

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

1. Call to Order and Roll Call:

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

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, PA, Steve Shoaf, City of Asheville, Matt Settlemyer, Town of Black Mountain, Nelda Holder, Mountain Xpress, Natsaye Mawere, Roberts & Stevens, Barry Summers and MSD Staff, Ed Bradford, Peter Weed, Jim Hemphill, Stan Boyd, Mike Stamey, Ken Stines, Angel Banks, Julie Willingham, Matthew Walter, Scott Powell, Roger Watson and Sondra Honeycutt.

2. Inquiry as to Conflict of Interest:

Mr. Aceto asked if there were any conflicts of interest with the agenda items. Ms. Manheimer stated she had a conflict with item a. (Settlement in MSD vs. Ankeney) of the Consolidated Motion Agenda and asked to be excused from discussion, deliberation or vote on this item.

3. Approval of Minutes of the July 18, 2012 Board Meeting:

Mr. Aceto asked if there were any changes to the Minutes of the July 18, 2012 Board Meeting. Mr. VeHaun moved the Minutes be approved as presented. Mr. Watts seconded the motion. By a show of hands, the Minutes were approved as presented.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. Aceto welcomed Mr. Summers, Mr. Settlemyer, Mr. Shoaf, Ms. Holder and Ms. Mawere.

6. Report of General Manager:

Mr. Hartye reported the kick-off meeting for the Water/Sewer Consolidation study to be conducted by Malcolm Pirnie/Arcadis, was held August 1st. The City of Asheville was well represented at the meeting. He presented correspondence regarding Consolidation discussions to be considered under "Old Business".

Mr. Hartye reported the agenda includes a construction contract for electrical improvements at the treatment plant. Staff will give a short presentation on this project, the new filters, and rehab of one of the three turbines at the hydroelectric facility. He called on Ed Bradford for a Power Point presentation on these projects.

Mr. Bradford reported there are three projects underway at the Treatment Plant; Filter project (Microscreen Replacement); Hydroelectric facility repairs, and Electrical system improvements. He presented several slides showing the location of the microscreen building; its interior prior to and during construction; the wet-pit for two AquaDisk units, and the Drywell for pumps and valves. Mr. Bradford further reported that, based on the Facilities Plan recommendations, the Filter project design began in September 2007. The Board awarded the construction contract in 2010 at a cost of \$9.2 million over three fiscal years. Construction is near completion and plans are underway for start-up in the next few weeks with final completion expected in the fall. Mr. Aceto

asked Mr. Bradford to summarize the benefits of this installation to the ratepayers. Mr. Bradford stated this will improve TSS solids removal of the plant and the effluent quality to well below permit standards. He explained that currently the microscreens are inoperable and although the final clarifier does a good job, this will improve water quality significantly. In addition, these filters can fit into the old building; saving ratepayers a substantial amount of money by not having to construct a second building. Mr. Haner stated this is a good expenditure of MSD and ratepayer money and asked that when it is up and running that staff inform the Board on the best time for a tour.

With regard to Hydroelectric Facility, Mr. Bradford presented slides showing the location of the facility; the rear of the facility and the interior. He reported this facility is a significant asset as a source of clean and renewable energy for the District. The facility is comprised of three turbines/generators which generate up to 2.8 MW that offsets a significant amount of power consumed at the plant. He further reported from FY02 to FY11 MSD has deferred approximately \$3.6 million in power (\$356,000.00 per year). Also, MSD sells renewable energy credits for approximately \$60,000.00 per year. He presented slides showing one of the three turbine blades (variable pitch blade) under repair and the control panel replacement that is under way.

With regard to Electrical System Improvements, Mr. Bradford presented a slide showing the location of the substation. He reported that some of the improvements made include External Power Supply- New "Division Street" Circuit installed at the substation as well as an Auto Transfer Switch giving the plant two power sources from Progress Energy; Internal Power Distribution System- upgrade old switchgear and add multiple feeds; Backup Power Supply - can now be tested under a fully loaded state using "paralling switchgear", which is now complete and add two 1MW units which will enable all plant processes to run. The cost of these improvements is \$2.4 million over two fiscal years. He presented slides showing the current backup generator and old switchgear; new Transformer bank at the substation and two (2) new 1MW Gensets and Switchgear.

Mr. Hartye continued with his report. He presented an e-mail from Sharon Fahrer expressing appreciation for both the City of Asheville and MSD working to finish both the sewer and paving projects in time for the Festival.

Mr. Hartye presented an article "Reluctant Partners" from the Mountain Xpress.

Mr. Hartye reported the next regular Board meeting will be held September 19th at 2 pm. The next Right of Way Committee meeting will be held September 26th at 9 am.

7. Report of Committees:

Right of Way Committee:

Mr. Kelly reported the Right of Way Committee met July 25, 2012 to consider Settlement in MSD vs. Ankeney and Condemnations on Central Avenue GSR Project, Macon Avenue @Sunset Parkway Rehabilitation Project and West French Broad Master Plan Interceptor, all of which are part of the Consolidated Motion Agenda.

Personnel Committee:

Mr. VeHaun reported the Personnel Committee met prior to the Board Meeting to consider the evaluation of the General Manager. The Committee recommends giving the General Manager a 4% increase (2% COLA and 2% Merit) and a one-time bonus of \$3,000 because of extra work assigned to him on the water issue.

8. Consolidated Motion Agenda:

a. Consideration of Settlement in MSD vs. Ankeney – Forest Hill Drive PRP #2:

Mr. Hartye reported the Right of Way Committee recommends acceptance of Staff and Counsel's recommendation of settlement in MSD vs. Ankeney in the amount of \$55,000 inclusive of all settlement costs and interest.

b. Consideration of Condemnation – Central Avenue GSR Project:

Mr. Hartye reported the subject property is located in the Weaverville area and is improved with commercial use. Although the property owner agreed with the proposed realignment, he has been non-responsive following numerous phone calls, letters and e-mails. The Right of Way Committee recommends authority to obtain appraisal and proceed with condemnation.

c. Consideration of Condemnation – Macon Avenue @ Sunset Parkway Rehabilitation Project:

Mr. Hartye reported the Right of Way Committee recommends authority to obtain appraisal and proceed with condemnation.

d. Consideration of Condemnation – West French Broad Master Plan Interceptor:

Mr. Hartye reported the Right of Way Committee recommends authority to obtain appraisal and proceed with condemnation.

e. Consideration of Bids for Sodium Hypochlorite Contract:

Mr. Hartye reported the Water Reclamation Facility is required to disinfect the effluent prior to discharge to the French Broad River. Liquid sodium hypochlorite is used for this purpose. The following bids for the supply of sodium hypochlorite were received on May 25th: Univar with a total price per gallon of \$0.84; Specially Chemical with a total price per gallon of \$0.9144; JCI Jones with a total price per gallon of \$0.99 and Brenntag SE with a total price per gallon of \$0.7877, which was considered nonresponsive due to non-conformance with MSD's material specifications. Staff recommends the Board award the contract for the supply of Sodium Hypochlorite to Univar USA at a unit price of \$0.84 per gallon, (\$168,000.00) based on an estimated 200,000 gallons for one year.

f. Consideration of Bids for Electrical System Upgrades at Water Reclamation Facility:

Mr. Hartye reported the following bids for electrical system upgrades at the Water Reclamation Facility were received on July 26th: Fountain Services, LLC with a total bid of \$1,347,000.00; Hickory Construction Company with a total bid of \$1,324,000.00, and Haynes Electric Construction Company with a total bid of \$1,061,900.00. He further reported the FY12-13 budget for this project is \$925,000.00 with sufficient funds available in the CIP Contingency for the balance of \$136,900.00. Staff recommends the District award this contract to Haynes Electric Construction Company in the amount of \$1,061,900.00, subject to review and approval by District Counsel.

g. Consideration of Bids – Sanitary Sewer Rehabilitation Projects: North Griffin Blvd., Mountain Terrace and Meadowlark Road:

Mr. Hartye reported this contract is a combination of three smaller projects, (North Griffin Blvd., Mountain Terrace and Meadowlark Road) which collectively

total 1,399 LF. The following bids were received August 2nd: Huntley Construction Company with a total bid of \$368,626.79; Carolina Specialties with a total bid of \$294,134.00, and Terry Brothers Construction Co., Inc. with a total bid of \$282,907.50. The combined FY12-13 Construction Budget for this project is \$312,400.00. Staff recommends award of this contract to Terry Brothers Construction Company, Inc. in the amount of \$282,907.50, subject to review and approval by District Counsel.

h. Consideration of Reimbursement Resolution for Bond Projects:

Mr. Powell reported to be in compliance with IRS regulations concerning tax-exempt financing all expenditures made with non-MSD bond funds must be properly identified and authorized for reimbursement when bonds are issued. The proposed reimbursement resolution identifies major projects intended to be solely or substantially financed by bonds anticipated to be issued in FY 14-15. Engineering Staff have identified several upcoming projects which could be reimbursed from the upcoming revenue bonds. Estimated reimbursable expenditures for these projects total \$10,420,000. Staff recommends approval of the Reimbursement Resolution.

i. Preliminary Report on Budget to Actual Revenue and Expenditures for FY 11-12:

Mr. Powell reported Domestic and Industrial User Fees are at budgeted expectations. Staff believes domestic user fees variance will end up around 102% when June accounts receivable data is received from its Member Agencies. He stated that due to the nature of the audits and MSD depending on its member agencies, this information is typically received in September. At the end of last year, the City of Asheville's accounts receivable balance was \$908,000. This year the accounts receivable balance is \$1.4 million; a \$500,000 favorable variance. He further reported Facility and Tap Fees are above budgeted expectations. This is due to the District receiving unanticipated revenue of \$610,000 from one development and the conservative nature in which these funds are budgeted. Interest and miscellaneous income are above 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 pressures on the fixed income market. O&M expenditures are at 94.42% of budget. This amount may vary slightly from audited numbers due to final accruals. Bond principal and interest are better than budgeted expectations. This is a direct result of variable rate interest savings. Staff budgeted the 2008B Bond at 1.5% and averaged about 20 basis points for the entire year, which amounted to an interest savings of about \$300,000 to 400,000. Additionally, staff took advantage of a call option on its 2001 Series Revenue Bond. The call options saved the District \$23,000 in interest expense in 2012. Capital project expenditures are at approximately 91% of budget. This is due to projects receiving continued favorable pricing in a sluggish economy as well as timing of secondary microscreen project expenditures being delayed. Mr. Haner asked if the City made changes in its billing and collections process. Mr. Powell stated the City of Asheville changed its billing system as of July 1, 2011. Mr. Haner asked if MSD is comfortable with the change. Mr. Powell said yes. He explained that initially there were timing issues with the implementation, but has settled up at the end of this fiscal year. Starting in July, MSD trends are showing exactly what it had two fiscal years before; considering rate increases. Mr. Haner stated the percentages have been very consistent during the last few years. Mr. Powell commended the City of Asheville's billing team for the excellent work they have done. Mr. Aceto asked if there has been any significant impact in the shift from physical to electronic readings. Mr. Powell stated that to date there has been no dramatic increase or decrease in revenues, however when the electronic meter installation is complete, there may be a slight increase in revenues.

j. Cash Commitment Investment Report as of June 30, 2012:

Mr. Powell reported that Page 2 presents the makeup of the District's Investment Portfolio. The only change of note is 1.1 million dollars in cash reserves. This was due to the timing of an investment as of 6/30 in the District's Parity Reserve account, which is money set aside in relation to debt on the bond holders behalf. Page 3 is the MSD Investment Manager Report as of the month of June. The weighted average maturity of the investment portfolio is 491 days and the yield to maturity is 0.84% and exceeds MSD bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 6 is the MSD Variable Debt Service Report. Both the 2008 A&B Series Bonds are performing better than budgeted expectations. As of the end of July, both issues have saved District rate payers \$5.6 million dollars in debt service since April, 2008.

With regard to the Parity Reserve, Mr. Powell stated attached is a Forward Delivery Agreement, which is an agreement that was consummated when the District entered into the 2001 Series Bonds. This agreement allows the District to garnish 5% interest return on \$1.1 million in the agreement. The agreement was with Salomon Brothers, which is a subsidiary of City Group. At the end of June, City Group was downgraded, which instituted some checks and balances within the District's agreement, i.e. City Group would have to collateralize those funds in the Forward Delivery Agreement. These funds will be used, in addition to the remaining excess in the Parity Reserve to refund the 2003 bond issue in April, 2013. Staff negotiated with City Group to terminate the Forward Delivery Agreement which had a favorable termination fee of \$325,000 which the District will receive.

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

Mr. Watts moved the Board approve item a. of the Consolidated Motion Agenda as presented. Mr. Russell seconded the motion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 9 Ayes; 0 Nays. Ms. Manheimer was excused from discussion, deliberation and vote on this item.

Mr. Vehaun moved on behalf of the Personnel Committee that the Board approve a 4% salary increase (2% COLA and 2% Merit) along with a \$3,000 bonus for extra work assigned to him on the water issue. Ms. Bryson seconded the motion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 10 Ayes; 0 Nays.

9. Old Business:

Mr. Hartye presented correspondence from Mayor Bellamy to Chairman Aceto with regard to participating in discussions with MSD and other affected local governments on the recommendations of the Legislative Research Committee (LRC). In addition, he presented a copy of the LRC's report.

Ms. Manheimer reported that Asheville City Council has designated her, Chris Pelly and Jan Davis to liaison with MSD in this matter. She stated City Council is in agreement that since both MSD and the City are doing a study, it would like to have an initial meeting to talk about the process and what the parties might feel comfortable with. Mr. Clarke stated that he had a discussion with Bob Oast, City Attorney, about the fact that if there is a meeting involving more than one member of each Board, such a meeting would be subject to the Open Meetings Law. Ms. Manheimer stated she is personally disappointed since it is very difficult to have meetings where you are working on something basic. Mr. Aceto stated that because both the City of Asheville and MSD are doing a study, he would like to give this a chance to develop. He further stated in order to continue the process, he suggested the working group be comprised of MSD staff

members and one Board Member. He asked Board Members for their thoughts on this option. Mr. Kelly stated he has a problem with two members of the MSD Board, who are also members of Asheville City Council, negotiating with this Board. Ms. Manheimer stated this is a problem she frequently runs into, but the North Carolina Constitution says that those who hold an elected seat shall also have a right to hold another appointed seat. Mr. Kelly stated the City of Asheville's opinion on this matter is that consolidation should not occur and in going into a meeting with MSD representatives there should be a concern that this issue affects all of the users of the system, not just the Asheville users. With regard to "good faith negotiations" Mr. Kelly stated the Mayor has said the City wants to take advantage of every opportunity to make that happen. Mr. Aceto stated that Paragraph 16 of the LRC Report talks about the things that should be considered by the regional water/sewer stakeholders and what the process looks like to accomplish that. Mr. Root stated he is concerned about the appearance of deflection in that he believes an impression is being created simply because MSD is wisely going about gathering the facts and feels the impression is being created that MSD is putting off the City of Asheville as part of what some people could perceive to be some kind of plot. He further stated it is good that MSD has a couple of Council Members on the Board and although the working committee cannot do a lot at first, he would hate to see MSD in the position of continuing to appear to be disinterested in engagement. Mr. Haner stated MSD has extended an offer to the City to participate and does not agree that MSD appears to be standoffish. Mr. Kelly stated the MSD Board sent a letter to Mayor Bellamy on May 18th saying it was available to meet with representatives of the City to consider the LRC's recommendations, but did not get a positive response until August 8th. In the meantime, the City calls a meeting of all the municipalities in Buncombe County to discuss water issues and invites everyone but MSD. Mr. Aceto asked the Board how it would like to proceed. Mr. Haner asked the Chair if he is prepared to appoint a Board Member. Mr. Aceto stated he is inclined to appoint Mr. Root, Chairman of the Planning Committee. Mr. Haner moved the Board respond to Mayor Bellamy's letter of August 8th stating the Board has asked Mr. Root, Chair of the Board's Planning Committee, to meet with MSD Staff and City Staff and representatives to discuss the process going forward. Ms. Manheimer seconded the motion. Voice vote in favor of the motion was unanimous.

Ms. Manheimer reported Asheville City Council approved a resolution requesting the ballot in November include a referendum. The ballot will read "Shall the City of Asheville undertake the sale or lease of its water treatment system and water distribution system; yes or no." She stated N.C.G.S. 160A-321 allows cities to seek voter approval if they are contemplating the sale or lease of their system. Mr. Aceto asked who would be voting on the referendum. Ms. Manheimer stated the language of the statute limits the voters eligible to participate in such a referendum to City voters. If the vote is "no" the system could not be sold or leased.

10. New Business:

None

11. Adjournment:

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

Jackie W. Bryson, Secretary/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 8/15/12

✓	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 July 18, 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	2:30	
	06. Report of Committees: a. Right of Way Committee – 7/25/2012 – Kelly b. Personnel Committee – 8/15/2012 - VeHaun	Aceto	2:45	
	07. Consolidated Motion Agenda	Hartye	2:55	
	a. Consideration of Settlement in MSD vs. Ankeney – Forest Hill Drive PRP #2 – MSD Project No. 2004258.	Hartye		
	b. Consideration of Condemnation – Central Avenue GSR Project No. 2009135.	Hartye		
	c. Consideration of Condemnation – Macon Avenue @ Sunset Parkway Rehabilitation Project No. 2006016.	Hartye		
	d. Consideration of Condemnation – West French Broad Master Plan Interceptor – MSD Project No. 2011025.	Hartye		
	e. Consideration of Bids for Sodium Hypochlorite Contract.	Hartye		
	f. Consideration of Bids: Electrical System Upgrades at Water Reclamation Facility.	Hartye		
	g. Consideration of Bids – Sanitary Sewer Rehabilitation Projects: North Griffing Blvd., Mtn. Terrace and Meadowlark Road.	Hartye		
	h. Consideration of Reimbursement Resolution for Bond Projects.	Powell		
	i. Preliminary Report on Budget to Actual Revenue and Expenditures for FY 11-12	Powell		
	j. Cash Commitment Investment Report as of June 30, 2012	Powell		
	08. Old Business	Aceto	3:10	
	09. New Business	Aceto	3:20	
	10. Adjournment (Next Meeting 9/19/12)	Aceto	3:30	

APPROVAL OF MINUTES

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
JULY 18, 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, July 18, 2012. Chairman Aceto presided with the following members present: Bryson, Creighton, Haner, Kelly, Pelly, Root, Stanley, VeHaun and Watts. Ms. Manheimer and Mr. Russell were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, PA, Ron Kerns and Audran Stephens with the City of Asheville, Representative Susan Fisher, Jane Whilden, Candidate NC House of Representatives, Jenny Dorris, Matthew Gravatt on behalf of Susan Wilson, Candidate NC House of Representatives, Doug Bean with Raftelis, David Cain and Catherine Traynor with Malcolm Pirnie/Arcadis, Nick Dierkes with Brown and Caldwell, Nelda Holder with Mountain Xpress, Valerie Hoh, Barry Summers, Linda Smathers, Sam Speciale, Jim Aycock and MSD Staff, Stan Boyd, Ed Bradford, Mike Stamey, Ken Stines, Jim Hemphill, Peter Weed, Scott Powell, Angel Banks, Roger Watson and Sondra Honeycutt, MSD.

2. Election of Officers:

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

Mr. Aceto called for nominations for Vice Chairman of the MSD Board. Mr. VeHaun nominated Mr. Stanley as Vice Chairman. Mr. Watts seconded the nomination. With no further nominations, Mr. Haner moved the nominations be closed. Mr. Creighton seconded the motion. Voice vote in favor of the motion was unanimous. Mr. Aceto called for a vote on the election of Mr. Stanley as Vice Chairman of the MSD Board. Voice vote in favor of the motion was unanimous.

Mr. Aceto called for a motion to approve his nomination of Ms. Bryson as Secretary/Treasurer of the Board. Mr. Watts moved. Mr. Stanley seconded the motion. Voice vote in favor of the motion was unanimous.

3. Inquiry as to Conflict of Interest:

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

4. Approval of Minutes of the June 13, 2012 Board Meeting:

Mr. Aceto asked if there were any changes to the Minutes of the June 13, 2012 Board Meeting. Mr. Haner moved the Minutes be approved as presented. Mr. Root seconded the motion. Voice vote in favor of the motion was unanimous.

5. Discussion and Adjustment of Agenda:

Mr. Aceto asked that any discussion regarding Counsel's report on Amendment to the MSD Act be deferred to Old Business.

6. Informal Discussion and Public Comment:

Mr. Aceto welcomed those guests in attendance and called for public comment. He recognized Mr. Barry Summers. With regard to the proposed merger of the Asheville water system and MSD, Mr. Summers stated he has a concern regarding the future history of MSD and suggested the Board consider whether MSD wants to be the recipient of assets that are essentially seized by the State from one of its members. He further stated if MSD ends up being the regional water and sewer system, he believes this is a very bad foot to start off on. He suggested that before the study is over, because it's not an engineering or financial issue, it's a political issue, it would be appropriate to know how MSD Board Member constituents feel about being the recipients of assets seized from the City of Asheville as it moves through this process. Mr. Kelly stated MSD did not ask for the assets. The Legislature told the City of Asheville to negotiate with MSD and come up with a solution, or they would do it for us in 2013. Mr. Summers stated the City of Asheville passed a resolution stating their opposition to having its assets stripped from them by the State, which is appropriate for a political body to make as elected representatives. Although MSD Board Members are appointed, not elected, he feels it's appropriate for MSD to have a discussion and public vote, even if it does not have a direct binding effect on the State, but that it go on record stating its position as representatives of the various communities, or draft a resolution saying this is a bad political move and, although MSD might be the recipient of this, it will make the best of it, but that if anyone ask, MSD is opposed or is for it. Mr. Aceto asked where the study fits into this. Mr. Summers stated he is speaking more as the political and governing structure of a body that's going to be the recipient of these assets handed down from the State which many people would recognize as not a good process for local communities on how to cooperate. He further stated that although the study is important, it does not address the political and social governing aspects.

Mr. Aceto recognized Ms. Valerie Hoh. Ms. Hoh questioned, in Task 4 of the impact study, it says there will be a financial model of Asheville and other water systems under both a "no action" and MSD merger arrangement and whether this includes Henderson County. Ms. Hoh asked who will decide what study to adopt; Raleigh or the MSD Board. Mr. Hartye explained that Phase I is the evaluation of the potential merger of the City of Asheville Water System with MSD. Phase II is the evaluation of the potential merger of the other entities (Weaverville, Biltmore Forest, and Montreat) systems with MSD. Ms. Hoh asked what "no action" means. Mr. Hartye stated it means what the impact is on the ratepayers before and after a merger. Once again, Ms. Hoh asked who will decide what study to adopt and who will pay for the study. Mr. Hartye said the ratepayers will pay for the study, which is a more detailed study then the study done by the Legislature. He further stated this happens across the U.S. on a daily basis where water and sewer entities merge for one reason or another. MSD has a fiduciary responsibility to its ratepayers to find out what the impact will be. Ms. Hoh asked if the ratepayers get to decide what to do with the study or will Raleigh impose its will. Mr. Hartye stated it could be a mixture of both, i.e. the proposed legislation is primarily concerning Asheville, but for the other entities, they were invited to participate and can do what they like with the information provided. Mr. Pelly expressed his appreciation to Ms. Hoh for her input, but stated that from what Mr. Hartye described, only Asheville will have no choice in what happens. The other entities can decide for themselves. Mr. Summers asked why Hendersonville and other Henderson County water systems are not a part of this study. Mr. Aceto stated if they do not want to participate, it's hard to make them participate.

Mr. Aceto recognized Mr. Aycok. Mr. Aycok reported that 20-years ago when MSD was being constructed as it is today, he was the publisher of the Black Mountain News. He attended all of the workshops with then General Manager William Mull and Black Mountain City Council. The residents of Black Mountain had two problems they had to overcome. First, convincing the residents it was in their best interest to give away

their assets and second convincing them they would not be hurt by someone else prioritizing the work (repairs, etc.). Once past that, Black Mountain was satisfied. He stated that if you asked someone who went through that process 20 years ago, if they had their way, would they go back to owning it themselves and doing the work themselves, or would they like it the way it is now.

Mr. Aceto recognized Representative Susan Fisher. Ms. Fisher expressed her appreciation to the Board for opening the meeting to public comment. She stated she has been struggling with the idea that this is something that has been thrust upon the City of Asheville without a lot of input from the citizens which has been sort of a characteristic of the last session in the legislature and she is hopeful this study will incorporate some of that. She encouraged the Board to do good work and seek that input. Mr. Stanley stated this was forced on the City and forced on MSD and he has never heard anyone on the MSD Board say we'll just take this over, but what did come from the Legislature is, you get it done or we'll do it for you in 2013. MSD feels like it can get it done with the help of consultants. Ms. Fisher said she appreciates that and can see how this was thrust upon the MSD and the City of Asheville. She further stated that she hears from a lot of her constituents who say they are very interested in making sure we guard this utility as the pristine source of water it is and ask that MSD keep this in mind when doing thoughtful studies of issues. Mr. Aceto recognized Mr. Aycock who stated that we must protect our water because sooner or later someone will sue you over it. He mentioned the growing problems associated with "water wars" i.e., South Carolina suing North Carolina over the Catawba River; Virginia Beach suing over the Kerr Lake and Georgia talking about moving the state line to take in the Little Tennessee River. Mr. Aceto stated he is very concerned about any implication that the MSD Board is any less attentive to the value of any resource in the community than City Council or anyone else. He further stated he feels this Board is up to any challenge in protecting any resource for any period of time and is more able to do so based on its track record, i.e. the collection system, where it was under the gun to fix or face a moratorium on building permits throughout the county.

7. Report of General Manager:

Mr. Hartye reported that House Bill 1009 "MSD Amendments" which is recommendation #1 from the Metro Sewerage/Water Committee passed through the legislature and is before the Governor. He presented a copy of letters from Mayor Bellamy regarding a Local Review Process and HB 1009. He stated Mr. Clarke will go over the Bill later in the meeting.

Mr. Hartye presented a letter from the Western North Carolina Regional Air Quality Agency recognizing MSD for compliance with all the air quality rules and regulations for 2011. He expressed his congratulations and thanks to the Plant Operations and Maintenance employees.

Mr. Hartye presented an article in the NC AWWA/WEA Newsletter regarding MSD's Flow Motion and their success in the Virginia warm-up competition where they won first overall and will be representing North Carolina at the WEFTEC Conference in New Orleans this fall. He expressed his congratulations and wished good luck to them in New Orleans.

Mr. Hartye presented an article from the Mountain Xpress about H.B.1009.

Mr. Hartye reported the next regular Board meeting will be held August 15th at 2 pm. The next Right of Way Committee meeting will be held July 25th at 9 am.

8. Report of Committees:

Right of Way Committee

Mr. Kelly reported the Right of Way Committee met on June 27, 2012 to consider condemnation on the West French Broad Master Plan Interceptor project, which is a part of the Consolidated Motion Agenda.

9. Consolidated Motion Agenda:

a. Consideration of Condemnation – West French Broad Master Plan Interceptor:

Mr. Hartye reported the Right of Way Committee recommends authority to obtain appraisal and proceed with condemnation.

b. Consideration of Influent Pump Replacement at Water Reclamation Facility:

Mr. Hartye reported the plant has three large pumps that lift all wastewater received at the plant up to the Grit and Grease Facility. The pumps are approximately 26 years old and have functioned well over time and the internal parts have been replaced several times. Due to the age and wear of the pump casings it is recommended the District begin replacing these pumps, however, it is recommended that installations be staggered so the pumps do not reach the end of their normal life cycle all at once. Staff proposes to purchase one new pump at this time. Mr. Haner asked if staff can replace the pumps in-house. Mr. Hartye stated an outside contractor will do the installation due to the size of the pump. Staff recommends the District sole-source procure a Morris Pump Model MFD 30x30-27 in the amount of \$114,957.00. Staff recommends this sole-source due to the fact that standardization, performance, and compatibility with the existing attachments, piping, and control system is a primary overriding concern.

c. Consideration of Bids – Sanitary Sewer Replacement Project – Short Coxe @ Southside:

Mr. Hartye reported the project is located near McCormick Field, just south of downtown Asheville serving significant areas of businesses in downtown Asheville as well as Mission Hospitals and residential areas surrounding McCormick Field. The project is comprised of 3,826 LF of 8-inch through 16-inch DIP. The following bids were received and opened on July 5, 2012: Moorehead Construction Co. with a bid of \$1,837,484.00; Ruby-Collins with a bid of \$1,249,025.00; Huntley Construction Co. with a bid of \$1,224,830.96; Patton Construction Group, Inc. with a bid of \$946,000.00; Terry Brothers Construction Co. with a bid of \$890,647.50 and Cana Construction with a bid of \$866,521.50. Although Cana Construction has not performed previous work for MSD, references were positive. Staff recommends award of this contract to Cana Construction in the amount of \$866,521.50, subject to review and approval by District Counsel.

d. Consideration of Acceptance of Developer Constructed Sewer System for the Falcon Ridge at Haw Creek Sewer Extension Project:

Mr. Hartye reported the project is located inside the District boundary off Cisco Road in the City of Asheville. The project included the installation of approximately 3,463 linear feet of 8" gravity sewer to serve a thirty-two (32) unit residential development. Staff recommends acceptance of the developer constructed sewer system. All MSD requirements have been met.

e. Cash Commitment/Investment Report – Month Ended May 31, 2012:

Mr. Powell reported that Page 2 presents the makeup of the District's Investment Portfolio with no change from the prior month. Page 3 is the MSD Investment Manager Report as of the month of May. The weighted average maturity of the investment portfolio is 385 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 May 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 based on the current budget and historical trends. YTD Facility and Tap fees are above historical trends due to the timing of one cash receipt of \$610,000 as well as impact fees being budgeted conservatively. Page 5 is an analysis of the District's May 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 Bonds are performing better than budgeted expectations. As of the end of June, both issues have saved District rate payers \$5.5 million dollars in debt service since April, 2008.

With no discussion, Mr. Pelly moved the Board approve the Consolidated Motion Agenda as presented. Mr. Watts seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

10. Consideration of Consultant for Detailed Impact Study:

Mr. Hartye reported the MSD Board voted to conduct a detailed impact study of the proposed merger and instructed staff to seek the services of a reputable national firm experienced in utility operations, management, budgeting and finance, and utility mergers. Staff developed a Request for Proposals (RFP) to initiate the process and received five (5) proposals on July 5th. The Consultant Selection Committee comprised of himself, Peter Weed, Scott Powell, Ed Bradford, Jim Hemphill and Gary McGill reviewed the proposals and interviewed the five consultants to determine the most qualified to conduct the study. The Committee used a rating matrix to rate all consultants on several functional areas of the study to be conducted. The selection of Malcolm Pirnie/Arcadis was based upon the proposal, the presentation, the experience, and the qualifications and integrity of the project team and the organization as a whole. The Committee recommends the MSD Board contract with Malcolm Pirnie/Arcadis to perform a detailed impact study pursuant to the scope of services and the fee schedule in an amount for Phase I of \$133,500, for Phase II of \$53,100 and to include Expenses of \$10,900 for a total not to exceed \$197,500 and authorize Legal Counsel and the General Manager to execute a contract to accomplish this work. Mr. Hartye noted there is a significant savings of time and costs associated with this study as a result of the outstanding efforts of the MSD staff in putting together the web site where the information is located. He expressed his appreciation to the City of Asheville for providing information so MSD can make it available. Mr. Hartye introduced David Cain, Project Manager out of Greensboro NC and Catherine Traynor out of White Plains, New York.

Mr. Cain stated he will be acting as the Project Manager and Catherine Traynor is the National Practice Leader for Operations and Management Practice, which is in looking at these types of projects where you have consolidations and mergers of large utilities. Mr. Cain reported that his personal background is all of North Carolina and has work for the firm for 25 years in Greensboro. He further stated that he is responsible for operations both in North and South Carolina and his personal area of interest is all water and wastewater for municipal governments. Also, he has done a tremendous number of rate studies, hundreds of projects across the State and is familiar with the rules and regulations that must be followed as a utility. He reported that as a company, Malcolm Pirnie/Arcadis is a large national firm, but has a strong local interest in North Carolina

with over 200 staff members in Greensboro, Raleigh, Durham and Charlotte as well as offices in Greenville, South Carolina and Knoxville, TN. He stated that they have a group of staff who are technically capable, know the local climate and then bring in national experts who have done this type of project in many cities. He pointed out that when you go into a project of this type, you go into it with no preconceived notions of the outcome and you do not always end up with a merger on the tail end of a study. He stated their role in this study is to look at the technical and financial aspects of what is going on, and then it would be up to others to determine whether it goes forward or not. He further stated that because of the short time schedule, the work done by the MSD has not only saved approximately \$100,000, there is no down time waiting for information exchange; allowing his firm to get to the core of the study with a draft by the first of November on the Asheville system, and early January on the other systems. Mr. Cain called on Mr. Traynor for comments.

Ms. Traynor reiterated what Mr. Cain said and expressed her appreciation for the opportunity to work with MSD. She stated that a kick-off meeting is scheduled for August 1st with some work to be done simultaneously and because they do not have history either with Asheville or MSD on this issue, they will bring an independent perspective that MSD can make informed decisions on Phase II and depending on what the Legislature says, on Phase I. She further stated they will do a condition assessment, look at the operation administrative review and a financial model and have reports by November and January for Phase I and Phase II respectively. Mr. Haner asked if these items will run in order or will they be concurrent. Ms. Traynor said some will be concurrent where they can get efficiencies, and depending on availability, interview staff in order to get additional information and run more scenarios. Mr. Aceto stated its worth pointing out that the information staff has gathered could not have been done without the cooperation of the City of Asheville. He thanked the City for its role in this process. Mr. Pelly asked if the two options will include the financial impact on the ratepayers. Ms. Traynor said yes. Mr. Pelly asked if in their experience where they were involved in similar studies, were the studies legislatively mandated or was it a voluntary thing on a local level and whether this factors in. Ms. Traynor stated she has not been involved in a project that was mandated legislatively, but there are some states like New York State that try and create special authorities, which need special legislation. She further stated that generally this is something people want to do because they recognize good opportunities, savings and efficiencies and they are dedicated to water or wastewater. Mr. Pelly asked if this level of analysis can be done in the time specified. Ms. Traynor said yes. Mr. Cain stated that although this is a financial model, one of the important outcomes of the study is that this can be used as a tool for creating different scenarios in real time and in future applications. Mr. Aceto asked what role is there for public comment in the study. Ms. Traynor stated it's generally better to present any concerns during the draft phase. Mr. Kelly asked how many authorities in North Carolina have combined water and sewer services. Mr. Powell stated Orange County Water & Sewer Authority, Cape Fear Water & Sewer Authority, Onslow Water & Sewer Authority and Raleigh. Mr. Kelly asked if this was done voluntarily. Mr. Powell stated this was done voluntarily in relation to economic conditions. With regard to Raleigh it was a matter of water availability and with Cape Fear it was more of an infrastructure push to address those issues. With regard to Weaverville, Mr. Root asked if the new entity would retire bonds presently owed and take on the new debt. Ms. Traynor stated when an entity takes over the assets of another entity they would retire the existing debt and re-issue new debt. Mr. Pelly asked if they have done an analysis for other communities whereby compensation was awarded to one party or recommended to one party for another for assets that were combined. Ms. Traynor said yes; some have gotten no compensation, some marginal compensation and the liability of their debt and others have gotten compensation. She further stated that generally the fair market value is higher than what is affordable by the ratepayers and is not fair to the ratepayers to pay twice. Mr. Pelly asked how this is effectively addressed in this analysis. Ms. Traynor stated compensation is not part of this scope and is excluded from the RFP. Mr. Watts moved the Board

approve the recommendation of the Consultant Selection Committee. Mr. Stanley seconded the motion. Mr. Aceto called for discussion. Mr. Stanley stated he hopes the public understands that staff was saddled with this task two months ago and with the cooperation of the City of Asheville they have done a great job in gathering information and saving the District up to \$100,000. Mr. Aceto pointed out that the reason these issues are not discussed in detail at the Board level is because they are considered thoroughly at the Committee level with most of the Board in attendance. With no further discussion, Mr. Aceto called for the question. Roll call vote was as follows: 10 Ayes; 0 Nays.

11. Old Business:

Amendment to MSD Act

Mr. Clarke reported the original Statute creating a Metropolitan Sewerage District was adopted in the 1960's for Buncombe County and the City of Asheville. There were major problems with wastewater being collected and discharged without being treated so the Legislature created a vehicle to establish a Metropolitan Sewerage District serving most of Buncombe County. At that time, the Statute was drafted so the City of Asheville would have three (3) members on the Board and Buncombe County would have three (3) members on the Board. The County was representing unincorporated areas. There were about eleven (11) sanitary districts created in the county that had sewer systems, most of which went bankrupt, and the County Commissioners were acting as trustees for them and assumed the responsibility for paying their bonds. The Woodfin Sanitary District had its own sewer system and did not go bankrupt. The Town of Woodfin was not in existence at the time, nor was the Town of Montreat. When the Act was created, all of the towns in Buncombe County; Biltmore Forest, Weaverville, Black Mountain each had a member on the Board. The new members since the original creation are the Town of Montreat, which had a sewer system and became a town subsequent to the creation of the MSD, and the Town of Woodfin, which also became a town subsequent to the creation of the MSD. He further reported that MSD has been treating wastewater from North Henderson County since 1988, but about two years ago, Cane Creek Water and Sewer District came to MSD to talk about the possibility of becoming a part of MSD. He explained the way the current Statute reads if MSD expanded into another county, the county with the largest area would lose a member, so Buncombe County would lose a member and Henderson County would have one member. The City of Asheville would lose two members because the City of Asheville has three members so long as its population is greater than all of the other municipalities within District and the unincorporated areas of the District. He stated if Henderson County wants to become a part of the MSD, they have to ask, and MSD has to say yes. In consideration of a possible request, the Board decided, as a matter of caution, to address the representation issue in case Henderson County was directed by the Legislature to join the District. As a result, if Henderson County asks, and MSD says yes, they would have two members on the Board, Buncombe County would have three members and the City of Asheville would have three members. If Henderson County does not come in, there is no change in the representation, and the language preserves Asheville's three seats for a longer period of time.

With regard to G.S 162A-69, Mr. Clarke reported this would amend the District's powers to allow an MSD to exercise any power of a Metropolitan Water District under Article 4 of Chapter 162A. He stated that without this amendment, MSD could not operate a water district. Mr. Aceto asked if this legislation would help or hurt the City of Asheville. Mr. Clarke stated this legislation preserves the City of Asheville's three seats on the MSD Board for a longer period of time, based on the assumption that the population of the other municipalities and unincorporated areas will continue to grow at a faster rate than the City of Asheville. He further stated the City of Asheville's population has increased significantly between the 2000 and 2010 census. Mr. Aceto stated the

MSD has fixed a Statute that was created some fifty years ago, which creates options the community can avail itself of even if there is no further action by the Legislature.

12. New Business:

None

13. Adjournment:

With no further business, Mr. Aceto called for adjournment at 3:06 p.m.

Jackie W. Bryson, Secretary/Treasurer

REPORT OF GENERAL MANAGER

MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: August 6, 2012
SUBJECT: Report from the General Manager

- Update on Water Study

The “kick-off” meeting was held for the Water/sewer consolidation study to be conducted by Malcolm Pirnie/Arcadis on August 1st. Attached are copies of correspondence regarding Water/Sewer consolidation discussions that will be considered under “Old Business.”

- Update on Treatment Plant Improvements

The agenda includes a construction contract for the electrical improvements at the treatment plant. This is the third and largest phase of improvements to the electrical service, distribution system and back-up power for the entire plant. In addition, the new Filters are near completion and will soon reach the start-up phase. These filters will significantly increase the water quality of the plant discharge to the French Broad River. The hydroelectric facility that provides a portion of the electrical power required to run the treatment plant is currently undergoing a rehab of one its three turbines. Staff will show some slides of these projects at the meeting.

- Kudos

Email from Sharon Fahrer expressing appreciation for both the City of Asheville and MSD working to zip up both the sewer and paving projects in time for the Festival.

- Reading

Attached is an article from the Mountain Xpress.

- Board/Committee Meetings/Events

There will be a Personnel Committee at 1:30 pm on August 15th. The next Regular Board Meeting will be September 19th, at 2 pm. The next Right of Way Committee will be held September 26th at 9am.

Subject: FW: Montford Avenue
Date: Monday, May 21, 2012 9:46:07 AM Eastern Daylight Time
From: Steve Shoaf
To: Cathy Ball

Cathy,
This looks like a kudos for your department. Steve

Stephen R. Shoaf
Director of Water Resources
City of Asheville
PO Box 7148
Asheville, NC 28802
(828) 259-5955

From: Marsha Stickford
Sent: Monday, May 21, 2012 9:04 AM
To: Steve Shoaf; Ron Kerns
Subject: FW: Montford Avenue

Hi Steve and Ron,

Here is a message from Sharon Fahrer thanking you all for your work in making sure things were together in time for the festival. She wanted us to pass it along to the MSD folks too!

Great job!
Marsha

Marsha Stickford
Neighborhood Coordinator
Volunteer Coordinator
City of Asheville North Carolina
P.O. Box 7148
Asheville, NC 28801
828.259.5506
fax 828.259.5499
mstickford@ashevillenc.gov
www.ashevillenc.gov

P *Think Green! Please do not print this e-mail unless necessary*

From: SHaron Fahrer [<mailto:historyathand@charter.net>]
Sent: Sunday, May 20, 2012 11:12 PM
To: Marsha Stickford
Subject: Montford Avenue

Can you please pass this email on to the appropriate recipients?
Montford residents want to thank MSD and the Asheville Streets Department for their extraordinary work in repairing Montford Avenue in time for the festival! So many people commented on how thankful they were to have things intact for the festival.
Thanks so much
Sharon Fahrer and the residents of Montford.

RELUUCTANT PARTNERS ASHEVILLE, MSD TAKE TENTATIVE STEPS TOWARD MERGER



BY NELDA HOLDER

On May 4, 2011, freshman state Rep. Tim Moffitt of Buncombe County filed a broad bill calling for the transfer of Asheville's water system to the Metropolitan Sewerage District. Although the bill didn't mention the city by name, its language pointed directly to Asheville and Buncombe County.

The move sparked a firestorm of protest — apparently, neither party had been warned — and the legislation quickly morphed into a request for a study committee to consider whether combining the two would best serve the public interest. One year and four public hearings later, that committee — headed by Moffitt — recommended proceeding with such a merger.

According to the committee's report, released April 19, the benefits would include "economies of scale" in the areas of administration, planning and engineering, plus having a "single location for water and wastewater availability and planning."

But the Legislature's usurping a city-owned utility didn't sit well with either City Council or many Asheville residents. On Feb. 14, Council adopted a resolution opposing the merger, which was also decided as a move toward privatizing a public asset — a charge Moffitt categorically denies. Meanwhile, there's been no answer to the glaring question of what compensation, if any, the city would get for the loss of the water system, estimates of its value vary wildly, from \$173 million to \$1.3 billion.

Moffitt's committee did extend a slender olive branch, however: The report also states, "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.

Big picture: The Metropolitan Sewerage District of Buncombe County may add water service to its duties and expand into Henderson County, if state-mandated changes come about. *Photos by Max Cooper*

"I'M A GOOD-GOVERNMENT GUY. IF THERE'S A GOOD REASON TO DO IT, I'LL DO IT. [BUT] NOBODY'S BEEN ABLE TO PRESENT A GOOD CASE FOR DOING THIS."

ASHEVILLE CITY COUNCIL MEMBER/
MSD BOARD MEMBER CHRIS PELLY

"THERE MUST BE SOMETHING TO THE FACT THAT THESE TWO TYPES OF UTILITIES ARE COMBINED LARGELY ACROSS THE UNITED STATES, BECAUSE THERE ARE EFFICIENCIES."

MSD GENERAL MANAGER TOM HARTY

Action will not be taken if the parties are engaged in good-faith negotiations on this matter."

PLAYING IT STRAIGHT

Despite the city's public opposition to the legislative mandate, both Asheville and MSD appear to be taking the "good-faith negotiations" concept seriously.

On June 12, the city hired former City Manager Doug Bean, who's now with Rabalais Financial Consultants, to handle communications concern-

ing the water system's finances. And in a June 19 letter to Moffitt, Asheville Mayor Terry Bellamy addressed various issues raised in the study findings, including a 1996 conservation easement for the North Fork and Bee Tree watersheds; an extension (to 2014) of the deadline for determining the fate of the disputed 137-acre Bernard Road property that Asheville conveyed to Henderson County under the terms of the now-defunct 1995 Water Agreement; and initiating discussions between the city and Henderson

County on Asheville's continuing to provide (and possibly expanding) water service there. Meanwhile, the MSD board had written to Bellamy May 18 proposing direct talks on the legislative committee's recommendations and how best to proceed. The board has also been working with city staff to gather and analyze information on the two systems, and on July 18, board members approved paying consultants Malcolm Pirnie/Ascada \$197,500 to produce an independent study of the potential merger's impacts.

The Legislature created MSD in 1962; in 1990, various local sewage systems were folded into it. Today, the agency operates and maintains a 40-million-gallon-per-day wastewater-treatment plant and some 750 miles of sewer lines spanning 16 political subdivisions within Buncombe County.

According to Council member Chris Pelly, who serves on the MSD board, the city also wants to meet with the local legislative delegation. "We're playing this straight," he says about the Legislature's good-faith-negotiations clause, adding, "Asheville's gone above and beyond to do that."

DOES IT MAKE SENSE?

Faced with a potential merger, MSD is focusing on gathering and evaluating facts. "We're engineers here, and this is an engineering-type organization," says Tom Hartly, the agency's longtime general manager.

Such a merger, notes Hartly, "has been talked about before. Instead of being a Republican issue, it was a Democratic issue; everybody was pushing toward regionalization, and we were looking at it." But that was several years ago; the current proposal, he admits, "came out of left field." And that, he believes, distracted people from the real issue — whether a regional approach makes sense.



Slow down the pipes: MSD board chair Steve Aceto cautions that it took years to consolidate sewer service in the region; adding water services won't happen overnight or without full study.

"You know, everybody thought so five years ago, and 85 percent of the water-and-sewer utilities across the United States are combined. It makes sense because they're similar types of service industries, similar types of people, similar types of background," continues Harry. "You can have combined support services as well — that's information-technology support, personal support, all these expensive things are similar for wastewater [and] for water. And telemetry ... and mechanical facilities. There's a lot of synergies here."

PUTTING RATEPAYERS FIRST

Another potential benefit of a merger may be insulating the utility from politics, which Harry concedes "has it in knots." Many municipalities, he observes, may look at "a rate study here, an

engineering study there ... and then when the budget time comes, they go one year at a time and they say, 'Well, can we afford next year?'" Such conflicts can be compounded when board members run for office.

Richard Whitsart, a professor of public law and government at the University of North Carolina School of Government, agrees. In the city, he says, an agency that's one step removed from the city or county government has more flexibility when it comes to raising rates. Elected officials, says Whitsart, may be "trying to keep prices as low as possible" even if it means delaying basic maintenance and long-term capital investments.

In North Carolina, cities typically provide water-and-sewer services, notes Whitsart, a former general counsel with the state Department of Environment and Natural Resources. But in the past five to 10 years, he reports, there's been

a statewide movement toward consolidation, with smaller systems feeling pressure to consider regional mergers.

"Cities have seen water-and-sewer services as a means of growth management," he observes, "which I'm sure is a factor in the [Asheville] debate. But one example of a merged system that is somewhat like the proposal for Asheville would be the Chapel Hill/Carthage/Orange County merger that was created by the Legislature."

"When you try to see all of the history and personal feeling," notes Whitsart, "how are you best able to serve ratepayers?"

Pelly says he's gotten a taste of that perspective in his first year as a city-appointed MSD board member. And though he's leery of having the public "one step removed" in a potential merger involving a non-elected board, Pelly concedes that he's "taken to heart" the mantra that's expressed at almost every MSD board meeting: "You're here to look out for ratepayers, not the city that appointed you."

Nonetheless, Pelly remains opposed to a merger. "I'm a good government guy," he asserts. "If there's a good reason to do it, I'll do it. [But] nobody's been able to present a good case for doing this."

PULLING IT ALL TOGETHER

The impact study's first-phase results are due in October, and Harry knows what he hopes MSD will learn from them.

It relates to the agency's 10-year plan, which addresses the basic maintenance, capital improvements and rate increases reviewed and perhaps adjusted annually, needed to keep the system functioning properly while avoiding unanticipated costs. This big-picture approach, he says, helps avoid sudden belly-ache hikes.

"It's all right there," says Harry, referring to a boiled-down, one-page version of the plan that he describes as "digestible by a board." "When there's a problem in planning," he continues, "it's

often because a council or commission doesn't have that 'pulling-it-all-together [perspective].'"

That kind of comprehensive planning, he believes, is another potential benefit of a merger. The impact study, says Harry, should "quantify things and take a look at those [planning] issues. There must be something to the fact that these two types of utilities are combined largely across the United States, because there are efficiencies. This study will take a look at those — without governance issues, without asset-worth issues."

Instead, he says, the consultants will "take a look at asset-condition issues ... at what level [the city is] replacing [aging] infrastructure. Everybody seems real happy with the [water] system right now, but in 10 years? We'll be looking at that. And then we'll be looking at the operation and how it could function together and save money."

MSD board Chair Steve Aceto, meanwhile, points out that a merger can take time. "When we dealt with sewer consolidation in the '90s, that process started back in the '70s," he recalls. "We were meeting for a couple of years before an agreement was hammered out."

"We're going to feel a lot better when we get our impact study," Aceto predicts. "The idea is to get it in hand before the Legislature meets again, so that if we do get to negotiate in earnest with the city, we have a month or two to do that."

MSD, he notes, "has a fiduciary responsibility to operate for the benefit of the ratepayer. Is there some sort of impact that would be negative that we didn't already know about? So if we have to negotiate, we can do so intelligently — and if [a merger is] handed to us, know how loudly to scream." ☐

To view documents referenced in this story, go to enr.com.

Nedra Holder can be reached at nholder@enr.com.

COMMITTEE REPORTS

**RIGHT OF WAY
COMMITTEE RECOMMENDATIONS
AND MINUTES
July 25, 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 9:02 a.m. on Wednesday, July 25, 2012. The following Right of Way Committee members were present: Glenn Kelly, Jackie Bryson, Jon Creighton, Esther Manheimer, Chris Pelly, Jerry VeHaun and Robert Watts.

Others present were: Ellen McKinnon, Martin-McGill; Steven Aceto, Chairman of the Board; Max Haner, Board member; Tom Hartye, Ed Bradford, Angel Banks, Shaun Armistead, Wesley Banner and Pam Nolan, M.S.D.

II. Inquiry as to Conflict of Interest

Mr. Kelly inquired if anyone had a conflict of interest with Agenda items. Ms. Manheimer excused herself from the motion for Consideration of Settlement in MSD vs. Ankeney – Forest Hill Drive PRP #2. There were no other conflicts.

III. Consideration of Settlement in MSD vs. Ankeney – 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 David Ankeney. We reached pre-trial settlement with Ms. Tinnaro in the amount of \$35,500. We held mediation with Mr. Ankeney and his attorney, Jones Byrd, on July 16, 2012 and reached the following tentative settlement, subject to the Right of Way Committee and Board's approval. Facts surrounding the case are shown below. The damage issues brought forward were loss of privacy, loss of security, loss of buildable area and a possible tree damage claim.

Subject parcel:	121 Forest Hills Drive, 0.501 AC, zoned RS-8
Permanent Easement:	1,304 SF or .030 AC
Temporary construction Easement:	1,058 SF or .024 AC
MSD Appraised Damages:	\$3,333
Ankeney Appraised Damages:	\$72,000
Ankeney Costs by MSD:	\$5,000 estimated
Interest by MSD:	6% annually from Complaint date to settlement date

A loss of privacy and security was caused by removal of trees and thick underbrush in the easement corridor and the benched area left for future maintenance vehicle access, both of which opened up the corridor to trespassing foot traffic through the neighborhood. Mr. Ankeney cited three recent security incidents. 1. A wooden privacy fence encloses the maintained portion of rear yard and house just above the easement corridor. A transient, purportedly traveling the easement corridor, kicked in the fence and bedded down in the rear of the yard. 2. Mr. Ankeney confronted a transient with a hunting knife who, according to Mr. Ankeney, had accessed his property via the easement corridor. 3. Mr. Ankeney's daughter was picking berries on their property just outside the fence and was frightened by an intruder.

Per zoning regulations it would be *technically* possible to subdivide for an additional structure to the rear. Given the severe topo and narrow width of the parcel, we believe it would not be viable *economically* to do so. To thwart their position of loss of buildable area, we would have to put on additional evidence in court (more expense to us) to prove the non-viability.

For the above issues, Ankeney's appraiser damaged the easement areas at \$10,286 and levied a \$62,100 damage to the remainder parcel (\$424,000 market value X 14.646%), equaling \$72,000. An additional issue MSD would face in trial was that of damage to root balls cut during trenching. Ankeney had an arborist ready to testify to additional tree damages.

Based on a damage figure of \$72,000 and additional costs they hoped to recoup, Ankeney planned to ask the Court for total damages in the amount of \$84,500. After several hours of mediation, parties had reached an impasse at \$35,500 (MSD) and \$70,000 (Ankeney). The mediator then asked both parties to think about a settlement in the amount of \$55,000, a number he felt would be "equally displeasing to both parties" but that would settle the case saving further time, energy and expense to both parties. Neither party wanted to move to that number. Ankeney stated he would install a security camera in the back of his property to show in Court before he would settle for \$55,000. MSD and Counsel went to work estimating expenses of trial, which are outlined below:

Legal preparation to include depositions, court exhibits, case law research	\$ 5,000
Attorney fees, court reporter fees for 2.5 days trial time	\$ 5,000
Appraiser fee for time in depositions and in trial	\$ 3,500
MSD's optimistic jury award of \$35,500	\$35,500
Interest @ 6% from time of Take on Judgment of \$35,500	<u>\$ 5,654</u>
Total	\$54,674

It became apparent that MSD's costs could quickly add up to \$55,000 and more. The above figures do not include the portion of Ankeney's expenses MSD would be liable for, nor did it include tree damage. Further, a jury award of \$35,500 was a wildcard given potential evidence put on by Ankeney relative to security issues with his wife and three children on the premises.

Given the above parameters, MSD and Counsel felt it wise to settle at \$55,000, subject to Right of Way Committee and Board approval. We understood it took some work on the part of Ankeney's attorney and the mediator, but they were able to get Ankeney to angrily yield to a \$55,000 settlement.

STAFF RECOMMENDATION: MSD Staff and Counsel recommend settlement of MSD vs Ankeney in the amount of \$55,000, inclusive of all settlement costs and interest.

Ms. Banks reviewed pictures of the above property during and after construction. Ms. Banks then explained the situation with this property. There was some discussion regarding the risks vs. benefits. Mr. Kelly stated that he felt this was a good settlement. There was some discussion about the other parcels on this project and the project location. There was no further discussion. Mr. VeHaun made a motion to accept staff's recommendation. Mr. Kelly seconded the motion. Voice vote was unanimous with the exception of Ms. Manheimer who was excused from the motion due to a conflict.

COMMITTEE RECOMMENDATION: Accept Staff and Counsel recommendation of settlement of MSD vs Ankeney in the amount of \$55,000, inclusive of all settlement costs and interest.

IV. Consideration of Condemnation – Central Avenue GSR Project No. 2009135

PIN No. 9742-26-3795 - Subject property is located in the Weaverville area and is improved with commercial use. The existing sewer line runs under a small creek along the property line. To avoid future issues with infiltration, the rehab alignment was shifted farther into the parcel. The owner's major concern was the loss of buildable area this shift created. The project engineer reviewed and redesigned, placing the alignment as close to the creek as possible without being directly under the creek. The owner agreed with the proposed realignment. However, despite numerous phone calls, letters, and e-mails, the property owner has been non-responsive.

Total Contacts: 6

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

Ms. Banks reviewed the above condemnation. There was no discussion. Mr. Watts made the motion to accept staff's recommendation. Mrs. Bryson seconded the motion. Voice vote was unanimous.

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

V. Consideration of Condemnation – Macon Avenue @ Sunset Parkway Rehabilitation Project No. 2006016

PIN No. 9649-55-6259 – Subject property is improved with a residence and detached garage. An existing sewer line runs north/south along the side property line to a manhole in the back yard adjoining another existing sewer running east/west. Both sewers are to be rehabilitated at the manhole adjoining these two sewers, where the detached garage has been built over both lines. To avoid the garage, the rehab alignment was routed around the structure. This saves the garage, but encumbers more buildable area. Loss of buildable area is the owner's main concern.

The owner stated that if MSD would demolish the detached garage and construct a new one, at MSD's expense, he would allow MSD to replace the sewer in the exact same location as the existing sewer. Due to the significant expense of relocating the detached garage MSD cannot agree to this request. The owner is also not in agreement with the compensation that is being offered, \$5,370.

Total Contacts: 4

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

Ms. Banks reviewed the above condemnation and stated that in addition, owner now states that he has had a sewer back up in his house, but has not reported it to MSD. Owner is now asking for \$175,000-\$200,000 to settle for this project. There was no further discussion. Mr. Watts made the motion to accept staff recommendation. Mrs. Bryson seconded the motion. Voice vote was unanimous.

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

VI. Consideration of Condemnation – West French Broad Master Plan Interceptor, MSD Project No. 2011025

PIN No. 9635-52-6991 – This parcel lies along the French Broad River adjacent to MSD's Clayton Road pump station. Parcel is developed with outdoor recreational areas, a meeting hall, shooting range and RV camper sites for use by a local non-profit association. MSD engineering staff met with the property owner during initial project development and located the proposed line where the owner preferred so it would best suit their future plans. In addition, MSD offered to provide a tap for each existing structure on the property (a \$600 per tap value).

After two face to face meetings, owner has been non responsive. All but one of multiple follow-up contacts have been ignored. In the one call they did return, when asked for decisions on the legal document and the compensation offered of \$34,281, they stated they could not discuss. It is important to note that the offered compensation is based upon full market value, not tax value. Without the owner's willingness to come to the table for discussions, staff cannot move forward with the project.

Total Contacts: 18

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

Ms. Banks reviewed the above and explained that this is a developer driven Master Plan project. Developer also contacted the owner to discuss any possible issues they might have with the development and they would not discuss with the developer either. Mr. Creighton stated that he was familiar with this owner due to flood issues and they were not cooperative. There was no further discussion. Mr. Watts made the motion to accept staff recommendation. Mrs. Bryson seconded the motion. Voice vote was unanimous.

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

VII. Quarterly Report – Fourth Quarter

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

Condemnation Statistics – July 1, 1991 to June 30, 2012

Attached you will find a report outlining condemnation statistics from July 1, 1991 to June 30, 2012. This report tracks total number of actions filed and how they were resolved, whether through settlement or trial.

Closings by Agent – July 1, 2011 to June 30, 2012

Attached you will find a report outlining Closings by Agent from July 1, 2011 to June 30, 2012. This report details fiscal year acquisitions by agent, project and owner.

STAFF RECOMMENDATION: For information only. No action required.

Ms. Banks reviewed the above reports. Mr. Haner asked out of the 5 condemnations that have gone to trial, which of those have had a reasonable verdict. Ms. Banks stated probably 2 out of 5. Mr. Aceto pointed out that 5 trials out of 2013 acquisitions was less than 1% and is not statistically significant. There was some discussion regarding selection and use of appraisers.

There being no further business the meeting adjourned at approximately 9:30 am.

CONSOLIDATED MOTION AGENDA

Metropolitan Sewerage District of Buncombe County

Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 7/25/2012

BOARD MEETING DATE: 8/15/2012

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. Ankeney – 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 David Ankeney. We reached pre-trial settlement with Ms. Tinnaro in the amount of \$35,500. We held mediation with Mr. Ankeney and his attorney, Jones Byrd, on July 16, 2012 and reached the following tentative settlement, subject to the Right of Way Committee and Board's approval. Facts surrounding the case are shown below. The damage issues brought forward were loss of privacy, loss of security, loss of buildable area and a possible tree damage claim.

Subject parcel:	121 Forest Hills Drive, 0.501 AC, zoned RS-8
Permanent Easement:	1,304 SF or .030 AC
Temporary construction Easement:	1,058 SF or .024 AC
MSD Appraised Damages:	\$3,333
Ankeney Appraised Damages:	\$72,000
Ankeney Costs by MSD:	\$5,000 estimated
Interest by MSD:	6% annually from Complaint date to settlement date

A loss of privacy and security was caused by removal of trees and thick underbrush in the easement corridor and the benched area left for future maintenance vehicle access, both of which opened up the corridor to trespassing foot traffic through the neighborhood. Mr. Ankeney cited three recent security incidents. 1. A wooden privacy fence encloses the maintained portion of rear yard and house just above the easement corridor. A transient, purportedly traveling the easement corridor, kicked in the fence and bedded down in the rear of the yard. 2. Mr. Ankeney confronted a transient with a hunting knife who, according to Mr. Ankeney, had accessed his property via the easement corridor. 3. Mr. Ankeney's daughter was picking berries on their property just outside the fence and was frightened by an intruder.

Per zoning regulations it would be *technically* possible to subdivide for an additional structure to the rear. Given the severe topo and narrow width of the parcel, we believe it would not be viable *economically* to do so. To thwart their position of loss of buildable area, we would have to put on additional evidence in court (more expense to us) to prove the non-viability.

For the above issues, Ankeney's appraiser damaged the easement areas at \$10,286 and levied a \$62,100 damage to the remainder parcel (\$424,000 market value X 14.646%), equaling \$72,000. An additional issue MSD would face in trial was that of damage to root balls cut during trenching. Ankeney had an arborist ready to testify to additional tree damages.

Based on a damage figure of \$72,000 and additional costs they hoped to recoup, Ankeney planned to ask the Court for total damages in the amount of \$84,500. After several hours of mediation, parties had reached an impasse at \$35,500 (MSD) and \$70,000 (Ankeney). The mediator then asked both parties to think about a settlement in the amount of \$55,000, a number he felt would be "equally displeasing to both parties" but that would settle the case saving further time, energy and expense to both parties. Neither party wanted to move to that number. Ankeney stated he would install a security camera in the back of his property to show in Court before he would settle for \$55,000. MSD and Counsel went to work estimating expenses of trial, which are outlined below:

Legal preparation to include depositions, court exhibits, case law research	\$ 5,000
Attorney fees, court reporter fees for 2.5 days trial time	\$ 5,000
Appraiser fee for time in depositions and in trial	\$ 3,500
MSD's optimistic jury award of \$35,500	\$35,500
Interest @ 6% from time of Take on Judgment of \$35,500	<u>\$ 5,654</u>
Total	\$54,674

It became apparent that MSD's costs could quickly add up to \$55,000 and more. The above figures do not include the portion of Ankeney's expenses MSD would be liable for, nor did it include tree damage. Further, a jury award of \$35,500 was a wildcard given potential evidence put on by Ankeney relative to security issues with his wife and three children on the premises.

Given the above parameters, MSD and Counsel felt it wise to settle at \$55,000, subject to Right of Way Committee and Board approval. We understood it took some work on the part of Ankeney's attorney and the mediator, but they were able to get Ankeney to angrily yield to a \$55,000 settlement.

STAFF RECOMMENDATION: MSD Staff and Counsel recommend settlement of MSD vs Ankeney in the amount of \$55,000, inclusive of all settlement costs and interest.

Ms. Banks reviewed pictures of the above property during and after construction. Ms. Banks then explained the situation with this property. There was some discussion regarding the risks vs. benefits. Mr. Kelly stated that he felt this was a good settlement. There was some discussion about the other parcels on this project and the project location. There was no further discussion. Mr. VeHaun made a motion to accept staff's recommendation. Mr. Kelly seconded the motion. Voice vote was unanimous with the exception of Ms. Manheimer who was excused from the motion due to a conflict.

COMMITTEE RECOMMENDATION: Accept Staff and Counsel recommendation of settlement of MSD vs Ankeney in the amount of \$55,000, inclusive of all settlement costs and interest.

COMMITTEE ACTION TAKEN	
Motion by: Jerry VeHaun	To: <input checked="" type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by: Glenn Kelly	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff
	<input type="checkbox"/> Other
BOARD ACTION TAKEN	
Motion by:	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff

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

COMMITTEE MEETING DATE: 7/25/2012

BOARD MEETING DATE: 8/15/2012

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 Condemnation – Central Avenue GSR Project No. 2009135

PIN No. 9742-26-3795 - Subject property is located in the Weaverville area and is improved with commercial use. The existing sewer line runs under a small creek along the property line. To avoid future issues with infiltration, the rehab alignment was shifted farther into the parcel. The owner's major concern was the loss of buildable area this shift created. The project engineer reviewed and redesigned, placing the alignment as close to the creek as possible without being directly under the creek. The owner agreed with the proposed realignment. However, despite numerous phone calls, letters, and e-mails, the property owner has been non-responsive.

Total Contacts: 6

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

Ms. Banks reviewed the above condemnation. There was no discussion. Mr. Watts made the motion to accept staff's recommendation. Mrs. Bryson seconded the motion. Voice vote was unanimous.

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

COMMITTEE ACTION TAKEN	
Motion by: Robert Watts	To: <input checked="" type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by: Jackie Bryson	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff
	<input type="checkbox"/> Other
BOARD ACTION TAKEN	
Motion by:	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff

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

COMMITTEE MEETING DATE: 7/25/2012

BOARD MEETING DATE: 8/15/2012

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 Condemnation – Macon Avenue @ Sunset Parkway
Rehabilitation Project No. 2006016**

PIN No. 9649-55-6259 – Subject property is improved with a residence and detached garage. An existing sewer line runs north/south along the side property line to a manhole in the back yard adjoining another existing sewer running east/west. Both sewers are to be rehabilitated at the manhole adjoining these two sewers, where the detached garage has been built over both lines. To avoid the garage, the rehab alignment was routed around the structure. This saves the garage, but encumbers more buildable area. Loss of buildable area is the owner’s main concern.

The owner stated that if MSD would demolish the detached garage and construct a new one, at MSD’s expense, he would allow MSD to replace the sewer in the exact same location as the existing sewer. Due to the significant expense of relocating the detached garage MSD cannot agree to this request. The owner is also not in agreement with the compensation that is being offered, \$5,370.

Total Contacts: 4

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

Ms. Banks reviewed the above condemnation and stated that in addition, owner now states that he has had a sewer back up in his house, but has not reported it to MSD. Owner is now asking for \$175,000-\$200,000 to settle for this project. There was no further discussion. Mr. Watts made the motion to accept staff recommendation. Mrs. Bryson seconded the motion. Voice vote was unanimous.

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

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

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

COMMITTEE MEETING DATE: 7/25/2012

BOARD MEETING DATE: 8/15/2012

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 Condemnation – West French Broad Master Plan Interceptor,
MSD Project No. 2011025**

PIN No. 9635-52-6991 – This parcel lies along the French Broad River adjacent to MSD's Clayton Road pump station. Parcel is developed with outdoor recreational areas, a meeting hall, shooting range and RV camper sites for use by a local non-profit association. MSD engineering staff met with the property owner during initial project development and located the proposed line where the owner preferred so it would best suit their future plans. In addition, MSD offered to provide a tap for each existing structure on the property (a \$600 per tap value).

After two face to face meetings, owner has been non responsive. All but one of multiple follow-up contacts have been ignored. In the one call they did return, when asked for decisions on the legal document and the compensation offered of \$34,281, they stated they could not discuss. It is important to note that the offered compensation is based upon full market value, not tax value. Without the owner's willingness to come to the table for discussions, staff cannot move forward with the project.

Total Contacts: 18

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

Ms. Banks reviewed the above and explained that this is a developer driven Master Plan project. Developer also contacted the owner to discuss any possible issues they might have with the development and they would not discuss with the developer either. Mr. Creighton stated that he was familiar with this owner due to flood issues and they were not cooperative. There was no further discussion. Mr. Watts made the motion to accept staff recommendation. Mrs. Bryson seconded the motion. Voice vote was unanimous.

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

COMMITTEE ACTION TAKEN	
Motion by: Robert Watts	To: <input checked="" type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by: Jackie Bryson	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff
	<input type="checkbox"/> Other
BOARD ACTION TAKEN	
Motion by:	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff

Metropolitan Sewerage District of Buncombe County Board Action Item

Meeting Date: August 15, 2012

Subject: Sodium Hypochlorite Contract

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

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

Background: The Water Reclamation Facility is required to disinfect the effluent prior to discharge to the French Broad River. Liquid sodium hypochlorite is used for this purpose. In May of 2012, new bids for Sodium Hypochlorite 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 200,000 gallons of Sodium Hypochlorite.

Discussion: Pursuant to North Carolina Purchasing Statutes and MSD Procedures, on May 01, 2012, bids were emailed to eight vendors and an advertisement was placed on the MSD web site. Four bids were received and the bid opening was held May 25, 2012. Brenntag Southeast was the lowest bidder; however, their bid was rejected as nonresponsive due to nonconformance with MSD's material specifications. Univar USA was the second lowest bidder and agrees to hold their price firm for the total year contract irrespective of market changes. Univar has been the supplier to MSD in past years and MSD staff feels comfortable with both the quality of the chemicals and the customer service supplied by Univar.

Fiscal Impact: This is a Unit Price Contract, without minimum or maximum quantities. Based on historical use, FY 13 expenditures for Sodium Hypochlorite is anticipated to be \$168,000.00, within the levels budgeted by the WRF.

Staff Recommendation: Staff recommends that the Board award the contract for the supply of Sodium Hypochlorite to Univar USA at a unit price of \$0.84 per gallon.

Bid Tab:

Vendor	Price per Gallon	Extended Price based on 200,000 estimated gallons	Comments
Univar Spartanburg, SC	\$ 0.84	\$168,000.00	Price good for one year
Specialty Chemical, Cleveland, TN	\$0.9144	\$182,880.00	Price good for one year
JCI Jones Charlotte, NC	\$0.99	\$198,000.00	Price good for one year
Brenntag SE Duncan, SC	\$ 0.7877		Bid considered nonresponsive

Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

BOARD MEETING DATE: August 15, 2012

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

REVIEWED BY: Peter Weed - Director of WRF
Gary McGill, P.E. - Engineer of Record
Phil Fisher, P.E. - Project Manager

PREPARED BY: Ed Bradford, P.E. - Director of CIP

SUBJECT: Water Reclamation Facility Electrical Improvements, MSD Project No. 2010032

BACKGROUND: MSD is in the final stage of a multi-year electrical system rehabilitation project at the plant. This project will significantly enhance the reliability of power, provide for independent operation of the plant in the event of a power failure, and provide for greater electrical safety.

The following two tasks are complete:

- Addition of Automatic Transfer Switch for the Existing Generator: This provides the ability to test the existing 2 megawatt (MW) backup generator *under a fully loaded state* while utility power is still on.
- Alternate Power Source from Substation: This allows the automatic transfer of main plant power to the recently added "Division Street" circuit, should the plant's main Craggy circuit fail. Two banks of new transformers now supply these circuits. This increases external reliability by over 90%.

The third task, currently underway, centers on rehabilitating the plant's *internal power system* - for both distribution and backup supply:

- Improvements to Internal Distribution System and Additional Backup Generators: This will upgrade the existing switchgear, add multiple main feeds within the plant, and provide redundancy to the existing 2MW backup generator by adding two 1MW generators.

The additional backup generation will utilize multiple smaller units as opposed to one larger unit, which gives the ability to ramp up power as needed, and also provides redundancy in the event that one unit fails. It is also important to note that the new backup system will power *all plant processes* during an outage, thus maintaining full treatment if external power is lost.

These three measures combined will ensure that power to the plant is stable, robust, and has sufficient redundancy. Another aspect regarding safety, is that after the project is complete portions of the electrical system can be disconnected for maintenance. This is not possible with the existing switchgear.

The two one megawatt generators and the new switchgear are now on-site (see picture). The construction/installation contract was advertised and three bids were received on July 26, 2012 in the following amounts:

<u>Contractor</u>	<u>Bid Amount</u>
1) Fountain Services LLC	\$1,347,000.00
2) Hickory Const. Co.	\$1,324,000.00
3) Haynes Electrical Const. Co.	\$1,061,900.00

The apparent low bidder is Haynes Electrical Construction Co.. Haynes Electrical is a long-time contractor in the Asheville area, and they have performed previous work for the District with excellent results.

Please refer to the attached documentation for more details.

FISCAL IMPACT: The FY12-13 budget for this project is \$925,000.00. Sufficient funds are available in the CIP Contingency for the balance of \$136,900.00.

STAFF RECOMMENDATION: Staff recommends that the District award this contract to Haynes Electrical Construction Company in the amount of \$1,061,900.00, subject to review and approval by District Counsel.

METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA

Water Reclamation Facility Electrical Improvements

MSD Project No. 2010032

McGill Associates Project No. 11.06007

BID TABULATION

July 26, 2012

BIDDER	Bid Bond	MBE Form	Bid Forms (Proposal)	Total Bid Amount
Fountain Services, LLC Spindale, NC	5%	1	Yes	\$1,347,000.00
Hickory Construction Company Hickory, NC	5%	1	Yes	\$1,324,000.00
Haynes Electric Construction Company Asheville, NC	5%	1	Yes	\$1,061,900.00

APPARENT LOW BIDDER



Phillip A. Fisher, P.E.
Project Engineer
McGill Associates, P.A.
Asheville, North Carolina

This is to certify that the bids tabulated herein were publicly opened and read aloud at 3:00 p.m. on the 26th day of July, 2012, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina, and that said bids were accompanied by acceptable bidders bonds in the amount of 5% of the bid.



Ed Bradford, PE
Director of Capital Improvements
Metropolitan Sewerage District
2028 Riverside Drive
Asheville, North Carolina 28804

Re: Letter of Recommendation of Award
Water Reclamation Facility
Electrical Improvements
Construction Contract
MSD Project No. 2010032

Dear Mr. Bradford:

The bids for the Construction Contract for the Water Reclamation Facility Electrical Improvements were received by the Metropolitan Sewerage District and publicly opened and read aloud on July 26, 2012. Three (3) bids were received as shown on the attached Certified Bid Tabulation. The low bidder for the Electrical Improvements was Haynes Electric Construction Company of Asheville, North Carolina.

Haynes Electric Construction Company is a reputable and experienced contractor and possesses the capabilities to perform all of the work required by the contract documents. McGill Associates hereby recommends the Water Reclamation Facility Electrical Improvements Contract be awarded to Haynes Electric Construction Company in the amount of \$1,061,900.00.

Should there be any questions or the need for additional information, please do not hesitate to contact me.

Sincerely,
McGILL ASSOCIATES, P.A.

A handwritten signature in black ink, appearing to read "Phillip A. Fisher".

Phillip A. Fisher, PE
Electrical Services Manager

P/2011/11.06007/Bid/Construction Project/eb12aug3.doc

Engineering • Planning • Finance

McGill Associates, P.A. • P.O. Box 2259, Asheville, NC 28802 • 55 Rossal Street, Asheville, NC 28801

828-252-6075 • Fax: 828-252-2518

New Generators and Switchgear



*Each of the two gensets generates up to 1 megawatt. The new switchgear is in the rear.
Note the vehicle for scale.*



**Electrical Improvements
Project No. 2010032**

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
of
DURHAM COUNTY, NORTH CAROLINA

Budget Map

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

BUDGET DATA SHEET - FY 2012 - 2013

PROJECT:	Electrical Improvements	LOCATION:	MSD-Treatment Plant
TYPE:	Treatment Plant	DATE OF REPORT:	January 2012
PROJECT NO.	2010032	TOTAL L.F.:	0
PROJECT BUDGET:	\$2,274,400.00	PROJECT ORIGIN:	General Manager

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	52,229,000.00	\$367,783.00	\$935,700.00	\$925,000.00
55430 - CONST. CONTRACT ADM.	\$45,400.00	\$13,370.00	\$7,000.00	\$25,000.00
55440 - TESTING				
55450 - SURVEY - ASBUILT				
TOTAL AMOUNT	\$2,274,400.00	\$381,153.00	\$942,700.00	\$950,000.00

ENGINEER:	McGill Associates	ESTIMATED BUDGETS - FY '13 -'22	
R.O.W. ACQUISITION:	# PLATS: [0]	FY 13-14	\$0.00
CONTRACTOR:	MSD	FY 14-15	\$0.00
CONSTRUCTION ADM.:	MSD	FY 16-18	\$0.00
INSPECTION:	MSD / McGill Associates	FY 16-17	\$0.00
		FY 17-18	\$0.00
PROJECT DESCRIPTION:	This project is to update the District's aged electrical system at the plant.	FY 18-19	\$0.00
	It will add a second main power source from Progress Energy, and multiple internal power feeds for primary processes (currently there is just one main feed, and it lacks redundancy). Additional standby generation capacity will be added in order that full process treatment can be maintained during a power outage.	FY 19-20	\$0.00
		FY 20-21	\$0.00
		FY 21-22	\$0.00
SPECIAL PROJECT NOTES:	Equipment was procured in FY 11-12. Installation contract to be bid FY 12-13.		

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

BOARD MEETING DATE: August 15, 2012

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

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

SUBJECT: Sanitary Sewer Rehabilitation Projects:
Four-Inch Main - N. Griffing Blvd, MSD Project No. 2006022
Four-Inch Main - Mtn. Terrace, MSD Project No. 2007016
Meadowlark Road, MSD Project No. 2008085

BACKGROUND: This contract is a combination of three smaller projects, which collectively total 1,399 LF.

Four-Inch Main - N. Griffing Blvd. - This project is for the replacement of an existing four-inch clay line. It is located in the Grove Park area of North Asheville, and is comprised of 678 LF 8" DIP

Four-Inch Main - Mountain Terrace - This project is also for the replacement of an existing four-inch clay line. It is located in the Old Home Road area in West Asheville and is comprised of 448 LF of 8" DIP

Meadowlark Road - This project is for the replacement of an existing 6-inch clay line at the western end of Meadowlark Road. This project is located in Haw Creek and is comprised of 273 LF of 8" DIP.

The existing lines at these locations are all in poor structural condition, and System Services has experienced repeated maintenance problems with each of them.

The construction contract was advertised and three bids were received on August 2, 2012 in the following amounts:

<u>Contractor</u>	<u>Bid Amount</u>
1) Huntley Construction Company	\$368,626.79
2) Carolina Specialties	\$294,134.00
3) Terry Brothers Construction Co., Inc.	\$282,907.50

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

Please refer to the attached documentation for further details.

FISCAL IMPACT: The combined FY12-13 Construction Budgets total \$312,400.00.

STAFF RECOMMENDATION: Staff recommends award of this contract to Terry Brothers Construction Co., Inc. in the amount of \$282,907.50 subject to review and approval by District Counsel.

Interoffice Memorandum

TO: Tom Hartyc, General Manager

FROM: Ed Bradford, CIP Manager
F. Roger Watson, Project Engineer
Shaun Armistead, Project Engineer

DATE: August 3, 2012

RE: North Griffing Blvd (Four-Inch Main), Project No. 2006022
Mountain Terrace (Four-Inch Main), Project No. 2007016
Meadowlark Road, Project No. 2008085

N. Griffing Blvd – Four-Inch Main Replacement Project - This project is for the replacement of an existing 4-inch clay main in an unopened alleyway between 36 N. Griffing Blvd and 124 N. Griffing Blvd. with 678 L.F. of new 8" DIP sewer main. This project is in the Grove Park area of North Asheville.

Mountain Terrace – Four-Inch Main Replacement Project - This project is for the replacement of a 4-inch clay main in the rear portion of lots fronting on Mountain Terrace between Baker Blvd and 18 Mountain Terrace with 448 L.F. of 8" DIP sewer main. This project is in the Old Home Road area of West Asheville.

Meadowlark Road Project - This project is for the replacement of an existing 6-inch clay main at the western end of Meadowlark Road with 273 L.F. of new 8" DIP sewer main. This project is in the Old Haw Creek Community

The existing mains at these locations are in poor condition and System Services has experienced repeated maintenance problems with each of these lines.

Bids were received at 2:00 PM on Thursday, August 2, 2012 for these projects. Three companies submitted bids for these projects. As per the bid instructions, the bid is to be awarded based on the Total Bid Price for the three projects combined. The results of the bids are as follows:

<u>Bidder</u>	<u>Total Bid</u>
1) Huntley Construction Company, Asheville, NC	\$368,626.79
2) Carolina Specialties of Hendersonville, NC	\$294,134.00
3) Terry Brothers Construction Company, Leicester, NC	\$282,907.50

Terry Brothers Construction Company of Leicester, NC is the low bidder with a bid of \$282,907.50. Terry Brothers has extensive previous experience with District rehabilitation projects, and their performance has been excellent to date.

The above amount is within the FY12-13 combined construction budgets of \$312,400.00 allocated for this project.

It is recommended that this project be awarded to Terry Brothers Construction Company of Leicester, NC in the amount of \$282,907.50, subject to review and approval by MSD Counsel.

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

SEWER REPLACEMENT PROJECTS

North Griffing Boulevard (4-Inch), Project No. 2006022

Mountain Terrace (4-Inch), Project No. 2007016

Meadowlark Road, Project No. 2008085

BID TABULATION

August 2, 2012


BIDDER	Bid Bond	MBE Form	Bid Forms (Proposal)	North Griffing	Mtn. Terrace	Meadowlark	Combined Total Bid Amount
Huntley Construction Company Asheville, NC	N/A	1	Yes	(*) \$196,901.94	\$107,027.45	\$64,697.40	(*) \$368,626.79
Carolina Specialties Hendersonville, NC	N/A	1	Yes	\$159,541.00	\$71,730.00	\$62,863.00	\$294,134.00
Terry Brothers Construction Co. Leicester, NC	N/A	1	Yes	\$146,929.50	\$71,085.00	\$64,893.00	\$282,907.50

APPARENT LOW BIDDER

(*) Indicates correction in Contractor's bid amounts



F. Roger Watson
F. Roger Watson, P.E.
Project Engineer - North Griffing Blvd.
Metropolitan Sewerage District of
Buncombe County, North Carolina



Shaun Armistead
Shaun Armistead, P.E.
Project Engineer - Mtn. Terrace and Meadowlark Rd.
Metropolitan Sewerage District of
Buncombe County, North Carolina

This is to certify that the bids tabulated herein were publicly opened and read aloud at 2:00 p.m. on the 2nd Day of August, 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.



Four Inch Main - North Griffing Boulevard
Project No. 2006022

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
OF
SURCOMBE COUNTY, NORTH CAROLINA

Budget Map

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

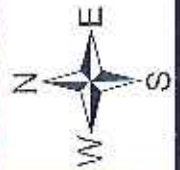
BUDGET DATA SHEET - FY 2012 - 2013

PROJECT:	Four Inch Main - N. Griffing Blvd.	LOCATION:	Asheville
TYPE:	General Sewer Rehab.	DATE OF REPORT:	January 2012
PROJECT NO.	2006022	TOTAL L.F.:	678
PROJECT BUDGET:	\$246,718.00	PROJECT ORIGIN:	Problematic Four Inch Sewer Main

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	\$20,600.00	\$20,369.00		
55330 - DESIGN	\$1,800.00	\$1,715.00		
55340 - PERMITS	\$500.00			
55350 - SPECIAL STUDIES				
55360 - EASEMENT PLATS	\$4,500.00	\$3,800.00		
55370 - LEGAL FEES	\$4,895.00	\$4,895.00		
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION	\$7,423.00	\$7,423.00		
55400 - APPRAISAL				
55410 - CONDEMNATION				
56420 - CONSTRUCTION	\$197,200.00			\$197,200.00
56430 - CONST. CONTRACT ADM.				
56440 - TESTING	\$1,500.00			\$1,500.00
56450 - SURVEY - ASBUILT	\$2,500.00			
TOTAL AMOUNT	\$246,718.00	\$43,822.00	\$0.00	\$198,700.00

ENGINEER:	McGill Associates	ESTIMATED BUDGETS - FY '13-'22	
R.O.W. ACQUISITION:	MSD	# PLATS: [4]	FY 13-14 \$2,500.00
CONTRACTOR:			FY 14-15 \$0.00
CONSTRUCTION ADM:	MSD		FY 15-16 \$0.00
INSPECTION:	MSD		FY 16-17 \$0.00
			FY 17-18 \$0.00
PROJECT DESCRIPTION:	This project is on North Griffing Blvd north of Dogwood Road. The existing		FY 18-19 \$0.00
	line is 4-inch VCP and is in very poor condition. Access to this line is extremely difficult for routine		FY 19-20 \$0.00
	maintenance activities.		FY 20-21 \$0.00
			FY 21-22 \$0.00

SPECIAL PROJECT NOTES:



Four Inch Main - Mountain Terrace Project No. 2007016

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map
3

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

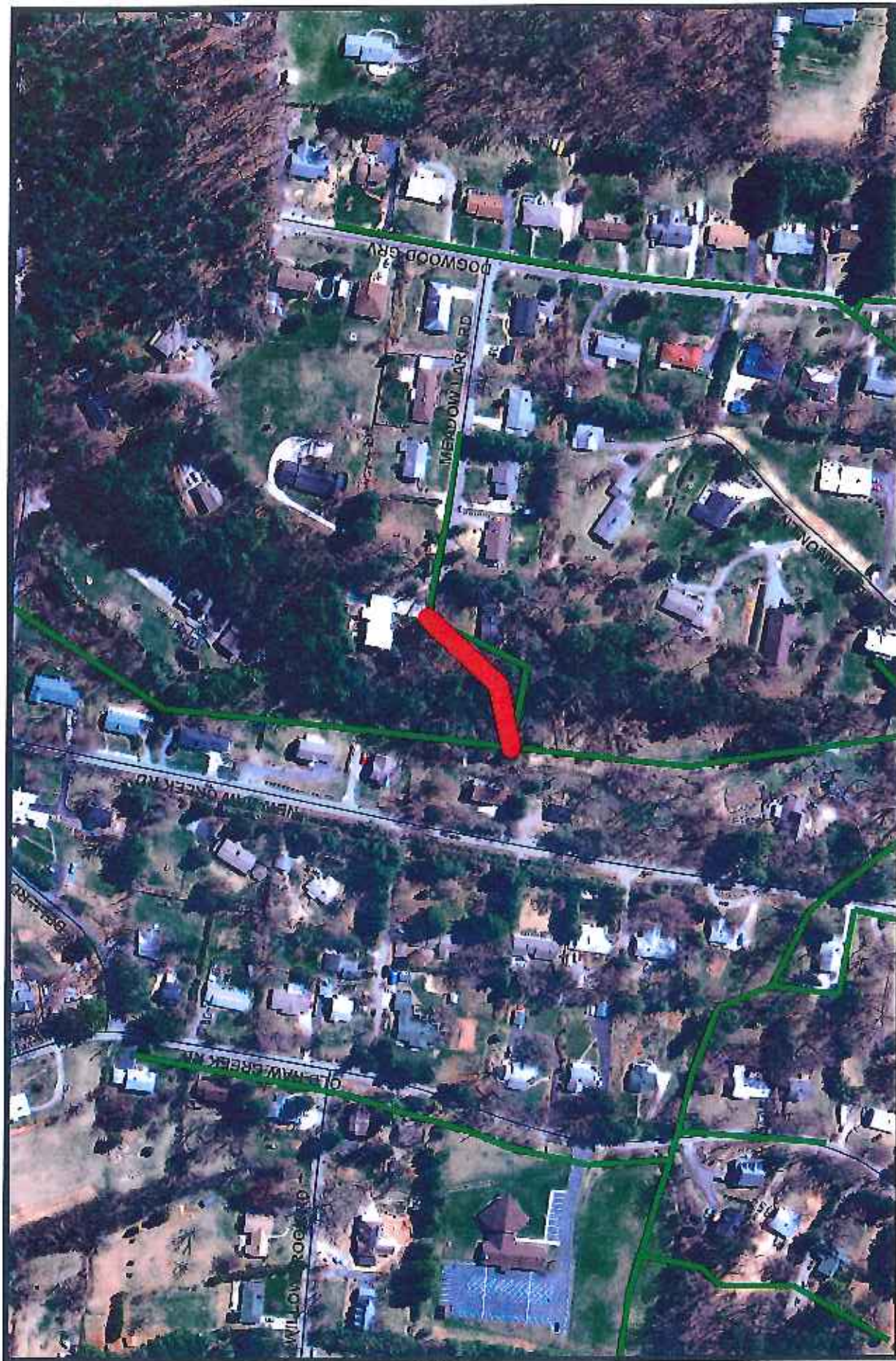
BUDGET DATA SHEET - FY 2012 - 2013

PROJECT:	Four Inch Main - Mountain Terrace	LOCATION:	W. Asheville
TYPE:	General Sewer Rehab.	DATE OF REPORT:	January 2012
PROJECT NO.	2007016	TOTAL L.F.:	448
PROJECT BUDGET:	\$82,879.00	PROJECT ORIGIN:	Problematic Four Inch Sewer Main

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 12/31/11	EST. COST JAN - JUNE 2012	EST. BUDGET FY 12-13
66310 - PRELIM. ENGINEERING				
66320 - SURVEY - DESIGN	\$1,500.00	\$1,500.00		
66330 - DESIGN				
66340 - PERMITS				
66350 - SPECIAL STUDIES				
66360 - EASEMENT PLATS	\$3,600.00	\$2,400.00	\$1,400.00	
66370 - LEGAL FEES	\$2,328.00	\$2,328.00		
66380 - ACQUISITION SERVICES				
66390 - COMPENSATION	\$3,751.00	\$3,751.00		
66400 - APPRAISAL				
66410 - CONDEMNATION				
66420 - CONSTRUCTION	\$89,000.00			\$89,000.00
66430 - CONST. CONTRACT ADM.				
66440 - TESTING	\$1,000.00			\$1,000.00
66460 - SURVEY - ASBUILT	\$1,500.00			\$1,500.00
TOTAL AMOUNT	\$82,879.00	\$9,979.00	\$1,400.00	\$71,500.00

ENGINEER:	MSD	ESTIMATED BUDGETS - FY '13 -'22
R.O.W. ACQUISITION:	MSD # PLATS: [4]	
CONTRACTOR:		FY 13-14 \$0.00
CONSTRUCTION ADM:	MSD	FY 14-15 \$0.00
INSPECTION:	MSD	FY 15-16 \$0.00
		FY 16-17 \$0.00
		FY 17-18 \$0.00
PROJECT DESCRIPTION:	This project is located in W. Asheville near Leicester Highway and is comprised of 448 L.F. of 8" ductile iron pipe. The existing line is 4" clay and PVC, and is undersized for the number of houses it serves.	FY 18-19 \$0.00
		FY 19-20 \$0.00
		FY 20-21 \$0.00
		FY 21-22 \$0.00

SPECIAL PROJECT NOTES:



Meadow Lark Road Project No. 2008085

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
OF
SUMNER COUNTY, NORTH CAROLINA

Budget Map

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

BUDGET DATA SHEET - FY 2012 - 2013

PROJECT:	Meadow Lark Road	LOCATION:	Asheville
TYPE:	General Sewer Rehab.	DATE OF REPORT:	January 2012
PROJECT NO.	2008085	TOTAL L.F.:	273
PROJECT BUDGET:	\$66,700.00	PROJECT ORIGIN:	SSO's, Access, Line Condition

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	\$2,100.00	\$2,100.00		
55330 - DESIGN				
55340 - PERMITS	\$500.00		\$500.00	
55350 - SPECIAL STUDIES				
55360 - EASEMENT PLATS	\$2,400.00	\$600.00	\$1,800.00	
55370 - LEGAL FEES	\$2,000.00		\$2,000.00	
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION	\$12,000.00		\$12,000.00	
56400 - APPRAISAL				
56410 - CONDEMNATION				
56420 - CONSTRUCTION	\$46,200.00			\$46,200.00
56430 - CONST. CONTRACT ADM.				
56440 - TESTING	\$1,000.00			\$1,000.00
56450 - SURVEY - ASBUILT	\$500.00			\$500.00
TOTAL AMOUNT	\$66,700.00	\$2,700.00	\$16,300.00	\$47,700.00

ENGINEER:	MSD	# PLATS: [1]	ESTIMATED BUDGETS - FY '13 -'22	
R.O.W. ACQUISITION:	MSD		FY 13-14	\$0.00
CONTRACTOR:			FY 14-15	\$0.00
CONSTRUCTION ADM:	MSD		FY 15-16	\$0.00
INSPECTION:	MSD		FY 16-17	\$0.00
			FY 17-18	\$0.00
PROJECT DESCRIPTION:	This project is located in E. Asheville near Haw Creek Road and is comprised of 273 L.F. of 8" ductile iron pipe. The existing clay line is 6" clay with a waterline in all of the manholes and frequent backups.		FY 18-19	\$0.00
			FY 19-20	\$0.00
			FY 20-21	\$0.00
			FY 21-22	\$0.00

SPECIAL PROJECT NOTES:

Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

Meeting Date: August 15, 2012
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, CLGFO Director of Finance
Subject: Reimbursement Resolution for Bond Projects

Background

To be in compliance with IRS regulations concerning tax-exempt financing, all expenditures made with non-MSD bonds funds and to be reimbursed from MSD bond funds must be properly identified and authorized. The proposed reimbursement resolution identifies a major project intended to be solely or substantially financed by bonds anticipated to be issued in FY 14-15. Board approval is required to obtain the tax-exemption of interest paid on MSD bonds by authorizing reimbursement from bond proceeds of the expenditures for this project.

However, this resolution does not take the place of an annual budget or capital projects ordinance as mandated by North Carolina General Statutes required authorizing any expenditures irrespective of source of the funds. The project has been or will be included in the District's annual budget process.

In addition to this current reimbursement resolution, additional resolutions may be submitted for other projects when their anticipated costs may be more accurately projected.

Discussion

\$24 million of bonds are planned to be issued in FY 14-15, and this reimbursement resolution is intended to preserve for the District the ability to issue the bonds as tax-exempt bonds and to reimburse itself from their proceeds for the temporary cash outlay made for the projects identified in the reimbursement resolutions.

Engineering Staff have identified several upcoming projects detailed on the attached exhibit, which could be reimbursed from the upcoming revenue bonds. Estimated reimbursable expenditures for these projects total \$10,420,000.

Fiscal Impact

Allows for reimbursement of project expenses with bond proceeds. This reimbursement resolution does not obligate the District to use bond proceeds for these projects, nor does it create an obligation for expenditure of the funds for the identified projects. Authorization for these project expenditures is provided by the annual budget ordinance or capital projects ordinance.

Staff Recommendation

Approval.

Action Taken

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

REIMBURSEMENT RESOLUTION

RESOLUTION OF THE DISTRICT BOARD OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA DECLARING ITS INTENTION TO REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE TAX-EXEMPT FINANCINGS FOR CERTAIN EXPENDITURES MADE AND/OR TO BE MADE IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND/OR EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS

WHEREAS, the Metropolitan Sewerage District of Buncombe County, North Carolina (the "Issuer") is a body politic and corporate organized and existing under the laws of the State of North Carolina; and

WHEREAS, the Issuer has paid, beginning June 15, 2012, and will pay, on and after the date hereof, certain expenditures (the "Expenditures") in connection with the acquisition, design and construction of the projects on the attached Exhibit (the "Projects"); and

WHEREAS, the District Board of the Issuer (the "Board") has determined that those monies previously advanced no more than 60 days prior to the date hereof and to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Issuer for the Expenditures from the proceeds of one or more issues of tax-exempt bonds (the "Bonds");

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. The Board hereby declares the Issuer's intent to reimburse the Issuer with the proceeds of the Bonds for the Expenditures with respect to the Project made on and after August 15, 2012 which date is no more than 60 days prior to the date hereof. The Issuer reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds.

Section 2. Each Expenditure was and will be either (a) of a type properly chargeable to capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the Issuer so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Issuer.

Section 3. The maximum principal amount of the Bonds expected to be issued for the Projects is \$10,420,000.

Section 4. The Issuer will make a reimbursement allocation, which is a written allocation by the Issuer that evidences the Issuer's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Projects are placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The Issuer recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for construction projects of at least five years.

Section 5. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 15th day of August, 2012

Steven T. Aceto, Chairman of the Board

Attested to:

Jackie W. Bryson, Secretary/Treasurer

Board Meeting: August 15, 2012

Subject: Reimbursement Resolution for Bond Projects

Page -3-

Metropolitan Sewerage District of Buncombe County

Attachment to Reimbursement Resolution

August 15, 2012

Project	Project #	Estimated Expenditures on and after June 15, 2012
Four Inch Main - Mountain Terrace	2007016	\$ 72,000
Four Inch Main - N. Griffing Boulevard	2006022	199,000
Givens Estate	2006014	818,000
Meadow Lark Road	2008085	48,000
Merrimon Avenue @ Stratford	2006015	637,000
Patton Avenue @ Parkwood Road	2007021	137,000
Short Coxe @ Southside	2004025	1,180,000
Brookcliff Drive	2004267	309,000
Moore Circle	2004266	307,000
Scenic View Drive	2007023	314,000
Pipe Rate Project Contract #7 Lining	2010110	902,000
Electrical Improvements	2010032	1,675,000
Hydro Facility Repairs	2012056	582,000
Influent Pump Replacement	2012030	240,000
Final Microscreen Replacement	2007026	3,000,000
		<u>\$ 10,420,000</u>

Note: Amounts rounded to nearest thousand

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: August 15, 2012

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

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

Subject: Fourth Quarter Budget to Actual Review – FY2012

Background

At the end of each quarter, actual revenue and expenditure amounts are compared with the budget to evaluate performance. The fourth quarter report is analyzed to estimate year-end results, and project revenues and expenditures for the subsequent year's budget. See the attached schedule for comparison of year-to-date actual amounts at June 30, 2012 with original budget for FY 2012.

Discussion

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

- Domestic and Industrial User Fees are at budgeted expectations. Staff believes Domestic User Fee variance will end up around 102% when June accounts receivable data is received from its Member Agencies in September. The variance is due to consumption trends being slightly better than expected. Staff monitors consumption trends as they have a direct effect on the District's current and future revenue projections.
- Facility and Tap Fees are budgeted conservatively. This leads to actual revenues being significantly higher than budget. The unusually large variance as of the end of the second quarter is due to receiving unanticipated revenue of \$610,000 from one development.
- Interest and miscellaneous income are above 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 pressures on the fixed income market.
- Rental income reflects slightly better than expected earnings.
- Actual and encumbered O&M expenditures appear reasonable but once accruals and adjustments are made, may vary slightly in the final audit.
- Bond principal and interest are better than budgeted expectations. This is a direct result variable rate interest savings. Additionally, staff took advantage of a call option on its 2001 Series Revenue bond. The call options saved the District \$23,000 in interest expense in FY 2012.
- Capital project expenditures are at approximately 91% of budget. This is due to projects receiving continued favorable pricing in a sluggish economy as well as timing of secondary microscreen project expenditures being delayed.

Staff Recommendation

None – Informational only

Metropolitan Sewerage District of Buncombe County

Budget to Actual Revenue and Expenditure Report

For the twelve months ended June 30, 2012

UNAUDITED--NON-GAAP

#

	Budget	Actual to Date	% Budget to Actual
REVENUES			
Domestic User Fees ¹	\$ 25,030,400	\$ 24,889,439	99.44%
Industrial User Fees	1,602,660	1,597,693	99.69%
Facility Fees ²	1,250,000	2,084,624	166.77%
Tap Fees ³	105,000	236,850	225.57%
Billing and Collection	657,810	662,553	100.72%
Interest and Misc. Income	601,064	751,091	124.96%
Grant Revenue	119,675	107,708	90.00%
Employee Contribution to Health Ins.	460,079	423,127	91.97%
City of Asheville (Enka Bonds)	37,000	37,290	100.78%
Rental Income	67,872	70,356	103.66%
Use of Available Funds ⁴	<u>13,483,225</u>	<u>7,321,804</u>	<u>54.30%</u>
Total Revenues ⁵	\$ 43,414,785	\$ 38,182,534	87.95%
EXPENDITURES			
Operations and Maintenance ⁶	\$ 14,545,544	\$ 13,733,599	94.42%
Bond Principal and Interest	8,371,858	7,430,966	88.76%
Capital Equipment (Other than O&M) ⁶	809,607	784,566	96.91%
Capital Projects	18,687,776	17,943,353	91.14%
Contingency	1,000,000	-	<u>0.00%</u>
Total Expenditures	\$ 43,414,785	\$ 39,892,484	91.89%

Notes:

¹ Revenues are on the cash basis

² Increase due to unanticipated revenue from a development

³ Increase in number of Taps requiring Bore Fees

⁴ Pay-as-go funds to be used for CIP

⁵ Budget-to-Actual Ratio does not include use of available funds

⁶ Includes encumbered amounts as well as actual insurance expenditures

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: August 15, 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 June 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 June 30, 2012 were \$35,684,426. The detailed listing of accounts is available upon request. The average rate of return for all investments is 0.902%. These investments comply with North Carolina General Statutes, Board written investment policies, and the District's Bond Order.

The attached investment report represents cash and cash equivalents as of June 30, 2012 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of June 30, 2012 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is (\$17,009,448).

Total Cash & Investments as of 06/30/2012		35,684,426
Less:		
FY13 O & M Expenditures approved June 13, 2012	(14,715,534)	
FY13 Construction Expenditures approved June 13, 2012	(18,364,180)	
		(33,079,714)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(5,325,998)	
Debt Service Reserve	(2,345,948)	
Remaining Principal & Interest Due	(8,238,321)	
		(15,910,267)
District Reserve Funds		
Fleet Replacement	(385,407)	
WWTP Replacement	(619,015)	
Maintenance Reserve	(912,818)	
		(1,917,240)
Post-Retirement Benefit		(865,022)
Self-Funded Employee Medical		(921,631)
Designated for Capital Outlay		(17,009,448)

Staff Recommendation

None. Information Only.

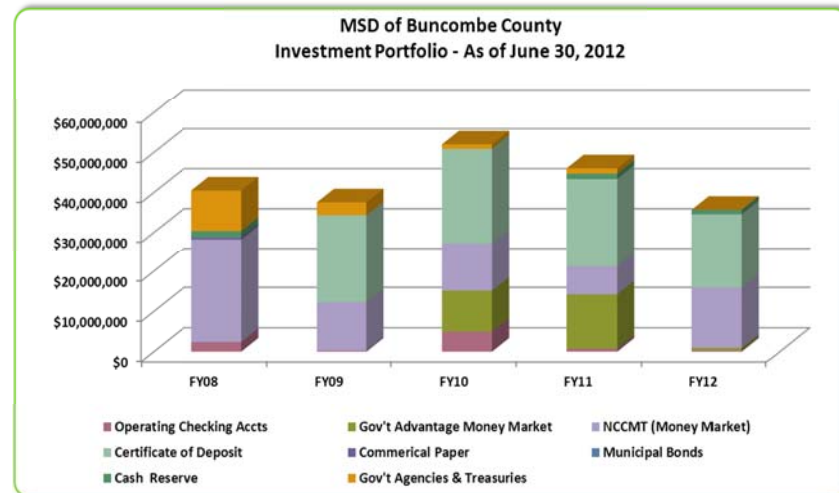
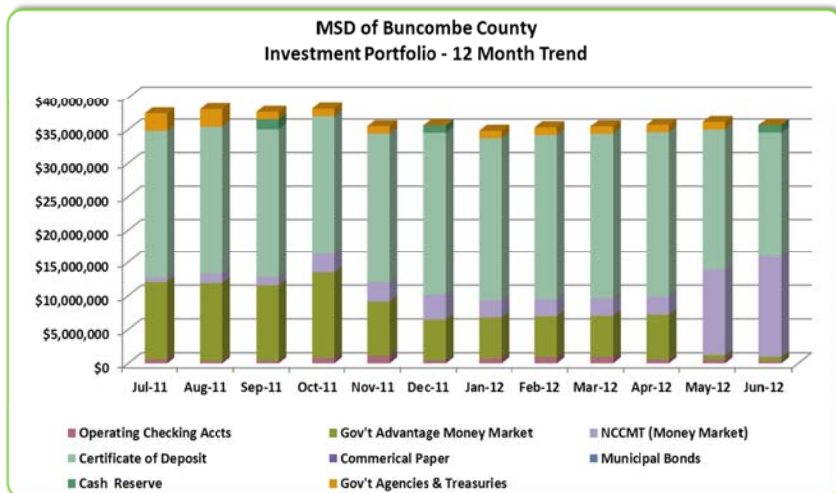
Action Taken

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

Metropolitan Sewerage District of Buncombe County Investment Portfolio

	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -	\$ -	\$ 5,325,998	\$ -	\$ -	\$ -	\$ 1,146,000	\$ -	\$ 6,471,998
Held by MSD	316,802	646,210	9,626,065	18,623,351	-	-	-	-	29,212,428
	<u>\$ 316,802</u>	<u>\$ 646,210</u>	<u>\$ 14,952,063</u>	<u>\$ 18,623,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,146,000</u>	<u>\$ -</u>	<u>\$ 35,684,426</u>

<u>Investment Policy Asset Allocation</u>	<u>Maximum Percent</u>	<u>Actual Percent</u>	
U.S. Government Treasuries, Agencies and Instrumentalities	100%	3.21%	No significant changes in the investment portfolio as to makeup or total amount.
Bankers' Acceptances	20%	0.00%	
Certificates of Deposit	100%	52.19%	The District's YTM of .84% 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%	41.90%	
Checking Accounts:	100%		All funds invested in CD's, operating checking accounts, Gov't Advantage money market are fully collateralized with the State Treasurer.
Operating Checking Accounts		0.89%	
Gov't Advantage Money Market		1.81%	



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

Summary of Asset Transactions

	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 32,516,773	\$ 32,516,773	\$ 244,582
Capital Contributed (Withdrawn)	(5,603,043)	(5,603,043)	
Realized Income	13,925	13,925	(11,453)
Unrealized/Accrued Income		-	18,116
Ending Balance	\$ 26,927,655	\$ 26,927,655	\$ 251,245

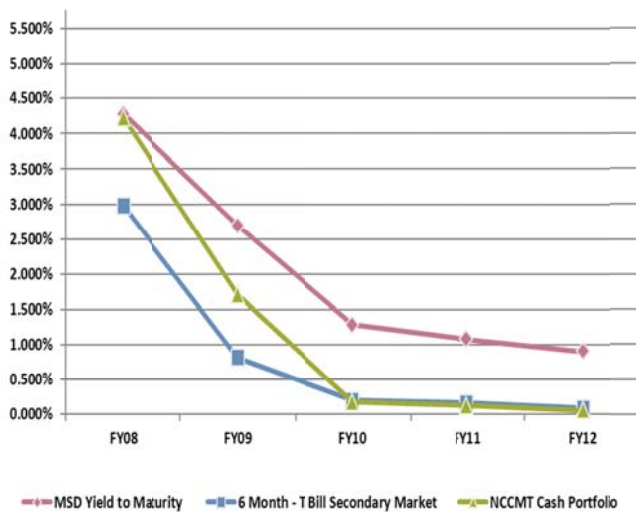
Value and Income by Maturity

	Original Cost	Income
Cash Equivalents <91 Days	\$ 8,304,304	\$ 6,349
Securities/CD's 91 to 365 Days	18,623,351	\$ 14,239
Securities/CD's > 1 Year	-	-
	\$ 26,927,655	\$ 20,588

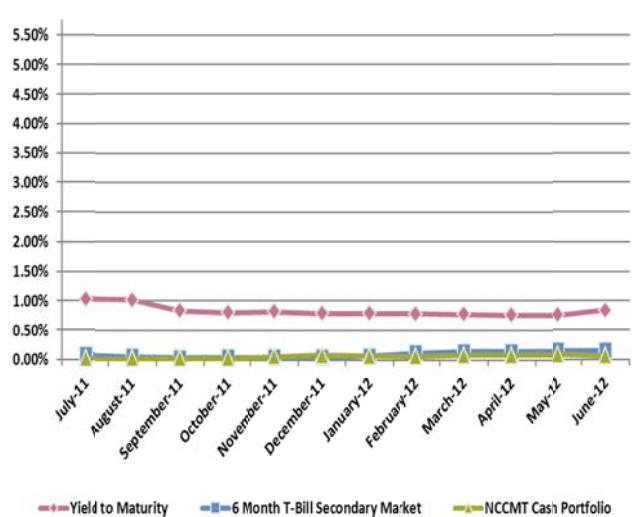
Month End Portfolio Information

Weighted Average Maturity	491
Yield to Maturity	0.84%
6 Month T-Bill Secondary Market	0.15%
NCCMT Cash Portfolio	0.06%

**Metropolitan Sewerage District
Annual Yield Comparison**

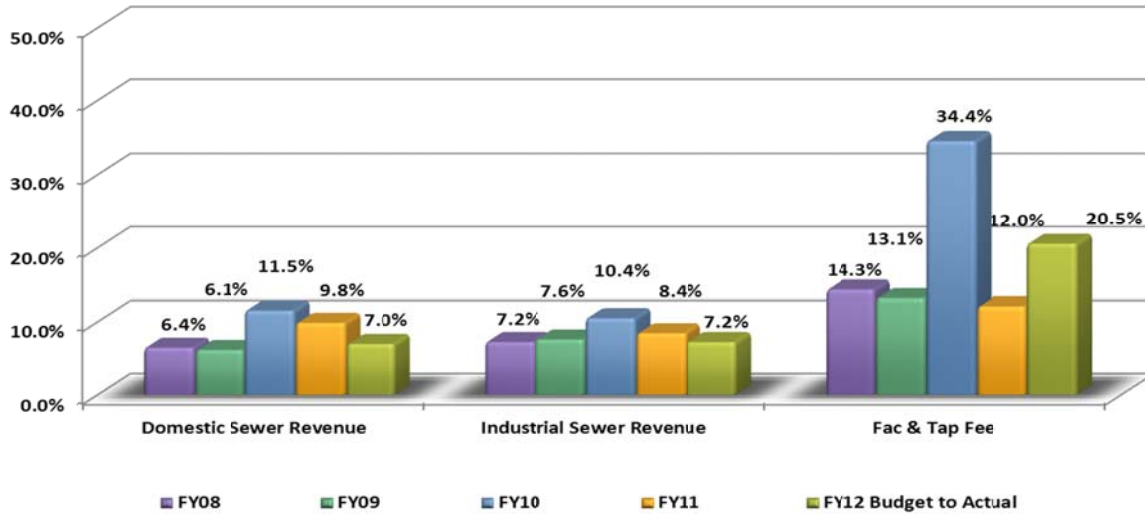


**Metropolitan Sewerage District
Yield Comparison - June 30, 2012**



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

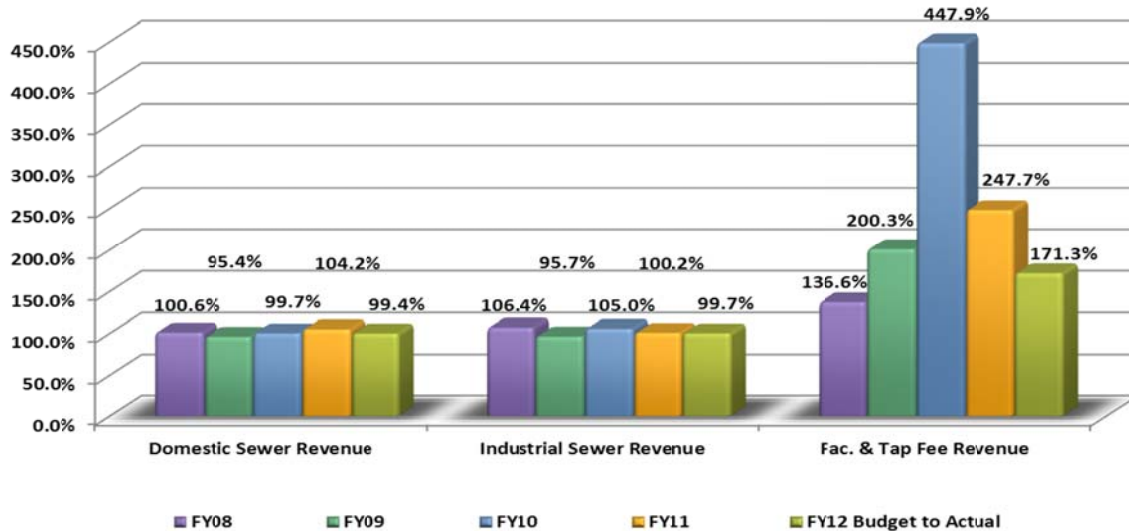
Monthly Cash Receipts Analysis



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 beginning of FY13.
- 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 Cash Receipt Analysis

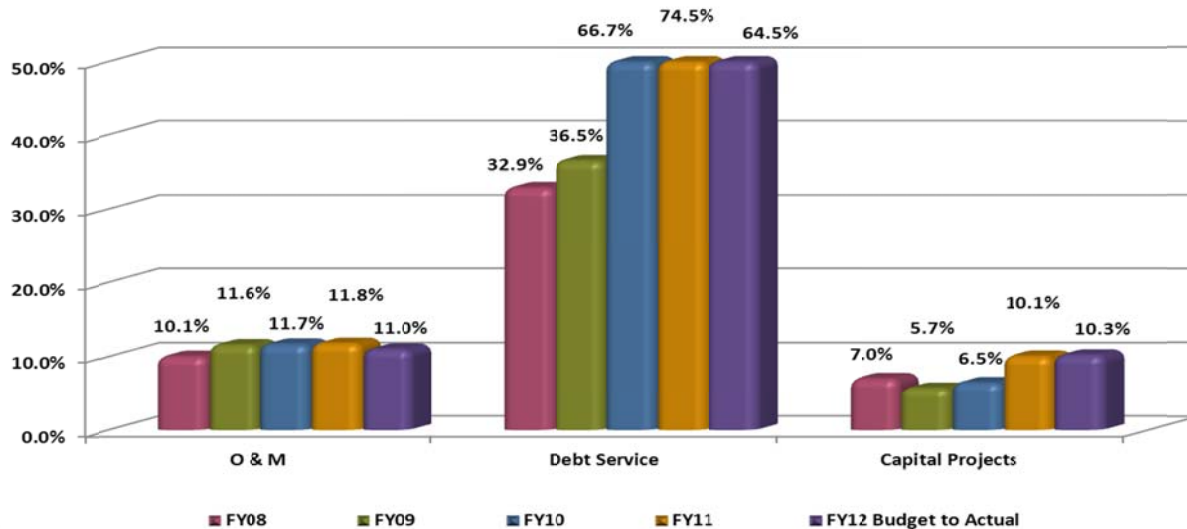


YTD Actual Revenue Analysis:

- 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 beginning of FY13.
- 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.

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

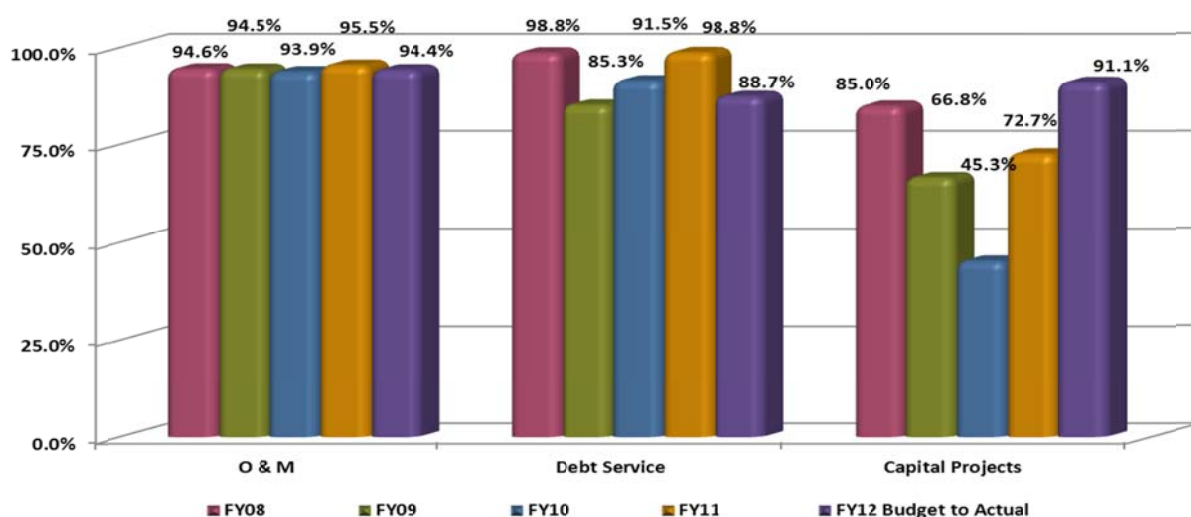
Monthly Expenditure Analysis



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 Expenditure Analysis:

- YTD O&M expenditures are considered reasonable based on historical trends.
- Due to the nature of the variable rate bond market, YTD expenditures can vary year to year. Based on current variable interest rates, YTD debt service expenditures are considered reasonable.
- Due to nature and timing of capital projects, YTD expenditures can vary from year to year. Based on the current outstanding capital projects, YTD capital project expenditures are considered reasonable.

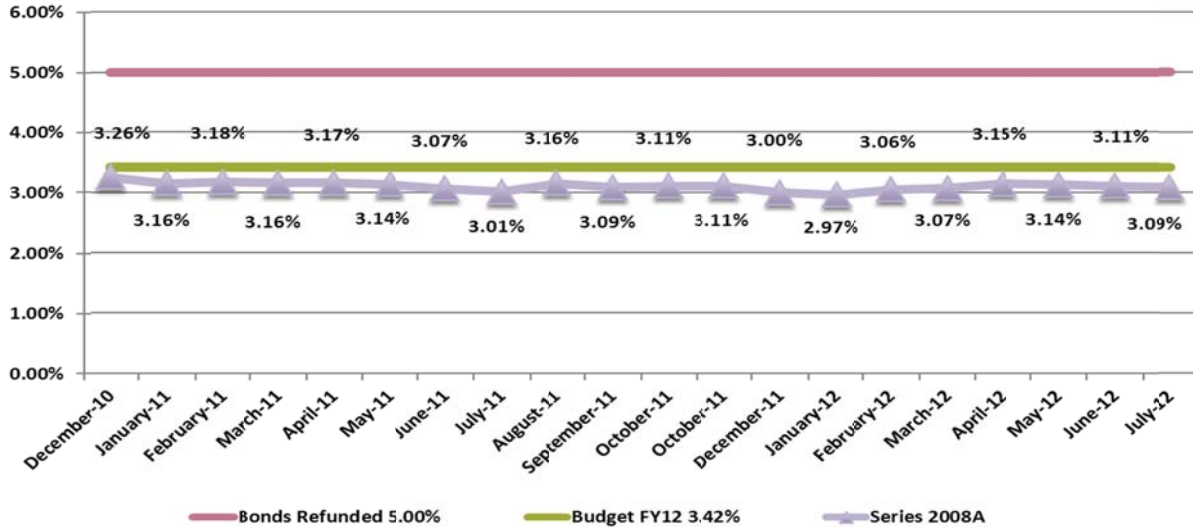
Board Meeting: August 15, 2012

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

Page -6-

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

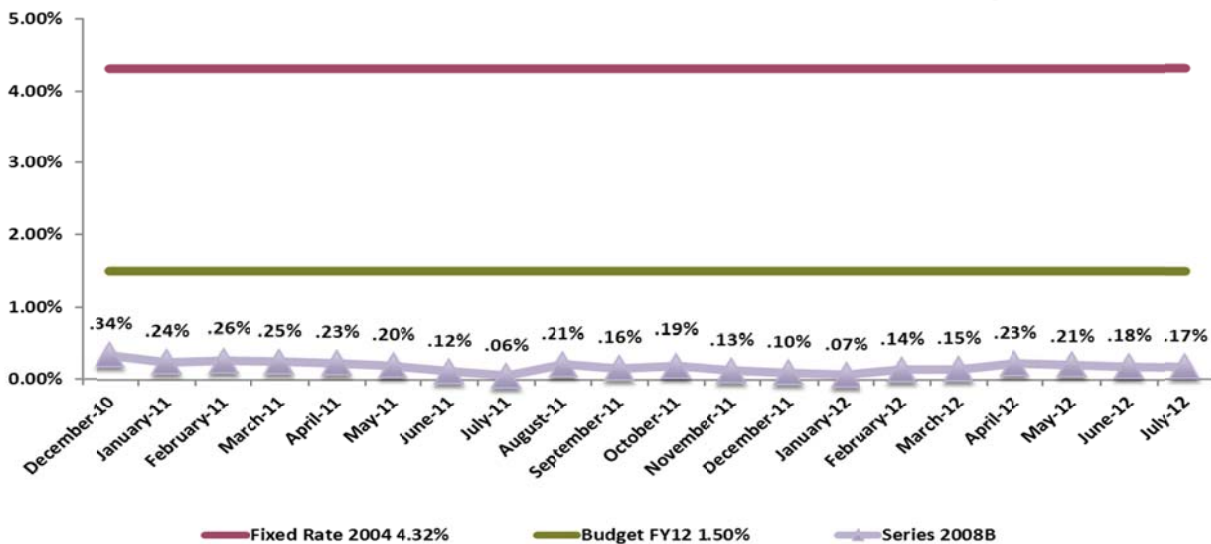
Series 2008A Synthetic Fixed Rate Bonds Performance History



Series 2008A:

- ★ Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$2,300,139 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 \$7,250,000 to terminate the existing Bank of America Swap Agreement.

Series 2008B Variable Rate Bond Performance History



Series 2008B:

- ★ Savings to date on the 2008B Variable Rate Bonds is \$3,301,829 as compared to 5/1 fixed rate of 4.32%.
- ★ Since May 1, 2008, the Series 2008B Bonds average variable rate has been 0.55%.
- ★ MSD will achieve \$8,955,000 in cash savings over the life of the bonds at the current average variable rate.

OLD BUSINESS



City of Asheville
Office of the Mayor

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

August 8, 2012

Mr. Steven T. Aceto, Chairman
Metropolitan Sewerage District of Buncombe County
2028 Riverside Drive
Asheville, NC 28804

Re: Recommendation of Legislative Research Committee

Dear Chairman Aceto:

Thank you for your letter of May 18, 2012. The Asheville City Council is interested in discussing with the MSD Board the various recommendations of the report of the Committee on Metropolitan Sewerage/Water System, including the recommendation that the water and sewer systems be consolidated. It is our understanding that this discussion will involve other potentially affected local governments as well.

We are aware that MSD is studying the impact on its operations of absorbing the water system. The City of Asheville is developing a financial impact analysis of a merged water and sewer system, with consideration to several different governing structures. It is our understanding that City staff and MSD staff have been exchanging information to assist in our respective efforts, and we will continue to assist.

City Manager Gary Jackson will be in touch with MSD General Manager Tom Hartye to arrange a meeting among members of our respective boards along with appropriate staff. We look forward to participating in discussions with MSD and the other affected governments.

Sincerely,

Terry M. Bellamy
Mayor

TMB/sc

cc: City Council
Gary W. Jackson, City Manager
Robert W. Oast, Jr., City Attorney



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.

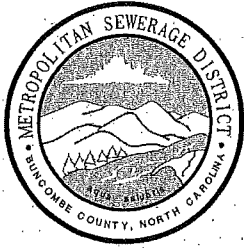
Sincerely,



Terry M. Bellamy
Mayor

TMB:pjk

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



Metropolitan Sewerage District

OF BUNCOMBE COUNTY, NORTH CAROLINA

May 18, 2012

Mayor Terry M. Bellamy
Asheville City Hall, 2nd 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~

LRC COMMITTEE

“The Water Authority is, simply, a public infrastructure that exists to serve its users. It collects rainfall and runoff from far outside the city limits. It operates treatment plants in Buncombe and Henderson Counties, and it serves both Asheville residents and tens of thousands who live outside the city. Our water system is already a regional operation, and to carry out its mission it must be truly independent”.¹⁶

Given all of the foregoing, this Committee makes the following conclusions:

1. The City of Asheville does not own the entire Public Utility Water System;
2. Buncombe County owns part of the Public Utility Water System;
3. The Public Utility Water System is a “Public Enterprise” and, therefore, the City of Asheville cannot profit from its management;
4. The City of Asheville is constrained and prohibited from charging non-City of Asheville rate-payers higher water rates by Sullivan I;
5. The City of Asheville is constrained and prohibited from charging non-City of Asheville rate-payers higher water rates by Sullivan II;
6. The City of Asheville is constrained and prohibited from adopting rules for the provision of water that provide for differential treatment for non-City of Asheville rate-payers by Sullivan III;
7. The City of Asheville has attempted to charge non-City of Asheville rate-payers higher rates for water than City of Asheville rate-payers in direct violation of the Sullivan Acts;
8. The City of Asheville has intentionally failed to fulfill contractual obligations to other governmental entities regarding the Public Utility Water System;
9. The City of Asheville has refused to reach a reasonable agreement with Buncombe County regarding the Public Utility Water System;
10. It is the intent of the City of Asheville to charge non-City of Asheville rate-payers substantially more for water than City of Asheville rate-payers;

¹⁶ Asheville-Citizen Times, March 25, 2005, Editorial, Page 9.

11. The City of Asheville desires to maintain control of the Public Utility Water System until persons sympathetic to the City of Asheville are elected into office and can repeal the respective Sullivan Acts;
12. Buncombe County has substantially contributed to and invested in the Public Utility Water System;
13. The City of Asheville refuses to acknowledge Buncombe County's contribution and investment in the Public Utility Water System;
14. The non-City of Asheville rate-payers should not continually face the threat of double, triple and possibly quadruple increases in their water rates; and
15. The non-City of Asheville rate-payers are at risk of inequitable treatment by the City of Asheville (i.e. paying a disproportionately high portion of the water rates and "forced" voluntary annexation).
16. The Committee encourages the regional water and sewer stakeholders specifically to:
 - a. Study of the impact of a water system transfer on water ratepayers.
 - b. Study of the impact of a water system transfer on sewer ratepayers.
 - c. Study of the impact of a water system transfer on economic development prospects.
 - d. Consider whether and how water system operators in the District other than COA and Henderson County ought to be encouraged to transfer their systems to the District.
 - e. Consider what measures might be appropriate to prevent privatization or diversion of public water resources outside the District boundary over the long term. There is a trend towards private operators acquiring entire public systems in some form or other. Our District's water resources are definitely unique and desirable and can be expected to attract more attention as the years go by. In considering the measures to prevent privatization or diversion of public water resources outside the District boundary, include a study of all of the following:
 - i. What is considered privatization of the water system.
 - ii. What are the water and sewer functions that are currently subcontracted by the City of Asheville or MSD. What are the bulk contracts for water that are currently in place, or under consideration, for sale of water to large users including beer breweries and soft drink bottlers. How do these current practices stop the diversion of water resources outside of the District and prevent inappropriate private benefits?

- iii. What current measures preclude the City of Asheville from privatizing or diverting water resources outside of the District?
- iv. What steps should be taken to prevent the privatization of this public resource?

It is the Committee's opinion that direct repeal or defiance of the Sullivan Acts would produce such substantially negative outcomes in the region that a proactive remedy must be pursued and implemented in a timely fashion.

Recommendation 2 - After careful consideration of the information presented, the Committee recommends merging the Public Utility Water System with the Metropolitan Sewerage District of Buncombe County.

The benefits of combining the two utilities are undeniable. The benefits include, among numerous others, the following:

1. Each utility essentially serves the same residential, commercial and industrial customers;
2. Wastewater volumetric charges are directly linked to domestic water metered consumption;
3. Treatment of raw potable water and wastewater requires similar expertise, and similar interaction with Federal and State Authorities;
4. Economies of scale can be achieved in the areas of administration, planning and engineering; and
5. Single location for water and wastewater availability and planning.

The Committee recommends that the 2013 Session of the North Carolina General Assembly consolidate the Public Utility Water System with the Metropolitan Sewerage District of Buncombe County. 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.

Finding 3 - The 1996 Asheville Watershed Conservation Easement is designed to protect the drinking water in and around Asheville. There are some places where the language in the conservation easement could be clearer. However, the issue can be addressed directly with the City of Asheville and the General Assembly does not need to act at this time.

Recommendation 3- The Committee recognizes the efforts of the Conservation Trust for North Carolina in protecting the drinking water in and around Asheville. It recommends that the Conservation Trust for North Carolina continue to work with the City of

STATUS REPORTS

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

August 8, 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	90%	Informal Paving yet to be done, then final inspection.
MEADOWLARK ROAD	TBA	TBA	TBA	TBA	TBA	0%	Informal Bids were opened on August 2nd. Terry Brothers is the apparent low bidder. Project will be presented at the August Board meeting.
MOUNTAIN TERRACE - 4 INCH MAIN	TBA	TBA	TBA	TBA	TBA	0%	Informal Bids were opened on August 2nd. Terry Brothers is the apparent low bidder. Project will be presented at the August Board meeting.
NORTH GRIFFING BOULEVARD - 4 INCH MAIN	TBA	TBA	TBA	TBA	TBA	0%	Informal Bids were opened on August 2nd. Terry Brothers is the apparent low bidder. Project will be presented at the August Board meeting.
PATTON AVENUE @ PARKWOOD ROAD	Huntley Construction	1/18/2012	5/11/2012	9/8/2012	\$243,718.16	70%	Informal All proposed sewer south of Patton Avenue is complete. Bore is complete across Patton Avenue. Crew working on the north side of Patton Avenue.
PIPE RATING CONTRACT #6 (LINING)	Improved Technologies Group	10/19/2011	12/5/2011	8/20/2012	\$808,846.50	85%	Formal Contractor working on last couple of items prior to final inspection.
ROEBLING CIRCLE	Terry Brothers	3/21/2012	4/16/2012	8/14/2012	\$52,241.00	90%	Informal Mainline construction is complete. Ready for paving and final inspection.
SCENIC VIEW DRIVE (PRP 29020)	TBA	TBA	TBA	TBA	TBA	0%	Informal Project is scheduled to bid on September 6, 2012.
SHORT COXE AVENUE AT SOUTHSIDE AVENUE	Cana Construction	7/18/2012	TBA	TBA	TBA	0%	Formal Project was awarded to Cana Construction Company.
TOWN MOUNTAIN ROAD (4-INCH MAIN)	Terry Brothers	1/18/2012	4/10/2012	8/8/2012	\$284,847.00	98%	Informal Project is almost complete; Contractor is working on punch list.
WRF - ELECTRICAL IMPROVEMENTS	TBA	TBA	TBA	TBA	TBA	0%	Formal Equipment on-site. Bids for installation contract were opened on July 26th. Haynes Electric Construction Company is the apparent low bidder. Project will be presented at the August Board meeting.
WRF - FINAL MICROSCREEN REPLACEMENT	Hickory Construction	10/20/2010	1/3/2011	9/30/2012	\$8,972,321.36	92%	Formal All equipment has been installed and mechanically checked. Electrical checks are ongoing. Finish floor is being placed. Project is getting ready for substantial completion.

*Updated to reflect approved Change Orders and Time Extensions

Planning and Development Projects Status Report
August 15, 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	Complete-Waiting on final documents
	N. Bear Creek Road Subdivision	2005137	Asheville	20	127	7/11/2006	Complete - Waiting on final documents
	Willowcreek Village Ph.3	2003110	Asheville	26	597	4/21/2006	Complete - Waiting on final documents
	Rock Hill Road Subdivision	2005153	Asheville	2	277	8/7/2006	Complete - Waiting on final documents
	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
	New Salem Studios	2011119	Black Mountain	5	36	5/21/2012	Complete - Waiting on final documents
	Quality Oil - Fairview	2011081	Buncombe Co.	Comm.	522	3/20/2012	Complete - Waiting on final documents
	Dollar General - Smokey Park	2011048	Candler	Comm.	100	3/13/2012	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
	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	983	34,987
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Planning and Development Projects Status Report
August 15, 2012

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
	The Settings (6 Acre Outparcel)	2004192	Black Mountain	21	623	3/15/2006	Ready for final inspection
	Swannanoa Habitat Project	2012055	Swannanoa	17	303	6/26/2012	Pre-con held, ready for construction
	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	Installing
	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	Ready for final inspection
	Brookgreen Phase 1C	2012015	Woodfin	4	280	8/2/2012	Pre-con held, ready for construction
	Straford/Parkside/Woodbine	2012002	Asheville	4	250	8/2/2012	Pre-con held, ready for construction
	MWB Phase II	2012053	Montreat	1	90	8/9/2012	Pre-con held, ready for construction
	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

Subtotal	2437	104,812
Total Units:	3,420	
Total LF:		139,799

Condemnation Statistics
July 1, 1991 - June 30, 2012

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
25 Rosemary Road	1				
32 Coleman Avenue	1				
165 Old County Home Road	5				
320 Old Haw Creek	5				
43 Hamburg Drive	1				
Alta Avenue PRP	1				
Anvil Knitwear	3				
Azalea Avenue PSR	3				
Bankstown Road MSP	10				
Beaverdam Creek Interceptor	38	1	1		
Beaverdam Creek North Fork	36				
Best Western Sewer Rehabilitation	1				
Biltmore Forest Rehabilitation	7				
Biltmore Forest/Ram Branch	20	1		1	
Black Mountain 4"	1				
Black Mountain Chevrolet	2				
Black Mountain Ingles @ I-40 Rehab.	1				
Black Mountain Rehabilitation	30				
Bradley Branch Rehabilitation	10				
Broadway Avenue	6				
Broadway Avenue @ 5 Points	12	4	4		
Brookcliff Drive PRP	6				
Brucemont Circle	3				
Brucemont Place Phase 2	32				

Condemnation Statistics
July 1, 1991 to June 30, 2012

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
Bull Mountain Road Rehab.	2				
Campground Road AMP	2				
Canterbury Heights	1				
Carson Creek	4				
Chatham Road Rehabilitation	1				
Charland Forest GSR	11				
Clingman Avenue Rehabilitation	11				
Columbia Bible College	1				
Craven Street Access	2				
Crockett Road PRP	3	1	1		
Cub Road	8				
Daniel Road SS Replacement	7				
Delano Road 4" Main	2				
Delaware Avenue	9				
Depot Street @ Nasty Branch	2				
Depot Street Emergency Rehab.	2	1	1		
Dilling Avenue	1				
Dillingham Road 4" Main	1				
Dingle Creek @ Crowfields	3				
Dingle Creek Interceptor, Ph. 2	10	1			1
Druid Drive	4				
Dula MSR	2				
Dunwell Avenue	13				
Earl Capps Hollow	21				

Condemnation Statistics
July 1, 1991 to June 30, 2012

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
East Euclid Parkway	3				
East Kenilworth Lake	11	5	5		
Eastwood Avenue @ US 70	10				
Elk Mountain Road PSR	3				
Elk Park Drive PRP	14				
Emma Industrial Park	6				
Emma Road Sewer Replacement	2				
Evergreen Avenue	4	1	1		
Fair Oaks Road PRP	7	1	1		
Fair Oaks SD Rehabilitation	5				
Fairfax Avenue	11	3	3		
Fairway Drive	2				
Forest Hill Drive #2 PRP	7	2	1		1
Forest Ridge Road	2				
Givens Estate	7				
Gladstone Road 4" Main	7				
Glen Bridge Road PRP	14				
Glen Bridge Road Rehabilitation	11	2	2		
Glenview Road Rehabilitation	9				
Grassy Branch Rehabilitation	37	9	9		
Greeley Street PSR	3				
Grindstaff Road	2				
Grove Park Inn Rehabilitation	1				
Harmony Lane Rehabilitation	3				
Harnett Street	2				

Condemnation Statistics
July 1, 1991 to June 30, 2012

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
Heywood Road Rehabilitation	7	2	2		
Heywood Road Interceptor II	3				
Hickory Court SS Improvements	5				
Hi Alta Avenue	14	2	2		
Hilliard/Coxe Avenue	4				
Holiday Inn/Kinko	2				
Honey Drive	9				
Howland Road Sewer Replacement	1				
Inglewood Road	9	1	1		
Johnston Boulevard	17				
Juvenile Evaluation Center	3				
Kensington Drive Relocation	3				
Kitazuma Road	1				
Lake Julian Interceptor	7	1	1		
Lake Julian Phase 3	1				
Lake Julian Phase 4	2				
Lake Julian Pump Station	3				
Lake Louise Interceptor	34				
Lakey Gap Rehabilitation	2				
Laurel Road Phase 2	8				
Leicester hwy. Road Widening	5				
Lennox Street	8				
Liberty Street	17	2	2		
London Rd. Pilot Basin, 2b	43				
London Road AMP	12	2	2		

Condemnation Statistics
July 1, 1991 to June 30, 2012

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
London Road Relocation	2				
Long Shoals Road	2				
Long Shoals Road PRP	16	3	2		1
Lookout Road Rehabilitation	16	3	3		
Lower Ross Creek Interceptor	29	8	8		
Lower Smith Mill Creek Int.	39	10	9		1
Mardell Circle	3				
Martel Lane @ Penley Avenue	1				
Meadow Lark Road	1				
Merchant Street PRP	5				
Merrimon Avenue @ Ottari	4	1	1		
Merrimon Ave. @ Beaverdam Crk.	7				
Merrimon Ave. @ Reed Creek	41	5	5		
Merrimon Ave. @ Stratford	11	1			1
Merrimon Avenue Rehabilitation	4				
Merrimon Ave./I-240 Ramp	1				
Middle Beaverdam Creek Ph. 1	13				
Middle Beaverdam Creek Ph. 2	3				
Middlebrook AMP	8				
Midland Drive AMP	3				
Monroe Place GSR	2				
Montford Ave. @ US 19/23	4				
Montreat Rehabilitation	33	1	1		
Moore Circle	7				
Morningside Drive	4				

Condemnation Statistics
July 1, 1991 to June 30, 2012

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

Condemnation Statistics
July 1, 1991 to June 30, 2012

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
Reems Creek @ Balcrank	12				
Reems Creek Interceptor	19	1	1		
Reems Creek Master Plan	10				
Rice Branch Road	2				
Riceville Road Rehabilitation	5				
Riverside Cemetary	1				
Riverside/Westover Rehabilitation	1	1	1		
Riverside/Westover Drive	2	2	2		
Roberts Street Rehabilitation	3				
Rockdale Avenue PRP	10				
Roebing Circle Rehabilitation	1				
Roger's Place Rehabilitation	2				
Rollingwood Road PSR	6				
Russell Avenue Rehabilitation	3				
Ruth Street Rehabilitation	1				
Sevier Street Rehabilitation	14				
Shelburne Road Rehabilitation	20				
Sherwood Heights Rehabilitation	1				
Shiloh Road MSR	14				
Short Coxe @ Southside	8	5	2		3
Skyland Circle 4" Main	4				
Smith Mill Creek AMP	19				
South Asheville Cinema	1				
State Street MSR	2				
Stoner Avenue	15				

Condemnation Statistics
July 1, 1991 to June 30, 2012

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
Sulphur Springs Creek Rehabilitation	24	3	2	1	
Sunset Drive @ Old Toll Road	1				
Swannanoa River Road	19				
Sweeten Creek @ Rock Hill Road	29				
Sweeten Creek Industrial Park	3				
Sweeten Creek MSR	5				
Sweeten Creek/Wilson Creek	63	1		1	
Swindale Street PSR	5	1	1		
Sycamore Terrace PRP	2				
Talmadge Street Rehabilitation	10				
Tomahawk Basin Phase III	31				
Tomahawk Branch	16	1	1		
Town Mountain Road 4" Main	3	1			1
Trinity Chapel Road	4				
Trotter Place to Middlemont AMP	9	1	1		
Upper Ross Creek Rehabilitation	20				
US 70 @ Neil Price Ave. GSR	9				
US 70 @ Neil Price Ave. Phase 2	3				
US 70 @ Parkway GSR	3				
US 74	20	5	5		
VA Hospital	1				
View Street Rehabilitation	3				
Vine Street	2				
Volvo Construction Equipment	1				
Waters Road Rehabilitation	10	1	1		

Condemnation Statistics
July 1, 1991 to June 30, 2011

Project	Easements	Actions	Settled Prior to Trial	Trial	Pending
Weaverville Hwy. @ Hillcrest	4	1	1		
Weaverville Main Street Rehabilitatio	8				
Weaverville Rehabilitation	68	1	1		
Webster Street PSR	1				
Wilmington Street MSR	9				
Willowbrook Road	1				
Winding Road PSR	3				
Woodland Road MSR	4				
Total	2013	134	119	5	10

Closings by Agent

From 7/1/2011 to 6/30/2012

Acquisition Agent Martin/McGill

StatusDate	StatusComment	ProjectName	LastName
7/11/2011	Closed - Condemnation dismissed.& easement signed	Liberty Street Sewer Rehabilitation	Pettit
8/5/2011	Closed.	Givens Estate Sanitary Sewer Rehabilitation	The Givens Estates Inc.
8/9/2011	Closed.	Givens Estate Sanitary Sewer Rehabilitation	Crowfields Condominium Association
8/26/2011	Closed.	Givens Estate Sanitary Sewer Rehabilitation	Riva Enterprise LLC
9/9/2011	Closed - Modification	Sweeten Creek @ Rock Hill Road	Wright
11/21/2011	Closed.	Givens Estate Sanitary Sewer Rehabilitation	Gibson
12/13/2011	Closed	Short Coxe @ Southside	Tyler
12/29/2011	Closed; re-pave parking area in lieu of comp.	Givens Estate Sanitary Sewer Rehabilitation	Skyland Crest, LLC
1/9/2012	Closed.	Short Coxe @ Southside	Entero Med LLC
1/31/2012	Closed	Givens Estate Sanitary Sewer Rehabilitation	Simpson Financing Ltd. Partership
1/31/2012	Closed - Condemnation - Default Judgment	Liberty Street Sewer Rehabilitation	Stone et. al.
2/14/2012	Closed Condemnation - Consolidated Consent Judgment \$3500 PINs 1573 & 1478 (\$15,000 total)	Lower Smith Mill Creek Rehabilitation	Orva Lee Roberts & Associates, a partner
2/14/2012	Closed Condemnation - Consolidated Consent Judgment \$3500 PIN 9662 (\$15,000 total)	Lower Smith Mill Creek Rehabilitation	Roberts, et. al.
2/14/2012	Closed Condemnation - Consolidated Consent Judgment \$1000 PIN 8525 (\$15,000 total)	Lower Smith Mill Creek Rehabilitation	Roberts, et. al.
2/14/2012	Closed Condemnation - Consolidated Consent Judgment \$3500 PIN 2531 (\$15,000 total)	Lower Smith Mill Creek Rehabilitation	Roberts, et. al.
2/14/2012	Closed Condemnation - Consolidated Consent Judgment \$3500 PIN 0573 (\$15,000 total)	Lower Smith Mill Creek Rehabilitation	Roberts, et. al.
2/14/2012	Closed Condemnation - Consent Judgment for \$40,000	Lower Smith Mill Creek Rehabilitation	Roberts, et. al.
2/16/2012	Closed	Givens Estate Sanitary Sewer Rehabilitation	Dingle Creek LLC

Total Closings by Agent:

18

Acquisition Agent MSD

StatusDate	StatusComment	ProjectName	LastName
7/7/2011	Closed	Skyland Circle 4" Main Sewer Replacement	Macan
7/12/2011	Closed	Skyland Circle 4" Main Sewer Replacement	Newbold et. al.
8/10/2011	Closed	Dillingham Road 4" Main	Jordan
10/6/2011	Closed Condemnation - Consent Judgment	Riverside Drive/Westover Drive	Riverside Partners LLC
10/6/2011	Closed Condemnation - Consent Judgment	Riverside Drive/Westover Drive	Morance Properties

Friday, July 06, 2012

10/26/2011	Closed	Black Mountain Ingles @ I-40 Emergency Rehab	Ingles Markets Inc.
11/15/2011	Closed	Moore Circle PRP 45001	Crosland
11/23/2011	Closed	Moore Circle PRP 45001	Matayabas
11/28/2011	Closed	Bradley Branch Road GSR	Wal-mart Real Estate Business Trust
11/30/2011	Closed	Moore Circle PRP 45001	Wickham Family Trust
12/2/2011	Closed	165 Old County Home Road SS Rehabilitation	Shi
12/2/2011	Closed	Moore Circle PRP 45001	Greene
12/15/2011	Closed	Moore Circle PRP 45001	Woodbury
12/19/2011	Closed	Moore Circle PRP 45001	Greene
1/4/2012	Closed	Moore Circle PRP 45001	Laferrara
1/13/2012	Closed	165 Old County Home Road SS Rehabilitation	Struop Jr., Trustees
1/26/2012	Closed	Central Avenue GSR	West Revocable Living Trust
1/27/2012	Closed	Willowbrook Road Sanitary Sewer Rehabilitation	Lannom
2/3/2012	Closed	165 Old County Home Road SS Rehabilitation	Baker
2/20/2012	Closed	165 Old County Home Road SS Rehabilitation	Almond
2/20/2012	Closed	165 Old County Home Road SS Rehabilitation	Almond
2/21/2012	Closed	Bradley Branch Road GSR	Thomas, et. al.
3/9/2012	Closed	Brookcliff Drive PRP 59001 Sewer Replacement	Boosinger
3/9/2012	Closed	Dilling Avenue GSR	White
3/22/2012	Closed	Brookcliff Drive PRP 59001 Sewer Replacement	Champion
3/29/2012	Closed	Brookcliff Drive PRP 59001 Sewer Replacement	Reems Creek Valley Fire Dept. Inc.
3/30/2012	Closed	Brookcliff Drive PRP 59001 Sewer Replacement	Beaverdam Volunteer Fire Department Inc.
4/2/2012	Closed	Meadow Lark Road GSR	Rhodes
4/3/2012	Closed - Modification	Gladstone Road 4" Main	Kavanagh
4/11/2012	Closed	Central Avenue GSR	Sparks
4/20/2012	Closed	Brookcliff Drive PRP 59001 Sewer Replacement	Perry
5/9/2012	Closed	Brookcliff Drive PRP 59001 Sewer Replacement	Hargrove
5/18/2012	Closed	Old US 70 @ Grovemont Avenue	Otto
5/18/2012	Closed	Macon Ave @ Sunset Parkway GSR	St. Mary's Episcopal Church
5/18/2012	Closed	Old US 70 @ Grovemont Avenue	Williams
5/29/2012	Closed	Old US 70 @ Grovemont Avenue	Wright
6/15/2012	Closed	Old US 70 @ Grovemont Avenue	Berry

Total Closings by Agent: 37

Grand Total Closings: 55

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

<i>Project</i>	<i>Total ROW Budget</i>	<i>Total Expends to Date</i>	<i>Comment</i>
Brookcliff Drive PRP 59001 Sewer Replacement	\$11,905	\$6,155	Project 100% complete with 52% of Total Budget expended and no condemnations.
Central Avenue GSR	\$25,424	\$600	Access 50% complete with 2% of Total Budget expended to date.
Dingle Creek Interceptor (formerly Ph II)	\$64,657	\$48,004	Access 100% complete with 74% of Total Budget expended to date. One condemnation filed with judgment pending. Construction pushed from 7/10 to 7/14.
Forest Hill Drive #2 PRP	\$117,349	\$102,608	Access 100% complete with 87% of Total Budget expended to date. Two condemnations filed. Board approved Tinnaro settlement of \$35,500. Ankeney judgment pending.
Givens Estate Sanitary Sewer Rehabilitation	\$49,137	\$20,890	Access 88% complete with 43% of Total Budget expended to date. One condemnation anticipated.
Long Shoals Road PRP	\$340,584	\$219,443	Access 100% complete with 64% of Total Budget expended to date. Three condemnations filed; two settled prior to trial; one trial pending.
Lower Smith Mill Creek Rehabilitation	\$350,324	\$315,620	Access 100% complete with 90% of Total Amended Budget expended to date. Ten condemnations filed; two have been dismissed, seven settled prior to trial and one trial pending.
Macon Ave @ Sunset Parkway GSR	\$39,284	\$8,724	Access 17% complete with 22% of Total Budget expended to date.
Merrimon Avenue @ Stratford Road GSR	\$55,854	\$44,030	Access 100% complete with 79% of Total Budget expended to date. One condemnation filed with judgment pending. Construction pushed from 7/11 to 7/12.
Mt. Vernon Place GSR	\$48,120		Neighborhood hostile to project. Only two out of 16 owners have indicated they may sign.
Old Home @ Weaverville Highway PRP	\$100,394	\$99,277	Access 100% complete with 99% of Total Budget expended to date. Market values much greater than tax values in this corridor and appraised damages were high. One condemnation filed with judgment pending.
Old US 70 @ Grovemont Avenue	\$51,786	\$2,100	Access 15% complete with 4% of Total Budget expended to date.
Short Coxie @ Southside	\$165,652	\$109,953	Access 67% complete with 66% of Total Budget expended to date. Five condemnations/declaratory judgments filed. Two settled for appraised damages; three judgements pending.

<i>Project</i>	<i>Total ROW Budget</i>	<i>Total Expends to Date</i>	<i>Comment</i>
Town Mountain Road 4" Main Rehabilitation	\$14,992	\$5,500	All three parcels owned by the same person who is unwilling to grant easement. Condemnations filed with judgments pending. 37% of Total Budget expended to date.
West French Broad Interceptor Extension	\$126,962		Master plan project. One owner hostile to project. One owner just passed away. Two owners asking for significant compensation increases. Project to be constructed by developer.