

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT**  
**JUNE 13, 2012**

**1. Call to Order and Roll Call:**

The regular monthly meeting of the Metropolitan Sewerage District Board and Public Hearing on the Budget for FY 2013 was held in the Boardroom of MSD's Administration Building at 2:00 p.m., Wednesday, June 13, 2012. Chairman Aceto presided with the following members present: Bryson, Creighton, Haner, Kelly, Pelly, Root, Russell, Stanley and VeHaun. Ms. Manheimer and Mr. Watts were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, P.A., Doug Bean with Raftelis, Joseph Martin with Woodfin Sanitary Water and Sewer District, Gary Jackson, Asheville City Manager, Barry Summers, Marcus Jones with Henderson County, Stan Boyd, Ed Bradford, Peter Weed, Jim Hemphill, Mike Stamey, Ken Stines, Scott Powell, 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. He stated he had a conflict of interest with item a. of the Consolidated Motion Agenda.

**3. Approval of Minutes of the May 16, 2012 Board Meeting:**

Mr. Aceto asked if there were any changes to the Minutes of the May 16, 2012 Board meeting. Mr. VeHaun moved the Minutes be approved as presented. Mr. Creighton seconded the motion. Voice vote in favor of the motion was unanimous.

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

None

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

Mr. Aceto welcomed Mr. Bean, Mr. Jackson, Mr. Summers, Mr. Jones and Mr. Martin. There was no public comment.

**6. Report of General Manager:**

Mr. Hartye reported the Planning Committee met and deliberated over the RFP to be sent out to consultants for the impact study. He stated the Government Committee will meet tomorrow to review House Bill 1009 "MSD Amendments" which is basically recommendation #1 from the Metro Sewerage/Water Committee. He presented a copy of the letter from Chairman Aceto to Mayor Bellamy regarding the LRC recommendation, and her response letter back.

Mr. Hartye presented a letter from the Government Finance Officers Association (GFOA) notifying MSD that the FY 2011 CAFR qualifies for the Certificate of Achievement. He expressed his appreciation to Scott Powell and Teresa Gilbert.

Mr. Hartye reported that Standard & Poor's Rating Agency upgraded Buncombe County's G.O. rating to "AAA." He expressed his congratulations to the County. Mr. Aceto asked how many counties in North Carolina have an "AAA" rating. Mr. Creighton said six.

Mr. Hartye presented an article "Reaching your full potential" by Angel Banks from a recent issue of Right of Way magazine.

Mr. Hartye reported the next regular Board Meeting will be held July 18<sup>th</sup> at 2 pm. The next Right of Way Committee will be held June 27<sup>th</sup> at 9 am.

**7. Report of Committees:**

**Right of Way Committee**

Mr. Kelly reported the Right of Way Committee met May 23, 2012. The Committee considered Compensation Expenses on the West French Broad Master Plan Interceptor and settlement in MSD vs Tinnaro Forest Hill Drive PRP#2, which are a part of the Consolidated Motion Agenda.

**Planning Committee**

Mr. Root reported the Planning Committee met May 31, 2012 to consider a draft RFP for a detailed water merger impact study. A report was given by Mr. Peiffer Brandt of Raftelis, Consultant for the City of Asheville. The Committee recommends to the full Board approval of the draft RFP, with a title change along with some clarification to the RFP to address the issues discussed. Mr. Root stated consideration of the recommendation will be addressed under Item 9 of the Board agenda.

**8. Consolidated Motion Agenda:**

**a. Consideration of Estimated Compensation Expenses – West French Broad Master Plan Interceptor:**

Mr. Hartye reported the Right of Way Committee recommends approval of the estimated Compensation expenses for the West French Broad Master Plan Interceptor.

**b. Consideration of Settlement in MSD vs. Tinnaro Forest Hill Drive PRP #2:**

Mr. Hartye reported the Right of Way Committee recommends MSD Staff and Counsel recommend settlement of MSD vs. Tinnaro in the amount of \$35,500, inclusive of all settlement costs and interest.

**c. Consideration of Bids – Sodium Bisulfite Contract:**

Mr. Hartye reported the following bids for the Sodium Bisulfite contract were received and opened on May 25, 2012: Southern Ionics with a bid of \$1.15/per gallon and JCI Jones with a bid of \$1.295/per gallon. He stated Southern Ionics was the lowest bidder and has agreed to hold its price firm for the total year contract irrespective of market changes. Staff recommends the Board award the contract for the supply of Sodium Bisulfite to Southern Ionics at a unit price of \$1.15 per gallon.

**d. Consideration of Bids – Hydrogen Peroxide Odor Control Contract:**

Mr. Hartye reported the following bids for the Hydrogen Peroxide Odor Control contract (for the Carrier Bridge Pump Station) were received and opened on June 4, 2012: Siemens Industry with a bid of \$0.275/per pound and US Peroxide with a bid of \$0.279 per pound. Staff recommends the Board award the contract for the supply of Hydrogen Peroxide to Siemens Industry at a unit price of \$0.275 per pound.

**e. Consideration of Bids – MSD FY 13 Non City of Asheville Road ROW Paving Restoration Contract:**

Mr. Hartye reported the annual contract is for the restoration of roads, driveways, and sidewalks resulting from District maintenance activities for areas outside of the City of Asheville Road rights of way. The following bids were received and opened

on May 24, 2012: APAC-Atlantic, Inc. with a total bid of \$213,427.50 and French Broad Paving, Inc. with a total bid of \$158,050.00. Staff recommends award of this contract to French Broad Paving, Inc. in the amount of \$158,050.00, contingent upon review and approval by District Counsel. Mr. Haner asked why MSD did not have to go through the formal bid process for this contract. Mr. Clarke stated the contract is less than \$500,000.

**f. Consideration of MSD Paving Agreement with the City of Asheville:**

Mr. Hartye reported this agreement is for the restoration of public roads and sidewalks within the Asheville City Limits, resulting from District maintenance activities and in-house rehabilitation projects. He stated the District entered into an agreement with the City on July 2, 1011 wherein the District would pay the City an annual contribution to a Paving Enterprise Fund. All permit fees would be waived, and pavement restoration would be performed by the City's in-house paving crews. He further stated that the FY12-13 budget for this line item is \$725,000.00, which also includes the additional paving contract for work outside City Limits. \$560,000.00 is allocated for the proposed City of Asheville agreement. Staff recommends the District execute an agreement with the City of Asheville in the amount of \$560,000.00 for paving public roads within the Asheville City Limits for Fiscal Year 2012-2013. Award is contingent upon review and approval of District Counsel.

**g. Cash Commitment/Investment Report – Month Ended April 30, 2012:**

Mr. Powell reported that Page 2 presents the makeup of the District's Investment Portfolio with 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 April. The weighted average maturity of the investment portfolio is 402 days and the yield to maturity is 0.76% and exceeds MSD bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 4 is an analysis of the District's April Cash Receipts. Monthly domestic sewer revenue is considered reasonable based on timing of cash receipts in their respective fiscal periods. Monthly and YTD Industrial Sewer Revenue is considered reasonable due to historical trends. YTD Facility & Tap fees are above historical trends due to the timing of one cash receipts of \$610,000 as well as impact fees being budgeted conservatively. Page 5 is an analysis of the District's April Expenditures. Monthly and YTD expenditures are considered reasonable based on historical trends. Page 6 is the MSD Variable Debt Service Report. Both the 2008 A&B Series are performing better than budgeted expectations. As of the end of May, both issues have saved District rate payers \$5.4 million dollars in debt service since April, 2008. Mr. Clarke noted the District's Liquidity Agreement was finalized on June 12, 2012.

With no discussion, Mr. Aceto called for a motion to approve items b. through g. of the Consolidated Motion Agenda as presented. Mr. Russell moved. Ms. Bryson seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

Mr. Stanley called for a motion to excuse Mr. Aceto from discussion, deliberation or vote on item a. of the Consolidation Motion Agenda due to a potential conflict of interest. Mr. Creighton moved. Mr. VeHaun seconded the motion. Voice vote in favor of the motion was unanimous.

Mr. Stanley called for a motion to approve item a. of the Consolidated Motion Agenda. Mr. VeHaun moved. Mr. Pelly seconded the motion. Voice vote in favor of the motion was unanimous.

**9. Public Hearing – Consideration of Resolution Adopting the Final Budget and Rates & Fees for Fiscal Year 2012-2013:**

**MINUTES OF PUBLIC HEARING**

At 2:17 p.m., Mr. Aceto declared the Public Hearing open on the Final Budget, Rates & Fees for Fiscal Year 2012-2013 and asked Mr. Powell to present the Budget.

Mr. Powell reported behind the introduction tab is the District's Budget message. Included in the message is: Current Year Highlights with domestic and industrial revenue expected to meet budgeted projections. The Operating Budget outlines the proposed \$14.7 million operations and maintenance budget and proposed changes for the upcoming year. The Capital Improvement Program section outlines the proposed \$18.4 million construction budget as well as the outstanding debt and debt service. The Sewer Rate Increase section outlines the past five years' domestic rate increases as well as the proposed FY13 domestic rate increase of 2.5%.

Mr. Powell reported behind the Policies & Process tab is a description of the budget process including the Statutory and Bond Order requirements, budget administration, and if needed, budget amendments. Page 12 briefly describes the forecasting methodology and includes the current business plan which outlines the current year proposed budget as well as estimated needs for the next nine years.

Mr. Powell reported Page 26 is the proposed \$41,945,141 FY13 budget which incorporates the following: A 2.5% domestic rate increase which is a .69 cent increase in the average single family monthly bill that will go from \$26.45 to \$27.14; Continuation of the Industrial Rate Parity Plan which is in year 13 of a 20 year plan and the average impact to industrial customers will be 3.9%; Facility and Tap Fees remain at 2012 levels; 1.0% Rate of Return on investments; .51% increase in Salaries and Benefits which has an impact of \$58,633 and includes Personnel Committee recommendations as to Merit and COLA increases, Self-insurance funding and GASB 45 OPEB Funding, and a .64% increase in Materials supplies and service which has an impact of \$37,929.

Mr. Powell reported behind the Operation & Maintenance tab is a detailed accounting of the proposed budget by department as well as current year projected and prior years actual. Behind the Insurance Fund tab is a concise overview of the various insurance funds along with their respective proposed budgets for FY 13 and includes FY 11 actuals and current year projected. Behind the Replacement Fund tab is an overview of the various insurance funds along with their respective budgets and FY 13 and FY 11 actuals and current year projected. Behind the CIP Program tab is an overview of the CIP program run by the engineering department along with their proposed current year budget and projection of needs for the upcoming nine years. Behind the Debt Financing tab is an overview of debt management as well as a brief description of upcoming year outstanding debt as well as aggregate debt service for each outstanding issue. In the back of the budget document, a budget resolution and schedule of rates and fees are included along with a big version of the business plan for individuals who are visually challenged.

Mr. Aceto called for public comment on the proposed Budget, Rates & Fees for FY 2012-2013. There being no comment, Mr. Aceto declared the public hearing closed at 2:25 p.m.

Mr. Aceto called for a motion to approve the Resolution adopting the Final Budget, Rates & Fees for FY 2012-2013. Mr. Stanley moved. Mr. Root seconded the motion. Mr. Pelly stated that although he appreciates the work that went into the budget, he will vote against the motion since part of the Board's charge is to look out for the ratepayers and this rate increase amounts to almost 20% over the last five years. Mr. Aceto asked Mr. Pelly if he had a chance to look at the rate history that was recently

distributed. Mr. Pelly said he did, but feels the Board needs to try harder to hold rate increases down. Mr. Haner stated he takes exception to the inference that this Board is not doing as good as it can do and that if he votes in favor of the budget, he is not voting in the best interest of the ratepayers. He asked that the minutes reflect that his vote is in the best interest of the ratepayers. Mr. Aceto called for the question. Roll call vote was as follows: 10 Ayes; 1 Nay, Mr. Pelly because of the rate increase.

**10. Consideration of RFP for detailed water/sewer consolidation impact study:**

Mr. Hartye reported that at the May 31<sup>st</sup> Planning Committee, a change of title in the RFP was recommended and much discussion was held on other changes offered. He stated staff has made some wording changes to the document for value and clarification as highlighted and recommends the Board accept the RFP with changes and allow staff to proceed to send out to qualified consultants. Mr. Hartye noted the selection process is referred to in the RFP and staff intends to bring a recommendation for a consultant to the July 18<sup>th</sup> Board meeting. Mr. Root asked for a clarification on what action the Board should take. Mr. Hartye said for staff to send out the RFP as shown. Mr. Root moved. Mr. Stanley seconded the motion. With no discussion, voice vote in favor of the motion was unanimous.

**11. Old Business:**

None

**12. New Business:**

Mr. Haner asked to be added to the Planning Committee. With no objections, Mr. Aceto approved Mr. Haner's request.

Mr. Pelly reported there was a brief session at the Asheville City Council meeting on July 12<sup>th</sup> about how to best meet the "good faith" efforts called for in the State legislation on the merger question. He stated the outcome of that discussion was that Asheville City Council intends to invite the full State delegation to come meet sometime soon to ask their interpretation of how to best meet the language of the legislation.

**13. Adjournment:**

With no further business, Mr. Aceto called for adjournment at 2:36 p.m.

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Jackie W. Bryson, Secretary/Treasurer

# MSD

## Regular Board Meeting

Metropolitan Sewerage District  
of Buncombe County, NC

## AGENDA FOR 6/13/12

✓	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 May 16, 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. Committee Reports: a. Right of Way Committee – 5/23/12 – Glenn Kelly b. Planning Committee – 5/31/12 – Al Root	Aceto	2:40
	07. Consolidated Motion Agenda	Hartye	2:55
	a. Consideration of Estimated Compensation Expenses West French Broad Master Plan Interceptor.	Hartye	
	b. Consideration of Settlement in MSD vs. Tinnaro Forest Hill Drive PRP #2.	Hartye	
	c. Consideration of Bids – Sodium Bisulfite Contract	Hartye	
	d. Consideration of Bids – Hydrogen Peroxide Odor Control Contract.	Hartye	
	e. Consideration of MSD FY13 Non-City of Asheville Road ROW Paving Restoration Contract.	Hartye	
	f. Consideration of MSD Paving Agreement with City of Asheville.	Hartye	
	g. Cash Commitment Investment Report as of April 30, 2012	Powell	
	08. Public Hearing: Consideration of Resolution Adopting the Final Budget and Rates & Fees for FY 2012-2013.	Aceto	3:10
	09. Consideration of RFP for Detailed Study of the Impacts on the MSD Ratepayers of the Potential Merger/Consolidation of Water and Sewer Systems.	Aceto	3:25
	10. Old Business	Aceto	3:35
	11. New Business	Aceto	3:40
	12. Adjournment (Next Meeting 7/18/12)	Aceto	3:45

# **APPROVAL OF MINUTES**

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT  
MAY 16, 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, May 16, 2012. Chairman Aceto presided with the following members present: Bryson, Creighton, Haner, Kelly, Manheimer, Pelly, Russell, Stanley, Watts and VeHaun. Mr. Root was absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Marcus Jones with Henderson County, Ed Bradford, Dennis Lance, Stan Boyd, Scott Powell, Peter Weed, Mike Stamey, Ken Stines, Jim Hemphill, 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 April 18, 2012 Board Meeting:**

Mr. Aceto asked if there were any changes to the Minutes of the April 18, 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. Jones. There was no public comment.

**6. Report of General Manager:**

Mr. Hartye reported the Planning Committee is recommending that a detailed Impact Study of the LRC recommendations be conducted. A process flow chart is attached. He stated that staff is attempting to get the necessary information and gauge the interest of other water purveyors to be included in the study.

Mr. Hartye reported that Daniel Marsh of GIS and Kevin Johnson of P&D gave a presentation about using MSD's GIS website to the Asheville Board of Realtors group on Wednesday, April 25<sup>th</sup> at their monthly meeting. He stated there were about 25 in attendance and it was well received. Also, MSD will have a booth at the Realtors Expo on Thursday at the Crown Plaza.

Mr. Hartye reported that Chief Anderson and his team came to meet and speak with the MSD System Services employees in general, and to meet directly with the crew involved in the recent accident. He expressed his appreciation to the Asheville Police for their service and their initiative to create a stronger bond with fellow public servants.

Mr. Hartye reported that MSD received a call regarding an MSD driver who was driving erratically. The employee was counseled and disciplined accordingly.

Mr. Hartye presented an article from the Hendersonville Times on the water issue. In addition, he presented an article from the Asheville Citizen-Times regarding rates, which speaks to MSD's proposed 2.5% domestic rate increase and industrial parity plan. He presented a copy of the full parity plan to show how rates have changed. He stated that MSD is 13 years into the 20 year plan. He explained in the very beginning you start out with low cost for the flow component for industry, and then take the flow



component and match it with the domestic. For any extra strength beyond domestic strength, industry pays extra for BOD and TSS, which is how it's typically done throughout the United States.

Mr. Hartye reported that the next Right of Way Committee meeting is scheduled for May 23<sup>rd</sup> at 9am. The next regular Board meeting and Public Hearing on the final Budget will be held June 13<sup>th</sup> at 2pm.

**7. Report of Committees:**

**Right of Way Committee**

Mr. Kelly reported the Right of Way Committee met April 25, 2012. An update on the City of Asheville greenway corridors was presented. The Committee considered Compensation Budgets on the Rash Road SSR; 14 Daniel Road SSR; Old US 70 @ Grovemont, which is part of the Consolidated Motion Agenda. The Committee received the Quarterly Report which provides information on the percentage of easements complete, percentage of compensations expended and comments on condemnations.

**Personnel Committee**

Mr. Vahaun reported the Personnel Committee met May 2, 2012. The Committee heard a presentation by Pam Thomas on the areas of activities within the Human Resource Department. The Committee considered the self-insured health plan and cost of living/merit pay plan and recommended a 2.0% COLA and a 2.0% Merit increase, along with a 1.0% increase in funding for the self-insured medical plan. With regard to the medical plan, Mr. VeHaun called on Mr. Hemphill for a report on how much the District will save in the coming year. Mr. Hemphill reported staff has reviewed every aspect of the medical insurance components to include the brokers, the providers, the third-party administrator, the insurance network itself, the re-insurance component and the pharmacy benefits manager. He further reported staff has worked with brokers to provide the best scenario possible and found some situations where things can be moved out of fixed costs into variables, which is better for MSD in that it will not be paying for something it is not using. He stated that \$200,000 will be shifted out of fixed costs into variables in order to save money and keep medical costs as flat as possible. Mr. Hartye stated that claims have increased due to an aging workforce, but because of the efforts of Mr. Powell and Mr. Hemphill, they were able to offset the increase in claims costs by lowering fixed cost. The Committee's recommendation is included in the proposed Preliminary Budget.

**Capital Improvement Program Committee**

Mr. Haner reported the Capital Improvement Program (CIP) Committee met May 3, 2012 and was well attended by representatives from each municipality and about 75% of MSD Board members. The Committee heard a presentation by Ed Bradford, CIP Director on the highlights of the current and proposed CIP Budget for FY 2012-2013. It was noted that SSO's are down to approximately 20 per year and MSD is in full compliance with its DENR collection system permit. The Committee recommended endorsement of the proposed CIP Budget in the amount of \$18,364,180, which includes a contingency of \$1,000,000 and an inflationary rate of 3.65% for the budget cycle.

**Planning Committee**

In the absence of Mr. Root, Mr. Aceto reported the Planning Committee met May 3, 2012. Mr. Clarke gave an update on the recommendations of the Legislative Research Commission (LRC). The Committee considered the process going forward with a discussion on whether to invite MSD member agencies to participate in the detailed

impact study. Mr. Hartye reported that following some phone calls, he received the following response: Weaverville, Biltmore Forrest and Buncombe County said yes. Hendersonville and Montreat said they will check and Black Mountain and Woodfin Sanitary Water & Sewer District said no. He stated that the timeline is very limited with the scope of service due by the June 13<sup>th</sup> Board meeting; have RFP's submitted by July 12<sup>th</sup>; selection of consultant by the July 18<sup>th</sup> Board Meeting; prepare the study from August to November, at which time, the findings will be presented to the Planning Committee and Board. In the meantime, staff will work to include anyone else who wants to be part of the study. He further stated that the first Phase of the process is to have the Asheville study done by the August-November time frame. The second Phase will include all of the other interested municipalities by January. Ms. Manheimer asked if the proposed RFP will come back to the Board before a selection is made. Mr. Hartye said yes. The Scope of Services will be presented to the Board at the June 13<sup>th</sup> meeting. Ms. Manheimer stated that the consultant for the City (Raftelis) will want to review it. The Committee recommends acceptance of the flow chart as a guideline for a detailed Impact Study of the LRC recommendations.

### **Finance Committee**

Mr. Kelly reported the Finance Committee met May 9, 2012. The Committee heard a presentation by Mr. Powell on the Third Quarter Budget to Actual Review and an overview of the Proposed Budget for FY 2012-2013; the MSD Business Plan, and Rate Information. He stated staff recommends Tap and Facility fees remain at 2012 levels; a 2.5% increase in the Domestic Rate, which would be a .69 cent increase in the average single family monthly bill bringing the average bill from \$26.45 to \$27.14. Staff also recommends continuing the industrial rate parity plan, which includes a 3.9% average increase for the industrial section and incorporates the 2.5% Domestic rate increase. Following Mr. Powell's presentation, the Committee moved to approve the Proposed FY 2012-2013 Budget and Schedule of Sewer Rates & Fees. Mr. Kelly further reported that following a discussion regarding the Series 2008 A&B Resolution replacing the current Standby Purchase Agreement, the Committee moved to recommend to the Board approval of the proposed "Term Sheet" from Wells Fargo (Exhibit 1) and the proposed "Resolution" (Exhibit 2) approving Wells Fargo, NA as successor liquidity provider for the Series 2008 A&B revenue bonds. The Committee recommendation is a part of the Consolidated Motion Agenda.

#### **8. Consolidated Motion Agenda:**

##### **a. Consideration of Compensation Budgets – Rash Road SSR, 14 Daniel Road SSR, Old US 70 @ Grovemont Avenue.**

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

##### **b. Consideration of Adoption of Revised MSD Sewer Use Ordinance:**

Mr. Hartye reported that at the February meeting of the Board it adopted a Declaration of Intent to adopt the revised MSD Sewer Use Ordinance (SUO). The Ordinance was sent out to the local governing bodies within the District for review and comment. Only one comment was received from Biltmore Forest who had no concerns with the changes proposed. Mr. Hartye noted the State required changes to the SUO and staff recommends the Board adopt the revised MSD SUO.

##### **c. Consideration of Acceptance of Developer Constructed Sewer System - Oakcrest Sewer Extension Project.**

Mr. Hartye reported the Oakcrest sewer extension project is located inside the District boundary off Appalachian Way in the City of Asheville. The project included

the installation of approximately 783 linear feet of 8" gravity sewer to serve a forty-one (41) unit residential subdivision. Mr. Hartye stated that staff recommends acceptance of the developer constructed sewer system. All MSD requirements have been met.

**d. Third Quarter Budget to Actual Review – FY 2011-2012:**

Mr. Powell reported that Domestic User Fees are at budgeted expectations. Facility and Tap Fees are above budgeted expectations. This is due to the District budgeting its impact fees conservatively and receiving unanticipated revenue of \$610,000 from one development. Interest and Miscellaneous income are at budgeted expectations. This is a direct result of the District selling renewable energy credits associated with the Hydroelectric Facility. Investment income is still experiencing recessionary pressure on the fixed income market. O&M expenditures are below budget to actual of 75%. Bond principal and interest actually spent are less than budget due to actual variable interest rates averaging .13% as well as timing of debt service principal and interest payments. Amounts budgeted for capital equipment and capital projects are rarely expended proportionately throughout the year and are expected to be fully spent prior to the end of the year.

**e. Cash Commitment/Investment Report – Month Ended March 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 Investment Manager Report as of the month of March. The Weighted Average Maturity of the investment portfolio is 433 days. The Yield to Maturity is .77% and exceeds the benchmarks of the 6 month T-Bill and NCCMT cash portfolio. Page 6 is the MSD Variable Debt Service report for the month of March. Both the 2008 A&B Series are performing better than budgeted expectations. As of the end of April, both issues have saved District ratepayers approximately \$5.3 million dollars in debt service since April, 2008.

**f. Consideration of Resolution to Replace Current Standby Bond Purchase Agreement:**

Mr. Powell reported the District has two series of variable rate debt. These issues are marketed on a weekly basis. Due to their variable nature, both series require a Standby Purchase Agreement. A Standby Purchase Agreement is an agreement with a bank to buy MSD bonds if there are no buyers in the secondary market. Currently the District has a 0.60 basis point agreement with Bank of America (BoFA) at an annual cost of \$318,000. He further reported at the May 9<sup>th</sup> Finance Committee meeting, staff communicated that Moody's Investors Service has placed BoFA on downgrade watch. Staff discussed the ramifications of the District's liquidity provider being downgraded as to the market and to the District. Staff inquired into the cost and possibility of entering into a Standby Purchase Agreement with Wells Fargo, NA. He stated that Wells Fargo, NA is the District's Underwriter for the bonds as well as Remarketing Agent and has performed well in both capacities. Wells Fargo, NA has agreed to enter into a Standby Purchase Agreement on the same terms and conditions as the current agreement. The fee will be at 0.53 basis points which amount to an \$111,000 savings over the three year period in question. The Finance Committee unanimously approved staff's recommendation for approval of the attached resolution and Wells Fargo as successor liquidity provider for the Series 2008 A&B revenue refunding bonds. Mr. Powell reported the current agreement has a termination clause which expires in June, 2013 and BoFA has agreed to waive the termination fee; allowing the District to negotiate a better deal with Wells Fargo, NA.

Mr. Watts moved that the Board approve the Consolidated Motion Agenda as presented. Ms. Bryson seconded the motion. With no discussion, Mr. Aceto called for the question. Roll Call Vote was as follows: 11 Ayes; 0 Nays.

**9. Consideration of Resolution Adopting the Preliminary Budget for FY 2012-2013 and Schedule of Sewer Rates & Fees:**

Mr. Powell reported that behind the Introduction tab is the District's Budget message. Included in the message is: Current Year Highlights – domestic and industrial revenue are expected to meet budgeted projections; the proposed \$14.7 million operating budget represents routine expenditures and capital equipment acquisitions needed for the day-to-day operations of the District. Highlights of significant components and changes for the upcoming year are included. The Capital Improvement Program section outlines the proposed \$18.4 million construction budgets as well as the outstanding debt and debt service. The Sewer Rate Increase section outlines the past five year's domestic rate increases and the proposed FY13 domestic rate of 2.5%. The Policies & Process Tab is a description of the budget process including the Statutory and Bond Order requirements, budget administration, and if needed, budget amendments.

Mr. Powell further reported that Page 12 briefly describes the forecasting methodology and includes the current business plan which outlines the current year proposed budget as well as estimates of needs for the next nine (9) years. Page 14 is the proposed \$41,945,141 FY13 budget which incorporates the following: a 2.5% domestic rate increase, which is a .69 cent increase in the average single family monthly bill that will go from \$26.45 to \$27.14; continuation of the Industrial Rate Parity Plan, which is in year 13 of 20 with a 3.9% average increase for the industrial section; Facility and Tap fees remain at the 2012 levels as well as what is budgeted for FY 2013; 1.0% rate of return on investments; .51% increase in Salaries and Benefits, which has an impact of \$58,633 and includes Personnel Committee recommendations as to Merit and COLA Increase, Self-insurance funding and GASB 45 OPEB funding; .64% increase in materials supplies and service which has an impact of \$37,929. Behind the Operation & Maintenance tab is a detailed accounting of the proposed budget by department as well as current year projected and prior year actual. Behind the Insurance Fund tab is a concise overview of the various insurance funds along with their respective proposed budgets and FY 11 actuals and current year projected. Behind the Replacement Fund tab is an overview of various replacement funds along with their respective proposed budgets and FY 11 actuals and current year projected. Behind the CIP Program tab is an overview of the CIP program run by the engineering department along with their proposed current year budget and projection of needs for the upcoming nine (9) years. Behind the Debt Financing tab is an overview of debt management as well as a brief description of capital projects funding. Also, there is a detailed listing of current outstanding debt as well as an aggregate debt service for each outstanding issue. Behind the Appendix tab is the proposed FY13 budget resolution with the schedule of rates and fees. Also included is a flow of funds which is a graphical representation of the budget resolution and a big version of the business plan for individuals who are visually challenged.

Mr. Stanley moved that the Board adopt the Preliminary Budget for FY 2012-2013 and Schedule of Sewer Rates & Fees. Mr. Watts seconded the motion. Mr. Aceto called for discussion. Mr. Pelly stated he appreciated Mr. Powell's presentation, but will vote against the budget because of the proposed rate increase of 2.5%. He further stated that when looking at rate increases over the past five (5) years, cumulatively this is a 19.75% increase as reflected on page 18 of the budget document. Because of an increase in the cost of living for people in the community and a decrease in income and home values, he feels it's his role as a member of the Board to look out for the ratepayers by keeping rate increases minimal. With no further discussion, Mr. Aceto called for the question. Roll call vote was as follows: 10 Ayes; 1 Nay, Mr. Pelly.

**10. Old Business:**

None

**11. New Business:**

With regard to the timing of the Impact Study for water/sewer consolidation, Mr. Aceto stated that a majority of the municipalities have indicated they would like to participate. He further stated that because the District has been encouraged by the Legislative Research Committee (LRC) to engage in good-faith negotiation with the City of Asheville, he asked the Board their thoughts on a formal invitation to the City. Mr. Haner stated he does not see the City ready to enter into any discussion until it has completed its review and public hearing process. Mr. Stanley stated the MSD should wait until the City asks to participate. Ms. Manheimer stated the City is not conducting a study so there is no reason to wait. Mr. Kelly stated that from discussion at the Planning Committee, he thought the invitation to participate in the study was extended to all the municipalities. Mr. Aceto stated the Planning Committee talked about the impact study, but did not get to the matter of negotiation between MSD and the City. Mr. Kelly stated a letter from MSD to the Director of the Water Authority inviting them to talk about negotiations will get the matter started. Mr. Watts stated that any letter should reflect the wording of the legislation.

Mr. Clarke stated MSD is under some obligation to offer to negotiate based on the language in the LRC recommendation which says, "Should the interested governments craft their own solution for consolidation, which achieves all the objectives of the Committee, before the 2013 North Carolina General Assembly convenes, due consideration would be given to the local plan. Action will not be taken if the parties are engaged in good-faith negotiations on this matter." He further stated that the other issue is what MSD is committed to doing. Mr. Haner asked if MSD will enter into discussions with the City prior to review of the RFP's, or can this happen concurrently. Mr. Hartye stated the negotiation process could happen parallel to the study process as opposed to waiting for the final report. Mr. Haner asked when the RFP's are sent out, will the consultants be given a time frame to complete the study. Mr. Hartye said yes; three months. He further stated there is no deadline or recommendations having to do with considering other water purveyors, however there is a deadline on the Asheville study, since it's referred to specifically. Mr. Stanley stated that MSD was not asked to initiate negotiations with the City of Asheville, therefore, should not do it.

Mr. Aceto stated the Board voted to initiate a study and it has a fiduciary responsibility not to go into this un-informed. Ms. Manheimer pointed out that the statement read by Mr. Clarke contemplates a partnership. Mr. Hartye stated the purpose of the study is to determine the impact on MSD. He further stated that MSD and the Board has not weighed in on this at all and now it has been thrust upon the MSD and it's the responsibility of the Board to see if it wants it. Ms. Manheimer stated that the only purpose of the study is to study the impact on the ratepayer of MSD of the proposal, not some hypothetical concept the City of Asheville and MSD come up with. Mr. Clarke stated that MSD as a public body has some obligation to see if the City of Asheville wants to participate in this type of negotiation. He further stated that whether MSD or the City initiates it, MSD should indicate its willingness to participate. Mr. Kelly agreed with Mr. Clarke and stated MSD should write a letter to Mayor Bellamy suggesting preliminary discussions regarding the recommendations of the (LRC). Following a poll of the Board and a reading by Mr. Clarke of what the LRC encourages the regional water and sewer stakeholders to specifically do, it was the consensus of the Board to draft a letter to Mayor Bellamy with input from Mr. Clarke and Mr. Hartye to be circulated to the Board for comment.

**12. Adjournment:**

With no further business, Mr. Aceto called for adjournment at 3:07 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: June 13, 2012  
SUBJECT: Report from the General Manager

- Update on Water Study

The Planning Committee met and deliberated over the RFP to be sent out to consultants for the impact study. The Government Committee is reviewing House Bill 1009 “MSD Amendments” which is basically recommendation #1 from the Metro Sewerage/Water Committee. Attached is a copy of the letter from Chairman Aceto to Mayor Bellamy and her response letter back.

- GFOA Certificate of Achievement

Attached is a letter from the Government Finance Officers Association (GFOA) notifying MSD that the FY 2011 CAFR qualifies for the Certificate of Achievement. Much thanks to Scott Powell and Teresa Gilbert..

- Kudos

Standard & Poor’s Rating Agency upgraded Buncombe County’s G.O. rating to “AAA.” Congratulations to the County.

- Reading

- Reaching your full potential – by Angel Banks from a recent issue of Right of Way magazine.

- Board/Committee Meetings/Events

The next Regular Board Meeting will be July 18<sup>th</sup>, at 2 pm. The next Right of Way Committee will be held June 27<sup>th</sup> at 9am.





# Metropolitan Sewerage District

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OF BUNCOMBE COUNTY, NORTH CAROLINA

May 18, 2012

Mayor Terry M. Bellamy  
Asheville City Hall, 2<sup>nd</sup> Floor  
70 Court Plaza  
Asheville, NC 28801

*Re: Recommendation of Legislative Research Commission*

Dear Mayor Bellamy:

As you are aware, the Committee on Metropolitan Sewerage / Water System of the Legislative Research Commission has recommended that the 2013 Session of the North Carolina General Assembly consolidate the City of Asheville's water system with the Metropolitan Sewerage District.

The Committee's recommendation includes an option for the "interested governments" to "craft their own solution for consolidation." The recommendation notes further that the General Assembly will not take action if the parties are engaged in good faith negotiations.

The MSD board is developing a Request for Proposals for a study of the impact of a possible consolidation of the water and sewer systems on MSD ratepayers. A draft of the RFP will be circulated to the City of Asheville for review and comment.

MSD Board and staff are available to meet with representatives of the City to consider the Committee's recommendations and to discuss a process going forward. If the City is interested in meeting with MSD Board and staff to discuss these matters, please have Gary Jackson contact Mr. Hartye to arrange a meeting.

Sincerely,

METROPOLITAN SEWERAGE DISTRICT

Steven T. Aceto, Chairman

cc: MSD Board

*~Protecting Our Natural Resources~*



City of Asheville  
Office of the Mayor

P.O. Box 7148  
Asheville, NC 28802  
828-259-5600  
Fax 828-259-5499  
www.ashevillenc.gov

May 29, 2012

Steven T. Aceto  
Chairman  
Metropolitan Sewerage District Board  
2028 Riverside Drive  
Asheville, NC 28804

Dear Chairman Aceto,

Thank you for your letter dated May 18, 2012, asking if the City would like to engage in negotiations with MSD as stated in the Legislative Study Committee's report. I'm writing to acknowledge receipt of this letter and to inform you that we are in the process of determining our next steps in this process.

I will remain in contact with you as City Council deliberates on the best course of action moving forward. Please don't hesitate to contact my office directly if you have any questions in the interim.

Sincerely,



Terry M. Bellamy  
Mayor

TMB:pjk

cc: Asheville City Council  
Gary Jackson, City Manager  
Steve Shoaf, Water Resources Director



Government Finance Officers Association  
203 N. LaSalle Street - Suite 2700  
Chicago, IL 60601

Phone (312) 977-9700 Fax (312) 977-4806

May 10, 2012

Thomas E. Hartye, P.E.  
General Manager  
Metropolitan Sewerage District of Buncombe County  
2028 Riverside Drive  
W.H. Mull Building  
Asheville NC 28804-3054

Dear Mr. Hartye:

We are pleased to notify you that your comprehensive annual financial report for the fiscal year ended **June 30, 2011** qualifies for a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

The Certificate of Achievement plaque will be shipped to:

**W. Scott Powell, CLGFO**  
**Director of Finance**

under separate cover in about eight weeks. We hope that you will arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and that appropriate publicity will be given to this notable achievement. A sample news release is enclosed to assist with this effort. In addition, details of recent recipients of the Certificate of Achievement and other information about Certificate Program results are available in the "Awards Program" area of our website, [www.gfoa.org](http://www.gfoa.org).

We hope that your example will encourage other government officials in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

Sincerely,  
Government Finance Officers Association

Stephen J. Gauthier, Director

Technical Services Center

SJG/ds

# Reaching Your Full Potential

BY ANGEL BANKS

## What do you want to be when you grow up?

A back-up singer? An archaeologist? I was one of those kids who never knew what I wanted to be. The thought of being on stage, backing up an international artist and seeing all the big cities seemed like the perfect career. I could see myself crooning into the microphone, of course in a glittering, color-coordinated gown. But the allure of those exotic “Natural Geographic” sites captured my imagination as well. The excitement of digging for treasures and the magic of building each found piece into a working whole sounded like such a rewarding profession. OK, so maybe I missed my mark.

Like many of you, I ended up in the right of way profession purely by chance. Lucky for me (make that very lucky for me), I met some incredible professionals who introduced me to IRWA. Becoming involved in chapter and region positions, it quickly became clear to me that volunteer leaders were a rare breed.

Volunteers have always been considered the grass roots of the Association. Yet, when it comes to leadership training and development, there seemed to be a void. How could that be? Given the educational focus of the Association, the time had come to make leadership training a priority. Now, thanks to the

forward thinking of the International Executive Committee and the U.S. and Canadian Education Foundations, the IRWA Leadership Institute is a reality!

Being a part of the Leadership Institute Team has been a once in a lifetime experience. Looking back on our first year of program development, I am truly inspired. I had no idea what to expect when I was first asked to become part of the team. Today, I can say that working with this collective brain trust of leaders motivates me to continue engaging and striving to be the best I can be.

Our second year of programing will include the Institute’s first online course, “How the IRWA Works,” designed to give all members an inside view of the Association. In June, the Institute is launching “Getting to Agreement,” a leadership skill that is sure to be useful in all aspects of IRWA volunteer work, as well as your business and personal life. The Fall Forum program will be “Holding Others Accountable and Modifying Performance,” another necessary skill for leading others toward a common goal.

At the end of the day, no matter our skill set, level of determination or our position in business or life, we are all just people – people who need positive ideas to retool and reenergize for that next IRWA volunteer opportunity or that next right of way project. IRWA Leadership Institute programs have

taken my skill set to the next level, helping me improve my techniques for more positive and productive personal interaction.

Leadership comes in all shapes, sizes and styles. After 21 years of service in my profession and IRWA, I consider myself to be a leader. Along the way, I’ve had the opportunity to support and back up the leaders under which I served. I’ve also been blessed with incredible “finds,” specifically those volunteers who have raised their hands when asked for help. Each contribution they brought to the table made for a much better whole. Funny how you come full circle. Turns out, I am a back-up singer *and* an archaeologist, after all. Who would have thought?



*Angel, who performed on stage at the Annual Conference in Atlanta, has 25 years of experience in the public utility and real estate fields. She serves as the Right of Way Manager for the Metropolitan Sewerage District, a regional authority in Asheville, NC.*



# **REPORT OF COMMITTEES**

**RIGHT OF WAY  
COMMITTEE RECOMMENDATIONS  
AND MINUTES  
May 23, 2012**

**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, May 23, 2012. The following Right of Way Committee members were present: Glenn Kelly, Jackie Bryson and Chris Pelly.

Others present were: Jason Young, Town Administrator, Town of Woodfin; Billy Clarke, MSD Counsel; Steven Aceto, Chairman of the Board; Max Haner, Board member; Tom Hartye, Ed Bradford, Angel Banks, Roger Watson, Wesley Banner and Pam Nolan, M.S.D.

There was some discussion between Mr. Kelly and Mr. Clarke regarding the need to raise the number for a quorum from 3 to 4 since there are now 7 Right of Way Committee Members. Mr. Clarke stated that there would need to be at least 4 members present to constitute a quorum. Mr. Aceto, by virtue of his position as Chair of the Board, serves as an ex-officio member of the Committee, and could be counted for purposes of constituting a quorum.

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

Mr. Kelly inquired if anyone had a conflict of interest with Agenda items. Mr. Aceto stated that he did have a conflict of interest with Item 4, "Consideration of Estimated Compensation Expenses, West French Broad Master Plan Interceptor, Project No. 2011025".

**III. Woodfin Greenway Corridor Updates**

Brief updates on Town of Woodfin greenway corridors will be presented. Mr. Jason Young, Town Administrator, Town of Woodfin will provide an update on Woodfin's projects.

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

Ms. Banks introduced Mr. Jason Young of the Town of Woodfin. Mr. Young presented an update on the Town of Woodfin and future greenway projects.

**IV. Consideration of Estimated Compensation Expenses –  
West French Broad Master Plan Interceptor, Project No. 2011025**

The District has a policy that it will design and acquire rights of way for the extension of interceptors within areas needing public sewer as identified by the District's member agencies. This policy will help to facilitate the orderly growth of the collection system in accordance with the District's Master Plan, rather than allowing developers to construction unplanned, sporadic extensions which may serve only a limited number of properties within an identified area.

This project involves design and permitting for 5,834 lineal feet of 16-inch ductile iron pipe and acquiring associated easements across five properties. The project engineer and ROW staff met with land owners before surveys were initiated to explain this project, the process, and garner input.

It is important to note that this estimate uses market value averages of sales in the area, rather than standard tax values used for rehabilitation projects. These values were obtained from a report prepared by Doug Thrash, MAI, with Duckworth, Jacobs, Naeger, Swicegood & Thrash, LLC. A copy of that report is attached. Mr. Thrash's report "indicates that prices of between \$40,000 and \$65,000 per acre can reasonably be expected in the local area, obviously depending on any number of factors unique to a given parcel". Given the "price/value potential of the subject parcels due primarily to location as well as development potential", staff suggests using a range mid-point of \$55,000 per acre for these estimated compensation costs. Note however that with new development in the area and less than enthusiastic owners along the corridor, we would anticipate counters of higher amounts.

A unique element on three properties along this corridor is the use of permanent slope easements. These properties have steep, rocky slopes dropping off to the west side of the French Broad River. Permanent modifications of slopes in these areas will be necessary in order to permit future maintenance access along the right of way.

**STAFF RECOMMENDATION: Approval of Estimated Compensation Expenses.**

Mr. Bradford passed out an overview map and explained that this an extension of the sewer system and because it is an interceptor 12" or larger proposed in accordance with the Master Plan adopted in 2008, MSD will design and acquire the rights of way. He explained that this project extends along the French Broad River from the Clayton Road Pump Station almost to Long Shoals Road. It is comprised of approximately 5800 lineal feet of 16" line and the estimated construction cost is \$2.05 Million. Developer will be funding this cost and then it will be turned over to MSD. This will serve a several hundred unit apartment complex near Long Shoals Road. Developer will be required to provide the easement all the way to Long Shoals Road for future extensions. It is important to note that market value estimates are used on these extension projects, rather than tax values. Ms. Banks pointed out that included in the package is a copy of the sales research performed by Doug Thrash and reviewed the information. Ms. Banks also pointed out that on this project there were some extremely steep slopes that will have to be permanently modified. Included in the compensation budget are "Permanent Slope Easement" values. MSD has not used these in the past but they are very commonly used by the NCDOT. This permanent slope easement square footage is added with the permanent easement square footage and computed at 50% of value. Mr. Aceto noted that he had a conflict of interest with this item. Mr. Kelly made the motion to accept Staff's recommendation. Mr. Pelly seconded the motion. Voice vote was unanimous.

**COMMITTEE RECOMMENDATION: Approval of Estimated Compensation Expenses.**

**V. Other business:**

**Consideration of Settlement in MSD vs Tinnaro  
Forest Hill Drive PRP #2, MSD Project No. 2004258**

This project runs in a deep gully at the rear of residences facing Forest Hill Drive and the rear of Asheville Imaging Center in Kenilworth area. The gully is wooded with thick underbrush and has severely sloping grades to either side of a small creek in the bottom. Tree loss was a concern of many owners in the area who voiced their opposition to the project. Engineering staff worked with owners and offered several alignment options in order to minimize tree loss. However, we were

unable to negotiate easements with two of the eight owners, Heather Tinnaro and her neighbor, David Ankeney (who's case is yet to be mediated). Mediation was unsuccessful with Ms. Tinnaro and trial was scheduled this week. Facts surrounding the case are shown below. The two damage issues brought forward, loss of privacy and tree damage, are also discussed below.

Subject parcel:	123 Forest Hill Drive, 0.40 AC, zoned RS-8
Permanent Easement:	1553 SF or .036 AC
Temporary Construction Easement:	1552 SF or .035 AC
MSD Appraised Damages:	\$3,555
Tinnaro Appraised Damages:	\$59,400 real estate/\$37,300 trees = \$96,700
Tinnaro Costs by MSD:	\$5,000 +/-
Interest by MSD:	6% annually from Complaint date to settlement date

The loss of privacy was caused by 1) removal of trees and underbrush in the easement corridor and 2) the benched area that was left for future maintenance vehicle access, both of which opened up the corridor to trespassing foot traffic through the neighborhood.

The tree damage claim involved 3 trees, one of which we did cut significantly into the root ball, but the other two were not damaged at all. While Ms. Tinnaro had an arborist look at the trees before and after construction, she apparently did not tell her Counsel. As a result, the arborist was not included as an expert witness in their answer to our interrogatories. Our attorneys did a good job of discovering this fact in depositions and in filing objection with the Judge to the arborist testifying. The Judge was considering this objection, but had not yet ruled when we were countering with settlement offers. Therefore we did not know if they would get only the opinion of \$59,400 in real estate damages as admissible evidence or if they would also get the \$37,300 arborist's opinion for a total of \$96,700 as admissible evidence.

Based on our experience in past trials, the jury usually comes down somewhere in the middle of the damage figures. Using that knowledge, we arrived at a couple of scenarios. The midpoint of \$59,400 and \$3,555 is \$31,500; plus interest and costs is about \$41,100. The midpoint of \$96,700 and \$3,555 is \$50,100; plus interest and costs is about \$63,400. After several counters, we reached a settlement number of \$35,500. There is no question that access to the parcel was opened up and privacy lost.

There is also no question one tree was damaged. So how much is that worth? While neither staff nor Counsel feels the answer is \$35,500, we do feel there was risk of a higher award if the arborist's opinion was allowed.

**STAFF RECOMMENDATION: MSD Staff and Counsel recommend settlement of MSD vs. Tinnaro in the amount of \$35,500, inclusive of all settlement costs and interest.**

Ms. Banks reviewed the location of the project and the above situation and presented some photographs to review. There was some discussion regarding the pros and cons of a trial. Mr. Clarke stated that he would recommend the settlement amount. Mr. Pelly made the motion to accept staff's recommendation. Ms. Bryson seconded the motion. Voice vote was unanimous.

**COMMITTEE RECOMMENDATION: MSD Staff and Counsel recommend settlement of MSD vs. Tinnaro in the amount of \$35,500, inclusive of all settlement costs and interest.**

**There being no further business the meeting adjourned at approximately 10:00 am.**



**PLANNING COMMITTEE**  
**May 31, 2012**  
**9:00 a.m.**

<u>Chairman</u>	<u>Members</u>
Al Root	Jon Creighton Esther Manheimer Chris Pelly Bill Stanley Jerry VeHaun Bob Watts

The Planning Committee of the Board of the Metropolitan Sewerage District met on Thursday, May 31, 2012 in the Boardroom of the Administration Building. Chairman Al Root presided with the following Committee Members present: Jon Creighton, Esther Manheimer, Chris Pelly, Bill Stanley and Bob Watts. Others present were Steve Aceto, Max Haner, Tom Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Gary Jackson, Asheville City Manager, Steve Shoaf, Water Resources Director, Peiffer Brandt with Raftelis, Ed Bradford, Peter Weed, Scott Powell, Jim Hemphill and Sondra Honeycutt, MSD.

**1. Call to Order:**

Mr. Root called the meeting to order at 9:00 a.m. and welcomed guests.

**2. Consideration of RFP for detailed water merger impact study:**

Mr. Hartye reported the MSD Board of Directors voted to conduct a detailed impact study of the proposed merger based on the recommendations of the Legislative Research Committee (LRC). He stated that due to the abbreviated timeline in which to conduct the impact study, MSD staff is collecting critical information needed for this study and is conducting an internal parallel due diligence study as well as providing information to the consultants. He presented a draft RFP for review and stated staff intends to bring the recommended consultant to the July 18<sup>th</sup> Board meeting for approval.

With regard to the Scope of Services, Mr. Hartye reported the firm shall generate a report in two phases. The first phase is to evaluate the City of Asheville water system merger with MSD and the second phase will be to examine other MSD member agency water system mergers. He further reported that the report for each phase will consider the following: First, to identify personnel and financial impacts of consolidation and evaluate opportunities to gain operational efficiencies to include, but not be limited to Administrative Services; Capital Improvement Program; Operations and Customer Service. Second, identify logistical challenges to merger, to include but not be limited to Billing function; Buildings/Property and CMMS Software. Third, identify financial

benefits and determine the impact on rates for water and sewer assuming current level of service, current operating budgets, current debt, new debt issuances, and existing 5-year capital improvement programs.

Regarding the study logistics, Mr. Hartye reported a website will be made accessible to interested consultants during the proposal process that has pertinent engineering, planning and financial information for MSD, the City of Asheville Water System, the water purveyors for Phase II, and the due diligence documents prepared by MSD staff. The firm will coordinate meetings as the report is being developed to ensure staff is informed on the progress of the project. The firm will provide a draft/preliminary report for Phase I by late October 2012 and for Phase II by late December 2012. Also, the firm will present the Phase I study to the MSD Planning Committee in early November 2012 and to the full Board on November 14<sup>th</sup>, 2012. Presentation of Phase II will be made in January 2013.

Mr. Hartye reported deliverables from the firm shall be: Final report for Phase I Asheville and Final Report for Phase II; Weaverville, Biltmore Forest, Buncombe County and Montreat. He addressed the proposal requirements which include study approach; study schedule, and other issues that are relevant to the project. He further reported the evaluation of proposals will include a selection team made up of staff, consultant and Chairman Aceto to conduct interviews to come up with the most qualified firm. Mr. Root asked who the selection team will be. Mr. Hartye stated Gary McGill, himself, Ed Bradford, CIP Director, Peter Weed, Rate Analyst, Scott Powell, Finance Director and that he had asked the City if Steve Shoaf would like to be on the committee but has not had a response. Mr. Haner asked how a merger would be phased in. Mr. Hartye stated there are logistical challenges to a merger as previously noted, but if there are other issues that would be troublesome, as far as timing, they would have to be identified.

With regard to the letter from Raftelis, Ms. Manheimer asked that the letter be presented to the Planning Committee today, but that the time between today and the June 13<sup>th</sup> Board meeting be used by MSD staff, in coordination with City staff, to determine if any part of the suggestions by Raftelis, should be added to MSD's draft RFP and, about the legal and financial issues that need to be dealt with in the face of a merger. Mr. Hartye stated that the financial issues are addressed under current debt and debt issuances and the legal aspect of assigning can be addressed later. Mr. Clarke stated that he looked at this from the MSD standpoint, but not from the City standpoint. Ms. Manheimer stated that since the draft report contemplates a merger, she asked what the requirements are in dealing with debt. Mr. Clarke stated the MSD decided to move ahead with a study of the impact on MSD ratepayers as a result of a merger which may happen notwithstanding the objections of everyone, not just MSD. He further stated the Raftelis letter suggest there are other things that would have to be considered as part of a merger and MSD needs to study the legality of moving debt. Ms. Manheimer stated the MSD study is a limited scope in looking at the effect on rates. Mr. Hartye stated the scope is financial and

business impacts, not legal or political. Ms. Manheimer stated the City is under the impression that MSD is studying a full-blown merger in every detail that needs to be addressed to accomplish that. Mr. Hartye stated this is not an implementation plan, it's an impact study and the legal and governance is not part of the MSD study. The LRC recommendations are clear on these aspects and where the assets are going and how they are to be dealt with. He further stated that MSD can look at other things, but is using the LRC recommendation as its base level assumption. If there is a major negative impact, the MSD Board needs to know about it. Ms. Manheimer stated MSD needs to clarify the scope of the study. At 9:17 a.m., Mr. Root called for a five minute recess to review the letter from Raftelis. At 9:22 a.m., the Committee reconvened.

For the sake of clarity, Ms. Manheimer asked that the study be renamed and for a preamble to clarify the purpose of the study. Also, a brief statement regarding what the study does not include, such as certain governance, legal issues, as well as any potential compensation, which is beyond the scope of the study. Mr. Aceto stated this study is not about the City of Asheville, it's about the impact on MSD rates and feels staff's RFP very clearly addresses impacts, but would benefit from a name change. Also, the study should not be delayed. It should be done in timeframe it was presented. Mr. Clarke suggested the motion should read consideration of RFP's for detailed study of the impacts on the MSD ratepayers of the potential merger/consolidation of water and sewer systems. Mr. Watts moved. Ms. Manheimer seconded the motion. By a show of hands, approval of the motion was unanimous.

Mr. Root called for a discussion on a preamble. Mr. Watts stated that a preamble is not necessary; the due diligence is sufficient. Ms. Manheimer stated the question will be what to do about compensation. Mr. Hartye stated the issue of compensation is implied by its exclusion, but feels it is wise to include some additional wording in that regard. Ms. Manheimer moved that a preamble be included. Mr. Pelly seconded the motion. By a show of hands the motion was defeated by a vote of: 3 Ayes; 3 Nays.

Mr. Root called on Mr. Brandt, Chief Operating Officer of Raftelis, for a report on the letter to Mr. Shoaf, regarding MSD's draft RFP for a detailed water merger impact study. Mr. Brandt reported there are five (5) general observations. First, they felt the time frame to complete the study is a little short, however, if looking at just the impact on MSD ratepayers, this would not be an issue. He suggested MSD consider adding the following tasks to the Scope of Services: Expanded analysis of financial impacts on personnel expense and overhead allocation; incorporation of legal and governance considerations and their impact on different stakeholder groups; evaluation and analysis of the ownership transfer of assets and liabilities including valuation of all utility assets and debt analysis, and the development of a process and plan to assure best practice coordination and communication with those impacted by the proposed merger. Also, a concern regarding the use of a two-phased approach. He stated that it makes more sense to evaluate a merger of MSD and the City Asheville's water system (Phase I) and then

evaluating a merger of MSD, the City of Asheville's water system, and the water systems of other member agencies (Phase II). Mr. Hartye stated that 2. a. and 2. c.ii are included in the draft study. The legal and governance considerations are dealt with the preamble. Mr. Aceto stated with regard to 2.c. (evaluation and analysis of the ownership transfer of assets and liabilities) he assumes the creation of some type of dashboard that would allow MSD to plug in a number. Mr. Hartye stated you get the model based on these assumptions, and then when negotiations begin, you have something to use. Mr. Aceto asked if this is all that is needed from the study. Mr. Hartye stated that will be the condensation, which is a couple of lines on a pro-forma, which is what MSD anticipates, but there is a lot of detailed work behind that. Mr. Brandt stated the MSD may want to do scenarios based on different valuation parameters. Mr. Hartye stated this is not being done for the transfer of the assets, which will take place later and is not part of the scope. Mr. Brandt stated that although the preamble was not approved, he feels it would narrow down the specifics and help MSD get better proposals. With regard to RFP qualifications, Mr. Brandt suggested adding a line requesting firm qualifications and experience and information on the proposed project team. Also, expand the proposal limit from 10 to 15-20 pages. Mr. Hartye stated that page 4 of the draft study addresses the issue of qualifications and experience. Mr. Brandt stated that in looking at the LRC reports, provisions were added about privatization of public water utilities, and whether something should be added to the RFP to ask them to look into this. Mr. Clarke stated that it says "Consider what measures might be appropriate to prevent privatization or diversion of public water resources outside the District boundary over the long term." With no further discussion, Mr. Root expressed his appreciation to Mr. Brandt for his presentation.

Mr. Haner asked when the RFP is sent out, if a clarifying statement can be attached regarding what the RFP is trying to address without going through the process of a preamble. With no further discussion, Mr. Stanley moved that the Planning Committee recommend to the full Board approval of the draft RFP, with a title change. Mr. Creighton seconded the motion. By a show of hands the motion was approved unanimously.

**3. Other Business:**

Mr. Clarke clarified that the General Manager acknowledged in a question and answer with the Consultant, Mr. Brandt, that there should be some clarifications to the RFP to address some of those issues discussed.

**4. Adjourn:**

With no further business, Mr. Root called for adjournment at 10:10 a.m.

# **CONSOLIDATED MOTION AGENDA**

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

COMMITTEE MEETING DATE: 5/23/2012

BOARD MEETING DATE: 6/13/2012

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 Estimated Compensation Expenses –  
West French Broad Master Plan Interceptor, Project No. 2011025**

The District has a policy that it will design and acquire rights of way for the extension of interceptors within areas needing public sewer as identified by the District's member agencies. This policy will help to facilitate the orderly growth of the collection system in accordance with the District's Master Plan, rather than allowing developers to construction unplanned, sporadic extensions which may serve only a limited number of properties within an identified area.

This project involves design and permitting for 5,834 lineal feet of 16-inch ductile iron pipe and acquiring associated easements across five properties. The project engineer and ROW staff met with land owners before surveys were initiated to explain this project, the process, and garner input.

It is important to note that this estimate uses market value averages of sales in the area, rather than standard tax values used for rehabilitation projects. These values were obtained from a report prepared by Doug Thrash, MAI, with Duckworth, Jacobs, Naeger, Swicegood & Thrash, LLC. A copy of that report is attached. Mr. Thrash's report "indicates that prices of between \$40,000 and \$65,000 per acre can reasonably be expected in the local area, obviously depending on any number of factors unique to a given parcel". Given the "price/value potential of the subject parcels due primarily to location as well as development potential", staff suggests using a range mid-point of \$55,000 per acre for these estimated compensation costs. Note however that with new development in the area and less than enthusiastic owners along the corridor, we would anticipate counters of higher amounts.

A unique element on three properties along this corridor is the use of permanent slope easements. These properties have steep, rocky slopes dropping off to the west side of the French Broad River. Permanent modifications of slopes in these areas will be necessary in order to permit future maintenance access along the right of way.

**STAFF RECOMMENDATION: Approval of Estimated Compensation Expenses.**

Mr. Bradford passed out an overview map and explained that this an extension of the sewer system and because it is an interceptor 12" or larger proposed in accordance with the Master Plan adopted in 2008, MSD will design and acquire the rights of way. He explained that this project extends along the French Broad River from the Clayton Road Pump Station almost to Long Shoals Road. It is comprised of approximately 5800 lineal feet of 16" line and the estimated construction cost is \$2.05 Million. Developer will be funding this cost and then it will be turned over to MSD. This will serve a several hundred unit apartment complex near Long Shoals Road. Developer will be required to provide the easement all the way to Long Shoals Road for future extensions. It is important to note that market value estimates are used on these extension projects, rather than tax values. Ms. Banks pointed out that included in the package is a copy of the sales research performed by Doug Thrash and reviewed the information. Ms. Banks also pointed out that on this project there were some

extremely steep slopes that will have to be permanently modified. Included in the compensation budget are "Permanent Slope Easement" values. MSD has not used these in the past but they are very commonly used by the NCDOT. This permanent slope easement square footage is added with the permanent easement square footage and computed at 50% of value. Mr. Aceto noted that he had a conflict of interest with this item. Mr. Kelly made the motion to accept Staff's recommendation. Mr. Pelly seconded the motion. Voice vote was unanimous.

**COMMITTEE RECOMMENDATION: Approval of Estimated Compensation Expenses.**

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

# Duckworth, Jacobs, Naeger, Swicegood & Thrash, LLC

Real Estate Appraisers  
and Consultants

W. T. Duckworth, Jr., MAI (1920-2011)  
Richard J. Jacobs, MAI  
Francis J. Naeger, MAI  
Robert M. Swicegood, II  
J. Douglas Thrash, MAI  
Ricky D. McClure  
Michael R. Kryzanek

December 21, 2011

Angel Banks  
Right-of-way manager  
Metropolitan Sewerage District of Buncombe County  
2028 Riverside Drive  
Asheville, NC 28804

RE: Sale research and consultation  
West French Broad Interceptor Project

Dear Ms. Banks:

In accordance with your request, I have investigated land sale activity in the area of southwestern Buncombe County, and the entire county as appropriate, in order to ascertain prevailing price parameters relative to certain land parcels in the vicinity of Clayton Road.

Parcels likely to be affected by the proposed sewer line project range from 8.64 to 61.74 acres in size. Sale research involves three primary sources including the Buncombe County Tax Office records per the GIS query function, the *North Carolina Mountains MLS*, and our internal database. The GIS based analysis allows the search to be narrowed geographically, and has been limited to the Averys Creek, Lower Hominy and Limestone Townships. The MLS analysis has also been broken down geographically, and by size range to the extent practical. Due to the limited number of sales, the 20 acres and up size category has been expanded to include the entire county.

The results of the GIS query are outlined on the following table. The search was extended back to January 1, 2009, and produced 34 sales of unimproved property. Of these, nine were in the Cliffs at Walnut Cove development which obviously skews the overall averages. Another seven involved bank-owned transactions. Thus 18 sales are included in this analysis, with the bank related transactions shown in yellow.



PIN	CURRENT OWNER	DEED BOOK	DEED PAGE	SUBDIVISION	STREET	SALE PRICE	ACREAGE	PRICE / ACRE	DEED DATE	APPRAISED VALUE
<b>Averys Creek</b>										
"963415822800000"	BLUE RIDGE SAVINGS BANK	4914	100	LONGVIEW LAND CO.LLC	BREVARD	\$1,800,000	42.120	\$42,735	20110912	\$935,600
"962402765300000"	DOLAN ANN GOYDA	4741	1553	SLEEPY GAP ACRES	SLEEPY GAP	\$60,000	6.210	\$9,662	20091123	\$123,300
"963493405700000"	WRIGHTSTILL MTN PROPERTY OWNS ASSOC	4920	719	ARABELLA HEIGHTS	WRIGHTSTILL	\$15,000	28.350	\$529	20111005	\$886,900
"962576298000000"	STATE OF NORTH CAROLINA	4829	98		WESLEY BRANCH	\$595,000	8.650	\$68,786	20101027	\$224,000
"964450048000000"	WAGNER COMMERCIAL DEVELOPMENT	4825	107	WRIGHTSTILL MOUNTAIN	LEWARTER	\$790,000	0.420	\$115,822	20100929	\$100
"963427700000000"	WRIGHTSTILL MOUNTAIN	4825	107	GREEN HARTHS & WHEELER	EMPTY VALLEY	\$263,000	6.300	\$41,746	20101220	\$3,520,000
<b>Lower Hominy</b>										
"961857316800000"	LAFFERTY BRENDAN	4672	1628	DEAVERMONT'S HANGING GARDEN	MOUNTAIN VIEW	\$63,500	6.680	\$9,506	20090422	\$34,800
"961826221800000"	STARNES COVE DEVELOPMENT LLC	4662	189	BETTY L STEINBROOK	STARNES COVE	\$150,000	8.910	\$16,835	20090324	\$126,200
"961931019000000"	KIRKPATRICK SHARON	4855	121	JIM W & KELLY D KELTON	STARNES COVE	\$79,000	7.000	\$11,286	20110119	\$58,500
"961688242200000"	CAROLINA POWER & LIGHT CO & DBA PROGRESS ENERGY CA	4843	1295		WICKHAMS FANCY	\$5,000,000	102.660	\$48,704	20101210	\$0
"961818910600000"	GFFAC SUN HILL LLC	4772	1040		STARNES COVE	\$550,000	8.270	\$66,505	20100331	\$304,400
<b>Limestone</b>										
"966674455400000"	EUNICE WARD REVOCABLE TRUST & E MICHAEL BAUER 1998	4876	450		D J	\$250,000	11.170	\$22,381	20110412	\$348,800
"966510641000000"	WILLOW OAK	4785	1462	WILLOW OAK	MOUNTAIN VIEW	\$200,000	15.100	\$13,245	20100602	\$240,200
"966672755100000"	KRAICH ROBERT W & KRAICH MAE MARIE	4702	1453	MICHAEL R. & FRANCINE M. BARRETT	MERRILLS RIDGE	\$130,000	5.520	\$23,551	20090709	\$420,300
"967199248000000"	MOUNTAIN TOP WATER & POWER	4790	972		MILLS GAP	\$3,091,000	48.630	\$75,911	20100420	\$3,125,000
"967120421400000"	WILLOW OAK	4785	1461		MERRILLS COVE	\$280,000	5.300	\$52,830	20110602	\$60,400
"966368322000000"	BEATTY ROBERT & BEATTY JENNIFER	4747	1459	ROBERT J & SUSAN M DAN DENEAU	CANE CREEK	\$372,000	17.670	\$21,053	20091214	\$296,000
"966514251400000"	LAMBERTI EDUARDO & LAMBERTI IRENE	4840	876	WILLOW OAK	SUMMERSWEET	\$55,000	5.230	\$10,516	20101201	\$108,800
"966541494800000"	MCDERMOTT JOHN	4783	1787	MERRILL	MERRILLS COVE	\$405,000	22.740	\$17,810	20100513	\$681,000
"966547822000000"	MERRILLS COVE	4783	1787	WILLOW OAK	MILLS GAP	\$1,600,000	58.590	\$27,293	20110907	\$732,000
"964442817700000"	CAROLINA POWER & LIGHT CO & DBA PROGRESS ENERGY CA	4843	1469		ABERDEEN	\$1,075,000	5.190	\$207,129	20101210	\$0
"966630859400000"	WPB POPLAR RIDGE LLC	4879	1320	POPLAR RIDGE	BARRINGTON	\$1,714,000	22.500	\$76,178	20110427	\$765,000
"966610430100000"	CHRISTY INVESTMENT LLLP	4750	1596	WILLIAM E. WALKER, JR.	SUNDOWN	\$1,200,000	7.380	\$162,602	20091228	\$1,201,000
"966547822000000"	WILLOW OAK	4784	1117		CANE CREEK	\$250,000	16.050	\$15,575	20100514	\$214,500
"966315751400000"	EWING ROY E	4873	970		CANE CREEK	\$200,000	5.200	\$38,462	20110330	\$231,800

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**Price Summary/Analysis**

Overall high	\$207,129
Overall low	\$9,506
Overall average	\$49,655
Overall average excluding bank-owned	\$50,218
<b>Averys Creek</b>	
Overall high	\$116,822
Overall low	\$9,662
Overall average	\$55,950
Overall average excluding bank-owned	\$40,394
<b>Lower Hominy</b>	
Overall high	\$66,505
Overall low	\$9,506
Overall average	\$30,567
Overall average excluding bank-owned	\$30,567
<b>Limestone</b>	
Overall high	\$207,129
Overall low	\$10,516
Overall average	\$54,224
Overall average excluding bank-owned	\$64,409

The volume of data is insufficient to allow a meaningful breakdown by size or other general categories. In fact, the largest sale in this group produced one of the highest per acre prices. The breakdown by area shows the Limestone area commanding the highest average price, followed closely by Averys Creek. Interestingly, the average actually goes down with the exclusion of bank-owned transactions in Averys Creek. Regardless, this information indicates that prices of between \$40,000 and \$65,000 per acre can reasonably be expected in the local area, obviously depending on any number of factors unique to a given parcel.

Information derived from the *North Carolina Mountains MLS* is summarized on the following table.

## MSD – West French Broad Interceptor Project

December 21, 2011

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PIN	AREA	STREET NAME	LIST DATE	LIST PRICE	SELL DATE	SELL PRICE	ACRES	Price/Ac.
<b>West Sub-market - 5-10 Acres</b>								
9627-44-3258	West	S. Oakview Road	22-Jan-10	\$189,500	8-Oct-10	\$175,000	5.00	\$35,000
9618-57-3168	West	Mountain View Rd	10-Jul-06	\$70,000	30-Apr-09	\$63,460	6.68	\$9,500
Pt 8684-54-1064	West	Pinebark Road	27-May-09	\$28,500	19-Oct-09	\$19,500	7.20	\$2,708
9627-23-6194	West	Pacifico Drive	26-May-10	\$1,400,000	6-Jul-10	\$700,000	7.25	\$96,552
9605-33-3270	West	Bennett Road	20-Dec-07	\$75,000	29-Jan-10	\$65,000	7.46	\$8,713
8685-32-8919	West	Pisgah View Drive	8-Jun-07	\$80,000	18-Feb-09	\$80,000	8.00	\$10,000
8686-85-8222	West	S. Morgan Branch	15-Jul-09	\$84,000	1-Mar-10	\$35,000	9.36	\$3,739
8678-77-2384	West	Rock Ridge Rd	4-Apr-08	\$60,000	14-Aug-09	\$52,000	9.60	\$5,417
8686-19-5195	West	Ridgeway Road	16-Dec-10	\$49,900	3-Mar-11	\$45,000	10.00	\$4,500
<b>Overall average</b>								<b>\$19,570</b>
<b>Average excluding high and low</b>								<b>\$10,981</b>
<b>South Sub-market - 5-10 Acres</b>								
9674-17-9048	South	Cane Creek Road	10-Nov-09	\$317,500	14-Dec-09	\$317,500	5.00	\$63,500
9643-04-9442	South	Summersweet Lane	23-Oct-08	\$79,900	30-Nov-10	\$55,000	5.23	\$10,516
9657-46-4801	South	Crayton Road	13-Mar-09	\$297,000	30-Jun-09	\$188,000	5.33	\$35,272
9694-16-8176	South	Brush Creek Circle	14-Sep-10	\$275,000	19-Nov-10	\$260,000	9.10	\$28,571
<b>Overall average</b>								<b>\$34,465</b>
<b>West/Southwest/South Sub-markets - 10.01-20.00 Acres</b>								
9627-99-2804	West	Brevard Road	13-Apr-09	\$125,000	15-Feb-11	\$120,000	11.00	\$10,909
9608-41-7352	West	Monte Vista Road	4-Feb-10	\$259,900	24-Mar-10	\$235,000	11.28	\$20,833
8698-89-8305	West	Hookers Gap Road	14-Sep-10	\$80,000	16-Dec-10	\$65,000	12.00	\$5,417
8685-30-2049	West	Canter Field Lane	14-Aug-09	\$389,000	21-Jul-10	\$389,000	12.34	\$31,524
8699-41-8370	West	Hookers Gap Road	31-Jan-10	\$129,000	29-Mar-10	\$117,000	12.67	\$9,234
9608-47-3067	West	Pete Luther Road	3-Jun-10	\$159,900	9-Aug-10	\$115,000	12.99	\$8,853
9608-47-8618	West	Bamboo Trail	19-Nov-09	\$199,900	2-Feb-11	\$150,000	20.00	\$7,500
<b>Overall average</b>								<b>\$13,467</b>
<b>All Buncombe County - 20.01-100 Acres</b>								
9724-55-6208	North	Snelson	7-Mar-10	\$350,000	13-Dec-11	\$280,000	20.14	\$13,903
9659-18-3845	East	Wake Robin Way	14-May-08	\$250,000	26-Jun-09	\$250,000	20.24	\$12,352
9698-56-7988	East	Fountain Way	28-Aug-09	\$199,000	5-Feb-10	\$175,000	21.12	\$8,286
6256-55-1630	South East	NC 9 Highway	15-Sep-11	\$99,900	16-Dec-11	\$93,000	22.24	\$4,182
9766-10-8184	North	Charcoal Road	7-Sep-10	\$399,000	27-May-11	\$320,000	25.00	\$12,800
9702-08-2614	West	Turkey Creek Road	24-Apr-09	\$620,000	16-Nov-10	\$570,000	26.00	\$21,923
6249-82-4150	East	Kate Mountain Road	7-Mar-10	\$69,900	6-Apr-10	\$61,000	28.49	\$2,141
6352-75-9520	East	Hwy 9	9-Feb-09	\$288,700	10-Jul-09	\$288,700	28.87	\$10,000
9678-18-7340	East	Moffitt Branch Rd.	2-Oct-08	\$549,900	8-Mar-09	\$428,000	28.95	\$14,784
9371-46-1667	North	Old Marshall Highway	17-Mar-09	\$1,612,500	21-May-09	\$1,500,000	31.00	\$48,387
9753-07-4056	North	Wooten Cove Road	12-May-11	\$250,000	11-Oct-11	\$257,500	31.17	\$8,261
9678-44-2090	East	Stroupe Road	29-Oct-10	\$289,000	4-Apr-11	\$250,000	33.82	\$7,392
9687-82-6991	South East	Trantham Creek	12-Mar-10	\$299,000	14-Jul-10	\$255,000	35.39	\$7,205
8694-37-3030	West	Black Oak Cove Rd	30-Aug-08	\$199,000	26-Mar-09	\$160,000	36.54	\$4,379
6248-92-7480	East	Upper Rock Creek Rd	29-Sep-09	\$139,900	19-Feb-10	\$75,000	39.79	\$1,885
8695-68-9702	South West	Ballard Cove Rd.	15-Jul-10	\$800,000	21-Sep-10	\$667,520	40.00	\$16,688
0608-56-3389	East	Sharp Road	14-Mar-08	\$725,000	14-May-10	\$660,000	43.09	\$15,317
6273-55-1550	East	Treehaven	6-Apr-10	\$349,000	28-Jan-11	\$310,000	46.26	\$6,701
9771-03-4836	East	Bull Creek Road	1-Mar-10	\$649,000	16-Sep-11	\$550,000	47.00	\$11,702
N/A	East	Stroud Valley	12-Mar-10	\$679,000	15-Sep-10	\$387,500	49.23	\$7,871
8771-03-8852	North West	Loy Ingle Mountain Rd	17-Nov-10	\$400,000	27-Apr-11	\$456,120	52.00	\$8,772
8751-39-1331	North West	Randall Cove Road	14-Aug-08	\$1,100,000	16-Jan-09	\$800,000	65.00	\$12,308
0628-12-5303	East	High Rock Acres Drive	26-Sep-08	\$349,000	16-Sep-10	\$325,000	68.00	\$4,779
8770-09-2252	North West	Sugar Creek Road	16-Jun-09	\$325,955	21-Oct-09	\$312,500	69.43	\$4,501
<b>Overall average</b>								<b>\$11,105</b>
<b>Average excluding high and low</b>								<b>\$9,829</b>

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No sales were found in the “southwest” sub-market inclusive of the Averys Creek area. The number of sales broken down to the 5-10 acre category is insufficient to produce very consistent results with indications varying widely, but showing substantially higher prices for the south sub-market. Seven sales between 10 and 20 acres were found in the three areas combined. Interestingly, the average is not much higher than the overall average for the larger acreage parcels throughout the county. While comprehensive in nature, this collection of sales probably under-states the price/value potential of the subject parcels due primarily to location as well as development potential.

Confirmed sale and listing data taken from our internal office database are summarized as follows, arranged in ascending order by size:

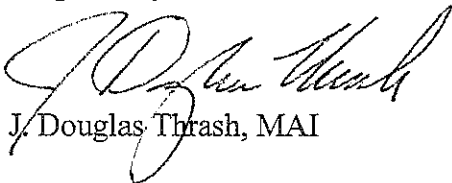
Location	Sale/Listing	Sale/List Date	Deed Book	Page	Price	Acres	Price/Acre	RN	PIN
Crayton Road	Sale	6/30/2009	4699	1067	\$188,000	5.330	\$35,272	5785	9657 46 4811+
Patton Woods Place	Sale	6/5/2009	4691	231	\$264,000	6.698	\$39,415	5723	9750 3 3363
Toy Drive (off Glenn Bridge Road)	Listing	6/4/2010			\$343,000	6.860	\$50,000	5788	9634 91 9997
Emma's Grove Road	Sale	5/4/2009	4677	690	\$313,500	7.000	\$44,786	5842	9676 23 7623
Old Gibbs Road (SR 1738)	Sale	8/4/2009	4711	1895	\$68,000	7.010	\$9,700	5741	
High Top Colony Road (SR 2717)	Sale	1/31/2011	4859	170	\$224,000	8.590	\$26,077	5877	618 9 2508
Jupiter Road	Sale	9/18/2009	4724	481	\$118,000	8.648	\$13,653	5756	9735 40 6954
Brush Creek Road	Sale	4/11/2011	4875	1814	\$410,000	10.010	\$40,959	5990	9684 48 9446
High Cliffs Trail - Off SR 2791	Sale	5/22/2009	4684	1544	\$272,000	10.200	\$26,667	5874	646 16 5834
High Cliffs Trail - Off SR 2791	Sale	10/1/2010	4825	860	\$425,000	10.200	\$41,667	5875	646 32 2914
Off Reems Creek Road (SR 1003)	Sale	11/24/2010	4840	343	\$175,000	11.360	\$15,405	5876	9763 45 6426
Pete Luther Road	Sale	8/9/2010	4806	756	\$125,000	12.990	\$9,623	5865	9608 47 3067
Monticello Road (SR 1727)	Sale	8/18/2009			\$190,000	14.310	\$13,277	5739	
Reeds Creek Road (SR 2775)	Sale	10/19/2009	4732	1273	\$330,280	14.360	\$23,000	5786	9677 71 7612
Valley Vista Road	Listing	10/28/2010			\$895,000	16.080	\$55,659	5829	9750 52 6557+
Shepherd Branch Road Ext. (SR 1840)	Sale	1/19/2009	4642	1966	\$430,000	16.961	\$25,352	5622	9734 1 2147
Emma's Grove Road	Sale	6/18/2009	4695	1376	\$500,000	20.710	\$24,143	5845	9675 14 9050
Off Moffitt Branch Road	Sale	2/20/2009	4655	593	\$429,500	28.950	\$14,836	5886	9678 18 8196
Old Marshall Hwy.	Sale	5/21/2009	4684	441	\$1,500,000	31.460	\$47,680	5817	9371 10 1667
Old Marshall Hwy.	Sale	12/30/2010	4850	1024	\$1,013,500	31.460	\$32,216	5855	9731 46 1362
Rice Branch Road (SR 2065)	Listing	10/28/2010			\$1,950,000	33.780	\$57,726	5828	9750 54 3536
Brush Creek Road	Listing	6/24/2010	N	A	\$1,900,000	38.910	\$48,831	5931	9694 5 7002
Ballard Cove Road	Sale	9/23/2010	4818	1604	\$667,520	41.720	\$16,000	5862	8694 59 9340
Treehaven Road	Sale	1/28/2011	4858	558	\$310,000	46.260	\$6,701	5857	627 35 5155
Flat Top Mountain Road	Sale	1/27/2010	4758	844	\$1,228,000	47.370	\$25,924	5816	9697 35 5359+
Bull Creek Road	Sale	9/16/2011	4915	477	\$550,000	47.630	\$11,547	5918	9771 3 4836
Upper Brush Creek Road	Listing	5/24/2010	N	A	\$999,000	50.890	\$19,631	5932	9684 5 8469
Sandy River Road	Sale	7/2/2010	4798	236	\$255,000	62.000	\$4,113	5861	8781 46 2482
Off NC 9	Sale	10/21/2009	4733	333	\$170,000	66.910	\$2,541	5717	627 52 1136
High Rock Acres Drive	Sale	9/16/2010	4817	472	\$325,000	68.000	\$4,779	5856	628 12 5581
Shope Creek Road (SR 2426)	Sale	12/9/2009	4746	1076	\$1,550,000	73.337	\$21,135	5789	9770 17 6093+
Wilson Road	Sale	6/14/2010	4791	681	\$2,590,000	74.454	\$34,787	5809	9696 51 7346
Off Martins Creek Road	Listing	4/23/2010			\$800,000	91.520	\$8,741	5763	9796 8 3237
Blackberry Inn Road	Listing	6/4/2010			\$899,500	102.000	\$8,819	5764	9772 87 7733
Crooked Creek Road (SR 2788)	Listing	11/29/2009			\$1,500,000	110.090	\$13,625	5726	627 78 8944
Off NC 1004 (Newfound Road)	Sale	2/20/2009	4650	1362	\$400,000	110.790	\$3,610	5709	9688 36 9725
Owenby Cove Road	Listing	9/8/2011			\$998,000	115.590	\$8,634	5919	9667 78 4375
Off Blackberry Inn Road (SR 2115)	Listing	12/31/2009			\$1,445,000	144.600	\$9,993	5792	9772 26 8227
Blackberry Inn Road (2115)	Sale	7/10/2009	4703	1682	\$2,500,000	148.990	\$16,780	5707	9772 57 8996
Sugar Creek Road (SR 2160)	Listing	4/23/2010			\$2,950,000	182.370	\$16,176	5765	9764 99 8023
Summer Haven Road	Listing	1/15/2010			\$4,011,900	311.000	\$12,900	5734	9790 32 2387
Off SR 2776	Listing	1/15/2010			\$2,450,000	481.370	\$5,090	5732	618 10 4396
Ashebrook Drive	Sale	10/27/2010	792	828	\$1,621,500	555.790	\$2,917	5905	8677 84 1920+
Williams Branch Road (SR 2174)	Listing	5/8/2010			\$10,759,000	742.000	\$14,500	5773	9785 50 4877+
					Average 5-10 acres		\$31,272		
					Average 10.01-20 acres		\$27,957		
					Average 20.01-100 acres		\$22,431		
					Average 20.01-100 acres excluding high/low		\$21,404		

The averages broken down by size range show decreasing per acre price with increasing size as would normally be expected. Again, the per acre price varies widely with the inclusion of outlying properties, parcels with steep terrain, parcels lacking utility services, etc., suggesting higher prices for property in the location of the subject parcels.

The above sale summaries provide a comprehensive picture of relevant sale activity in the Buncombe County area over the last two to three years. Some or most of the sales can readily be removed from consideration relative to any one of the parcels affected by the pending project. Obviously, an appraisal of any one of the parcels would be based on careful sale selection, though sales used would probably come from the data sets outlined above, plus older sales as appropriate depending on highest and best use conclusions. Regardless, I hope the data presented are helpful in decision making relative to progressing on the project.

Thank you for the opportunity to work with you on this project.

Respectfully submitted:



J. Douglas Thrash, MAI

JDT:dt

**West French Broad Interceptor Extension**  
**MSD Project No. 2011025**  
**Estimated Compensation Expenses**  
 May 14, 2012

Pin No.	Name	Acres	Parcel SF	Estimated Market Value	LV/SF	PE SF	PSE SF	PE & PSE Value	50% of PE & PSE Value	TCE SF	TCE Value	TCE @ 10%		TCE Rent Value	Total Comp (Rounded)
												Annual Return	Time Mo's		
9635-62-9935		8.64	376358.40	\$474,211.59	1.26	25969.60	0.00	\$32,721.69	\$16,360.84	25309.1	\$31,889.46	\$3,188.94	9	\$2,391.66	\$18,753
9635-52-6991		33.3	1450548.00	\$1,827,690.48	1.26	47303.70	0.00	\$59,602.66	\$29,801.33	47404.3	\$59,729.41	\$5,972.94	9	\$4,479.66	\$34,281
9635-81-3360		50.01	2178435.60	\$2,744,828.85	1.26	51066.80	19154.20	\$88,478.46	\$44,239.23	49451.3	\$62,308.63	\$6,230.86	9	\$4,673.07	\$48,912
9634-99-6488		61.74	2689394.40	\$3,388,636.94	1.26	50958.00	7992.80	\$0.00	\$0.00	51924.9	\$0.00	\$0.00	9	\$0.00	\$0
9635-72-7038		11.14	485258.40	\$611,425.58	1.26	18414.60	2763.70	\$26,684.65	\$13,342.32	17707.9	\$1,770.79	\$2,231.19	9	\$1,673.37	\$15,016
															\$116,962
															\$5,000
															\$5,000
															\$126,962

PIN 9634-99-6488 is a participating developer - no compensation paid.

# Metropolitan Sewerage District of Buncombe County

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

COMMITTEE MEETING DATE: 5/23/2012

BOARD MEETING DATE: 6/13/2012

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 Settlement in MSD vs Tinnaro  
 Forest Hill Drive PRP #2, MSD Project No. 2004258**

This project runs in a deep gully at the rear of residences facing Forest Hill Drive and the rear of Asheville Imaging Center in Kenilworth area. The gully is wooded with thick underbrush and has severely sloping grades to either side of a small creek in the bottom. Tree loss was a concern of many owners in the area who voiced their opposition to the project. Engineering staff worked with owners and offered several alignment options in order to minimize tree loss. However, we were unable to negotiate easements with two of the eight owners, Heather Tinnaro and her neighbor, David Ankeney (who's case is yet to be mediated). Mediation was unsuccessful with Ms. Tinnaro and trial was scheduled this week. Facts surrounding the case are shown below. The two damage issues brought forward, loss of privacy and tree damage, are also discussed below.

Subject parcel:	123 Forest Hill Drive, 0.40 AC, zoned RS-8
Permanent Easement:	1553 SF or .036 AC
Temporary Construction Easement:	1552 SF or .035 AC
MSD Appraised Damages:	\$3,555
Tinnaro Appraised Damages:	\$59,400 real estate/\$37,300 trees = \$96,700
Tinnaro Costs by MSD:	\$5,000 +/-
Interest by MSD:	6% annually from Complaint date to settlement date

The loss of privacy was caused by 1) removal of trees and underbrush in the easement corridor and 2) the benched area that was left for future maintenance vehicle access, both of which opened up the corridor to trespassing foot traffic through the neighborhood.

The tree damage claim involved 3 trees, one of which we did cut significantly into the root ball, but the other two were not damaged at all. While Ms. Tinnaro had an arborist look at the trees before and after construction, she apparently did not tell her Counsel. As a result, the arborist was not included as an expert witness in their answer to our interrogatories. Our attorneys did a good job of discovering this fact in depositions and in filing objection with the Judge to the arborist testifying. The Judge was considering this objection, but had not yet ruled when we were countering with settlement offers. Therefore we did not know if they would get only the opinion of \$59,400 in real estate damages as admissible evidence or if they would also get the \$37,300 arborist's opinion for a total of \$96,700 as admissible evidence.

Based on our experience in past trials, the jury usually comes down somewhere in the middle of the damage figures. Using that knowledge, we arrived at a couple of scenarios. The midpoint of \$59,400 and \$3,555 is \$31,500; plus interest and costs is about \$41,100. The midpoint of \$96,700 and \$3,555 is \$50,100; plus interest and costs is about \$63,400. After several counters, we reached a settlement number of \$35,500. There is no question that access to the parcel was opened up and privacy lost. There is also no question one tree was damaged. So how much is that worth? While neither staff nor Counsel feels the answer is \$35,500, we do feel there was risk of a higher award if the arborist's opinion was allowed.

**STAFF RECOMMENDATION: MSD Staff and Counsel recommend settlement of MSD vs. Tinnaro in the amount of \$35,500, inclusive of all settlement costs and interest.**

Ms. Banks reviewed the location of the project and the above situation and presented some photographs to review. There was some discussion regarding the pros and cons of a trial. Mr. Clarke stated that he would recommend the settlement amount. Mr. Pelly made the motion to accept staff's recommendation. Ms. Bryson seconded the motion. Voice vote was unanimous.

**COMMITTEE RECOMMENDATION: MSD Staff and Counsel recommend settlement of MSD vs. Tinnaro in the amount of \$35,500, inclusive of all settlement costs and interest.**

<b>COMMITTEE ACTION TAKEN</b>	
Motion by: Chris Pelly	To: XX 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

**Meeting Date:** June 13, 2012

**Subject:** Consideration of Bids - Sodium Bisulfite Contract

**Prepared by:** Peter Weed; Director – Water Reclamation Facility  
Dennis Lance; Superintendent – Water Reclamation Facility  
Julie Willingham, CLGPO; Purchasing Supervisor

**Reviewed by:** Tom Hartye, PE; General Manager  
W. Scott Powell, CLGFO; Finance Director  
Billy Clarke; District Counsel

**Background:** Following Chlorine Detention time/final disinfection, the Water Reclamation Facility is required to neutralize any remaining Chlorine in the water prior to discharge to the French Broad River. Sodium Bisulfite is used for this purpose. In May of 2012, new bids for Sodium Bisulfite were requested from various vendors as a method of keeping rising costs in line, as indicators showed that prices for this material had risen since the previous contract was awarded. These price increases are directly tied to cost of fuels, as well as general price increases in the chemical market over the past year. The bid was based on an estimated usage for 2012-2013 of 100,000 gallons of Sodium Bisulfite.

**Discussion:** Pursuant to North Carolina Purchasing Statutes and MSD Procedures, on May 1, 2012, bids were emailed to seven vendors and an advertisement was placed on the MSD web site. Three bids were received and the bid opening was held May 25, 2012. Southern Ionics was the lowest bidder and agrees to hold their price firm for the total year contract irrespective of market changes. Southern Ionics, a manufacturer of Sodium Bisulfite, will be a new supplier to MSD. However, after reference checks and meetings, MSD staff feels comfortable with both the quality of the chemicals and customer service.

**Fiscal Impact:** This is a Unit Price Contract, without minimum or maximum quantities. In fiscal year FY 12, based on estimated gallons, total expenditure will be \$121,000.00. Based on the same estimated gallons, FY 13 expenditures for Sodium Bisulfite is anticipated to be \$115,000.00, within the levels budgeted by the WRF.

**Staff Recommendation:** Staff recommends that the Board award the contract for the supply of Sodium Bisulfite to Southern Ionics at a unit price of \$1.15 per gallon.

**Bid Tab:**

Vendor	Price per Gallon	Extended Price based on 100,000 estimated gallons	Comments
Southern Ionics West Point, MS	\$1.15	\$115,000.00	Price good for one year - Firm
Specialty Chemical Cleveland, TN	No Bid		
JCI Jones Charlotte, NC	\$1.295	\$129,500.00	Price good for one year - Firm

## Metropolitan Sewerage District of Buncombe County Board Action Item

**Meeting Date:** June 13, 2012

**Subject:** Consideration of Bids – Hydrogen Peroxide Odor Control Contract

**Prepared by:** Peter Weed; Director – Water Reclamation Facility  
Julie Willingham, CLGPO; Purchasing Supervisor

**Reviewed by:** Tom Hartye, PE; General Manager  
W. Scott Powell, CLGFO; Finance Director  
Billy Clarke; District Counsel

**Background:** MSD currently uses Hydrogen Peroxide for odor control medium at the Carrier Bridge Pump Station. In May of 2012, new bids for Hydrogen Peroxide were requested from various vendors as a method of keeping rising costs in line, as indicators showed that prices for this material had risen since the previous contract was awarded. Pricing is directly tied to cost of fuels, as well as general price increases in the market over the past year. The bid was based on an estimated usage for 2012-2013 of 500,000 pounds of Hydrogen Peroxide.

**Discussion:** Pursuant to North Carolina Purchasing Statutes and MSD Procedures, on May 1, 2012, bids were emailed to two vendors and an advertisement was placed on the MSD web site. Two bids were received and the bid opening was held June 4, 2012. Siemens Industry was the lowest bidder and agrees to hold their price firm for the total year contract irrespective of market changes. Siemens has been a supplier to MSD in past years and MSD staff feels comfortable with both the quality of the chemicals and customer service.

**Fiscal Impact:** This is a Unit Price Contract, without minimum or maximum quantities. Based on estimated use from FY12, FY13 expenditures for Hydrogen Peroxide are anticipated to be \$137,500.00, within the levels budgeted by the WRF.

**Staff Recommendation:** Staff recommends that the Board award the contract for the supply of Hydrogen Peroxide to Siemens Industry at a unit price of \$0.275 per pound.

***Bid Tab:***

Vendor	Price per Pound	Extended Price based on 500,000 estimated pounds	Comments
Siemens Industry Sarasota, FL	\$0.275	\$137,500.00	Price good for one year - Firm
US Peroxide Atlanta, GA	\$0.279	\$139,500.00	Price good for one year - Firm

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

**BOARD MEETING DATE:** 6/13/2012

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

**PREPARED BY:** Mike Stamey, PE - SSD Director of Construction

**SUBJECT:** MSD FY13 Non City of Asheville Road ROW Paving Restoration Contract  
Project No. 2002101

**BACKGROUND:** This annual contract is for the restoration of roads, driveways, and sidewalks resulting from District maintenance activities for areas outside of the City of Asheville Road Right of Ways. These activities are both planned (i.e. taps for new connections or small repairs), and unplanned (i.e. emergency repairs to the system).

The contractor is required to handle all aspects of each repair - which include mobilization to each site within 24 hours; that the repair quality is made to public standards; and that a two-year warranty is provided on all work.

District staff performs limited repairs of this type as time and resources allow. In addition, for larger in-house rehabilitation projects, the paving work is competitively bid on a per-project basis.

Please note that paving restoration following District maintenance activities in road right of ways owned by the City of Asheville is handled under a separate paving contract between MSD and the City.

The FY13 Non City of Asheville Road ROW Paving Restoration Contract was advertised and two informal bids were received on May 24, 2012 as follows:

<u>Contractor</u>	<u>Total Bid</u>
APAC-Atlantic, Inc.:	\$213,427.50
French Broad Paving, Inc.	\$158,050.00

French Broad Paving, Inc. is the apparent low bidder for this contract. They have performed previous paving projects for the District and have an excellent performance history.

**FISCAL IMPACT:** The FY12-13 budget for the paving contracts is \$725,000.00, which includes the City of Asheville paving contract estimated at \$560,000.00 and this (Non City) contract estimated at \$165,000.00.

**STAFF RECOMMENDATION:** Staff recommends award of this contract to French Broad Paving, Inc. in the amount of \$158,050.00, contingent upon review and approval by District Counsel.

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

**FY 2013 CONTRACT FOR THE RESTORATION OF  
NON-CITY OF ASHEVILLE ROAD RIGHTS-OF-WAY  
PROJECT NO. 2002101**

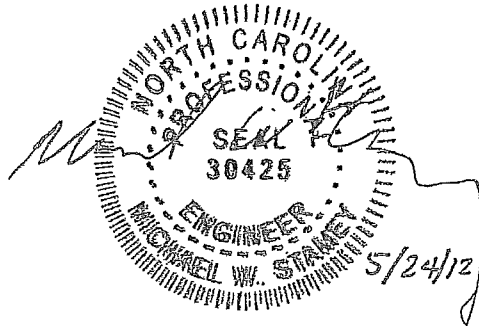
**BID TABULATION  
May 24, 2012**

BIDDER	MBE Form	Bid Forms (Proposal)	Total Bid Amount
Harrison Construction Company Asheville, NC	1	Yes	\$213,427.50
French Broad Paving Marshall, NC	2	Yes	(*) \$158,050.00

**APPARENT LOW BIDDER**

(\*) Correction in Contractor's bid amount

Michael W. Stamey, 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 10:30 AM on the 24th day of May, 2012, 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, PE - General Manager  
**FROM:** Mike Stamey, PE - SS Director of Construction  
**DATE:** May 24, 2012  
**RE:** MSD FY13 Non City of Asheville Road ROW Paving Restoration Contract,  
Project No. 2002101

This contract is for the restoration of roads, driveways, and sidewalks in Non City of Asheville Rights of Way resulting from District maintenance activities for the period of time from July 1, 2012 to June 30, 2013. These activities are both planned (i.e. taps for new connections or small repairs), and unplanned (i.e. emergency repairs to the system).

The contractor is required to handle all aspects of each repair - which includes mobilization to each site within 24 hours; that the repair quality is made to public standards; and that a two-year warranty is provided on all work.

District staff performs limited repairs of this type as time and resources allow. In addition, for larger in-house rehabilitation projects, the paving work is competitively bid on a per-project basis.

Please note that paving restoration following District maintenance activities in road right of ways owned by the City of Asheville is handled under a separate paving contract between MSD and the City. That contract is estimated to be \$560,000.00 and will be presented to the MSD Board as a separate item for approval.

Informal bids were received for the FY13 Non City of Asheville Road ROW Paving Restoration Contract on May 24<sup>th</sup>, 2012. Two bids were received at that time as follows:

<u>Contractor</u>	<u>Total Bid</u>
APAC-Atlantic, Inc.:	\$213,427.50
French Broad Paving, Inc.	\$158,050.00

French Broad Paving, Inc. is the apparent low bidder for this contract with a bid amount of \$158,050.00. French Broad Paving, Inc. has performed numerous paving projects for the District and has an excellent performance history.

The overall FY12-13 budget for the paving contracts is \$725,000.00, which includes the City of Asheville paving contract estimated at \$560,000.00 and this (Non City) contract estimated at \$165,000.00.

Staff recommends award of the FY13 Non City of Asheville Road ROW Paving Restoration Contract to French Broad Paving, Inc., contingent upon review and approval by District Counsel.

**Metropolitan Sewerage District of Buncombe County, North Carolina  
CAPITAL IMPROVEMENT PROGRAM**

**BUDGET DATA SHEET - FY 2012 - 2013**

PROJECT: . . . . .	SSD Rehab. & Replacement (Annual)	LOCATION:	Various
TYPE:	General Sewer Rehab.	DATE OF REPORT:	January 2012
PROJECT NO.	2002101	TOTAL L.F.:	200,000
PROJECT BUDGET:	\$34,710,000.00	PROJECT ORIGIN:	In-house Capital Improvements

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 12/31/11	EST. COST JAN - JUNE 2012	EST. BUDGET FY 12-13
55310 - PRELIM. ENGINEERING				
55320 - SURVEY - DESIGN				
55330 - DESIGN				
55340 - PERMITS				
55350 - SPECIAL STUDIES				
55360 - EASEMENT PLATS				
55370 - LEGAL FEES				
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION				
55400 - APPRAISAL				
55410 - CONDEMNATION				
55420 - CONSTRUCTION	\$34,710,000.00	\$1,266,113.00	\$2,033,887.00	\$3,496,000.00
55430 - CONST. CONTRACT ADM.				
55440 - TESTING				
55450 - SURVEY - ASBUILT				
<b>TOTAL AMOUNT</b>	<b>\$34,710,000.00</b>	<b>\$1,266,113.00</b>	<b>\$2,033,887.00</b>	<b>\$3,496,000.00</b>

ENGINEER:	MSD	<b>ESTIMATED BUDGETS - FY '13 -'22</b>	
R.O.W. ACQUISITION:	MSD	# PLATS: [ 1 ]	FY 13-14 \$3,496,000.00
CONTRACTOR:			FY 14-16 \$3,496,000.00
CONSTRUCTION ADM:	MSD		FY 15-16 \$3,496,000.00
INSPECTION:	MSD		FY 16-17 \$3,496,000.00
			FY 17-18 \$3,496,000.00
PROJECT DESCRIPTION:	This line item is for the replacement of capital assets using in-house construction crews and materials. This includes new taps, small repairs, lining, as well as larger rehabilitation projects. Also included is paving, when required for these repairs and rehabilitation projects.		FY 18-19 \$3,496,000.00
			FY 19-20 \$3,496,000.00
			FY 20-21 \$3,496,000.00
			FY 21-22 \$3,496,000.00
The total estimated project cost shown is the total within the ten year window.			
SPECIAL PROJECT NOTES:	Materials / Year	\$1,260,000	Paving Contracts \$725,000
Fuel Allocation	\$157,000 Capitalized Labor & Misc.	\$1,354,000	Estimated L.F. per year 20,000

# Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

**BOARD MEETING DATE:** 6/13/12

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

**PREPARED BY:** Mike Stamey, P.E. - Project Manager

**SUBJECT:** MSD Paving Agreement with City of Asheville, Project Number 2002101

**BACKGROUND:** This agreement is for the restoration of *public roads and sidewalks* within the Asheville City Limits, resulting from District maintenance activities and in-house rehabilitation projects.

Prior to FY 2011-2012, all pavement restoration work was performed by contractors. This process worked well, with the exception of administrative & permitting issues concerning City of Asheville streets. Noteworthy problems included differing interpretations of requirements among City staff, and numerous instances where the District was required to provide near perfect overlays on streets that were otherwise failing.

In 2010, the City proposed that it handle the final surfacing repairs. The District entered an agreement with the City on July 1, 2011 wherein the District would pay the City an annual contribution to a Paving Enterprise Fund. All permit fees would be waived, and pavement restoration would be performed by the City's in-house paving crews.

This year the District's annual contribution for the agreement is \$560,000, which is based upon usage throughout this past year. The amount includes all pavement repairs within the Asheville City Limits, as well as larger overlays for in-house projects. This annual amount can and will vary over time, based upon repairs occurring throughout the system.

It is important to note that if the actual amount of funds used by the City for District repairs varies by more than 10% (either up or down), the District will either be required to pay this difference, or will be refunded the excess amount. This money has been budgeted.

Attached is a memo from 2011 prior to the start of this program which provides further details. Staff will periodically assess the progress and success of this program.

This program has relieved MSD staff of the significant burden related to working out administrative issues with the City's inspection of pavement repairs. These administrative issues have been a source of disruption to work progress over the past several years.

By contract the City will provide monthly reports for review and monitoring. At this time the City is still working to try and meet this

obligation. Should this process not provide greater efficiencies over time, the District will not be obligated to continue future agreements.

The District must still contract limited paving work for the remaining areas outside the Asheville City Limits, and private driveways and parking lots within the City Limits. The contract for the non-City work will be presented to the MSD Board for approval under a separate item.

Please refer to the attached documentation for more information.

**FISCAL IMPACT:** The FY12-13 budget for this line item is \$725,000.00, which also includes the additional paving contract for work outside City Limits. \$560,000 is allocated for the proposed City of Asheville agreement.

**STAFF RECOMMENDATION:** Staff recommends that the District execute an agreement with the City of Asheville in the amount of \$560,000 for paving public roads within the Asheville City Limits for Fiscal Year 2012-2013.

Award is contingent upon review and approval by District Counsel.



## Interoffice Memorandum

**TO:** Tom Hartye, General Manager

**FROM:** Ed Bradford, CIP Manager  
Barry Cook, System Services Director  
Mike Stamey, Project Manager

**DATE:** May 09, 2011

**RE:** City of Asheville Street Paving Repair Program - MSD Participation

When MSD works within City of Asheville Streets or Right of Way to perform repairs, rehabilitation, or other improvements to our existing sewer system, a street cut permit is required. The fee for this permit is currently \$2.00 per square foot of disturbance with a minimum charge of \$50.00 and a maximum charge of \$2500.00. The permit also requires inspection by City Staff after construction to verify that surface restoration meets the current City of Asheville standards. During calendar year 2010, MSD obtained 258 permits from the City of Asheville.

When working in the subject areas, MSD has encountered numerous issues regarding the age and condition of the existing surfaces. These conditions can make it very difficult and costly to meet the City's standards. In many cases, expensive paving milling must occur to remove old asphalt materials which are covering curb and gutter, areas to be restored are significantly expanded from the small excavation zone that is needed to perform the sewer work, and the joint sealing in the transition zone from old to new surfaces can be difficult to apply and maintain. The many factors that come into play can also require numerous contacts to the City of Asheville inspection staff which result in repeat inspection fees. In most cases, the finished section of restored roadway far exceeds the condition and structural integrity of the surrounding area.

By the City's own admission, the street cut permit policy, restoration standards, and many factors that must be considered when restoring a site often creates confusion, delay, and additional cost. MSD agrees with this assessment as we have spent a significant amount of time and effort to comply with the permit requirements. The District has even raised concerns on several occasions as to whether or not the requirements are facilitating the best use of public funds.

In reviewing the historical cost data for the restorations of City of Asheville streets and right of way, MSD pays approximately \$560,000 annually. Excluded from this amount are City permit fees, and the labor expense of MSD staff related to administration and communication with the City for the permit requirements.

Current versus Proposed Costs

MSD obtained 258 COA Street Cut Permits and paid the City \$115,355 for permit fees during calendar year 2010. *These permit fees will be waived as a part of the proposed agreement.* Paving repairs for these same cuts were an additional cost and totaled \$329,627. In addition, please see the chart below for an example cost comparison with the new agreement:

	<u>CURRENT CONTRACT</u>	<u>COA AGREEMENT</u>
<b>4 ft. X10 ft. Patch</b> (6-inch Depth)	<b>\$ 356.00</b>	<b>\$ 254.31</b>
<b>39 ft. X 20 ft. Overlay</b> (2-inch Depth)	<b>\$3565.00</b>	<b>\$1,768.31</b>

With all of the above said, MSD staff is highly encouraged by the agreement now proposed by the City of Asheville to allow the City to restore the areas within their right of way after MSD performs work on the sewer system. Staff believes this agreement will remove the confusion, delays, and unnecessary cost that have plagued the current process and will result in the most efficient use of public funds and resources by all parties.

**Metropolitan Sewerage District of Buncombe County, North Carolina  
CAPITAL IMPROVEMENT PROGRAM**

**BUDGET DATA SHEET - FY 2012 - 2013**

PROJECT:	SSD Rehab. & Replacement (Annual)	LOCATION:	Various
TYPE:	General Sewer Rehab.	DATE OF REPORT:	January 2012
PROJECT NO.	2002101	TOTAL L.F.:	200,000
PROJECT BUDGET:	\$34,710,000.00	PROJECT ORIGIN:	In-house Capital Improvements

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 12/31/11	EST. COST JAN - JUNE 2012	EST. BUDGET FY 12-13
55310 - PRELIM. ENGINEERING				
55320 - SURVEY - DESIGN				
55330 - DESIGN				
55340 - PERMITS				
55350 - SPECIAL STUDIES				
55360 - EASEMENT PLATS				
55370 - LEGAL FEES				
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION				
55400 - APPRAISAL				
55410 - CONDEMNATION				
55420 - CONSTRUCTION	\$34,710,000.00	\$1,266,113.00	\$2,033,887.00	\$3,496,000.00
55430 - CONST. CONTRACT ADM.				
55440 - TESTING				
55450 - SURVEY - ASBUILT				
<b>TOTAL AMOUNT</b>	<b>\$34,710,000.00</b>	<b>\$1,266,113.00</b>	<b>\$2,033,887.00</b>	<b>\$3,496,000.00</b>

ENGINEER:	MSD	ESTIMATED BUDGETS - FY '13 -'22	
R.O.W. ACQUISITION:	MSD	# PLATS: [ 1 ]	FY 13-14 \$3,496,000.00
CONTRACTOR:			FY 14-15 \$3,496,000.00
CONSTRUCTION ADM:	MSD		FY 15-16 \$3,496,000.00
INSPECTION:	MSD		FY 16-17 \$3,496,000.00
			FY 17-18 \$3,496,000.00
PROJECT DESCRIPTION:	This line item is for the replacement of capital assets using in-house construction crews and materials. This includes new taps, small repairs, lining, as well as larger rehabilitation projects. Also included is paving, when required for these repairs and rehabilitation projects.		FY 18-19 \$3,496,000.00
			FY 19-20 \$3,496,000.00
			FY 20-21 \$3,496,000.00
	The total estimated project cost shown is the total within the ten year window.		FY 21-22 \$3,496,000.00

SPECIAL PROJECT NOTES:	Materials / Year	\$1,260,000	Paving Contracts	\$725,000
Fuel Allocation	\$157,000	Capitalized Labor & Misc.	\$1,354,000	Estimated L.F. per year 20,000

## Metropolitan Sewerage District of Buncombe County BOARD INFORMATIONAL ITEM

**Meeting Date:** June 13, 2012

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

**Prepared By:** W. Scott Powell, CLGFO, Director of Finance  
Cheryl Rice, Accounting Manager

**Subject:** Cash Commitment/Investment Report-Month Ended April 30, 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 April 30, 2012 were \$35,721,353. The detailed listing of accounts is available upon request. The average rate of return for all investments is 0.923%. 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 April 30, 2012 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of April 30, 2012 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$15,658,893.

<b>Total Cash &amp; Investments as of 04/30/2012</b>	35,721,353
<b>Less:</b>	
Budgeted Commitments (Required to pay remaining FY12 budgeted expenditures from unrestricted cash)	
Construction Funds	(5,205,588)
Operations & Maintenance Fund	(3,498,876)
	(8,704,464)
Bond Restricted Funds	
Bond Service (Funds held by trustee):	
Funds in Principal & Interest Accounts	(14,057)
Debt Service Reserve	(2,316,339)
Remaining Principal & Interest Due	<u>(5,529,875)</u>
	(7,860,271)
District Reserve Funds	
Fleet Replacement	(298,569)
WWTP Replacement	(638,007)
Maintenance Reserve	<u>(912,772)</u>
	(1,849,348)
Post-Retirement Benefit	(823,847)
Self-Funded Employee Medical	<u>(824,530)</u>
<b>Designated for Capital Outlay</b>	<u><u>15,658,893</u></u>

### Staff Recommendation

None. Information Only.

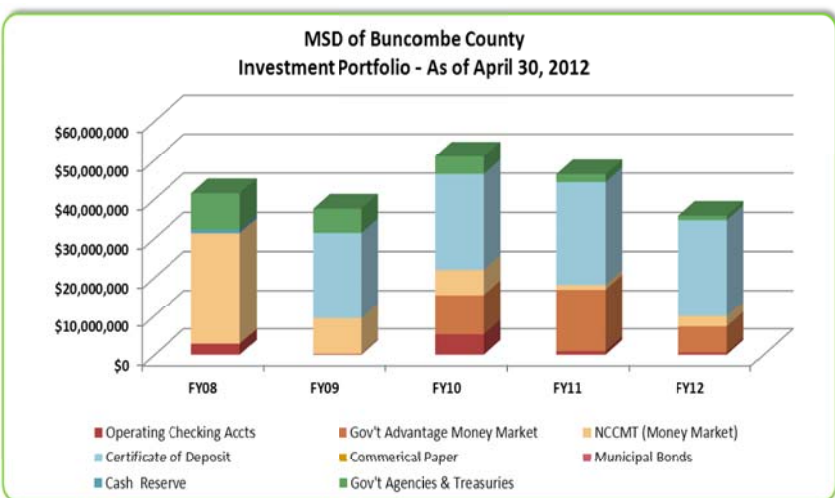
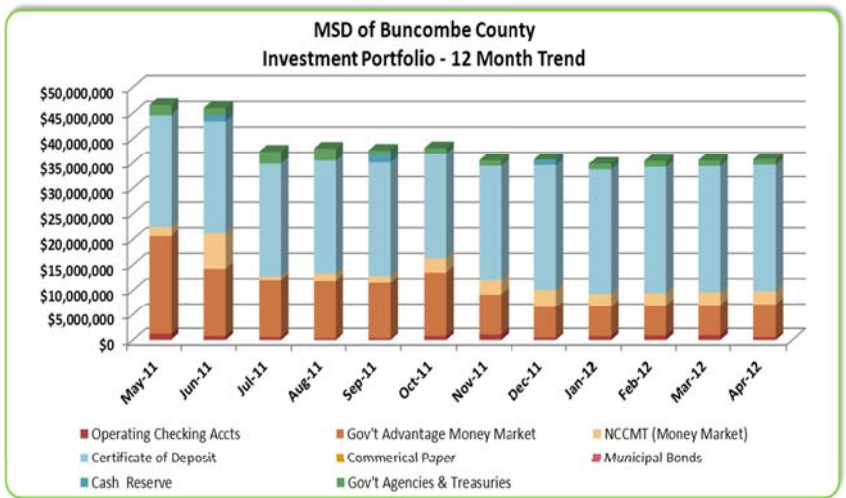
#### Action Taken

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

### Metropolitan Sewerage District of Buncombe County Investment Portfolio

	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -		\$ 1,213,594				\$ -	\$ 1,116,802	\$ 2,330,396
Held by MSD	566,893	6,645,540	1,432,820	24,745,704	-	-		-	33,390,957
	<u>\$ 566,893</u>	<u>\$ 6,645,540</u>	<u>\$ 2,646,414</u>	<u>\$ 24,745,704</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,116,802</u>	<u>\$ 35,721,353</u>

Investment Policy Asset Allocation	Maximum Percent	Actual Percent	
U.S. Government Treasuries, Agencies and Instrumentalities	100%	3.13%	No significant changes in the investment portfolio as to makeup or total amount.
Bankers' Acceptances	20%	0.00%	
Certificates of Deposit	100%	69.27%	The District 's YTM of .76% 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%	7.41%	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		1.59%	
Gov't Advantage Money Market		18.60%	



**Board Meeting**

June 13, 2012

Subject: Cash Commitment/Investment Report-Month Ended April 30, 2012

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**METROPOLITAN SEWERAGE DISTRICT  
INVESTMENT MANAGERS' REPORT  
AT April 30, 2012**

**Summary of Asset Transactions**

	<b>Original Cost</b>	<b>Market</b>	<b>Interest Receivable</b>
Beginning Balance	\$ 31,914,680	\$ 31,914,680	\$ 212,542
Capital Contributed (Withdrawn)	329,869	329,869	
Realized Income	814	814	
Unrealized/Accrued Income		-	19,970
Ending Balance	<u>\$ 32,245,363</u>	<u>\$ 32,245,363</u>	<u>\$ 232,512</u>

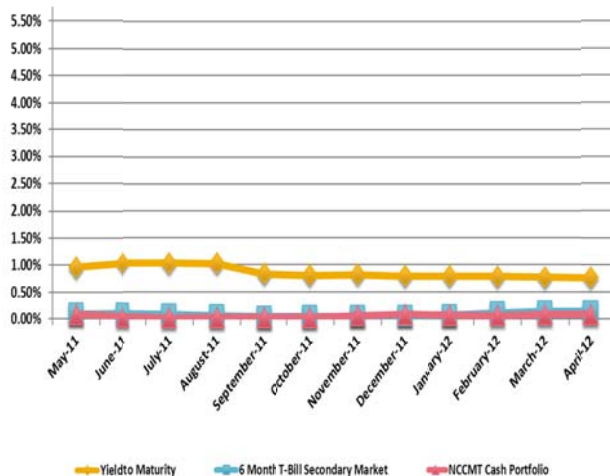
**Value and Income by Maturity**

	<b>Original Cost</b>	<b>Income</b>
Cash Equivalents <91 Days	\$ 7,499,658	\$ 4,834
Securities/CD's 91 to 365 Days	24,745,705	\$ 15,950
Securities/CD's > 1 Year	-	\$ -
	<u>\$ 32,245,363</u>	<u>\$ 20,784</u>

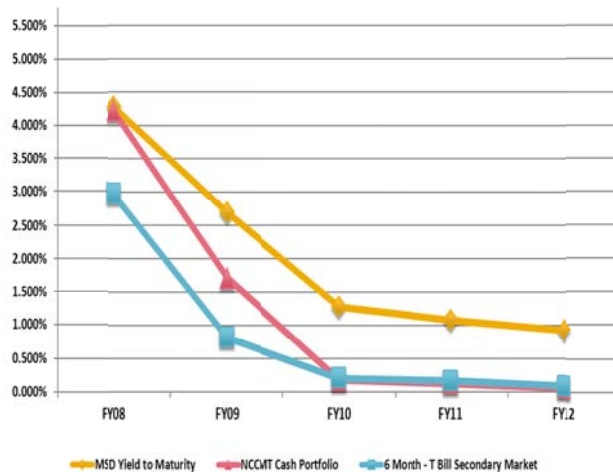
**Month End Portfolio Information**

Weighted Average Maturity	402
Yield to Maturity	0.76%
6 Month T-Bill Secondary Market	0.14%
NCCMT Cash Portfolio	0.08%

**Metropolitan Sewerage District  
Yield Comparison - April 30, 2012**



**Metropolitan Sewerage District  
Annual Yield Comparison**



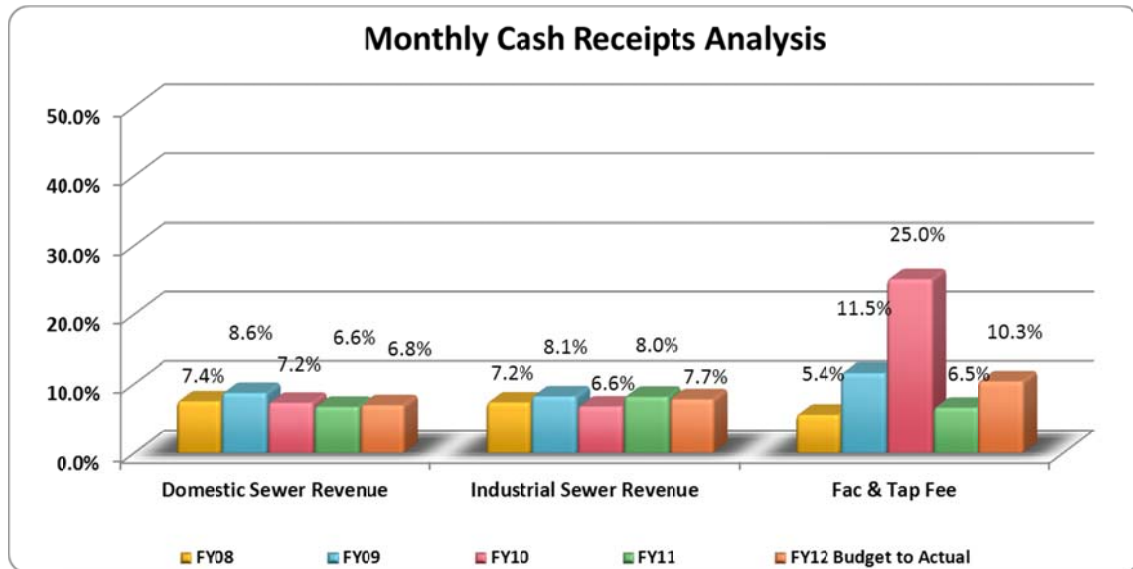
**Board Meeting**

June 13, 2012

Subject: Cash Commitment/Investment Report-Month Ended April 30, 2012

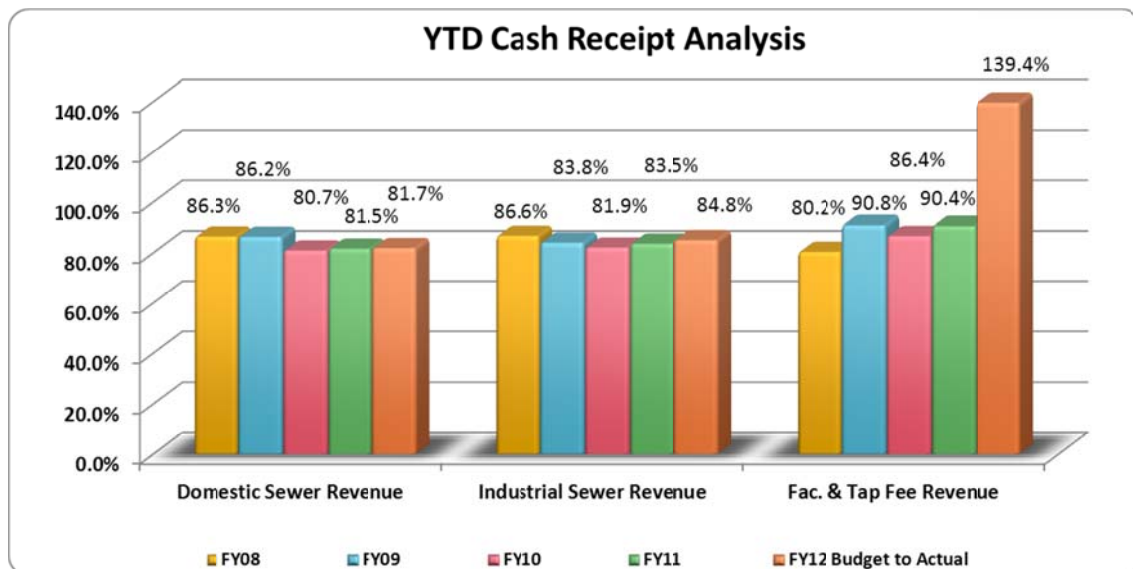
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**METROPOLITAN SEWERAGE DISTRICT  
ANALYSIS OF CASH RECEIPTS  
AS OF April 30, 2012**



**Monthly Cash Receipts Analysis:**

- ▶ Due to the City of Asheville’s implementation of their Munis Billing System, billing cycles have been affected, and has impacted timing of cash receipts. Billing cycles should resume to normal trends by the end of FY12.
- ▶ 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, billing cycles have been affected, and has impacted timing of cash receipts. Billing cycles should resume to normal trends by the end of FY12.
- ▶ 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.

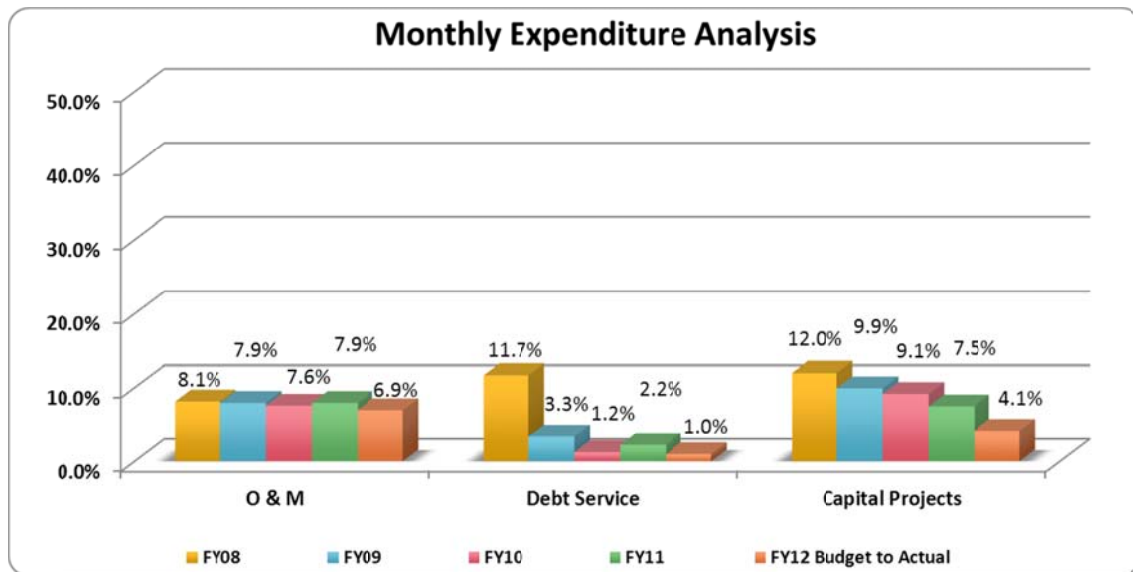
**Board Meeting**

June 13, 2012

Subject: Cash Commitment/Investment Report-Month Ended April 30, 2012

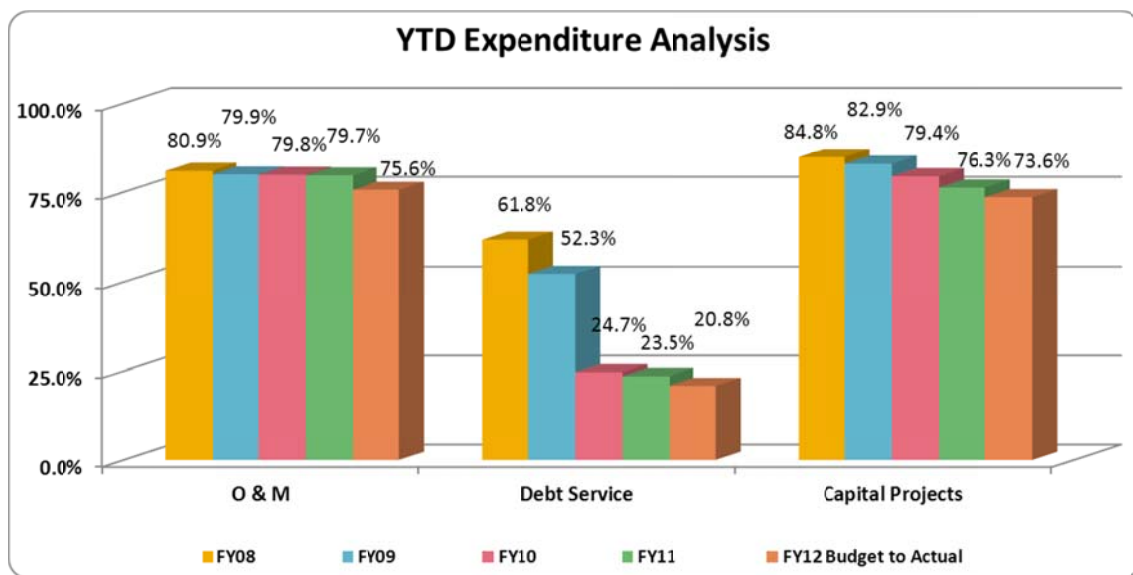
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**METROPOLITAN SEWERAGE DISTRICT  
ANALYSIS OF EXPENDITURES  
AS OF APRIL 30, 2012**



**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.



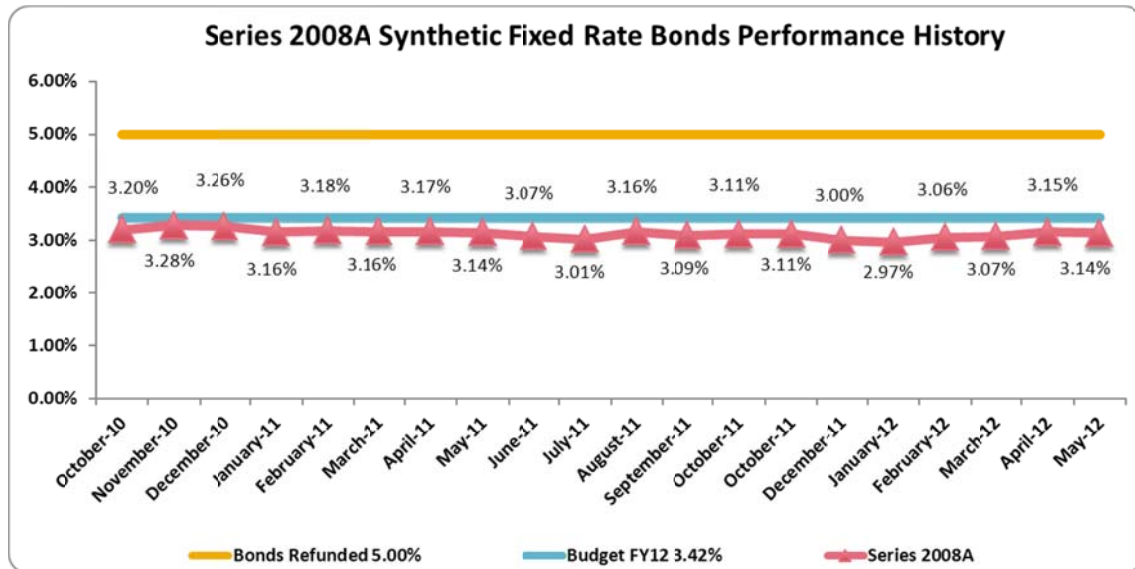
**Board Meeting**

June 13, 2012

Subject: Cash Commitment/Investment Report-Month Ended April 30, 2012

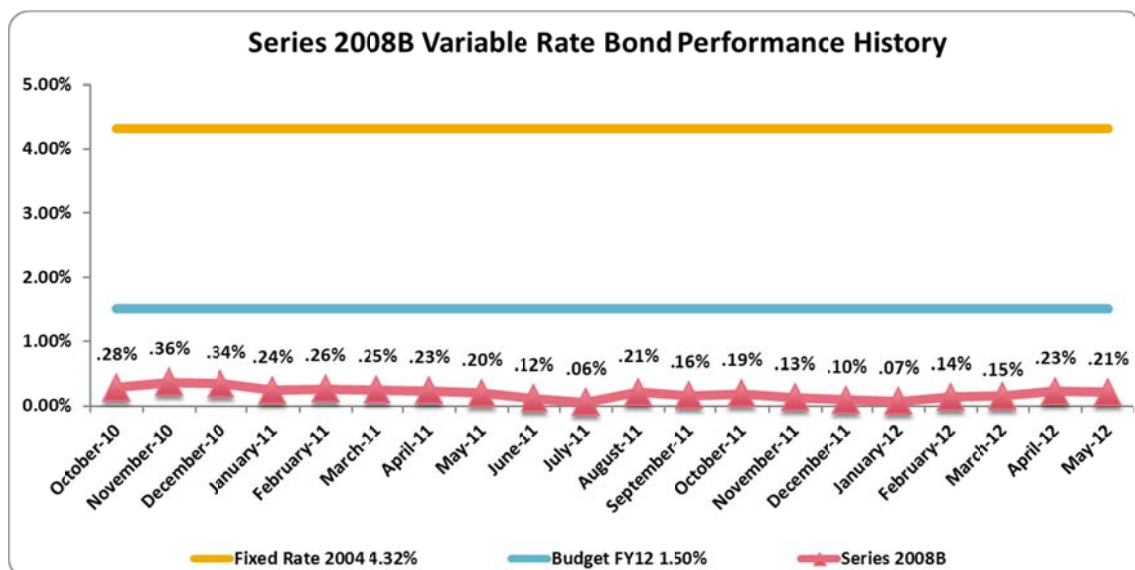
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**METROPOLITAN SEWERAGE DISTRICT  
Variable Debt Service Report  
As of May 31, 2012**



**Series 2008A:**

- Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$2,204,483 as compared to 4/1 fixed rate of 4.85%.
- 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 \$6,475,000 to terminate the existing Bank of America Swap Agreement.



**Series 2008B:**

- Savings to date on the 2008B Variable Rate Bonds is \$3,169,498 as compared to 5/1 fixed rate of 4.32%.
- Since May 1, 2008, the Series 2008B Bonds average variable rate has been 0.57%.
- MSD will achieve \$8,845,000 in cash savings over the life of the bonds at the current average variable rate.

# **PUBLIC HEARING**

## Metropolitan Sewerage District of Buncombe County Board Action Item

**Meeting Date:** June 13, 2012

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

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

**Subject:** Consideration of Resolution adopting the Budget for FY 2012-2013 and Schedule of Sewer Rates & Fees

### **Background**

The District Budget process must comply with North Carolina General Statutes and the MSD Revenue Bond Order. The Bond order requires that the District adopt its final budget on or before June 15 of each year. The North Carolina General Statutes required that an annual balanced budget ordinance, based upon expected revenues, along with a budget message, to be presented to the governing board no later than June 1 of each year.

### **Staff /Committee Recommendation**

The Finance Committee/Staff recommends to the Board that the attached proposed FY 2013 Budget and Schedule of Rates and Fees be considered and adopted at the June 13, 2012 board meeting.

#### **Action Taken**

Motion by:

to

Approve

Disapprove

Second by:

Table

Send to Committee

Other:

Follow-up required:

Person responsible:

Deadline:



## Resolution –Budget & Sewer Charges

**RESOLUTION ADOPTING BUDGET AND SEWER USE CHARGES  
FOR THE  
METROPOLITAN SEWERAGE DISTRICT  
OF BUNCOMBE COUNTY, NORTH CAROLINA  
FOR THE FISCAL YEAR JULY 1, 2012 THRU JUNE 30, 2013**

WHEREAS, the Board of Directors has reviewed the Operations and Maintenance, Bond, Reserves, and Construction Expenditures of the District and the sources of revenue and allocations (uses) of expenditures for the 2012-2013 fiscal year; and

**NOW, THEREFORE, BE IT RESOLVED:**

1. The following amounts are hereby appropriated in the Revenue Fund for the Operations and Maintenance of the District and for transfers to the debt service and general funds for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

Operating and Maintenance Expenses	\$ 11,436,772
Transfer to insurance accounts	\$ 2,778,762
Transfer to Fleet Replacement Reserve	\$ 400,000
Transfer to Wastewater Treatment Plant Reserve	<u>\$ 100,000</u>
Subtotal O&M	\$ 14,715,534
Transfer to Debt Service Fund	\$ 8,238,321
Transfer to General Fund	<u>\$ 15,625,000</u>
	<u>\$ 38,578,855</u>

It is estimated that the following revenues will be available in the Revenue Fund for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

Domestic User Fees	\$ 26,171,162
Industrial User Fees	\$ 1,696,137
Billing and Collection Fees	\$ 677,544
Investment Interest	\$ 209,748
Reimbursement for Debt Service from COA	\$ 37,000
Rental Income	\$ 67,872
Appropriated Net Assets	<u>\$ 9,719,392</u>
	<u>\$ 38,578,855</u>

2. The following amounts are hereby appropriated in the General Fund for the transfers to the construction fund for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

Transfer into construction	<u>\$ 18,364,180</u>
----------------------------	----------------------

## Resolution –Budget & Sewer Charges (continued)

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

Facility and Tap Fees	\$	1,355,000
Investment Income	\$	25,000
Transferred from Revenue Fund	\$	15,625,000
Appropriated Net Assets	\$	<u>1,359,180</u>
	\$	<u>18,364,180</u>

3. The following amounts are hereby appropriated in the Construction Fund for Capital Improvement Plan expenditures for the fiscal year beginning July 1, 2012 and ending June 30, 2013.

Capital Improvements Projects	\$	<u>18,364,180</u>
-------------------------------	----	-------------------

It is estimated that the following revenues will be available to the Construction Fund for the Fiscal year beginning July 1, 2012 and ending June 30, 2013.

Investment Income	\$	1,000
Transfer from General Fund	\$	18,364,180
Contributions to Net Assets	\$	<u>(1,000)</u>
	\$	<u>18,364,180</u>

4. The following amounts are presented as the financial plan for the Internal Service Funds used to provide insurance services. Estimated operating expenditures for the fiscal year beginning July 1, 2012 and ending June 30, 2013 are:

Operating expenditures	\$	<u>3,251,868</u>
------------------------	----	------------------

It is estimated that the following revenues will be available in the Insurance Fund for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

Transfer in from the Revenue Fund	\$	2,778,762
Investment income	\$	10,000
Employee health insurance premiums	\$	413,000
Appropriated Net Assets	\$	<u>50,106</u>
	\$	<u>3,251,868</u>

5. The following amounts are presented as the Financial Plan in the Fleet Replacement Fund for the Internal Service Fund serving as capital equipment expenditures for the fiscal year beginning July 1, 2012 and ending June 30, 2013 are estimated as follows:

Capital equipment	\$	<u>454,000</u>
-------------------	----	----------------

## Resolution –Budget & Sewer Charges (continued)

It is estimated that the following revenues will be available in the Fleet Replacement Fund for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

Transfer in from the Revenue Fund	\$	400,000
Sale of surplus property	\$	46,680
Investment income	\$	2,981
Appropriated Net Assets	\$	<u>4,339</u>
	\$	<u>454,000</u>

6. The following amounts are presented as the Financial Plan in the Wastewater Treatment Plant Replacement Fund for the internal service fund designated as expenditures for the fiscal year beginning July 1, 2012 and ending June 30, 2013 are estimated as follows:

Capital equipment	\$	<u>200,000</u>
-------------------	----	----------------

It is estimated that the following revenues will be available in the Wastewater Treatment Plant Replacement Fund for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

Transfer in from the Revenue Fund	\$	100,000
Investment income	\$	4,000
Appropriated Net Assets	\$	<u>96,000</u>
	\$	<u>200,000</u>

7. The following amounts are hereby appropriated in the Debt Service Fund for principal and interest payments for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

Debt Service	\$	<u>8,238,321</u>
--------------	----	------------------

It is estimated that the following revenues will be available in the Debt Service Fund for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

Transfer in from the Revenue Fund	\$	8,238,321
Investment Income	\$	250
Contribution to Net Assets	\$	<u>(250)</u>
	\$	<u>8,238,321</u>

8. That the Board of the Metropolitan Sewerage District does hereby approve an increase in the Budgets to the amount necessary to reflect any contributions to the Debt Service Reserve Fund or Capital Reserve Fund as determined by the Bond Trustee to be necessary to comply with covenants in the Bond Order.

## Resolution –Budget & Sewer Charges (continued)

9. The General Manager is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts without limitation between departments in a fund.
- b. He may transfer any amounts within debt service and reserve funds designated as excess by the Trustee into another fund.

10. That the attached schedule of fees and charges be adopted as effective July 1, 2012.

11. That this resolution shall be entered in the minutes of the District and within five (5) days after its adoption, copies thereof are ordered to be filed with the Finance and Budget Officer and Secretary of the Board as required by G.S. 159-13 (d).

Adopted this 13th day of June 2012

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Steven T. Aceto, Chairman  
Metropolitan Sewerage District of  
Buncombe County, North Carolina

Attest:

---

Jackie Bryson  
Secretary/Treasurer



## Schedule of Rates & Fees – FY2013

	<b>CURRENT FY12 RATE</b>	<b>PROPOSED FY13 RATE</b>
<b>Rate increase</b>	3.00%	2.50%
<b>Average Monthly Sewer Charge</b> (Without Billing Charges)	\$ 25.38	\$ 26.03
<b>Average Monthly Sewer Charge</b> (With 1/2 Billing Charges-COA example)	\$ 26.45	\$ 27.14
<b>Collection Treatment Charge</b>		
Residential & Commercial Volume Charges (per CCF) Inside	\$ 3.88	\$ 3.98
Industrial Volume Charges (per CCF) Inside	\$ 2.740	\$ 2.975
Industrial Surcharge for BOD (per lb., BOD >200 mg/l) Inside	\$ 0.354	\$ 0.345
Industrial Surcharge for TSS (per lb., TSS >200 mg/l) Inside	\$ 0.273	\$ 0.269
Residential & Commercial Volume Charges (per CCF) Outside	\$ 3.89	\$ 3.99
Industrial Volume Charges (per CCF) Outside	\$ 2.750	\$ 2.985
Industrial Surcharge for BOD (per lb., BOD >200 mg/l) Outside	\$ 0.354	\$ 0.345
Industrial Surcharge for TSS (per lb., TSS >200 mg/l) Outside	\$ 0.273	\$ 0.269
<b>Base Meter/Maintenance Charge &amp; Billing Fee</b>		
5/8"	\$ 5.98	\$ 6.13
3/4"	\$ 8.71	\$ 8.93
1"	\$ 15.43	\$ 15.82
1 1/2"	\$ 35.36	\$ 36.24
2"	\$ 62.55	\$ 64.11
3"	\$ 138.71	\$ 142.18
4"	\$ 247.51	\$ 253.70
6"	\$ 557.56	\$ 571.50
8"	\$ 990.03	\$ 1,014.78
10"	\$ 1,550.31	\$ 1,589.07
Billing Fee (per bill)	\$ 2.14	\$ 2.21
<b>Sewer Facility Fees</b>		
Residential		
Per Unit (non-mobile home)	\$ 2,500	\$ 2,500
Mobile Home	\$ 1,740	\$ 1,740
Affordable Housing	\$ 670	\$ 670
Nonresidential (modifiable per economic development waiver)		
5/8"	\$ 2,500	\$ 2,500
3/4"	\$ 2,830	\$ 2,830
1"	\$ 5,560	\$ 5,560
1 1/2"	\$ 11,350	\$ 11,350
2"	\$ 20,000	\$ 20,000
3"	\$ 45,000	\$ 45,000
4"	\$ 87,500	\$ 87,500
6"	\$ 225,400	\$ 225,400
8"	\$ 237,500	\$ 237,500
Additions < 1,400 GPD	\$ 870	\$ 870

Note: Facility fees being raised to actual allocated cost at March 2006 over 5 years.

**Schedule of Rates & Fees – FY2013** (continued)

	<b>CURRENT FY12 RATE</b>	<b>PROPOSED FY13 RATE</b>
<b>Sewer Tap Fees</b>		
Tap installed by MSD	\$ 650	\$ 650
Additional Charge for Pavement Disturbance	\$ 2,200	\$ 2,200
Additional Charge for Boring	N/A	N/A
Refund if Boring avoids pavement disturbance	\$ (1,300)	\$ (1,300)
Inspection Fee for Developer-Installed Tap	\$ 140	\$ 140
<b>Manhole Installation/Replacement</b>		
Cost per foot	\$ 250	\$ 250
Pavement replacement (if required)	\$ 1,800	\$ 1,800
<b>Other Fees</b>		
Allocation Fee	\$ 170	\$ 170
Non-Discharge Permit	\$ 200	\$ 200
Plan Review Fee	\$ 450	\$ 450
Plan re-review Fee	\$ 350	\$ 350
Final Inspection	\$ 350	\$ 350
Pump Station Acceptance Fee	Note 1	Note 1
Note 1-- See policy for details of computation of O&M and equipment replacement costs for upcoming 20 years; 50% discount for affordable housing		
<b>Bulk Charges</b>		
Volume Charge for Septic Haulers (per 1000 Gal.)	\$ 45.00	\$ 45.00
Biochemical Oxygen Demand >200 mg/l (per lb.)	\$ 0.354	\$ 0.345
Total Suspended Solids >200 mg/l (per lb.)	\$ 0.273	\$ 0.269
<b>Returned Check Charge</b>		
Returned Check (per event)	\$ 25.00	\$ 25.00
Dishonored Draft (per event)	\$ 25.00	\$ 25.00
<b>Copy and Printing Fees (each)</b>		
8x11 first print of standard GIS inquiry	\$ 1.00	\$ 1.00
8x14 first print of standard GIS inquiry	\$ 1.00	\$ 1.00
11x17 first print of standard GIS inquiry	\$ 2.00	\$ 2.00
24x36 first print of standard GIS inquiry	\$ 7.00	\$ 7.00
34x44 first print of standard GIS inquiry	\$ 12.00	\$ 12.00
36x48 first print of standard GIS inquiry	\$ 14.00	\$ 14.00
8x11, 8x14 and 11x17 copies after first print	N/A	N/A
8x11 or 8x14 copies after first print	\$ 0.11	\$ 0.11
11x17 copies after first print	\$ 0.20	\$ 0.20
24x36 copies after first print	\$ 0.94	\$ 0.94
34x44 copies after first print	\$ 1.76	\$ 1.76
36x48 copies after first print	\$ 2.03	\$ 2.03
Foam Core mounting per sq. foot	\$ 3.00	\$ 3.00
Data CD	\$ 30.00	\$ 30.00
Shipping for CD	\$ 5.00	\$ 5.00

# **CONSIDERATION OF RFP**

# Metropolitan Sewerage District of Buncombe County

## BOARD ACTION ITEM

**Meeting Date:** June 13, 2012

**Submitted By:** Thomas E. Hartye – General Manager

**Subject:** Consideration of RFP for detailed water/sewer consolidation impact study.

### **Background:**

The Metropolitan Sewerage / Water Committee issued a Final Report to the Legislative Research Commission of the North Carolina General Assembly containing recommendations to merge the City of Asheville Water system with the Metropolitan Sewerage District of Buncombe County (MSD). An additional recommendation is to consider how other water systems in Buncombe and Henderson Counties may be merged with MSD as well.

The MSD Board of Directors voted to conduct a detailed impact study of the proposed merger and seeks the services of reputable national firm experienced in utility operations, management, budgeting and finance, and utility mergers. Staff has developed a Request for Proposals (RFP) to initiate the process.

Due to the abbreviated timeline in which to conduct the impact study, MSD staff is collecting critical information needed for this study and is conducting an internal parallel due diligence study.

The selection process is referred to in the RFP and staff intends to bring the recommended consultant to the July 18th Board Meeting for approval.

At the May 31<sup>st</sup> Planning Committee, a change of title was recommended by the committee while some other changes were offered at the meeting by a representative of Raftelis Financial Consultants representing the City of Asheville.

Staff has made some changes to enhance the document and recommends the amended document with the highlighted changes.

**Recommendation:** To accept the attached RFP with changes and allow Staff to proceed to send out to qualified consultants.



# DETAILED STUDY OF THE IMPACT ON MSD RATE PAYERS OF PROPOSED CONSOLIDATION/MERGER OF THE CITY OF ASHEVILLE WATER SYSTEM AND OTHER WATER SYSTEMS IN BUNCOMBE COUNTY WITH THE METROPOLITAN SEWERAGE DISTRICT

## ~ REQUEST FOR PROPOSALS ~

The Metropolitan Sewerage District of Buncombe County, North Carolina (MSD) invites your firm to submit a Proposal for Professional Services associated with conducting a Water/Sewer Merger Study.

### **General Background of Project**

The Metropolitan Sewerage / Water Committee issued a Final Report to the Legislative Research *Commission* of the North Carolina General Assembly containing recommendations to merge the City of Asheville Water system with the Metropolitan Sewerage District of Buncombe County (MSD). An additional recommendation is to consider how other water systems in Buncombe and Henderson Counties may be merged with MSD as well.

The MSD Board of Directors wishes to conduct a detailed study of the impact of the *proposed merger on the MSD ratepayers* and seeks the services of reputable national firm experienced in utility operations, management, budgeting and finance, and utility mergers. *Potential legal, governance, valuation and compensation issues associated with a potential merger/consolidation of the City of Asheville Water system and other systems with MSD are beyond the scope of this study.* Due to the abbreviated timeline in which to conduct the impact study, MSD staff is collecting critical information needed for this study and is conducting an internal parallel due diligence study.

## Scope of Services

The firm shall generate a report in two phases. The first phase is to evaluate the City of Asheville water system merger with MSD. The second phase will be to examine other MSD member agency water system mergers *together with and independent of Asheville*. The report for each phase will consider the following:

1. Identify *personnel and financial impacts of consolidation* and evaluate opportunities to gain operational efficiencies, to include but not be limited to the following:

Administrative Services: (Human Resources, IT, GIS, Fleet, Finance/Accounting (Including Billing), Management, Health Plan, Long Range Business Plan).

Capital Improvement Program: (CIP project coordination, design, construction management, funding, in-house construction, and pavement restoration).

Operations: (Distribution/Collection emergency response, Pump Stations – mechanical /electrical back-up and emergency response, Facilities Maintenance, Back-up CDL drivers and equipment operators)

Customer Service: Evaluate if and how a merger might provide better and more efficient Customer Services to the public, including but not limited to billing issues and complaints, responsiveness, permitting, plan reviews, developer relations, etc.

2. Identify logistical challenges to merger, to include but not be limited to the following:

Billing Function: (Timing and Transfer issues)

Buildings/Property: (New Maintenance Facility, New Customer Service Facility)

CMMS Software: (Review and Consider Sub-consultant Report to be provided)

3. Identify financial benefits and determine impact on Rates for water and sewer assuming current level of service, current operating budgets, assuming current debt *(assume cost negligible)*, new debt issuances, and existing 5 - year capital improvement programs.

## Study Logistics:

1. Previous studies and pertinent information: A website will be made accessible to the interested Consultants that has pertinent engineering, planning, and financial information for MSD, the City of Asheville Water System, the water purveyors for Phase II, and the due diligence documents prepared by MSD staff.
2. Coordination and meetings. Coordination and communication are vital for a successful project. The firm will conduct a project kickoff meeting, and shall keep staff informed on the progress of the project. Additional meetings are to be held as report is being developed. The firm will plan and schedule periodic progress meetings to ensure staff is informed on the progress of the project.
3. Draft/Preliminary Report The firm will provide a draft/preliminary report for Phase I by late October 2012 and for Phase II by late December 2012.
4. Presentations. The firm will present the Phase I study to the MSD Planning Committee in early November 2012 and to the full Board on November 14<sup>th</sup>, 2012. Presentation of Phase II will be made in January 2013.

## Deliverables

Deliverables from the firm shall be:

- I) Final Report for Phase I Asheville.
- II) Final Report for Phase II Weaverville, Biltmore Forest, Buncombe County and Montreat.

These shall be on reproducible media. A complete PDF of each Final Report shall also be provided.

## Proposal Requirements

**NOTE:** Proposals shall not exceed **twenty (20)** pages in length. Brevity, clarity, and conciseness are strongly encouraged. This page limit includes the cover letter, but does not include single page resumes of proposed project team members, which may be included as an appendix.

The proposal should address the following issues:

1. Study approach. Describe your firm's approach to this study and experience in conducting such a study.
2. Study schedule. Provide a schedule for the development of this study. Phase I of this Study shall be complete by November 1, 2012. Phase II of this Study shall be completed by January 10<sup>th</sup>, 2013.
3. Qualifications. Describe your firm's experience in conducting such a study. Also, identify and include qualifications of the proposed project team members for this study.

## **Evaluation of Proposals**

Six (6) copies of your proposal must be delivered to MSD by 1:00 P.M. July 5th, 2012. Selected firms will be assigned a time when they will make a presentation to the selection committee, present key issues, and answer questions.

The presentation/interview process will be limited to one hour and will be held at the MSD Administration Building, 2028 Riverside Drive, Asheville, NC, 28804. The presentation portion is to be limited to 30 minutes. The project manager and other key members of the project team are expected to be actively included in the presentation/interview process.

MSD will make its final selection based upon each firm's qualifications for this work. MSD will then negotiate a fair and reasonable fee for the services, with the most qualified firm. Should MSD not be able to establish a fair and reasonable fee with the top firm, MSD will then negotiate a fee with the next most qualified firm. A firm will be chosen by July 18th, 2012 based on the proposal, presentation/interview process, qualifications, and fee negotiations.



## To Respond

If your firm is interested in this project, please submit FIVE (5) copies of the proposal before 1:00 P.M on July 5th, 2012 to:

MSD of Buncombe County, N.C.  
Administration Building  
2028 Riverside Drive  
Asheville, N.C. 28804

Attention: Thomas Hartye, P.E.  
General Manager

For questions regarding the process or to review information contact Tom Hartye directly at 225-8399, or e-mail [thartye@msdbc.org](mailto:thartye@msdbc.org)

The Metropolitan Sewerage District reserves the right to reject any and all proposals.

# **STATUS REPORTS**

**CAPITAL IMPROVEMENT PROGRAM**

**STATUS REPORT SUMMARY**

**June 4, 2012**

PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
DILLINGHAM ROAD - 4 INCH MAIN	Terry Brothers	3/21/2012	4/16/2012	8/14/2012	\$149,902.00	0%	<b>Informal</b> Plans have been sent to DOT for approval of revision of the Haw Creek bore. No work has begun yet.
PATTON AVENUE @ PARKWOOD ROAD	Huntley Construction	1/18/2012	5/11/2012	9/8/2012	\$243,718.16	0%	<b>Informal</b> Work is expected to begin this week.
PIPE RATING CONTRACT #6 (LINING)	Improved Technologies Group	10/19/2011	12/5/2011	7/2/2012	\$808,846.50	75%	<b>Formal</b> Pipe lining and open dig portions of the project are complete including all pavement restoration. Manhole lining should begin soon.
ROEBLING CIRCLE	Terry Brothers	3/21/2012	4/16/2012	8/14/2012	\$52,241.00	0%	<b>Informal</b> Construction has not begun yet. Work will begin as soon as Terry Brothers has a crew available.
SHORT COXE AVENUE AT SOUTHSIDE AVENUE	TBA	TBA	TBA	TBA	TBA	0%	<b>Formal</b> Project is scheduled to bid on July 5, 2012.
TOWN BRANCH INTERCEPTOR PHASE II	Moore & Son	6/15/2011	7/18/2011	6/8/2012	\$556,273.80	98%	<b>Formal</b> Project is complete contractor working on punchlist.
TOWN MOUNTAIN ROAD (4-INCH MAIN)	Terry Brothers	1/18/2012	4/10/2012	8/8/2012	\$284,847.00	85%	<b>Informal</b> Mainline should complete the week of June 4th.
VA HOSPITAL (PRP 28001)	Huntley Construction	12/14/2011	2/6/2012	6/15/2012	\$200,786.99	95%	<b>Informal</b> Project complete except for replacement trees.
WRF - FINAL MICROSCREEN REPLACEMENT	Hickory Construction	10/20/2010	1/3/2011	9/30/2012	\$8,972,321.36	80%	<b>Formal</b> Equipment installation complete to where the electrical portion needs to be energized. This process will begin the week of June 11. We are hopeful to put water in the building early in July.
WRF - ROOF REPLACEMENT ON FINAL MICROSCREEN BUILDING	Carolina Specialties	2/3/2012	4/2/2012	5/31/2012	\$110,719.00	100%	<b>Informal</b> Project complete and awaiting warranty inspection by manufacturer.

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

Planning and Development Projects Status Report  
June 13, 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
	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
	Dollar Tree - Weaverville	2011113	Weaverville	Comm.	75	2/23/2012	Complete-Waiting on final documents
	Fairview Road Property	2010043	Asheville	10	542	11/9/2011	Complete-Waiting on final documents
	Larchmont Apartments	2011014	Asheville	60	26	6/23/2011	Complete-Waiting on final documents
	Versant Phase I	2007008	Woodfin	64	12,837	2/14/2007	Complete-Waiting on final documents
	Cottonwood Townhomes	2009110	Black Mtn.	8	580	10/20/2009	Complete-Waiting on final documents
	Emergency Services Training Center	2009027	Woodfin	Comm.	2,512	2/7/2011	Complete-Waiting on final documents
	Ridgefield Business Park	2004188	Asheville	18	758	2/16/2005	Complete-Waiting on final documents

Subtotal	1016	37,608
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Planning and Development Projects Status Report  
June 13, 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	Installing
	The Settings (6 Acre Outparcel)	2004192	Black Mountain	21	623	3/15/2006	Ready for final inspection
	New Salem Studios	2011119	Black Mountain	5	36	5/21/2012	Installing
	Waightstill Mountain PH-8	2006277	Arden	66	3,387	7/26/2007	testing / in foreclosure
	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
	Parameter Generation Relocation	2012024	Black Mtn.	Comm.	545	5/24/2012	Pre-con held, ready for construction
	Camp Dorothy Walls - Ph. 2	2007294	Black Mtn.	Comm.	593	6/16/2009	Pre-con held, ready for construction
	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
	Harris Teeter - Merrimon Ave.	2011045	Asheville	Comm.	789	3/27/2012	Pre-con held, ready for construction
	Pisgah Manor Skilled Nursing Facility	2012008	Candler	Comm.	131	4/9/2011	Pre-con held, ready for construction
	Quality Oil - Fairview	2011081	Buncombe Co.	Comm.	522	3/20/2012	Pre-con held, ready for construction

Subtotal	2482	109,267
Total Units:	3,498	
Total LF:		146,875