

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
MARCH 18, 2015**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00 p.m. Wednesday, March 18, 2015.

Chairman VeHaun presided with the following members present: Ashley, Bryson, Frost, Kelly, Pelly, Root, Stanley, Watts, and Wisler. Mr. Belcher and Ms. Manheimer were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Dr. Joseph Martin with Woodfin Sanitary Water & Sewer District, and MSD Staff, Ed Bradford, Scott Powell, Peter Weed, Ken Stines, Mike Stamey, Jim Hemphill, Sam Sirls, Angel Banks, and Sondra Honeycutt.

2. Inquiry as to Conflict of Interest:

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

3. Approval of Minutes of the February 18, 2015 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the February 18, 2015 Board Meeting. With no changes, Mr. Stanley 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 Dr. Joseph Martin. Mr. VeHaun called for public comment. Dr. Martin reported that recently Woodfin had simultaneous water line breaks, and because of a staff shortage, they called MSD for help. Within thirty minutes MSD crews were at the scene. He expressed his appreciation to Robert Denny, Marvin Felder, Jamie Fox, McKinley Hensley, Mitchell Metcalf, Roy Lytle and Keith Gass.

6. Report of General Manager:

Mr. Hartye called on Ed Bradford and Mike Stamey for a PowerPoint update on the collection system rehab projects for both in-house and contractor forces. Mr. Bradford presented a slide showing the Status Report of active Collection System Projects which is updated monthly. He presented a slide of the CIP Status Report, (entire program) which is posted on-line and is updated quarterly. Included are maps showing the following completed main line projects; Fairfax Avenue, Robinwood Avenue, East State Street @ West Street, and Mount Vernon Place Phase 2. He presented slides of active construction projects that include Broadview Avenue in Oakley; Crockett Road in East Asheville; Old US 70 at Pine Circle in Black Mountain; Shadowlawn Drive, Phase 1 in West Asheville; Merrimon Avenue/Mount Vernon area, and Merrimon Avenue @ Stratford Road in North Asheville. He reported that problems encountered with these projects included rock, crossing an intersection that will be accomplished with pipe bursting, and setting a new manhole. With regard to the Merrimon Avenue/Mount Vernon project, Mr. Bradford reported there are multiple MSD projects in this neighborhood (three contract projects and one in-house project). Both water and sewer is being rehabilitated (sewer complete). After completion of the water portion, the affected streets will be repaved through cost sharing with the City of Asheville in joint areas. Regarding the Merrimon Avenue @

Stratford Road project, Mr. Bradford reported the bore under Elkwood Avenue is now complete. He stated that exceedingly hard granite was present requiring the general contractor to employ a second subcontractor to complete the bore. As of this morning, less than 200 feet remain on this project. Mr. Bradford presented slides showing the following projects recently awarded to contractors to begin immediately; Terry Brothers Construction - Old Haywood Road @ Starnes Cove Road (1,491 LF), and Davis Grading - Wendover Road (2,975 LF). Mr. Bradford turned the presentation over to Mike Stamey for an update on MSD in-house construction projects.

Mr. Stamey presented a slide showing MSD In-house Construction Projects for FY 14-15. He reported there are twenty (20) projects completed since July, 2014; two (2) projects under construction (165 Old County Home Rd. and Dilling Avenue), and twelve (12) projects ready for construction. He presented a slide showing Construction Totals which outline all of the projects MSD in-house crews are involved in. This includes rehab projects; dig ups, taps, and manhole installation by date completed. Mr. Stamey highlighted several projects performed by in-house crews. The first was a manhole replacement project at 51 Culvern Street, as a result of a sink hole. While replacing the manhole, crews discovered a sanitary sewer service line that had some issues, which contributed to the sink hole and needed to be replaced, as well as a water service line that had issues, which was reported to the City. The second project was located on US Highway 70 at Franklin Road. TV inspection found the sewer line was broken, fractured and on the verge of collapse. In order to fix the problem and avoid traffic/safety issues, and the added cost of pavement repairs, they used the Infrastructure Repair Process (IRP). He presented slides showing how the process works. Mr. Pelly asked if the new pipe is same diameter. Mr. Stamey said it is slightly smaller. Ms. Wisler asked how long this process will last. Mr. Stamey said twenty years or more. Current projects include Old County Home Road sanitary sewer rehabilitation located in Asheville/Leicester, consisting of 1,100 LF of pipe, and Dilling Avenue located in Black Mountain, consisting of 692 LF. These projects are 40% and 60% complete respectively. Mr. Stamey presented several slides showing clearing and restoration of the Old County Home Road site; proposed sewer alignment and bore pit identification markings; saw cutting; locating equipment; HDPE being pulled into the ground, and site photos of the Dilling Avenue project. Mr. Stamey reported that upcoming in-house rehabilitation projects include Deanwood Circle located in Asheville, South of Biltmore, replacing 1,292 LF of sewer line, and Rathfarham Circle located in Arden, replacing 520 LF of 4" line with 8" pipe. Mr. Hartye stated not only do in-house crews deal with all emergency repairs, but are also a major part of the rehab program; completing 20,000 LF per year. Mr. Root asked why there are always five or six projects from 2009-2010 shown in the P&D Project Status Report that are waiting for final documents. Mr. Hartye stated these projects are part of Planning & Development and are developer extensions, not MSD construction projects. Mr. Clarke stated that during the 2008-2009 time period there were a lot of projects that simply stopped because of missing easements or no final inspection. At the request of Mr. Watts, Mr. Stamey presented a piece of HDPE pipe that was fused together so the Board could get a better idea of what it actually looks like.

Mr. Hartye continued with his report. He presented an article in the Asheville Citizen-Times regarding the project to upgrade the heat recovery and air treatment systems for the incinerator. A pre-construction meeting was held yesterday, and the notice to proceed, should be issued in the next few days.

Mr. Hartye reported that Nan Benning of Balsam Street in Black Mountain called to praise Wayne Rice for his great customer service and great attitude.

Mr. Hartye expressed his appreciation to Lisa Tolley and Kay Farlow for representing MSD and providing educational materials at the Build and Remodel Expo, which had a record attendance. The Home Show will be held at the Civic Center March 20-22nd. MSD will have a booth there as well.

Mr. Hartye reported the ROW Committee Meeting scheduled for March 25th is cancelled. The next meeting will be held April 22nd at 9 am. The next regular Board Meeting will be held on April 15th at 2 pm. The Personnel Committee will meet April 28th at 9 am, and the CIP Committee, will meet April 30th at 8:30 am.

7. Report of Committees:

Right of Way Committee

Mr. Kelly reported the Right of Way Committee met March 4, 2015 to consider Compensation Budgets; Condemnation on the Melody Circle GSR Project, and Condemnation Settlement on the Broadview Avenue GSR Project, all of which are a part of the Consolidated Motion Agenda.

8. Consolidated Motion Agenda:

a. Consideration of Compensation Budgets – Dellwood Avenue GSR; Fair Oaks Road @ Greene Road GSR; New Haw Creek Road @ Trinity Chapel Road, and Sand Hill Road @ Russell/Davenport Road.

Mr. Hartye reported the Dellwood Avenue GSR project is located in Swannanoa and consists of about 815 linear feet of 8”DIP to replace existing 6” VCP. The Fair Oaks Road @ Greene Road GSR project is located in Arden and consists of approximately 2,500 linear feet of 8” DIP to replace 6” and 8” VCP. The New Haw Creek Road @ Trinity Chapel Road GSR project is located off of Tunnel Road in Asheville and consists of approximately 783 linear feet of 8” DIP and a short run of about 55 feet of 24” to replace 8” and 21” VCP. The Sand Hill Road @ Russell/Davenport Road GSR project is located in the West Asheville area and consists of approximately 2,300 linear feet of 8”DIP to replace 8” VCP, PVC, and DIP. The Committee recommended approval of the aforementioned Compensation Budgets.

b. Consideration of Condemnation – Melody Circle GSR Project:

Mr. Hartye reported contact was established with the property owner on 11/5/2014. On 12/1/14, the owner indicated she was engaging Eric Contre as her attorney and he would be communicating with MSD. MSD’s agent received voicemails from Mr. Contre on 12-15 & 12/17. Mr. Clarke, MSD General Counsel, reached out to Mr. Contre on 12/17 to get a better understanding of his client’s concerns. Mr. Contre told Mr. Clarke he would send a letter outlining those concerns. Despite follow-ups by Mr. Clarke, Mr. Contre did not provide a letter or engage in any discussion at that time. The owner discussed her concerns with MSD and stated she is concerned about the impact the project will have on her ability to effectively care for her grandson who is terminally ill. Her major concerns are dust and provisions for 24/7 ingress/egress during construction for emergency medical vehicles and personnel. MSD personnel prepared special provisions requiring the contractor to address all concerns voiced by the owner to date, as well as offer compensation in the amount of \$1,525. MSD planned to discuss all of these items with the owner until it received a letter on 2/13/2015. MSD will continue to attempt to work with owner through her attorney. However, given this letter, a condemnation appears likely. Therefore, Staff recommends authority to obtain appraisal and proceed with condemnation.

c. Consideration of Condemnation Settlement – Broadview Avenue GSR Project:

Mr. Hartye reported the ROW Committee considered condemnation settlement for the Broadview Avenue GSR project which consists of 3 lots. Two of the lots are combined and improved with a single-family residence. However, existing 8-inch

VCP sewer runs diagonally across these lots, and the house was constructed five feet away from the line. The proposed 8-inch DIP rehab alignment parallels the existing sewer on the opposite side from the house. The third lot is vacant. Mr. Hartye further reported MSD could not reach an agreement with the owner and filed a condemnation. MSD's appraisal of damages is \$18,000 due to the effect of the new sewer on the buildable area. The new line bisects the vacant lot, rendering it unbuildable. The owner's appraisal of damages is \$26,550. He also seeks reimbursement for cost of appraisal at \$1,900 plus his attorney's fees of \$3,000 for a total settlement request of \$31,450. District Counsel estimates cost to MSD of approximately \$15,000 to take the case to trial. MSD would then pay the just compensation as determined by the jury, plus 6% interest on those monies since the date of taking, August 6, 2014. If the jury agreed with the owner's value of \$26,550, adding interest plus fees, MSD is exposed to about \$35,200 in costs, or more. The Committee recommends a Settlement offer of up to \$31,450.

d. Consideration of Developer Constructed Sewer Systems: Quail Hollow Phase II Sewer Extension; STF Precision Sewer Extension Project, and Hudson Hills Habitat for Humanity Sewer Extension Project.

Mr. Hartye reported the Quail Hollow-Phase II Sewer Extension project is located inside the District boundary off Weston Road in the City of Asheville. The project included extending approximately 1,225 linear feet of 8-inch public gravity sewer to serve the twelve (12) unit residential development. Staff recommends acceptance of the developer constructed sewer system. All MSD requirements have been met.

The STF Precision Sewer Extension Project is located inside the District boundary off Old Shoals Road in Buncombe County. The project included extending approximately 215 linear feet of 8-inch public gravity sewer to serve the commercial development. Staff recommends acceptance of the developer constructed sewer system. All MSD requirements have been met.

The Hudson Hills Habitat for Humanity Sewer Extension Project is located inside the District boundary off Johnston Boulevard in the City of Asheville. The project included extension of approximately 472 linear feet of 8-inch public gravity sewer to serve the twenty-five (25) unit residential development. Since this project is classified as affordable housing, it qualifies for MSD's Cost Recovery Program. Staff recommends acceptance of the developer constructed sewer system and authorization of payment of \$33,714.00 for Affordable Housing Cost Recovery. All MSD requirements have been met.

e. Consideration of Auditing Services Contract for FY2015:

Mr. Powell reported in 2013, Cherry Bekaert gave the District a three-year commitment to maintain cost, at a cost of \$46,500. FY 2015 is year three of the aforementioned commitment period. Cherry Bekaert continues to provide excellent service with the focus of reducing fees and pass on any additional savings to the District. Staff recommends approval of the FY2015 audit contract.

f. Consideration of Issuance of RFP for Bond Counsel:

Mr. Powell reported the District has used the firm of Sidley Austin LLP of New York, and its predecessor, Brown Wood, for all of its bond issues. Lead counsel for recent issues has been Neil Kaplan. At the end of January, the District was informed Mr. Kaplan has left the firm. Due to Mr. Kaplan's departure from Sidley Austin, staff sees this as an opportunity to seek proposals from qualified firms having a strong market presence in North Carolina. Staff proposes a selection committee be comprised of the General Manager, Finance Director, General Counsel, and a Member of the Finance Committee in the evaluation of the RFP's. The evaluation of

the RFP's will be based on the attorney's relevant experience, a working knowledge of the District, and work performed in North Carolina; specifically issuers of utility revenue bonds. Staff recommends issuance of an RFP for Bond Counsel. Mr. Clarke reported there are a number of bond lawyers in North Carolina that are very competent and talented. All of the Bond Counsel listed, with the exception of Sidney Austin and Hawkins Delafield & Wood LLP, has a presence or at least an office in North Carolina and feels this a good opportunity for MSD to seek proposals from qualified firms.

g. Cash Commitment/Investment Report – Month Ended January 31, 2015:

Mr. Powell reported Page 58 presents the makeup of the District's Investment Portfolio. There has been no change in the makeup of the portfolio from the prior month. Additionally, the makeup of the Investment Portfolio is in accordance to the District's investment polity, as well as State Statute 159.30. Page 59 is the MSD Investment Manager report as of the month of January. The weighted average maturity of the investment portfolio is 260 days. The yield to maturity is .45% and exceeds MSD bench marks of the 6-month T-Bill and NCCMT cash portfolio. Page 60 is the MSD Analysis of Cash Receipts. Monthly and YTD domestic and industrial revenue is considered reasonable based on timing of cash receipts in their respective fiscal periods. YTD Facility and Tap fees are considered reasonable based on timing of three (3) development contributions in the current year in addition to the conservative budgeting approach of these fees. Page 61 is the MSD Analysis of Expenditures. The District's O&M expenditures are considered reasonable based on historical trends and current year budgeted needs. Due to the 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 62 is the MSD Variable Debt Service report. The 2008A Series bonds are performing better than budgeted expectations. As of the end of February, the 2008A bond series has saved District rate payers approximately \$3.8 million dollars in debt service since April of 2008. Mr. Stanley asked about the statement at the bottom of the page that says "MSD would pay \$5,022,000 to terminate the existing Bank of American Swap Agreement." Mr. Powell stated that MSD has \$32 million dollars in variable rate debt, and the interest rate swap fixes the interest rate on the debt at 3.4175%. Because the valuation of that swap is in the negative, (due to the market interest rates) MSD would have to pay in excess of \$5 million dollars to terminate the existing Swap Agreement.

With no discussion, Ms. Frost moved for approval of the Consolidated Motion Agenda. Mr. Watts seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

9. Old Business:

None

10. New Business:

None

11. Adjournment:

With no further business, Mr. VeHaun called for adjournment at 2:48 p.m.

Jackie W. Bryson, Secretary/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 3/18/15

✓	Agenda Item	Presenter	Time	
	Call to Order and Roll Call	VeHaun	2:00	
	01. Inquiry as to Conflict of Interest	VeHaun	2:05	
	02. Approval of Minutes of the February 18, 2015 Board Meeting.	VeHaun	2:10	
	03. Discussion and Adjustment of Agenda	VeHaun	2:15	
	04. Informal Discussion and Public Comment.	VeHaun	2:20	
	05. Report of General Manager	Hartye	2:30	
	06. Report of Committees a. Right of Way Committee – March 4, 2015 – Kelly	VeHaun	2:45	
	07. Consolidated Motion Agenda		3:00	
	a. Consideration of Compensation Budgets: Dellwood Avenue GSR; Fair Oaks Road @ Greene Road GSR; New Haw Creek Road @ Trinity Chapel Road, and Sand Hill Road @ Russell/Davenport Road.	Hartye		
	b. Consideration of Condemnation – Melody Circle GSR.	Hartye		
	c. Consideration of Condemnation Settlement –Broadview Avenue GSR..	Hartye		
	d. Consideration of Developer Constructed Sewer Systems: Quail Hollow Phase II; STF Precision; Hudson Hills Habitat for Humanity.	Hartye		
	e. Consideration of Auditing Services Contract for FY2015.	Powell		
	f. Consideration of Issuance of RFP for Bond Counsel.	Powell		
	g. Cash Commitment/Investment Report – Month Ended January 31, 2015.	Powell		
	08. Old Business:	VeHaun	3:20	
	09. New Business	VeHaun	3:25	
	10. Adjournment (Next Meeting (4/15/15))	VeHaun	3:30	
	STATUS REPORTS			

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
FEBRUARY 18, 2015**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00 p.m., Wednesday, February 18, 2015.

Chairman VeHaun presided with the following members present: Ashley, Belcher, Bryson, Kelly, Manheimer, Pelly, Root, and Watts. Ms. Frost, Mr. Stanley and Ms. Wisler were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Forrest Westall with McGill Associates P.A., and MSD Staff, Ed Bradford, Scott Powell, Peter Weed, Ken Stines, Mike Stamey, Jim Hemphill, Matthew Walter, Hunter Carson, Angel Banks, and Sondra Honeycutt.

2. Inquiry as to Conflict of Interest:

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

Mr. VeHaun welcomed Forrest Westall with McGill Associates P.A. Mr. Westall stated he appreciates the opportunity to serve with MSD. While serving on the regulatory side for years, he worked with MSD; who always had an excellent program, professional staff and were very responsive. He further stated he knows he cannot fill Gary McGill's shoes, but will do his best to support MSD in any way he can.

3. Approval of Minutes of the January 21, 2015 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the January 21, 2015 Board Meeting. With no changes, Mr. Watts moved for approval of the Minutes as presented. Mr. Root 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 called for public comment. There was no public comment.

6. Report of General Manager:

Mr. Hartye welcomed Forrest Westall. He reported Mr. Westall served for 28 years with NCDENR and headed up the regional office in Asheville as their Water Quality Supervisor. Since 2005 Mr. Westall has been with McGill Associates P.A. Currently he is serving as Executive Director of the Upper Neuse River Basin Association and served as a Member of the EMC in Raleigh. He obtained his Bachelor/Masters Degree from NC State University; is a registered Engineer and, a recipient of the Friend of the River award from The Land of the Sky Regional Council, as well as The Order of the Long Leaf Pine award. Mr. Westall resides in Burnsville, NC, and has three (3) children. Mr. Hartye stated that he and Staff have worked with Forrest in the past, and not only is he extremely smart, but fun to work with.

Mr. Hartye reported that the District received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). He expressed his thanks for the great effort put forth by Teresa Gilbert and Scott Powell.

Mr. Hartye presented a copy of a letter from Ann Cary Hevener of Mt. Vernon Circle regarding Wesley Banner and Mike Presley from MSD along with the crew from Terry Brothers Construction. Mr. Harvey Kreider emailed to express his pleasure with the hard work the MSD crew did in handling a tough sewer line backup on his property below his house. He stated the crew showed their expertise and handled the situation in a timely manner. Much thanks to Shane Meadows, Marvin Felder, Carl Ellington, Jamie Fox, and Billy Cantrell. Also, Jimmy Boyd of Glen Falls Road called to let MSD know how much he appreciated the MSD folks helping him and his wife work through issues at his mother-in-laws house after her passing. They are very grateful to McKinley Hensley, Mitch Metcalf, Travis Chandler, Robert Denny, Wayne Rice and Ricky Bates.

Mr. Hartye reported the next ROW Committee Meeting is scheduled for February 25th at 9am. The next regular Board Meeting will be held on March 18th at 2pm.

7. Consolidated Motion Agenda:

a. Consideration of Bids – MSD Incinerator System Emissions Upgrades.

Mr. Hartye reported the original Incinerator was constructed in 1992, and a major rehabilitation project was completed in 2005. He stated this project involves the installation of new equipment to meet future EPA-mandated regulations and involves the upgraded of the existing Venturi scrubber and heat exchanger. The original scope of the project included an activated carbon system, with an estimated construction cost of \$10.3 million. This technology, while proven and most commonly used, has significant costs. MSD has taken a different path and pilot tested a new technology which performed well (>90%) and will save \$5million from using the conventional system. In order to accommodate lead times for equipment manufacturing, MSD pre-approved the Venturi Manufacturer at the November 19, 2014 Board meeting, and then pre-purchased the heat exchanger at the December 17, 2014 Board meeting. The construction/installation contract was advertised in January 2015 and the following bids were received on February 5, 2015: Wharton-Smith, Inc. with a total bid of \$5,482,265.00; H&M Constructors with a total bid of \$5,323,000.00; Haren Construction Co., Inc. with a total bid of \$5,318,000.00, and Industrial Furnace Co., with a total bid of \$3,745,000.00. However, the apparent low bidder, Industrial Furnace Co., is not a licensed General Contractor in NC, therefore their bid was rejected. Haren Construction is the lowest responsive bidder and has completed the previous incinerator rehabilitation project for MSD in 2005 and their work quality was excellent.

Mr. Hartye further reported this type of project is somewhat different in that it has a sub-contractor (a Systems Integrator). There were two firms that were pre-approved prior to the bid being let. Hankin, who worked on the previous project, was the only one giving sub-contracting bids. Industrial Furnace Co. from New York, not only submitted a General Contractor bid, but submitted their qualifications as a Systems Integrator, with 48 years of experience. Thru the bid process, they were approved, based on their qualifications, to become an eligible Systems Integrator. Because MSD Engineers estimated the price to be around \$4.5 million, they negotiated a lower price with the lowest responsive bidder, Haren Construction Co., Inc. Mr. Hartye expressed his thanks to Hunter Carson, Ed Bradford, and John Lapsley, with CDM Smith, who worked very hard during negotiations in reducing the cost by \$700,000.00 to \$4,624,000.00. Mr. Hartye presented the Bid Tab; Letter from Haren, and the Budget sheet. The combined construction cost, including the previously approved heat exchanger, is \$5.3 million. The multi-year construction budget is \$10.3 million for this work. Staff recommends award of the construction/installation contract to Haren Construction Co., Inc. in the amount of \$4,624,000.00.

b. Consideration of Developer Constructed Sewer Systems: Carmel Ridge Apartments Sewer Extension; Goldmont Street Sewer Extension, and Reems Creek Cottages Sewer Extensions.

Mr. Hartye reported the Carmel Ridge Apartments Sewer Extension project is located outside the District boundary off New Leicester Highway in Buncombe County. The project included extending approximately 1,126 linear feet of 8-inch public gravity sewer to serve the eighty (80) unit apartment complex. The Goldmont Street Sewer Extension project is located inside the District boundary off Goldmont Street in the Town of Black Mountain. The project included extending approximately 90 linear feet of 8-inch public gravity sewer to serve the six (6) unit residential development. The Reems Creek Cottages Sewer Extension project is located outside the District boundary off Reems Creek Road in the Town of Weaverville. The project included extending approximately 495 linear feet of 8-inch public gravity sewer to serve the seventeen (17) unit residential development. Mr. Hartye further reported that staff recommends acceptance of the aforementioned developer constructed sewer systems. All MSD requirements have been met.

c. Second Quarter Budget to Actual Review – FY2015:

Mr. Powell reported that page 29 is the District's first quarter Budget to Actual Revenue and Expenditure Report. Domestic and Industrial User Fees are at budgeted expectations. Facility and Tap Fees are above budgeted expectations due to receiving approximately \$774,000 from three developers. Interest and miscellaneous income are slightly below budgeted expectations. Fixed income investment yields are lower than expected due to the continued Federal Reserve policy of keeping short-term rates near zero percent. O&M expenditures are at 49.74% of budget. They include encumbered amounts (\$487,000). These amounts will be spent in future periods. Bond principal and interest expenditures are reflected at 50%. This will aid the user to properly assess debt service commitments on a budgetary perspective. Actual amount spent as of the end of the first quarter is 3.8%. This is due to the timing of the District's debt service payments. Amounts budgeted for capital equipment and projects are rarely expended proportionately throughout the year. Due to the timing of capital projects, this amount is considered reasonable.

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

Mr. Powell reported that page 31 presents the makeup of the District's Investment Portfolio. There has not been a significant change in the makeup of the portfolio from the prior month. Page 32 is the MSD Investment Managers report as of the month of December. The weighted average maturity of the investment portfolio is 220 days. The yield to maturity is .43% and is exceeding MSD bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 35 is the MSD Variable Debt Service report. The 2008 Series Bonds are performing better than budgeted expectations. Mr. Powell noted that during the entire month of January, the bonds reset at 1 basis point. The interest rate for the 2008 Series Bonds was 2.98%. This was the lowest rate in the Bonds existence. As of the end of December, both issues have saved District customers over \$3.7 million in debt service since April, 2008.

With no discussion, Mr. Pelly moved for approval of the Consolidated Motion Agenda. Mr. Watts seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

8. Old Business:

None

9. New Business:

None

10. Adjournment:

With no further business, Mr. VeHaun called for adjournment at 2:21 p.m.

Jackie W. Bryson, Secretary/Treasurer



MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: March 12, 2015
SUBJECT: Report from the General Manager

- Collection System Rehab Program

Ed Bradford and Mike Stamey will give the Board an update on the collection system rehab projects for both in-house and contractor forces. MSD replaces or rehabs approximately 50,000 feet of sewer mains each year.

- Press

Attached is an article in ACT regarding the project to upgrade the heat recovery and air treatment systems for the incinerator.

- Kudos

- Nan Benning of Balsam St. in Black Mountain called to praise Wayne Rice for his great customer service and great attitude.
- Lisa Tolley and Kay Farlow for representing MSD and providing educational materials at the Build and Remodel Expo for the record attendance. The Home Show will be at the Civic Center March 20-22. MSD will have a booth there as well.

- Board/Committee Meetings/Events

The next ROW Committee Meeting is scheduled for March 25th at 9am. The next Regular Board Meeting will be held on April 15th at 2 pm. Home Show



KATIE BAILEY/BKBAILEY@CITIZEN-TIMES.COM

Todd Moore, an operator in the incinerator building at Buncombe County's Metropolitan Sewerage District wastewater treatment plant, checks on the belt presses that remove water from sludge. Plant managers plan to upgrade the system to meet 2016 EPA emissions standards.

Sewer plant incinerator will get \$5.5M upgrade

Move will eliminate most mercury in emissions

BY JOHN BOYLE
JBOYLE@CITIZEN-TIMES.COM

ASHEVILLE—When most people flush, they might not imagine some of what's sent on its way eventually goes up a smokestack.

But ultimately around here, that's often what happens to it, thanks to the towering sludge incinerator at the Metropolitan Sewerage District treatment plant north of Asheville.

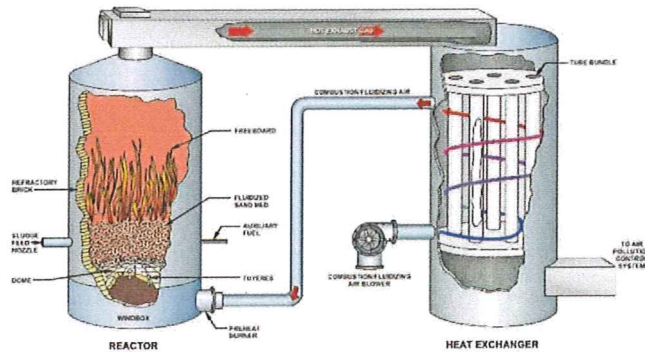
Parts of that incineration system are getting a \$5.5 million upgrade this year that will essentially eliminate mercury from emissions. Ratepayers will fund the work.

The work will also result in the incinerator shutting down for 40 days, during which time the treated waste product will be buried in the Buncombe County Landfill instead of being burned.

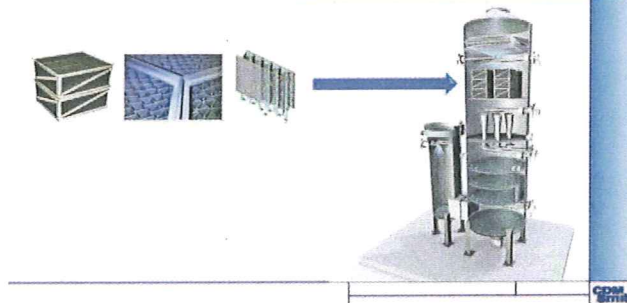
"It's going to be a big project," said MSD General Manager Tom Hartye. "We expect by the end of the year it should be up and running."

Actually, it has to be. As Hartye explained, the work is taking place under a mandate from the U.S. Environmental Protection Agency that tightens emissions standards. The limits, based on what the EPA calls Maximum Achievable Control Technology, has a

See UPGRADE, Page A4



Sorbent Polymer Composite



A rendering illustrates sorbent polymer composite, the new system that will eliminate the mercury.

SPECIAL TO THE CITIZEN-TIMES

Upgrade

Continued from Page A1

compliance deadline of March 21, 2016.

Saving \$5M-plus

Initially, MSD was looking at \$10.3 million worth of work, because the control technology standard suggested the need for a "carbon adsorber" system that would've removed the mercury through carbon usage and a process involving caustic materials. That would've meant buying large, expensive equipment and adding to the existing incinerator building. But a consultant pitched another system, a "multi-Venturi scrubber with sorbent polymer composite." While it sounds incredibly high-tech, it's a fairly simple system consisting of filtration panels made of the polymer composite sitting atop the Venturi scrubber system that removes toxins from emissions.

The polymer composite is made by the Gore company, maker of Goretex fabric that's become commonplace in many winter clothes and shoes.

The life span of the current Venturi scrubber was nearing its end, as was the three-story tall heat exchanger, a component of the incineration system that takes heated combustion air, recovers it and pipes it back into the incinerator to reduce the amount of fuel needed. So, MSD will replace the heat exchanger and Venturi, adding in the sorbent polymer composite filtration system.

The treatment plant pilot-tested a smaller version of the polymer system last year and found it removed more than 90 percent of the mercury, exceeding the new EPA standard for mercury removal. Exposure to mercury can cause neurological problems and other health issues.

"To give perspective, the total mercury involved coming from the sludge for an entire year is less than the size of a standard 3-inch Rubik's cube," Hartye said, noting that "what goes up the stack for the entire year altogether is less than 1/10th the size of a Rubik's cube."

An interesting side note on that mercury — it's not coming from our human waste. Hartye said the EPA is also proposing a "Dental Amalgam Separator" rule to require dentist offices to install and maintain amalgam separators, because a good portion of that Rubik's cube of mercury a year comes from dental offices.

With the new filtration system, the mercury will be disposed of the same way the plant gets rid of waste carbon. The "spent resin modules will go to a lined landfill that accepts hazardous waste," probably about once annually, Hartye said.

Julie Mayfield, co-director of Moun-

taintrue, a local environmental nonprofit, said that amount of mercury may sound inconsequential, but it's actually a fairly large amount because the substance is so harmful.

"If they need to reduce mercury emissions and they're doing that, that's always a good thing for the environment," she said, adding that the key is the proper disposal of the mercury-laden filters.

Surprisingly, the smell outside the incinerator is not all that strong. Inside the building, though, it's a different story.

Set for the near future

The MSD plant, a stone's throw from the French Broad River, serves 50,000 customers in Buncombe County and northern Henderson County, with 1,000 miles of pipeline. All sewage coming into the plant is funneled into one line, and the cleaned product is discharged into the river through a discharge pipe.

While the incinerator handles the de-watered final product, the backbone of the plant is its 150 rotating biological contactors, or RBCs. These are housed inside the white plastic half-cylinder domes that are visible from Riverside Drive.

With hundreds of nooks and crannies on the plastic cylinders inside, each has nearly three acres of surface area, mostly covered with organic waste-eating microorganisms. Those organisms consume the harmful bacteria and waste, then slough off, ultimately becoming sludge.

The plant mimics the action of about 30 miles of a river bottom and its slick, bacteria-eating river rocks.

"This is not state of the art technology when you look at what else is out there," said Roger Edwards, the plant operations manager. "But the RBCs are still an excellent way of treating sewage."

Three years ago, the plant installed an "aqua disc filter" system near the end of the process, a \$10 million investment that reduced particulates in the final discharge by about 60 percent. Plant officials say the quality of the water leaving the plant is actually better than the river's quality, in terms of oxygen levels, bacteria counts and particulates.

Through the course of an average day, the facility processes about 20 million gallons of sewage, roughly half of its capacity. Several local textile plants and the Gerber apple products factory were high water users and dischargers, but they closed, leaving excess capacity.

A facilities study done recently projects the plant should be able to serve the community for 20 years or more. Hartye said residential development has made up some of the slack, but the plant, which opened in 1968, still has plenty of capacity for the foreseeable future.

A 'very efficient machine'

Jerry VeHaun, chairman of the MSD

MSD by the numbers

- » 50,000 — Number of customers in Buncombe and northern Henderson counties.
- » 1,000 — miles of pipeline
- » 20 million gallons — Amount of sewage treated daily. Usage is actually down from 24 million gallons a day in the late 1990s, when several large textile plants and other industrial users closed.
- » 40 million gallons — Plant's capacity.
- » 5,608 tons — Amount of dry biosolids, or sludge, burned in the 2014 fiscal year.
- » 121 tons — Amount of dry sludge trucked to the landfill.
- » 24,030 pounds — Amount of a clay-like polymer that is combined with sludge and incinerated.

board, said Hartye and his plant operators run "a very efficient machine down there," and one that most users in the area take for granted.

"Several things down there over the years they've done have saved a lot of money for the taxpayers, and that's what they're doing now," VeHaun said. "At first, we thought it was going to be something we had to change out completely, but they found some ways to modify it without having to go in there and completely redo the whole system."

In the 2014 fiscal year, the MSD plant burned 5,608 tons of dry biosolids, or sludge. The plant also incinerated 24,030

pounds of a polymer that is combined with the sludge to thicken it before burning. Each day the process creates about 1.5 tons of inert dry ash, which is mostly a sandy, clay-type material, which is spread out on site. The facility trucked out 121 tons of dry sludge to the landfill in the 2014 fiscal year.

The MSD plant has to shut the incinerator down for a few days every year for maintenance, so some sludge already goes to the landfill. The sludge is far from raw sewage — it's really the "biosolids" left from an extensive process in which helpful bacteria in the treatment process consume the harmful bacteria in waste.

The bacteria become more and more dense, then slough off and are settled out from the water. That's what becomes the sludge.

In a part of the incinerator building that's more pungent than can be described, most of the water is separated from the sludge via gravity and a belt press system. The remaining brown "cake" or "brownie," as the workers call it, goes into the incinerator.

The extra material that will go to the landfill this year should not pose a problem, according to interim solid waste manager Stephen Hunter.

"It's business as usual for us," Hunter said. "They bring it up in trucks, we get them off to the side, dig a hole in the existing trash, then we'll bury it and cover it up."

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**RIGHT OF WAY
COMMITTEE RECOMMENDATIONS
AND MINUTES
March 4, 2015**

I. Call To Order

The regular monthly meeting of the Right of Way Committee was held in the Boardroom of the William H. Mull Building and called to order at 9:00 a.m. on Wednesday, March 4, 2015. The following Right of Way Committee members were present: Glenn Kelly, Matt Ashley Jr., Jackie Bryson, Ellen Frost, Esther Manheimer, Chris Pelly and Robert Watts.

Others present were: Jerry VeHaun, Chairman of the Board; Tom Hartye, Ed Bradford, Angel Banks, Darin Prosser, Hunter Carson, Wesley Banner and Pam Nolan, M.S.D.

II. Inquiry as to Conflict of Interest

Mr. Kelly inquired if anyone had a conflict of interest with Agenda items. There were none.

III. Consideration of Compensation Budgets –

Dellwood Avenue GSR, Project No. 2009131
Fair Oaks Road @ Greene Road GSR, Project No. 2009133
New Haw Creek Road @ Trinity Chapel Road, Project No. 2012081
Sand Hill Road @ Russell/Davenport Road, Project No. 2011093

The attached Compensation Budgets are based on current ad valorem tax values and follow the MSD approved formula.

STAFF RECOMMENDATION: Approval of Compensation Budgets.

Ms. Banks reviewed the projects. The Dellwood Avenue GSR project is located in Swannanoa and consists of about 815 linear feet of 8" DIP to replace existing 6" VCP. The Fair Oaks Road @ Greene Road GSR project is located Arden and consists of approximately 2500 linear feet of 8" DIP to replace 6" and 8" VCP. The New Haw Creek Road @ Trinity Chapel Road GSR project is located off of Tunnel Road in Asheville and consists of approximately 783 linear feet of 8" DIP and a short run of about 55 feet of 24" to replace 8" and 21" VCP. The Sand Hill Road @ Russell/Davenport Road GSR project is located in the West Asheville area and consists of approximately 2300 linear feet of 8" DIP to replace 8" VCP, PVC and DIP. There was no discussion. Mr. Pelly made the motion to accept Staff's recommendation. Mr. Watts seconded the motion. Voice vote was unanimous.

COMMITTEE RECOMMENDATION: Approval of Compensation Budgets.

**IV. Consideration of Condemnation – Melody Circle GSR Project No. 2010093
Virginia W. Robinson, Pin 9689-20-1586**

Contact was established with owner 11/5/14. On 12/1/14 owner indicated she was engaging Eric Contre as her attorney and he would be communicating with MSD. Our agent received voicemails from Mr. Contre on 12/16 & 12/17. Billy Clarke then reached out to Mr. Contre on 12/17 to understand his client's concerns. Mr. Contre told Mr. Clarke he would send a letter outlining those concerns. Despite follow ups by Mr. Clarke, Mr. Contre did not provide a letter or engage in any discussion at that time.

Owner has discussed her concerns with us. She has serious health issues and cares for a terminally ill grandchild in the home. Her major concerns are dust and provision for 24/7 ingress/egress during construction for emergency medical vehicles and personnel. Owner also wants MSD to remove a 14-inch pine, to clear debris from an existing drainage swale, to provide erosion control and to move an abandoned automobile. Finally, she wanted additional compensation above the standard formula offered, \$1,235.

MSD prepared special provisions requiring the contractor to provide access at all times during construction/restoration activities, to keep a water truck on site during trenching/restoration and keep all surface areas damp to contain dust, to clear the drainage swale, to install silt fence, to remove the pine tree and to relocate the abandoned car. These provisions address all concerns voiced by the owner to date. We were also prepared to offer compensation of \$1,525. We had planned to discuss all of these items with owner until we received the attached letter on February 13, 2015. We will continue attempts to work with owner through her attorney. However, given this letter, a condemnation appears likely.

Total Contacts: 9

STAFF RECOMMENDATION: Authority to obtain appraisal and proceed with condemnation.

Ms. Banks explained the above situation. Mr. Pelly asked if there had been direct discussions with the owner's attorney. Ms. Banks stated that he and Billy Clarke have communicated via e-mail and phone messages but no in person meetings to date. There was no further discussion. Mr. Kelly made the motion to accept Staff's recommendation. Mrs. Bryson seconded the motion. Voice vote was unanimous.

COMMITTEE RECOMMENDATION: Authority to obtain appraisal and proceed with condemnation.

POST MEETING NOTE-Cynthia Aiken, Pin 9689-20-6508 was originally included under this item for consideration of condemnation. This Owner signed and was therefore removed from agenda.

**V. Consideration of Condemnation Settlement,
Broadview Avenue GSR, Project # 2009127
George F. Jaynes and Jean L. Jaynes**

Mr. Watts made the motion to go into closed session to discuss the following settlement. Mr. Kelly seconded the motion. All were in favor. Committee went into closed session at 9:06 am.

PIN Number 9657-67-5093 – Property consists of 3 lots. Two are combined and improved with a single-family residence. Existing 8-inch VCP sewer runs diagonally across these lots and the circa 1962 house was constructed five feet away from line. The proposed 8-inch DIP rehab alignment parallels the existing sewer on opposite side from the house. The third lot is vacant.

MSD could not reach agreement with owner and filed a condemnation. MSD's appraisal of damages is \$18,000 due to the effect of the new sewer on buildable area. The new line bisects the vacant lot, rendering it unbuildable.

Owner's appraisal of damages is \$26,550. He also seeks reimbursement for cost of appraisal at \$1,900 plus his attorney's fees of \$3,000 (which are recoverable costs should he win in court). Owner total settlement request is \$31,450.

District Counsel estimates cost to MSD of approximately \$15,000 to take case to trial (appraisal, mediation, preparation for trial, two days in trial, expert witness fees). MSD would then pay the just compensation as determined by a jury, plus 6% interest on those monies since the date of Taking, August 6, 2014. If the jury agreed with the owner's value of \$26,550, adding interest plus fees above, MSD is exposed to about \$35,200 in costs, or more, if the jury awards more.

STAFF RECOMMENDATION: Settlement offer of up to \$31,450.

Committee returned to open session at 9:14 am. Mr. Watts made the motion to accept Staff's recommendation. Mrs. Frost seconded the motion. Voice vote was unanimous.

COMMITTEE RECOMMENDATION: Settlement offer of up to \$31,450.

V. Other business:

The 2015 meeting schedule was passed out.

There being no further business the meeting adjourned at 9:15 am.

Metropolitan Sewerage District of Buncombe County

Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 3/4/2015

BOARD MEETING DATE: 3/18/2015

SUBMITTED BY: Tom Hartye, PE, General Manager
 PREPARED BY: Angel Banks, Right of Way Manager
 REVIEWED BY: Ed Bradford, PE, Director of CIP

SUBJECT: Consideration of Compensation Budgets –

Dellwood Avenue GSR, Project No. 2009131
 Fair Oaks Road @ Greene Road GSR, Project No. 2009133
 New Haw Creek Road @ Trinity Chapel Road, Project No. 2012081
 Sand Hill Road @ Russell/Davenport Road, Project No. 2011093

The attached Compensation Budgets are based on current ad valorem tax values and follow the MSD approved formula.

STAFF RECOMMENDATION: Approval of Compensation Budgets.

Ms. Banks reviewed the projects. The Dellwood Avenue GSR project is located in Swannanoa and consists of about 815 linear feet of 8” DIP to replace existing 6” VCP. The Fair Oaks Road @ Greene Road GSR project is located Arden and consists of approximately 2500 linear feet of 8” DIP to replace 6” and 8” VCP. The New Haw Creek Road @ Trinity Chapel Road GSR project is located off of Tunnel Road in Asheville and consists of approximately 783 linear feet of 8” DIP and a short run of about 55 feet of 24” to replace 8” and 21” VCP. The Sand Hill Road @ Russell/Davenport Road GSR project is located in the West Asheville area and consists of approximately 2300 linear feet of 8” DIP to replace 8” VCP, PVC and DIP. There was no discussion. Mr. Pelly made the motion to accept Staff’s recommendation. Mr. Watts seconded the motion. Voice vote was unanimous.

COMMITTEE RECOMMENDATION: Approval of Compensation Budgets.

COMMITTEE ACTION TAKEN	
Motion by: Chris Pelly	To: XX Approve <input type="checkbox"/> Disapprove
Second by: Robert Watts	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff
	<input type="checkbox"/> Other
BOARD ACTION TAKEN	
Motion by:	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff

Dellwood Avenue GSR

Project Number: 2009131

Compensation Budget

19-Feb-15

Pin Number and Name								PE Assd.	50% PE			10% Annl	Proj	TCE Rent	Total Comp.	
27 Pin	83 Pin		Acres	Parcel SF	Land Value	LV/SF	PE	Value	Assd. Value	TCE SF	TCE Assd.	Return	Time	Value	(Rounded)	
	9699353018	Ferguson	Michael	0.29	12,632.40	\$30,800.00	\$2.44	4,719.33	\$11,515.17	\$5,757.58	3,965.59	\$9,676.04	\$967.60	3	\$241.90	\$5,999
	9699341993	Sheppard	Clyde	0.30	13,068.00	\$30,900.00	\$2.36	3,200.08	\$7,552.19	\$3,776.09	2,858.14	\$6,745.21	\$674.52	3	\$168.63	\$3,945
TOTALS:															\$9,944	
Staff Contingency:															\$5,000	
GM's Contingency															\$5,000	
Amendment																
Total Budget:															\$19,944	

Fair Oaks Road @ Greene Road

Project Number: 2009133

Compensation Budget

19-Feb-15

Pin Number and Name		Acres	Parcel SF	Land Value	LV/SF	PE Assd.		50% PE		TCE SF	TCE Assd.	10% Annl Return	Proj Time	TCE Rent Value	Total Comp. (Rounded)	
27 Pin	83 Pin					PE	Value	Assd. Value	Assd. Value							
	9653771659	Benson	Dawn	0.23	10,018.80	\$32,200.00	\$3.21	1,687.17	\$5,415.82	\$2,707.91	2,345.73	\$7,529.79	\$752.98	4	\$250.99	\$2,959
	9653772602	Collington	Jacqueline	0.26	11,325.60	\$32,800.00	\$2.90	271.42	\$787.12	\$393.56	1,454.33	\$4,217.56	\$421.76	4	\$140.59	\$534
	9653683541	Guzman	Miguel Angel B	3.60	156,816.00	\$79,000.00	\$0.50	0.00	\$0.00	\$0.00	7,185.62	\$3,592.81	\$359.28	4	\$119.76	\$120
	9653684182	Kerrigan	Patrick	1.22	53,143.20	\$42,600.00	\$0.80	2,654.41	\$2,123.53	\$1,061.76	3,980.10	\$3,184.08	\$318.41	4	\$106.14	\$1,168
	9653685042	King, Jr.	Robert	0.91	39,639.60	\$40,900.00	\$1.03	1,913.30	\$1,970.70	\$985.35	2,869.95	\$2,956.05	\$295.60	4	\$98.53	\$1,084
	9653687000	Morgan	Tamara	0.40	17,424.00	\$36,500.00	\$2.09	1,984.83	\$4,148.29	\$2,074.15	2,977.25	\$6,222.45	\$622.25	4	\$207.42	\$2,282
	9653678730	Steinbach	Marilyn	1.49	64,904.40	\$53,800.00	\$0.83	0.00	\$0.00	\$0.00	5,655.87	\$4,694.37	\$469.44	4	\$156.48	\$156
	9653684223	Tate	William	1.31	57,063.60	\$43,000.00	\$0.75	2,627.16	\$1,970.37	\$985.19	3,940.75	\$2,955.56	\$295.56	4	\$98.52	\$1,084
	9653677708	Warne	Daniel	0.80	34,848.00	\$40,200.00	\$1.15	0.00	\$0.00	\$0.00	2,142.41	\$2,463.77	\$246.38	4	\$82.13	\$82
	9653676856	Wright LE	Mary	1.00	43,560.00	\$41,400.00	\$0.95	1,513.81	\$1,438.12	\$719.06	3,156.60	\$2,998.77	\$299.88	4	\$99.96	\$819

TOTALS:	\$10,287
Staff Contingency:	\$5,000
GM's Contingency	\$5,000
Amendment	
Total Budget:	\$20,287

New Haw Creek Rd. @ Trinity Chapel Rd.

Project Number: 2012081

Compensation Budget

19-Feb-15

Pin Number and Name		Acres	Parcel SF	Land Value	LV/SF	PE	PE Assd. Value	50% PE Assd. Value	TCE SF	TCE Assd.	10% Annl Return	Proj Time	TCE Rent Value	Total Comp. (Rounded)		
27 Pin	83 Pin															
	9658785953	Oxford	Diane	0.89	38,768.40	\$48,500.00	\$1.25	11.10	\$13.88	\$6.94	841.40	\$1,051.75	\$105.18	3	\$26.29	\$33
	9658785600	Robinson	Dennis	0.98	42,688.80	\$44,300.00	\$1.04	1,557.00	\$1,619.28	\$809.64	8,838.50	\$9,192.04	\$919.20	3	\$229.80	\$1,039
													TOTALS:	\$1,073		
													Staff Contingency:	\$5,000		
													GM's Contingency	\$5,000		
													Amendment			
													Total Budget:	\$11,073		

Sand Hill @ Russell/Davenport GSR

Project Number: 2011093

Compensation Budget

19-Feb-15

Pin Number and Name		Acres	Parcel SF	Land Value	LV/SF	PE Assd.		50% PE		TCE SF	TCE Assd.	10% Annl Return	Proj Time	TCE Rent Value	Total Comp. (Rounded)	
27 Pin	83 Pin					PE	Value	Assd. Value	Value							
	9628924850	Banks	Jimmy	0.63	27,442.80	\$46,300.00	\$1.69	1,735.50	\$2,933.00	\$1,466.50	5,428.60	\$9,174.33	\$917.43	4	\$305.81	\$1,772
	9628924929	Banks	Jimmy	0.82	35,719.20	\$48,000.00	\$1.34	4,688.80	\$6,282.99	\$3,141.50	6,153.30	\$8,245.42	\$824.54	4	\$274.85	\$3,416
	9638031823	Branton	Timothy	0.46	20,037.60	\$48,700.00	\$2.43	4.80	\$11.66	\$5.83	349.20	\$848.56	\$84.86	4	\$28.29	\$34
	9628939884	Bridges	Ollie	0.16	6,969.60	\$38,300.00	\$5.50	1,340.30	\$7,371.65	\$3,685.83	1,990.80	\$10,949.40	\$1,094.94	4	\$364.98	\$4,051
	9628939746	Bridges	Ollie	0.37	16,117.20	\$43,000.00	\$2.67	309.50	\$826.37	\$413.18	1,532.10	\$4,090.71	\$409.07	4	\$136.36	\$550
	9628938534	DeBord Enterprises LLC		0.13	5,662.80	\$37,200.00	\$6.57	111.40	\$731.90	\$365.95	1,501.30	\$9,863.54	\$986.35	4	\$328.78	\$695
	9628935164	DeBord Enterprises LLC		0.16	6,969.60	\$38,300.00	\$5.50	970.60	\$5,338.30	\$2,669.15	1,509.20	\$8,300.60	\$830.06	4	\$276.69	\$2,946
	9628936232	DeBord Enterprises LLC		0.18	7,840.80	\$38,900.00	\$4.96	138.60	\$687.46	\$343.73	1,501.40	\$7,446.94	\$744.69	4	\$248.23	\$592
	9628935198	DeBord Enterprises LLC		0.16	6,969.60	\$38,300.00	\$5.50	596.40	\$3,280.20	\$1,640.10	1,501.40	\$8,257.70	\$825.77	4	\$275.26	\$1,915
	9628936276	Dry Ridge Investments LL		0.20	8,712.00	\$39,500.00	\$4.53	341.50	\$1,547.00	\$773.50	1,574.00	\$7,130.22	\$713.02	4	\$237.67	\$1,011
	9638030924	Elliott Life Estate	Eva	0.22	9,583.20	\$40,000.00	\$4.17	1,062.10	\$4,428.96	\$2,214.48	2,218.50	\$9,251.15	\$925.11	4	\$308.37	\$2,523
	9628925952	Fisher Trust	Brett	0.23	10,018.80	\$40,300.00	\$4.02	137.50	\$552.75	\$276.38	2,143.20	\$8,615.66	\$861.57	4	\$287.19	\$564
	9628926546	Green Development LLC		1.27	55,321.20	\$69,300.00	\$1.25	77.30	\$96.63	\$48.31	8,020.30	\$10,025.38	\$1,002.54	4	\$334.18	\$382
	9638030772	McSwain	Joel	0.19	8,276.40	\$43,100.00	\$5.21	1,150.20	\$5,992.54	\$2,996.27	1,382.70	\$7,203.87	\$720.39	4	\$240.13	\$3,236
	9628935130	Osteen	Thomas	0.22	9,583.20	\$40,000.00	\$4.17	1,334.30	\$5,564.03	\$2,782.02	1,945.10	\$8,111.07	\$811.11	4	\$270.37	\$3,052
	9628938568	Procomp Inc.		0.17	7,405.20	\$38,600.00	\$5.21	0.00	\$0.00	\$0.00	1,855.00	\$9,664.55	\$966.46	4	\$322.15	\$322
	9628938684	Procomp Inc.		0.17	7,405.20	\$38,600.00	\$5.21	6.80	\$35.43	\$17.71	1,666.30	\$8,681.42	\$868.14	4	\$289.38	\$307
	9628939619	Ray	Nathan	0.18	7,840.80	\$38,900.00	\$4.96	584.80	\$2,900.61	\$1,450.30	1,418.80	\$7,037.25	\$703.72	4	\$234.57	\$1,685
	9628937450	Sand Hill Missionary Bapti		0.69	30,056.40	\$46,900.00	\$1.56	3,451.40	\$5,384.18	\$2,692.09	5,868.50	\$9,154.86	\$915.49	4	\$305.16	\$2,997
	9638030808	Sorlien	Nicholas	0.18	7,840.80	\$38,900.00	\$4.96	1,230.70	\$6,104.27	\$3,052.14	2,085.50	\$10,344.08	\$1,034.41	4	\$344.80	\$3,397
	9628925769	Weller	Brian	0.21	9,147.60	\$39,800.00	\$4.35	50.10	\$217.94	\$108.97	761.80	\$3,313.83	\$331.38	4	\$110.46	\$219
	9638030309	Westwood Cohousing Hom		3.54	154,202.40	\$159,300.00	\$1.03	648.20	\$667.65	\$333.82	7,485.70	\$7,710.27	\$771.03	4	\$257.01	\$591
	9638040094	Williams	Mark	0.75	32,670.00	\$52,100.00	\$1.59	268.90	\$427.55	\$213.78	5,308.90	\$8,441.15	\$844.12	4	\$281.37	\$495

Sand Hill @ Russell/Davenport GSR

Project Number: 2011093

Compensation Budget

19-Feb-15

Pin Number and Name	Acres	Parcel SF	Land Value	LV/SF	PE	PE Assd. Value	50% PE Assd. Value	TCE SF	TCE Assd.	10% Annl Return	Proj Time	TCE Rent Value	Total Comp. (Rounded)
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27 Pin 83 Pin

TOTALS:	\$36,754
Staff Contingency:	\$15,000
GM's Contingency	\$15,000
Amendment	
Total Budget:	\$66,754

Metropolitan Sewerage District of Buncombe County

Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 3/4/2015

BOARD MEETING DATE: 3/18/2015

SUBMITTED BY: Tom Hartye, PE, General Manager
PREPARED BY: Angel Banks, Right of Way Manager
REVIEWED BY: Ed Bradford, PE, Director of CIP

**SUBJECT: Consideration of Condemnation – Melody Circle GSR Project No. 2010093
Virginia W. Robinson, Pin 9689-20-1586**

Contact was established with owner 11/5/14. On 12/1/14 owner indicated she was engaging Eric Contre as her attorney and he would be communicating with MSD. Our agent received voicemails from Mr. Contre on 12/16 & 12/17. Billy Clarke then reached out to Mr. Contre on 12/17 to understand his client's concerns. Mr. Contre told Mr. Clarke he would send a letter outlining those concerns. Despite follow ups by Mr. Clarke, Mr. Contre did not provide a letter or engage in any discussion at that time.

Owner has discussed her concerns with us. She has serious health issues and cares for a terminally ill grandchild in the home. Her major concerns are dust and provision for 24/7 ingress/egress during construction for emergency medical vehicles and personnel. Owner also wants MSD to remove a 14-inch pine, to clear debris from an existing drainage swale, to provide erosion control and to move an abandoned automobile. Finally, she wanted additional compensation above the standard formula offered, \$1,235.

MSD prepared special provisions requiring the contractor to provide access at all times during construction/restoration activities, to keep a water truck on site during trenching/restoration and keep all surface areas damp to contain dust, to clear the drainage swale, to install silt fence, to remove the pine tree and to relocate the abandoned car. These provisions address all concerns voiced by the owner to date. We were also prepared to offer compensation of \$1,525. We had planned to discuss all of these items with owner until we received the attached letter on February 13, 2015. We will continue attempts to work with owner through her attorney. However, given this letter, a condemnation appears likely.

Total Contacts: 9

STAFF RECOMMENDATION: Authority to obtain appraisal and proceed with condemnation.

Ms. Banks explained the above situation. Mr. Pelly asked if there had been direct discussions with the owner's attorney. Ms. Banks stated that he and Billy Clarke have communicated via e-mail and phone messages but no in person meetings to date. There was no further discussion. Mr. Kelly made the motion to accept Staff's recommendation. Mrs. Bryson seconded the motion. Voice vote was unanimous.

COMMITTEE RECOMMENDATION: Authority to obtain appraisal and proceed with condemnation.

COMMITTEE ACTION TAKEN	
Motion by: Glenn Kelly	To: <input checked="" type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by: Jackie Bryson	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff
	<input type="checkbox"/> Other
BOARD ACTION TAKEN	
Motion by:	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove
Second by:	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff

February 13, 2015

William Clarke, Esq.
Roberts & Stevens, P.A.
BB&T Building, Suite 1100
PO Box 7647
Asheville, NC 28802

Re: 321 Melody Circle, Swannanoa, NC 28778

Dear Billy:

As discussed, I represent Virginia Robinson concerning the permanent and temporary construction easements (Project No. 2010093, referred to hereafter as the "Project") proposed by the Metropolitan Sewerage District of Buncombe County ("MSD") to run over Ms. Robinson's property at 321 Melody Circle, Swannanoa, NC, 28778 (Parcel ID No. 968920158600000, referred to hereafter as the "Property"). In exchange for one thousand two hundred and thirty-five dollars (\$1,235), the MSD proposes to (1) broaden the scope and double the size and of an existing ten-foot permanent sanitary sewer easement over the Property and (2) receive a thirty-foot temporary construction easement until the MSD completes the Project (the "Offer," attached hereto as Exhibit 1), which is estimated to last for six months. For the reasons set forth below, Mrs. Robinson rejects the Offer.

I. The Proposed Permanent Easement

Section 40A-64 of the General Statutes of North Carolina provides that "the measure of compensation for a taking of property is its fair market value." N.C. Gen. Stat. § 40A-64 (2014). If, however, only a part of a tract is taken, the measure of damages for the taking shall be the difference between the fair market value of the entire tract immediately prior to the taking and the fair market value of the remainder immediately thereafter. *Id.*; see also *Nantahala Power & Light Co. v. Carringer*, 220 N.C. 57, 58 (1941) ("Recovery may be had for the depreciated market value of the land actually embraced within the right of way, together with damages, if any, to the remainder of the land used by the owner as one tract."). As described more fully below, the Offer is insufficient pursuant to both valuation methodologies.

A. Mrs. Robinson is Entitled to Receive Compensation for the Entire Tract.

The proposed permanent easement constitutes a taking of the entire tract. In *City of Huntsville v. Rowe*, 889 So. 2d 553 (Ala. 2004), the Alabama Supreme Court affirmed the trial court's conclusion that a taking of the owners' property for an underground pipeline easement must be compensated "as if the entire fee-simple title to the property on which the easement lies had been taken." *Id.* at 555. There, the city had proposed a sanitary sewer easement, 40-feet wide and comprising 3.624 acres, over the owners' land for the purpose of:

constructing, maintaining, repairing, altering, replacing or removing a sewer line or lines, manholes and all appurtenances thereto under, upon, over, through, above and across the lands hereinafter described; . . . [together with the] rights and benefits necessary or convenient for the full enjoyment or use of the easement sought to be acquired, including but not limited to the full and free right of ingress and egress over and across the hereinafter described lands

Id. at 554.

The only visible evidence of the pipeline was the presence of raised manholes scattered over the property, but the owners were prohibited from placing structures or other obstructions that would have interfered with the city's maintenance of the pipeline. Although, at the time of the taking, the city used the easement to operate an underground sewer, "the sweeping reservation of rights would [have] allow[ed] it, if it so chose, to increase the extent of its use of the easement, both above and below the ground, to a degree that would [have] preclude[d] the owners from using the property *in any way.*" *Id.* at 559 (emphasis added). The court explained that the "residual rights" left to the landowners under the easement would be "cold comfort" if the City later chose to exercise its rights under the easement. *Id.*; see also *Intermount Distrib., Inc. v. Public Serv. Co. of N.C.*, 150 N.C. App. 539, 542, (2002) (citation omitted) ("In North Carolina, it is an established principle that the possessor of an easement has all rights that are necessary to the reasonable and proper enjoyment of that easement."); *Davidson v. Stough*, 258 N.C. 23, 25 (1962) (explaining that easement granting access "over, across, through or under" the owners' land means that the town may lay pipes "above or below the surface to the full width of the 25 feet").

Here, as in *Rowe*, the broad scope of the MSD's proposed permanent easement constitutes the equivalent of the taking of fee-simple title to the entire .04 acre easement area. More specifically, the proposed permanent easement agreement grants the MSD access:

over, upon, across, under and through [the Property] . . . for the purposes of constructing, operating, maintaining, repairing, inspecting and reconstructing sanitary sewer lines, together with such pipes, manholes, fittings, fixtures and other accessories as from time to time may be required, . . . together with the full right of reasonable access to and egress from said permanent easement over and upon [the Property.]

In fact, the MSD seeks to expand not only the *size* of the original ten-foot easement, but also its *scope*, as the original sanitary sewer easement identified on the Plat Book expressly grants only subsurface rights for a “sanitary sewer.” (*Compare* Plat Book 43, Page 37 and related conveyance documents, attached hereto as Exhibit 2, with Diagram of Proposed Permanent and Temporary Construction Easements, attached hereto as Exhibit 3.) At minimum, therefore, Mrs. Robinson is entitled to receive compensation for the entire .04 acres comprising both the existing and proposed permanent easement, not only 50% of the value of the .02 acres comprising the expanded easement area identified in the Offer. *See generally Kobrine v. Metzger*, 846 A.2d 403, 412-13 (Md. 2004) (explaining that the nature of the interest intended to be conveyed on a plat map is “entirely unclear” where it fails to identify “*what* use . . . the dominant lot owners may make of the servient lot”).

B. Mrs. Robinson is Entitled to Receive Compensation for the Difference Between the Fair Market Value of the Entire Tract Prior to the Taking and the Remainder Immediately Thereafter.

The Offer is insufficient even if the proposed permanent easement does not constitute a taking of the entire tract. For a partial taking, the measure of damages is the difference between the fair market value of the entire tract immediately prior to said taking and the fair market value of the remainder immediately after said taking. N.C. Gen. Stat. § 40A-64 (2014); *see also City of Charlotte v. Long*, 175 N.C. App. 750, 754 (2006) (explaining that the difference in fair market value to the property before and after the easement also includes any potential damage caused to the remainder of the owners’ property due to the use of the easements).

In this case, the proposed permanent easement cannot be valued by simply assessing the square footage of the tract—as the Offer contemplates—because this methodology fails to consider the post-easement impact to the fair market value of the Property. For example, in addition to restrictions on use directly over the permanent easement, the net buildable area in front of Mrs. Robinson’s home is significantly curtailed. *See, e.g., Bd. of County Comm’rs v. Seminole Ave. Realty*, 900 N.E.2d 672, 676 (Ohio Ct. App. 2008) (affirming trial court’s allowance of expert testimony concerning “actual lost buildable area at the site after the portion of land for the easement was appropriated”); *Flint v. DOT*, 479 S.E.2d 160, 161 (Ga. Ct. App. 1996) (finding proper trial court’s allowance of expert testimony concerning a “gross infringement on the buildable area of this property, particularly in the Easement area”).

II. The Proposed Temporary Construction Easement

The Offer does not sufficiently reflect the value of the proposed temporary construction easement over the Property. A “temporary” taking differs from a permanent taking only in that its duration is finite, but likewise requires “just compensation” for the use of the land during the period of the taking. *City of Charlotte v. Combs*, 216 N.C. App. 258, 262, (2011) (citing *First English Evangelical Lutheran Church of Glendale v. Los Angeles County*, 482 U.S. 304, 318-19 (1987)). For a temporary construction easement, landowners are entitled to receive “fair rental value of the easement area for the time used by” the City, and the City is liable for “additional elements of damages flowing from the use of the temporary construction easement[.],” which may include:

- (1) the [c]ost of removal of [the] landowner’s improvements from the construction easement that are paid by landowner; (2) the [c]ost of constructing [an] alternate entrance to [the] property; (3) the [c]hanges made in [the] area resulting from [the] use of [the] easement that affect [the] value of [the] area in [the] easement or [the] value of the remaining property of [the] landowner; (4) the [r]emoval of trees, crops, [or] improvements from [the] area in [the] easement by [the] condemnor; and (5) the [l]ength of time [the] easement [was] used by [the] condemnor.

Combs, 216 N.C. App. at 262 (internal quotation marks and citations omitted).

In this case, the proposed temporary construction easement contemplates:

excavation, digging ditches, storing dirt, supplies and materials, moving and using equipment and generally carrying out the installation of said sewer lines and accessories . . . together with the full right of reasonable access to and egress from said temporary construction easements over and upon the above-referenced property or other Property of Grantor[.]

The proposed temporary construction easement adversely impacts at least two—and possibly more—old-growth trees on the Property, which are not contemplated by the Offer. *See Brown v. Elec. Co.*, 138 N.C. 533, 542 (1905) (affirming trial court decision providing for recovery to owners for loss of tree on their property because “[i]t was not within the power of the city to deprive the plaintiff of his property for such [public] purpose without compensation”); *see also Hickey v. Town of Burrillville*, 713 A.2d 781, 786 (R.I. 1998) (concluding that the owners’ “loss of their rights in the trees located within the area of the permanent easement should be considered in valuing the damages resulting from the town’s condemnation action”); *Chevron Oil Company v. Snellgrove*, 175 So. 2d 471, 475 (Miss. 1965) (explaining that where there are merchantable trees lost as well as other damages, the measure of damages may be the value of the merchantable trees and the diminution of value of the land other than that attributable to the loss of the merchantable trees). Moreover, due to

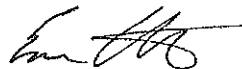
William Clarke
February 13, 2015
Page 5

the moisture-rich, steep slope on which the proposed easement will run, additional large trees within or just outside of the easement area may be compromised and present a danger to the Property and its occupants after the Project is completed. In addition to these trees, a metal shed and an inoperable automobile stand squarely within the proposed temporary construction easement and the cost of their removal and storage are not contemplated by the Offer. *See* N.C. Gen. Stat. § 40A-9 (2014) (noting that the cost or removal of “timber, building[s], permanent improvement[s], or fixtures” may be included in an award of compensation).

Finally, Mrs. Robinson is concerned about the impact the Project will have on her ability to effectively care for her thirteen-year-old grandson, Ahmed, who is terminally ill with Huntington’s disease. Hospice, school teachers, and music therapists regularly visit the Property and will require unimpeded access to the home. Similarly, Mrs. Robinson must be able to safely push Ahmed’s wheelchair over the Property to access her vehicle. The Offer does not address the functional and safety limitations that the Project will have on Mrs. Robinson’s ability to responsibly care for Ahmed. *See Colonial Pipeline Co. v. Weaver*, 310 N.C. 93, 107 (1984) (explaining that the denial of access constitutes a “[c]hange[] made in [the] area resulting from [the] use of [the] easement that affect[s] . . . [the] value of the remaining property of [the] landowner” — an “element[] of damages” that potentially may “flow[] from the use of [a] temporary construction easement[.]”); *see also Dep’t of Transp. v. Harkey*, 308 N.C. 148, 155 (1983) (“[W]hen all direct access has been eliminated, there has been *pro tanto* a taking; the availability and reasonableness of any other access goes to the question of damages and not to the question of liability for the denial of access.”).

For the reasons set forth above, Mrs. Robinson is not comfortable accepting the Offer. However, Mrs. Robinson appreciates the need for the work identified in the MSD’s Capital Improvement Program and remains interested in pursuing a negotiated resolution concerning these issues. Please feel free to contact me to discuss these points in further detail. I look forward to working with you.

Sincerely,



Eric A. Contre

Metropolitan Sewerage District of Buncombe County

Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 3/4/2015

BOARD MEETING DATE: 3/18/2015

SUBMITTED BY: Tom Hartye, PE, General Manager
 PREPARED BY: Angel Banks, Right of Way Manager
 REVIEWED BY: Ed Bradford, PE, Director of CIP

**SUBJECT: Consideration of Condemnation Settlement,
 Broadview Avenue GSR, Project # 2009127
 George F. Jaynes and Jean L. Jaynes**

Mr. Watts made the motion to go into closed session to discuss the following settlement. Mr. Kelly seconded the motion. All were in favor. Committee went into closed session at 9:06 am.

PIN Number 9657-67-5093 – Property consists of 3 lots. Two are combined and improved with a single-family residence. Existing 8-inch VCP sewer runs diagonally across these lots and the circa 1962 house was constructed five feet away from line. The proposed 8-inch DIP rehab alignment parallels the existing sewer on opposite side from the house. The third lot is vacant.

MSD could not reach agreement with owner and filed a condemnation. MSD’s appraisal of damages is \$18,000 due to the effect of the new sewer on buildable area. The new line bisects the vacant lot, rendering it unbuildable.

Owner’s appraisal of damages is \$26,550. He also seeks reimbursement for cost of appraisal at \$1,900 plus his attorney’s fees of \$3,000 (which are recoverable costs should he win in court). Owner total settlement request is \$31,450.

District Counsel estimates cost to MSD of approximately \$15,000 to take case to trial (appraisal, mediation, preparation for trial, two days in trial, expert witness fees). MSD would then pay the just compensation as determined by a jury, plus 6% interest on those monies since the date of Taking, August 6, 2014. If the jury agreed with the owner’s value of \$26,550, adding interest plus fees above, MSD is exposed to about \$35,200 in costs, or more, if the jury awards more.

STAFF RECOMMENDATION: Settlement offer of up to \$31,450.

Committee returned to open session at 9:14 am. Mr. Watts made the motion to accept Staff’s recommendation. Mrs. Frost seconded the motion. Voice vote was unanimous.

COMMITTEE RECOMMENDATION: Settlement offer of up to \$31,450.

COMMITTEE ACTION TAKEN	
Motion by: Robert Watts	To: XX Approve <input type="checkbox"/> Disapprove
Second by: Ellen Frost	<input type="checkbox"/> Table <input type="checkbox"/> Send back to Staff
	<input type="checkbox"/> Other
BOARD ACTION TAKEN	
Motion by:	To: <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: March 18, 2015

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

PREPARED BY: Kevin Johnson

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Quail Hollow – Phase II Sewer Extension Project, MSD Project No. 2013062.

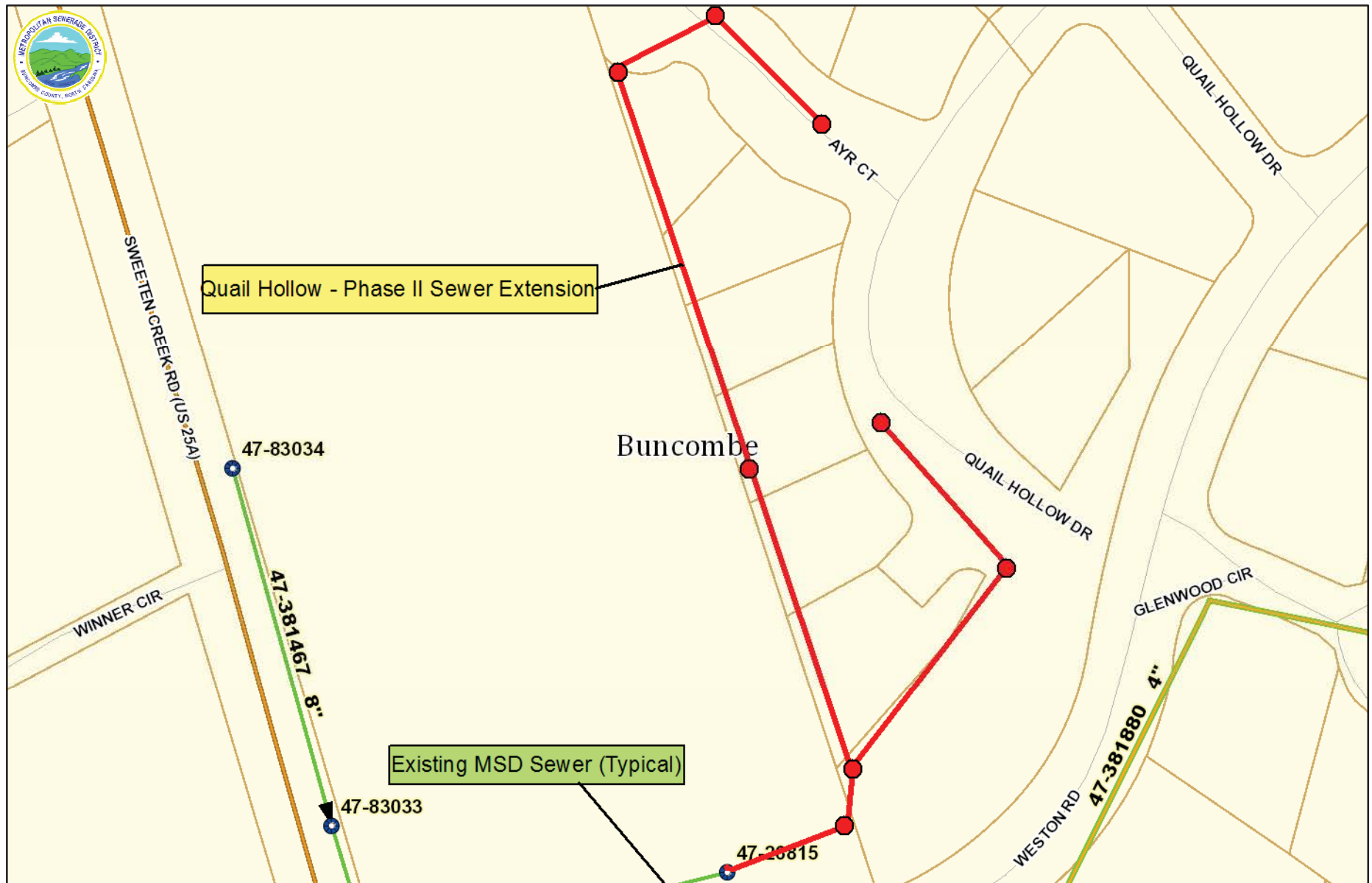
BACKGROUND: This project is located inside the District boundary off Weston Road in the City of Asheville. The developer of the project is Ed Holland.

The project included extending approximately 1,225 linear feet of 8-inch public gravity sewer to serve the twelve (12) unit residential development.

A wastewater allocation was issued in the amount of 6,000 GPD for the project. The estimated cost of the sewer construction is \$75,000.00.

All MSD requirements have been met.

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



Quail Hollow - Phase II MSD Project #2013062

Author: KJ

1 in = 104 ft

Date: 3/10/2015

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

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: March 18, 2015

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

PREPARED BY: Kevin Johnson

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the STF Precision Sewer Extension Project, MSD Project No. 2013084

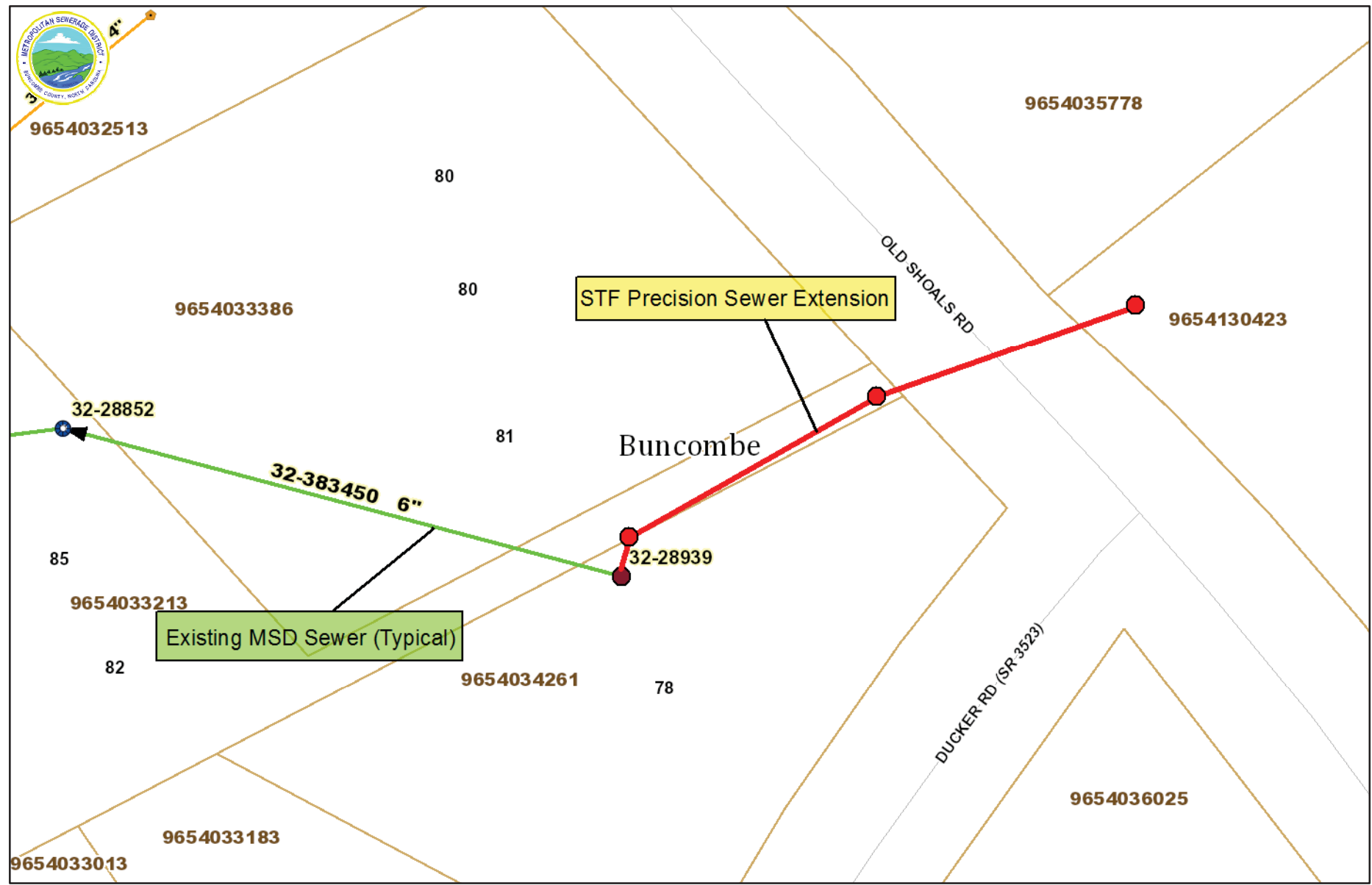
BACKGROUND: This project is located inside the District boundary off Old Shoals Road in Buncombe County. The developer of the project is David Novak.

The project included extending approximately 215 linear feet of 8-inch public gravity sewer to serve the commercial development.

A wastewater allocation was issued in the amount of 3,500 GPD for the project. The estimated cost of the sewer construction is \$45,000.00.

All MSD requirements have been met.

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



STF Precision MSD Project #2013084

Author: KJ

1 in = 50 ft

Date: 3/5/2015

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

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: March 18, 2015

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

PREPARED BY: Kevin Johnson

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Hudson Hills Habitat for Humanity Sewer Extension Project, MSD Project No. 2010015

BACKGROUND: This project is located inside the District boundary off Johnston Boulevard in the City of Asheville. The developer of the project is Keith Levi of the Asheville Area Habitat for Humanity.

The project included extending approximately 472 linear feet of 8-inch public gravity sewer to serve the twenty-five (25) unit residential development.

A wastewater allocation was issued in the amount of 5,000 GPD for the project. The estimated cost of the sewer construction is \$50,174.00.

This project is classified as affordable housing; therefore, it qualifies for MSD's Cost Recovery Program. This program will reimburse eligible projects for five years of estimated *net* revenue from sewer use fees, with a limit of \$50,000 or the cost of the extension, whichever is less. This project is eligible for reimbursement in the amount of \$33,714.00.

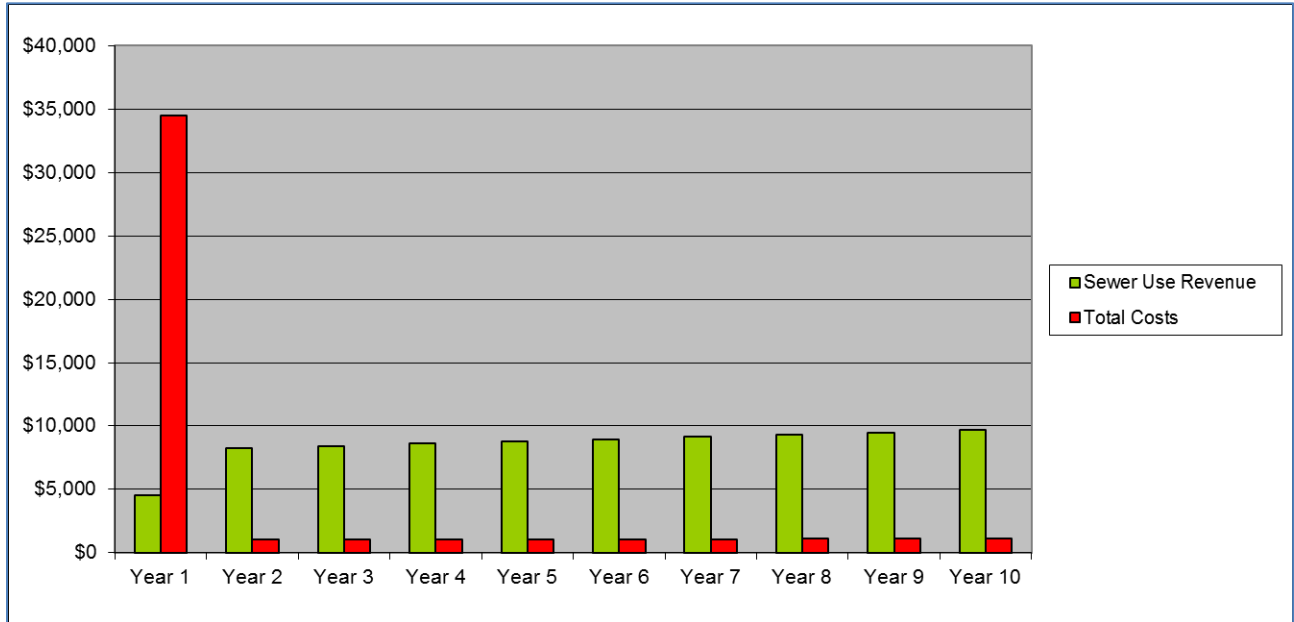
Please refer to the attached documentation for further information.

All MSD requirements have been met.

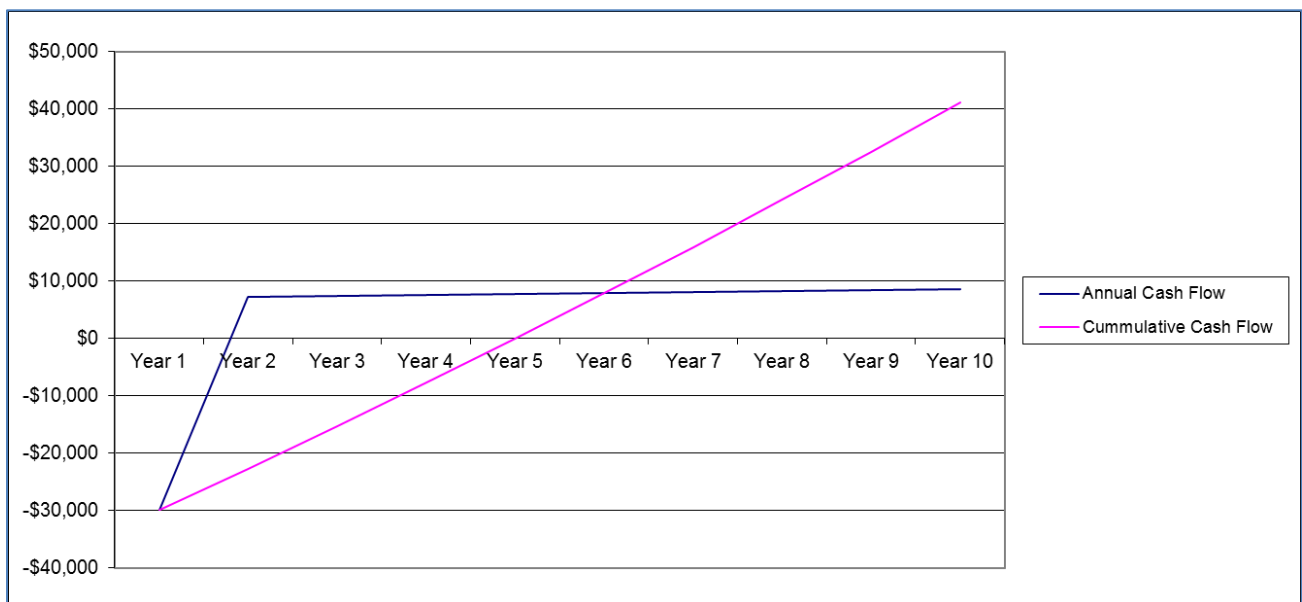
STAFF RECOMMENDATION: Staff recommends acceptance of this developer constructed sewer system and authorization of payment of \$33,714.00 for Affordable Housing Cost Recovery.

Net Revenue and Costs

Hudson Hills Habitat for Humanity - MSD Cost Recovery



MSD Sewer Use Revenue versus Costs



MSD Cumulative Cash Flow

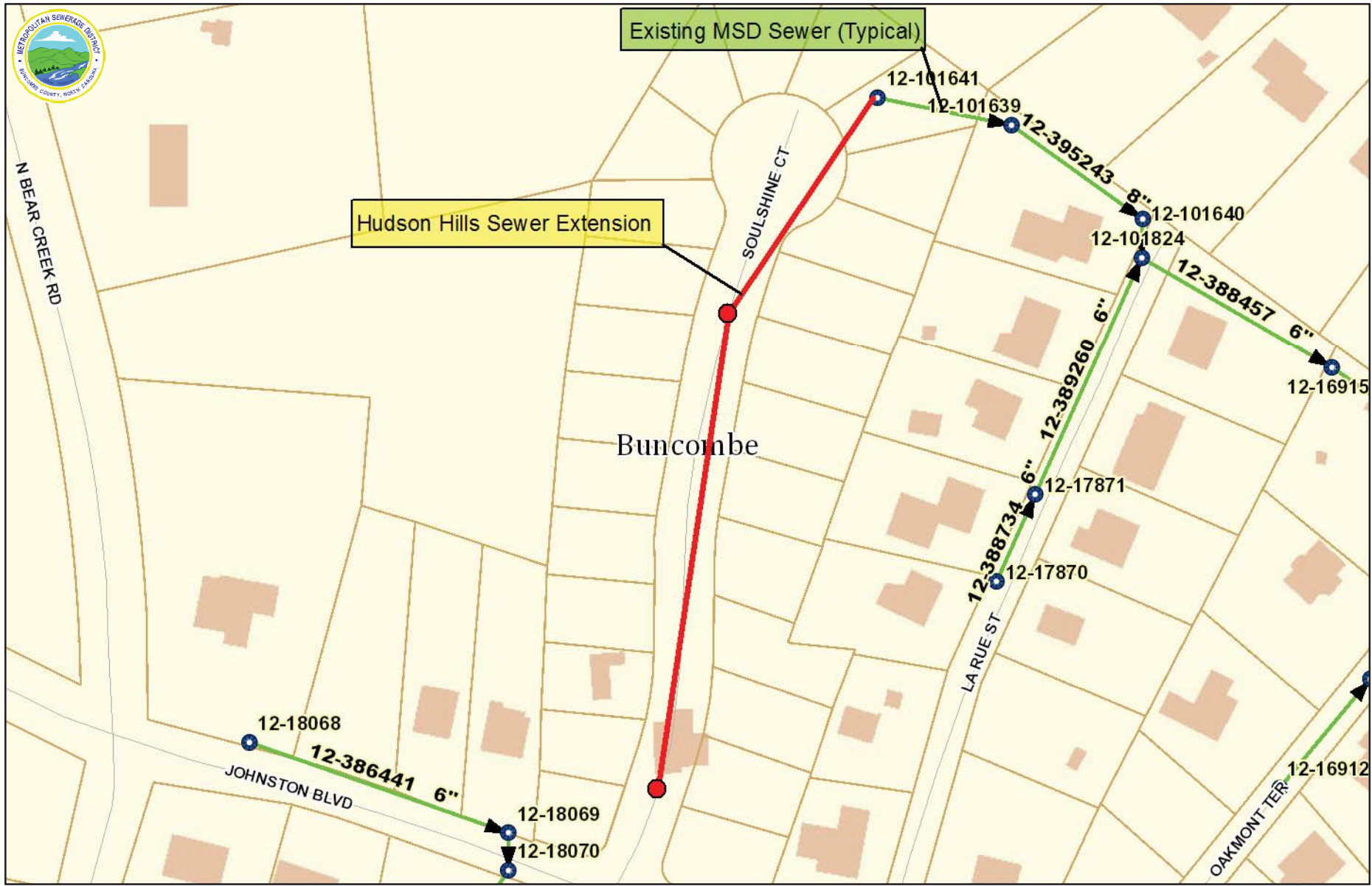


N BEAR CREEK RD

Existing MSD Sewer (Typical)

Hudson Hills Sewer Extension

Buncombe



Hudson Hills MSD Project #2010015

Author: KJ

1 in = 104 ft

Date: 3/10/2015

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

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

Meeting Date: March 18, 2015

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

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

Subject: Consideration of Auditing Services Contract for FY2015

Background

In FY 2003, the District issued an RFP for audit services. The scope of the contract was for a minimum of three years covering the fiscal years ending June 30, 2004 through 2006. The RFP specified that after the first year of the contract, it could be continued on the basis of annual negotiation. At the November 18, 2009 Board meeting, Finance Committee Chairperson Kelly requested staff to assess the performance of the District's auditors Cherry, Bekaert, LLP (CB) versus the need of performing a RFP for auditing services for FY 2010. It was determined that CB commitment to staff and partner rotation as well as cost containment would be factors in continuing the engagement. On March 13, 2013, Mr. Burke provided the District with a three-year commitment letter to keep audit fees at \$46,500. CB will continue to work hard to control expenses, and pass on any additional savings to the District.

Discussion

CB takes a rotating partner approach to government and utility engagements. Every two to five years a new partner is assigned to the engagement. CB believes that this approach ensures that industry standards as well as technical auditing standards are being evaluated at the highest levels. Additionally, CB believes this approach ensures client/auditor independence. Staff believes having a rotating partner approach has helped in refining internal controls and departmental practices.

CB has a large staff, which lessens the potential for the risk of delays due to illnesses and resignations. The staff assigned to our engagement has appropriate education and experience. They have coordinated very well with the District's staff to ensure the audit's completion in a timely fashion.

Finally, CB has a wide range of clients with 150 current local governments, authorities and public agencies audit clients across the Southeast U.S., including 9 North Carolina utilities; 9 North Carolina counties (including Durham, Cumberland, Forsyth, Guilford, and Mecklenburg) and 11 North Carolina cities/towns (including Asheville, Cary, Charlotte, Greensboro, Fayetteville, Raleigh, and Winston-Salem), many of which have either water or sewer funds.

For this year's engagement, CB has proposed fees at the FY2013 level of \$46,500. The auditor's experience and the District's preparedness on previous engagements have helped keep costs flat.

Board Meeting: March 18, 2015
Subject: Consideration of Auditing Services Contract for FY2015
Page -2-

Fiscal Impact

The combined audit fees and reimbursable expenses of \$46,500 (See attached engagement letter and audit contract) will be included in the FY2015-2016 budget.

Staff Recommendation

Staff recommends approval of the FY 2015 audit contract with Cherry, Bekaert, LLP.

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

March 9, 2015

Mr. W. Scott Powell, Director of Finance
Metropolitan District of Buncombe County, North Carolina
2028 Riverside Drive
Asheville, North Carolina 28804

Dear Mr. Powell:

This engagement letter between Metropolitan District of Buncombe County (hereafter referred to as the "District") and Cherry Bekaert LLP (the "Firm" or "Cherry Bekaert") sets forth the nature and scope of the services we will provide, the District's required involvement and assistance in support of our services, the related fee arrangements and other Terms and Conditions, which are attached hereto and incorporated by reference, designed to facilitate the performance of our professional services and to achieve the mutually agreed upon objectives of the District.

SUMMARY OF SERVICES

We will provide the following services to the District as of and for the year ended June 30, 2015:

Audit services

1. We will audit the financial statements of the District as of and for the year ended June 30, 2015.
2. The introductory and statistical section accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditor's report will not provide an opinion or any assurance on that information.
3. We will audit the supplementary information other than the required supplementary information (RSI) accompanying the District's basic financial statements. As part of our engagement, we will apply certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves.
4. We will apply limited procedures to the management's discussion and analysis (MD&A) which will consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements.

YOUR EXPECTATIONS

As part of our planning process, we have discussed with you your expectations of Cherry Bekaert, changes that occurred during the year, your views on risks facing you, any relationship issues with Cherry Bekaert, and specific engagement arrangements and timing. Our services plan, which includes our audit plan, is designed to provide a foundation for an effective, efficient, and quality-focused approach to accomplish the engagement objectives and meet or exceed your expectations. Our service plan will be reviewed with you periodically and will serve as a benchmark against which you will be able to measure our performance. Any additional services that you may request, and that we agree to provide, will be the subject of separate written arrangements.

Metropolitan District of Buncombe County, North Carolina

March 9, 2015

Page 2

The District recognizes that our professional standards require that we be independent from you in our audit of your financial statements and our accompanying report in order to ensure that our objectivity and professional skepticism have not been compromised. As a result, we cannot enter into a fiduciary relationship with you and you should not expect that we will act only with due regard to your interest in the performance of this audit and you should not impose on us special confidence that we will conduct this audit with only your interest in mind. Because of our obligation to be independent of you, no fiduciary relationship will be created by this engagement or audit of your financial statements.

The engagement will be led by Eddie Burke, who will be responsible for assuring the overall quality, value, and timeliness of the services provided to you.

AUDIT SERVICES

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the Summary of Services section when considered in relation to the financial statements taken as a whole.

- Internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements and grants, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States; and will include tests of accounting records and other procedures as deemed necessary to enable us to express such opinions and to render the required reports. If any of our opinions resulting from the procedures described above are other than unmodified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue a report as a result of this engagement.

FEES

The estimated fee contemplates only the services described in the Summary of Services section of this letter. If Management requests additional services not listed above, we will provide an estimate of those fees prior to commencing additional work.

Metropolitan District of Buncombe County, North Carolina

March 9, 2015

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The following summarizes the fees for the services described above:

<u>Description of Services</u>	<u>Estimated Fee</u>
Audit services	
Audit of the financial statements	\$46,500
Total	<u>\$46,500</u>

The fees will be billed periodically. Invoices are due on presentation. A service charge will be added to past due accounts equal to 1-1/2% per month (18% annually) on the previous month's balance less payments received during the month, with a minimum charge of \$2.00 per month.

If the foregoing is in accordance with your understanding, please sign a copy of this letter in the space provided and return it to us. If you have any questions, please call Eddie Burke at 910-273-6000.

Sincerely,

CHERRY BEKAERT LLP



ATTACHMENT – Engagement Letter Terms and Conditions

Metropolitan District of Buncombe County

ACCEPTED BY: _____

TITLE: _____ DATE: _____

Cherry Bekaert LLP
Engagement Letter Terms and Conditions

The following terms and conditions are an integral part of the attached engagement letter and should be read in their entirety in conjunction with your review of the letter.

LIMITATIONS OF THE AUDIT REPORT

Should the District wish to include or incorporate by reference these financial statements and our report thereon into *any* other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by generally accepted auditing standards ("GAAS") to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that you will not include or incorporate by reference these financial statements and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

LIMITATIONS OF THE AUDIT PROCESS

In conducting the audit, we will perform tests of the accounting records and such other procedures as we consider necessary in the circumstances to provide a reasonable basis for our opinion on the financial statements. We also will assess the accounting principles used and significant estimates made by Management, as well as evaluate the overall financial statement presentation.

Our audit will include procedures designed to obtain reasonable assurance of detecting misstatements due to errors or fraud that are material to the financial statements. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. For example, audits performed in accordance with GAAS are based on the concept of selective testing of the data being examined and are, therefore, subject to the limitation that material misstatements due to errors or fraud, if they exist, may not be detected. Also, an audit is not designed to detect matters that are immaterial to the financial statements. In addition, an audit conducted in accordance with GAAS does not include procedures specifically designed to detect illegal acts having an indirect effect (e.g., violations of fraud and abuse statutes that result in fines or penalties being imposed on the District) on the financial statements.

Similarly, in performing our audit we will be aware of the possibility that illegal acts may have occurred. However, it should be recognized that our audit provides no assurance that illegal acts generally will be detected, and only reasonable assurance that illegal acts having a direct and material effect on the determination of financial statement amounts will be detected. We will inform you with respect to errors and fraud, or illegal acts that come to our attention during the course of our audit unless clearly inconsequential. In the event that we have to consult with the District's counsel or counsel of our choosing regarding any illegal acts we identify, additional fees incurred may be billed to the District. You agree to cooperate fully with any procedures we deem necessary to perform with respect to these matters.

We will issue a written report upon completion of our audit of the District's financial statements. If, for any reason, we are unable to complete the audit, or are unable to form, or have not formed an opinion on the financial statements, we may decline to express an opinion or decline to issue a report as a result of the engagement. We will notify the appropriate party within your organization of our decision and discuss the reasons supporting our position.

MANAGEMENT'S RESPONSIBILITIES RELATED TO THE AUDIT

Management is responsible for the fair presentation of the financial statements in conformity with GAAP for making all financial records and related information available to us, for ensuring that all material

information is disclosed to us, and for identifying and ensuring that the District complies with the laws and regulations applicable to its activities and with the provisions of contracts and grant agreements.

Management is responsible for the preparation of the supplementary information in conformity with GAAP. Management agrees to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

Management is also responsible for adjusting the financial statements to correct material misstatements, informing us of events that occurred subsequent to the balance sheet date until the date of the auditors' report that might affect the financial statements or related disclosures and informing us of any discovery of facts related to items that existed at the financial statement date that might affect the financial statements or related disclosures.

Management is responsible for informing us of its views regarding the risk of fraud at the District. Management must inform us of their knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, regulators, or others and for informing us about all known or suspected fraud affecting the District involving (a) Management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements.

Management is responsible for the design and implementation of programs and controls over financial reporting and to prevent and detect fraud. Appropriate supervisory review procedures are necessary to provide reasonable assurance that adopted policies and prescribed procedures are adhered to and to identify errors and fraud or illegal acts. As a part of our audit, we will consider the District's internal control structure, as required by GAAS, sufficient to plan the audit and to determine the nature, timing, and extent of auditing procedures necessary for expressing our opinion concerning the financial statements. An audit is not designed to provide any assurance on internal controls. As part of our consideration of the District's internal control structure, we will inform you of matters that come to our attention that represent significant deficiencies or material weaknesses in the design or operation of the internal control structure.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying to us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions, and the timing and format related thereto.

At the conclusion of the engagement, Management will provide to us a representation letter that, among other things, addresses (1) Management's responsibilities related to the audit and confirms certain representations made to us during the audit, including, Management's acknowledgement of its responsibility for the design and implementation of programs and controls to prevent and detect fraud; (2) Management's responsibilities related to the monitoring of internal control over financial reporting; and (3) Management's knowledge, directly or from allegations by others, of fraud or suspected fraud affecting the District. The representation letter will also affirm to us that Management believes that the effects of any uncorrected misstatements, if any, pertaining to the financial statements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The Firm will rely on Management providing these representations to us, both in the planning and performance of the audit, and in considering the fees that we will charge to perform the audit. Because we will be relying on Management's representations, you agree to indemnify the Firm, and its partners and employees, and

hold them harmless from all claims, liabilities, losses, and costs arising in circumstances where there has been a known misrepresentation by an officer or employee of the District regardless of whether such officer or employee was acting in the District's interest, and *even if the Firm acted negligently or wrongfully in failing to uncover or detect such misrepresentation*. This indemnification will survive termination of this letter..

AUDIT PROCEDURES – GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve professional judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and fraud, or illegal acts that come to our attention during the course of our audit. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

AUDIT PROCEDURES – INTERNAL CONTROLS

Our audit will include obtaining an understanding of the District and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards, and *Government Auditing Standards*.

AUDIT PROCEDURES - COMPLIANCE

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

NON-ATTEST SERVICES (IF APPLICABLE)

All non-attest services to be provided in the attached engagement letter (if applicable) shall be provided pursuant to the AICPA Code of Professional Conduct. The AICPA Code of Professional Conduct requires that we establish objectives of the engagement and the services to be performed, which are described under non-attest services in the attached letter.

You agree to assume all management responsibilities for the nonattest services we provide; oversee the services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. In order to ensure we provide such services in compliance with all professional standards, you are responsible for-

- Making all financial records and related information available to us.
- Ensuring that all material information is disclosed to us.
- Granting unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- Identifying and ensuring that such non-attest complies with the laws and regulations.

The accuracy and appropriateness of such non-attest services shall be limited by the accuracy and sufficiency of the information provided by you. In the course of providing such non-attest services, we may provide professional advice and guidance based on knowledge accounting, tax and other compliance, and of the facts and circumstances as provided by you. Such advice and guidance shall be limited as permitted under the Code of Professional Conduct.

COMMUNICATIONS

At the conclusion of the audit engagement, we may provide Management and those charged with governance a letter stating any significant deficiencies or material weaknesses which may have been identified by us during the audit and our recommendations designed to help the District make improvements in its internal control structure and operations related to the identified matters discovered in the financial statement audit. As part of this engagement we will ensure that certain additional matters are communicated to the appropriate members of the District. Such matters include (1) our responsibility under GAAS; (2) the initial selection of and changes in significant accounting policies and their application; (3) our independence with respect to the District; (4) the process used by Management in formulating particularly sensitive accounting estimates and the basis for our conclusion regarding the reasonableness of those estimates; (5) audit adjustments, if any, that could, in our judgment, either individually or in the aggregate be significant to the financial statements or our report; (6) any disagreements with Management concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements; (7) our views about matters that were the subject of Management's consultation with other accountants about auditing and accounting matters; (8) major issues that were discussed with Management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards; and (9) serious difficulties that we encountered in dealing with Management related to the performance of the audit.

Government Auditing Standards require that we provide you with a copy of our most recent quality control review report. Our most recent peer review report accompanies this letter.

OTHER MATTERS

Access to working papers

The working papers and related documentation for the engagement are the property of the Firm and constitute confidential information. We have a responsibility to retain the documentation for a period of time to satisfy legal or regulatory requirements for records retention. It is our policy to retain all workpapers and client information for seven years from the date of issuance of the report. It is our policy to retain emails and attachments to emails for a period of 15 months, except as required by any governmental regulation. Except as discussed below, any requests for access to our working papers will be discussed with you prior to making them available to requesting parties. Any parties seeking access to our working papers must agree to sign our standard access letter.

We may be requested to make certain documentation available to regulators, governmental agencies (e.g., SEC, PCAOB, HUD, DOL, etc.) or their representatives ("Regulators") pursuant to law or regulations. If requested, access to the documentation will be provided to the Regulators. The Regulators may intend to distribute to others, including other governmental agencies, our working papers and related documentation without our knowledge or express permission. You hereby acknowledge and authorize us to allow Regulators access to and copies of documentation as requested. In addition, our Firm, as well as all other major accounting firms, participates in a "peer review" program covering our audit and accounting practices as required by the American Institute of Certified Public Accountants. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for you may be selected by the other firm for their review. If it is, they are bound by professional standards to keep all information confidential. If you object to having the work we do for you reviewed by our peer reviewer, please notify us in writing.

Electronic transmittals

During the course of our engagement, we may need to electronically transmit confidential information to each other, within the Firm, and to other entities engaged by either party. Although email is an efficient way to communicate, it is not always a secure means of communication and thus, confidentiality may be compromised. You agree to the use of email and other electronic methods to transmit and receive information, including confidential information between the Firm, the District and other third party providers utilized by either party in connection with the engagement.

Subpoenas

In the event we are requested or authorized by you or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for you, you will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expense, as well as the fees and expenses of our counsel, incurred in responding to such a request at standard billing rates.

Dispute resolution procedures

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement, either party may, on written notice to the other party, request that the matter be mediated. Such mediation would be conducted by a mediator appointed by and pursuant to the rules of the American Arbitration Association (AAA) or such other neutral facilitator acceptable to both parties. Both parties would exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute, controversy, or claim.

TERMS AND CONDITIONS SUPPORTING FEE

The estimated fees set forth in the attached engagement letter are based on anticipated full cooperation from your personnel, timely delivery of requested audit schedules and supporting information, timely

communication of all significant accounting and financial reporting matters, the assumption that unexpected circumstances will not be encountered during the audit, as well as working space and clerical assistance as mutually agreed upon and as is normal and reasonable in the circumstances. We strive to ensure that we have the right professionals scheduled on each engagement. As a result, sudden District requested scheduling changes or scheduling changes necessitated by the agreed information not being ready on the agreed upon dates can result in expensive downtime for our professionals. Any last minute schedule changes that result in downtime for our professionals could result in additional fees. Our estimated fee does not include assistance in bookkeeping or other accounting services not previously described. If for any reason the District is unable to provide such schedules, information and assistance, the Firm and the District will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

The estimated fees contemplate that the District will provide adequate documentation of its systems and controls related to significant transaction cycles and audit areas.

In providing our services, we will consult with the District with respect to matters of accounting, financial reporting or other significant business issues as permitted by professional standards. Accordingly, time necessary to effect a reasonable amount of such consultation is reflected in our fee. However, should a matter require research, consultation or audit work beyond that amount, the Firm and the District will agree to an appropriate revision in our fee.

The estimated fees are based on auditing and accounting standards effective as of the date of this engagement letter and known to apply to the District at this time, but do not include any time related to the application of new auditing or accounting standards that impact the District for the first time. If new auditing or accounting standards are issued subsequent to the date of this letter and are effective for the period under audit, we will estimate the impact of any such standard on the nature, timing and extent of our planned audit procedures and will communicate with you concerning the scope of the additional procedures and the estimated fees.

The District agrees to pay all costs of collection (including reasonable attorneys' fees) that the Firm may incur in connection with the collection of unpaid invoices. In the event of nonpayment of any invoice rendered by us, we retain the right to (a) suspend the performance of our services, (b) change the payment conditions under this engagement letter, or (c) terminate our services. If we elect to suspend our services, such services will not be resumed until your account is paid. If we elect to terminate our services for nonpayment, the District will be obligated to compensate us for all time expended and reimburse us for all expenses through the date of termination.

This engagement letter sets forth the entire understanding between the District and the Firm regarding the services described herein and supersedes any previous proposals, correspondence, and understandings whether written or oral. Any subsequent changes to the terms of this letter, other than additional billings, will be rendered in writing and shall be executed by both parties. Should any portion of this engagement letter be ruled invalid, it is agreed that such invalidity will not affect any of the remaining portions.

System Review Report

August 30, 2013

To the Partners of Cherry Bekaert LLP
And the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP (the firm), applicable to non-SEC issuers in effect for the year ended April 30, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*; audits of employee benefit plans, and examinations of service organizations [Service Organizations Control (SOC) 1 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP, applicable to non-SEC issuers in effect for the year ended April 30, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Cherry Bekaert LLP has received a peer review rating of *pass*.



EisnerAmper LLP
Iselin, NJ

November 14, 2013

Howard Joseph Kies, CPA
Cherry Bekaert LLP
200 S 10th St
Ste 900
Richmond, VA 23219

Dear Mr. Kies:

It is my pleasure to notify you that on November 13, 2013 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is October 31, 2016. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,



Betty Jo Charles
Chair, National Peer Review Committee
nprc@aicpa.org 919 402-4502

cc: Lewis Eddie Dutton;Lawrence S Gray

Firm Number: 10011816

Review Number 347649

Letter ID: 840713

CONTRACT TO AUDIT ACCOUNTS

Of Metropolitan Sewerage District of Buncombe County

Governmental Unit and Discretely Presented Component Unit (DPCU) if applicable

On this 9 day of March, 2015,

Auditor: Cherry Bekaert LLP Auditor Mailing Address: 1111 Metropolitan Avenue, Suite 1000

Charlotte, North Carolina 28204 Hereinafter referred to as The Auditor

and Commissioners (Governing Board (s)) of Metropolitan Sewerage District of Buncombe County

: hereinafter referred to as the Governmental Unit (s), agree as follows:

Governmental Unit (s)

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2014, and ending June 30, 2015. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion will be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCU's, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with generally accepted auditing standards. The Auditor shall perform the audit in accordance with Government Auditing Standards if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated workpapers may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and/or workpapers are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC CPA Board).

County and Multi-County Health Departments: The Office of State Auditor will designate certain programs that have eligibility requirements to be considered major programs in accordance with OMB Circular A-133 for the State of North Carolina. The LGC will notify the auditor and the County and Multi-Health Department of these programs. A County or a Multi-County Health Department may be selected to audit any of these programs as major.

3. If an entity is determined to be a component of another government as defined by the group audit standards - the entity's auditor will make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unqualified opinion being rendered. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in Government Auditing Standards, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in Government Auditing Standards. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract (See Item 22). If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment..

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the State and Local Government Finance Division (SLGFD) within four months of fiscal year end. Audit report is due on: October 31, 2015. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay must be submitted to the Secretary of the LGC for approval.

Name of Governmental Unit and Discretely Presented Component Unit's (DPCU) if applicable

7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relates to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor will make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report must include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC.** (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work must be submitted by email in PDF format to the Secretary of the LGC for approval. The invoices must be sent to: lgc.invoice@nctreasurer.com. Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date will be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the LGC, the following fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts:

Year-end bookkeeping assistance – [For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards] N/A

Audit \$46,500

Preparation of the annual financial statements N/A

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. **The 75% cap for interim invoice approval for this audit contract is \$ 34,875** **** NA if no interim billing**

10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall include documentation either in the notes to the audited financial statements or as a separate report submitted to the SLGFD along with the audit report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the SLGFD simultaneously with the Governmental Unit's audited financial statements unless otherwise specified in the bond documents.
11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include but not be limited to the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the client or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the accounting period.
12. If the audit firm is required by the NC CPA Board or the Secretary of the LGC to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Governmental Unit will not be billed for the pre-issuance review. The pre-issuance review must be performed **prior** to the completed audit being submitted to the LGC. The pre-issuance report must accompany the audit report upon submission to the LGC.
13. The Auditor shall electronically submit the report of audit to the LGC when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the LGC. These audited financial statements are used in the preparation of official statements for debt offerings (the Auditors' opinion is not included) by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and other lawful purposes of the Governmental Unit without subsequent consent of the

Name of Governmental Unit and Discretely Presented Component Unit's (DPCU) if applicable

Auditor. If it is determined by the LGC that corrections need to be made to the Governmental Unit's financial statements, they should be provided within three days of notification unless, another time frame is agreed to by the LGC.

If the OSA designates certain programs to be audited as major programs, as discussed in item #2, a turnaround document and a representation letter addressed to the OSA shall be submitted to the LGC.

The LGC's process for submitting contracts, audit reports and Invoices is subject to change. Auditors should use the submission process in effect at the time of submission. The most current instructions will be found on our website: <https://www.nctreasurer.com/slg/lfm/forms-instructions/Pages/Annual-Audit-Forms-and-Resources.aspx>

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor
15. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, signed and dated by all parties and pre-audited if the change includes a change in audit fee. This document and a written explanation of the change must be submitted by email in PDF format to the Secretary of the LGC for approval. The portal address to upload your amended contract and letter of explanation documents is <http://nctreasurer.slgfd.leapfile.net> No change shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.
16. Whenever the Auditor uses an engagement letter with the Governmental Unit, Item #17 is to be completed by referencing the engagement letter and attaching a copy of the engagement letter to the contract to incorporate the engagement letter into the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control. Engagement letter terms are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #23 of this contract. Engagement letters containing indemnification clauses will not be approved by the LGC.
17. Special provisions should be limited. Please list any special provisions in an attachment.
18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not issued and the DPCU is included in the primary government audit, the DPCU must be named along with the parent government on this audit contract. Signatures from the DPCU Board chairman and finance officer also must be included on this contract.
19. The contract must be executed, pre-audited, physically signed by all parties including Governmental Unit and Auditor signatures and submitted in PDF format to the Secretary of the LGC. The current portal address to upload your contractual documents is <http://nctreasurer.slgfd.leapfile.net> Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of April, 2014. These instructions are subject to change. Please check the NC Treasurer's web site at www.nctreasurer.com for the most recent instructions.
20. The contract is not valid until it is approved by the LGC Secretary. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
22. Municipal & County Contracts: The Auditor acknowledges that any private employer transacting business in this State who employs 25 or more employees in this State must, when hiring an employee to work in the United States, use E Verify to verify the work authorization of the employee in accordance with N.C.G.S. §64 26(a). The Auditor acknowledges further that any such private employer and its subcontractors must comply with all of the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes (North Carolina's E-verify law), and that such private employer has a duty under the law to ensure compliance by its subcontractors. The Auditor further acknowledges that this contract is of the type governed by S.L. 2013-418, which makes it unlawful for a local government to enter into certain types of contracts unless the contractor and its subcontractors comply with North Carolina's E-verify law, and that failure to comply with such law could render this contract void. The Auditor hereby covenants, warrants and represents for itself and its subcontractors that with respect to this contract the Auditor and its subcontractors shall comply with the provisions of North Carolina's E-verify law and that failure to comply with such law shall be deemed a breach of this contract and may render this contract void.
23. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16 for clarification).

Contract to Audit Accounts (cont.) Metropolitan Sewerage District of Buncombe County

Name of Governmental Unit and Discretely Presented Component Unit's (DPCU) if applicable

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

Audit Firm Signature:

Cherry Bekaert LLP

Name of Audit Firm

By Eddie Burke

Authorized Audit firm representative name: Type or print

Signature of authorized audit firm representative

eburke@cbh.com

Email Address of Audit Firm:

Date March 9, 2015

Governmental Unit Signatures:

By

Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date

By

DPCU Chairperson: Type or print name and title

Signature of Chairperson of DPCU if applicable

Date

Unit Signatures (continued):

By

Chair of Audit **Committee** - Type or print name

**

Signature of **Audit Committee Chairperson**

Date

*** If Governmental Unit has no audit committee, this section should be marked "N/A."*

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

By

Governmental Unit **Finance Officer**: Type or print name

Finance Officer Signature

Email Address of Finance Officer

Date

*(Pre-audit Certificate **must be dated.**)*

Date Governing Body Approved Audit Contract - G.S. 159-34(a)

Board Approval Date – Primary Government

Board Approval Date - DPCU

Name of Governmental Unit and Discretely Presented Component Unit's (DPCU) if applicable

Steps to Completing the Audit Contract

1. Complete the Header Information – **NEW: If a DPCU is subject to the audit requirements as detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not issued for the DPCU and is to be included in the Primary Government's audit, the DPCU must be named with the parent government on this Audit contract. The Board chairman of the DPCU also must sign the Audit contract.**
2. Item No. 1 – Complete the period covered by the audit
3. Item No. 6 – Fill in the audit due date. For Governmental Unit (s), the contract due date can be no later than 4 months after the end of the fiscal year, even though amended contracts may not be required until a later date.
4. Item No. 8 – if the process for invoice approval instructions changed, the Auditor should make sure he and his administrative staff are familiar with the current process. Instructions for each process can be found at the following link. <https://www.nctreasurer.com/slg/lfm/forms-instructions/Pages/Annual-Audit-Forms-and-Resources.aspx>
5. Item No. 9 – Complete the fee section as in the past but please note:
 - The cap on interim payments is 75% of the current audit fee for services rendered if the contracted fee amount is a fixed amount. If any part of the fee is variable, interim payments are limited to 75% of the prior year's total audit fee. If the contract fee is partially variable, we will compare the authorized interim payment on the contract to 75% of last year's actual approved total audit fee amount according to our records. There is a report of audit fees paid by each governmental unit on our web site: <https://www.nctreasurer.com/slg/lfm/forms-instructions/Pages/Annual-Audit-Forms-and-Resources.aspx> - Auditors and Audit Fees. Please call or email Steven Holmberg of our office at 919-807-2394 steven.holmberg@nctreasurer.com if you have any questions about the fees on this list.
 - For variable fees for services, are the hourly rates or other rates clearly stated in detail? If issued separately in an addendum, has the separate page been acknowledged in writing by the Governmental Unit?
 - For fees for services that are a combination of fixed and variable fees, are the services to be provided for the fixed portion of the fee clearly stated? Are the hourly rates or other rates clearly stated for the variable portion of the fee? See previous bullet point regarding variable fees.
 - **If there is to be no interim billing, please indicate N/A instead of leaving the line blank.**
6. Item No. 16 – If there is a reference to an engagement letter or other document (ex: Addendum), has the engagement letter or other document been acknowledged by the Governmental Unit and attached to the contract submitted to the SLGFD?
 - a. Do the terms and fees specified in the engagement letter agree with the Audit contract? *“In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control.”*

Name of Governmental Unit and Discretely Presented Component Unit's (DPCU) if applicable

- b. Does the engagement letter contain an indemnification clause? **The audit contract will not be approved if there is an indemnification clause – refer to LGC Memo # 986.**

7. Item No. 22 – E-verify requirements now apply to **all municipal and county contracts**, including the audit contract. There is no e-verify requirement for the audit contract for other types of entities. The best approach to meeting e-verify requirements may be for the municipal or county local government to have its vendors with 25 or more employees in the State of North Carolina sign a document attesting that they have complied with the e-verify requirements for their staff and their sub-contractors. This language is included in Item 22 of the audit contract. Any municipal or county contracts executed Sept 4, 2013 or later whose audit firm has 25 or more employees in the State of North Carolina will need the addendum/language and will be returned to the unit if it is not included. If the e-verify requirements do not apply to your contract, either because you are a city or county but your audit firm has less than 25 employees, or you are an entity to which e-verify does not apply, please mark Item #22 “N/A” or exclude Item #22 by specifically excluding it in Item #23.

8. Signature Area – Make sure all signatures have been obtained. **The contract must be approved by your Governing Board pursuant to G.S. 159-34(a).** NEW - If this contract includes auditing a DPCU that is a Public Authority under the Local Government Budget and Fiscal Control Act it must be named in this Audit contract and the Board chairperson of the DPCU **must also sign** the Audit contract in the area indicated. If the DPCU has a separate Audit, a separate Audit contract is required for the DPCU.

9. Please place the date the Unit's Governing Board **and the DPCU's governing Board (if applicable)** approved the audit contract in the space provided.
 - a. Please make sure that you provide email addresses for the audit firm and finance officer as these will be used to communicate official approval of the contract.
 - b. Has the pre-audit certificate been signed and dated by the appropriate party?
 - c. Has the name and title of the Mayor or Chairperson of the Unit's Governing Board **and the DPCU's Chairperson (if applicable)** been typed or printed on the contract and has he/she signed in the correct area directly under the Auditor's signature?

10. If the Auditor is performing an audit under the yellow book or single audit rules, has year-end bookkeeping assistance been limited to those areas permitted under the revised GAO Independence Standards? Although not required, we encourage Governmental Units and Auditors to disclose the nature of these services in the contract or an engagement letter. Fees for these services should be shown in the space indicated in Item 9 of the contract.

11. Has the most recently issued peer review report for the audit firm been included with the contract? This is required if the audit firm has received a new peer review report that has not yet been forwarded to us. The audit firm is only required to send the most current Peer Review report to us once – not multiple times.

12. After all the signatures have been obtained and the contract and is complete, please convert the contract and all other supporting documentation to be submitted for approval into a PDF copy. Peer Review Reports should be submitted in a separate PDF file. These documents should be submitted using the

Name of Governmental Unit and Discretely Presented Component Unit's (DPCU) if applicable
most current submission process which can be obtained at the NC Treasurer's web site –
https://www.nctreasurer.com/slg/lfm/audit_acct/Pages/Accounting-Services.aspx

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

Meeting Date: March 18, 2015
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, CLGFO, Director of Finance
Reviewed By: Billy Clarke, Legal Counsel
Subject: Consideration of Issuance of a RFP for Bond Counsel

Background

The District has used the firm of Sidley Austin LLP of New York, and its predecessor, Brown Wood, for all of its bond issues. Lead counsel for recent issues has been Neil Kaplan. At the end of January, the District was informed Mr. Kaplan had left the firm.

Discussion

Bond Counsel is charged with providing an opinion, in connection with the issuance of bonds, affirming that the issuer is authorized to issue the debt and that the debt, when issued, will be exempt from Federal and State tax. Between bond issues, bond counsel are asked, occasionally, to provide opinions or counsel, continuing disclosures and the impact or potential impact of District action(s) on the tax exempt nature of outstanding bonds.

Bond Counsel works in conjunction with MSD staff, financial advisor, underwriters, underwriters counsel, and in North Carolina, the Local Government Commission. It is important to have counsel who understands the complexities of the organization and industry. Due to Mr. Kaplan's departure from Sidley Austin, staff sees this as an opportunity to seek proposals for qualified firms having a strong market presence in North Carolina. Staff reached out to its financial advisor Davenport & Company LLC to provide a listing of Bond Counsel. Staff recommends to the Board that the attached RFP (Exhibit 1) be sent to the following:

- ▶ McGuire Woods – NY/Charlotte
- ▶ Womble Carlyle – Charlotte
- ▶ Parker Poe – Charlotte
- ▶ Robinson Bradshaw – Charlotte
- ▶ Hunton & Williams – Raleigh
- ▶ Hawkins Delafield & Wood LLP - New York
- ▶ Sidley Austin – New York

Staff furthermore proposes a selection committee be comprised of the General Manager, Finance Director, General Counsel, and a member of the Finance Committee in the evaluation of the RFP's. The evaluation of the RFPs will be based on their relevant experience, a working knowledge of the District, and work performed in North Carolina specifically issuers of utility revenue bonds.

Board Meeting: March 18, 2015
Subject: Consideration of Issuance of a RFP for Bond Counsel
Page -2-

Staff Recommendation

Staff recommends issuance of a RFP for Bond Counsel.

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

Bond Counsel Request for Proposals (RFP)

Metropolitan Sewerage District of Buncombe County, NC

The Metropolitan Sewerage District of Buncombe County, NC ("Buncombe MSD") is requesting proposals from law firms with experience in public finance to serve as Buncombe MSD's bond counsel. Buncombe MSD will only consider proposals from experienced counsel with demonstrated expertise in those areas of law pertinent to the work being performed.

Proposal Submission Requirements

RFP responses must be completed and returned via email (no hard copy required) by **5:00 p.m. on Wednesday, April 15, 2015** to Scott Powell, Director of Finance for Buncombe MSD (spowell@msdbc.org).

Scope of Services

Bond Counsel will be responsible to Buncombe MSD for all of, but not limited to, the following tasks:

- 1.** Substantive coordination and execution of all tasks required for the necessary document reviews and approvals; written and oral advice to Buncombe MSD covering the procedural and legal requirements for revenue bonds; and consulting with Buncombe MSD's finance team to ensure that all legal matters associated with the issue are understood and provided for, with particular attention during the debt planning phase to ascertain and explain the legal requisites for the issuance of tax exempt debt for the subject issuance.
- 2.** Preparing draft and final authorizing documents, arbitrage certificates, and all other closing documents, reviewing bond purchase contracts and presiding over closing for bonds.
- 3.** Assisting Buncombe MSD, as requested, in presenting legal information relating to the authorization and issuance of Buncombe MSD's debt to bond rating organizations.
- 4.** Reviewing any preliminary and final official statements to ensure that the documents are complete and accurate on matters such as: (a) the description of the bonds and related financing documents, (b) the purpose of the bonds, sources of repayment, security for the bonds, and application of bond proceeds; (c) summarizing the authority for the bond issuance; (d) describing tax exemption and other federal tax consequences of ownership of the bonds; and (e) describing continuing disclosure obligations of Buncombe MSD.
- 5.** Providing customary written legal opinions to Buncombe MSD and others, including an opinion as to the exclusion from gross income for federal income tax purposes of the interest on the bonds.
- 6.** Performing other services customarily performed by bond counsel.

Length of Response to RFP

The response to the RFP shall be limited to eight typed pages.

Experience and Qualifications

1. Please generally describe your firm and its experience in providing bond counsel services.
2. Please provide a "case study" detailing the bond counsel work that your firm has performed for a North Carolina issuer of utility revenue bonds. Please provide contact information for a reference at such issuer.
3. Please provide the following:
 - a. Identify the lead partner or principal and all other individuals who will be assigned to work with Buncombe MSD.
 - b. Describe the anticipated division of duties among partners, associates, and paralegals.
 - c. Provide background and qualifications for the lead partner or principal as well as one other individual that will be assigned to work with Buncombe MSD.
4. Please note if your firm would have any potential conflict of interest in serving as bond counsel to Buncombe MSD. If there is any potential conflict of interest, please elaborate as to the potential conflict.

Miscellaneous

This RFP does not obligate Buncombe MSD to contract for any services. Respondents shall not be reimbursed for any cost incurred in the preparation and submission of a response.

Questions regarding this RFP should be directed by email to Scott Powell, Director of Finance for Buncombe MSD (spowell@msdbc.org). No other contact with any other representative, including board members of Buncombe MSD shall be permitted. Any such contact will be grounds for disqualification from consideration.

Buncombe MSD thanks you for your interest in responding to this RFP.

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: March 18, 2015

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 January 31, 2015

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 January 31, 2015 were \$52,386,779. The detailed listing of accounts is available upon request. The average rate of return for all investments is 0.404%. 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 January 31, 2015 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of January 31, 2015 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$18,017,426.

Total Cash & Investments as of 01/31/2015		52,386,779
Less:		
Budgeted Commitments (Required to pay remaining FY14 budgeted expenditures from unrestricted cash)		
Construction Funds	(13,719,630)	
Operations & Maintenance Fund	<u>(7,235,661)</u>	
		(20,955,291)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(4,834)	
Remaining Principal & Interest Due	<u>(8,046,112)</u>	
		(8,050,946)
District Reserve Funds		
Fleet Replacement	(452,185)	
WWTP Replacement	(501,445)	
Maintenance Reserve	<u>(913,246)</u>	
		(1,866,876)
District Insurance Funds		
General Liability	(378,227)	
Worker's Compensation	(286,895)	
Post-Retirement Benefit	(1,380,603)	
Self-Funded Employee Medical	<u>(1,450,515)</u>	
		(3,496,240)
Designated for Capital Outlay		<u><u>18,017,426</u></u>

Staff Recommendation

None. Information Only.

Action Taken

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

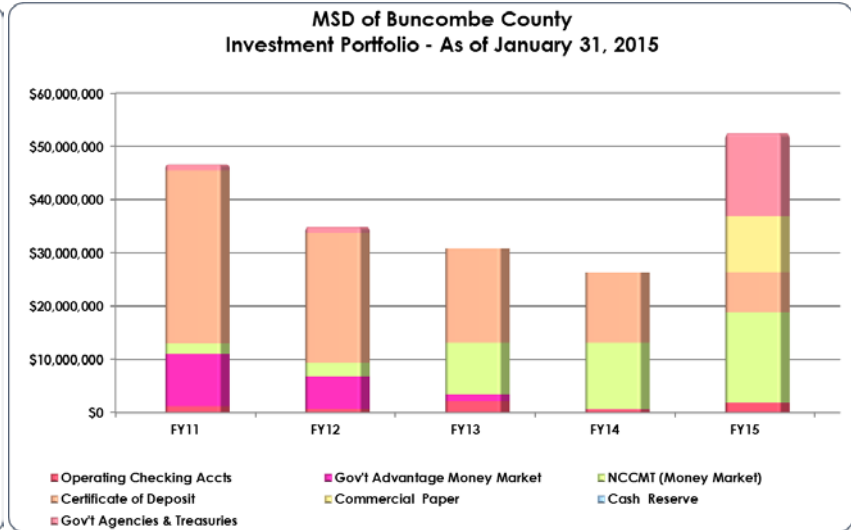
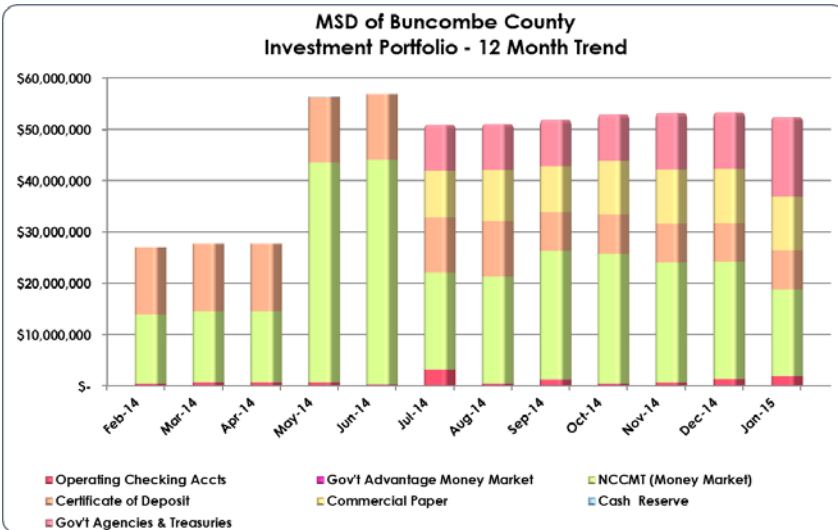
Metropolitan Sewerage District of Buncombe County Investment Portfolio

Board Meeting:
Subject:
 Page -2-

March 18, 2015
 Cash Commitment/Investment Report-Month Ended January 31, 2015

	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -	\$ -	\$ 4,834	\$ -	\$ -	\$ -	\$ -	\$ 4,834
Held by MSD	1,855,286	46,662	16,898,856	7,591,468	10,490,488	-	15,499,185	52,381,945
	\$ 1,855,286	\$ 46,662	\$ 16,903,690	\$ 7,591,468	\$ 10,490,488	\$ -	\$ 15,499,185	\$ 52,386,779

Investment Policy Asset Allocation	Maximum Percent	Actual Percent	
U.S. Government Treasuries,			
Agencies and Instrumentalities	100%	29.59%	No significant changes in the investment portfolio as to makeup or total amount.
Bankers' Acceptances	20%	0.00%	
Certificates of Deposit	100%	14.49%	The District 's YTM of .45% is exceeding the YTM benchmarks of the
Commercial Paper	20%	20.02%	
North Carolina Capital Management Trust	100%	32.27%	6 month T-Bill and NCCMT Cash Portfolio.
Checking Accounts:			
Operating Checking Accounts		3.54%	All funds invested in CD's, operating checking accounts, Gov't Advantage money market are fully collateralized with the State Treasurer.
Gov't Advantage Money Market		0.09%	



Board Meeting:

March 18, 2015

Subject:

Cash Commitment/Investment Report-Month Ended January 31, 2015

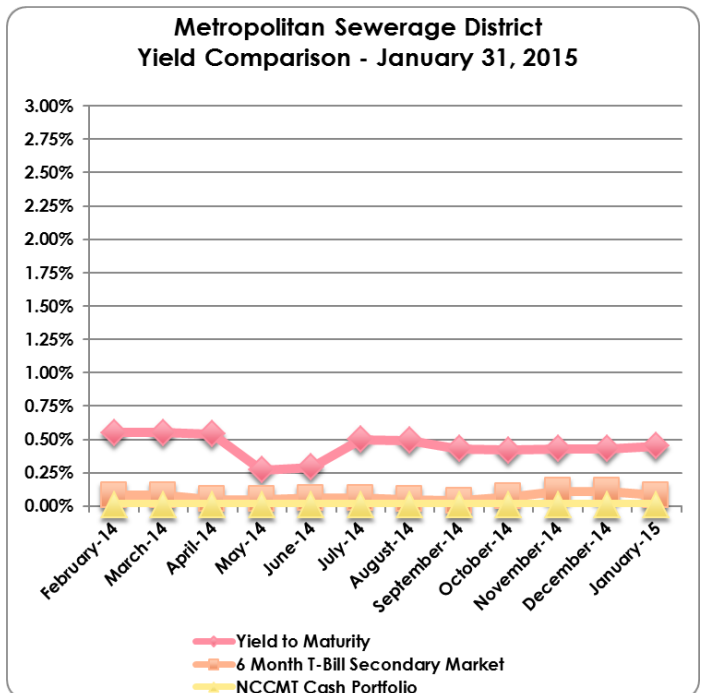
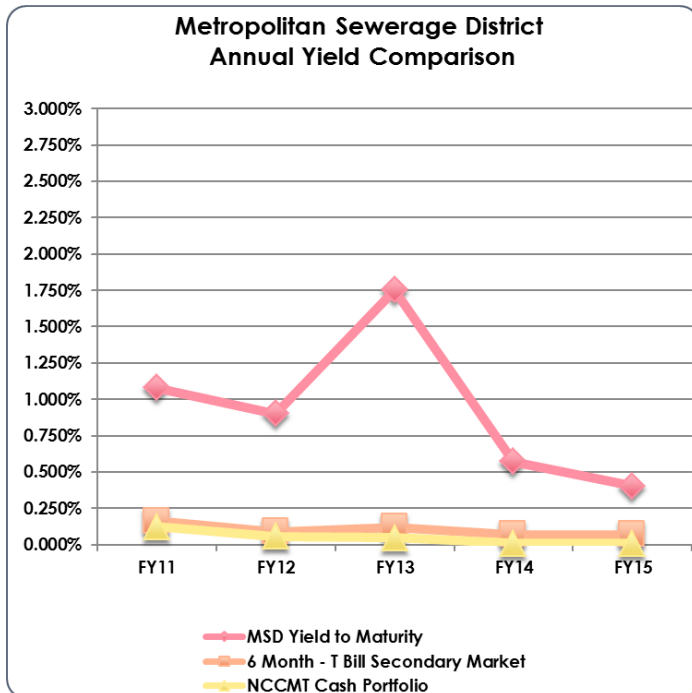
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**METROPOLITAN SEWERAGE DISTRICT
INVESTMENT MANAGERS' REPORT
At January 31, 2015**

<u>Summary of Asset Transactions</u>			
	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 48,106,360	\$ 48,106,360	\$ 375,950
Capital Contributed (Withdrawn)	107,613	107,613	
Realized Income	19,610	19,610	(18,628)
Unrealized/Accrued Income		-	15,680
Ending Balance	\$ 48,233,583	\$ 48,233,583	\$ 373,002

<u>Value and Income by Maturity</u>			
	Original Cost	Income	
Cash Equivalents <91 Days	\$ 21,646,631	\$ 7,478	
Securities/CD's 91 to 365 Days	17,587,072	\$ 6,075	
Securities/CD's > 1 Year	8,999,880	\$ 3,109	
	\$ 48,233,583	\$ 16,662	

<u>Month End Portfolio Information</u>	
Weighted Average Maturity	260
Yield to Maturity	0.45%
6 Month T-Bill Secondary Market	0.08%
NCCMT Cash Portfolio	0.01%



Board Meeting:

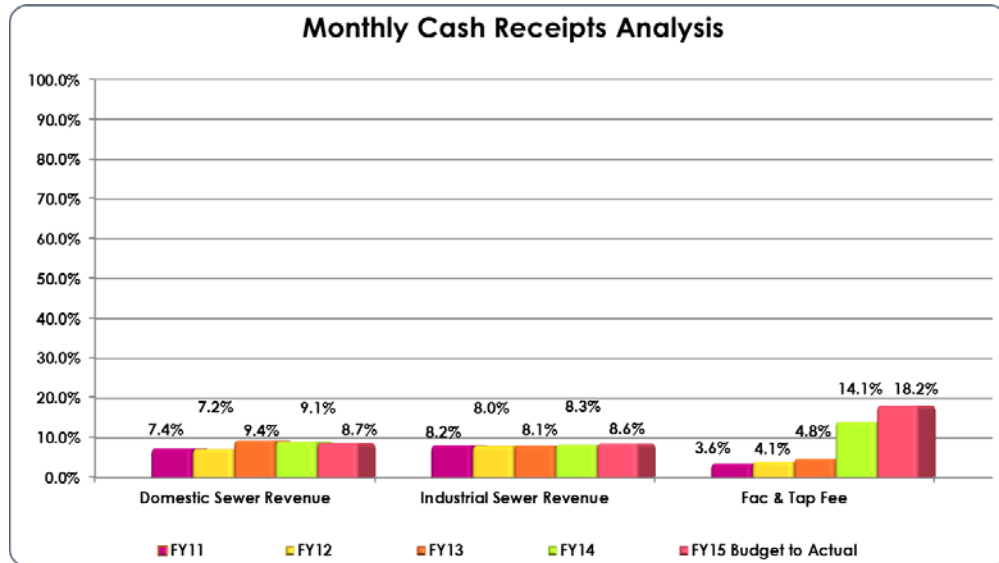
March 18, 2015

Subject:

Cash Commitment/Investment Report-Month Ended January 31, 2015

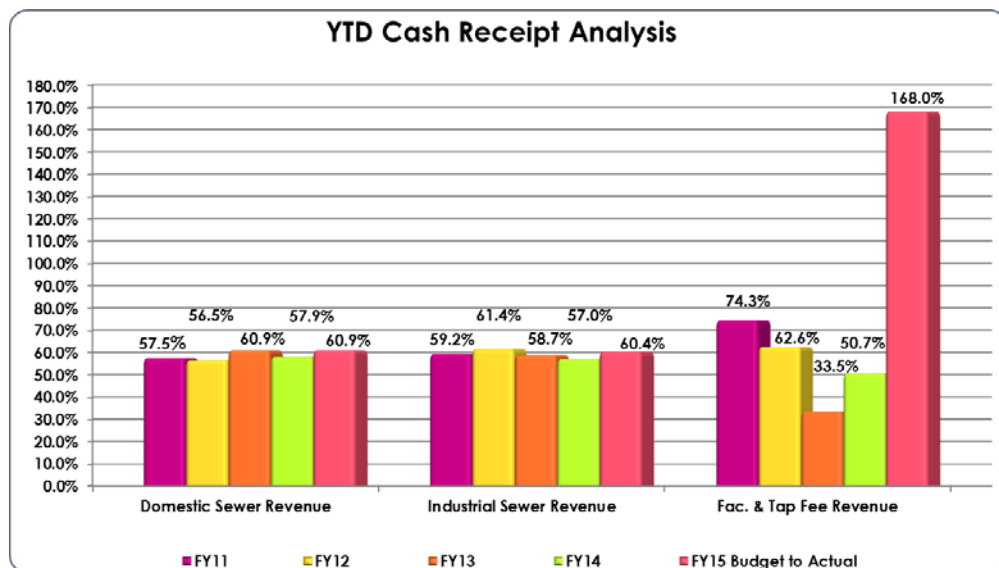
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**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF CASH RECEIPTS
As of January 31, 2015**



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.

Board Meeting:

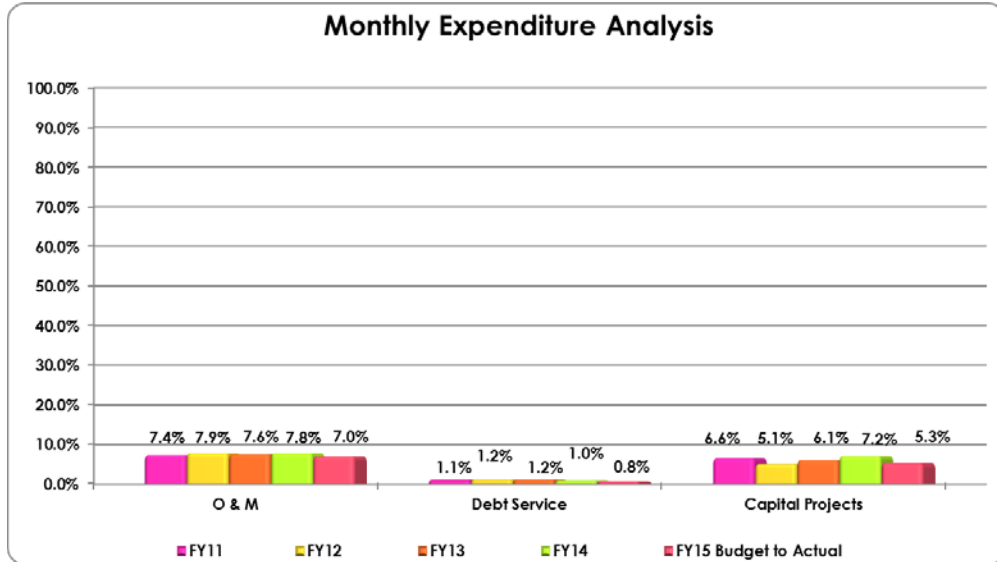
March 18, 2015

Subject:

Cash Commitment/Investment Report-Month Ended January 31, 2015

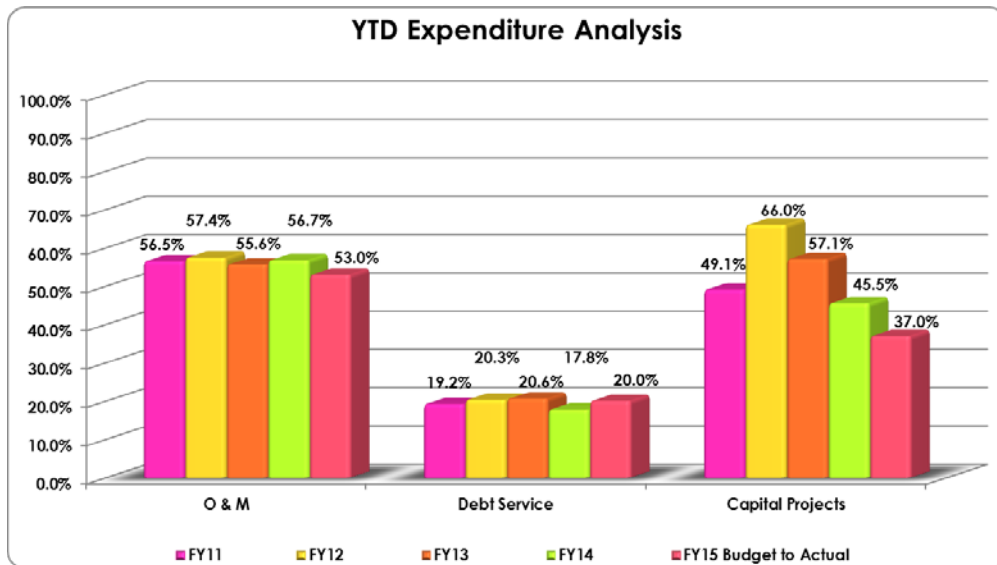
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**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF EXPENDITURES
As of January 31, 2015**



Monthly Expenditure Analysis:

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



YTD Expenditure Analysis:

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

Board Meeting:

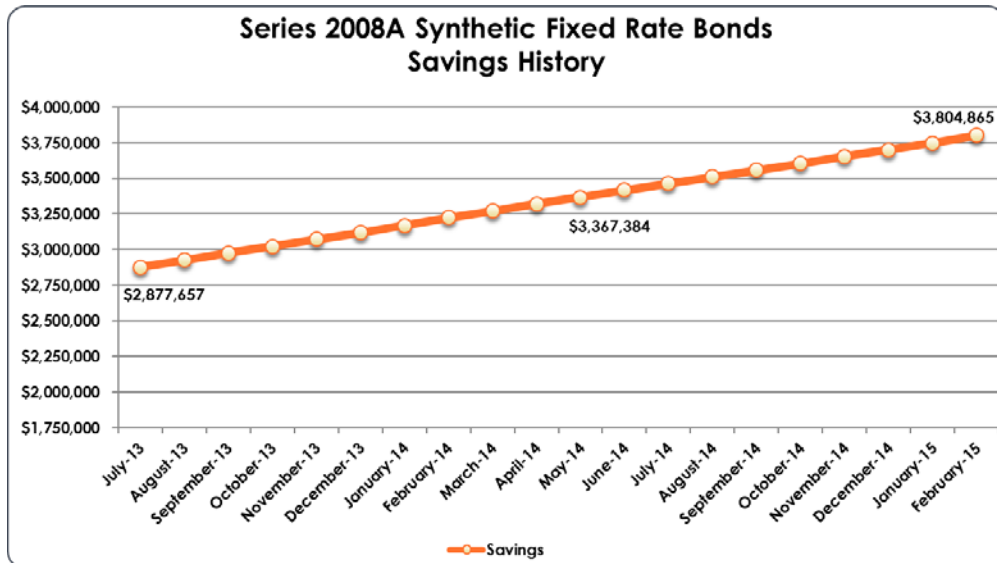
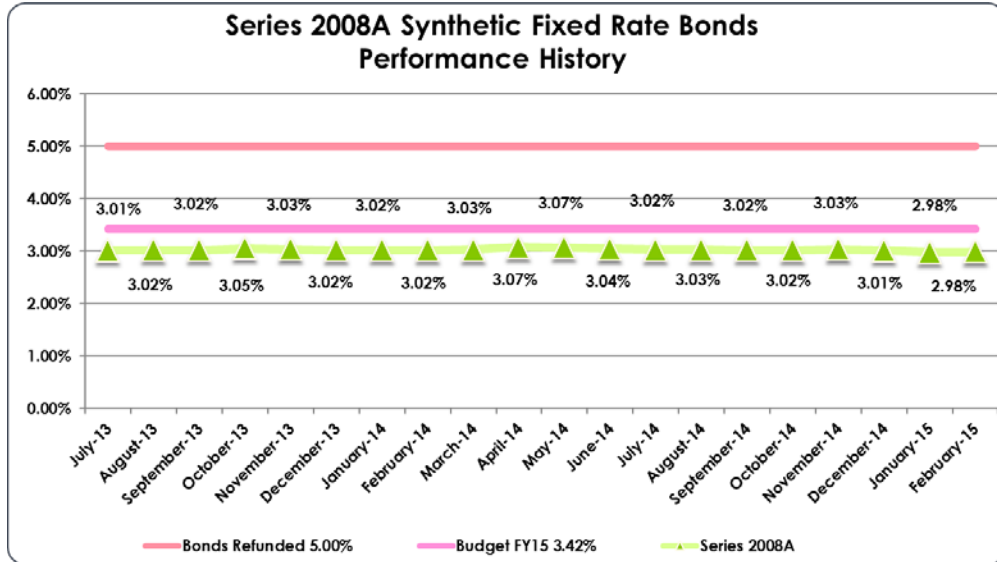
March 18, 2015

Subject:

Cash Commitment/Investment Report-Month Ended January 31, 2015

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**METROPOLITAN SEWERAGE DISTRICT
VARIABLE DEBT SERVICE REPORT
As of February 28, 2015**



Series 2008A:

- ✦ Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$3,804,865 as compared to 4/1 fixed rate of 4.85%.
- ✦ Assuming that the rate on the Series 2008A Bonds continues at the current all-in rate of 3.9475%, MSD will achieve cash savings of \$4,730,000 over the life of the bonds.
- ✦ MSD would pay \$5,022,000 to terminate the existing Bank of America Swap Agreement.

STATUS REPORTS

MSD SYSTEM SERVICES IN-HOUSE CONSTRUCTION FY 14-15 PIPELINE REHABILITATION PROJECTS								
PROJECT NAME	LOCATION	ESTIMATED FOOTAGE	ESTIMATED PROJECT DATES	WO#	CREW	COMPLETION DATE	ACTUAL FOOTAGE	NOTES
Westwood Road Phase 2	N. asheville	400	6/25/14 - 7/4/14	215883	667	7/3/2014	400	complete
Penelope Street	Black Mountain	400	7/14/14 - 8/15/14	470602	667	7/24/2014	415	complete
Shiloh Road	Asheville	350	7/15/14 - 7/31/14	456294	631	8/1/2014	354	complete
995 West Chapel Rd	Asheville	100	8/1/14 - 8/15/14	211782	631	8/7/2014	60	complete
Emory Road	W. Asheville	300	7/25/14 - 8/15/14	456301	667	8/11/2014	290	complete
Haywood Street P. S. and FM	Asheville	225	8/18/14 - 9/5/14	216297	631	8/22/2014	305	complete
Springside Drive	W. Asheville	522	8/16/14 - 9/10/14	205995	667	9/15/2014	631	complete
Woodbury Rd -91 Carter Cove	N. Asheville	239	9/11/14 - 9/29/14	470613	667	9/29/2014	220	complete
Terre Drive / Dunwood Road	N. Asheville	308	9/30/14 - 10/31/14	410100	667	10/20/2014	405	complete
Hickory Court	Arden/Royal Pines	1633	9/8/14 - 10/17/14	448319	631	10/24/2014	1631	complete
190 Tunnel Rd Sewer Replacement	Asheville	255	11/3/14 - 11/5/14	218034	667	10/27/2014	264	complete
N. Anne St.	Asheville	550	10/23/14 - 11/23/14	44181	631	11/14/2014	598	complete
809 Patton Avenue	Asheville	112	11/24/14 - 11/25/14	219718	647	11/25/2014	112	complete
Biltmore Forest County Club Sewer Replacements Phase 1	Biltmore Forest	1000	11/3/14 - 12/15/14	218277	647	12/10/2014	1080	complete
6 Hilderbrand Street	Asheville	400	12/11/14 - 12/31/14	46649	647	12/31/2014	368	complete
Sunset Drive @ Bee Tree Road	Swannanoa	1055	11/17/14 - 1/7/15	219327	631	12/31/2014	1086	complete
E Skyview Circle PSR	Woodfin	400	1/12/15 - 1/21/15	217301	631	1/21/2015	361	complete
Rumbough Place	W. Asheville	710	1/19/14 - 2/16/14	201105	631	2/4/2015	717	complete
Campus Drive (UNCA)	Asheville	335	1/5/15 - 2/5/15	210230	647	2/5/2015	355	complete
1091 Patton Avenue (@ Tastee Freez)	Asheville	80	2/3/15 - 2/7/15	221418	631	2/9/2015	88	complete
165 Old County Home Road	Asheville/Leicester	1,100	2/6/15 - 4/1/15	433522	647			Construction is 40% complete as of 3/2/15
Dilling Avenue	Black Mountain	692	2/6/15 - 3/9/15	221464	631			Construction is 65% complete as of 3/2/15
Vance Avenue (Dilling Ave Ph. 2)	Black Mountain	896	3/10/15 - 5/1/15	TBA	631			Ready for Construction
Deanwood Circle	Asheville	1292	5/2/15 - 6/2/15	400925	631			ready for construction - Project Number 2012030, CIP Transmittal 204
Biltmore Forest County Club Sewer Replacements Phase 2	Biltmore Forest	300	4/2/15 - 4/15/15	TBA	647			ready for construction
Tacoma Circle	Asheville	300	TBA	221217	TBA			In ROW
Sareva Place	N. Asheville	957	TBA	410095	TBA			ready for construction
Robindale Ave	Asheville	520	TBA	433537	TBA			ready for construction
18 Crestland Road	Asheville	270	TBA	448974	TBA			ready for construction
Carjen Avenue	Asheville	825	TBA	410096	TBA			ready for construction
Rathfarnham Circle	Arden	520	TBA	212218	TBA			ready for construction
Starnes Avenue at Broadway Street	Asheville	400	TBA	400927	TBA			ready for construction
27 Lane Avenue	West Asheville	400	TBA	221454	TBA			ready for construction
Winnfred Street	W. Asheville	420	TBA	400928	TBA			ready for construction



CONSTRUCTION TOTALS BY DATE COMPLETED - Monthly

From 7/1/2014 to 1/31/2015

	Dig Ups	Emergency Dig Ups	Dig Up ML Ftg	Dig Up SL Ftg	Manhole Repairs	Taps Installed	ROW Ftg	IRS Rehab Ftg *	Const Rehab Ftg *	D-R Rehab Ftg *	Manhole Installs	Bursting Rehab Ftg *	Total Rehab Ftg *
July 2014	46	15	193	908	26	18	3,800	0	235	415	6	400	1050
August 2014	44	7	219	536	29	11	200	0	143	674	7	330	1147
September 2014	38	9	154	650	44	23	1,345	0	16	856	6	0	872
October 2014	33	8	219	644	30	23	420	0	204	405	20	2,075	2684
November 2014	19	8	51	606	28	18	0	0	234	598	3	0	832
December 2014	40	6	118	715	41	18	1,383	0	654	1592	20	942	3188
January 2015	32	8	78	837	25	21	575	73	420	201	2	160	854
Grand Totals	252	61	1,030	4,896	223	132	7,723	73	1906	4741	64	3,907	10627

* Used to calculate Total Rehab Footage



PIPELINE MAINTENANCE TOTALS BY DATE COMPLETED - Monthly

July 01, 2014 to January 31, 2015

	Main Line Wash Footage	Service Line Wash Footage	Rod Line Footage	Cleaned Footage	CCTV Footage	Smoke Footage	SL-RAT Footage
2014							
July	66,005	2,224	3,370	69,315	24,012	650	27,593
August	62,930	1,101	6,357	69,087	32,258	3,150	16,074
September	42,031	2,136	3,299	45,277	24,495	3,650	24,813
October	90,846	1,502	9,854	100,694	35,690	0	3,549
November	61,000	1,208	4,631	65,631	16,007	10	12,239
December	53,482	2,361	7,593	60,910	25,855	400	17,845
2015							
January	71,241	3,838	4,592	75,793	29,211	300	3,732
Grand Total:	447,535	14,370	39,696	486,707	187,528	8,160	105,845
Avg Per Month:	63,934	2,053	5,671	69,530	26,790	1,166	15,121



CUSTOMER SERVICE REQUESTS

Monthly - All Crews

CREW	MONTH	JOBS	AVERAGE RESPONSE TIME	AVERAGE TIME SPENT
DAY 1ST RESPONDER				
	July, 2014	108	33	42
	August, 2014	90	28	34
	September, 2014	98	36	40
	October, 2014	96	31	38
	November, 2014	92	30	39
	December, 2014	103	31	40
	January, 2015	102	36	45
		689	32	40
NIGHT 1ST RESPONDER				
	July, 2014	29	20	18
	August, 2014	28	24	24
	September, 2014	37	22	20
	October, 2014	29	22	23
	November, 2014	10	90	15
	December, 2014	25	49	29
	January, 2015	42	40	24
		200	33	22
ON-CALL CREW *				
	July, 2014	37	39	48
	August, 2014	33	55	40
	September, 2014	33	47	70
	October, 2014	23	49	49
	November, 2014	47	54	33
	December, 2014	59	55	40
	January, 2015	81	56	48
		313	52	46
Grand Totals:		1,202	37	39

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

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

March 9, 2015

PROJECT	LOCATION OF PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
BROADVIEW AVENUE	Oakley	Buckeye Bridge	7/16/2014	9/8/2014	5/29/2015	\$1,111,015.90	40%	Winston Avenue to Raleigh Road is complete. Awaiting asphalt on Mainline A up to Winston Avenue.
CLAYTON ROAD PUMP STATION	Skyland	J.S. Haren Company	11/19/2014	2/23/2015	6/23/2015	\$192,500.00	0%	No work has begun yet. Submittals in review.
CROCKETT AVENUE PRP	Asheville	Terry Brothers	8/20/2014	11/17/2014	4/30/2015	\$676,842.00	70%	Contractor working on mainline construction. MSD working with NCDOT concerning existing conditions under US 70.
FAIRFAX AVENUE PRP	W. Asheville	Terry Brothers	8/20/2014	10/22/2014	3/31/2015	\$558,802.00	87%	Mainline complete. Some service work remains as well as paving.
MERRIMON AVENUE @ STRATFORD ROAD	Asheville	Terry Brothers	9/18/2013	12/16/2013	3/31/2015	\$885,849.00	85%	Tunnel under Elkwood complete. Construction on the 30" DIP going well.
MOUNT VERNON PLACE, PHASE 2	Asheville	Terry Brothers	6/11/2014	7/14/2014	4/1/2015	\$542,675.00	90%	Mainline construction is complete. Asphalt work is on hold until Spring, partnering with COA.
OLD HAYWOOD ROAD @ STARNES COVE ROAD	Asheville	Terry Brothers	10/15/2014	2/16/2015	5/17/2015	\$341,342.00	0%	No work has begun yet.
OLD U.S. 70 @ PINE CIRCLE	Swannanoa	Thomas Construction Company	11/19/2014	1/14/2015	5/14/2015	\$545,153.31	30%	Construction is progressing well.
ROBINWOOD AVENUE	Asheville	Davis Grading, Inc.	9/17/2014	11/3/2014	4/1/2015	\$457,838.60	90%	All pipe work is complete, including added work on lower section of Robinwood.
WENDOVER ROAD	Asheville	Davis Grading, Inc.	1/21/2015	3/2/2015	5/31/2015	\$576,269.50	0%	No work has begun yet.
SHADOWLAWN DRIVE PHASE I	Asheville	Buchanan & Sons	12/17/2014	1/26/2015	6/25/2015	\$923,946.00	5%	Contractor has begun mainline construction.
WRF - INCINERATOR SYSTEM REHABILITATION AND EMISSIONS UPGRADES	Woodfin	Haren Construction Company	2/18/2015	3/17/2015	2/15/2016	\$4,624,000.00	0%	Project was awarded to Haren Construction Company. Preconstruction meeting is scheduled for March 17th.

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

Planning & Development Project Status Report

March 18, 2015

Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
Black Mtn. Annex- Blue Ridge Rd.	1992171	Black Mtn.	24	2,560	8/19/2010	Complete- waiting on conveyance
Black Mtn. Annex- McCoy Cove	1992174	Black Mtn.	24	2,067	8/19/2010	Complete- waiting on conveyance
Black Mtn. Annex- Avena Rd.	1999026	Black Mtn.	24	4,300	8/19/2010	Complete- waiting on conveyance
Momentum Health Adventure	2008097	Asheville	Comm.	184	8/19/2009	New ownership - project currently inactive
North Point Baptist Church	2008105	Weaverville	Comm.	723	5/20/2009	Complete - Waiting on final documents
AVL Technologies	2010018	Woodfin	Comm.	133	5/21/2010	Complete-Waiting on final documents
UNC-A New Residence Hall	2011047	Asheville	304	404	8/29/2011	Complete-Waiting on final documents
Cottonwood Townhomes	2009110	Black Mtn.	8	580	10/20/2009	Complete-Waiting on final documents
Ramble at Parkway	2013100	Biltmore Forest	TBD	335	7/26/2013	Complete-Waiting on final documents
Carolina Truck and Body (Cooper)	2012075	Asheville	Comm.	298	10/30/2012	Complete-Waiting on final documents
Sardis Road (COA) Annexation	2009037	Asheville	N/A	6,981	4/2/2012	Complete-Waiting on revised ROW items
Ardmion Park	2011107	Asheville	5	208	4/16/2013	Complete-Waiting on final documents
Central Ave	2012065	Asheville	6	305	9/26/2013	Complete - Waiting on final documents
Westover Relocation	2013132	Asheville	1	87	11/20/2013	Complete - Waiting on final documents
Brookgreen Phase 1D-Kenai Dr.	2013076	Woodfin	3	370	3/14/2014	Complete - Waiting on final documents
Echo Hills Cottages	2013121	Asheville	11	532	4/30/2014	Complete - Waiting on final documents
Village at Bradley Branch - Ph. III	2008076	Asheville	44	783	8/8/2008	Complete - Waiting on final documents
Waynesville Ave (Pittman)	2013046	Asheville	15	332	5/23/2013	Complete-Waiting on final documents
Hyde Park	2013058	Arden	65	3,062	12/3/2013	Complete-Waiting on final documents
Thoms Estate 3B & 4	2013052	Asheville	35	4,690	7/26/2013	Complete-Waiting on final documents
Laurel Lane	2012121	Black Mountain	3	107	8/12/2014	Complete-Waiting on final documents
Publix	2013134	Asheville	Comm.	612	10/5/2014	Complete-Waiting on final documents
Telco - Weaverville	2014046	Weaverville	Comm.	110	5/12/2014	Complete-Waiting on final documents
New Belgium Distribution Ctr.	2014044	Asheville	Comm.	1,620	11/11/2014	Pre-con held, ready for construction
The Aventine	2011015	Biltmore Forest	300	3,238	10/14/2013	Ready for final inspection
Locust Springs	2012107	Black Mountain	18	621	3/14/2014	Complete-Waiting on final documents
Palisades Apartments	2013024	Asheville	224	1,423	9/4/2013	Complete-Waiting on final documents

Planning & Development Project Status Report

March 18, 2015

Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
Ingles - Sand Hill Rd.	2007214	Enka	Comm.	1,255	10/15/2014	Pre-con held, ready for construction
Bartram's Walk	2007065	Asheville	100	10,077	7/28/2008	Waiting on pavement to do final inspection
Morgan Property	2008007	Candler	10	1,721	8/11/2008	Pre-con held, ready for construction
Canoe Landing	2007137	Woodfin	4	303	5/12/2008	Ready for construction
Central Valley	2006166	Black Mtn	12	472	8/8/2007	Punch list pending
Bridle Path	2014040	Asheville	6	129	3/4/2015	Pre-con held, ready for construction
Avalon	2013114	Asheville	192	1,343	6/2/2014	Ready for final inspection
Mallard Run	2014109	Buncombe Co.	72	2,811	10/31/2014	Pre-con held, ready for construction
Crest Mountain Phase 3B	2013041	Woodfin	69	1,329	10/15/2013	Testing
Ingles - Smokey Park Highway	2013135	Asheville	Comm.	1,289	4/11/2014	Ready for final inspection
New Belgium Relocation	2013143	Asheville	Comm.	380	8/12/2014	Pre-con held, ready for construction
Ansley at Roberts Lake	2013126	Buncombe Co.	296	2,534	6/2/2014	Testing
Hunt Hill Apartments	2013111	Asheville	180	1,729	3/5/2014	Ready for final inspection
Rosebriar	2007005	Black Mountain	180	1,729	3/5/2014	Ready for final inspection
Ventana	2014085	Woodfin	100	5,430	8/12/2014	Installing
Upper Kentucky Improvements	2013085	Montreat	N/A	284	12/3/2013	Awaiting paving prior to final inspection
Upper Kentucky Ph. 1 "Res"	2014101	Montreat	5	265	10/31/2014	Awaiting paving prior to final inspection
Isaac Dickson School Relocation	2013033	Asheville	School	504	1/13/2014	Under Construction - on hold
A.B. Tech Fernihurst Relocation	2014061	Asheville	School	697	4/8/2014	Under Construction - on hold
Locust Springs	2012107	Black Mountain	18	621	3/14/2014	Testing
Haywood Village	2014064	Asheville	Mixed	276	6/19/2014	Testing
Lakeside Meadows	2013067	Weaverville	25	1,096	1/16/2015	Pre-con held, ready for construction
Boulden Subdivision	2013022	Asheville	3	295	9/16/2014	Pre-con held, ready for construction
Crossings at Beaverdam	2014150	Woodfin	Comm.	119	2/18/2015	Pre-con held, ready for construction
Mill Creek Townhomes	2014037	Buncombe Co.	18	85	3/4/2015	Pre-con held, ready for construction
Busbee Mountain	2007181	Asheville	9	580	9/29/2014	Ready for final inspection
Country Inn & Suites - Westgate	2014089	Asheville	Comm.	204	1/22/2015	Pre-con held, ready for construction
Burk Street - Phase III	2014079	Asheville	7	111	11/20/2014	Pre-con held, ready for construction
Dillingham Woods	2014048	Asheville	27	375	3/4/2015	Pre-con held, ready for construction
790 Riceville Road	2014078	Asheville	8	1,620	3/3/2015	Pre-con held, ready for construction
Asheville Middle School	2013125	Asheville	School	214	9/30/2014	Pre-con held, ready for construction
Evolve Mountain View	2013105	Asheville	148	347	10/21/2014	Installing
TOTAL			2,531	67,962		