

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
SEPTEMBER 17, 2014**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00 p.m., Wednesday, September 17, 2014. Chairman VeHaun presided with the following members present: Ashley, Belcher, Bryson, Kelly, Manheimer, Pelly, Root, Russell, Stanley and Watts. Ms. Frost was absent.

Others present were: Thomas E. Hartye, General Manager, Rebecca Reinhardt with Roberts & Stevens, Gary McGill with McGill Associates, P.A. and MSD Staff, Ed Bradford, Peter Weed, Scott Powell, Jim Hemphill, Mike Stamey, Ken Stines, Sam Sirls and Sondra Honeycutt.

2. Inquiry as to Conflict of Interest:

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

3. Approval of Minutes of the August 20, 2014 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the August 20, 2014 Board Meeting. With no changes, Mr. Watts moved for approval of the minutes as presented. Mr. Stanley seconded the motion. Voice vote was unanimous in favor of the motion.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. VeHaun welcomed Ms. Reinhardt. There was no public comment.

6. Report of General Manager:

Mr. Hartye called on Ed Bradford, Engineering Director, and Mike Stamey, Collection System Construction Director, for a presentation on the construction activities of both contracted and in-house work.

Mr. Bradford presented slides showing the monthly Status Report Summary for projects within the Capital Improvement Program (CIP); expanded detail for each project, and the quarterly ten-year (2014-2015 through 2023-2024) Status Report. He indicated that the detailed CIP plus the Quarterly Status Report appear on our external website. He presented several slides showing the East State Street @ West Street in Black Mountain project which is near completion. Currently the contractor is preparing to set manhole eight of nine and placing binder in the trench prior to the NCDOT repaving the road. The next project is the Mt. Vernon Place Phase II project for which MSD is partnering with City Water Resources for paving after completion of its waterline project. He presented slides looking up Colonial Place, near Merrimon Avenue, construction progressing up Mt. Vernon Circle, and setting of the manhole, including compacting around it. He stated there are multiple MSD projects in this neighborhood (three contract projects and one in-house). Both water and sewer are being rehabilitated, and after completion of water rehab, affected streets will be repaved in a cost-sharing effort with the City. He presented slides showing the Merrimon @ Stratford project which is mostly complete except for bore under Elkwood Avenue where exceedingly hard granite is present and, requiring completion by hand-mined bore. He presented maps showing recently awarded projects (two in the east and one in the west) that total 9,100 LF. In addition, he presented a

map showing the Robinwood Avenue project in West Asheville which, is up for consideration at today's meeting, and the Old Haywood Road Project in West Asheville, which will be up for consideration at the October Board meeting, and the Old US 70 @ Pine Circle project in Black Mountain which will be up for consideration at the November Board meeting. Mr. Bradford turned the presentation over to Mr. Stamey to discuss in-house construction projects.

Mr. Stamey presented charts showing 34 completed pipeline replacement projects for FY 2013-2014 by MSD in-house crews. Total rehab footage for the year was 20,031 linear feet. The FY 2014-2015 proposed CIP projects for MSD in-house crews consist of 33 projects. As of July 1st of this year, six (6) of those project are complete. The two projects highlighted in yellow are current projects; Springside Drive (now complete) and Hickory Court. The remaining projects will be complete by the end of 2015.

Mr. Stamey presented a map showing completed sewer rehabilitation in the Grovestone Quarry area of Black Mountain where crews replaced 5,176 LF of 8" VCP with new 12" HDPE/DIP. He presented several slides showing the upper and lower sections during construction and post-construction. He addressed the many challenges of this project including infiltration/inflow I/I. The average daily reduction in I/I was 40,440 gallons, equal to 8,099 five gallon buckets of water or 14 tanker loads.

Mr. Stamey presented a map showing the location of the Westwood Road Sewer Rehabilitation project located in North Asheville near Beaverlake. This project connects to the Merrimon Avenue Stratford Road project, where crews replaced approximately 500 feet of pipe. He noted that because the City of Asheville Storm Water Department had a project in this same area, MSD coordinated work activities and shared the cost of paving. He presented a map showing the location of the Hickory Court Sewer Rehabilitation project located in the Royal Pines area of South Asheville where 1,700 ft. of pipe is being replaced. He stated there are a lot of homes close to the sewer line as well as power lines, steep terrain, and trees over the sewer line. He presented slides showing crews at work. He further reported on upcoming projects that include Campus Drive Sewer Replacement, Old County Home Road Sewer Replacement, and N. Ann Street Replacement.

With regard to in-house crews, Mr. Stamey reported that MSD has two (2) pipeline replacement crews; crews to Install Taps, Dig-up Point Repairs and Manhole Repairs. During FY13-14, MSD crews installed 218 taps; 588 point repairs, and 355 manhole repairs. He presented slides showing the aforementioned repairs. Mr. Russell asked if HDPE pipe is used exclusively in trenchless technology. Mr. Hartye stated this pipe is also used for force mains and special applications.

Mr. Hartye presented a letter from Mrs. Kit Riley regarding MSD Tech Services group as a whole and Furman Dean in particular. Mr. Bruce Ponder from 148 Appalachian Way called to express appreciation for Eric Bryant and James Beaver in helping him resolve his sewer issue. Also, Josh Ray Burnette at 8 Springside Drive called to say that Grady Brooks and Boyce Lunsford did a great job. He expressed his appreciation to Jesse Hunter and crew, McKinley Hensley, Tim Haney, Mickey Roberts, and Travis Courtney.

Mr. Hartye reported the United Way golf tournament will be held on Friday, October 3rd with an 8am registration and 8:30 shotgun start.

Mr. Hartye reported the September Right of Way Committee Meeting has been cancelled. The next meeting will be held at 9 am on October 22nd. The next regular Board Meeting will be held on October 15th at 2pm. The Employee picnic will be held October 14th behind the Maintenance facility.

7. Consolidated Motion Agenda:

a. Consideration of Bids for Sanitary Sewer Project – Robinwood Avenue GSR:

Mr. Hartye reported this project is for the replacement of aged six-inch clay sewer lines located in the Sulphur Springs Park section of West Asheville. The project is comprised of 1,835 LF of 8-inch DIP. The contract was advertised, and the following bids were received on August 28, 2014: Dillard Excavating Co. with a total bid of \$526,315.00; Huntley Construction Co. with a total bid of \$472,716.69; Terry Brothers Construction Co. with a total bid of \$461,902.00, and Davis Grading, Inc. with a total bid of \$457,838.60. He stated Davis Grading is currently finishing up an MSD project in Black Mountain, and their work quality is excellent. The FY 14-15 Construction Budget for this project is \$497,000.00. Staff recommends award of this contract to Davis Grading, Inc. in the amount of \$457,838.60, subject to review and approval by District Counsel.

b. Acceptance of Developer Constructed Sewer Systems. Hamburg Mountain Phase III Sewer Extension Project and Biltmore Lane Block “J2” Sewer Extension Project:

Mr. Hartye reported the Hamburg Mountain Phase III Sewer Extension Project is located inside the District boundary off Perrion Avenue in the Town of Weaverville. The project included extending approximately 843 linear feet of 8-inch public gravity sewer to serve a twenty (20) unit residential development.

Mr. Hartye reported the Biltmore Lake Block “J2” Sewer Extension Project is located inside the District boundary off Lake Drive in Buncombe County. The project included extending approximately 1,360 linear feet of 8-inch public gravity sewer to serve a fourteen (14) unit residential development.

Staff recommends acceptance of the developer constructed sewer systems. All MSD requirements have been met.

c. Consideration of Reimbursement Resolution for Bond Projects:

Mr. Powell reported that in order to be in compliance with IRS regulations concerning tax-exempt financing, all expenditures made with non-MSD bond funds, which are to be reimbursed from MSD bond funds, must be properly identified and authorized. The proposed reimbursement resolution identifies major projects in the amount of \$12.6 million dollars intended to be solely or substantially financed by bonds to be issued in FY 16-17. Board approval is required to obtain the tax-exemption of interest paid on MSD bonds by authorizing reimbursement from bond proceeds of the expenditures for the attached project listing. Staff recommends approval of the reimbursement resolution.

d. Cash Commitment/Investment Report – Month Ended August 31, 2014:

Mr. Powell reported Page 23 presents the makeup of the District’s Investment Portfolio. There have been significant changes in the District portfolio due to the investing of bond proceeds. Page 24 is the MSD Investment Manager’s report as of the month of July. The weighted average maturity of the investment portfolio is 287 days. The yield to maturity is 0.50%, and exceeds MSD’s bench marks of the 6-month T-Bill and NCCMT cash portfolio. Page 25 is the Analysis of the District’s Cash Receipts. Monthly and YTD Domestic and Industrial sewer revenue is considered reasonable based on timing of cash receipts. Facility and Tap Fees are considered reasonable; taking into account the unpredictability of cash receipts.

Page 27 is an analysis of the District's Expenditures. Monthly and YTD O&M, CIP, and Debt expenditures are considered reasonable based on historical trends. Page 28 is the MSD Variable Debt Service report. The 2008A Series Bonds is performing better than budgeted expectations. As of the month of August, both issues have saved District customers approximately \$3.5 million dollars in debt service since the bonds were issues in April, 2008.

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

8. Old Business:

None

9. New Business:

Mr. Hartye reminded the Board of the Monthly Status Reports, located at the end of each regular Agenda.

10. Adjournment:

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

Jackie W. Bryson, Secretary/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 9/17/14

✓	Agenda Item	Presenter	Time	
	Call to Order and Roll Call	VeHaun	2:00	
	01. Inquiry as to Conflict of Interest	VeHaun	2:05	
	02. Approval of Minutes of the August 20, 2014 Board Meeting.	VeHaun	2:10	
	03. Discussion and Adjustment of Agenda	VeHaun	2:15	
	04. Informal Discussion and Public Comment.	VeHaun	2:20	
	05. Report of General Manager	Hartye	2:30	
	06. Consolidated Motion Agenda		2:45	
	a. Consideration of Bids for Sanitary Sewer Project –Robinwood Avenue GSR.	Hartye		
	b. Acceptance of Developer Constructed Sewer Systems: Hamburg Mountain Phase III Sewer Extension Project and Biltmore Lake Block “J2” Sewer Extension Project.	Hartye		
	c. Consideration of Reimbursement Resolution for Bond Projects.	Powell		
	d. Cash Commitment/Investment Report – Month Ended July 31, 2014.	Powell		
	07. Old Business:	VeHaun	3:00	
	08. New Business	VeHaun	3:05	
	09. Adjournment (Next Meeting (10/15/14))	VeHaun	3:10	
	STATUS REPORTS			

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
AUGUST 20, 2014**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00 p.m., Wednesday, August 20, 2014. Vice Chairman Kelly presided with the following members present: Ashley, Bryson, Frost, Manheimer, Pelly, Root, Stanley and Watts. Mr. Belcher, Mr. Russell and Mr. VeHaun were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, P.A. and MSD Staff, Ed Bradford, Peter Weed, Scott Powell, Jim Hemphill, Mike Stamey, Ken Stines, Sam Sirls, Angel Banks, Julie Willingham and Sondra Honeycutt.

2. Inquiry as to Conflict of Interest:

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

3. Approval of Minutes of the July 16, 2014 Board Meeting:

Mr. Kelly asked if there were any changes to the Minutes of the July 16, 2014 Board Meeting. With no changes Mr. Watts moved for approval of the minutes as presented. Mr. Stanley seconded the motion. Voice was unanimous in favor of the motion.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

None

6. Report of General Manager:

Mr. Hartye reported the United Way Golf Tournament will be held Friday, October 3rd at 8 a.m. at the Asheville Municipal Golf Course. The "Ice Bucket Challenge" for ALS will be held Thursday at 3:30 p.m.

Mr. Hartye presented a copy of an article in the summer edition of NC Currents spotlighting the MSD treatment plant, aka French Broad River Water Reclamation Facility. He expressed his thanks to Peter Weed, Ed Bradford and Hunter Carson for helping put this together. He stated there have been a lot of improvements to the plant, but MSD needs to build on that momentum. As part of our "continual improvement" effort, Mike Stamey, who is over the Construction section, put together a modified landfill plan to recycle all of the rock and debris that comes from construction projects. The end product can be used for select landfill on new jobs. He presented slides showing the equipment used to crush the rock and what it looks like after. He stated this process will help with the District's recycling program as well as save money. With regard to the \$11 million Pilot Study, Mr. Hartye presented several slides showing a crane lifting the Pilot unit in from the roof; the Blower and the Pilot unit; Resin Filters that remove mercury and other constituents as opposed to using carbon units which are very expensive, and a slide showing the set-up for testing. He stated the results are very promising and another battery of testing will take place next week and hopefully staff will come back to the Board with recommendations in this regard. He stated the District could save up to \$3-4 million dollars if this works out well. At this point, the removal rates do work. It's a matter of design, wash water and doing some engineering on the

fabrication which will tell if the resin filters can be fully used instead of the carbon units to meet future regulations.

Mr. Hartye presented a slide showing the wet well after it was relined which was done following his presentation on the Weaverville Pump Station. He presented a slide showing the 10 MGD Carrier Bridge Pump Station located on Amboy Road. This is where the “Anything That Floats” and “French Board River Festival” is held each year. During this time MSD steps up Bioxide treatment to eliminate odor and protect the pipe. Ms. Manheimer asked about the location of the property. Mr. Hartye said it was located on Amboy Road past Carrier Bridge Park; north of the bridge over the river.

Mr. Hartye presented an e-mail from Mr. Kranyik, Garden Manager at the Botanical Gardens at Asheville expressing his appreciation to Lloyd Anders and Eric Dawson of the Collection System Construction Division.

Mr. Hartye reported the August Right of Way Committee Meeting has been cancelled. The next meeting will be held at 9 am on September 24th. The next regular Board Meeting will be held on September 17th at 2 pm.

7. Report of Committees:

Right of Way Committee

Mr. Kelly reported the Right of Way Committee met July 23, 2014. The Committee considered Compensation Budgets to be considered under the Consolidated Motion Agenda. The Committee also heard the following reports: Quarterly Report–Fourth Quarter; Condemnation Statistics and Closings by Agents.

8. Consolidated Motion Agenda:

a. Consideration of Compensation Budgets – Hilliard Avenue @ Aston Park SSR Project; Louisiana Avenue @ Brucemont SSR Project and Melody Circle SSR Project:

Mr. Hartye reported the Hilliard Avenue @ Aston Park SSR Project consists of about 2,500 linear feet of 8” DIP to replace 8” clay and PVC pipe and will eliminate the small Aston Park Pump Station. The total budget for this project is \$35,754.00 and is scheduled to bid in 2016.

Mr. Hartye reported the Louisiana Avenue @ Brucemont project runs between the edge of Louisiana Avenue and Brucemont Circle and consists of about 400 linear feet of 8” DIP to replace 4” and 6” clay and PVC pipe. The existing line is in bad condition and there have been 2 houses built over the line in the last few years which hampers maintenance activities. The total budget for this project is \$13,906.00 and is scheduled to bid in 2016.

Mr. Hartye reported the Melody Circle project starts on New Salem Road in the Swannanoa area and travels through the Melody Circle subdivision. The project consists of about 4,500 linear feet of 8” DIP to replace existing 8” clay pipe which is in poor condition. The total budget for this project is \$59,459.00 and is scheduled to bid in 2016.

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

b. Consideration of Bids, Sanitary Sewer Replacement Project: Fairfax Avenue.

Mr. Hartye reported this project is for the replacement of an aged six-inch clay sewer line located in West Asheville, along Fairfax Avenue. The project is comprised of 2,042 LF of 8-inch DIP and is located entirely within the street. The following bids were received on July 31, 2014: Don Moorhead Construction with a total bid of \$748,063.00; Thomas Construction Co. with a total bid of \$631,076.00; Huntley Construction Co. with a total bid of \$615,625.85; Davis Grading, Inc. with a total bid of \$603,133.00; Dillard Excavating Co. with a total bid of \$587,315.00 and Terry Brothers Construction Co. with a total bid of \$558,802.00. The FY14-15 Construction Budget for this project is \$673,000.00. Staff recommends award of this contract to Terry Brothers Construction Co. in the amount of \$558,802.00, subject to review and approval by District Counsel.

c. Consideration of Bids, Sanitary Sewer Replacement Project: Crockett Avenue.

Mr. Hartye reported this project is for the replacement of aged six and eight-inch clay sewer lines located in the Redwood Forest section of East Asheville. The lines are in poor structural condition, which has caused SSO's and maintenance problems. The original project on Crockett Avenue was expanded to include an additional 764 LF adjacent to the downtown Sheraton Hotel. This is to replace a problematic segment using the pipe-bursting method. The total contract footage is 2,846 LF, which includes 1,300 LF of 8-inch DIP, and 1,466 LF of 8-inch through 12-inch HDPE pipe bursting. The following bids were received on July 31, 2014: Dillard Excavating Co. with a total bid of \$745,815.00; Huntley Construction Co. with a total bid of \$699,479.86, and Terry Brothers Construction Co. with a total bid of \$676,842.00. The FY 14-15 Construction Budget for this project is \$625,000.00. The overage is due to the additional segment being added. There are sufficient funds within the CIP Budget for the overage. Staff recommends award of this contract to Terry Brothers Construction Co. in the amount of \$676,842.00, subject to review and approval by District Counsel.

d. Influent Pump Station at Plant: Approval of Sole Source Procurement for New Influent Pump:

Mr. Hartye reported the plant has three large pumps that lift all wastewater received at the plant up to the Grit and Grease Facility. The pumps were installed in 1986 and have functioned well over time. The internal parts have been replaced several times and the pump casings have been repaired as well. Due to the age and wear of the pump casings it was recommended the District begin replacing these pumps. Staff proposed the replacements be staggered so the pumps do not reach the end of their normal life cycle all at once. Accordingly, one pump was replaced in FY 12-13 and the next scheduled replacement is proposed for the current FY 14-15. The third pump replacement is scheduled for FY16-17. Replacing the pumps in this manner reduces the financial burden upon the District as well as operational risks at the plant. Given the unique nature of these pumps, a primary overriding concern is that each pump must be standardized with identical performance and fitment within the existing footprint and piping. The cost for one pump with factory testing is \$140,235.94, with a production & delivery time of approximately 7.5 months. A contractor will be utilized for pump installation after delivery of the unit. The FY 14-15 budget for this project is \$160,000.00. The pump motor control replacement project (also scheduled for FY 14-15) is \$675,000.00 for a total construction budget of \$835,000.00. Staff recommends the District sole-source procure a Morris Pump Model MF30x30-27 in the amount of \$140,235.94.

e. Influent Pump Station at Plant: Approval of Sole Source Equipment Specifications – Influent Pump Motor Controls:

Mr. Hartye reported the three influent pumps at the plant are powered by 400 HP motors, which in turn are controlled by Variable Frequency Drives (VFD's). The VFD's allow the pumps to ramp their speed up or down to match the incoming flow to the plant, which is more efficient than having pumps which cycle on and off at full power. The VFD's were last replaced in 1998 and the internal parts have been replaced as required. The equipment has become obsolete and replacement parts cannot easily be obtained due to the age of the units. In addition, because the VFD's are comprised of sensitive electronic components and are subject to corrosion in their current location, these units will be relocated to outside the main pump building in a separate climate-controlled enclosure. Given the unique nature of these controls, staff recommends the District include a sole-source specification for Allen-Bradley Powerflex 755 VFD's in the competitively-bid construction contract for installation of the VFD's due to the fact that standardization of the VFD's with other existing Allen-Bradley VFD's within the plant is a primary overriding concern.

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

Mr. Hartye reported MSD has been conducting a four-month testing and evaluation of products for odor and hydrogen sulfide control in the South French Broad Interceptor. Results of this testing demonstrates that the Bioxide ® product still successfully minimizes the adverse effects of sulfide formation in wastewater that attack cement piping and equipment in an effective and superior manner. Bioxide ® Solution is a patented product manufactured by Evoqua Water Technologies (formerly Siemens Industry) and is uniquely engineered for collection systems by providing treatment for long detention times. Pursuant to North Carolina Purchasing Statutes for Sole-source purchases and MSD Procedures, this procurement request for a six (6) month interval only is presented to the Board for approval. He further reported that Evoqua Water Technologies has been a supplier to MSD in past years providing Bioxide ®, equipment delivery systems, and on-site support as a unique solution. MSD staff feels comfortable with both the quality of the chemical provided and customer service. This is a Unit Price Contract, without minimum or maximum quantities. Based on an estimate use of 36,000 gallons at \$2.84/gallon, the six month expenditure for Bioxide ® is anticipated to be \$102,240.00 and is within the levels budgeted by the WRF. Staff recommends the Board award the contract for the supply of Bioxide ® to Evoqua Water Technologies at a unit price of \$2.84/gallon.

g. Consideration of Waiver of Competitive Bids – New Backhoe, Fleet Replacement:

Mr. Hartye reported the District's policy is to annually evaluate the condition of fleet vehicles and purchase replacements when the estimated cost of repair and maintenance will exceed the cost of a new one. At the March 2014 Fleet Replacement Committee meeting the members recommended the purchase of one (1) new backhoe replacement, as presented to the Board for approval. This purchase was included in the FY2014-2015 Budget. Pursuant to North Carolina Purchasing Statute and MSD Procedures, MSD staff is requesting Board approval to waive competitive bidding and allow the purchase of this Backhoe from Contractors Machinery Tri Cities, Inc. In February of 2014, after a thorough demo and bidding process, Contractors Machinery was awarded a contract for a Case Backhoe, having been the lowest responsive bidder to MSD specifications. Contractors Machinery has agreed to extend to MSD the same or more favorable prices and terms as set forth in its previous contract. Staff believes it is in the best interest of MSD to purchase this same piece of equipment as operators are already trained on the machine functions; it

increases proficiency with machine operations itself, and allows for standardization of parts for repairs and routine maintenance. The total cost of this contract will be \$98,897.00 and funds are budgeted in the Fleet Replacement Fund. Staff recommends the bid from Contractor's Machinery/Case Construction be awarded.

h. Consideration of Developer Constructed Sewer Systems - Stone Crest Sewer Extension Project:

Mr. Hartye reported this project is located inside the District boundary off North Fork Road in the Town of Black Mountain. The project included extending approximately 1,145 linear feet of 8-inch public gravity sewer to serve the sixteen (16) unit residential development. Staff recommends acceptance of the developer constructed sewer system. All MSD requirements have been met.

i. Fourth Quarter Budget to Actual Review – FY2014:

Mr. Powell reported as follows:

- Domestic User Fees are at budgeted expectations. Staff believes Domestic Fee variance will end up around 101% when June accounts receivable data is received from its Member Agencies in September. Industrial Revenue trended slightly better than budgeted expectations due to increased consumption from one new industrial user (Sierra Nevada).
- Facility and Tap Fees are above budgeted expectations. This is due to the District receiving \$2.1 million from eight developments at the end of the year as well as the conservative nature in which these funds are budgeted.
- Interest and miscellaneous income are above budgeted expectations. The District continues to sell renewable energy credits associated with the Hydroelectric Facility. Investment income is still experiencing post recessionary pressures on the fixed income market.
- O&M expenditures are at 94.25% of budget. This amount may vary slightly from audited numbers due to final accruals.
- Bond principal and interest are slightly better than budgeted expectations. This is a direct result of variable rate interest savings.
- Capital project expenditures are at approximately 85.16% of budget. This amount includes the million dollar contingency. Also the District continued to receive favorable pricing on most projects.

Mr. Pelly asked if Tap fees are associated with Facility fees. Mr. Powell stated they are directly related. Mr. Pelly asked about Taps that require Bore fees. Mr. Powell stated a typical Tap fee is \$650.00, but if MSD has to bore to make a connection, the fee is approximately \$900, which is substantially higher. With regard to Use of Available Funds, Ms. Manheimer asked Mr. Powell to explain the difference between budget and actual for the "use of available funds" line items. Mr. Powell stated the \$19 million dollars is predominately due to issuing debt and goes back into reserves. He explained the reason the actual is different is because we have had an additional \$2.375 million dollars in Tap Fees. He further stated that all of the fees combined have a positive impact on monies going back into reserve, which are used for future CIP projects.

j. Cash Commitment/Investment Report – Month Ended June 30, 2014:

Mr. Powell reported Page 53 presents the makeup of the District's Investment Portfolio. There has been no significant change in the portfolio as to makeup or total amount. Page 54 is the MSD Investment Manager's report as of the month of June. The weighted average maturity of the investment portfolio is 91 days. The yield to maturity is 0.29% and exceeds MSD's bench marks of the 6-month T-Bill and NCCMT cash portfolio. Page 55 and 56 is the same information as presented in the year-end Budget to Actual review. Page 57 is the MSD Variable Debt Service report for the month of July. The 2008A Series Revenue Refunding Bonds are performing better than budgeted expectations. As of the end of July, both issues have saved District rate payers \$3.5 million dollars in debt service since April 2008.

Mr. Pelly moved the Board approve the Consolidated Motion Agenda as presented. Mr. Watts seconded the motion. With no discussion, Mr. Kelly called for the question. Roll call vote was as follows: 9 Ayes; 0 Nays.

9. Old Business:

None

10. New Business:

None

11. Adjournment:

With no further business, Mr. Kelly called for adjournment at 2:35 p.m.

Jackie W. Bryson, Secretary/Treasurer



MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: September 12, 2014
SUBJECT: Report from the General Manager

- Construction Update

MSD Staff will give an update on construction activities at the meeting. Ed Bradford, Engineering Director and Mike Stamey, Collection System Construction Director will give a brief presentation on the construction activities of both in-house crews and contractor crews.

- Kudos

- Attached is a letter from Mrs. Kit Riley regarding our Tech. Services group as a whole and Furman Dean in particular.
- Bruce Ponder from 148 Appalachian Way called to express appreciation for Eric Bryant and James Beaver in helping him resolve his sewer issue.
- Josh Ray Burnett at 8 Springside Dr. called to say that "Grady Brooks and Boyce Lunsford were over here with the crew to wash down the road and messed up my driveway a bit. They cleaned it up perfect. I tell you that those men from MSD, their nothing but great." Thanks to Jesse hunter and crew (Mckinley Hensley, Tim Haney, Mickey Roberts, Travis Courtney).

- Board/Committee Meetings/Events

The September Right of Way Committee Meeting has been cancelled. The next Right of Way Committee meeting will be held at 9 am on October 22nd. The next Regular Board Meeting will be held on October 15th at 2 pm.

Mrs. Kit Riley
23 Hamburg Mountain Road
Weaverville, North Carolina 28787

September 4, 2012

Mr. Ken Stimes
Metropolitan Sewer District
2028 Riverside Drive
Business Park
Asheville, North Carolina 28804

Dear Mr. Stimes:

We have had continuous problems with our sewer system for the past year. When an emergency arises and we have floors flooding and bathrooms out of operation, we need assistance quickly, and your group has come to our rescue very promptly every time, regardless of the time of day or night.

I am compelled to write you a second time to commend an outstanding employee.

Today, Furman Dean from the Metropolitan Sewer District came out to assess our current situation. He patiently explained to us what he thought the problem is, and he scheduled the work to be done. He was very courteous and professional and we sincerely appreciate him.

Thank you, and Furman for your continued and diligent efforts.

Kind regards,


Kit Riley

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

BOARD MEETING DATE: September 17, 2014

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

PREPARED BY: Ed Bradford, P.E. - Director of Engineering
Darin Prosser, P.E. - Project Manager

SUBJECT: Sanitary Sewer Rehabilitation Project: Robinwood Avenue, MSD Project No. 2009130

BACKGROUND: This project is for the replacement of aged six-inch clay sewer lines located in the Sulphur Springs Park section of West Asheville. The lines are in poor structural condition, which has caused manhole overflows and maintenance problems.

The project is comprised of 1,835 LF of 8-inch DIP and is located mostly within the street. A portion of the project is located within an unopened road named Hemlock Drive.

The contract was advertised and four bids were received on Thursday, August 28, 2014 as follows:

<u>Contractor</u>	<u>Bid Amount</u>
1) Dillard Excavating Co.	\$526,315.00
2) Huntley Construction Co.	\$472,716.69
3) Terry Brothers Const. Co.	\$461,902.00
4) Davis Grading, Inc.	\$457,838.60

The apparent low bidder is Davis Grading, Inc. with a bid amount of \$457,838.60. Davis Grading is currently finishing the East State Street @ West Street rehabilitation project in Black Mountain, and their work quality has been excellent.

Please refer to the attached documentation for further details.

FISCAL IMPACT: The FY14-15 Construction Budget for this project is \$497,000.00.

STAFF RECOMMENDATION: Staff recommends award of this contract to Davis Grading, Inc. in the amount of \$457,838.60, subject to review and approval by District Counsel.

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

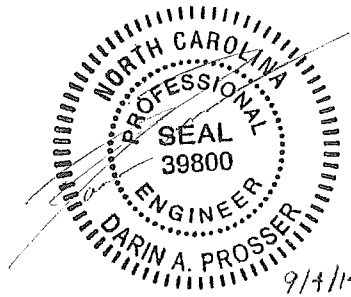
**ROBINWOOD AVENUE SEWER REPLACEMENT
PROJECT NO. 2009130**

**BID TABULATION
August 28, 2014**

BIDDER	MBE Form	Bid Forms (Proposal)	Total Bid Amount
Dillard Excavating Company Sylva, NC	1	Yes	\$526,315.00
Huntley Construction Company Asheville, NC	1	Yes	\$472,716.69
Terry Brothers Construction Company Leicester, NC	1	Yes	\$461,902.00
Davis Grading, Inc. Shelby, NC	2	Yes	\$457,838.60

APPARENT LOW BIDDER

Darin Prosser, P.E.
Project Engineer
Metropolitan Sewerage District of
Buncombe County, North Carolina



This is to certify that the bids tabulated herein were publicly opened and read aloud at 2:00 p.m. on the 28th day of August, 2014, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina. This was an informal bid and no bid bonds were required.

Interoffice Memorandum

TO: Tom Hartye, General Manager

FROM: Ed Bradford, Engineering Director
Darin Prosser, Project Manager

DATE: August 29, 2014

RE: Robinwood Avenue Sewer Replacement, MSD Project No. 2009130

The Robinwood Avenue Sewer Replacement project is located in West Asheville in the Suphur Springs Park subdivision near Old Haywood Road. Rehab will start at the Robinwood Avenue and Evergreen Avenue intersection and will run along Evergreen Avenue. A portion of the project will run down an unopened road named Hemlock Drive. This project is located in MSD Sub-basin No. 69.

Approximately 1,835 linear feet of 8-inch DIP sewer line will be installed to replace existing 6-inch VCP lines. The existing piping is in poor structural condition, which has caused manhole overflows and maintenance problems.

On August 28, 2014, four sealed bids were received at 2:00 pm as follows:

<u>Contractor</u>	<u>Bid Amount</u>
1) Dillard Excavating Co.	\$526,315.00
2) Huntley Construction Co.	\$472,716.69
3) Terry Brothers Const. Co.	\$461,902.00
4) Davis Grading, Inc.	\$457,838.60

The apparent low bidder is Davis Grading, Inc. with a bid amount of \$457,838.60. The FY14-15 construction budget for this project is \$497,000.00.

Davis Grading is currently finishing the East State Street @ West Street rehabilitation project in Black Mountain. This was their first sewer rehabilitation project for MSD, and their work quality has been excellent.

Staff recommends award of this contract to Davis Grading, Inc. contingent upon review and approval by District Counsel.

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

BUDGET DATA SHEET - FY 2014 - 2015

PROJECT: Robinwood Avenue	LOCATION: Asheville
TYPE: General Sewer Rehab.	PIPE RATING: 31
PROJECT NO.: 2009130	TOTAL LF: 1,835
PROJECT BUDGET: \$514,500.00	PROJECT ORIGIN: SSO's, Access, Line Condition

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 12/31/13	EST. COST JAN - JUNE 2014	EST. BUDGET FY 14-15
55310 - PRELIM. ENGINEERING				
55320 - SURVEY - DESIGN	\$10,900.00	\$10,900.00		
55330 - DESIGN				
55340 - PERMITS				
55350 - SPECIAL STUDIES				
55360 - EASEMENT PLATS				
55370 - LEGAL FEES				
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION				
55400 - APPRAISAL				
55410 - CONDEMNATION				
55420 - CONSTRUCTION	\$497,000.00			\$497,000.00
55430 - CONST. CONTRACT ADM.				
55440 - TESTING	\$2,000.00			\$2,000.00
55450 - SURVEY - ASBUILT	\$4,600.00			\$4,600.00
TOTAL AMOUNT	\$514,500.00	\$10,900.00	\$0.00	\$503,600.00

ENGINEER: MSD	DP	ESTIMATED BUDGETS - FY '15 -'24	
R.O.W. ACQUISITION: N/A	# PLATS: [0]	FY 15-16	\$0.00
CONTRACTOR:		FY 16-17	\$0.00
CONSTRUCTION ADM: MSD		FY 17-18	\$0.00
INSPECTION: MSD		FY 18-19	\$0.00
		FY 19-20	\$0.00
PROJECT DESCRIPTION: This project is for the replacement of an existing 6-inch vitrified clay pipe line which extends from Evergreen Avenue to Robinwood Avenue. The existing line is in very poor condition. In addition, the location of the line is between houses, and makes access and maintenance very difficult. The new line will be located within the public right of way.		FY 20-21	\$0.00
		FY 21-22	\$0.00
		FY 22-23	\$0.00
		FY 23-24	\$0.00

SPECIAL PROJECT NOTES:



Robinwood Avenue Project No. 2009130

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: September 17, 2014

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

PREPARED BY: Kevin Johnson

REVIEWED BY: Ed Bradford, P.E., Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Hamburg Mountain Phase III Sewer Extension Project

BACKGROUND: This project is located inside the District boundary off Perrion Avenue in the Town of Weaverville. The developer of the project is Victor Trantham of Haywood Street Redevelopment Corporation.

The project included extending approximately 843 linear feet of 8-inch public gravity sewer to serve the twenty (20) unit residential development.

A wastewater allocation was issued in the amount of 4,000 GPD for the project. The estimated cost of the sewer construction is \$138,000.00.

All MSD requirements have been met.

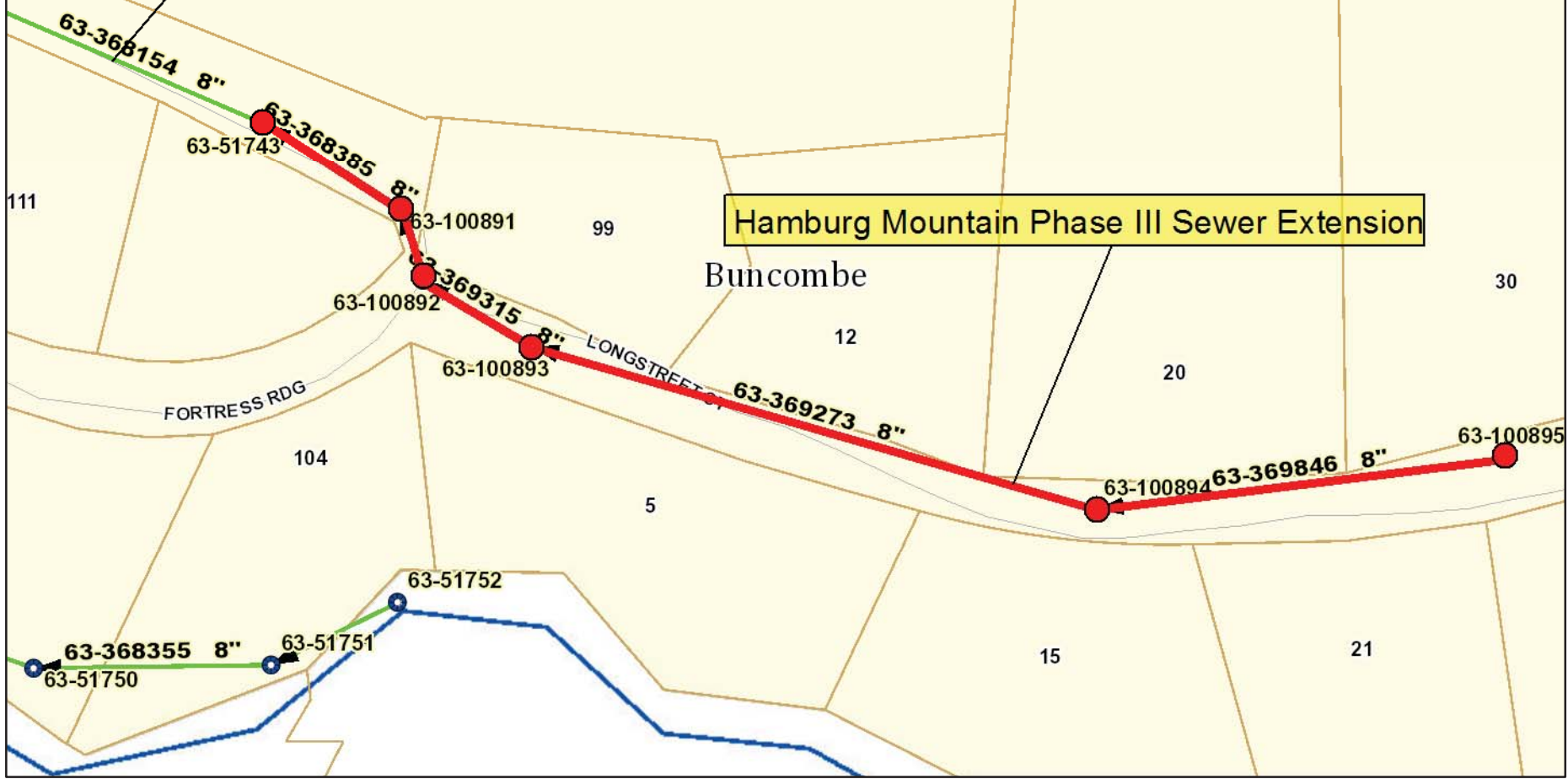
STAFF RECOMMENDATION: Staff recommends acceptance of this developer constructed sewer system.



99999

Existing MSD Sewer (Typical)

Hamburg Mountain Phase III Sewer Extension



Hamburg Mountain Phase III MSD Project#2004086

1 in = 100 ft
Date: 9/5/2014

Author: KJ

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

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: September 17, 2014

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

PREPARED BY: Kevin Johnson

REVIEWED BY: Ed Bradford, P.E., Engineering Director

SUBJECT: Acceptance of Developer Constructed Sewer System for the Biltmore Lake Block "J2" Sewer Extension Project

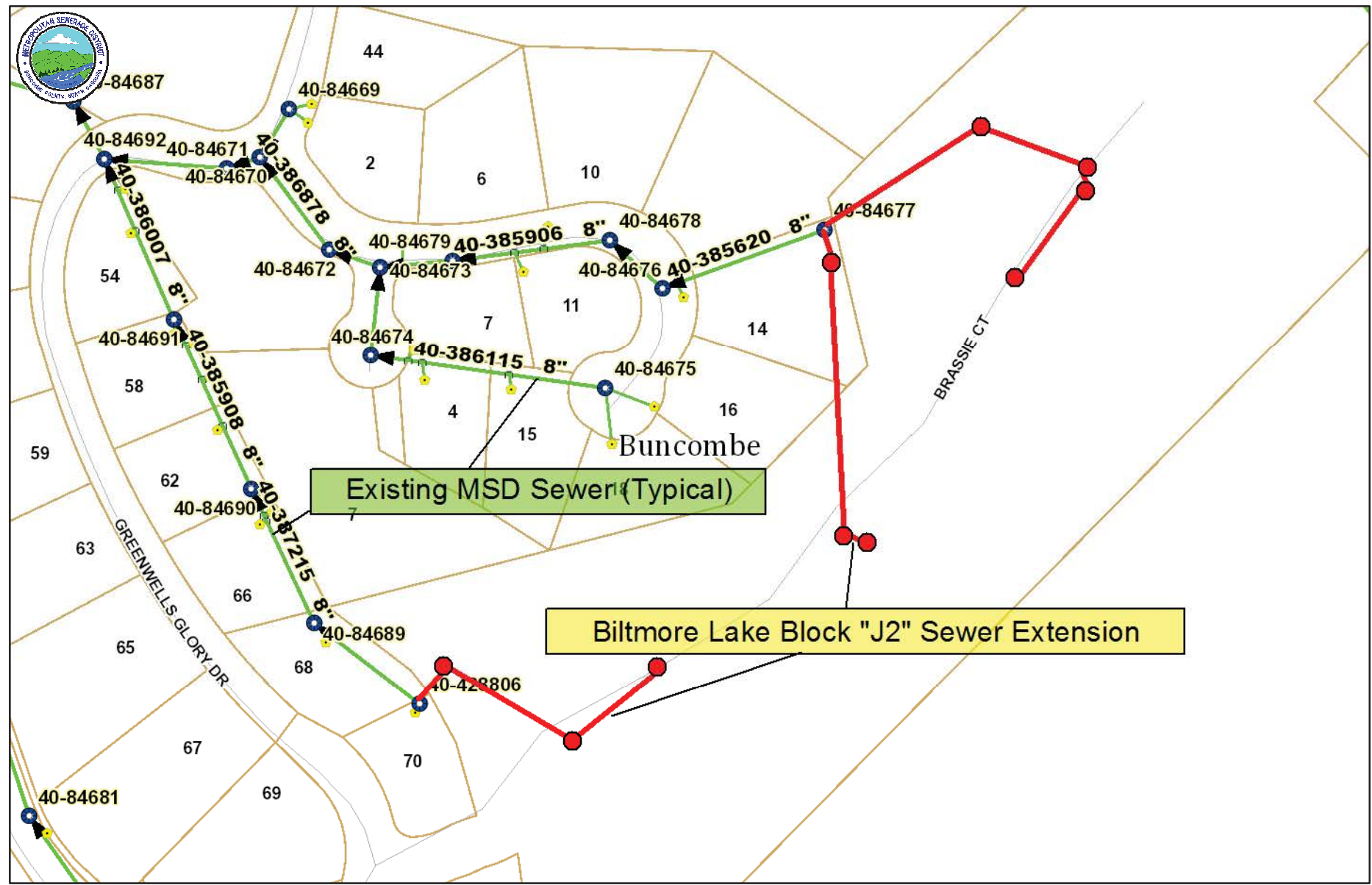
BACKGROUND: This project is located inside the District boundary off Lake Drive in Buncombe County. The developer of the project is Lee Thomason of Biltmore Farms.

The project included extending approximately 1,360 linear feet of 8-inch public gravity sewer to serve the fourteen (14) unit residential development.

A wastewater allocation was issued in the amount of 4,200 GPD for the project. The estimated cost of the sewer construction is \$111,500.00.

All MSD requirements have been met.

STAFF RECOMMENDATION: Staff recommends acceptance of this developer constructed sewer system.



Biltmore Lake Block "J2" MSD Project #2013128

Author: KJ

1 in = 175 ft
Date: 9/8/2014

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: September 17, 2014
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, CLGFO, Director of Finance
Subject: Reimbursement Resolution for Bond Projects

Background

To be in compliance with IRS regulations concerning tax-exempt financing, all expenditures made with non-MSD bond funds and to be reimbursed from MSD bond funds must be properly identified and authorized. The proposed reimbursement resolution identifies a major project intended to be solely or substantially financed by bonds anticipated to be issued in FY 16-17. Board approval is required to obtain the tax-exemption of interest paid on MSD bonds by authorizing reimbursement from bond proceeds of the expenditures for this project.

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

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

Discussion

\$24 million of bonds are planned to be issued in FY 16-17, and this reimbursement resolution is intended to preserve for the District the ability to issue the bonds as tax-exempt bonds and to reimburse itself from their proceeds for the temporary cash outlay made for the projects identified in the reimbursement resolutions.

Engineering Staff have identified several upcoming projects detailed on the attached exhibit, which could be reimbursed from the upcoming revenue bonds. Estimated reimbursable expenditures for these projects total \$12,674,700.

Fiscal Impact

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

Staff Recommendation

Approval.

Action Taken

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

Board Meeting: September 17, 2014

Subject: Reimbursement Resolution for Bond Projects

Page -2-

Metropolitan Sewerage District of Buncombe County
Attachment to Reimbursement Resolution
September 17, 2014

Project	Project #	Estimated Expenditures on and after July 17, 2014
Broadview	2009127	\$ 1,320,000
Crockett Road - PRP 36002	2004265	634,400
Dilling Avenue	2009138	201,600
East State Street @ West St.	2011115	526,000
Elk Park Drive - PRP 35001	2006028	529,000
Fairfax Avenue - PRP 65001	2004268	679,000
Horizon Hill Rd (Hy-Vu Drive)	2008084	216,000
Laurel Road	2007321	185,750
Mount Vernon Place Ph.2	2010122	816,200
Old Haywood Road @ Starnes Cove	2009117	424,750
Old US 70 @ Pine Circle	2010007	759,900
Robinwood Avenue	2009130	503,600
Shadowlawn Drive Ph.1	2007019	955,000
Sunset Drive @ Bee Tree Rd.	2008153	228,000
Wendover Road	2008184	774,500
Incinerator System Emissions Upgrades	2013059	3,001,000
Influent Pump Station Rehabilitation	2012030	920,000
		\$ 12,674,700

Note: Amounts rounded to nearest thousand

REIMBURSEMENT RESOLUTION

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

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

WHEREAS, the Issuer has paid, beginning July 17, 2014, and will pay, on and after the date hereof, certain expenditures (the "Expenditures") in connection with the acquisition, design and construction of the projects on the attached Exhibit (the "Projects"); and

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

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

Section 1. The Board hereby declares the Issuer's intent to reimburse the Issuer with the proceeds of the Bonds for the Expenditures with respect to the Project made on and after September 17, 2014 which date is no more than 60 days prior to the date hereof. The Issuer reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds.

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

Section 3. The maximum principal amount of the Bonds expected to be issued for the Projects is \$12,674,700.

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

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

PASSED AND ADOPTED this 17th day of September, 2014

M. Jerry Vehaun
Chairman of the Board

Attested to:

Jackie W. Bryson, Secretary/Treasurer

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: September 17, 2014

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

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

Subject: Cash Commitment/Investment Report-Month Ended July 31, 2014

Background

Each month, staff presents to the Board an investment report for all monies in bank accounts and specific investment instruments. The total investments as of July 31, 2014 were \$50,878,768. The detailed listing of accounts is available upon request. The average rate of return for all investments is 0.514%. These investments comply with North Carolina General Statutes, Board written investment policies, and the District's Bond Order.

The attached investment report represents cash and cash equivalents as of July 31, 2014 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of July 31, 2014 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$(370,195).

Total Cash & Investments as of 07/31/2014		50,878,768
Less:		
Budgeted Commitments (Required to pay remaining FY14 budgeted expenditures from unrestricted cash)		
Construction Funds	(21,991,803)	
Operations & Maintenance Fund	<u>(14,386,989)</u>	
		(36,378,792)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(7,104)	
Remaining Principal & Interest Due	<u>(10,185,276)</u>	
		(10,192,380)
District Reserve Funds		
Fleet Replacement	(367,766)	
WWTP Replacement	(466,187)	
Maintenance Reserve	<u>(913,188)</u>	
		(1,747,141)
District Insurance Funds		
General Liability	(139,635)	
Worker's Compensation	(176,103)	
Post-Retirement Benefit	(1,231,893)	
Self-Funded Employee Medical	<u>(1,383,019)</u>	
		(2,930,650)
Designated for Capital Outlay		<u><u>(370,195)</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:

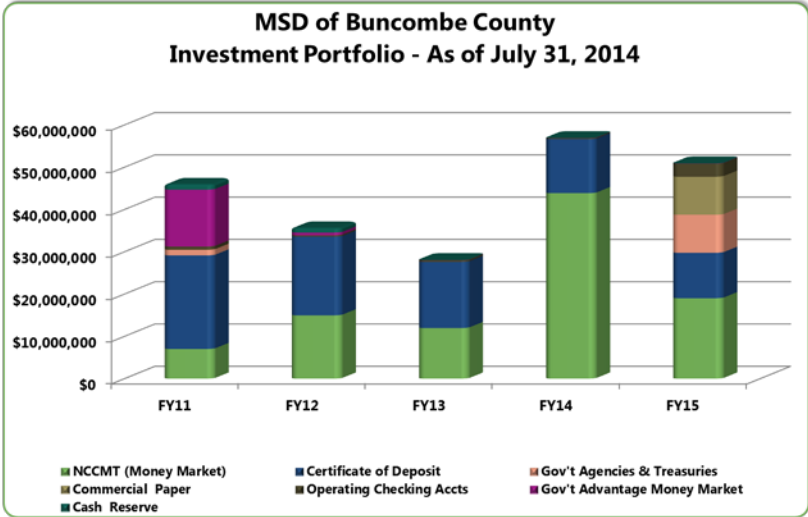
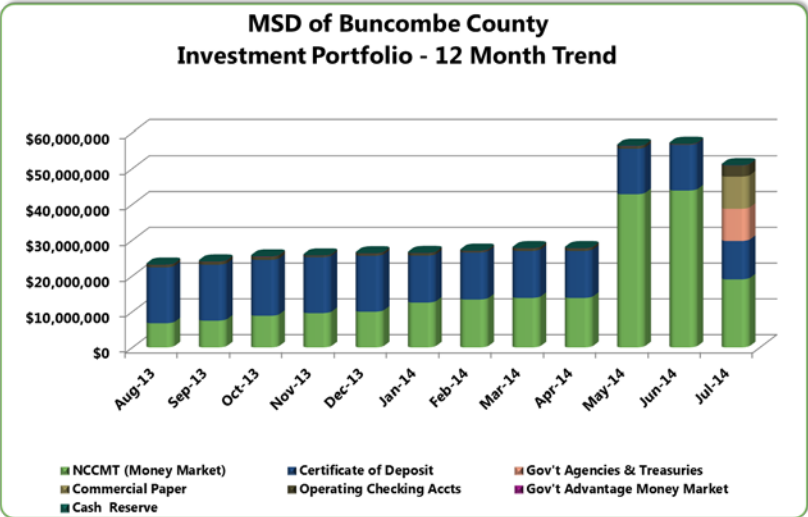
Metropolitan Sewerage District of Buncombe County Investment Portfolio

Board Meeting:
Subject:
 Page -2-

September 17, 2014
 Cash Commitment/Investment Report-Month Ended July 31, 2014

	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -	\$ -	\$ 2,104	\$ -	\$ -	\$ 5,000	\$ -	\$ 7,104
Held by MSD	3,085,510	46,660	19,009,988	10,735,495	8,994,461	-	8,999,550	50,871,664
	<u>\$ 3,085,510</u>	<u>\$ 46,660</u>	<u>\$ 19,012,092</u>	<u>\$ 10,735,495</u>	<u>\$ 8,994,461</u>	<u>\$ 5,000</u>	<u>\$ 8,999,550</u>	<u>\$ 50,878,768</u>

<u>Investment Policy Asset Allocation</u>	<u>Maximum Percent</u>	<u>Actual Percent</u>	
U.S. Government Treasuries, Agencies and Instrumentalities	100%	17.70%	No significant changes in the investment portfolio as to makeup or total amount.
Bankers' Acceptances	20%	0.00%	
Certificates of Deposit	100%	21.10%	The District 's YTM of .50% is exceeding the YTM benchmarks of the 6 month T-Bill and NCCMT Cash Portfolio.
Commercial Paper	20%	17.68%	
North Carolina Capital Management Trust	100%	37.37%	All funds invested in CD's, operating checking accounts, Gov't Advantage money market are fully collateralized with the State Treasurer.
Checking Accounts:	100%		
Operating Checking Accounts		6.06%	
Gov't Advantage Money Market		0.09%	



**METROPOLITAN SEWERAGE DISTRICT
INVESTMENT MANAGERS' REPORT
At July 31, 2014**

Summary of Asset Transactions

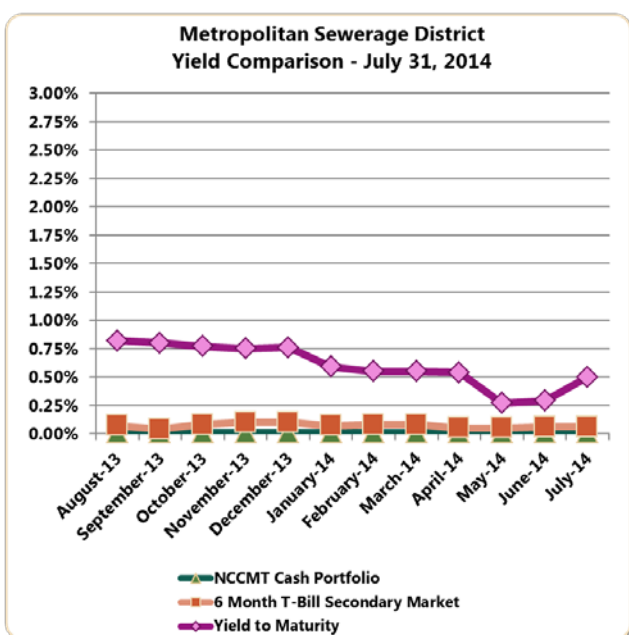
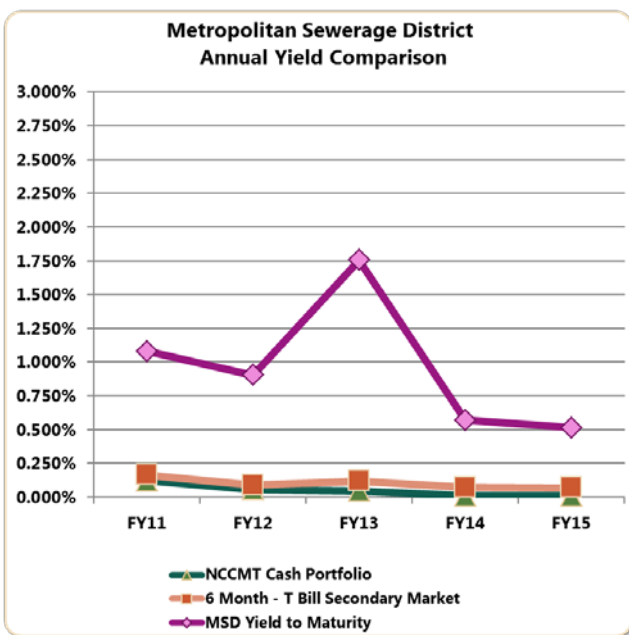
	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 48,424,811	\$ 48,424,811	\$ 403,756
Capital Contributed (Withdrawn)	(2,607,965)	(2,607,965)	-
Realized Income	4,735	4,735	(3,035)
Unrealized/Accrued Income	-	-	11,786
Ending Balance	\$ 45,821,581	\$ 45,821,581	\$ 412,507

Value and Income by Maturity

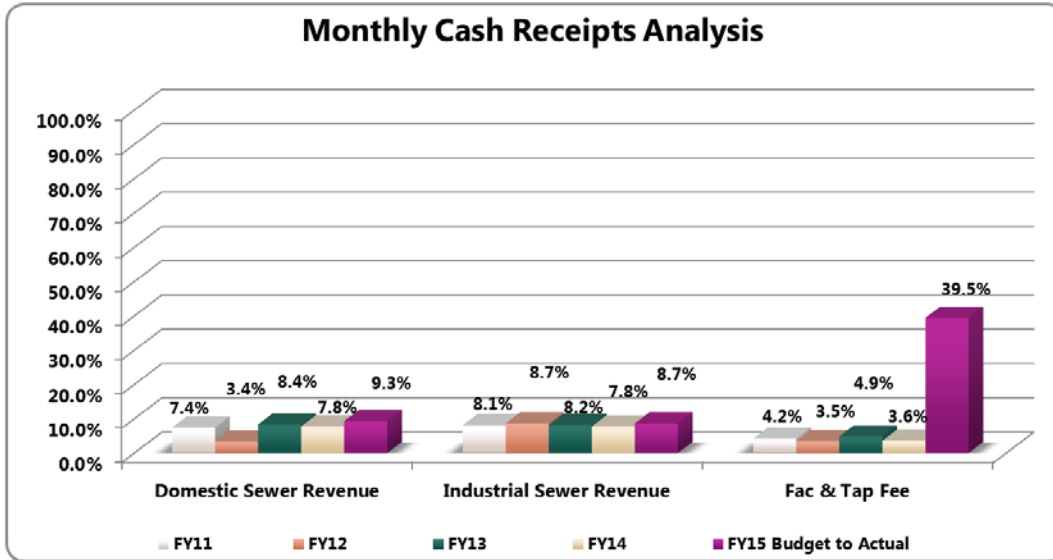
	Original Cost	Income
Cash Equivalents <91 Days	\$ 20,590,942	\$ 6,060
Securities/CD's 91 to 365 Days	18,231,038	\$ 5,366
Securities/CD's > 1 Year	6,999,600	\$ 2,060
	\$ 45,821,581	\$ 13,486

Month End Portfolio Information

Weighted Average Maturity	287
Yield to Maturity	0.50%
6 Month T-Bill Secondary Market	0.06%
NCCMT Cash Portfolio	0.01%

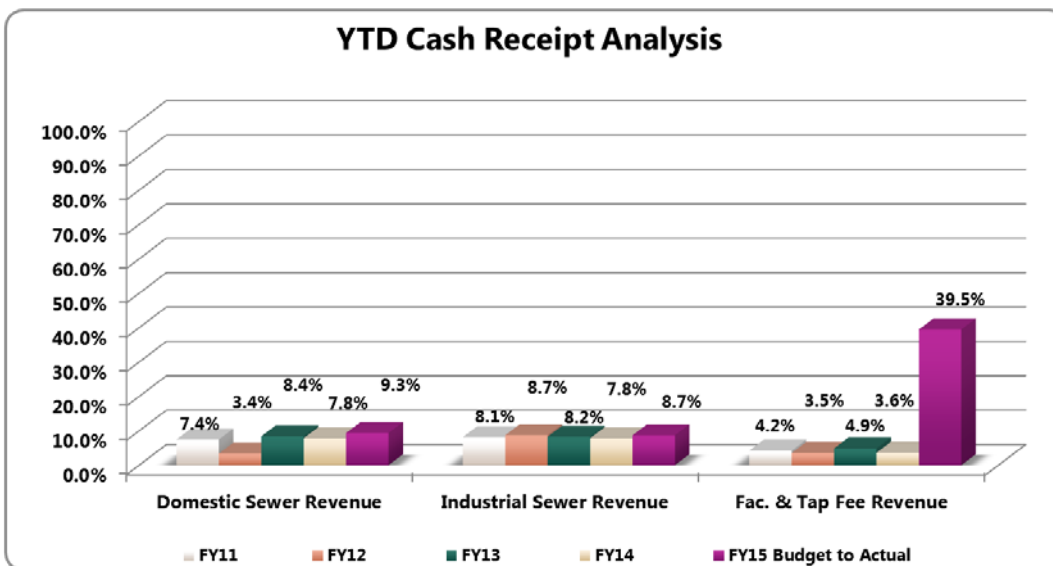


**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF CASH RECEIPTS
As of July 31, 2014**



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 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.

Board Meeting:

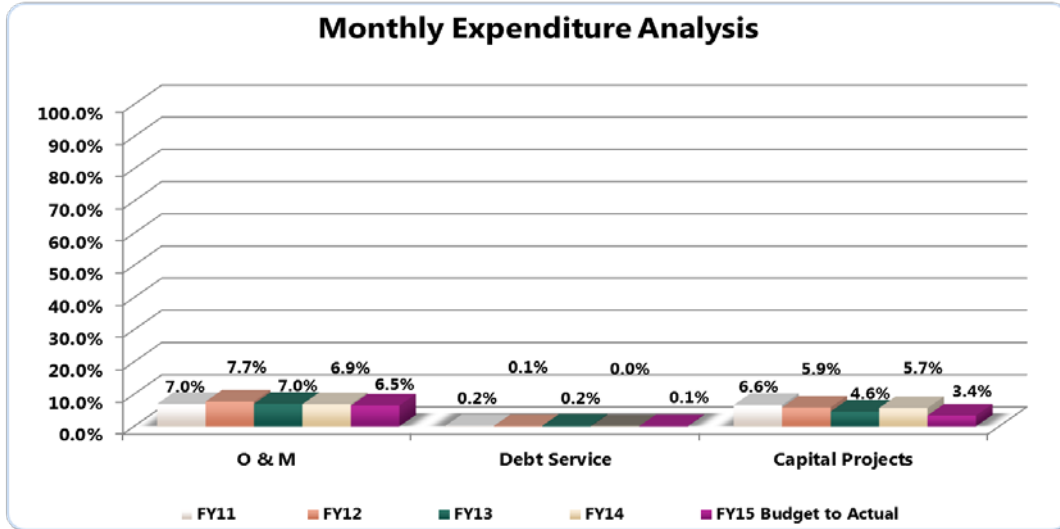
September 17, 2014

Subject:

Cash Commitment/Investment Report-Month Ended July 31, 2014

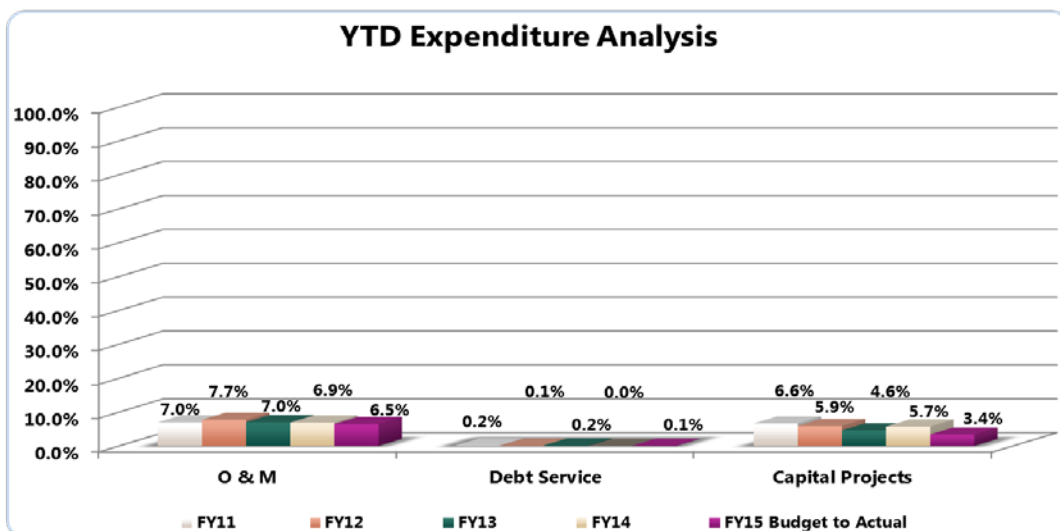
Page -5-

**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF EXPENDITURES
As of July 31, 2014**



Monthly Expenditure Analysis:

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



YTD Expenditure Analysis:

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

Board Meeting:

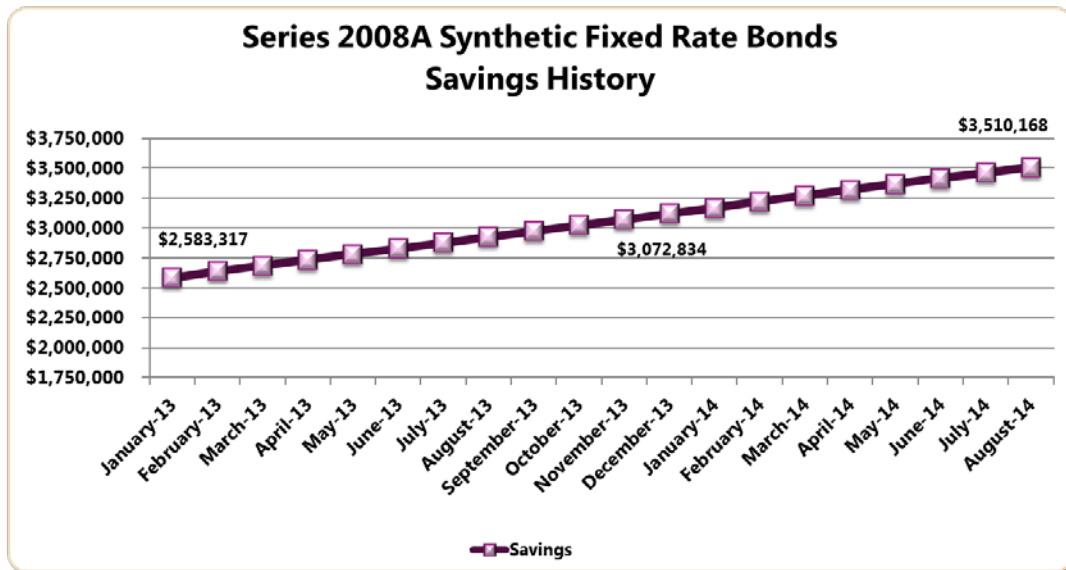
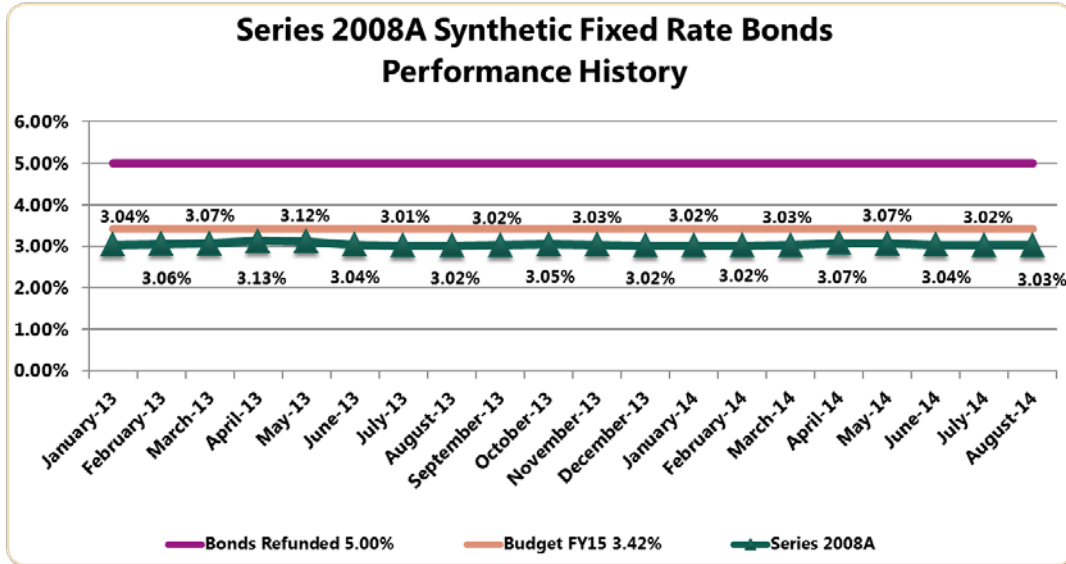
September 17, 2014

Subject:

Cash Commitment/Investment Report-Month Ended July 31, 2014

Page -6-

**METROPOLITAN SEWERAGE DISTRICT
VARIABLE DEBT SERVICE REPORT
As of August 31, 2014**



Series 2008A:

- Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$3,510,168 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 3.9475%, MSD will achieve cash savings of \$4,730,000 over the life of the bonds.
- MSD would pay \$4,322,000 to terminate the existing Bank of America Swap Agreement.

STATUS REPORTS

**MSD SYSTEM SERVICES IN-HOUSE CONSTRUCTION
FY 14-15 PIPELINE REHABILITATION PROJECTS**

PROJECT NAME	ESTIMATED FOOTAGE	ESTIMATED PROJECT DATES	WO#	CREW	COMPLETION DATE	ACTUAL FOOTAGE	Notes
Westwood Road Phase 2	400	6/25/14 - 7/4/14	215883	667	7/3/2014	400	complete
Penelope Street	400	7/14/14 - 8/15/14	470602	667	7/24/2014	415	complete
Shiloh Road (P/N 2012137)	350	7/15/14 - 7/31/14	456294	631	8/1/2014	354	complete
995 West Chapel Rd	100	8/1/14 - 8/15/14	211782	631	8/7/2014	60	complete
Emory Road* (P/N 2009137)	300	7/25/14 - 8/15/14	456301	667	8/11/2014	290	complete
Haywood Street Pump Station and Force Main	225	8/18/14 - 9/5/14	216297	631	8/22/2014	300	complete
Springside Drive	522	8/16/14 - 9/10/14	205995	667			85% Complete
Hickory Court*	1633	9/8/14 - 10/17/14	448319	631			Construction just begun.
91 Carter Cove	239	9/11/14 - 9/19/14	470613	667			ready for construction
Terre Drive / Dunwood Road	308	9/22/14 - 10/22/14	410100	667			ready for construction
165 Old County Home Road	1,100	10/18/14 - 12/1/14	433522	631			ready for construction
N. Anne St.	550	10/23/14 - 11/23/14	400920	667			ready for construction
Sareva Place	957	TBA	410095	TBA			ready for construction
Rumbough Place	710	TBA	433539	TBA			ready for construction
Campus Drive	335	TBA	470606	TBA			ready for construction, Project 2010097
Robindale Ave	520	TBA	433537	TBA			ready for construction
18 Crestland Road	270	TBA	448974	TBA			ready for construction
E Skyview Circle PSR	400	TBA	TBA	TBA			In Design
350 Old Haw Creek Road	1333	TBA	400923	TBA			ready for construction
Deanwood Circle	1292	TBA	400925	TBA			Ready for construction - Project Number 2012030, CIP Transmittal 204
6 Hilderbrand Street	TBA	TBA	TBA	TBA			Preliminary Design
Upper Chestnut Ridge at lookout Road	800	TBA	470607	TBA			In Design
McCoy Cove Road Phase 2	TBA	TBA	433535	TBA			Preliminary Design - P/N 2012012
Montford Park	410	TBA	TEMP 137	TBA			Preliminary Design - CIP Transmittal 137
155 New Haw Creek Road	TBA	TBA	456318	TBA			Ready for construction
Old Farm School Road	TBA	TBA	456319	TBA			Preliminary Design - CIP Transmittal 231
11 Old West Chapel	TBA	TBA	TBA	TBA			Preliminary Design - CIP Transmittal 215
Starnes Avenue at Broadway Street	400	TBA	400927	TBA			In Design
184 West Chesnut	320	TBA	433541	TBA			Preliminary Design - Transmittal 196
Winnfred Street	420	TBA	400928	TBA			Preliminary Design, Transmittal 218
Hunt Hill Place	786	TBA	400922	TBA			ready for construction
Carjen Avenue	825	TBA	410096	TBA			ready for construction
East Grovestone Quarry	780	TBA	457386	TBA			ready for construction



CONSTRUCTION TOTALS BY DATE COMPLETED - Monthly

From 7/1/2014 to 7/31/2014

	Dig Ups	Emergency Dig Ups	Dig Up ML Ftg	Dig Up SL Ftg	Manhole Repairs	Taps Installed	ROW Ftg	IRS Rehab Ftg *	Const Rehab Ftg *	D-R Rehab Ftg *	Manhole Installs	Bursting Rehab Ftg *	Total Rehab Ftg *
July 2014	46	15	193	908	26	18	3,800	0	227	415	6	400	1042
Grand Totals	46	15	193	908	26	18	3,800	0	227	415	6	400	1042

* Used to calculate Total Rehab Footage



PIPELINE MAINTENANCE TOTALS BY DATE COMPLETED - Monthly

July 01, 2014 to July 31, 2014

	Main Line Wash Footage	Service Line Wash Footage	Rod Line Footage	Cleaned Footage	CCTV Footage	Smoke Footage	SL-RAT Footage
2014							
July	66,005	2,224	3,370	69,315	24,012	650	27,593
Grand Total:	66,005	2,224	3,370	69,315	24,012	650	27,593
Avg Per Month:	66,005	2,224	3,370	69,315	24,012	650	27,593



CUSTOMER SERVICE REQUESTS

Monthly - All Crews

CREW	MONTH	JOBS	AVERAGE RESPONSE TIME	AVERAGE TIME SPENT
DAY 1ST RESPONDER				
	July, 2014	106	33	42
		106	33	42
NIGHT 1ST RESPONDER				
	July, 2014	29	20	18
		29	20	18
ON-CALL CREW *				
	July, 2014	37	39	48
		37	39	48
Grand Totals:		172	32	39

* On-Call Crew Hours: 10:30pm-7:30am Monday-Friday, Weekends, and Holidays

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

September 10, 2014

PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
BROADVIEW AVENUE	Buckeye Bridge	7/16/2014	9/8/2014	3/7/2015	\$1,111,015.90	0%	No work has begun yet.
CROCKETT AVENUE PRP	Terry Brothers	8/20/2014	TBD	TBD	\$676,842.00	0%	Contract was awarded to Terry Brothers Construction Company at the last Board meeting.
EAST STATE STREET @ WEST STREET	Davis Grading, Inc.	6/11/2014	7/14/2014	10/12/2014	\$403,640.00	70%	Project is going well. Pipe laying is approaching MH #8.
FAIRFAX AVENUE PRP	Terry Brothers	8/20/2014	TBD	TBD	\$558,802.00	0%	Contract was awarded to Terry Brothers Construction Company at the last Board meeting.
FOREST RIDGE ROAD	Dillard Excavating Company	2/19/2014	3/10/2014	9/19/2014	\$588,115.00	98%	Contractor working on punch list.
INDIANA AVENUE	Moorhead Construction	3/19/2014	4/1/2014	9/30/2014	\$413,313.20	98%	Contractor working on punch list.
MACON AVENUE @ SUNSET PARKWAY	Terry Brothers	1/15/2014	3/1/2014	9/30/2014	\$757,688.00	95%	Paving remains to be done.
MERRIMON AVENUE @ STRATFORD ROAD	Terry Brothers	9/18/2013	12/16/2013	11/31/14	\$885,849.00	80%	Subcontractor has started hand mining operations @ Elkwood Bore.
MOUNT VERNON PLACE, PHASE 2	Terry Brothers	6/11/2014	7/14/2014	11/11/2014	\$542,675.00	25%	Project is going well. Pipebursting Subcontractor is expected to begin on 9/15/14.
OLD US 70 @ GROVEMONT AVENUE	Buckeye Construction	10/16/2013	11/18/2013	9/19/2014	\$729,740.90	98%	Contractor working on punch list.
WRF - SLIDE GATE REPLACEMENT	NHM Constructors	9/18/2013	10/7/2013	12/15/2014	\$288,924.00	90%	29 of the proposed 31 gates are complete, tested, and in operation. The remaining two are being re-manufactured to accommodate site conditions which could not have been anticipated. Additional Gates in Basin One have been added to the Contractors scope. Proposal has been accepted.

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

Planning & Development Project Status Report

September 17, 2014

Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
Black Mtn. Annex- Blue Ridge Rd.	1992171	Black Mtn.	24	2,560	8/19/2010	Complete- waiting on conveyance
Black Mtn. Annex- McCoy Cove	1992174	Black Mtn.	24	2,067	8/19/2010	Complete- waiting on conveyance
Black Mtn. Annex- Avena Rd.	1999026	Black Mtn.	24	4,300	8/19/2010	Complete- waiting on conveyance
Momentum Health Adventure	2008097	Asheville	Comm.	184	8/19/2009	New ownership - project currently inactive
North Point Baptist Church	2008105	Weaverville	Comm.	723	5/20/2009	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
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
Ramble at Parkway	2013100	Biltmore Forest	TBD	335	7/26/2013	Complete-Waiting on final documents
Carolina Truck and Body (Cooper)	2012075	Asheville	Comm.	298	10/30/2012	Complete-Waiting on final documents
Sardis Road (COA) Annexation	2009037	Asheville	N/A	6,981	4/2/2012	Complete-Waiting on revised ROW items
Ardmion Park	2011107	Asheville	5	208	4/16/2013	Complete-Waiting on final documents
Central Ave	2012065	Asheville	6	305	9/26/2013	Complete - Waiting on final documents
Westover Relocation	2013132	Asheville	1	87	11/20/2013	Complete - Waiting on final documents
Brookgreen Phase 1D-Kenai Dr.	2013076	Woodfin	3	370	3/14/2014	Complete - Waiting on final documents
Echo Hills Cottages	2013121	Asheville	11	532	4/30/2014	Complete - Waiting on final documents
Village at Bradley Branch - Ph. III	2008076	Asheville	44	783	8/8/2008	Complete - Waiting on final documents
Waynesville Ave (Pittman)	2013046	Asheville	15	332	5/23/2013	Complete-Waiting on final documents
Ramble Block "D"	2013074	Biltmore Forest	36	4,783	12/11/2013	Complete-Waiting on final documents
Reems Creek Cottages	2013066	Weaverville	17	483	11/15/2013	Complete-Waiting on final documents
Hyde Park	2013058	Arden	65	3,062	12/3/2013	Complete-Waiting on final documents
Eagle's Landing	2010015	Asheville	25	472	10/22/2013	Complete-Waiting on final documents

Planning & Development Project Status Report

September 17, 2014

Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
Ingles	2007214	Black Mtn.	Comm.	594	3/4/2008	Ready for final inspection
Bartram's Walk	2007065	Asheville	100	10,077	7/28/2008	Punch list pending - in bankruptcy
Morgan Property	2008007	Candler	10	1,721	8/11/2008	Pre-con held, ready for construction
Canoe Landing	2007137	Woodfin	4	303	5/12/2008	Ready for construction
Central Valley	2006166	Black Mtn	12	472	8/8/2007	Punch list pending
Publix	2013134	Asheville	Comm.	612	10/5/2014	Pre-con held, ready for construction
Avalon	2013114	Asheville	192	1,343	6/2/2014	Pre-con held, ready for construction
Thoms Estate 3B & 4	2013052	Asheville	35	4,690	7/26/2013	Installing/Testing (75% Complete)
Carmel Ridge Apartments	2013018	Leicester	80	1,162	10/11/2013	Ready for final inspection
Palisades Apartments	2013024	Asheville	224	1,423	9/4/2013	Ready for testing
Crest Mountain Phase 3B	2013041	Woodfin	69	1,329	10/15/2013	Under Construction
Ingles - Smokey Park Highway	2013135	Asheville	Comm.	1,289	4/11/2014	Under Construction
The Aventine	2011015	Biltmore Forest	300	3,238	10/14/2013	Under constr./some air testing complete
New Belgium Relocation	2013143	Asheville	Comm.	380	8/12/2014	Pre-con held, ready for construction
Ansley at Roberts Lake	2013126	Buncombe Co.	296	2,534	6/2/2014	Under Construction
STF Precision	2013084	Buncombe Co.	Comm.	199	5/29/2014	Under Construction
Hunt Hill Apartments	2013111	Asheville	180	1,729	3/5/2014	Testing
Rosebriar	2007005	Black Mountain	180	1,729	3/5/2014	Pre-con held, ready for construction
Ventana	2014085	Woodfin	100	5,430	8/12/2014	Pre-con held, ready for construction
Upper Kentucky Improvements	2013085	Montreat	N/A	284	12/3/2013	Ready for final inspection
Isaac Dickson School Relocation	2013033	Asheville	School	504	1/13/2014	Under Construction - on hold
A.B. Tech Fernihurst Relocation	2014061	Asheville	School	697	4/8/2014	Under Construction - on hold
Locust Springs	2012107	Black Mountain	18	621	3/14/2014	Testing
Telco - Weaverville	2014046	Weaverville	Comm.	110	5/12/2014	Ready for final inspection
Haywood Village	2014064	Asheville	Mixed	276	6/19/2014	Under Construction
Quail Hollow Ph. 2	2013062	Arden	15	1,302	6/11/2014	Under Construction
Cottages at Glen Oak	2013142	Avery Creek	45	1,569	4/9/2014	Pre-con held, ready for construction
Laurel Lane	2012121	Black Mountain	3	107	8/12/2014	Pre-con held, ready for construction
TOTAL			2,409	66,870		