

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
JUNE 15, 2016

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 2017 was held in the Boardroom of MSD's Administration building at 2pm Wednesday, June 15, 2016. Chairman VeHaun presided with the following members present: Bryson, Collins, Kelly, Pelly, Root and Wisler. The following members were absent: Ashley, Belcher, Creighton, Frost and Manheimer.

Others present were: Thomas E. Hartye, General Manager; William Clarke, General Counsel; Marcus Jones with Henderson County; Joseph Martin with Woodfin Sanitary Water & Sewer District, and Patty Beaver with CIBO; Ed Bradford, Peter Weed, Scott Powell, Mike Stamey, Ken Stines, Matthew Walter, Jim Hemphill, Julie Willingham, Sondra Honeycutt and Pam Nolan.

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 May 18, 2016 Board Meeting:

Mr. Vahaun asked if there were any changes to the Minutes of the May, 2016 Board Meeting. Mr. Kelly moved for approval of the minutes as presented. Mr. Pelly 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. Vahaun welcomed Mr. Jones, Mr. Martin and Ms. Beaver. There was no public comment.

6. Report of General Manager:

Mr. Hartye reported that there will be a Public Hearing on the Final Budget at this meeting. There have been no changes to the Preliminary Budget that was approved in May.

Mr. Hartye reported that Mr. Cary Saul e-mailed an appreciation for the wonderful customer service from Brenda Parker and Grady Brooks. Jan Justice of Rosemary Road called to express thanks to Dan Cook. He further reported that Sharon Morgan, CSM, CMD, General Manager of the Asheville Outlets called to express appreciation to Mike Stamey and the Construction Department stating that there were 41,882 people in the center and traffic flowed smoothly over the holiday week-end.

Mr. Hartye reported that Sondra Honeycutt is retiring after 25 years serving as the Executive Secretary to the GM and the MSD Board. Mr. Hartye stated that she is very professional and takes her job very seriously and will be greatly missed by him and the other employees as well. There will be a retirement party for Mrs. Honeycutt and Senior Engineer Roger Watson on June 23rd and 3 pm. Mr. Hartye stated that there will be cake after the meeting and an opportunity to express your well wishes for her retirement. Chairman VeHaun, on behalf of the Board, read a resolution in her honor and for appreciation of her services. Mrs. Honeycutt stated that it had been her pure pleasure working for the Board and for Mr. Hartye and thanked Mr. Clarke for his assistance with the Board work. Mr. Clarke stated that it had been a pleasure working with her. Mr. VeHaun called for a motion to adopt the Resolution. Mr. Kelly moved. Mr. Pelly seconded the motion. Voice Vote in favor of the motion was unanimous.

Mr. Hartye reported the next regular Board Meeting will be held July 20th at 2pm. The next Right of Way Committee meeting will be held on July 27th at 9am.

7. Consolidated Motion Agenda:

a. Consideration of Bids – Mountain View Pump Station Generator Site:

Mr. Hartye reported that this project is located in South Asheville on Glen Arden Elementary School Campus. The purpose of the project is to provide automatic emergency backup power for this pump station, in the event the station loses power. The station currently relies on a portable generator, which has to be transported from the plant. MSD has worked closely with school staff to allow this to be placed on school property. This contract was informally advertised and received two bids, PAGE Power Systems, Inc. with a bid of \$174,656.00 and Haynes Electric Construction Company with a bid of \$148,800.00. Haynes Electric has completed multiple MSD projects and their work quality has been excellent. The Budget for this project is \$155,000.00. Staff recommends award of this contract to Haynes Electric Construction Company in the amount of \$148,800.00, subject to review and approval by District Counsel.

b. Consideration of Developer Constructed Sewer Systems: Burk Street Phase III; Long Shoals Village Phase I; Pisgah View Subdivision:

Mr. Hartye reported that the Burk Street Phase III project is located at the intersection of Burk Street and Grinnell Street in the City of Asheville. This project included extending approximately 115 linear feet of 8-inch public gravity sewer to serve a five unit single family residential development.

Mr. Hartye reported the Long Shoals Village Phase I project is located on Long Shoals Road in the City of Asheville. This project included extending approximately 584 linear feet of 8-inch public gravity sewer to serve the commercial development.

Mr. Hartye reported the final project is Pisgah View Subdivision and is located off of Pisgah View Road in the City of Asheville. This project included extending approximately 180 linear feet of 8-inch public gravity sewer to serve the commercial development.

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

c. MSD FY17 Non City of Asheville Road ROW Paving Restoration Contract:

Mr. Hartye reported this annual contract is for the restoration of roads, driveways and sidewalks resulting from District maintenance activities for areas outside the City of Asheville Road Right of Ways. These activities are planned (i.e. taps for new connections or small repairs), and unplanned (i.e. emergency repairs to the system). The contractor is required to handle all aspects of each repair-which include mobilization to each site within 24 hours; repair quality be made to public standards; and a two-year warranty is provided on all work. District staff performs limited repairs of this type as time and resources allow. In addition, for larger in-house rehabilitation projects, the paving work is competitively bid on a per-project basis. It is noted that paving restoration following District maintenance activities in road right of ways owned by the City of Asheville is handled under a separate paving contract between MSD and the City. This contract was advertised with three contractors being contacted directly. One informal bid was received on May 26, 2016 from French Broad Paving, Inc. in the amount of \$217,075.00. French Broad Paving, Inc. has performed previous paving projects for the District and they have an excellent performance history. Staff recommends award of this contract to French Broad Paving, Inc. in the amount of \$217,075.00, contingent upon review and approval by District Counsel.

d. Report on MSD Paving Agreement with City of Asheville:

Mr. Hartye reported that this agreement is for asphalt and concrete (patching) restoration of public roads and sidewalks for small projects within Asheville City Limits. The City crews can handle these projects of 300 SF or less. MSD and the City worked together to facilitate an annually renewing agreement approved by the Board on June 12, 2013. The District's monetary contribution for FY 17 is \$502,000.00. This amount is based on usage throughout this past year with a total patching area of 20,000 SF. The FY 17 budget estimate for this item is \$502,000.00. This is an informational item only. No action is required.

e. Consideration of Bids–Sodium Hypochlorite Contract:

Mr. Hartye reported that 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. Bids were emailed to five vendors and an advertisement placed on the MSD web site. The following four bids were received on May 18, 2016: Specialty Chemical with a bid of \$0.6133 per gallon; Suffolk Sales with a bid of \$0.618 per gallon; JCI Jones with a bid of \$0.66 per gallon and Oltrin with a bid of \$0.60 per gallon. Oltrin is the apparent low bidder and has agreed to hold their price firm for the total year contract irrespective of market changes. Oltrin has been a supplier of Sodium Hypochlorite to MSD in previous years and staff is comfortable with the quality of the chemicals and customer service supplied by them. The FY17 expenditure for Sodium Hypochlorite is anticipated to be \$120,000.00, which is within the level of the WRF budget. Staff recommends that the Board award the contract for the supply of Sodium Hypochlorite to Oltrin at a unit price of \$0.60 per gallon.

Consideration of Bids-Calcium Nitrate Solution for Odor and Hydrogen Sulfide Control Contract:

Mr. Hartye reported that MSD has been using a calcium nitrate based solution for the last few years to control hydrogen sulfide formation in the South French Broad Interceptor. Calcium nitrate has proven to be effective in combating the formation of hydrogen sulfide and preventing degradation of the line. It also helps control the smell and longevity of the pipe. Bids were emailed to vendors and an advertisement placed on the MSD web site. The following two bids were received on May 18, 2016: Southern Environmental Systems with a bid of \$1.99 per gallon and Evoqua with a bid of \$2.058 per gallon. Southern Environmental Systems was the apparent low bidder and has agreed to hold their price firm for the total year contract irrespective of market changes. Southern Environmental Systems has been a supplier of calcium nitrate solution to MSD in previous years and staff is comfortable with both the quality of the chemicals and customer service provided by them. Based on an estimated use of 90,000 gallons at \$1.99 per gallon, the annual expenditure is anticipated to be \$179,100.00 and is within levels budgeted by the WRF. Staff recommends that the Board award the contract for the supply of calcium nitrate solution to Southern Environmental Systems at a unit price of \$1.99 per gallon.

f. Cash Commitment/Investment Report Month ended April, 2016:

Mr. Powell reported that Page 32 presents the makeup of the District's Investment Portfolio. The makeup of the portfolio is substantially the same as compared to last month. Page 33 is the MSD Investment Manager report as of the month of April. The weighted average maturity

of the investment portfolio is 251 days. The yield to maturity is .53% and is exceeding MSD bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 34 is an analysis of the District's Cash Receipts. Monthly and YTD domestic and industrial sewer revenue are considered reasonable based on the timing of cash receipts in comparison to their respective fiscal periods. YTD Facility and Tap fees are above historical trends due to timing of six (6) cash receipts from developers as well as these fees being budgeted conservatively. Page 35 is an analysis of the District's Expenditures. Monthly and YTD O&M expenditures are considered reasonable based on historical trends. Due to the nature of the variable rate bond market, Monthly and YTD expenditures can vary year to year. Based on current variable interest rates, debt service expenditures are considered reasonable. Due to the nature and timing of capital projects, year to date expenditures can vary from year to year based on the current outstanding capital projects, YTD capital project expenditures are considered reasonable. Page 36 is the MSD Variable Debt Service report. The 2008A Series Refunding Bonds is performing better than budgeted expectations. As of the end of April the issue has saved the District's rate payers \$4.5 million dollars in debt service since April 2008.

Mr. Kelly referred to the last item on Page 36 and asked if MSD would have to pay \$5.294 million to terminate the existing Bank of America swap. As we get closer to the maturity of the bond does that figure increase or decrease? Mr. Powell stated yes, as those bonds get closer to maturity the amount of the termination fee would decrease taking into consideration market conditions. Mr. Kelly asked if there was a time that the termination fee could be as much as \$6 million. Mr. Powell stated that the 10 year treasury bond would have to decrease 20 basis points for the termination fee of \$6 million to have a negative value. Mr. Kelly asked in the best case scenario when the bonds mature the termination agreement goes away as long as we do not owe anybody? Mr. Powell stated that is correct as long as we do not terminate the swap. Mr. Kelly asked when these bonds mature? Mr. Powell stated that these bonds mature in 2032.

With no further discussion, Mr. VeHaun called for a motion to approve the Consolidated Motion Agenda. Ms. Bryson moved. Mr. Kelly seconded the motion. Roll call vote was as follows: 7 Ayes; 0 Nays.

8. Public Hearing: Consideration of Resolution Adopting the Final Budget for FY 2016-2017 and Schedule of Sewer Rates and Fees:

MINUTES OF PUBLIC HEARING

Mr. VeHaun called for a motion to go into a Public Hearing at 2:25 pm. Mr. Kelly made the motion. Mr. Pelly seconded the motion. Voice vote in favor of the motion was unanimous.

Mr. Powell reported that the numbers included in the Proposed Budget are the same as in the Proposed Final Budget. Page 38 is Flow of Funds Chart which is a graphical representation of the Budget Resolution. Page 39 is the actual Proposed Budget Resolution for \$47,009,663 for FY 17 which incorporates the following:

- 2.5% domestic rate increase.
 - 73cent increase in the average single family monthly bill.
 - The Average Monthly bill will go from \$29.15 to \$29.88.
- Continuation of the Industrial Rate Parity Plan.
 - MSD is in year 17 of 20.
 - 4.1% average increase for the industrial section
- Facility and Tap fees remain at 2016 levels.
- 1.0% rate of return on investments.
- 4.80% increase in Salaries and Benefits which has an impact of \$586,000. Includes Personnel Committee recommendations as to a 3% Salary Adjustment, Self-Insurance Funding and GASB 45 OPEB Funding as well as State required Retirement contribution and unemployment funding.
- .68% increase in Materials supplies and service which has an impact of \$43,000.
- \$21 Million CIP Budget

Mr. Powell reported that the final item included is the Schedule of Rates and Fees. He then asked if there were any questions. There were none.

Mr. VeHaun called for public comment on the proposed Budget, Rates and Fees for FY 2016-2017. There were none. Mr. VeHaun then closed the public hearing at 2:29 pm.

With no discussion, Mr. VeHaun called for a motion to approve the Resolution adopting the Final Budget for FY 2016-2017 and Schedule of Sewer Rates and Fees. Mr. Kelly moved. Mr. Pelly seconded the motion. Roll call vote was as follows: 7 Ayes; 0 Nays.

Minutes
June 15, 2016
Page Seven

9. Old Business:

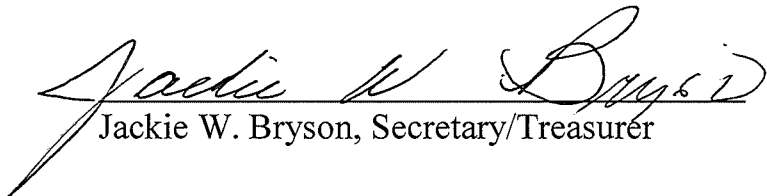
None

10. New Business:

A brief discussion followed regarding improvements to the Boardroom.

11. Adjournment:

With no further business, Mr. VeHaun called for adjournment at 2:31 pm.


Jackie W. Bryson, Secretary/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 6/15/16

✓	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 May 18, 2016 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	2:25	
	06. Consolidated Motion Agenda		2:40	
	a. Consideration of Bids – Mountain View Pump Station Generator Site	Hartye		
	b. Consideration of Developer Constructed Sewer Systems: Burk Street Ph. III; Long Shoals Village Ph. I; Pisgah View Subdivision	Hartye		
	c. MSD FY17 Non City of Asheville Road ROW Paving Restoration Contract	Hartye		
	d. Report on MSD Paving Agreement with City of Asheville	Hartye		
	e. Consideration of Bids – Sodium Hypochlorite Contract	Hartye		
	f. Consideration of Bids – Calcium Nitrate Solution for Odor and Hydrogen Sulfide Control Contract	Hartye		
	g. Cash Commitment/Investment Report Month Ended April, 2016.	Powell		
	07. Public Hearing: Consideration of Resolution Adopting the Final Budget for FY 2016-2017 and Schedule of Sewer Rates and Fees	VeHaun	3:00	
	08. Old Business:	VeHaun	3:25	
	09. New Business:	VeHaun	3:30	
	10. Adjournment: (Next Meeting 7/20/16)	VeHaun	3:35	
	STATUS REPORTS			

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
MAY 18, 2016**

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 2pm Wednesday, May 18, 2016. Chairman VeHaun presided with the following members present: Ashley, Belcher, Bryson, Collins, Creighton, Frost, Kelly, Manheimer, Pelly, Root and Wisler.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Brian Thorsvolt with HDR Engineering Inc. Ed Bradford, Peter Weed, Scott Powell, Mike Stamey, Ken Stines, Matthew Walter, Jim Hemphill, Hunter Carson 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 April 20, 2016 Board Meeting:

Mr. Vahaun asked if there were any changes to the Minutes of the April 20, 2016 Board Meeting. Ms. Frost moved for approval of the minutes as presented. Mr. Pelly 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. Vahaun welcomed Mr. Thorsvolt. There was no public comment.

6. Report of General Manager:

Mr. Hartye reported that Ken Stines will give a report on a particular private sewer system that was in the news recently. He stated that 90% of MSD customers tie into the public main directly from their house with a clean-out at the property line/ MSD will take over ownership and maintenance of the line between the clean-out and sewer main. However, about 10% are tied to private systems before they reach the MSD public sewer main.

Mr. Stines presented slides showing non-permitted private sewer systems. He reported that there are a lot of these throughout the county, which occurs when someone builds a house and runs a sewer service down to the main. Over the years other homes are built and tie onto the original line. This creates issues with undersized lines and use of improper materials. MSD provides assistance through its PSR Program in rehab of these lines. Mr. Stines presented slides showing permitted systems.

He reported that private systems such as the collection system located on Mt. Carmel Road in Leicester was built by a developer and permitted by the North Carolina Department of Water Quality. This particular system is owned by Carolina Water & Sewer. Another permitted system is located off of Brevard Road. These condo units are privately owned by the Hills of Avery Creek, which is a Homeowners Association. The Windy Hill Subdivision was constructed in 1989-1990. The developer, Mr. Kirkpatrick, went to the DOT to receive encroachments. In 1990 when the District consolidated, he received a permit from DWQ and MSD issued an Out of District Agreement. In 1995, Mr. Kirkpatrick decided to do an addition to the subdivision called Briarwood Crossing. When the DWQ went out to inspect the project, they discovered Mr. Kirkpatrick did not have a collection system permit so they issued a Notice of Violation (NOV). At that time, Mr. Kirkpatrick filed for a permit with DWQ and an allocation with MSD for additional homes and flow. DWQ also issued a permit for Morgan Branch Estates and later an operating agreement wherein Mr. Kirkpatrick agreed to establish a homeowners association to help with maintenance of the lines which was never done. Over the years, MSD has been called out there numerous times with over 40 work orders for sewer leaks and overflows. In addition, access to the area is a problem. In March of 2011, MSD received more complaints about sewer problems in Morgan Branch Estates. Mr. Hartye presented News 13 videos regarding the 25 year old problem of raw sewerage in the neighborhood. Mr. Stines stated that a meeting is scheduled with the DWQ, Health Department and property owners to come up with a way to resolve this issue.

In reference to access, Mr. Kelly asked Mr. Stines if he means physical or legal access. Mr. Stines said both; MSD does not have legal access and if that were granted, physical access is very limited. Mr. Pelly asked if money and access were the issue, what would be the long term solution. Mr. Stines stated a Homeowners Association should be formed, fees collected from homeowners and the collection system should be repaired bringing the system up to state standards and then ask that MSD take over the system. Mr. Hartye stated that the State allowed developers to put in private systems even if they were sub-standard. MSD needs to inform owners that because they are on a private system they need to call a plumber to fix a problem. In this particular situation, there is no access and you have to dig it up to fix it so you get involved with replacing private systems, then you are on private property. Mr. Pelly asked if the State is regulating new permits tighter now. Mr. Bradford stated they really cannot do that now. Mr. Clarke stated the State deemed private systems to be permitted so long as they met certain requirements. They had to map them, maintain them and do an annual inspection. In many cases people built systems and were later told they should not have, but were given a permit anyway. Mr. Stines stated that MSD hopes developers will form Homeowners Associations to manage and maintain collection system. In regards to Morgan Branch Estates, the Homeowners Association needs to sign over R.O.W. on lower portion (Windy Hills) to MSD and for the second portion (Briarwood Crossing) be maintained by Homeowners.

Mr. Hartye stated that Mike Stamey will give a report on an emergency stream bank restoration project.

Mr. Stamey presented slides showing the location of the Emergency Stream Bank Restoration Project located along Hominy Creek Road beginning at Shelburn Road in West Asheville. This is located near the Buncombe County Transfer Station for waste and ends up at the Hominy Creek Riverside Park. To the west is Brevard Road, to the North is I-240 and just south of our site is the bridge for I-40 where Hominy Creek connects to the French Broad River. He presented slides showing two repair sites at this location. The upper site is about 75 feet in length. The lower site is 150 feet in length. Mr. Stamey stated that at the end of April MSD received a call from a resident about creek bank erosion causing the sewer line to be partially exposed. An MSD crew went out and checked this out and the construction group also got involved. The first problem discovered was at the upper site right next to our chemical dosing station. This is a 27 inch concrete sewer line exposed on the creek bank where erosion occurred. A 15 foot section of sewer line caused a lot of immediate concern. This sewer line carries all the water from Enka-Candler plus portions of the flow from the West Asheville area. This had to be corrected in a quick fashion. The second site is more stream bank erosion and the storm drain was broken at the creek. Our concrete pipe was exposed and upon further investigation a manhole was discovered starting to tilt and is undermined. MSD brought in crews for stream bank restoration. A strong foundation was needed using huge rocks; approximately 50 loads of rip rap, gravel and other materials to restore creek bank. Tommy Brooks, MSD excavator and Dale Dillingham one of MSD's in-house crew are shown working as we placed 18,000 pounds of rock. Total rock used in 4 day period was 2.8 million pounds of rock to prevent erosion from heavy rains could cause a sewer overflow if not addressed. Rock was hauled from Grovestone quarry and North Buncombe quarry. Seven private dump truck drivers were hired and an extra track-hoe was rented to expedite this work. Crews also replaced 20 feet of storm drainage pipe. Both sites are now completed and restored.

Mr. Hartye expressed appreciation to Lisa Tolley and Kay Farlow for hosting a booth for MSD at five home shows and expos this year. Each show serves as a good opportunity to both answer any questions about MSD and to spread the word about grease and "No Wipes in the Pipes". MSD has received feedback from thousands of people on how educational MSD's display is and how glad they are that MSD is participating.

Mr. Hartye expressed appreciation to Sandra Moore and crew for their efforts in the annual river clean-up on May 6th where they were able to collect 28 bags of trash, 1 tire and a bed mattress from the area spanning the river from Woodfin Park to Ledges Park.

Mr. Hartye reported that two residents of Fenner Avenue, John Butler and Lee Barnett called separately to thank MSD and express their gratitude for a job well done in clearing the line, find the break and repairing

it, and for final clean-up. This was a joint effort between MSD Tech. Services and Construction Sections working together. Also, a call was received from George Tsiros of Edwin Place to let MSD know that Gil and his crew did a wonderful job and restoration at his residence – it really looks good. Much thanks to Gil Karn, Tim Haney Jason Price, Boyce Lunsford and Grayson Hensley.

Mr. Hartye presented an article from Mountain Express regarding mercury from Dentists Offices; how the plant works and how MSD removes mercury from the waste stream.

Mr. Hartye reported the next regular Board Meeting and Public Hearing on the final Budget for FY16-17 will be held June 15th at 2pm. The next Right of Way Committee meeting will be held on June 22nd at 9am.

7. Report of Committees:

a. Personnel Committee:

Ms. Bryson reported the Personnel Committee met April 26th. Pam Thomas reviewed several activities within the Human Resources Department. She informed the Committee that the average age of employees is 48 with 14 years of service and a turnover rate of 2.7%. In addition, Ms. Thomas told of several activities employees participated in during the year. Mr. Hemphill presented staff's recommendation of an additional 10% increase in MSD's medical insurance contributions and a 3.0% wage adjustment for all employees. The Committee voted unanimously in favor of staff's recommendation.

b. CIP Committee:

Mr. Creighton reported the CIP Committee met April 28th. Mr. Creighton reported that Mr. Bradford gave a presentation on past-recent CIP projects. There are over 1,000 miles of sewer line which MSD maintains at this time. Basically we went through the recommendations as far as the CIP Budget was concerned; went over the upcoming projects and what was going to be financed in the coming year. Mr. Bradford gave a snapshot of the GIS showing capital projects (120 total). The total budget amount for next year is \$22,042,087. The Committee voted unanimously to approve the CIP Budget for FY16-17 in the total amount of \$22,042,087.

c. Finance Committee:

Mr. Kelly reported the Finance Committee met May 5th. Mr. Kelly reported that first the Personnel and CIP Committees meet to determine what needs to be spent then the Finance Committee has to determine how much money can be spent and where it comes from.

The Board adopted staff's recommendation on the total amount of the budget along with a 2.5% residential rate increase

8. Consolidated Motion Agenda:

a. Consideration of Source Specification for the Plant Headworks Improvement Project:

Mr. Hartye reported the Headworks Project is comprised of replacing bar screens at the head of the plant, new fine screens and grit removal, as well as a surge-system for wet-weather control. Design is complete and construction will begin this fall. The majority of the project (both construction and equipment) will be competitively bid. However, the grit removal process requires sole source due to the unique nature of this type of process. There are two grit systems with different hydraulics which impact the rest of the processes around them. HDR Engineering reviewed the two systems. Both systems met MSD's criteria as far as removing grit, but one was one million dollars less and works just as well in terms of meeting MSD's needs. The issue is it's made by one entity and sold by one entity so there is no price competition, so MSD needs to sole source this equipment. MSD will not purchase the equipment now, but will include this spec within the construction spec to begin this fall. Staff recommends that the District include a sole-source specification for a Smith and Loveless 360TMGrit Chamber in the competitively bid construction contract for the Plant Headworks Project. This is based on the fact that each installation is unique. It is more efficient to design the project around a specific supplier rather than having multiple designs and price competition is not available from other grit removal suppliers.

b. Cash Commitment/Investment Report Month Ended March 31, 2016:

Mr. Powell reported that Page 35 presents the makeup of the District's Investment Portfolio. There has been no change in the makeup of the portfolio from the prior month. Page 36 is the MSD Investment Manager report as of the month of March. The weighted average maturity of the investment portfolio is 254 days. The yield to maturity is .51% and is exceeding MSD bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 37 is an analysis of the District's Cash Receipts. Monthly and YTD domestic and industrial sewer revenue are considered reasonable based on the timing of cash receipts in their respective fiscal periods. YTD Facility and Tap fees are above historical trends due to timing of six (6) cash receipts from developers as well as these fees being budgeted conservatively. Page 38 is an analysis of the District's Expenditures. Monthly and YTD O&M expenditures are considered reasonable based on historical trends. Due to the nature of

the variable rate bond market, Monthly and YTD debt service expenditures can vary from year to year. Based on current variable interest rates, debt service expenditures are considered reasonable. Due to the nature and timing of capital projects, year to date expenditures can vary from year to year. Based on the current outstanding capital projects, YTD capital project expenditures are considered reasonable. Page 45 is the MSD Variable Debt Service report. The 2008A Series Refunding Bonds is performing better than budgeted expectations. As of the end of April the issue has saved the District's rate payers \$4.5 million dollars in debt service since April 2008.

With no discussion, Mr. VeHaun called for a motion to approve the Consolidated Motion Agenda. Mr. Belcher moved. Ms. Bryson seconded the motion. Roll call vote was as follows: 12 Ayes; 0 Nays.

9. Consideration of Resolution Adopting the Preliminary Budget for FY2016-2017 and Schedule of Sewer Rates and Fees:

Mr. Powell reported that included in this action item is the Preliminary Budget as well as the Flow of Funds Chart and proposed rates and fees. Mr. Powell reported that behind the Introduction tab Page 55/1 is the District's Budget message. Included in the message is:

Current Year Highlights domestic and industrial revenue are expected to meet budgeted projections.

Page 56/2 Operating Budget section which outlines the proposed \$16.1 million operating and maintenance budget and proposed changes for the upcoming year.

Page 57/3 Capital Improvement Program section outlines the proposed \$22 million construction budget as well as the outstanding debt and debt service.

Page 60/6 Sewer Rate Increase section which outlines the past five years domestic rate increases and the proposed FY17 domestic rate increase of 2.5%.

Page 64/9 begins the Budget Policies and Procedures section. This section is a description of the budget process including the Statutory and Bond Order requirements, budget administration and if needed budget amendments.

Page 67/12 briefly describes the forecasting methodology and includes the current business plan which outlines the current year proposed budget as well as estimates of needs for the next nine years.

Page 69/14 is the proposed \$47,009,663 FY17 budget which incorporates the following:

- 2.5% domestic rate increase.
 - 73cent increase in the average single family monthly bill.
 - The Average Monthly bill will go from \$29.15 to \$29.88.
- Continuation of the Industrial Rate Parity Plan.
 - MSD is in year 17 of 20.
 - 4.1% average increase for the industrial section
- Facility and Tap fees remain at 2016 levels.
- 1.0% rate of return on investments.
- 4.80% increase in Salaries and Benefits which has an impact of \$586,000. Includes Personnel Committee recommendations as to Salary Adjustments, Self-Insurance Funding and GASB 45 OPEB Funding as well as State required Retirement contribution and unemployment funding.
- .68% increase in Materials supplies and service which has an impact of \$43,000.

Mr. Belcher asked why FY17 budgeted Facility and Tap fees are not in line with FY16 actual revenues. Mr. Powell stated the nature of this fee is variable in nature and represents about 650 household units.

Page 77/21 starts the Operation & Maintenance section. This is a detailed accounting of the proposed budget by department as well as current year projected and prior year actuals.

Page 90/33 starts the Insurance Fund Section. This is a concise overview of the various insurance funds along with their respective proposed budgets and FY14 actuals and current year projected actuals.

Page 95/37 starts the replacement fund section. This is an overview of the various insurance funds along with their respective proposed budgets and FY14 actuals and current year projected actuals.

Page 102/43 starts the CIP Program section. This is an overview of the CIP program run by the engineering department along with their proposed current year budget and projection of needs for the upcoming nine years.

Page 115/55 starts the Debt Financing section. This 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.

Page 124/63 starts the appendix section. This includes the proposed FY16 budget resolution with the schedule of rates and fees. Included is a flow of funds which is a graphical representation of the budget resolution.

With no discussion, Mr. VeHaun called for a motion to approve the Resolution adopting the Preliminary Budget for FY 2016-2017 and schedule of sewer rates and fees. Mr. Kelly moved. Ms. Wisler seconded the motion. Roll call vote was as follows: 12 Ayes; 0 Nays.

10. Old Business:

Mr. VeHaun called for a report on the Supreme Court hearing in Morganton, NC. Mr. Clarke reported that he, Tom Hartye, Jerry VeHaun, Ms. Manheimer, Mr. Pelly and Ms. Wisler were in attendance. He stated he felt the case was well argued by both lawyers. The lawyers as well as the Supreme Court were well prepared and asked a lot of questions about the purpose of the Act, relating and regulating, and focusing on the real issue as to whether this is an unacceptable local law under Article 2 Section 24 of the North Carolina Constitution. Mr. Clarke stated he did not have an idea about timing of a possible decision by the Supreme Court. Ms. Manheimer stated there is a June Opinion date and the next one will be in August. Mr. Clarke further stated that the Supreme Court has met twice in Edenton, NC and met in Morganton, NC from 1847 to 1861 in the summers.

11. New Business:

None

12. Adjournment:

With no further business, Mr. VeHaun called for adjournment at 3pm.

Jackie W. Bryson, Secretary/Treasurer



MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: June 7, 2016
SUBJECT: Report from the General Manager

- Fiscal Year 2017 Budget

At the meeting there will be a Public Hearing on the Final Budget. There have been no changes to the Preliminary Budget that was approved in May.

- Kudos

- To Brenda Parker and Grady Brooks. MSD Received a an email from Cary Saul – “Just wanted to say thank you for the great service I received today from MSD. I called at 11:30 am about an overflowing clean out line at the back of my property. The Customer service representative was very helpful, took my information, and told me someone would be there today to take care of the problem. Amazingly within one hour Grady had resolved the problem. He knew what he was doing, got right to it and cleared the line. Grady also provided me with information on how to prevent future problems. Thank you for the wonderful customer service.” - Cary Saul
- Voice mail message received May 25, 2016 From Jan Justice on Rosemary Road. “I just wanted to call you and complement you on Dan Cook. I just wanted you to know that he has just been fabulous to work with and he has gone above and beyond to be helpful to me and was courteous and just a really great guy, and I just wanted you to know that you’ve got a really good employee there and I appreciate your help. Thank you very much.”
- To Mike Stamey and the Construction Dept. “Mike, This past weekend we had 41,882 people in the center and traffic flowed smoothly! Thank you so much for your help in getting that 1 exit lane opened for us, as that really made a world of difference.” -Sharon Morgan, CSM, CMD, General Manager, Asheville Outlets.

- Sondra Honeycutt

Sondra is retiring this coming July 1st after 25 years serving as the Executive Secretary to the GM and the MSD Board. We have been very lucky to have such a highly motivated and talented person whose attention to quality has made us all look good. Please join me in expressing gratitude for her service.

We are having a combined retirement party for Sondra and our Senior Engineer Roger Watson on June 23rd at 3pm.

- **Board/Committee Meetings/Events**

The next Regular Board Meeting will be held on July 20th at 2 pm. The next Right of Way Committee meeting will be held at 9 am on July 27th.

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

BOARD MEETING DATE: June 15, 2016

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

PREPARED BY: Ed Bradford, P.E. - Director of Engineering
Owen Herbert, P.E. - Project Manager

SUBJECT: Consideration of Bids: Mountain View Pump Station Generator Site,
Project No. 2015149

BACKGROUND: This project is located in South Asheville, on the Glen Arden Elementary School campus.

The purpose of the project is to provide automatic emergency backup power for this pump station, in the event the station loses power. The station currently relies on a portable generator, which has to be transported from the plant. MSD staff worked closely with school staff in order to coordinate the project.

The generator itself had a long lead time for manufacturing, so this equipment was pre-purchased by MSD. Construction is scheduled to begin early summer, primarily just the site work, in order that the project can be completed by the beginning of school in August.

The contract was informally advertised and two bids were received on April 28, 2016 in the following amounts:

<u>Contractor</u>	<u>Bid Amount</u>
1) PAGE Power Systems, Inc.	\$174,656.00
2) Haynes Electric Const. Co.	\$148,800.00

Haynes Electric has completed multiple MSD projects to date, and their work quality has been excellent on those projects.

Please refer to the attached documentation for further details.

FISCAL IMPACT: The FY16-17 Construction Budget for this project is \$155,000.00.

STAFF RECOMMENDATION: Staff recommends award of this contract to Haynes Electric Construction Co. in the amount of \$148,800.00, subject to review and approval by District Counsel.

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

**MOUNTAIN VIEW PUMP STATION GENERATOR SITE
PROJECT NO. 2015149**

**BID TABULATION
April 28, 2016**

BIDDER	Bid Forms (Proposal)	Total Bid Amount
PAGE Power Systems, Inc. Gastonia, NC	Yes	\$174,656.00
Haynes Electric Construction Company Asheville, NC	Yes	\$148,800.00

APPARENT LOW BIDDER

Charles N. Herbert III, P. E.
Project Manager
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 April, 2016, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina. This was an informal bid and no bid bond was required.

Interoffice Memorandum

TO: Tom Hartye, General Manager

FROM: Ed Bradford, CIP Manager
Owen Herbert, Project Manager

DATE: May 27, 2016

RE: Mountain View Pump Station Generator Site, MSD Project No. 2015149

This project is located in south Asheville, on the Buncombe County Board of Education parcel for Glen Arden Elementary.

It consists of all hardware, materials, equipment and/or labor necessary for the complete installation and operation of the permanent standby generator for the MSD's Mountain View Pump Station. More specifically, it is comprised of:

- a) The installation of the generator and transfer switch.
- b) The construction of the general site; including but not limited to, the site clearing and grading, gravel parking, fencing, lighting, drainage pipe, restoration, seeding and mulching of disturbed area outside of paved or gravel surfaces, and driveway/ roadway pavement restoration.
- c) The installation of conduits between the generator site and the existing pump station.
- d) The installation of a 2" HDPE gas main from the meter set by PSNC near the School property boundary to the generator site.
- e) The construction of all concrete pads shown on the plans.
- f) The installation of all electrical equipment and controls for the generator, complete and operable.

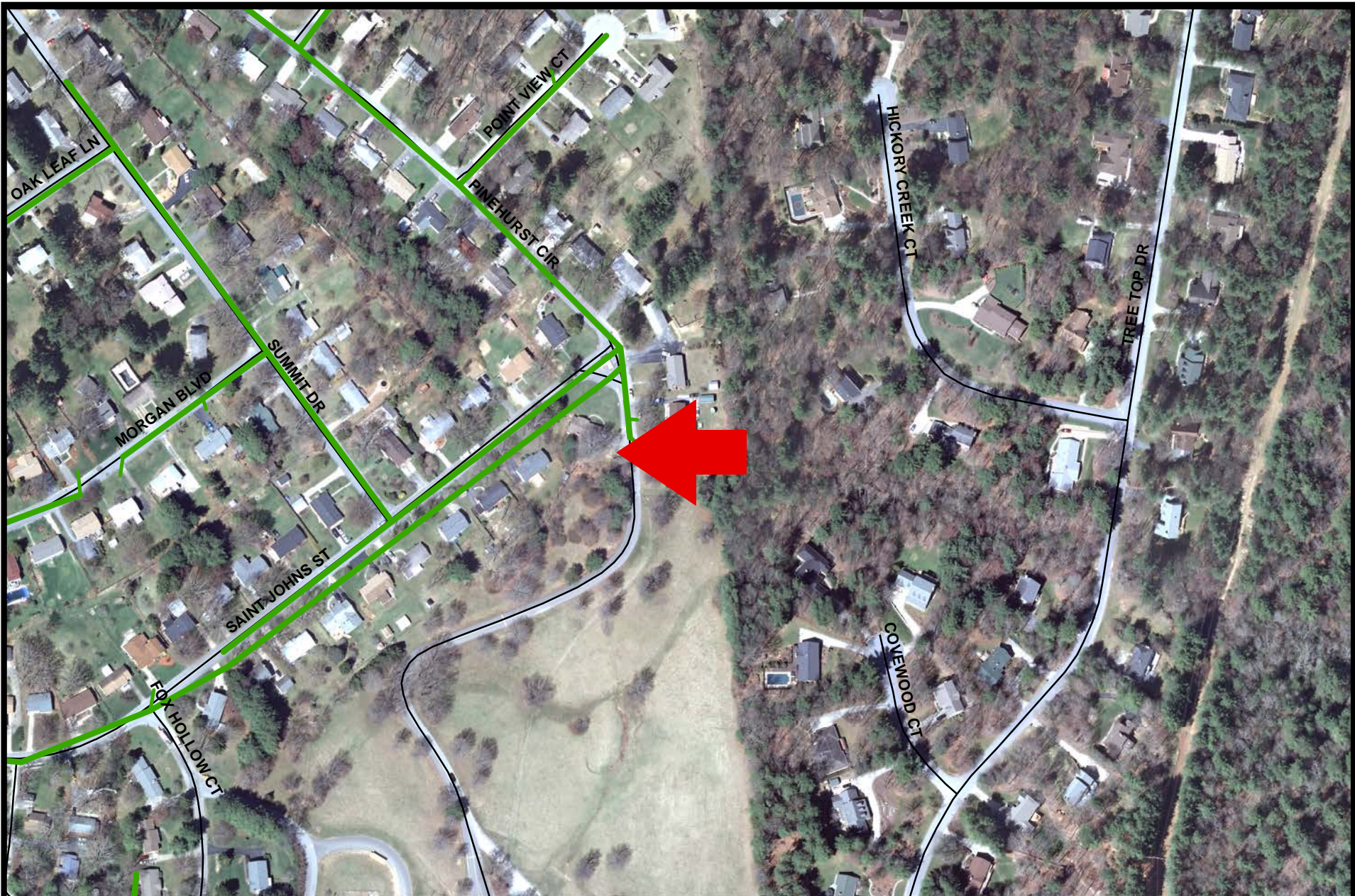
The reconfiguration of the existing power supply and motor controls at the existing pump station is also included.

MSD pre-purchased a 60 KW, 208 V, 3-phase, 4-wire Generator and 225 A, 3-pole Auto-Transfer Switch for this project, due to the longer lead time for this equipment. The contractor will be required to pick up those items and deliver them to the site for installation at the appropriate time.

The contract was informally advertised and two bids were received on April 28, 2016 in the following amounts:

<u>Contractor</u>	<u>Bid Amount</u>
1) PAGE Power Systems	\$174,656.00
2) Haynes Electric	\$148,800.00

The FY17 construction budget is \$155,000.00 for this project. In order to start at the beginning of MSD's fiscal year and finish before the school year begins MSD has pre-purchased the generator and switch gear to have readily available. Final design and specifications were also prepared quickly to coincide with this time frame.



Mountain View Pump Station - Generator Site
Project No. 2015149

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: June 15, 2016

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

PREPARED BY: Kevin Johnson, P.E.

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

SUBJECT: Acceptance of Developer Constructed Sewer System for Burk Street Phase III Subdivision, MSD Project No. 2012115

BACKGROUND: This project is located inside the District boundary at the intersection of Burk Street and Grinnell Street in the City of Asheville. The developer of the project is Chris Eller of Farmbound Holdings, LLC.

The project included extending approximately 115 linear feet of 8-inch public gravity sewer to serve the five (5) unit single family residential development.

A wastewater allocation was issued in the amount of 1,500 GPD for the project. The estimated cost of the sewer construction is \$13,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

Burk Street Phase III Sewer Extension - MSD Project # 2012115
Metropolitan Sewerage District of Buncombe County

6/01/16

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: June 15, 2016

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

PREPARED BY: Kevin Johnson, P.E.

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

SUBJECT: Acceptance of Developer Constructed Sewer System for Long Shoals Village Phase 1, MSD Project No. 2015103

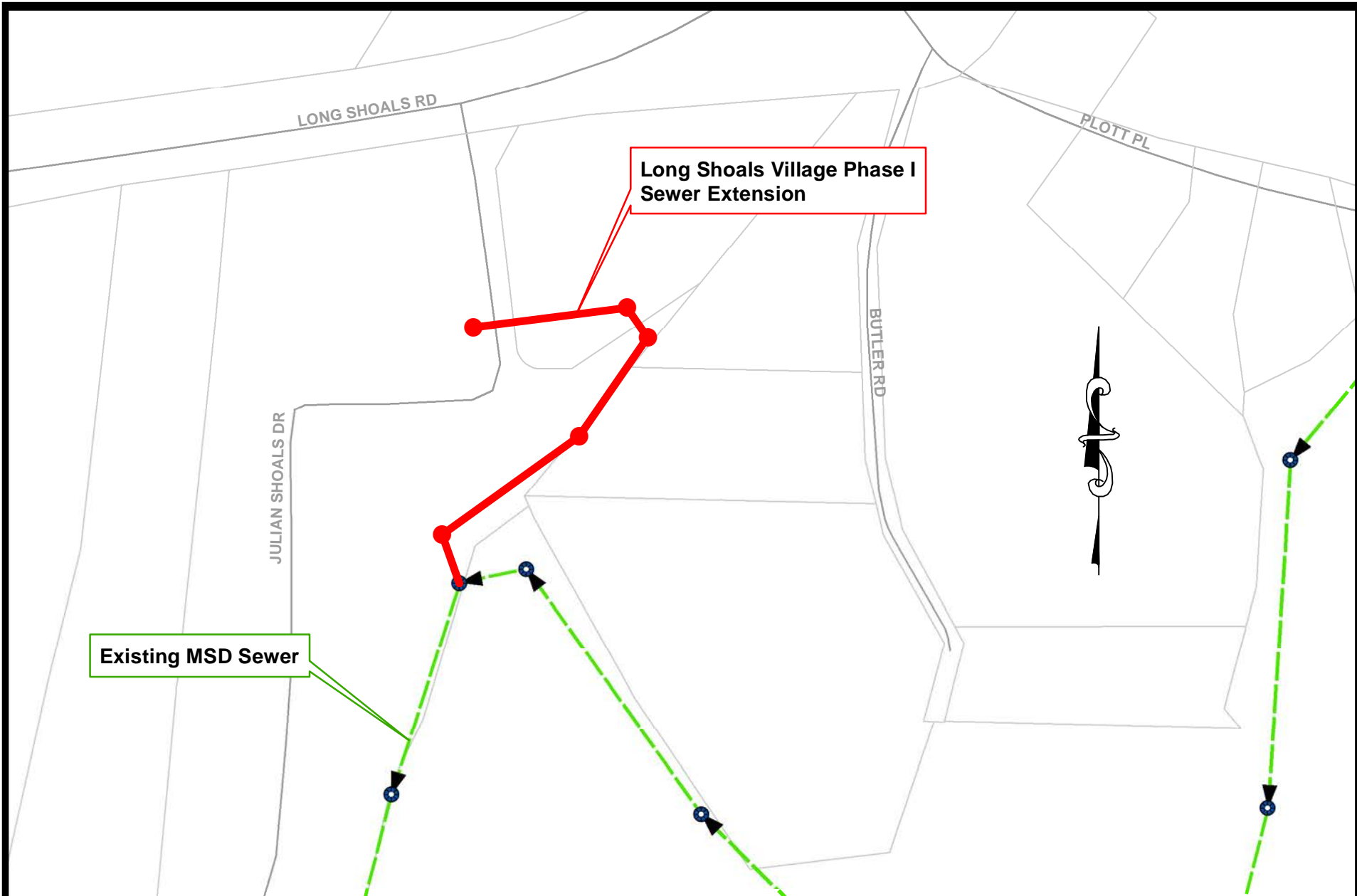
BACKGROUND: This project is located inside the District boundary on Long Shoals Road in the City of Asheville. The developer of the project is Carr Swicegood.

The project included extending approximately 584 linear feet of 8-inch public gravity sewer to serve the commercial development.

A wastewater allocation was issued in the amount of 20,000 GPD for the project. The estimated cost of the sewer construction is \$45,535.00.

All MSD requirements have been met.

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



MSD
Engineering Division

Long Shoals Village Phase I Sewer Extension - MSD Project # 2015103
Metropolitan Sewerage District of Buncombe County

6/01/16

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: June 15, 2016

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

PREPARED BY: Kevin Johnson, P.E.

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

SUBJECT: Acceptance of Developer Constructed Sewer System for Pisgah View Subdivision, MSD Project No. 2015120

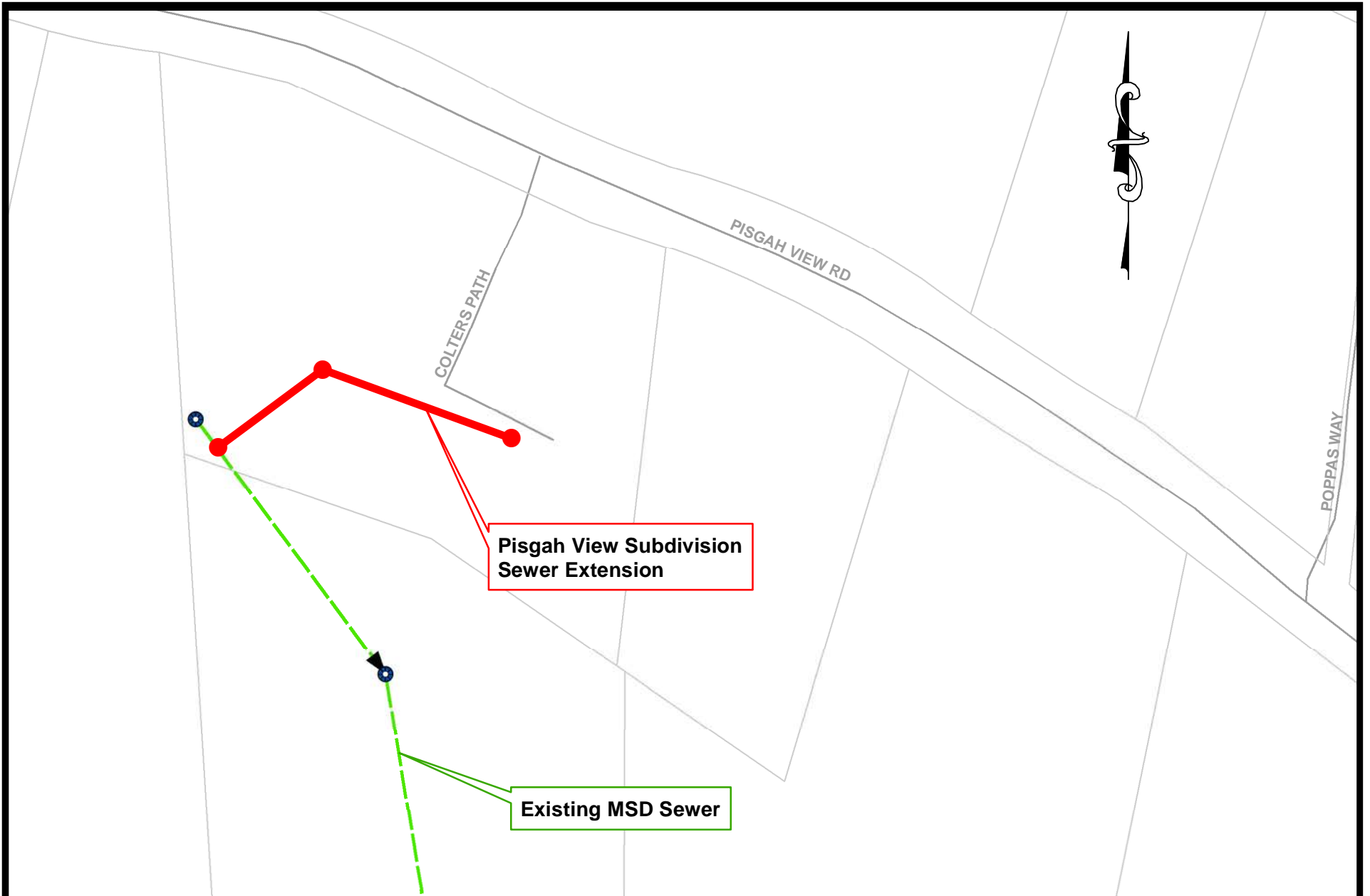
BACKGROUND: This project is located inside the District boundary off Pisgah View Road in the City of Asheville. The developer of the project is Terry Baker.

The project included extending approximately 180 linear feet of 8-inch public gravity sewer to serve the commercial development.

A wastewater allocation was issued in the amount of 1,800 GPD for the project. The estimated cost of the sewer construction is \$20,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

Pisgah View Subdivision Sewer Extension - MSD Project # 2015120
Metropolitan Sewerage District of Buncombe County

6/01/16

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

BOARD MEETING DATE: 6/15/2016

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

PREPARED BY: Mike Stamey, PE – System Services Director of Construction

SUBJECT: MSD FY17 Non City of Asheville Road ROW Paving Restoration Contract
Project No. 2002101

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

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

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

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

The FY17 Non City of Asheville Road ROW Paving Restoration Contract was advertised with three contractors being contacted directly. One informal bid was received on May 26, 2016 as follows:

<u>Contractor</u>	<u>Total Bid</u>
French Broad Paving, Inc.	\$217,075.00

French Broad Paving, Inc. has performed previous paving projects for the District and they have an excellent performance history.

FISCAL IMPACT: The FY17 System Services CIP Construction budget includes appropriate funding for this item.

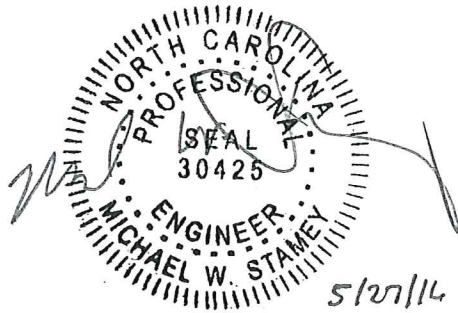
STAFF RECOMMENDATION: Staff recommends award of this contract to French Broad Paving, Inc. in the amount of **\$217,075.00**, contingent upon review and approval by District Counsel.

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

**FY 2017 CONTRACT FOR THE RESTORATION OF
NON-CITY OF ASHEVILLE ROAD RIGHTS-OF-WAY
PROJECT NO. 2002101**

**BID TABULATION
May 26, 2016**

BIDDER	MBE Form	Proposal Form	Total Bid Amount
French Broad Paving Marshall, NC	2	Yes	\$217,075.00



Michael W. Stamey, P.E.
Project Engineer
Metropolitan Sewerage District of
Buncombe County, North Carolina

This is to certify that the bids tabulated herein were publicly opened and read aloud at 10:30 AM on the 26th day of May, 2016, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina. This was an informal bid and no bid bond was required.

Interoffice Memorandum

TO: Tom Hartye, PE - General Manager
FROM: Mike Stamey, PE – System Services Director of Construction
DATE: June 2, 2016
RE: MSD FY17 Non City of Asheville Road ROW Paving Restoration Contract,
Project No. 2002101

This contract is for the restoration of roads, driveways, and sidewalks in Non City of Asheville Rights of Way resulting from District maintenance activities for the period of time from July 1, 2016 to June 30, 2017. These activities are both planned (i.e. taps for new connections or small repairs), and unplanned (i.e. emergency repairs to the system).

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

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

Please note that paving restoration following District maintenance activities in road right of ways owned by the City of Asheville is handled under a separate paving contract between MSD and the City. That contract is estimated to be \$502,000.00 and will be presented to the MSD Board as a separate item.

The FY17 Non City of Asheville Road ROW Paving Restoration Contract project was advertised with three contractors being contacted directly. The Informal bid opening was held on May 26, 2016. One bid was received at that time as follows:

<u>Contractor</u>	<u>Total Bid</u>
French Broad Paving, Inc.	\$217,075.00

French Broad Paving, Inc. is the apparent low bidder for this contract with a bid amount of **\$217,075.00**. French Broad Paving, Inc. has performed numerous paving projects for the District and has an excellent performance history.

The overall FY17 system services construction budget for the paving contracts is \$1,215,000.00, which includes the City of Asheville paving contract estimated at \$502,000.00, larger competitively bid paving projects estimated at \$495,925.00, and this Non City contract at \$217,075.00.

Staff recommends award of the FY17 Non City of Asheville Road ROW Paving Restoration Contract to French Broad Paving, Inc., contingent upon review and approval by District Counsel.

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

BUDGET DATA SHEET - FY 2016 - 2017

PROJECT:	SSD Rehab. & Replacement	LOCATION:	Various
	(Annual)		
TYPE:	General Sewer Rehab.	PIPE RATING:	N/A
PROJECT NO.	2002101	TOTAL LF:	200,000
PROJECT BUDGET:	\$41,644,040.00	PROJECT ORIGIN:	In-house Capital Improvements

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 12/31/15	EST. COST JAN - JUNE 2016	BUDGET FY 16-17
55310 - PRELIM. ENGINEERING				
55320 - SURVEY - DESIGN				
55330 - DESIGN				
55340 - PERMITS				
55350 - SPECIAL STUDIES				
55360 - EASEMENT PLATS				
55370 - LEGAL FEES				
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION				
55400 - APPRAISAL				
55410 - CONDEMNATION				
55420 - CONSTRUCTION	\$41,644,040.00	\$1,555,576.29	\$2,461,923.71	\$4,164,404.00
55430 - CONST. CONTRACT ADM.				
55440 - TESTING				
55450 - SURVEY - ASBUILT				
TOTAL AMOUNT	\$41,644,040.00	\$1,555,576.29	\$2,461,923.71	\$4,164,404.00

ENGINEER:	MSD	MS	ESTIMATED BUDGETS - FY '18 -'26	
R.O.W. ACQUISITION:	MSD	# PLATS: []	FY 17-18	\$4,164,404.00
CONTRACTOR:			FY 18-19	\$4,164,404.00
CONSTRUCTION ADM:	MSD		FY 19-20	\$4,164,404.00
INSPECTION:	MSD		FY 20-21	\$4,164,404.00
			FY 21-22	\$4,164,404.00
			FY 22-23	\$4,164,404.00
PROJECT DESCRIPTION: This line item is for the replacement of capital assets using in-house construction crews and materials. This includes new taps, small repairs, lining, as well as larger rehabilitation projects. Also included is paving when required for these repairs and rehabilitation projects. The total estimated project cost shown is the total within the ten year window.			FY 23-24	\$4,164,404.00
			FY 24-25	\$4,164,404.00
			FY 25-26	\$4,164,404.00
SPECIAL PROJECT NOTES:	Capitalized Labor & Misc.	\$1,539,404	Materials / Year	\$1,310,000.00
Fuel Allocation	\$100,000	Paving Contracts	\$1,215,000	Estimated L.F. per year 20,000

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATION ITEM

BOARD MEETING DATE: 6/15/16

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: Report on 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 in-house maintenance and rehabilitation activities on the sewer system.

Prior to FY 12, 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 and the District entered an agreement on July 1, 2011 wherein the District would pay the City an annual contribution to a Paving Enterprise Fund and all 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 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 however was found to be very costly and difficult to complete by City crews in a timely manner due to workload.

As such, MSD and the City worked together in the spring of 2013 to facilitate an annually renewing agreement which provided greater efficiency and economic feasibility for both sides. The details of the agreement include City crews performing asphalt and concrete patching restoration work for MSD within City Right of Ways for areas of approximately 300 SF or less. In areas greater than 300 SF and for asphalt overlays, MSD contracts out the pavement restoration. For this agreement the City provides monthly reports to MSD and MSD makes monthly payments for completed restoration work. Additionally, MSD is not required to pay permit fees.

This annually renewing agreement was approved by the MSD Board at the June 12, 2013 meeting. For FY 17, the District's monetary contribution for this agreement is \$502,000.00. This amount is based upon usage throughout this past year with a total patching area of 20,000 SF.

The District must still contract out 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.

FISCAL IMPACT: The FY 17 budget estimate for this item was \$502,000.00.

STAFF RECOMMENDATION: None. Information Only

Metropolitan Sewerage District of Buncombe County Board Action Item

Meeting Date: June 15, 2016

Subject: Consideration of Bids - Sodium Hypochlorite Contract

Prepared by: Peter Weed; Director – Water Reclamation Facility
Roger Edwards; Operations Manager – 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 \$0.645/gallon, with an estimated expenditure for FY16 - based on 200,000 gallons usage - of \$129,000.00. In May of 2016, 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 2016-2017 of 200,000 gallons of Sodium Hypochlorite.

Discussion: Pursuant to North Carolina Purchasing Statutes and MSD Procedures, on April 27, 2016, bids were emailed to five vendors and an advertisement was placed on the MSD web site. Four (4) bids were received and the bid opening was held May 18, 2016. Oltrin was the lowest bidder at \$0.60/gallon and agrees to hold their price firm for the total year contract irrespective of market changes. Oltrin has been a supplier of Sodium Hypochlorite to MSD in previous years and MSD staff feels comfortable with both the quality of the chemicals and the customer service supplied by Oltrin.

Fiscal Impact: This is a Unit Price Contract, without minimum or maximum quantities. Based on historical use, FY17 expenditures for Sodium Hypochlorite is anticipated to be \$120,000.00, within the levels budgeted by the WRF.

Staff Recommendation: Staff recommends that the Board award the contract for the supply of Sodium Hypochlorite to Oltrin at a unit price of \$0.60 per gallon.

Bid Tab:

Vendor	Price per Gallon	Extended Price based on 200,000 estimated gallons	Comments
Univar Spartanburg, SC	Non - Responsive		
Specialty Chemical, Cleveland, TN	\$0.6133	\$122,660.00	Price good for one year
Suffolk Sales, Suffolk, VA	\$0.618	\$123,600.00	Price good for one year
JCI Jones Charlotte, NC	\$0.66	\$132,000.00	Price good for one year
Oltrin, Hamlet, NC	\$0.60	\$120,000.00	Price good for one year

Metropolitan Sewerage District of Buncombe County Board Action Item

Meeting Date: June 15, 2016

Subject: Consideration of Bids – Calcium Nitrate Solution for
Odor and Hydrogen Sulfide Control Contract

Prepared by: Peter Weed; Director – WRF Treatment and Maintenance
Monty Payne – Field Operations Manager
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 using a calcium nitrate based solution for the last few years to control hydrogen sulfide formation in the South French Broad Interceptor. Hydrogen sulfide is formed in wastewater after bacteria has used most of the available oxygen. It has a predominate rotten egg odor and is easily broken out of the wastewater. When in the air space in a sewer line, it also converts to sulfuric acid which erodes the inside of sewer pipes. Calcium nitrate has proven to be effective in combating the formation of hydrogen sulfide and preventing the degradation of the collection system.

Discussion: Pursuant to North Carolina Purchasing Statutes and MSD Procedures, on April 27, 2016, bids were emailed to vendors and an advertisement was placed on the MSD web site. Two bids were received and the bid opening was held May 18, 2016. Southern Environmental Systems was the lowest bidder at \$1.99/gallon and agrees to hold their price firm for the total year contract irrespective of market changes. Southern Environmental Systems has been a supplier of calcium nitrate solution to MSD in previous years and MSD staff feels comfortable with both the quality of the chemicals and the customer service supplied by Southern Environmental Systems.

Fiscal Impact: This is a Unit Price Contract, without minimum or maximum quantities. Based on an estimated use of 90,000 gallons at \$1.99/gallon, the annual expenditure for calcium nitrate solution is anticipated to be \$179,100.00 and is within levels budgeted by the WRF.

Staff Recommendation: Staff recommends that the Board award the contract for the supply of calcium nitrate solution to Southern Environmental Systems at a unit price of \$1.99/gallon.

Bid Review:

Vendor	Price per Gallon	Extended based on 90,000 est. gal	Comments
Southern Environmental Systems, Newberry, SC	\$1.99	\$179,100.00	Price good for one year
Evoqua Sarasota, FL	\$2.058	\$185,220.00	Price good for one year

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: June 15, 2016

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, 2016

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, 2016 were \$49,018,271. The detailed listing of accounts is available upon request. The average rate of return for all investments is 0.487%. 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, 2016 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of April 30, 2016 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$27,559,274.

Total Cash & Investments as of 04/30/2016		49,018,271
Less:		
Budgeted Commitments (Required to pay remaining FY16 budgeted expenditures from unrestricted cash)		
Construction Funds	(5,777,820)	
Operations & Maintenance Fund	(3,644,530)	
	(9,422,350)	(9,422,350)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(15,321)	
FY16 Principal & Interest Due	(6,802,951)	
	(6,818,272)	(6,818,272)
District Reserve Funds		
Fleet Replacement	(687,853)	
WWTP Replacement	(551,117)	
Maintenance Reserve	(955,754)	
	(2,194,724)	(2,194,724)
District Insurance Funds		
General Liability	(537,496)	
Worker's Compensation	(272,278)	
Post-Retirement Benefit	(1,446,130)	
Self-Funded Employee Medical	(767,747)	
	(3,023,651)	(3,023,651)
Designated for Capital Outlay		27,559,274

Staff Recommendation

None. Information Only.

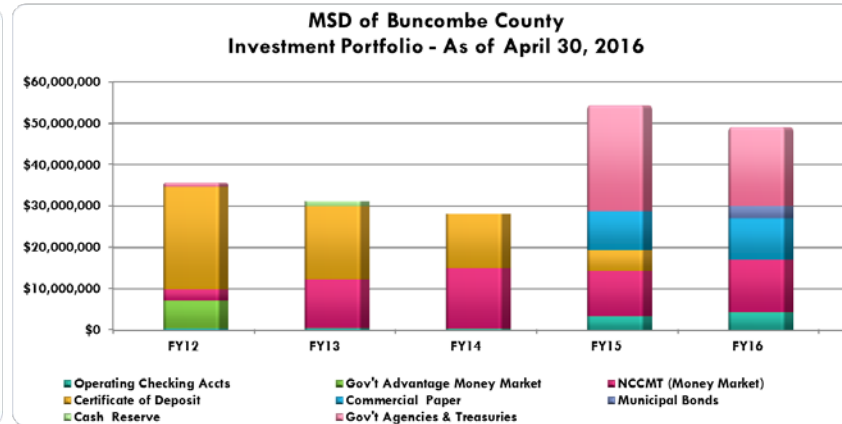
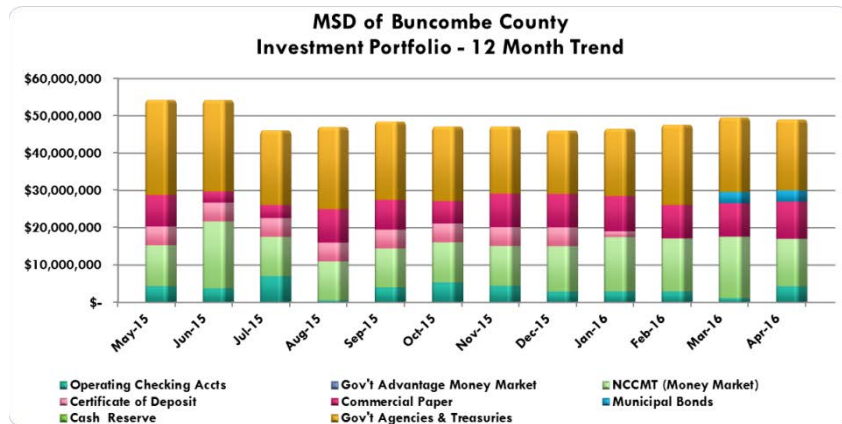
Action Taken

Motion by:	to Approve	Disapprove
Second by:	Table	Send to Committee
Other:		
Follow-up Required:	Person Required:	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	\$ -	\$ -	\$ 15,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,321
Held by MSD	4,251,999	46,668	12,716,961	-	9,988,317	3,000,000	-	18,999,005	49,002,950
	\$ 4,251,999	\$ 46,668	\$ 12,732,282	\$ -	\$ 9,988,317	\$ 3,000,000	\$ -	\$ 18,999,005	\$ 49,018,271

Investment Policy Asset Allocation	Maximum Percent	Actual Percent	
U.S. Government Treasuries, Agencies and Instrumentalities	100%	38.76%	No significant changes in the investment portfolio as to makeup or total amount.
Bankers' Acceptances	20%	0.00%	
Certificates of Deposit	100%	0.00%	The District 's YTM of .53% is exceeding the YTM benchmarks of the 6 month T-Bill and NCCMT Cash Portfolio.
Commercial Paper	20%	20.38%	
Municipal Bonds	100%	6.12%	6 month T-Bill and NCCMT Cash Portfolio.
North Carolina Capital Management Trust	100%	25.97%	
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		8.67%	
Gov't Advantage Money Market		0.10%	

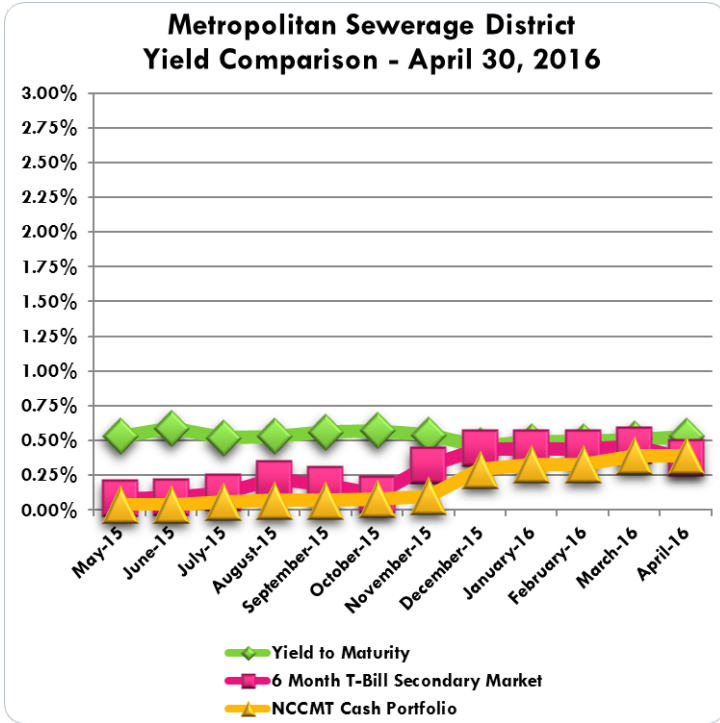
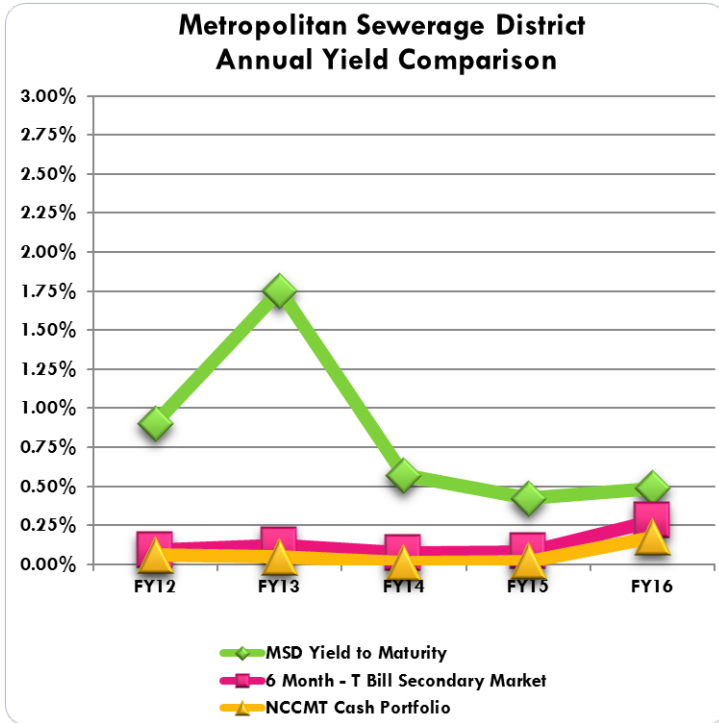


**METROPOLITAN SEWERAGE DISTRICT
INVESTMENT MANAGERS' REPORT
At April 30, 2016**

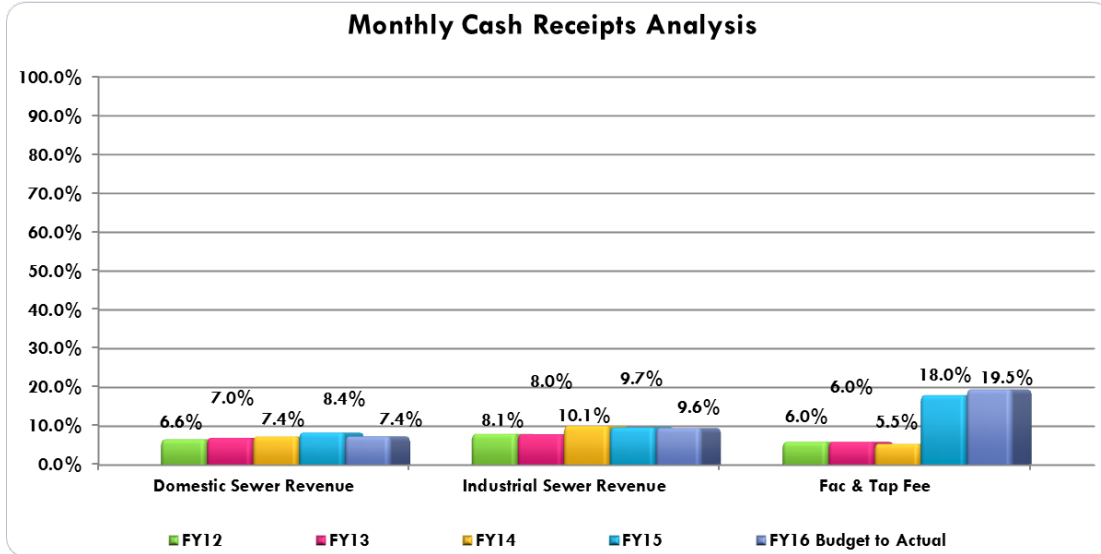
	Original		Interest Receivable
	Cost	Market	
Beginning Balance	\$ 46,517,642	\$ 46,531,313	\$ 18,154
Capital Contributed (Withdrawn)	(3,460,154)	(3,460,154)	
Realized Income	9,935	9,935	(5,038)
Unrealized/Accrued Income		227	8,152
Ending Balance	\$ 43,067,423	\$ 43,081,321	\$ 21,268

	Original Cost	Income
Cash Equivalents <91 Days	\$ 24,072,280	\$ 7,421
Securities/CD's 91 to 365 Days	11,495,643	3,544
Securities/CD's > 1 Year	7,499,500	2,312
	\$ 43,067,423	\$ 13,276

Month End Portfolio Information	
Weighted Average Maturity	251
Yield to Maturity	0.53%
6 Month T-Bill Secondary Market	0.37%
NCCMT Cash Portfolio	0.39%

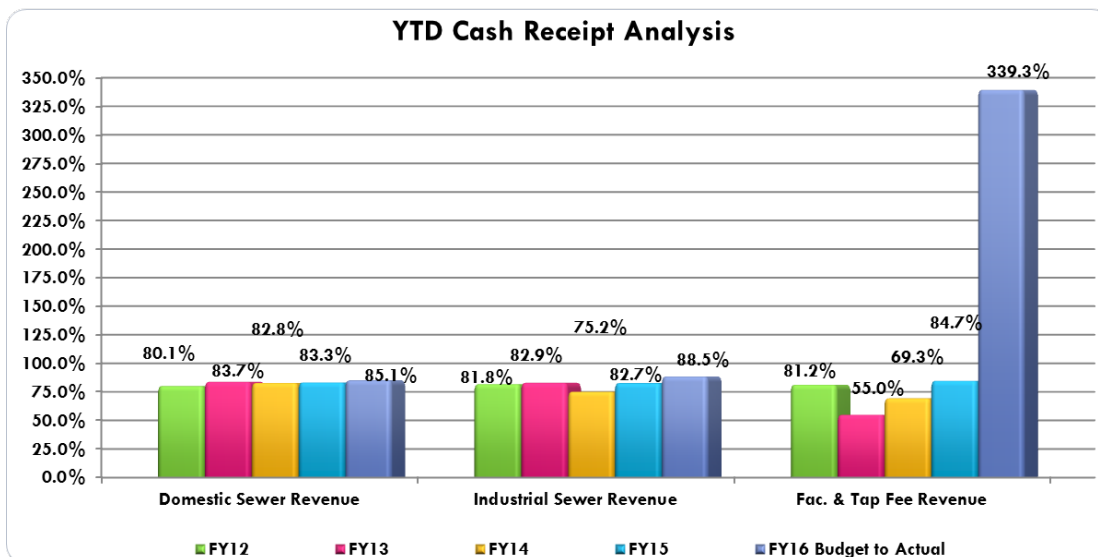


**METROPOLITAN SEWERAGE DISTRICT
 ANALYSIS OF CASH RECEIPTS
 As of April 30, 2016**



Monthly Cash Receipts Analysis:

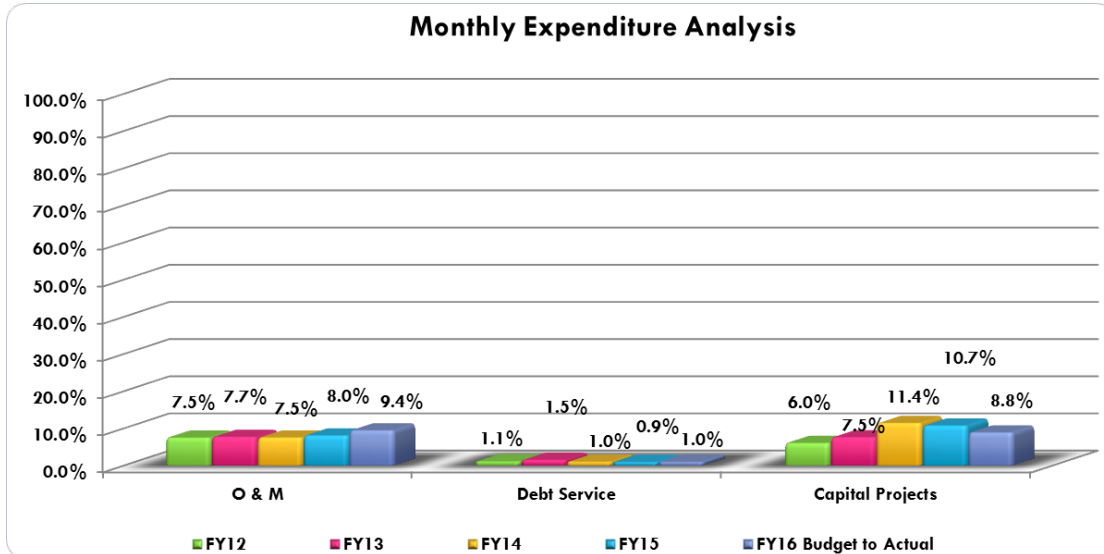
- Monthly domestic sewer revenue is considered reasonable based on timing of cash receipts in their respective fiscal periods.
- Monthly industrial sewer revenue is reasonable based on historical trends.
- Due to the unpredictable nature of facility and tap fee revenue, staff considers facility and tap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



YTD Actual Revenue Analysis:

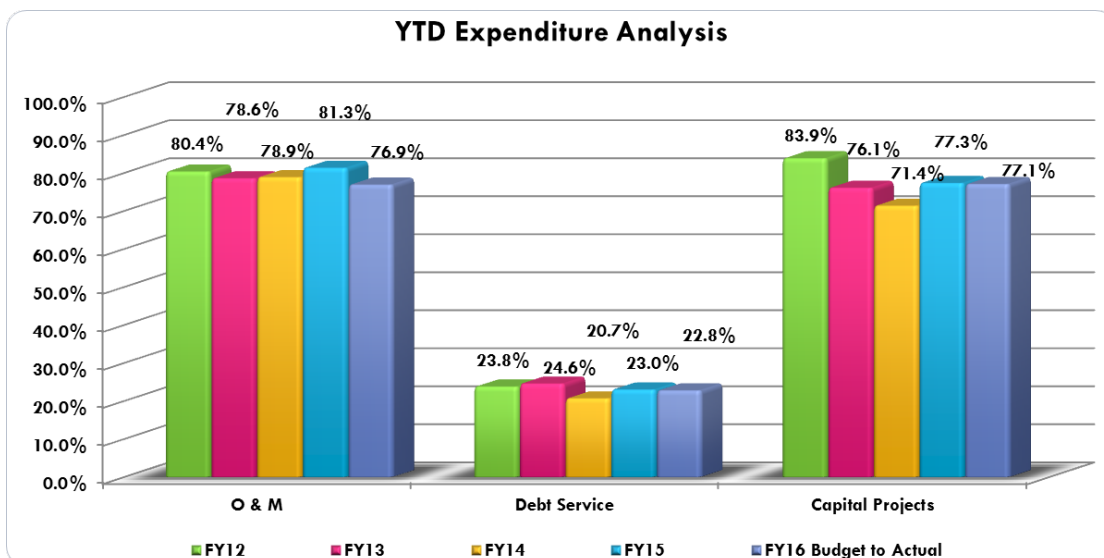
- YTD domestic sewer revenue is considered reasonable based on historical trends.
- YTD industrial sewer revenue is reasonable based on historical trends.
- Due to the unpredictable nature of facility and tap fee revenue, staff considers facility and tap fee revenue reasonable.

**METROPOLITAN SEWERAGE DISTRICT
 ANALYSIS OF EXPENDITURES
 As of April 30, 2016**



Monthly Expenditure Analysis:

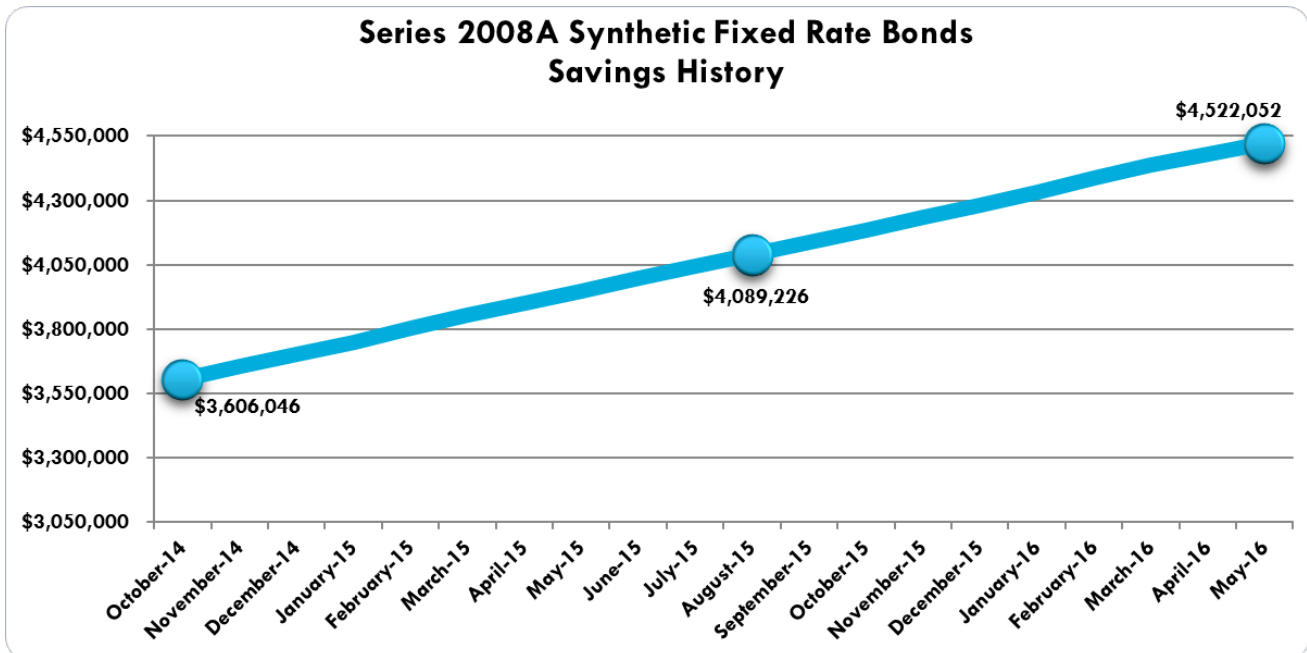
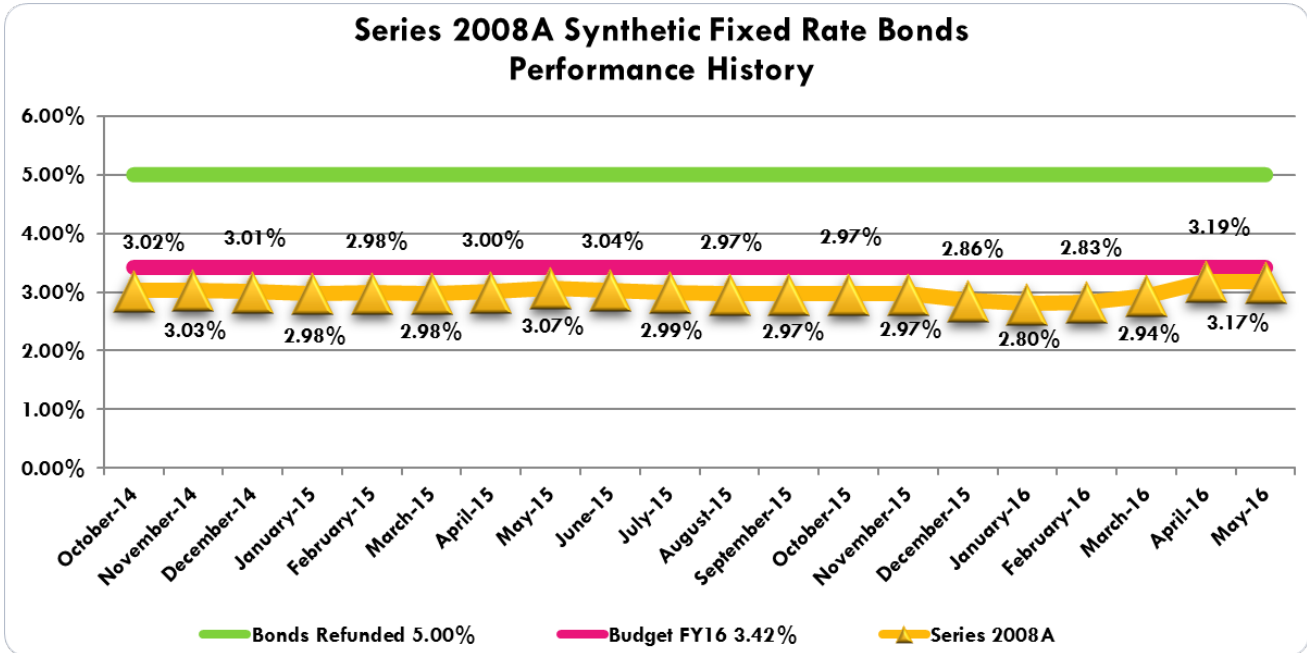
- Monthly O&M expenditures are considered reasonable based on historical trends and timing of expenditures in the current year.
- Due to the nature of the variable rate bond market, monthly expenditures can vary year to year. Based on current variable interest rates, monthly debt service expenditures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

**METROPOLITAN SEWERAGE DISTRICT
 VARIABLE DEBT SERVICE REPORT
 As of May 31, 2016**



Series 2008A:

- Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$4,522,052 as compared to 4/1/2008 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 \$4,670,000 over the life of the bonds.
- MSD would pay \$5,294,272 to terminate the existing Bank of America Swap Agreement.

Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

Meeting Date: June 15, 2016

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

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

Reviewed By: Billy Clarke, Legal Counsel

Subject: Consideration of the Resolution Adopting the Budget for FY 2016-2017 and the Schedule of Sewer Rates & Fees

Background

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

There are no changes to the “Preliminary Budget” as approved by the Board at the May regular meeting.

The 2017 Budget Document can be viewed at:

<http://www.msdbc.org/documents/financial/budgets/FY2017.pdf>

Staff/Finance Committee Recommendations

BUDGET:

The Finance Committee unanimously approved staff’s recommendation to forward to the Board for approval of the FY 2016-2017 Budget along with the attached Resolution.

SEWER RATES & FEES:

The Finance Committee unanimously approved staff’s recommendation to forward to the Board for approval of the attached Proposed Schedule of Fees and Charges – FY2017.

Action Taken

Motion by:

to

Approve

Disapprove

Second by:

Table

Send to Committee

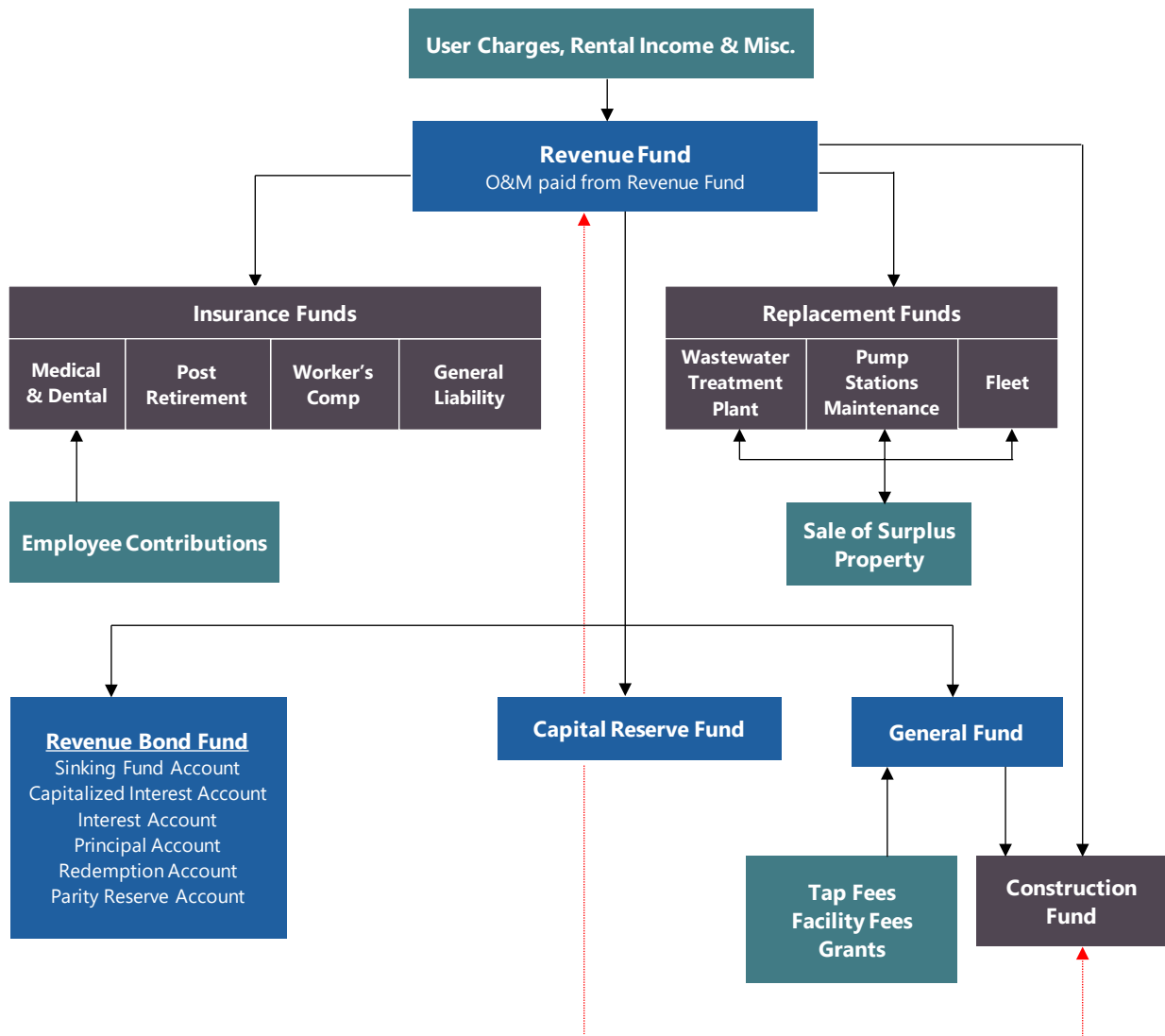
Other:

Follow-up Required:

Person Required:

Deadline:

Flow of Funds Chart



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, 2016 THRU June 30, 2017**

WHEREAS, the Board of Directors has reviewed the Operations and Maintenance, Bond, Reserves, Construction Expenditures of the District, and the sources of revenue and allocations (uses) of expenditures for the 2016-2017 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, General Fund, and Insurance Funds for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Operating and Maintenance Expenses	\$ 12,482,116
Transfer to Insurance Accounts	\$ 3,474,374
Transfer to Fleet Replacement Reserve	\$ 425,000
Transfer to Wastewater Treatment Plant Reserve	<u>\$ 200,000</u>
Subtotal O&M	\$ 16,581,490
Transfer to Debt Service Fund	\$ 7,956,840
Transfer to General Fund	<u>\$ 11,332,582</u>
	<u>\$ 35,870,912</u>

It is estimated that the following revenues will be available in the Revenue Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Domestic User Fees	\$ 29,922,929
Industrial User Fees	\$ 2,943,043
Billing and Collection Fees	\$ 772,500
Investment Interest	\$ 386,679
Reimbursement for Debt Service from COA	\$ 37,000
Rental Income	\$ 71,399
Appropriated Net Position	<u>\$ 1,737,362</u>
	<u>\$ 35,870,912</u>

Resolution – Budget & Sewer Use 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, 2016 and ending June 30, 2017:

Transfer into Construction	<u>\$ 22,034,087</u>
----------------------------	----------------------

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Facility and Tap Fees	\$ 1,700,000
Investment Income	\$ 85,285
Transfer from Revenue Fund	\$ 11,332,582
Appropriated Net Position	<u>\$ 8,916,220</u>
	<u>\$ 22,034,087</u>

3. The following amounts are hereby appropriated in the Construction Fund for Capital Improvement Plan expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Capital Improvements Projects	<u>\$ 22,042,087</u>
-------------------------------	----------------------

It is estimated that the following revenues will be available to the Construction Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Investment Income	\$ 8,000
Transfer from General Fund	\$ 22,034,087
	<u>\$ 22,042,087</u>

4. The following amounts are presented as the financial plan of the Insurance Funds that are used to provide insurance services. Estimated operating expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017 are:

Operating Expenditures	<u>\$ 3,643,470</u>
------------------------	---------------------

It is estimated that the following revenues will be available in the Insurance Funds for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer In from the Revenue Fund	\$ 3,474,374
Investment Income	\$ 13,100
Employee/Retirees Medical Contributions	\$ 415,000
Contributions to Net Position	<u>\$ (259,004)</u>
	<u>\$ 3,643,470</u>

Resolution – Budget & Sewer Use Charges

5. The following amounts are presented as the financial plan of the Fleet Replacement Fund designated for capital equipment expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017 estimated as follows:

Capital Equipment	<u>\$ 668,000</u>
-------------------	-------------------

It is estimated that the following revenues will be available in the Fleet Replacement Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer in from the Revenue Fund	\$ 425,000
Sale of Surplus Property	\$ 80,160
Investment Income	\$ 8,914
Appropriated Net Position	<u>\$ 153,926</u>
	<u>\$ 668,000</u>

6. The following amounts are presented as the financial plan of the Wastewater Treatment Plant Replacement Fund designated for wastewater treatment plant capital expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017 estimated as follows:

Capital Equipment	<u>\$ 162,150</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, 2016 and ending June 30, 2017:

Transfer In from the Revenue Fund	\$ 200,000
Investment Income	\$ 7,044
Transfer Out to Pump Station Replacement Fund	\$ (100,000)
Appropriated Net Position	<u>\$ 56,277</u>
	<u>\$ 162,150</u>

7. The following amounts are presented as the financial plan in the Pump Station Replacement Fund designated for pump capital expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017 estimated as follows:

Capital Equipment	<u>\$ 55,000</u>
-------------------	------------------

It is estimated that the following revenues will be available in the Pump Station Replacement Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer In from the Wastewater Replacement Fund	\$ 100,000
Investment Income	\$ -
Contributions to Net Position	<u>\$ (45,000)</u>
	<u>\$ 55,000</u>

Resolution – Budget & Sewer Use Charges

8. The following amounts are hereby appropriated in the Debt Service Fund for principal and interest payments for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Debt Service	<u>\$ 7,956,840</u>
--------------	---------------------

It is estimated that the following revenues will be available in the Debt Service Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer In from the Revenue Fund	\$ 7,956,840
Investment Income	\$ 50
Contributions to Net Position	<u>\$ (50)</u>
	<u>\$ 7,956,840</u>

9. 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.
10. 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.
 - c. He may transfer up to 10% of Insurance Fund reserves to meet current year expenditures in excess of budget.
11. That the attached Schedule of Fees and Charges be adopted as effective July 1, 2016.
12. 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 15th day of June 2016

M. Jerry VeHaun, Chairman
Metropolitan Sewerage District of
Buncombe County, North Carolina

Attest:

Jackie Bryson
Secretary/Treasurer

Schedule of Rates & Fees

Effective July 1, 2016

	CURRENT FY16 RATE	PROPOSED FY17 RATE
Rate increase		2.50%
Collection Treatment Charge		
Residential & Commercial Volume Charges (per CCF) Inside	\$ 4.28	\$ 4.39
Industrial Volume Charges (per CCF) Inside	\$ 3.69	\$ 3.95
Industrial Surcharge for BOD (per lb., BOD >240 mg/l) Inside	\$ 0.327	\$ 0.320
Industrial Surcharge for TSS (per lb., TSS >240 mg/l) Inside	\$ 0.262	\$ 0.259
Residential & Commercial Volume Charges (per CCF) Outside	\$ 4.29	\$ 4.40
Industrial Volume Charges (per CCF) Outside	\$ 3.70	\$ 3.96
Industrial Surcharge for BOD (per lb., BOD >240 mg/l) Outside	\$ 0.327	\$ 0.320
Industrial Surcharge for TSS (per lb., TSS >240 mg/l) Outside	\$ 0.262	\$ 0.259
Base Meter/Maintenance Charge & Billing Fee		
5/8"	\$ 6.60	\$ 6.77
3/4"	\$ 9.61	\$ 9.85
1"	\$ 17.05	\$ 17.48
1 1/2"	\$ 39.03	\$ 40.01
2"	\$ 69.03	\$ 70.76
3"	\$ 153.10	\$ 156.93
4"	\$ 273.20	\$ 280.03
6"	\$ 615.44	\$ 630.83
8"	\$ 1,092.80	\$ 1,120.12
10"	\$ 1,711.26	\$ 1,754.04
Billing Fee (per bill)	\$ 2.30	\$ 2.31
Sewer Facility Fees		
<i>This impact fee is for allotted capacity in the treatment and transmission system. A differential fee will be charged for increases to an existing meter size.</i>		
Residential		
Per Unit (non-mobile home)	\$ 2,500.00	\$ 2,500.00
Mobile Home	\$ 1,740.00	\$ 1,740.00
Affordable Housing	\$ 670.00	\$ 670.00
Nonresidential (modifiable per economic development waiver)		
5/8"	\$ 2,500.00	\$ 2,500.00
3/4"	\$ 2,830.00	\$ 2,830.00

Schedule of Rates & Fees

Effective July 1, 2016

	CURRENT FY16 RATE	PROPOSED FY17 RATE
Sewer Facility Fees (continued)		
Nonresidential (modifiable per economic development waiver) (continued)		
1"	\$ 5,560.00	\$ 5,560.00
1 1/2"	\$ 11,350.00	\$ 11,350.00
2"	\$ 20,000.00	\$ 20,000.00
3"	\$ 45,000.00	\$ 45,000.00
4"	\$ 87,500.00	\$ 87,500.00
6"	\$ 225,400.00	\$ 225,400.00
8"	\$ 237,500.00	\$ 237,500.00
Additions < 1,400 GPD	\$ 870.00	\$ 870.00
Additions over 1,400 GPD	Based on flow rate & meter size	Based on flow rate & meter size
Sewer Connection Fees		
<i>This fee is to provide new or re-establish existing service connections to the MSD system.</i>		
Sewer Connection by MSD	\$ 650.00	\$ 650.00
Pavement Disturbance Fee	\$ 2,200.00	\$ 2,200.00
Additional Charge for Boring	N/A	N/A
Refund if Boring avoids pavement disturbance	\$ (1,300.00)	\$ (1,300.00)
Inspection Fee for Developer (or Utility Contractor) Installed Sewer Connection	\$ 140.00	\$ 140.00
<i>The Sewer Connection Fee will apply to new home construction, as well as existing homes which have been demolished or remodeled and sewer service is reinstated under new property ownership. MSD reserves the right to require that a licensed utility contractor install any sewer connection, and such connections will be subject to MSD inspection. Sewer connections in excess of 75 feet will be evaluated on a case by case basis. If constructed by MSD, they will be billed at cost. Property owners may choose to utilize a licensed utility contractor, which will be subject to MSD inspection.</i>		
Manhole Installation/Replacement		
Cost per foot	\$ 250.00	\$ 250.00
Pavement replacement (if required)	\$ 1,800.00	\$ 1,800.00

Schedule of Rates & Fees

Effective July 1, 2016

	CURRENT FY16 RATE	PROPOSED FY17 RATE
Other Fees		
Allocation Fee	\$ 170.00	\$ 170.00
Non-Discharge Permit	\$ 200.00	\$ 200.00
Plan Review Fee	\$ 450.00	\$ 450.00
Plan re-review Fee	\$ 350.00	\$ 350.00
Final Inspection	\$ 350.00	\$ 350.00
Pump Station Acceptance Fee	Note 1	Note 1
<i>Note 1 --See policy for details of computation of O&M and equipment replacement costs for upcoming 20 years; 50% discount for affordable housing</i>		
Bulk Charges		
Volume Charge for Septic Haulers (per 1,000 Gal.)	\$ 45.00	\$ 45.00
Biochemical Oxygen Demand >240 mg/l (per lb.)	\$ 0.327	\$ 0.320
Total Suspended Solids >240 mg/l (per lb.)	\$ 0.262	\$ 0.259
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	\$ 50.00

STATUS REPORTS

**MSD System Services In-House Construction
FY 15-16 PROJECTS**

PROJECT NAME	LOCATION	ZIP CODE	ESTIMATED FOOTAGE	ESTIMATED PROJECT DATES	WO#	CREW	COMPLETION DATE	ACTUAL FOOTAGE	NOTES
Deanwood Circle Phase 2	Asheville	28803	618	5/14/15 - 7/1/15	225521	631	7/1/2015	618	complete
590 Haywood Rd	W. Asheville	28806	178	7/16/2015	225966	631	7/16/2015	180	complete
Rathfanham Circle	Arden	28803	520	7/5/15 - 8/1/15	212218	631	7/23/2015	522	complete
26 Claxton Place	Asheville	28801	121	7/29/2015	224709	631	7/29/2015	121	complete
418 Cedar Lane	Royal Pines	28704	815	7/8/15 - 8/7/15	220605	647	8/6/2015	862	complete
Locust Court Rehab	Royal Pines	28704	100	8/10/15-8/14/15	223590	647	8/17/2015	98	complete
Mount Claire Sewer Rehabilitation	Asheville	28803	656	8/3/15-8/21/15	216742	631	8/21/2015	664	complete
New Salem Road Rehabilitation	Swannanoa	28778	50	8/17/15-8/21/15	226294	647	8/18/2015	34	complete
4 Hawthorne Lane	Montford/Asheville	28801	178	8/24/15 - 9/2/15	226596	631	9/2/2015	178	complete
355 Lakeshore Drive	N. Asheville	28804	300	8/19/15 - 9/5/15	225006	647	9/4/2015	347	complete
Covington Street Improvements	W. Asheville	28806	295	9/8/15-9/11/15	200349	631	9/4/2015	197	complete
83 Grayclyn Rd	Asheville	28804	380	9/8/15-10/1/15	220546	647	9/24/2015	492	complete
Panola Street	Asheville	28801	360	9/14/15 - 10/16/15	225178	631	10/9/2015	308	complete
316 Westover Dr	Asheville	28801	775	10-19-15 - 11/1/15	228021	631	11/3/2015	890	complete
Robindale Ave	Asheville	28801	850	9/25/15 - 11/20/15	45887	647	11/25/2015	875	complete
220 Jonestown Road Emergency Rehab	Woodfin	28804	100	12/10/2015	229302	647	12/10/2015	100	complete
Winnfred Street	W. Asheville	28806	420	11/11/15 - 12/18/15	208324	631	12/18/2015	598	complete
Erwin Hills Road Sewer Extension	Leicester	28806	1000	12/21/15 - 2/22/16	229332	631	2/4/2016	1056	complete
Weaverville Pump Station #1 Improvements	Weaverville	28787	35	11/21/15 - 2/22/16	228575	647	2/4/2016	81	complete
Murdock at Edwin Place Sewer Improvements	Asheville	28801	94	1/25/16 - 2/10/16	229951	647	2/16/2016	97	complete
Hunt Hill Place Phase 1	Asheville	28813	600	2/8/16 - 3/22/16	46650	631	2/26/2016	590	complete
Evelake Drive (Area 1)	Leicester	28806	135	2/11/16 - 3/3/16	229959	647	3/4/2016	297	complete
Hunt Hill Place Phase 2	Asheville	28813	200	2/26/16 - 3/3/16	231242	631	3/8/2016	215	complete
404 E. State Street	Black Mountain	28711	130	3/4/16 - 3/15/16	231667	631	3/18/2016	130	complete
43 Evelake Drive	Leicester	28806	200	3/4/16 - 3/ 25/16	231370	647	3/16/2016	219	complete
Sareva Place	N. Asheville	28804	863	3/16/16 - 4/22/16	20330	631	4/15/2016	945	complete
114 Fenner	N. Asheville	28804	127	4/13/16 - 4/20/16	232280	614	4/20/2016	127	complete
Carjen Avenue	N. Asheville	28804	918	4/23/16 - 5/23/16	20331	631	4/27/2016	829	complete
Fair Oaks Rd at Green Road (P/N 2009133)	Arden	28704	2500	3/26/16 - 6/15/16	229966	647			construction 75% complete
126 Appalachian Way	W. Asheville	28806	625	5/16/16 - 6/10/16	217609	631			construction 40% complete
Asheville County Club Phase 1	N. Asheville	28804	1665	6/11/16 - 7/1/16	225191	631			ready for construction
Tanglewood Drive at Craggy Ave	W. Asheville	28803	141	6/17/16 - 7/1/16	233397	647			ready for construction



CONSTRUCTION TOTALS BY DATE COMPLETED - Monthly

From 7/1/2015 to 4/30/2016

	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 2015	31	7	87	489	32	12	0	91	1116	408	13	1,057	2672
August 2015	27	7	89	427	13	11	6,757	377	307	280	18	1,378	2342
September 2015	33	7	190	747	29	25	10	348	219	479	11	735	1781
October 2015	42	7	226	1,023	18	21	190	202	137	182	5	126	647
November 2015	28	8	145	505	18	14	440	0	442	1504	16	261	2207
December 2015	30	16	90	616	27	7	220	0	368	598	7	100	1066
January 2016	29	8	121	367	29	11	300	4	100	0	0	0	104
February 2016	35	13	177	628	22	14	805	219	625	265	13	503	1612
March 2016	37	23	420	862	28	23	1,251	0	8	646	7	215	869
April 2016	39	8	123	639	34	14	200	0	139	756	11	1,018	1913
Grand Totals	331	104	1,666	6,302	250	152	10,173	1,241	3461	5118	101	5,393	15213

* Used to calculate Total Rehab Footage



PIPELINE MAINTENANCE TOTALS BY DATE COMPLETED - Monthly

July 01, 2015 to April 30, 2016

	Main Line Wash Footage	Service Line Wash Footage	Rod Line Footage	Cleaned Footage	CCTV Footage	Smoke Footage	SL-RAT Footage
2015							
July	98,340	1,112	3,630	101,970	35,280	18,250	7,999
August	65,325	1,906	7,190	72,515	24,728	0	13,969
September	79,795	1,645	9,498	89,293	32,353	4,579	17,664
October	38,126	2,363	4,810	42,936	31,243	14,600	21,241
November	42,038	1,966	6,174	48,212	29,033	0	17,487
December	48,491	1,945	8,240	56,731	19,205	1,500	15,016
2016							
January	53,754	1,554	7,559	61,313	18,118	3,663	3,800
February	57,342	2,460	9,279	66,621	25,427	1,936	12,807
March	54,004	2,950	11,610	65,614	28,973	8,587	26,752
April	65,853	1,600	11,018	76,871	28,639	201	12,380
Grand Total:	603,068	19,501	79,008	682,076	272,999	53,316	149,115
Avg Per Month:	60,307	1,950	7,901	68,208	27,300	5,332	14,912



CUSTOMER SERVICE REQUESTS

Monthly - All Crews

CREW	MONTH	JOBS	AVERAGE RESPONSE TIME	AVERAGE TIME SPENT
DAY 1ST RESPONDER				
	July, 2015	80	32	38
	August, 2015	110	31	45
	September, 2015	99	29	39
	October, 2015	98	32	52
	November, 2015	92	31	54
	December, 2015	146	34	44
	January, 2016	90	27	47
	February, 2016	144	28	46
	March, 2016	148	34	42
	April, 2016	119	28	44
		1,126	31	45
NIGHT 1ST RESPONDER				
	July, 2015	14	19	25
	August, 2015	22	22	28
	September, 2015	23	21	29
	October, 2015	23	37	33
	November, 2015	27	29	33
	December, 2015	22	30	27
	January, 2016	24	23	23
	February, 2016	27	27	22
	March, 2016	24	23	21
	April, 2016	18	23	25
		224	26	27
ON-CALL CREW *				
	July, 2015	28	39	46
	August, 2015	24	48	30
	September, 2015	30	45	51
	October, 2015	26	49	69
	November, 2015	31	49	40
	December, 2015	72	57	51

* On-Call Crew Hours: 8:00pm-7:30am Monday-Friday, Weekends, and Holidays



CUSTOMER SERVICE REQUESTS Monthly - All Crews

CREW	MONTH	JOBS	AVERAGE REPSONSE TIME	AVERAGE TIME SPENT
ON-CALL CREW *				
	January, 2016	46	43	48
	February, 2016	49	46	43
	March, 2016	46	48	36
	April, 2016	40	42	48
		392	48	46
Grand Totals:		1,742	34	43

* On-Call Crew Hours: 8:00pm-7:30am Monday-Friday, Weekends, and Holidays

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

June 8, 2016

PROJECT	LOCATION OF PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
BYPASS PUMP STAGING AREAS	Woodfin 28804 and Asheville 28806	NHM Constructors, LLC	3/16/2016	4/11/2016	7/9/2016	\$267,260.00	50%	Construction going well at all 3 project sites.
HENDERSONVILLE ROAD @ MILLS GAP ROAD	Asheville 28803	Terry Brothers	3/16/2016	4/13/2016	8/11/2016	\$703,488.00	50%	Construction is progressing well.
HILLIARD AVENUE @ ASTON PARK	Asheville 28801	Buckeye Bridge, LLC	8/19/2015	10/12/2015	5/20/2016	\$542,732.50	100%	Project is complete and in close out.
MELODY CIRCLE	Swannanoa 28778	Terry Brothers	7/15/2015	8/3/2015	5/20/2016	\$954,087.50	100%	Project is complete and in close out.
MTN. VIEW PUMP STATION GENERATOR SITE	Arden 28704	TBD	TBD	TBD	TBD	TBD	0%	Bids were opened on April 28th. Haynes Electric Construction Company is the apparent low. Project will be presented at the June Board meeting.
NEW SALEM ROAD	Swannanoa 28778	Terry Brothers	11/18/2015	1/12/2016	5/20/2016	\$474,362.00	98%	One change order is pending for installation of a drain line.
OAKLAND DRIVE @ PINE STREET (4-INCH MAIN)	Black Mountain 28711	Terry Brothers	2/17/2016	3/7/2016	6/5/2016	\$283,994.00	100%	Project is complete and in close out.
SHADOWLAWN DRIVE PHASE 2	Asheville 28806	Davis Grading, Inc.	1/20/2016	3/14/2016	7/12/2016	\$436,798.00	60%	Construction is progressing well.
VENABLE PUMP STATION ELIMINATION	Asheville 28806	Buckeye Bridge, LLC	4/20/2016	5/9/2016	7/8/2016	\$314,639.20	45%	Contractor currently installing pipeline in the Asheville Outlets property.
WRF - INCINERATOR SYSTEM REHABILITATION AND EMISSIONS UPGRADES	Woodfin 28804	Haren Construction Company	2/18/2015	3/25/2015	5/20/2016	\$4,624,000.00	99%	Final welding inspection and project close out in process.
WRF - INFLUENT PUMP STATION REHABILITATION: AFD REPLACEMENT	Woodfin 28804	M.B. Haynes	8/19/2015	10/5/2015	5/27/2016	\$428,370.00	100%	Project is complete and in close out.

*Updated to reflect approved Change Orders and Time Extensions

Planning & Development Project Status Report

Active Construction Projects

June 15, 2016

#	Project Name	Project Number	Work Location	Zip Code	Units	LF	Pre-Construction Conference Date	Comments
1	Governor's Western Residence	2014100	Buncombe Co.	28804	Comm.	636	7/22/2015	Final Inspection complete, awaiting close-out docs
2	Greenwood Park Phase 1	2014067	Weaverville	28787	7	283	9/1/2015	Final Inspection complete, awaiting close-out docs
3	Rivermill Lofts Relocation	2014125	Asheville	28803	254	314	8/21/2015	Waiting on final inspection
4	Givens Gerber Park	2014065	Buncombe Co.	28803	260	357	8/7/2015	Waiting on final inspection
5	Hawthorne South (Turtle Creek)	2014130	Asheville	28803	250	400	8/7/2015	Waiting on final inspection
6	Ingles - Smokey Park Highway	2013135	Asheville	28806	Comm.	1,289	4/11/2014	Waiting on final inspection
7	Conestee	2014149	Asheville	28801	7	113	8/7/2015	Installing
8	Audubon Apts. Phase 2	2014027	Buncombe Co.	28704	86	16	5/27/2015	Waiting on final inspection
9	Hunt Hill Apartments	2013111	Asheville	28801	180	1,729	3/5/2014	Waiting on final inspection
10	Rosebriar	2007005	Black Mountain	28711	12	309	8/28/2014	Waiting on final inspection
11	Dilworth Apartments	2015001	Asheville	28806	168	950	8/3/2015	Waiting on final inspection
12	Isaac Dickson School Relocation	2013033	Asheville	28801	School	504	1/13/2014	Waiting on final inspection
13	Gibson Road (aka Four Seasons)	2014138	Asheville	28804	3	137	9/11/2015	Final Inspection complete, awaiting close-out docs
14	Roberts Farm Phase 1B	2015056	Black Mountain	28711	250	1,165	7/29/2015	Installing
15	First Baptist Relocation	2015032	Asheville	28801	Comm.	333	7/21/2015	Waiting on final inspection
16	Biltmore Lake Block "I"	2014128	Buncombe Co.	28715	19	1,676	3/31/2015	Testing
17	Creekside Cottages	2014095	Buncombe Co.	28704	7	504	3/12/2015	Final Inspection complete, awaiting close-out docs
18	Crossings at Beaverdam	2014150	Woodfin	28804	Comm.	119	2/18/2015	Waiting on final inspection
19	Creekside Village Phase 2	2014088	Weaverville	28787	145	2,051	8/7/2015	Final Inspection complete, awaiting close-out docs
20	Beale Road Subdivision (Habitat)	2015200	Asheville	28704	21	730	4/5/2016	Pre-con held, ready for construction
21	Country Inn & Suites - Westgate	2014089	Asheville	28806	Comm.	204	1/22/2015	Final Inspection complete, awaiting close-out docs
22	Dillingham Woods	2014048	Asheville	28805	27	375	3/4/2015	Installing
23	Shelburne Road	2014126	Asheville	28806	9	418	4/5/2016	Pre-con held, ready for construction
24	Ramble Block "E"	2015030	Buncombe Co.	28803	22	1,357	7/29/2015	Waiting on final inspection
25	Haw Creek - Waters Road	2014086	Asheville	28805	20	643	7/28/2015	Final Inspection complete, awaiting close-out docs
26	Asheville Middle School	2013125	Asheville	28801	School	214	9/30/2014	Waiting on final inspection
27	Robinhood Relocation	2013107	Asheville	28804	5	230	7/23/2015	Final Inspection complete, awaiting close-out docs
28	Crest Mountain Phase 3B	2013041	Woodfin	28806	69	1,329	10/15/2013	Waiting on final inspection
29	Evolve Mountain View	2013105	Asheville	28803	148	347	10/21/2014	Final Inspection complete, awaiting close-out docs
30	26 Carl Alwin Place	2014091	Buncombe Co.	28704	Comm.	246	5/1/2015	Final Inspection complete, awaiting close-out docs
31	Bojangles - Smokey Park	2014124	Buncombe Co.	28806	Comm.	382	8/18/2015	Final Inspection complete, awaiting close-out docs
32	Serenity Falls Subdivision	2015055	Woodfin	28804	45	2,583	9/18/2015	Installing
33	Amboy Overlook	2014136	Asheville	28806	19	899	10/20/2015	Installing
34	Bowen Estates	2015064	Asheville	28803	4	178	10/13/2015	Installing
35	Craggy Park	2014164	Asheville	28806	45	1,935	10/23/2015	Installing
36	Pinnacle at Arabella Heights	2006277	Buncombe Co.	28704	28	482	11/10/2015	Testing
37	Settings at Black Mountain	2008016	Black Mountain	28711	30	907	11/13/2015	Installing
38	Cottages at Kenilworth	2015107	Asheville	28805	12	454	12/1/2015	Pre-con held, ready for construction
39	A.B. Tech Fernhurst Relocation	2014061	Asheville	28801	Comm.	697	4/8/2014	TCO, waiting closeout decision and documents
40	Springside Road Townhomes	2015006	Asheville	28803	3	120	12/15/2015	Pre-con held, ready for construction
41	Vance Place	2014084	Asheville	28801	8	398	1/29/2016	Installing
42	The District	2015133	Asheville	28803	309	912	2/26/2016	Pre-con held, ready for construction
43	Asheville Exchange	2015170	Asheville	28806	312	582	2/26/2016	Installing
44	200 Technology Drive	2015213	Buncombe Co.	28803	Comm.	809	2/26/2016	Installing
45	Cheshire Pocket Village	2015129	Black Mountain	28711	15	370	2/26/2016	Waiting on final inspection
46	Hall Avenue	2015035	Asheville	28806	8	329	3/4/2016	Pre-con held, ready for construction
47	Maple Trace Subdivision	2014121	Weaverville	28787	31	2,420	1/29/2016	Pre-con held, ready for construction
48	McKinley Avenue (Habitat)	2015180	Asheville	28803	10	237	4/22/2016	Pre-con held, ready for construction
49	Reese & Jan Lasher (High Hopes)	2015152	Woodfin	28806	14	320	4/26/2016	Pre-con held, ready for construction
50	Fairfield Inn & Suites - Tunnel Road	2015203	Asheville	28805	Comm.	350	4/29/2016	Pre-con held, ready for construction
51	500 Fairview Road Subdivision	2016049	Asheville	28803	10	220	5/6/2016	Pre-con held, ready for construction
52	Ball Gap Road	2015186	Buncombe Co.	28704	14	947	5/31/2016	Pre-con held, ready for construction
53	Woodcrest at Biltmore Terrace Ph. 2	2015063	Buncombe Co.	28803	8	210	5/27/2016	Pre-con held, ready for construction
54	Greymont Apartments	2015108	Buncombe Co.	28806	312	3,193	5/17/2016	Pre-con held, ready for construction
55	Mallard Run Phase II	2015090	Buncombe Co.	28704	37	1,217	10/13/2015	Installing
			TOTAL			3,243	40,129	