

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
FEBRUARY 17, 2016**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2 pm, Wednesday, February 17, 2016. Chairman VeHaun presided with the following members present: Ashley, Bryson, Creighton, Frost, Manheimer, Pelly, Root and Wisler. Mr. Belcher, Mr. Collins and Mr. Kelly were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Forrest Westall with McGill Associates, PE, Marcus Jones with Henderson County, Joseph Martin with Woodfin Sanitary Water & Sewer District, Patti Beaver with CIBO, Ed Bradford, Scott Powell, Peter Weed, Ken Stines, Mike Stamey, Matthew Walter, Jim Hemphill, 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 January 20, 2016 Board Minutes:

Mr. VeHaun asked if there were any changes to the Minutes of the January 20, 2016 Board Meeting. Ms. Wisler moved for approval of the minutes as presented. Mr. Creighton seconded the motion. Voice vote in the favor of the motion was unanimous.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. VeHaun welcomed Mr. Jones, Mr. Martin and Ms. Beaver. There was no public comment.

6. Report of General Manager:

Mr. Hartye reported that Ed Bradford and Mike Stamey will give an update on the Capital Improvements/Construction that is ongoing throughout the District. He stated the District's total annual budget is approximately \$47.5 million. Of this amount, 65% is construction related. The debt service is for the money borrowed to help pay for a portion of the construction. This year's Construction Budget is \$21.8 million, which is very aggressive.

Mr. Bradford reported there are two active projects at the plant. The Incinerator is one of the larger, which is in its wind down phase. The other is the Influent Pump Station. The current pumps have been in service since the 80's. He presented slides showing the location of the Influent Pump Station Rehabilitation project; a second pump that was installed on 5/29/15 and a picture of a football field 81 feet high that could be filled up by one pump in a 24 hour period. He stated that each of the pumps can pump 35 mgd (or 24,300 gpm). The first pump was replaced in January, 2014 and a third pump is scheduled for replacement next year.

Mr. Bradford reported the Adjustable Frequency Drives (AFD's) are currently being replaced because of their age and environment. He presented slides showing the motors that power the AFD's which allow the motors to slow down or speed up depending on the flow coming into the plant, the new enclosure for the AFD's; lifting the enclosure into place and the interior of the enclosure that protects the equipment. He stated the project is going very well with two (2) of the AFD's wired in completely and

the third complete by next week with full project closeout by spring of this year. Mr. Hartye stated that previously the units were exposed to sewer gases coming in causing the circuit boards to be eaten up by hydrogen sulfide. Replacement circuit boards are obsolete. The new “conditioned environment” will prevent that.

Mr. Bradford reported the Incinerator Emissions Upgrade project located at the north end of the plant was imposed upon MSD by the EPA so MSD staff managed an accelerated design timeframe with consultant CDM Smith, and pre-purchased critical equipment. MSD awarded the construction contract in February, 2015. Total construction cost is \$5.8 million which was reduced by \$5 million by utilizing new technology. The project was operational ahead of schedule in December of 2015, and currently in final compliance testing/start-up phase. He presented slides showing the new Venturi Scrubber which removes particulates; the new Heat Exchanger, and the Mercury Removal System.

Mr. Bradford reported the Plant Headworks Improvement project is coming up this year and was the primary recommendation of the Facilities Plan with replacement of the existing bar screens at the head of the plant; adding improved fine bar screens; adding a storage system for peak flow conditions, utilizing the old abandoned tanks at 2MG each. Design on this project began in July 2015 with construction to begin in the summer of 2016 at an estimated cost of \$10.3 million. He presented a slide showing the location of the project and the CIP Status report. With no questions, he turned the presentation over to Mike Stamey for a report on Construction activities.

Mr. Stamey highlighted the Construction Administration Group who do inspections of contractors constructing CIP projects. The first project is the New Salem Road sewer rehabilitation project in Swannanoa. Terry Brothers Construction is the contractor on this project and includes approximately 3,800 LF of existing MSD sewer. The majority of the project (2,900 LF) is being rehabilitated through a trenchless technology method called “cured in place lining.” He presented slides showing the process. The next project is the South French Broad Interceptor grouting project on the grounds of the Biltmore Estate. Lake County Sewer Company is the contractor and the project consists of 12,000 LF of 36” sewer line, which includes chemical grouting for all the joints in the line. He presented slides showing the grouting process. He presented a slide showing the location of other CIP inspection projects that include Hilliard Avenue @ Aston Park, which is 70% complete; Shadowlawn Drive Phase 2, scheduled to begin March 14th and Oakland Drive @ Pine Street rehabilitation, to be considered as part of today’s Consolidated Motion Agenda.

Mr. Stamey reported that In-house Construction projects include improvements at the Weaverville No. 1 Pump Station, which serves the entire Weaverville area and consists of adding a third pump to increase pumping capacity. He presented several slides showing the process for installation of the new pump. Another project is located in West Asheville on Winnfred Street and Delaware Avenue. replacing 800 LF of sewer line. He presented slides showing a manhole replacement and site restoration on this project. Current in-house projects include Murdock Avenue @ Edwin Place; Hunt Hill Place adjacent to McCormick Field, replacing 800 LF of sewer line, and Evelake Drive off of Leicester highway, replacing 200 LF of sewer line. Mr. Hartye stated the ability of in-house crews doing pump station work is rare with the many disciplines involved; electrical, mechanical and site work that would ordinarily be contracted out. With regard to the Biltmore Estate line, Mr. Hartye stated the 36” line is fine with the exception of having to chemically grout the joints, which will hopefully reduce inflow when the river is up and help maintain the life of the line. However, a future line will ultimately be needed to run parallel with this interceptor across the Estate.

Mr. Hartye reported the North Carolina Supreme Court will hear the City of Asheville appeal to the decision ordered by the NC Appeals Court. Mr. Clarke stated the

Supreme Court sent out a notice yesterday that oral arguments will be heard the second or third week in May in the Burke County Court House in Morganton, NC.

Mr. Hartye reported Billie Black of Elk Mountain Road called to let everyone know how much she appreciated Eric Bryant's kindness and how he went above and beyond his responsibilities to help her.

Mr. Hartye reported the February ROW Committee has been cancelled. The next meeting will be held at 9 am on March 23rd. The next regular Board Meeting will be held March 16th at 2 pm.

7. Consolidated Motion Agenda:

a. Consideration of Bids – Four-inch Main Oakland Drive @ Pine Street:

Mr. Hartye reported this project is located in Black Mountain just north of Lake Tomahawk. The project is comprised of approximately 1,510 LF of 8" DIP. The contract was advertised and the following bids were received on January 28, 2016: Huntley Construction Co., with a bid of \$399,524.40; David Grading, Inc. with a bid of \$398,353.00; Thomas Construction Co. with a bid of \$352,466.00; Patton Construction Co. with a bid of \$321,770.00, and Terry Brothers Construction Co. with a bid of \$283,994.00. The apparent low bidder is Terry Brothers Construction Co. with a bid of \$283,994.00. The FY 15-16 Construction Budget for this project is \$421,000.00. Staff recommends award of the contract to Terry Brothers Construction Co., in the amount of \$283,994.00 subject to review and approval by District Counsel.

b. Consideration of Auditing Services Contract for FY2016:

Mr. Powell reported in July staff informed the Board of its desire to issue an RFP for auditing services. A Selection Committee evaluated responses from the firms which replied to the RFP. The Selection Committee chose Cherry Bekaret, LLP due to their audit approach, the firms staffing, turnover rate, and notably the governmental utility experience in North Carolina. At the September 16th Board Meeting, the Board approved Cherry Bekaret, LLP as auditors for the FY 2016 fiscal period. Staff recommends approval of the 2016 audit contract in the amount of \$45,000.

c. Second Quarter Budget to Actual Review FY 2016:

Mr. Powell reported on Page 33 is the District's first quarter Budget to Actual Revenue and Expenditure Report. Domestic and User Fees are at budget expectations. Facility and Tap Fees are above budgeted expectations due to receiving \$982,500 from three developers. Interest and miscellaneous income are at below budgeted expectations. Fixed income investment yields have slightly increased due to current Federal Reserve policy. O&M expenditures are at 47.86% of budget. They include encumbered amounts. These amounts will be spent in future periods (Encumbrances \$500,000). 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 19.5%. 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. Due to the timing of capital projects, this amount is considered reasonable.

d. Cash Commitment/Investment Report Month Ended December 31, 2015:

Mr. Powell reported Page 36 presents the makeup of the District's Investment Portfolio. There has been no significant change in the makeup of the Portfolio from the prior month. Page 37 is the MSD Investment Manager report as of the month of December. The weighted average maturity of the investment portfolio is 158 days. The yield to maturity is .59% and exceeds bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 40 presents the MSD Variable Debt Service report. The 2008 Series Bonds are performing better than budgeted expectations. As of the end of December both issues have saved the District customers over \$4.3 million dollars in debt service since April, 2008.

With no discussion, Mr. Pelly moved for approval of the Consolidated Motion Agenda as presented. Ms. Bryson 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 2:35 pm.

Jackie W. Bryson, Secretary/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 2/17/16

✓	Agenda Item	Presenter	Time	
	Call to Order and Roll Call	VeHaun	2:00	
	01. Inquiry as to Conflict of Interest	VeHaun	2:05	
	02. Approval of Minutes of the January 20, 2016 Board Meeting.	VeHaun	2:10	
	03. Discussion and Adjustment of Agenda.	VeHaun	2:15	
	04. Informal Discussion and Public Comment	VeHaun	2:20	
	05. Report of General Manager	Hartye	2:25	
	06. Consolidated Motion Agenda		2:40	
	a. Consideration of Bids – Sanitary Sewer Rehabilitation - Four Inch Main – Oakland Drive @ Pine Street.	Hartye		
	b. Consideration of Audit Contract for FY16.	Powell		
	c. Second Quarter Budget to Actual FY16.	Powell		
	d. Cash Commitment/Investment Report – Month Ended December 31, 2015.	Powell		
	07. Old Business:	VeHaun	3:00	
	08. New Business:	VeHaun	3:05	
	09. Adjournment: (Next Meeting 3/16/16)	VeHaun	3:10	
	STATUS REPORTS			

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
JANUARY 20, 2016**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2 pm Wednesday, January 20, 2016. Chairman VeHaun presided with the following members present: Ashley, Belcher, Bryson, Collins, Creighton, Frost, Kelly, Manheimer, Pelly, Root and Wisler.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Forrest Westall with McGill Associates, PA, Virginia Daffron with Mountain Express, Ed Bradford, Scott Powell, Matthew Walter, Mike Stamey, Ken Stines, Jim Hemphill, and Sondra Honeycutt.

Mr. VeHaun welcomed new Board Member Don Collins representing the Town of Black Mountain, replacing Bob Watts.

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 December 18, 2015 Board Minutes:

Mr. VeHaun asked if there were any changes to the Minutes of the December 16, 2015 Board Meeting. Ms. Frost moved for approval of the minutes as presented. Mr. Pelly seconded the motion. Voice vote in favor of the motion was unanimous.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. VeHaun welcomed Ms. Virginia Daffron with Mountain Express. There was no public comment.

6. Report of General Manager:

Mr. Hartye asked Mr. Collins to come forward. Chairman VeHaun presented Mr. Collins with the traditional manhole puller given to all new Board Members.

Mr. Hartye reported on the following Accomplishments for Fiscal Year 2015:

The Engineering Division administered a Capital Improvement Program budget of \$22.8 million with in-house personnel. Both Engineering and IT migrated a new web-based paperless permitting system for Planning and Development to provide for better efficiency and customer service; actively managed 112 projects/line items within the capital program including design, right of way and construction, which is updated on the MSD web site so the public can see these projects and where they stand; rehabilitated 46,729 LF of collection system lines during FY15; completed the Facilities Plan Update Project, and the Planning and Development Statistics were very broad and upbeat for FY13 through FY15.

The System Services Maintenance Division achieved an average response time of 33 minutes to customer service requests during regular working hours as well as an average response time of 42 minutes after hours; cleaned 728,521 LF of mainline with in-house crews, and completed CCTV inspection of 329,602 LF of pipeline.

The Construction Division inspected 11 Capital Improvement Projects, 27 private development sewer extensions, and 10 service connections made by contractors. The In-house Construction Group has rehabilitated 20,073 LF of pipeline through dig and replace and trenchless construction methods. In addition they completed 542 emergency and scheduled construction repairs. Mr. Hartye presented slides showing in-house crews repairing broken lines and piers at river crossings in both the Biltmore and Hominy Creek area. Mr. Stines stated the Biltmore crossing is located behind the railroad yard. Mr. Hartye also presented slides showing washed out areas alongside the river banks and how they were removed by MSD crews.

The Information Technology Division improved configuration and usage of City Works software; implemented Freelance Mobile for City Works on iPads for offsite field operations; configuration and installation of 11 new SCADA PCs/servers and a new emissions monitoring PC for the Thermal Converter building, and rolled out over 10+ laptop replacements/installations for MSD users.

The Finance Division received the GFOA "Excellence in Financial Reporting" award for the Comprehensive Annual Financial Report (CAFR) for FY ending June 30, 2014, and received the GFOA "Distinguished Budget" award for the Budget Document prepared for FY ending June 30, 2015.

The Wastewater Treatment and Maintenance Division received the National Association of Clean Water Agencies (NACWA) "Gold Peak" Performance Award for the fourteenth consecutive year acknowledging Treatment Plant Compliance. The Wastewater Division was awarded the 2015 NC AWWA-WEA Operations and Maintenance Excellence Award. Mr. Hartye reported the Treatment Plant was in full compliance with the NPDES Permit for effluent discharge, WNC Permit for air quality monitoring and discharge, and Residual Management Program for handling of biosolids. In addition, replaced twenty (20) failed RBC's with salvaged units from West Virginia; saving \$5.6 million over new units. He credited Peter Weed for championing this effort. Mr. Hartye further reported the Field Operations Section inspected all Significant Industrial Users (19 SIU's) with monitoring of effluent discharge, and with announced and unannounced visits for permit compliance. In addition they inspected 937 different food service establishments for compliance with the MSD Grease Program and ordinance, and completed 292 follow-up visits.

Human Resources completed the Wage & Salary Survey; Rewrote the Employee Handbook; Changed Pharmacy Benefits Manager (PBM) vendor for prescription drugs; reducing costs by over 20%.

Environmental Health & Safety continued to work with crews in developing practical techniques to improve trench and end wall safety and fall protection systems as well as coordinated employee and management activities to maintain ISO 14001 certification. With no questions, Mr. Hartye continued with his regular report.

Mr. Hartye reported MSD received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). He expressed his appreciation to Scott Powell and Teresa Gilbert for their efforts.

Mr. Hartye reported a call was received from Charlene Noblett of Maple Drive expressing her appreciation for Wayne Rice and Furman Dean for their kindness and assistance.

Mr. Hartye reported the January ROW Committee meeting has been cancelled. The next meeting will be held at 9 am on February 24th. The next regular Board Meeting will be held on February 17th at 2pm. An appreciation lunch will be held for Bob Watts

at 1:15pm before the Board Meeting. A potential Finance Committee Meeting may be held to discuss refunding opportunities.

7. Consolidated Motion Agenda:

a. Consideration of Annual Meeting Dates – 2016:

Mr. Hartye presented a copy of the Annual Meeting Dates for 2016. He stated a correction was made in the date of the April meeting, which was changed from the 30th to the 20th.

b. Consideration of Budget Calendar FY2016-2017:

Mr. Hartye presented the District's proposed Budget Calendar for FY2016-2017. The Personnel Committee will meet on April 26th at 9 am to consider Cost of Living and Merit pay and Benefit Allocations. The CIP Committee meeting will meet on April 28th at 8:30 am to consider an update of the Ten-Year Capital Improvement Program; Update Construction Program Financing and the 2016-2017 Construction Fund Budget. The Finance Committee will meet May 5th at 9am to consider the Nine Month Revenue/Expenditure Report; Self-Funded Medical & Dental Program; Proposed FY17 Construction Fund Budget and Proposed FY17 Operating Budget and Sewer Rates. The Board Meeting is scheduled for May 18th at 2pm to consider the Preliminary FY17 Budget and Sewer Rates.

c. Consideration of Bids – Sanitary Sewer Rehabilitation – Shadowlawn Drive Phase 2:

Mr. Hartye reported this project is located in West Asheville in the area across from the NCDMV and the Goodwill Store on Patton Avenue. The project consists of 3,085 LF of 8-inch DIP due to SSO's and on-going maintenance problems. The contract was advertised and five bids were received on December 3, 2015 with bids ranging from \$460,000 to \$801,000. The bid bonds submitted with the two lowest bids were not in compliance with North Carolina law. MSD rejected all of the bids and solicited bids informally. In response MSD received two proposals on Monday, January 4, 2016 from Terry Brothers Construction Co. for \$498,426.00 and Davis Grading Inc. for \$436,798.00. Davis Grading Inc. is the apparent low bidder with a bid of \$436,798.00 which is \$23,574 lower than the lowest bid at the previous bid opening. The FY 15-16 Construction Budget for this project is \$710,000. Staff recommends award of the contract to Davis Grading, Inc. in the amount of \$436,798, subject to review and approval by District Counsel. Mr. Root asked Mr. Clarke to explain what a bid bond is. Mr. Clarke stated that when the estimated cost of a project is more than \$500,000 the District is required to advertise the project. Proposals from contractors bidding on the project must be accompanied by 5% of the bid. The condition of the deposit, the bid bond, or other security, must be that the contractor will forfeit 5% of the amount of the bid if the District awards the project to the contractor and he fails to enter into a contract with the District. MSD cannot consider a proposal if it is not accompanied by bid security in accordance with North Carolina law. MSD's standard bid bond includes the 5% language/. In this case, the two lowest bids at the initial bid opening were accompanied by bid bonds which obligated the contractor to pay MSD the difference between the contractor's bid and the next lowest bid, so the bids could not be considered. Ms. Wisler asked if this happens often. Mr. Hartye said no, but there have been situations where a contractor who was the lowest bidder on a project asked to withdraw the bid without forfeiting its bid bond, and the Board has allowed that. Mr. Bradford stated when MSD gets new contractors it tries to educate them on this process and that bid bonds are not required for projects under \$500,000.

d. Consideration of Developer Constructed Sewer Systems: Waynesville Avenue and Ventana Phase 1:

Mr. Hartye reported the Waynesville Avenue project is located inside the District boundary off Waynesville Avenue in the City of Asheville. The project included extending approximately 313 linear feet of 8-inch public gravity sewer to serve the nine (9) unit residential development.

Mr. Hartye reported the Ventana Phase 1 project is located inside the District boundary off Versant Drive in the Town of Woodfin. The project included extending approximately 4,975 linear feet of 8-inch public gravity sewer to serve the thirty-six (36) unit residential development.

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

e. Cash Commitment/Investment Report – Month Ended November 30, 2015:

Mr. Powell reported 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 November. The weighted average maturity of the investment portfolio is 188 days. The yield to maturity is 76% and is exceeding bench marks of the 6-month T-Bill and NCCMT portfolio. Page 31 is the MSD Analysis of Cash Receipts. YTD Domestic & Industrial sewer revenues are 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 cash receipts in their respective fiscal periods. Page 32 is the MSD Analysis of Expenditures. O&M, Debt Service, and Capital Projects expenditures are considered reasonable based on historical trends and timing of capital projects. Page 33 is the MSD Variable Debt Service report. The 2008A Series is performing better than budgeted expectations. As of the end of December the issue has saved District ratepayers approximately \$4.3 million dollars in debt service since April of 2008.

With no discussion, Mr. Pelly moved for approval of the Consolidated Motion Agenda as presented. Ms. Frost seconded the motion. Roll Call vote was as follows: 12 Ayes; 0 Nays.

8. Old Business:

None

9. New Business:

With regard to the Shadowlawn project, Mr. Kelly asked how the Construction Budget of \$710,000.00 was determined. Mr. Bradford stated when we prepare the annual CIP budget we go back over the previous year bids to keep pricing up to date. On this project staff was concerned about wetland areas. Mr. Kelly asked if this works out to applying some per linear foot cost. Mr. Bradford stated most projects cost around \$250 per foot, but varies depending on the project's complexity.

10. Adjournment:

With no further business, Mr. VeHaun called for adjournment at 2:30 pm.

Jackie W. Bryson, Secretary/Treasurer



MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: February 12, 2016
SUBJECT: Report from the General Manager

- MSD Capital Improvements Update

Ed Bradford and Mike Stamey will give a brief update of the Capital Improvements/ Construction that is ongoing throughout the district. This years CIP is \$21.8 million. Below is MSD's current FY16 Budget:

➤ Total Budget \$47,484,577

1. CIP (Rehab Construction)	\$21,849,858	} 65% Construction related
2. Debt Service	\$ 9,109,708	
3. O&M	\$15,745,161	
4. Capital Equipment	\$ 779,850	

- HB 488

The North Carolina Supreme Court will hear the City of Asheville appeal to the decision rendered by the NC Appeals Court. Billy will answer any questions that you may have regarding process and timing.

- Kudos

- Billie Black of Elk Mountain Rd. called and wanted to let everyone know how much she appreciated Eric Bryant's kindness and how he went above and beyond his responsibilities to do everything possible to help her.

- Board/Committee Meetings/Events

The February ROW Committee has been cancelled. The next Right of Way Committee meeting will be held at 9 am on March 23rd. The next Regular Board Meeting will be held on March 16th at 2 pm. ***Reminder: We will have an appreciation lunch for Bob Watts on February 17th at 1:15pm before the Board meeting.***

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

BOARD MEETING DATE: February 17, 2016

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

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

SUBJECT: Four-inch Main - Oakland Drive @ Pine Street Project: Consideration of Bids, MSD Project No. 2011118

BACKGROUND: This project is located in Black Mountain, just north of Lake Tomahawk.

It will replace existing 4-inch through 8-inch Orangeburg, vitrified clay, and PVC sewer lines. This project has a high pipe rating of 76 due to the structural and maintenance problems associated with these lines.

The project is comprised of approximately 1,510 LF of 8" DIP.

The contract was advertised and five bids were received on January 28, 2016 as follows:

<u>Contractor</u>	<u>Bid Amount</u>
1) Huntley Construction Co.	\$399,524.40
2) Davis Grading, Inc.	\$398,353.00
3) Thomas Construction Co.	\$352,466.00
4) Patton Construction Co.	\$321,770.00
5) Terry Brothers Const. Co.	\$283,994.00

The apparent low bidder is Terry Brothers Construction Co. with a bid amount of \$283,994.00. Terry Brothers has completed numerous MSD sewer rehabilitation projects to date, and their work quality has been excellent on those projects.

Please refer to the attached documentation for further details.

FISCAL IMPACT: The FY15-16 Construction Budget for this project is \$421,000.00.

STAFF RECOMMENDATION: Staff recommends award of this contract to Terry Brothers Construction Co. in the amount of \$283,994.00, subject to review and approval by District Counsel.

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

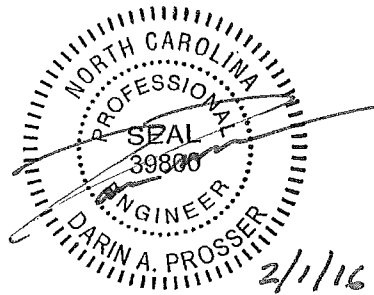
**OAKLAND DRIVE @ PINE STREET (4-INCH MAIN)
SEWER REHABILITATION
PROJECT NO. 2011118**

**BID TABULATION
January 28, 2016**

BIDDER	MBE Form	Bid Forms (Proposal)	Total Bid Amount
Huntley Construction Company Asheville, NC	1	Yes	\$399,524.40
Davis Grading, Inc. Shelby, NC	2	Yes	\$398,353.00
Thomas Construction Company Johnson City, TN	1	Yes	\$352,466.00
Patton Construction Group, Inc. Asheville, NC	1	Yes	\$321,770.00
Terry Brothers Construction Company Leicester, NC 28748	1	Yes	\$283,994.00

APPARENT LOW BIDDER

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



This is to certify that the bids tabulated herein were publicly opened and read aloud at 2:00 p.m. on the 28th day of January, 2016, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina. This was an informal bid and no bid bonds were required.

Interoffice Memorandum

TO: Tom Hartye, General Manager

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

DATE: February 2, 2016

RE: **Four-Inch Main Oakland Dr. @ Pine St. Sewer Rehabilitation,
MSD Project No. 2011118**

The Four-Inch Main Oakland Drive @ Pine Street Sewer Rehabilitation project is located in Black Mountain along Oakland Drive and Pine Street. This project runs along two parallel roads and a portion runs north from Oakland Dr. through residential properties.

This project consists of the rehabilitation of existing 4" Orangeburg; 4" and 6" VCP; and 8" PVC sewer lines. Approximately 1,510 LF of 8" DIP will be installed by dig and replace construction. The existing lines for this project have a high pipe rating of 76 due to the problematic 4-inch main that consists of both Orangeburg and clay pipes.

On January 28, 2016, five sealed bids were received at 2:00 pm. The results were as follows:

<u>Contractor</u>	<u>Bid Amount</u>
1) Huntley Construction Co.	\$399,524.40
2) Davis Grading, Inc.	\$398,353.00
3) Thomas Construction Co.	\$352,466.00
4) Patton Construction Co.	\$321,770.00
5) Terry Brothers Construction Co., Inc.	\$283,994.00

The apparent low bidder is Terry Brothers Construction Co., Inc. with a bid amount of \$283,994.00. The FY15-16 construction budget for this project is \$421,000.00. The budgeted amount exceeded all bids due to removing approximately 200 LF of 8" DIP from the project.

Terry Brothers Construction Co. has an extensive history completing District rehabilitation and replacement projects with excellent workmanship and quality.

Staff recommends award of this contract to Terry Brothers Construction Co., 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:	Four Inch Main - Oakland Dr. @ Pine St	LOCATION:	Black Mountain
TYPE:	General Sewer Rehab.	PIPE RATING:	76
PROJECT NO.	2011118	TOTAL LF:	1,615
PROJECT BUDGET:	\$474,300.00	PROJECT ORIGIN:	Problematic Four Inch Sewer Main

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	\$6,500.00	\$6,500.00		
55330 - DESIGN				
55340 - PERMITS	\$500.00			\$500.00
55350 - SPECIAL STUDIES				
55360 - EASEMENT PLATS	\$3,800.00	\$1,590.00	\$2,210.00	
55370 - LEGAL FEES	\$4,000.00	\$1,521.00	\$2,479.00	
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION	\$25,000.00		\$20,000.00	\$5,000.00
55400 - APPRAISAL	\$2,500.00		\$2,500.00	
55410 - CONDEMNATION	\$5,000.00			\$5,000.00
55420 - CONSTRUCTION	\$421,000.00			\$421,000.00
55430 - CONST. CONTRACT ADM.				
55440 - TESTING	\$1,500.00			\$1,500.00
55450 - SURVEY - ASBUILT	\$4,500.00			\$4,500.00
TOTAL AMOUNT	\$474,300.00	\$9,611.00	\$27,189.00	\$437,500.00

ENGINEER:	MSD	DP	ESTIMATED BUDGETS - FY '16 -'25	
R.O.W. ACQUISITION:	MSD	# PLATS: [4]	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
			FY 22-23	\$0.00
			FY 23-24	\$0.00
			FY 24-25	\$0.00

SPECIAL PROJECT NOTES:

PROJECT DESCRIPTION: This project will replace an existing 4-inch main running between the 200 block of Pine St. and the 100 block of Oakland Dr. in Black Mountain, NC. A new 8-inch ductile iron pipe main will be installed.



**Four Inch Main - Oakland Drive at Pine Street
Project No. 2011118**

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

Meeting Date: February 17, 2016

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

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

Subject: Consideration of Auditing Services Contract for FY2016

Background

The external auditor is charged with providing an opinion on the District's financial statements prepared by management. The opinion is subject to governmental auditing standards issued by the Comptroller General of the United States. Additionally, the external auditor informs the Board of any audit findings and/or difficulties incurred through the audit process.

Discussion

Since the District has had the same external auditor for over twelve years, staff informed the Board in July of 2015 of its desire to issue an RFP for auditing services for the FY2016 fiscal period. Staff sent the RFP to six qualified accounting firms. On August 14, 2015, staff received responses from Cherry, Bekaret LLP, McGladrey LLP, and Gould, Killian CPA Group PA. A selection committee comprised of the General Manager, Finance Director, and Accounting Manager evaluated the responses based on their relevant experience in governmental accounting in North Carolina specifically with utility system.

All firms exhibited knowledge of utility industry and experience in North Carolina. Based upon the presented qualifications, the selection committee chose Cherry Bekaret, LLP due to their audit approach, the firms staffing, turnover rate, and notably the governmental utility experience in North Carolina. At the September 16th Board Meeting, the Board approved Cherry Bekaret, LLP as auditors for FY2016 fiscal period.

Fiscal Impact

The combined audit fees and reimbursable expenses of \$45,000 (See attached engagement letter and audit contract) will be included in the FY2016-2017 budget. The cost of the FY2014 and FY2015 audit engagements were \$46,500 each.

Staff Recommendation

Staff recommends approval of the FY2016 audit contract with Cherry Bekaert, LLP.

Action Taken

Motion by:

Second by:

Other:

Follow-up required:

Person responsible:

to

Approve
Table

Disapprove

Send to Committee

Deadline:

February 10, 2016

The Board of Directors
Metropolitan Sewerage District of Buncombe County, North Carolina
c/o Mr. W. Scott Powell, Director of Finance
2028 Riverside Drive
Asheville, North Carolina 28804

Dear Mr. Powell:

This engagement letter between Metropolitan Sewerage District of Buncombe County, North Carolina (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, 2016:

Audit services

1. We will audit the financial statements of the District as of and for the year ended June 30, 2016.
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.

Accounting and other services

We will provide the following additional services:

1. If applicable, complete the appropriate sections of and sign the Data Collection Form.

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

Metropolitan Sewerage District of Buncombe County, North Carolina

February 10, 2016

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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.

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 basic 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 basic financial statements taken as a whole. The objective also includes reporting on:

- 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*.
- If applicable, reporting on internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations* and State of North Carolina Single Audit Act.

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, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) 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 and with OMB Circular A-133 in considering internal control over compliance and major program 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; the provisions of OMB Circular A-133; the Single Audit Act Amendments of 1996; and the State of North Carolina Single Audit Act, and will include tests

of accounting records, a determination of major programs in accordance with Circular A-133, 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.

ACCOUNTING AND OTHER SERVICES

Data Collection Form

If applicable, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide copies of our reports to the District; however, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the designated federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

Management's responsibilities related to accounting and other services

For all nonattest services we perform in connection with the engagement, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, and accept overall responsibility for the results of the services.

Prior to the release of the report, Management will need to sign a representation letter acknowledging your responsibility for the results of these services.

MANAGEMENT'S RESPONSIBILITIES RELATED TO THE AUDIT

Management is responsible for the fair presentation of the financial statements in conformity with GAAP, including the appropriate basis of accounting is applied by all component units, if applicable, 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

Metropolitan Sewerage District of Buncombe County, North Carolina

February 10, 2016

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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. Additionally, Management must inform 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.

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 Sewerage District of Buncombe County, North Carolina

February 10, 2016

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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	\$ 45,000

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 Sewerage District of Buncombe County, North Carolina

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.

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 basic 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.

We have attached a copy of the report on our most recent peer review.

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. As an alternative, we recommend using our Client Portal ("Portal") to transmit documents. Portal allows you, us, and other involved entities to upload and download documents in a secure location. You agree to the use of email, Portal, 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 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.

Waiver of Trial by Jury

In the event the parties are unable to successfully mediate any dispute, controversy or claim, the parties agree to WAIVE TRIAL BY JURY and agree that the court will hear any matter without a jury.

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 ACCOUNTSOf Metropolitan Sewerage District of Buncombe County, North CarolinaPrimary Governmental Unitn/aDiscretely Presented Component Unit (DPCU) if applicableOn this 10th day of February, 2016,Auditor: Cherry Bekaert LLP Auditor Mailing Address: 1111 Metropolitan Ave. Suite 1000Charlotte, NC 28204Hereinafter referred to as The Auditorand Board Members (Governing Board(s)) of Metropolitan Sewerage District of Buncombe County, North Carolina(Primary Government)and n/a: hereinafter referred to as the Governmental Unit(s), agree as follows:
(Discretely Presented Component Unit)

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, 2015, and ending June 30, 2016. 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 DPCUs, 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*

Discretely Presented Component Units (DPCU) if applicable

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, 2016. 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.
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 relate 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 via upload through the current portal address: <http://nctreasurer.slgfd.leapfile.net> 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 Primary Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the LGC, the 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. (Note: **Fees listed on signature pages.**)
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 as a text-based PDF file 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, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, 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 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, agreed-upon procedures report, 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/Pages/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, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract needs to be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract, and then must be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload your amended contract 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

n/a

Discretely Presented Component Units (DPCU) if applicable

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 #22 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 to be 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 October 2015. 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. **E-Verify.** Auditor **shall comply** with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor **shall require** such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
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).

SIGNATURE PAGES FOLLOW

Contract to Audit Accounts (cont.) Metropolitan Sewerage District of Buncombe County, North Carolina
Governmental Unit

n/a

Discretely Presented Component Units (DPCU) if applicable

Metropolitan Sewerage District of Buncombe County, North Carolina - FEES

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 \$45,000

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 \$ 33,750

** NA if there is to be no interim billing

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

Date February 10, 2016

eburke@cbh.com

Email Address of Audit Firm

Governmental Unit Signatures:

Metropolitan Sewerage District of Buncombe County, North Carolina

Name of Primary Government

By

Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date

By n/a

Chair of Audit Committee - Type or print name

**

Signature of Audit Committee Chairperson

Date n/a

** If Governmental Unit has no audit committee, mark this section "N/A"

Metropolitan Sewerage District of Buncombe County, North Carolina

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

(a)

This instrument has been pre-audited 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 W. Scott Powell

Primary Governmental Unit Finance Officer:

Type or print name

Primary Government Finance Officer Signature

Date

(Pre-audit Certificate must be dated.)

spowell@msdbc.org

Email Address of Finance Officer

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

Contract to Audit Accounts (cont.) Metropolitan Sewerage District of Buncombe County, North Carolina
Governmental Unit
n/a
Discretely Presented Component Units (DPCU) if applicable

**** This page to only be completed by Discretely Presented Component Units ****

n/a **FEES**
Year-end bookkeeping assistance – [For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards] _____

Audit _____

Preparation of the annual financial Statements _____
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 \$ _____
**** NA if there is to be no interim billing**

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

DPCU Governmental Unit Signatures:

n/a

Name of Discretely Presented Component Unit

By _____

DPCU Board Chairperson: Type or print name and title

Signature of Chairperson of DPCU governing board

Date _____

By _____

Chair of Audit Committee - Type or print name

Signature of Audit Committee Chairperson

Date _____

**** If Governmental Unit has no audit committee, mark this section "N/A"**

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

This instrument has been pre-audited 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 _____

DPCU Finance Officer:

Type or print name

DPCU Finance Officer Signature

Date _____

(Pre-audit Certificate must be dated.)

Email Address of Finance Officer

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

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/Pages/Audit-Forms-and-Resources.aspx>
5. Item No. 9 – **NEW: Please note that the fee section has been moved to the signature pages, Pages 5 & 6.**
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.”*
 - 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. Complete the fee section for BOTH the Primary Government and the DPCU (if applicable) on the signature pages, 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/Pages/Non-Audit-Services-and-Audit-Fees.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?

n/a

Discretely Presented Component Units (DPCU) if applicable

- 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? (Note: 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.

8. Signature Area – There are now 2 Signature Pages: one for the Primary Government and one for the DPCU. Send the page(s) that are applicable to your Unit of Government. Make sure all signatures have been obtained, and properly dated. **The contract must be approved by Governing Boards 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 for the Primary Government (and the DPCU if applicable) 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 on the applicable signature page(s) 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 is complete, please convert the contract and all other supporting documentation to be submitted for approval into a PDF file. Peer Review Reports should be submitted in a separate PDF file. These documents should be submitted using the most current submission process which can be obtained at the NC Treasurer's web site – <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>.
13. NEW: If an audit is unable to be completed by the due date, an Amended Contract should be completed and signed by the unit and auditor, using the new "Amended LGC-205" form (Rev. 2015). The written explanation for the delay is now included on the contract itself to complete, and must be signed by the original parties to the contract.

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: February 17, 2016

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

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

Subject: Second Quarter Budget to Actual Review – FY2016

Background

At the end of each quarter, actual revenue and expenditure amounts are compared with the budget to evaluate the District's financial performance. The attached schedule includes year-to-date actual amounts as of December 31, 2015 as well as the adopted budget for FY16.

Discussion

There are several explanatory notes at the bottom of the page to assist in using this schedule as a management tool. Other considerations are as follows:

- ◆ Domestic and Industrial User Fees are at budget expectations. Staff monitors consumption trends as they have a direct effect on the District's current and future revenue projections.
- ◆ Facility and Tap Fees, also conservatively budgeted, can be significantly higher or lower than budget. Facility and Tap fees are above budgeted expectations due to receiving unanticipated revenue of \$982,500 from three commercial/residential developers and a number of taps requiring bore/pavement disturbance.
- ◆ Interest and miscellaneous income are at budgeted expectations. Fixed income investment yields have slightly increased due to current Federal Reserve policy.
- ◆ Rental income reflects expected earnings.
- ◆ O&M expenditures are at 47.86% of budget. The expenditures include encumbered amounts and are at budget expectations. The aforementioned encumbrances will be spent in the future periods.
- ◆ Bond principal and interest expenditures are reflected at 50%. This will aid the user to properly assess the District's overall debt service commitments. Actual amount spent is 19.5%, due to the timing of the District's debt service payments. The District is required to make a semi-annual interest payment on January 1, 2016 and a principal and semi-annual interest payment on July 1, 2016.
- ◆ Amounts budgeted for capital equipment and capital projects are rarely expended proportionately throughout the year and are expected to be fully spent prior to the end of the year.

Staff Recommendation

None – Informational only

Action Taken

Motion by:

Second by:

Other:

Follow-up Required:

Person Required:

to

**Approve
Table**

Disapprove

Send to Committee

Deadline:

Board Meeting: February 17, 2016
Subject: Second Quarter Budget to Actual Review – FY2016
Page -2-

Metropolitan Sewerage District
Budget to Actual Revenue and Expenditure Report
For the six months ended December 31, 2015
UNAUDITED--NON-GAAP

	Budget	Actual to Date	% Budget to Actual
REVENUES			
Domestic User Fees ¹	\$ 28,962,278	\$ 15,120,602	52.21%
Industrial User Fees	3,155,799	1,644,709	52.12%
Facility Fees ²	1,500,000	2,343,886	156.26%
Tap Fees ³	105,000	222,526	211.93%
Billing and Collection	734,708	371,769	50.60%
Interest and Misc. Income	485,094	258,228	53.23%
Employee Contribution to Health Ins.	413,000	207,878	50.33%
City of Asheville (Enka Bonds)	37,000	-	0.00%
Rental Income	69,950	36,690	52.45%
Use of Available Funds ⁴	12,021,748	6,952,816	57.84%
Total Revenues⁵	\$ 47,484,577	\$ 27,159,104	57.20%
EXPENDITURES			
Operations and Maintenance ⁶	\$ 15,890,011	\$ 7,605,580	47.86%
Bond Principal and Interest ⁷	9,109,708	4,554,854	50.00%
Capital Equipment (Other than O&M) ⁶	635,000	417,741	65.79%
Capital Projects ⁶	20,849,858	14,580,929	69.93%
Contingency	1,000,000	-	0.00%
Total Expenditures	\$ 47,484,577	\$ 27,159,104	57.20%

Notes:

- ¹ Revenues are accounted for on the cash basis method
² Increase due to unanticipated revenue from three developments at \$982,500
³ Increase in number of Taps requiring Pavement Disturbance
⁴ Pay-as-go funds to be used for CIP
⁵ Budget-to-Actual Ratio does not include use of available funds
⁶ Includes encumbered amounts as well as actual insurance expenditures
⁷ Bond principal and interest expenditures are reflected at 50%. Actual spend amount is 19.5%.

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: February 17, 2016

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

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

Subject: Cash Commitment/Investment Report-Month Ended December 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 December 31, 2015 were \$46,084,797. The detailed listing of accounts is available upon request. The average rate of return for all investments is 0.476%. 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 December 31, 2015 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of December 31, 2015 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$12,395,705.

Total Cash & Investments as of 12/31/2015		46,084,797
Less:		
Budgeted Commitments (Required to pay remaining FY16 budgeted expenditures from unrestricted cash)		
Construction Funds	(11,238,260)	
Operations & Maintenance Fund	(8,580,286)	
		(19,818,546)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(1,384,563)	
FY16 Principal & Interest Due	(7,161,055)	
		(8,545,618)
District Reserve Funds		
Fleet Replacement	(663,849)	
WWTP Replacement	(476,072)	
Maintenance Reserve	(913,408)	
		(2,053,329)
District Insurance Funds		
General Liability	(375,641)	
Worker's Compensation	(197,735)	
Post-Retirement Benefit	(1,454,589)	
Self-Funded Employee Medical	(1,243,634)	
		(3,271,599)
Designated for Capital Outlay		<u>12,395,705</u>

Staff Recommendation

None. Information Only.

Action Taken

Motion by:

Second by:

Other:

Follow-up Required:

Person Required:

to

Approve
Table

Disapprove
Send to Committee

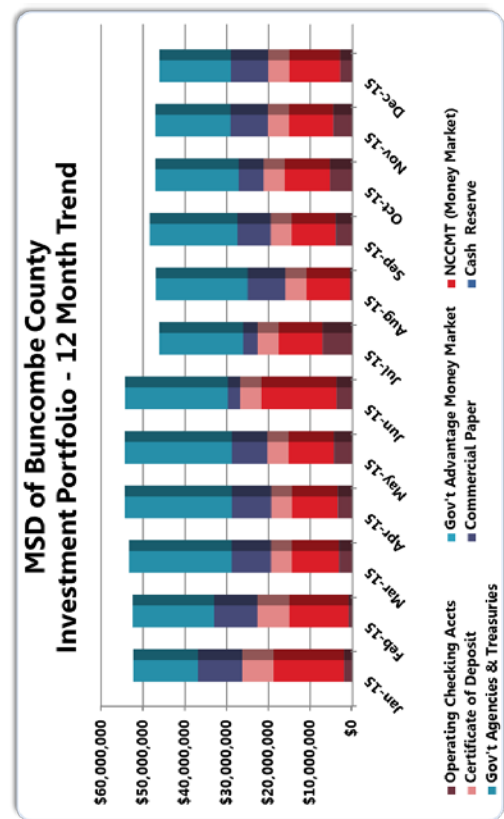
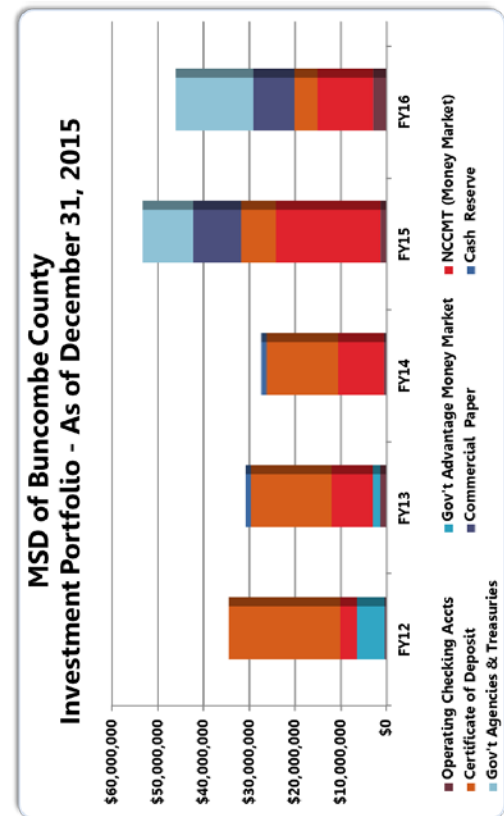
Deadline:

Metropolitan Sewerage District of Buncombe County

Investment Portfolio

Held with Bond Trustee Held by MSD	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Cash Reserve	Gov't Agencies & Treasuries	Total
	\$ -	\$ -	\$ 1,384,563	\$ -	\$ -	\$ -	\$ -	\$ 1,384,563
	2,868,201	46,666	10,776,028	5,026,796	8,989,279	-	16,993,264	44,700,234
	\$ 2,868,201	\$ 46,666	\$ 12,160,591	\$ 5,026,796	\$ 8,989,279	\$ -	\$ 16,993,264	\$ 46,084,797

Investment Policy Asset Allocation	Maximum Percent	Actual Percent
U.S. Government Treasuries,		
Agencies and Instrumentalities	100%	36.87%
Bankers' Acceptances	20%	0.00%
Certificates of Deposit	100%	10.91%
Commercial Paper	20%	19.51%
North Carolina Capital Management Trust	100%	26.39%
Checking Accounts:		
Operating Checking Accounts	100%	6.22%
Gov't Advantage Money Market		0.10%



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

Summary of Asset Transactions

	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 40,723,438	\$ 40,731,180	\$ 456,238
Capital Contributed (Withdrawn)	(971,260)	(971,260)	
Realized Income	8,273	8,273	(6,350)
Unrealized/Accrued Income		1,475	14,837
Ending Balance	\$ 39,760,451	\$ 39,769,668	\$ 464,725

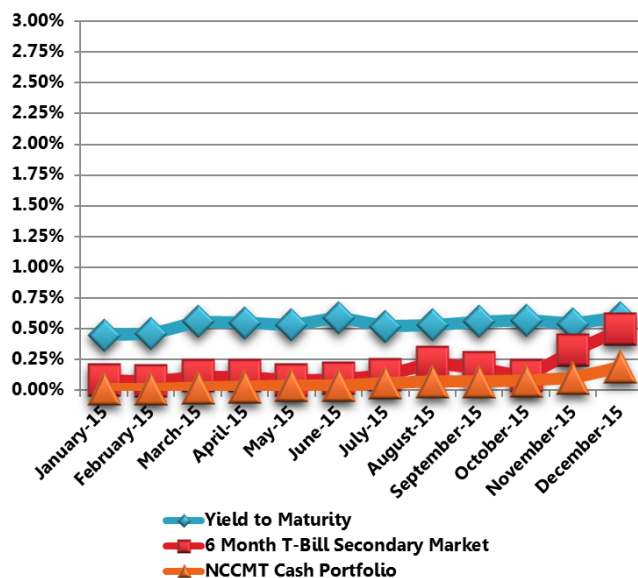
Value and Income by Maturity

	Original Cost	Income
Cash Equivalents <91 Days	\$ 17,746,903	\$ 8,139
Securities/CD's 91 to 365 Days	19,015,548	8,721
Securities/CD's > 1 Year	2,998,000	1,375
	\$ 39,760,451	\$ 18,236

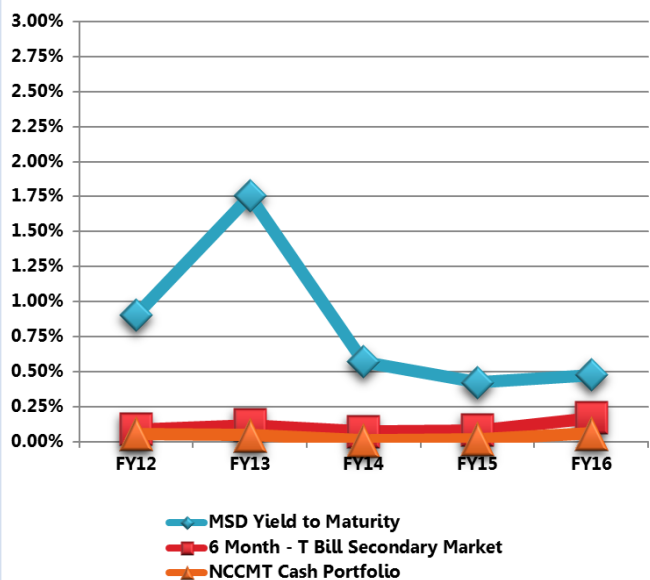
Month End Portfolio Information

Weighted Average Maturity	158
Yield to Maturity	0.59%
6 Month T-Bill Secondary Market	0.49%
NCCMT Cash Portfolio	0.19%

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



**Metropolitan Sewerage District
Annual Yield Comparison**



Board Meeting:

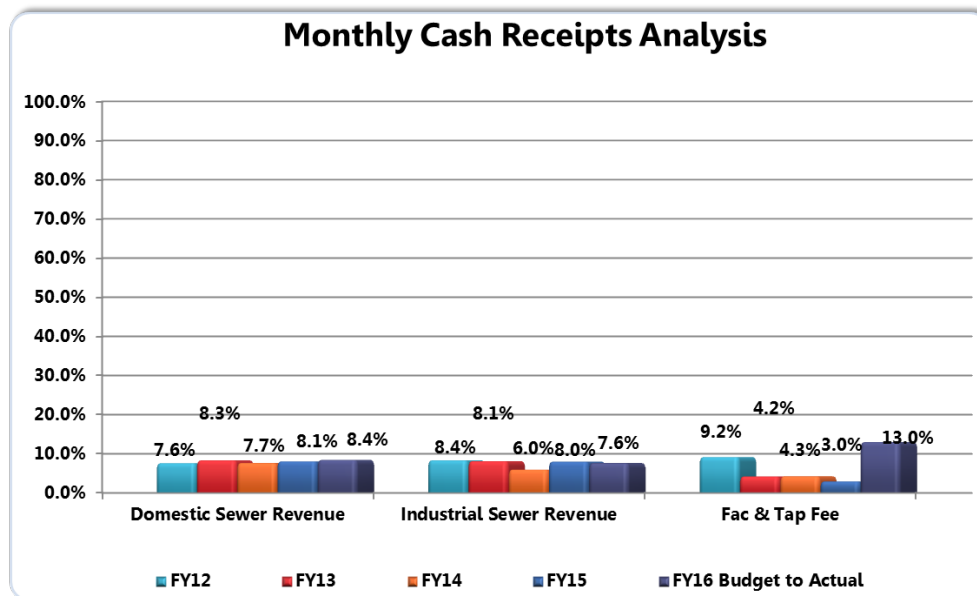
February 17, 2016

Subject:

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

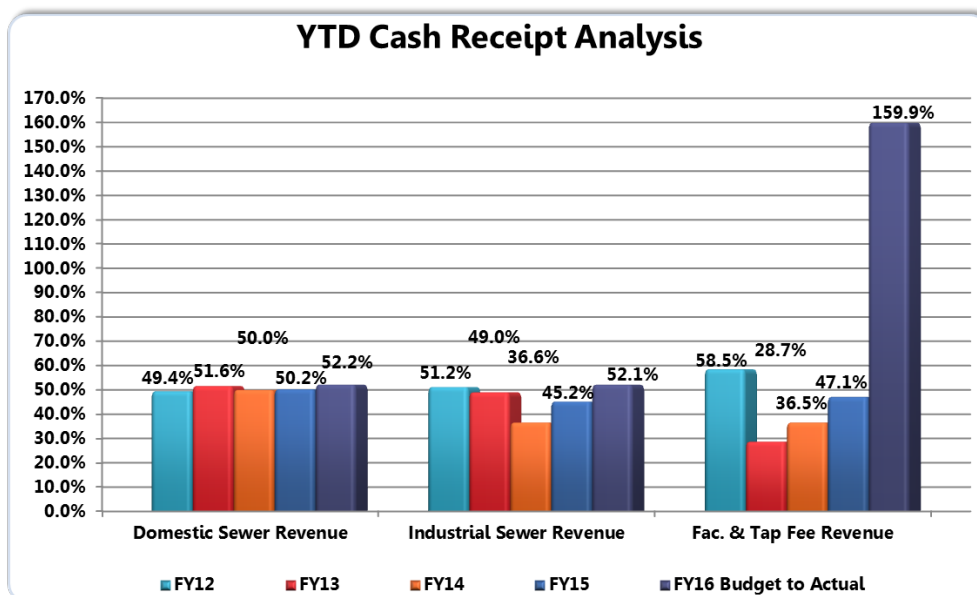
Page -4-

**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF CASH RECEIPTS
As of December 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:

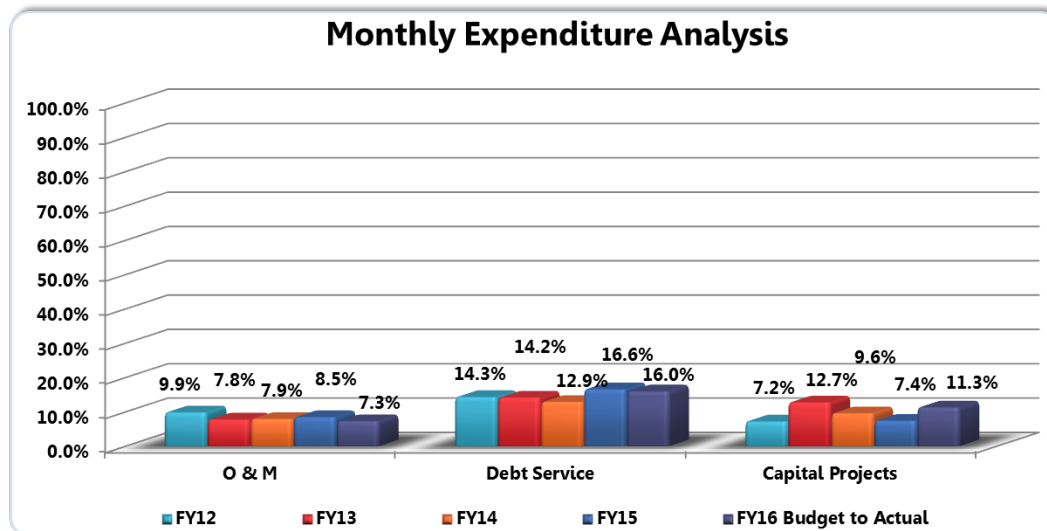
February 17, 2016

Subject:

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

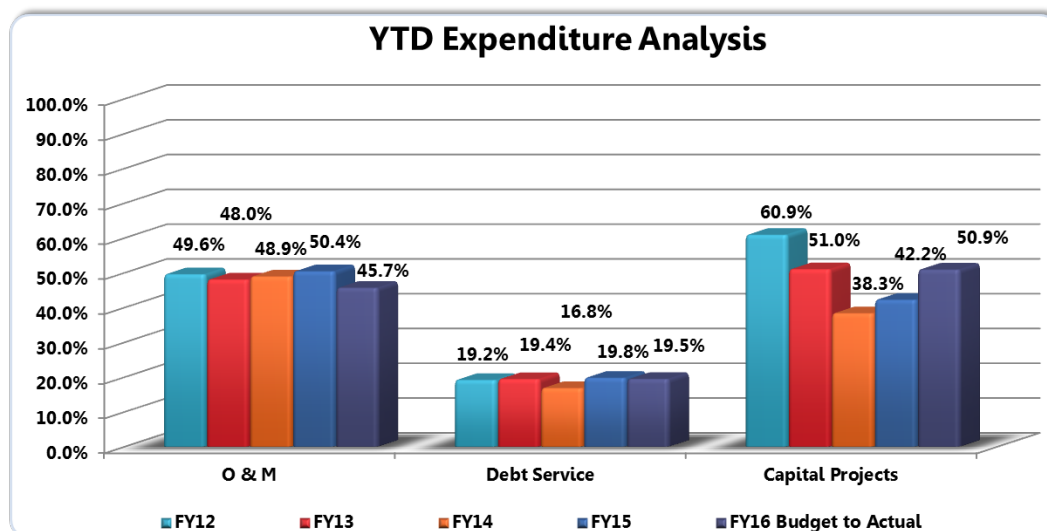
Page -5-

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



Monthly Expenditure Analysis:

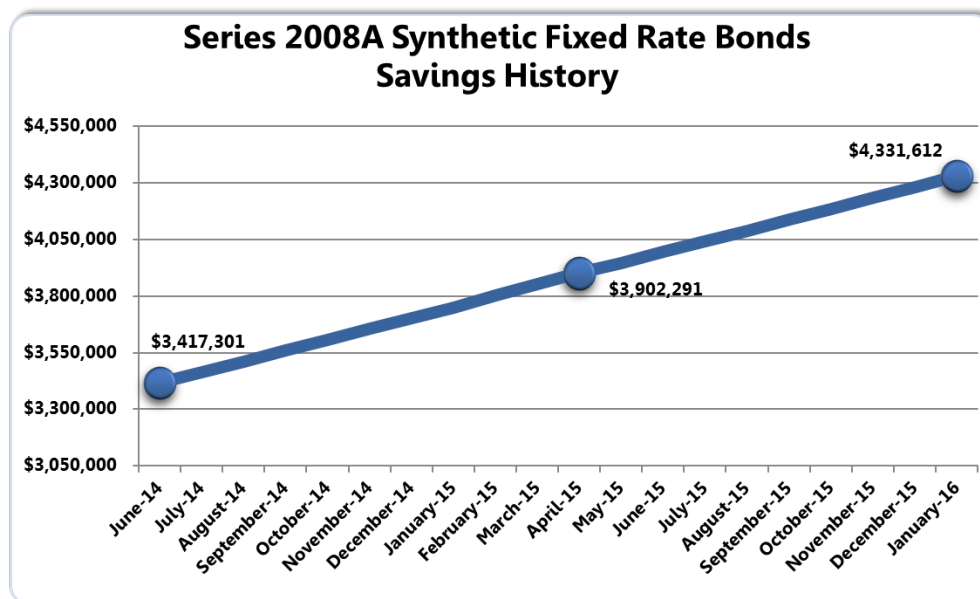
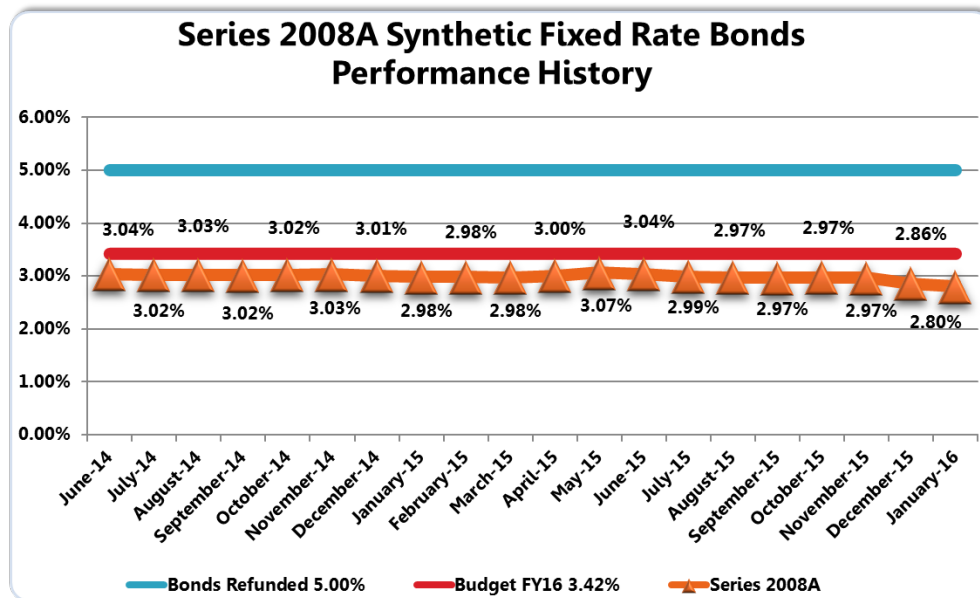
- Monthly O&M expenditures are considered reasonable based on historical trends and timing of expenditures in the current year.
- Due to the nature of the variable rate bond market, monthly expenditures can vary year to year. Based on current variable interest rates, monthly debt service expenditures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

**METROPOLITAN SEWERAGE DISTRICT
VARIABLE DEBT SERVICE REPORT
As of December 31, 2015**



Series 2008A:

- ▲ Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$4,331,612 as compared to 4/1/2008 fixed rate of 4.85%.
- ▲ Assuming that the rate on the Series 2008A Bonds continues at the current all-in rate of 3.9475%, MSD will achieve cash savings of \$4,670,000 over the life of the bonds.
- ▲ MSD would pay \$5,349,261 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
220 Jonestown Road Emergency Rehab	Woodfin	100	12/10/2015	229302	647	12/10/2015	100	complete
Winnfred Street	W. Asheville	420	11/11/15 - 12/18/15	208324	631	12/18/2015	598	complete
Erwin Hills Road Sewer Extension	Leicester	1000	12/21/15 - 2/22/16	229332	631	2/4/2016	1056	complete
Weaverville Pump Station #1 Improvements	Weaverville	35	11/21/15 - 2/22/16	228575	647	2/4/2016	35	complete
Murdock at Edwin Place Sewer Improvements	Asheville	94	1/25/16 - 2/10/16	229951	647			construction just began
Hunt Hill Place	Asheville	786	2/8/16 - 3/22/16	46650	631			construction beginning 2/8/16
Evelake Drive	Leicester	135	2/11/16 - 2/16/16	229959	647			ready for construction
Spears Avenue Rehabilitation	Asheville	300	2/17/16 - 2/20/16	225197	647			ready for construction
Sareva Place	N. Asheville	863	3/23/16 - 4/22/16	20330	631			ready for construction
Fair Oaks Rd at Green Road (P/N 2009133)	Arden	1600	FY 15-16	229966	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
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	228741	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
Seventh St	Black Mountain	200	FY 15-16	225198	TBA			In design



CONSTRUCTION TOTALS BY DATE COMPLETED - Monthly

From 7/1/2015 to 12/31/2015

	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	33	7	190	747	29	25	10	348	219	479	11	735	1781
October 2015	42	7	226	1,023	18	21	190	202	137	182	5	126	647
November 2015	28	8	145	505	18	14	440	0	442	1504	16	261	2207
December 2015	30	16	90	616	26	7	220	0	368	598	7	100	1066
Grand Totals	191	52	826	3,806	136	90	7,617	1,018	2589	3451	70	3,657	10715

* Used to calculate Total Rehab Footage



PIPELINE MAINTENANCE TOTALS BY DATE COMPLETED - Monthly

July 01, 2015 to December 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
November	42,038	1,966	6,174	48,212	29,033	0	17,487
December	48,491	1,945	8,240	56,731	19,205	1,500	15,016
Grand Total:	372,115	10,937	39,542	411,657	171,842	38,929	93,376
Avg Per Month:	62,019	1,823	6,590	68,610	28,640	6,488	15,563



CUSTOMER SERVICE REQUESTS

Monthly - All Crews

CREW	MONTH	JOBS	AVERAGE RESPONSE TIME	AVERAGE TIME SPENT
DAY 1ST RESPONDER				
	July, 2015	80	32	38
	August, 2015	110	31	45
	September, 2015	99	29	39
	October, 2015	98	32	52
	November, 2015	92	31	54
	December, 2015	146	34	44
		625	32	45
NIGHT 1ST RESPONDER				
	July, 2015	14	19	25
	August, 2015	22	22	28
	September, 2015	23	21	29
	October, 2015	23	37	33
	November, 2015	27	29	33
	December, 2015	22	30	27
		131	27	30
ON-CALL CREW *				
	July, 2015	28	39	46
	August, 2015	24	48	30
	September, 2015	30	45	51
	October, 2015	26	49	69
	November, 2015	31	49	40
	December, 2015	72	57	51
		211	50	49
Grand Totals:		967	35	44

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

CAPITAL IMPROVEMENT PROGRAM
STATUS REPORT SUMMARY
February 10, 2016

PROJECT	LOCATION OF PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
HILLIARD AVENUE @ ASTON PARK	Asheville	Buckeye Bridge, LLC	8/19/2015	10/12/2015	3/10/2016	\$542,732.50	55%	Project is progressing well.
MELODY CIRCLE	Swannanoa	Terry Brothers	7/15/2015	8/3/2015	3/1/2016	\$954,087.50	90%	Mainline construction is complete. Ready to pave.
NEW SALEM ROAD	Swannanoa	Terry Brothers	11/18/2015	1/12/2016	4/11/2016	\$474,362.00	20%	Project is going well.
OAKLAND DRIVE @ PINE STREET (4-INCH MAIN)	Black Mountain	TBD	TBD	TBD	TBD	TBD	0%	Bids were opened on January 28th. Terry Brothers is the apparent low bidder. Project will be presented at the February Board meeting.
SHADOWLAWN DRIVE PHASE 2	Asheville	Davis Grading, Inc.	1/20/2016	TBD	TBD	TBD	0%	A preconstruction meeting is scheduled for February 18th.
SOUTH FRENCH BROAD INTERCEPTOR - GROUTING	Biltmore	Lake County Sewer Company	10/21/2015	1/4/2016	4/3/2016	\$503,599.00	15%	Contractor is working diligently, but having a difficult time with weather and flow conditions.
WRF - INCINERATOR SYSTEM REHABILITATION AND EMISSIONS UPGRADES	Woodfin	Haren Construction Company	2/18/2015	3/25/2015	2/23/2016	\$4,624,000.00	99%	Substantial completion has been given. Contractor is working on final punch list items.
WRF - INCINERATOR BUILDING - MCC REPLACEMENT	Woodfin	Haren Construction Company	N/A	N/A	N/A	\$236,000.00	98%	Project is almost complete. Contractor is working on punch list items.
WRF - INFLUENT PUMP STATION REHABILITATION: AFD REPLACEMENT	Woodfin	M.B. Haynes	8/19/2015	10/5/2015	5/2/2016	\$428,370.00	70%	Project is going well. Expect to have 2 of 3 primary raw sewage pumps on line by mid-February. Civil work is going well.

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

<div> <div>Planning & Development Project Status Report</div> <div>Active Construction Projects</div> <div>February 17, 2016</div> </div>							
#	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	Final Inspection complete, awaiting close-out docs
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	Waiting on final inspection
4	Givens Gerber Park	2014065	Buncombe Co.	260	357	8/7/2015	Waiting on final inspection
5	Hawthorne South (Turtle Creek)	2014130	Asheville	250	400	8/7/2015	Waiting on final inspection
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	Dilworth Apartments	2015001	Asheville	168	950	8/3/2015	Testing
12	Isaac Dickson School Relocation	2013033	Asheville	School	504	1/13/2014	Waiting on final inspection
13	Gibson Road (aka Four Seasons)	2014138	Asheville	3	137	9/11/2015	Final Inspection complete, awaiting close-out docs
14	Roberts Farm Phase 1	2015056	Black Mountain	250	1,165	7/29/2015	Installing
15	First Baptist Relocation	2015032	Asheville	Comm.	333	7/21/2015	Waiting on final inspection
16	Biltmore Lake Block "I"	2014128	Buncombe Co.	19	1,676	3/31/2015	Installing
17	Creeside Cottages	2014095	Buncombe Co.	7	504	3/12/2015	Waiting on final inspection
18	Crossings at Beaverdam	2014150	Woodfin	Comm.	119	2/18/2015	Waiting on final inspection
19	Creeside Village Phase 2	2014088	Weaverville	145	2,051	8/7/2015	Installing
20	Busbee Mountain	2007181	Asheville	9	580	9/29/2014	Ready for final inspection
21	Country Inn & Suites - Westgate	2014089	Asheville	Comm.	204	1/22/2015	Waiting on final inspection
22	Burk Street - Phase III	2014079	Asheville	7	111	11/20/2014	Final Inspection complete, awaiting close-out docs
23	Dillingham Woods	2014048	Asheville	27	375	3/4/2015	Installing
24	790 Riceville Road	2014078	Asheville	8	1,620	3/3/2015	Final Inspection complete, awaiting close-out docs
25	Ramble Block "E"	2015030	Buncombe Co.	22	1,357	7/29/2015	Waiting on final inspection
26	Haw Creek - Waters Road	2014086	Asheville	20	643	7/28/2015	Final Inspection complete, awaiting close-out docs
27	Asheville Middle School	2013125	Asheville	School	214	9/30/2014	Waiting on final inspection
28	Robinhood Relocation	2013107	Asheville	5	230	7/23/2015	Testing
29	Lakeside Meadows	2013067	Weaverville	25	1,096	1/16/2015	Punch-list pending
30	Crest Mountain Phase 3B	2013041	Woodfin	69	1,329	10/15/2013	Waiting on final inspection
31	Evolve Mountain View	2013105	Asheville	148	347	10/21/2014	Final Inspection complete, awaiting close-out docs
32	26 Carl Alwin Place	2014091	Buncombe Co.	Comm.	246	5/1/2015	Final Inspection complete, awaiting close-out docs
33	Bojangles - Smokey Park	2014124	Buncombe Co.	Comm.	382	8/18/2015	Testing
34	Pisgah View Subdivision	2015120	Buncombe Co.	6	176	9/11/2015	Final Inspection complete, awaiting close-out docs
35	Serenity Falls Subdivision	2015055	Woodfin	45	2,583	9/18/2015	Installing
36	Long Shoals Village Ph. 1 (Bojangles)	2015103	Buncombe Co.	Comm.	535	10/23/2015	Testing
37	Amboy Overlook	2014136	Asheville	19	899	10/20/2015	Installing
38	Bowen Estates	2015064	Asheville	4	178	10/13/2015	Pre-con held, ready for construction
39	Craggy Park	2014164	Asheville	45	1,935	10/23/2015	Installing
40	Pinnacle at Arabella Heights	2006277	Buncombe Co.	28	482	11/10/2015	Testing
41	Settings at Black Mountain	2008016	Black Mountain	30	907	11/13/2015	Installing
42	Cottages at Kenilworth	2015107	Asheville	12	454	12/1/2015	Pre-con held, ready for construction
43	A.B. Tech Fernhurst Relocation	2014061	Asheville	Comm.	697	4/8/2014	TCO, waiting closeout decision and documents
44	Springside Road Townhomes	2015006	Asheville	3	120	12/15/2015	Pre-con held, ready for construction
45	Vance Place	2014084	Asheville	8	398	1/29/2016	Pre-con held, ready for construction
46	Maple Trace Subdivision	2014121	Weaverville	31	2,420	1/29/2016	Pre-con held, ready for construction
47	Mallard Run Phase II	2015090	Buncombe Co.	37	1,217	10/13/2015	Installing
TOTAL				2,256	34,620		