

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
DECEMBER 16, 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, December 16, 2015. Chairman VeHaun presided with the following members present: Ashley, Belcher, Bryson, Frost, Kelly, Manheimer, Pelly, Watts and Wisler. Mr. Creighton and Mr. Root were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Forrest Westall with McGill Associates, PA, Matthew Socha with Cherry Bekaert LLP, Scott Powell, Ed Bradford, Peter Weed, Roger Edwards, Mike Stamey, Ken Stines, Jim Hemphill, Julie Willingham, Pam Thomas, Angel Banks, Corey Smolik, Mickey Roberts, John Gosnell, Mitchell Metcalf 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 November 18, 2015 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the November 18, 2015 Board Meeting. Ms. Wisler moved for approval of the minutes as presented. Mr. Pelly seconded the motion. Voice vote in favor of the motion was unanimous.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. VeHaun welcomed Mr. Socha. There was no public comment.

6. Report of General Manager:

Mr. Hartye reported Ken Stines was awarded the "Red" Ebert Award from the NCAWWA/WEA at the annual conference this year. The award recognizes Ken's efforts in leadership, customer service, technical innovation, improvements to the collection system, and his involvement in helping to train others that are entering the profession. Mr. Hartye presented a photo of "Red" Ebert and his byline "Do a good job and remember who you are working for...the public". He stated this award has been presented each year since 1988. He also presented a photo of Ken receiving the award in Raleigh. In addition, Mr. Hartye stated that Ken was part of the original team that developed the Pipe Rating Program. He also developed the successful First Responder Program, which keeps response times down to 30 minutes during the day and 35 minutes at night, and helped with the training of those coming on-line to get their certifications for operations, etc. as well as helping to develop the exams.

Mr. Hartye reported that MSD's Flow Motion scored second overall in the Operations Challenge event and first place in both the Safety and Process Control events at the NCAWWA/WEA Conference. He expressed his congratulations to Corey Smolik, Mickey Roberts, John Gosnell and Mitchell Metcalf. Mr. Hartye further reported the MSD Treatment Plant was awarded the West Region Wastewater Treatment Plant Operation and Maintenance Excellence Award for this past year. He recognized Peter Weed, Roger Edwards and entire staff for their involvement in replacing some of the RBC's and other improvements at the Plant, while keeping the operations going and compliant.

Mr. Hartye presented write-ups from Moody's and Fitch regarding MSD's rating which affects its current outstanding debt of over \$100 million. Moody's has upgraded MSD's rating from Aa2 to Aa1. Fitch has affirmed MSD's AA+ rating. He expressed congratulations to the MSD Board and the entire organization for continually improving the operation while being financially prudent. Special thanks to Scott Powell for leading the effort to keep the rating agencies up to date on MSD's progress.

Mr. Hartye called on Matthew Socha, Senior Manager at Cherry Bekaert, LLP for a presentation on the Fiscal Year 2015 Audit of MSD financial statements. Mr. Socha stated that he will address the following:

- Summary of Audit Results.
- Required Auditor Communications.
- Future Accounting Standards.
- Financial Highlights.

He further stated that because the Financial Statements exceed 100 pages, he will present six (6) graphs that will do a good job of explaining the big picture and showing what MSD does. Regarding the Audit Results, Mr. Socha reported the audit was performed under standards generally accepted in the USA and Governmental Auditing Standards. Their opinion on the financial statements as of and for the year ended June 30, 2015 is unmodified "clean". There were no compliance findings; no material weaknesses in internal controls, and no audit adjustments.

Mr. Socha reported that Required Auditor Communications include:

- Pronouncements Adopted.
- Significant Estimates
- Difficulties or Disagreements with Management.
- Misstatements.
- Management's Representations.
- Consultations with 3rd Parties.

Mr. Socha reported there were two (2) pronouncements that went into effect this year; GASB 68 and 71 that relate to the Local Government Employees Pension Plan and require the District to recognize and show its proportionate share of the net pension obligation of the plan. He further reported that significant estimates in the District's financial statements were depreciation of fixed assets; OPEC liability; pension liability and interest rate swap on the bonds. There were no difficulties or disagreements with management or misstatements. In addition, management signs a representation letter which takes responsibility for the financial statements and disclosures. Effective for next year are two (2) new Standards; GASB Statement 72, which is a fair value measurement and application, and GASB Statement 76, which is the hierarchy of generally accepted accounting principles for State and Local Governments.

Mr. Socha presented graphs showing financial trends from FY2008-2014. The first graph shows an upward trend in the Investment of Capital Assets, Net, which means the District continues to invest in its infrastructure. The second graph is Long Term Bonds Payable, which shows a stair step approach in issuing debt for infrastructure needs. The third graph is Net Position which includes Investment in Capital Assets minus related debt, Unrestricted and Restricted. All balances are considered strong and in line with the District's financial policies. The fourth graph is Operating Results which include Operating Revenue, Expense and Income. He stated the Operating Revenue is tied very closely to development and how well the area of Asheville and surrounding communities are doing. A large portion of the upward trend in 2014 & 2015 operating revenue is from Facility and Tap fees. Operating Expense is very steady and Operating Income will fluctuate with the revenue portion. The fifth graph is Revenue vs. Expenditures. It

includes operating revenue as well as all expenditure outflows (i.e. capital projects, operating and debt service). The sixth graph shows Revenue vs. Total Expenditures. This graph shows the relationship of total expenditures and operating revenue and with the need of using a combination of operating reserves and debt to meet the District's capital project initiatives. Mr. Belcher asked if there are any projections on the gap between revenue and total expenditures for the coming year. Mr. Powell stated that in looking at the FY2016 budget there is about \$12 million coming out of reserves to meet Operating, Capital and Debt Service Expenditures. This trend of total expenditures above Operating Revenue will continue until MSD issues new debt in 2018.

In summary, Mr. Socha expressed his appreciation to Tom Hartye, Scott Powell, Cheryl Rice and the entire team for their help in completing the audit by the reporting deadline of October 31st and for another great year.

Mr. Hartye reported that Kimble Davis of 11 Comity Street called to express her great appreciation for MSD employees saving her house. Much thanks to Ken Stines, Eric Bryant, Mitch Hawes and Carl Ellington. He further reported MSD received a call from John Dankel of Pheasant Ridge Drive expressing his gratitude for the way Eric Bryant handled a sewer problem at his residence.

Mr. Hartye reported the next regular Board Meeting will be held on January 20th at 2pm.

7. Consolidated Motion Agenda:

a. Dump Truck Replacement – Fleet Purchase

Mr. Hartye reported the District's policy is to annually evaluate the condition of fleet vehicles and purchase replacements when the estimated cost of repairs and maintenance will exceed the cost of a new one. At the March 12, 2015 Equipment Replacement Committee meeting the members recommended the purchase of one (1) New Dump Truck Replacement. Pursuant to North Carolina Purchasing Statutes and MSD Procedures, bids for the dump truck were emailed to five vendors and an advertisement placed on the MSD web site. The following two bid packages were received and opened on November 19, 2015: The Pete Store/Peterbilt with a total bid of \$120,872.00 and MHC Kenworth with a total bid of \$138,057.85. The total cost of this contract will be \$120,872.00. Mr. Hartye further reported that \$140,000.00 was budgeted for this item in the 2015-2016 Fleet Replacement Fund. Staff recommends that the bid from The Pete Store/Peterbilt be awarded.

b. Consideration of Bids for Shadowlawn Drive Phase 2 Sanitary Sewer Replacement:

Mr. Hartye reported this item was pulled because the two lowest bids; Davis Grading, Inc. with a bid of \$467,986.00 and Freestone Construction with a bid of \$460,372.50 were rejected due to improper Bid Bonds, so MSD rejected all the bids. Mr. Hartye stated that the third low bidder was over \$100,000 higher and was not willing to come all the way down to the low bid level. Mr. Hartye stated that if the contract is under \$500,000.00, it can be let informally without a bid bond. However, the performance bond, the payment bond, the contract, insurance, etc. would remain the same and hopefully maintain the savings to go toward future projects. He further stated that this item will be brought back to the Board next month either as an information item or a formal bid.

c. Consideration of Developer Constructed Sewer System for the Avalon Apartments Sewer Extension: The Avalon Apartments Sewer Extension Project and the City of Asheville Sardis Road Annexation Sewer Extension Project:

Mr. Hartye reported the Avalon Apartments is located inside the District boundary off Sweeten Creek Road in Buncombe County. The project included extending approximately 1,337 linear feet of 8-inch public gravity sewer to serve the 192 unit residential apartment complex.

Mr. Hartye reported the City of Asheville Sardis Road project is located inside the District boundary off Sand Hill Road in the City of Asheville. The project included extending approximately 6,945 linear feet of 8-inch public gravity sewer to serve fifty-two (52) single family homes.

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

Mr. Watts asked is this is one of those projects the City of Asheville gets part of its revenue back. Mr. Hartye stated yes, but not as a part of the original Consolidation Agreement, but rather as a part of the cost participation policy with both public and private entities.

d. Presentation of CAFR – Fiscal Year Ended June 30, 2015:

Mr. Powell reported the Comprehensive Annual Financial Report (CAFR) is broken down into four (4) sections:

- Introductory
 - Financial
 - Statistical
 - Compliance
- Page 7 starts the instruction section. In this section
 - Management communicates the findings of the audit (i.e. an unmodified, modified, opinion).
 - Provides a profile of the District which contains a brief overview, as well as outlines the budget process.
 - Provides a section which addresses factors affecting financial condition.
 - And a section which addresses major initiatives and accomplishments in FY2015.
 - Page 22 starts the financial section. It contains:
 - The independent auditor's report.
 - Management's discussion and analysis which is a narrative overview and analysis of the financial activities of the District for FY2015.
 - Basic financial statements, notes, required supplemental information, and supplemental information.
 - Page 83 of the PDF Schedule of Revenues and Expenditures Budget and Actual.
 - Sewer charges were above budgeted expectations as a result of a short-term revenue source which will end in FY2017. Industrial Revenue trended above budgeted expectation due to increased consumption from two industrial users.
 - Facility and Tap Fees are above budgeted expectations. This is due to the District receiving \$1.5 m8illion from seven developments at the end of the year as well as the conservative nature in which these funds are budgeted.

- Interest income was below budgeted expectations due to the Federal Reserve impact on short term interest rates.

Ms. Manheimer asked if the Impact Fee and Tap fee are one fee or, are they separate fees. Mr. Hartye stated the “Facility Fee” is the Impact Fee and then there is a “Tap Fee” which is the cost of installing the Service Connection. Ms. Manheimer stated in meeting with a developer, the developer was actually complaining about the \$2,500 per unit fee which would cost them \$300,000.00 in fees on one (1) new apartment building downtown and wondered if MSD should be more competitive for the region. Mr. Hartye stated that MSD is very competitive on the monthly bill, but on impact fees, MSD is mid-way compared to other utilities in the region. Mr. Powell continued with his report.

The District typically achieves a 90% budget to actual ratio on O&M expenditures. This year the District achieved a 94% budget to actual ratio. The District’s deferred utility cost was \$435,000.

Capital project expenditures are at approximately 85.45% of budget. CIP projects are continuing to receive favorable pricing. Additionally, staff moved some projects to FY 2016 due to the fact MSD’s in-house and contracted sewer construction met the 400,000 foot goal for the last year permit cycle. Bond principal and interest actually spent were less than budget. This is due to continued swap savings. Unspent funds will be used to address future CIP and Debt.

- Page 91 starts the Statistical section. This section provides:

Historical data on Financial Trends, Revenue Capacity, Debt Capacity, as well as Demographic, Economic and Operating Statistics.

- Page 114 starts the Compliance Section.

No material weaknesses in Internal Control were noted.

e. Cash Commitment/Investment Report Month Ended October 31, 2015:

Mr. Powell reported Page 26 presents the makeup of the District’s Investment Portfolio. There has been no change in the makeup of the portfolio from the prior month. Page 28 is the MSD Investment Manager Report as of the Month of October. The weighted average maturity of the investment portfolio is 272 days. The yield to maturity is .57% and exceeds MSD bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 29 is an analysis of Cash Receipts. Domestic User Fees and Industrial Revenue are considered reasonable based on the current budget and historical trends. Facility and Tap Fees are above budgeted expectations due to receiving approximately \$1 million dollars from three developers in the first quarter of this fiscal year. Page 30 is an Analysis of Expenditures. O&M, Debt Service, and Capital Project expenditures are considered reasonable in comparison to budget and timing of cash expenditures for capital projects. Page 31 is the MSD Variable Debt Service report for the month of November. The 2008A Series bonds are performing better than budgeted expectations. Both issues have saved the District’s ratepayers approximately \$4.2 million dollars in debt service since April of 2008.

Mr. VeHaun called for a motion to approve the Consolidated Motion Agenda with the exception of Item b. (Shadowlawn Drive). Mr. Belcher moved. Ms. Wisler seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

8. Old Business:

None

9. New Business:

None

10. Adjournment:

With no further business, Mr. VeHaun called for adjournment at 2:46 pm.

Jackie W. Bryson, Secretary/Treasurer

<h1 style="margin: 0;">MSD</h1> <h2 style="margin: 0;">Regular Board Meeting</h2>

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 12/16/15

✓	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 November 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	2:25	
	06. Consolidated Motion Agenda		2:45	
	a. Consideration of Dump Truck Replacement –Fleet Purchase.	Hartye		
	b. Consideration of Bids – Shadowlawn Drive Phase 2 Sanitary Sewer Replacement Project.	Hartye		
	c. Consideration of Developer Constructed Sewer Systems: The Avalon Apartments Sewer Extension Project and City of Asheville Sardis Road Annexation Sewer Extension Project.	Hartye		
	d. Presentation of Audit and CAFR – Fiscal Year Ended, June 30, 2015.	Powell		
	e. Cash Commitment/Investment Report – Month Ended October 31, 2015.	Powell		
	07. Old Business:	VeHaun	3:05	
	08. New Business:	VeHaun	3:10	
	09. Adjournment: (Next Meeting 1/20/2016)	VeHaun	3:15	
	STATUS REPORTS			

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
NOVEMBER 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 pm, Wednesday November 18, 2015. Chairman VeHaun presided with the following members present: Ashley, Belcher, Bryson, Creighton, Frost, Kelly, Manheimer, Pelly, Root, Watts and Wisler.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Joseph Martin with Woodfin Sanitary Water & Sewer District, Ed Bradford, Scott Powell, Jim Hemphill, Ken Stines, Mike Stamey, Sam Sirls, Peter Weed, 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 October 21, 2015 Board Meeting:

Mr. VeHaun asked if there are any changes to the Minutes of the October 21, 2015 Board Meeting. Mr. Kelly moved for approval of the minutes as presented. Mr. Pelly seconded the motion. Voice vote in favor of the motion was unanimous.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. VeHaun welcomed Joseph Martin. There was no public comment.

6. Report of General Manager:

Mr. Hartye reported the NC Appellate Court denied a request for a rehearing from the City of Asheville. The next step is their appeal to the NC Supreme Court. He stated that Mr. Clarke is available to answer any questions.

Mr. Hartye reported that the AWWA/WEA Conference in Raleigh went very well for MSD, but because it ended late yesterday and, with all that is going on at the plant, he will recognize Ken Stines and other who received awards at the conference at the next regular Board Meeting.

Mr. Hartye reported that Angel Banks earned the Senior Right of Way Professional (SR/WA) designation from the International Right of Way Association (IRWA) which is the culmination of 192 credit hours and several exams. He stated that MSD is very lucky to have Angel on staff; being accomplished in the ROW field.

Mr. Hartye presented a letter from William S. Pfeiffer of Forest Road in Asheville commending MSD employees for their fine work.

Mr. Hartye reported that a call was received from Betsy Russell who lives at Panola Street. She thought the MSD crew working on the sewer line was awesome and did a wonderful job. Thanks to Randy Norton, Mike Rice, Tommie Brooks, Dale Dillingham, Carl Ellington and Johnny Mull.

Also, Mr. Wayne E. Tutt of 10 Center Street in Ridgecrest emailed to thank MSD for responding so promptly to his complaint of October 12th to repair a clean-out. Thanks

to James Beaver, Wayne Rice, Ricky Bates, Alan Knighton, Billy Cantrel, Marvin Felder, Eric Dawson and Jamie Foxx.

Mr. Hartye reported the next ROW meeting is scheduled for January 27, 2016 at 9 am. The next regular Board Meeting will be held December 16th at 2 pm.

Mr. Hartye reported that in response to a request at the October meeting by Mr. Wilham of the Oakley neighborhood asking for MSD's help in removing gravel and pipe left on an adjacent lot next to his home, the permit of Buckeye Bridge, LLC is closed out to the satisfaction of the City of Asheville. Also, a letter was received from CIP Construction, who owns the lot and MSD has put Mr. Wilham in contact with City Code Enforcement.

7. Report of Committees:

Right of Way Committee:

Mr. Kelly reported the Right of Way Committee met October 28, 2015 to consider a Compensation Budget for the Sweeten Creek Road @ Busbee View Lane GSR project, and Condemnations on the Sand Hill Road @ Russell/Davenport GSR project, which are a part of the Consolidated Motion Agenda. Also, the Committee heard an update by Mr. Clarke on pending trials for the Short Coxe at Southside and West French Broad Interceptor Extension projects.

8. Consolidated Motion Agenda:

a. Consideration of Compensation Budget – Sweeten Creek Road @ Busbee View Lane GSR Project:

Mr. Hartye reported this project consists of 1023 linear feet of 8" DIP to replace 4" and 6" VCP. The system is in poor condition and runs under a concrete loading dock and several houses. The Right of Way Committee recommends approval of the Compensation Budget.

b. Consideration of Condemnations – Sand Hill Road @ Russell/Davenport GSR Project:

Mr. Hartye reported the first parcel is improved with a single family residence. The existing sewer line is located at the rear of the residence and cannot be replaced in the same trench due to the close proximity of the sewer line to the house. The property owner was not satisfied with the compensation amount offered (\$2,523) and has made a counteroffer of \$42,523.

Mr. Hartye reported the second parcel is improved with a single family residence that is a rental. The existing sewer line cannot be replaced in the same trench on the adjacent property due to multiple conflicts with structures, utilities, etc. Despite follow-up certified letters, door hangers, and direct request to tenant to have the owner contact MSD, the owner is unwilling to discuss the project to date.

Mr. Hartye reported the Right of Way Committee recommends authority to obtain appraisal and proceed with condemnations.

c. Consideration of Bids – Sanitary Sewer Rehabilitation Project – New Salem Road:

Mr. Hartye reported the project is located in the Swannanoa area of Buncombe County. The existing line on New Salem Road has experienced a high number of

flooded structures, SSO's and manhole overflows. Most of these problems have been caused by root intrusion at the pipe joints. The existing 8-inch pipe is structurally sound and is adequate for all future flow, making it an ideal candidate for trenchless lining. Also, while developing this project, MSD added on another 667 LF of 15-inch clay line on Lyman Street near downtown Asheville as a part of the River Arts District Transportation Improvement Program. The contract is comprised of 2,940 LF of 8-inch and 15-inch lining, plus 830 LF of 8-inch DIP replacement where lining is not feasible. The contract was advertised and the following bids were received on October 29, 2015: N. American Pipeline Management Inc. with a total bid of \$798,167.00; Layne Inliner, LLC with a total bid of \$749,835.00, and Terry Brothers Construction Co., with a total bid of \$474,362.00. The FY15-16 Construction Budget for this project is \$388,000.00. Sufficient funds are available within the CIP contingency for the overage. Staff recommends award of this contract to Terry Brothers Construction Co. in the amount of \$474,362.00, subject to review and approval by District Counsel. Mr. Root asked why the bid of Terry Brothers Construction is so different than the other bids. Mr. Hartye stated that bids for dig and replace tend to be closer, but this is more of a specialty job. Mr. Bradford added that the other contractors were from out of town.

d. Consideration of Developer Constructed Sewer Systems: Brookgreen at Crest Mountain Phase 1D (Kenai Drive) Sewer Extension, and Cotton Wood Townhomes Sewer Extension:

Mr. Hartye reported the Brookgreen at Crest Mountain Phase 1D (Kenai Drive) is located inside the District boundary off Ben Lippen Road in Woodfin. The project included extending approximately 370 linear feet of 8-inch public gravity sewer to serve the three (3) unit residential development.

Mr. Hartye reported the Cotton Wood Townhomes Sewer Extension is located inside the District boundary off Rainbow Terrace in Black Mountain. The project included extending approximately 580 linear feet of 8-inch public gravity sewer to serve the eight (8) unit residential development.

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

e. First Quarter Budget to Actual Review – FY2016:

Mr. Powell reported page 26 is the District's First Quarter Budget to Actual Review and Expenditure Report. Domestic Revenue and Industrial User Fees are at budget expectations. Facility and Tap Fees are above budgeted expectations. This is due to receiving unanticipated revenue of \$982,500 from three developers. Interest and miscellaneous income are slightly below budgeted expectations. O&M expenditures are at 30.73% of budget. This includes encumbered amounts, which has elevated the budget to actual above 25% (Encumbrances \$674,000). Bond principal and interest expenditures are reflected at 25%. 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 1.7%. This is due to the timing of the District's debt service payments. Amounts budgeted for capital equipment and capital projects are rarely expended proportionately throughout the year. The amount shown for the CIP line item at 55% includes an encumbrance of \$8 million which will be paid throughout the rest of the fiscal year.

f. Cash Commitment/Investment Report – Month Ended September 30, 2015:

Mr. Powell reported that page 29 presents the makeup of the District's Investment Portfolio. There has been no change in the makeup of the portfolio from the prior

month. Page 30 is the MSD Investment Manager report as of the month of September. The weighted average maturity of the investment portfolio is 282 days. The yield to maturity is 0.56% and is exceeding MSD bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 33 is the MSD Variable Debt Service report. The 2008 Series Bonds are performing better than budgeted expectations. As of the end of October both issues have saved the District customers over \$4.2 million dollars in debt service since April, 2008. Mr. Kelly asked when the Bank of America Swap Agreement terminates on its own. Mr. Powell stated it terminates at the end of the debt service of the 2008 bond issue in 2030.

Ms. Wisler moved the Board approve the Consolidated Motion Agenda as presented. Mr. Watts seconded the motion. Roll call vote was as follows: 12 Ayes; 0 Nays.

09. Old Business:

Mr. Hartye presented a video regarding flushable wipes that aired on WLOS News 13 with Ken Stines, Director of System Services Maintenance. Mr. Stines gave a demonstration on the breakdown of toilet tissue compared to facial tissue, paper towels and flushable wipes that clog up the sewer system causing SSO's at a substantial cost, not to mention what it does to the environment and to septic systems as well. Some of the flushable wipes are manufactured locally at Jacob Holm Industries in Candler. The spokesperson for Jacob Holm said they are in the process of developing a new flushable wipe that is truly flushable. Mr. Hartye reported that during an MSD inspection of the Jacob Holm facility, they demonstrated their own wave testing machine and that the new wipes broke apart a lot better. Mr. Belcher reported that he and Congressman Meadows toured the facility, which is up to 30% capacity. He stated that they plan to add 80 new jobs, and that the new flushable wipe is a true wipe that will break down.

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10. New Business:

None

11. Adjournment:

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

Jackie W. Bryson, Secretary/Treasurer



MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: December 10, 2015
SUBJECT: Report from the General Manager

- Ken Stines Awarded the Red Ebert Award

Ken Stines is being awarded the Raymond “Red” Ebert Award from the NCAWWA/WEA at the annual conference this year. This award recognizes Ken’s efforts in leadership, customer service, technical innovation, improvements to the collection system, and his involvement in helping to train others that are entering the profession.

- Plant and Operations Challenge Award

MSD Treatment Plant was awarded the West Region Wastewater Treatment Plant Operation and Maintenance Excellence Award for this past year. Congratulations to all of the Plant staff. MSD’s Flow Motion scored second overall in the Operations Challenge event and first place in both the Safety and Process Control events. Congratulations to Corey Smolik, Mickey Roberts, John Gosnell and Mitchell Metcalf.

- MSD upgrade from Moody’s

Attached are write-ups from Moody’s and Fitch regarding MSD’s rating which affects our current outstanding debt of over \$100 million. Moody’s has upgraded MSD’s rating from Aa2 to Aa1. Fitch has affirmed MSD’s AA+ rating. Congratulations to the MSD Board and the entire organization for continually improving the operation while being financially prudent. Special thanks to Scott Powell for leading the effort to keep the rating agencies up to date on our progress.

- MSD Fiscal Year 2015 Audit

Matthew Socha, Senior Manager at Cherry Bekaert, LLP will give a presentation of the Fiscal Year 2015 Audit of MSD financial statements. The Comprehensive Annual Financial Report (CAFR) can be found on the MSD website at: <http://www.msdbc.org/documents/boardagendas/2015/CAFRBoardPresentation2015.pdf>
Scott Powell will walk through the (CAFR) under item 7d..

- Kudos

- Kimble Davis of 11 Comity St. called to express her great appreciation for MSD employees saving her house. Much thanks to Ken Stines, Eric Bryant, Mitch Hawes and Carl Ellington.
- MSD received a call from John Dankel of Pheasant Ridge Dr. expressing his gratitude for the way Eric Bryant handled a sewer problem at his residence. He indicated that Eric was nice to deal with, was good at diagnosing the problem and went the second mile to CCTV the line and starting the process for the line replacement to permanently fix the problem.

- Board/Committee Meetings/Events

Please come early to the December board meeting to enjoy some of Sondra's special holiday fixings. The employee luncheon will be Thursday December 17th at 11:30am. The next Regular Board Meeting will be held on January 20th at 2 pm.

MOODY'S

INVESTORS SERVICE

Rating Update: **Moody's upgrades Buncombe County Metro. Sewer Dist. (NC) to Aa1**

Global Credit Research - 07 Dec 2015

BUNCOMBE COUNTY METROPOLITAN SEWER DISTRICT, NC
Combined Water & Sewer Enterprise
NC

NEW YORK, December 07, 2015 --Moody's Investors Service has upgraded Buncombe County Metropolitan Sewer District (NC) to Aa1 from Aa2. This action affects \$101 million of outstanding parity debt.

SUMMARY RATING RATIONALE

The Aa1 rating reflects the Metropolitan Sewer District's (MSD) sound financial performance characterized by ample liquidity, healthy debt service coverage, and comprehensive fiscal planning. The rating also incorporates the MSD's regional customer base, adequate system capacity, manageable debt levels, and satisfactory protections for bondholders.

OUTLOOK

Outlooks are generally not assigned to local government credits with this amount of debt outstanding.

WHAT COULD MAKE THE RATING GO UP

- Improved service area demographics
- Improvement in debt service coverage and liquidity

WHAT COULD MAKE THE RATING GO DOWN

- Material declines in debt service coverage
- Significant new debt borrowings that further leverage the system
- Material decrease in liquidity

STRENGTHS

- Strong, conservative management practices
- Ample liquidity
- Stable customer base benefitting from sound Asheville MSA

CHALLENGES

- Swap risk exposure, albeit limited

RECENT DEVELOPMENTS: TRANSFER OF ASHVEILLE'S WATER SYSTEM REMAINS STALLED

In May 2013 the North Carolina General Assembly adopted "The Water Act," an act that would have transferred the City of Asheville's water enterprise (Aa2) to the district including existing system debt. In July 2014 the superior court ruled the act unconstitutional and the state appealed the decision. The Court of Appeals issued a decision on October 6, 2015 reversing the superior court's decision and found the act constitutional. The City of Asheville is expected to appeal the decision of the Court of Appeals to the North Carolina Supreme Court. Assuming the City of Asheville pursues an appeal, a decision from the Supreme Court would be expected sometime in 2016. The district has completed an impact study indicating that savings could be realized from the merger and we will continue to monitor the potential credit impact of a merger.

DETAILED RATING RATIONALE

SERVICE AREA AND CUSTOMER BASE: SERVICE REGION IS ECONOMIC CENTER FOR WESTERN NORTH CAROLINA; SUFFICIENT CAPACITY TO SUPPORT FUTURE GROWTH

Located at the intersection of Interstates 40 and 26, Buncombe County (G.O. rated Aa1, positive) and the City of Asheville (G.O. rated Aa1) serve as the economic and employment center for western North Carolina (G.O. rated Aaa/stable), with a diverse economy that includes health care, tourism, manufacturing, and higher education. According to MoodysEconomy.com, the county and the Asheville-MSA are well positioned for continued growth given the size and diversity of its regionally-significant local economy. Over the long run, Asheville will be an above-average performer in terms of income and employment growth as stronger consumer spending supports employment in services.

The district is a consolidation of several municipal sewer systems and provides retail sewer service to over 53,000 residential, commercial, and industrial customers, 65% of which are located within the City of Asheville. Altogether, the district serves 80% of the countywide population, in addition to portions of a neighboring county. The district's customer base has resumed steady expansion in recent years. The district's 10 largest retail customers accounted for a limited [5.69% in FY 2014] of system revenues, contrasting with the [11.65% per FY 04 CAFR] top 10 customer concentration in fiscal 2004 and reflective of the multi-year closure of several large textile customers. The system managed through those resulting decreased flows without a negative impact on financial operations, and customer accounts have grown steadily over the last few fiscal years.

Current system capacity is expected to remain sufficient for the medium term. The district operates a sewer collection system and one wastewater treatment plant with total permitted capacity of 40 million gallons per day (MGD) and a firm capacity of 65 MGD. The system treated an average flow of 19.1 MGD and peak flow of 35 MGD during fiscal 2015. MSD's aggressive program of rehabilitation and replacement of existing lines include upgrades of line sizes to provide for future growth. Extensive replacement of sewer lines (24% of system lines replaced since 1990) has had a positive impact on operations, with a marked decrease in sewer overflows ([37] events in fiscal 2015 as compared with 288 in 2000). Wastewater effluent is discharged to the French Broad River. The sewer system is in compliance with all state and federal regulations and is not inter-connected with stormwater collection.

FINANCIAL OPERATIONS AND POSITION: SOLID FINANCIAL POSITION WITH AMPLE LIQUIDITY EXPECTED TO CONTINUE

The district should continue to maintain a sound financial position consistent with recent performance, supported by a sophisticated long-range forecasting model, the timely adoption of rate adjustments, and healthy senior lien debt service coverage margins. The district's 12-member governing board has full rate setting authority and adjusts rates on an annual basis to ensure healthy debt service coverage margins that afford cash flow for operations as well as pay-as-you-go capital investment. Despite annual rate increases averaging 2.5% (and projected at 2.5% annually for the next 10 years), customer billings remain low relative to the region. Senior lien debt service coverage, excluding facility and tap fees and certain portions of interest income that are not included in the district's conservative rate covenant, approximated 1.8 times from fiscal 2010 to fiscal 2015. When including all revenues, coverage has averaged a stronger 2.0 times over the same period.

Debt service coverage for fiscal 2015 was 1.85 times excluding connection fees and 2.3 times including all revenue. These results reflect, in part, the governing board's policy to maintain a minimum 1.5 times coverage, which has contributed to the accumulation of healthy cash levels that totaled 1,344 days cash on hand in fiscal 2015. Recent cash balances, despite cash funded capital, are well above management's target to maintain a minimum 12 months' operating cash on hand. Flexibility is further derived from a reserve for extraordinary maintenance and repairs funded in the amount of 6% of annual budgeted expenses.

The district employs a long-term financial model to test debt affordability and the need for rate adjustments. The model is based on a 2.5% average annual rate increase and assumes separate adjustments for industrial rates. The model includes a number of assumptions that we view as conservative, including flat growth assumptions in all years. Five-year projections indicate that senior lien debt service coverage will average 1.92 times through fiscal 2023, excluding facility and impact fees, and 2.1 times inclusive of these revenues.

DEBT AND LEGAL COVENANTS: DEBT PROFILE EXPECTED TO REMAIN MANAGEABLE

The district's \$200.0 million 10-year capital plan, which focuses on collection rehabilitation, will be funded through system cash (53%) and revenue bonds (47%). Amortization of principal is slightly below average, with 45% repaid

within 10 years, however debt matures within the useful life of the assets and the system has a significant commitment to pay-go capital (approximately 50% of all projects).

SATISFACTORY BOND COVENANTS

Legal protections for bondholders are satisfactory and our rating factors in the district's ample cash reserves as a mitigating factor given that this debt is not secured by a debt service reserve fund. The MSD has covenanted to charge and collect rates for services rendered by the sewer system in order that the sum of pledged net revenues will provide at least 1.25 times coverage of annual senior lien debt service and 1.0 times coverage of total debt service. Conservatively, facility and impact fees and certain portions of interest income are not included in revenues for the coverage calculation. The additional bonds test requires 1.2 times coverage of annual debt service on all senior lien bonds and proposed parity debt for two fiscal years following the issuance of additional debt and any period of capitalized interest, and it allows for the inclusion of adopted rate increases on a pro forma basis. Although the two-year timeframe of the ABT weakens the test, credit quality is not impacted given the district's level-to-declining debt service structure. Bondholder protection would be diminished, however, should future issuance result in a more back-loaded maturity structure.

Debt-Related Derivatives

Approximately 30% of total debt is swapped to a synthetic fixed rate through a derivative agreement with Bank of America, NA (Sr. Unsec. rated A1/stable). The notional amount of the swap declines in line with bond amortization. Under the terms of the swap, the district pays fixed 3.4175% and receives 59% of one month LIBOR plus 35 basis points. As of as of November 27, 2015, the swap had a negative fair market value of \$4.4 million. Termination payments are subordinated to revenue debt. Favorably, the district has a formal swap policy that is used to evaluate the appropriateness of entering into swaps. The current rating reflects strong liquidity, which we believe is particularly important given the district's exposure to a synthetic fixed-rate swap and the absence of a debt service reserve. Moving forward, Moody's expects cash to remain strong.

Debt Structure

All of the debt amortizes over the long term.

MANAGEMENT AND GOVERNANCE: CONSERVATIVE MANAGEMENT APPROACH WITH COMPREHENSIVE PLANNING

MSD practices comprehensive planning with a 10-year CIP and detailed 10-year financial forecasting. Additionally, the authority has ample rate-raising flexibility given that rates can be changed by a vote of the board and changes can be implemented immediately. The district is entirely financially independent from the county.

KEY STATISTICS

- Asset Condition: 46 years
- System Size (O&M in 000s): \$14, 082
- Service Area Wealth (MFI) as a % of US: 87.3
- Annual Debt Service Coverage: 2.3x
- Days Cash on Hand: 1344 days
- Debt to Operating Revenues: 3.48x
- Rate Covenant: 1.25x
- Debt Service Reserve Requirement: None

OBLIGOR PROFILE

Buncombe County Metropolitan Sewer District serves nearly 80% of the county-wide population with over 53,000 customers. Both the population and number of customers will increase as the local and regional economy continues to grow at a moderate pace.

LEGAL SECURITY

Debt service is secured by net revenues of the Enterprise System.

USE OF PROCEEDS

n/a

PRINCIPAL METHODOLOGY

The principal methodology used in this rating was US Municipal Utility Revenue Debt published in December 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

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FITCH AFFIRMS METRO SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NC'S SEWER REVS AT 'AA+'

Fitch Ratings-New York-17 November 2015: Fitch Ratings has affirmed the 'AA+' rating for the following Buncombe County Metropolitan Sewerage District, NC's (the district) revenue bonds:

--Approximately \$106 million in outstanding sewer system bonds.

The Rating Outlook is Stable.

SECURITY

The bonds are secured by a pledge of net revenues of the district's sewer system.

KEY RATING DRIVERS

SOLID FINANCIAL PROFILE: Financial performance is consistently strong with healthy cash balances and good debt service coverage (DSC). Management is sound, highlighted by prudent financial policies and comprehensive long-term capital planning. User charges reflecting actual customer consumption are low and compare favorably to other regional providers.

MODERATE DEBT BURDEN: Debt metrics are moderate and are comparable to the 'AA' category rating medians.

MITIGATED VARIABLE RATE DEBT EXPOSURE: Variable rate debt comprises a relatively high 30% of total debt. However, the liquidity agreement, along with the district's strong operating margins, healthy cash position, and swap agreements mitigate potential interest rate volatility.

MANAGEABLE CAPITAL PROGRAM: The district's aggressive funding of renewal and replacement projects maintains the system in a state of good repair and minimizes the risk of regulatory intervention. The district is an essential regional service provider and has ample treatment capacity.

STABLE SERVICE AREA: The Buncombe County economy continues to improve as evidenced by lowered unemployment statistics and a steadily diversifying workforce.

RATING SENSITIVITIES

CONTINUED STRONG PERFORMANCE: The rating is sensitive to various credit fundamentals including financial performance and debt management. The Stable Outlook reflects Fitch's expectation that the Buncombe County Metropolitan Sewerage District will continue to post strong financial performance and maintain stable operations in line with historical results.

UTILITY CONSOLIDATION: The rating could be impacted by a merging of the district and the City of Asheville's water system, although if such an event were to occur over the next few years it is expected to be a credit neutral.

CREDIT PROFILE

SOLID FINANCIAL PERFORMANCE EXPECTED

The district continues to generate robust operating margins, good DSC and high cash balances. Net system revenues in fiscal 2015 yielded 2.9x senior lien and all-in DSC (subordinate lien debt service is de minimus). Coverage excluding system connection fees in fiscal 2015 was also strong at 2.2x. Financial projections through fiscal 2023 provided in the system's fiscal 2016 budget appear conservative given assumptions that include moderate yearly rate increases of 2.5%, 0.75% growth in customer accounts and demand, 3% annual operating expense growth and 5% annual interest costs on variable rate bonds. All-in DSC is projected to range between 2.0x and 2.8x over the next five years.

System liquidity is excellent, not falling below 600 days cash on hand (DCOH) since at least 2010. The district's liquidity levels follow a historic trend of declining over the course of three to four years due to cash-funding capital needs until the district issues an anticipated intermittent long-term debt issuance to reimburse itself for prior capital outlays, per the district's reimbursement resolution. Following a series 2014 issue, management expects to issue again in fiscal 2018 and subsequently in fiscal 2021. Fiscal 2015 unrestricted cash and investments of about \$46 million equated to a very strong 1,200 DCOH.

The average customer monthly bill of approximately \$29 comprises an affordable 0.7% of median household income (MHI), falling comfortably below Fitch's affordability benchmark of 1% of MHI for a single utility cost. This relative affordability lends management a moderate degree of rate-raising flexibility. Historical and planned rate increases generally track inflation, or about 2.5% annually. The district's rates are regionally very competitive and include a relatively high percentage of fixed base charges, mitigating potential fluctuation in flows based on variable weather or consumption patterns.

MANAGEABLE DEBT BURDEN

Overall debt levels comprise a low 27% of net plant and debt per customer and per capita metrics of \$2,021 and \$421, respectively, closely approximate (albeit slightly exceed) the 'AA' medians. Total annual debt service (ADS) carrying costs comprised a somewhat high 25% of gross revenues in fiscal 2015 and are shown to remain elevated at this level according to the system's five-year financial projections. Debt amortization is above average, with about 48% and 90% retiring in 10 and 20 years respectively.

The district's series 2008A bonds are variable rate demand obligations backed by a standby purchase agreement (SBPA) provided by Wells Fargo Bank, N.A. (rated 'AA-/F1+/'Stable Outlook). The 2008A bonds represent the district's only variable rate debt. Liquidity facility provisions include a stepped-up rate and three-year term out of bank bonds. The series 2008A bonds comprise 30% of the county's total indebtedness, including this issuance. Fitch considers this amount elevated.

The district also has a floating-to-fixed rate swap outstanding with Bank of America (rated 'A/F1' with a Negative Outlook). The swap can be terminated at the district's option if the counterparty's credit rating falls below 'Baa3'/'BBB-'. The swap carries a manageable mark-to-market valuation of negative \$4.5 million as of June 30, 2015 (liquidity remains high at over 1,000 days' cash on hand even after adjusting for this exposure).

STRONG CAPITAL PROGRAM AND AMPLE CAPACITY

The district updates its 10-year capital improvement plan CIP annually. Projects focus primarily on rehabilitation of sewer mains, including interceptors, collection lines, and private sewers. The system's five-year, fiscal 2016-2020 CIP totals \$106.8 million and appears manageable based on prior capital spending plans. About 30% of the plan will be financed from a projected debt

issuance in fiscal 2018. An additional \$32 million is expected by fiscal 2021, consistent with prior intermittent debt issuances to support capital spending as cash levels are drawn down. The balance of capital funding will come from existing cash reserves and annual surplus revenues.

The district's only wastewater treatment plant maintains treatment capacity of 40 million gallons per day. Average daily flows fall comfortably below available treatment capacity, allowing substantial room for additional customer growth.

POTENTIAL WATER SYSTEM CONSOLIDATION CURRENTLY CREDIT NEUTRAL

In May 2013 the North Carolina State General Assembly adopted HB 488, a bill that would consolidate the City of Asheville's Water System with the district into a regional Metropolitan Water and Sewerage District, with the district serving as operator. This decision has been contested by the City of Asheville and an appeal request is currently being contemplated by the State Supreme Court.

MSD management has indicated that should the two systems merge, water and sewer system revenue pledges would remain separate at least for the time being. According to a preliminary feasibility study, the near-term financial impact of a potential consolidation would likely result in net savings from operational efficiencies gained from shared administrative resources. Fitch currently expects that any consolidation would be a credit neutral and would not impair existing bondholders.

SOUND ECONOMIC FUNDAMENTALS

The district provides sewerage conveyance and treatment to over 53,000 customer accounts in the city of Asheville and surrounding communities, including certain unincorporated areas of Buncombe County. Through separate contractual arrangements, the district also serves customers in the Cane Creek Water and Sewer District in northern Henderson County and in the Avery Creek Sanitary Sewer District in the southern portion of the county.

Approximately 46% of the district's customers are located within the city of Asheville, which serves as the economic and employment center for western North Carolina. Income levels are on par with the state but are around 11% lower than the nation. Buncombe County's unemployment rate as of August 2015 was low at 4.6%. Following the closure of several textile manufacturing firms over the past decade, the local economy still maintains a strong manufacturing sector but is steadily diversifying with the expansion of its health care, small business, tourism, retail, and arts and culture industries.

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Director
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Metropolitan Sewerage District of Buncombe County Board Action Item

Meeting Date: December 16, 2015

Subject: Dump Truck Replacement - Fleet Purchase

Prepared by: Peter Weed; Director - Fleet / Water Reclamation Facility
Julie Willingham, CLGPO; Purchasing Supervisor
Neil Hall; Fleet Manager

Reviewed by: Billy Clarke, District Counsel
Scott Powell, CLGFO; Finance Director

Background: The District's policy is to annually evaluate the condition of fleet vehicles and purchase replacements when the estimated cost of repair and maintenance will exceed the cost of a new one. At the March 12, 2015, Equipment Replacement Committee meeting, the members recommended the purchase of one (1) New Dump Truck Replacement, as presented to this Board for approval. This purchase was included in the 2015-2016 Budget.

Discussion: Pursuant to North Carolina Purchasing Statutes and MSD Procedures, bids for the dump truck were emailed to five vendors and an advertisement placed on the MSD web site. Two bid packages were received and opened on November 19, 2015, at 1:30 pm. The Pete Store/Peterbilt bid was the lowest responsive bidder to the MSD specifications. The bids are summarized below. Because the cost of this dump truck exceeds \$90,000.00, the contract must receive Board approval.

Fiscal Impact: The total cost of this contract will be \$120,872.00. \$140,000.00 was budgeted for this item budgeted in the 2015-2016 Fleet Replacement Fund.

Staff Recommendation: Staff recommends that the bid from The Pete Store/Peterbilt be awarded.

Vendor	Dump Truck Cost	Comments
The Pete Store, Knoxville, TN	\$120,872.00	Peterbilt 567
MHC Kenworth, Hickory, NC	\$138,057.85	Kenworth T880

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

BOARD MEETING DATE: December 16, 2015

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

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

SUBJECT: Shadowlawn Drive Phase 2 Sanitary Sewer Replacement Project:
Consideration of Bids, MSD Project No. 2013005

BACKGROUND: This project is located in West Asheville, in the area across from the NCDMV and the Goodwill Store on Patton Avenue.

The eight-inch clay lines in this area are in poor structural condition, have experienced SSO's, and have presented System Services with ongoing maintenance problems. The rehabilitation project is comprised of 3,085 LF of 8-inch DIP.

The contract was advertised and five bids were received on December 3, 2015 as follows:

<u>Contractor</u>	<u>Bid Amount</u>
1) Buchanan & Sons	\$801,725.00
2) Thomas Construction Company	\$619,370.00
3) Terry Brothers Construction Co.	\$576,801.00
4) Davis Grading, Inc.	\$467,986.00
5) Freestone Construction, LLC	\$460,372.50 (*)

(*) Bid is rejected due to improper Bid Bond

The apparent low bidder is Davis Grading, Inc. with a bid amount of \$467,986.00. Davis Grading has completed several MSD sewer rehabilitation projects, and their work quality was excellent on those projects.

Please refer to the attached documentation for further details.

FISCAL IMPACT: The FY15-16 Construction Budget for this project is \$710,000.00.

STAFF RECOMMENDATION: Staff recommends award of this contract to Davis Grading, Inc. in the amount of \$467,986.00, subject to review and approval by District Counsel.

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

**Shadowlawn Drive Phase 2 Sewer Replacement
Project No. 2013005**

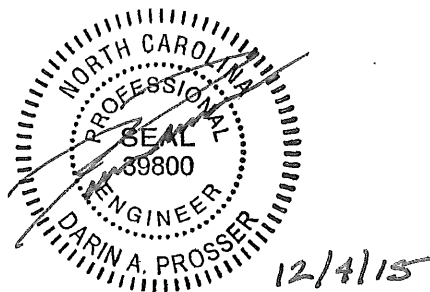
**BID TABULATION
December 3, 2015**

BIDDER	Bid Bond	MBE Form	Bid Forms (Proposal)	Total Bid Amount
Buchanan and Sons, Inc. Whittier, NC	5%	1	Yes	\$801,725.00
Thomas Construction Company Johnson City, TN	5%	1	Yes	\$619,370.00
Terry Brothers Construction Company Leicester, NC 28748	5%	1	Yes	\$576,801.00
Davis Grading, Inc. Shelby, NC	5%	2	Yes	\$467,986.00
Freestone Construction, LLC (*) Waynesville, NC	(*)	2	Yes	\$460,372.50

APPARENT LOW BIDDER

(*) Contractor did not submit the appropriate bid bond form. Therefore, the bid is rejected.

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



This is to certify that the bids tabulated herein were publicly opened and read aloud at 2:00 p.m. on the 3rd day of December, 2015, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina, and that said bids were accompanied by acceptable bidders bonds in the amount of 5% of the bid.

Interoffice Memorandum

TO: Tom Hartye, General Manager

FROM: Ed Bradford, CIP Manager
Darin Prosser, Project Manager

DATE: December 7, 2015

RE: Shadowlawn Drive Phase 2 Sewer Rehabilitation, MSD Project No. 2013005

The Shadowlawn Drive Phase 2 Sewer Rehabilitation project is located in West Asheville off of Appalachian Way. This project is a continuation of Project No. 2007019 Shadowlawn Drive Phase 1 which has just been completed. Shadowlawn Phase 2 begins in Appalachian Way, runs along the rear of properties on Deaver Park Circle and Rhudy Road, and ends in Deaver View Road. This project also includes sewer rehabilitation on Rosemary Road just south of Appalachian Way.

This project consists of replacing existing 8" VCP and 8" PVC sewer lines with 8" DIP using traditional dig and replace methods. Approximately 2,830 LF of 8" DIP will be installed from Appalachian Way up to Deaver View Road. The existing lines for this project have a very high pipe rating of 88 due to a high number of CSRs from heavy inflow and infiltration. The infiltration is due to a high water table and a spring that flows into a creek towards the south end of the project.

The work on Rosemary Road consists of replacing approximately 255 LF of 8" VCP with 8" DIP. This pipe is in poor condition and is the last section of pipe that needs to be replaced within Rosemary Road.

On December 3, 2015, five (5) sealed bids were received by 2:00 pm. The results of the bids are as follows:

<u>Contractor</u>	<u>Base Bid Amount</u>
1) Buchanan & Sons	\$801,725.00
2) Thomas Construction Company	\$619,370.00
3) Terry Brothers Construction Co.	\$576,801.00
4) Davis Grading, Inc.	\$467,986.00
5) Freestone Construction, LLC	\$460,372.50

The apparent low bidder is Davis Grading, Inc. with a bid amount of \$467,986.00. Freestone Construction's bid was rejected due to submitting an AIA type bid bond, which contains unacceptable language. Davis Grading, Inc. has completed several District rehabilitation and replacement projects with excellent workmanship and quality.

The project The FY15-16 construction budget for this project is \$710,000.00.

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

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

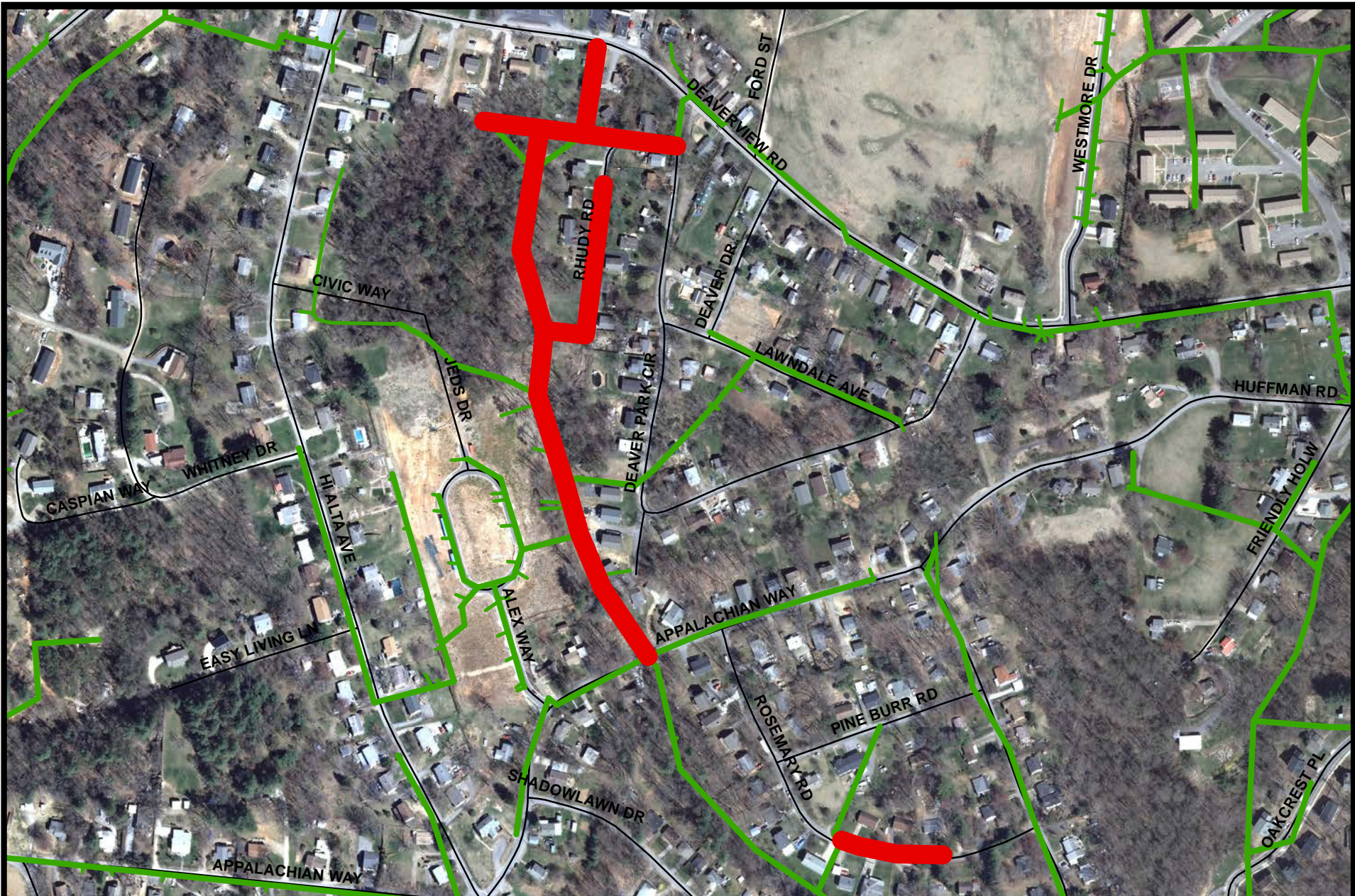
BUDGET DATA SHEET - FY 2015 - 2016

PROJECT:	Shadowlawn Drive Ph. 2	LOCATION:	Asheville
TYPE:	General Sewer Rehab.	PIPE RATING:	88
PROJECT NO.	2013005	TOTAL LF:	3,085
PROJECT BUDGET:	\$786,950.00	PROJECT ORIGIN:	SSO's; Access; Line condition

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 12/31/14	EST. COST JAN - JUNE 2015	BUDGET FY 15-16
55310 - PRELIM. ENGINEERING				
55320 - SURVEY - DESIGN	\$3,900.00	\$3,825.00	\$75.00	
55330 - DESIGN				
55340 - PERMITS	\$750.00		\$750.00	
55350 - SPECIAL STUDIES				
55360 - EASEMENT PLATS	\$12,600.00		\$12,600.00	
55370 - LEGAL FEES	\$12,000.00		\$10,000.00	\$2,000.00
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION	\$30,000.00		\$20,000.00	\$10,000.00
55400 - APPRAISAL	\$2,500.00			\$2,500.00
55410 - CONDEMNATION	\$5,000.00			\$5,000.00
55420 - CONSTRUCTION	\$710,000.00			\$710,000.00
55430 - CONST. CONTRACT ADM.				
55440 - TESTING	\$3,000.00			\$3,000.00
55450 - SURVEY - ASBUILT	\$7,200.00			\$7,200.00
TOTAL AMOUNT	\$786,950.00	\$3,825.00	\$43,425.00	\$739,700.00

ENGINEER:	MSD	DP	ESTIMATED BUDGETS - FY '16 -'25	
R.O.W. ACQUISITION:	MSD	# PLATS: [12]	FY 16-17	\$0.00
CONTRACTOR:			FY 17-18	\$0.00
CONSTRUCTION ADM:	MSD		FY 18-19	\$0.00
INSPECTION:	MSD		FY 19-20	\$0.00
			FY 20-21	\$0.00
			FY 21-22	\$0.00
PROJECT DESCRIPTION: This project is for the replacement of an existing 8-inch vitrified clay pipe line from the Kailee Court greenway up to Rhudy St. and the rear of Blue Mountain Properties. It is a continuation of Shadowlawn Dr. Ph. 1, and is in poor condition, with heavy inflow and infiltration.			FY 22-23	\$0.00
			FY 23-24	\$0.00
			FY 24-25	\$0.00

SPECIAL PROJECT NOTES:



**Shadowlawn Drive Phase 2
Project No. 2013005**

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: December 16, 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 Avalon Apartments Sewer Extension Project, MSD Project No. 2013114

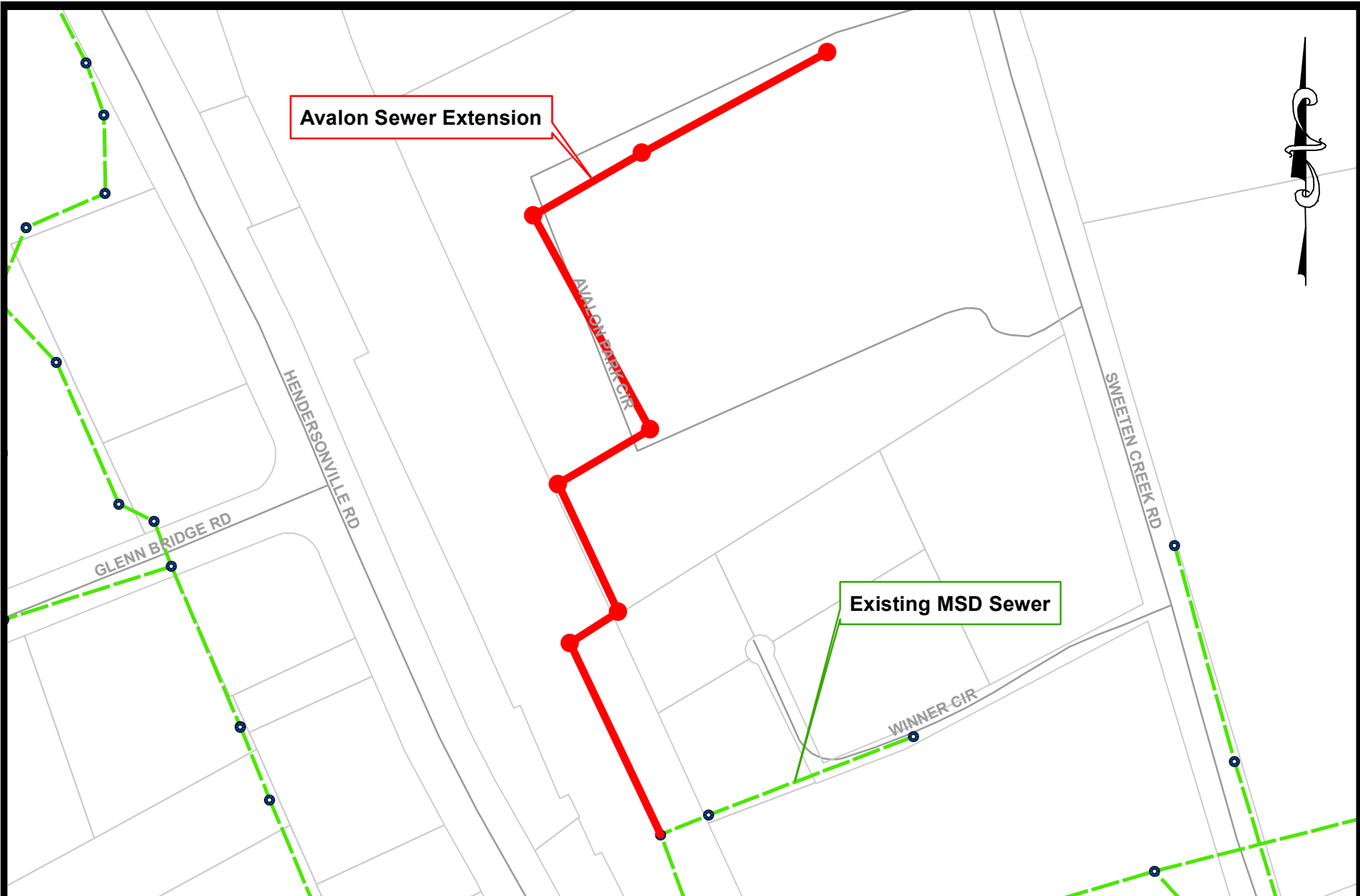
BACKGROUND: This project is located inside the District boundary off Sweeten Creek Road in Buncombe County. The developer of the project is William Ratchford of Triangle Real Estate of Gastonia, Inc.

The project included extending approximately 1,337 linear feet of 8-inch public gravity sewer to serve the 192 Unit Residential Apartment Complex.

A wastewater allocation was issued in the amount of 38,750 GPD for the project. The estimated cost of the sewer construction is \$78,000.00.

All MSD requirements have been met.

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



Avalon Sewer Extension

Existing MSD Sewer



MSD
Engineering Division

Avalon Sewer Extension Project # 2013114
Metropolitan Sewerage District of Buncombe County

12/1/15

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: December 16, 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 City of Asheville Sardis Road Annexation Sewer Extension Project, MSD Project No. 2009037

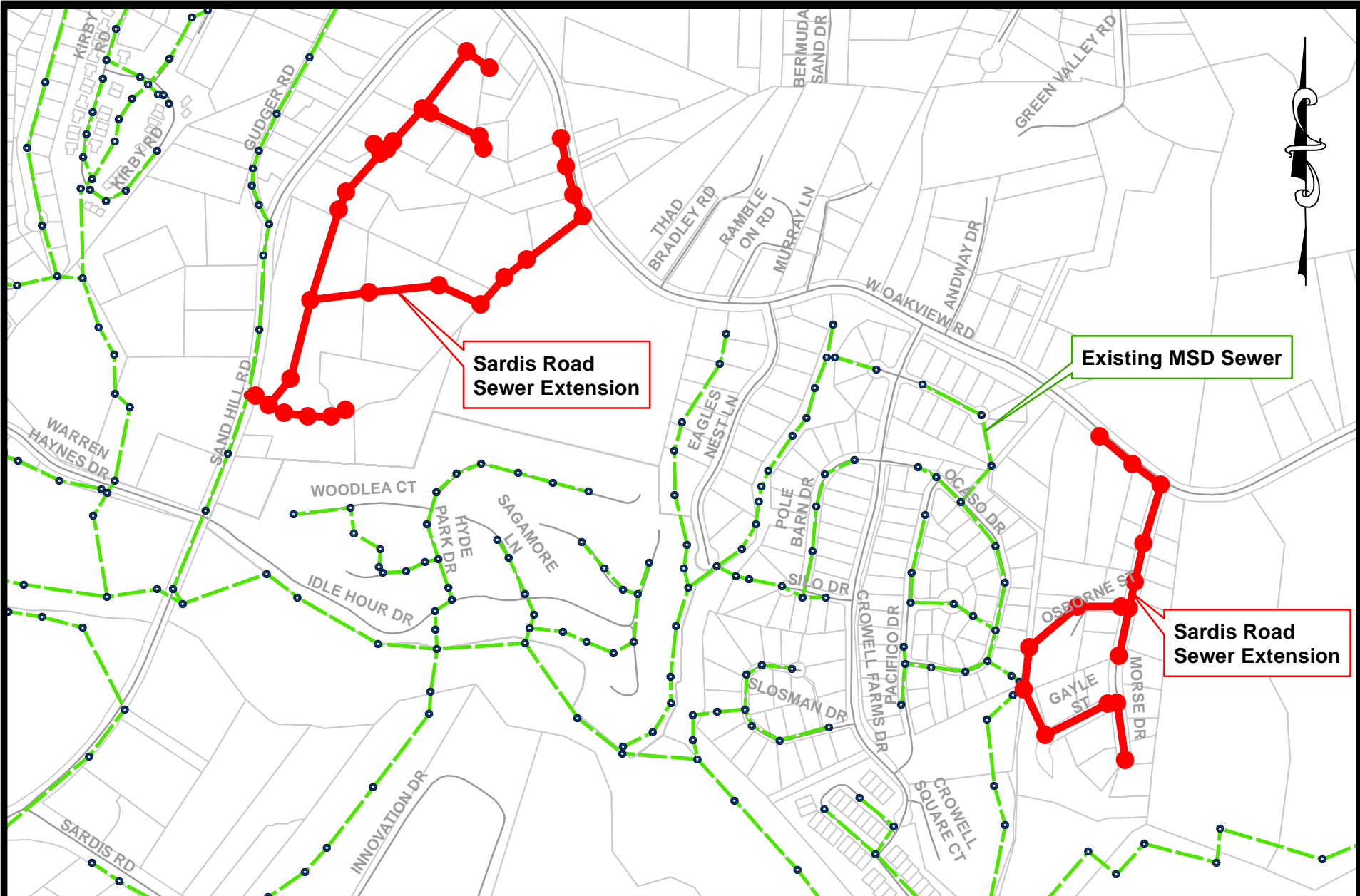
BACKGROUND: This project is located inside the District boundary off Sand Hill Road in the City of Asheville. The developer of the project is the City of Asheville.

The project included extending approximately 6,945 linear feet of 8-inch public gravity sewer to serve fifty-two (52) single family homes.

A wastewater allocation was issued in the amount of 13,800 GPD for the project. The estimated cost of the sewer construction is \$640,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

**City of Asheville Annexation -
Sardis Road Sewer Extension Project # 2009037**
Metropolitan Sewerage District of Buncombe County

Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

Meeting Date: December 16, 2015
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, CLGFO, Director of Finance
Subject: Presentation of Audit & CAFR – Fiscal Year Ended June 30, 2015

Background

Both North Carolina law and the Bond Order require an annual audit of the District’s financial records. The District has incorporated the audited financial statements into a Comprehensive Annual Financial Report (CAFR), which adds transmittal and statistical data to assist readers in analyzing the audited financial statements. The CAFR is also used to satisfy continuing disclosure’s required by the Bond Order and other contractual agreements.

Discussion

The auditors' unmodified (commonly called “clean”) opinion is the first document behind the “Financial Section” tab.

Included with the CAFR is a standard letter from the independent auditors describing the auditors’ responsibilities under accounting standards, their understanding of District policies and estimates, and assurance that no significant adjustments to the District financial records are required.

Finally, the District did not have any reportable conditions or other issues requiring additional auditor communication with the Board.

Staff Recommendation

Acceptance of the CAFR.

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

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: December 16, 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 October 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 October 31, 2015 were \$47,152,658. The detailed listing of accounts is available upon request. The average rate of return for all investments is 0.462%. 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 October 31, 2015 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of October 31, 2015 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$6,619,187.

Total Cash & Investments as of 10/31/2015		47,152,658
Less:		
Budgeted Commitments (Required to pay remaining FY16 budgeted expenditures from unrestricted cash)		
Construction Funds	(15,787,889)	
Operations & Maintenance Fund	<u>(10,898,899)</u>	
		(26,686,788)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(6,177)	
FY16 Principal & Interest Due	<u>(8,807,178)</u>	
		(8,813,355)
District Reserve Funds		
Fleet Replacement	(595,660)	
WWTP Replacement	(442,365)	
Maintenance Reserve	<u>(913,359)</u>	
		(1,951,384)
District Insurance Funds		
General Liability	(287,785)	
Worker's Compensation	(156,824)	
Post-Retirement Benefit	(1,411,240)	
Self-Funded Employee Medical	<u>(1,226,095)</u>	
		(3,081,944)
Designated for Capital Outlay		<u>6,619,187</u>

Staff Recommendation

None. Information Only.

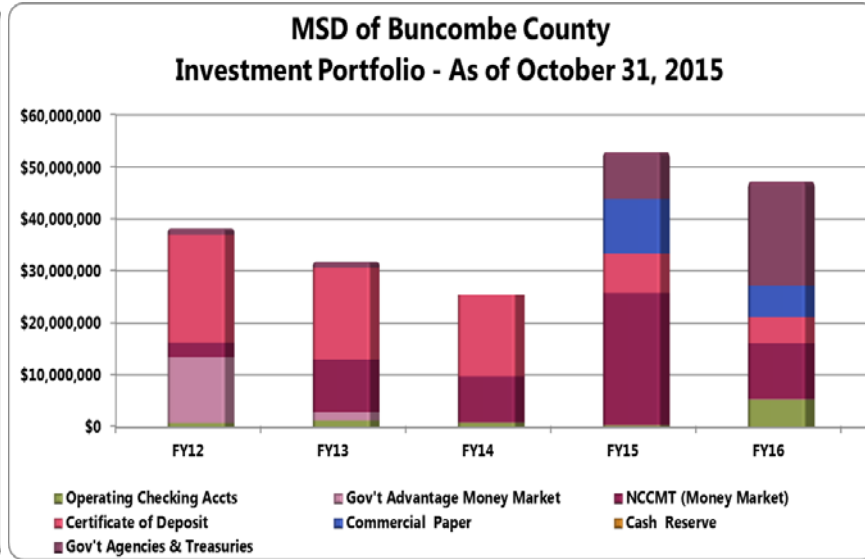
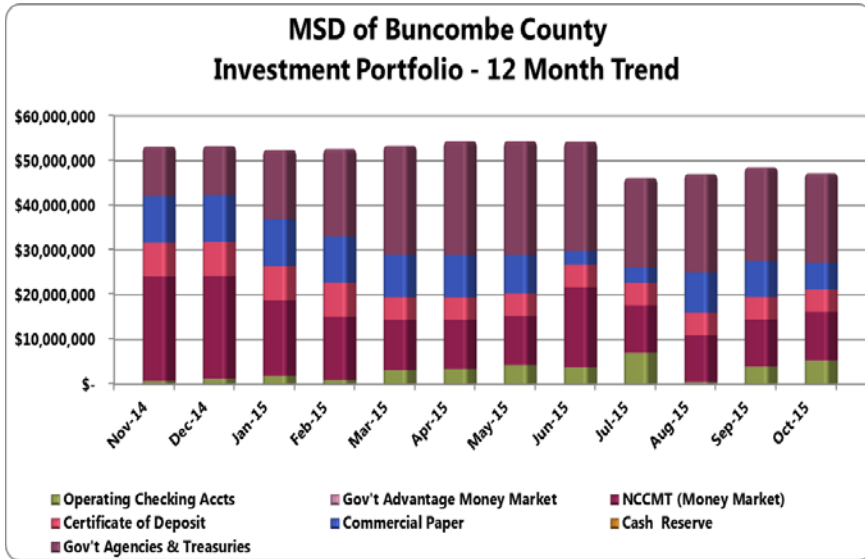
Action Taken

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

Metropolitan Sewerage District of Buncombe County Investment Portfolio

	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -	\$ -	\$ 6,177	\$ -	\$ -	\$ -	\$ -	6,177
Held by MSD	5,299,722	46,665	10,781,650	5,026,796	5,997,322	-	19,994,326	47,146,481
	\$ 5,299,722	\$ 46,665	\$ 10,787,827	\$ 5,026,796	\$ 5,997,322	\$ -	\$ 19,994,326	\$ 47,152,658

<u>Investment Policy Asset Allocation</u>	<u>Maximum Percent</u>	<u>Actual Percent</u>	
U.S. Government Treasuries, Agencies and Instrumentalities	100%	42.40%	No significant changes in the investment portfolio as to makeup or total amount.
Bankers' Acceptances	20%	0.00%	
Certificates of Deposit	100%	10.66%	The District 's YTM of .57% is exceeding the YTM benchmarks of the 6 month T-Bill and NCCMT Cash Portfolio.
Commercial Paper	20%	12.72%	
North Carolina Capital Management Trust	100%	22.88%	
Checking Accounts:	100%		All funds invested in CD's, operating checking accounts, Gov't Advantage money market are fully collateralized with the State Treasurer.
Operating Checking Accounts		11.24%	
Gov't Advantage Money Market		0.10%	



Board Meeting:

December 16, 2015

Subject:

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

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

Summary of Asset Transactions

	Original Cost		Market		Interest Receivable
Beginning Balance	\$ 42,560,456	\$	\$ 42,567,434	\$	439,910
Capital Contributed (Withdrawn)	(2,717,106)		(2,717,106)		
Realized Income	2,081		2,081		(783)
Unrealized/Accrued Income			1,878		16,479
Ending Balance	\$ 39,845,431	\$	\$ 39,854,286	\$	455,606

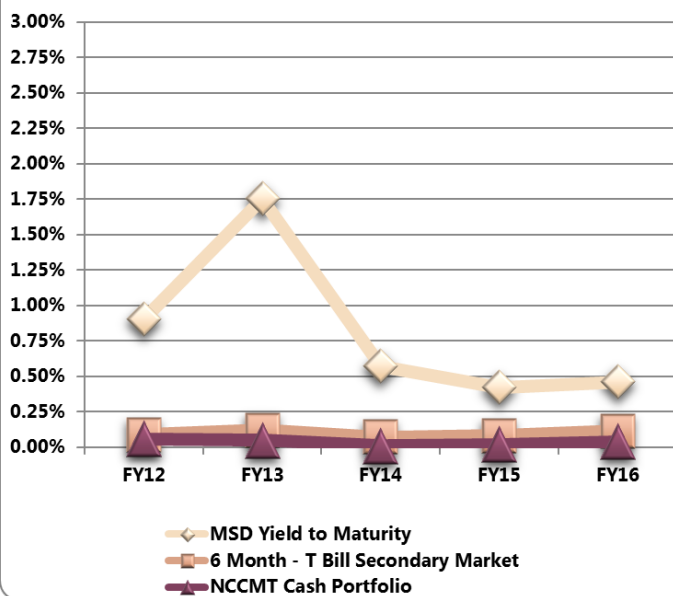
Value and Income by Maturity

	Original Cost		Income
Cash Equivalents <91 Days	\$ 14,830,243	\$	7,315
Securities/CD's 91 to 365 Days	16,017,648	\$	7,901
Securities/CD's > 1 Year	8,997,540	\$	4,438
	\$ 39,845,431	\$	19,655

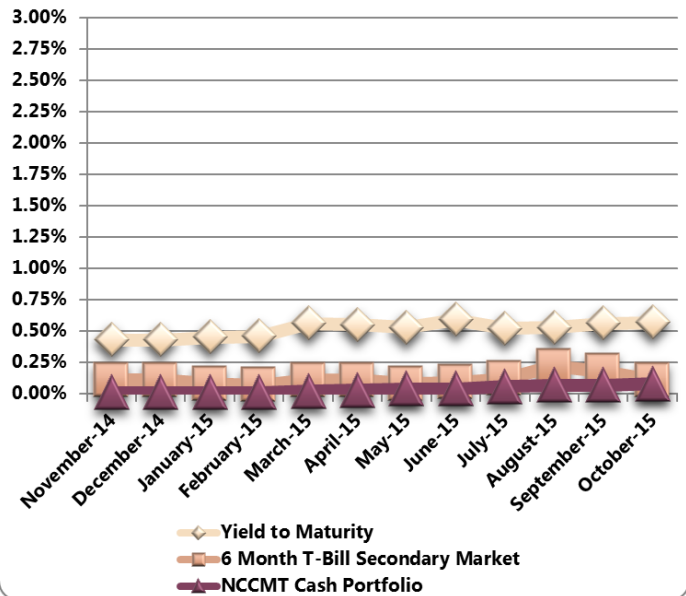
Month End Portfolio Information

Weighted Average Maturity	272
Yield to Maturity	0.57%
6 Month T-Bill Secondary Market	0.11%
NCCMT Cash Portfolio	0.08%

**Metropolitan Sewerage District
Annual Yield Comparison**



**Metropolitan Sewerage District
Yield Comparison - October 31, 2015**



Board Meeting:

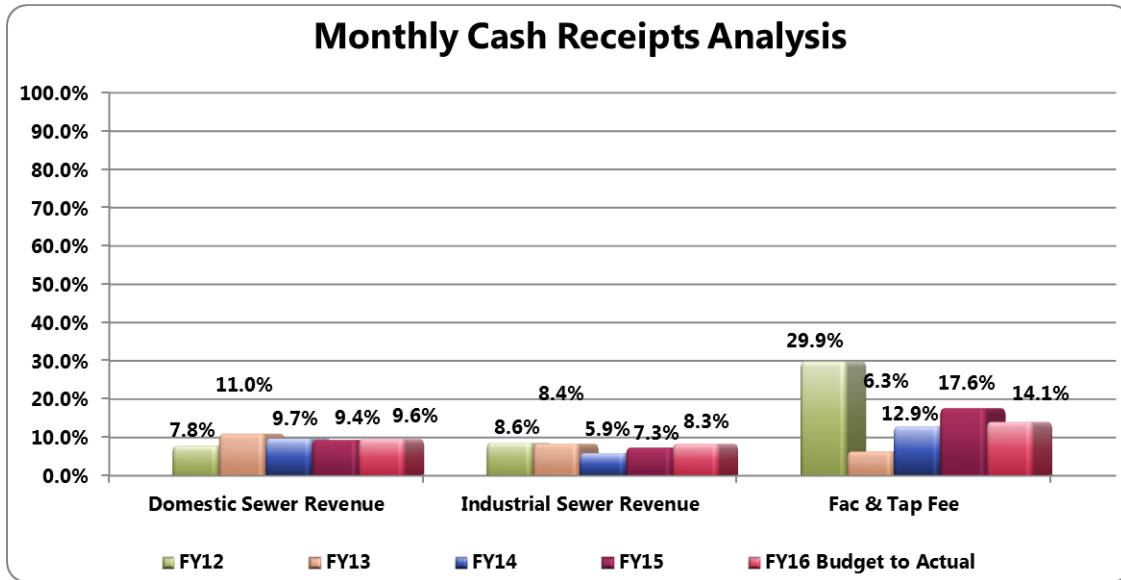
December 16, 2015

Subject:

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

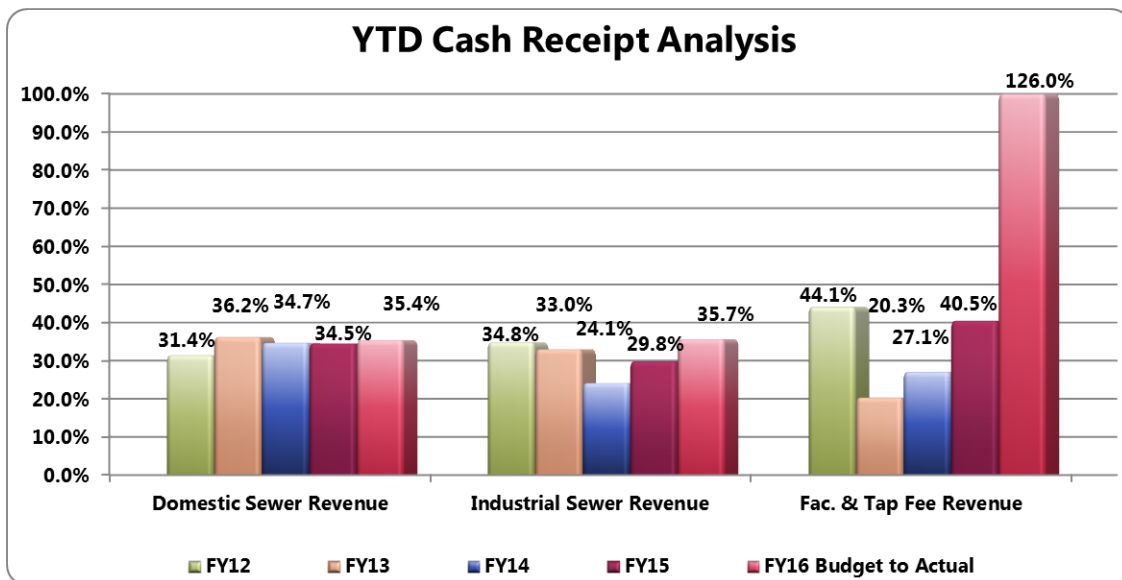
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**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF CASH RECEIPTS
As of October 31, 2015**



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:

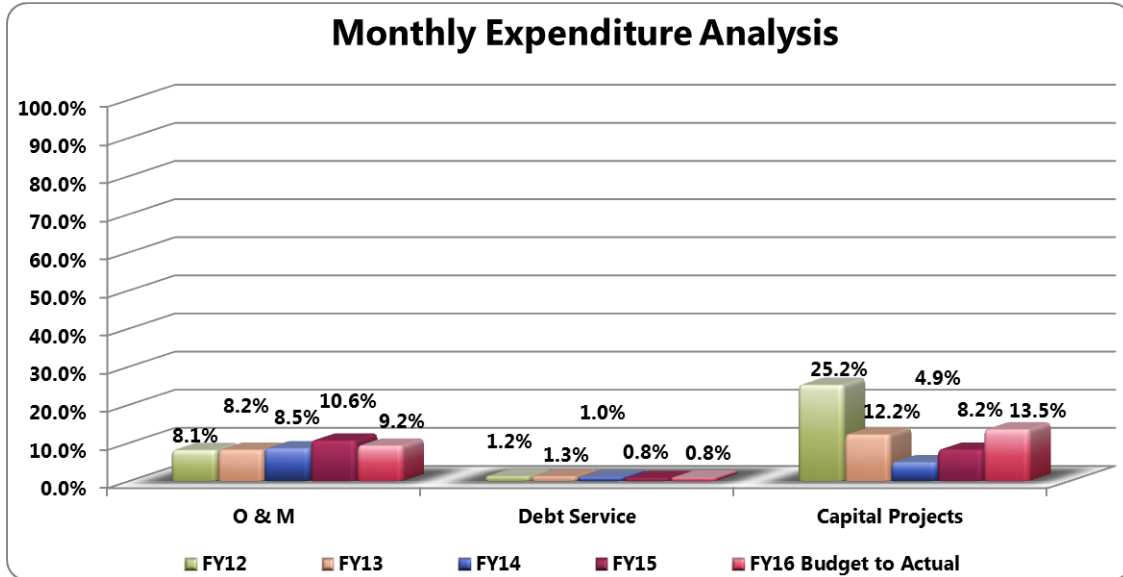
December 16, 2015

Subject:

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

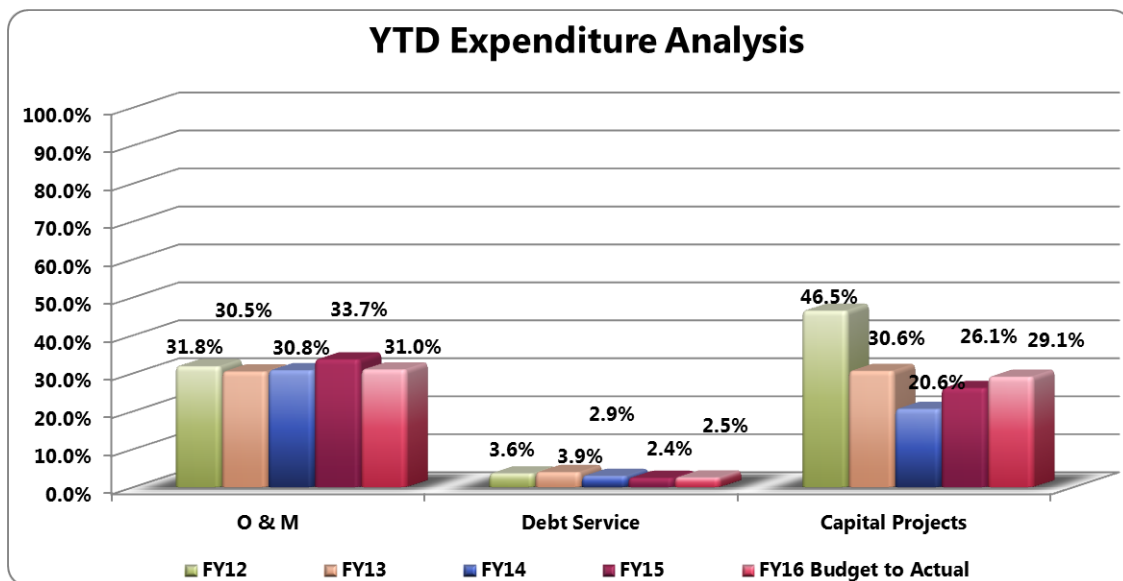
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**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF EXPENDITURES
As of October 31, 2015**



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:

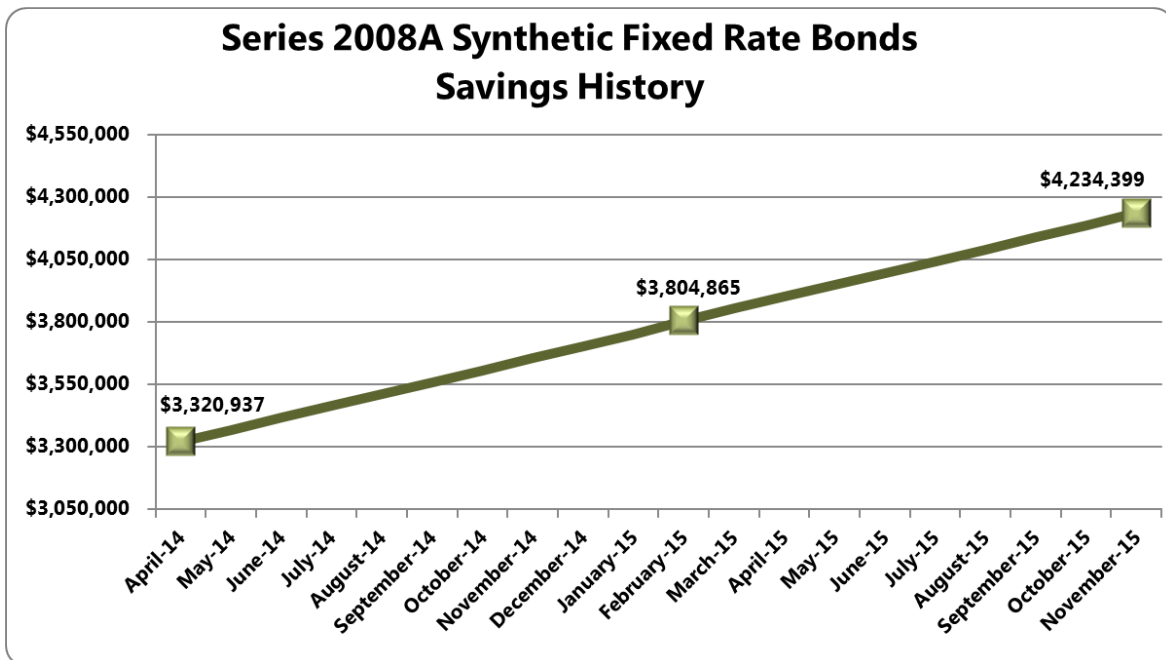
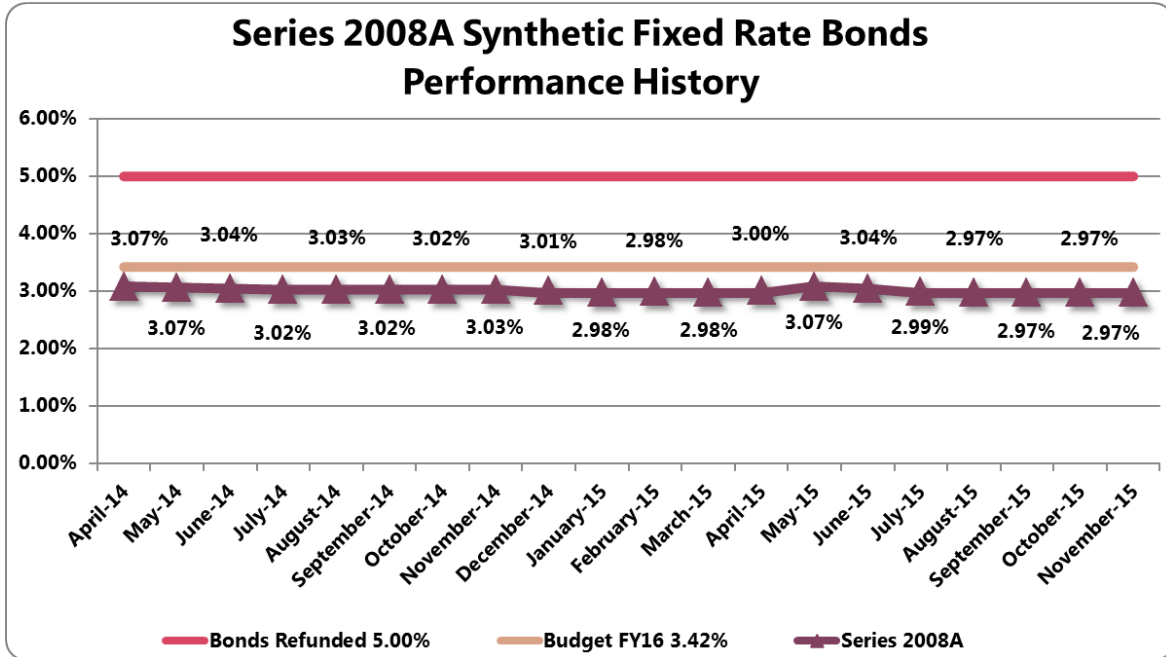
December 16, 2015

Subject:

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

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**METROPOLITAN SEWERAGE DISTRICT
VARIABLE DEBT SERVICE REPORT
As of November 30, 2015**



Series 2008A:

- Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$4,234,399 as compared to 4/1/2008 fixed rate of 4.85%.
- Assuming that the rate on the Series 2008A Bonds continues at the current all-in rate of 3.9475%, MSD will achieve cash savings of \$4,670,000 over the life of the bonds.
- MSD would pay \$4,937,215 to terminate the existing Bank of America Swap Agreement.

STATUS REPORTS

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

PROJECT NAME		ESTIMATED FOOTAGE	ESTIMATED PROJECT DATES	WO#	CREW	COMPLETION DATE	ACTUAL FOOTAGE	Notes
Deanwood Circle Phase 2	Asheville	618	5/14/15 - 7/1/15	225521	631	7/1/2015	618	complete
590 Haywood Rd	W. Asheville	178	7/16/2015	225966	631	7/16/2015	180	complete
Rathfarnham Circle	Arden	520	7/5/15 - 8/1/15	212218	631	7/23/2015	522	complete
26 Claxton Place	Asheville	121	7/29/2015	224709	631	7/29/2015	121	complete
418 Cedar Lane	Royal Pines	815	7/8/15 - 8/7/15	220605	647	8/6/2015	862	complete
Locust Court Rehab	Royal Pines	100	8/10/15-8/14/15	223590	647	8/17/2015	98	complete
Mount Claire Sewer Rehabilitation	Asheville	656	8/3/15-8/21/15	216742	631	8/21/2015	664	complete
New Salem Road Rehabilitation	Swannanoa	50	8/17/15-8/21/15	226294	647	8/18/2015	34	complete
4 Hawthorne Lane	Montford/Asheville	178	8/24/15 - 9/2/15	226596	631	9/2/2015	178	complete
355 Lakeshore Drive	N. Asheville	300	8/19/15 - 9/5/15	225006	647	9/4/2015	347	complete
Covington Street Improvements	W. Asheville	295	9/8/15-9/11/15	200349	631	9/4/2015	197	complete
83 Grayclyn Rd	Asheville	380	9/8/15-10/1/15	220546	647	9/24/2015	492	complete
Panola Street	Asheville	360	9/14/15 - 10/16/15	225178	631	10/9/2015	308	complete
316 Westover Dr	Asheville	775	10-19-15 - 11/1/15	228021	631	11/3/2015	890	complete
Robindale Ave	Asheville	850	9/25/15 - 11/20/15	45877	647	11/25/2015	875	complete
Winnfred Street	W. Asheville	420	11/11/15 - 12/18/15	208234	631			construction 50% complete
Weaverville Pump Station #1 Improvements	Weaverville	35	11/21/15 - 12/21/15	228575	647			construction started 12/1/15
Erwin Hills Road Sewer Extension	Leicester	1000	12/21/15 - 2/1/16	229332	631			ready for construction
Riverside Drive at Jonestown Rd	Woodfin	200	12/10/15-12/11/15	229302	647			ready for construction
Hunt Hill Place	Asheville	786	12/26/15 - 2/1/16	46650	647			ready for construction
Fair Oaks Rd at Green Road (P/N 2009133)	Arden	1600	FY 15-16	TBA	TBA			ready for construction
Celia Place at Bond Street	Asheville	526	FY 15-16	227752	TBA			ready for construction
School Road at Cranford Road	W. Asheville	360	FY 15-16	224943	TBA			ready for construction, MSD Project 2014084
Sareva Place	N. Asheville	863	FY 15-16	20330	TBA			ready for construction
Starnes Avenue at Broadway Street	Asheville	400	FY 15-16	208325	TBA			ready for construction
18 Crestland Road	Asheville	270	FY 15-16	46826	TBA			ready for construction
Carjen Avenue	N. Asheville	918	FY 15-16	20331	TBA			ready for construction
111 Compton Drive	Asheville	360	FY 15-16	470614	TBA			In design
School Road at Woodland	W. Asheville	350	FY 15-16	224993	TBA			In design
149 Weston Rd	Arden	210	FY 15-16	225004	TBA			In design
Spears Avenue Rehabilitation	Asheville	300	FY 15-16	225197	TBA			In design
Seventh St	Black Mountain	200	FY 15-16	225198	TBA			In design
Biltmore Avenue at Bryson Street	Asheville	200	FY 15-16	225195	TBA			In design



CONSTRUCTION TOTALS BY DATE COMPLETED - Monthly

From 7/1/2015 to 10/31/2015

	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 2015	31	7	87	489	32	12	0	91	1116	408	13	1,057	2672
August 2015	27	7	89	427	13	11	6,757	377	307	280	18	1,378	2342
September 2015	32	7	186	743	29	25	10	348	219	479	11	735	1781
October 2015	41	7	223	1,023	18	21	190	202	137	182	5	126	647
Grand Totals	131	28	585	2,682	92	69	6,957	1,018	1779	1349	47	3,296	7442

* Used to calculate Total Rehab Footage



PIPELINE MAINTENANCE TOTALS BY DATE COMPLETED - Monthly

July 01, 2015 to October 31, 2015

	Main Line Wash Footage	Service Line Wash Footage	Rod Line Footage	Cleaned Footage	CCTV Footage	Smoke Footage	SL-RAT Footage
2015							
July	98,340	1,112	3,630	101,970	35,280	18,250	7,999
August	65,325	1,906	7,190	72,515	24,728	0	13,969
September	79,795	1,645	9,498	89,293	32,353	4,579	17,664
October	38,126	2,363	4,810	42,936	31,243	14,600	21,241
Grand Total:	281,586	7,026	25,128	306,714	123,604	37,429	60,873
Avg Per Month:	70,397	1,757	6,282	76,679	30,901	9,357	15,218



CUSTOMER SERVICE REQUESTS

Monthly - All Crews

CREW	MONTH	JOBS	AVERAGE RESPONSE TIME	AVERAGE TIME SPENT
DAY 1ST RESPONDER				
	July, 2015	80	32	38
	August, 2015	110	31	45
	September, 2015	99	29	39
	October, 2015	98	32	52
		387	31	44
NIGHT 1ST RESPONDER				
	July, 2015	14	19	25
	August, 2015	22	22	28
	September, 2015	23	21	29
	October, 2015	23	37	33
		82	25	29
ON-CALL CREW *				
	July, 2015	28	39	46
	August, 2015	24	48	30
	September, 2015	30	45	51
	October, 2015	26	49	69
		108	45	49
Grand Totals:		577	33	43

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

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

December 8, 2015

PROJECT	LOCATION OF PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
CLAYTON ROAD PUMP STATION	Skyland	J.S. Haren Company	11/19/2014	2/23/2015	11/13/2015	\$192,500.00	100%	Project is substantially complete.
HILLIARD AVENUE @ ASTON PARK	Asheville	Buckeye Bridge, LLC	8/19/2015	10/12/2015	3/10/2016	\$542,732.50	20%	Project is progressing on schedule.
MELODY CIRCLE	Swannanoa	Terry Brothers	7/15/2015	8/3/2015	1/30/2016	\$954,087.50	75%	Project is progressing on schedule.
NEW SALEM ROAD	Swannanoa	Terry Brothers	11/18/2015	TBD	TBD	\$474,362.00	0%	Contracts have been mailed to Contractor.
SHADOWLAWN DRIVE PHASE 2	Asheville	TBD	TBD	TBD	TBD	TBD	0%	Bids were opened on December 3rd. Davis Grading is the apparent low. Project will be awarded at the December Board meeting.
SOUTH FRENCH BROAD INTERCEPTOR - GROUTING	Biltmore	Lake County Sewer Company	10/21/2015	1/4/2016	4/3/2016	\$503,599.00	0%	Preconstruction meeting was held on December 3, 2015. Bypass installation by United Rental will begin January 6th.
WRF - INCINERATOR SYSTEM REHABILITATION AND EMISSIONS UPGRADES	Woodfin	Haren Construction Company	2/18/2015	3/25/2015	2/23/2016	\$4,624,000.00	90%	Incinerator is in full operation and working extremely well. Small detail work, final testing, some demolition, and cleanup still remain.
WRF - INCINERATOR BUILDING - MCC REPLACEMENT	Woodfin	Haren Construction Company	N/A	N/A	N/A	\$236,000.00	90%	This project is being done as part of the Incinerator Rehab project, via Change Order. Project is moving smoothly to a point where all devices are being powered from the designed location in the Motor Control Room. A lot of demolition remains as well as small detail work.
WRF - INFLUENT PUMP STATION REHABILITATION: AFD REPLACEMENT	Woodfin	M.B. Haynes	8/19/2015	10/5/2015	5/2/2016	\$428,370.00	40%	At this point, the main task is installation of all the conduit prior to removing any of the existing motor controls.

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

Planning & Development Project Status Report

Active Projects

December 16, 2015

#	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
1	Governor's Western Residence	2014100	Buncombe Co.	Comm.	636	7/22/2015	Installing
2	Greenwood Park Phase 1	2014067	Weaverville	7	283	9/1/2015	Final Inspection complete, awaiting close-out docs
3	Rivermill Lofts Relocation	2014125	Asheville	254	314	8/21/2015	Testing wait period
4	Givens Gerber Park	2014065	Buncombe Co.	260	357	8/7/2015	Testing
5	Hawthorne South	2014130	Asheville	250	400	8/7/2015	Testing
6	Ingles - Smokey Park Highway	2013135	Asheville	Comm.	1,289	4/11/2014	Waiting on final inspection
7	Conestee	2014149	Asheville	7	113	8/7/2015	Pre-con held, ready for construction
8	Audubon Apts. Phase 2	2014027	Buncombe Co.	86	16	5/27/2015	Waiting on final inspection
9	Hunt Hill Apartments	2013111	Asheville	180	1,729	3/5/2014	Waiting on final inspection
10	Rosebriar	2007005	Black Mountain	12	309	8/28/2014	Waiting on final inspection
11	Ventana	2014085	Woodfin	100	5,430	8/12/2014	Partial final inspection complete.
12	Dilworth Apartments	2015001	Asheville	168	950	8/3/2015	Waiting on final inspection
13	Isaac Dickson School Relocation	2013033	Asheville	School	504	1/13/2014	Waiting on final inspection
14	Gibson Road (aka Four Seasons)	2014138	Asheville	3	137	9/11/2015	Testing
15	Roberts Farm Phase 1	2015056	Black Mountain	250	1,165	7/29/2015	Installing
16	First Baptist Relocation	2015032	Asheville	Comm.	333	7/21/2015	Waiting on final inspection
17	Biltmore Lake Block "I"	2014128	Buncombe Co.	19	1,676	3/31/2015	Installing
18	Creekside Cottages	2014095	Buncombe Co.	7	504	3/12/2015	Waiting on final inspection
19	Crossings at Beaverdam	2014150	Woodfin	Comm.	119	2/18/2015	Waiting on final inspection
20	Creekside Village Phase 2	2014088	Weaverville	145	2,051	8/7/2015	Installing
21	Busbee Mountain	2007181	Asheville	9	580	9/29/2014	Testing
22	Country Inn & Suites - Westgate	2014089	Asheville	Comm.	204	1/22/2015	Waiting on final inspection
23	Burk Street - Phase III	2014079	Asheville	7	111	11/20/2014	Testing
24	Dillingham Woods	2014048	Asheville	27	375	3/4/2015	Installing
25	790 Riceville Road	2014078	Asheville	8	1,620	3/3/2015	Testing
26	Ramble Block "E"	2015030	Buncombe Co.	22	1,357	7/29/2015	Waiting to test
27	Haw Creek - Waters Road	2014086	Asheville	20	643	7/28/2015	Testing
28	Asheville Middle School	2013125	Asheville	School	214	9/30/2014	Waiting on final inspection
29	Robinhood Relocation	2013107	Asheville	5	230	7/23/2015	Installing
30	Lakeside Meadows	2013067	Weaverville	25	1,096	1/16/2015	Waiting on final inspection
31	Crest Mountain Phase 3B	2013041	Woodfin	69	1,329	10/15/2013	Waiting on final inspection
32	Evolve Mountain View	2013105	Asheville	148	347	10/21/2014	Punch-list pending
33	26 Carl Alwin Place	2014091	Buncombe Co.	Comm.	246	5/1/2015	Final Inspection complete, awaiting close-out docs
34	Bojangles - Smokey Park	2014124	Buncombe Co.	Comm.	382	8/18/2015	Installing
35	Pisgah View Subdivision	2015120	Buncombe Co.	6	176	9/11/2015	Pre-con held, ready for construction
36	Serenity Falls Subdivision	2015055	Woodfin	45	2,583	9/18/2015	Installing
37	Long Shoals Village Ph. 1 (Bojangles)	2015103	Buncombe Co.	Comm.	535	10/23/2015	Pre-con held, ready for construction
38	Amboy Overlook	2014136	Asheville	19	899	10/20/2015	Pre-con held, ready for construction
39	Bowen Estates	2015064	Asheville	4	178	10/13/2015	Pre-con held, ready for construction
40	Craggy Park	2014164	Asheville	45	1,935	10/23/2015	Pre-con held, ready for construction
41	Pinnacle at Arabella Heights	2006277	Buncombe Co.	28	482	11/10/2015	Pre-con held, ready for construction
42	Settings at Black Mountain	2008016	Black Mountain	30	907	11/13/2015	Pre-con held, ready for construction
43	Cottages at Kenilworth	2015107	Asheville	12	454	12/1/2015	Pre-con held, ready for construction
44	Mallard Run Phase II	2015090	Buncombe Co.	37	1,217	10/13/2015	Final Inspection complete, awaiting close-out docs
			TOTAL	2,314	36,415		