

# BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

August 21, 2019

## 1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration building at 2:00 pm Wednesday, August 21, 2019. Chairman VeHaun presided with the following members present: Ashley, Bryson, Kelly, Manheimer, Pelly, Pennington, Pressley, Valois, Watts, Whitesides and Wisler.

Others present were: Susan Russo Klein, Roberts & Stevens, Forest Westall with McGill Associates; Marcus Jones with Cane Creek Water & Sewer District; Tom Hartye, Ed Bradford, Roger Edwards, Pam Thomas, Ken Stines, Scott Powell, Hunter Carson, Mike Stamey, Matthew Walter, Spencer Nay and Pam Nolan, MSD.

## 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 July 17, 2019 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the July 17, 2019 Board Meeting. Mr. Kelly moved for approval of the minutes as presented. Mr. Watts seconded the motion. Voice vote in favor of the motion was unanimous.

## 4. Discussion and Adjustment of Agenda:

None.

## 5. Informal Discussion and Public Comment:

Mr. VeHaun welcomed Susan Russo Klein who was filling in for Billy Clarke and Marcus Jones with Cane Creek Water & Sewer District. There was no public comment.

## 6. Report of General Manager:

Mr. Hartye reported that this years United Way Golf Tournament will take place on October 3<sup>rd</sup> at Broadmoor Golf Course at 9 am. Please contact Owen Herbert at 828-225-8331 or [OwenH@msdbc.org](mailto:OwenH@msdbc.org).

Mr. Hartye reported that MSD once again received the Excellence in Financial Reporting Recognition from the Government Finance Officers Association (GFOA) for the FY 2018 CAFR. Much thanks to Scott Powell and Teresa Gilbert.

Mr. Hartye reported that attached is a copy of a card sent by Racole Tackett of Lakewood Drive expressing his appreciation for the spectacular job done by the

MSD crew. Thanks to McKinley Hensley, Josh Matthews, Robert Honeycutt, Nathan Poteete and Devin Nash.

Mr. Hartye reported that Peter Wilson of Druid Drive called to pass on how impressed he was with Roy and his crew. Thanks to Roy Lytle, Jamie Foxx, Marvin Felder, McKinley Hensley, Shane Meadows, Robert Honeycutt, Nathan Poteete, Robert Denny and Keith Merrill.

Mr. Hartye reported that attached is a budget recap for FY 2020, this is a budget and rate synopsis for easy reference for the Board with salient points for the recently passed Budget.

Mr. Hartye reported that the next Right of Way Committee Meeting will be held on August 28<sup>th</sup> at 9 am. The next regular Board Meeting will be held September 18<sup>th</sup> at 2 pm.

**7. Report of Committees:**

**a. Planning Committee – August 21, 2019**

Mr. Pelly reported that the Planning Committee met at 1:00 pm on this day for a briefing from Mr. Hartye and Staff on the expansion of MSD to include Cane Creek Water and Sewer District, along with timelines, questions and discussion followed by a recommendation from Planning Committee to the MSD Board to instruct Staff to collect information and perform analysis pursuant to Session Law 2019-127 once the necessary information is received from Henderson County and to return back to Planning and Finance Committees with a report and required information in November. Planning Committee is asking for full MSD Board endorsement.

Mr. Hartye stated that included in this Board package is the Planning Committee package with a timeline attached. Staff will prepare a merger analysis and some additional information required by law and bring to Planning Committee in November, then Finance Committee, then to the full MSD Board. At that point, it will be submitted to the EMC and Henderson County and they will have about 8 months to hold their public hearing and for the EMC to review and approve. There were no questions. Mr. VeHaun called for a motion to accept Staff and Planning Committee's recommendation. Mr. Watts moved, Ms. Wisler seconded the motion. Roll call vote was as follows: 12 ayes; 0 Nays.

**8. Consolidated Motion Agenda:**

**a. Consideration of Bids – Mull Building HVAC Rehabilitation Project:**

Mr. Hartye reported that this building's HVAC system was installed when the building was constructed in 2001. McGill Associates has performed a study on all of the components and recommends a complete overhaul. This overhaul will greatly improve efficiency once installed. The project has been broken into

two phases. Phase I will be constructed in this fiscal year and consists of replacing the cooling tower with new outdoor air-cooled chillers, electrical upgrades, and an updated controls system. Phase II will be constructed next fiscal year. The contract was advertised and three informal bids were received on August 1, 2019, as follows: Superior Mechanical Services in the amount of \$222,000.00; Cooks Mechanical Services in the amount of \$200,318.00 and Pyatt Heating and Air Conditioning Inc. in the amount of \$186,338.00. Cooks Mechanical Services bid was rejected due to submittal of incorrect bid forms. The apparent low bidder is Pyatt Heating and Air Conditioning Inc. with a bid amount of \$186,338.00. Pyatt has not performed previous work for the District therefore, staff checked multiple references. All references were complimentary of Pyatt's work performance. The FY 19-20 Construction Budget for this project is \$225,000.00. Staff recommends award of this contract to Pyatt Heating and Air Conditioning, Inc. in the amount of \$186,338.00, subject to review and approval by District Counsel.

**b. Consideration of Developer Constructed Sewer System: Sunrise Drive Homes Sewer Extension:**

Mr. Hartye reported that the Sunrise Drive Homes Sewer Extension included extending approximately 218 linear feet of 8-inch public gravity sewer to serve a 5-unit single family residential development.

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

**c. Reimbursement Resolution for Bond Projects:**

Mr. Powell reported that to be in compliance with IRS regulations concerning tax exempt financing, all expenditures made with non-MSD bond funds and to be reimbursed from MSD bond funds must be properly identified and authorized. The proposed reimbursement resolution identifies major projects intended to be solely or substantially financed by bonds anticipated to be issued in FY 2023. Board approval is required to obtain the tax exemption of interest paid on MSD bonds by authorizing reimbursement from bond proceeds of the expenditures for the attached project listing. Staff has identified \$18.8 million of CIP projects in the current fiscal year that will be used with the next tax exemption issuance in 2023.

**d. Consideration of Industrial Rate Adjustment:**

Mr. Powell reported that in FY 2020, the District entered the final year of the industrial rate parity plan. The industrial charge for FY 2020 should have been \$4.73 per CCF which is the same as the approved residential and commercial rate. However, due to a typographical error the Board approved rate was \$4.58 per CCF. Staff is requesting the Board adjust the recent fees to \$4.73.

**e. Fourth Quarter Budget to Actual Review – FY 2019:**

Mr. Powell reported that Domestic Revenue is at budgeted expectations. Staff believes Domestic User Fee variance will end up around 101% when June's accounts receivable data is received from its member agencies in September. Industrial Revenue is trending better than budgeted expectations due to a temporary increase in revenue from one new industrial user. Facility and Tap Fees are above budgeted expectations due to receiving approximately \$2.5 million from five developments throughout the fiscal year. Interest and miscellaneous income are above budgeted expectations due to actual short-term interest rates being better than anticipated for the fiscal year. O&M expenditures are at 92.4% of budget. This amount may vary slightly from audited numbers due to final accruals. This number is lower than the last fiscal year due to the deference of utility costs at the hydro-electric facilities. Bond principal and interest expenditures are better than budgeted expectations due to the interest rate swap associated with Series 2008A revenue refunding bonds. Capital project expenditures are at approximately 93.7% of budget. This reflects the Plant High Rate Primary project running a little behind schedule.

**f. Cash Commitment Investment Report – Month ended June, 2019:**

Mr. Powell reported that Page 42 presents the makeup of the District's Investment Portfolio. There has been no significant change in the makeup of the portfolio from the prior month. Page 43 presents the MSD investment managers report for the month of June. The weighted average maturity of the investment portfolio is 123 days. The yield to maturity is 2.59%. Page 46 presents the MSD Variable Debt Service report. The 2008A Series refunding bonds are performing at budgeted expectations. As of the end of July, the issue has saved the District rate payers approximately \$6 million in debt service since April 2008.

With no further discussion, Mr. VeHaun called for a motion to approve the Consolidated Motion Agenda. Mr. Kelly moved, Mr. Pelly seconded the motion. Roll call vote was as follows: 12 ayes; 0 Nays.

**9. Old Business:**

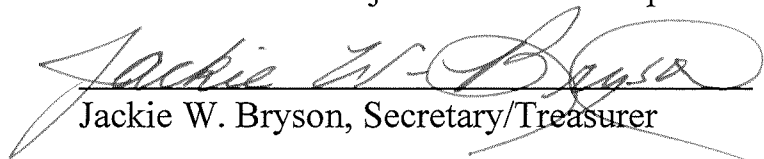
None.

**10. New Business:**

None.

**11. Adjournment:**

With no further business, Mr. VeHaun called for adjournment at 2:19 pm.

  
Jackie W. Bryson, Secretary/Treasurer

# MSD

## Regular Board Meeting

Metropolitan Sewerage District  
of Buncombe County, NC

### AGENDA FOR 8/21/19

✓	Agenda Item	Presenter	Time	
	Call to Order and Roll Call	VeHaun	2:00	
	01. Inquiry as to Conflict of Interest	VeHaun	2:05	
	02. <a href="#">Approval of Minutes of the July 16, 2019 Board Meeting</a>	VeHaun	2:10	
	03. Discussion and Adjustment of Agenda	VeHaun	2:15	
	04. Informal Discussion and Public Comment	VeHaun	2:20	
	05. <a href="#">Report of General Manager</a>	Hartye	2:25	
	06. <a href="#">Planning Committee</a>	Hartye	2:35	
	07. Consolidated Motion Agenda	Hartye	2:45	
	a. Consideration of Bids: <a href="#">Mull Building HVAC Rehabilitation Project</a>	Hartye		
	b. Consideration of Developer Constructed Sewer System: <a href="#">Sunrise Drive Homes Sewer Extension</a>	Hartye		
	c. <a href="#">Reimbursement Resolution for Bond Projects</a>	Powell		
	d. <a href="#">Consideration of Industrial Rate Adjustment</a>	Powell		
	e. <a href="#">Fourth Quarter Budget to Actual Review–FY2019</a>	Powell		
	f. <a href="#">Cash Commitment/Investment Report-Month ended June 30, 2019</a>	Powell		
	08. Old Business:	VeHaun	2:55	
	09. New Business:	VeHaun	3:00	
	10. Adjournment: (Next Meeting 9/18/19)	VeHaun	3:05	
	<a href="#">STATUS REPORTS</a>			

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT**  
**July 17, 2019**

**1. Call to Order and Roll Call:**

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration building at 2:00 pm Wednesday, July 17, 2019. Vice-Chairman Kelly presided with the following members present: Ashley, Bryson, Manheimer, Pelly, Pennington, Pressley, Valois, Watts and Whitesides. VeHaun and Wisler were absent.

Others present were: Thomas E. Hartye, PE, General Manager; William Clarke, General Counsel; Forest Westall with McGill Associates; Glendon Fetterolf and Jon Lapsley with CDM Smith; Shane Herbert and Chris Britton with Buckeye Bridge, LLC; Marcus Jones with Cane Creek Water & Sewer District; Joseph Martin with Woodfin Sanitary Water and Sewer District; Ed Bradford, Hunter Carson, Peter Weed, Mike Ball, Ken Stines, Scott Powell, Roger Edwards, Matthew Walter, Pam Thomas, Mike Stamey, Darin Prosser, Spencer Nay and Pam Nolan, MSD.

**2. Election of Officers:**

Mr. Kelly asked Mr. Clarke to chair the meeting for the election of Chair and Vice Chair. Mr. Clarke called for nominations for Chair of the MSD Board. Mr. Kelly nominated Mr. VeHaun as Chair. Mr. Watts seconded the nomination. With no further nominations Mr. Clarke called for a motion that nominations be closed. Mr. Kelly moved and Mr. Pelly seconded. Mr. Clarke called for a vote that, by acclamation, Mr. VeHaun be elected as Chair of the MSD Board for 2019-2020. Voice vote in favor of the motion was unanimous.

Mr. Clarke called for nominations for Vice Chair of the MSD Board. Ms. Bryson nominated Mr. Kelly. Mr. Pelly seconded the nomination. Mr. Clarke called for further nominations. With no further nominations, Mr. Clarke called for a motion that nominations be closed and that, by acclamation, Mr. Kelly be elected as Vice Chair of the MSD Board for 2019-2020. Mr. Watts made the motion. Mr. Whitesides seconded the motion. Voice vote in favor of the motion was unanimous.

Mr. Kelly stated that Mr. VeHaun was in favor of re-appointing Ms. Bryson as Secretary/Treasurer of the MSD Board for 2019-2020 and called for a voice vote. Voice vote in favor of the re-appointment was unanimous.

**3. Inquiry as to Conflict of Interest:**

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

**4. Approval of Minutes of the June 12, 2019 Board Meeting:**

Mr. Kelly asked if there were any changes to the Minutes of the June 12, 2019 Board Meeting. Mr. Watts moved for approval of the minutes as presented. Mr. Pelly seconded the motion. Voice vote in favor of the motion was unanimous.

**5. Discussion and Adjustment of Agenda:**

None.

**6. Informal Discussion and Public Comment:**

Mr. Kelly welcomed Glendon Fetterolf and Jon Lapsley with CDM-Smith and Shane Herbert and Chris Britton with Buckeye Bridge, LLC. There was no public comment.

**7. Report of General Manager:**

Mr. Hartye reported that attached is the latest version (4) of House Bill 758 which is currently before the Governor for his signature. This last version added an unrelated study to be performed, independent of this process, by the Department of Agriculture. Mr. Hartye stated that he fully expects this to be signed into law soon and would recommend that the Planning Committee convene to go over the steps involved in this merger process, the timing, and MSD's obligations. Staff will begin working on the merger analysis study in the next several months and would like to bring that back to both Planning and Finance Committees prior to the MSD Board submitting it to the EMC. There were no questions.

Mr. Hartye reported that Jon Lapsley with CDM-Smith will give a brief presentation of the findings and recommendations of the Preliminary Engineering Report (PER) for the MSD interceptors and the largest regional pump station at Carrier Bridge. These facilities serve as the backbone to the collection system. This study has a planning horizon of 50 Years (2070). Staff has been working closely with CDM-Smith and has incorporated the recommended improvements that Mr. Lapsley will be discussing. The "Near Term" and "Mid Term" improvements have been incorporated into the recently adopted 10-year CIP. He then turned the meeting over to Mr. Lapsley. Mr. Lapsley thanked Mr. Hartye and the Board Members for the opportunity to speak. He stated that this is a project that looks specifically in detail at the components of the collection system. It builds heavily on a study that CDM-Smith completed in early 2000 which developed a working hydraulic model of the system which is a tool that Staff uses to evaluate what's happening in the collection system and how to plan for future growth within the system. CDM-Smith built heavily on the District's GIS information system and flow monitoring data. Staff collects and maintains this data, such as rain information and other data sources, which is hugely valuable in studies such as this. Flow projections and a 50 year planning horizon was a major goal of this study to be sure there was a very clear path on where to head to support growth within the MSD service areas, specifically focusing on the large diameter interceptors along the Swannanoa River, South French Broad and the main stem of the French Broad that runs past the treatment plant, as well as the Carrier Bridge Pump Station. The first step in a project like this is to look at flow projections and how growth and development will occur in the service area and outside the bounds of the current service area. CDM-Smith looked at many sources including data from metropolitan planning organizations, land use plans from individual municipalities and growth trend statistics. This helped to determine where flow is

headed long term, both for the customers within the service area, as well as industrial components. Another major component is how wet weather events impact the operation of the sanitary sewer collection system. There is more flow coming into the system when it rains and the infrastructure needs to be sized to handle those events. There was much discussion with Staff in terms of sizing the selection of a storm event. The 2-year storm recurrence event was selected, which is typical for a utility the size of MSD and is similar to selections made by other utilities across the southeast. Mr. Pelly asked if the 2-year storm event was the largest storm expected within 2 years. Mr. Lapsley stated that it is the largest 2-year, 24-hour storm expected by looking at rainfall data in the area. The next step of the process is to make sure that the model mentioned earlier is accurately reflecting what is being seen today. This model is updated with flow monitoring data that Staff has collected over the past 10 years. CDM-Smith worked closely with Staff to determine if what was seen in the model is what was actually experienced. This model can be used to identify deficiencies as well as to test alternatives on how to correct or improve over time. Getting the model set up and making sure that it is accurately reflecting reality is a major part of this exercise. The next step is to look at where the deficiencies are and what needs to be done to correct them. He presented a map showing the current system which has no deficiencies in dry weather and functions very well. During wet weather you start to see deficiencies due to restrictions in the interceptors and large pump stations. Those deficiencies occur primarily on the South French Broad Interceptor which comes from Hominy Creek down through the Biltmore Estate down to the French Broad park, where the Swannanoa River and French Broad River come together. There are some bottle neck isolated deficiencies along the Swannanoa River Interceptor. There are also deficiencies and incapacities within the Carrier Bridge Pump Station due to wet weather and the need to be able to support growth within the service area. Moving downstream from this area there are restrictions with the interceptor that carries flow to the plant. These issues are confined to the largest diameter interceptors but those are the largest pipes and the most complicated and costly to replace. The next step in the process is to come up with a series of right sized and economic solutions. Different strategies were looked at, one of those being sewer rehabilitation. MSD implements many projects during the year to rehabilitate existing sanitary sewer systems which has paid great dividends by reducing the number of SSO's. With the larger diameter pipe, it becomes much more costly and difficult to implement that type of a strategy with not as much a return on the investment. Similar strategies were looked at with an ultimate combination of recommendations including equalizing wet weather. Building storage tanks out in the collection system to capture that peak event that happens in the highest intensity of rain, upsizing pipes with larger diameter pipes, and replacing the Carrier Bridge Pump Station are recommendations. Flow equalization temporarily retains a peak flow event, holding the flow for a period less than 48 hours to help minimize the potential for odors and other maintenance issues that can come about by holding untreated wastewater for long periods of time. This was an alternative that was explored in the 2001 study with a recommended storage volume of almost 30 million gallons. Through efforts of the District completing projects over the last 17–18 years, that number has reduced significantly down to a total of about 13.5 million gallons. He reported that time was spent as part of this study looking at candidate sites for equalization tanks.



These sites are scattered throughout the system, primarily on the Swannanoa River Interceptor. This provided the most opportunities to look for the necessary sized piece of land that is in proximity to the interceptors and would be available for a use such as this. A lot of effort went into evaluating those candidate sites and ultimately resulted in three preferred options. Staff is having ongoing discussions regarding these sites. A storage tank with capacity of approximately 8 million gallons is planned for one of the top two sites, either Hardesty Lane or Simpson Street. A long-term storage project of approximately 5 million gallons is planned around the AB-Tech area. Lots of discussion still must happen to be able to acquire the land and move the projects forward. The Carrier Bridge Pump Station has been in place since 1966 and has provided a long and beneficiary use to MSD. By the time it is replaced it will be well over 50 years old. There have been numerous projects done to retrofit, expand and extend the life of this pump station, unfortunately it is time to replace it. It is a large facility so siting poses challenges in order to make sure it can accommodate both near term and long-term needs. The option to eliminate the facility and go to gravity was considered. This would reduce equipment maintenance and power consumption but ultimately did not prove viable. Mr. Hartye pointed out that the pump station doesn't look that big but it is approximately 30 feet deep with 3 floors. Mr. Lapsley stated that the pump station will be replaced and presented a snapshot of what the new facility might look like compared to the existing one. The current design vs. the one from 1966 is obviously very different. The new facility will have a larger footprint. From a capacity stand point this facility is very important. It carries all the flow across the French Broad River and ultimately to the treatment plant. This pump station has approximately 22 mgd pumping capacity. When the project is implemented, the near-term capacity will increase by approximately 50% or 34 mgd with a well thought out plan of how to get to 40 mgd or greater, which will support the long-term goal of getting to 2070 and a 50-year life out of the infrastructure. There was discussion regarding when this project will be coordinated with the City of Asheville and discussion regarding better odor control with the new facility. Mr. Lapsley stated that the new pump station, pipe to cross the French Broad River and the flow equalization facilities are targeted within the next 5-10 years. There was some discussion regarding the proposed location of the flow equalization facilities.

Mr. Hartye reported that there were kudos within his report.

Mr. Hartye reported that the next regular Board Meeting will be held on August 21<sup>st</sup> at 2 pm. The July Right of Way Committee meeting has been cancelled. The next Right of Way Committee meeting will be held on August 28<sup>th</sup> at 9 am.

**8. Hearing to Consider Forfeiture of Bid Security: Weaverville Force Main @ Plant Sewer Rehabilitation Project – Buckeye Construction Co., Inc.**

Mr. Hartye reported that five bids were received for this project on June 27, 2019. The apparent low bidder was Buckeye Bridge, LLC. On July 1, 2019, Buckeye notified staff by the attached letter that a significant mathematical error,

approximately \$331,086.00, was made in computing their bid and that they would like to withdraw said bid. Pursuant to NCGS 143-129.1, once a bidder has withdrawn their bid, they can no longer be considered for the project. The only remaining issue is if their bid security is returned. NCGS 143-129.1 requires that a hearing be held in order that the contractor may formally present documentation showing their alleged error(s). Based upon the evidence presented at the hearing, the Board may or may not require forfeiture of Buckeye's Bid Security. The Board may allow withdrawal of the Bid from consideration without forfeiture of the Bid Security if all of the following conditions must be met: 1) The price bid was based upon a mistake, with constituted a substantial error; 2) The bid was submitted in good faith; 3) The bidder submits credible evidence that the mistake was clerical in nature as opposed to a judgment error; and 4) The mistake was actually due to an unintentional and substantial arithmetic error or an unintentional omission of a substantial quantity of work, labor, apparatus, supplies, materials, equipment, or services made directly in compilation of the bid that can be shown by objective evidence drawn from original work papers, documents, or materials used to prepare the bid. Attached is also documentation showing the mathematical error which appears to be in the hauling and light plants portion. Mr. Hartye noted as well that the other bidders were significantly higher as was the District's estimate. Since this is a 36" pipe the District also had an independent contractor submit an estimate beforehand, which was approximately \$2.4 million. Mr. Hartye stated that all the highlighted detail items were low items as compared to the other bidders so it appears that there is significant evidence an error was made. Mr. Hartye asked if Buckeye representatives would like to make any statements. Shane Herbert with Buckeye Bridge, LLC stated that he prepared the documents on an excel spreadsheet, which did not transfer and calculate properly, as shown on the attached sheet. Mr. Kelly asked Mr. Hartye if he agreed that this was a mistake and what is the recommendation. Mr. Hartye stated yes it does appear to be a mistake and, based on the evidence, Staff feels it warranted that Buckeye should be allowed to withdraw their bid. Mr. Kelly asked if the Board had any questions. There were none. Mr. Kelly stated that MSD was required to issue a written decision within 5 days. Mr. Kelly made the motion that Buckeye should not be required to forfeit its Bid Bond and that they be allowed to withdraw their Bid. Mr. Pelly seconded the motion. Roll call vote was as follows: 10 ayes; 0 Nays.

**9. Consolidated Motion Agenda:**

**a. Consideration of Bids – Weaverville Force Main @ Plant Sanitary Sewer Rehabilitation Project:**

Mr. Hartye reported that this project consists of 2,370 LF of 36-inch C-900 (plastic and corrosion proof) line to replace the 12-inch existing main. This line comes from the Weaverville Pump Station and serves all points north of the Treatment Plant. There has been a lot of hydrogen sulfide corrosion over the years resulting in SSO's. The project was advertised and five bids were received on June 27, 2019 as follows: Thomas Construction Company in the amount of \$3,666,585.00; Dillard Excavating Company in the amount of \$2,372,915.00; Cleary Construction, Inc. in the amount of \$2,222,136.00; Terry Brothers Construction Company in the amount of \$2,188,114.10; and

Buckeye Bridge, LLC in the amount of \$1,587,606.80, which was discussed in the previous item and withdrawn. The apparent low bidder is Terry Brothers Construction Company with a bid amount of \$2,188,114.10. Terry Brother has extensive history with the District and an excellent performance history. Staff recommends award of this contract to Terry Brothers Construction Company in the amount of \$2,188,114.10, subject to review and approval by District Counsel.

**b. Consideration of Bids: Beaucatcher Rd. @ Kenilworth Rd (Phase 2) Sanitary Sewer Rehabilitation Project:**

Mr. Hartye reported that this project is located in the Kenilworth area near Tunnel Road. MSD previously awarded a portion of this project in order to complete pipe rehabilitation in Kenilworth Road in advance of a City of Asheville paving project. This phase of the project consists of replacing six-inch Orangeburg line which is in poor structural condition with 1,004 LF of 8-inch DIP. The project was advertised and three bids were received on June 27, 2019 as follows: Buckeye Construction Company in the amount of \$444,334.00; Thomas Construction Company in the amount \$439,450.00; and Terry Brothers Construction Company in the amount of \$334,779.00. The apparent low bidder is Terry Brothers Construction Company with a bid amount of \$334,779.00. The FY 19-20 Construction Budget for this project is \$458,000.00. Staff recommends award of this contract to Terry Brothers Construction Company in the amount of \$334,779.00, subject to review and approval by District Counsel.

**c. Consideration of Sole Source: Erwin Hills Pump Station Improvements:**

Mr. Hartye reported that this pump station serves the area surrounding and including Erwin High School as well as various properties along New Leicester Highway. Due to growth in this area, the station must be upsized. The improvements to the pump station include replacing two of the four Gorman-Rupp pumps and a Blue Star generator. The Blue Star Generator is recommended because it utilizes "open source" software/controls and can be serviced by District staff or any competent electrical contractor. Other name brands use proprietary software systems and only the dealer network can be utilized for software maintenance, repair and programming which would result in a higher hourly cost. The FY 19-20 Construction Budget for this project is \$125,000.00. Staff recommends that the District sole-source procure the Gorman Rupp pumps, a 200 kW Blue Star Generator and installation for this project at a total cost of \$122,972.31, subject to review and approval by District Counsel.

**d. Informational Item: Thickener Building MCC Replacement:**

Mr. Hartye reported that the thickeners are part of the treatment process at the Water Reclamation Facility. They help thicken the sludge from the tanks before it is hauled away. The current thickener building Motor Control Center (MCC) was installed in 1988. The replacement MCC will be installed during

the incinerator shut down this coming winter. MB Haynes will be performing the work and they have a long performance history with MSD. MB Haynes submitted proposals for two preferred equipment suppliers: Allen-Bradley with a proposal of at \$71,116.00 and Eaton with a proposal of \$61,600.00. The prices both include installation costs. Eaton was the lowest proposal of the two and has provided excellent performance, parts availability (manufactured in Arden, NC) and technical service over the years. The FY 19-20 Construction Budget for this project is \$100,000.00. This item is provided for information only. No action is required.

**e. Consideration of Purchase of Replacement Filter Cloth Media:**

Mr. Hartye reported that the Filter Building at the Water Reclamation Facility was built in 2012. This system utilizes a special AquaDisk filter to remove solids prior to disinfection and discharge to the French Broad River. It is comprised of 16 filters in the building and has functioned very well over the years, keeping the solids really low. At the beginning of that time the system was running about 25 mg/l of solids and now it runs at about 7-10 mg/l going out. The cloth filters do wear out and must be periodically replaced. Staff has obtained a quote for six filters and there are funds in the FY 19-20 Plant Replacement Funds to cover these items. Staff recommends approval to purchase replacement filter cloth media from Aqua Aerobics Systems, Inc., in the amount of \$131,173.80.

**f. Consideration of Developer Constructed Sewer Systems: Governor's Western Residence; Ingles No. 31 Smokey Park Sewer Extension:**

Mr. Hartye reported that the Governor's Western Residence project is located off Patton Mountain Road and the developer is the State of North Carolina. The project included extending approximately 645 linear feet of 8-inch public gravity sewer to serve the Governor's Western Residence.

Mr. Hartye reported that the Ingles No. 31 project included a total of 1,964 new 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.

**g. Cash Commitment/Investment Report Month ended May, 2019:**

Mr. Powell reported that Page 54 presents the makeup of the District's Investment Portfolio. There has been no significant change in the makeup of the portfolio from the prior month. Page 55 presents the MSD's Investment Manager's report as of the month of May. The weighted average maturity of the investment portfolio is 140 days. The yield to maturity is 2.56%. Page 56 presents the analysis of the District's Cash Receipts. Monthly and YTD domestic and industrial sewer revenue are considered reasonable based on timing of cash receipts in their respective fiscal periods. YTD industrial sewer revenue is above historical trends due to a temporary increase in revenue from

one industrial user. YTD facility and tap fees are above historical trends due to the timing of 4 cash receipts from developers as well as these fees being budgeted conservatively. Page 57 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 from year to year. Based on current variable interest rates, 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. Page 58 presents the MSD Variable Debt Service report. The 2008A Series refunding bond is performing at budgeted expectations. As of the end of June the issue has saved the District rate payers \$5.9 million in debt service since April, 2008. Mr. Kelly asked when does the last of the synthetic fixed rate bonds mature. Mr. Powell stated they mature in July, 2031.

With no further discussion, Mr. Kelly called for a motion to approve the Consolidated Motion Agenda. Mr. Pelly moved. Ms. Bryson seconded the motion. Roll call vote was as follows: 10 ayes; 0 Nays.

**9. Old Business:**

None.

**10. New Business:**

Ms. Bryson reported that the Personnel Committee met today prior to this Board Meeting to consider the evaluation of the General Manager. Mr. Hartye reviewed his 2019 goals and objectives and his accomplishments for the prior year. The Personnel Committee unanimously recommends the Board approve a 2.5% increase, or \$4,917.27, bringing Mr. Hartye's total new salary to \$201,608.05. This 2.5% is the increase Staff was approved for this year. Mr. Kelly called for a motion to approve the recommendation of the Personnel Committee. Ms. Bryson made the motion. Mr. Ashley seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

**11. Adjournment:**

With no further business, Mr. Kelly called for adjournment at 2:47 pm.

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Jackie W. Bryson, Secretary/Treasurer



## MEMORANDUM

TO: MSD Board  
FROM: Thomas E. Hartye, P.E., General Manager  
DATE: August 14, 2019  
SUBJECT: Report from the General Manager

- United Way Golf Tourney

This years United Way Golf Tourney will take place on October 3<sup>rd</sup> at Broadmoor Golf Course at 9:00 AM. Please contact Owen Herbert at 828.225.8331 or [OwenH@msdbc.org](mailto:OwenH@msdbc.org).

- Kudos

- MSD once again received the Excellence in Financial Reporting Recognition from the Government Finance Officers Association (GFOA) for the FY 2018 CAFR. Much thanks to Scott Powell and Teresa Gilbert
- Attached is a copy of a card sent by Racole Tackett of Lakewood Drive expressing his appreciation for the spectacular job done by the MSD crew. Thanks to McKinley Hensley, Josh Matthews, Robert Honeycutt, Nathan Poteete, and Devin Nash.
- Peter Wilson of Druid Dr. called and wanted to pass on how impressed he was with Roy and crew with” the courtesy that they showed and the ability to get the work done. Trees were able to be saved due to the way the work was performed.” Thanks to Roy Lytle, Jamie Foxx, Marvin Felder, McKinley Hensley, Shane Meadows, Robert Honeycutt, Nathan Poteete, Robert Denny and Keith Merrill.

- Budget Recap FY 2020

Attached is a copy of the MSD Budget and Rate Synopsis for easy reference to the salient points of the recently passed FY 2020 Budget.

- Board/Committee Meetings/Events

The Planning Committee will meet at 1pm before this Regular Board meeting. The next Right of Way Committee meeting will be held on August 28<sup>th</sup> at 9am. The next Regular Board Meeting will be held September 18<sup>th</sup> at 2 pm.

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**2747**



TJ BLANK



PLEASE RELAY MY DEEP  
APPRECIATION TO EACH OF  
THEM FOR HAVING GREAT  
CONSCIOUSNESS.

WITH GRATITUDE,  
Racole JACKETT

DEAR MR. STAMEY

7/31/19

MY NAME IS RACOLE JACKETT AND  
I LIVE AT 319 LAKEWOOD DRIVE  
IN KENILWORTH.

YESTERDAY I HAD SEVERAL  
MEN HERE TO PUT A PIPE FROM  
MY CLEAN OUT TO THE MANHOLE.

THEY DID A SPECTACULAR  
JOB - EFFICIENT, QUICK AND  
LEFT MY PROPERTY ALL CLEANED  
UP AND PRISTINE.





## MSD FY20 BUDGET/RATE SYNOPSIS

➤ Total Budget \$57,702,846

1. CIP (Rehab Construction)	\$29,894,818	} 69% Construction related
2. Debt Service	\$ 9,834,367	
3. O&M	\$16,920,101	
4. Capital Equipment	\$ 1,053,560	

**See graphs other side**

➤ The 2.5% rate adjustment is necessary to fund sewer system rehabilitation/replacement projects as well as necessary treatment plant improvements of \$332.4 million over the next 10 years.

➤ The District's sewer system consists of approximately 5 million feet of 6" to 66" pipe and over 28,000 manholes, much of which was constructed in the 1920's, 30's, and 40's and is in dire need of replacement or rehabilitation. It will be necessary to replace approximately 50,000 feet of sewer each year. The District constructed a new \$10 million Filtration System which has significantly improved effluent water quality.

➤ O&M budget includes

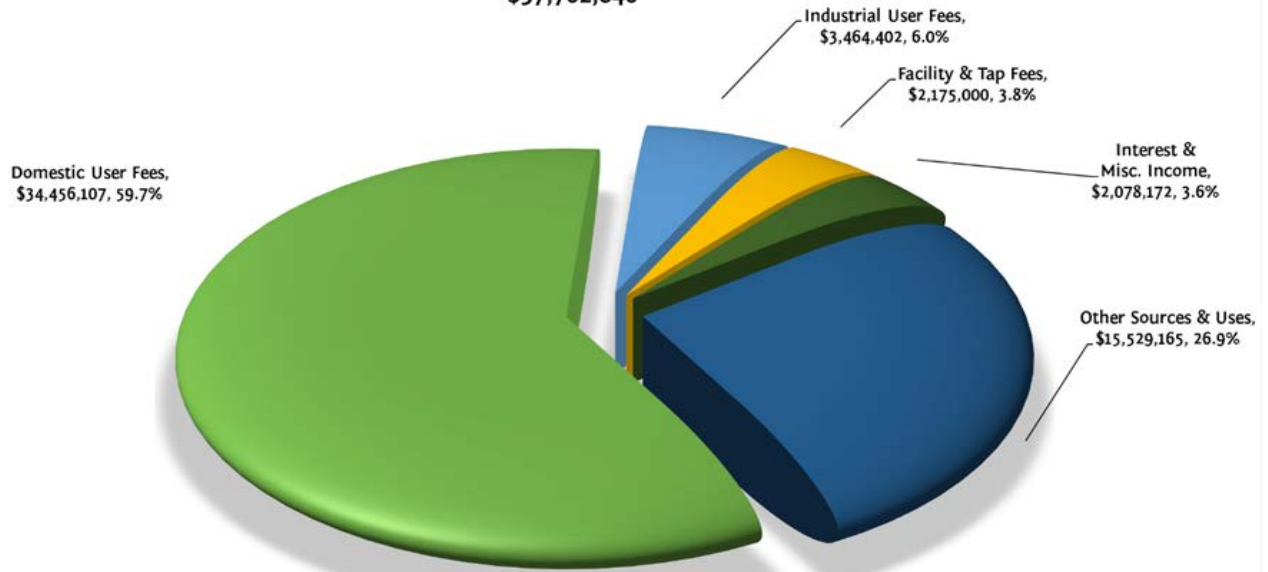
1. Salary and Benefits increase of 2.5%
2. A 1.9% increase to Materials and Supplies (including fuel).
3. Medical Plan funding increase of 6.5%.
4. State mandated 15.5% increase in NC retirement funding.
5. GASB 75 (OPEB) funding of \$283,000.

➤ Average residential monthly bill will go up .81 cents from \$31.36 to \$32.17.

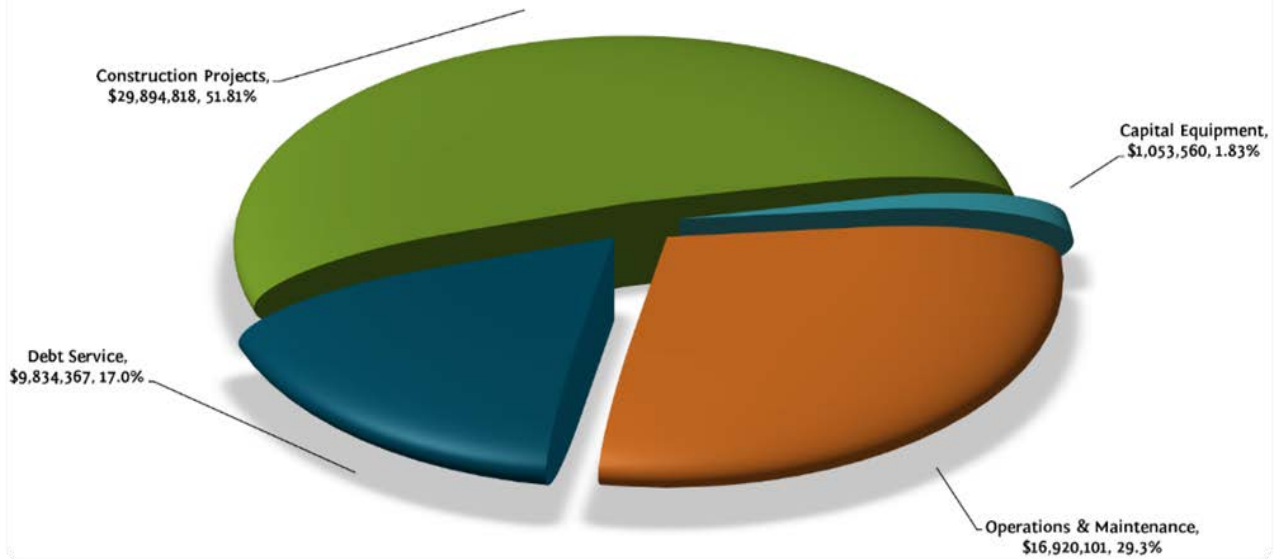
➤ Residential Facilities Fee - \$2,836.

➤ Average bill for industrial user will go up 4.0% based upon the 20 year "parity" plan approved by the District Board. FY2020 the District is in full parity.

**FY20 Budget Revenues**  
**\$57,702,846**



**FY20 Budget Expenditures**  
**\$57,702,846**



# MSD

PLANNING  
COMMITTEE

## Metropolitan Sewerage District of Buncombe County, NC

**Agenda For: August 21, 2019**

**Meeting Time: 1:00 pm**

	Agenda Item	Presenter
1.	Call to Order	Chris Pelly, Chair
2.	Expansion of MSD to include Cane Creek WSD	Thomas Hartye, GM
4.	Other Business	Chris Pelly, Chair
5.	Adjourn	Chris Pelly, Chair
Date of next meeting: To Be Announced		

Committee Members:

Chris Pelly, Chair  
Esther Manheimer  
Nathan Pennington  
Robert Pressley  
Earl Valois  
Bob Watts

# Metropolitan Sewerage District of Buncombe County

## Planning Committee

**COMMITTEE MEETING DATE:** August 21, 2019

**SUBMITTED BY:** Thomas Hartye, General Manager

**SUBJECT:** Expansion of MSD to include Cane Creek WSD

### **BACKGROUND:**

The recent passage of House Bill 758 (SL 2019-127) amended MSD's enabling legislation to allow for Henderson County to become part of MSD. Once Henderson County requests inclusion, MSD will prepare information to be brought to the Environmental Management Commission (EMC). After the required public hearing/input, if the request is approved by the EMC, Henderson County becomes part of MSD, and appoints 2 representatives from the Cane Creek WSD territory to the MSD Board.

At the August 5<sup>th</sup> meeting of the Henderson County Commissioners, the attached resolution was passed requesting inclusion into the District.

By way of background, MSD entered into an agreement with Cane Creek Water and Sewer District (CCWSD) in 1988 (which was amended in 1989) for the treatment of 1.35 MGD of wastewater. Recent master planning by Henderson County for the CCWSD area estimates a future need of 3.0 million gallons a day.

MSD does not own or operate the collection system in the Cane Creek District. MSD charges the CCWSD customers treatment service charges based upon their usage but not the flat rate meter fee which is theoretically for local collection system maintenance.

CCWSD has operations personnel and contractors to work on the system and charges an additional fee to its customers for maintenance in addition to the MSD treatment charge. AS of 2017, CCWSD owns and operates approximately 60 miles of sewer mains and 9 pump stations.

MSD staff performed some "due diligence" analyses back in 2010, 2013 and 2017 as a part of the previous efforts to include Cane Creek WSD in MSD. Those analyses basically showed that considering all operations, assets, and liabilities, the impact to MSD would be minimal and have no rate implications.

### **DISCUSSION:**

The purpose of this item today is to familiarize the Committee with the Cane Creek System and the process for its inclusion into MSD as stipulated by SL 2019-127. Staff intends to bring a Capital Improvement Plan document and a financial pro-forma document along with other miscellaneous information necessary to complete the process to the Planning Committee in November.

Attached is a Process Summary and a proposed timeline for all the items (stipulated in the amended legislation) to be accomplished.

The hope is to accomplish this entire process by July 1, 2020 so as to dovetail with the change in fiscal year. This will require a lot of information to be exchanged in the next 2 months so that Staff may come to the Planning Committee, Finance Committee and the full board in November. While the hope is to have this entire process accomplished by fiscal year end, the timing is largely dependent on Henderson County and EMC.

What is not shown on the timeline is the required preparatory work by MSD staff in order to make changes to personnel and operations by July to ensure a seamless transition.

**RECOMMENDATION:**

That the MSD Board instruct staff to collect information and perform analyses pursuant to SL 2019-127 once the necessary information is received from Henderson County, and to return back to the Planning and Finance Committees with a report and required information in November. For the MSD Board to endorse the tentative timeline attached.

Henderson County  
North Carolina

**Before the Board of Commissioners**

**RESOLUTION**

BOARD OF COMMISSIONERS ENACTMENT 2019- 68

WHEREAS, the Cane Creek Water and Sewer District (the "District") was created by the County of Henderson (the "County") to provide potable water and sanitary sewer to the residents of the District; and,

WHEREAS, the District is located within the County;

WHEREAS, the District has installed and operates a sewerage system to the District and its residents and businesses; and,

WHEREAS, the District contracts with the Metropolitan Sewerage District of Buncombe County ("MSD") for the bulk service treatment of all the sewage collected in the District; and,

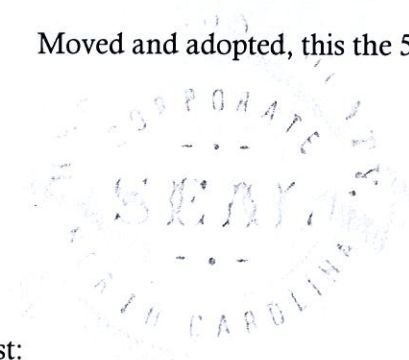
WHEREAS, MSD has installed a sewerage system which operates within the County; and,

WHEREAS, MSD serves customers within the County as of the date hereof; and,

WHEREAS, it would benefit the customers of the District for the District to be included within MSD.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Henderson County, in that capacity and *ex officio* as the Board of Directors of the District, hereby requests the inclusion of the District into MSD.

Moved and adopted, this the 5<sup>th</sup> day of August, 2019.



*Grady Hawkins*

GRADY HAWKINS, Chairman  
Henderson County Board of Commissioners

Attest:

*Teresa L. Wilson*  
TERESA WILSON, Clerk to the Board of Commissioners

# MSD-CCWSD Merger Process Summary

*As defined by NCGS 162A-68.5 (SL2019--127)*

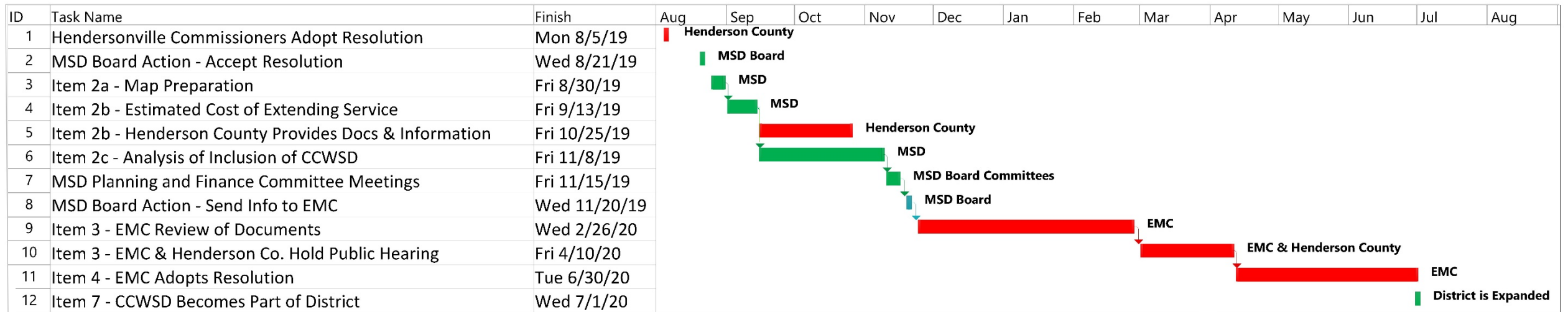
- 1) The Henderson County Commissioners file a resolution with the District Board requesting inclusion of CCWSD into the District.
  
- 2) The District Board shall send to the Environmental Management Commission (EMC) and Henderson County all of the following:
  - a) Maps of the District showing the following:
    - 1) The present and proposed new boundaries of the District.
    - 2) The existing sewer system.
    - 3) Any proposed extensions of the system.
  
  - b) A description of any proposed extension of services to Henderson County, which shall address all of the following:
    - 1) Extension of sewerage service to CCWSD on substantially the same basis and manner as currently exists within the rest of the District.
    - 2) A proposed time schedule for extension of service.
    - 3) The estimated cost of extending service, including the method of financing the extension of service, outstanding existing indebtedness of the District, the valuation of assessable property within the District and within the requesting county.
  
  - c) An analysis of the inclusion of CCWSD into the District.
  
- 3) The EMC shall review the documents submitted. They shall, in conjunction with Henderson County, schedule a public hearing in Henderson County. The Chairman of the Henderson County Commissioners shall give at least 30 days notice. The notice shall be posted on the Henderson County Courthouse door, in the Henderson County newspaper for four weeks, and the Buncombe County newspaper.
  
- 4) After the hearing, if the EMC determines that the addition of CCWSD into the District will not "...adversely affect customer service and preserve and promote the public health and welfare of the district.." the EMC shall adopt a resolution expanding and defining the boundaries of the District to include CCWSD. An effective date shall be specified in the resolution.

- 5) Any court action opposing the EMC resolution or inclusion of CCWSD must be commenced within 30 days after the effective date of the EMC resolution. Any actions taken after the 30 day period will not be valid.
  
- 6) CCWSD shall be subject to all debts of the District.
  
- 7) Upon inclusion of CCWSD into the District, the District Board shall be expanded by two members. The members shall be qualified voters residing in CCWSD and appointed by the Henderson County Commissioners. The term of office for these two new members may vary by no more than 6 months from what is specified in GS 162A-67.



# CCWSD Merger Timeline

*Proposed Conclusion by June 30, 2020*



# Metropolitan Sewerage District of Buncombe County

## BOARD ACTION ITEM

**BOARD MEETING DATE:** August 21, 2019

**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: Mull Building HVAC Rehabilitation Project, MSD Project No. 2018186

**BACKGROUND:** The Mull Building HVAC system was installed in 2001 and has aging components in need of replacement. Problems include hot and cold zones, frequent service calls, and high humidity in areas of the building. In order to address these issues MSD consulted with McGill Associates to perform an engineering study on the system and recommend improvements.

The study was completed in April 2019 and found that the existing system was adequately designed but its core components are in need of replacement due to age. The study recommends a complete overhaul of these components, which will also improve system efficiency.

The components to be replaced include the cooling tower, air handlers, pumps, and electrical components. The project has been divided into two phases - Phase I will be constructed during FY19-20 and consists of replacing the cooling tower with new outdoor air-cooled chillers, electrical upgrades, and an updated controls system. Phase II will be constructed during FY20-21 and will replace the air handlers on each floor.

The construction contract was advertised and three informal bids were received on August 1, 2019 in the following amounts:

<u>Contractor</u>	<u>Bid Amount</u>
1) Superior Mechanical Services	\$222,000.00
2) Cooks Mechanical Services	\$200,318.00 (*)
<b>3) Pyatt Heating and Air Conditioning, Inc.</b>	<b>\$186,338.00</b>

(\*) Bid is rejected due to submittal of incorrect bid forms.

The apparent low bidder is Pyatt Heating and Air Conditioning, Inc. with a bid amount of \$186,338.00. Pyatt has not performed previous work for the District; therefore, staff checked multiple references. All references were complimentary of Pyatt's work performance.

Please refer to the attached documentation for further details, including the reference check.

**FISCAL IMPACT:** The FY19-20 Construction Budget for this project is \$225,000.00.

**STAFF RECOMMENDATION:** Staff recommends award of this contract to Pyatt Heating and Air Conditioning, Inc. in the amount of \$186,338.00, subject to review and approval by District Counsel.

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

**MSD Mull Building HVAC Renovations Phase 1  
Project No. 2018186**

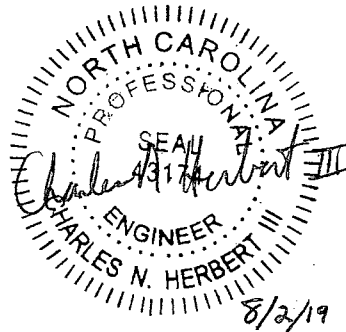
**BID TABULATION  
August 1, 2019**

<b>BIDDER</b>	<b>MBE Form</b>	<b>Bid Forms (Proposal)</b>	<b>TOTAL BID AMOUNT</b>
Superior Mechanical Services Greensboro, NC	1	Yes	\$222,000.00
Cooks Mechanical Services (*) Blountville, TN	-	-	\$200,318.00
<b>Pyatt Heating &amp; Air Conditioning, Inc. Marion, NC</b>	<b>1</b>	<b>Yes</b>	<b>\$186,338.00</b>

**APPARENT LOW BIDDER**

(\*) Rejected due to submittal of incorrect bid forms.

Charles N. Herbert III, PE  
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 1st day of August, 2019, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina. This was an informal bid and no bid bonds were required.

# Interoffice Memorandum

**TO:** Tom Hartye, P.E. General Manager

**FROM:** Ed Bradford, P.E. Director of Engineering  
Owen Herbert, P.E. Project Manager

**DATE:** August 7, 2019

**RE:** Mull Building HVAC Renovations, MSD Project No. 2018186

The Mull Building HVAC is an aging system that experiences hot/cold zones, frequent service calls and high humidity in portions of the building. To help mitigate these issues MSD consulted with McGill Associates to perform a study on the existing HVAC system. The study, completed in April 2019, found that the existing system was adequately designed but its core components are in need of replacement due to age. The study recommends a complete overhaul of these components.

This will include the demolition and replacement of the cooling tower, air handlers, pumps and electrical components. The project has been divided into phases. Phase I will be constructed during FY19-20 and will consist of replacing the cooling tower with new outdoor, air-cooled chillers, electrical upgrades, and updated controls system. Phase II will be constructed during FY20-21 and will replace the air handlers on each floor.

The contract for Phase I was advertised and three informal bids were received on August 1, 2019 as follows:

<u>Contractor</u>	<u>Bid Amount</u>
1) Superior Mechanical Services, Inc.	\$222,000.00
2) Cooks Mechanical Services	\$200,318.00 (*)
3) <b>Pyatt Heating &amp; Air Conditioning, Inc.</b>	<b>\$186,338.00</b>

(\*) Cooks Mechanical Services bid was disqualified due to submittal of wrong bid forms.

The apparent low bidder is Pyatt Heating & Air Conditioning, Inc. with a bid amount of \$186,338.00. The FY19-20 construction budget for this project is \$225,000.00.

This is Pyatt's first project with the District; therefore, references were requested and checked. All references highly recommend Pyatt and commend their quality of workmanship. A reference list and comments are attached.

Staff recommends award of this contract to Pyatt Heating & Air Conditioning, Inc. contingent upon review and approval by District Counsel.

# **MSD Mull Building HVAC Renovations**

**MSD Project No. 2018186**

**Reference Check for Pyatt Heating and Air Conditioning, Inc.**

**August 2019**

## **Buncombe County Schools**

### **North Buncombe High School Chiller Replacement.**

Jamie Messer (Buncombe County Schools HVAC Supervisor) stated that Pyatt had performed the installation of two and four pipe hydronic systems and deemed it "professional quality work". Pyatt has "successfully installed a 300 TN water cooled chiller and multiple 120-130 TN air cooled chillers." Mr. Messer stated Pyatt performed all the pump installation, leveling, and grouting to the clients standards. Pyatt also performed all the hydronic system triple duty valves, three way valves and strainers needed to complete the project. They are "very familiar" with EPA regulations for the demolition of HVAC components with R-22 refrigerant. Mr. Messer confirmed Pyatt coordinated and constructed the civil components (crane, rigging, welding and concrete pads) with "no issues whatsoever". Mr. Messer said they "always completed ahead of schedule or on time". "We have dealt with them for 25 years and we've always been happy with their work".

## **Daikin Applied**

### **Freedom High School Chiller Replacement**

### **Cartoogechaye Elementary School Chiller Replacement**

Brett Harrell (Daikin Service Manager) mentioned they were a commercial scale HVAC parts distributor and installer and they use Pyatt on a regular basis as a subcontractor. Pyatt has performed the installation of a four pipe hydronic system with "absolute quality of workmanship." In this scenario Pyatt had successfully installed a 200 TN complex chiller system and regularly installs 130-195 TN chillers for Daikin. Mr. Harrell stated they handled all the installation of piping, isolation valves, and triple duty valves and did an "excellent" job. They are "absolutely" responsive to requests from the client. Pyatt completed the work "early or on time, every time". He would highly recommend Pyatt for future work and continues to have a successful working relationship with them.

## **Cleveland County Schools**

### **Central Office Facility Chiller Replacement and Turning Point Academy**

### **North Shelby School Chiller Replacement**

Steve Boheler (Cleveland County Schools Director of Maintenance) stated Pyatt always "knocks it out and takes care of us, but they keep busy and it can be hard to get ahold of them from time to time". He deemed the piping installation of quality workmanship. Mr. Boheler mentioned Pyatt was easily capable of handling all the civil /site work associated with the projects. They adequately handled the installation of pumps and grouting/leveling of pump frames. Mr. Boheler mentioned they always finished in a timely manner and on schedule and "were always happy to see Pyatt as the low bidder." He would recommend them for future work.

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

**BUDGET DATA SHEET - FY 2019 - 2020**

<b>PROJECT:</b> Mull Bldg. HVAC	<b>LOCATION:</b> Asheville
<b>TYPE:</b> General Capital Improvements	<b>PIPE RATING:</b> N/A
<b>PROJECT NO.:</b> 2018186	<b>TOTAL LF:</b> 0
<b>PROJECT BUDGET:</b> \$477,600.00	<b>PROJECT ORIGIN:</b>

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 12/31/18	EST. COST JAN - JUNE 2019	BUDGET FY 19-20
55310 - PRELIM. ENGINEERING				
55320 - SURVEY - DESIGN	\$32,600.00		\$32,600.00	
55330 - DESIGN				
55340 - PERMITS				
55350 - SPECIAL STUDIES				
55360 - EASEMENT PLATS				
55370 - LEGAL FEES				
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION				
55400 - APPRAISAL				
55410 - CONDEMNATION				
55420 - CONSTRUCTION	\$435,000.00			\$225,000.00
55430 - CONST. CONTRACT ADM.	\$10,000.00			\$10,000.00
55440 - TESTING				
55450 - SURVEY - ASBUILT				
<b>TOTAL AMOUNT</b>	<b>\$477,600.00</b>	<b>\$0.00</b>	<b>\$32,600.00</b>	<b>\$235,000.00</b>

<b>ENGINEER:</b> McGill Associates	<b>OH</b>	<b>ESTIMATED BUDGETS - FY 21 - 29</b>		
<b>R.O.W. ACQUISITION:</b> MSD	<b># PLATS:</b> [ 0 ]	<b>FY 20-21</b>	\$210,000.00	
<b>CONTRACTOR:</b>		<b>FY 21-22</b>	\$0.00	
<b>CONSTRUCTION ADM:</b> MSD		<b>FY 22-23</b>	\$0.00	
<b>INSPECTION:</b> MSD/McGill		<b>FY 23-24</b>	\$0.00	
		<b>FY 24-25</b>	\$0.00	
		<b>FY 25-26</b>	\$0.00	
		<b>FY 26-27</b>	\$0.00	
		<b>FY 27-28</b>	\$0.00	
		<b>FY 28-29</b>	\$0.00	

**PROJECT DESCRIPTION:** MSD's Mull building experiences hot/cold zones and frequent service calls. The system is approaching 20 years of service life. As suggested per McGill Associates HVAC study completed in 2019, MSD will be performing a complete overhaul on these aging core components. This will include the replacement of the air handlers, cooling tower (with two air cooled chillers), pumps, and electrical components.

**SPECIAL PROJECT NOTES:**



**Mull Building HVAC Study  
Project No. 2018186**

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:** August 21, 2019

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

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

**PREPARED BY:** Kevin Johnson, P.E. - Planning and Development Manager

**SUBJECT:** Acceptance of Developer Constructed Sewer System for the Sunrise Drive Homes Sewer Extension, MSD Project No. 2018046

**BACKGROUND:** This project is located inside the District boundary along Sunrise Drive in the City of Asheville. The developer of the project is Bernard Griwatz of Irving Homes, Inc.

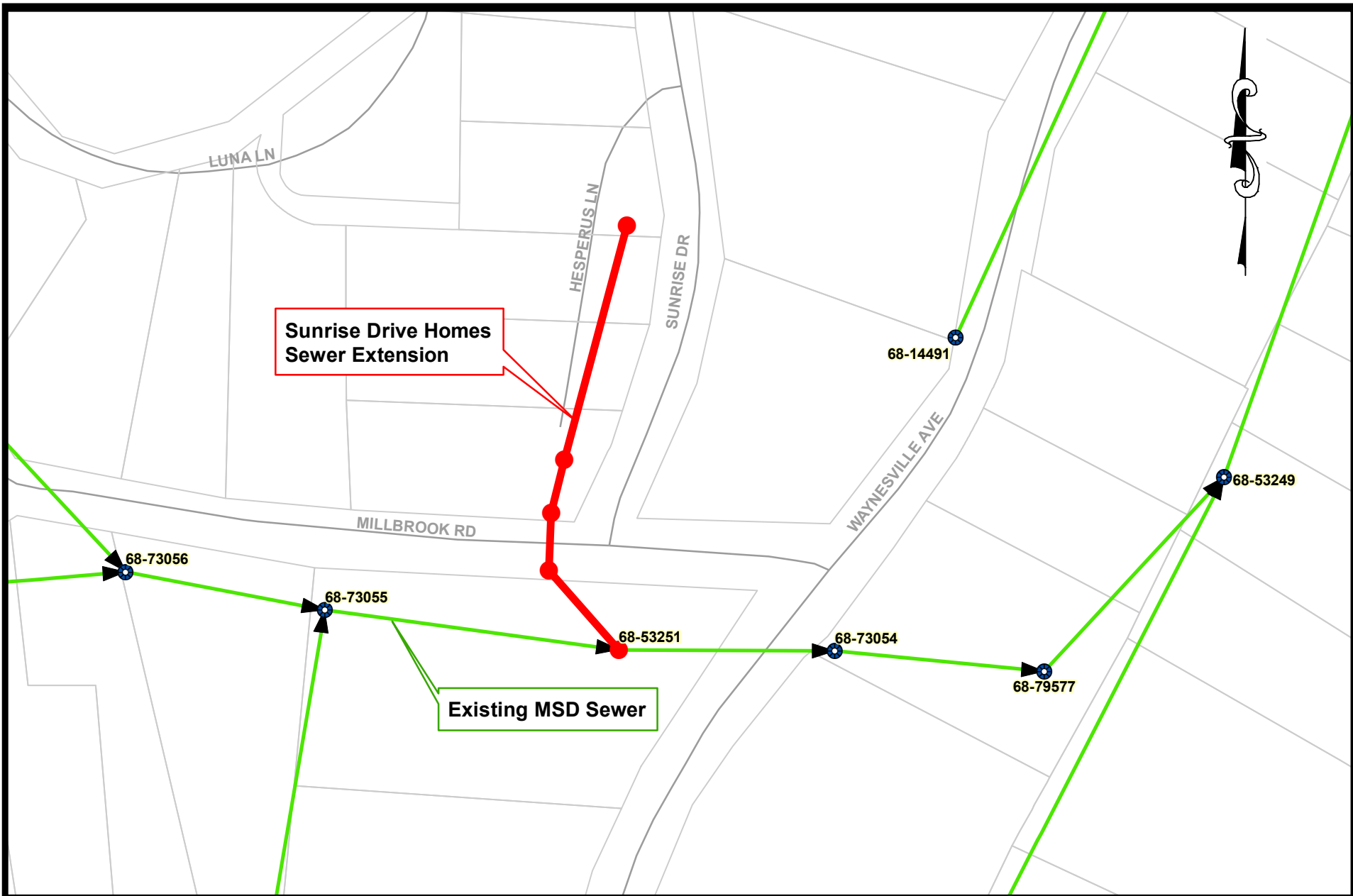
The project included extending approximately 218 linear feet of 8-inch public gravity sewer to serve the five (5) unit single family residential development.

A wastewater allocation was issued in the amount of 2,000 GPD for this project. The estimated cost of the sewer construction is \$32,000.00.

All MSD requirements have been met.

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





**MSD**  
Engineering Division

**Sunrise Drive Homes Sewer Extension  
MSD Project # 2018046**

Metropolitan Sewerage District of Buncombe County

# Metropolitan Sewerage District of Buncombe County

## BOARD ACTION ITEM

**Meeting Date:** August 21, 2019  
**Submitted By:** Thomas E. Hartye, PE., General Manager  
**Prepared By:** W. Scott Powell, CLGFO, Director of Finance  
**Reviewed By:** William Clarke, Legal Counsel  
**Subject:** Reimbursement Resolution for Bond Projects

### Background

To be in compliance with IRS regulations concerning tax-exempt financing, all expenditures made with non-MSD bond funds and to be reimbursed from MSD bond funds must be properly identified and authorized. The proposed reimbursement resolution identifies major projects intended to be solely or substantially financed by bonds anticipated to be issued in FY2023. Board approval is required to obtain the tax-exemption of interest paid on MSD bonds by authorizing reimbursement from bond proceeds of the expenditures for these projects.

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

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

### Discussion

\$40 million of bonds are planned to be issued in FY2023 and this reimbursement resolution is intended to preserve for the District the ability to issue the bonds as tax-exempt bonds and to reimburse itself from their proceeds for the temporary cash outlay made for the projects identified in the reimbursement resolutions.

Engineering staff have identified several upcoming projects detailed on the attached exhibit, which could be reimbursed from the upcoming revenue bonds. Estimated reimbursable expenditures for these projects total \$18,772,000.

Meeting Date: August 21, 2019  
Subject: Reimbursement Resolution for Bond Projects  
Page 2

### Fiscal Impact

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

### Staff Recommendation

Approval.

<u>Action Taken</u>			
Motion by:	to	<input type="checkbox"/> Approve	<input type="checkbox"/> Disapprove
Second by:		<input type="checkbox"/> Table	<input type="checkbox"/> Send to Committee
Other:			
Follow-up required:			
Person responsible:		Deadline:	

# REIMBURSEMENT RESOLUTION

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

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

**WHEREAS**, the Issuer has paid, beginning June 21, 2019, and will pay, on and after the date hereof, certain expenditures (the "Expenditures") in connection with the acquisition, design and construction of the projects on the attached Exhibit (the "Projects"); and

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

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

- Section 1.** The Board hereby declares the Issuer's intent to reimburse the Issuer with the proceeds of the Bonds for the Expenditures with respect to the Project made on and after June 21, 2019 which date is no more than 60 days prior to the date hereof. The Issuer reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds.
- Section 2.** Each Expenditure was and will be either (a) of a type properly chargeable to capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the Issuer so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Issuer.
- Section 3.** The maximum principal amount of the Bonds expected to be issued for the Projects is \$18,772,000.

## REIMBURSEMENT RESOLUTION

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

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

**PASSED AND ADOPTED** this 21<sup>st</sup> day of August 2019

---

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

Attested to:

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*Jackie W. Bryson, Secretary/Treasurer*  
Metropolitan Sewerage District of  
Buncombe County, North Carolina

**Metropolitan Sewerage District of Buncombe County**  
**Attachment to Reimbursement Resolution**  
**August 21, 2019**

Project	Project #	Estimated Expenditures on and after June 21, 2019
South French Broad Int. - Grouting	2011033	\$ 833,000
Christian Creek Interceptor	2011110	1,950,000
Walnut Street @ Rankin Avenue	2014018	1,341,000
Plant High Rate Primary Treatment	2015054	9,228,000
Beaucatcher Road @ Kenilworth Road	2015219	460,000
Four Inch Main – Patton Hill Road	2016100	327,000
New Walnut Street @ Riverside Drive	2017007	360,000
Weaverville Force Main @ Plant	2018259	2,430,000
Carrier Bridge Pump Station Replacement	2019045	1,592,000
Town Branch Interceptor Lining	2019069	\$ <u>251,000</u>
<b>Total</b>		<b>\$ <u>18,772,000</u></b>

Note: Amounts rounded to nearest thousand

# Metropolitan Sewerage District of Buncombe County

## BOARD ACTION ITEM

Meeting Date: August 21, 2019  
Submitted By: Thomas E. Hartye, PE., General Manager  
Reviewed By: Billy Clarke, Board Legal Counsel  
Prepared By: W. Scott Powell, CLGFO, Director of Finance  
Subject: Consideration of Industrial Rate Adjustment

### Background

On June 12, 2019, the board unanimously approved the schedule of rates and fees in conjunction with the FY2020 budget process. The schedule of rates and fees were based on recommendations derived from the District's Business Plan.

### Discussion

The industrial treatment charge is a volumetric charge based on a customer's monthly discharge to the District. In the FY2020 fiscal year, the District entered the final year of the industrial rate parity plan. The plan's goal was to adjust the textile industrial rate incrementally over a twenty year period so at the end of the plan it would be the same volumetric charge as the residential and commercial rate. The Industrial charge for FY2020 should have been \$4.73 per CCF which is the same as the approved residential and commercial rate. However, due to a typographical error the board approved rate was \$4.58 per CCF.

### Fiscal Impact

For the District to meet its annual industrial user fee total of \$3,464,602, the board will have to approve a \$4.73 per CCF industrial treatment charge.

Meeting Date: August 21, 2019

Subject: Consideration of Industrial Rate Adjustment

Page 2

### Staff Recommendation

Staff requests the Board approve the following changes the Schedule of Rates and Fees:

Industrial Volume Charges (per CCF) Inside	\$4.73
Industrial Volume Charges (per CCF) Outside	\$4.74

#### Action Taken

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



# Metropolitan Sewerage District of Buncombe County

## BOARD INFORMATIONAL ITEM

**Meeting Date:** August 21, 2019

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

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

**Subject:** Fourth Quarter Budget to Actual Review – FY2019

### Background

At the end of each quarter, actual revenue and expenditure amounts are compared with the budget to evaluate performance. This information is based on cash revenues and invoices received prior to June 30, 2019 and may not include some accruals of revenue and expenditures.

### Discussion

There are several explanatory notes at the bottom of the attached Budget to Actual schedule. Other considerations are as follows:

- s Domestic revenues are at budgeted expectations. Staff believes Domestic User Fee variance will end up around 101% when June accounts receivable data is received from its Member Agencies in September. Industrial Revenue trending better than budgeted expectations due to temporary increased revenue from one new industrial user. Staff monitors consumption trends as they have a direct effect on the District's current and future revenue projections.
- s Facility and Tap Fees are budgeted conservatively. The unusually large variance as of the end of the year is due to receiving unanticipated revenue of \$2.5 million from five (5) developments.
- s Interest and miscellaneous income are above budgeted expectations. Actual short-term interest rates were better than anticipated for the fiscal year.
- s Rental income reflects actual cash receipts.

Meeting Date: August 21, 2019

Subject: Fourth Quarter Budget to Actual Review – FY2019

Page 2

**Discussion**(continued)

- s Actual and encumbered O&M expenditures are considered reasonable but may vary slightly once accruals and adjustments are made in connection to the final audit.
  
- s Bond principal and interest are better than budgeted expectations due to the interest rate swap associated with Series 2008A revenue refunding bonds.
  
- s Capital project expenditures are at approximately 93.73% of budget. This reflects the Plant High Rate Primary project running a little behind schedule.

**Staff Recommendation**

None - Information Only.

<u>Action Taken</u>			
Motion by:	to	<input type="checkbox"/> Approve	<input type="checkbox"/> Disapprove
Second by:		<input type="checkbox"/> Table	<input type="checkbox"/> Send to Committee
Other:			
Follow-up required:			
Person responsible:		Deadline:	

**Metropolitan Sewerage District**  
**Budget to Actual Revenue and Expenditure Report**  
For the twelve months ended June 30, 2019  
UNAUDITED--NON-GAAP

	Amended Budget	Actual to Date	% Budget to Actual
<b>REVENUES</b>			
Domestic User Fees <sup>1</sup>	\$ 32,431,584	\$ 32,485,954	100.17%
Industrial User Fees	3,422,373	3,784,101	110.57%
Facility Fees <sup>2</sup>	2,000,000	5,695,774	284.79%
Tap Fees <sup>3</sup>	175,000	648,068	370.32%
Billing and Collection	816,660	815,880	99.90%
Interest and Misc. Income	1,164,716	2,176,637	186.88%
Employee Contribution to Health Ins.	421,467	375,931	89.20%
City of Asheville (Enka Bonds)	35,000	33,210	94.89%
Rental Income	71,641	74,915	104.57%
Use of (Contributions to) Available Funds <sup>4</sup>	<u>10,243,546</u>	<u>527,518</u>	<u>5.15%</u>
<b>Total Revenues<sup>5</sup></b>	<b>\$ <u>50,781,987</u></b>	<b>\$ <u>46,617,988</u></b>	<b>91.80%</b>
<b>EXPENDITURES</b>			
Operations and Maintenance <sup>6</sup>	\$ 16,875,154	\$ 15,597,003	92.43%
Bond Principal and Interest	9,448,115	9,392,340	99.41%
Capital Equipment (Other than O&M) <sup>6</sup>	966,000	546,597	56.58%
Capital Projects <sup>6</sup>	22,492,718	21,082,048	93.73%
Contingency	<u>1,000,000</u>	<u>-</u>	<u>0.00%</u>
<b>Total Expenditures</b>	<b>\$ <u>50,781,987</u></b>	<b>\$ <u>46,617,988</u></b>	<b>91.80%</b>

**Notes:**

- ① Revenues are accounted for on the cash basis method
- ② Increase due to unanticipated revenue from five (5) developments at \$2,532,140
- ③ Increase in number of Taps requiring Pavement Disturbance
- ④ Pay-as-go funds to be used for CIP
- ⑤ Budget-to-Actual Ratio does not include use of available funds
- ⑥ Includes encumbered amounts as well as actual insurance expenditures

# Metropolitan Sewerage District of Buncombe County

## BOARD INFORMATIONAL ITEM

**Meeting Date:** August 21, 2019

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

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

**Subject:** Cash Commitment/Investment Report-Month Ended June 30, 2019

### Background

Each month, staff presents to the Board an investment report for all monies in bank accounts and specific investment instruments. The total investments as of June 30, 2019 were \$78,482,693. The detailed listing of accounts is available upon request. The average rate of return for all investments is 2.450% These investments comply with North Carolina General Statutes, Board written investment policies, and the District's Bond Order.

The attached investment report represents cash and cash equivalents as of June 30, 2019 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of June 30, 2019 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$8,149,536.

Total Cash & Investments as of 06/30/19		78,482,693
<i>Less:</i>		
Budgeted Commitments (Required to pay remaining FY19 budgeted expenditures from unrestricted cash)		
Construction Funds	(17,543,404)	
Operations & Maintenance Fund	<u>(29,894,818)</u>	
		(47,438,222)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(6,842,147)	
FY19 Principal & Interest Due	<u>(9,834,367)</u>	
		(16,676,514)
District Reserve Funds		
Fleet Replacement	(713,616)	
Pump Replacement	(179,424)	
WWTP Replacement	(271,677)	
Maintenance Reserve	<u>(993,673)</u>	
		(2,158,390)
District Insurance Funds		
General Liability	(422,723)	
Worker's Compensation	(361,292)	
Post-Retirement Benefit	(1,899,193)	
Self-Funded Employee Medical	<u>(1,376,823)</u>	
		<u>(4,060,031)</u>
Designated for Capital Outlay		<u>8,149,536</u>

**Meeting Date:** August 21, 2019

**Subject:** Cash Commitment/Investment Report-Month Ended June 30, 2019

Page 2

### Staff Recommendation

None - Information Only.

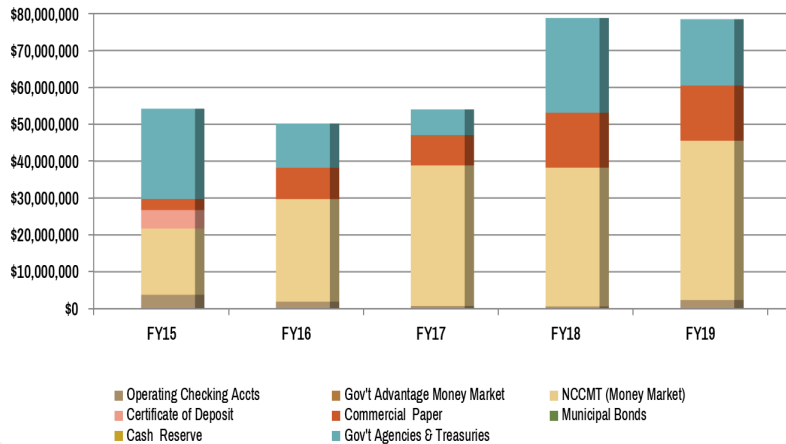
#### Action Taken

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

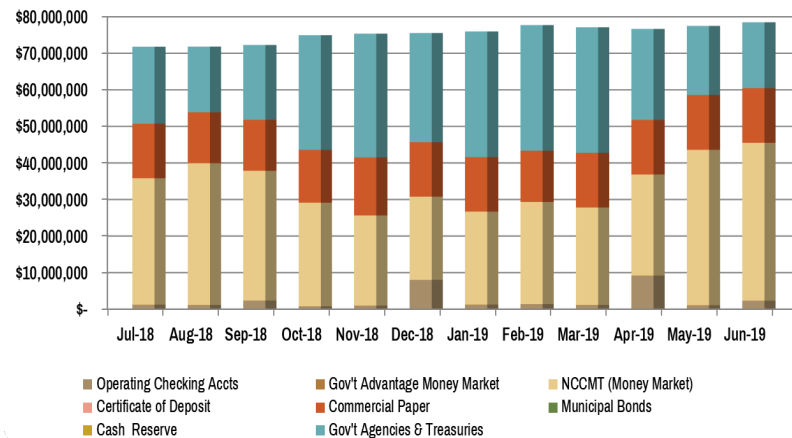
	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -	\$ -	\$ 6,842,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,842,147
Held by MSD	2,288,426	46,683	36,351,883	-	14,943,971	-	-	18,009,583	71,640,546
	\$ 2,288,426	\$ 46,683	\$ 43,194,030	\$ -	\$ 14,943,971	\$ -	\$ -	\$ 18,009,583	\$ 78,482,693

Investment Policy Asset Allocation	Maximum Percent	Actual Percent	
U.S. Government Treasuries, Agencies and Instrumentalities	100%	22.95%	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 2.59% is exceeding the YTM benchmark of the NCCMT Government Portfolio.
Commercial Paper	20%	19.04%	
Municipal Bonds	100%	0.00%	
North Carolina Capital Management Trust	100%	55.03%	
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		2.92%	
Gov't Advantage Money Market		0.06%	

MSD of Buncombe County  
Investment Portfolio - As of June 30, 2019



MSD of Buncombe County  
Investment Portfolio - 12 Month Trend



Meeting Date: August 21, 2019

Subject: Cash Commitment/Investment Report-Month Ended June 30, 2019

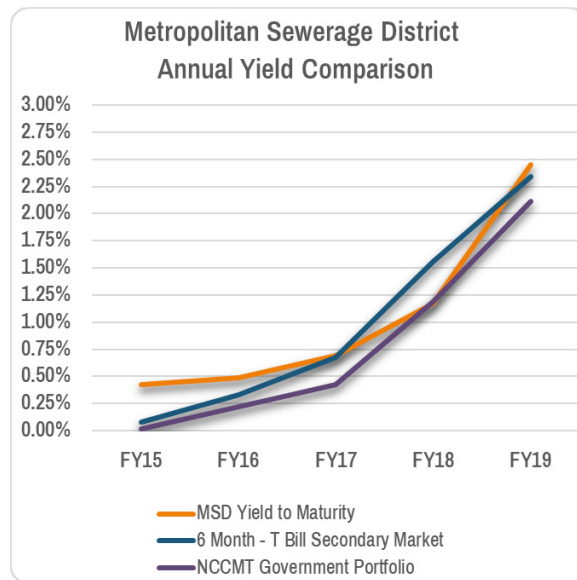
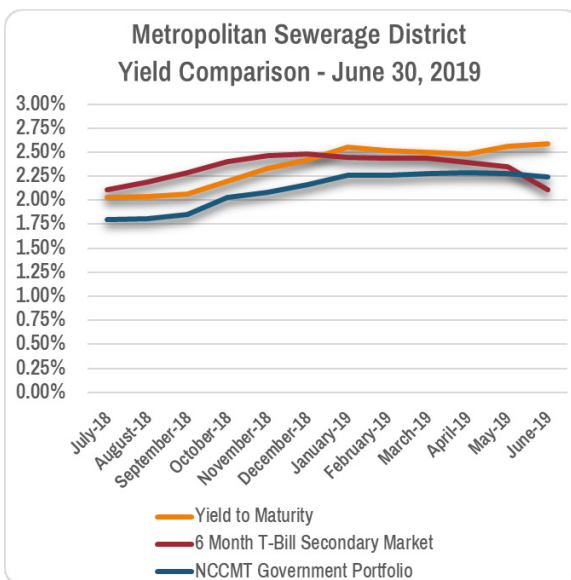
Page 4

**Metropolitan Sewerage District  
INVESTMENT MANAGERS' REPORT  
At June 30, 2019**

Summary of Asset Transactions			
	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 73,421,466	\$ 73,592,234	\$ 64,053
Capital Contributed (Withdrawn)	(7,061,425)	(7,061,425)	-
Realized Income	68,882	68,882	(6,333)
Unrealized/Accrued Income		(17,260)	28,556
Ending Balance	\$ 66,428,923	\$ 66,582,431	\$ 86,276

Value and Income by Maturity		
	Original Cost	Income
Cash Equivalents <91 Days	\$ 48,526,989	\$ 53,945
Securities/CD's 91 to 365 Days	8,970,814	9,972
Securities/CD's > 1 Year	8,931,120	9,928
	\$ 66,428,923	\$ 73,845

Month End Portfolio Information	
Weighted Average Maturity	123
Yield to Maturity	2.59%
6 Month T-Bill Secondary Market	2.11%
NCCMT Government Portfolio	2.24%

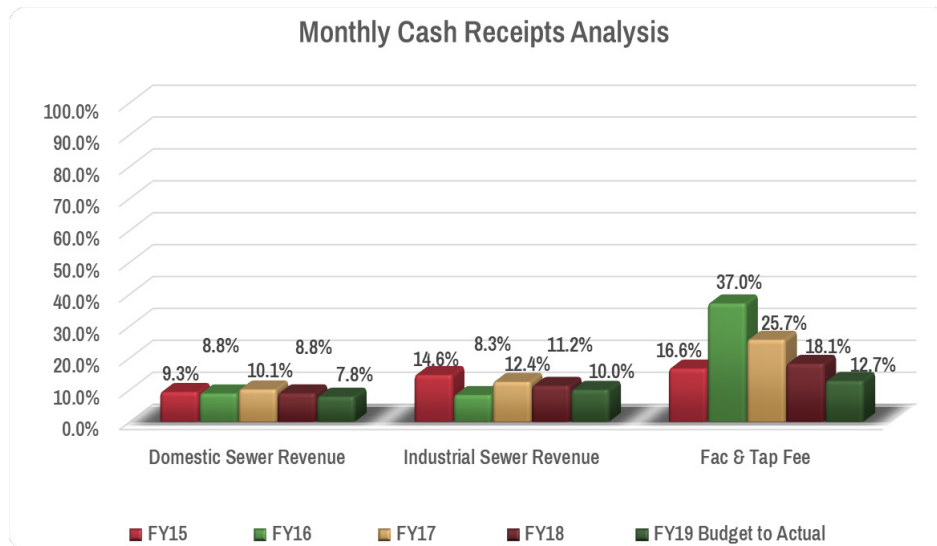


Meeting Date: August 21, 2019

Subject: Cash Commitment/Investment Report-Month Ended June 30, 2019

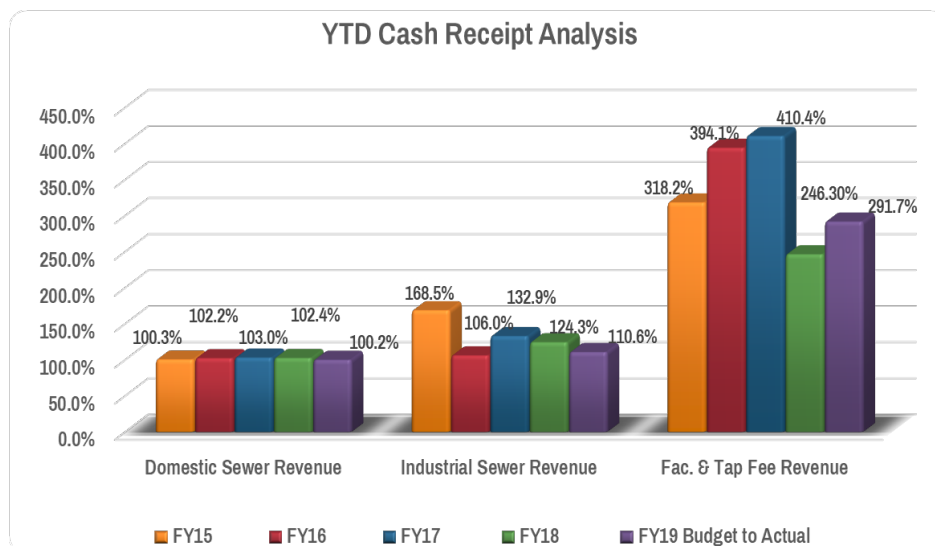
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Metropolitan Sewerage District  
ANALYSIS OF CASH RECEIPTS  
As of June 30, 2019



**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.

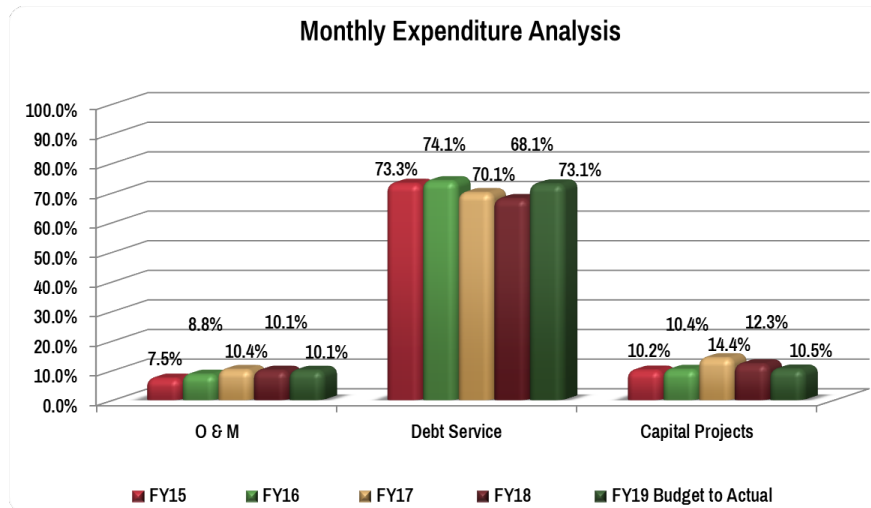


Meeting Date: August 21, 2019

Subject: Cash Commitment/Investment Report-Month Ended June 30, 2019

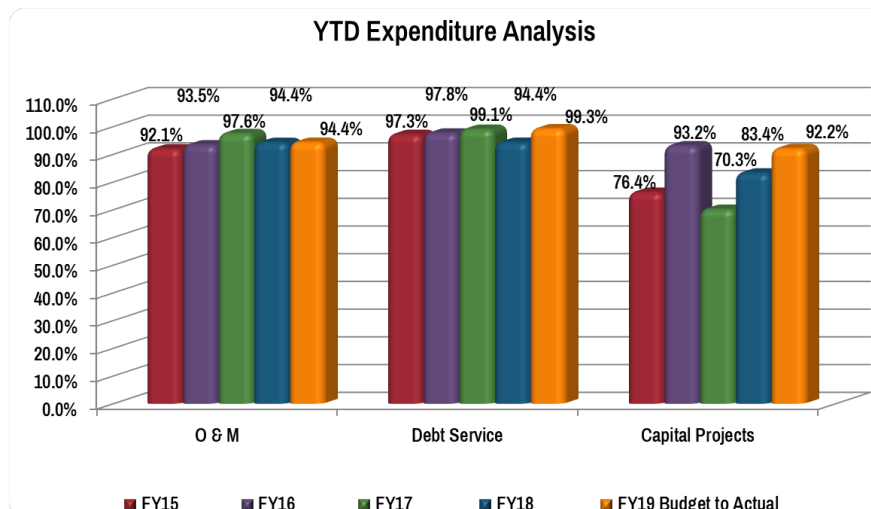
Page 6

Metropolitan Sewerage District  
ANALYSIS OF EXPENDITURES  
As of June 30, 2019



**Monthly Expenditure Analysis:**

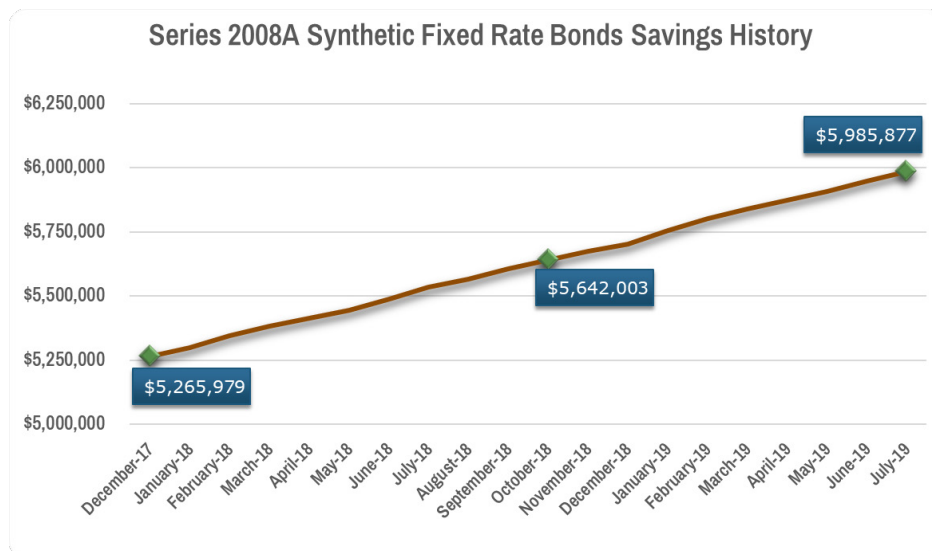
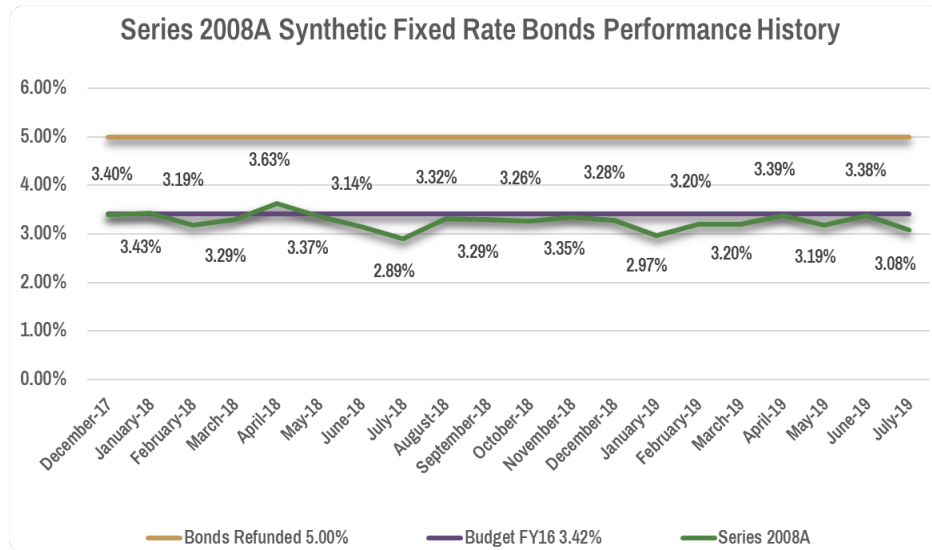
- ✘ Monthly O&M expenditures are considered reasonable based on historical trends and timing of expenditures in the current year.
- ✘ Due to the nature of the variable rate bond market, monthly expenditures can vary year to year. Based on current variable interest rates, monthly debt service expenditures 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 July 31, 2019**



**Series 2008A:**

- Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$5,985,877 as compared to 4/1/2008 fixed rate of 4.85%.
- Assuming 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 \$3,257,558 to terminate the existing Bank of America Swap Agreement.

# **STATUS REPORTS**

**MSD System Services In-House Construction  
FY 19-20**

PROJECT NAME	LOCATION	ZIP CODE	ESTIMATED FOOTAGE	ESTIMATED PROJECT DATES	WO#	CREW	COMPLETION DATE	ACTUAL FOOTAGE	NOTES
Saint Johns Street Force Main Replacement	Arden	28704	1040	6/10/19-7/5/19	238516	631	7/1/2019	1048	Complete
Brown Avenue at Elk Mtn Rd	Woodfin	28804	484	7/6/19 - 7/17/19	252976	631	7/17/2019	500	Complete
324 Brooklyn Road Sewer Rehabilitation	Asheville	28803	100	7/18/19-7/19/19	258462	631	7/19/2019	85	Complete
Tried Street Sewer Rehab	Asheville	28803	100	7/20/19 - 7/28/19	263127	631	7/25/2019	86	Complete
Waynensville Avenue at Brownwood	Asheville	28806	798	6/24/19 - 8/31/19	247283	674			Construction 50% complete
415 Chunns Cove Road at Willow Ridge Sewer Rehabilitation	Asheville	28805	100	8/1/19 - 8/8/19	258463	631			Construction 10% complete
106 Seventh St Sewer Rehabilitation	Black Mountain	28711	200	8/9/19 - 8/20/19	225198	631			Ready for construction
154 Overbrook Road	Montreat	28757	470	8/21/19 - 9/20/19	264010	631			Ready for construction
149 State Street Sewer Rehabilitation	Asheville	28806	265	9/1/19 - 9/20/19	237791	674			Ready for construction
Lower Melody Lane Sewer Rehabilitation	Asheville	28803	694	FY 19-20	256882	TBA			Ready for construction
122 Wendover Road Sewer Rehabilitation	Asheville	28806	113	FY 19-20	258561	TBA			Ready for construction
217 Mountain View Road Sewer Rehabilitation Ph. 2	Asheville	28805	483	FY 19-20	260470	TBA			Ready for construction
Starnes Avenue at Broadway Street	Asheville	28801	400	FY 19-20	208325	TBA			Ready for construction
East Grovestone Quarry Sewer Rehabilitation	Black Mountain	28711	780	FY 19-20	213459	TBA			Ready for construction
Old Asheland Ave to Phifer Street Sewer Rehabilitation	Asheville	28801	462	FY 19-20	258560	TBA			Ready for construction
Sarvena Place	Asheville	28804	160	FY 19-20	262466	TBA			Ready for construction
72 Dillingham Road	Asheville	28805	234	FY 19-20	39327	TBA			In ROW
332 Wilson Avenue	Swannanoa	28778	235	FY 19-20	210202	TBA			In ROW
Lakewood Drive at Waverly Road Sewer Rehabilitation	Asheville	28803	1350	FY 19-20	258770	TBA			In Design
Barnard Avenue at Lookout Sewer Rehabilitation	Asheville	28804	200	FY 19-20	236089	TBA			In Design
111 Compton Drive	Asheville	28806	360	FY 19-20	228741	TBA			In Design
28 Woodward Avenue Sewer Rehabilitation	Asheville	28804	660	FY 19-20	249386	TBA			In Design
Brucemont Circle Phase 2 Sewer Rehabilitation	Asheville	28806	913	FY 19-20	256883	TBA			In Design
Holiday Dr. at Sweeten Creek Rd. Sewer Rehabilitation	Arden	28704	730	FY 19-20	258461	TBA			Preliminary Engineering
48 Clarendon Road Sewer Rehabilitation	Asheville	28806	500	FY 19-20	258562	TBA			Preliminary Engineering
Briarcliff Dr at Oakwilde Dr Sewer Rehabilitation	Asheville	28803	860	FY 19-20	258768	TBA			Preliminary Engineering
Laurel Avenue at Ivy Street N Sewer Rehabilitation	Asheville	28804	700	FY 19-20	258769	TBA			Preliminary Engineering
Antique Lane to Colters Path Sewer Rehabilitation	Asheville	28806	1600	FY 19-20	258821	TBA			Preliminary Engineering
Daniel Road to Starnes Cove Place Sewer Rehabilitation	Asheville	28806	879	FY 19-20	258822	TBA			Preliminary Engineering
Moss Lane at Cedar Lane Sewer Rehabilitation	Arden	28704	911	FY 19-20	258823	TBA			Preliminary Engineering
Sweeten Creek Rd At Carrington Pl Sewer Rehabilitation	Arden	28704	1232	FY 19-20	258825	TBA			Preliminary Engineering
Vance Ave 4" Main Sewer Rehabilitation	Black Mtn	28711	565	FY 19-20	258826	TBA			Preliminary Engineering



## CONSTRUCTION TOTALS BY DATE COMPLETED - Monthly

From 7/1/2018 to 6/30/2019

	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 2018	27	8	99	986	23	39	4,335	0	321	660	19	412	1393
August 2018	25	8	104	1,238	24	41	17,360	0	677	968	12	576	2221
September 2018	23	8	171	974	21	36	470	0	216	1317	11	0	1533
October 2018	37	9	256	614	46	28	2,630	0	205	916	9	507	1628
November 2018	24	15	54	416	16	8	2,377	0	514	287	2	0	801
December 2018	23	7	41	578	20	15	1,220	0	0	1452	10	0	1452
January 2019	23	13	105	539	19	15	1,340	0	68	1400	8	0	1468
February 2019	38	20	120	1,033	5	25	80	0	192	253	2	0	445
March 2019	40	9	136	1,107	22	34	624	0	0	2206	27	178	2384
April 2019	35	15	85	852	39	28	6,091	0	0	3775	6	0	3775
May 2019	39	13	284	991	27	36	32,250	0	16	8	2	129	153
June 2019	25	9	296	621	24	19	5,843	0	0	3670	1	0	3670
<b>Grand Totals</b>	<b>359</b>	<b>134</b>	<b>1,750</b>	<b>9,949</b>	<b>286</b>	<b>324</b>	<b>74,620</b>	<b>0</b>	<b>2209</b>	<b>16912</b>	<b>109</b>	<b>1,802</b>	<b>20923</b>

\* Used to calculate Total Rehab Footage



## PIPELINE MAINTENANCE TOTALS BY DATE COMPLETED - Monthly

July 01, 2018 to June 30, 2019

	Main Line Wash Footage	Service Line Wash Footage	Rod Line Footage	Cleaned Footage	CCTV Footage	Smoke Footage	SL-RAT Footage
<b>2018</b>							
July	78,545	1,208	693	79,238	23,634	0	1,683
August	67,431	1,082	1,765	69,196	35,905	35,328	23,056
September	61,707	856	8,164	69,871	17,818	300	12,942
October	94,807	1,141	11,984	106,791	19,250	10,504	4,765
November	85,234	1,974	8,074	93,308	14,766	24,371	3,595
December	47,029	1,200	2,758	49,787	16,156	38,524	0
<b>2019</b>							
January	88,137	2,254	6,458	94,595	14,037	28,090	20,459
February	67,560	2,788	6,961	74,521	15,221	500	3,631
March	60,919	2,593	8,146	69,065	19,758	2,300	5,960
April	98,295	1,695	7,314	105,609	20,464	5,051	20,776
May	85,082	2,057	13,136	98,218	30,062	1,700	41,391
June	65,503	1,434	12,901	78,404	27,098	2,000	15,314
<b>Grand Total:</b>	<b>900,249</b>	<b>20,282</b>	<b>88,354</b>	<b>988,603</b>	<b>254,168</b>	<b>148,668</b>	<b>153,572</b>
<b>Avg Per Month:</b>	<b>75,021</b>	<b>1,690</b>	<b>7,363</b>	<b>82,384</b>	<b>21,181</b>	<b>12,389</b>	<b>12,798</b>



## CUSTOMER SERVICE REQUESTS

### Monthly - All Crews

CREW	MONTH	JOBS	AVERAGE RESPONSE TIME	AVERAGE TIME SPENT
<b>DAY 1ST RESPONDER</b>				
	July, 2018	97	20	35
	August, 2018	127	28	30
	September, 2018	75	21	40
	October, 2018	94	25	35
	November, 2018	76	28	35
	December, 2018	117	30	41
	January, 2019	107	28	42
	February, 2019	118	31	36
	March, 2019	135	23	35
	April, 2019	143	29	35
	May, 2019	114	25	40
	June, 2019	97	22	45
		<b>1,300</b>	<b>26</b>	<b>37</b>
<b>NIGHT 1ST RESPONDER</b>				
	July, 2018	11	17	25
	August, 2018	19	15	23
	September, 2018	13	21	20
	October, 2018	20	28	22
	November, 2018	20	29	33
	December, 2018	12	22	25
	January, 2019	23	28	27
	February, 2019	18	22	25
	March, 2019	19	29	18
	April, 2019	24	29	34
	May, 2019	16	24	22
	June, 2019	16	23	31
		<b>211</b>	<b>24</b>	<b>26</b>
<b>ON-CALL CREW *</b>				
	July, 2018	44	46	54
	August, 2018	37	41	40

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



## CUSTOMER SERVICE REQUESTS Monthly - All Crews

CREW	MONTH	JOBS	AVERAGE RESPONSE TIME	AVERAGE TIME SPENT
<b>ON-CALL CREW *</b>				
	September, 2018	31	34	44
	October, 2018	38	51	38
	November, 2018	42	58	53
	December, 2018	49	39	30
	January, 2019	59	41	31
	February, 2019	48	52	36
	March, 2019	51	41	50
	April, 2019	69	49	35
	May, 2019	31	50	29
	June, 2019	38	62	40
		<b>537</b>	<b>47</b>	<b>40</b>
<b>Grand Totals:</b>		<b>2,048</b>	<b>31</b>	<b>37</b>

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



**CAPITAL IMPROVEMENT PROGRAM**

**STATUS REPORT SUMMARY**

**August 14, 2019**

PROJECT	LOCATION OF PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
AVERY CREEK PUMP STATION IMPROVEMENTS	Arden 28704	NHM Constructors	11/21/2018	5/2/2019	10/1/2019	\$532,674.25	75%	Electrical work is done. Contractor working on restoration and finish grout and paint in grinder vault and wet well.
BEAUCATCHER ROAD @ KENILWORTH ROAD	Asheville 28805	Terry Brothers Construction Company	1/16/2019	6/24/2019	10/22/2019	\$171,908.00	0%	No work has started yet. Contractor on another MSD project.
BEAUCATCHER ROAD @ KENILWORTH ROAD PHASE 2	Asheville 28805	Terry Brothers Construction Company	7/17/2019	TBA	TBA	\$334,779.00	0%	Project was awarded to Terry Brothers Construction Company. Contracts are in process.
KENILWORTH ROAD @ SPRINGDALE ROAD	Asheville 28805	Terry Brothers Construction Company	1/16/2019	6/24/2019	10/22/2019	\$252,324.00	0%	Contractor is planning to mobilize within the next 2 weeks.
MULL BUILDING HVAC PHASE 1	Woodfin	TBA	TBA	TBA	TBA	TBA	0%	Project bid on August 1st. Pyatt Heating & Air Conditioning, Inc. is the apparent low bidder. Project will be presented at the August Board meeting.
OLD HAW CREEK ROAD @ GREENBRIAR ROAD	Asheville 28805	Terry Brothers Construction Company	1/16/2019	4/15/2019	10/12/2019	\$821,552.00	90%	All mainline is complete. Working on service connections.
OLD WEST CHAPEL ROAD	Asheville 28803	Terry Brothers Construction Company	11/21/2018	1/10/2019	9/1/2019	\$982,155.00	99%	Contractor finishing up punch list work.
WEAVERVILLE FORCE MAIN @ PLANT	Woodfin	Terry Brothers Construction Company	7/17/2019	TBA	TBA	\$2,188,114.10	0%	Project was awarded to Terry Brothers Construction Company. Contracts are in process.
WRF - PLANT HEADWORKS IMPROVEMENTS	Woodfin	Judy Construction Company	1/18/2017	4/3/2017	7/19/2019	\$9,618,319.66	100%	Project is complete and in close out.
WRF- PLANT HIGH RATE PRIMARY TREATMENT	Woodfin	Shook Construction Company	10/17/2018	1/7/2019	10/28/2020	\$15,071,000.00	15%	Contractor working on pouring first section of pump room slab and preparing coag tank area subgrade.

\*Updated to reflect approved Change Orders and Time Extensions

## Planning & Development Project Status Report

Active Construction Projects Sorted by Work Location and Project Number

August 8, 2019

#	Project Name	Project Number	Work Location	Zip Code	Units	LF	Pre-Construction Conference Date	Comments
1	First Baptist Relocation	2015032	Asheville	28801	Comm.	333	7/21/2015	Final Inspection complete, awaiting close-out docs
2	8 Sulphur Springs Road	2015116	Asheville	28806	6	80	11/22/2016	Final Inspection complete, awaiting close-out docs
3	Towne Place Suites	2016012	Asheville	28801	83	342	9/11/2018	Installing
4	88 Southside Ave Phase 2	2016015	Asheville	28801	18	400	2/21/2017	Phase 2 not yet started
5	Hounds Ear (Mears Ave Cottages)	2016123	Asheville	28806	18	402	8/18/2017	Pre-con held, construction not yet started
6	Lausch Subdivision	2016153	Asheville	28805	4	248	5/16/2017	Waiting on final inspection
7	Hawthorne at Mills Gap	2016222	Asheville	28803	272	442	10/3/2017	Waiting on final inspection
8	Ashecroft	2016229	Asheville	28806	40	2,450	2/20/2018	Phase 1 - Final complete, awaiting close-out docs / Phase 2 - on hold
9	Gerber Road Storage	2017049	Asheville	28803	Comm.	156	2/9/2018	Waiting on final inspection
10	RADTIP	2017052	Asheville	28801	0	919	2/13/2018	Installing
11	White Oak Grove	2017053	Asheville	28801	114	1,185	6/28/2019	Pre-con held, construction not yet started
12	Rock Hill Road	2017096	Asheville	28803	15	990	7/24/2018	Waiting on final inspection
13	Villa Heights	2017118	Asheville	28806	8	540	2/20/2018	Final Inspection complete, awaiting close-out docs
14	McCormick Place	2017150	Asheville	28801	17	210	8/3/2018	Waiting on final inspection
15	Wanoca Cottages	2017214	Asheville	29903	15	378	3/26/2019	Waiting on final inspection
16	Hawthorne Apartments @ Haywood	2017225	Asheville	28806	240	1,604	10/19/2018	Testing
17	17 N. Market Street	2017238	Asheville	28801	16	256	5/10/2019	Pre-con held, construction not yet started
18	Fernwood Avenue	2017251	Asheville	28806	3	368	10/30/2018	Waiting on final inspection
19	US 74 Commercial Development	2018010	Asheville	28803	4	265	5/25/2018	Pre-con held, construction not yet started
20	Alice Place Subdivision	2018066	Asheville	28803	19	480	6/19/2018	Punchlist pending
21	Oakview Park Road	2018072	Asheville	28803	3	230	1/29/2019	Pre-con held, construction not yet started
22	Old Haywood Subdivision Phase 1	2018073	Asheville	28806	79	1,770	3/19/2019	Pre-con held, construction not yet started
23	Fern Street	2018081	Asheville	28803	8	60	2/15/2019	Testing
24	Cypress Knoll Gardens	2018121	Asheville	28803	7	90	10/30/2018	Final Inspection complete, awaiting close-out docs
25	Le An Hurst Road	2018127	Asheville	28803	5	245	3/22/2019	Final Inspection complete, awaiting close-out docs
26	Tru by Hilton	2018131	Asheville	28805	1	248	1/25/2019	Installing
27	Grove Park Views	2018239	Asheville	28801	7	150	2/19/2019	Waiting on final inspection
28	Joyner Avenue	2018264	Asheville	28801	4	215	6/4/2019	Pre-con held, construction not yet started
29	UNC-A Edgewood Road Parking Lot	2019078	Asheville	28801	Comm.	373	7/19/2019	Pre-con held, construction not yet started
30	West Keesler Avenue	2007176	Black Mountain	28711	6	410	11/15/2016	Final Inspection complete, awaiting close-out docs
31	808 Montreat Road	2015126	Black Mountain	28711	4	371	4/18/2017	Final Inspection complete, awaiting close-out docs
32	Avadim	2017001	Black Mountain	28711	Comm.	2,286	1/11/2019	Installing
33	Sweet Birch Lane	2017111	Black Mountain	28711	65	780	9/28/2018	Final Inspection complete, awaiting close-out docs
34	Chapman's Cove	2017227	Black Mountain	28711	10	430	9/21/2018	Waiting on final inspection
35	White Oak Circle	2018197	Black Mountain	28711	4	330	10/30/2018	Installing
36	402 Blue Ridge Road	2018206	Black Mountain	28711	6	372	2/5/2019	Pre-con held, construction not yet started
37	Hyde Park Phase 2	2013058	Buncombe Co.	28704	14	500	12/3/2013	Waiting on final inspection
38	Creekside Cottages	2014095	Buncombe Co.	28704	7	504	3/12/2015	Waiting on final inspection
39	Avondale Subdivision	2015052	Buncombe Co.	28803	4	215	4/7/2017	Final Inspection complete, awaiting close-out docs
40	Waightsill Mountain Phase 2B	2015155	Buncombe Co.	28704	16	1,784	4/23/2019	Pre-con held, construction not yet started
41	Bee Tree Village	2015158	Buncombe Co.	28778	26	1,118	3/17/2017	Waiting on final inspection
42	NC DOT I-5504 NC 191/4-26 Interchange	2016132	Buncombe Co.	28806	0	355	10/23/2017	Installing
43	Bradley Branch Ph. 4	2016189	Buncombe Co.	28704	27	2,420	5/10/2019	Pre-con held, construction not yet started
44	New Salem Heights	2016192	Buncombe Co.	28778	25	816	2/13/2018	Waiting on final inspection
45	Villas of Avery Creek	2017068	Buncombe Co.	28704	270	3,170	9/18/2018	Waiting on final inspection
46	ABCCM	2017083	Buncombe Co.	28806	60	4,069	12/4/2018	Off-site portion has been installed, on-site in progress
47	240 Old Farm School Road	2017112	Buncombe Co.	28805	4	340	2/9/2018	Final Inspection complete, awaiting close-out docs
48	Sweetgrass Apartments	2018015	Buncombe Co.	28704	270	1,090	4/12/2019	Pre-con held, construction not yet started
49	Fields BMW	2018022	Buncombe Co.	28704	3	490	10/9/2018	Final Inspection complete, awaiting close-out docs
50	Rosscraggon Road Subdivision	2018048	Buncombe Co.	28704	4	370	4/20/2018	Final Inspection complete, awaiting close-out docs
51	The Ramble Block I	2018050	Buncombe Co.	28803	39	7,316	12/4/2018	Installing
52	Upper Grassy Branch Road	2018087	Buncombe Co.	28805	6	250	8/31/2018	Waiting on final
53	412 Ridge Street	2018111	Buncombe Co.	28715	4	275	5/7/2019	Pre-con held, construction not yet started
54	Bee Tree Road	2018115	Buncombe Co.	28778	6	240	12/18/2018	Waiting on final
55	New Riparian	2018156	Buncombe Co.	28778	5	275	9/28/2018	Waiting on final inspection
56	Cedar Lane	2018164	Buncombe Co.	28704	9	145	3/22/2019	Pre-con held, construction not yet started
57	Blake Ct.	2018174	Buncombe Co.	28704	5	307	7/30/2019	Pre-con held, construction not yet started
58	The Preserve at Avery's Creek Phase 2	2018188	Buncombe Co.	28704	141	4,000	6/16/2017	Waiting on final inspection
59	Biltmore Lake Block I-4	2018226	Buncombe Co.	28715	27	1,770	3/12/2019	Testing
60	Roberts Relocation	2018250	Buncombe Co.	28803	1	340	7/19/2019	Pre-con held, construction not yet started
61	Wheeler Road	2017019	Weaverville	28787	72	1,535	3/28/2018	Final Inspection complete, awaiting close-out docs
62	44 Central Ave	2017107	Weaverville	28787	7	275	10/27/2017	Final Inspection complete, awaiting close-out docs
63	Ambler's Chase	2017249	Weaverville	28787	21	1,235	11/29/2018	Testing
64	Northridge Commons Townhomes	2018082	Weaverville	28787	53	1,380	4/9/2019	Pre-con held, construction not yet started
65	Maple Trace Ph. 4	2018214	Weaverville	28787	35	1,265	5/24/2019	Pre-con held, construction not yet started
66	Crest Mountain Phase 3B	2013041	Woodfin	28806	69	1,329	10/15/2013	Punchlist pending, awaiting closeout documents (roadwork remaining)
67	Reese & Jan Lasher (High Hopes)	2015152	Woodfin	28806	14	320	4/26/2016	Final Inspection complete, awaiting close-out docs
68	Olivette Development-Phase 1 Gravity	2016065	Woodfin	28804	356	1,155	3/29/2018	Installing
69	Olivette Pump Station/Force Main	2016213	Woodfin	28804	356	1,740	2/27/2018	Installing
70	Ricky Robinson Property	2017088	Woodfin	28804	1	385	7/31/2018	Final Inspection complete, awaiting close-out docs
71	Apple Lane	2017130	Woodfin	28804	4	60	8/31/2018	Pre-con held, construction not yet started
72	88 North Merrimon Avenue	2017196	Woodfin	28804	Comm.	455	5/11/2018	Waiting on final inspection
73	Olivette Gravity Phase 2	2018116	Woodfin	28804	94	12,406	11/27/2018	Installing
74	Skyfin-Terraces at Reynolds Mtn -Phase 3&4	2018187	Woodfin	28804	22	845	8/8/2017	Waiting on final inspection and phasing
75	Brown Avenue	2018267	Woodfin	28804	3	62	7/2/2019	Installing
			<b>TOTAL</b>			<b>3,181</b>	<b>77,014</b>	