

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
February 15, 2017

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration building at 2pm Wednesday, February 15, 2017. Chairman VeHaun presided with the following members present: Ashley, Bryson, Creighton, Frost, Kelly, Manheimer, Pelly, Pressley, Root and Wisler. Mr. Collins was absent.

Others present were: Thomas E. Hartye, PE, General Manager; William Clarke, General Counsel; Forrest Westall with McGill Associates; Erica Anderson with Land of Sky; Joe Belcher with Buncombe County; Joseph Martin with Woodfin Sanitary Water & Sewer District; Ed Bradford, Scott Powell, Hunter Carson, Matthew Walter, Jim Hemphill, Peter Weed, Ken Stines, Angel Banks, Mike Stamey, Mike Schraven, Spencer Nay and Pam Nolan, MSD.

2. Inquiry as to Conflict of Interest:

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

3. Approval of Minutes of the January 18, 2017 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the January 18, 2017 Board Meeting. Ms. Frost moved for approval of the minutes as presented. Ms. Bryson seconded the motion. Voice vote in favor of the motion was unanimous.

4. Discussion and Adjustment of Agenda:

Mr. VeHaun announced that there will be a closed session at the end of this meeting to discuss a condemnation settlement. Ms. Manheimer will be excused from this closed session as her law partner represents the landowners.

5. Informal Discussion and Public Comment:

Mr. VeHaun welcomed Ms. Anderson and Mr. Martin. There was no discussion or public comment.

6. Report of General Manager:

Mr. Hartye reported that MSD received the 2017 National Environmental Achievement Award from the National Association of Clean Water Agencies (NACWA) on February 6th at the annual conference. They recognized MSD's Emissions Upgrade Project at the Treatment Plant as being exemplary of using innovation to affordably meet new compliance requirements. Mr. Hartye stated there is an exhibit in the Boardroom. In mid-2013, MSD learned that the EPA would mandate that Sewer Sludge Incinerators (SSI's) be required to operate under the Maximum Available

Control Technology (MACT) provisions of the Clean Air Act. This triggered a different set of regulations than was previously applied by the EPA, and would have a significant effect on the incinerator system emission limits - particularly with regard to mercury limits. EPA mandated compliance by March 21, 2016, with no federal funding or assistance made available. This was a short time frame for a project of this magnitude, which required preliminary engineering/investigation of various options, full design & permitting, and construction of significant modifications to MSD's current incinerator system. To reduce mercury levels to within the new limits, traditional technology typically utilizes sulfur-impregnated activated carbon, which is the only MACT-identified & approved technology for removing mercury. Activated carbon systems require that the high-volume airstream passing through them be thoroughly dried by re-heating. In addition, a caustic system must be added to counteract sulfur dioxide, which the carbon system does not remove. Caustic is a highly reactive chemical, and the use of it requires specific measures to protect worker health and safety. Early in the investigation process, MSD was made aware of an emerging technology from EnviroCare International which utilizes a sorbent polymer composite (SPC) material within removable modules, manufactured by W.L. Gore & Associates (as in the well-known Gore-Tex). This type of system had been utilized in power plants to clean their emissions, but had not been previously utilized in this type of application for SSI's. Potentially, the cost of implementing this newer technology was far less than traditional activated carbon - approximately \$4.8 million less. It would also be cleaner, safer, and far easier to operate/maintain over time. Due to these significant benefits, MSD staff chose to pursue this option and immediately began the process to pilot test this technology at our plant during July 2014. Even though this technology was new and had no previous installations in SSI's, the benefits in terms of cost, performance, and long-term maintenance were simply too great for MSD staff to ignore - even considering the looming EPA deadline of March 2016. The results of the pilot testing were highly favorable, with mercury removal rates averaging 89%, using five layers of SPC panels. Based upon the pilot, MSD decided to implement this new technology and move forward with full scale design and construction of the new system. Construction of the system began in July 2015 and continued through November 2015. During this time, the incinerator had to be completely shut down for a period of 40 days. The new system began on December 1, 2015, nearly one month ahead of schedule. Testing was completed in February 2016 in order to obtain results prior to the EPA deadline. Mr. Hartye stated that he also wanted to give "the rest of the story". He stated that first off, our consultant (and their expert incinerator person) originally recommended against attempting this and that we go the traditional and expensive route. Being familiar with the numbers and the consultant's inclination to be conservative in regulatory matters, regardless of the savings at stake for MSD, we decided to risk spending a little over \$50,000 just to pilot test it because 1) The up side was too good, saving our rate payers approximately \$5 million. 2) because of the excellence and competence of the MSD Staff. There was a big downside as well, this had never been done before and there

was no assurance it would be even permitted, much less completed, by the deadline. Failure would mean an EPA action of some sort as well as bad press and a big black eye. Unfortunately, some of our sister agencies here in North Carolina met with that fate and worse. The primary reason MSD was successful is because of this team you see in front of you. There are a lot of unknowns and hidden risks in a complex project like this. Straight out of the gate we hit road blocks that would have turned other agencies back. EnviroCare International, which is the equipment manufacturer, sent the pilot equipment in a “mell of a hess” for Peter Weed and Mike Ball to piece together. At first the pilot system (not a pilot unit) consisted of a bunch of disparate pieces of equipment connected by some industrial duty dryer hoses flailing about like the arms on the robot from “Lost in Space”. The main blower unit motor burnt out twice due to bearing and seal failures from the acidic and corrosive air passing through the blower. We also had to have the impeller re-balanced twice and then replaced altogether. EnviroCare support was mostly at a distance – so Peter and Mike Ball spent many an hour and week-end hours supporting, fixing, and reworking the equipment so that we could ascertain some viable data. All in all it was a painful, frustrating period fraught with a lot of mini failures. As a result of the precarious nature of the pilot, Roger Edwards had his operators baby sit this pilot all the while. The test results came back and showed great promise, so we felt the data supported the risk of taking the plunge, but now we faced the time risk of building and permitting something entirely new along with replacing the majority of the incineration system before the deadline of March, 2016. That’s where Hunter Carson, the Project Manager; Ed Bradford, Engineering Director; and CDM-Smith came in, basically picking apart all the elements of a major incinerator system overhaul and running them in parallel as much as possible to shorten all the critical path timelines. This, we hoped, would give us the best chance for success in meeting the deadline. They both kept the consultant and supplier on task to maintain the aggressive timeline. Hunter working with CDM making sure the train would run and Ed focusing on it arriving on time. Meanwhile, everyone was working on the arduous task of trying to get this technology permitted. Roger led that effort due to his long history as a regulator. A bit of a pleasant surprise was the understanding and flexibility of the State Air Pollution Control folks (Ashley Featherstone) in helping us navigate both the new technology and also our major upgrade to a new Title 5 Permit. The complete project involved much more than the new technology. The heat exchanger and the Venturi Scrubber were completely replaced and much work was done to the incinerator itself. It all, however, was subject to the time constraints of the new regulations because it had to be done together. MSD received competitive pricing on the equipment and construction and had the benefit of a good contractor and an outstanding construction inspector in Mike Schraven, who resolved many, many problems but kept the contractor moving and on or slightly ahead of schedule so that at the end we had the luxury of timing our startup around the holidays. After completion and successful testing, Roger Edwards showed great leadership in developing a training effort that included MSD operators, consultants, regulators, and other agencies. There were many peaks and

valleys but I know it was a rewarding challenge for everyone involved. I am honored to serve alongside such a competent, talented group, and would like to give them a hand.

Mr. Hartye reported that there is an attached summary of a call of appreciation from Abby Griffith of Weaverville. Thanks to Cecelia Cardascio, Myrt Hunter and Gilbert Karn.

Mr. Hartye reported that MSD received a card in the mail today which took Staff aback. Unfortunately we lost one of MSD's own, James Beaver, a couple of weeks ago right after his shift. Mr. Beaver was a good man who had worked here for several years. His position was a first responder who, when someone calls in with a problem, is the first to go out and figure out if a crew needs to be there or attend to whatever the situation entails. MSD happened to get a card today in care of MSD to the family of James Beaver, from a lady who he had been out to meet. The inside read: "My condolences to you. Mr. Beaver was a good man who helped me with my sewer problem, was very kind hearted and I am very sorry for your loss." Mr. Hartye further stated that inside the card was a \$20.00 check for Mr. Beaver's family and asked for everyone to keep them in your thoughts.

Mr. Hartye reported that several months ago, Staff reported on the Avadim Technologies project in Black Mountain which is expected to create about 550 new jobs and over \$25 million in capital funds. The Town of Black Mountain is the lead agency for the Economic Development Administration (EDA) grant funding of the water and sewer infrastructure to serve the area and MSD is the co-applicant. The Board is being asked to consider and approve the attached resolution required by the EDA to complete the process. Erica Anderson from Land of Sky is present to answer any questions you may have. Mr. Clarke crafted a few changes to the resolution and can also answer any questions. There was no discussion. Mr. VeHaun called for a motion to adopt the Resolution. Mr. Kelly moved. Mr. Root seconded the motion. Roll call vote was as follows: 11 Ayes; 0 Nays.

Mr. Hartye reported the next regular Board Meeting will be held on March 15th at 2pm. The next Right of Way Committee meeting will be held on March 22, 2017 at 9am. He further reported a correction to the Regular Meetings list, the 2017 June Board Meeting is on June 14th, which is a week early due to budget.

7. Report of Committees:

Right of Way Committee:

Chairman Kelly reported the Right of Way Committee met on January 25, 2017, to consider Compensation Budgets for Jonestown Road and 166 South French Broad Avenue Emergency Sewer Rehabilitation and to consider a Condemnation for Lakeshore Drive @ Merrimon Avenue GSR

and a Condemnation for Hendersonville Road @ Rosscraggon Drive Phase 2. Committee voted unanimously in favor of Staff's recommendations. Mr. Clarke reported that the easement from Salabert on Lakeshore Drive @ Merrimon Avenue (Item 07.b. on the Board Agenda) has been signed and it will not be necessary to proceed with Condemnation. That item can be removed from the Consolidated Motion Agenda.

8. Consolidated Motion Agenda:

a. Consideration of Compensation Budgets: Jonestown Road GSR and 166 South French Broad Avenue Emergency Rehabilitation:

Mr. Hartye reported that the Right of Way Committee recommends approval of the Compensation Budgets.

b. Consideration of Condemnation: Hendersonville Road @ Rosscraggon Drive Phase 2:

Mr. Hartye reported that the Right of Way Committee recommends authority to obtain appraisal and proceed with condemnation, if necessary.

c. Consideration of Bids: Sweeten Creek @ Busbee View Sanitary Sewer Rehabilitation Project:

Mr. Hartye reported that this new line is comprised of 960 LF of 8-inch DIP to be installed by dig & replace and 90 LF of 8-inch HDPE to be installed by pipe-bursting, for a total project length of 1,050 LF. The contract was advertised and six bids were received on January 26, 2017 in the following amounts: Thomas Construction Company in the amount of \$339,180.00; North American Pipeline Management in the amount of \$300,221.00; Buckeye Bridge, LLC in the amount of \$297,047.70; Thunder Contracting Inc. in the amount of \$257,477.85; Wagner Company, LLC in the amount of \$214,128.10 and Terry Brothers Construction Company in the amount of \$192,315.00. Terry Brothers Construction Company is the apparent low bidder. They have completed numerous projects for MSD, and their work quality continues to be excellent. The FY 16-17 Construction Budget for this project is \$250,000.00. Staff recommends award of this contract to Terry Brothers Construction Company in the amount of \$192,315.00, subject to review and approval by District Counsel.

d. Consideration of Bids: Freno Drive Sewer Rehabilitation Project:

Mr. Hartye reported that this project is located in the Oakley area of Asheville and consists of replacing problematic 4-inch PVC private sewer lines which are difficult to maintain due to buried bends in the lines and only one manhole. This system has been maintained by the District since 2008. Due to numerous problems and customer service

requests the line is being rehabilitated. The new line consists of 2,594 LF of 8-inch DIP. The contract was advertised and five bids were received on January 26, 2017 in the following amounts: Buckeye Bridge, LLC in the amount of \$656,352.00; North American Pipeline Management in the amount of \$624,803.00; Wagner ES Company, LLC in the amount of \$596,362.50; Thunder Contracting Inc. in the amount of \$560,717.00; and Terry Brothers Construction Company in the amount of \$511,623.00. Terry Brothers Construction Company is the apparent low bidder. They have completed numerous MSD projects and their work quality continues to be excellent on work performed for the District. The FY 6-17 Construction Budget for this project is \$630,000.00. Staff recommends award of this contract to Terry Brothers Construction Company in the amount of \$511,623.00, subject to review and approval by District Counsel.

e. Consideration of Developer Constructed Sewer Systems: The Asheville Exchange; Springside Road Townhomes:

Mr. Hartye reported that the Asheville Exchange project included extending approximately 575 linear feet of 8-inch public gravity sewer to serve the 312 unit apartment complex.

Mr. Hartye reported that the Springside Road Townhomes project included extending approximately 117 linear feet of 8-inch public gravity sewer to serve the 3 unit residential development.

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

f. Consideration of Audit Contract for FY17:

Mr. Powell reported that Cherry Bekaert continues to provide excellent service and commits to work hard to control expenses and pass on any additional savings to the District. For FY17, Cherry Bekaert is proposing a fee of \$45,000.00. This amount will be included in the FY18 fiscal budget. Staff recommends approval of the FY17 audit contract with Cherry Bekaert, LLP, subject to review and approval by District Counsel. Mr. Kelly asked how this bid compares with the current contract with Cherry Bekaert. Mr. Powell stated this is the same amount as last year. In December, the actual contract came in \$2,500.00 less than budgeted. They still propose this amount. Staff works tirelessly to do a paperless audit which limits the time they are in the field. They typically spend about 4 days in the field and this year they spent about 2 days which reduces travel and lodging expenses and they pass those savings on to the District. There were no further questions regarding this matter.

g. Second Quarter Budget to Actual FY17:

Mr. Powell reported that Page 28 presents the District's first quarter Budget to Actual Revenue and Expenditure Report. Domestic Revenue is at budget expectations. Industrial Revenue is trending better than budgeted expectations due to a temporary increase in revenue from one industrial user. Staff monitors consumption trends as they have a direct effect on the District's current and future revenue projections. Facility and Tap Fees are above budgeted expectations due to receiving approximately \$2.6 million from five developers. Interest and miscellaneous income are slightly below budgeted expectations. Fixed income investment yields are lower than expected. O&M expenditures are at 51.7% of budget. They include encumbered amounts of approximately \$744,000.00 which will be expended throughout the remainder of the fiscal period. Bond principal and interest expenditures are reflected at 50%. This will aid the user of the budget to actual document to properly assess debt service commitments on a budgetary perspective. Actual amount spent as the end of the second quarter is 21.62%. This is due to the timing of the District's debt service payment. 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.

h. Cash Commitment/Investment Report Month ended November, 2016:

Mr. Powell reported that Page 57 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 58 presents the MSD investment managers report for the month of December. The weighted average maturity of the investment portfolio is 162 days. The yield to maturity is .92% and exceeds our bench mark of 6 month T-Bill and North Carolina Capital Management Trust cash portfolio. Page 59 and 60 present an analysis of the District's cash receipts, which was previously reviewed. Page 62 presents the MSD Variable Debt Service report. The 2008A Series bonds are performing at budgeted expectations. As of the end of January this issue has saved the District rate payers approximately \$4.8 million in debt service since April, 2008. There were no questions pertaining to this item.

With no further discussion, Mr. VeHaun called for a motion to approve the Consolidated Motion Agenda. Ms. Frost moved. Mr. Creighton seconded the motion. Roll call vote was as follows: 11 Ayes; 0 Nays.

9. **Old Business:** None

10. **New Business:**

At 2:32 pm, Mr. Kelly moved the Board go into closed session to discuss resolution of a pending condemnation settlement against the Asheville Firefighter's Association. Ms. Wisler seconded the motion. Voice vote in favor of the motion was unanimous. Mr. Clarke asked Ed Bradford and Angel Banks to stay. Ms. Manheimer excused herself from the closed session due to a conflict of interest.

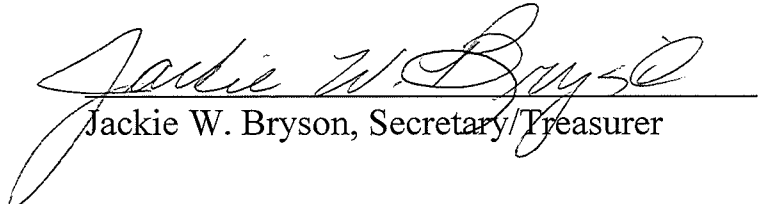
At approximately 2:43 pm, the Board went back into open session.

Mr. Pelly made the motion to settle the pending condemnation settlement against the Asheville Firefighter's Association in the amount of \$295,000.00. Ms. Wisler seconded the motion. Ms. Manheimer was not present for the vote due to a conflict of interest. Roll call vote was as follows: 10 Ayes; 0 Nays.

Mr. VeHaun stated that he would like for everyone to take a minute to look at the 2017 National Environmental Achievement Award from NACWA to the District that was reported on earlier from Mr. Hartye.

11. **Adjournment:**

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


Jackie W. Bryson, Secretary/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 2/15/17

✓	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 18, 2017 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. Report of Committees: a. ROW Committee-January 25, 2017-Kelly		2:30	
	07. Consolidated Motion Agenda		2:35	
	a. Consideration of Compensation Budgets: Jonestown Road GSR; 166 South French Broad Avenue Emergency Rehabilitation	Hartye		
	b. Consideration of Condemnation: Lakeshore Drive @ Merrimon Avenue	Hartye		
	c. Consideration of Condemnation: Hendersonville Road @ Rosscraggon Drive Phase 2	Hartye		
	d. Consideration of Bids: Sweeten Creek @ Busbee View Sewer Rehabilitation Project	Hartye		
	e. Consideration of Bids: Freno Drive Sewer Rehabilitation Project	Hartye		
	f. Consideration of Developer Constructed Sewer Systems: The Asheville Exchange; Springside Road Townhomes	Hartye		
	g. Consideration of Audit Contract for FY17	Powell		
	h. Second Quarter Budget to Actual FY17	Powell		
	i. Cash Commitment/Investment Report-Month Ended December, 2016	Powell		
	08. Old Business:	VeHaun	3:00	
	09. New Business:	VeHaun	3:15	
	10. Adjournment: (Next Meeting 3/15/17)	VeHaun	3:25	
	STATUS REPORTS			

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

January 18, 2017

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration building at 2pm Wednesday, January 18, 2017. Mr. Robert Pressley was appointed by Buncombe County to replace Mr. Joe Belcher, whose term expires after the January meeting. Mr. Pressley took the Oath of Office prior to the meeting. Chairman VeHaun presided with the following members present: Belcher, Bryson, Collins, Creighton, Frost, Kelly, Manheimer, Pelly, Pressley, Root and Wisler.

Others present were: Thomas E. Hartye, PE, General Manager; William Clarke, General Counsel; Brian Thorsvold with HDR Engineering; Joseph Martin with Woodfin Sanitary Water & Sewer District; Ed Bradford, Scott Powell, Hunter Carson, Matthew Walter, Jim Hemphill, Peter Weed, Ken Stines, Spencer Nay and Pam Nolan, MSD.

2. Inquiry as to Conflict of Interest:

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

3. Approval of Minutes of the December 21, 2016 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the December 21, 2016 Board Meeting. Ms. Frost moved for approval of the minutes as presented. Mr. Pelly seconded the motion. Voice vote in favor of the motion was unanimous.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. VeHaun welcomed Mr. Thorsvold and Mr. Martin. There was no discussion or public comment.

6. Report of General Manager:

Mr. Hartye reported that MSD was notified that we have been selected to receive the 2017 National Environmental Achievement Award from the National Association of Clean Water Agencies (NACWA) at their February 6th annual conference. They are recognizing MSD's Emissions Upgrade Project at the Treatment Plant as being exemplary of their theme for the industry which is using innovation to affordably meet new compliance requirements. Mr. Hartye stated that this is a big deal for MSD because environmental engineering is what we do. We will return to the February Board Meeting to recognize this achievement.

Mr. Hartye reported that there is an attached e-mail from Lawson Sachter of Asheville commending Grady Brooks for his professionalism, kindness and making a fine experience for the Holidays. Thanks to Grady, Mickey Roberts and Travis Courtney.

Mr. Hartye also reported that the attached message was transcribed from a message left for him from Mr. Bob Gunn of Black Mountain stating that MSD has a great bunch of people and a good organization and our response is “jam up”. Thanks to Mike Rice and Carl Ellington.

Mr. Hartye reported that MSD recently awarded a sewer rehabilitation project to line a portion of the old 36-inch concrete pipe through the Biltmore Estate. Due to favorable pricing and the Estate’s short construction window, staff informally advertised for additional work. This work was budgeted for next year but is being moved up to take advantage of good pricing and timing.

Mr. Hartye reported the next regular Board Meeting will be held on February 15th at 2pm. The next Right of Way Committee meeting will be held on January 25, 2017 at 9am.

Mr. VeHaun welcomed new Board Member Robert Pressley representing Buncombe County, replacing Joe Belcher. He asked Mr. Pressley to come forward and presented him with the traditional manhole puller given to new Board Members.

7. Consolidated Motion Agenda:

a. Consideration of Annual Meeting Dates FY2017:

Mr. Hartye presented the Annual Meeting Dates for 2017. He reported that Board Meetings are typically the 3rd Wednesday of the month except during Budget. Planning Committee is ad hoc; Right-of-Way Committee is the 4th Wednesday. Personnel, Finance and CIP Committee are typically ad hoc but all meet during Budget.

b. Consideration of Budget Calendar FY 2017-18

Mr. Hartye presented the Budget Calendar for FY 2017-2018. Personnel Committee will meet April 25th at 9am to consider Cost of Living & Merit Pay and Benefit Allocations. CIP Committee will meet April 27th at 8:30am to consider an Update of the Ten-Year Capital Improvement Program, an Update to Construction Program Financing and the 2017-2018 Construction Fund Budget. Finance Committee will meet May 4th at 9am to consider the Nine Month Revenue/Expenditure Report, Self-Funded Medical and Dental Program, Proposed FY18 Construction Fund Budget and Proposed FY18 Operating Budget & Sewer Rates. The Board meets May 17th at 2pm to consider the

Preliminary FY18 Budgets and Sewer Rates and June 14th at 2pm for the Public Hearing and Adoption of the FY18 Budgets and Sewer Rates.

c. Consideration of Bids: Lining Contract No. 8:

Mr. Hartye reported that this project will rehabilitate lines which have been identified as problematic with root intrusion but only minor structural issues. These lining projects don't have to be "dig and replace" as most of the District's rehabilitation projects have to be. This contract consists of lining aged collector lines, rehabilitating associated manholes, and renewing the District maintained portions of service lines which are usually up to the clean out. This contract totals 10,143 LF. Seven bids were received on December 20, 2016 as follows: Layne Inliner, LLC in the amount of \$942,981.50; CaJenn Construction in the amount of \$940,127.00; Portland Utilities Construction in the amount of \$926,734.76; North American Pipeline in the amount of \$897,224.00; Terry Brothers Construction Company in the amount of \$879,685.00; VacVision Environmental in the amount of \$860,660.25; and IPR Southeast, LLC in the amount of \$777,622.50. IPR Southeast LLC is the apparent low bidder with a bid amount of \$777,622.50. IPR has not performed previous work for the District. Staff checked multiple references and all had favorable comments about their work. The Engineer's estimate for this portion of the work is about \$1 million. The original budget was \$1.375 million, a portion of which has had to be postponed due to access issues and will be done at a later time. Staff recommends award of this contract to IPR Southeast, LLC in the amount of \$777,622.50, subject to review and approval by District Counsel.

d. Consideration of Bids: Plant Headworks Project:

Mr. Hartye reported that the District recently had an update to the Plant Facility Plan and this project is one of the bigger projects straight out of the gate. This project is comprised of replacement bar screens at the head of the plant, a new fine screen and grit removal facility, as well as a surge system for wet weather storm events. He presented some images showing the location of the replacement of the grit facility, and explained where new fine screens and a grit removal facility will be located. He stated that the District is converting and re-purposing digester tanks which are 2 million gallons each for a surge system for large rain events. The construction budget for this project is approximately \$10.3 million over 2 years. The particularly onerous thing about this project is that it will require demolishing and replacing a lot of the area at the old chlorine building and connecting to existing piping. When you do those types of things it is very onerous and maintenance of plant operations is very critical. It would be easy to go out and build a plant when there is extra room, put in a new process while running the existing plant, tie pipes together when you are done and run it through the new plant. He stated that we are space limited with a river on one side and a rock bluff on the other which is why we have the design we

have now with the RBC's instead of the typical round tanks and aeration basins that other treatment plants have. To shoe horn all of our new improvements into the same plant footprint means you have to cut and re-attach pipes and demolish structures all while keeping the plant operating. This will be quite an ordeal over the next couple of years. Five bids were received on December 22, 2016 in the following amounts: State Utility Contractors, Inc. in the amount of \$10,680,000.00; Adams Robinson Enterprises, Inc. in the amount of \$9,847,000.00; Shook Construction Co., Inc. in the amount of \$9,604,347.00; Wharton-Smith Inc. in the amount of \$9,138,577.00; and Judy Construction Company in the amount of \$8,377,000.10. The apparent low bidder is Judy Construction Co. of Cynthiana, Kentucky with a bid amount of \$8,377,000.10. Judy Construction has not performed previous work for the District, however, they have performed many projects with HDR (the District's consulting engineer for this project). HDR has had significant positive experience with Judy Construction. Staff also performed a supplemental reference check which resulted in positive comments about Judy Construction from the three organizations that were contacted. The total construction budget for this project is \$10,328,000.00 over Fiscal Years 2017 and 2018. Staff recommends award of this contract to Judy Construction Company in the amount of \$8,377,000.10, subject to review and approval by District Counsel.

e. Consideration of Construction Administration Contract: Plant Headworks Project:

Mr. Hartye reported that HDR is the District's consulting engineer for the Plant Headworks Project discussed above. He stated that Brian Thorsvold with HDR is present. Mr. Thorsvold designed this project and is the project manager. District construction staff will perform most of the daily on-site inspection work; however, HDR will still be needed to perform specialized tasks and services. These will include review and approval of all construction submittals, monthly meetings, site inspections, technical assistance with requests for information, change orders and work change directives. HDR will also produce record drawings for the completed project. HDR is the most qualified consultant to perform the construction administration services. They submitted a lump sum fee of \$270,416.00 for Construction Administration Services over the 18-month period, which equates to about 3.2% of the construction contract. Staff believes this is a fair price considering what was explained with regard to the onerousness of trying to do this project and keep the plant operating at the same time. The construction administration budget for this project over Fiscal Years 2017 and 2018 totals \$368,000.00. Staff recommends award of the Construction Administration Contract to HDR Engineering in the amount of \$270,416.00, subject to review and approval by District Counsel.

f. Consideration of Developer Constructed Sewer Systems: Amboy Overlook Phase 1; Ingles No. 34-Sand Hill Road; Vance Place Drive; Woodcrest at Biltmore Terrace:

Mr. Hartye reported that the Amboy Overlook Phase 1 project included extending approximately 388 linear feet of 8-inch public gravity sewer to serve the 8 unit single family residential development.

Mr. Hartye reported that the Ingles No. 34-Sand Hill Road project included extending approximately 1,066 linear feet of 8-inch public gravity sewer to serve the commercial development.

Mr. Hartye reported that the Vance Place Drive project included relocating approximately 395 linear feet of 8-inch public gravity sewer and abandoning approximately 171 linear feet of existing public gravity sewer to serve the 6 unit single family residential development.

Mr. Hartye reported that the Woodcrest at Biltmore Terrace project included extending approximately 203 linear feet of 8-inch public gravity sewer to serve the 8 unit single family residential development.

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

g. Cash Commitment/Investment Report Month ended November, 2016:

Mr. Powell reported that Page 42 presents the makeup of the District's Investment Portfolio. There has been no significant change in the makeup of the portfolio from the prior month. Page 43 presents the MSD investment managers report for the month of November. The weighted average maturity of the investment portfolio is 181days. The yield to maturity is .82% and exceeds our bench mark of 6 month T-Bill and North Carolina Capital Management Trust cash portfolio. Page 44 presents an analysis of the District's cash receipts. YTD and Monthly domestic and 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 the conservative nature in budgeting and in addition to us receiving approximately 2 million from 7 developments. That's the reason that percentage is elevated over 200%. Mr. Belcher stated that was a pretty big jump. Mr. Powell stated that it was a big jump but the jump is in comparison to the Budget. If we had these numbers in the respective year periods in comparison to the Budget, those would be up just as much. Mr. Belcher stated it was not a big deal; it's been like that pretty much every year that he has been here. Mr. Hartye stated they are non-recurring fees so we make that conservative because you don't know when development is going to occur. That's something you really can't plan for or you can get burned if you do. That all gets carried over into construction funds for the next

year. Mr. Root asked regarding the percentage fee, any idea how much money this is. Mr. Powell stated that in November that was in excess of \$3 million dollars. Mr. Root asked if we tend to suspect every year that extra money is going to come in. Mr. Powell stated no we do not. He further stated that as Finance Director, he is budgeting \$1.5 million and that is how we set the rate structure. Have we had years that have been above that amount? Absolutely, but not that dramatic. Last fiscal year and this fiscal year are the two that have been of that type of magnitude. It is usually more like \$2.4 or \$2.5. Mr. Root asked if we lowered our expectations during the recession and not brought it back up again. Mr. Powell stated we always had the same expectation through-out the recession and other time periods. Mr. Clarke stated that one reason it is budgeted conservatively is when figuring net revenue the MSD bond order doesn't allow MSD to include facility fees. You could take action to change that but historically when you are figuring net revenues for purposes of debt coverage, bond ratings, etc., it's not included. Mr. Powell further stated that a lot of this is the nature of the developments. In the past everything was residential development. Now it's more apartment driven. Ms. Manheimer stated that she did hear complaints about that fee on the City side from developers because they have to pay per unit and they get a pretty big bill but we have discussed this and apparently it's normal. Mr. Clarke stated that it was lower than many other communities. Mr. Powell reported that Page 45 is an analysis of the District's Expenditures. O&M, Debt Service and Capital Projects expenditures are considered reasonable based on historical trends and timing of capital projects. Page 46 presents the MSD Variable Debt Service report. Both the 2008A Series bonds are performing better than budgeted expectations. As of the end of December this issue has saved the District rate payers approximately \$4.8 million in debt service since April, 2008. There were no questions pertaining to this item.

With no further discussion, Mr. VeHaun called for a motion to approve the Consolidated Motion Agenda. Mr. Pelly moved. Mr. Root seconded the motion. Roll call vote was as follows: 11 Ayes; 0 Nays.

8. Old Business: None

9. New Business:

Mr. VeHaun stated that he had one item of new business since Mr. Belcher would be leaving the Board. There will be a lunch held on February 15, 2017 at 1:15pm, before the 2pm Board Meeting.

10. Adjournment:

With no further business, Mr. VeHaun called for adjournment at 2:25 pm.



MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: February 9, 2017
SUBJECT: Report from the General Manager

- 2017 National Environmental Achievement Award

MSD received the 2017 National Environmental Achievement Award from the National Association of Clean Water Agencies (NACWA) on February 6th at the annual conference. NACWA has recognized our Emissions Upgrade Project at the Treatment Plant as being exemplary of using innovation to affordably meet new compliance requirements. At the Board Meeting I would like to recognize the team involved with this project which include Peter Weed, Hunter Carson, Roger Edwards, Mike Ball, Ed Bradford, CDM –Smith and Enviro-care.

- Kudos

- See the attached summary of a call of appreciation from Abby Griffith of Weaverville. Thanks to Cecelia Cardascio, Myrt Hunter, and Gilbert Karn.

- EDA Grant for Avadim Technologies Project

Several months ago we reported on the Avadim Technologies project in Black Mountain which is expected to create 551 new jobs and invest over \$25 million in capital funds. The Town of Black Mountain is the lead agency for the EDA grant funding of the water and sewer infrastructure to serve the area and MSD is a co-applicant. The Board will be asked to consider the attached resolution required by the EDA to complete the process. Erica Anderson of Land of Sky will be on hand to answer any questions.

- Board/Committee Meetings/Events

We will have an appreciation lunch for Joe Belcher before this month's meeting at 1:15 PM. The next Regular Board Meeting will be held on March 15th at 2 pm. The next Right of Way Committee meeting will be held on March 22, 2017 at 9am. An erratum to the Regular Meetings list from last month – the 2017 June Meeting is on June 14th.

MSD got a call from Mrs. Abby Griffith, at 11 Harris Drive in Weaverville, this morning wanting to compliment several of our employees. She needed to tap into our system and said the work was very complex, but the MSD folks were outstanding at every step of the process.

The work required digging under Reems Creek road and involved a lot of planning and big equipment.

- Cecilia Cardascio in P & D was very easy to work with,
- Mary Alice Hunter was hysterical,
- Gil Karn in Construction was awesome!

She said that Gil handled all of the people and equipment easily, put in a temporary fence to deal with a neighbor's dog and helped her from freaking out.

Except for the cost it was a "great experience."

RESOLUTION

WHEREAS, the Metropolitan Sewerage District of Buncombe County, NC (the Co-Applicant) is seeking permission to apply for Economic Development Administration (EDA) funding in order to construct public sewer infrastructure to serve the Black Mountain Commerce Park and to enable the expansion of Avadim Technologies, and to execute and implement an award; and

WHEREAS, the expansion of Avadim Technologies is expected to create 551 jobs over five years; and

WHEREAS, the construction of the public sewer infrastructure will promote and preserve the public health and welfare of the Metropolitan Sewerage District of Buncombe County:

It is Now Hereby Resolved as follows: The District Board of the Metropolitan Sewerage District of Buncombe County hereby authorizes its General Manager, Thomas E. Hartye, P.E. to submit a grant application for public sewer infrastructure to the Economic Development Administration ("EDA") and to execute and implement a grant award with the EDA;

A motion in favor of the Resolution being made by _____, and seconded by _____, and the vote being _____ in favor of the Resolution and _____ against, the Resolution is adopted this the 15th day of February, 2017.

M. Jerry Vehaun, Chair
Metropolitan Sewerage District of Buncombe County, NC

ATTEST:

Jackie W. Bryson
Secretary / Treasurer

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public for said County and State, do hereby certify that Jackie W. Bryson personally came before me this day and acknowledged that she is Secretary of The Metropolitan Sewerage District of Buncombe County, and that by authority duly given and as the act of the District, the foregoing instrument was signed in its name by its Chairman, sealed with its corporate seal and attested by herself as its Secretary.

Witness my hand and official seal, this _____ day of February, 2017.

Notary Public

My Commission Expires: _____

**RIGHT OF WAY
COMMITTEE RECOMMENDATIONS
AND MINUTES
January 25, 2017**

I. Call To Order

The regular monthly meeting of the Right of Way Committee was held in the Boardroom of the William H. Mull Building and called to order at 9:00 a.m. on Wednesday, January 25, 2017. The following Right of Way Committee members were present: Glenn Kelly, Matt Ashley Jr., Jackie Bryson, Ellen Frost, Esther Manheimer & Chris Pelly.

Others present were: William Clarke, MSD Counsel; Jerry VeHaun, Chairman of the Board; Jon Creighton and Al Root, Board Members; Tom Hartye, Ed Bradford, Angel Banks, Hunter Carson, Mike Stamey, Wesley Banner, Peter Weed and Pam Nolan, MSD.

II. Inquiry as to Conflict of Interest

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

III. Consideration of Compensation Budgets –

**Jonestown Road GSR, Project No. 2014178
166 South French Broad Avenue Emergency Sewer Rehabilitation,
Project No. 2016159**

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

STAFF RECOMMENDATION: Approval of Compensation Budgets.

Ms. Banks explained the projects. The Jonestown Road project consists of approximately 3,400 linear feet of 8" DIP and HDPE to replace 6" VCP. This project has a high pipe score of 74 with dilapidated pipe, inflow and infiltration. The 166 South French Broad Avenue Emergency project consisted of approximately 305 linear feet of 8" HDPE to replace failing 6" PVC. This project has been completed by in-house crews. This was an emergency situation and Mr. Clarke prepared a Contract to Convey Easement after the work was complete. This contract was signed by all four property owners up front. Easement Agreements and plats are now prepared and staff is going back to the owners for signatures. There was no discussion. Mr. Kelly made motion to accept Staff's recommendation. Mr. Pelly seconded the motion. Voice vote was unanimous.

COMMITTEE RECOMMENDATION: Approval of Compensation Budgets.

**IV. Consideration of Condemnation– Lakeshore Drive @ Merrimon Avenue GSR,
Project No. 2014177**

Property Owner: Jacqueline Salabert, Pin Number 9740-42-1148– Subject parcel is improved with a single family residence that is a rental, and is located along Lakeshore Drive. The existing sewer line ran diagonally across the lot and under the house. The new sewer line was relocated away from the house to run parallel to the side property line. This relocation abandoned a problem sewer line from under the house and greatly increased buildable area to the rear of the house.

This project was an emergency replacement as the City of Asheville resurfaced Lakeshore Drive. To accommodate their paving schedule, MSD drafted a Contract to Convey Easement which the owner signed before construction began. This contract included a drawing showing the proposed alignment and easement. MSD's in-house construction crew installed the line, and the owner was very complementary of our work.

The owner now refuses to sign the easement agreement, and is asking for a reduction in width of the 20-foot sewer easement to allow for expansion of the house and patio toward the side property line. Due to the 10-foot depth of the sewer line, MSD cannot agree to reduce the easement width.

The owner seems to be satisfied with the compensation offered (\$7,843), however, refuses to sign the easement until MSD reduces the easement width along her side property line.

Total Contacts: 7

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

Ms. Banks explained the location of the subject parcel and that this is a CIP project but is not scheduled for design and right-of-way until 2021 and construction until FY20-FY23. The remainder of the project will be constructed per schedule. Ms. Banks also explained the above situation and stated that the property owner is also concerned that without the expansion of the house and patio, the value of the house and potential for rental income will be diminished. Mr. Ashley asked if she agreed before the line was put in. Ms. Banks stated that the property owner reviewed a drawing that clearly showed where the line was going to be and clearly showed a 20' easement and the owner agreed. Owner was very complimentary of the crews during the construction. Mr. Clarke stated that she signed the Contract to Convey Easement. Mr. Pelly asked if owner wasn't compelled to comply since she signed the contract. Mr. Clarke stated that even though this is being called a condemnation, it would actually be filing a lawsuit to enforce the contract. Ms. Manheimer asked if you do not normally get the easement signed before you start construction. Ms. Banks stated that in an emergency situation a lot of times you don't. Mr. Clarke stated that normally MSD doesn't begin any work without an easement. He explained in both the 166 South French Broad and this project, the work had to be done immediately. All of the owners involved signed the Contract to Convey Easement and consideration and easement area was identified. Mr. Clarke stated that he felt the District was on solid ground. He has mailed Ms. Salabert a letter and confirmed that it was received yesterday. Ms. Frost asked if this happens a lot, with the owners changing their mind. Ms. Banks stated that it happens occasionally but not a lot. Mr. Ashley asked what the side set backs were in that area. Ms. Banks stated that the side set back was 6' and the front and rear set backs are 15'. Mr. Pelly asked if the old line was abandoned. Ms. Banks stated yes. There was no further discussion. Mr. Kelly made motion to accept Staff's recommendation. Mr. Pelly seconded the motion. Voice vote was unanimous.

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

**V. Consideration of Condemnation– Hendersonville Rd. @ Rosscraggon Drive Phase 2
GSR, Project No. 2009150**

Property Owner: Cecil Johnson, Pin Number 9654-19-9400– Subject parcel is improved with a single family residence and is located off Rosscraggon Drive in South Asheville. The existing sewer line runs under the house and detached garage. The proposed sewer line was relocated away from the house/garage to the mid-point of the lot. The owner was not in agreement with this alignment due to tree loss and loss of future building area.

MSD realigned the sewer to address the owner's concerns. A large portion was shifted to an adjacent parcel, with approval of the adjacent owner, and the remaining portion was aligned within the subject owner's rear property set back.

The owner has been difficult to meet with and early on hired an attorney. MSD was instructed to communicate through his attorney. The standard compensation amount offered for the proposed realignment is \$1273.00. Neither the owner nor his attorney has provided any feedback concerning the alignment or compensation.

This project goes to bid in July and MSD must move forward.

Total Contacts: 10

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

Ms. Banks explained location of the above parcel. She also stated that owner has an unfinished foundation which he was stopped from building because it was not sited correctly and he was encroaching onto the railroad right of way. He immediately rejected the first design due to large trees that he would lose. He also had plans to build on the front of that lot. Therefore, the sewer was realigned to the rear of his property line to address his concerns. Negotiations with this owner began in September, 2016 so he has had adequate time to work with staff. There was no discussion. Mr. Kelly made the motion to accept Staff's recommendation. Mr. Pelly seconded the motion. Voice vote was unanimous.

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

VI. Quarterly Report – Second Quarter

Attached you will find a Project Status Summary for all active acquisition projects. This report provides information on percentage of easements complete, percentage of compensation expended and comments on condemnations. This information is provided for your review.

STAFF RECOMMENDATION: For information only. No action required.

Ms. Banks pointed out the pending condemnation on the West French Broad Interceptor at the bottom of this report and stated that it is located off Clayton Road and owned by the Asheville Firefighters Association. Ms. Manheimer asked if this was the last item and excused herself from the meeting due to a conflict of interest. Mr. Clarke stated that attorneys in the same firm as Ms. Manheimer's represent the Asheville Firefighters Association. He stated that this trial is scheduled for February 13, 2017. The opposing party has 2 appraisers and thinks they are entitled to more than \$330,000.00. The District's appraiser is at \$65,000.00. This property is not income producing and not used for anything other than having campers there. Opposing counsel will have engineers and other experts in court to say that something could be built there. Preparations are being made for trial and there may be discussions to try to settle before trial. He stated that he was able to resolve a previous condemnation with Mr. Byrd on Biltmore Avenue, but he was not optimistic about resolving this issue. Ms. Frost asked Mr. Clarke why he thinks they are fighting this so much. Mr. Clarke stated that he's not sure what the Firefighter's motivation is but they are not out any money at this time because Mr. Byrd is working on a contingent fee. They won't have to pay any expenses until they resolve the case and the District will have to pay some expert witness fees when they testify in court, if they are successful. Mr. Bradford stated that the District actually installed the line where the Firefighter's Association asked us to. He stated that early on the problem with negotiations was that they were not specifically opposed to the project, they just would not respond. This sewer line was completed in 2013. There was some further discussion regarding the structure of the association, who was in charge, and the various reasons for the continuance of this trial.

VII. Other business:

Hand out of 2017 Right of Way Committee Meeting Schedule

There being no further business the meeting adjourned at 9:25 am.

Metropolitan Sewerage District of Buncombe County

Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 1/25/2017

BOARD MEETING DATE: 2/15/2017

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

SUBJECT: Consideration of Compensation Budgets –

Jonestown Road GSR, Project No. 2014178
 166 South French Broad Avenue Emergency Sewer Rehabilitation,
 Project No. 2016159

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

STAFF RECOMMENDATION: Approval of Compensation Budgets.

Ms. Banks explained the projects. The Jonestown Road project consists of approximately 3,400 linear feet of 8” DIP and HDPE to replace 6” VCP. This project has a high pipe score of 74 with dilapidated pipe, inflow and infiltration. The 166 South French Broad Avenue Emergency project consisted of approximately 305 linear feet of 8” HDPE to replace failing 6” PVC. This project has been completed by in-house crews. This was an emergency situation and Mr. Clarke prepared a Contract to Convey Easement after the work was complete. This contract was signed by all four property owners up front. Easement Agreements and plats are now prepared and staff is going back to the owners for signatures. There was no discussion. Mr. Kelly made motion to accept Staff’s recommendation. Mr. Pelly seconded the motion. Voice vote was unanimous.

COMMITTEE RECOMMENDATION: Approval of Compensation Budgets.

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

Jonestown Road GSR

Project Number: 2014178

Compensation Budget

17-Jan-17

Pin Number and Name		Acres	Parcel SF	Land Value	LV/SF	Net PE SF	PE Assd. Value	50% PE Assd. Value	TCE SF	TCE Assd. Value	10% Annl Return	Proj Time	TCE Rent Value	Total Comp. (Rounded)		
27 Pin	83 Pin															
	9730249354	Bartlett	Jack	14.68	639,460.80	\$153,800.00	\$0.24	8,579.07	\$2,058.98	\$1,029.49	0.00	\$0.00	\$0.00	4	\$0.00	\$1,029
	9730332329	Blue Vista Inc.		0.23	10,018.80	\$24,200.00	\$2.42	0.00	\$0.00	\$0.00	532.42	\$1,288.46	\$128.85	4	\$42.95	\$43
	9730333391	Dean	Melissa	0.42	18,295.20	\$114,000.00	\$6.23	0.00	\$0.00	\$0.00	2,060.93	\$12,839.59	\$1,283.96	4	\$427.99	\$428
	9730333592	Denman	Lindsey	0.27	11,761.20	\$24,700.00	\$2.10	0.00	\$0.00	\$0.00	984.51	\$2,067.47	\$206.75	4	\$68.92	\$69
	9730238337	Dilley	Lindsay	0.66	28,749.60	\$27,900.00	\$0.97	10.62	\$10.30	\$5.15	3,874.88	\$3,758.63	\$375.86	4	\$125.29	\$130
	9730239484	Foley	Louise	0.72	31,363.20	\$28,300.00	\$0.90	0.00	\$0.00	\$0.00	2,342.64	\$2,108.38	\$210.84	4	\$70.28	\$70
	9730330061	Gassaway	Sarah	0.42	18,295.20	\$26,300.00	\$1.44	8.86	\$12.76	\$6.38	421.73	\$607.29	\$60.73	4	\$20.24	\$27
	9730149119	Gateway Christian Commu		15.10	657,756.00	\$54,500.00	\$0.08	1,134.96	\$90.80	\$45.40	1,132.47	\$90.60	\$9.06	4	\$3.02	\$48
	9730330213	LJB Rentals LLC		0.38	16,552.80	\$35,900.00	\$2.17	0.00	\$0.00	\$0.00	2,880.42	\$6,250.51	\$625.05	4	\$208.35	\$208
	9730236669	Lunsford	Thomas	1.21	52,707.60	\$30,400.00	\$0.58	0.00	\$0.00	\$0.00	1,526.54	\$885.39	\$88.54	4	\$29.51	\$30
	9730239835	Martin	Matthew	0.72	31,363.20	\$28,300.00	\$0.90	84.35	\$75.92	\$37.96	1,326.16	\$1,193.54	\$119.35	4	\$39.78	\$78
	9730238929	Martin	Matthew	0.56	24,393.60	\$27,300.00	\$1.12	433.64	\$485.68	\$242.84	3,119.66	\$3,494.02	\$349.40	4	\$116.47	\$359
	9730237412	Nix	Judy	0.79	34,412.40	\$28,600.00	\$0.83	0.00	\$0.00	\$0.00	320.10	\$265.68	\$26.57	4	\$8.86	\$9
	9730245091	Penland	Michael	4.07	177,289.20	\$75,100.00	\$0.42	3,132.15	\$1,315.50	\$657.75	9,585.69	\$4,025.99	\$402.60	4	\$134.20	\$792
	9730239701	Penland	Michael	0.39	16,988.40	\$26,000.00	\$1.53	0.00	\$0.00	\$0.00	1,363.93	\$2,086.81	\$208.68	4	\$69.56	\$70
	9730239518	Penland	Michael	0.59	25,700.40	\$27,500.00	\$1.07	0.00	\$0.00	\$0.00	1,842.48	\$1,971.45	\$197.15	4	\$65.72	\$66
	9730334615	Red River Inc.		0.59	25,700.40	\$27,500.00	\$1.07	0.00	\$0.00	\$0.00	692.08	\$740.53	\$74.05	4	\$24.68	\$25
	9730238295	Ryans	Joe	0.38	16,552.80	\$25,900.00	\$1.56	759.82	\$1,185.32	\$592.66	4,129.17	\$6,441.51	\$644.15	4	\$214.72	\$807
	9730240697	TD Bank		1.39	60,548.40	\$36,330.00	\$0.60	1,067.51	\$640.51	\$320.25	3,465.45	\$2,079.27	\$207.93	4	\$69.31	\$390
	9730330372	Waldrup	Richard	0.69	30,056.40	\$55,100.00	\$1.83	0.00	\$0.00	\$0.00	6,068.47	\$11,105.30	\$1,110.53	4	\$370.18	\$370
	9730330103	Wilson	N.	0.18	7,840.80	\$23,400.00	\$2.98	461.00	\$1,373.78	\$686.89	1,787.95	\$5,328.09	\$532.81	4	\$177.60	\$864
	9730339334	Wiltshire	Deborah	3.56	155,073.60	\$72,500.00	\$0.47	686.48	\$322.65	\$161.32	2,258.99	\$1,061.73	\$106.17	4	\$35.39	\$197
	9730336307	Wiltshire	Deborah	5.00	217,800.00	\$106,200.00	\$0.49	0.00	\$0.00	\$0.00	810.53	\$397.16	\$39.72	4	\$13.24	\$13

Jonestown Road GSR

Project Number: 2014178

Compensation Budget

17-Jan-17

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

TOTALS:	\$6,122
Staff Contingency:	\$10,000
GM's Contingency	\$10,000
Amendment	
Total Budget:	\$26,122

166 South French Broad Ave. Emergency Sewer Rehab.

Project Number: 2016159

236410

Compensation Budget

17-Jan-17

Pin Number and Name		Acres	Parcel SF	Land Value	LV/SF	Net PE SF	PE Assd. Value	50% PE Assd. Value	TCE SF	TCE Assd. Value	10% Annl Return	Proj Time	TCE Rent Value	Total Comp. (Rounded)		
27 Pin	83 Pin															
	9648273813	Hennessey, et. al.	Michael	0.28	12,196.80	\$29,000.00	\$2.38	228.20	\$543.12	\$271.56	0.00	\$0.00	\$0.00	3	\$0.00	\$272
	9648272970	Hutto	Sandra	0.41	17,859.60	\$30,500.00	\$1.71	2,017.30	\$3,449.58	\$1,724.79	0.00	\$0.00	\$0.00	3	\$0.00	\$1,725
	9648270992	Jackson	Robert	0.15	6,534.00	\$23,500.00	\$3.60	337.90	\$1,216.44	\$608.22	0.00	\$0.00	\$0.00	3	\$0.00	\$608
	9648271835	Sutton	Robert	0.33	14,374.80	\$26,200.00	\$1.82	2,985.20	\$5,433.06	\$2,716.53	0.00	\$0.00	\$0.00	3	\$0.00	\$2,717
													TOTALS:	\$5,321		
													Staff Contingency:	\$5,000		
													GM's Contingency	\$5,000		
													Amendment			
													Total Budget:	\$15,321		

Metropolitan Sewerage District of Buncombe County

Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 1/25/2017

BOARD MEETING DATE: 2/15/2017

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

**SUBJECT: Consideration of Condemnation– Lakeshore Drive @ Merrimon Avenue
GSR, Project No. 2014177**

Property Owner: Jacqueline Salabert, Pin Number 9740-42-1148– Subject parcel is improved with a single family residence that is a rental, and is located along Lakeshore Drive. The existing sewer line ran diagonally across the lot and under the house. The new sewer line was relocated away from the house to run parallel to the side property line. This relocation abandoned a problem sewer line from under the house and greatly increased buildable area to the rear of the house.

This project was an emergency replacement as the City of Asheville resurfaced Lakeshore Drive. To accommodate their paving schedule, MSD drafted a Contract to Convey Easement which the owner signed before construction began. This contract included a drawing showing the proposed alignment and easement. MSD's in-house construction crew installed the line, and the owner was very complementary of our work.

The owner now refuses to sign the easement agreement, and is asking for a reduction in width of the 20-foot sewer easement to allow for expansion of the house and patio toward the side property line. Due to the 10-foot depth of the sewer line, MSD cannot agree to reduce the easement width.

The owner seems to be satisfied with the compensation offered (\$7,843), however, refuses to sign the easement until MSD reduces the easement width along her side property line.

Total Contacts: 7

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

Ms. Banks explained the location of the subject parcel and that this is a CIP project but is not scheduled for design and right-of-way until 2021 and construction until FY20-FY23. The remainder of the project will be constructed per schedule. Ms. Banks also explained the above situation and stated that the property owner is also concerned that without the expansion of the house and patio, the value of the house and potential for rental income will be diminished. Mr. Ashley asked if she agreed before the line was put in. Ms. Banks stated that the property owner reviewed a drawing that clearly showed where the line was going to be and clearly showed a 20' easement and the owner agreed. Owner was very complimentary of the crews during the construction. Mr. Clarke stated that she signed the Contract to Convey Easement. Mr. Pelly asked if owner wasn't compelled to comply since she signed the contract. Mr. Clarke stated that even though this is being called a condemnation, it would actually be filing a lawsuit to enforce the contract. Ms. Manheimer asked if you do not normally get the easement signed before you start construction. Ms. Banks stated that in an emergency situation a lot of times you don't. Mr.

Clarke stated that normally MSD doesn't begin any work without an easement. He explained in both the 166 South French Broad and this project, the work had to be done immediately. All of the owners involved signed the Contract to Convey Easement and consideration and easement area was identified. Mr. Clarke stated that he felt the District was on solid ground. He has mailed Ms. Salabert a letter and confirmed that it was received yesterday. Ms. Frost asked if this happens a lot, with the owners changing their mind. Ms. Banks stated that it happens occasionally but not a lot. Mr. Ashley asked what the side set backs were in that area. Ms. Banks stated that the side set back was 6' and the front and rear set backs are 15'. Mr. Pelly asked if the old line was abandoned. Ms. Banks stated yes. There was no further discussion. Mr. Kelly made motion to accept Staff's recommendation. Mr. Pelly seconded the motion. Voice vote was unanimous.

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

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

Metropolitan Sewerage District of Buncombe County

Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 1/25/2017

BOARD MEETING DATE: 2/15/2017

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

**SUBJECT: Consideration of Condemnation– Hendersonville Rd. @ Rosscraggon Drive
 Phase 2 GSR, Project No. 2009150**

Property Owner: Cecil Johnson, Pin Number 9654-19-9400– Subject parcel is improved with a single family residence and is located off Rosscraggon Drive in South Asheville. The existing sewer line runs under the house and detached garage. The proposed sewer line was relocated away from the house/garage to the mid-point of the lot. The owner was not in agreement with this alignment due to tree loss and loss of future building area.

MSD realigned the sewer to address the owner’s concerns. A large portion was shifted to an adjacent parcel, with approval of the adjacent owner, and the remaining portion was aligned within the subject owner’s rear property set back.

The owner has been difficult to meet with and early on hired an attorney. MSD was instructed to communicate through his attorney. The standard compensation amount offered for the proposed realignment is \$1273.00. Neither the owner nor his attorney has provided any feedback concerning the alignment or compensation.

This project goes to bid in July and MSD must move forward.

Total Contacts: 10

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

Ms. Banks explained location of the above parcel. She also stated that owner has an unfinished foundation which he was stopped from building because it was not sited correctly and he was encroaching onto the railroad right of way. He immediately rejected the first design due to large trees that he would lose. He also had plans to build on the front of that lot. Therefore, the sewer was realigned to the rear of his property line to address his concerns. Negotiations with this owner began in September, 2016 so he has had adequate time to work with staff. There was no discussion. Mr. Kelly made the motion to accept Staff’s recommendation. Mr. Pelly seconded the motion. Voice vote was unanimous.

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

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

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

BOARD MEETING DATE: February 15, 2017

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

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

SUBJECT: Consideration of Bids: Sweeten Creek @ Busbee View Sanitary Sewer Rehabilitation Project, MSD Project No. 2011095

BACKGROUND: This project is located in South Asheville near Sweeten Creek Road and Busbee View Lane.

It consists of replacing problematic four and six-inch clay and PVC lines which are structurally deficient and undersized. The new line is comprised of 960 LF of 8-inch DIP installed by dig & replace, and 90 LF of 8-inch HDPE installed by pipe-bursting, for a total project length of 1,050 LF.

The contract was advertised, and six bids were received on January 26, 2017 in the following amounts:

<u>Contractor</u>	<u>Bid Amount</u>
1) Thomas Construction Co.	\$339,180.00
2) North American Pipeline Mgmt.	\$300,221.00
3) Buckeye Bridge, LLC	\$297,047.70
4) Thunder Contracting, Inc.	\$257,477.85
5) Wagner Company, LLC	\$214,128.10
6) Terry Brothers Construction Co.	\$192,315.00

The apparent low bidder is Terry Brothers Construction Co. They have completed numerous MSD sewer rehabilitation projects, and their work quality continues to be excellent on work performed for the District.

Please refer to the attached documentation for further details.

FISCAL IMPACT: The FY16-17 Construction Budget for this project is \$250,000.00.

STAFF RECOMMENDATION: Staff recommends award of this contract to Terry Brothers Construction Co. in the amount of \$192,315.00, subject to review and approval by District Counsel.

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

Sweeten Creek @ Busbee View Sewer Rehabilitation
Project No. 2011095

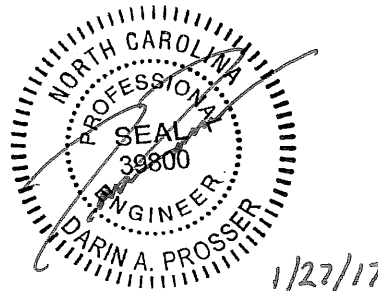
BID TABULATION
January 26, 2017

BIDDER	MBE Form	Bid Forms (Proposal)	TOTAL BID AMOUNT
Thomas Construction Company Johnson City, TN	1	Yes	\$339,180.00
North American Pipeline Management, Inc. Marietta, GA	1	Yes	(*) \$300,221.00
Buckeye Bridge, LLC Canton, NC	1	Yes	\$297,047.70
Thunder Contracting, Inc. Waynesville, NC	1	Yes	\$257,477.85
E.S. Wagner Company LLC Charlotte, NC	1	Yes	\$214,128.10
Terry Brothers Construction Company Leicester, NC	1	Yes	\$192,315.00

APPARENT LOW BIDDER

(*) Correction to bidder's amount

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



This is to certify that the bids tabulated herein were publicly opened and read aloud at 2:00 p.m. on the 26th day of January, 2017, 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: January 31, 2017

RE: Sweeten Creek Road @ Busbee View Sewer Rehabilitation,
MSD Project No. 2011095

The Sweeten Creek Road @ Busbee View Lane Sewer Rehabilitation project is located in Asheville off of Sweeten Creek Road and adjacent to Busbee View Circle. This project begins on the side of Sweeten Creek Road, runs through commercial and residential properties to Ona Berry Lane, and runs along Busbee View Road.

This project consists of the rehabilitation of existing 4-inch and 6-inch clay pipes and PVC pipes that are in poor condition and undersized. Approximately 960 LF of 8-inch DIP will be installed by dig and replace construction and 90 LF of 8-inch HDPE will be installed by pipe bursting trenchless construction. The total length of this project is approximately 1,050 LF. The existing lines for this project have a high pipe rating of 70 due to the problematic undersized pipes that constantly create maintenance issues.

On January 26, 2017, six (6) bids were received at 2:00 pm, as follows:

<u>Contractor</u>	<u>Bid Amount</u>
1) Thomas Construction Co.	\$339,180.00
2) North American Pipeline Mgmt.	\$300,221.00
3) Buckeye Bridge, LLC	\$297,047.70
4) Thunder Contracting, Inc.	\$257,477.85
5) Wagner Company, LLC	\$214,128.10
6) Terry Brothers Construction Co.	\$192,315.00

The apparent low bidder is Terry Brothers Construction Co., Inc. with a bid amount of \$192,315.00. The FY16-17 construction budget for this project is \$250,000.00. 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**

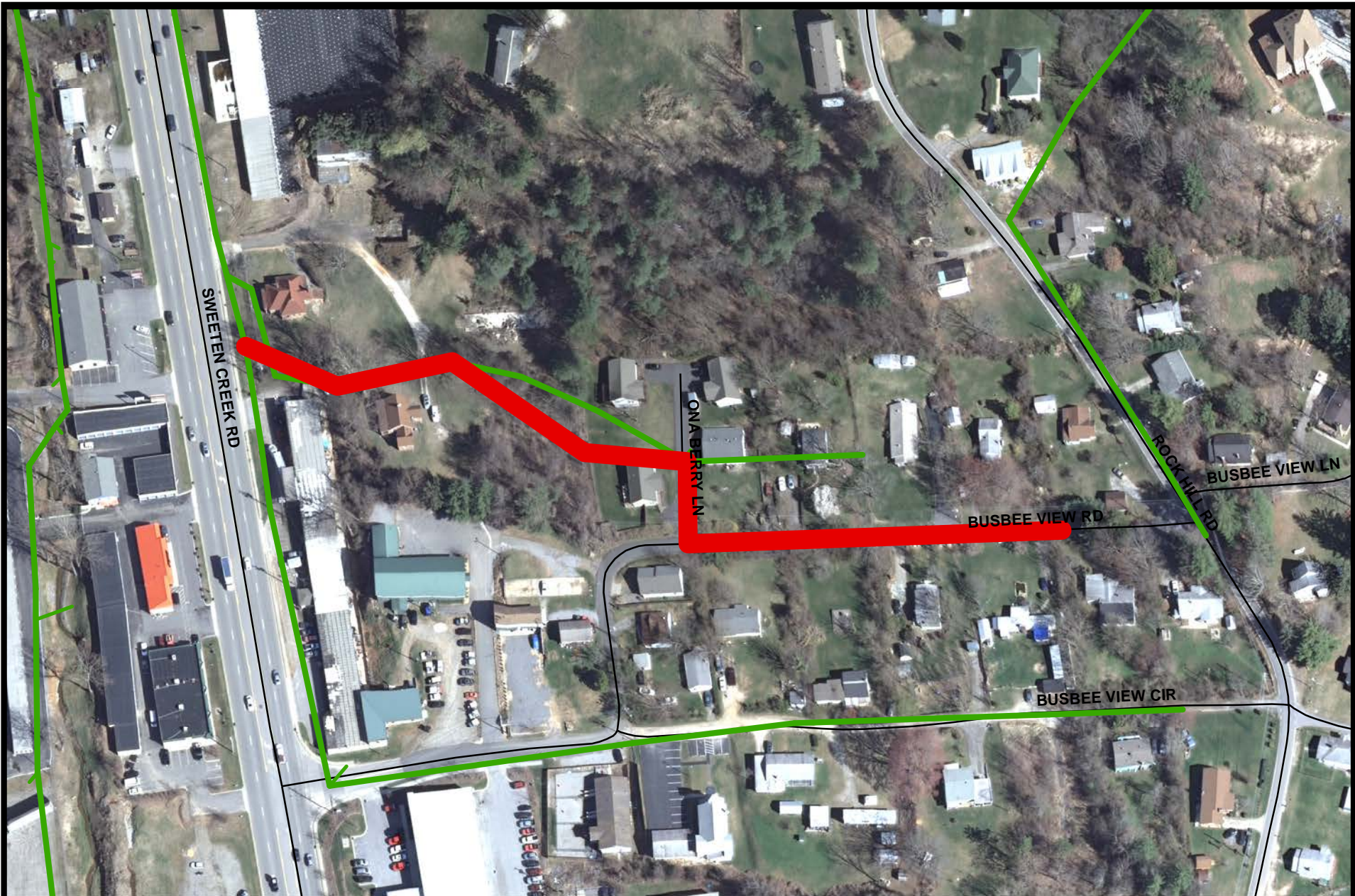
BUDGET DATA SHEET - FY 2016 - 2017

PROJECT: Sweeten Creek Rd. @ Busbee View	LOCATION: Asheville
TYPE: General Sewer Rehab.	PIPE RATING: 70
PROJECT NO.: 2011095	TOTAL LF: 1,048
PROJECT BUDGET: \$307,200.00	PROJECT ORIGIN: SSO's; Work orders; Line condition

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 12/31/15	EST. COST JAN - JUNE 2016	BUDGET FY 16-17
55310 - PRELIM. ENGINEERING				
55320 - SURVEY - DESIGN	\$13,200.00	\$8,040.00	\$5,160.00	
55330 - DESIGN				
55340 - PERMITS	\$1,000.00		\$1,000.00	
55350 - SPECIAL STUDIES				
55360 - EASEMENT PLATS	\$4,800.00	\$3,005.00	\$1,795.00	
55370 - LEGAL FEES	\$5,000.00	\$1,784.00	\$2,000.00	\$1,216.00
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION	\$20,000.00	\$2,053.00	\$6,000.00	\$11,947.00
55400 - APPRAISAL	\$2,500.00			\$2,500.00
55410 - CONDEMNATION	\$7,500.00			\$7,500.00
55420 - CONSTRUCTION	\$250,000.00			\$250,000.00
55430 - CONST. CONTRACT ADM.				
55440 - TESTING	\$500.00			\$500.00
55450 - SURVEY - ASBUILT	\$2,700.00			\$2,700.00
TOTAL AMOUNT	\$307,200.00	\$14,882.00	\$15,955.00	\$276,363.00

ENGINEER: MSD	DP	ESTIMATED BUDGETS - FY '18 -'26	
R.O.W. ACQUISITION: MSD	# PLATS: [4]	FY 17-18	\$0.00
CONTRACTOR:		FY 18-19	\$0.00
CONSTRUCTION ADM: MSD		FY 19-20	\$0.00
INSPECTION: MSD		FY 20-21	\$0.00
		FY 21-22	\$0.00
		FY 22-23	\$0.00
PROJECT DESCRIPTION: This project is for the rehabilitation of an existing line which begins at Sweeten Creek Rd. and extends to Ona Berry Lane (off Busbee Lane). A portion of this line goes under a concrete loading dock and in some places the pipe cannot be located without extensive work on private property. There have been several service calls for repairs on this line.		FY 23-24	\$0.00
		FY 24-25	\$0.00
		FY 25-26	\$0.00

SPECIAL PROJECT NOTES:



**Sweeten Creek Road at Busbee View Lane
Project No. 2011095**

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map

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

BOARD MEETING DATE: February 15, 2017

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

PREPARED BY: Ed Bradford, P.E. - Director of Engineering
Hunter Carson, P.E. - Project Manager

SUBJECT: Consideration of Bids: Freno Drive Sanitary Sewer Rehabilitation Project, MSD Project No. 2012010

BACKGROUND: This project is located in the Oakley area of Asheville, in the area behind the Fun Depot.

It consists of replacing problematic 4-inch PVC private sewer lines which are difficult to maintain due to buried bends in the lines and only one manhole. This system has been maintained by the District since 2008. Due to numerous problems, customer service requests, and the lack of adequate access to the system, it is being rehabilitated.

The new line is comprised of 2,594 LF of 8-inch DIP.

The contract was advertised, and five bids were received on January 26, 2017 in the following amounts:

<u>Contractor</u>	<u>Bid Amount</u>
1) Buckeye Bridge, LLC	\$656,352.00
2) N. American Pipeline Mgmt.	\$624,803.00
3) Wagner E.S. Company, LLC	\$596,362.50
4) Thunder Contracting, Inc.	\$560,717.00 (*)
5) Terry Brothers Const. Co.	\$511,623.00

(*) Bid is rejected due to invalid Bid Bond.

The apparent low bidder is Terry Brothers Construction Co., Inc. They have completed numerous MSD sewer rehabilitation projects, and their work quality continues to be excellent on work performed for the District.

Please refer to the attached documentation for further details.

FISCAL IMPACT: The FY16-17 Construction Budget for this project is \$630,000.00.

STAFF RECOMMENDATION: Staff recommends award of this contract to Terry Brothers Construction Co. in the amount of \$511,623.00, subject to review and approval by District Counsel.

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

Freno Drive Private Sewer Rehabilitation

Project No. 2012010

BID TABULATION

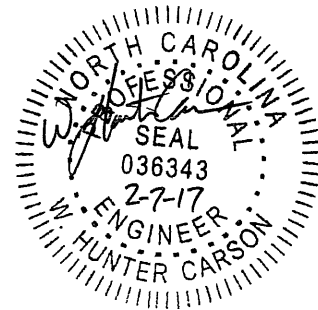
January 26, 2017

BIDDER	Bid Bond	MBE Form	Bid Forms (Proposal)	TOTAL BID AMOUNT
Buckeye Bridge, LLC Canton, NC	5%	1	Yes	\$656,352.00
North American Pipeline Management, Inc. Marietta, GA	5%	1	Yes	\$624,803.00
Wagner, E.S. Company LLC Charlotte, NC	5%	1	Yes	\$596,362.50
Thunder Contracting, Inc. Waynesville, NC	(*)	1	Yes	\$560,717.00
Terry Brothers Construction Company Leicester, NC	5%	1	Yes	\$511,623.00

APPARENT LOW BIDDER

(*) Bid bond is not in accordance with N.C. law; therefore bid is rejected.

William Hunter Carson, 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 2:30 p.m. on the 26th day of January, 2017, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina, and that said bids were accompanied by acceptable bidders bonds in the amount of 5% of the bid, with one exception as noted above.

Interoffice Memorandum

TO: Tom Hartye, General Manager

FROM: Ed Bradford, CIP Manager
Hunter Carson, Project Manager

DATE: January 31, 2017

RE: Freno Drive Private Sewer Rehabilitation, MSD Project No. 2012010

The Freno Drive Private Sewer Rehabilitation project is located in Asheville, southeast of the I-40/Sweeten Creek Road interchange (behind Fun Depot). The project includes line replacement on Oakview Park Road, Stratus Lane, Chestnut Terrace, and Freno Drive.

Approximately 2,594 linear feet of 8-inch DIP sewer line will be installed to replace existing 4-inch PVC. The existing lines are undersized by current standards and are in poor condition. Bends in the lines, as well as limited access into the pipes (i.e. one manhole on the entire system) make maintenance and condition assessment difficult.

In 2008, the Freno Drive system was formally added to MSD's PSR list, and full maintenance responsibilities were inherited at that time. A pipe rating value has not been applied to this project due to its private classification. Based on MSD records, many customer service requests and work orders have been performed on this system.

On January 26, 2017, five (5) sealed bids were received at 2:30 pm as follows:

<u>Contractor</u>	<u>Bid</u>
1) Buckeye Bridge, LLC	\$656,352.00
2) North American Pipeline Management	\$624,803.00
3) Wagner E.S. Company, LLC	\$596,362.50
4) Thunder Contracting, Inc.	\$560,717.00 (*)
5) Terry Brothers Const. Co.	\$511,623.00

(*) Bid is rejected due to invalid Bid Bond.

The apparent low bidder is Terry Brothers Construction Co., Inc. with a bid amount of \$511,623.00. The FY16-17 construction budget for this project is \$630,000.00. 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 2016 - 2017

PROJECT: Freno Drive PSR (Lower)	LOCATION: Asheville
TYPE: Private Sewer Rehab.	PIPE RATING: N/A
PROJECT NO. 2012010	TOTAL LF: 2,593
PROJECT BUDGET: \$656,532.00	PROJECT ORIGIN: Private Sewer Rehab. Program

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 12/31/15	EST. COST JAN - JUNE 2016	BUDGET FY 16-17
55310 - PRELIM. ENGINEERING				
55320 - SURVEY - DESIGN	\$10,700.00	\$8,700.00	\$2,000.00	
55330 - DESIGN				
55340 - PERMITS				
55350 - SPECIAL STUDIES				
55360 - EASEMENT PLATS	\$7,500.00	\$4,025.00	\$3,475.00	
55370 - LEGAL FEES	\$3,732.00	\$6,268.00	\$3,732.00	
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION				
55400 - APPRAISAL				
55410 - CONDEMNATION				
55420 - CONSTRUCTION	\$630,000.00			\$630,000.00
55430 - CONST. CONTRACT ADM.				
55440 - TESTING	\$4,000.00			\$4,000.00
55450 - SURVEY - ASBUILT	\$600.00			\$5,000.00
TOTAL AMOUNT	\$656,532.00	\$18,993.00	\$9,207.00	\$639,000.00

ENGINEER: MSD	HC	ESTIMATED BUDGETS - FY '18 -'26		
R.O.W. ACQUISITION: MSD	# PLATS: [5]	FY 17-18	\$0.00	
CONTRACTOR:		FY 18-19	\$0.00	
CONSTRUCTION ADM.: MSD		FY 19-20	\$0.00	
INSPECTION: MSD		FY 20-21	\$0.00	
		FY 21-22	\$0.00	
		FY 22-23	\$0.00	
PROJECT DESCRIPTION: This project is located in West Asheville and is comprised of 1,400 LF of 8-inch ductile iron pipe. The existing line is a problematic 4-inch private sewer line composed of PVC and VCP with many defects.		FY 23-24	\$0.00	
		FY 24-25	\$0.00	
		FY 25-26	\$0.00	

SPECIAL PROJECT NOTES:



**Freno Drive - PSR
Project No. 2012010**

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 15, 2017

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for The Asheville Exchange, MSD Project No. 2015170

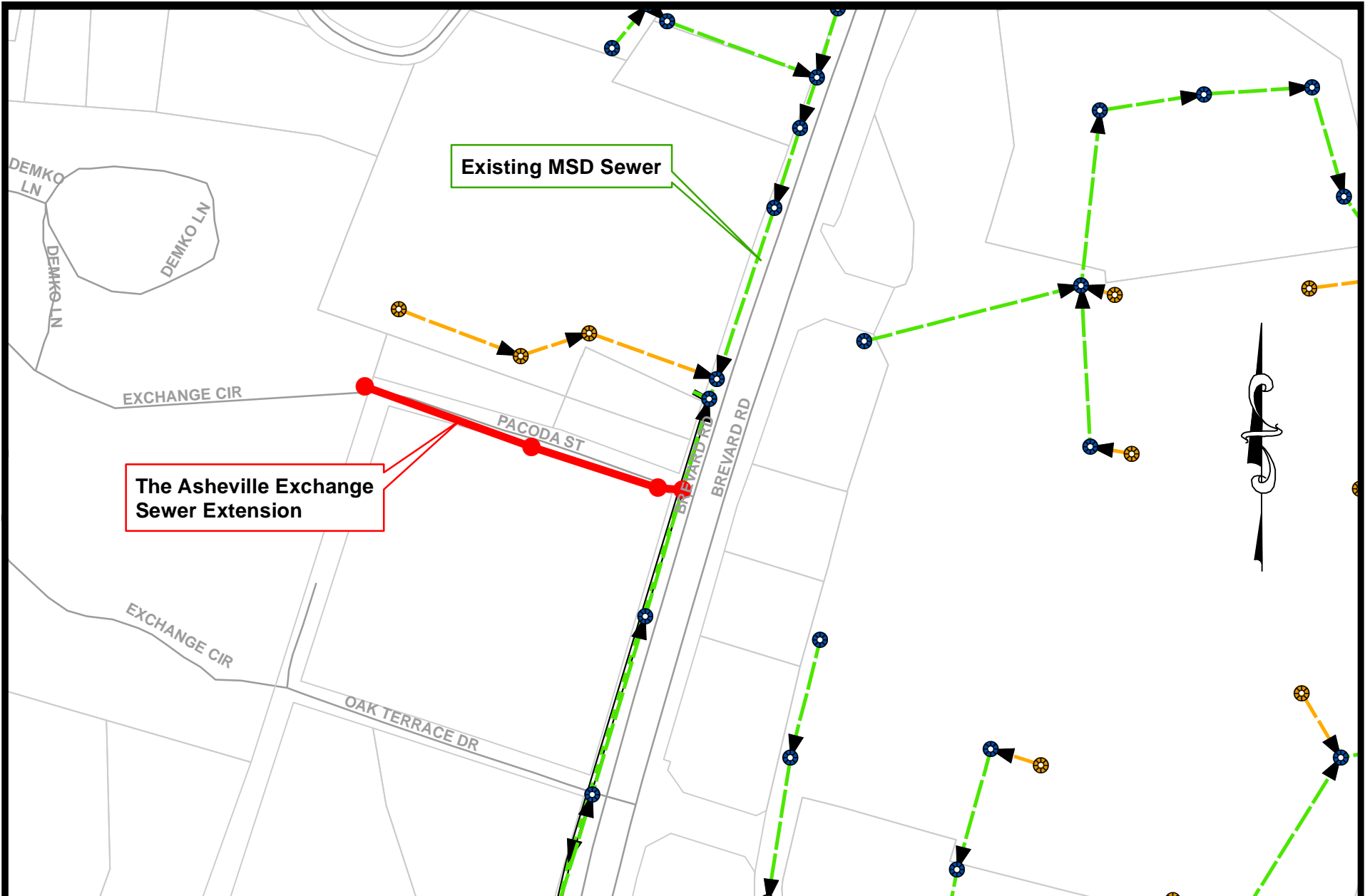
BACKGROUND: This project is located inside the District boundary off Brevard Road in Buncombe County. The developer for this project is Nick Hathaway of Hathaway Development, LLC.

The project included extending approximately 575 linear feet of 8-inch public gravity sewer to serve the new development.

A wastewater allocation was issued in the amount of 94,175 GPD for the 312 unit apartment complex. The estimated cost of the sewer construction is \$40,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

The Asheville Exchange Sewer Extension
MSD Project # 2015170
Metropolitan Sewerage District of Buncombe County

02/02/2017

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 15, 2017

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Springside Road Townhomes, MSD Project No. 2015006

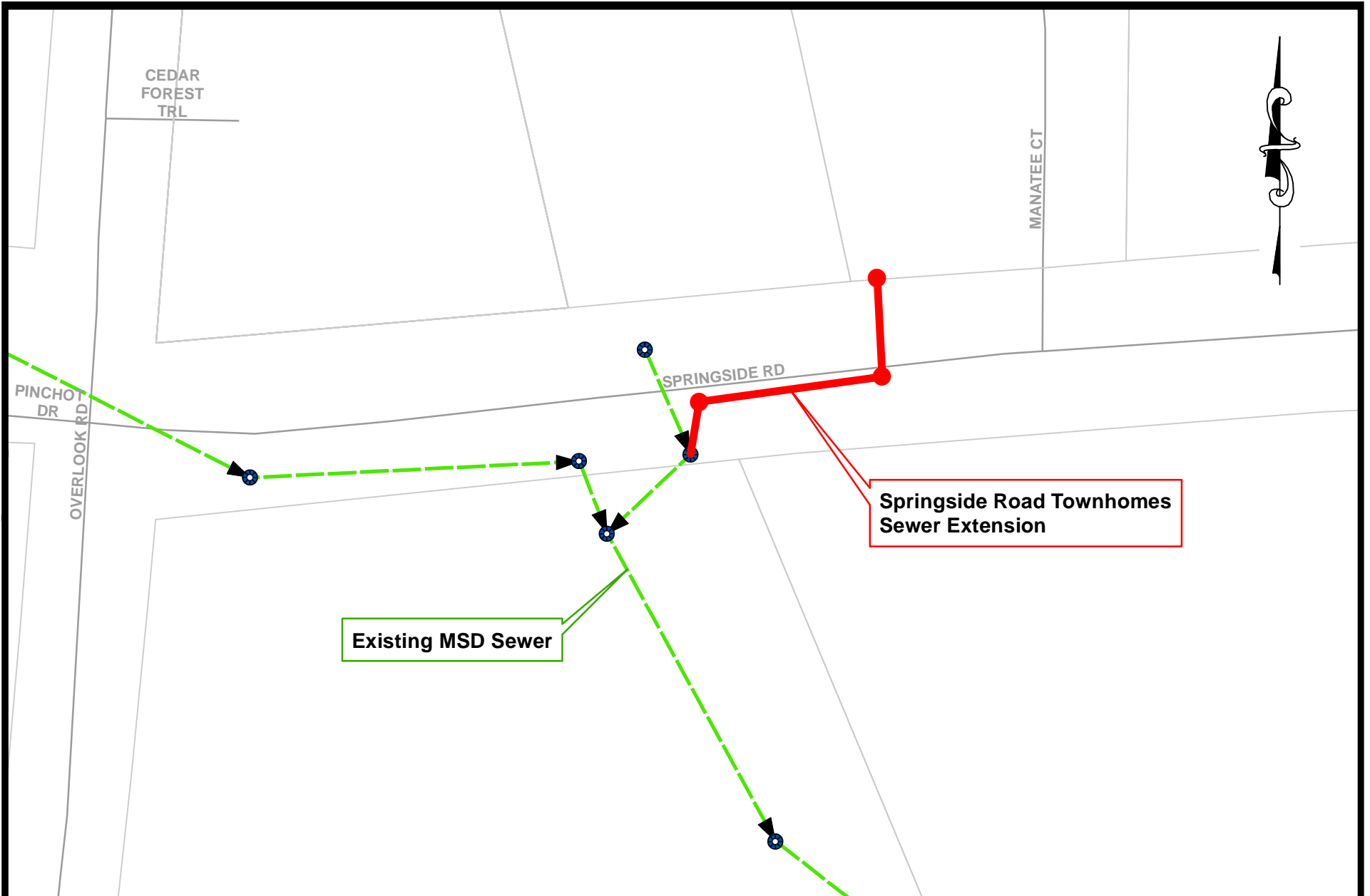
BACKGROUND: This project is located inside the District boundary off Springside Road in the City of Asheville. The developer for this project is Caitlyn Modaff.

The project included extending approximately 117 linear feet of 8-inch public gravity sewer to serve the new development.

A wastewater allocation was issued in the amount of 900 GPD for the three (3) unit residential development. The estimated cost of the sewer construction is \$35,344.65.

All MSD requirements have been met.

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



MSD
Engineering Division

**Springside Road Townhomes Sewer Extension
MSD Project # 2015006**

Metropolitan Sewerage District of Buncombe County

02/02/2017

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

Meeting Date: February 15, 2017
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, CLGFO, Director of Finance
Subject: Consideration of Auditing Services Contract for FY2017

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.

In the summer of 2015, staff issued an RFP for auditing services. Cherry Bekaret LLP (CB) was chosen due to their audit approach, the firms staffing, turnover rate, and notably the governmental utility experience in North Carolina. At the September 16, 2015 Board Meeting, the Board approved Cherry Bekaret LLP as auditors.

Discussion

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

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

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

Fiscal Impact

The combined audit fees and reimbursable expenses of \$45,000 (See attached engagement letter and audit contract) will be included in the FY2018 budget. The proposed fees are the same as FY2016 contract. Additionally, CB will continue to work hard to control expenses and pass on any additional savings to the District.

Staff Recommendation

Staff recommends approval of the FY2017 audit contract with Cherry Bekaert LLP contingent upon review and approval of District counsel.

Action Taken

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

January 26, 2017

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, 2017:

Audit services

1. We will audit the basic financial statements of the District as of and for the year ended June 30, 2017
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 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 basic 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

Metropolitan Sewerage District of Buncombe County, North Carolina

January 26, 2017

Page 2

effective, efficient, and quality-focused approach to accomplish the engagement objectives and meet or exceed your expectations. Our service plan will be reviewed with you periodically and will serve as a benchmark against which you will be able to measure our performance. Any additional services that you may request, and that we agree to provide, will be the subject of separate written arrangements.

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*.
- 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, Uniform Grant Guidance, *Audits of States, Local Governments, and Non-Profit Organizations and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")*.

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 Single Audit Act Amendments of 1996, Uniform Grant Guidance, OMB Guidance for Grants and Agreements (2 CFR 200), and State Single Audit Implementation Act 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.

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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 Uniform Grant Guidance; the Single Audit Act Amendments of 1996; State Single Audit Implementation Act and OMB Guidance for Grants and Agreements (2 CFR 200), the Consolidated Audit Guide for Audits of HUD Programs, and will include tests of accounting records, a determination of major programs in accordance with OMB Guidance for Grants and Agreements (2 CFR 200), 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

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.

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

Management is responsible for informing us of its views regarding the risk of fraud at the District . Management must inform us of their knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, regulators, or others. 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. Because we will be relying on Management's representations, you agree to indemnify the Firm, and its partners and employees, and hold them harmless from all claims, liabilities, losses, and costs arising in circumstances where there has been a known misrepresentation by an officer or employee of the District regardless of whether such officer or employee was acting in the District 's interest, and *even if the Firm acted negligently or wrongfully in failing*

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to uncover or detect such misrepresentation. This indemnification will survive termination of this letter.

FEES

The following summarizes the fees for the services described above:

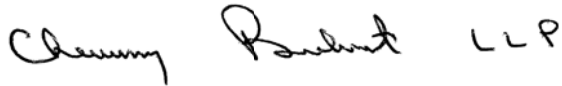
<u>Description of Services</u>	<u>Estimated Fee</u>
Audit services Audit of the financial statements	\$ 45,000

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 consolidated 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.

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.

CONTRACT TO AUDIT ACCOUNTS

Of Metropolitan Sewerage District of Buncombe County, North Carolina

Primary Governmental Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

On this 26th day of January, 2017,

Auditor: Cherry Bekaert LLP Auditor Mailing Address: 1111 Metropolitan Ave. Suite 1000

Charlotte, NC 28204

Hereinafter referred to as The Auditor

and 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, 2016, and ending June 30, 2017. 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 Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation 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 auditor communication 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 Uniform Guidance 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

Primary Governmental Unit

N/A

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, 2017. 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, 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. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit should be attached to the contract, and by reference here becomes part of the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #25 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 November 2016. These instructions are subject to change. Please check the NC Treasurer's web site at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx> 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. Contractor hereby certifies that Contractor, and all subcontractors, are not on the Iran Final Divestment List ("List") created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.58. Contractor shall not utilize any subcontractor that is identified on the List.
25. 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
Primary 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 January 26, 2017
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)

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"**

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)

N/A

Discretely Presented Component Units (DPCU) if applicable

Steps to Completing the Audit Contract

1. Complete the Header Information – NEW: If a DPCU is subject to the audit requirements as detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not issued for the DPCU and is to be included in the Primary Government’s audit, the DPCU must be named with the parent government on this Audit contract. The Board chairman of the DPCU also must sign the Audit contract.
2. Item No. 1 – Complete the period covered by the audit
3. Item No. 6 – Fill in the audit due date. For Governmental Unit (s), the contract due date can be no later than 4 months after the end of the fiscal year, even though amended contracts may not be required until a later date.
4. Item No. 8 – If the process for invoice approval instructions changed, the Auditor should make sure he and his administrative staff are familiar with the current process. Instructions for each process can be found at the following link. <https://www.nctreasurer.com/sl原因/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 – NEW: It is now expected that an engagement letter will be attached to the contract. Has the engagement letter been 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/sl原因/Pages/Non-Audit-Services-and-Audit-Fees.aspx> - Auditors and Audit Fees.
Please call or email Darrus Cofield at 919-814-4299 darrus.cofield@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?

Contract to Audit Accounts (cont.) Metropolitan Sewerage District of Buncombe County, North Carolina
Primary 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 15, 2017
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, CLGFO, Director of Finance
Subject: Second Quarter Budget to Actual Review - FY2017

Background

At the end of each quarter, actual revenue and expenditure amounts are compared with the budget to evaluate performance the District's financial performance. The attached schedule includes year-to-date actual amounts as of December 31, 2016 as well as the adopted budget for FY2017.

Discussion

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

- ◀ Domestic Revenue is at budget expectations. Industrial Revenue is trending better than budgeted expectations due to a temporary increase in revenue from one industrial user. 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 \$2.6 million from five commercial/residential developers and a number of taps requiring bore/pavement disturbance.
- ◀ Interest and miscellaneous income are slightly below budgeted expectations. Fixed income investment yields are lower than expected due to current Federal Reserve policy.
- ◀ Rental income reflects expected earnings.
- ◀ O&M expenditures are at 51.73% 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, 2017 and a principal and semi-annual interest payment on July 1, 2017.
- ◀ 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 - Information Only.

Action Taken

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

Metropolitan Sewerage District
Budget to Actual Revenue and Expenditure Report
For the six months ended December 31, 2016
UNAUDITED--NON-GAAP

	Budget	Actual to Date	% Budget to Actual
REVENUES			
Domestic User Fees ¹	\$ 29,922,929	\$ 15,153,140	50.64%
Industrial User Fees	2,943,043	1,972,779	67.03%
Facility Fees ²	1,500,000	3,950,697	263.38%
Tap Fees ³	200,000	245,029	122.51%
Billing and Collection	772,500	382,711	49.54%
Interest and Misc. Income	599,032	260,356	43.46%
Employee Contribution to Health Ins.	415,000	188,481	45.42%
City of Asheville (Enka Bonds)	37,000	-	0.00%
Rental Income	71,399	37,766	52.89%
Use of Available Funds ⁴	10,548,760	(370,137)	-3.51%
Total Revenues⁵	47,009,663	21,820,822	46.42%
EXPENDITURES			
Operations and Maintenance ⁶	\$ 16,125,586	\$ 8,341,304	51.73%
Bond Principal and Interest ⁷	7,956,840	3,978,420	50.00%
Capital Equipment (Other than O&M) ⁶	885,150	478,730	54.08%
Capital Projects ⁶	21,042,087	9,022,368	42.88%
Contingency	1,000,000	-	0.00%
Total Expenditures	47,009,663	21,820,822	46.42%

Notes:

- ¹ Revenues are accounted for on the cash basis method
- ² Increase due to unanticipated revenue from five developments at \$2,562,000
- 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 a 50%. Actual spend amount is 21.62%.

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: February 15, 2017
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, 2016

Background

Each month, staff presents to the Board an investment report for all monies in bank accounts and specific investment instruments. The total investments as of December 31, 2016 were \$50,438,330. The detailed listing of accounts is available upon request. The average rate of return for all investments is 0.514%. 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, 2016 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of December 31, 2016 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$11,345,198.

Total Cash & Investments as of 12/31/2016		50,438,330
Less:		
Budgeted Commitments (Required to pay remaining FY17 budgeted expenditures from unrestricted cash)		
Construction Funds	(16,470,160)	
Operations & Maintenance Fund	(8,711,858)	(25,182,018)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(1,319,469)	
FY17 Principal & Interest Due	(7,408,000)	(8,727,469)
District Reserve Funds		
Fleet Replacement	(821,493)	
Pump Replacement	(70,997)	
WWTP Replacement	(420,679)	
Maintenance Reserve	(958,483)	(2,271,652)
District Insurance Funds		
General Liability	(395,144)	
Worker's Compensation	(164,785)	
Post-Retirement Benefit	(1,599,563)	
Self-Funded Employee Medical	(752,501)	(2,911,993)
Designated for Capital Outlay		11,345,198

Staff Recommendation

None. Information Only.

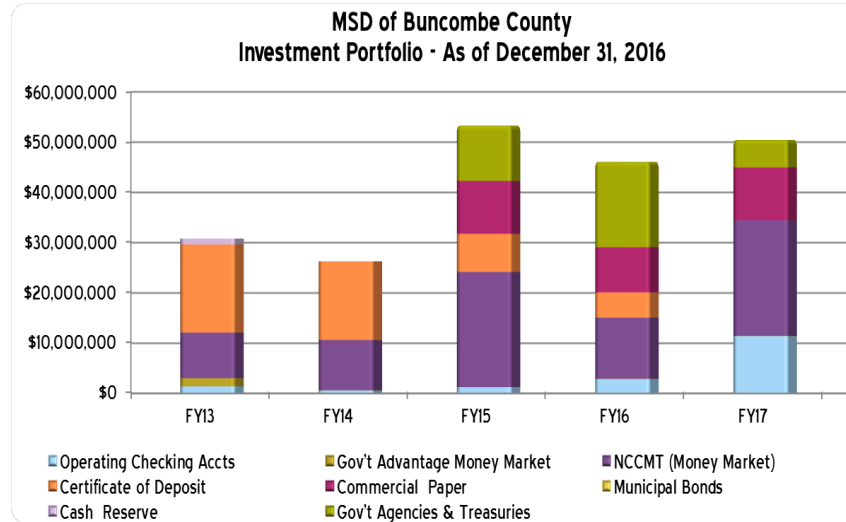
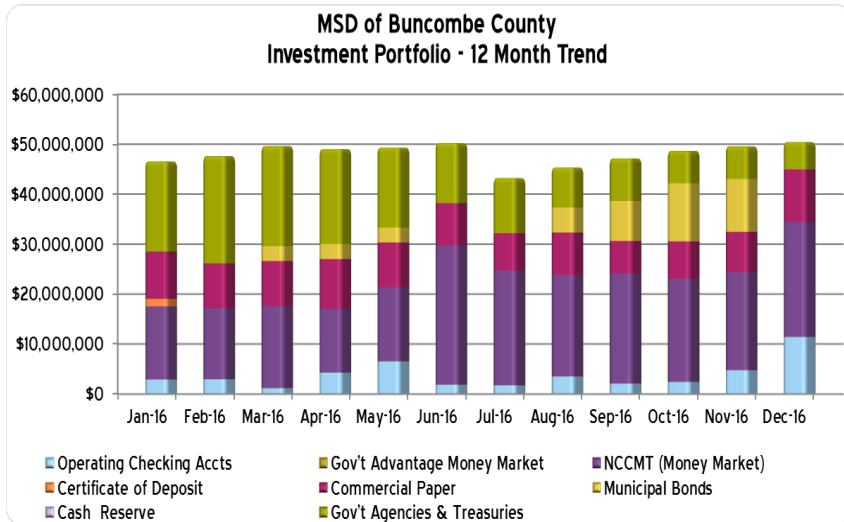
Action Taken

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

Metropolitan Sewerage District of Buncombe County Investment Portfolio

	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -	\$ -	\$ 1,319,469	\$ -		\$ -	\$ -		\$ 1,319,469
Held by MSD	11,397,130	46,671	21,692,152	-	10,482,908	-	-	5,500,000	49,118,861
	\$ 11,397,130	\$ 46,671	\$ 23,011,621	\$ -	\$ 10,482,908	\$ -	\$ -	\$ 5,500,000	\$ 50,438,330

Investment Policy Asset Allocation	Maximum Percent	Actual Percent	
U.S. Government Treasuries, Agencies and Instrumentalities	100%	11%	No significant changes in the investment portfolio as to makeup or total amount.
Bankers' Acceptances	20%	0%	
Certificates of Deposit	100%	0%	The District 's YTM of .92% is exceeding the YTM benchmarks of the 6 month T-Bill and NCCMT Cash Portfolio.
Commercial Paper	20%	20%	
Municipal Bonds	100%	0%	
North Carolina Capital Management Trust	100%	45%	
Checking Accounts:	100%		All funds invested in CD's, operating checking accounts, Gov't Advantage money market are fully collateralized with the State Treasurer.
Operating Checking Accounts		23%	
Gov't Advantage Money Market		1%	



Board Meeting: February 15, 2017

Subject: Cash Commitment/Investment Report-Month Ended December 31, 2016

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**METROPOLITAN SEWERAGE DISTRICT
INVESTMENT MANAGERS' REPORT
At December 31, 2016**

Summary of Asset Transactions

	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 44,359,012	\$ 44,423,600	\$ 16,242
Capital Contributed (Withdrawn)	(8,479,924)	(8,479,924)	
Realized Income	16,585	16,585	(5,113)
Unrealized/Accrued Income		15,509	3,982
Ending Balance	\$ 35,895,673	\$ 35,975,770	\$ 15,111

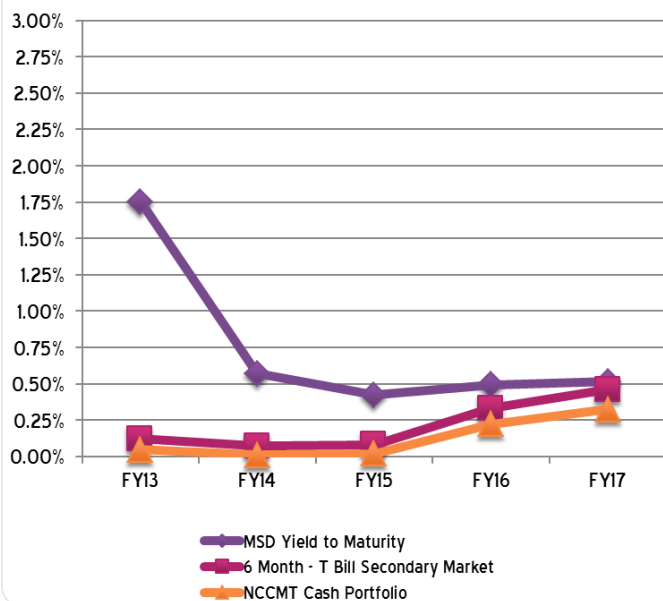
Value and Income by Maturity

	Original Cost	Income
Cash Equivalents <91 Days	\$ 30,395,673	\$ 26,219
Securities/CD's 91 to 365 Days	1,000,000	\$ 863
Securities/CD's > 1 Year	4,500,000	\$ 3,882
	\$ 35,895,673	\$ 30,963

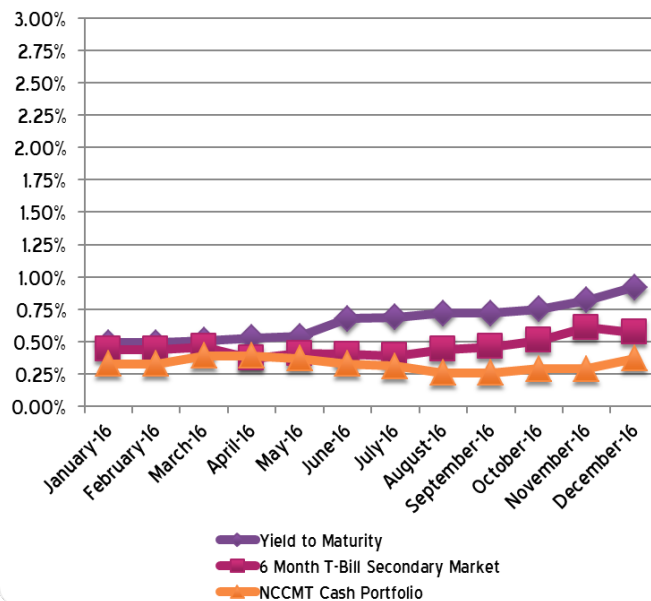
Month End Portfolio Information

Weighted Average Maturity	162
Yield to Maturity	0.92%
6 Month T-Bill Secondary Market	0.57%
NCCMT Cash Portfolio	0.37%

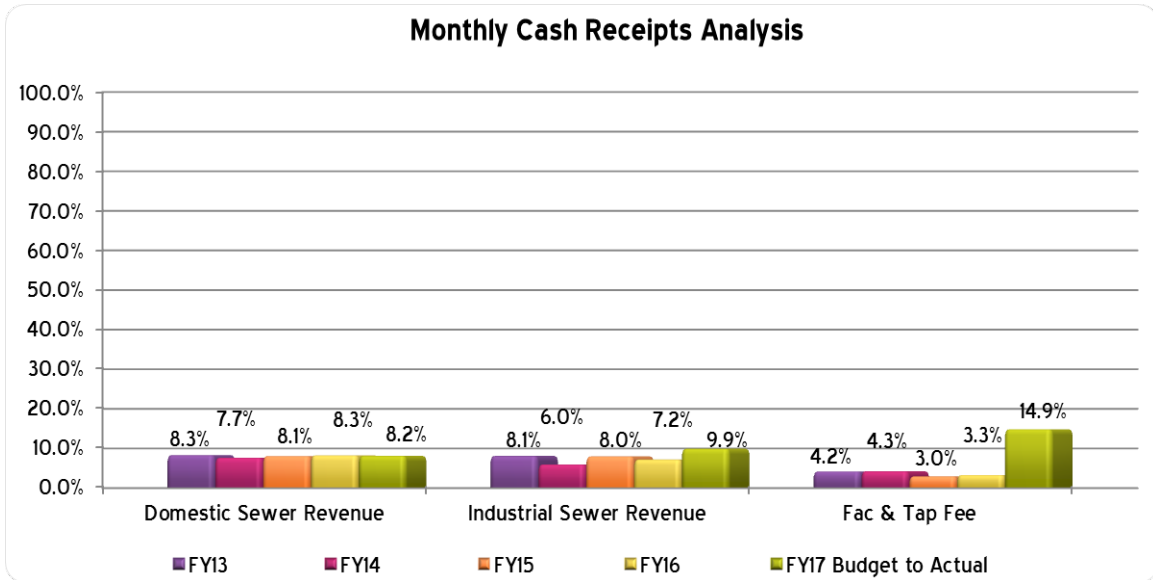
**Metropolitan Sewerage District
Annual Yield Comparison**



**Metropolitan Sewerage District
Yield Comparison - December 31, 2016**

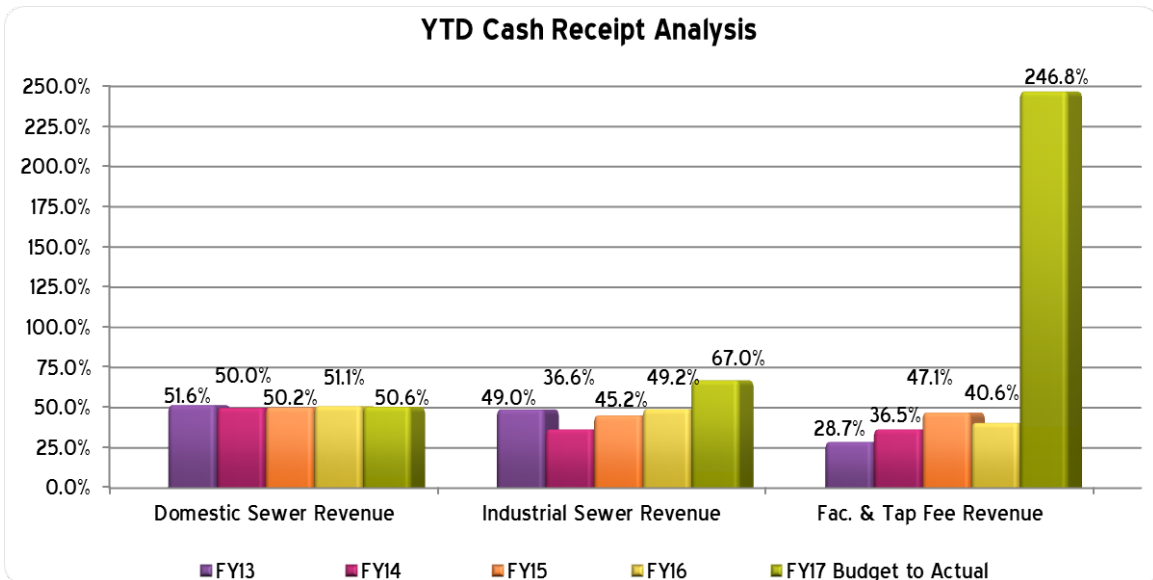


**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF CASH RECEIPTS
As of December 31, 2016**



Monthly Cash Receipts Analysis:

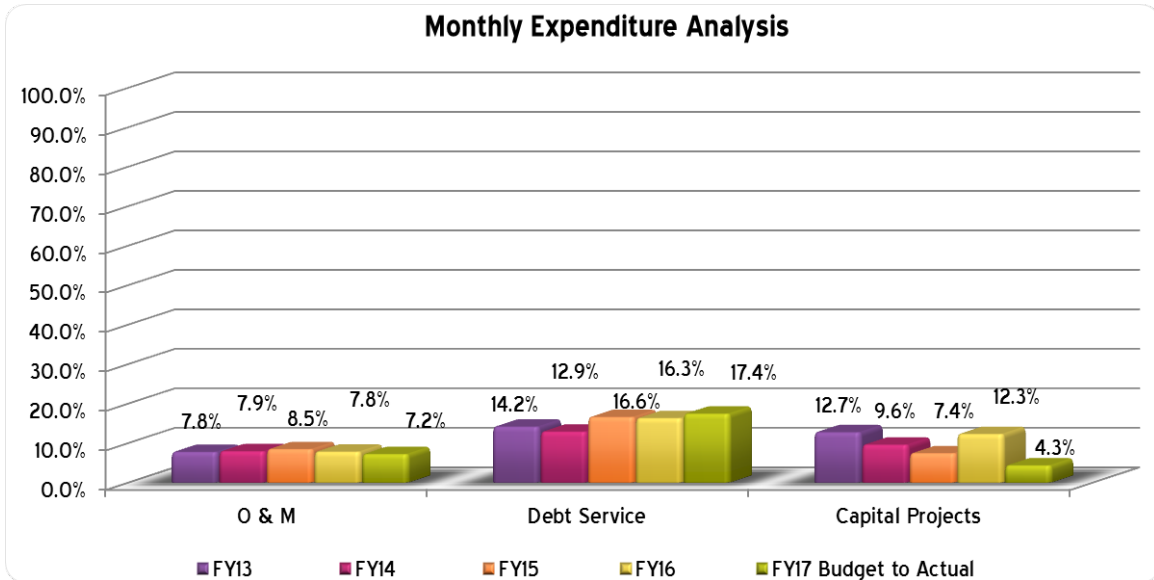
- Monthly domestic sewer revenue is considered reasonable based on timing of cash receipts in their respective fiscal periods.
- Monthly industrial sewer revenue is reasonable based on historical trends.
- Due to the unpredictable nature of facility and tap fee revenue, staff considers facility and tap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



YTD Actual Revenue Analysis:

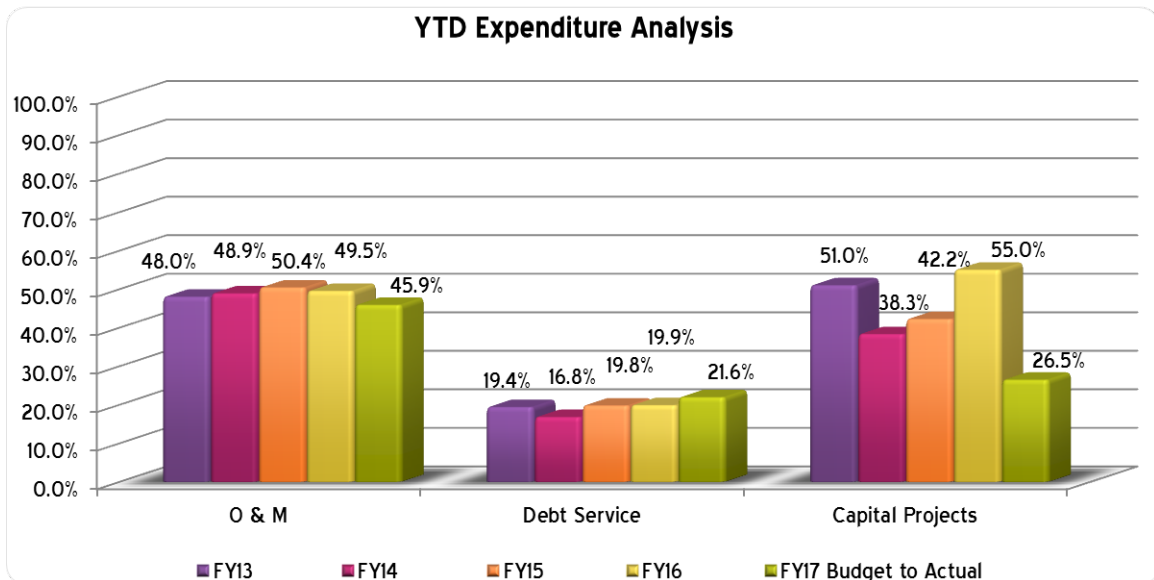
- YTD domestic sewer revenue is considered reasonable based on historical trends.
- YTD industrial sewer revenue is reasonable based on historical trends.
- Due to the unpredictable nature of facility and tap fee revenue, staff considers facility and tap fee revenue reasonable.

**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF EXPENDITURES
As of December 31, 2016**



Monthly Expenditure Analysis:

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



YTD Expenditure Analysis:

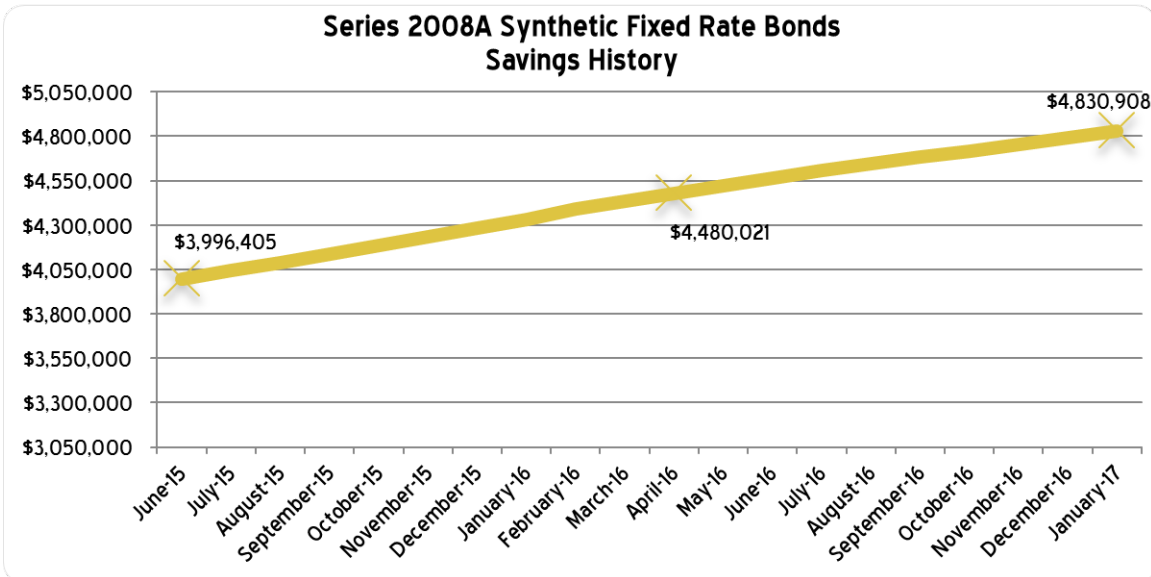
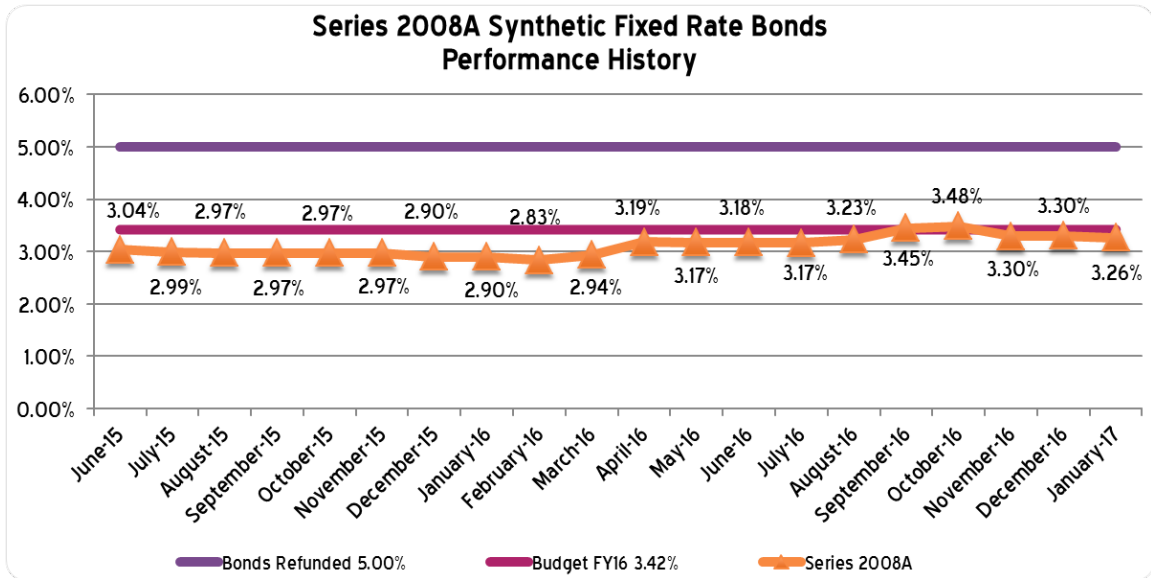
- YTD O&M expenditures are considered reasonable based on historical trends.
- Due to the nature of the variable rate bond market, YTD expenditures can vary year to year. Based on current variable interest rates, YTD debt service expenditures are considered reasonable.
- Due to nature and timing of capital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

Board Meeting: February 15, 2017

Subject: Cash Commitment/Investment Report-Month Ended December 31, 2016

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**METROPOLITAN SEWERAGE DISTRICT
VARIABLE DEBT SERVICE REPORT
As of January 31, 2017**



Series 2008A:

- ▮ Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$4,830,908 as compared to 4/1/2008 fixed rate of 4.85%.
- ▮ Assuming that the rate on the Series 2008A Bonds continues at the current all-in rate of 3.9475%, MSD will achieve cash savings of \$4,670,000 over the life of the bonds.
- ▮ MSD would pay \$4,009,414 to terminate the existing Bank of America Swap Agreement.

STATUS REPORTS

MSD System Services In-House Construction

FY 16-17 PROJECTS

PROJECT NAME	LOCATION	ZIP CODE	ESTIMATED FOOTAGE	ESTIMATED PROJECT DATES	WO#	CREW	COMPLETION DATE	ACTUAL FOOTAGE	NOTES
Asheville Country Club Phase 1 B	N. Asheville	28804	1739	6/29/16 - 7/21/16	234696	631	7/21/2016	1739	complete
Asheville Country Club 6" Replacement	N. Asheville	28804	325	7/25/16 - 7/27/16	235071	631	7/27/2016	325	complete
Tanglewood Drive at Craggy Ave	W. Asheville	28803	141	7/18/16 - 7/28/16	233397	632	7/28/2016	101	complete
Graceland Place Rehabilitation	Arden	28704	120	6/27/16 - 8/2/126	234656	632	8/2/2016	120	complete
Dejeuil Drive Sewer Rehabilitation	W. Asheville (Starnes Cove)	28806	300	8/8/16 - 9/1/16	219451	632	8/15/2016	300	complete
Asheville Country Club Phase 2	N. Asheville	28804	3,900	7/28-16 - 9/28/16	225192	631	9/30/2016	3,923	complete
Lakeshore Drive	N. Asheville	28804	500	9/2/16 - 10-1/16	235169	632	10/5/2016	597	complete
Asheville Country Club Phase 1C	N. Asheville	28804	230	10/3/2016 -10/7/16	236906	631	10/6/2016	235	complete
166 S. French Broad Ave	Asheville	28803	280	10/4/16 - 10/7/16	236410	632	10/12/2016	317	complete
643 Haywood Road Emergency Sewer Rehabilitation	W. Asheville	28806	336	10/10/16 - 10/14/16	237069	632	10/20/2016	365	complete
Asheville Country Club Phase 3 (Robinhood Rd)	N. Asheville	28804	600	10/10/19 - 10/31/16	236602	631	11/16/2016	759	complete
Upper Chestnut @ Lookout Road (Ph. 1)	Woodfin	28804	800	11/07/16 - 12/30/16	210370	632	12/30/2016	787	complete
Meadowbrook Rd Rehabilitation	Black Mountain	28711	1327	11/17/16 - 1/31/17	236632	631	1/13/2017	1391	complete
Chestnut @ Lookout Road Phase 2	Woodfin	28804	479	1/3/17 - 1/13/17	239165	632	1/23/2017	496	complete
Buck Shoals Road	Arden	28704	350	1/13/17 - 1/31/17	239381	631	1/31/2017	356	complete
5 Spring Cove Terr	Beaverdam	28804	375	1/13/17 - 2/3/17	233212	632			In Construction
Spears Avenue Rehabilitation	Asheville	28801	300	2/1/17 - 2./28/17	225197	631			In Construction
69 Providence Road	West Asheville	28806	500	2/6/16 - 3/10/17	231127	632			ready for construction
Celia Place at Bond Street	Asheville	28801	526	3/1/17-3/31/17	227752	631			ready for construction
722 Center St	Asheville	28803	250	3/13/17 - 3/31/17	229911	632			ready for construction
Belmont Road	W. Asheville	28806	170	FY 16-17	233437	632			ready for construction
Starnes Avenue at Broadway Street	Asheville	28801	400	FY 16-17	208325	TBA			ready for construction
350 Old Haw Creek Road	Asheville	28805	1333	FY 16-17	47802	TBA			ready for construction
905 Patton Avenue	Asheville	28806	187	FY 16-17	220384	TBA			ready for construction
149 Weston Rd	Arden	28704	210	FY 16-17	225004	TBA			ready for construction
110 Beaver Drive	Woodfin	28804	425	FY 16-17	210211	TBA			ready for construction
18 Crestland Road	Asheville	28803	270	FY 16-17	46826	TBA			ready for construction
304 9th Street	Black Mountan	28711	450	FY 16-17	236507	TBA			Design 90% complete
24 Ivey Street	W Asheville	28806	850	FY 16-17	236509	TBA			Design 90% complete
Biltmore Avenue at Bryson Street	Asheville	28801	200	FY 16-17	225195	TBA			Design 75% complete
317 Barnard Road	Asheville	28804	299	FY 16-17	236089	TBA			In Design
Seventh St	Black Mountain	28711	200	FY 16-17	225198	TBA			In design
School Road at Woodland	W. Asheville	28806	350	FY 16-17	224993	TBA			In design
179 Old Haw Creek Rd	Asheville	28805	760	FY 16-17	220080	TBA			In Design
184 West Chestnut	Asheville	28801	320	FY 16-17	201957	TBA			In Design
15 New Jersey	Asheville	28806	250	FY 16-17	238782	TBA			In Design



CONSTRUCTION TOTALS BY DATE COMPLETED - Monthly

From 7/1/2016 to 12/31/2016

	Dig Ups	Emergency Dig Ups	Dig Up ML Ftg	Dig Up SL Ftg	Manhole Repairs	Taps Installed	ROW Ftg	IRS Rehab Ftg *	Const Rehab Ftg *	D-R Rehab Ftg *	Manhole Installs	Bursting Rehab Ftg *	Total Rehab Ftg *
July 2016	24	9	114	706	35	27	1,620	0	16	377	11	1,788	2181
August 2016	40	11	149	1,050	36	40	1,586	0	264	300	6	120	684
September 2016	32	9	219	471	23	20	1,833	0	0	3923	23	0	3923
October 2016	44	5	478	917	36	31	9,920	0	0	1173	14	403	1576
November 2016	35	11	123	703	33	20	1,175	0	8	447	7	312	767
December 2016	30	6	78	794	21	26	0	0	0	582	7	205	787
Grand Totals	205	51	1,160	4,641	184	164	16,134	0	288	6802	68	2,828	9918

* Used to calculate Total Rehab Footage



PIPELINE MAINTENANCE TOTALS BY DATE COMPLETED - Monthly

July 01, 2016 to December 31, 2016

	Main Line Wash Footage	Service Line Wash Footage	Rod Line Footage	Cleaned Footage	CCTV Footage	Smoke Footage	SL-RAT Footage
2016							
July	45,193	2,360	6,542	51,735	20,983	32,171	20,618
August	75,579	1,531	12,085	87,664	26,074	42,442	17,103
September	105,529	1,471	11,406	116,935	12,671	26,129	16,406
October	66,420	2,175	10,127	76,547	17,277	46,276	21,969
November	35,682	3,046	12,831	48,513	21,342	13,076	9,061
December	39,977	2,212	7,424	47,401	17,146	5,282	28,363
Grand Total:	368,380	12,795	60,415	428,795	115,492	165,377	113,520
Avg Per Month:	61,397	2,133	10,069	71,466	19,249	27,563	18,920



CUSTOMER SERVICE REQUESTS

Monthly - All Crews

CREW	MONTH	JOBS	AVERAGE RESPONSE TIME	AVERAGE TIME SPENT
DAY 1ST RESPONDER				
	July, 2016	106	26	41
	August, 2016	127	27	37
	September, 2016	92	28	43
	October, 2016	111	34	39
	November, 2016	119	34	39
	December, 2016	98	33	42
		653	31	40
NIGHT 1ST RESPONDER				
	July, 2016	14	21	49
	August, 2016	32	25	28
	September, 2016	10	25	16
	October, 2016	22	30	32
	November, 2016	13	30	29
	December, 2016	11	17	16
		102	25	29
ON-CALL CREW *				
	July, 2016	35	48	37
	August, 2016	34	43	33
	September, 2016	22	48	54
	October, 2016	43	41	34
	November, 2016	49	51	40
	December, 2016	60	50	33
		243	47	37
Grand Totals:		998	34	38

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

Right of Way Section 2nd Quarter Summary Open Projects

<i>Project</i>	<i>Total ROW Budget</i>	<i>Total Expends to Date</i>	<i>Comment</i>
166 South French Broad Ave. Emergency Sewer Rehab.			Contracts to convey easements signed. Await construction, plat and agreement preparation to acquire easements.
Asheville Country Club GSR	\$34,879	\$21,637	Access 75% complete with 62% of Total Budget expended to date. Anticipate two condemnations.
Dingle Creek Interceptor (formerly Ph II)	\$64,657	\$48,004	Access 100% complete with 74% of Total Budget expended to date. One condemnation filed with judgment pending. Construction moved out from 7/09 to 7/25 due to low pipe rating.
Dry Ridge Road 4" Main	\$22,904	\$2,882	Access 67% complete with 13% of Total Budget expended to date.
Hendersonville Rd. @ Rosscraggon Drive Phase 2	\$101,370	\$65,856	Access 75% complete with 65% of Total Budget expended to date. Approximately one-half of project redesigned. Anticipate one condemnation.
Hilliard Avenue @ Aston Park GSR	\$55,471	\$55,471	Project 100% complete with 100% of Amended Budget expended. One condemnation filed. Settlement reached and approved by Board prior to trial, saving further expenses of court.
Jonestown Road GSR	\$26,122	\$300	Access 4% complete with 1% of Total Compensation expended to date.
Meadowbrook Drive GSR	\$13,757	\$6,575	Project 100% complete with 48% of Total Budget expended and no condemnations. Constructed by SSD.
Mountain View Road GSR	\$23,464	\$18,201	Project 100% complete with 78% of Total Budget expended and no condemnations.
West French Broad Interceptor Extension	\$179,993	\$179,993	Access 100% complete with 100% of Amended Budget expended to date. One condemnation filed with judgement pending. This was a developer driven, interceptor extension project; i.e. new encumbrances to the land where no sewer existed previously. An independent appraiser determined market values in the \$40,000 to \$65,000 per acre range could be reasonably expected, depending on any number of factors unique to a given parcel. We began negotiations using a mid-range of \$55,000 per acre. We acquired easements from the developer for \$0; and from three other parcels for \$33,000, \$67,500 and \$67,500 per acre. The fifth parcel, owned by the Asheville Firefighters Association, was appraised at \$54,000 per acre; however, the AFA would not agree to grant an easement. Trial is scheduled for February 2017.

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

February 8, 2017

PROJECT	LOCATION OF PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
BYPASS PUMP STAGING AREAS	Woodfin 28804	NHM Constructors, LLC	3/16/2016	4/11/2016	2/22/2017	\$307,455.72	99%	Project is nearing completion.
FRENO DRIVE PSR	Asheville 28803	TBD	TBD	TBD	TBD	TBD	0%	Bids were opened on January 26th. Terry Brothers is the apparent low bidder. Project will be awarded at the February Board meeting.
LINING CONTRACT NO. 8	Various	IPR Southeast, LLC	1/18/2017	TBD	TBD	\$777,622.50	0%	Project was awarded to IPR Southeast. A preconstruction meeting is scheduled for February 9th.
POINT REPAIR CONTRACT NO. 1	Various	Patton Construction Group	8/17/2016	9/12/2016	6/30/2017	\$166,820.00	40%	Project is progressing well.
PLANT HEADWORKS IMPROVEMENTS	Woodfin 28804	Judy Construction Company	1/18/2017	TBD	TBD	\$8,377,000.10	0%	Project was awarded to Judy Construction Company. A preconstruction meeting is scheduled for March 2nd.
SAND HILL ROAD @ RUSSELL / DAVENPORT	West Asheville 28806	Terry Brothers Construction Company	12/21/2016	12/29/2016	4/28/2017	\$425,089.00	45%	Project is progressing well.
SOUTH FRENCH BROAD INTERCEPTOR - LINING	Biltmore Estate 28803	SAK Construction, LLC	11/16/2016	1/3/2017	4/3/2017	\$585,177.70	10%	Contractor is installing bypass pump. Cleaning to start week of 2/6/17.
SOUTH FRENCH BROAD INTERCEPTOR - LINING PHASE II	Biltmore Estate 28803	SAK Construction, LLC	1/10/2017	1/23/2017	4/1/2017	\$494,152.50	0%	Not started yet.
STRATFORD ROAD @ OXFORD COURT	Asheville 28804	Patton Construction Group	11/16/2016	1/3/2017	4/3/2017	\$216,700.00	35%	Project is progressing well.
SWEETEN CREEK ROAD @ BUSBEE VIEW	Asheville 28803	TBD	TBD	TBD	TBD	TBD	0%	Bids were opened on January 26th. Terry Brothers is the apparent low bidder. Project will be awarded at the February Board meeting.

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

Planning & Development Project Status Report

Active Construction Projects Sorted by Work Location and Project Number

February 2, 2017

#	Project Name	Project Number	Work Location	Zip Code	Units	LF	Pre-Construction Conference Date	Comments
1	Isaac Dickson School Relocation	2013033	Asheville	28801	School	504	1/13/2014	Final Inspection complete, awaiting close-out docs
2	Robinhood Relocation	2013107	Asheville	28804	5	230	7/23/2015	Awaiting Conveyance of Sewer System
3	Hunt Hill Apartments	2013111	Asheville	28801	180	1,729	3/5/2014	Waiting on final inspection
4	Dillingham Woods	2014048	Asheville	28805	27	375	3/4/2015	Waiting on final inspection - Project delayed
5	A.B. Tech Fernihurst Relocation	2014061	Asheville	28801	Comm.	697	4/8/2014	Awaiting Conveyance of Sewer System
6	Franklin School of Innovation	2014096	Asheville	28806	School	359	11/4/2016	Final Inspection complete, awaiting close-out docs
7	Rivermill Lofts Relocation	2014125	Asheville	28803	254	314	8/21/2015	Waiting on final inspection
8	Shelburne Road	2014126	Asheville	28806	9	418	4/5/2016	Installing
9	Gibson Road (aka Four Seasons)	2014138	Asheville	28804	3	137	9/11/2015	Awaiting Conveyance of Sewer System
10	Conestee	2014149	Asheville	28801	7	113	8/7/2015	Waiting on final inspection
11	Craggy Park Ph. 1	2014164	Asheville	28806	45	1,935	10/23/2015	Final Inspection complete, awaiting close-out docs
12	First Baptist Relocation	2015032	Asheville	28801	Comm.	333	7/21/2015	Final Inspection complete, awaiting close-out docs
13	Hall Avenue	2015035	Asheville	28806	8	329	3/4/2016	Waiting on final inspection
14	Cottages at Kenilworth	2015107	Asheville	28805	12	454	12/1/2015	Final Inspection complete, awaiting close-out docs
15	Ascot Point Apartments Phase 3	2015114	Asheville	28803	104	213	9/9/2016	Testing
16	8 Sulphur Springs Road	2015116	Asheville	28806	6	80	11/22/2016	Installing
17	The District	2015133	Asheville	28803	309	912	2/26/2016	Testing
18	Hampton Inn & Suites	2015144	Asheville	28806	Comm.	286	11/8/2016	Waiting on final inspection
19	Beale Road Subdivision (Habitat)	2015200	Asheville	28704	21	730	4/5/2016	Waiting on final inspection
20	Fairfield Inn & Suites - Tunnel Road	2015203	Asheville	28805	Comm.	350	4/29/2016	Waiting on final inspection
21	Atkins Street	2016009	Asheville	28803	45	903	1/20/2017	Pre-con held, construction not yet started
22	Richland Street	2016141	Asheville	28801	5	540	1/13/2017	Installing
23	880-888 Patton Avenue	2016182	Asheville	28806	4	85	1/31/2017	Pre-con held, construction not yet started
24	Upstream Way (aka Amboy) Ph. 2	2016254	Asheville	28806	11	402	10/20/2015	Pre-con held, construction not yet started
25	Rosebriar	2007005	Black Mountain	28711	12	309	8/28/2014	Waiting on final inspection
26	West Keesler Avenue	2007176	Black Mountain	28711	6	410	11/15/2016	Testing
27	Settings at Black Mountain	2008016	Black Mountain	28711	30	907	11/13/2015	Final Inspection complete, awaiting close-out docs
28	Cheshire Pocket Village	2015129	Black Mountain	28711	15	370	2/26/2016	Final Inspection complete, awaiting close-out docs
29	Tudor Croft (aka Roberts Farm) Ph.2	2016170	Black Mountain	28711	46	1,320	1/3/2017	Installing
30	Peregrine's Ridge	2006160	Buncombe Co.	28730	14	635	11/8/2016	Waiting on Deflection Test
31	Pinnacle at Arabella Heights	2006277	Buncombe Co.	28704	28	482	11/10/2015	Testing
32	Hyde Park Phase 2	2013058	Buncombe Co.	28704	14	500	12/3/2013	Waiting on final inspection
33	Givens Gerber Park	2014065	Buncombe Co.	28803	260	357	8/7/2015	Final Inspection complete, awaiting close-out docs
34	Creekside Cottages	2014095	Buncombe Co.	28704	7	504	3/12/2015	Final Inspection complete, awaiting close-out docs
35	Governor's Western Residence	2014100	Buncombe Co.	28804	Comm.	636	7/22/2015	Awaiting Easement Plat/Conveyance of Sewer System
36	Glenn Bridge Road	2014157	Buncombe Co.	28704	30	1,400	1/20/2017	Pre-con held, construction not yet started
37	Somerset at Walnut Cove	2015079	Buncombe Co.	28704	12	473	8/19/2016	Testing
38	Greymont Apartments	2015108	Buncombe Co.	28806	312	3,193	5/17/2016	Testing
39	Liberty Oaks Ph. 1A	2015157	Buncombe Co.	28715	125	705	1/17/2017	Installing
40	Williams-Baldwin Teacher Campus	2015166	Buncombe Co.	28806	24	313	9/16/2016	Waiting on final inspection
41	Ball Gap Road	2015186	Buncombe Co.	28704	14	947	5/31/2016	Waiting on final inspection
42	The Haven at Enka Lake	2015191	Buncombe Co.	28715	259	1,595	9/27/2016	Waiting on testing
43	Greenwood Fields Phase 1	2015204	Buncombe Co.	28804	158	2,830	6/16/2016	Testing
44	Newbridge Parkway Apartments	2016013	Buncombe Co.	28804	308	1,575	9/2/2016	Testing
45	Biltmore Lake Block I, Phase 2	2016042	Buncombe Co.	28803	26	1,297	8/5/2016	Final Inspection complete, awaiting close-out docs
46	Long Shoals Village Phase 2	2016109	Buncombe Co.	28704	Comm.	330	8/16/2016	Waiting on testing
47	Greenwood Park Phase 1	2014067	Weaverville	28787	7	283	9/1/2015	Final Inspection complete, awaiting close-out docs
48	Maple Trace Subdivision Phase 1	2014121	Weaverville	28787	31	2,420	1/29/2016	Final Inspection complete, awaiting close-out docs
49	Monticello Apartments	2015124	Weaverville	28787	168	1,484	6/14/2016	Testing
50	Creekside Village Phases III, IV, & V	2015167	Weaverville	28787	45	1,835	1/17/2017	Pre-con held, construction not yet started
51	Crest Mountain Phase 3B	2013041	Woodfin	28806	69	1,329	10/15/2013	Waiting on final inspection
52	Serenity Falls Subdivision	2015055	Woodfin	28804	45	2,583	9/18/2015	Waiting on final inspection
53	Reese & Jan Lasher (High Hopes)	2015152	Woodfin	28806	14	320	4/26/2016	Punchlist pending, awaiting closeout documents
TOTAL					3,134	43,770		