-Bill and NCCMT cash portfolio. Page 4 is the MSD Analysis of Cash Receipts. Monthly domestic sewer revenue is considered reasonable based on timing of cash receipts in their respective periods. Monthly and YTD Industrial Sewer Revenue are considered reasonable based on historical trends and the YTD Facility and Tap Fees are above historical trends due to the timing of cash receipt of \$610,000 as well as impact fees being budgeted conservatively. Page 5 is an Analysis of the District's Expenditures. Monthly and YTD expenditures are considered reasonable based on historical trends and budgeted items for this fiscal year. Page 6 is the MSD Variable Debt Service report for the month of January. Both the 2008 A&B Series are performing better than budgeted expectations. As of the end of February, both issues have saved the District ratepayers approximately \$4.9 million dollars in debt service since April, 2008. Mr. Aceto congratulated Mr. Powell and Ms. Gilbert for receiving the GFOA award and expressed his appreciation to Mr. Powell for his analysis of trends that he provides the Board each month.

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

Mr. Haner moved that the Board approve Item b. of the Consolidated Motion Agenda as presented. Mr. Stanley seconded the motion. With no discussion, Mr. Aceto called for the question. Roll call vote was a follows: 9 Ayes; 0 Nays. Ms. Manheimer was excused from voting.

8. Old Business:

None

9. New Business:

None

10. Adjournment:

With no further business, Mr. Aceto called for adjournment at 2:15 p.m.

Jackie W. Bryson, Secretary/Treasurer

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

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 3/21/12

✓	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 February 15, 2012 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. Consolidated Motion Agenda	Hartye	2:40	
	a. Consideration of Bids – Four-Inch Main – Dillingham Road and Roebling Circle Sanitary Sewer Rehabilitation Projects.	Hartye		
	b. Consideration of Developer Constructed Sewer Systems: Beaucatcher Heights and Weaver Village Phase II.	Hartye		
	c. Cash Commitment Investment Report as of January 31, 2012.	Powell		
	07. Old Business	Aceto	3:55	
	08. New Business:	Aceto	3:00	
	09. Adjournment (Next Meeting April 18, 2012)	Aceto	3:05	

APPROVAL OF MINUTES

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
FEBRUARY 15, 2012**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00 p.m., Wednesday, February 15, 2012. Chairman Aceto presided with the following members present: Bryson, Haner, Kelly, Manheimer, Pelly, Root, Russell, Stanley, Watts and VeHaun. Mr. Creighton was absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Joseph Martin with Woodfin Sanitary Water & Sewer District, Ed Bradford, John Kiviniemi, Jim Hemphill, Mike Stamey, Ken Stines, Scott Powell, Peter Weed, Angel Banks, Julie Willingham, Jon VanHoff, Monty Payne 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 January 18, 2012 Board Meeting:

Mr. Aceto asked if there were any changes to the Minutes of the January 18, 2012 Board Meeting. With no changes, the Minutes were approved by acclamation.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. Aceto welcomed Mr. Martin. Mr. Aceto reported that the Board received two letters to Members of the Board with regard to questions about the proposed takeover of the Asheville City Water System by the MSD.

6. Report of General Manager:

Mr. Hartye presented an e-mail from Patricia Brown of Chestnut Place in Arden expressing her appreciation for customer service provided by Mitch Hawes of System Services.

Mr. Hartye presented an article announcing the LRC Public Meeting to be held February 23rd at the WNC Agricultural Center, along with a Notice of Public Hearing to Members of the Metropolitan Sewerage/Water System Committee from Representative Tim Moffitt regarding this meeting. He reported that the League of Women Voters sponsored a related event on Monday, February 13th from 6:30 to 9 pm at Grace Covenant Presbyterian Church. Mr. Haner stated that Mr. Aceto represented MSD on the panel and gave a detailed history of how Asheville got to the situation that it's in and why there is a need for Legislative action to address the water matter. He further stated that he was proud of the effort Mr. Aceto put into his presentation.

Mr. Hartye called on Ed Bradford for a presentation on the MSD Private Sewer Rehabilitation Program. He stated that as part of the Consolidation Agreements with member agencies, MSD agreed to provide funding of up to \$200,000 per year to address private ("unclaimed") sewers that serve multiple residences. He further stated that the policy for this program has changed over the last several years in order to facilitate resolution of potential public health issues associated with these lines.

Mr. Bradford reported that a private system is a system that is not maintained by MSD. He stated that there are two types of systems, "claimed" and "unclaimed". Claimed systems have a known ownership and maintenance structure in place, such as a company, organization, Home Owners Associations (HOA), etc. Most are owned by private entities, but not always (UNCA for example). The current MSD policy allows these only for single properties, regardless of the property size. This policy changed back in late 90's regarding sewers serving private properties. He explained that if a system serves two or more properties the line must be public. He further stated that claimed private systems are permitted and regulated through NCDENR-DWQ. He presented slides showing claimed private systems such as apartments on Beaverdam Road, UNCA and Ridgecrest. Mr. Aceto asked if Ridgecrest is entirely private. Mr. Bradford stated that the Assembly itself is private, but there is a mix of public and private. Mr. Aceto asked if this is an exception to the single owner rule. Mr. Bradford said there are exceptions to the rule since the policy changed in 1997.

Mr. Bradford reported that for private systems that are unclaimed, there are no ownership structures in place. These sewers came about through various means, and in time, a collection system was in place with no ownership. Most of these systems occurred prior to consolidation of the local collection systems. Also, some developers constructed sewer systems as part of a subdivision, but left no ownership structure in place. Mr. Bradford stated that these types of sewers were not constructed to public standard. They were of poor pipe quality, with no manholes and were laid in a crooked manner. Also, they were never accepted by any entity (public or private). He further stated that many property owners discovered they were on a private system only after there was a problem and since they were paying for sewer service, they assumed MSD would take care of the line, but the municipality never assumed ownership of their system, so the line never transferred to MSD for ownership maintenance.

Mr. Bradford reported that after consolidation MSD agreed to create a program to address these problems. The line must be private, unclaimed and failing. He stated that the early program was onerous for property owners; there was a waiting list, first come, first served. In the meantime, all property owners had to organize themselves together, find/pay a contractor to maintain their system, with no MSD maintenance in the interim. All owners had to pay a \$500.00 fee which was later changed to the prevailing tap fee, while paying for sewer at the same time. He further stated that the MSD Board changed the policy over time. The first policy change occurred in 2001 when MSD agreed to maintain a system so it would remain stable, which was triggered by the Patton Mountain Project. The fee component was later eliminated as well. In order for the homeowner to benefit from the program, they have to sign a form stating that they will work with MSD and convey rights of way. MSD then performs all maintenance. Mr. Bradford further reported that the District will accept these lines for maintenance and rehabilitation if: The lines are a demonstrated public health threat and if they are cited for SSO's by NCDENR; property owners form an informal group with a designated person to gather forms, etc., and each connected homeowner signs an agreement to donate all easements at no cost, etc. The District then determines when to fully rehabilitate each system based on Work Order, SSO and Maintenance history. Typically MSD rehabilitates one each year or two; depending upon structural condition/maintenance frequency. MSD is obligated to spend no more than \$200,000 per fiscal year, per the Consolidation Agreement and budgets \$100,000 per year for future planning.

With regard to Patton Mountain, Mr. Bradford reported that the original project was approximately 4,135LF at a cost of approximately \$600,000, which equates to \$30,000 per resident, serving 20 residents near the Governor's Western Residence. He stated that discussions about this project/cost triggered the new Unclaimed Sewer Rehabilitation (USR) Policy relating to the District maintaining the system rather than replacing the entire line. In 2004, the District rehabilitated the lowest portion only (929LF, \$130,000, \$6,500 per resident) due to a high failure rate. The upper portion of

the system remains private, but is currently stable. Mr. Bradford presented several slides showing the location of the line and its condition. He stated that for a lot of these systems, MSD does not know where they are located. He presented a slide showing Unclaimed Sewer Rehabilitation Status. He stated that 56 letters were sent to property owners, who did not want to participate in the program. There are 21 systems that are maintained by System Services. Of these systems, Rollingwood Drive and Wellington Drive are now complete and will become part of the list of 17 completed projects. He presented a slide showing the location of the Rollingwood Road Project, which is in the current CIP. Mr. Haner asked if these lines are too small to TV. Mr. Bradford said they can be and are generally 4" or 6" lines. Mr. Haner asked if a line is re-engineered, what size line is put in. Mr. Bradford said 8". With regard to Patton Mountain, Mr. Pelly asked if the pipe is soft, is it MSD's policy to leave the pipe alone until there is a problem. Mr. Bradford said yes unless there is a problem then it will be replaced with a better pipe. Mr. Pelly asked what the financial impact is on the property owner if a line needs to be replaced. Mr. Bradford said none.

Mr. Hartye continued with his report and presented an AC-T article regarding Representative Moffitt and the water issue.

Mr. Hartye reported that the next regular Board Meeting will be held March 21st at 2 pm. The Right of Way Committee meeting scheduled for February 22nd has been cancelled. The next meeting will be held March 28th at 9 am.

7. Report of Committees:

Right of Way Committee

Mr. VeHaun reported that the Right of Way Committee met January 25th to consider compensation budgets on the Macon Avenue @ Sunset Parkway GSR and Brookcliff Drive PRP Projects and to hear a short presentation by Ed Bradford on the Project Status Summary for all active acquisition projects.

8. Consolidated Motion Agenda:

a. Consideration of Compensation Budgets – Macon Avenue @ Sunset Parkway GSR and Brookcliff Drive PRP Projects:

Mr. Hartye reported that the Macon Avenue @ Sunset Parkway project is comprised of approximately 2700 linear feet of 8" and 12" DIP to replace a clay pipe and that pipe bursting will be utilized. The Brookcliff Drive project is comprised of approximately 1400 linear feet of 8" and 12" DIP to replace a clay pipe. The Committee recommends approval of the Compensation Budgets.

b. Consideration of Developer Constructed Sewer Systems – South Buncombe Intermediate School Sewer Extension and Mission Hospital Systems Sewer Improvement Projects:

Mr. Hartye reported that the South Buncombe Intermediate School project is located inside the District boundary at the intersection of Long Shoals Road and Overlook Road in Buncombe County and includes the installation of approximately 1,703 linear feet of 8" gravity sewer to serve a public school. Staff recommends acceptance of the developer constructed sewer system. All MSD requirements have been met.

Mr. Hartye reported that the Mission Hospital System project is located inside the District boundary at McDowell Street and Hospital Drive and also on Brooklet Street in the City of Asheville and includes the installation of approximately 785

linear feet of 8" gravity sewer to serve medical buildings. Staff recommends acceptance of the developer constructed sewer system. All MSD requirements have been met.

c. Declaration of Intent to Adopt Revised MSD Sewer Use Ordinance:

Mr. Hartye reported that changes to the Pretreatment Rules prompted the Pretreatment Emergency Response and Collection Systems (PERCS) to revise the Model Sewer Use Ordinance, which was finalized on August 26, 2011. He noted the required changes to the Sewer Use Ordinance (SUO) along with recommended changes significant to the Pretreatment Program. He further reported that staff recommends the Board endorse the Declaration of Intent to Adopt the Revised MSD SUO, after which the SUO will be sent out to the local governing bodies within the District for review and comment. Staff will take comments and suggestions into consideration before bringing the SUO back to the Board for final adoption.

d. Consideration of Adoption of Budget Calendar – FY2012-2013:

Mr. Powell reported that behind tab d. is the District's proposed Budget Calendar for FY2012-2013. Time between committee and board meetings has been scheduled to prepare and distribute agenda items, including preparation time for any revisions requested to be presented at a subsequent meeting. He stated that the Personnel Committee is slated to convene on April 26th. The CIP Committee for is slated for May 3rd, with the Finance Committee slated for May 9th. He further stated that staff recommends approval of the proposed Budget Calendar as presented.

e. Consideration of Auditing Services for FY 2012:

Mr. Powell reported that for this year's engagement, the auditors (Cherry, Bekaert & Holland, LLP) have proposed the same fee as last year of \$48,670.00. He stated that the auditor's experience and the District's preparedness on previous engagements have helped in containing cost. He further reported that the Partner in Charge, Mr. Burke, has also expressed that they will be glad to work hard to control expenses and pass on any additional savings to the District. This past year Cherry, Bekaert & Holland, LLP passed on \$2,500 in savings off of the FY11 audit contract. He stated that staff recommends approval of the audit contract with Cherry, Bekaert & Holland, LLP in the amount of \$48,670.00 for 2012.

f. Second Quarter Budget to Actual Review:

Mr. Powell reported that Domestic and Industrial User Fees are at budgeted expectations. Facility and Tap Fees are above budgeted expectations. This is due to the District receiving unanticipated revenue of \$610,000 from one development. He noted that facility and tap fees are budgeted ultra conservative. These are soft fees and are up to fluctuations based on development in the community. Interest and miscellaneous income are above budgeted expectations. This is a direct result of the District selling renewable energy credits associated with the Hydro-electric facility. Investment income is still experiencing recessionary pressures on the fixed income market. O&M expenditures are at 51.06% of budget. They include encumbered amounts which has elevated the budget to actual ratio slightly above 50%. Bond principal and interest actually spend are less than budget due to variable rate debt which is averaging 29 basis points as well as the timing of principal payments which happens July 1st every year. Amounts budgeted for capital equipment and capital projects are rarely expended proportionately throughout the year. Additionally this amount includes encumbered amounts of \$5 million.

g. Cash Commitment/Investment Report – Month Ended December 31, 2011:

Mr. Powell reported that Page 2 presents the makeup of the District's Investment Portfolio. There has been no change in the makeup of the portfolio from the prior month. Page 3 is the MSD Investment Manager report as of the month of December. The weighted average maturity of the investment portfolio is 439 days. The yield to maturity is 0.79% and is exceeding MSD benchmarks of the 6 month T-Bill and NCCMT cash portfolio. Page 6 is the MSD Variable Debt Service report for the month of January. Both the 2008 A&B Series are performing better than budgeted expectations. As of the end of January, both issues have saved District ratepayers approximately \$4.9 million dollars in debt service.

With regard to the contract with Cherry, Bekeart & Holland, Mr. Haner asked how the auditors arrived at the expense limit of \$44,080. Mr. Powell stated that the audit fees are \$44,080. In addition, there are expenses not to exceed \$4,590 for a total not to exceed \$48,670. He further stated that when most people are experiencing a 5 to 10% increase in audit fees, the MSD's fees have remained flat for the last five (5) years. Mr. Watts asked how long MSD has been with this firm. Mr. Powell said eight (8) years. He stated that Cherry, Bekeart & Holland's specialty is in the utility industry. Also, staff makes sure the auditing firm rotates not only partners, but staff on the audit engagement every three to four years.

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

9. Old Business:

Mr. Aceto called for a motion to adopt the Resolution of Appreciation honoring Mayor, Terry M. Bellamy. With no discussion, Mr. Stanley moved that the Board adopt the Resolution as presented. Ms. Manheimer seconded the motion. Voice vote in favor of the motion was unanimous.

10. New Business:

Mr. Aceto presented an article from Business North Carolina featuring William Clarke.

Mr. Aceto announced that he has appointed Mr. Pelly to serve on the CIP, Planning and Right of Way Committees.

Mr. Aceto stated that he has made it clear that the Board does not have a position on the water legislation, pro or con, but is concerned that it has a fiduciary obligation to the ratepayers. Because of this, he feels that an Impact Study by staff is appropriate and necessary with the potential impact reported back to the Planning Committee. Mr. Aceto moved that staff be requested to provide an impact study with two focuses; First, the potential impact of combining the water and sewer systems of Asheville City water and MSD sewer and Second, the impact of bringing in Henderson County Sewer. Mr. Haner asked if the study would include organizational structure and manpower needs. Mr. Hartye stated that it's a matter of timing that will determine the depth of the study. Mr. Aceto stated that his intention is that a study be conducted that is fiduciary due diligence of the Board so that it has an understanding of the possible impact on the MSD organization and its ratepayers of the things the Legislators are talking about. Mr. Clarke stated that one approach is to identify potential issues, then come back to the Planning Committee to get a sense from the committee of how much detail it wants and how quickly it wants it. Mr. Hartye stated that this should be separate from the Henderson County Cane Creek study which is complete and previously presented to the Planning Committee. Mr. Russell moved that the Board approve motion. Mr. Pelly seconded the

motion. Mr. Stanley stated that the bottom line for him is to know what the impact will be on the MSD Board and the ratepayers. Mr. Haner stated that this is something the LRC might want to hear; as to the cost. Mr. Aceto stated that he does not see the LRC as the audience for this information, but rather the MSD Board. He further stated that his motion is that staff be directed to do an impact study with regard to the MSD operations and ratepayers, in combination with the Asheville Water System and in combination with the Henderson County Sewer. Ms. Manheimer asked if this should be handled independently by a third party. Mr. Hartye stated that this is why he mentioned the timing and depth of the study. If this is a full blown effort it will take a consultant several months to complete, but just looking at general terms as far as fiduciary responsibility, assumptions will have to be made. However, if in the future this issue becomes more serious, then a more detailed analysis can be done. Mr. Aceto stated that he would like to think this is something that staff would do on the basis of existing information for the Board's use. Mr. Watts stated that if staff can study it to a point of presentation to the Board on how it will impact the ratepayers, this is all that is needed at this point. Ms. Manheimer asked if this study will go to the Planning Committee. Mr. Aceto said yes, and at that time, staff can suggest to the committee what would be needed for a more detailed study. Ms. Manheimer expressed concern about the media's perception of the study, with regard to the terminology and conclusions made. Mr. Aceto stated that he would rather look back and know that the Board was not negligent in its responsibilities to MSD and the ratepayers. With no further discussion, voice vote in favor of the motion was unanimous.

11. Adjournment:

With no further business, Mr. Aceto called for adjournment at 2:53 p.m.

Jackie W. Bryson, Secretary/Treasurer

REPORT OF GENERAL MANAGER

MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: March 16, 2012
SUBJECT: Report from the General Manager

- Kudos

Attached is an email from Courtney Maloney expressing her appreciation for the customer service provided by Grady Brooks of the System Services Division.

- Update on Water Study

The LRC held their third meeting in Raleigh on March 14th. The primary subject was the Cane Creek Sewer issue which is on the MSD Planning Committee Agenda.

- GFOA Budget Presentation Award

The District was once again received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). Thanks to Scott Powell and Teresa Gilbert for the continued excellent work.

- Reading

- AC-T Question and Answer blurb regarding grease disposal.
- NYT article on "toilet to tap."

- Board/Committee Meetings/Events

The next Planning Committee will be held immediately after the March Regular Board Meeting. The March Right of Way Committee will be held at 9am on March 28th. The next Regular Board Meeting will be April 18th, at 2 pm.

Subject: Kudo's

Date: Wednesday, February 22, 2012 12:58:16 PM Eastern Standard Time

From: Hemphill, Jim

To: Hartye, Tom

From: Tolley, Lisa

Sent: Wednesday, February 22, 2012 11:27 AM

To: Brooks, Grady; Bryant, Eric; Stines, Ken

Cc: Hemphill, Jim; Thomas, Pam

Subject: FW: praise

FYI – 119 Chestnut Place

From: Courtney [<mailto:ufcourt13@aol.com>]

Sent: Tuesday, February 21, 2012 9:35 PM

To: Tolley, Lisa; "<lisat">@msdbc.org

Subject: praise

I wanted to say what great service I had today. When I got home from work, I noticed that my sewer was overflowing. I called the emergency line, and they took my information. I got a call from Grady about 15 minutes later, letting me know an approximate time that he would arrive. He showed up promptly, and had the job done in no time. He was very courteous and helpful. I'm sure it is not a pleasant job to do, but you wouldn't know it from his wonderful attitude. I hope this gets into the hands of someone who can thank him for me.

Courtney Maloney



Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

January 24, 2012

Mr. Thomas E. Hartye, P.E.
General Manager
Metropolitan Sewerage District of Buncombe County
2028 Riverside Drive
Asheville, NC 28804

Dear Mr. Hartye:

I am pleased to notify you that Metropolitan Sewerage District of Buncombe County, North Carolina has received the Distinguished Budget Presentation Award for the current budget from the Government Finance Officers Association (GFOA). This award is the highest form of recognition in governmental budgeting and represents a significant achievement by your organization.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual or department designated as being primarily responsible for its having achieved the award. This has been presented to:

W. Scott Powell, Director of Finance
Teresa L. Gilbert, Budget Analyst

We hope you will arrange for a formal public presentation of the award, and that appropriate publicity will be given to this notable achievement. A press release is enclosed for your use.

We appreciate your participation in GFOA's Budget Awards Program. Through your example, we hope that other entities will be encouraged to achieve excellence in budgeting.

Sincerely,

Stephen J. Gauthier, Director
Technical Services Center

Enclosure

Answer man gets all greasy, tracks Shuler

On my way in to work Friday, I noted a dogwood tree was blooming and some maples have little red buds just itching to bust out.

Nothing says February like blooming flora.

This can only mean one thing: We're going to get buried in another blizzard in March, a la 1993. No way we'll get away with this.

But for now, let's cozy up to some of your burning questions, my smart-aleck responses and the real deal.

Question: I work in an Ingles supermarket in the deli department. Every day we throw grease from the frying and rotisserie chicken unit in the drain. If I am not allowed to throw grease down my drain at home, how come I can do it at work?

My answer: Actually, you can — if you like really fantastic plumbing bills.

Real answer: First of all, I asked Ingles chief financial officer Ron Freeman about this.

"All of our stores have grease traps, and it's our policy for them to be used for all grease," Freeman said via email. "We have an arrangement for the grease traps to be

cleaned and the grease to be used for such things as biodiesel. Just in case something fell through the cracks, we reminded all our store and deli managers of this policy."

Secondly, I asked John Kiviniemi, treatment plant director for the Metropolitan Sewerage District, why this was possible.

He said it's primarily because the drains at commercial food stores or restaurants are equipped with grease traps, a requirement under Buncombe County ordinances. The grease trap is essentially a series of baffles in a tank that guides the floating grease into a storage container.

Most commercial enterprises such as Ingles likely store much of their grease before it ever hits the drains, simply because it's easier to handle that way. A truck will come and take away the grease from the grease trap.

If some grease does go down the drain, though, that's when the grease trap does its job.

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“The reason we ask homeowners to not pour grease down their drains is a homeowner’s drain does not have a grease trap on it,” Kiviniemi said. “So at home, the grease ends up in the sewer line, and that can cause real problems when the grease congeals and hardens. It’s just like hardening of your arteries.”

That in turn can cause sewage backups and other problems.

This has been a lovely conversation, wouldn’t you agree?

Question: Since Heath Shuler announced about Feb. 2 that he will not run for another term in Congress, he has missed four out of six votes. Before that he had a pretty good record. Early retirement?

My answer: He probably had some pressing business in Sri Lanka.

Real answer: Shuler’s office released this statement regarding the missed votes: “Congressman Shuler was not in Washington on Thursday, February 16, or Friday, February 17, and therefore missed the vote series on those days.”

I know, I know — that’s probably too much detail for you.

His office did note that since being elected in 2006, Shuler has voted 94.4 percent of the time. The votes he missed were mostly procedural votes or ceremonial votes such as approving the naming of a post office.

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February 9, 2012

As 'Yuck Factor' Subsides, Treated Wastewater Flows From Taps

By FELICITY BARRINGER

SAN DIEGO — Almost hidden in the northern hills, the pilot water treatment plant here does not seem a harbinger of revolution. It cost \$13 million, uses long-established technologies and produces a million gallons a day.

But the plant's very existence is a triumph over one of the most stubborn problems facing the nation's water managers: if they make clean drinking water from wastewater, will the yuck factor keep people from accepting it?

With [climate change](#) threatening to diminish water supplies in the fast-growing Southwest, more cities are considering the potential of reclaimed water. A new report from the [National Academy of Sciences](#) said that if coastal communities used advanced treatment procedures on the effluent that is now sent out to sea, it could increase the amount of municipal water available by as much as 27 percent.

San Diego's success, 12 years after its City Council recoiled from the toilet-to-tap concept, offers a blueprint for other districts considering wastewater reuse.

For most of the four decades beginning in 1970, the arid West was the fastest-growing region in the country; the population of Nevada quintupled in that period while Arizona's nearly quadrupled. Continued population growth, unmatched by growth in water storage capacity, makes this a "new era in water management in the United States," the science group's report said.

"The pressures on water supplies are changing virtually every aspect of municipal, industrial, and agricultural water practice," it said.

Back in 1998, a branch of the National Academy of Sciences, the National Research Council, issued a [study](#) finding that supplementing stream flows or reservoirs with this water, a process called indirect potable reuse, was acceptable, although only as a last resort. Now, acceptance of reclaimed water for drinking is spreading, if slowly.

Funneling reclaimed water into water supplies is being considered in a variety of communities like Miami and Denver (which has experimented with the technology), as well as in drought-ravaged

municipalities in Texas like Big Spring. The tiny mountain resort town of Cloudfroft, N.M., mingles reclaimed water with local well water. In Northern Virginia, reclaimed water has flowed into the Occoquan Reservoir for three decades.

Still, just one-tenth of 1 percent of municipal wastewater nationally was recycled into local supplies in 2010. Only a handful of systems replenish their reservoirs or groundwater basins with treated wastewater.

The largest is in Orange County, Calif., about 100 miles north of San Diego, where a four-year-old system replenishes the groundwater basin with 70 million gallons of treated effluent daily — about 20 percent of the content of the aquifer. Other sites include El Paso and some areas around Los Angeles.

Edmund Archuleta, the president of El Paso Water Utilities, said in an interview that his city recycled all of its wastewater. Most is used for things like cooling industrial plants or watering playing fields, he said, but “it’s been accepted that we’re recharging some of that water into the aquifer” and into the Rio Grande.

Globally, the largest population center to adopt the technology is Singapore, home to five million people. Officials say about 15 percent of its water originates from treated effluent, marketed as “NEWater.” Most is used for irrigation or manufacturing; some for drinking.

The original technology for recycling wastewater was developed in the 1950s — involving chemical disinfection, carbon-filtration treatment or both — and is in use on the International Space Station. The bulk of recycled water is used on lawns or golf courses, in factories or as an underground barrier against seawater intrusion.

The newest iteration, in use in Orange County, is a three-step process involving fewer chemicals and more filtering.

First, wastewater is filtered through string-like microfibers with holes smaller than bacteria and protozoa. Then it goes through reverse osmosis, an energy-intensive process forcing the water through plastic membranes that remove most molecules that are not water. Finally, it is dosed with hydrogen peroxide and exposed to ultraviolet light, a double-disinfectant process. The result is roughly equivalent to distilled water, Orange County officials say.

After touring the \$481 million plant in Orange County, visitors are offered a glass of the water. Is it safe? The new National Academy analysis suggests that the risk from potable reuse “does not appear to be any higher, and may be orders of magnitude lower” than any risk from conventional treatment. There are currently no national standards for water reuse processes, only for drinking-water quality.

Of course, the treatment process is much more expensive than tapping local groundwater — in Southern California, about 60 percent more, and in El Paso about four times more. But to remain sustainable, groundwater must be used sparingly. Orange County's reclaimed water costs \$1.80 per thousand gallons when regional water subsidies are factored in. This is similar to what it pays to import either Colorado River water or water from Northern California. Without the benefit of subsidies, reclaimed water's cost was just 14 percent less than desalinated water's, which experts say requires 3 to 10 times the energy output.

The bigger hurdle to public acceptance may be psychological. Carol Nemeroff, a psychologist at the University of Southern Maine, said the notion of treated sewage "hooks into the intuitive concept of contagion" and contamination. To overcome this, she said, a city must "unhook the current water from its history." That proved to be the case in 1998 in San Diego when the water department's initiative was derided as "toilet to tap" during a bruising City Council campaign. Council members refused to allow further discussion of it.

A 2004 poll commissioned by the San Diego County Water Authority found that 63 percent of respondents opposed reuse. Then the water department began reaching out to customers with discussion groups and public meetings. Members of the Surfrider Foundation, an environmental group, reminded residents that almost every municipal wastewater plant practices water reuse anyway, since discharged treated wastewater is reused downstream.

"It isn't toilet to tap. It's toilet to treatment to treatment to treatment to tap," said Belinda Smith, a Surfrider volunteer.

Water shortages and rationing, however, did the most to change attitudes. San Diego's annual rainfall meets about 15 percent of its needs, and the city's water managers grew worried that as California reeled from droughts, they could have trouble importing water.

In 2009, the third year of a severe drought, Mayor Jerry Sanders met with biotechnology industry executives who told him that water shortages posed a threat to their businesses. "They were talking about moving away from San Diego," he said.

So the mayor quietly switched sides, and the City Council fell into line. "If science is behind you and you can prove that, I think people are willing to listen," Mr. Sanders said in an interview. "The public is worried about scarcity."

Marsi Steirer, the deputy director of San Diego's public utility agency, said it now estimated that by 2020 or so, recycled wastewater could account for 7 percent of the total in the city's main reservoir.

Some people are still put off. Virginia Soderberg, 91, president of the Convair Garden Club in San Diego, called reclaimed water "the end of the world. I wouldn't even want my cat to drink it."

But a 2011 poll by the utility showed that local opposition to reuse had dropped to 25 percent.

The change of heart found voice on the editorial page of The San Diego Union-Tribune, a onetime opponent, in an editorial titled “The Yuck Factor: Get Over It.”

That sentiment was echoed in a cartoon on a California public radio blog depicting a dog with its nose in a toilet.

The caption? “Ten million dogs can’t be wrong.”

CONSOLIDATED MOTION AGENDA

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

BOARD MEETING DATE: March 21, 2012

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 Projects: Four-Inch Main - Dillingham Road, MSD Project No. 2008098, and Roebling Circle, MSD Project No. 2007011

BACKGROUND: The Dillingham Road sewer replacement is located in East Asheville, in the Haw Creek area. This project will replace the existing undersized four-inch VCP and PVC line with 923 LF of 8-inch DIP. It will also improve the stream crossing at Haw Creek.

The Roebling Circle Sewer replacement is located in Biltmore Village. This project consists of 205 linear feet of 8-inch DIP. This sewer replacement project will increase the line size from 6-inch VCP and is necessary due to repeated maintenance issues with the existing line.

The contract was advertised and five bids were received on March 8, 2012 in the following amounts:

<u>Contractor</u>	<u>Bid Amount</u>
1) Cooper Construction Company	\$401,022.00
2) Cana Construction Company	\$322,381.50
3) Huntley Construction Company	\$244,954.00
4) T&K Utilities	\$234,210.00
5) Terry Brothers Construction Co., Inc.	\$202,143.00

The apparent low bidder is Terry Brothers Construction Co., Inc. Terry Brothers has completed numerous MSD rehabilitation projects, and their work quality has been excellent to date.

Please refer to the attached documentation for further details.

FISCAL IMPACT: The combined FY11-12 Construction Budget is \$200,500.00. Sufficient funds are available within the CIP budget for the overage.

STAFF RECOMMENDATION: Staff recommends award of this contract to Terry Brothers Construction Co., Inc. in the amount of \$202,143.00 subject to review and approval by District Counsel.

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

SEWER REPLACEMENT PROJECTS

**Dillingham Road (4-Inch Main), Project No. 2008098
Roebing Circle, Project No. 2007011**

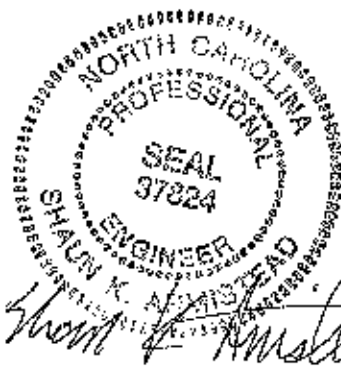
**BID TABULATION
March 8, 2012**

BIDDER	MBE Form	Bid Forms (Proposal)	Dillingham Rd.	Roebing Circle	Combined Total Bid Amount
Cooper Construction Company Hendersonville, NC	1	Yes	\$310,343.50	\$90,678.50	\$401,022.00
Cana Construction Company Waynesville, NC	1	Yes	\$264,944.00	\$57,437.50	\$322,381.50
Huntley Construction Company Asheville, NC	1	Yes	\$190,191.00	\$54,763.00	\$244,954.00
T & K Utilities, Inc. Asheville, NC	1	Yes	\$180,120.00	(*) \$54,090.00	(*) \$234,210.00
Terry Brothers Construction Co. Leicester, NC	1	Yes	(*) \$149,902.00	\$52,241.00	(*) \$202,143.00

APPARENT LOW BIDDER

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

Shaun Armistead, P.E.
Project Engineer
Metropolitan Sewerage District of
Buncombe County, North Carolina



3/9/2012

This is to certify that the bids tabulated herein were publicly opened and read aloud at 2:00 p.m. on the 8th day of March, 2012, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina. No bid bond was required.

Interoffice Memorandum

TO: Tom Hartye, General Manager

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

DATE: March 8, 2012

RE: Dillingham Road – Four-inch Main Sewer Replacement, MSD Project # 2008098
Roebing Circle Sewer Replacement, MSD Project # 2007011

The Dillingham Road Four-inch Main Sewer Replacement is located in East Asheville near the intersection of New Haw Creek Road and Tunnel Road. This project consists of 923 linear feet of 8-inch DIP. This sewer replacement project will replace the existing undersized 4-inch VCP and PVC line, and will also improve the stream crossing at Haw Creek.

The Roebing Circle Sewer Replacement is located in Biltmore Village near Biltmore Avenue. This project consists of 205 linear feet of 8-inch DIP. This sewer replacement project will increase the line size from 6-inch VCP and is necessary due to repeated maintenance issues with the existing line.

These two projects will be combined on one construction contract. Five bids were received on Thursday, March 8, 2012 as follows:

<u>Contractor</u>	<u>Bid</u>
1) Cooper Construction Company	\$401,022.00
2) Cana Construction Company	\$322,381.50
3) Huntley Construction Company	\$244,954.00
4) T&K Utilities	\$234,210.00
5) Terry Brothers Construction Co, Inc.	\$202,143.00

Terry Brothers Construction Company, Inc. is the apparent low bidder for this contract with a bid amount of \$202,743. Terry Brothers Construction Company has extensive experience with District rehabilitation projects and has an excellent performance history.

The combined construction budget for these two projects is \$200,500.00. The excess amount of \$1,643.00 is available for transfer within the current CIP budget.

Staff recommends award of this contract to Terry Brothers Construction Company, Inc. contingent upon review and approval by District Counsel.



Four Inch Main - Dillingham Road
Project No. 2008098

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map

METROPOLITAN SEWERAGE DISTRICT OF HUNCOMBE COUNTY, NORTH CAROLINA

CAPITAL IMPROVEMENT PROGRAM

BUDGET DATA SHEET - FY 2011 - 2012

PROJECT:	Four Inch Main - Dillingham Rd	LOCATION:	Asheville	REVIEWED BY:
TYPE:	General Sewer Rehabilitation	DATE OF REPORT:	January-11	
PROJECT NO.	2908308	TOTAL L.F.:	310	
PROJECT BUDGET:	\$153,500.00	PROJECT ORIGIN:	SRVs, Work Orders, Line Confusion	

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 6/30/10	TOTAL COSTS JULY - DEC 10	EST. COST JAN - JUNE 11	EST. BUDGET FY 11-12
01 - SURVEY / EASEMENT PLATS #PLATS: [1]	\$1,000.00			\$1,000.00	
02 - LEGAL FEES	\$1,000.00			\$1,000.00	
03 - ENGINEERING ASSISTANCE					
04 - ACQUISITION SERVICES					
05 - COMPENSATION	\$2,500.00			\$2,500.00	
06 - APPRAISAL					
07 - CONDEMNATION					
08 - ENVIRONMENTAL SURVEY					
09 - PRELIM. ENG. REP.					
10 - DESIGN / ASBUILT SURVEYS	\$5,000.00	\$3,700.00		\$300.00	
11 - ENVIRONMENTAL ASSESSMENT					
12 - ARCHAEOLOGICAL					
13 - GEOTECHNICAL	\$1,000.00				\$1,000.00
14 - CONSTRUCTION CONTRACT ADM.					
15 - CONSTRUCTION	\$150,500.00				\$150,500.00
16 - PERMITS	\$500.00			\$500.00	
17 - PUBLIC MEETINGS					
18 - TESTING	\$2,000.00				\$2,000.00
TOTAL AMOUNT	\$163,500.00	\$3,700.00	\$0.00	\$8,300.00	\$153,500.00

ENGINEER:	MSD	ESTIMATED BUDGETS - FY 12-'21	
CONTRACTOR:		FY 12-13	\$1,000.00
CONSTRUCTION ADMINISTRATION:	MSD	FY 13-14	\$0.00
INSPECTION:	MSD	FY 14-15	\$0.00
H.O.W. ACQUISITION:	MSD	FY 15-16	\$3.00
		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



Roebing Circle Project No. 2007011

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

CAPITAL IMPROVEMENT PROGRAM

BUDGET DATA SHEET - FY 2011 - 2012

PROJECT:	Russling Circle	LOCATION:	Ashbyville	REVIEWED BY:
TYPE:	General Sewer Rehabilitation	DATE OF REPORT:	January-11	
PROJECT NO.	2007015	TOTAL L.F.:	205	
PROJECT BUDGET:	\$65,830.00	PROJECT ORIGIN:	SSO's, Work Orders, Line Condition	

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 6/30/10	TOTAL COSTS JULY - DEC 10	EST. COST JAN - JUNE 11	EST. BUDGET FY 11-12
01 - SURVEY / EASEMENT PLATS # PLATS: [1]	\$525.00	\$525.00			
02 - LEGAL FEES	\$895.00	\$895.00			
03 - ENGINEERING ASSISTANCE					
04 - ACQUISITION SERVICES					
05 - COMPENSATION	\$500.00	\$500.00			
06 - APPRAISAL					
07 - CONDEMNATION					
08 - ENVIRONMENTAL SURVEY					
09 - PRELIM. ENV. HLP.					
10 - DESIGN / ASBUILT SURVEYS	\$1,000.00	\$2,700.00			\$1,000.00
11 - ENVIRONMENTAL ASSESSMENT					
12 - ARCHAEOLOGICAL					
13 - GEOTECHNICAL					
14 - CONSTRUCTION CONTRACT ADM.					
15 - CONSTRUCTION	\$50,000.00				\$50,000.00
16 - PERMITS					
17 - PUBLIC MEETINGS					
18 - TESTING	\$1,030.00				\$1,030.00
TOTAL AMOUNT	\$56,830.00	\$4,020.00	\$0.00	\$0.00	\$52,800.00

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	\$1.00
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: March 21, 2012

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

PREPARED BY: David Monteith, Kevin Johnson

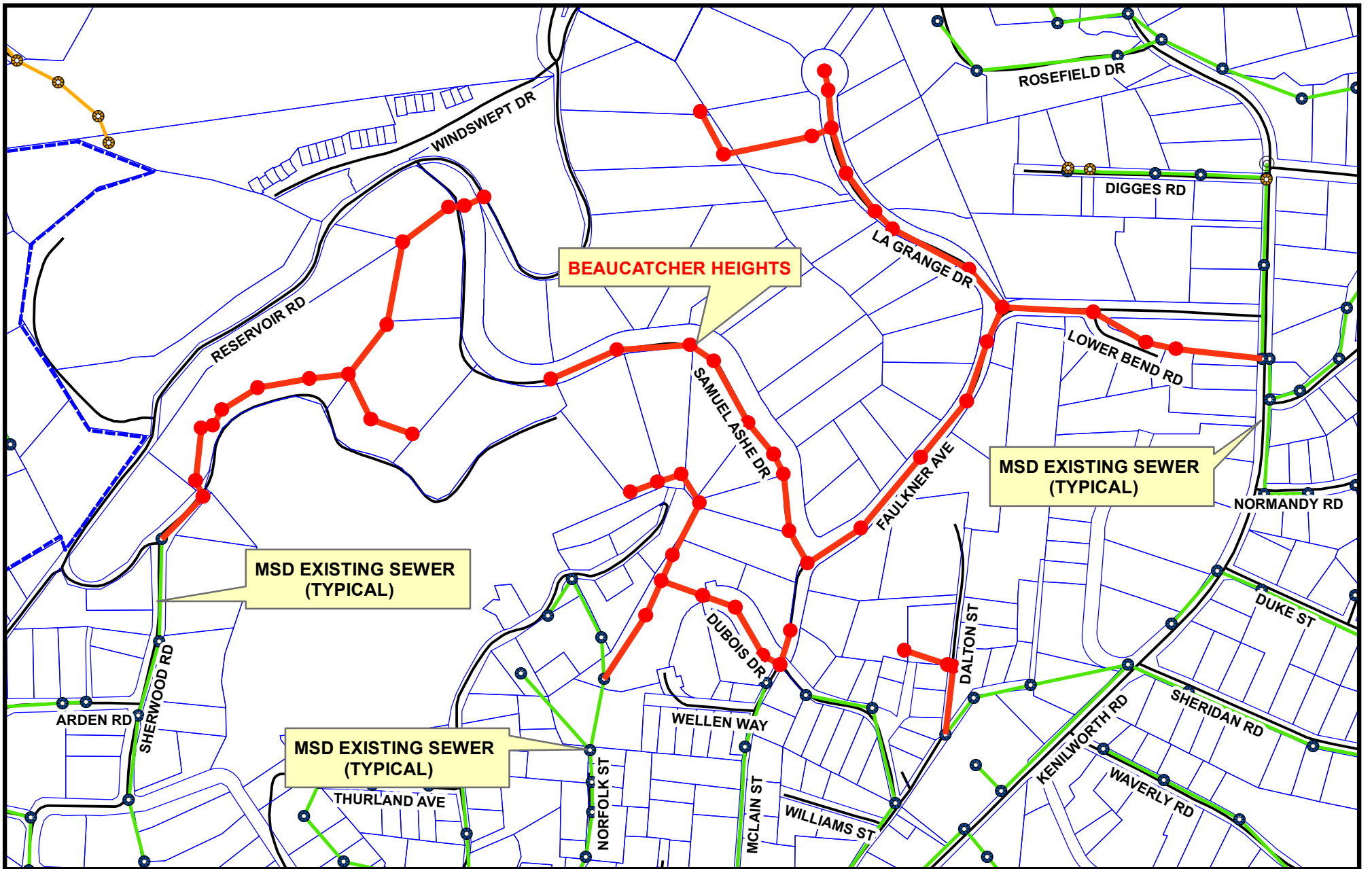
REVIEWED BY: Stan Boyd, PE, Engineering Director

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

BACKGROUND: This project is located inside the District boundary in the Kenilworth Community in the City of Asheville. The developer of the project is Beaucatcher Heights Development Corporation. The project included the installation of approximately 7,913 linear feet of 8" gravity sewer to serve a sixty-four (64) unit residential development. A wastewater allocation was issued in the amount of 48,750 GPD for the project. The estimated cost of the sewer extension is \$900,000.00.

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

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



BEAUCATCHER HEIGHTS

MSD EXISTING SEWER (TYPICAL)

MSD EXISTING SEWER (TYPICAL)

MSD EXISTING SEWER (TYPICAL)



Project # 2006248

Not To Scale



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

**Beaucatcher Heights
Sewer Extension**

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: March 21, 2012

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

PREPARED BY: David Monteith, Kevin Johnson

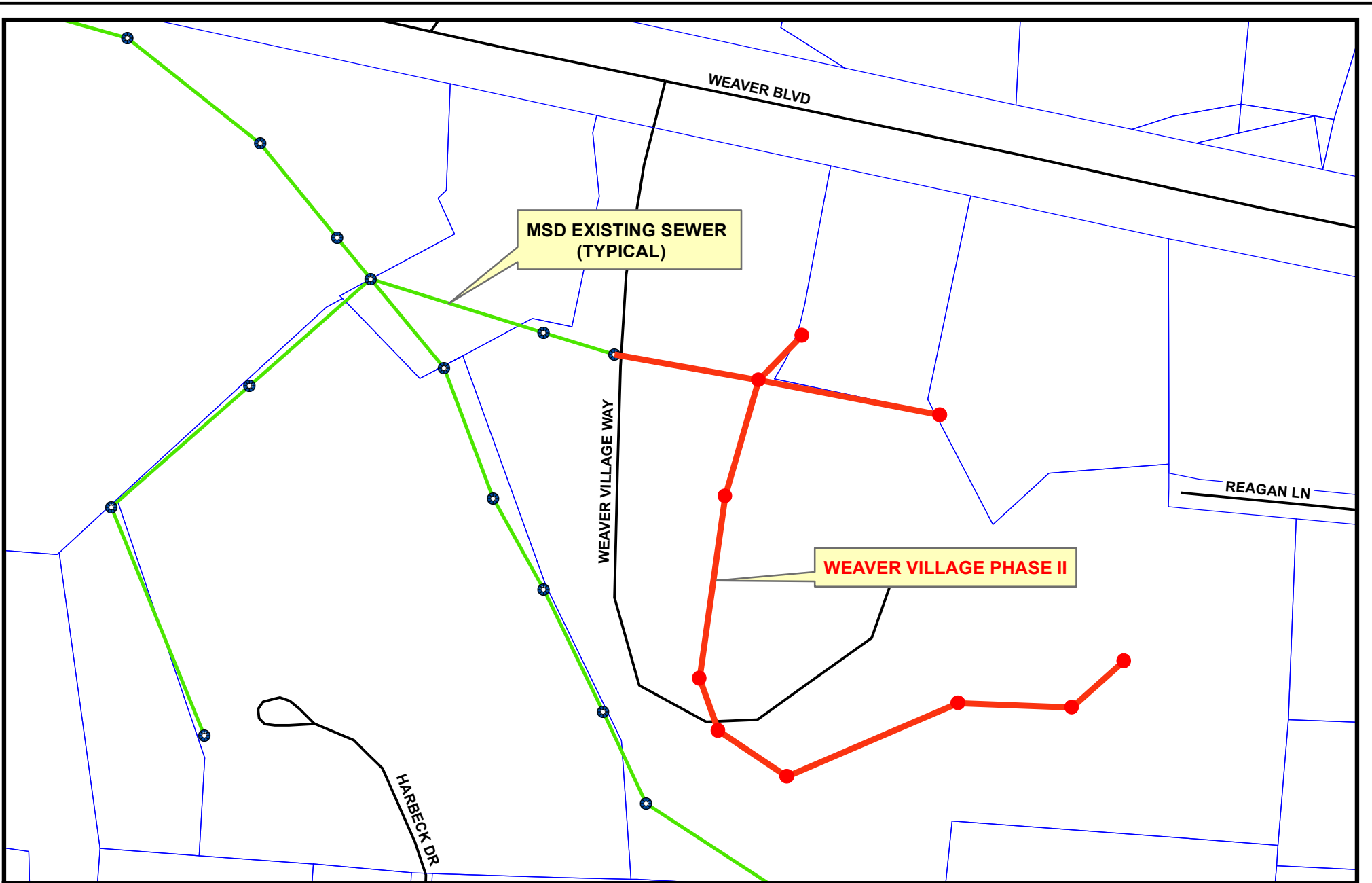
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Weaver Village Phase II Sewer Extension Project.

BACKGROUND: This project is located inside the District boundary off Weaver Boulevard in the Town of Weaverville. The developer of the project is Greg Phillips of Weaverville Partners, LLC. The project included the installation of approximately 1,234 linear feet of 8" gravity sewer to serve a twenty (20) residential and five (5) commercial unit development. A wastewater allocation was issued in the amount of 8,000 GPD for the project. The estimated cost of the sewer extension is \$225,000.00.

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

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



Project # 2011096

Not To Scale



METROPOLITAN SEWERAGE DISTRICT of BUNCOMBE COUNTY, NORTH CAROLINA
Weaver Village Phase II Sewer Extension

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: March 21, 2012

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

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

Subject: Cash Commitment/Investment Report-Month Ended January 31, 2012

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 January 31, 2012 were \$34,831,807. The detailed listing of accounts is available upon request. The average rate of return for all investments is 1.023%. 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 January 31, 2012 does not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of January 31, 2012 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$8,042,127.

Total Cash & Investments as of 01/31/2012		34,831,807
Less:		
Budgeted Commitments (Required to pay remaining FY12 budgeted expenditures from unrestricted cash)		
Construction Funds	(8,179,845)	
Operations & Maintenance Fund	(6,590,724)	
		(14,770,569)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(13,473)	
Debt Service Reserve	(2,696,064)	
Remaining Principal & Interest Due	<u>(5,844,982)</u>	
		(8,554,519)
District Reserve Funds		
Fleet Replacement	(532,942)	
WWTP Replacement	(672,544)	
Maintenance Reserve	<u>(813,700)</u>	
		(2,019,186)
Post-Retirement Benefit		(760,353)
Self-Funded Employee Medical		<u>(685,053)</u>
Designated for Capital Outlay		<u><u>8,042,127</u></u>

Staff Recommendation

None. Information Only.

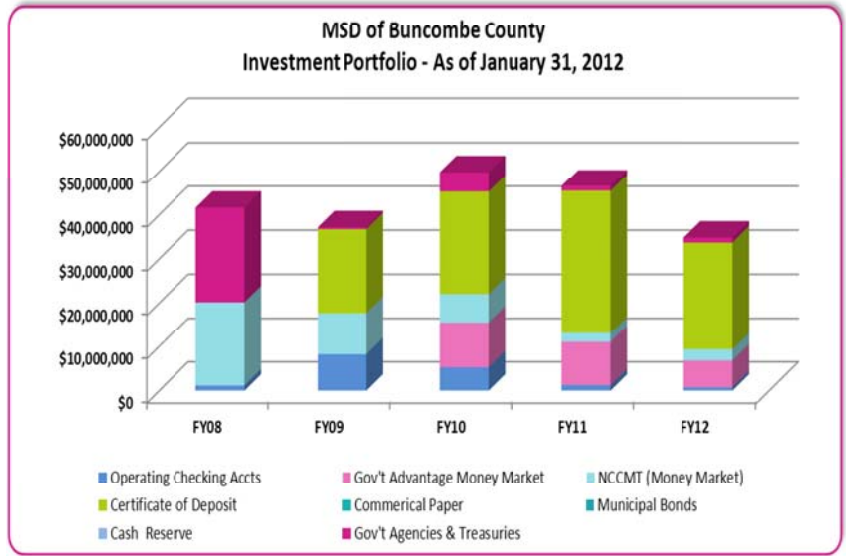
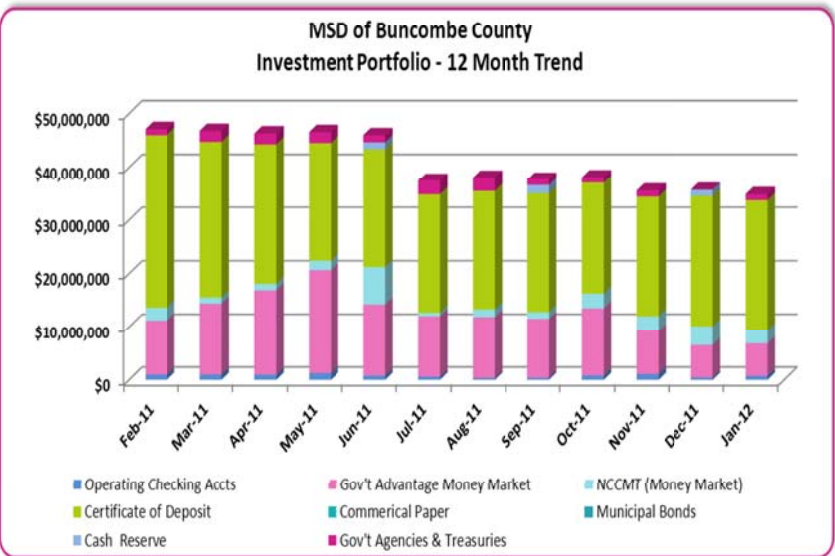
Action Taken

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

Metropolitan Sewerage District of Buncombe County Investment Portfolio

	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -		\$ 1,592,735				\$ -	\$ 1,116,802	\$ 2,709,537
Held by MSD	754,698	6,043,269	932,879	24,391,424	-	-		-	32,122,270
	<u>\$ 754,698</u>	<u>\$ 6,043,269</u>	<u>\$ 2,525,614</u>	<u>\$ 24,391,424</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,116,802</u>	<u>\$ 34,831,807</u>

Investment Policy Asset Allocation	Maximum Percent	Actual Percent	
U.S. Government Treasuries, Agencies and Instrumentalities	100%	3.21%	No significant changes in the investment portfolio as to makeup or total amount.
Bankers' Acceptances	20%	0.00%	
Certificates of Deposit	100%	70.02%	The District's YTM of .79% 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%	7.25%	
Checking Accounts:	100%		All funds invested in CD's, operating checking accounts, Gov't Advantage money market are fully collateralized with the State Treasurer.
Operating Checking Accounts		2.17%	
Gov't Advantage Money Market		17.35%	



Board Meeting

March 21, 2012

Subject: Cash Commitment/Investment Report-Month Ended January 31, 2012

Page -3-

**METROPOLITAN SEWERAGE DISTRICT
INVESTMENT MANAGERS' REPORT
AT JANUARY 31, 2012**

Summary of Asset Transactions

	<u>Original</u>		<u>Interest</u>
	<u>Cost</u>	<u>Market</u>	<u>Receivable</u>
Beginning Balance	\$ 30,811,730	\$ 30,811,730	\$ 182,331
Capital Contributed (Withdrawn)	(172,341)	(172,341)	
Realized Income	803	803	20,569
Unrealized/Accrued Income	-	-	
Ending Balance	\$ 30,640,192	\$ 30,640,192	\$ 202,900

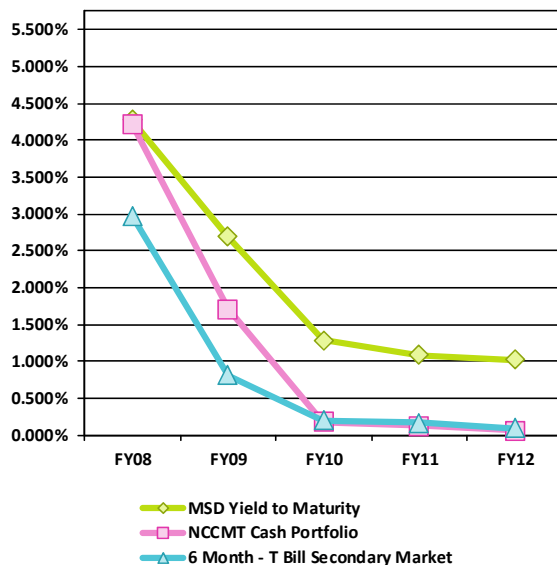
Value and Income by Maturity

	<u>Original Cost</u>		<u>Income</u>	
Cash Equivalents <91 Days	\$ 6,248,768	\$	4,359	
Securities/CD's 91 to 365 Days	24,391,424	\$	17,014	
Securities/CD's > 1 Year	-	\$	-	
	\$ 30,640,192	\$	21,372	

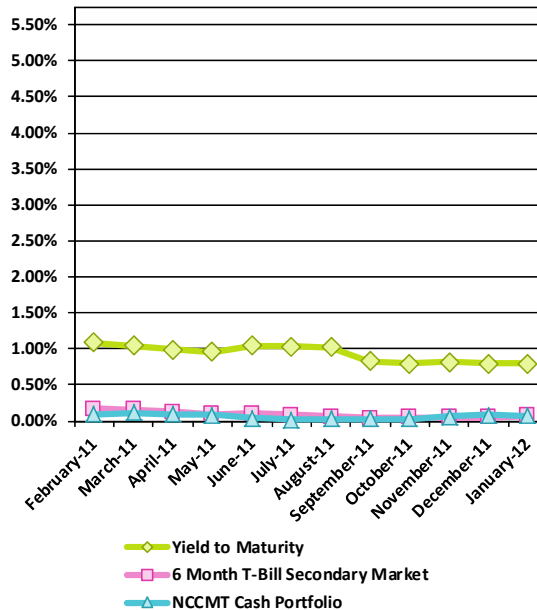
Month End Portfolio Information

Weighted Average Maturity	418
Yield to Maturity	0.79%
6 Month T-Bill Secondary Market	0.07%
NCCMT Cash Portfolio	0.07%

**Metropolitan Sewerage District
Annual Yield Comparison**



**Metropolitan Sewerage District
Yield Comparison - January 31, 2012**



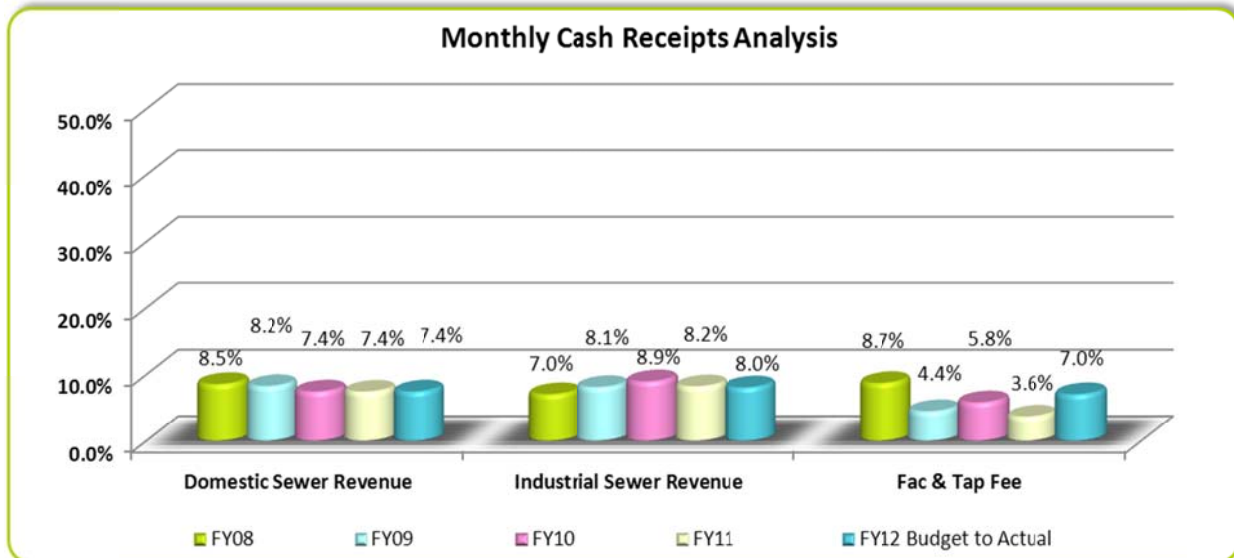
Board Meeting

March 21, 2012

Subject: Cash Commitment/Investment Report-Month Ended January 31, 2012

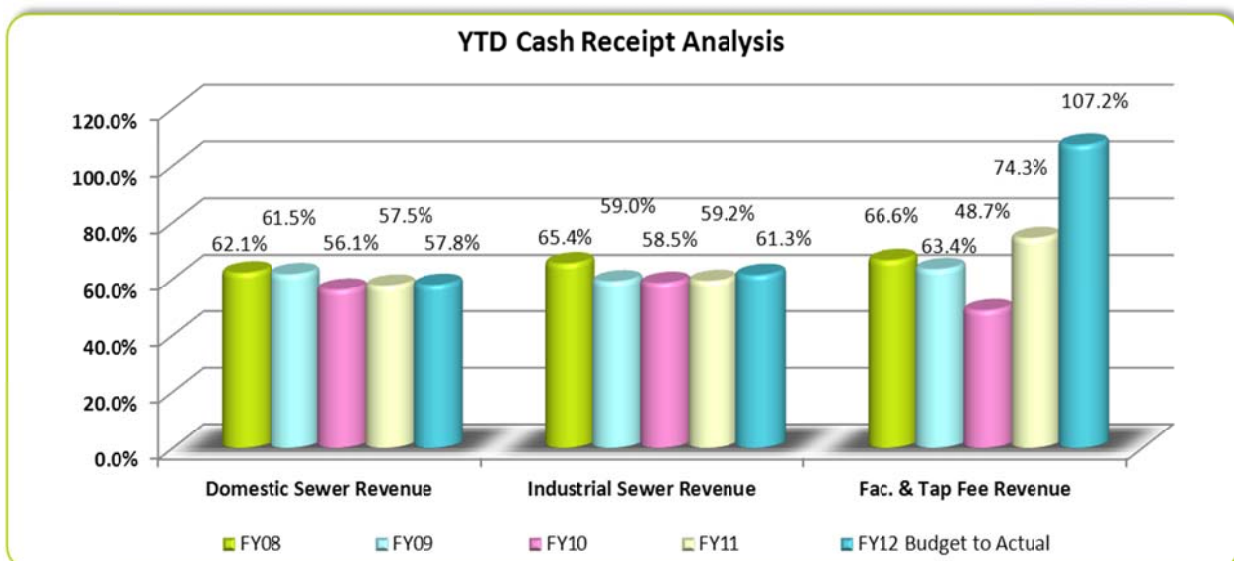
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**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF CASH RECEIPTS
AS OF JANUARY 31, 2012**



Monthly Cash Receipts Analysis:

- ▶ Due to the City of Asheville's implementation of their Munis Billing System, cash receipts were delayed. This has impacted receipts and will be resolved in the following months.
- ▶ 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:

- ▶ Due to the City of Asheville's implementation of their Munis Billing System, cash receipts were delayed. This has impacted receipts and will be resolved in the following months.
- ▶ YTD 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.

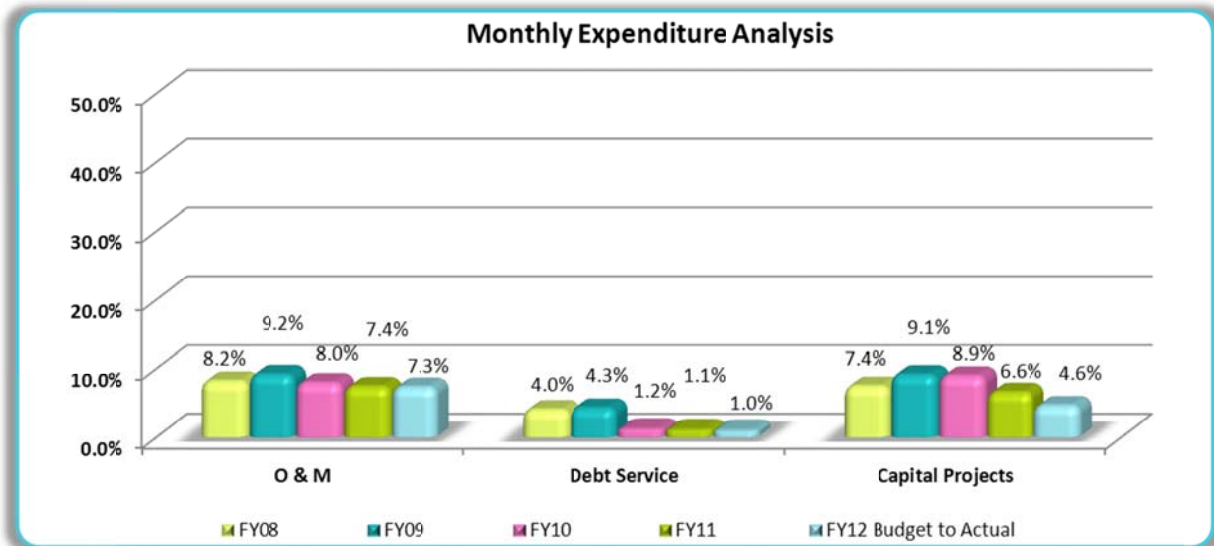
Board Meeting

March 21, 2012

Subject: Cash Commitment/Investment Report-Month Ended January 31, 2012

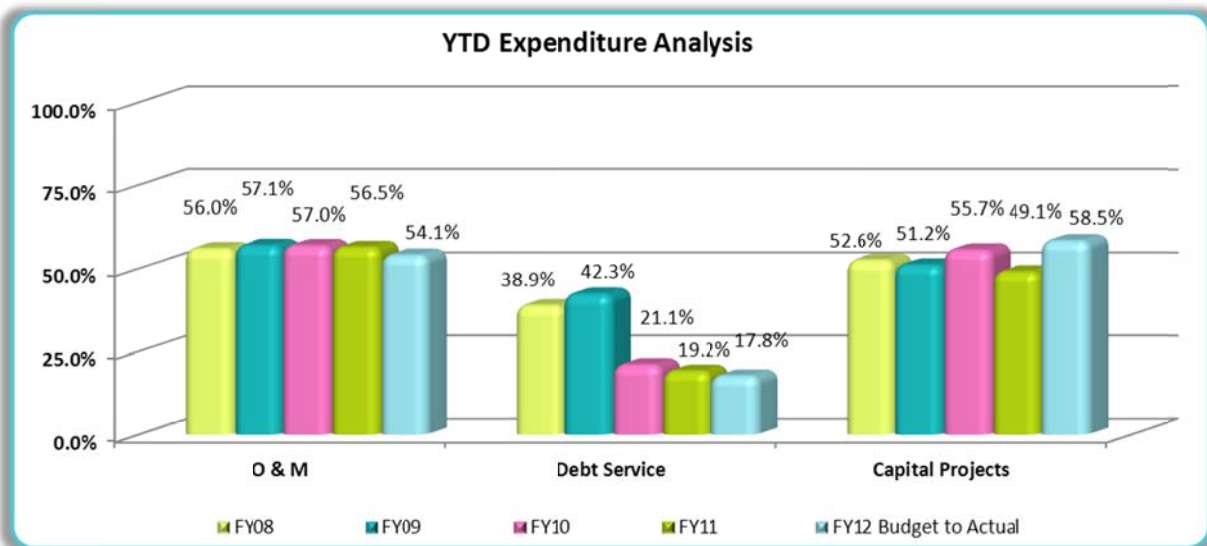
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**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF EXPENDITURES
AS OF JANUARY 31, 2012**



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.

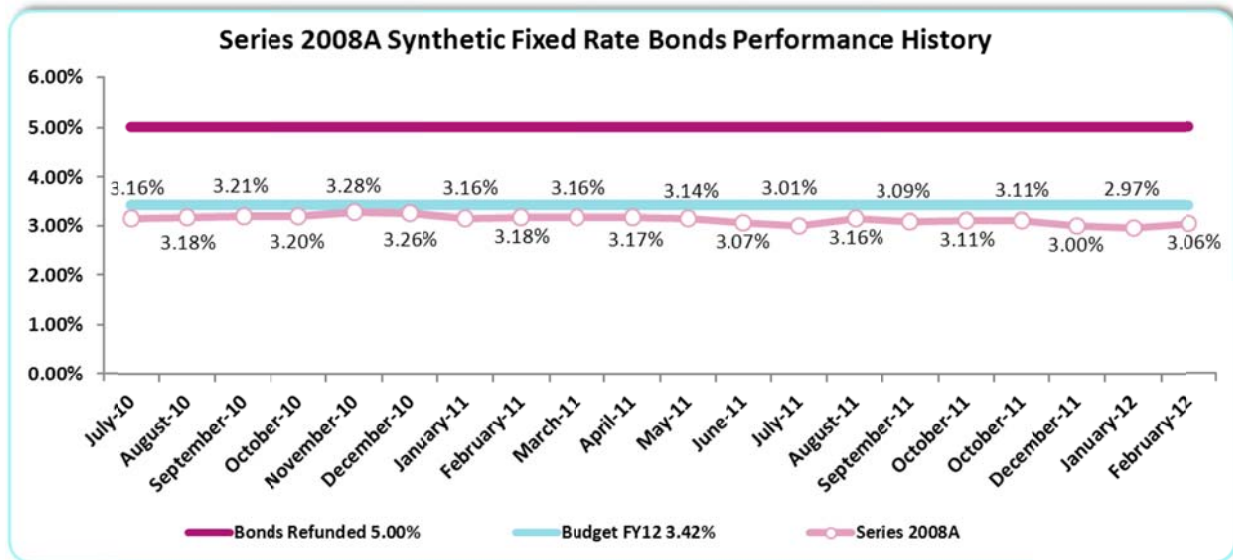
Board Meeting

March 21, 2012

Subject: Cash Commitment/Investment Report-Month Ended January 31, 2012

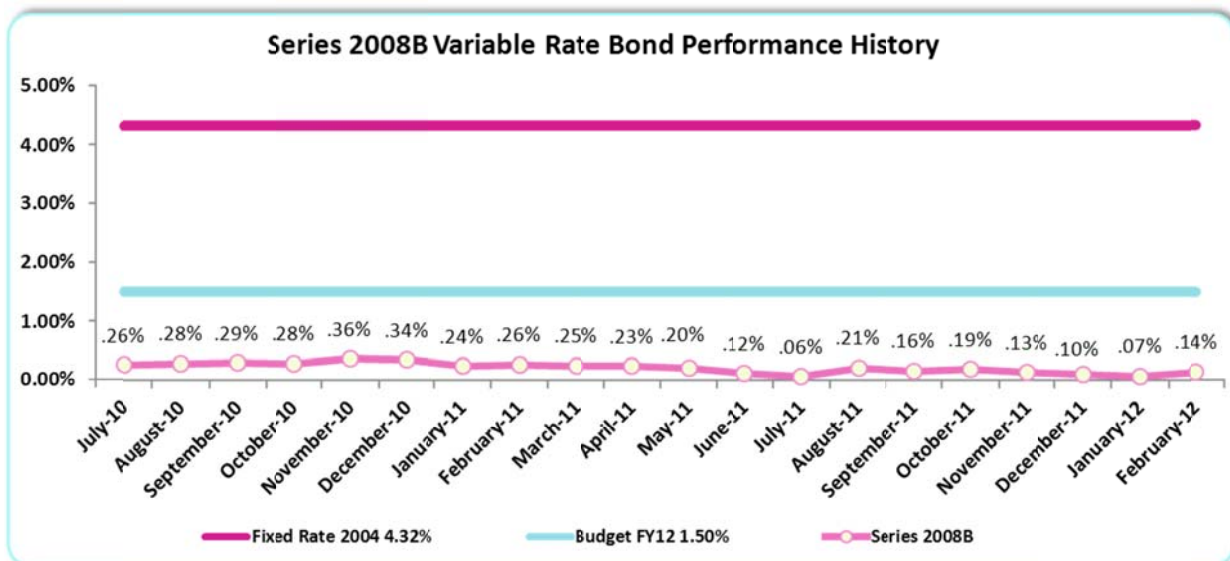
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**METROPOLITAN SEWERAGE DISTRICT
Variable Debt Service Report
As of February 29, 2012**



Series 2008A:

- Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$1,943,684 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 \$4,730,000 over the life of the bonds.
- MSD would pay \$6,250,000 to terminate the existing Bank of America Swap Agreement.



Series 2008B:

- Savings to date on the 2008B Variable Rate Bonds is \$2,967,931 as compared to 5/1 fixed rate of 4.32%.
- Since May 1, 2008, the Series 2008B Bonds average variable rate has been 0.59%.
- MSD will achieve \$8,780,000 in cash savings over the life of the bonds at the current average variable rate.

STATUS REPORTS

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

March 12, 2012

PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
DILLINGHAM ROAD - 4 INCH MAIN	Terry Brothers	TBA	TBA	TBA	TBA	0%	Informal Bids were opened on March 8th. Terry Brothers Construction Company is the apparent low.
DINGLE CREEK INTERCEPTOR @ CROWFIELDS, PHASE II	T & K Utilities	9/21/2011	10/7/2011	2/14/2012	\$175,854.00	98%	Informal Project is complete and in close out.
FIBER OPTIC CONDUIT INSTALLATION	S & S Cable, Inc.	2/21/2012	3/15/2012	5/28/2012	\$49,956.14	0%	Informal Preconstruction meeting was held March 12th. Construction is imminent.
PATTON AVENUE @ PARKWOOD ROAD	Huntley Construction	1/18/2012	TBA	TBA	\$243,718.16	0%	Informal Project was awarded to Huntley Construction Company.
PIPE RATING CONTRACT #6 (LINING)	Improved Technologies Group	10/19/2011	12/5/2011	7/2/2012	\$808,846.50	50%	Formal Lining in Biltmore Forest is complete. Project is progressing well.
ROEBLING CIRCLE	Terry Brothers	TBA	TBA	TBA	TBA	0%	Informal Bids were opened on March 8th. Terry Brothers Construction Company is the apparent low.
ROLLINGWOOD ROAD	Huntley Construction	8/17/2011	9/19/2011	3/30/2012	\$206,957.50	98%	Informal Project is complete except for paving.
TOWN BRANCH INTERCEPTOR PHASE II	Moore & Son	6/15/2011	7/18/2011	2/16/2012	\$556,273.80	92%	Formal Working on clean up, restoration and binder installation. Depot Street paving has been relinquished to COA.
TOWN MOUNTAIN ROAD (4-INCH MAIN)	Terry Brothers	1/18/2012	TBA	TBA	\$284,847.00	0%	Informal Project was awarded to Terry Brothers Construction Company.
VA HOSPITAL (PRP 28001)	Huntley Construction	12/14/2011	2/6/2012	6/5/2012	\$200,786.99	10%	Informal Mainline construction is progressing well.
WRF - FINAL MICROSCREEN REPLACEMENT	Hickory Construction	10/20/2010	1/3/2011	7/1/2012	\$8,972,321.36	60%	Formal Urethane liners are complete. Electricians are working on switchgear, and equipment is being installed in the dry pits. Yard piping nearly complete.
WRF - ROOF REPLACEMENT ON FINAL MICROSCREEN BUILDING	Carolina Specialties	2/3/2012	TBA	TBA	\$110,719.00	0%	Informal Shop submittals in review.

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

Planning and Development Projects Status Report
March 21, 2012

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	Redesign
	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
	MWB Sewer Extension	2008046	Asheville	Comm.	285	5/12/2008	Complete - Waiting on final documents
	Black Mtn Annex: Avena Rd.	1999026	Black Mtn.	24	4,300	8/19/2010	Complete - Waiting on final documents
	Black Mtn Annex: McCoy Cove	1992174	Black Mtn.	24	2,067	8/19/2010	Complete - Waiting on final documents
	Black Mtn Annex: Blue Ridge Rd.	1992171	Black Mtn.	24	2,560	8/19/2010	Complete-Waiting on final documents
	Kenilworth Healthy Built	2011030	Asheville	5	252	8/23/2011	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
	Greeley Street	2011053	Asheville	2	119	9/15/2011	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
	AVL Technologies	2010018	Woodfin	Comm.	133	5/21/2010	Complete-Waiting on final documents
	UNC-A New Residence Hall	2011047	Asheville	304	404	8/29/2011	Complete-Waiting on final documents
	Falcon Ridge	2004240	Asheville	38	3,279	10/11/2006	Complete-Waiting on final documents
	Versant Phase I	2007008	Woodfin	64	12,837	2/14/2007	testing
	Ridgefield Business Park	2004188	Asheville	18	758	2/16/2005	Complete-Waiting on final documents

Subtotal	965	34,664
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Planning and Development Projects Status Report
March 21, 2012

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
	Dollar General - Smokey Park	2011048	Candler	Comm.	100	3/13/2012	Pre-con held, ready for construction
	The Settings (6 Acre Outparcel)	2004192	Black Mountain	21	623	3/15/2006	Ready for final inspection
	Dollar Tree - Weaverville	2011113	Weaverville	Comm.	75	2/23/2012	Pre-con held, ready for construction
	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	Punchlist pending
	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	Punchlist pending
	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
	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	Redesign
	Cottonwood Townhomes	2009110	Black Mtn.	8	580	10/20/2009	Testing
	Camp Dorothy Walls - Ph. 2	2007294	Black Mtn.	Comm.	593	6/16/2009	Pre-con held, ready for construction
	Thoms Estate 3A	2011022	Asheville	8	457	10/24/2010	Pre-con held, ready for construction
	Olive Garden	2011074	Asheville	Comm.	500	12/12/2011	Installing
	Fairview Road Property	2010043	Asheville	10	542	11/9/2011	Testing
	Larchmont Apartments	2011014	Asheville	60	26	6/23/2011	Testing
	Quality Oil - Fairview	2011081	Buncombe Co.	Comm.	522	3/20/2012	Pre-con held, ready for construction

Subtotal	2453	105,613
Total Units:	3,418	
Total LF:		140,277