

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
JUNE 12, 2013

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board and Public Hearing on the Budget for FY 2014 was held in the Boardroom of MSD's Administration Building at 2:00 p.m., Wednesday, June 12, 2013. Chairman Aceto presided with the following members present: Belcher, Bryson, Frost, Kelly, Pelly, Russell, Stanley, VeHaun and Watts. Ms. Manheimer and Mr. Root were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, P.A., Joseph Martin with Woodfin Sanitary Water & Sewer District, Barry Summers and MSD Staff, Stan Boyd, Peter Weed, Scott Powell, Jim Hemphill, Mike Stamey, Ken Stines, Matt Walter, Hunter Carson, Roger Watson, Julie Willingham, 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. Mr. Aceto asked to be excused from voting or deliberation on the (Parameter Generation and Control Relocation project) of the Consolidated Motion Agenda.

3. Approval of Minutes of the May 15, 2013 Board Meeting:

Mr. Aceto asked if there were any changes to the Minutes of the May 15, 2013 Board Meeting. Mr. Kelly noted that Item 10, paragraph 3, line 6 should be changed to read: "Mr. Clarke". With no further changes, Mr. VeHaun moved for approval of the Minutes as amended. Mr. Belcher 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. Martin and Mr. Summers. Mr. Aceto called for public comment. Mr. Summers asked to address the Board.

Mr. Summers asked if MSD was going to amend the Arcadis Study to reflect the loss of the Sullivan Act transfers to the City of Asheville's general fund that was just passed by the Legislature. Mr. Hartye asked when it was made law. Mr. Summers replied, last week. Mr. Hartye agreed that it would impact the savings; however there would still be savings under scenarios 2 and 3. Mr. Hartye stated that if there was to be an update to the study it would have to include any and all changes to date. He further stated there has been significant changes for instance with the North Fork Dam study that indicated approximately \$34 million in repairs are needed (which would have to be rectified with only \$12 million that was included in the budget that was provided to MSD). The City is still in that budget process. He said there are many parts to the study and that if this issue ever exits the lawsuit, that would be a better time to update to include any changes that legal suit may present. Mr. Hartye asked if the City has updated their study for this issue and the other errors that were found regarding allocation of expenses. Mr. Aceto stated what is good for the goose is good for the gander. Mr. Watts stated that the Arcadis Study has a date on the cover and is therefore based upon the facts and circumstances at that time.

6. Report of General Manager:

Mr. Hartye reported that a public hearing will be held on the Final Budget and Rates for FY 2014. The full FY 2014 Budget is on the MSD website under Board

Agenda. He further reported that a few copies of the full FY 2014 Budget Book and a copy of a bulleted synopsis of the proposed budget are available.

With regard to Water/Sewer Consolidation, Mr. Hartye reported there will be a Court Hearing August 6, 2013 regarding the Preliminary Injunction.

Mr. Hartye announced that Angel Banks was selected as the IRWA Region 6 Professional of the Year for her outstanding contributions and leadership and has been an active member of the IRWA for over 20 years. Mr. Aceto presented Angel with the award presented to her at the IRWA regional meeting. Mr. Hartye stated the IRWA has nearly 10,000 members in 83 chapters across the US, Canada, and Africa and expressed his congratulations to Angel.

Mr. Hartye presented a copy of a letter from Nancy Moss of Wild Cherry Road regarding Eric Bryant. He presented a copy of a letter from E.C. Bradley, Sr. of Stonebridge Drive regarding the crew of Lloyd Anders, Gilbert Karn, Ben Reeves and Eric Dawson and a letter from Julia Stanley of Trinity Chapel Road regarding the efforts of crew Roy Lytle, Dale Dillingham, Robert Denny, Mitch Metcalf and John Mull. Also, a call was received on May 7th from Rebecca Elder in Black Mountain thanking the above crew for being helpful and timely in their work for her neighborhood.

Mr. Hartye reported the Annual French Board River Cleanup was held May 24th from Woodfin Park to Ledges Park. Volunteers picked up 24 bags of trash and debris. He expressed his thanks to all volunteers and especially to Sandra Moore for leading up the effort. He further reported that the Dynamic Duo of Lisa Tolley and Kay Farlow worked the MSD booth at both the Home and Garden Expo at the WNC Ag Center on April 20th and the VA Hospital Earth Day Fair on April 22nd. He expressed his thanks for representing MSD.

With regard to the April 30th Sanitary Sewer Overflow (SSO), Mr. Hartye reported the District received a Notice of Violation May 29th and has responded with requested information.

Mr. Hartye reported the Right of Way Committee Meeting scheduled for June 26th at has been cancelled. The next Right of Way meeting will be held July 24th at 9 a.m. The next Regular Board Meeting will be held July 17th at 2 p.m.

7. Consolidated Motion Agenda:

a. Consideration of Developer Constructed Sewer Systems: MWB Sewer Extension Phase 1; MWB (Peace) Sewer Extension Phase 2; Brookgreen at Crest Mountain Phase 1C; Parameter Generation and Control Relocation, and The Larchmont Apartments:

Mr. Hartye reported on the following projects:

The MWB Construction Sewer Extension Phase 1 project is located inside the District boundary off Providence Terrace in the Town of Montreat and included the installation of approximately 285 linear feet of 8" gravity sewer to serve a single family residence.

The MWB Construction (Peace) Phase 2 Sewer Extension project is located inside the District boundary off Providence Terrace in the Town of Montreat and included the installation of approximately 90 linear feet of 8" gravity sewer to serve a single family residence.

The Brookgreen at Crest Mountain Phase 1C sewer extension project is located inside the District boundary off Ben Lippen Road at Crest Mountain in the Town of Woodfin and included the installation of approximately 201 linear feet of 8" gravity sewer to serve a four (4) unit residential subdivision.

The Parameter Generation and Control project is located inside the District boundary off Old US Hwy 70 in the Town of Black Mountain and included the relocation of approximately 545 linear feet of 8" gravity sewer to make room for construction due to business expansion. The project also included rehabilitation of approximately 200 linear feet of existing sewer. As a result, approximately 320 linear feet of existing 6" sewer line with related appurtenances and easement will be abandoned as part of this project.

The Larchmont Apartments Sewer Extension project is located inside the District boundary off Merrimon Avenue in the City of Asheville and included the installation of approximately 20 linear feet of 8" gravity sewer to serve a sixty (60) unit multi-family residential development. Staff recommends acceptance of the developer constructed sewer systems. All MSD requirements have been met.

b. Consideration of Bids – Sodium Hypochlorite Contract:

Mr. Hartye reported the Water Reclamation Facility is required to disinfect the effluent prior to discharge to the French Broad River and Sodium Hypochlorite is used for this purpose with an estimated usage for 2013-2014 of 200,000 gallons. The following bids were received and opened on May 28, 2013: JCI Jones, Charlotte, NC with a bid of \$0.67 per gallon/\$134,000.00 and Univar, Spartanburg, SC with a bid of \$0.82 per gallon/ \$164,000.00. Staff recommends the Board award the contract for the supply of Sodium Hypochlorite to JCI Jones at a unit price of \$0.67 per gallon.

c. Consideration of Bids – Sodium Bisulfite Contract:

Mr. Hartye reported that following Chlorine Detention time/frame disinfection, the Water Reclamation Facility is required to neutralize any remaining Chlorine in the water prior to discharge to the French Broad River. Sodium Bisulfite is used for this purpose with an estimated usage for 2013-2014 of 100,000 gallons. The following bids were received and opened on June 3, 2013: Southern Ionics, West Point, MS with a bid of \$1.165 per gallon/\$116,500.00; Specialty Chemical, Cleveland TN with a non-responsive bid; Brenntag, Charlotte, NC with a non-responsive bid, and JCI Jones, Charlotte, NC with a bid of \$1.20 per gallon/\$120,000.00. Staff recommends that the Board award the contract for the supply of Sodium Bisulfite to Southern Ionics at a unit price of \$1.165 per gallon.

d. Consideration of Procurement – Bioxide for Odor and Hydrogen Sulfide Control Contract:

Mr. Hartye reported that MSD has been conducting a nine month testing and evaluation of Bioxide ® Solution for odor and hydrogen sulfide control in the South French Broad Interceptor. The product has successfully minimized the adverse effects of sulfide formation in wastewater that attacks cement piping and equipment while no odor complaints have been logged at the French Broad River Park adjacent to Carrier Bridge Pump Station. Bioxide ® Solution is a patented product manufactured by Siemens Industry. Pursuant to NC Purchasing Statutes for Sole-source purchases (143-129(e)(6) and MSD Procedures, this procurement request is presented to the MSD Board for approval. Based on estimated use, FY14 expenditures for Bioxide ® are anticipated to be \$136,000.00 and are within levels budgeted by the WRF. Staff recommends the Board award the contract for the supply of Bioxide ® to Siemens Industry at a unit price of \$2.84/gallon.

e. Consideration of MSD Paving Agreement with the City of Asheville for FY13-14:

Mr. Hartye reported this agreement is for asphalt and concrete (patching) restoration of public roads and sidewalks within the Asheville City Limits which have a size of approximately 300 SF or less. The District entered into an agreement with the City on July 1, 2011 wherein the District would pay the City an annual contribution to a Paving Enterprise Fund. All permit fees would be waived, and pavement restoration would be performed by the City's in-house paving crews. MSD and the City have worked together over the last several months to facilitate an agreement for FY14. The City will provide monthly reports to MSD for review and monitoring. The District's monetary contribution for the proposed FY14 agreement with the City is \$532,000.00. The FY13/14 contract for non-City paving is with French Broad Paving and was presented and approved at the June, 2012 MSD Board Meeting. Staff recommends the District execute an agreement with the City of Asheville in the amount of \$532,000.00 for patching public roads within the Asheville City Limits for Fiscal Year 2013-2014. Award is contingent upon review and approval by District Counsel. Mr. Aceto asked about the nature of the check marks under "A.1.Scope" of the contract with the City of Asheville. Mr. Powell replied that this is a form contract that applies to other parties such as Storm Water Department and Gas Company and that A1a. does not apply to MSD whereas A1b. and A1c. do apply to MSD.

f. Cash Commitment Investment Report – Month Ended April 30, 2013:

Mr. Powell reported that Page 2 presents the makeup of the District's Investment Portfolio. There has been no significant change in the makeup of the portfolio from the prior month. Page 3 is the MSD Investment Manager Report as of the month of April. The weighted average maturity of the investment portfolio is 341 days. The yield to maturity is 0.74% and exceeds MSD bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 4 is an analysis of the District's April Cash Receipts. Monthly and YTD domestic sewer revenue is considered reasonable based on timing of cash receipts in their respective fiscal periods. YTD industrial revenue is trending below budgeted expectations. YTD Facility and Tap fees are above historical trends due to the timing of cash receipts as well as impact fees being budgeted conservatively. Page 5 is an analysis of the District's April Expenditures. Monthly and YTD expenditures are considered reasonable based on historical trends. Page 6 is the MSD Variable Debt Service Report. Both the 2008 A&B Series are performing better than budgeted expectations. As of the end of May, both issues have saved District rate payers \$2.65 million dollars in debt service since April 2008.

Mr. Aceto called for discussion. With no discussion, Mr. Aceto called for the question. Mr. Pelly moved the Board approve the Consolidated Motion Agenda as presented, except for the (Parameter Generation and Control Relocation project). Mr. Watts seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

Mr. Stanley moved the Board approve the Parameter Generation and Control Relocation project. Ms. Frost seconded the motion. Roll call vote was as follows 9 Ayes; 0 Nays. Mr. Aceto was excused from voting.

8. Public Hearing: Consideration of Resolution Adopting the Final Budget and Sewer Use Charges for FY 2013-2014:

MINUTES OF PUBLIC HEARING

At 2:42 p.m., Mr. Aceto declared the Public Hearing open on the Final Budget, Rates & Fees for Fiscal Year 2013-2014 and called on Mr. Powell to present the Budget.

Mr. Powell reported behind the Introduction section is the District's Budget message. Included in the message is the following: Current Year Highlights with domestic and industrial revenue expected to meet budgeted projections. The Operating Budget section outlines the proposed \$14.9 million operations and maintenance budget and proposed changes for the upcoming year. The Capital Improvement Program section outlines the proposed \$16.7 million construction budgets as well as the outstanding debt and debt service. The Sewer Rate Increase section outlines the past five-years domestic rate increases and the proposed FY14 domestic rate increase of 2.5%. Mr. Belcher asked if there is a potential that the recommended rates could be lowered if there are increased revenues from expansion. Mr. Hartye responded that it is possible, but there are many factors that impact rates on both the revenue and the expense side of the equation. One of the reasons why rate projections have gone down over the last few years is due to impact fees from new development. MSD typically projects these in a conservative manner since they are not recurring revenues. If they come in higher due to increased development, then this helps reduce the amount needed in rate increases going forward. If MSD needs to spend significant amounts for new or future regulations, this will impact long term rates as well. He further stated since MSD projects at least 10 years out to determine the current year rate recommendation, the changes to the rate projections adjust in a small tempered way. Mr. Powell stated in the NACWA Report where these rates were shown, when you're looking specifically at sewer entities, the EPA Region IV which is the Southeast is projecting for the next six years an average of 5.5%, whereas MSD is only projecting 2.5%. With regard to Knoxville Proper, their rates over the last three years have gone up from \$15.00 to \$44.00 for an average user per month; directly due to a \$500 million dollar Consent Decree to address infrastructure needs. Mr. Hartye stated that in general terms the wastewater industry itself, because they are playing catch-up, is greater than the CPI which is up from 2.5% to the 5 and 6% range. Mr. Pelly stated in the years before now, MSD has been averaging 3 to 3.5% increases, so why is it now 2.5% looking into the future? Mr. Powell stated a lot of factors are involved; some of that is directly due to MSD staff working with its member partners in finding customers connecting onto the system, which had an annual impact of \$450,000. When you add \$450,000 and projecting that for 10 years you will see the impact. In addition, general growth has occurred and depending on the CIP needs going back over the last 10 years, the cost savings on these projects due to the recession, has been carried over to future years which has a direct impact not only on timing of debt service, but future cost. Mr. Clarke stated that by approving this budget, the Board is not adopting any rate increases other than for this year, but MSD is required to have a 10-year financial plan for its collection system permit which is also a great tool for dealing with the rating agencies. Mr. Powell stated this speaks directly to MSD's current ratings.

Mr. Powell reported behind the Policies & Process Section is a description of the budget process including the Statutory and Bond Order requirements, budget administration and if needed budget amendments. Page 13 briefly describes the forecasting methodology and includes the current business plan which outlines the current year proposed budget as well as estimates of needs for the next nine years. On Page 29 is the proposed \$40,847,453 FY14 budget which incorporates the following:

- 2.5% domestic rate increase
 - 67 cent increase in the average single family monthly bill
 - Monthly bill will go from \$27.14 to \$27.81
- Continuation of the Industrial Rate Parity Plan
 - In year 14 of 20
 - 3.5% average increase for the industrial section
- Facility and Tap fee remain at 2012 levels (no increase)
- 1.0% Rate of Return on investments

- 1.45% increase in Salaries and Benefits which has an impact of \$176,999. Includes Personnel Committee recommendations as to Cola, Self-insurance Funding and GASB 45 OPEB Funding as well as State increases in retirement contribution; requiring all municipal units of governments to contribute to the State Unemployment Fund.
- .84% increase in Materials Supplies and Service which has an impact of \$50,162.

Mr. Powell further reported Page 37 is the Operation & Maintenance Section which is a detailed accounting of the proposed FY14 budget by department as well as current year projected and prior years actual. Page 93 is the Insurance Fund section which is an overview of the various insurance funds along with their respective proposed FY14 budgets and FY12 actuals and current year projected. Page 97 is the Replacement Fund section which is an overview of the various equipment replacement funds along with their respective proposed FY14 budgets and FY12 actuals and current year projected. Page 101 is the CIP Program section. This section is an overview of the CIP program run by the Engineering Department along with their proposed current year budget and projection of needs for the upcoming nine (9) years. Page 125 is the Debt Financing section. This section is an overview of debt management as well as a brief description of capital project funding. There is a detailed listing of outstanding debt as well as an aggregate debt service for each outstanding issue. Mr. Aceto asked if MSD has been at the 2.5% rate for a long time or has it previously been more or less. Mr. Powell stated in FY12 MSD started projecting 2.5%. Mr. Hartye stated that the methodology is to use that same rate through the 10-year period unless there is a big change; at least a half point change. Most of these were either at or close to the numbers you see and we typically try to spread increases out over the 10-years. Mr. Aceto asked if it's fair to say that consistently in the past we have under promised and over delivered as far rates and rate projections being better. Mr. Hartye stated you always want to be a little conservative on those projections when you go back to the rating agencies. Typically we are conservative on the capital facility fees; the impact fees, when people tie on to the system since it's not a recurring revenue source. The user fees everyone pays monthly, does not change as much so we actually predict a certain amount of growth (0.75%). Capital facility fees and impact fees can be carried over to the next year; reducing the amount of the rate increase going forward.

Mr. Aceto called for public comment on the proposed Budget, Rates & Fees for FY2013-2014. With no comment, Mr. Aceto declared the public hearing closed at 3:00 p.m.

Mr. Aceto called for a motion to approve the Resolution adopting the Final Budget, Rates & Fees for FY2013-2014. Mr. Watts moved the Board approve the Resolution adopting the Final Budget, Rates & Fees for FY2013-1014 as presented. Mr. Stanley seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

Old Business:

Mr. Clarke reported that as far as an update on the lawsuit, the parties consented to leave the Temporary Restraining Order in place through August 6th at which time a hearing will be held. He stated that Judge Manning has asked for 30 days to prepare a memorandum of decision for which the parties agreed. Around September 6th there will be a hearing on the Preliminary Injunction. He stated MSD's response to the Preliminary Injunction is due July 12th and recommends MSD not oppose the Preliminary Injunction.

Mr. Clarke offered to go into closed session to discuss the claim from a man in Black Mountain regarding a backup due to work performed by a contractor working for the District. Mr. Aceto asked to be excused from participating in that discussion. Ms. Frost stated she has adequate information in this regard. Mr. Clarke stated that MSD has

responded appropriately and the contractor is responding as well, but if anyone has questions in this regard please give him a call.

9. New Business:

None

10. Adjournment:

With no further business, Mr. Aceto called for adjournment at 3:05 p.m.

Jackie W. Bryson, Secretary/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 6/12/13

✓	Agenda Item	Presenter	Time	
	Call to Order and Roll Call	Aceto	2:00	
	01. Inquiry as to Conflict of Interest	Aceto	2:05	
	02. Approval of Minutes of the May 15, 2013 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			
	a. Consideration of Developer Constructed Sewer Systems: MWB Sewer Extension Phase 1; MWB (Peace) Sewer Extension Phase 2; Brookgreen at Crest Mountain Phase 1C; Parameter Generation and Control Relocation, and The Larchmont Apartments.	Hartye	3:00	
	b. Consideration of Bids – Sodium Hypochlorite Contract.	Hartye		
	c. Consideration of Bids – Sodium Bisulfite Contract.	Hartye		
	d. Consideration of Procurement – Bioxide for Odor and Hydrogen Sulfide Control Contract.	Hartye		
	e. Consideration of MSD Paving Agreement with the City of Asheville for FY13-14.	Hartye		
	f. Cash Commitment Investment Report – Month Ended April 30, 2013.	Powell		
	07. Public Hearing: Consideration of Resolution Adopting the Final Budget for FY 2013-2014 and Schedule of Sewer Rates and Fees.	Aceto	3:15	
	08. Old Business	Aceto	3:30	
	09. New Business	Aceto	3:35	
	10. Adjournment (Next Meeting (7/17/13))	Aceto	3:40	
	STATUS REPORTS			

APPROVAL OF MINUTES

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
MAY 15, 2013**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00 p.m., Wednesday, May 15, 2013. In the absence of Chairman Aceto, Vice Chair Stanley presided with the following members present: Belcher, Bryson, Frost, Kelly, Manheimer, Root, VeHaun and Watts: Mr. Aceto, Mr. Pelly and Mr. Russell were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, PA, Joseph Martin with Woodfin Sanitary Water & Sewer District, Bob Oast and Steve Shoaf with the City of Asheville, Nelda Holder with Mountain Xpress, Mark Barrett with the Asheville Citizen-Times, Barry Summers, Beth Jezek, Elaine Lite, Linda Smathers, Sam Specials, and MSD Staff, Teresa Gilbert, Ed Bradford, Peter Weed, Jim Hemphill, Scott Powell, Mike Stamey, Ken Stines, Matthew Walter, Angel Banks, Cheryl Rice and Sheila Kilby, MSD.

2. Inquiry as to Conflict of Interest:

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

3. Approval of Minutes of the April 17, 2013 Board Meeting:

Mr. Stanley asked if there were any changes to the Minutes of the April 17, 2013 Board Meeting. Mr. VeHaun moved for approval of the minutes 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. Stanley welcomed guests and called for public comment. There was no public comment.

6. Report of General Manager:

Mr. Hartye presented a copy of the Preliminary Budget to be considered at today's meeting. Also, he presented a copy of the executed Temporary Restraining Order filed by the City of Asheville on May 14th. He stated this will be addressed with Counsel under Old Business. With regard to the recent spill, he called for any questions on information previously sent to the Board. He stated that as far as follow-up actions in the last few days, staff met with DENR representatives on-site to go over the details; contacted the contractor with MSD's investigation and taking necessary personnel action. Mr. Stanley stated MSD staff did a great job of cleaning up the spill. Mr. Belcher stated he met with Mr. Hartye the afternoon of the spill and saw that staff was doing a wonderful job of cleaning up the site. Ms. Frost expressed her appreciation on the transparency of the situation and how the Board was kept up-to-date.

7. Report of Committees:

CIP Committee

Mr. Watts reported the CIP Committee met April 25, 2013 to hear a presentation by Ed Bradford, CIP Director on the current and proposed CIP budget for the coming year and a report by Mr. DiFiore with Hazen & Sawyer on the preliminary findings of the Incinerator System Emissions Upgrade project. Also, Mr. McGill gave a report on the

Carrier Bridge Pump Station Elimination Study and Mr. Hartye presented the Ten Year CIP Summary document. The Committee moved to endorse the CIP Budget for FY13-14 in the amount of \$16,737,527, which is included in the budget recommendation.

Personnel Committee

Mr. VeHaun reported the Personnel Committee met April 25, 2013. Mr. Hemphill reviewed several areas of activity within the Human Resource Department and discussed highlights from the Safety Department. Mr. Hemphill reported on the Self Insured Health Plan and recommended Cost of Living Adjustment. The Committee moved to approve a 2.1% Cost of Living Adjustment for all employees and provide funding for State mandated increases in Retirement and Unemployment Compensation, which is included in the budget recommendation. No increase to medical funding for the upcoming year because of lower medical claims.

Finance Committee

Mr. Kelly reported the Finance Committee met May 6, 2013 to hear recommendations of staff that includes adoption of the proposed \$40.9 million dollar FY14 budget and incorporates the following: 2.5% Domestic Rate increase; continuation of the Industrial Rate Parity Plan, which includes a 3.5% average increase for the industrial sector. He stated that Mr. Powell will provide further detail in the Budget Report.

8. Cash Commitment/Investment Report Month Ended March 31, 2013:

Mr. Powell reported that Page 2 presents the makeup of the District's Investment Portfolio. There has been no significant change in the makeup of the portfolio from the prior month. Page 3 is the MSD Investment Manager Report as of the month of March. The weighted average maturity of the investment portfolio is 355 days. The yield to maturity is 0.73% and exceeds MSD bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 4 is the MSD Analysis of Cash Receipts. Monthly and YTD domestic revenue is considered reasonable based on timing of cash receipts in their respective fiscal periods. Monthly and YTD industrial revenue is trending below budgeted expectations due to decreased consumption from industrial users. YTD Facility and Tap fees are above historical trends due to the timing of cash receipts as well as impact fees being budgeted conservatively. Page 5 is an analysis of the District's expenditures. Monthly and YTD expenditures are considered reasonable based on historical trends. This includes O&M, Debt Service as well as Capital Improvement Expenditures. Page 6 is the MSD Variable Debt Service Report. Both the 2008 A&B Series are continuing to perform better than budgeted expectations. As of the end of April, both issues have saved District rate payers \$6.6 million dollars in debt service since April 2008.

9. Consideration of Resolution Adopting the Preliminary Budget for FY2013-2014 and Schedule of Sewer Use Charges.

Mr. Powell reported that behind the Introduction Tab is the District's Budget message. Included in the message is Current Year Highlights. Domestic and industrial revenue are expected to meet budgeted projections. The Operating Budget section outlines the proposed \$15.0 million Operations and Maintenance Budget and proposed changes for the upcoming year. The Capital Improvement Program section outlines the proposed \$16.7 million construction budgets as well as the outstanding debt and debt service. The Sewer Rate Increase section outlines the past five years' domestic rate increases and the proposed FY14 domestic rate increase of 2.5%. Behind the Policies & Process Tab is a description of the budget process including the Statutory and Bond Order requirements, budget administration, and if needed, budget amendments. Page 12 briefly describes the forecasting methodology and includes the current business plan

which outlines the current year proposed budget as well as estimated needs for the next nine (9) years. Page 14 is the proposed \$40,909,395 FY14 budget which incorporates the following:

- 2.5% domestic rate increase;
 - .67 cent increase in the average single family monthly bill
 - Monthly bill will go from \$27.14 to \$27.81

- Continuation of the Industrial Rate Parity Plan
 - In year 14 of 20
 - 3.5% average increase for the industrial sector

- Facility and Tap Fee remain at 2012 levels

- 1.0% Rate of Return on investments.

- 1.45% increase in Salaries and Benefits which has an impact of \$176,099. Includes Personnel Committee recommendations as to COLA, Self-Insurance Funding and GASB 45 OPEB Funding as well as State Increases in Retirement contribution to state unemployment fund.

- .84% increase in materials supplies and service which has an impact of \$50,162.

Mr. Powell further reported behind the Operation & Maintenance tab is a detailed accounting of the proposed budget by department as well as current year projected and prior years actual. Behind the Insurance Fund tab is a concise overview of the various insurance funds along with their respective proposed budgets and FY12 actuals and current year projected. Behind the Replacement Fund tab is an overview of the various insurance funds along with their respective proposed budgets and FY12 actuals and current year projected. Behind the CIP Program tab is an overview of the CIP program run by the Engineering Department along with a proposed current year budget and projection of needs for the upcoming nine years. Behind the Debt Financing tab is an overview of debt management as well as a brief description of capital projects funding. There is a detailed listing of current outstanding debt as well as an aggregate debt service for each outstanding issue. Behind the Appendix tab is the proposed FY13 budget resolution with the schedule of rates and fees. Also included is a flow of funds which is a graphical representation of the budget resolution and a big version of the business plan. Mr. Stanley stated the District is in line with the benefits and increases given by other regional municipal units and well as water and wastewater providers. As a matter of timing, Mr. Clarke reported the District's Bond Order requires it to adopt a Preliminary Budget and submit it to the Local Government Commission of North Carolina and to the Bond Trustee 30 days before the beginning of the fiscal year. Mr. Stanley called for any questions. Mr. Kelly asked for the exact budget number. Mr. Powell stated the exact number is \$40,909,395. With no further questions, Mr. Stanley called for a motion. Mr. Clarke stated the motion should read, Consideration of a Resolution adopting the Preliminary Budget for FY 2013-2014 and a Schedule of Sewer Use Charges. Ms. Bryson moved for adoption. Mr. Watts seconded the motion. Roll call was as follows: 9 Ayes; 0 Nays.

10. Old Business:

Mr. Clarke reported the City of Asheville filed a lawsuit Tuesday, May 14, 2013 in Wake County Superior Court challenging the constitutionality of Section 1 of House Bill 488 for a number of reasons. The City alleged the law violates Article 2, Section 24, of the North Carolina Constitution; violates the equal protection provisions of the North Carolina and U.S. Constitutions; violates Article 1, Section 19 and 35 of the North Carolina Constitution; that it's not a valid exercise of the sovereign power to take

property for public use; violates Article 1, Section 10 of the U.S. Constitution, which has to do with impairment of contracts; violates North Carolina General Statute 159-93 and as an alternative, seeks just compensation for the taking of the Water System. He further reported that a Temporary Restraining Order (TRO) was issued by Judge Donald Stephens in Raleigh on Tuesday. The TRO says that the State of North Carolina is restrained and enjoined from taking any action to implement or enforce Section 1 of House Bill 488 and that MSD is forbidden from assuming any authority or control over the Asheville Water System. Asheville may continue to own, manage and operate the Asheville Water System pending further order of the court. At the hearing on the Preliminary Injunction scheduled for May 20, 2013 at 10 a.m. in Raleigh, the State may ask that the TRO remain in effect, since the State Lawyers did not have a chance to confer with their client before the hearing on Tuesday, May 14th.

Mr. Clarke suggested the Board go into closed session to discuss the action filed by the City of Asheville versus MSD and the State of North Carolina 13-CVS-006691 in Wake County Superior Court challenging the constitutionality of other parts of House Bill 488. Mr. Stanley asked if any Board member feels they should be excused from participating in the closed session. Ms. Manheimer expressed a concern regarding her participation. Ms. Clarke suggested that Ms. Manheimer participate in the closed session, but if at some point she feels that further participation might cause her not to be able to perform her official duties as a Member of the Asheville City Council or the MSD Board, she should excuse herself at that time. There was no objection. At 2:22 p.m., Mr. Watts moved the Board go into closed session. Mr. Root seconded the motion.

At 2:42 p.m., the Board returned to open session. Ms. Frost moved that the Board engage the legal firm of Smith Moore Leatherwood as local counsel for MSD in the action filed in Wake County against MSD 13-CVS-006691. Mr. VeHaun seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

11. New Business:

None

12. Adjournment:

With no further business, Mr. Stanley called for adjournment at 2:43 p.m.

Jackie W. Bryson/Secretary-Treasurer

Metropolitan Sewerage District of Buncombe County
Minutes of Closed Session Board Meeting
May 15, 2013

In the closed session, William Clarke discussed the complaint filed by the City of Asheville in 13 CVS 006691 / Wake County against the State of North Carolina and MSD, and the Temporary Restraining Order. He discussed the possibility that the Temporary Restraining Order might be extended and recommended that MSD not object to any extension. Mr. Clarke recommended that the Board authorize him and the General Manager to engage the law firm of Smith, Moore and Leatherwood, as local counsel, to assist MSD in the defense of the action. At approximately 2:40 P.M., Ms. Manheimer moved the Board return to open session. Mr. Kelly seconded the Motion. Voice vote in favor of the motion was unanimous.

DISCUSSION AND ADJUSTMENT OF AGENDA

INFORMAL DISCUSSION AND PUBLIC COMMENT

REPORT OF GENERAL MANAGER

MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: June 6, 2013
SUBJECT: Report from the General Manager

- Final Budget for Fiscal Year 2014

As a part of today's agenda we will hold a public hearing on the Final Budget and Rates for FY 2014. The Board will be asked to vote on the Budget and Rate Resolution.

The full FY 2014 Budget Book will be emailed to the Board and will appear on the website under Board Agenda.

Starting this Board Meeting we will be using iPads instead of paper copies in a Board Binder. We will have a few copies of the full FY2014 Budget Book on hand for those who would like a hard copy.

Also, attached is a copy of a bulleted synopsis of the proposed budget that might prove helpful. There will be a one-sheet (2-sided) hard copy available at the Board Meeting.

- Update on Water/ Sewer Consolidation

There will be a Court Hearing August 6, 2013 regarding the Preliminary Injunction.

- Kudos

- Angel Banks has been selected as the IRWA Region 6 Professional of the Year for her outstanding contributions and leadership. Angel has been an active member of the IRWA for over 20 years. The IRWA has nearly 10,000 members in 83 chapters across the U.S., Canada, and Africa. **Congratulations Angel!!**
- Attached letter from Nancy Moss of Wild Cherry Rd. regarding Eric Bryant.
- Attached letter from E.C. Bradley, Sr. of Stonebridge Dr. regarding the crew of Lloyd Anders, Gilbert Karn, Ben Reeves and Eric Dawson.
- Attached letter from Julia Stanley of Trinity Chapel Rd. regarding the efforts of crew Roy Lytle, Dale Dillingham, Robert Denny, Mitch Metcalf, and John Mull.
- A call on May 7th from Rebecca Elder in Black Mtn. thanking the above crew for being helpful and timely in their work for her neighborhood.

- **Happenings**
 - Annual French Broad River Cleanup on May 24th from Woodfin Park to Ledges Park. Volunteers picked up 24 bags of trash and debris. Thanks to all volunteers and especially Sandra Moore for leading up this effort.
 - Dynamic Duo of Lisa Tolley and Kay Farlow worked the MSD booth at both the Home and Garden Expo at WNC Ag Center on April 20th and the VA Hospital Earth Day Fair on April 22nd. Thanks for representing MSD.
- **Update on April 30th Sanitary Sewer Overflow (SSO)**

The District received a Notice of Violation May 29th and has responded with requested information.
- **Board/Committee Meetings**

The next Right of Way Meeting will be held June 26th at 9am. The next Regular Board Meeting will be July 17th, at 2 pm.



MSD FY14 BUDGET/RATE SYNOPSIS

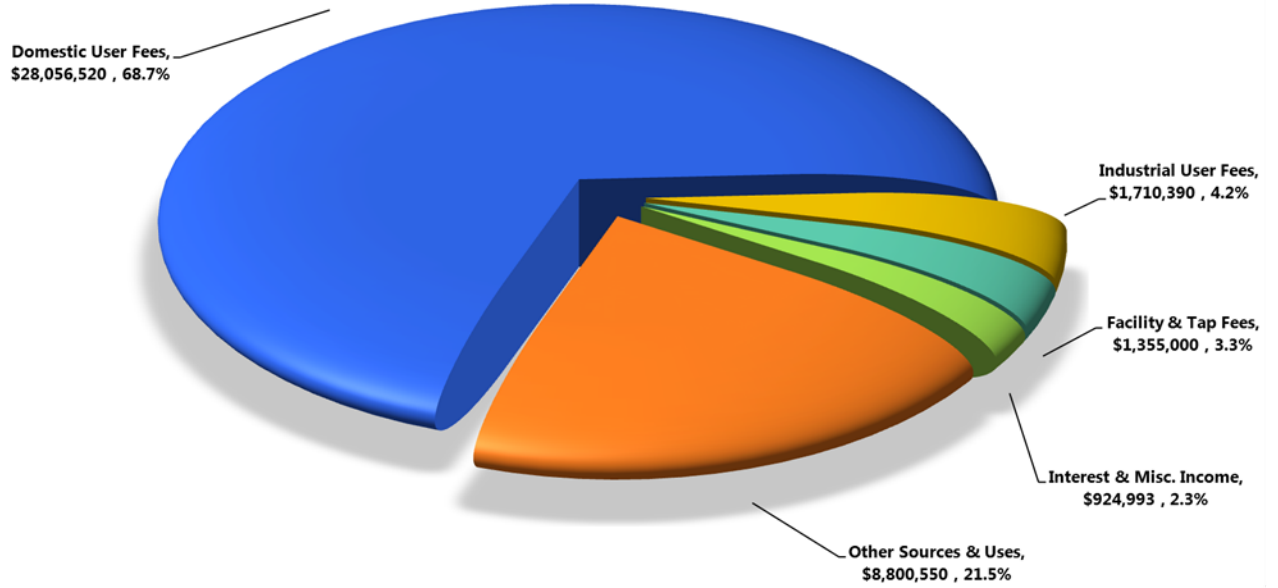
➤ Total Budget \$40,847,453

1. CIP (Rehab Construction)	\$16,737,527	} 62% Construction related
2. Debt Service	\$ 8,502,191	
3. O&M	\$14,674,435	
4. Capital Equipment	\$ 933,300	

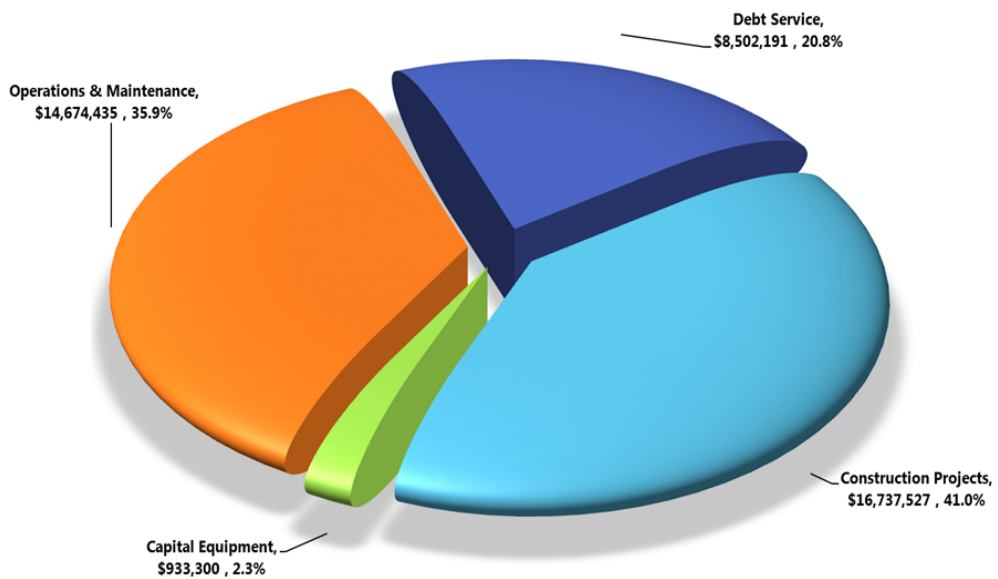
See graphs other side

- The 2.5% rate adjustment is necessary to fund sewer system rehabilitation/replacement projects as well as necessary treatment plant improvements of \$160.2 million over the next 10 years.
- The District's sewer system consists of approximately 4.5 million feet of 6" to 66" pipe and over 28,000 manholes, much of which was constructed in the 1920's, 30's, and 40's and is in dire need of replacement or rehabilitation. It will be necessary to replace 50,000 feet of sewer each year as required by the NCDENR collection system permit.
- O&M budget includes
 1. Cost of living increase of 2.1%
 2. A 0.8 % increase to Materials and Supplies (including fuel).
 3. Medical Plan funding – no increase in MSD contribution.
 4. GASB 45 (OPEB) funding of \$254,800.
 5. 4.9% increase in funding for North Carolina retirement cost.
- Average residential monthly bill will go up .67 cents from \$27.14 to \$27.81.
- Residential Facilities Fee - No increase at \$2,500.
- Average bill for industrial user to go up 3.5% based upon the 20 year "parity" plan approved by the District Board.

FY14 Budget Revenues
\$40,847,453



FY 14 Budget Expenditures
\$40,847,453



April 27, 2013

Tom

Dear Mike Stamey,

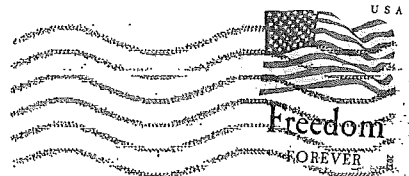
Last Thursday evening I was in a really bad situation. (Stopped up sewage pipes that refused to clear out.) My plumber worked on my old catchment and "new" one and could not drill through to clear the blockage.

He called MSD and Eric Bryant drove a big monster of a truck right out and in fifteen minutes cleared out my pipe. He was quick, positive and cheerful even in the face of the awful mess on my lawn.

I would like you to recognize his excellent service as well as representing your department in such a way that creates goodwill among your residents.

Nancy Moss

Nancy Moss
85 Wild Cherry Rd. #288
Asheville, N.C. 28804
29 APR 2013 PM 1 T



Mike Stamey: Supervisor
and Superintendent MSD
Riverside Drive
City of Asheville, N.C.
28804

May 10, 2013

Metropolitan Sewerage District
2028 Riverside Drive
Asheville, N. C. 288034

ATTN: Mr. Mike Stamey,

This confirms in writing, what Mr. Ben Reeves and his crew consisting of Lloyd Anders, Gil Karl and Eric Dawson accomplished working to raise a shaft with Man Hole cover so that it could be reached much easier at some point in the future.

This line for unknown reasons was placed across private property in the Stonebridge Housing Development, Off Old Haw Creek road. This job required a back hoe to move across a private property to the very back of the property and the man hole and cover be raised some few feet to ground level.. This required moving some very large rocks and all of the dirt, and a couple of shrubs to the complete satisfaction of the property owners, Mr. & Mrs. Bradley.

I congratulate this crew for their patience, labor and completion to satisfaction of this job.

To Thank them for a good job, rather than the usual grumbling or dissatisfaction you either hear or read about, is not present with this crew.

Again, Thanks, Lloyd, Gil and Eric. Mr. Reeves has to be proud of you too.

Sincerely,



E. C. Bradley. Sr.
40 Stonebridge Drive
Asheville, N.C. 28805

WO# 450559

Roy Lytle

Dale Dillingham

Robert Denny

Mitchell Metcalf

John Mull

13 MAY 2013

DEAR MR. LITTLE,

I WANTED TO SEND YOU A LITTLE
NOTE BUT BIG ON THANK YOU FOR
THE WORK YOU AND YOUR MEN
DID ON MY SEWER LINE.

YOU ALL WORKED IN SYNC AND
GOT IT DONE WELL AND IN A
SHORT AMOUNT OF TIME. YOU MADE
A NIGHTMARE NOT SO BAD.

THANK YOU FOR HOW CLEAN AND
NEAT YOU LEFT MY YARD WHEN Y'ALL
WERE FINISHED. YOU ARE VERY GOOD AT
WHAT YOU DO. YOURS SINCERELY, JULIA

CONSOLIDATED MOTION AGENDA

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: June 12, 2013

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

PREPARED BY: Kevin Johnson

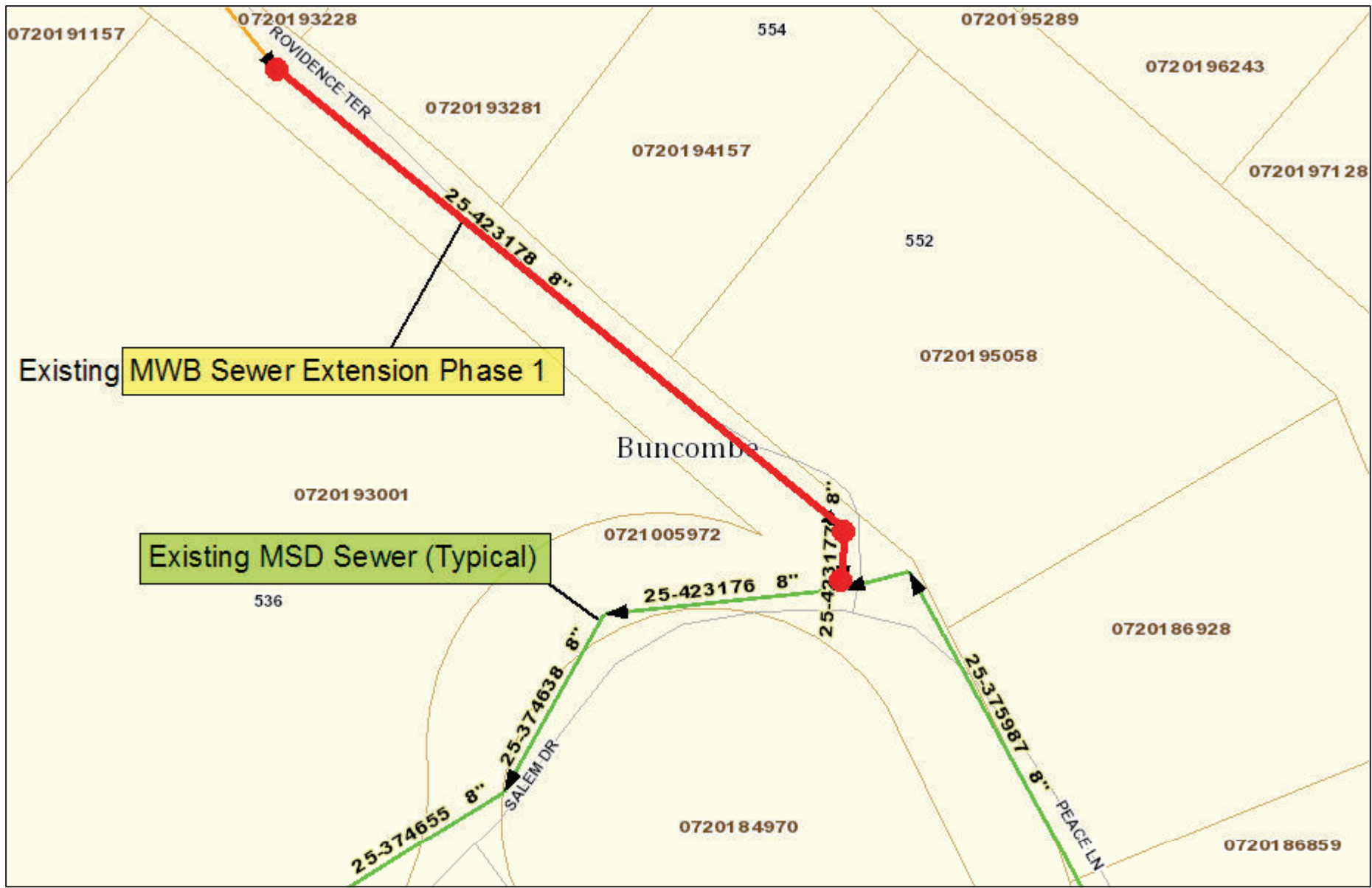
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the MWB Phase 1 Sewer Extension Project.

BACKGROUND: This project is located inside the District boundary off Providence Terrace in the Town of Montreat. The developer of the project is Craig Newkirk of MWB Construction. The project included the installation of approximately 285 linear feet of 8" gravity sewer to serve a single family residence. A wastewater allocation was issued in the amount of 1,000 GPD for the project. The estimated cost of the sewer extension is \$43,000.00.

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:	



MWB Sewer Extension Phase 1

Author: KJ

1 in = 50 ft

Date: 6/5/2013

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: June 12, 2013

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

PREPARED BY: Kevin Johnson

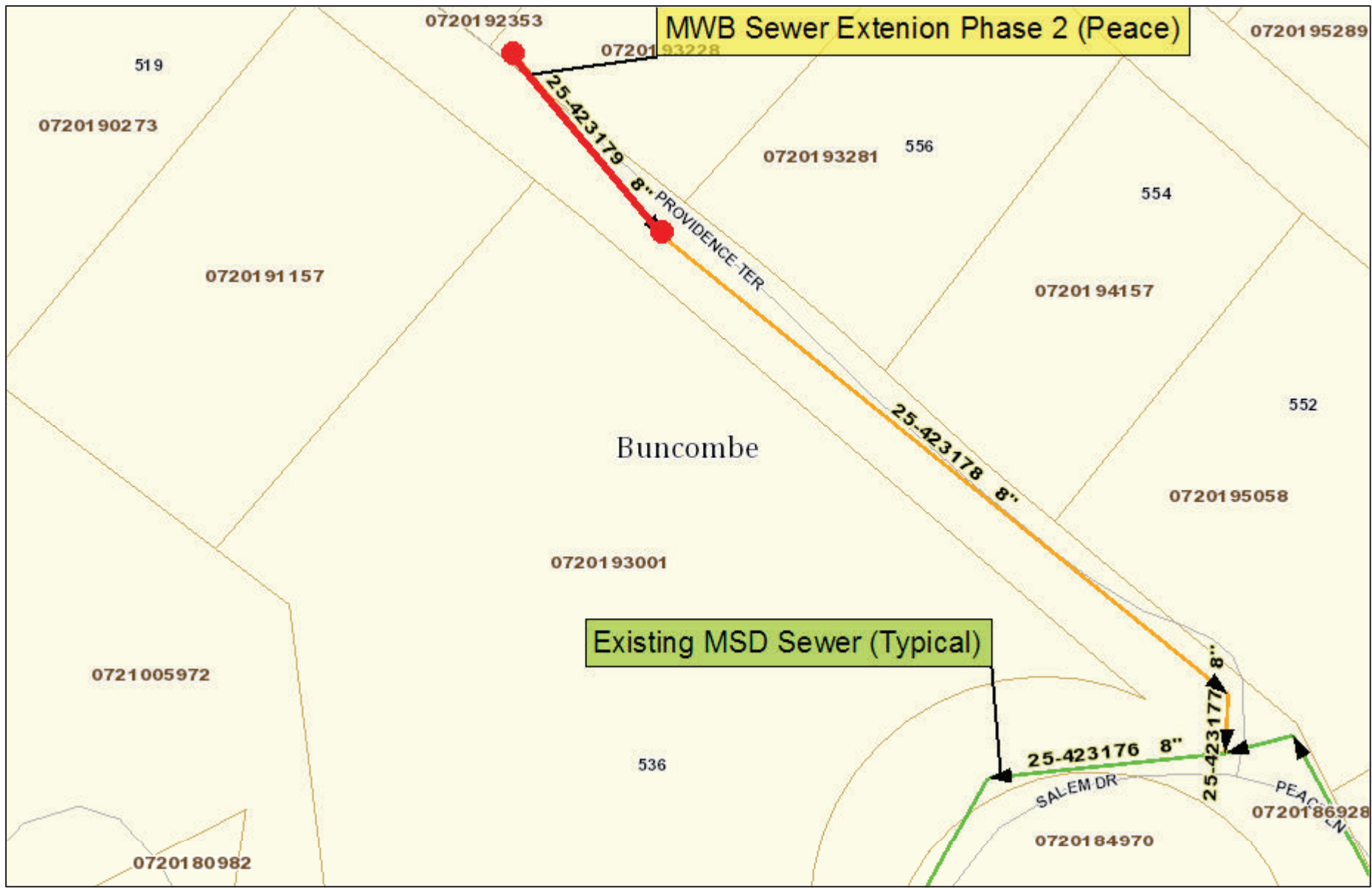
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the MWB (Peace) Phase 2 Sewer Extension Project.

BACKGROUND: This project is located inside the District boundary off Providence Terrace in the Town of Montreat. The developers of the project are Alan and Terry Peace. The project included the installation of approximately 90 linear feet of 8" gravity sewer to serve a single family residence. A wastewater allocation was issued in the amount of 400 GPD for the project. The estimated cost of the sewer extension is \$50,000.00.

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:	



MWB Sewer Extension Phase 2 (Peace) MSD Project #2012053

1 in = 50 ft
Date: 6/5/2013

Author: KJ

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Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: June 12, 2013

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

PREPARED BY: Kevin Johnson

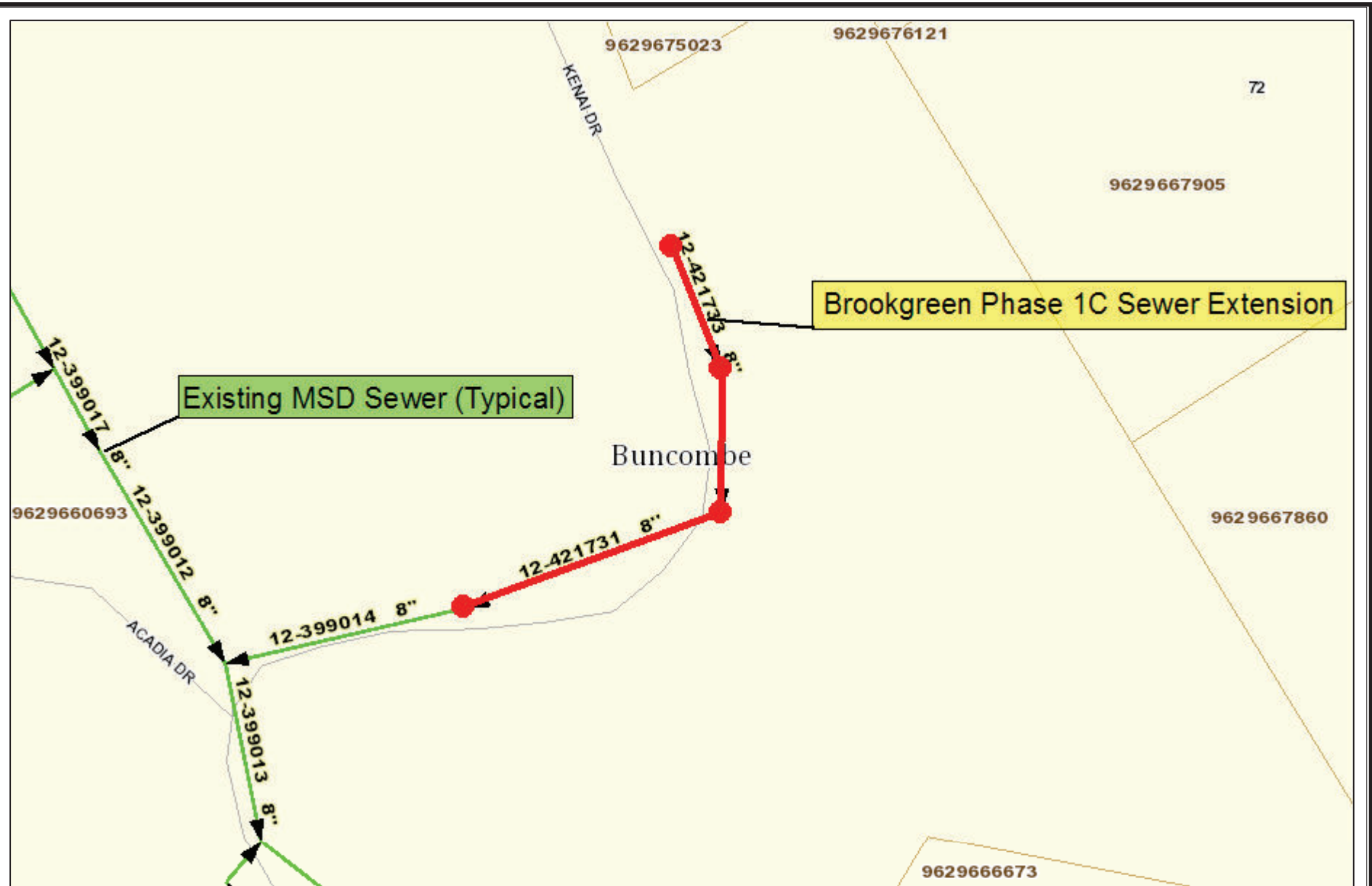
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Brookgreen at Crest Mountain Phase 1C Sewer Extension Project.

BACKGROUND: This project is located inside the District boundary off Ben Lippen Road at Crest Mountain in the Town of Woodfin. The developer of the project is Reese Lasher of Brookgreen, LLC. The project included the installation of approximately 201 linear feet of 8" gravity sewer to serve a four (4) unit residential subdivision. A wastewater allocation was issued in the amount of 1,200 GPD for the project. The estimated cost of the sewer extension is \$15,000.00.

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:	



Brookgreen at Crest Mountain Phase 1C MSD Project #2012015

Author: KJ

1 in = 50 ft

Date: 6/5/2013

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Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: June 13, 2013

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

PREPARED BY: Kevin Johnson

REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Relocation and Rehabilitation Sewer System and Abandonment of Portion of Existing System for Parameter Generation and Control.

BACKGROUND: This project is located inside the District boundary off Old US Hwy 70 in the Town of Black Mountain. The owner of the project is Clay Hile of Parameter Generation and Control, Inc. The project included the relocation of approximately 545 linear feet of 8" gravity sewer to make room for construction due to business expansion. This project also included rehabilitation of approximately 200 linear feet of existing sewer. As a result, approximately 320 linear feet of existing 6" sewer line with related appurtenances and easement will be abandoned as part of this project. A wastewater allocation was issued in the amount of 500 GPD for this project. The estimated cost of the sewer construction is \$56,750.00.

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:	



Parameter Generation Sewer Relocation MSD Project #2012024

Author: KJ

1 in = 100 ft

Date: 6/5/2013

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: June 12, 2013

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

PREPARED BY: Kevin Johnson

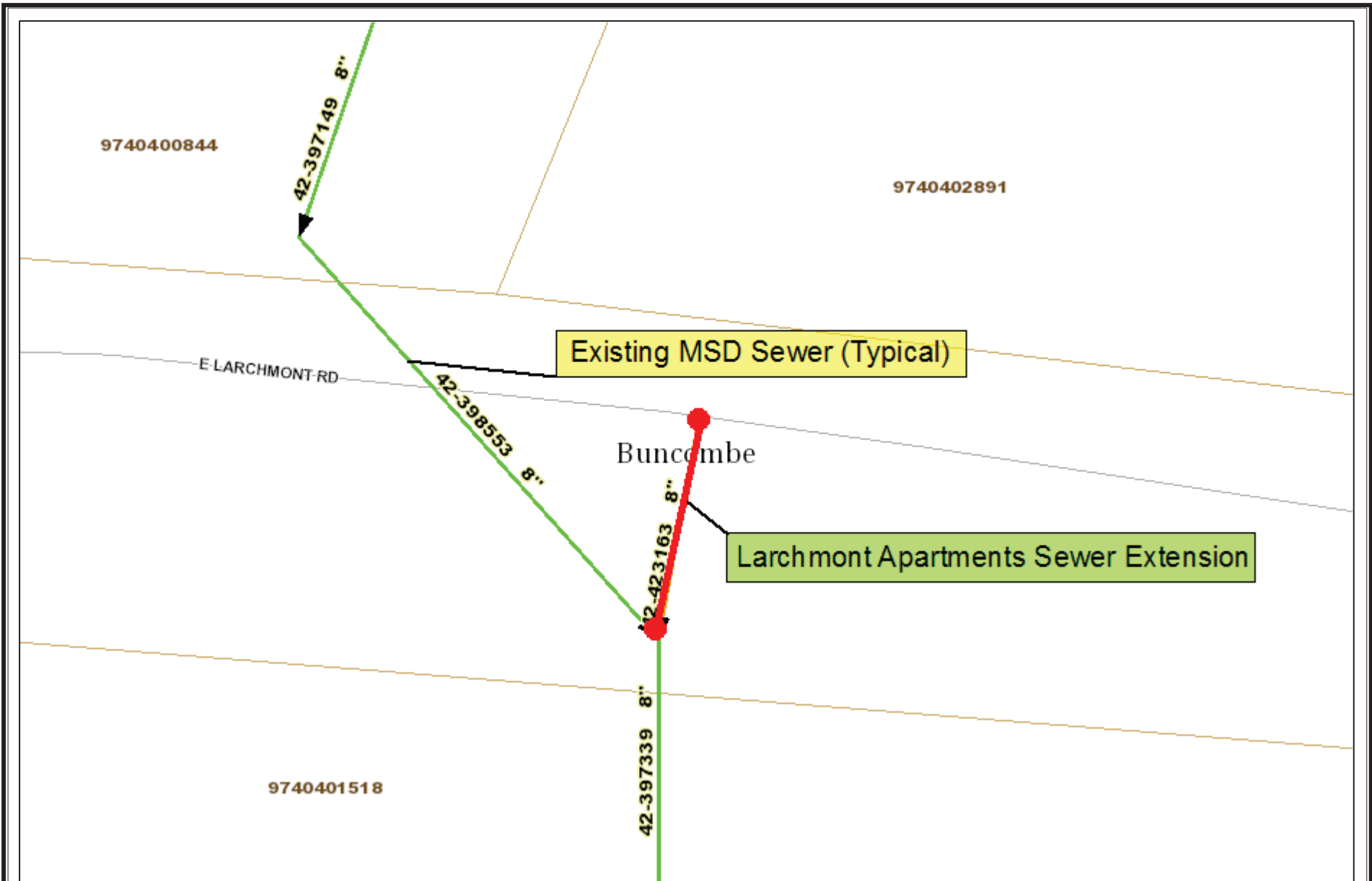
REVIEWED BY: Stan Boyd, PE, Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Larchmont Apartments Sewer Extension Project.

BACKGROUND: This project is located inside the District boundary off Merrimon Avenue in the City of Asheville. The developer of the project is Michael Lauff of Larchmont Apartments, LLC and Mountain Housing Opportunities, Inc. The project included the installation of approximately 20 linear feet of 8" gravity sewer to serve a sixty (60) unit multi-family residential development. A wastewater allocation was issued in the amount of 9,300 GPD for the project. The estimated cost of the sewer extension is \$20,200.00.

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:	



Larchmont Apartments Sewer Extension MSD Project #2011014

Author: KJ

1 in = 12 ft

Date: 6/5/2013

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

Meeting Date: June 12, 2013

Subject: Consideration of Bids - Sodium Hypochlorite Contract

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

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

Background: The Water Reclamation Facility is required to disinfect the effluent prior to discharge to the French Broad River. Liquid sodium hypochlorite is used for this purpose. Current contracted cost for sodium hypochlorite is \$0.84/gallon, with an estimated expenditure for FY13 - based on 200,000 gallons usage - of \$168,000.00. In May of 2013, new bids for Sodium Hypochlorite were requested from various vendors as a method of keeping costs in line, as costs have been known to fluctuate in previous years due to changes in fuel and manufacturing costs. The bid was based on an estimated usage for 2013-2014 of 200,000 gallons of Sodium Hypochlorite.

Discussion: Pursuant to North Carolina Purchasing Statutes and MSD Procedures, on May 10, 2013, bids were emailed to five vendors and an advertisement was placed on the MSD web site. Two bids were received and the bid opening was held May 28, 2013. JCI Jones was the lowest bidder and agrees to hold their price firm for the total year contract irrespective of market changes. JCI Jones has been the supplier to MSD in previous years and MSD staff feels comfortable with both the quality of the chemicals and the customer service supplied by JCI Jones.

Fiscal Impact: This is a Unit Price Contract, without minimum or maximum quantities. Based on historical use, FY 14 expenditures for Sodium Hypochlorite is anticipated to be \$134,000.00, within the levels budgeted by the WRF.

Staff Recommendation: Staff recommends that the Board award the contract for the supply of Sodium Hypochlorite to JCI Jones at a unit price of \$0.67 per gallon.

Bid Tab:

Vendor	Price per Gallon	Extended Price based on 200,000 estimated gallons	Comments
Univar Spartanburg, SC	\$ 0.82	\$164,000.00	Price good for one year
JCI Jones Charlotte, NC	\$0.67	\$134,000.00	Price good for one year

**Metropolitan Sewerage District of Buncombe County
Board Action Item**

Meeting Date: June 12, 2013

Subject: Consideration of Bids - Sodium Bisulfite Contract

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

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

Background: Following Chlorine Detention time/final disinfection, the Water Reclamation Facility is required to neutralize any remaining Chlorine in the water prior to discharge to the French Broad River. Sodium Bisulfite is used for this purpose. In May of 2013, new bids for Sodium Bisulfite were requested from various vendors as a method of keeping rising costs in line, as indicators showed that prices for this material had risen since the previous contract was awarded. These price increases are directly tied to cost of fuels, as well as general price increases in the chemical market over the past year. The bid was based on an estimated usage for 2013-2014 of 100,000 gallons of Sodium Bisulfite.

Discussion: Pursuant to North Carolina Purchasing Statutes and MSD Procedures, on May 10, 2013, bids were emailed to four vendors and an advertisement was placed on the MSD web site. Three bids were received and the bid opening was held June 3, 2013. Southern Ionics was the lowest bidder and agrees to hold their price firm for the total year contract irrespective of market changes. Southern Ionics has been the supplier to MSD this past fiscal year and MSD staff feels comfortable with both the quality of the chemicals and the customer service supplied by Southern Ionics.

Fiscal Impact: This is a Unit Price Contract, without minimum or maximum quantities. Based on the estimated gallons, FY 13 expenditures for Sodium Bisulfite is anticipated to be \$116,500.00, within the levels budgeted by the WRF.

Staff Recommendation: Staff recommends that the Board award the contract for the supply of Sodium Bisulfite to Southern Ionics at a unit price of \$1.165 per gallon.

Bid Tab:

Vendor	Price per Gallon	Extended Price based on 100,000 estimated gallons	Comments
Southern Ionics West Point, MS	\$1.165	\$116,500.00	Price good for one year - Firm
Specialty Chemical Cleveland, TN	Non- Responsive		
Brenntag Charlotte, NC	Non- Responsive		
JCI Jones Charlotte, NC	\$1.20	\$120,000.00	Price good for one year - Firm

Metropolitan Sewerage District of Buncombe County Board Action Item

Meeting Date: June 12, 2013

Subject: Consideration of Procurement – Bioxide for Odor and Hydrogen Sulfide Control Contract

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

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

Background: MSD has been conducting a nine month testing and evaluation of Bioxide ® Solution for odor and hydrogen sulfide control in the South French Broad Interceptor. This product has successfully minimized the adverse effects of sulfide formation in wastewater that attacks cement piping and equipment. During the same period of time no odor complaints have been logged at the French Broad River Park adjacent to Carrier Bridge pump station. Bioxide ® Solution is a patented product, manufactured by Siemens Industry. It is uniquely engineered for collection systems by providing treatment for long detention times.

Discussion: Pursuant to North Carolina Purchasing Statutes for Sole-source purchases (143-129(e)(6) and MSD Procedures, this procurement request is presented to the MSD Board for approval. Bioxide ® is a unique solution which controls hydrogen sulfide odors and corrosion biologically. Creating an environment in which certain naturally occurring bacteria thrive, Bioxide ® presents a more cost effective solution than previously used hydrogen peroxide. Siemens Industry has been a supplier to MSD in past years and MSD staff feels comfortable with both the quality of the chemical provided and customer service.

Fiscal Impact: This is a Unit Price Contract, without minimum or maximum quantities. Based on estimated use, FY14 expenditures for Bioxide ® are anticipated to be \$136,000.00 and are within levels budgeted by the WRF.

Staff Recommendation: Staff recommends that the Board award the contract for the supply of Bioxide ® to Siemens Industry at a unit price of \$2.84/gallon.

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

BOARD MEETING DATE: 6/12/13

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

PREPARED BY: Mike Stamey, P.E. – Director of System Services Construction
Scott Powell, CLGFO – Director of Finance

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

BACKGROUND: This agreement is for asphalt and concrete (patching) restoration of *public roads and sidewalks* within the Asheville City Limits which have a size of approximately 300 SF or less. This restoration work is the result of District maintenance and rehabilitation activities on the sewer system.

Prior to FY 2011-2012, all pavement and sidewalk restoration after MSD work was performed by contractors. This process worked well, with the exception of administrative & permitting issues concerning City of Asheville streets. With these concerns in mind, the City proposed in 2010 to begin handling final surfacing repairs.

The District entered an agreement with the City on July 1, 2011 wherein the District would pay the City an annual contribution to a Paving Enterprise Fund. All permit fees would be waived, and pavement restoration would be performed by the City's in-house paving crews. This agreement was executed between MSD and the City for both the FY 12 and FY 13 years.

During these two contract years the City paving crews provided excellent service relating to asphalt and concrete patching for the subject roadways, especially for the cuts of approximately 300 SF or less. Asphalt restoration for projects larger than 300 SF (on both patching and overlay work) however was found to be very costly for MSD and more difficult to complete by City crews in a timely manner due to workload.

With these concerns noted by MSD and City, the two parties have worked together over the last several months to facilitate an agreement for FY 14 which is more efficient and economically feasible for both sides. The details of this proposed agreement include the City crews performing asphalt and concrete patching restoration work for MSD within City Right of Ways, when the area affected is approximately 300 SF or less. Pavement work in City Right of Ways which exceeds 300 SF in area will be contracted out by MSD.

In the proposed agreement the City will provide monthly reports to MSD for review and monitoring. MSD will not be required to pay permit fees but will be committed to making appropriate payments for the restoration work on a monthly basis. The District's monetary contribution for this proposed FY 14 agreement with the City is \$532,000.00. This amount is based upon usage throughout this past year with a total patching area of 20,000 SF.

This paving program has relieved MSD staff of the significant burden related to working out administrative issues with the City's inspection of pavement repairs. These administrative issues were a source of disruption to work progress in years past. As such, MSD staff is confident that the proposed patching agreement with the City for FY 14 will continue to produce the desired administrative benefits for MSD.

The District must still contract for paving overlays and patches in the City which exceed approximately 300 SF and for all paving work for the remaining areas outside the Asheville City Limits / Right of Ways.

The FY 13 and FY 14 contract for the non-City paving is with French Broad Paving and was presented and approved at the June, 2012 MSD Board Meeting.

FISCAL IMPACT: Sufficient Funds are available in the MSD FY 14 Budget.

STAFF RECOMMENDATION: Staff recommends that the District execute an agreement with the City of Asheville in the amount of \$532,000 for patching public roads within the Asheville City Limits for Fiscal Year 2013-2014.

Award is contingent upon review and approval by District Counsel.

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

MEMORANDUM OF AGREEMENT FOR
**UTILITY CUT ENTERPRISE FUND
REPAIRS**

This Memorandum of Agreement for **Utility Cut Enterprise Fund Repairs** made this ____ day of _____, 2013, by and between the City of Asheville and the Metropolitan Sewerage District.

WITNESSETH

Whereas, pursuant to N.C.G.S. §160A-20.1, a North Carolina Municipal Corporation may contract with and appropriate money to any person, association, or corporation, in order to carry out any public purpose that the City is authorized by law to engage in; and

Whereas, pursuant to N.C.G.S. §160A-461, any unit of local government may enter into contracts or agreements with each other in order to execute any undertaking; and

Whereas, pursuant to N.C.G.S. §160A-20.1, a City may contract with any private entity to carry out any public purpose that the City is authorized to engage in; and

Whereas, pursuant to N.C.G.S. §160A-296, the City of Asheville (City) has certain duties as it pertains to City streets including but not limited to: keeping the street open for travel, keep the street in proper repair, and free from unnecessary obstructions; and

Whereas, pursuant to N.C.G.S. §160A-296, the City has the power to regulate and prohibit digging into the public streets, sidewalks or alleys and may if it chooses, impose a fee for activities conducted within the City's rights of way; and

Whereas, the Metropolitan Sewerage District (MSD) is the owner and operator of a system of collector and interceptor sewers and wastewater treatment plant which system of collector and interceptor sewers and wastewater treatment plant is referred to collectively herein as the MSD Sewerage system;

Whereas, a portion of the MSD Sewerage system runs along and under public streets, sidewalks and alleys which the City regulates and controls;

Whereas, MSD is charged with operating, maintaining repairing, rehabilitating and replacing, if necessary, the MSD Sewerage System to preserve and promote the public health and welfare of the Metropolitan Sewerage District, including those portions lying under the public streets, sidewalks and alleys controlled by the City;

Whereas, in connection with operating, maintaining, repairing, rehabilitating, and replacing if necessary, those portions of the MSD Sewerage System, it is necessary for the MSD or its contractors to dig in and cut into public streets, sidewalks, alleys and other areas regulated by the City;

Whereas, City policy requires that utility cuts into City streets, sidewalks or alleys be performed consistent with City standards and be approved by the City, which at times creates confusion, delay and additional cost which could be minimized if not completely eliminated if the City performed such repairs; and

Whereas, in 2010, the City created the Street Cut Enterprise Fund for the sole purpose of establishing, maintaining, creating and fostering a utility cut repair program administered by the City, consistent with City policy;

NOW THEREFORE, in consideration of the mutual obligations of the Parties and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and MSD, agree to the following:

A. TERMS AND CONDITIONS

1. **Scope** - As applicable:

- a. : Utility cuts made by the City: This Memorandum of Agreement (MOA) applies to any and all utility cuts, whether inside or outside of the City's territorial jurisdiction, and whether on public or private property, made by the City's Water Resources Department and the Stormwater Division of the City's Public Works Department.
- b. ✓: Utility cuts made by MSD: This MOA applies to utility cuts made by MSD construction personnel of approximately 300 square feet or less, located on City streets, sidewalks, alleys or other areas under City control.
- c. ✓: Exclusion: This MOA does not cover utility cuts made by MSD on private properties and/or on rights of ways located outside of the City's jurisdiction.

2. **Duration**: This MOA shall commence on July 1, 2013 and shall automatically renew on July first of each year thereafter unless MSD, provides six months prior written notice of intent not to renew or as outlined in section B.3.

3. **Enterprise Fund**: This Utility Cut Enterprise Fund shall be treated in every budgetary respect by the City as an Enterprise Fund consistent with the laws regulating same as set forth in Article 16 of Chapter 160A of the North Carolina General Statutes, including providing for a separate annual accounting and audit of such funds. MSD shall be entitled to a copy of Utility Cut Enterprise Fund year-end detail budget to actual revenue and expense report.

4. **Participation:** Based upon the City's evaluation of street cut program, MSD shall participate up to 20,000 square feet of cuts which is estimated to be \$532,000 for the 2013-2014 fiscal year. This amount includes an estimate of \$29,000 for degradation and \$15,500 for capital recovery. Provided however, MSD acknowledges that the 20,000 square feet of cuts is an estimate and that in any event, MSD shall remain responsible for cost as outlined in Section B.1. Additionally, MSD acknowledge that the \$29,000 degradation fee applies to the conditions as set forth in Section C.3 of this MOA. The budgeted amount may be adjusted for future agreements, in accordance with Section B.3.

B. BUDGET

1. **Payments:** The City shall base invoices from the Enterprise Fund to each participating Utility by applying the following methods to arrive at a total monthly invoice amount for that Utility:
 - a. The following expense categories are calculated by formula, with a copy of the formula for MSD, attached hereto as Exhibit A, and incorporated herein by reference:
 - i. Administrative Cost: All costs expensed directly to the Enterprise Fund associated with the following staff members - Streets Operations Manager, Customer Service Technician and Inspector. These overhead expenses shared among program participants based on a percentage of the number of all utility cuts, to include asphalt, concrete and dirt.
 - ii. Cost allocation for other administrative and overhead expenses not directly charged to the Enterprise Fund, except through a cost allocation of those charges, based on the percentage of the number of all utility cuts, to include asphalt, concrete and dirt.
 - iii. Expenses for labor crew of six: Based on percentage of square feet of all asphalt cuts.
 - iv. Expense for concrete patching: Based on percentage of the square feet of all concrete cuts.
 - b. Capital Recovery
 - i. Each participating Utility shall pay a monthly capital recovery fee of \$1,285.98, which represents payment for the cost of

equipment purchased to initiate the Utility Cut Repair Program, totaling \$324,067, until that amount is paid in full. Provided however, the Utility that funded the initial cost of the equipment purchased, shall not be required to pay the monthly capital recovery fee.

- ii. Each participating Utility shall pay a monthly capital recovery fee for the cost of equipment purchased since the Program's inception, will be billed monthly using the following formula:
 1. Acquisition cost / expected months of useful service = full monthly cost.
 2. Equipment used for asphalt cuts based on percentage-of square feet of all asphalt cuts.
 3. Equipment used for concrete patching based on percentage of square feet of all concrete cuts.

2. ***Billing and remittance:*** The City will submit monthly invoices to MSD as outlined in Sections B.1 and C.3. MSD shall submit payment to the City within thirty (30) days of the date of the invoice.

3. ***Preparation of an Annual Budget:*** To assist MSD, with its annual budgetary process, the City will provide a Total Estimated Budget to the Program by the end of March of each year. The Total Estimated Budget will provide a breakdown of the formula as shown in Exhibit A, referenced above. The Estimated Budget shall be based upon the previous year's budget along with any explained adjustments for the next year. In any event, MSD, shall remain responsible for its participation in the Program up to 20,000 square feet or actual square footage, whichever is more. In the event the total estimated budget and or MSD monetary participation increases by 10 percent, MSD or the City reserves the right to give notice of intent not to renew within 5 business days of receipt of the aforementioned estimated budget.

4. ***Commitment of non-withdrawal:*** MSD and the City recognize that the success of this Program is dependent upon the participation by both parties, without which, the Program will be substantially compromised. As such, MSD and the City commit not to withdraw from the Program unless done in accordance with the terms of this MOA.

Upon failure to comply with the terms of this MOA for withdrawal, MSD agrees to pay to the City for the Program, four consecutive monthly payments of an equal amount. The payments shall be based on the amount of the last invoice prior to withdrawal, to mitigate the negative impact that withdrawal without complying with the notice required set forth herein. MSD and the City agree that the actual financial cost of withdrawal without the notice required herein cannot be ascertained and agree that four equal payments as set forth herein is sufficient to make the City whole.

Upon failure to comply with the terms of this MOA for withdrawal, City agrees to pay to the MSD for the Program, four consecutive monthly payments of an equal amount. The payments shall be based on the amount of the last invoice prior to withdrawal, to mitigate the negative impact that withdrawal without complying with the notice required set forth herein. City and the MSD agree that the actual financial

cost of withdrawal without the notice required herein cannot be ascertained and agree that four equal payments as set forth herein is sufficient to make the MSD whole.

C. TERMS AND CONDITONS OF THE PROGRAM

- 1. **Permits:** MSD, shall not be required to pay to the City a separate permit fee for cutting into the City’s right of way. Provided however, a completed application shall still be required.
- 2. **Overlays:** This MOA specifically excludes overlays. Where an overlay is required arising from a utility cut, MSD, is solely responsible for the overlay. Overlays shall meet applicable published City or NCDOT standards.
- 3. **Degradation fee:** A copy of the PCR rating for all City streets, rights of way, alleys and other areas under the City control is attached hereto as Exhibit “B” and incorporated herein by reference. For those streets, rights of way, alleys and other areas under the City control with a PCR rating exceeding 60, MSD, shall perform a total overlay. For those streets, rights of way, alleys and other areas under the City control with a PCR rating of 60 or less, MSD, may in lieu of a total overlay, pay to the City a degradation fee as follows:

PCR (Pavement Condition Rating)	Fee Schedule
0-10	20% of overlay
11-20	40% of overlay
21-30	60% of overlay
31-40	80% of overlay
41-60	90% of overlay
61-100	Overlay required

- 4. **Use of Degradation fee:** The degradation fee shall be deposited into the Enterprise Fund and be used for the sole purpose of street and sidewalk maintenance.

D. CITY RESPONSBLITIES

- 1. **Timing of Repairs:** The City will strive to repair asphalt utility cuts as follows:
 - a. State roads and high priority roads, a list of such roads attached hereto as Exhibit “C” and incorporated herein by reference, within twenty-four hours of request.
 - b. City streets, secondary roads and other roads within 72 hours.
- 2. **Communications:** The City will establish and maintain a 24-hour-7 day hotline for monitoring the effectiveness of the Enterprise Fund. The purpose of this line is to

among other things provide opportunity for the public to report any and all problems arising out of utility cuts. The City shall require that such hotline be monitored and that complaints be investigated within a reasonable period of time after receipt of the complaint.

E. MSD RESPONSIBILITIES

1. **Notice of Cut:** Prior to performing any street cut, MSD, shall first provide the City with a completed application. In the event of an emergency after hours repair, MSD shall provide notice by call to the City's 24-hour 7-day hotline prior to performing any street cut.
2. **Request for Repair:** Upon a utility cut being made, MSD, shall provide the City with written notice that a utility cut has been made and is ready for repair. MSD, shall ensure that the site of the utility cut is secured with approved traffic control devices per the Manual of Uniform Traffic Control Devices.
3. **Ditch Compaction:** This MOA is not applicable to ditch compaction. Where ditch compaction is required arising out of the utility cut, MSD is responsible for compaction of the ditch in accordance with City standards. MSD shall continue to remain responsible for the compaction of the ditch in accordance with City standards until acceptance by the City.
4. **Acceptance of Ditch Compaction by City:** When MSD has compacted a ditch under the terms of this MOA, MSD shall provide notice to the City by calling 24-hour 7-day hotline. The City will measure the compaction within 24 hours on high volume streets and 72 hours on all other streets. Compaction results must be 98% Modified Proctor to be considered accepted by the City.
5. **Weather Exceptions:** Due to the inability to test ditch compaction during times when precipitation is present, the compaction test will be performed within the 24/72 hour timeframe as set above, unless precipitation is present at the site of the utility cut at the time when the inspection is to take place. If the compaction test is delayed due to precipitation, the compaction test will be performed within 24 hours of when the precipitation has ended.
6. **Compaction Training:** MSD shall require their employees responsible for compacting ditches to attend an annual training once a year. The cost of such training shall be the responsibility of MSD. The City shall be provided with a current copy of the annual training for each person performing ditch compaction under the terms of this MOA.

F. LIABILITY AND INSURANCE

1. **Liability:** MSD shall remain liable for the utility cuts made by **MSD up to the time the City takes possession of the utility cut.**
 - a. Asphalt cuts: City possession begins at the time the compaction test is approved.
 - b. Concrete and Dirt Cuts: City possession begins when the City's inspection is approved. Inspections will occur within 24 hours on high volume streets and 72 hours on all other streets.

MSD shall indemnify to the extent permitted by law and defend the City, its present and future officers, mayors, council members, employees and agents and their respective heirs, representatives successors and assigns and shall hold them harmless at all times in the future for, against and from all claims, demands, judgments, settlements, damages, losses, costs and expenses (including but not limited to attorney fees), which relate to or arise out of all utility cuts made by MSD, prior to the City taking possession of the utility cut, except that City shall remain liable for its own negligence.

Should the City fail to perform the compaction test within the 24/72 hour time periods as specified herein and upon notice from MSD, of such failure, provided that MSD, has secured the site consistent with the City’s written instructions, the City shall indemnify to the extent permitted by law and defend MSD, its present and future officers, employees and agents and respective heirs, representatives, successors and assigns and shall hold them harmless at all times in the future for, against and from all claims, demands, judgments, settlements, damages, losses, costs and expenses (including but not limited to attorney fees), which relate to or arise out of all utility cuts made by MSD, prior to the City taking possession of the utility cut, except that MSD shall remain liable for its own negligence.

2. **Insurance:** MSD shall provide evidence of insurance or self-insurance for utility cuts, in an amount acceptable to the City’s Risk Management Division, showing the City as an additional named insured.
3. **Non-waiver:** This MOA is not intended in any manner to waive whatever governmental immunity either party may assert hereunder.
4. **Notice:** All notices, demands, or other communications under this MOA shall be sufficiently given if delivered personally, or sent by certified mail, returned receipt requested and addressed as follows or at such other addresses as may be provided from time to time.

City of Asheville	MSD
Public Works Department	
P. O. Box 7148	
Asheville, NC 28802	
Attn: Jakob Klodt	
Telephone (828) 259-5937	
Facsimile (828) 259-5832	
Email Address jklodt@ashevillenc.gov	

Attest:

CITY OF ASHEVILLE

Maggie Burluson, City Clerk

By: _____
Gary L. Jackson, City Manager

Attest:

MSD

By: _____
Title: _____

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

I, Notary Public of the County and State aforesaid certify that Magdalen Burleson, personally came before me this day and acknowledged that she is the City Clerk of the City of Asheville, a municipal corporation, and that by authority duly given and as the act of the corporation the foregoing instrument was signed in its name by its City Manager and attested by herself as its City Clerk.

Witness my hand and notarial seal this _____ day of _____,
20____

Notary Public: ____
Type or Print Name: ____
My Commission Expires: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I, Notary Public of the County and State aforesaid certify that
_____, personally came before me this day and acknowledged that s/he
is the Secretary/Treasurer to _____ and that by authority duly
given and as the act of the corporation the foregoing instrument was signed in its name by
its President and attested by her/himself as Secretary to the Corporation.

Witness my hand and notarial seal this _____ day of _____, 20____.

Notary _____ Public: _____
Type or Print Name: _____
My Commission Expires: _____

Street Cut Fund Estimated Budget FY 2013-2014

EXHIBIT A

DESCRIPTION	TYPE	TOTAL EST. BUDGET	ADMIN	ASPHALT	CONCRETE
Sales and Services	R	-			
Sales & Serv - Street Patches	R	(1,336,815.00)			
Sales & Serv - Cap Recov Fee	R	(36,993.00)			
Sales & Services - Permit Fees	R	(120,000.00)			
Sales & Serv - Degredation Fee	R	-			
Sales & Serv - Overlay Fees	R	-			
Income from Investments	R	-			
Fines & Fees Interest - Late C	R	-			
Installment Purch Proceed	R	-			
Installment Purch Premiums	R	-			
Appropriated Fund Balance	R	-			
Approp Fund Bal Res for Enc	R	-			
		(1,493,808.00)			
Compensation - Full Time Reg	E	306,909.00	\$ 99,845.00	\$ 207,064.00	\$ -
Compensation - Temp/Seasonal	E	45,720.00	\$ -	\$ 45,720.00	\$ -
Compensation - Overtime	E	33,269.00	\$ 9,784.41	\$ 23,484.59	\$ -
Compensation - Stand By Pay	E	4,567.00	\$ 1,343.15	\$ 3,223.85	\$ -
FICA Tax Expense	E	23,479.00	\$ 7,638.14	\$ 15,840.86	\$ -
Employer - LGERs	E	21,173.00	\$ 6,926.89	\$ 14,246.11	\$ -
Employer - 401(K)	E	15,345.00	\$ 4,992.00	\$ 10,353.00	\$ -
Workers Compensation	E	2,350.00	\$ 691.14	\$ 1,658.86	\$ -
Vehicle Allowance	E	-	\$ -	\$ -	\$ -
Group Insurance Expense	E	86,918.00	\$ 25,562.58	\$ 61,355.42	\$ -
OPEB Pension Contributions	E	779.00	\$ 229.10	\$ 549.90	\$ -
Contracted Services	E	242,207.00	\$ -	\$ -	\$ 242,207.00
Professional Services	E	-	\$ -	\$ -	\$ -
Rental/Lease	E	36,993.00	\$ 10,879.64	\$ 26,113.36	\$ -
Services - Copying and Dupl	E	-	\$ -	\$ -	\$ -
Services - Advertising	E	-	\$ -	\$ -	\$ -
Maint & Repair - Equipment	E	2,958.00	\$ -	\$ 2,958.00	\$ -
Training	E	4,113.00	\$ 1,209.63	\$ 2,903.37	\$ -
Dues & Subscriptions	E	-	\$ -	\$ -	\$ -
Supplies - Other	E	7,017.00	\$ 7,017.00	\$ -	\$ -
Supplies - Safety Equipment	E	2,189.00	\$ 375.00	\$ 1,814.00	\$ -
Supplies - Books/Audio Visual	E	515.00	\$ 515.00	\$ -	\$ -
Supplies - Uniforms	E	4,378.00	\$ 750.00	\$ 3,628.00	\$ -
Materials	E	343,760.00	\$ -	\$ 343,760.00	\$ -
Insurance & Bonds	E	14,769.00	\$ 14,769.00	\$ -	\$ -
Licenses Taxes & Fees	E	663.00	\$ 663.00	\$ -	\$ -
Contingencies	E	-	\$ -	\$ -	\$ -
Tipping Fees	E	-	\$ -	\$ -	\$ -
Telephone	E	472.00	\$ 472.00	\$ -	\$ -
Long Distance	E	-	\$ -	\$ -	\$ -

Radio Charges	E	1,268.00	\$ 704.70	\$ 563.30	\$ -
Cellular Usage	E	4,866.00	\$ 1,431.09	\$ 3,434.91	\$ -
Pager Service	E	-	\$ -	\$ -	\$ -
Fleet Mgmt Charges	E	40,139.00	\$ 11,804.88	\$ 28,334.12	\$ -
Fleet Fuel Charges	E	47,875.00	\$ 14,080.04	\$ 33,794.96	\$ -
Overhead Transfers	E	152,108.00	\$ 152,108.00	\$ -	\$ -
Depreciation Expense	E	-	\$ -	\$ -	\$ -
Mach & Equipment	E	43,650.00	\$ 12,837.47	\$ 30,812.53	\$ -
Other Capital Outlay	E	-	\$ -	\$ -	\$ -
Principal Payments	E	-	\$ -	\$ -	\$ -
Interest Expense	E	3,359.00	\$ 3,359.00	\$ -	\$ -
Debt Issuance Cost	E	-	\$ -	\$ -	\$ -
Amortization of Debt Iss Costs	E	-	\$ -	\$ -	\$ -
Sales & Serv - Cap Recov Fee	R	-	\$ -	\$ -	\$ -
Installment Purch Proceed	R	-	\$ -	\$ -	\$ -
Installment Purch Premiums	R	-	\$ -	\$ -	\$ -
Compensation - Full Time Reg	E	-	\$ -	\$ -	\$ -
FICA Tax Expense	E	-	\$ -	\$ -	\$ -
Employer - LGERS	E	-	\$ -	\$ -	\$ -
Employer - 401(K)	E	-	\$ -	\$ -	\$ -
Retiree OPEB Expense	E	-	\$ -	\$ -	\$ -
OPEB Pension Contributions	E	-	\$ -	\$ -	\$ -
Depreciation Expense	E	-	\$ -	\$ -	\$ -
Land	E	-	\$ -	\$ -	\$ -
Buildings	E	-	\$ -	\$ -	\$ -
Mach & Equipment	E	-	\$ -	\$ -	\$ -
Infrastructure	E	-	\$ -	\$ -	\$ -
Interest Expense	E	-	\$ -	\$ -	\$ -
Tr From Water Fd - Street Cut	R	-	\$ -	\$ -	\$ -
Tr From Stormw Fd - Street Cut	R	-	\$ -	\$ -	\$ -
TOTALS		1,493,808.00	\$ 389,987.86	\$ 861,613.14	\$ 242,207.00

Estimated Allocation by Partner

NUMBER OF CUTS TOTAL				OVERHEAD/ADMIN BUDGET	\$ 389,987.86
	PARTNERS CUTS	TOTAL	% OF TOTAL	ALLOCATION EST.	
MSD	203	963	21%	\$	82,209.28
PSNC	195	963	20%	\$	78,969.50
WATER	525	963	55%	\$	212,610.20
STORM WATER	40	963	4%	\$	16,198.87

SQUARE FEET OF ASPHALT CUTS				ASPHALT BUDGET	\$ 861,613.14
	PARTNER CUTS FT ²	TOTAL	% OF TOTAL	ALLOCATION EST.	
MSD	19222.23	44252.69	43%	\$	374,262.58
PSNC	1931.6636	44252.69	4%	\$	37,610.07
WATER	16350.6206	44252.69	37%	\$	318,351.48
STORMWATER	6748.1758	44252.69	15%	\$	131,389.01

SQUARE FEET OF CONCRETE CUTS				CONCRETE BUDGET	\$ 242,207.00
	PARTNER CUTS FT ²	TOTAL	% OF TOTAL	ALLOCATION EST.	
MSD	777.7694	6086.7255	13%	\$	30,949.51
PSNC	354	6086.7255	6%	\$	14,086.60
WATER	4954.9561	6086.7255	81%	\$	197,170.88
STORMWATER	0	6086.7255	0%	\$	-

	CONTRIBUTION EST.	% OF TOTAL	PAST CAPITAL	TOTAL EST. CONTRIBUTION
MSD	\$ 487,421.37	33%	\$ 15,431.76	\$ 502,853.13
PSNC	\$ 130,666.18	9%	\$ 15,431.76	\$ 146,097.94
WATER	\$ 728,132.57	49%	\$ (46,295.28)	\$ 681,837.29
STORMWATER	\$ 147,587.88	10%	\$ 15,431.76	\$ 163,019.64
TOTALS	\$ 1,493,808.00	100%	\$ -	\$ 1,493,808.00

(Based on estimate of 20,000 square feet per year)

Actual amounts will vary based on participation)

MSD Street Patching Budget Estimate	
Patching Expense Estimate	\$ 487,421.37
Degradation Expense Estimate	\$ 29,000.00
Past Capital Recovery	\$ 15,431.76
	<u>\$ 531,853.13</u>

City of Asheville - Pavement Condition Ratings

EXHIBIT B

CENTERLINE ID	STREET NAME	PCR 07/01/2013
9628543045	20TH ST	55.8
9647759493	ACADEMY ST	78.1
9647852470	ACADEMY ST	75.4
9647851401	ACADEMY ST	73.4
9647757485	ACADEMY ST	61.7
9647858355	ACADEMY STREET EXT	78.1
9647859394	ACADEMY STREET EXT	78.1
9617569778	ACTON WOODS RD	59.7
9639342407	ADAMS HILL RD	78.1
9639346262	ADAMS HILL RD	72.2
9648250570	ADAMS ST	78.1
9656180874	ADAMSWOOD RD	73.4
9656190261	ADAMSWOOD RD	64.4
9639748310	AIKEN ALY	78.1
9638623921	ALABAMA AVE	78.1
9638524949	ALABAMA AVE	53.9
9649636718	ALBEMARLE PL	68.3
9649646485	ALBEMARLE PL	68.3
9649633823	ALBEMARLE RD	69.5
9649644403	ALBEMARLE RD	65.5
9649643163	ALBEMARLE RD	61.7
9730837798	ALCLARE CT	28.9
9730856297	ALCLARE DR	78.1
9730849209	ALCLARE DR	77.3
9730849411	ALCLARE DR	77.3
9730849523	ALCLARE DR	77.3
9730849972	ALCLARE DR	74.2
9730848096	ALCLARE DR	0
9648687574	ALEXANDER DR	44.9
9648770445	ALEXANDER DR	7.1
9648589725	ALEXANDER DR	0
9648680589	ALEXANDER DR	0
9647696388	ALL SOULS CRES	78.1
9647699556	ALL SOULS CRES	78.1
9647791716	ALL SOULS CRES	78.1
9655001513	ALLEN AVE	78.1
9638441313	ALLEN ST	50.8
9638430872	ALLEN ST	32.4
9730747662	ALLESARN RD	73.4
9730840655	ALLESARN RD	73.4
9626944168	ALLIANCE CT	68.2
9648185071	ALLINE ST	61.7
9669036279	ALPINE CT	57.8
9669036692	ALPINE WAY	63.6

**City of Asheville Priority Streets
EXHIBIT C**

ADAMS HILL RD
APPALACHAIN WAY
ASBURY RD
ASHELAND AVE
ASTON ST
BEAR CREEK RD
BELL RD
BEVERLY RD
BINGHAM RD
BROADWAY ST
BROOKSIDE CIR
CALEDONIA RD
CARIBOU RD
CEDAR ST
CHARLOTTE ST
CHOCTAW ST
CHUNNS COVE RD
COLLEGE ST
COUNTRY CLUB RD
COURT PZ
COXE AVE
DAVIDSON DR
DEAVERVIEW RD
DEPOT ST
DOCTORS DR
E CHESTNUT ST
E LARCHMONT RD
E OAKVIEW RD
EAGLE ST
EDGEWOOD RD
EMMA RD
FAIRVIEW RD
FAIRWAY DR
FLINT ST
FORREST HILL DR
GLEN FALLS RD
GOVERNORS VIEW RD
GOVERNORS VIEW RD EXT
GRIFFING BLVD
HANOVER ST
HAYWOOD ST
HAZEL MILL RD
HIAWASSEE ST
HILL ST
HILLIARD AVE
HILLSIDE ST
HUFFMAN RD
INGLEWOOD RD
KENILWORTH RD
KIMBERLY AVE
LIVINGSTON ST

LONDON RD
LYMAN ST
MACON AVE
MAPLE SPRINGS RD
MARJORIE ST
MARTIN LUTHER KING JR DR
MICHIGAN AVE
MIDDLEBROOK RD
MIDLAND DR
MONTFORD AVE
MOODY AVE
N BEAR CREEK RD
N FRENCH BROAD AVE
N LEXINGTON AVE
N MARKET ST
OLD HAW CREEK RD
OLD HAYWOOD RD
OLD TOLL RD
ONTEORA BLVD
PATTON AVE
PEARSON DR
PINEY MOUNTAIN DR
RICHMOND HILL DR
RIVERSIDE DR
RIVERVIEW DR
ROCK HILL RD
ROSSCRAGGON RD
S FRENCH BROAD AVE
S LEXINGTON AVE
S MARKET ST
S PACK SQ
S SPRUCE ST
SCHENCK PKWY
SCHOOL RD
SCHOOL RD E
SHELBURNE RD
SHORT COXE AVE
SPRINGSIDE RD
STATE ST
STRATFORD RD
SULPHUR SPRINGS RD
UNIVERSITY HTS
VALLEY ST
VICTORIA RD
VIRGINIA AVE
W CHAPEL RD
W CHESTNUT ST
W T WEAVER BLVD
WINDSOR RD
WOOD AVE
WOODFIN ST

All NCDOT roads within the City's jurisdictional limits are considered high priority streets with exception to controlled or limited access.

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: June 12, 2013

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

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

Subject: Cash Commitment/Investment Report-Month Ended April 30, 2013

Background

Each month, staff presents to the Board an investment report for all monies in bank accounts and specific investment instruments. The total investments as of April 30, 2013 were \$31,112,175. The detailed listing of accounts is available upon request. The average rate of return for all investments is 1.918%. These investments comply with North Carolina General Statutes, Board written investment policies, and the District's Bond Order.

The attached investment report represents cash and cash equivalents as of April 30, 2013 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of April 30, 2013 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$6,615,284.

Total Cash & Investments as of 04/30/2013		31,112,175
Less:		
Budgeted Commitments (Required to pay remaining FY13 budgeted expenditures from unrestricted cash)		
Construction Funds	(6,991,962)	
Operations & Maintenance Fund	<u>(3,658,489)</u>	
		(10,650,451)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(15,973)	
Debt Service Reserve	(3,828,369)	
Remaining Principal & Interest Due	<u>(5,194,906)</u>	
		(9,039,248)
District Reserve Funds		
Fleet Replacement	(591,800)	
WWTP Replacement	(506,362)	
Maintenance Reserve	<u>(913,025)</u>	
		(2,011,187)
District Insurance Funds		
General Liability	(379,828)	
Worker's Compensation	(326,921)	
Post-Retirement Benefit	(1,027,219)	
Self-Funded Employee Medical	<u>(1,062,037)</u>	
		(2,796,005)
Designated for Capital Outlay		<u><u>6,615,284</u></u>

Staff Recommendation

None. Information Only.

Action Taken

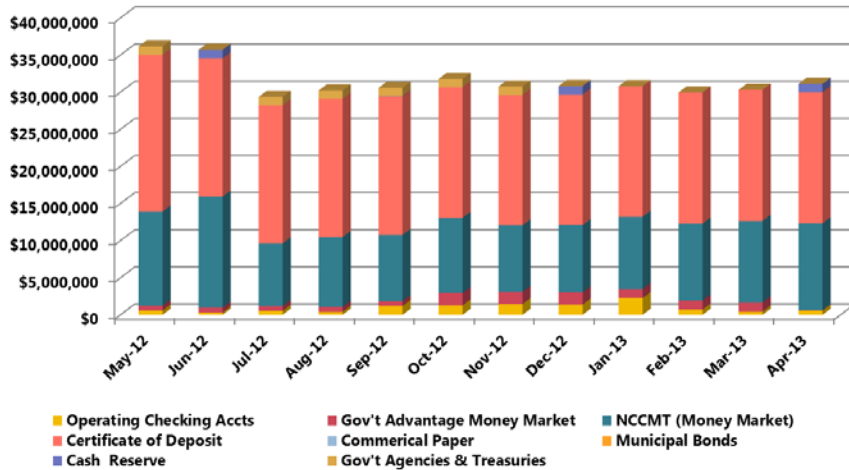
Motion by:	to	Approve	Disapprove
Second by:		Table	Send to Committee
Other:			
Follow-up required:			
Person responsible:		Deadline:	

Metropolitan Sewerage District of Buncombe County Investment Portfolio

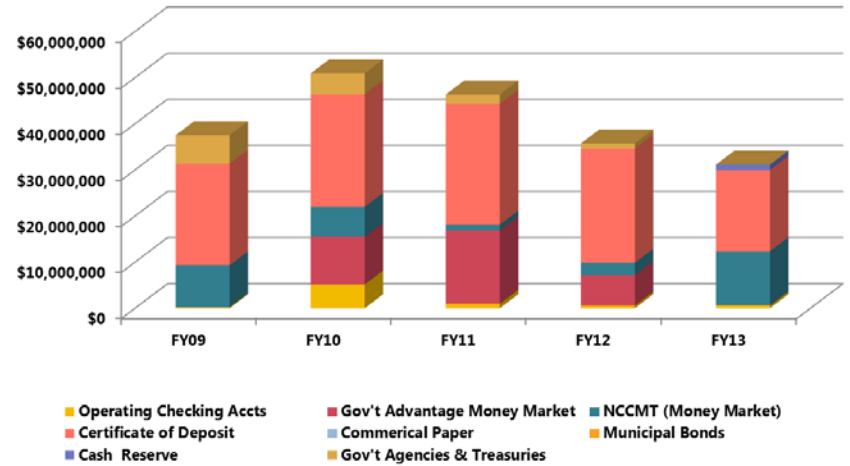
	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -	\$ -	\$ 15,973	\$ -	\$ -	\$ -	\$ 1,136,572	\$ -	\$ 1,152,545
Held by MSD	570,107	46,643	11,693,860	17,649,020	-	-	-	-	29,959,630
	\$ 570,107	\$ 46,643	\$ 11,709,833	\$ 17,649,020	\$ -	\$ -	\$ 1,136,572	\$ -	\$ 31,112,175

<u>Investment Policy Asset Allocation</u>	<u>Maximum Percent</u>	<u>Actual Percent</u>	
U.S. Government Treasuries, Agencies and Instrumentalities	100%	3.65%	No significant changes in the investment portfolio as to makeup or total amount.
Bankers' Acceptances	20%	0.00%	
Certificates of Deposit	100%	56.73%	The District 's YTM of .74% is exceeding the YTM benchmarks of the 6 month T-Bill and NCCMT Cash Portfolio.
Commercial Paper	20%	0.00%	
North Carolina Capital Management Trus	100%	37.64%	
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		1.83%	
Gov't Advantage Money Market		0.15%	

**MSD of Buncombe County
Investment Portfolio - 12 Month Trend**



**MSD of Buncombe County
Investment Portfolio - As of April 30, 2013**



Board Meeting: June 12, 2013

Subject: Cash Commitment/Investment Report-Month Ended April 30, 2013

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**METROPOLITAN SEWERAGE DISTRICT
INVESTMENT MANAGERS' REPORT
AT April 30, 2013**

Summary of Asset Transactions

	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 26,107,428	\$ 26,107,428	\$ 347,310
Capital Contributed (Withdrawn)	(466,787)	(466,787)	
Realized Income	745	745	
Unrealized/Accrued Income		-	15,618
Ending Balance	\$ 25,641,386	\$ 25,641,386	\$ 362,928

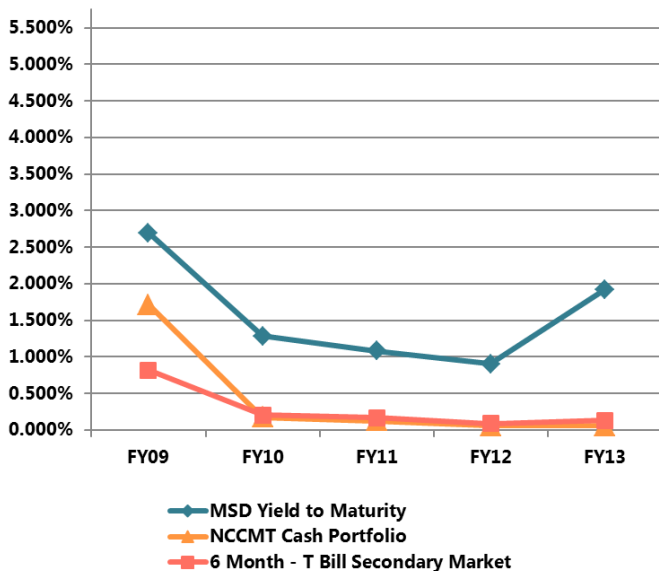
Value and Income by Maturity

	Original Cost	Income
Cash Equivalents <91 Days	\$ 7,992,365	\$ 5,100
Securities/CD's 91 to 365 Days	17,649,021	\$ 11,263
Securities/CD's > 1 Year	-	-
	\$ 25,641,386	\$ 16,363

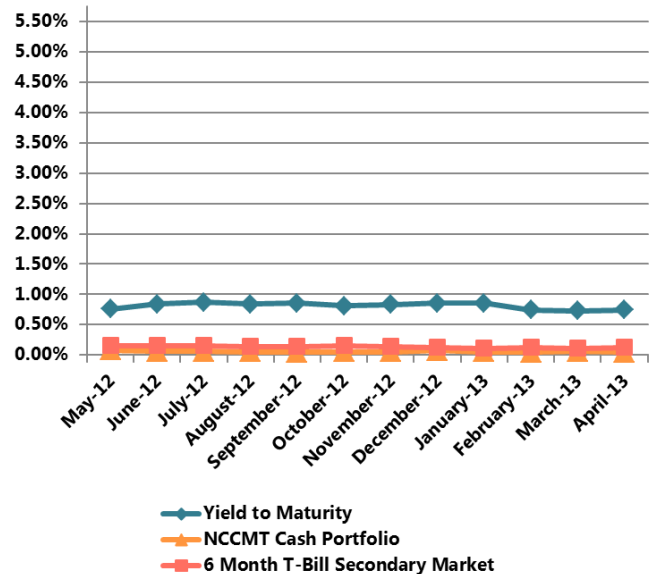
Month End Portfolio Information

Weighted Average Maturity	341
Yield to Maturity	0.74%
6 Month T-Bill Secondary Market	0.09%
NCCMT Cash Portfolio	0.04%

**Metropolitan Sewerage District
Annual Yield Comparison**

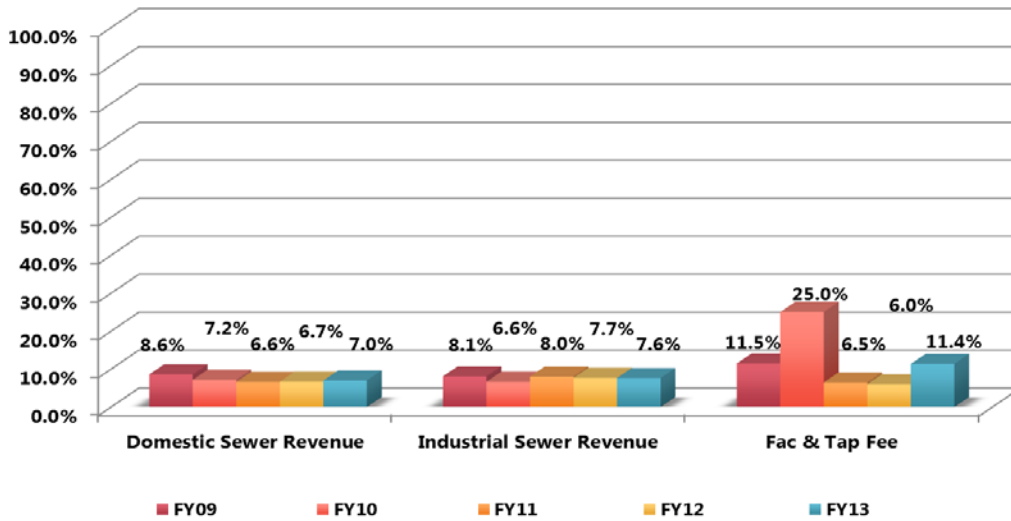


**Metropolitan Sewerage District
Yield Comparison - April 30, 2013**



**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF CASH RECEIPTS
AS OF April 30, 2013**

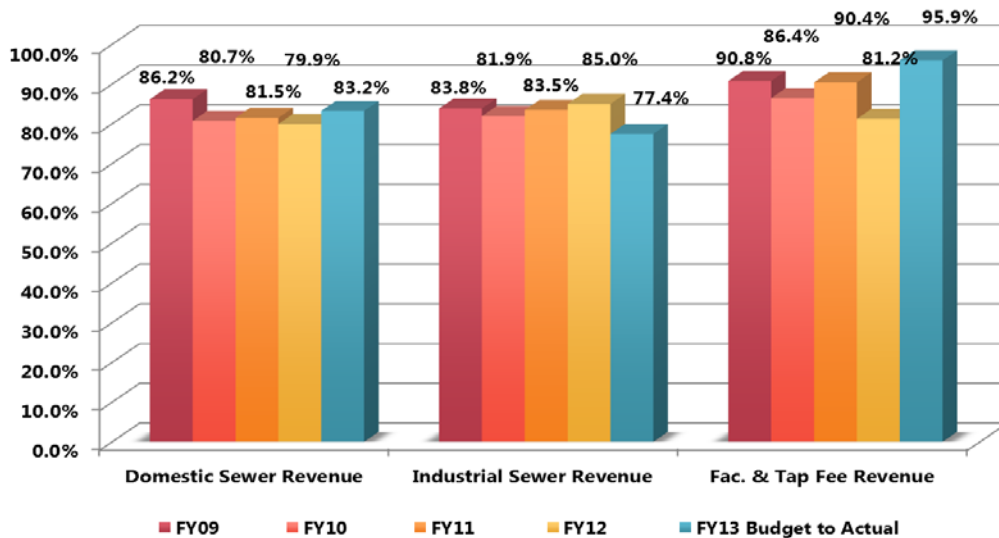
Monthly Cash Receipts Analysis



Monthly Cash Receipts Analysis:

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

YTD Cash Receipt Analysis

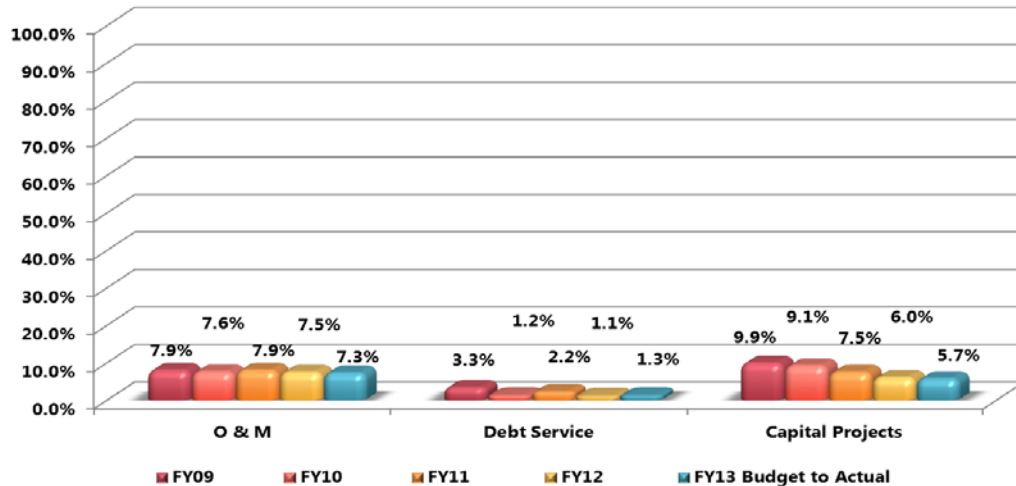


YTD Actual Revenue Analysis:

- YTD domestic sewer revenue is considered reasonable based on historical trends.
- YTD industrial sewer revenue is trending below budgeted expectations.
- 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 APRIL 30, 2013**

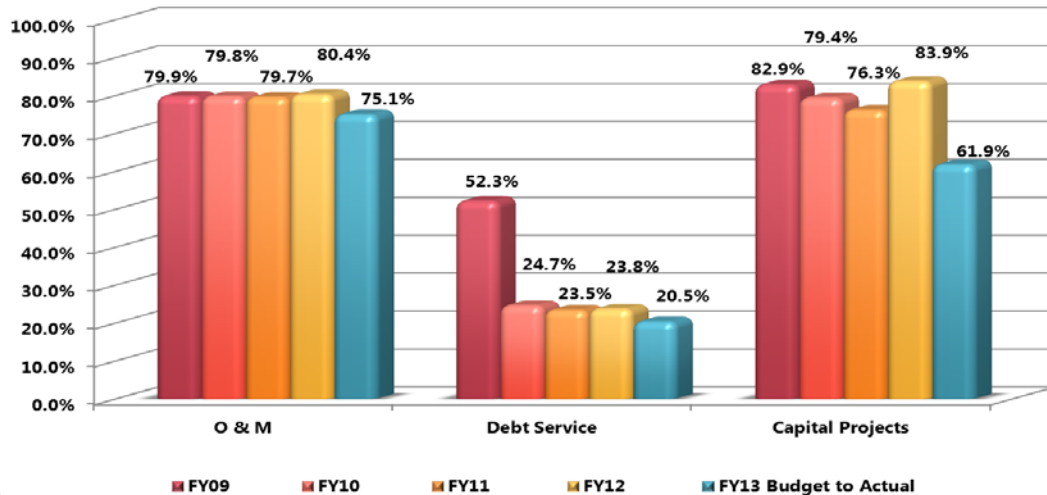
Monthly Expenditure Analysis



Monthly Expenditure Analysis:

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

YTD Expenditure Analysis



YTD Expenditure Analysis:

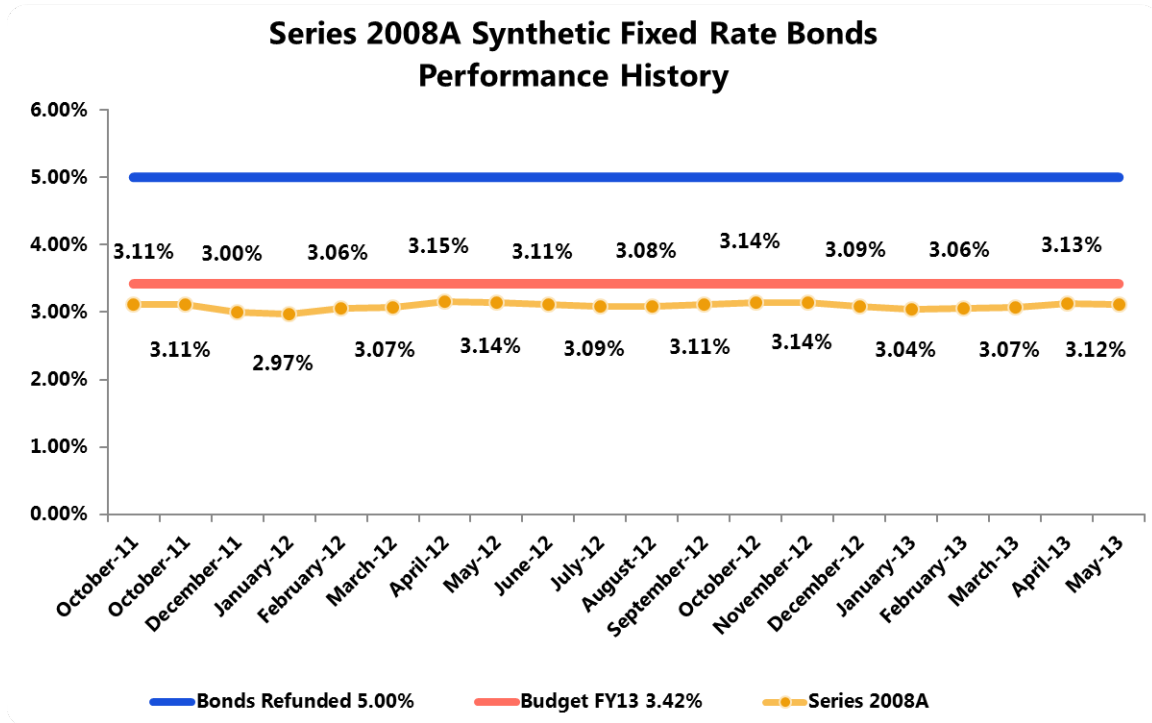
- * YTD O&M expenditures are considered reasonable based on historical trends.
- * Due to the nature of the variable rate bond market, YTD expenditures can vary year to year. Based on current variable interest rates, YTD debt service expenditures are considered reasonable.
- * Due to nature and timing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

Board Meeting: June 12, 2013

Subject: Cash Commitment/Investment Report-Month Ended April 30, 2013

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**METROPOLITAN SEWERAGE DISTRICT
Variable Debt Service Report
As of May 31, 2013**



Series 2008A:

- ✦ Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$2,646,481 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 \$5,761,000 to terminate the existing Bank of America Swap Agreement.

**PUBLIC HEARING
CONSIDERATION OF RESOLUTION ADOPTING
THE FINAL BUDGET FOR FY 2013-2014 AND
SCHEDULE OF SEWER RATES AND FEES**

Metropolitan Sewerage District of Buncombe County Board Action Item

Meeting Date: June 12, 2013

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

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

Subject: Consideration of Resolution adopting the Final Budget for FY 2013-2014 and Schedule of Sewer Rates & Fees

Background

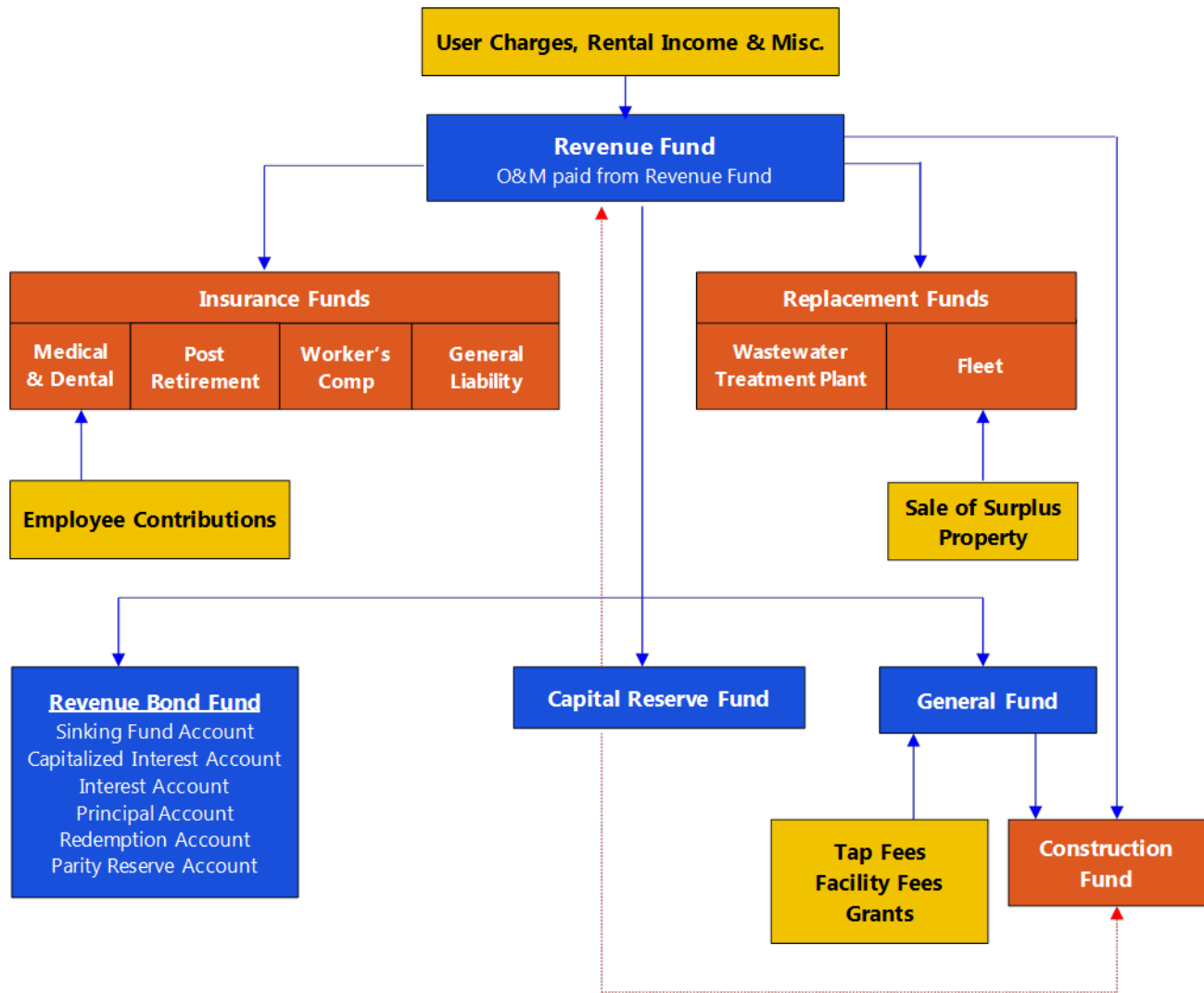
The District Budget process must comply with North Carolina General Statues and the MSD Revenue Bond Order. The Bond order requires that the District adopt its final budget on or before June 15 of each year. The North Carolina General Statutes required that an annual balanced budget ordinance, based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

Staff /Committee Recommendation

The Finance Committee/Staff recommends to the Board that the attached proposed FY 2013-2014 Final Budget and Schedule of Sewer Rates and Fees be considered and adopted at the June 12, 2013 board meeting.

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

Flow of Funds – Bond Order



Priority of expenditures per Bond Order

1. Current Expenditures
2. Debt Service
3. Capital Reserve
4. Any Lawful Purpose

	Income Sources
	Trustee Funds
	Expenditures

————— Flow of Funding

----- Flow of Funding if required for emergency repairs or maintenance

Resolution – Budget & Sewer Use Charges

**RESOLUTION ADOPTING FINAL BUDGET AND SEWER USE CHARGES
FOR THE
METROPOLITAN SEWERAGE DISTRICT
OF BUNCOMBE COUNTY, NORTH CAROLINA
FOR THE FISCAL YEAR July 1, 2013 THRU June 30, 2014**

WHEREAS, the Board of Directors has reviewed the Operations and Maintenance, Bond, Reserves, and Construction Expenditures of the District and the sources of revenue and allocations (uses) of expenditures for the 2013-2014 fiscal year; and

NOW, THEREFORE, BE IT RESOLVED:

1. The following amounts are hereby appropriated in the Revenue Fund for the Operations and Maintenance of the District and for transfers to the debt service and general funds for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Operating and Maintenance Expenses	\$	11,636,304
Transfer to insurance accounts	\$	2,810,662
Transfer to Fleet Replacement Reserve	\$	400,000
Transfer to Wastewater Treatment Plant Reserve	\$	<u>100,000</u>
Subtotal O&M	\$	14,946,966
Transfer to Debt Service Fund	\$	8,502,191
Transfer to General Fund	\$	<u>15,050,516</u>
	\$	<u><u>38,499,673</u></u>

It is estimated that the following revenues will be available in the Revenue Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Domestic User Fees	\$	27,367,458
Industrial User Fees	\$	1,710,390
Billing and Collection Fees	\$	689,062
Investment Interest	\$	293,692
Reimbursement for Debt Service from COA	\$	37,000
Rental Income	\$	68,597
Transfer from Construction	\$	20,000,000
Contributions to Net Assets	\$	<u>(11,666,526)</u>
	\$	<u><u>38,499,673</u></u>

Resolution – Budget & Use Sewer Charges

2. The following amounts are hereby appropriated in the General Fund for the transfers to the construction fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Transfer into construction	\$ <u>16,737,527</u>
----------------------------	----------------------

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Facility and Tap Fees	\$ 1,355,000
Investment Income	\$ 25,000
Transfer from Revenue Fund	\$ 15,050,516
Appropriated Net Assets	\$ <u>307,011</u>
	\$ <u>16,737,527</u>

3. The following amounts are hereby appropriated in the Construction Fund for Capital Improvement Plan expenditures for the fiscal year beginning July 1, 2013 and ending June 30, 2014.

Capital Improvements Projects	\$ 16,737,527
Transfer to Revenue Fund	\$ <u>20,000,000</u>
	\$ <u>36,737,527</u>

It is estimated that the following revenues will be available to the Construction Fund for the Fiscal year beginning July 1, 2013 and ending June 30, 2014.

Proceeds from Revenue Bonds	\$ 28,000,000
Investment Income	\$ 1,000
Transfer from General Fund	\$ 16,737,527
Contributions to Net Assets	\$ <u>(8,001,000)</u>
	\$ <u>36,737,527</u>

4. The following amounts are presented as the financial plan for the Internal Service Funds used to provide insurance services. Estimated operating expenditures for the fiscal year beginning July 1, 2013 and ending June 30, 2014 are:

Operating expenditures	\$ <u>3,166,431</u>
------------------------	---------------------

Resolution – Budget & Sewer Use Charges

It is estimated that the following revenues will be available in the Insurance Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Transfer in from the Revenue Fund	\$	2,810,662
Investment income	\$	11,000
Employee health insurance premiums	\$	389,000
Contributions to Net Assets	\$	<u>(44,231)</u>
	\$	<u>3,166,431</u>

5. The following amounts are presented as the Financial Plan in the Fleet Replacement Fund for the Internal Service Fund serving as capital equipment expenditures for the fiscal year beginning July 1, 2013 and ending June 30, 2014 are estimated as follows:

Capital equipment	\$	<u>605,000</u>
-------------------	----	----------------

It is estimated that the following revenues will be available in the Fleet Replacement Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Transfer in from the Revenue Fund	\$	400,000
Sale of surplus property	\$	80,276
Investment income	\$	4,351
Appropriated Net Assets	\$	<u>120,373</u>
	\$	<u>605,000</u>

6. The following amounts are presented as the Financial Plan in the Wastewater Treatment Plant Replacement Fund for the internal service fund designated as expenditures for the fiscal year beginning July 1, 2013 and ending June 30, 2014 are estimated as follows:

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

It is estimated that the following revenues will be available in the Wastewater Treatment Plant Replacement Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Transfer in from the Revenue Fund	\$	100,000
Investment income	\$	5,327
Appropriated Net Assets	\$	<u>94,673</u>
	\$	<u>200,000</u>

Resolution – Budget & Sewer Use Charges

7. The following amounts are hereby appropriated in the Debt Service Fund for principal and interest payments for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Debt Service	\$ <u>8,502,191</u>
--------------	---------------------

It is estimated that the following revenues will be available in the Debt Service Fund for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

Transfer in from the Revenue Fund	\$ 8,502,191
Investment Income	\$ 250
Contribution to Net Assets	\$ <u>(250)</u>
	<u>\$ 8,502,191</u>

8. That the Board of the Metropolitan Sewerage District does hereby approve an increase in the Budgets to the amount necessary to reflect any contributions to the Debt Service Reserve Fund or Capital Reserve Fund as determined by the Bond Trustee to be necessary to comply with covenants in the Bond Order.
9. The General Manager is hereby authorized to transfer appropriations as contained herein under the following conditions:
- a. He may transfer amounts without limitation between departments in a fund.
 - b. He may transfer any amounts within debt service and reserve funds designated as excess by the Trustee into another fund.
10. That the attached schedule of fees and charges be adopted as effective July 1, 2013.
11. That this resolution shall be entered in the minutes of the District and within five (5) days after its adoption, copies thereof are ordered to be filed with the Finance and Budget Officer and Secretary of the Board as required by G.S. 159-13 (d).

Adopted this 12th day of June, 2013

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

Attest:

Jackie Bryson
Secretary/Treasurer

Schedule of Rates & Fees – FY2014

	ADOPTED FY13 RATE 2.50%	PROPOSED FY14 RATE 2.50%
Rate increase		
Average Monthly Sewer Charge (Without Billing Charges)	\$ 26.03	\$ 26.68
Average Monthly Sewer Charge (With 1/2 Billing Charges-COA example)	\$ 27.14	\$ 27.81
Collection Treatment Charge		
Residential & Commercial Volume Charges (per CCF) Inside	\$ 3.98	\$ 4.08
Industrial Volume Charges (per CCF) Inside	\$ 2.975	\$ 3.195
Industrial Surcharge for BOD (per lb., BOD >210 mg/l) Inside	\$ 0.345	\$ 0.341
Industrial Surcharge for TSS (per lb., TSS >210 mg/l) Inside	\$ 0.269	\$ 0.267
Residential & Commercial Volume Charges (per CCF) Outside	\$ 3.99	\$ 4.09
Industrial Volume Charges (per CCF) Outside	\$ 2.985	\$ 3.205
Industrial Surcharge for BOD (per lb., BOD >210 mg/l) Outside	\$ 0.345	\$ 0.341
Industrial Surcharge for TSS (per lb., TSS >210 mg/l) Outside	\$ 0.269	\$ 0.267
Base Meter/Maintenance Charge & Billing Fee		
5/8"	\$ 6.13	\$ 6.28
3/4"	\$ 8.93	\$ 9.15
1"	\$ 15.82	\$ 16.22
1 1/2"	\$ 36.24	\$ 37.15
2"	\$ 64.11	\$ 65.71
3"	\$ 142.18	\$ 145.73
4"	\$ 253.70	\$ 260.04
6"	\$ 571.50	\$ 585.79
8"	\$ 1,014.78	\$ 1,040.15
10"	\$ 1,589.07	\$ 1,628.80
Billing Fee (per bill)	\$ 2.21	\$ 2.25
Sewer Facility Fees		
Residential		
Per Unit (non-mobile home)	\$ 2,500	\$ 2,500
Mobile Home	\$ 1,740	\$ 1,740
Affordable Housing	\$ 670	\$ 670
Nonresidential (modifiable per economic development waiver)		
5/8"	\$ 2,500	\$ 2,500
3/4"	\$ 2,830	\$ 2,830
1"	\$ 5,560	\$ 5,560
1 1/2"	\$ 11,350	\$ 11,350
2"	\$ 20,000	\$ 20,000
3"	\$ 45,000	\$ 45,000
4"	\$ 87,500	\$ 87,500
6"	\$ 225,400	\$ 225,400
8"	\$ 237,500	\$ 237,500
Additions < 1,400 GPD	\$ 870	\$ 870

Schedule of Rates & Fees – FY2014 (continued)

	ADOPTED FY13 RATE	PROPOSED FY14 RATE
Sewer Tap Fees		
Tap installed by MSD	\$ 650	\$ 650
Additional Charge for Pavement Disturbance	\$ 2,200	\$ 2,200
Additional Charge for Boring	N/A	N/A
Refund if Boring avoids pavement disturbance	\$ (1,300)	\$ (1,300)
Inspection Fee for Developer-Installed Tap	\$ 140	\$ 140
Manhole Installation/Replacement		
Cost per foot	\$ 250	\$ 250
Pavement replacement (if required)	\$ 1,800	\$ 1,800
Other Fees		
Allocation Fee	\$ 170	\$ 170
Non-Discharge Permit	\$ 200	\$ 200
Plan Review Fee	\$ 450	\$ 450
Plan re-review Fee	\$ 350	\$ 350
Final Inspection	\$ 350	\$ 350
Pump Station Acceptance Fee	Note 1	Note 1
Note 1 -- See policy for details of computation of O&M and equipment replacement costs for upcoming 20 years; 50% discount for affordable housing		
Bulk Charges		
Volume Charge for Septic Haulers (per 1000 Gal.)	\$ 45.00	\$ 45.00
Biochemical Oxygen Demand >210 mg/l (per lb.)	\$ 0.345	\$ 0.341
Total Suspended Solids >210 mg/l (per lb.)	\$ 0.269	\$ 0.267
Returned Check Charge		
Returned Check (per event)	\$ 25.00	\$ 25.00
Dishonored Draft (per event)	\$ 25.00	\$ 25.00
Copy/Printing Fees/Miscellaneous (each)		
8x11 first print of standard GIS inquiry	\$ 1.00	\$ 1.00
8x14 first print of standard GIS inquiry	\$ 1.00	\$ 1.00
11x17 first print of standard GIS inquiry	\$ 2.00	\$ 2.00
24x36 first print of standard GIS inquiry	\$ 7.00	\$ 7.00
34x44 first print of standard GIS inquiry	\$ 12.00	\$ 12.00
36x48 first print of standard GIS inquiry	\$ 14.00	\$ 14.00
8x11 or 8x14 copies after first print	\$ 0.11	\$ 0.11
11x17 copies after first print	\$ 0.20	\$ 0.20
24x36 copies after first print	\$ 0.94	\$ 0.94
34x44 copies after first print	\$ 1.76	\$ 1.76
36x48 copies after first print	\$ 2.03	\$ 2.03
Foam Core mounting per sq. foot	\$ 3.00	\$ 3.00
Data CD	\$ 30.00	\$ 30.00
Shipping for CD	\$ 5.00	\$ 5.00
Permit Decals for Septic Haulers	\$	\$ 50.00

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT (Next Meeting 7/17/13)

STATUS REPORTS

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

June 5, 2013

PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
GIVENS ESTATES	Terry Brothers	10/17/2012	10/24/2012	6/15/2013	\$770,098.50	90%	Mainline construction is complete. Final paving in progress.
MOORE CIRCLE (PRP 45001)	Bryant's Land & Development	2/20/2013	3/18/2013	7/16/2013	\$240,640.58	60%	Mainline construction is progressing slowly.
PIPE RATING CONTRACT #7 (LINING)	Southeast Pipe Survey, Inc.	12/12/2012	1/14/2013	6/30/2013	\$798,778.61	45%	Lining construction is progressing well.
SCENIC VIEW DRIVE (PRP 29020)	Carolina Specialties	9/19/2012	10/29/2012	4/1/2013	\$249,450.00	98%	Construction is complete except for final paving, which will be done when COA completes their waterline project.
SHORT COXE AVENUE AT SOUTHSIDE AVENUE	Cana Construction	7/18/2012	9/4/2012	7/1/2013	\$888,998.01	85%	Contractor is working at night on the 8-inch line in Biltmore Avenue.
WRF - CRAGGY HYDRO FACILITY REPAIRS - CONTROL COMPONENTS UPGRADE	Innovative Solutions of NC	7/12/2012	N/A	8/1/2013	\$100,717.72	75%	This is to upgrade the old control panel at the Hydro Facility. In addition to this, Turbine No. 2 is being repaired as well.
WRF - ELECTRICAL IMPROVEMENTS	Haynes Electric	8/15/2012	9/10/2012	8/1/2013	\$1,061,900.00	90%	Project is going very well. New generators and switchgear are in place and operational, site work is nearly complete. Final testing and configuration is expected in August.
WRF - PAVING IMPROVEMENTS	Trace and Company	2/27/2013	N/A	6/30/2013	\$ 119,985.00	90%	Project will install and repair pavement at various areas within the Treatment Plant property. Project is nearly complete, one area remains at Hypochlorite Building.

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

Planning and Development Projects Status Report
June 5, 2013

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
	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
	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
	New Salem Studios	2011119	Black Mountain	5	36	5/21/2012	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
	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
	Myers Project	2013007	Asheville	5	147	2/14/2013	Complete-Waiting on final documents
	Cottonwood Townhomes	2009110	Black Mtn.	8	580	10/20/2009	Complete-Waiting on final documents
	Goldmont St	2012087	Black Mtn.	6	91	1/11/2013	Complete-Waiting on final documents
	Berrington Village Apartments	2008164	Asheville	308	4,690	5/5/2009	Complete-Waiting on final documents
	Bradley Street		Asheville			2/14/2003	Complete-Waiting on final documents
	Carolina Truck and Body (Cooper)	2012075	Asheville	Comm.	298	10/30/2012	Complete-Waiting on final documents
	Ridgefield Business Park	2004188	Asheville	18	758	2/16/2005	Complete-Waiting on final documents
			Subtotal	901	21,615		

Planning and Development Projects Status Report
June 5, 2013

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
	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
	Onteora Oaks Subdivison	2012026	Asheville	28	1,222	1/4/2013	Pre-con held, ready for construction
	Camp Dorothy Walls - Ph. 2	2007294	Black Mtn.	Comm.	593	6/16/2009	Pre-con held, ready for construction
	Harris Teeter - Merrimon Ave.	2011045	Asheville	Comm.	789	3/27/2012	Ready for final inspection
	Pisgah Manor Skilled Nursing Facility	2012008	Candler	Comm.	131	4/9/2011	Ready for final inspection
	Ardmion	2011107	Asheville	5	208	4/16/2013	Pre-con held, ready for construction
	Biltmore Lake Block "J"	2013013	Enka	32	3,918	4/16/2013	Pre-con held, ready for construction
	Bradley Street - Phase II	2013031	Asheville	12	194	2/14/2013	Pre-con held, ready for construction
	Waynesville Ave (Pittman)	2013046	Asheville	15	332	5/23/2013	Pre-con held, ready for construction
				Subtotal	2203	70,954	
				Total Units:	3,104		
				Total LF:		92,569	