

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
SEPTEMBER 19, 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, September 19, 2012. Chairman Aceto presided with the following members present: Bryson, Creighton, Haner, Kelly, Manheimer, Pelly, Root, Russell, Stanley, VeHaun and Watts:

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, PA., Steve Shoaf and Phil Kleisler with the City of Asheville, Joseph Martin with Woodfin Sanitary Water & Sewer District, Nelda Holder with Mountain Xpress and MSD Staff, Ed Bradford, Peter Weed, Jim Hemphill, Stan Boyd, Mike Stamey, Ken Stines, Matthew Walter, Scott Powell, Angel Banks and Sondra Honeycutt.

2. Inquiry as to Conflict of Interest:

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

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

Mr. Aceto asked if there were any changes to the Minutes of the August 15, 2012 Board Meeting. Mr. Haner moved the Minutes be approved as presented. Mr. Watts seconded the motion. Voice vote in favor of the motion was unanimous.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. Aceto welcomed Mr. Shoaf, Mr. Kleisler, Mr. Martin and Ms. Holder. There was no public comment.

6. Report of General Manager

Mr. Hartye announced there will be a Planning Committee meeting October 4th at 10 a.m. to discuss private sewer issues involving the public health and the potential water/sewer consolidation.

Mr. Hartye presented a list of highlighted accomplishments for fiscal year 2012. He reported the Capital Improvement Program Division administered a CIP budget of \$19,687,776 with in-house personnel; actively managed 106 projects/line items within various stages of the program; rehabilitated 52,641 Linear Feet (LF) of collection system during FY12 which includes 30,209 LF through contract construction, 21,081 LF in-house by System Services and 1,351 LF by developers, and completed construction of the Lake Julian Phase III Interceptor project.

The System Services Division achieved an average response time of 33 minutes to customer service requests during regular working hours and 34 minutes after hours with the First Responder and Night Crew. In-house crews cleaned 873,077 LF of mainline; mechanically removed or chemically treated 110,921 LF of pipeline for roots; completed CCTV inspection of 335,007 LF of pipeline and Smoke tested 162,000 LF of pipeline and identified several areas of inflow and infiltration, and cleared 90,000 LF of right-of-way.

The Administrative Services Division (information Technology IT) completed rewiring of the Treatment Plant Emissions Control Room on the roof of the Treatment Plant. This increased speeds and reliability for Emissions PC in addition to providing extra wiring. In addition, the phone systems in all facilities will be replaced before the end of the month.

The Wastewater Treatment Division received the National Association of Clean Water Agencies (NACWA) "Peak Performance Award" for the tenth consecutive year for treatment plant compliance. The construction phase of the Final Microscreen Replacement Project is near completion with only punch list items remaining, but is operational at this time, and have contracted with Power Secure to monitor, maintain and exercise the 2 MW back-up generator at the WRF.

The Finance Division received the GFOA "Excellence in Financial Reporting" award for the Comprehensive Annual Financial Report (CAFR) for FY ending June 30, 2011; received the GFOA "Distinguished Budget" award for the Budget Document prepared for FY ending June 30, 2012; Staff has leveraged the GIS Flex System and P&D application data with MSD's respective member agencies customer data to check for unbilled sewer customers and renegotiated variable rate liquidity and remarketing agreements.

The Human Resources Division will continue using 3 Streams Medical in providing HouseCalls at zero cost to the employees; overhauled the medical insurance program by identifying and contracting with a new Third Party Administrator, Re-insuring Company, and a more cost efficient Pharmacy Benefits Manager.

Mr. Hartye presented emails regarding the great customer service provided by Herman Shelton, Grady Brooks and Alan Knighten.

Mr. Hartye presented an article from the Mountain Xpress regarding Private sewer problems for which he and Ken Stines will give a short presentation.

Mr. Hartye reported Private Systems are those systems that are not maintained by MSD. There are two types; "Claimed and Unclaimed." Claimed systems have a known ownership and maintenance structure in place via a company, organization, HOA, etc. Currently the MSD policy allows these only for single properties (regardless of property size) and are permitted and regulated through NCDENR-DWQ. He presented slides showing examples of Claimed Private Systems i.e. Apartments, UNCA and Ridgecrest. He further reported that Unclaimed Private Systems have no ownership structure in place. These sewers came about through various means i.e., parents owned several acres and gave parcels to their children, connecting their service lines together or a developer who constructed sewer systems as part of a subdivision, but left no ownership structure in place. Typically, these sewers are not constructed to public standards; they are usually of poor pipe quality, no manholes, laid in a crooked manner and were never accepted by any entity (public or private) for operation and maintenance. He stated many property owners discover they are on a private system only after there is a problem. Owners have been paying MSD for sewer service, so they naturally assume MSD will take care of it, but the municipality never assumed ownership of their system, so it was never transferred to MSD for ownership or maintenance.

Mr. Hartye reported at Consolidation, MSD agreed to create a program to address these problems. The District will accept these lines for maintenance and rehabilitation if they are a public health threat, and/or cited for SSO's by NCDENR or property owners form an informal group and MSD works with a designated person to gather forms, etc. and each connected homeowner signs an agreement to donate all easements so MSD can go in and replace or repair the lines if necessary. Typically MSD will go in and fix the line then determine where it fits on the priority list. He stated that some of these lines will be fixed fairly soon and others may be put on a list to maintain. He further stated

MSD is obligated to “spend no more than” \$200k per fiscal year, per the Consolidation Agreement. MSD budgets \$100k per year for planning. He presented a slide showing Completed Rehabilitation projects; System Services Maintained Systems and the location of those who have called in with private sewer issues for which information was sent about the program. Mr. Hartye called on Mr. Stines to address the article in Mountain Xpress.

Mr. Stines reported a homeowner will call MSD to say there is smelly water on their property. On average MSD receives about 350 calls per year and staff will go out and investigate the problem. Sometimes it’s a water leaks, storm drains, ground water or a sewer leak. In order to determine if it’s a sewer leak, staff will take a sample and have it tested at Pace Laboratory. Of the 350 calls, 125 or so turn out to be private lines. Some are taken care of quickly by the homeowner, however on occasion; it is someone else’s sewer on their property.

He presented slides showing the location of a sewer leak at 18 Beechwood Road. He sated crews went out and discovered a large hole in the back yard with sewer coming out of it. MSD knew it did not have sewer lines in the area, so crews set out to determine, by contour lines, to whom the line belonged. After this was done, different color dye tablets were distributed to the suspected homes which they are asked to flush down their toilets. From this procedure, crews can pinpoint who is tied onto the line. If there is doubt about other homes in the immediate area, crews will smoke test their sewer lines. Prior to this being done, door hangers are hung on each home and the fire department is notified. He presented slides showing smoke testing in the main line and smoke coming out of a house vent. From this test, it was determined there were three homes on this line which would qualify for Private Sewer Rehabilitation (PSR). However, two of the owners did not want to sign a right-of-way through their property. As a result, the line no longer qualified. The owner responsible for the leak called a plumber and found out he had to put in a costly pump system he could not afford. Mr. Stines stated there was nothing further MSD could do since the line was on private property and NCDENR-DWQ could not intervene since the leak did not affect water quality. After a few months the owner took care of the problem. Mr. Pelly asked why two homes in the subdivision are on a private system while others are on a public system. Mr. Stines stated these homes do not have basement plumbing, but the homes that were developed later had basements with plumbing and the subdivision was not designed for this.

Mr. Stines presented slides showing a leak in the Kenilworth Lake area that went on for several months. After dye and smoke testing, it was determined the leak was coming from the Kenilworth Apartments which ties into the MSD line and since there is only one owner on this line, it is not eligible for (PSR). Mr. Stines stated the owner eventually did a point repair to fix the problem, but since this is Orangeburg pipe, he feels the problem will return.

Mr. Stines presented a slide showing the location of a line at Dew Waite Road near Ridgecrest. He reported MSD received a call in 2010 about a sewer leak on this line and MSD went out to look at it and told the owner it was a private line. The owner called a plumber and fixed the problem. In May of this year, MSD received a call about a leak on the same line. MSD went to check it out and told the owner it was a private line and determined he and two other owners were tied onto the line and that they would have to get together and fix the line. The owner that called felt it was not his responsibility since he was tied on downstream so decided to cut the other two owners service lines off and cap them. They in turn called MSD about the situation. Mr. Stines stated he met with Mr. Cranford with NCDENR-DWQ and went out to the property. Mr. Cranford informed the owner he could not cut and cap their service. By doing so, he was altering the collection system and had to put it back the way it was; even though the sewer was leaking into his back yard. Mr. Stines stated he talked to Mr. Cranford last week and it’s

his understanding the owner called him saying he was tired of sewer running across his property and he planned to cap the lines off again; no matter the consequences. As a result, the other owners are seeking legal advice. Mr. Hartye stated if the property owners had been agreeable, MSD would go in and repair the line. The problem is getting onto private property, even though there is an obvious public health hazard. He further stated staff met with the County to determine who could be the lead agency in this situation. In talking to the Buncombe County Board of Health, they were amenable in taking the lead and recently passed a resolution identifying this as a public health hazard. Because of the seriousness of the problem, the resolution will be presented to the Planning Committee for consideration followed by a recommendation to the MSD Board.

Mr. Hartye continued with his report. He stated the Planning Committee will meet October 4th at 10 a.m. The Right of Way Committee Meeting scheduled for September 26th will be rescheduled. The next regular Board Meeting will be held October 17th at 2 p.m. The Employee Picnic will be held September 20th at the Maintenance Facility.

7. Consolidated Motion Agenda:

a. Consideration of Bids – Sanitary Sewer Rehabilitation Project – Scenic View Drive PRP:

Mr. Hartye reported the project is located in Swannanoa and runs along Old US 70 and Scenic View Drive and is comprised of 1,619 linear feet of 8-inch DIP. The following bids were received and opened September 6, 2012: Huntley Construction Co., with a total bid of \$308,312.25; Capitol Construction & Grading with a total bid of \$254,315.00; Terry Brothers Construction Co. Inc., with a total bid of \$254,315.00 and Carolina Specialties, LLC with a total bid of \$249,450.00. Staff recommends award of the contract to Carolina Specialties, LLC in the amount of \$249,450.00, subject to review and approval by District Counsel.

b. Consideration of Developer Constructed Sewer Systems: Fairview Road, Dollar General Market, Olive Garden, Buncombe County Emergency Services Training Center and Buncombe County Animal Shelter.

Mr. Hartye reported the Fairview Road sewer extension project is located in the City of Asheville and included the installation of approximately 540 linear feet of 8” gravity sewer to serve a ten (10) unit residential development. The Dollar General Market sewer extension project is located inside the District boundary off Smoky Park Highway in the City of Asheville. The project included the installation of approximately 100 linear feet of 8” gravity sewer to serve a two (2) unit commercial development. The Olive Garden sewer extension project is located inside the District boundary off Airport Road in the City of Asheville. The project included the installation of approximately 500 linear feet of 8” gravity sewer to serve a two (2) unit commercial development. The Buncombe County Emergency Services Training Center Sewer Extension and Relocation Project is located inside the District boundary at the intersection of Riverside Drive and Canoe Lane in the Town of Woodfin. The project included the installation of approximately 2,800 linear feet of 8” gravity sewer to serve a two (2) unit commercial development along with relocation of approximately 3,025 linear feet of force main. The Buncombe County Animal Shelter Sewer Extension Project is located inside the District boundary off Pond Road in the City of Asheville. The project included the installation of approximately 70 linear feet of 8” gravity sewer to serve a two (2) unit commercial development. Staff recommends acceptance of the developer constructed sewer systems. All MSD requirements have been met.

c. Cash Commitment/Investment Report – Month Ended July 31, 2012:

Mr. Powell reported that Page 2 presents the makeup of the District's Investment Portfolio. There has been a \$5.3 million dollar decrease from the previous month report. This is a direct result of the District meeting its 7/1 debt service obligation. Page 3 is the MSD Investment Manager's Report as of the month of August. The weighted average maturity of the investment portfolio is 491 days and the yield to maturity is \$0.87% and exceeds MSD bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 4 is an analysis of the District's cash receipts. Monthly domestic sewer revenue is considered reasonable based on historical trends. Monthly and YTD Industrial Sewer Revenue as well as Facility & Tap fees are considered reasonable based on historical trends. Page 5 is an analysis of the District's Expenditures. Monthly and YTD expenditures are considered reasonable based on historical trends. Page 6 is the MSD Variable Debt Service report. Both the 2008 A&B Series bonds are performing better than budgeted expectations. As of the end of August, both issues have saved District customers \$5.7 million dollars in debt service since April 2008.

Mr. Watts moved the Board approve the Consolidated Motion Agenda as presented. Mr. Stanley seconded the motion. With no discussion, roll call vote was as follows: 12 Ayes; 0 Nays.

8. Old Business:

Mr. Aceto called on Mr. Pelly for a report on the City of Asheville Work Session held September 18th. Mr. Pelly reported to better comply with the language of the Legislation which says "Should the interested governments craft their own solution for consolidation, which achieves all the objectives of the Committee, before the 2013 North Carolina General Assembly convenes, due consideration would be given to the local plan. Action will not be taken if the parties are engaged in good-faith negotiations on this matter," City Council invited the State Delegation to meet to report on the efforts made on behalf of the City. Representing the State Delegation were Representatives Susan Fisher and Chuck McGrady. The report began with Water Resources Director, Steve Shoaf updating the legislators on the City's work to date to comply with the Legislative Committee's recommendation, followed by a report by Esther Manheimer and some conversation between Council and the State Delegation on how best to comply with the intent of the legislation.

Mr. Hartye reported MSD's kickoff meeting was held August 1, 2012. At that time a website was made available containing information from all of the people involved in the study as well as MSD information. A follow-up meeting is scheduled for September 25, 2012. MSD is waiting for some updated rehab information from the City and an updated rate model from Raftelis. He further reported there was some e-mail back and forth pertaining to the City of Asheville agreeing to consultant interviews with key personnel. He stated this has changed somewhat in that MSD was only allowed to submit written questions for which the City has provided some answers. He further stated in addition to studying what the Legislative Research Committee proposed, the City is also studying the impact of absorbing the MSD. As a result, MSD was recently sent a large information request which staff is reviewing. Mr. Haner asked Mr. Pelly if Representative McGrady had any response to what the City had done or the direction it's going. Mr. Pelly stated Representative McGrady felt the City was doing everything asked of it, but regardless of that, it's very likely this legislation will come up in January. Ms. Manheimer stated he did say he felt that if a compromise could be crafted between the two entities it might be given consideration. Mr. Haner asked about the timeline for a merger and what Representative McGrady would consider reasonable. Ms. Manheimer stated Representative McGrady is reasonable in talking about if this is

going to happen and what's the better way to do it than not. Mr. Pelly stated he heard Representative McGrady would not be sponsoring the legislation, but would be a co-sponsor instead.

9. New Business:

None

10. Adjournment:

With no further business, Mr. Aceto called for adjournment at 2:50 p.m.

Jackie W. Bryson, Secretary/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 9/19/12

✓	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 August 15, 2012 Board Meeting.	Aceto	2:10	
	03. Discussion and Adjustment of Agenda	Aceto	2:15	
	04. Informal Discussion and Public Comment.	Aceto	2:20	
	05. Report of General Manager	Hartye	2:30	
	06. Consolidated Motion Agenda	Hartye	2:45	
	a. Consideration of Bids – Sanitary Sewer Rehabilitation Project – Scenic View Drive PRP	Hartye		
	b. Consideration of Developer Constructed Sewer Systems: Fairview Road, Dollar General Market, Olive Garden, Buncombe County Emergency Services Training Center and Buncombe County Animal Shelter.	Hartye		
	c. Cash Commitment Investment Report as of July 31, 2012	Powell		
	07. Old Business	Aceto	3:00	
	08. New Business	Aceto	3:05	
	09. Adjournment (Next Meeting 10/17/12)	Aceto	3:10	

APPROVAL OF MINUTES

**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. Vebaun 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

REPORT OF GENERAL MANAGER

MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: September 14, 2012
SUBJECT: Report from the General Manager

- Update on Water Study

There will be an MSD Planning Committee on October 4th and 10 am.

- MSD Accomplishments FY 2012

Attached is a list of accomplishments for MSD for fiscal year 2012. I will go over some highlights at the meeting.

- Kudos

Please see the attached emails regarding the great customer service provided by Herman Shelton, Grady Brooks , and Alan Knighten.

- Reading

Attached is an article from the Mountain Xpress regarding Private sewer problems.

- Private Sewers Presentation

Staff will give some background concerning private sewer problems and some potential resolutions.

- Board/Committee Meetings/Events

There will be a Planning Committee at 10:00 am on October 4th. The next Right of Way Committee will be held September 26th at 9am. The next Regular Board Meeting will be October 17th, at 2 pm.



Metropolitan Sewerage District of Buncombe County

Accomplishments for Fiscal Year 2012

Capital Improvement Program Division

- Administered a Capital Improvement Program budget of \$19,687,776 with in-house personnel.
- Actively managed 106 projects/line items within the program. These are projects ranging from preliminary design to recently completed.
- 52,641 Linear Feet (LF) of collection system were rehabilitated during FY12. This includes 30,209 LF rehabilitated through contract construction, 21,081 LF rehabilitated in-house by System Services, and 1,351 LF rehabilitated by developers.
- Completed construction of the Lake Julian Phase III Interceptor project. This was the largest collection system project in the CIP at 8,194 LF and \$2.5 million.
- Administered the construction phase of the Final Microscreen Replacement Project. Final Completion is expected Fall 2012.
- Added 15 capital projects to the CIP for FY12 and beyond. Additionally, 12 in-house projects were added during FY11-12 for System Services to construct. Design is complete or active for 11 of these projects, and 6 have been constructed as of August 7, 2012.
- Acquired Rights-of-Way across 55 separate properties.
- Performed progress reviews of plans and easement documents on 27 acquisitions for three City of Asheville Annexation projects.
- Settled nine condemnation actions, saving further expenses of trial.
- Researched and corrected 50 corrupted Parcel Identification Numbers (PIN) so that linked data was available for interface with GIS.
- Published leadership article in *Right of Way Magazine*, an international publication for Right of Way professionals.
- Responded to multiple building encroachments, grading, and other public easement inquiries.
- GIS Section Participated in community based events such as Mountain Regional Geographic Advisory Council (MRGAC).
- GIS section redesigned the whole back-end geodatabase schema and data using the best practices in the GIS Water/Wastewater community. This was done by using the Local Government Information Model format to reduce customization and costs. In addition, this

facilitates the ability for future plug and play performance and also prepares for the upcoming Granite XP and Cityworks software implementations.

- Led the Cityworks and Granite XP software implementation projects.
- Administered formal contract construction of 15 capital projects, and inspected 1 extension project.
- Actively pursued project coordination with local municipalities. Coordination is accomplished by participation in the local Utilities Coordinating Committee, the CIP Budget being sent to local municipalities, sending internal (System Services) projects directly to COA Water staff, and partnering when various opportunities arise.

System Services Division

- Achieved an average response time of 33 minutes to customer service requests during regular working hours.
- Achieved an average response time of 34 minutes to customer service requests after hours with the Night First Responder and Night Crew.
- Achieved goal of one hour response time to customer service request.
- Responded to 1,420 customer service calls during regular working hours.
- Responded to 1,061 customer service calls after hours and holidays.
- Cleaned 873,077 LF of mainline with in-house crews.
- Mechanically removed or chemically treated 110,921 LF of pipeline for roots.
- Completed CCTV inspection of 335,007 LF of pipeline.
- Smoke Tested 162,000 LF of pipeline and identified several areas of inflow and infiltration. This also assisted Finance in identifying over thirty homes connected to MSD who were not being billed.
- CCTV'd approximately 42,000 lf of the newly acquired Avery's Creek Sewer District.
- During the months of May and June, crews had to respond to 3 emergency repairs at the Weaverville #1 Force Main. This took extreme team work and coordination between Maintenance and Construction. Due to these combined efforts, the repairs were made in a timely manner with minimal environmental impact.
- Completed 523 emergency and scheduled construction repairs.
- Installed 208 taps.
- Completed 436 manhole repairs.
- Rehabilitated 12,239 LF of pipeline with in-house crews through dig and replace construction.
- Completed 18 IRS repairs resulting in the rehabilitation of 2,134 LF of pipeline with in-house crews.

- Utilized the trenchless method of boring for 1,937 LF of mainline pipeline replacement and pipe bursting for 968 LF of mainline pipeline replacement to reduce and/or eliminate expensive pavement and surface restoration costs.
- Installed 3,803 LF of point repairs with in-house crews by repairing line sections
- Cleared 90,005 LF of right-of-way
- Continuing paving restoration contract with the City of Asheville for FY 11-12.
- Coordinated (5) joint venture projects with the City of Asheville Water Department to facilitate overall cost savings for both agencies.
- MSD's Flow Motion Operations Challenge Team won 1st place overall in the statewide Operations Challenge Event which was held at the annual NC AWWA State Conference. The win earned the team the right to represent the entire state of North Carolina at the National WEF Conference in 2012. The team also won first place in the Virginia WEA invitational event held in June, 2012.
- Established a Construction Safety Committee to facilitate discussion, review, and update safety procedures and policies for the Construction Division.
- Passed surprised OSHA Safety Inspection on October 18, 2011 with no conditions being found that warranted citation.

Administrative Services Division

Fleet Management

- The Biodiesel program began in July 2003. By end of June 2012, MSD purchased more than 650,000 gallons of B20 replacing more than 130,000 gallons of fossil fuel with oil made from soybeans. This renewable energy also serves to lower air pollution emissions by a corresponding twenty percent.
- The use of E10 (10 percent ethanol) for all gasoline powered vehicles acts to fulfill MSD's commitment to alternative "green" energy choices. FY12 purchases exceeded 15,000 gallons.
- Maintained an 85% work order completion rate for direct labor on vehicles versus shop time (85% target).

Information Technology (IT)

- Rewiring of Treatment Plant Emissions Control Room on the roof of the Treatment Plant. Rewiring increased speeds and reliability for Emissions PC. Included addition of extra/redundant wiring set in cause of failure.
- Implementation of fourth Dell EqualLogic SANs to support growth of GIS Department and imagery archiving. As well as increasing storage for upcoming Cityworks/Granite projects.
- Installed new (second) GIS database server to support and give way for development of FLEX Web GIS application. Increased file redundancy and overall file access speeds. New Blade offers GIS ability to have old server as a staging area for in house testing.
- Implementation of disaster recovery from Dell EqualLogic SANs to recover lost files with

one hour or less downtime.

- Maintained VPN/GoToMyPC access path for remote MSD office at Buncombe County Permit location. Enables user to access all MSD resources off site in secure fashion.
- Rolled out over 30+ laptop replacements/installations, 25+ desktop replacements and/or installations for MSD users.
- Assisted in planning and oversight of OCE plotter/scanner for Engineering Division.
- Continued use and growth of Dell Blade Container and Dell Servers for future MSD infrastructure growth.
- Maintained a running IT inventory to aid in fastest response time for users with hardware and software problems. We have cut down fix times from days to hours using items in our stocked inventory. Nearly all problems solved SAME DAY.
- Upgraded ALL 17" LCD monitors to 20" or above LCD/LED for 100% of MSD employees.
- Continued to maintain numerous methods of tracking and record keeping for IT issues; this includes, inventory, computer and printer tracking, network mapping, and especially software licensing, etc.
- Implementation of new Internet Service Provider for MSD. New provider offers increased capacity for public web requests and faster GIS Mapping services.
- NC One Call Software Upgrade for System Services.
- Replaced Treatment Plant control room wiring system with new cabling racks and conduit. All wiring organized and labeled for current and future IT employees.
- Replaced black and white, low resolution campus security cameras with color, higher resolution models. Increasing accuracy and reliability of camera security.

Wastewater Treatment

- Received the National Association of Clean Water Agencies (NACWA) "Peak Performance Award" for tenth consecutive year acknowledging Treatment Plant compliance
- Final Microscreen Replacement Project – construction phase nearing completion and preparing for start-up in early September.
- Contracted with Power Secure to monitor, maintain and exercise the 2 MW back-up generator at the WRF. The third phase of the electrical upgrade project, including additional generation has begun.
- Began hydrogen sulfide testing/study of the South interceptors.
- WRF SCADA – continued improvements to plant, remote pump station & flow monitoring SCADA.
- Continued comprehensive WRF process monitoring/evaluation – RBC and solids separation/removal.
- Continued hydrogen sulfide (H₂S) gas detection/monitoring system at Carrier Bridge Pump Station – liquid and vapor phase odor control program
- Continued structural systems improvements at WRF and pump stations
- Continued/Expanded Grease Public Education – local schools, civic groups, advertising
- Procurement of new work order database for WRF Maintenance section which will utilize current data history

- Major pump rehabilitation of #2 & #3 influent pumps
- Upgrades made to the grease removal system
- Started data collection to evaluate ammonia removal
- Finalize SUO to adopted the EPA's Streamlining Rule
- Installed new grinder for Erwin Hills Pump Station.

Finance Division

- Received the GFOA "Excellence in Financial Reporting" award for the Comprehensive Annual Financial Report (CAFR) for FY ending June 30, 2011.
- Received the GFOA "Distinguished Budget" award for the Budget Document prepared for FY ending June 30, 2012.
- Implemented revisions to monthly board reports with the objective to increase the transparency and understanding of the District's financial condition.
- As part of auditor recommendations, continued billing agency review initiated in FY10. District's staff has leveraged GIS flex system and P&D application data with our respective member agencies customer data to check for unbilled sewer customers. To date staff has review approximately 90% of billing agencies water only customers and found approximately 400 customers amounting to \$375,000 of annual review.
- Continuation of paperless office initiative started if FY10. Finance's goal is to have a completely paperless office in five years. To date staff is approximately 50% completed.
- Renegotiated variable rate liquidity and remarketing agreements to eliminate provider contagion while saving the District approximately \$40,000 in annual savings.
- Called \$535,000 of the 1999 Series Revenue Bonds. The District achieved \$24,000 in interest expense savings.
- Assisted Human Resources in substantive changes in the District's self-insurance plan to achieve ongoing financial sustainability.

Human Resources

- Identified impending retirements and coordinated additional training for "critical position" replacements
- Continued use of 3 Streams Medical in providing HouseCalls, medical attention at zero cost to the employee; expanded services into flu and other shots
- Overhauled the medical insurance program by identifying and contracting with a new Third Party Administrator, Re-insuring company, and a more cost efficient Pharmacy Benefits Manager
- Continued on-site Mission Hospital staff treating smoking cessation and chronic conditions services
- Provided educational and financial trainings for employees (Elder Care, 401k/457, etc.)
- Increased Employee Relations activities: Co-ed Softball team, Heart Disease Awareness day, Breast Cancer Awareness Day, publish Monthly Wellness newsletter for health related issues, retirement events,
- Coordinated United Way "Day of Caring"
- Held 2nd "Wellness Day" focusing on Spouse & dependent benefits education

Safety & Environmental Health

- Safety programs continue to maintain Risk insurance premium rate below 1.0
- Maintained a Lost Workday Case rate less than 50% of the NAICS' SIC code
- Completed ArcFlash training (NFPA 70) for WWTP maintenance personnel
- Coordinated "Trenching & Shoring" training for SSD
- Revised "Lockout/ Tagout" procedures with WWTP maintenance personnel
- Coordinated "Safe Driving" training for all District employees
- Tested noise levels across the District resulting improved PPE usage for employees
- Simplified the ISO 14001 annual "Aspect Evaluation Process"
- Coordinated Risk Insurer inspection of MSD facilities

Planning and Development

	FY10	FY11	FY12
Allocations Issued	100	80	95
Sewer Service Applications Approved	1,094	1,007	1,106
Allocation, Facility and Tap Fees	\$1,654,010	\$2,238,171	\$2,334,364
Affordable Housing Rebates	\$88,840	\$27,420	\$28,790
Plans Reviewed	147	46	50
Permits Issued	33	33	33
Permit Fees	\$19,800	\$19,800	\$21,450
Preconstruction Conferences	12	13	17
Final Inspections	16	24	26
Systems Transferred	16	22	22
Value of Systems Transferred	\$947,201	\$1,040,824	\$2,047,550
Systems Transferred Linear Feet	10,400	26,361	24,486
Civil Penalties Collected	\$0	\$0	\$0
TRC Projects	22	28	42
Grading Permits	17	31	13
Minor Subdivision Plats Approved	60	39	39
Unclaimed Sewer Projects	12	12	7
Cost Recovery Paid	\$0	\$23,549	\$0

Subject: MSD Help

Date: Thursday, August 23, 2012 9:59:26 AM Eastern Daylight Time

From: Ed Euler

To: Hartye, Tom

Tom - I got your name from my son, Curt Euler who is the Associate Buncombe County Attorney.

Lsst Thursday (Aug 16), I had a backup in my cleanout due to root growth. Evidently, the pipe is broken about 6 feet down and allows roots to grow in. This has happened before and your crew has temporarily chopped out the root growth. This time the maintenance man made an extra effort to completely clean out the roots with a high pressure water, and then pour a liberal amount of root killer to hopefully fix the problem permanently. Unfortunately, I did not get the gentleman's name, but I want to complement him on his professionalism and willingness to help. Thanks, again. MSD did a great job.

Ed Euler
32 Pinnacle Point
Asheville, NC 28805

Herman Shelton

Subject: FW: Attaboy

Date: Friday, August 31, 2012 4:24:51 PM Eastern Daylight Time

From: Hemphill, Jim

To: Hartye, Tom

From: Tolley, Lisa

Sent: Friday, August 31, 2012 3:51 PM

To: Hemphill, Jim; Stines, Ken; Bryant, Eric; Thomas, Pam

Subject: Attaboy

Mack Cox at #8 Greenbriar Road called and left a message on August 20 thanking Grady Brooks for the special help he gave him with his sewer stoppage. He said Grady had it unstopped in 2 minutes. He thanked him for the good services and wanted to express his appreciation to all the fellas.

Thanks,

Lisa Tolley

Office Administrator

System Services Division

Metropolitan Sewerage District

2028 Riverside Drive

Asheville, NC 28804

828-225-8240

Subject: FW: RECOGNITION TO ALAN KNIGHTEN

Date: Saturday, September 1, 2012 10:23:01 AM Eastern Daylight Time

From: Hemphill, Jim

To: Hartye, Tom

From: Tolley, Lisa

Sent: Friday, August 31, 2012 5:15 PM

To: Hemphill, Jim; Stines, Ken; Bryant, Eric; Thomas, Pam

Subject: FW: RECOGNITION TO ALAN KNIGHTEN

From: Phillips, Linda

Sent: Wednesday, August 29, 2012 11:26 AM

To: Tolley, Lisa

Subject: RECOGNITION TO ALAN KNIGHTEN

Lisa,

This wasn't really an issue with a sewer problem, but he was at a location the dog park, taking care of work issue, a lady was there from out of town and had lost her car keys and was really upset and Alan came to the rescue and assisted her. Another lady Betsy Gudger was there and she is actually the one that called it in and just wanted M.S.D. to know how helpful Alan was.

Linda

NOT MY PROBLEM

LOCAL AGENCIES POWERLESS TO ADDRESS SEWAGE LEAKS



BY CAITLIN BYRD

The gray sludge arrived at the beginning of March. By the first day of spring, it had grown into an amorphous puddle, slowly surfacing along the fence line of Vickie Bradley's east Asheville home. It quietly killed off the cyclamen she'd planted years ago but had yet to see in full bloom. This was the year she hoped her hard work in the dirt would finally produce the pink petals that always reminded her of butterflies.

At first, Bradley just shrugged and hoped for the best. The puddle didn't seem significant, she reasoned; it would probably be gone in a week. Instead it grew, claiming a 4-by-6 portion of her backyard. One sniff revealed that the mysterious, murky gunk was human sewage. "It smelled putrid," she recalls. "It was this very foul-smelling gray discharge."

Bradley hired a plumber to identify the source of the leak. Those efforts proved futile, but a conversation with a neighbor yielded a clue: Another neighbor had recently had problems with his sewage line.

Wondering whether her neighbor's sewage was somehow making its way to her yard, Bradley called the Metropolitan Sewerage District. Her hunch was confirmed when, one dye test later, the gray sludge briefly turned blue. MSD estimated that a plumber would charge about \$7,000 to fix the problem and install a new pump. But as week after week passed with no sign of progress, a frustrated Bradley says she contacted nine different agencies in an effort to expedite the repair process or put pressure on her neighbor.

Out of Eden: A 4-by-6 puddle of sewage kept Vickie Bradley out of her garden for almost four months while she waited for repairs to be made.

Photos by Max Cooper

Three agencies deal with local sewage issues: MSD, the Asheville office of the state's Division of Water Quality and the Buncombe County Health Department. And not one of them is necessarily empowered to either repair this kind of problem or force a solution.

NO JURISDICTION

Although MSD can administer a free dye test, it's not authorized to repair a sewer line it neither owns nor maintains. As Director of System Services Ken Stines explains, the agency's jurisdiction ends where a private line begins.

"We can work on our main lines, and we'll work 10 feet off of our main lines — what we call a prescriptive easement — to give us the right to maintain and work on our system," he explains. "But we cannot work on lines that run behind houses, and we cannot work on private property."

The sole exception, says Stines, is MSD's Unclaimed Sewer Rehabilitation Program, which addresses situations posing a direct threat to public health and welfare. But it has its own eligibility rules, approved by the MSD board.

"There has to be more than one house tied onto a line, which in this case there's not," he explains. (Bradley's problem was that she lives downhill from the neighbor.) "And it has to be a health

hazard, which it is."

Environmental Health Director Marc Fowler concurs. "What we're talking about is a huge laundry list of bacteria, viruses, parasites and, in some cases, even fungal infections," he explains. "Everything from E. coli to viruses to parasitic infections like cryptosporidium."

Between January and June, MSD received calls about three other such leaks, Stines reports. Usually they're due to aging pipes that the homeowner either can't or won't pay to get fixed.

It's not that MSD doesn't want to help, stresses Stines. "We would do it if we had the power, but there's nothing that says we can," he laments, adding that the Division of Water Quality used to handle these issues.

WHERE'S THE WATER?

Like many state agencies, the Asheville office has faced budget cuts, and a smaller staff has meant narrowing the scope of services, says Chuck Cranford, surface water protection supervisor. Among the three staffers lost in June was the one who painstakingly researched such problems.

"There's no map of these private collection systems: We don't know what houses they're coming out of, or where they go, or whose they are," says Cranford. "So they're very complicated to try and

"THERE'S NO MAP OF THESE PRIVATE [SEWAGE] COLLECTION SYSTEMS, AND WE DON'T KNOW WHAT HOUSES THEY'RE COMING OUT OF, OR WHERE THEY GO, OR WHOSE THEY ARE."

SURFACE WATER PROTECTION SUPERVISOR CHUCK CRANFORD

figure out who's the responsible agency to go into that leak." He says his office typically receives at least one phone call a week about a similar issue.

A state statute allows his agency to step in if the sewage is entering waters over which the state has jurisdiction: rivers, streams, lakes, etc. In Bradley's case, however, the sewage was on solid ground.

"We're a Division of Water Quality," notes Cranford. "So if there's wastewater sitting on the land's surface and it's not getting into waters of the state, then we're kind of limited in what we can do."

The agency can issue a notice of violation if someone fails to get a permit or honor its terms. But when it comes to enforcement, "We're just very limited with our tools here," says Cranford.

THE PAPER CHASE

The third agency, the Health Department, deals primarily with septic tanks, not MSD's system. In any case, the department focuses more on permitting, inspecting and approving septic systems than on repairs.

"We don't have an engineering section that can go out and dig in someone's yard and replace the sewage line for them," Fowler explains.

Still, "If raw sewage is observed on the surface of the ground, Environmental Health can investigate or direct individuals to the appropriate agency," notes Health Director Gibbie Harris. In Bradley's case, however, there didn't seem to be one.

POSSIBLE SOLUTIONS


Bradley's problem finally got resolved in early July after her neighbor called someone to come fix the leak.

Meanwhile, staffers from the three local agencies are putting their heads together to consider ways to cut through the bureaucratic tangle and beef up enforcement capabilities so people who find themselves in Bradley's situation won't have to wait months for their neighbor to repair a faulty sewage system.

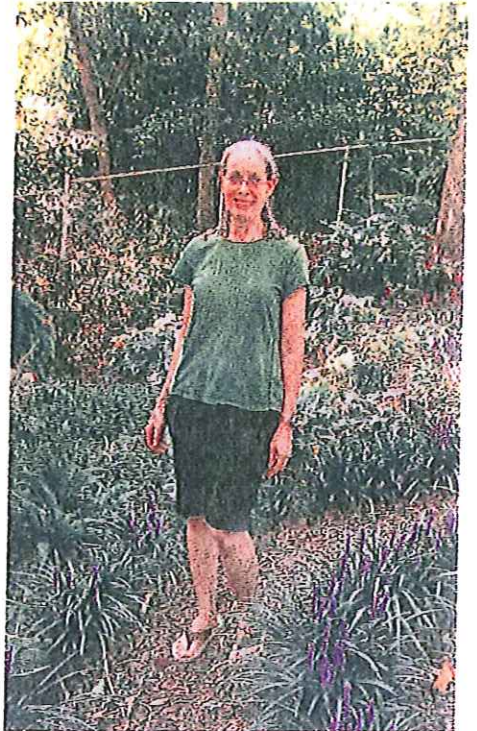
"We just really want to make sure everybody's on the same page and understands whose jurisdiction it is, and who we need to call when we have those issues," Stines reports.

Other Tar Heel counties have found solutions to similar challenges, notes Stanley Boyd, MSD's director of engineering services. In 2004, he notes, Mecklenburg County's Board of Commissioners adopted an ordinance giving the local water-quality agency more enforcement powers. Although the circumstances aren't identical, says Boyd, "The situations are somewhat similar. There was no one who could actually claim responsibility and deal with the issue."

One idea the three agencies here have talked about, he continues, is establishing a financial-assistance program so people could set up a payment plan for sewage-repair costs.

"We're not just looking for a hammer — we're looking for a solution," says Boyd. 

Caitlin Byrd can be reached at cbyrd@mountainx.com, or at 251-1333, ext. 140.



Runaround: Vickie Bradley contacted nine different agencies in an effort to get her neighbor's sewage-line leak fixed.

CONSOLIDATED MOTION AGENDA

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

BOARD MEETING DATE: September 19, 2012

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

PREPARED BY: Ed Bradford, P.E. - Director of CIP
Hunter Carson, P.E. - Project Manager

SUBJECT: Sanitary Sewer Rehabilitation Project: Scenic View Drive PRP, MSD Project No. 2007023

BACKGROUND: This project is for the replacement of an aged six-inch vitrified clay sanitary sewer line.

The project was generated through MSD's Pipe Rating program, which numerically rates pipe segments based on several structural factors. Line segments with high (meaning bad) ratings are then evaluated by an engineer for possible rehabilitation needs.

This project is located in Swannanoa, and runs along Old US70 and Scenic View Drive for its entire length. It is comprised of 1,619 linear feet of 8-inch DIP.

The contract was advertised and four informal bids were received on Thursday, September 6, 2012 at 2:00 PM as follows:

<u>Contractor</u>	<u>Bid Amount</u>
1) Huntley Construction Company	\$308,312.25
2) Capitol Construction & Grading	\$270,107.80
3) Terry Brothers Construction Co., Inc.	\$254,315.00
4) Carolina Specialties, LLC	\$249,450.00

The apparent low bidder is Carolina Specialties, LLC with a bid amount of \$249,450.00. Carolina Specialties, LLC has extensive experience with previous MSD rehabilitation projects, and their work quality has been excellent to date.

Please refer to the attached documentation for further details.

FISCAL IMPACT: The FY12-13 construction budget for this project is \$308,000.00.

STAFF RECOMMENDATION: Staff recommends award of this contract to Carolina Specialties, LLC in the amount of \$249,450.00, subject to review and approval by District Counsel.

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

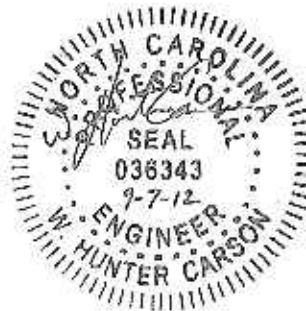
**SCENIC VIEW DRIVE (PRP 29020) SEWER REPLACEMENT
PROJECT NO. 2007023**

**BID TABULATION
September 6, 2012**

BIDDER	MBE Form	Bid Forms (Proposal)	Total Bid Amount
Huntley Construction Company Asheville, NC	1	Yes	\$308,312.25
Capitol Construction & Grading Columbus, NC	2	Yes	\$270,107.80
Terry Brothers Construction Company Leicester, NC	1	Yes	\$254,315.00
Carolina Specialties LLC Hendersonville, NC	1	Yes	\$249,450.00

APPARENT LOW BIDDER

W. Hunter Carson, P.E.
Project Engineer
Metropolitan Sewerage District of
Buncombe County, North Carolina



This is to certify that the bids tabulated herein were publicly opened and read aloud at 2:00 p.m. on the 6th day of September, 2012, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina. This was an informal bid and no bid bond was required.

Interoffice Memorandum

TO: Tom Hartye, General Manager

FROM: Ed Bradford, CIP Manager
Hunter Carson, Project Engineer

DATE: September 7, 2012

RE: Scenic View Drive Sewer Replacement (PRP 29020), MSD Project No. 2007023

The Scenic View Drive Sewer Replacement (PRP 29020) project is located in Swannanoa, approximately ¼ mile west of the Swannanoa Correctional Facility for Women on Old US 70 Highway. The project is located within MSD sub-basin #54. It consists of approximately 1,619 linear feet of 8-inch DIP sewer line along Old US 70 Hwy and Scenic View Drive.

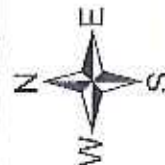
The entire length of the project lies within NCDOT right of way. The subject work was selected per MSD's pipe rating system due to poor condition of the existing 6-inch VCP line segments. Multiple segments of the project were rated 41-48; 57-73 is the highest pipe rating and denotes line segments with the greatest likelihood of failure.

On September 6, 2012, four (4) sealed bids were received at 2:00 pm. Results were as follows:

<u>Contractor</u>	<u>Bid Amount</u>
1) Huntley Construction Company	\$308,312.25
2) Capitol Construction & Grading	\$270,107.80
3) Terry Brothers Construction Co., Inc.	\$254,315.00
4) Carolina Specialties, LLC	\$249,450.00

The apparent low bidder is Carolina Specialties, LLC with a bid amount of \$249,450.00. The FY12/13 construction budget for this project is \$308,000.00. Carolina Specialties, LLC has extensive experience with District rehabilitation and replacement projects and has an excellent performance history.

Staff recommends award of this contract to Carolina Specialties, LLC contingent upon review and approval by District Counsel.



Scenic View Drive - PRP 29020 Project No. 2007023

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map

Metropolitan Sewerage District of Buncombe County, North Carolina

CAPITAL IMPROVEMENT PROGRAM

BUDGET DATA SHEET - FY 2012 - 2013

PROJECT:	Scenic View Drive - PRP 29020	LOCATION:	Swannanoa
TYPE:	Pipe Rated Projects	DATE OF REPORT:	January 2012
PROJECT NO:	2007023	TOTAL L.F.:	1,619
PROJECT BUDGET:	\$319,400.00	PROJECT ORIGIN:	Pipe Rating Program

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	\$5,800.00	\$5,800.00		
55330 - DESIGN				
55340 - PERMITS				
55360 - SPECIAL STUDIES				
55360 - EASEMENT PLATS				
55370 - LEGAL FEES				
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION				
55400 - APPRAISAL				
55410 - CONDEMNATION				
55420 - CONSTRUCTION	\$308,200.00			\$308,000.00
55430 - CONST. CONTRACT ADM.				
55440 - TESTING	\$1,500.00			\$1,500.00
55450 - SURVEY - ASBUILT	\$4,100.00			\$4,100.00
TOTAL AMOUNT	\$319,400.00	\$5,800.00	\$0.00	\$313,600.00

ENGINEER:	MSD	ESTIMATED BUDGETS - FY '13 -'22		
R.O.W. ACQUISITION:	N/A	# PLATS: [0]		
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 Swannanoa along Old US Hwy 70 and		FY 18-19	\$0.00
Scenic View Dr. It consists of approximately 1,619 L.F. of sewer replacement with 8" ductile iron pipe.			FY 19-20	\$0.00
The existing 6" clay pipe is in poor condition. The entire length of the project lies within NCDOT right			FY 20-21	\$0.00
of way.			FY 21-22	\$0.00
SPECIAL PROJECT NOTES:				

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: September 19, 2012

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

PREPARED BY: David Monteith, Kevin Johnson

REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Fairview Road Sewer Extension Project.

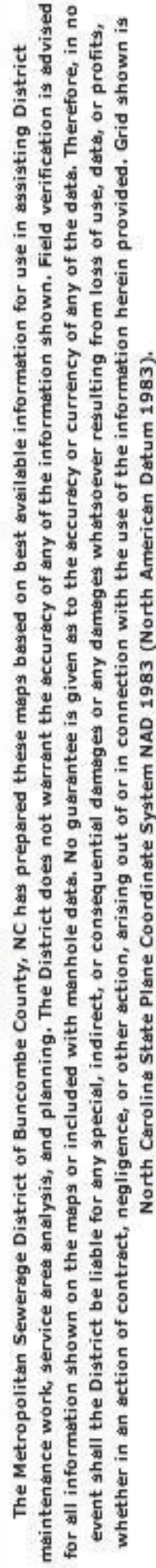
BACKGROUND: This project is located inside the District boundary off Fairview Road in the City of Asheville. The developer of the project is Chris Eller of MM Rent WNC, LLC. The project included the installation of approximately 540 linear feet of 8" gravity sewer to serve a ten (10) unit residential development. A wastewater allocation was issued in the amount of 3,000 GPD for the project. The estimated cost of the sewer extension is \$38,000.00.

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

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

Scale 1:1200

Scale 1:1200



Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: September 19, 2012

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

PREPARED BY: David Monteith, Kevin Johnson

REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Dollar General Market Sewer Extension Project.

BACKGROUND: This project is located inside the District boundary off Smokey Park Highway in the City of Asheville. The developer of the project is Tab Patton of Patton Development. The project included the installation of approximately 100 linear feet of 8" gravity sewer to serve a two (2) unit commercial development. A wastewater allocation was issued in the amount of 17,280 GPD for the project. The estimated cost of the sewer extension is \$12,000.00.

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

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

Dollar General Market MSD Project # 2011048

Printed: Sep 12, 2012

Scale 1:1200



The Metropolitan Sewerage District of Buncombe County, NC has prepared these maps based on best available information for use in assisting District maintenance work, service area analysis, and planning. The District does not warrant the accuracy of any of the information shown. Field verification is advised for all information shown on the maps or included with manhole data. No guarantee is given as to the accuracy or currency of any of the data. Therefore, in no event shall the District be liable for any special, indirect, or consequential damages or any damages whatsoever resulting from loss of use, data, or profits, whether in an action of contract, negligence, or other action, arising out of or in connection with the use of the information herein provided. Grid shown is North Carolina State Plane Coordinate System NAD 1983 (North American Datum 1983).

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: September 19, 2012

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

PREPARED BY: David Monteith, Kevin Johnson

REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Olive Garden Sewer Extension Project.

BACKGROUND: This project is located inside the District boundary off Airport Road in the City of Asheville. The developer of the project is Bill Burgin of Rockwood Road, LLC. The project included the installation of approximately 500 linear feet of 8" gravity sewer to serve a two (2) unit commercial development. A wastewater allocation was issued in the amount of 6,400 GPD for the project. The estimated cost of the sewer extension is \$35,000.00.

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

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

Olive Garden MSD Project #2011074

Printed: Sep 12, 2012

Scale 1:1200



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Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: September 19, 2012

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

PREPARED BY: David Monteith, Kevin Johnson

REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Buncombe County Emergency Services Training Center Sewer Extension and Relocation Project.

BACKGROUND: This project is located inside the District boundary at the intersection of Riverside Drive and Canoe Lane in the Town of Woodfin. The developer of the project is Jon Creighton of Buncombe County. The project included the installation of approximately 2,800 linear feet of 8" gravity sewer to serve a two (2) unit commercial development along with relocation of approximately 3,025 linear feet of force main. A wastewater allocation was issued in the amount of 10,250 GPD for the project. The estimated cost of the sewer extension is \$99,939.00.

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

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

Scale 1: 4370



The Metropolitan Sewerage District of Buncombe County, NC has prepared these maps based on best available information for use in assisting District maintenance work, service area analysis, and planning. The District does not warrant the accuracy of any of the information shown. Field verification is advised for all information shown on the maps or included with manhole data. No guarantee is given as to the accuracy or currency of any of the data. Therefore, in no event shall the District be liable for any special, indirect, or consequential damages or any damages whatsoever resulting from loss of use, data, or profits, whether in an action of contract, negligence, or other action, arising out of or in connection with the use of the information herein provided. Grid shown is North Carolina State Plane Coordinate System NAD 1983 (North American Datum 1983).

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: September 19, 2012

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

PREPARED BY: David Monteith, Kevin Johnson

REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Buncombe County Animal Shelter Sewer Extension Project.

BACKGROUND: This project is located inside the District boundary off Pond Road in the City of Asheville. The developer of the project is Jon Creighton of Buncombe County. The project included the installation of approximately 70 linear feet of 8" gravity sewer to serve a two (2) unit commercial development. A wastewater allocation was issued in the amount of 5,000 GPD for the project. The estimated cost of the sewer extension is \$24,000.00.

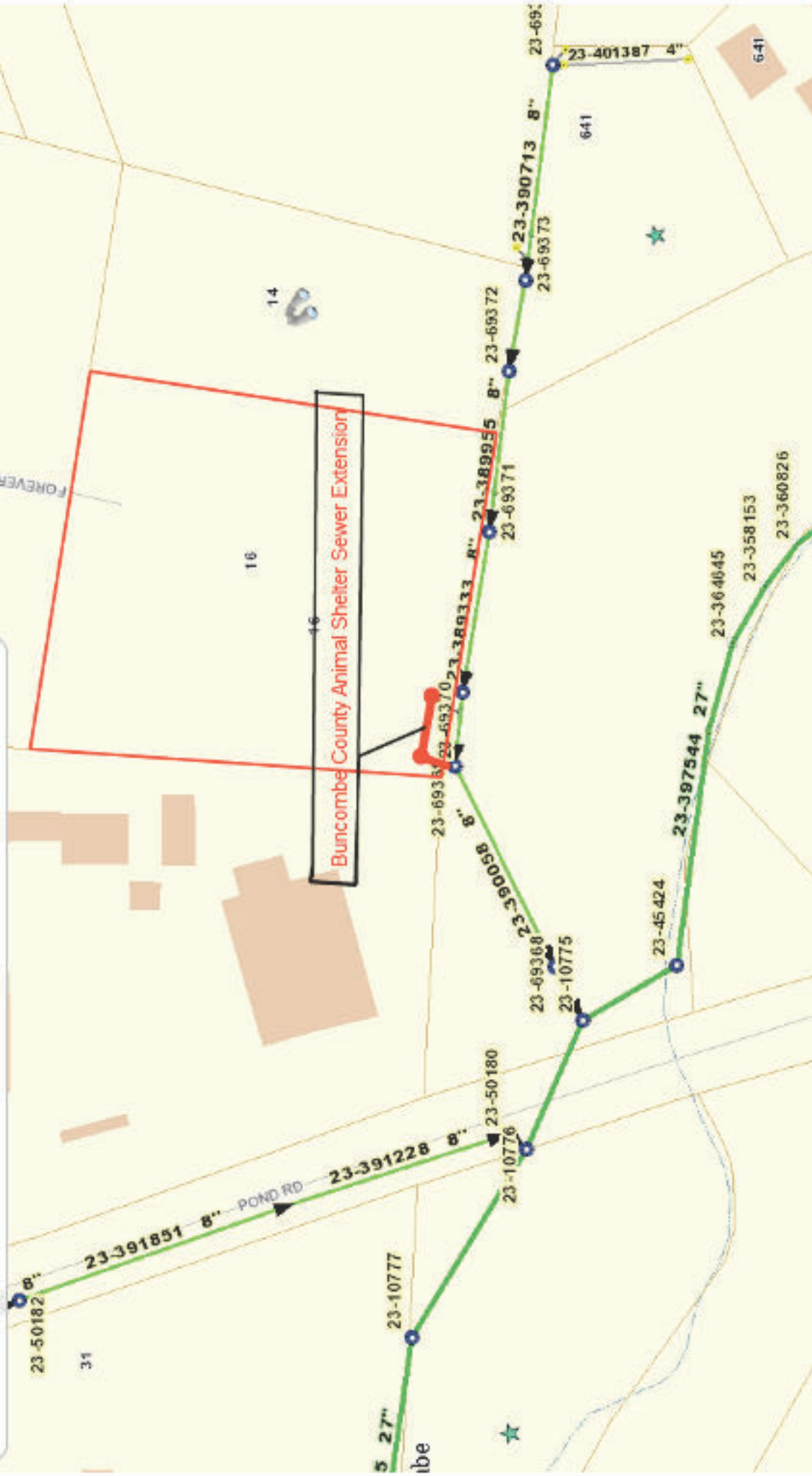
STAFF RECOMMENDATION: Acceptance of developer constructed sewer system.
(All MSD requirements have been met)

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

Buncombe Co. Animal Shelter MSD Project #2007216

Printed: Sep 12, 2012

Scale 1:1200



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Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: September 19, 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 July 31, 2012

Background

Each month, staff presents to the Board an investment report for all monies in bank accounts and specific investment instruments. The total investments as of July 31, 2012 were \$29,336,716. The detailed listing of accounts is available upon request. The average rate of return for all investments is 0.904%. 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 July 31, 2012 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of July 31, 2012 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is (\$15,718,934).

Total Cash & Investments as of 07/31/2012		29,336,716
Less:		
Budgeted Commitments (Required to pay remaining FY13 budgeted expenditures from unrestricted cash)		
Construction Funds	(17,695,512)	
Operations & Maintenance Fund	(13,729,273)	
		(31,424,785)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(18,820)	
Debt Service Reserve	(2,345,957)	
Remaining Principal & Interest Due	<u>(7,445,555)</u>	
		(9,810,332)
District Reserve Funds		
Fleet Replacement	(418,606)	
WWTP Replacement	(627,800)	
Maintenance Reserve	<u>(912,849)</u>	
		(1,959,255)
Post-Retirement Benefit		(875,305)
Self-Funded Employee Medical		<u>(985,973)</u>
Designated for Capital Outlay		<u><u>(15,718,934)</u></u>

Staff Recommendation

None. Information Only.

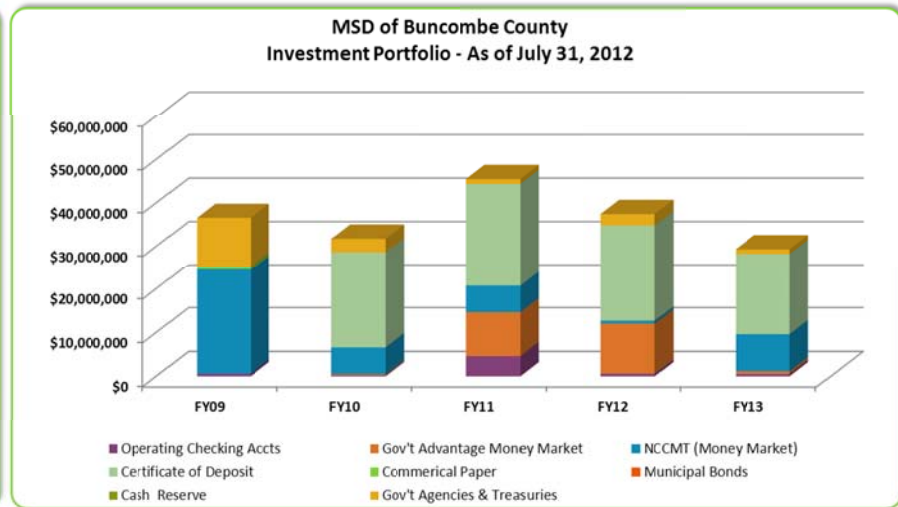
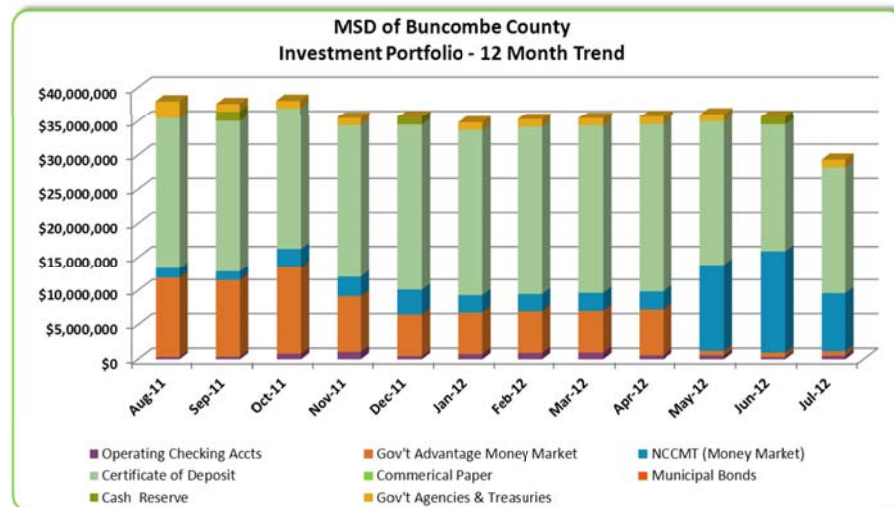
Action Taken

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

Metropolitan Sewerage District of Buncombe County Investment Portfolio

	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -		\$ 18,820				\$ -	\$ 1,116,802	\$ 1,135,622
Held by MSD	521,130	646,301	8,410,312	18,623,351	-	-		-	28,201,094
	\$ 521,130	\$ 646,301	\$ 8,429,132	\$ 18,623,351	\$ -	\$ -	\$ -	\$ 1,116,802	\$ 29,336,716

<u>Investment Policy Asset Allocation</u>	<u>Maximum Percent</u>	<u>Actual Percent</u>	
U.S. Government Treasuries,			
Agencies and Instrumentalities	100%	3.81%	No significant changes in the investment portfolio as to makeup or total amount.
Bankers' Acceptances	20%	0.00%	
Certificates of Deposit	100%	63.48%	
Commercial Paper	20%	0.00%	The District 's YTM of .87% is exceeding the YTM benchmarks of the 6 month T-Bill and NCCMT Cash Portfolio.
North Carolina Capital Management Trust	100%	28.73%	
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		1.78%	
Gov't Advantage Money Market		2.20%	



Board Meeting: September 19, 2012

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

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

Summary of Asset Transactions

	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 26,927,655	\$ 26,927,655	\$ 251,245
Capital Contributed (Withdrawn)	(1,295,860)	(1,295,860)	
Realized Income	1,772	1,772	
Unrealized/Accrued Income		-	18,508
Ending Balance	<u>\$ 25,633,567</u>	<u>\$ 25,633,567</u>	<u>\$ 269,753</u>

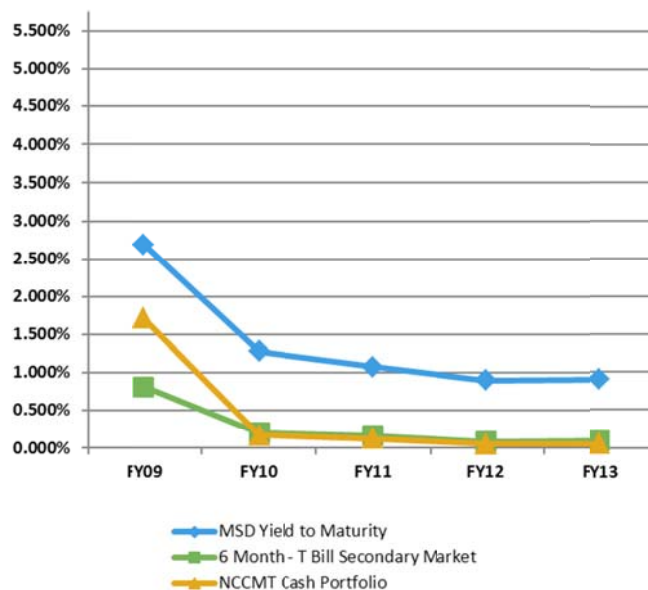
Value and Income by Maturity

	Original Cost	Income
Cash Equivalents <91 Days	\$ 7,010,217	\$ 5,546
Securities/CD's 91 to 365 Days	18,623,351	\$ 14,734
Securities/CD's > 1 Year	-	-
	<u>\$ 25,633,567</u>	<u>\$ 20,281</u>

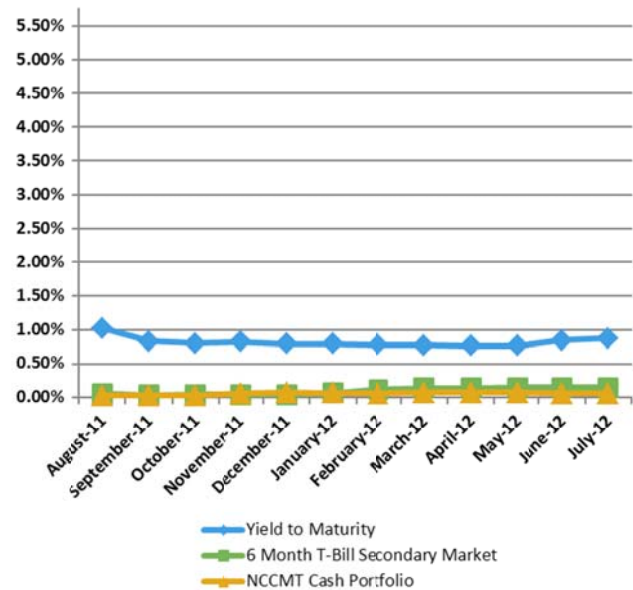
Month End Portfolio Information

Weighted Average Maturity	491
Yield to Maturity	0.87%
6 Month T-Bill Secondary Market	0.15%
NCCMT Cash Portfolio	0.06%

**Metropolitan Sewerage District
Annual Yield Comparison**



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



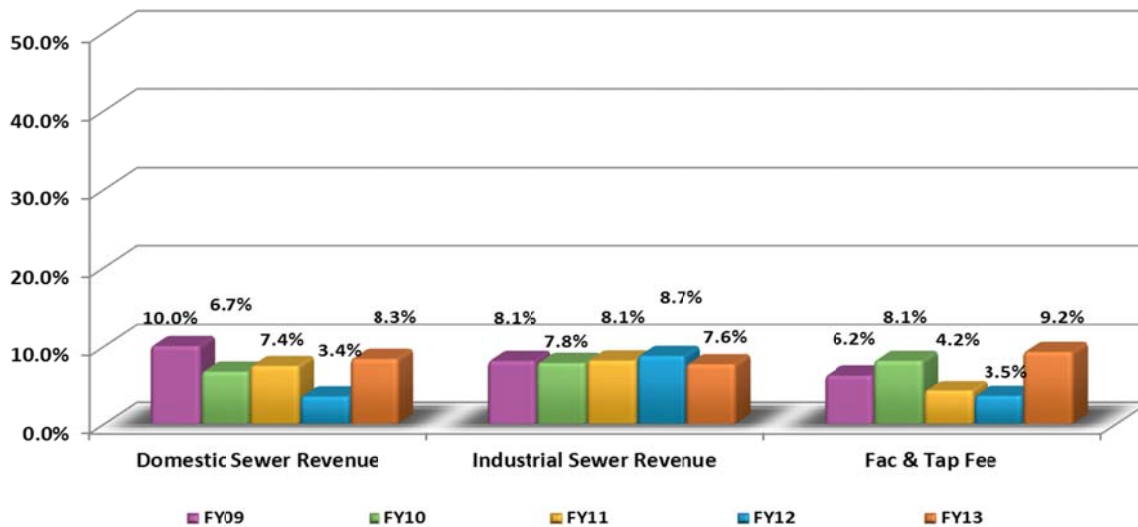
Board Meeting: September 19, 2012

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

Page -4-

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

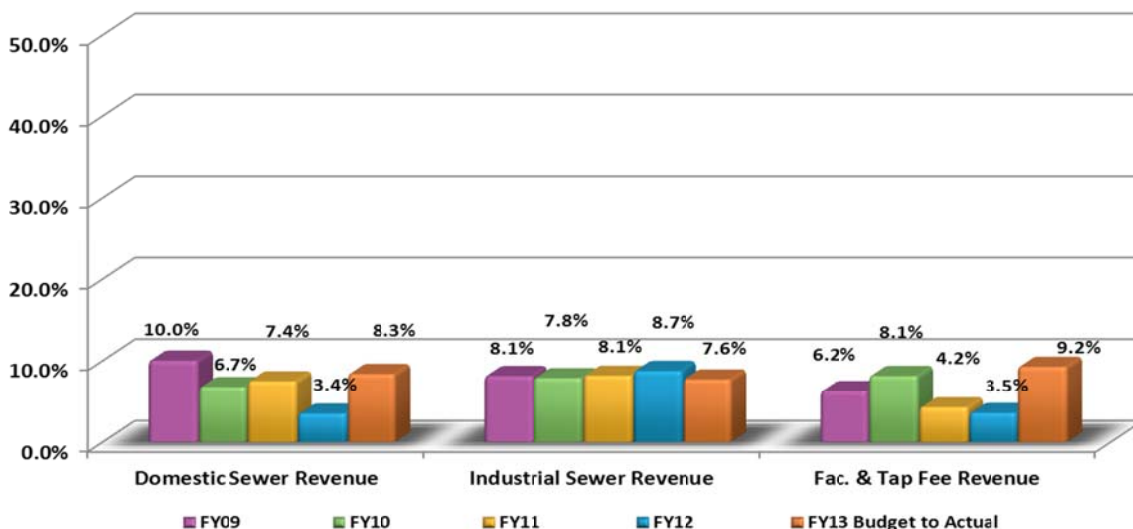
Monthly Cash Receipts Analysis



Monthly Cash Receipts Analysis:

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

YTD Cash Receipt Analysis

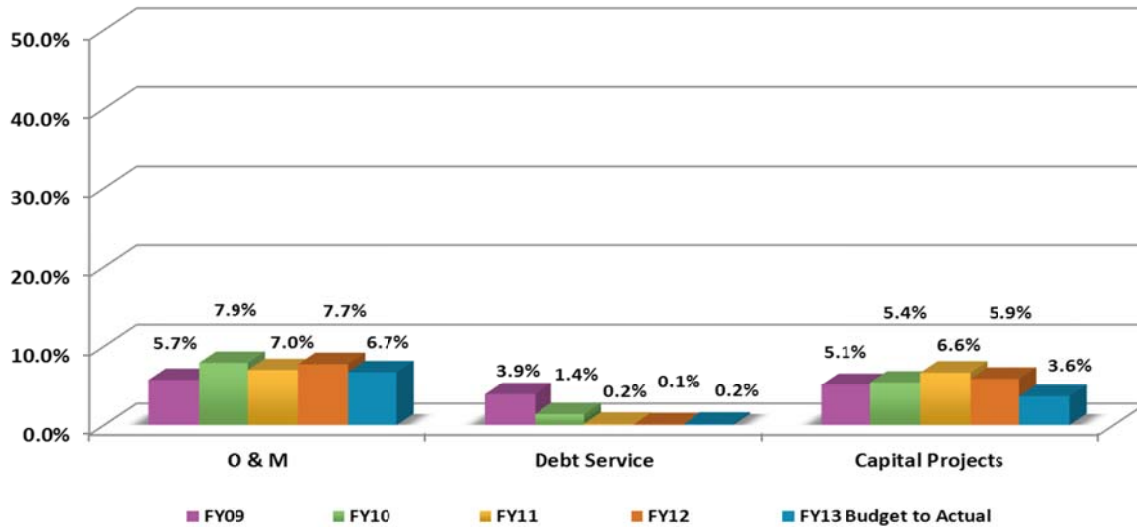


YTD Actual Revenue Analysis:

- YTD domestic sewer revenue is considered reasonable based on historical trends.
- YTD industrial sewer revenue is considered reasonable based on historical trends.
- 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 JULY 31, 2012**

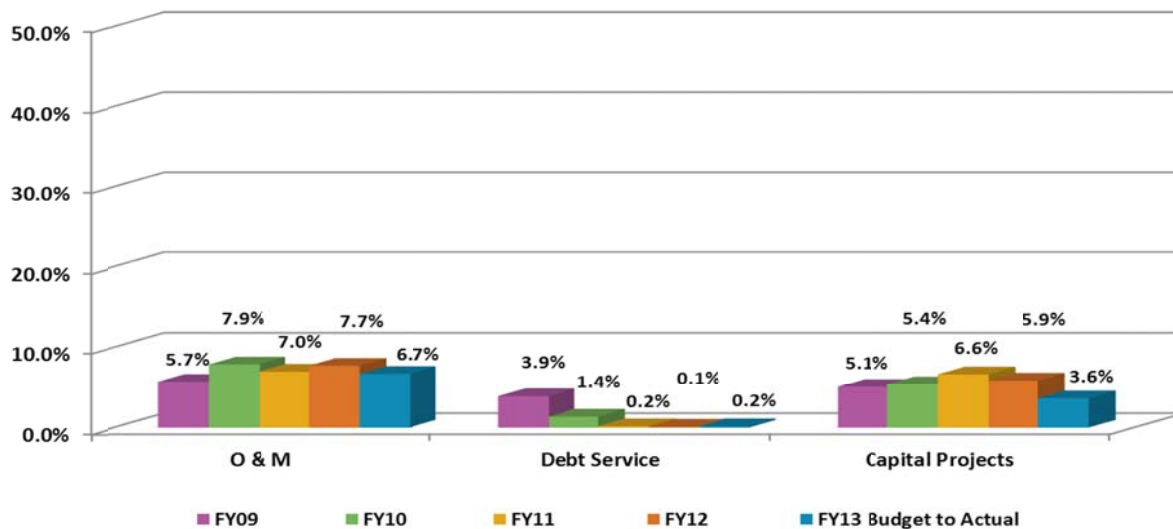
Monthly Expenditure Analysis



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

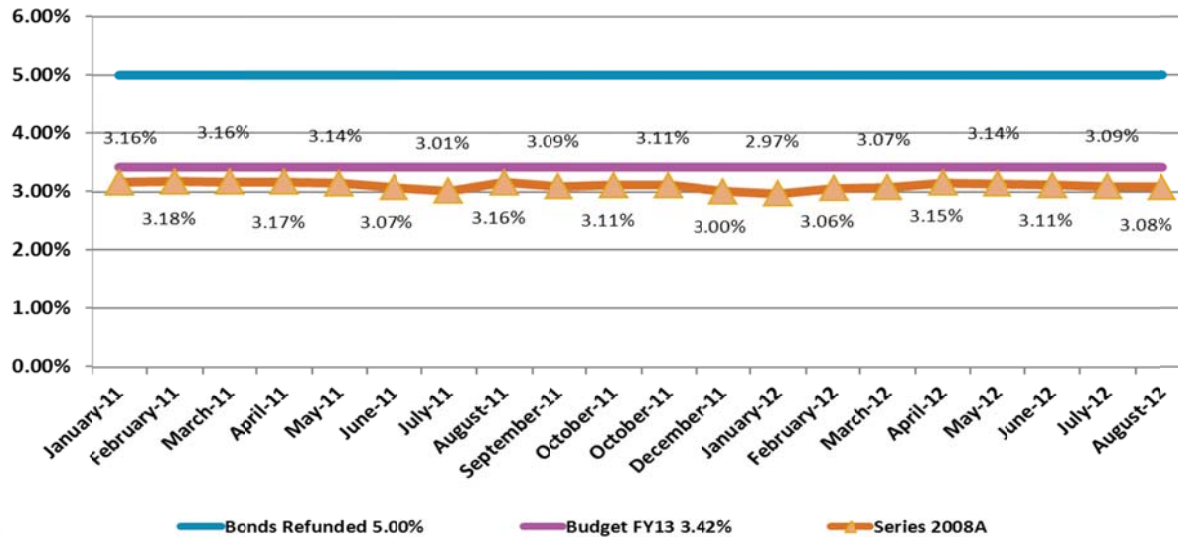


YTD Expenditure Analysis:

- 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.

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

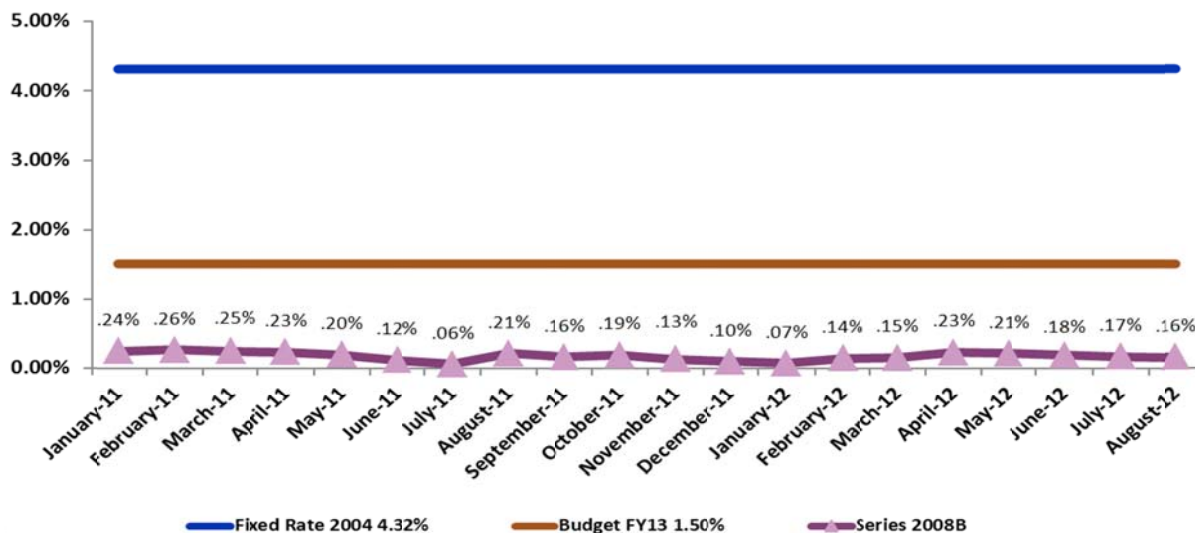
Series 2008A Synthetic Fixed Rate Bonds Performance History



Series 2008A:

- ★ Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$2,346,541 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 4.0475%, MSD will achieve cash savings of \$4,730,000 over the life of the bonds.
- ★ MSD would pay \$6,820,000 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 \$3,366,703 as compared to 5/1 fixed rate of 4.32%.
- ★ Since May 1, 2008, the Series 2008B Bonds average variable rate has been 0.54%.
- ★ MSD will achieve \$8,975,000 in cash savings over the life of the bonds at the current average variable rate.

STATUS REPORTS

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

September 12, 2012

PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
DILLINGHAM ROAD - 4 INCH MAIN	Terry Brothers	3/21/2012	4/16/2012	8/14/2012	\$149,902.00	98%	Informal Project is complete and in close out.
GIVENS ESTATES	TBA	TBA	TBA	TBA	TBA	0%	Formal Project is scheduled to bid on October 4, 2012.
MEADOWLARK ROAD	Terry Brothers	8/15/2012	8/21/2012	12/19/2012	\$64,893.00	90%	Informal Ready for pavement and final inspection.
MOUNTAIN TERRACE - 4 INCH MAIN	Terry Brothers	8/15/2012	8/21/2012	12/19/2012	\$71,085.00	95%	Informal Ready for pavement and final inspection.
NORTH GRIFFING BOULEVARD - 4 INCH MAIN	Terry Brothers	8/15/2012	8/21/2012	12/19/2012	\$146,929.50	0%	Informal Contractor mobilized to site 9/12/12 to begin work.
PATTON AVENUE @ PARKWOOD ROAD	Huntley Construction	1/18/2012	5/11/2012	9/14/2012	\$243,718.16	95%	Informal All sewer construction has been completed as well as concrete sidewalk and curbs. Paving is imminent.
PIPE RATING CONTRACT #6 (LINING)	Improved Technologies Group	10/19/2011	12/5/2011	9/15/2012	\$808,846.50	95%	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	98%	Informal Project is complete and in close out.
SCENIC VIEW DRIVE (PRP 29020)	TBA	TBA	TBA	TBA	TBA	0%	Informal Bids were opened on September 6th. Carolina Specialties is the apparent low bidder. Project will be presented at the September Board meeting.
SHORT COXE AVENUE AT SOUTHSIDE AVENUE	Cana Construction	7/18/2012	9/4/2012	3/3/2013	\$866,521.50	0%	Formal Preconstruction meeting was held on August 22nd. No work has begun yet.
WRF - CRAGGY HYDRO FACILITY REPAIRS - CONTROL COMPONENTS UPGRADE	Innovative Solutions of NC	7/12/2012	N/A	3/31/2013	\$100,717.72	0%	Informal This is to upgrade the old control panel at the Hydro Facility. In additon to this, Turbine No. 2 is being repaired as well.
WRF - ELECTRICAL IMPROVEMENTS	Haynes Electric	8/15/2012	9/10/2012	6/7/2013	\$1,061,900.00	0%	Formal Generators and switchgear purchased by MSD are on-site. Preconstruction meeting was held on September 4th. Contractor working on shop drawings and began to mobilize on September 11.
WRF - FINAL MICROSCREEN REPLACEMENT	Hickory Construction	10/20/2010	1/3/2011	9/30/2012	\$8,972,321.36	95%	Formal Effluent has been sent into the building and testing is ongoing. Preliminary punchlist has been generated and Contractor working on same.

*Updated to reflect approved Change Orders and Time Extensions

Planning and Development Projects Status Report
September 19, 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
	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
	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
	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
	Ridgefield Business Park	2004188	Asheville	18	758	2/16/2005	Complete-Waiting on final documents
Subtotal				973	31,755		

Planning and Development Projects Status Report
September 19, 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	2417	98,348
Total Units:	3,390	
Total LF:		130,103