

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

February 17, 2021

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held on Wednesday, February 17, 2021 at 2 PM. Due to the Covid-19 virus, Board Members and some staff attended the meeting remotely, using the "Go To Meeting" software application. Attendance was available via web access or telephone. Members of the public were able to access the meeting as well. Chairman Vehaun presided with the following members present via internet or telephone access: Ashley, Bryson, Franklin, Kelly, Manheimer, Pelly, Pennington, Pressley, Valois, Watts, Whitesides and Wisler. Lapsley was absent.

Others present via internet or telephone access were William Clarke, General Counsel; Jacqueline Grant, Roberts & Stevens; Forest Westall, McGill Associates; Tom Hartye, Ed Bradford, Scott Powell, Ken Stines 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 16, 2020 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the December 16, 2020 Board Meeting. Mr. Pelly moved for approval of the minutes as presented. Mr. Kelly seconded the motion. Roll call vote was as follows: 13 ayes, 0 nays.

4. Discussion and Adjustment of Agenda:

Ms. Wisler asked if there had to be a roll call for everything. Mr. Clarke stated yes, that as a part of law authorizing remote meetings, everything on which you vote must be a roll call.

5. Introduction of Guests:

None.

6. Informal Discussion and Public Comment:

None.

7. Report of General Manager:

Mr. Hartye reported that MSD had an emergency repair dig-up on our main 54-inch interceptor along Riverside Drive, near the River Arts District. A small sink hole had developed over the top of the main. The main in that area was dug up, stabilized, and cleaned. This main was already part of the Carrier Bridge Pump Station Project, which is estimated to go to construction one or two years out. We are separating out this portion to be completed in this next fiscal year. It is a major ordeal in that everything coming from the south and east will have to be pumped around while this line is being repaired. It consists of a little over 2,000 LF.

Mr. Hartye reported that attached is a telephone message link from Ms. Gabai of Alclare Drive in Asheville regarding the work performed by MSD's in-house construction crews on the Jarnaul Avenue project. Thanks to Doug Dockery, Billy Cantrell, Boyce Lunsford, Mitch Nash, Elias Solorio and Robert Denny. <http://www.msdbc.org/other/KudoMRsGabai.mp3>.

Mr. Hartye reported that attached is an e-mail from February 4th regarding input from three other residents about the same job and crew.

Mr. Hartye reported that attached is an Answer Man article from the Asheville Citizen Times about MSD with some specifics about our wastewater treatment plant, along with a link to the virtual tour.

Mr. Hartye reported that the next regular Board Meeting will be held on March 17, 2021 at 2pm. The February Right of Way Committee Meeting has been cancelled. The next Right of Way Committee Meeting will be held on March 24, 2021 at 9am.

8. Consolidated Motion Agenda:

a. Consideration of Bids – Jarnaul Avenue Phase 2 Sanitary Sewer Rehabilitation Project:

Mr. Hartye reported that this project is located in North Asheville, just west of Beaver Lake, between Beaver Lake and Elkwood Avenue. The total project is comprised of 4,684 LF of 8-inch DIP. MSD's System Services Division is currently in the process of constructing Phase 1 which totals 2,514 LF. The portion being contracted out is Phase 2 and is comprised of 2,170 LF. The contract was advertised, and five bids were received on January 14, 2021 as follows: Thomas Construction Company in the amount of \$872,453.00; North American Pipeline Management in the amount of \$864,517.00; Huntley Construction Company in the amount of \$507,514.00; Hyatt Pipeline LLC in the amount of \$476,852.00 and Terry Brothers Construction Company in the amount of \$476,360.50. The apparent low bidder is Terry Brothers Construction Company in the amount of \$476,360.50. Terry Brothers has performed very good work for MSD in the past. The engineer's estimate for this Phase is \$689,000.00. Staff recommends award of this contract to Terry Brothers Construction Company in the amount of \$476,360.50, subject to review and approval by District Counsel.

b. Consideration of Developer Constructed Sewer Systems –Avadim; Biltmore Terrace Phase 3; 80 Deerhaven; East Haven Apartments; Glenn Bridge Meadows; Hyde Park Ph. 2; Joyner Avenue Sewer Relocation; Riverbend Forest; School Road East; ABCCM Transformation Village Off-site; ABCCM Transformation Village On-Site; Hotel Milan; Bear Creek Hotel; Ingles #137-Airport Road; McCormick Place:

Mr. Hartye reported that the Avadim project has been a joint effort with Land of Sky Regional Council, the Town of Black Mountain, Buncombe County,

MSD, and NCDOT to establish the infrastructure for this commercial industrial park which will create 551 new jobs.

Mr. Hartye reported that the Biltmore Terrace Phase 3 project is located in Buncombe County and will serve 15 residential units.

Mr. Hartye reported that the 80 Deerhaven Lane project will serve 2 residential units.

Mr. Hartye reported that the East Haven Apartments project is located in Buncombe County and will serve 95 residential units.

Mr. Hartye reported that the Glenn Bridge Meadows Extension project will serve 23 residential units.

Mr. Hartye reported that the Hyde Park Phase 2 project is located in Buncombe County and will serve 29 residential units.

Mr. Hartye reported that the Joyner Avenue project is located in the City of Asheville and will serve 4 residential units.

Mr. Hartye reported that the Riverbend Forest Subdivision project is located in Buncombe County and will serve 25 residential units.

Mr. Hartye reported that the School Road East project is located in Buncombe County and will serve 3 residential units.

Mr. Hartye reported that the ABCCM Transformation Village Off-Site and On-Site projects are located in Buncombe County. MSD will be participating in this project as it is affordable housing. The extensions themselves will be eligible for a \$50,000.00 reimbursement and a \$35,000.00 reimbursement for a 3" meter.

Mr. Hartye reported that the Hotel Milan project is located in the City of Asheville.

Mr. Hartye reported that the Bear Creek Hotel project is located in the City of Asheville.

Mr. Hartye reported that the Ingles #137 Airport Road project is located in the City of Asheville.

Mr. Hartye reported that the McCormick Place project is located in the City of Asheville and will serve 17 residential units.

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

c. Second Quarter Budget to Actual Review – FY 2021:

Mr. Powell reported that Page 48 presents the District's Second Quarter Budget to Actual Revenue and Expenditure Report. Domestic and Industrial Revenue are at budgeted expectations taking into consideration the timing of cash receipts. Facility and Tap Fees are above budgeted expectations due to receiving unanticipated revenue from various developments. Interest and miscellaneous income are at budgeted expectations. O&M expenditures are at 52.3% of budget. They include encumbered amounts. These amounts will be spent in the next few months. Bond principal and interest expenditures are reflected at 50%. This will aid the user to properly assess debt service commitments on a budgetary perspective. Actual amount spent as of the end of the second quarter is 18.2%. This is due to the timing of the District's debt service payments. Amounts budgeted for capital equipment and capital projects are rarely expended proportionately throughout the year. Due to the timing of capital projects, these amounts are considered reasonable.

d. Cash Commitment Investment Report – Month ended December, 2020:

Mr. Powell reported that Page 50 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. Additionally, the makeup of the District's Investment Portfolio is in accordance with the District's Investment Policy. Page 51 presents the MSD Investment Manager's report as of the month of December. The weighted average maturity of the investment portfolio is 49 days and the yield to maturity is 0.07%. Page 54 presents the District's Variable Debt Service Report. The 2008A Series Bond is performing at budgeted expectations. As of the end of January both issues have saved the District rate payers approximately \$6.6 million in debt service since April 2008.

e. Consideration of Auditing Services Contract – FY 2021:

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 the FY 2021 engagement Cherry Bekaert is proposing a fee of \$38,000.00. This is an \$11,000.00 decrease from last year and predominately due to working remotely as it pertains to our engagement. Staff recommends approval of the FY2021 audit contract with Cherry Bekaert, LLP. Ms. Wisler stated that she saw that they gave the District fees for five years. Is the idea that it will be remote for the next five years? Mr. Powell stated that they are looking at being remote for the upcoming engagement due to COVID. As for the other years, they are holding that initial fee down to what they are projecting. Depending on where we stand with the COVID situation, they might be out here through the engagement. They are committed to keeping these fees flat over the next five years.

With no further discussion, Mr. VeHaun called for a motion to approve the Consolidated Motion Agenda. Mr. Watts moved; Mr. Kelly seconded the motion. Roll call vote was as follows: 13 ayes, 0 nays.

9. Old Business:

Mr. Valois stated that he was looking at the fire report from the fire a few months ago. He stated that this was a more extensive fire than what was relayed to him early on. The fire report states that there were five Counties, further investigations and multiple insurance companies involved. He asked if that could be explained to him, why it was so much more drastic in this report than the original report he received a few months ago. Mr. Hartye reported that he shared in his report that all of those departments from the five counties came and assisted. They were having to pull water from down on Riverside Drive up to the fire. Mr. Valois asked if there was no water system on the facility or anywhere close. Mr. Hartye stated no, there is not, and that is why they were calling everybody to help, to haul up water and pump it. Mr. Valois stated that there were multiple insurance companies involved and asked if there was something else in that facility besides our products and were other vendors equipment in there. Mr. Hartye stated yes that information was relayed as well in his report. Not only did the District store things in the facility, the contractor for the plant improvements also had stored materials in there. The subcontractor for the job was the one who originated the fire. This was a painting subcontractor who took a blanket and some space heaters and was heating up two-part epoxy, left it and it caught on fire. Mr. Hartye stated that as to the question of why there were multiple insurance companies involved, which was also relayed in his report, there is the subcontractor's insurance, the general contractor's insurance, and the District's insurance. These insurance companies will then go after everyone else, Lowe's for the space heaters, etc. The District had to get everybody in and together and they go through much more detail than the Fire Marshall did. It appears that most everything will be subrogated, and the District's insurance will be recovering from the other insurance companies. Mr. Valois asked who gave the subcontractor permission to form a process inside the facility without any kind of adequate safety measures in place. He stated that he didn't see anything about a fire cabinet for the epoxy or anything. Mr. Hartye stated they were not given any permission to do so, all they had permission to do was to store their pumps up there. No one is at that facility except for contractors or MSD Employees if they go up there to pick up equipment. No one knew what the subcontractor was doing. He did not get any approval and that was found out after the fact. Mr. Valois asked if the District did any type of site safety sheet when these contractors come in, so you know the processes that they are going to be putting in place and if there are any safety issues that can be addressed to them before they happen. Mr. Hartye stated that MSD has an ISO Program, and the contractors are dealt with up front regarding this ISO program. That is part of the contract and the preconstruction meetings and conferences that are held monthly with the contractor. This was an errant subcontractor, one guy, doing this. Mr. Valois asked Mr. Hartye to describe the building to him, he stated that before Mr. Hartye had said it was a storage building but, in the report, they say it is a warehouse. Mr. Valois stated that he did not see anything in the photos to indicate this is a warehouse. It doesn't have a sprinkler system, fire walls, it doesn't meet any of the parameters of what he would consider to be a warehouse type facility which would have a lot of life safety equipment in there as well. Mr. Hartye stated that the only people who called it a warehouse was the press. Mr. Valois stated that in the fire report they called it a warehouse. Mr. Hartye stated that he described it in his report as a storage facility for backhoes, tractors, pipe, and that type of thing to keep them out of the sun and rain. It was a

re-used open metal building, the former lime stabilization building, that was no longer in use and we used it to keep things protected from the sun and rain. There is a warehouse adjacent to this Administration Building that has all the sprinkler systems, fire walls and that type of thing. This was just a storage facility used to protect equipment, not a warehouse. Mr. Valois asked if there were any liability issues that are coming about from this or is it strictly on the subcontractor. Mr. Hartye stated that at this point it is on the subcontractor and contractor. That is what MSD is hearing and feels confident about it. Mr. Hartye stated that MSD has assessed everything that was damaged and are using whatever can be re-used and replacing everything that needs to be replaced. The building is now being demolished and hauled off for scrap metal. MSD will be rebuilding a smaller footprint building with a new foundation on the same pad. This process is being designed now. In the meantime, MSD is replacing all the lost equipment based on priority through a fund. Through that fund we will recover monies from the insurance. There was no further discussion.

10. New Business:

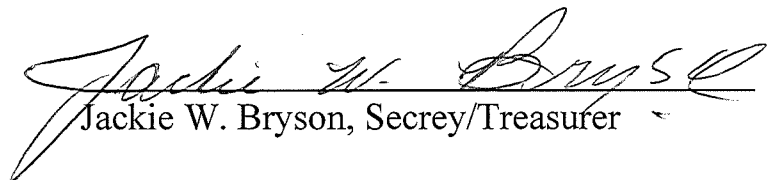
At 2:30 pm, Mr. VeHaun called for a motion to go into closed session to discuss a personnel matter. Mr. Pelly made the motion. Ms. Franklin seconded the motion. Roll call vote was as follows: 13 ayes, 0 nays.

At approximately 3:00 pm, the Board came back into open session. There were some further questions, and the decision was made to go back into closed session.

At approximately 3:15 pm, the Board came back into open session.

11. Adjournment:

With no further business, Mr. VeHaun called for adjournment at approximately 3:15 pm.


Jackie W. Bryson, Secrey/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 2/17/2021

✓	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 December 16, 2020 Board Meeting	VeHaun	2:10	
	03. Discussion and Adjustment of Agenda	VeHaun	2:15	
	04. Introduction of Guests	VeHaun	2:20	
	05. Informal Discussion and Public Comment	VeHaun	2:25	
	06. Report of General Manager	Hartye	2:30	
	07. Consolidated Motion Agenda	Hartye	2:40	
	a. Consideration of Bids - Jarnaul Avenue Phase II	Hartye		
	b. Consideration of Developer Constructed Sewer Systems – Avadim ; Biltmore Terrace Ph. 3 ; 80 Deerhaven ; East Haven Apartments ; Glenn Bridge Meadows ; Hyde Park Ph. 2 ; Joyner Avenue Sewer Relocation ; Riverbend Forest ; School Road East ; ABCCM Transformation Village Off-site ; ABCCM Transformation Village On-site ; Hotel Milan ; Bear Creek Hotel ; Ingles 137-Airport Road ; McCormick Place	Hartye		
	c. Second Quarter Budget to Actual Review-FY 2021	Powell		
	d. Cash Commitment/Investment Report-Month ended December, 2020	Powell		
	e. Consideration of Auditing Services Contract-FY2021	Powell		
	08. Old Business:	VeHaun	3:00	
	09. New Business:	VeHaun	3:05	
	10. Adjournment: (Next Meeting 3/17/21)	VeHaun	3:10	
	STATUS REPORTS			

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
December 16, 2020

1. Call to Order and Roll Call:

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Others present via internet or telephone access were William Clarke, General Counsel; Daniel T. Gougherty from Cherry Bekaert; Tom Hartye, Ed Bradford, Scott Powell, 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 November 18, 2020 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the November 18, 2020 Board Meeting. Mr. Whitesides moved for approval of the minutes as presented. Mr. Pressley seconded the motion. Roll call vote was as follows: 13 ayes, 0 nays.

4. Discussion and Adjustment of Agenda:

None.

5. Introduction of Guests:

Mr. VeHaun welcomed Daniel Gougherty from Cherry Bekaert.

6. Informal Discussion and Public Comment:

None.

7. Report of General Manager:

Mr. Hartye reported that Daniel T. Gougherty from Cherry Bekaert, the District’s Auditor, is present to give a report on the Fiscal Year 2020 Audit. The full Comprehensive Annual Financial Report for FY 2020, which includes the Auditors report, can be accessed with the following link: <http://www.msdbc.org/documents/financial/cafr/FY2020Pre.pdf>. Mr. Powell will review the document as a part of the Consolidated Motion Agenda. Mr. Gougherty reported that the audit was performed under generally accepted auditing standards which are to provide reasonable assurance that financial statements are free from material misstatement and fairly presented in accordance with generally accepted accounting principles. This is also done to express an opinion on financial

statements. In addition to the generally accepted auditing standards, they also completed the audit in accordance with Government Auditing Standards. Required Communications include any policy changes, estimates or journal entries that they may have had. What was issued this year is called an unmodified opinion or a “clean audit report” which is the best opinion they can provide. There were also no material weaknesses or significant deficiencies in internal control items or audit adjustments. Regarding required communications, there were two new pronouncements that were implemented by the District this year. The GASB 87 regarding Leases requires all leases be reported as capital leases and reported on balance sheet. It was determined that there were no material leases to the District that needed to be reported. GASB 93 deals with Derivative Termination events. There was a change from LIBOR to SIFMA but there was no change on the actual financial statements themselves. Significant estimates include the useful life of capital assets, allowance for depreciation on customer receivables, the valuation of interest rate swap liability, pension, and post retirement obligations. There were no difficulties or audit adjustments. Mr. Gougherty reported that a big part of the audit is looking at internal controls and explained what measures were used. All journal entries that were reported were for a proper business purpose and were properly approved. Information Technology Controls were looked at with a high level of what controls were in place with IT and compared them to industry standards making sure that the policies and procedures that are in place are adequate based on industry standards, making sure that everyone is vigilant and making sure that no one is clicking on an email that could put the District at risk. Significant Audit Areas include Receivables and Revenues, Accounts Payable and Expenditures, Payroll, and Investments. Mr. Gougherty presented graphs showing financial highlights. The first graph shows the trend in Capital Assets over the past 10 years. The Districts capital assets continue to increase every year. He stated this shows that the District continues to invest in the system and continues to make improvements. The second graph shows a 10-year trend of the Long-Term Bond Obligations which the District has been paying down as it invests in Capital Assets. The third graph is the Net Position. This shows assets and deferred inflows over liabilities and deferred outflows. The fourth graph shows Operating Results which include Operating Revenues, Expenses and Income over the last 10 years. Operating Revenues have been relatively flat over the last few years. In summary, there are clean opinions for both financial statements and yellow book reports and there were no journal entries for the District. He stated that the District has good internal controls and full cooperation with management. He thanked Tom Hartye, Scott Powell, and Cheryl Rice for all their work in getting this audit completed. There were no questions.

Mr. Hartye reported that attached is a letter to the Governor regarding the distribution of the vaccine for wastewater system operators. He received return communication and as hoped, the outside employees who are in the thick of this, both with sewage and those in close working quarters, will be included in Phase 2. The rest who are in a critical industry, but those not in a critical position, will be included in Phase 3. He stated this seems logical and he is thankful.

Mr. Hartye reported that attached is a letter from Scott Shuford of Wildwood Park in Weaverville. Much thanks to R.L. Haynes, Doug Dockery, Billy Cantrell, Boyce Lunsford, Mitchell Nash, and Elias Solorio.

Mr. Hartye reported that the next regular Board Meeting will be held on January 20, 2021 at 2pm. The next Right of Way Committee Meeting will be held on January 27, 2021 at 9am.

8. Consolidated Motion Agenda:

a. Consideration of Annual Meeting Dates - 2021:

Mr. Hartye reported that attached are the annual meeting dates for the regular Board Meetings.

b. Consideration of Budget Calendar – FY 2021:

Mr. Hartye reported that attached is the Budget Calendar. This calendar lays out the Committee Meetings that are typically held as part of the Budget process.

c. Consideration of Developer Constructed Sewer Systems – 705 Bee Tree Road; White Oak Grove:

Mr. Hartye reported that the 705 Bee Tree Road project included extending approximately 494 linear feet of 8-inch public gravity sewer to serve 11 residential units.

Mr. Hartye reported that the White Oak Grove project is located off of Clayton Avenue in the City of Asheville and included rehabilitating approximately 97 linear feet of 8-inch public gravity sewer and extending 1,068 linear feet of 8-inch public gravity sewer to serve 113 apartment units.

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

d. Consideration of Purchase of 2021 Truck Chassis – Fleet Replacement:

Mr. Hartye reported that the District's policy is to annually evaluate the condition of fleet vehicles and purchase replacements when the estimated cost of repair and maintenance will exceed the cost of a new vehicle. At the March 19, 2020 Equipment Replacement Committee meeting, the members recommended the purchase of one (1) new truck chassis to replace the existing tanker truck chassis which was purchased in 2006 with a current odometer reading of 407,500 miles. The new vehicle will have significant safety upgrades. Three bid packages were received and opened on November 5, 2020. Freightliner was the lowest responsive, responsible bidder to the MSD specifications with a bid amount of \$98,163.00. \$125,000.00 was budgeted for this item in the FY2021 Fleet Replacement Fund. Staff recommends the bid be awarded to Freightliner in the amount of \$98,163.00.00, subject to review and approval by District Counsel.

e. Consideration of Comprehensive Annual Financial Report – Fiscal Year Ended June 30, 2020:

Mr. Powell reported that Page 78 represents a highlight of the years' activities. Domestic and Industrial revenues were slightly below budgeted expectations as a direct result of COVID. Facility and Tap Fees are above budgeted expectations. This is due to the District receiving \$2.5 Million from 8 developers throughout the year. Interest income was below budgeted expectations due to COVID impact on short term interest rates. The District typically achieves a 96% Budget to Actual Ratio on O&M expenditures. This year the District achieved a 91% Budget to Actual Ratio. This was due to deferred utility cost at \$307,000.00 as well as a favorable self-health insurance year due to COVID. Capital Project expenditures are at approximately 79% of budget. This was due to COVID impact on construction as well as the Christian Creek Interceptor Project being delayed due to issues with the Norfolk Southern easement. Bond principal and interest actually spent was less than budgeted expectations. This is due to continued interest rate swap savings. There were no questions.

f. Cash Commitment Investment Report – Month ended October, 2020:

Mr. Powell reported that Page 41 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 42 presents the MSD Investment Manager's report as of the month of October. The weighted average maturity of the investment portfolio is 39 days and the yield to maturity is 0.06%. Page 43 presents the District's Analysis of Cash Receipts. Domestic and Industrial Revenue User Fees are considered reasonable taking into consideration the timing of cash receipts as well as historical trends. Facility and Tap Fees are above budgeted expectations due to receiving revenue from various developers. Page 44 presents the District's Analysis of Expenditures. O&M, Debt Service and Capital Project Expenditures are considered reasonable based on historical trends and timing of cash expenditures. Page 45 presents the MSD Variable Debt Service Report for the month of October. The 2008A Series Bond is performing better than budgeted expectations. As of the end of October both issues have saved the District rate payers approximately \$6.5 million in debt service since April 2008.

With no further discussion, Mr. VeHaun called for a motion to approve the Consolidated Motion Agenda. Mr. Watts moved; Mr. Kelly seconded the motion. Roll call vote was as follows: 13 ayes, 0 nays.

9. Old Business:

None.

10. New Business:

None.

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December 16, 2020
Page Five

11. Adjournment:

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

Jackie W. Bryson, Secrey/Treasurer



MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: February 12, 2020
SUBJECT: Report from the General Manager

- Main Interceptor along Riverside Drive

MSD had an emergency repair dig-up on our main 54-inch Interceptor along Riverside Dr. near the River Arts District. A small sink hole had developed over the top of the main. The main in that area was dug up, stabilized, and cleaned. This main was already under design for replacement and upgrade as a part of the Carrier Bridge Pump Station project, which is estimated to go to construction approximately two years out. We are separating out this portion to be completed in this next fiscal year.

- Kudos

- Below is a telephone message link from Ms. Gabai of Alclare Dr. in Asheville regarding the work performed by MSD's in-house construction crews on the Jarnaul Dr. project. Thanks to Doug Dockery, Billy Cantrell, Boyce Lunsford, Mitch Nash, Elias Solorio, and Robert Denny.
<http://www.msdbc.org/other/KudoMRsGabai.mp3>
- Attached is an email (February 4th) regarding input from three other residents about the same job and crew.

- AC-T

Attached is an answer man article about MSD and some specifics about our wastewater treatment plant in Woodfin.

- Board/Committee Meetings/Events

The next Regular Board Meeting will be held on March 17th at 2 pm. The February Right of Way Committee has been cancelled. The next Right of Way Committee meeting will be held on March 24th at 9am.

MOUNTAINS

Can I drink treated wastewater?



Answer Man
John Boyle
Asheville Citizen Times
USA TODAY NETWORK

Today's batch of burning questions, my smart-aleck answers and the real deal:

Question: There recently was a rather large fire in a storage facility at the Metropolitan Sewerage District of Buncombe County. It got me thinking about that facility. What is the average volume of processed wastewater that is discharged on a daily basis? Is the purified water that goes into the French Broad River technically safe enough to drink? With increasing concerns about water usage, could what I think of as reprocessed water be recycled? How many miles of piping are there that bring waste materials into the facility? What does the MSD do with the sterilized/neutralized remaining solid waste? What is the measured daily amount of the solid waste?

My answer: Well, if ever there was a case to be made for employing my favorite measurement term — the ahem, “poop-ton” — this is it.

Real answer: I know y'all are just dying to know if you can drink treated sewage water, so let's just skip right ahead to that one.

“The plant treats the wastewater with biological processes and filters to a much cleaner state than the French Broad River to which it discharges,” MSD General Manager Tom Hartye told me via email. “The wastewater would need further polishing to meet drinking water standards.”

“Polishing” the sewage water brings to mind another of my favorite expressions, one which I've on occasion employed with my editors regarding some especially rough copy, but I digress.

On to the volume question. The MSD plant in Woodfin treats the sewage for much of Buncombe County, as well as the Town of Fletcher.

“The wastewater collected on the average day is approximately 23 million gallons,” Hartye said. “In extreme rain events that can surge to over 65 million gallons.”

As far as “recycling” water, that's a little impractical here, as well as unnecessary.

“The Asheville metro area is blessed with a pristine and plentiful water supply high in the mountains, which can serve most areas by gravity,” Hartye said. “It would be impractical, costly, and involve a much larger carbon footprint for MSD to final polish the wastewater and pump it back up into the mountains for drinking.”

Here's another fun factoid about



Rows of rotating biological contactors work as a step in the process of treating Asheville's wastewater at the water reclamation facility of the Metropolitan Sewerage District on Oct. 9, 2018. The facility has 152 rotating biological contactors. ANGELI WRIGHT/CITIZEN TIMES

MSD's energy usage: “MSD actually reduces its carbon footprint by operating a hydroelectric facility adjacent to the plant that produces 2,880 kilowatts of electricity,” Hartye said. “This energy is used to offset a significant portion of the power needed to treat the wastewater for the region.”

Next up, Hartye tackled the miles of piping question.

“MSD's network of sewer pipes runs for 1,118 miles throughout the 264 square mile service area and varies in size from 6-inch to 66-inch in diameter,” Hartye said. “Connected to these pipes are 41 pump stations to keep the wastewater flowing and 32,983 manholes to provide access for maintenance.”

Next up, the solid part of the equation.

“As far as the solid end of things, the larger solids (inorganic portion) that are separated from the wastewater amount to approximately 115 cubic yards per month (and) are washed, compacted and hauled to the county landfill, while the organic fraction of 17 dry tons/day are dewatered and incinerated,” Hartye said.

The utility also has an upgrade ongoing.

“MSD is currently in the midst of the second of three major plant process up-

grades to meet future demands and regulations,” Hartye said. “The current \$17 million project is a High-Rate Primary Treatment, which will use an innovative technology of ballasted flocculation to further improve the treated water quality.”

No, I didn't know what “flocculation” meant, either, but it is a delightful word.

Wikipedia tells us: “According to the International Union of Pure and Applied Chemistry definition, flocculation is ‘a process of contact and adhesion whereby the particles of a dispersion form larger-size clusters.’ Flocculation is synonymous with agglomeration and coagulation/coalescence.”

There's your word for the day. Use it wisely.

After answering all those questions in nice detail, Hartye asked me for a bit of space for a public service announcement. That seemed only fair enough.

“If I may be so bold as to sneak in a public service announcement, I would like to convey that toilets are not trash cans,” Hartye said. “Almost all of the inorganic waste referenced above should not be in the sewer at all and should be thrown into the trash so that it goes directly to the landfill.”

I think we're all guilty of this are various times, and we really should reform

our ways. As a guy who occasionally yells, “Fore!” while finishing up on the throne, I know I've sinned.

“Tossing solid waste items in the toilet wreaks havoc on the conveyance systems, such as pipes and pump stations, and causes back-ups and overflows,” Hartye explained. “One of the main culprits are ‘wipes.’ Wipes do not break down in the system like toilet paper does.”

I've written about this before, and even took a trip to the wastewater treatment plant to see how they dispose of the wipes, and I can tell you it's quite an involved process.

“Some wipes containers indicate that they are ‘flushable,’ however this is a misnomer, as they will not break down and will still cause problems for our system operation,” Hartye said. “Please dispose of all wipes into the trash.”

Also, if you're as fascinated by all this as the questioning reader was, Hartye highly recommends a virtual tour of the MSD Treatment Plant, which you can find here: <https://youtu.be/sJoqyJAt-uk>

I don't know about y'all, but after all that information, I'm pooped!

Hey, you knew that was coming...

This is the opinion of John Boyle. To submit a question, contact him at 232-5847 or jboyle@citizen-times.com

From: Haynes, RL <RLHaynes@msdbc.org>

Sent: Thursday, February 4, 2021 12:27 PM

To: Stamey, Mike <MikeS@msdbc.org>

Subject: Kudos

Mike,

I just visited the Jarnaul Avenue project and was approached by three separate property owners who all had very complimentary things to say about Doug and his crew. Mr. Turnau from 11 Jarnaul commented that Doug and crew were very courteous as work took place on their property. He also expressed appreciation for the cleanup work that took place on the property. Mr. Webber at 1 Sareva and Mr. Fahmy at 2 Sareva commented that the crew carried on with their tasks in a very professional manner. They also said it was helpful when Doug explained the project, including the work that will be undertaken to restore lawns, sidewalks, and the street itself.

Just wanted to pass this info along to you.

R.L.

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

BOARD MEETING DATE: February 17, 2021

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: Jarnaul Avenue Phase 2 Sanitary Sewer Rehabilitation Project, MSD Project No. 2016104

BACKGROUND: This project is located in North Asheville, just west of Beaver Lake. It consists of replacing a problematic six-inch clay line which has misaligned joints, pipe fractures, and heavy root intrusion. These defects have triggered numerous manhole overflows, SSOs and over 40 customer service requests over the past 15 years.

The total project is comprised of 4,684 linear feet of 8-inch DIP. MSD's System Services Division is currently in the process of constructing Phase I which totals 2,514 linear feet. Phase II is comprised of 2,170 linear feet.

The contract was advertised and five bids were received on January 14, 2021 in the following amounts:

<u>Contractor</u>	<u>Bid</u>
1) Thomas Construction Co.	\$872,453.00
2) North American Pipeline Mgmt.	\$864,517.00
3) Huntley Construction Co.	\$507,514.00
4) Hyatt Pipeline, LLC	\$476,852.00 (*)
5) Terry Brothers Const. Co.	\$476,360.50

(*) Bid was rejected due to improper Bid Bond.

The apparent low bidder is Terry Brothers with a bid amount of \$476,360.50. Terry Brothers has extensive experience with MSD rehabilitation projects, and their work quality has remained excellent over the years.

Please refer to the attached documentation for further details.

FISCAL IMPACT: The total FY20-21 Construction Budget for this project is \$1,497,000.00 for both phases. The engineer's estimate for this Phase II was \$689,000.00.

STAFF RECOMMENDATION: Staff recommends award of this contract to Terry Brothers Const. Co. in the amount of \$476,360.50, subject to review and approval by District Counsel.

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

**Jarnaul Avenue Sewer Rehabilitation, Phase 2
Project No. 2016104**

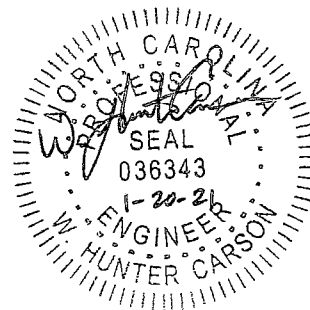
**BID TABULATION
January 14, 2021**

BIDDER	Bid Bond	MBE Form	Bid Forms (Proposal)	Total Bid Amount
Thomas Construction Company Johnson City, TN	5%	1	Yes	\$872,453.00
North American Pipeline Management Marietta, GA	5%	2	Yes	\$864,517.00
Huntley Construction Company Asheville, NC	5%	1	Yes	\$507,514.00
Hyatt Pipeline, LLC Canton, NC	(*)	1	Yes	\$476,852.00
Terry Brothers Construction Co. Leicester, NC	5%	1	Yes	\$476,360.50

APPARENT LOW BIDDER

(*) Contractor submitted an AIA bid bond, which MSD does not accept; therefore, the bid is rejected.

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 (by virtual means) at 2:00 p.m. on the 14th day of January, 2021, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina, and that said bids were accompanied by acceptable bidders bonds in the amount of 5% of the bid.

Interoffice Memorandum

TO: Tom Hartye, General Manager

FROM: Ed Bradford, Director of Engineering
Hunter Carson, Ass't. Director of Engineering

DATE: January 19, 2021

RE: Jarnaul Avenue Ph. 2 Sewer Rehabilitation, MSD Project No. 2016104

The Jarnaul Avenue Sanitary Sewer Rehabilitation project is located in North Asheville between Elkwood Avenue and Beaver Lake. It includes replacement of approximately 4,684 linear feet of existing 6-inch VCP over two phases of construction, with 8-inch DIP. MSD's System Services is currently in the process of constructing Phase I which totals approximately 2,514 linear feet. The remaining 2,170 linear feet will be contracted out and is the subject of this memorandum.

Misaligned joints, pipe fractures and heavy root intrusion have led to numerous manhole overflows, SSOs and over 40 customer service requests over the past 15 years. This project's pipe rating is high at 75 and is attributed to past overflows and SSOs, one flooded structure, poor structural condition, and the high frequency of customer service requests and associated work orders.

On Thursday, January 14, 2021, five sealed bids were received at 2:00pm. Due to restrictions from COVID-19, the bid opening was held virtually and bid results were read aloud. Results were as follows:

<u>Contractor</u>	<u>Bid Amount</u>
1) Thomas Construction Company	\$872,453.00
2) North American Pipeline Mgmt.	\$864,517.00
3) Huntley Construction Company	\$507,514.00
4) Hyatt Pipeline, LLC	\$476,852.00
5) Terry Brothers Construction Company	\$476,360.50

The bid from Hyatt Pipeline, LLC did not comply with NCGS requirements of a 5% bid bond and therefore was rejected.

The apparent low bidder is Terry Brothers Construction Company with a bid amount of \$476,360.50. The construction estimate for Jarnaul Ave. Ph. II was \$689,000.00. The FY20-21 construction budget for this project is \$1,497,000.00 (which is for both phases). 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.

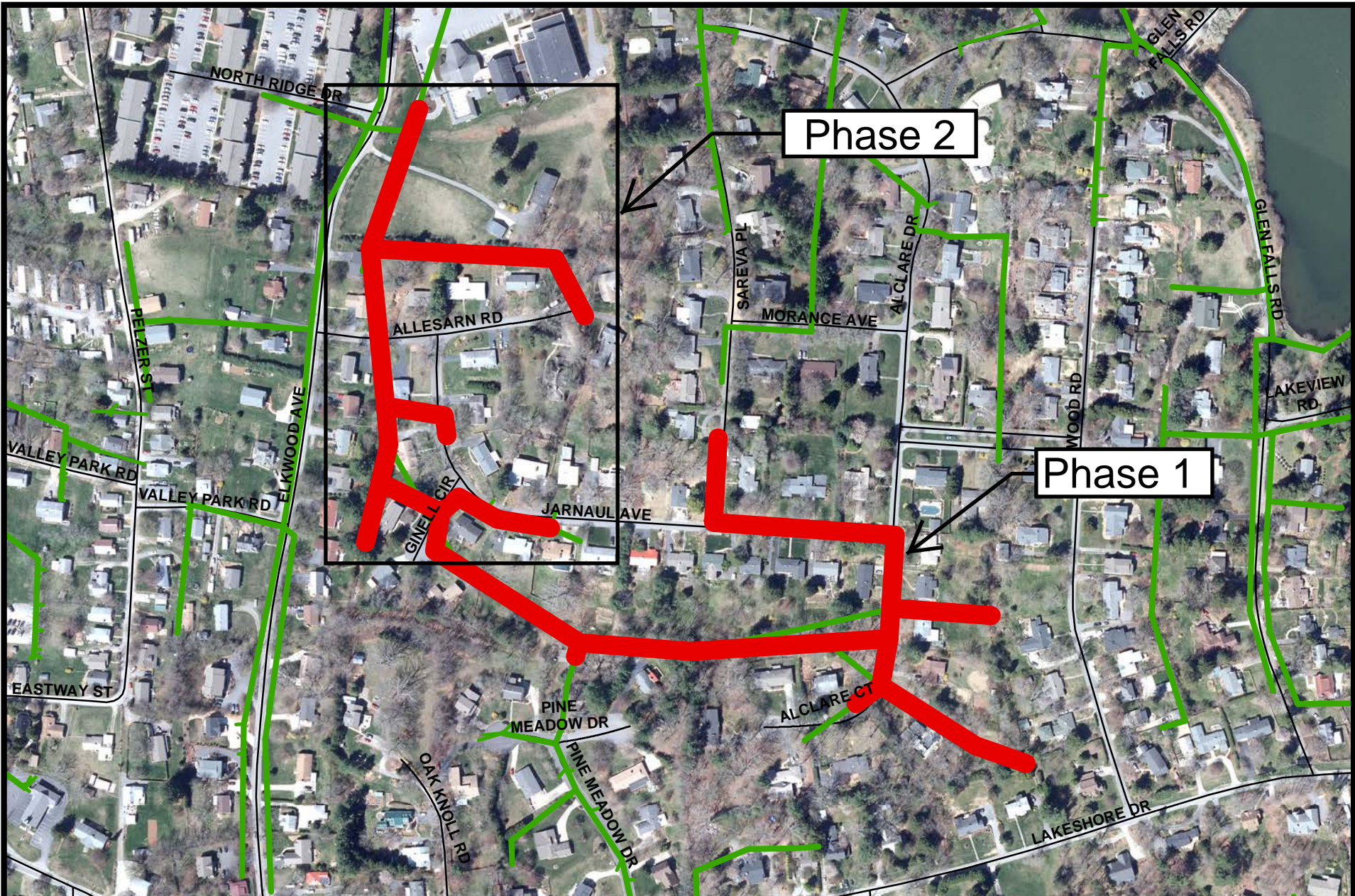
**Metropolitan Sewerage District of Buncombe County, North Carolina
CAPITAL IMPROVEMENT PROGRAM**

BUDGET DATA SHEET - FY 2020 - 2021

PROJECT: Jarnaul Avenue	LOCATION: N. Asheville
TYPE: General Sewer Rehab.	PIPE RATING: 75
PROJECT NO. 2016104	TOTAL LF: 4,684
PROJECT BUDGET: \$1,909,250.00	PROJECT ORIGIN: SSO's, Line Condition

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 12/31/19	EST. COST JAN - JUNE 2020	BUDGET FY 20-21
55310 - PRELIM. ENGINEERING				
55320 - SURVEY - DESIGN	\$18,500.00	\$18,500.00		
55330 - DESIGN				
55340 - PERMITS				
55350 - SPECIAL STUDIES				
55360 - EASEMENT PLATS	\$29,250.00	\$26,185.00	\$3,190.00	
55370 - LEGAL FEES	\$25,000.00	\$10,909.00	\$4,091.00	\$10,000.00
55380 - ACQUISITION SERVICES	\$85,500.00	\$56,250.00	\$18,000.00	\$11,250.00
55390 - COMPENSATION	\$200,000.00	\$66,038.00	\$30,000.00	\$103,962.00
55400 - APPRAISAL	\$10,000.00		\$5,000.00	\$5,000.00
55410 - CONDEMNATION	\$30,000.00			\$30,000.00
55420 - CONSTRUCTION	\$1,497,000.00			\$1,497,000.00
55430 - CONST. CONTRACT ADM.				
55440 - TESTING	\$2,000.00			\$2,000.00
55450 - SURVEY - ASBUILT	\$12,000.00			\$12,000.00
TOTAL AMOUNT	\$1,909,250.00	\$177,882.00	\$60,281.00	\$1,671,212.00

ENGINEER: MSD	HC	ESTIMATED BUDGETS - FY 22 - 30		
R.O.W. ACQUISITION: Consultant	# PLATS: [38]	FY 21-22		\$0.00
CONTRACTOR:		FY 22-23		\$0.00
CONSTRUCTION ADM: MSD		FY 23-24		\$0.00
INSPECTION: MSD		FY 24-25		\$0.00
		FY 25-26		\$0.00
PROJECT DESCRIPTION: This project is located in North Asheville, between Elkwood Ave. and Beaver Lake. The project consists of replacing approx. 4,684 LF of existing 4 and 6-inch VCP with new 8-inch DIP. The existing lines and manholes are in poor structural condition and have experienced multiple SSOs and manhole overflows.		FY 26-27		\$0.00
		FY 27-28		\$0.00
		FY 28-29		\$0.00
		FY 29-30		\$0.00
SPECIAL PROJECT NOTES:				



**Jarnaul Avenue
Project No. 2016104**

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 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Avadim Sewer Extension, MSD Project No. 2017001

BACKGROUND: This project is located inside the District boundary along I-40 near the Ingles warehouse facility, in the Town of Black Mountain. It has been a joint effort among the Land of Sky Regional Council, the Town of Black Mountain, Buncombe County, MSD, and NCDOT to establish the infrastructure for this facility, which is expected to create 551 new jobs in Buncombe County.

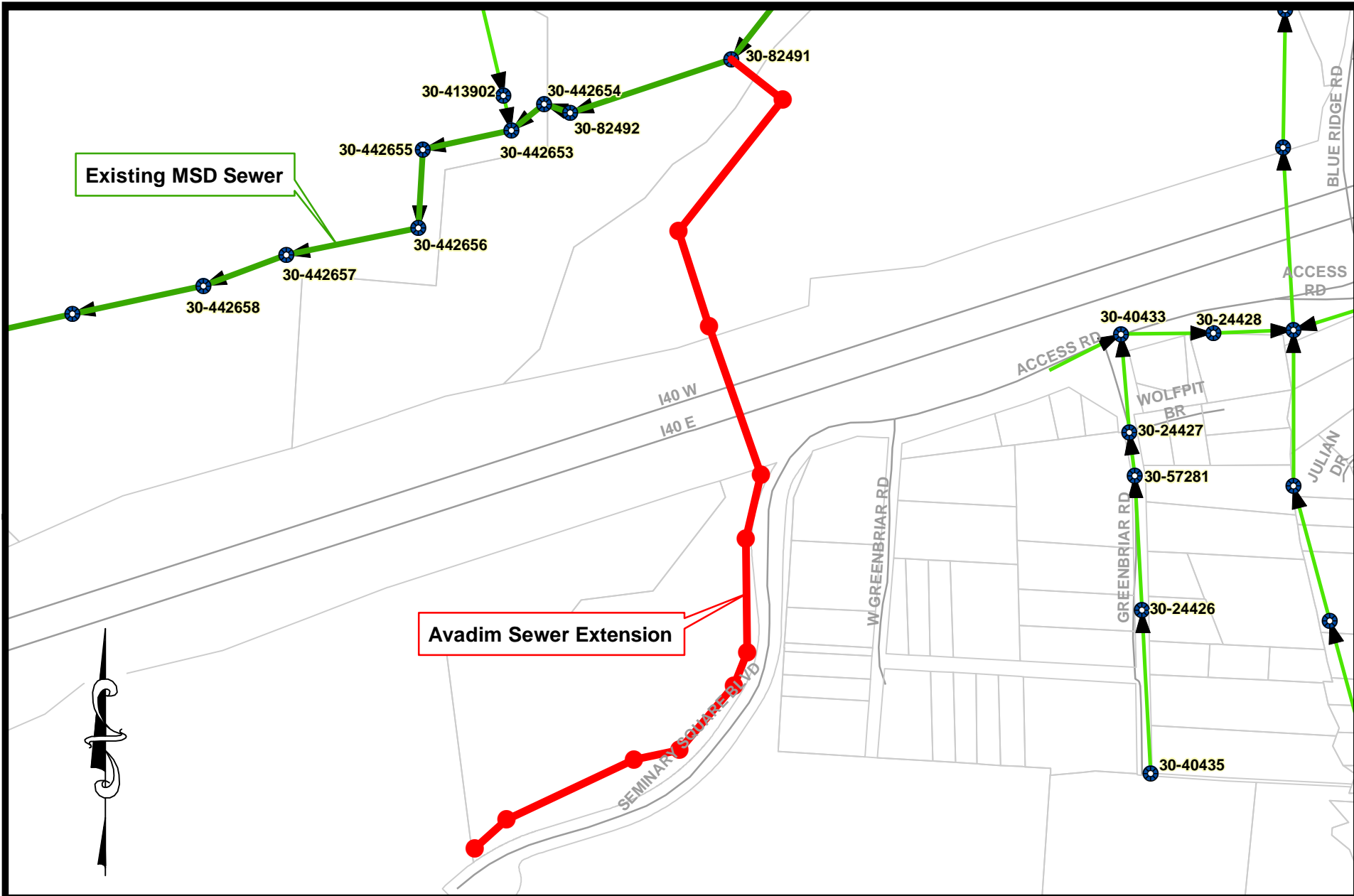
Funding for the water and sewer lines to the site was provided by the Federal Economic Development Administration and the Golden Leaf Foundation. The “developer” of the project is the Town of Black Mountain.

The project included extending approximately 1,100 linear feet of 12-inch and approximately 1,190 linear feet of 8-inch public gravity sewer to serve the industrial/commercial site on which the Avadim manufacturing facility will be constructed. At the most recent stakeholder meeting on November 20, 2020, the Avadim CEO stated that the facility has been delayed in part due to the COVID pandemic, but that he plans to seek financing in mid-2021.

A wastewater allocation was issued in the amount of 35,000 GPD for the future development on this site. The estimated cost of the sewer construction is \$682,955.00.

All MSD requirements have been met.

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



MSD
Engineering Division

**Avadim Sewer Extension
MSD Project # 2017001**

Metropolitan Sewerage District of Buncombe County

1/06/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Biltmore Terrace Phase 3 Sewer Extension, MSD Project No. 2018000

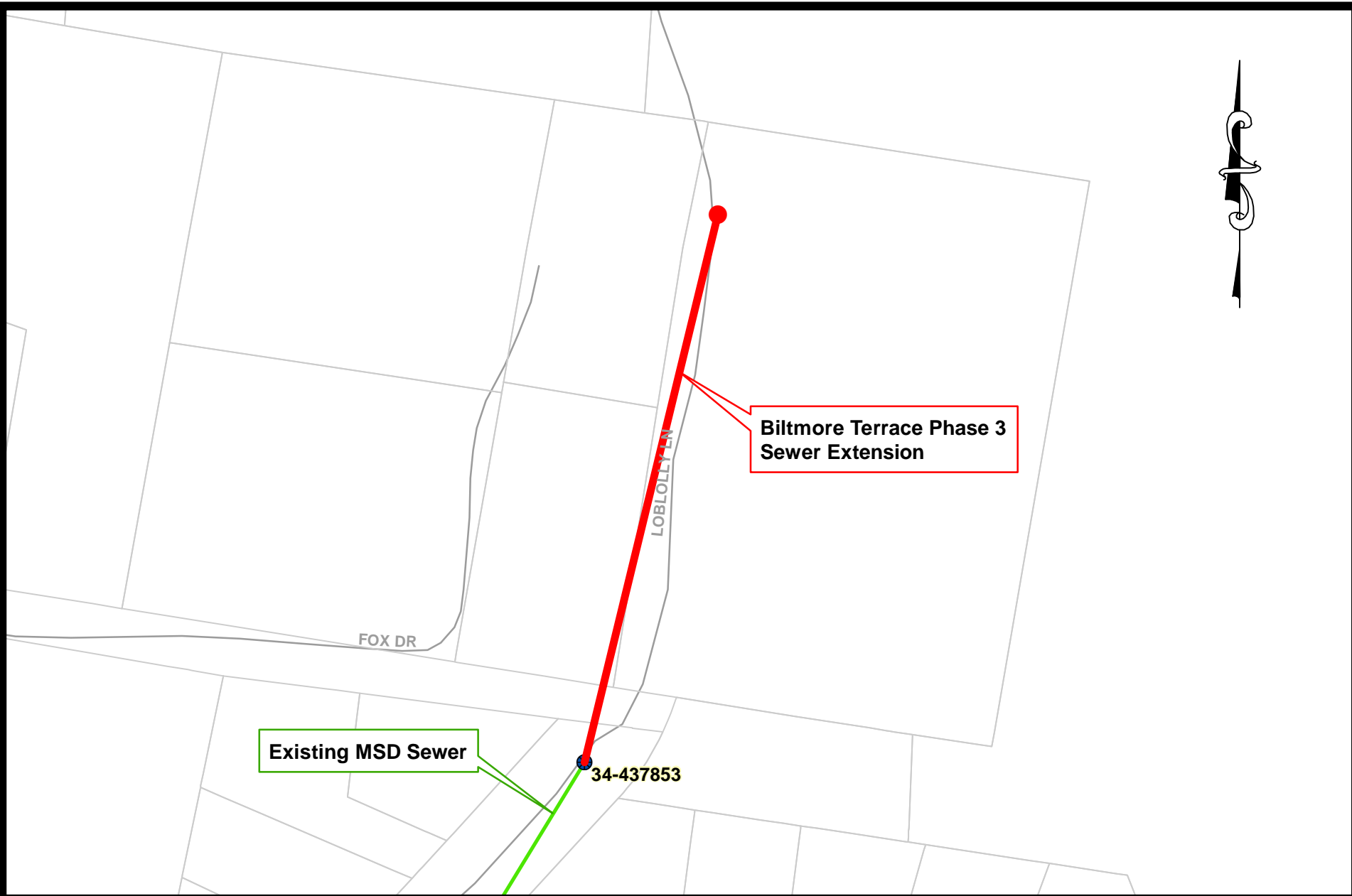
BACKGROUND: This project is located inside the District boundary at the intersection of Fox Drive and Loblolly Lane in Buncombe County. The developer of the project is David Ross of Biltmore Terrace Development, LLC.

The project included extending approximately 290 linear feet of 8-inch public gravity sewer to serve the single-family residential development.

A wastewater allocation was issued in the amount of 4,500 GPD for the 15 residential units for this phase of the development. The estimated cost of the sewer construction is \$51,490.00.

All MSD requirements have been met.

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



MSD
Engineering Division

Biltmore Terrace Phase 3 Sewer Extension MSD Project # 2018000

Metropolitan Sewerage District of Buncombe County

1/05/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the 80 Deerhaven Lane Sewer Extension, MSD Project No. 2019232

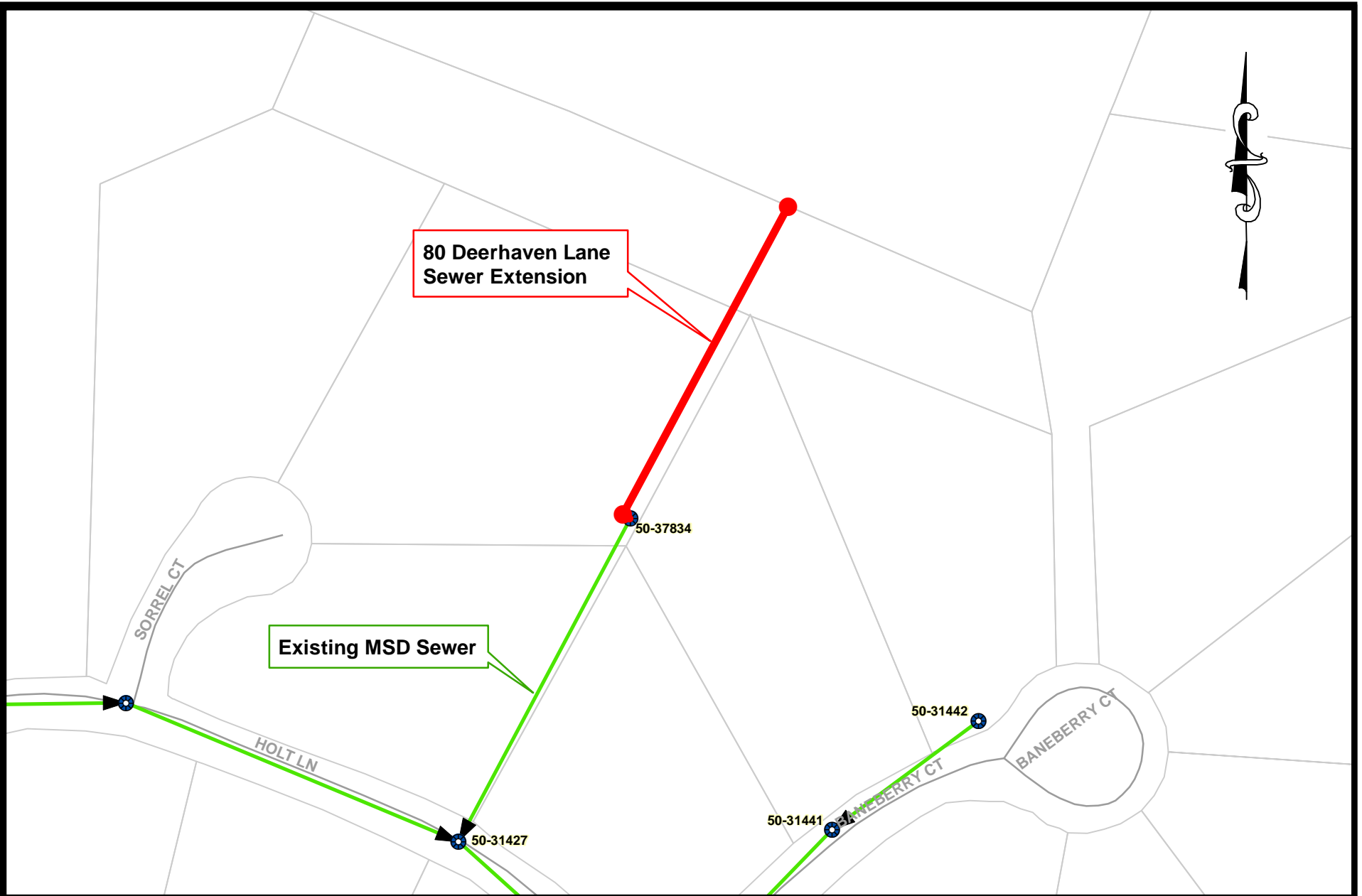
BACKGROUND: This project is located inside the District boundary off Holt Lane in Buncombe County. The developer of the project is Lawrence Pulliam of LP Deerhaven Investments, LLC.

The project included extending approximately 257 linear feet of 8-inch public gravity sewer to serve the single-family residential development.

A wastewater allocation was issued in the amount of 2,000 GPD for the two residential units for this development. The estimated cost of the sewer construction is \$42,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

80 Deerhaven Lane Sewer Extension MSD Project # 2019232

Metropolitan Sewerage District of Buncombe County

1/07/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the East Haven Apartments Sewer Extension, MSD Project No. 2018198

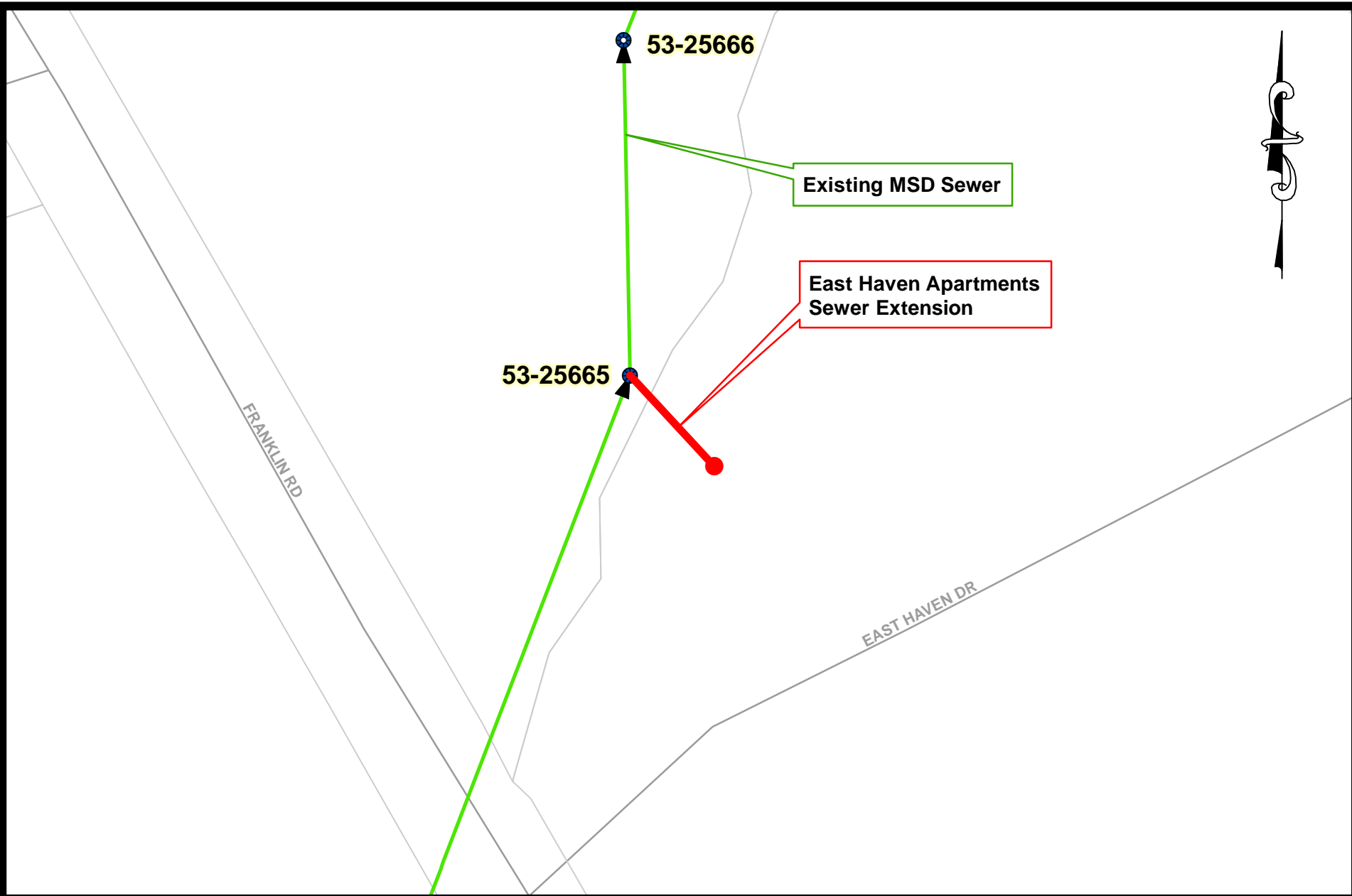
BACKGROUND: This project is located inside the District boundary at the intersection of Franklin Road and US Hwy 70 in Buncombe County. The developer of the project is Cindy Weeks of Mountain Housing Opportunities, Inc.

The project included extending approximately 32 linear feet of 8-inch public gravity sewer to serve the affordable housing apartment complex.

A wastewater allocation was issued in the amount of 17,700 GPD for the ninety-five (95) residential units for this development. The estimated cost of the sewer construction is \$25,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

**East Haven Apartments Sewer Extension
MSD Project # 2018198**

Metropolitan Sewerage District of Buncombe County

1/07/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Glenn Bridge Meadows Sewer Extension, MSD Project No. 2017151

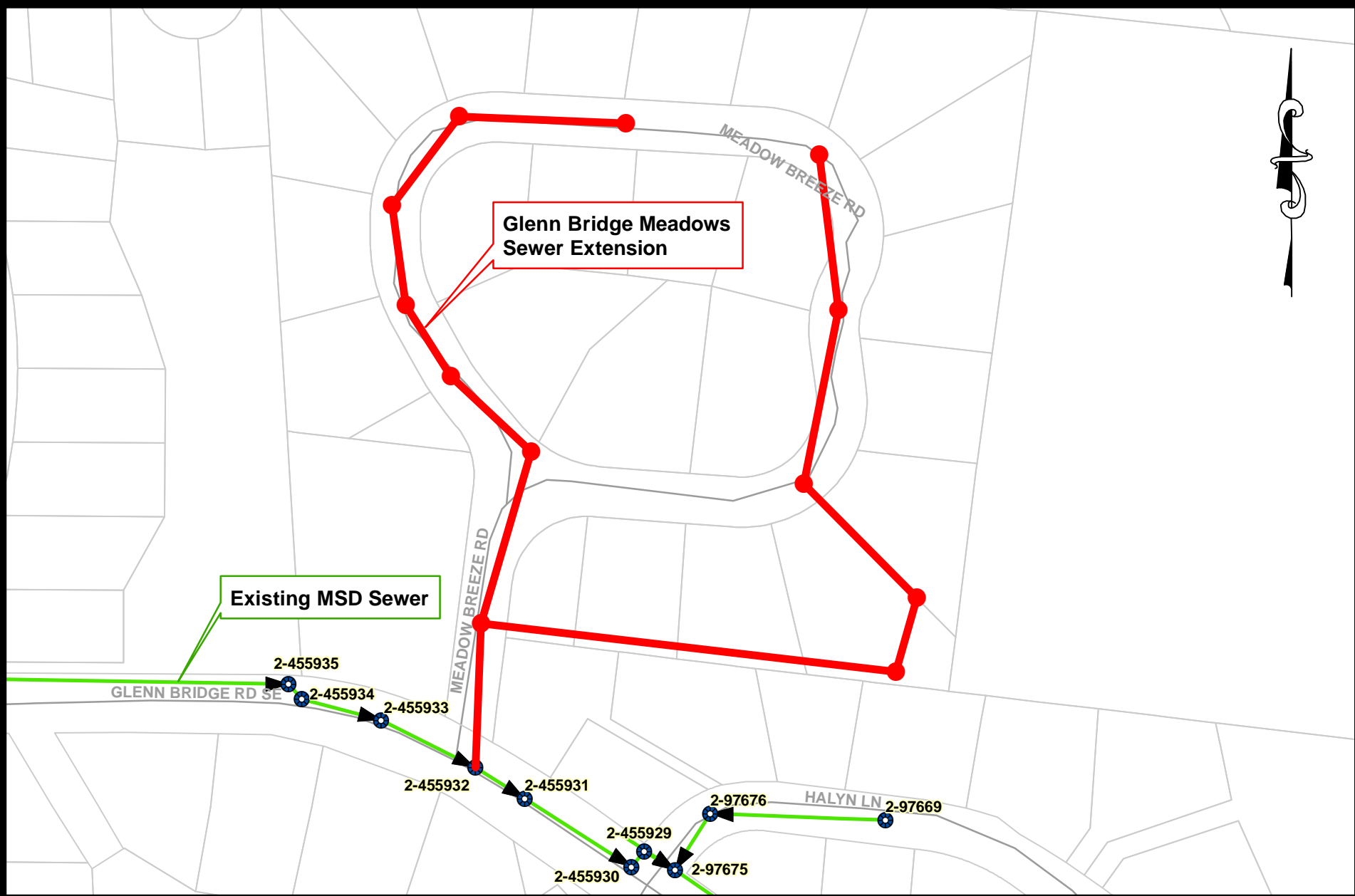
BACKGROUND: This project is located inside the District boundary off Glenn Bridge Road SE in Buncombe County. The developer of the project is Ralph Spano of Spano & Associates Asheville, LLC.

The project included extending approximately 1,696 linear feet of 8-inch public gravity sewer to serve the single-family residential development.

A wastewater allocation was issued in the amount of 9,200 GPD for the twenty-three (23) residential units for this development. The estimated cost of the sewer construction is \$150,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

Glenn Bridge Meadows Sewer Extension MSD Project # 2017151

Metropolitan Sewerage District of Buncombe County

1/06/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Hyde Park Phase 2 Sewer Extension, MSD Project No. 2019254

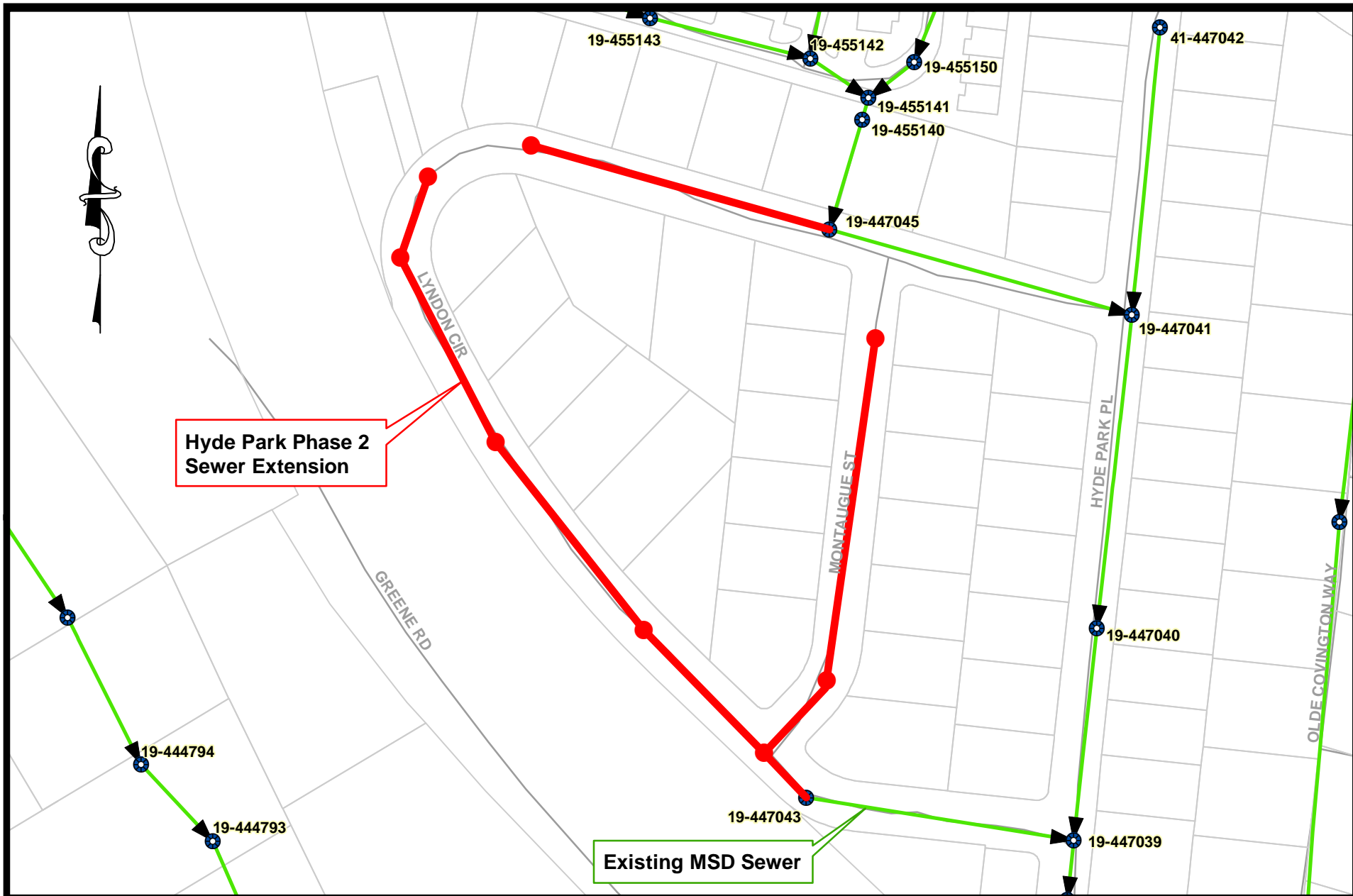
BACKGROUND: This project is located inside the District boundary off Hyde Park Place in Buncombe County. The developer of the project is Scott Street of Windsor Built Homes, Inc.

The project included extending approximately 1,368 linear feet of 8-inch public gravity sewer to serve the single-family residential development.

A wastewater allocation was issued in the amount of 9,700 GPD for the twenty-nine (29) residential units for this development. The estimated cost of the sewer construction is \$135,736.00.

All MSD requirements have been met.

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



**Hyde Park Phase 2
Sewer Extension**

Existing MSD Sewer



MSD
Engineering Division

**Hyde Park Phase 2 Sewer Extension
MSD Project # 2019254**

Metropolitan Sewerage District of Buncombe County

1/06/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Joyner Avenue Sewer Relocation, MSD Project No. 2018264

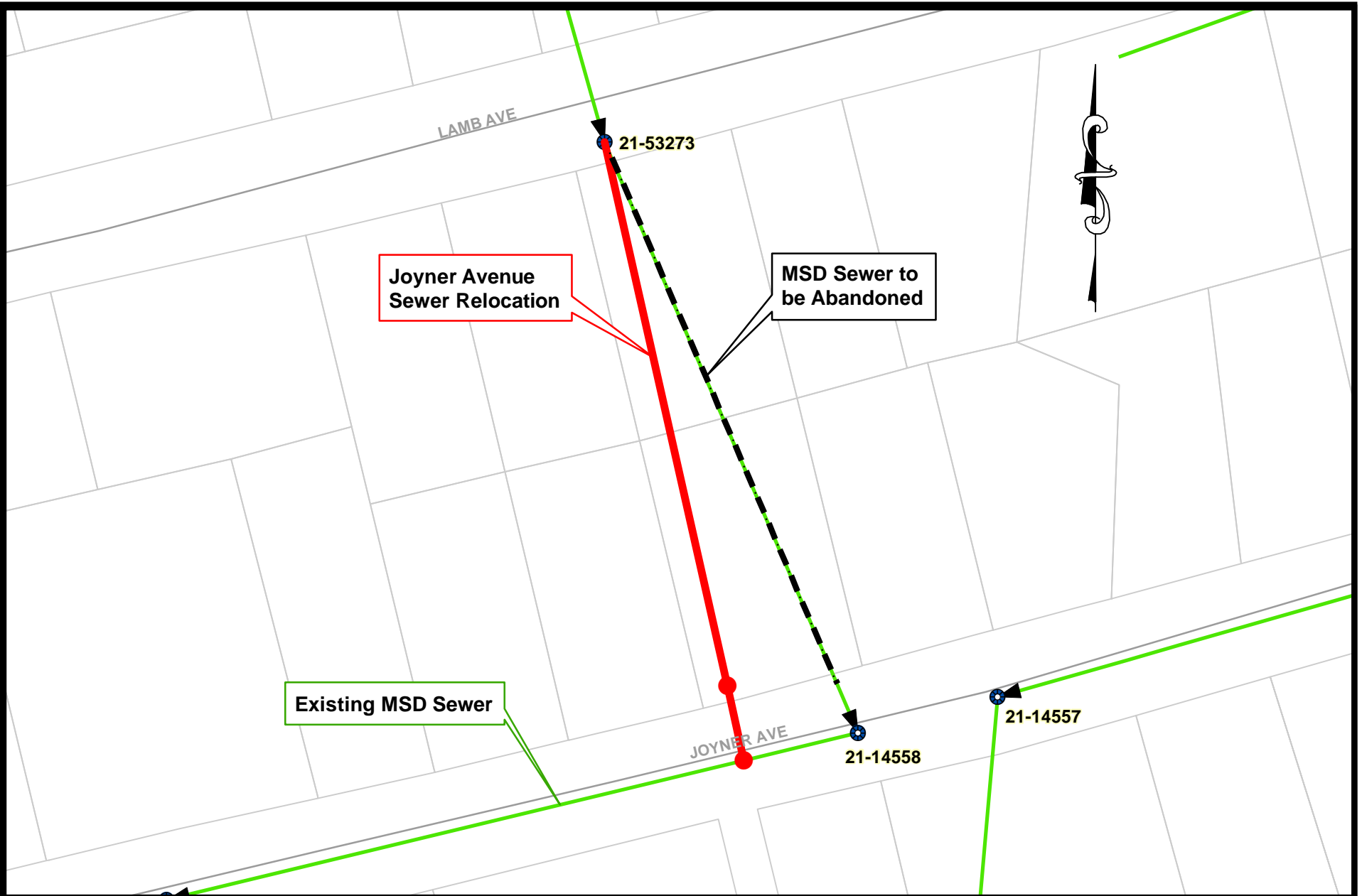
BACKGROUND: This project is located inside the District boundary between Joyner Avenue and Lamb Avenue in the City of Asheville. The developer of the project is Brandon McCoury of McCoury Construction, Inc.

The project included relocating approximately 232 linear feet of 8-inch public gravity sewer to serve the single-family residential development.

A wastewater allocation was issued in the amount of 1,200 GPD for the four (4) residential units for this development. The estimated cost of the sewer construction is \$30,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

Joyner Avenue Sewer Relocation MSD Project # 2018264

Metropolitan Sewerage District of Buncombe County

1/06/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Riverbend Forest Subdivision Sewer Extension, MSD Project No. 2018247

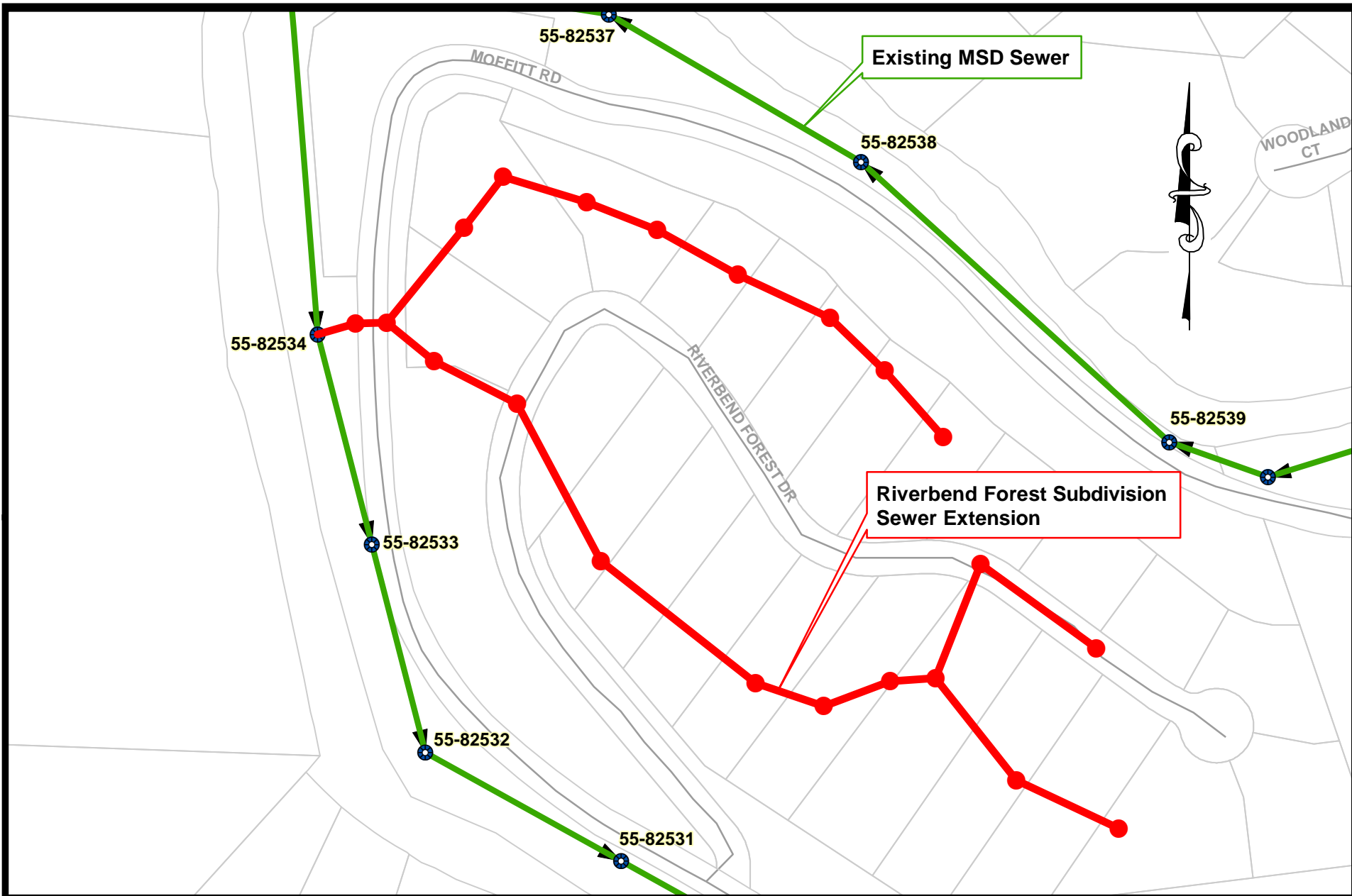
BACKGROUND: This project is located inside the District boundary off Moffitt Road in Buncombe County. The developer of the project is Robert Sulaski of RBF Development, LLC.

The project included extending approximately 2,350 linear feet of 8-inch public gravity sewer to serve the single-family residential development.

A wastewater allocation was issued in the amount of 1,200 GPD for the twenty-five (25) residential units for this development. The estimated cost of the sewer construction is \$185,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

**Riverbend Forest Subdivision Sewer Extension
MSD Project # 2018247**

Metropolitan Sewerage District of Buncombe County

1/07/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the School Road East Sewer Extension, MSD Project No. 2019185

BACKGROUND: This project is located inside the District boundary off Onteora Boulevard in Buncombe County. The developer of the project is Chris St. Onge of M4 Builders, LLC.

The project included extending approximately 168 linear feet of 8-inch public gravity sewer to serve the single-family residential development.

A wastewater allocation was issued in the amount of 900 GPD for the three (3) residential units for this development. The estimated cost of the sewer construction is \$27,000.00.

All MSD requirements have been met.

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



School Road East
Sewer Extension

Existing MSD Sewer

56-11597

56-11596

ZANES COVER RD



MSD
Engineering Division

**School Road East Sewer Extension
MSD Project # 2019185**

Metropolitan Sewerage District of Buncombe County

1/07/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the ABCCM Transformation Village Off-Site Sewer Extension, MSD Project No. 2017083

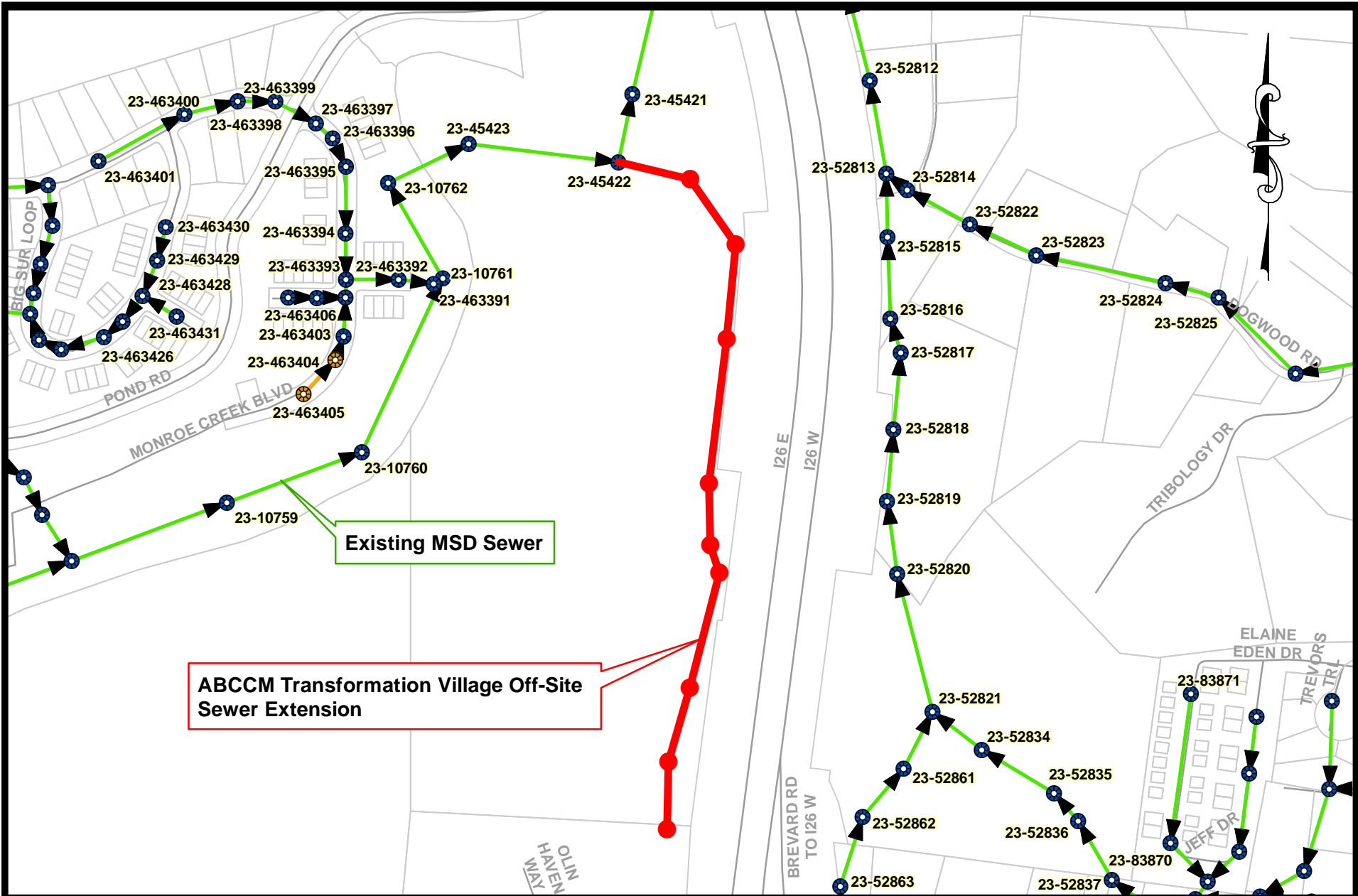
BACKGROUND: This project is located inside the District boundary off Brevard Road along I-40 in Buncombe County. The developer of the project is Scott Rogers of Asheville Buncombe Community Christian Ministry (ABCCM).

The project included extending approximately 1,683 linear feet of 8-inch public gravity sewer to the proposed residential site.

There was no wastewater allocated for the off-site portion of the project. The estimated cost of the sewer construction is \$118,290.31.

All MSD requirements have been met.

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



MSD
Engineering Division

ABCCM Transformation Village Off-Site Sewer Extension MSD Project # 2017083

Metropolitan Sewerage District of Buncombe County

2/03/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the ABCCM Transformation Village On-Site Sewer Extension, MSD Project No. 2019252

BACKGROUND: This project is located inside the District boundary off Brevard Road along I-40 in Buncombe County. The developer of the project is Scott Rogers of Asheville Buncombe Community Christian Ministry (ABCCM).

The project included extending approximately 2,183 linear feet of 8-inch public gravity sewer to serve the residential development.

A wastewater allocation was issued in the amount of 9,775 GPD for the sixty (60) transitional housing units proposed for this development. The estimated cost of the sewer construction is \$123,034.31.

All MSD requirements have been met.

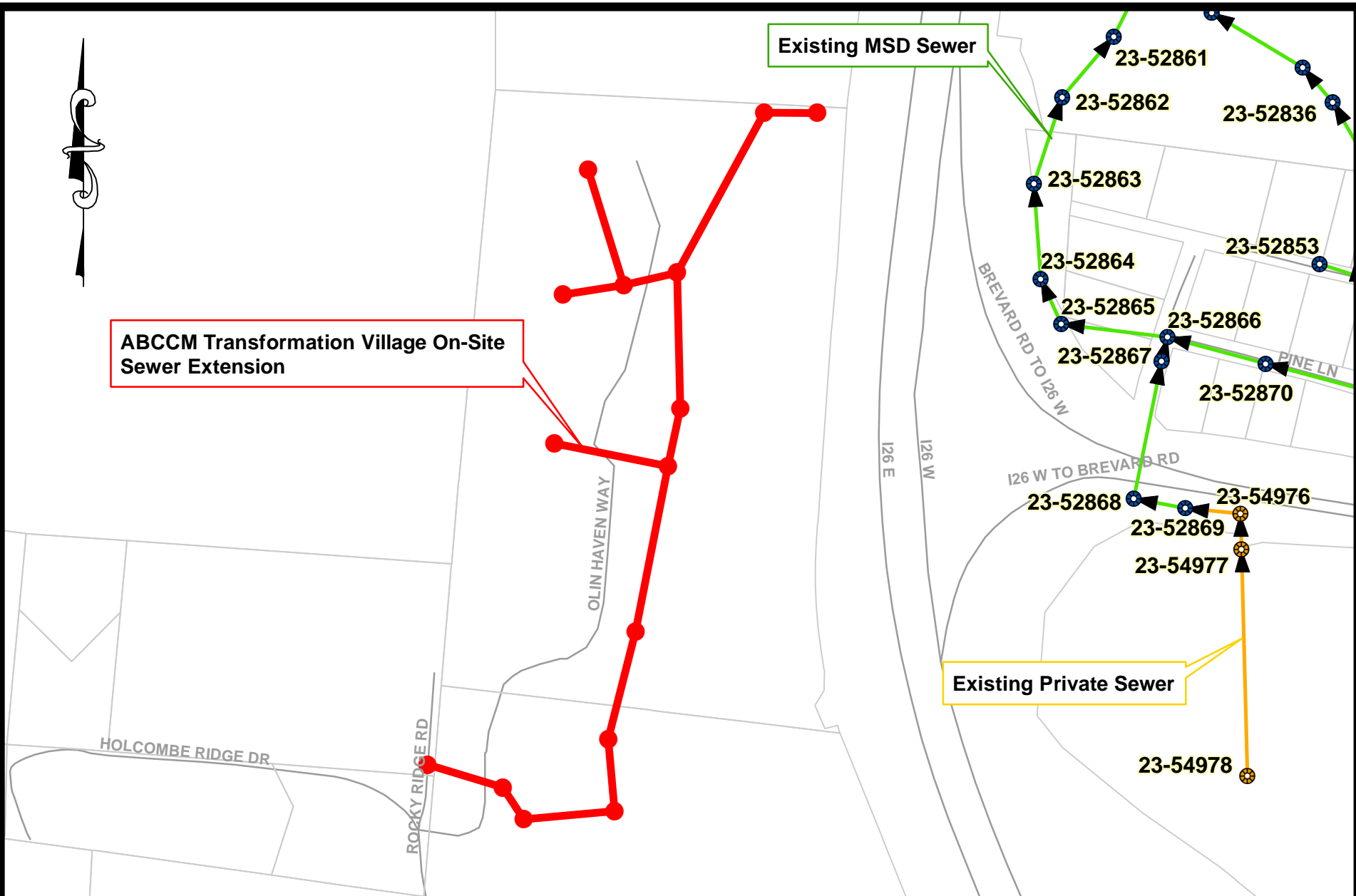
STAFF RECOMMENDATION: Staff recommends acceptance of this developer constructed sewer system.



ABCCM Transformation Village On-Site Sewer Extension

Existing MSD Sewer

Existing Private Sewer



MSD
Engineering Division

ABCCM Transformation Village On-Site Sewer Extension MSD Project # 2019252

Metropolitan Sewerage District of Buncombe County

2/04/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Hotel Milan Sewer Relocation, MSD Project No. 2017003

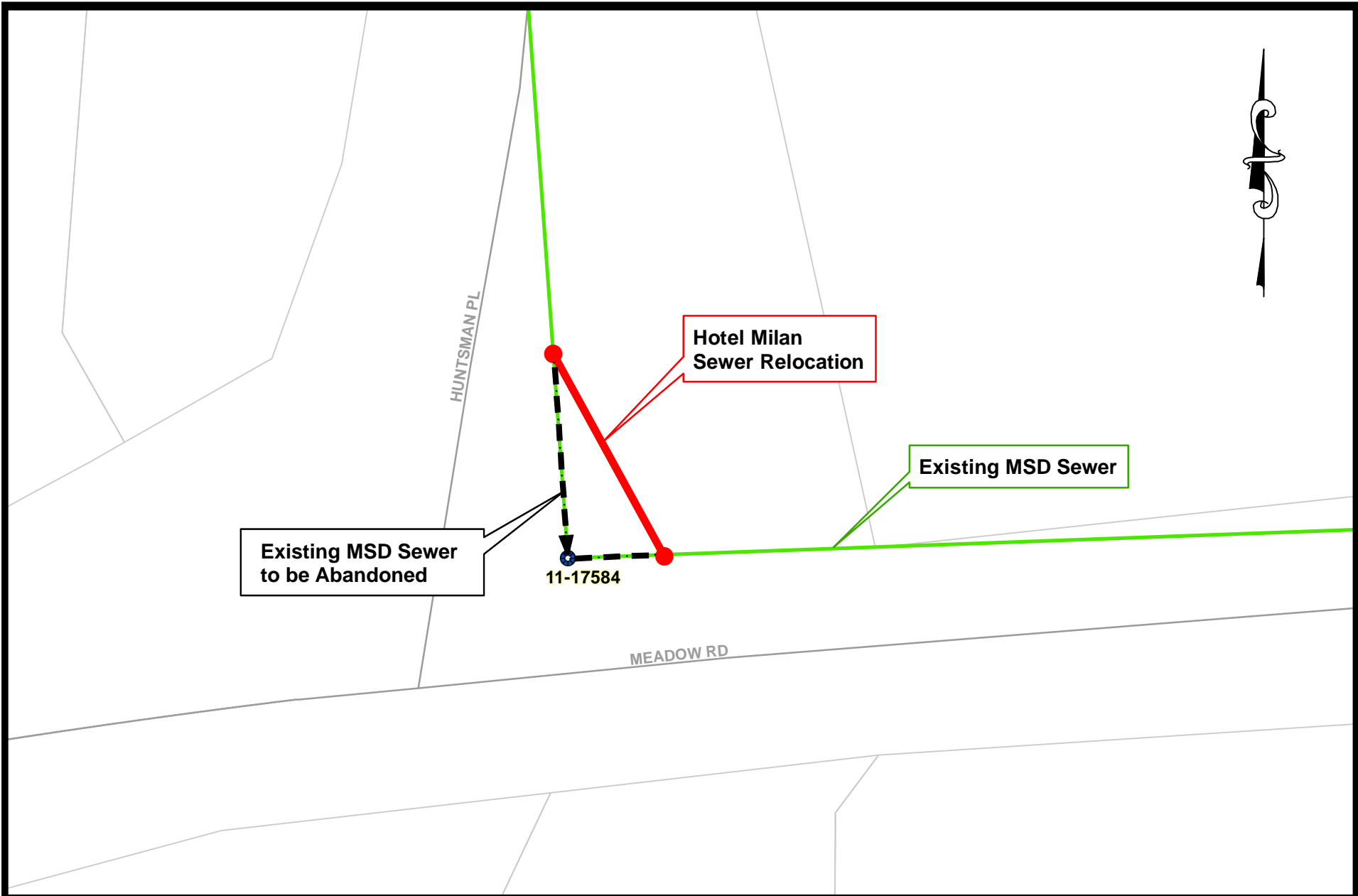
BACKGROUND: This project is located inside the District boundary along Meadow Road in the City of Asheville. The developer of the project is Monark Patel.

The project included relocation of approximately 32 linear feet of 8-inch public gravity sewer along with abandonment of approximately 40 linear feet of public gravity sewer to serve the commercial development.

A wastewater allocation was issued in the amount of 12,320 GPD for the proposed hotel. The estimated cost of the sewer construction is \$16,500.00.

All MSD requirements have been met.

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



MSD
Engineering Division

**Hotel Milan Sewer Relocation
MSD Project # 2017003**

Metropolitan Sewerage District of Buncombe County

2/03/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Bear Creek Hotel Off-site Sewer Extension, MSD Project No. 2018141

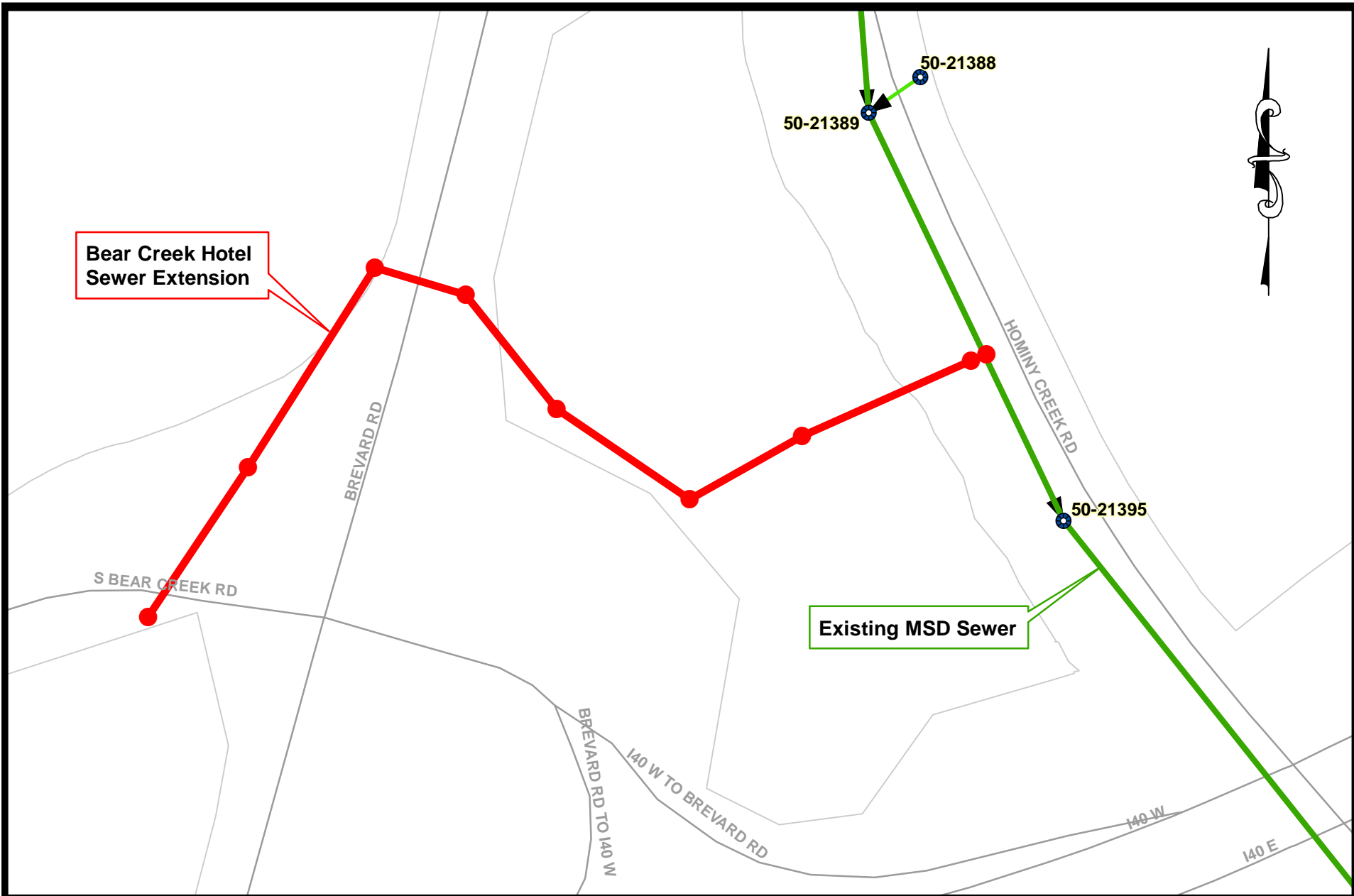
BACKGROUND: This project is located inside the District boundary at the intersection of Brevard Road and South Bear Creek Road in the City of Asheville. The developer of the project is Keith Levi of Biltmore Farms, LLC.

The project included extending approximately 1,025 linear feet of 8-inch public sewer to the proposed commercial site.

There was no wastewater allocated for the off-site portion of the project. The estimated cost of the sewer construction is \$260,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

**Bear Creek Hotel Sewer Extension
MSD Project # 2018141**

Metropolitan Sewerage District of Buncombe County

2/03/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Ingles #137 Airport Road Sewer Extension, MSD Project No. 2017195

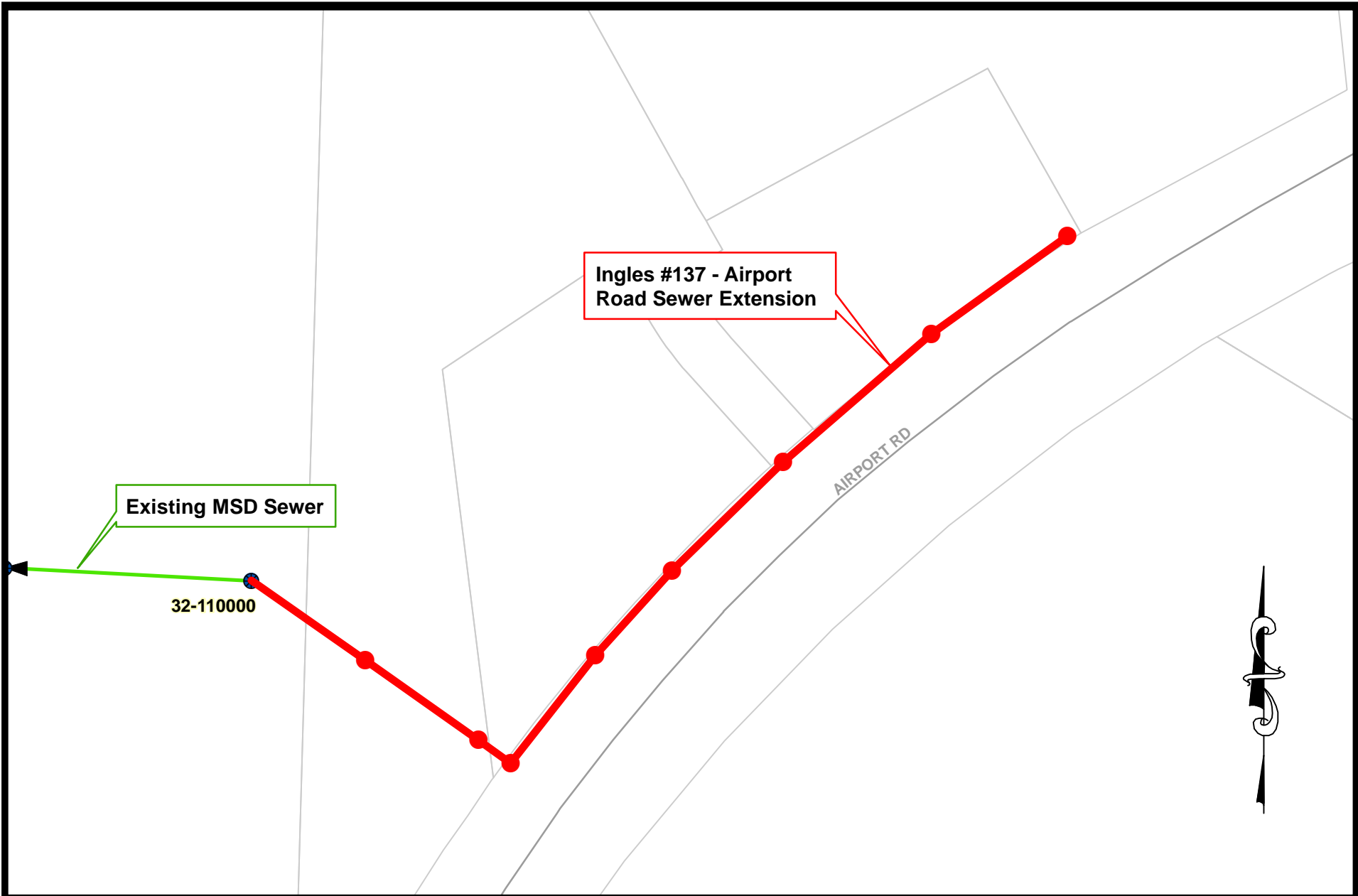
BACKGROUND: This project is located inside the District boundary along Airport Road in the City of Asheville. The developer of the project is Preston Kendall of Ingles Markets, Inc.

The project included extending approximately 784 linear feet of 8-inch public gravity sewer to serve the commercial development.

A wastewater allocation was issued in the amount of 4,000 GPD for the grocery store and retail space proposed for this development. The estimated cost of the sewer construction is \$175,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

**Ingles #137 - Airport Road Sewer Extension
MSD Project # 2017195**

Metropolitan Sewerage District of Buncombe County

2/03/2021

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 17, 2021

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

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

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the McCormick Place Sewer Extension, MSD Project No. 2017150

BACKGROUND: This project is located inside the District boundary along McCormick Place in the City of Asheville. The developer of the project is J.Q. Freeman of FHN McCormick Place, LLC.

The project included extending approximately 200 linear feet of 8-inch public gravity sewer to serve the residential development.

A wastewater allocation was issued in the amount of 5,100 GPD for the seventeen (17) townhomes proposed for this development. The estimated cost of the sewer construction is \$71,595.00.

All MSD requirements have been met.

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



MSD
Engineering Division

**McCormick Place Sewer Extension
MSD Project # 2017150**

Metropolitan Sewerage District of Buncombe County

2/03/2021

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: February 17, 2021
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, CLGFO, Director of Finance
Subject: Second Quarter Budget to Actual Review – FY2021

Background

At the end of each quarter, actual revenue and expenditure amounts are compared with the budget to evaluate performance. This information is based on cash revenues and invoices received prior to December 31, 2020 and may not include some accruals of revenue and expenditures.

Discussion

There are several explanatory notes at the bottom of the attached Budget to Actual schedule.

Other considerations are as follows:

- Domestic and Industrial Revenue are at budget expectations taken into consideration the timing of cash receipts. Staff Monitors consumption trends as they have a direct effect on the District's current revenue projections.
- Facility and Tap Fees are budgeted conservatively. The unusually large variance as of the end of the second quarter is due to receiving unanticipated revenue from various developments.
- Interest and miscellaneous income are at budgeted expectations.
- Rental income reflects expected earnings.
- O&M expenditures are at 52.31% of budget. The expenditures include encumbered amounts, which has elevated the budget to actual ratio above 50%. The aforementioned encumbrances will be spent in future quarters.

Meeting Date: February 17, 2021
Subject: Second Quarter Budget to Actual Review – FY2021
Page 2

Discussion (continued)

- Bond principal and interest are reflected at 50%. This will aid the user to properly assess the District’s overall debt service commitments. Actual amount spent is 18.2%. The District is required to make semi-annual interest payments on January 1, 2020 and principal and semi-annual interest payments on July 1, 2021.
- 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.

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

Metropolitan Sewerage District

Budget to Actual Revenue and Expenditure Report

For the six months ended December 31, 2020

UNAUDITED--NON-GAAP

	Budget	Actual to Date	% Budget to Actual
REVENUES			
Domestic User Fees ¹	\$ 32,234,286	\$ 16,451,647	51.04%
Industrial User Fees	2,881,690	1,664,512	57.76%
Facility Fees ²	2,000,000	1,767,930	88.40%
Tap Fees ³	175,000	364,096	208.05%
Billing and Collection	934,101	483,800	51.79%
Interest and Misc. Income	505,517	259,758	51.38%
Employee Contribution to Health Ins.	389,048	200,081	51.43%
City of Asheville (Enka Bonds)	35,000	-	0.00%
Rental Income	71,641	34,722	48.47%
Use of (Contributions to) Available Funds ⁴	<u>17,374,543</u>	<u>10,124,848</u>	58.27%
Total Revenues⁵	<u>\$ 56,600,826</u>	<u>\$ 31,351,396</u>	55.39%
EXPENDITURES			
Operations and Maintenance ⁶	\$ 17,351,901	\$ 9,076,133	52.31%
Bond Principal and Interest ⁷	9,837,382	4,918,691	50.00%
Capital Equipment (Other than O&M) ⁶	1,280,227	960,661	75.04%
Capital Projects ⁶	27,131,316	16,395,991	60.43%
Contingency	<u>1,000,000</u>	<u>-</u>	0.00%
Total Expenditures	<u>\$ 56,600,826</u>	<u>\$ 31,351,396</u>	55.39%

Notes:

¹Revenues are accounted for on the cash basis method

²Increase due to unanticipated revenue from various developments

³Increase in number of Taps requiring Pavement Disturbance

⁴Pay-as-go funds to be used for CIP

⁵Budget-to-Actual Ratio does not include use of available funds

⁶Includes encumbered amounts as well as actual insurance expenditures

⁷Bond principal and interest expenditures are reflected at 50%. Actual spent amount is 1.82%.

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: February 17, 2021
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, 2020

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, 2020 were \$70,501,938. The detailed listing of accounts is available upon request. The average rate of return for all investments is 0.734%. 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, 2020 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of December 31, 2020 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$26,276,182.

Total Cash & Investments as of 12/31/2020	70,501,938
Less:	
Budgeted Commitments (Required to pay remaining FY21 budgeted expenditures from unrestricted cash)	
Construction Funds	(18,197,462)
Operations & Maintenance Fund	<u>(10,007,340)</u>
	(28,204,802)
Bond Restricted Funds	
Bond Service (Funds held by trustee):	
Funds in Principal & Interest Accounts	(1,448,343)
FY21 Principal & Interest Due	<u>(7,963,729)</u>
	(9,412,072)
District Reserve Funds	
Fleet Replacement	(974,012)
Pump Replacement	(146,410)
WWTP Replacement	(152,924)
Maintenance Reserve	<u>(1,010,183)</u>
	(2,283,529)
District Insurance Funds	
General Liability	(356,205)
Worker's Compensation	(334,622)
Post-Retirement Benefit	(2,100,272)
Self-Funded Employee Medical	<u>(1,534,254)</u>
	<u>(4,325,353)</u>
Designated for Capital Outlay	<u>26,276,182</u>

Meeting Date: February 17, 2021

Subject: Cash Commitment/Investment Report-Month Ended December 31, 2020

Page 2

Staff Recommendation

None - Information Only.

Action Taken

Motion by: _____ to Approve Disapprove

Second by: _____ Table Send to Committee

Other:

Follow-up required:

Person responsible:

Deadline:

Meeting Date: February 17, 2021

Subject: Cash Commitment/Investment Report-Month Ended December 31, 2020

Page 4

Metropolitan Sewerage District
Investment Managers' Report
 On December 31, 2020

Summary of Asset Transactions

	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 65,754,473	\$ 65,752,440	\$ -
Capital Contributed (Withdrawn)	(8,331,420)	(8,331,420)	-
Realized Income	361	361	-
Unrealized/Accrued Income	-	6,223	-
Ending Balance	<u>\$ 57,423,414</u>	<u>\$ 57,427,604</u>	<u>\$ -</u>

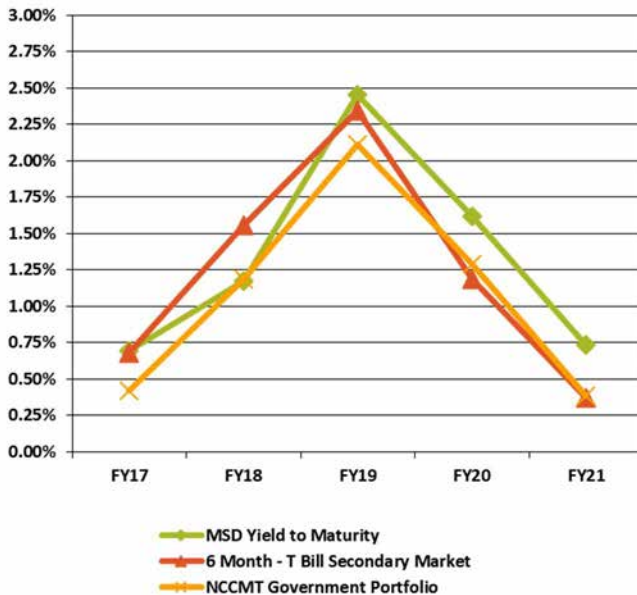
Value and Income by Maturity

	Original Cost	Income
Cash Equivalents <91 Days	\$ 57,423,414	\$ 6,584
Securities/CD's 91 to 365 Days	-	-
Securities/CD's > 1 Year	-	-
	<u>\$ 57,423,414</u>	<u>\$ 6,584</u>

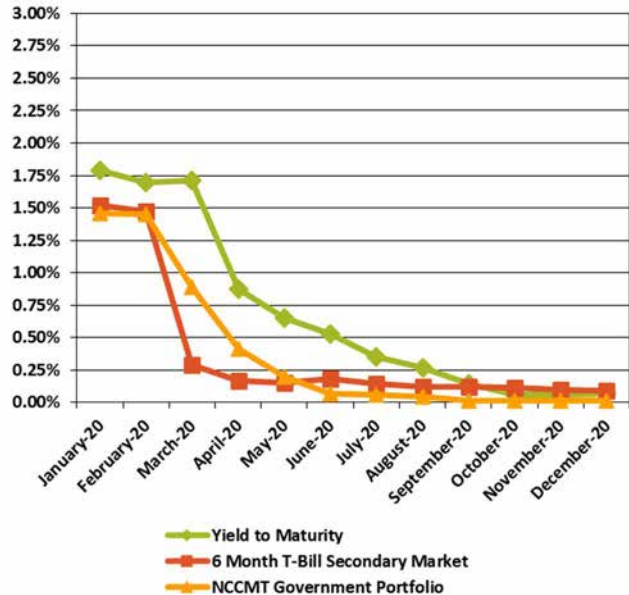
Month End Portfolio Information

Weighted Average Maturity	49
Yield to Maturity	0.07%
6 Month T-Bill Secondary Market	0.09%
NCCMT Government Portfolio	0.01%

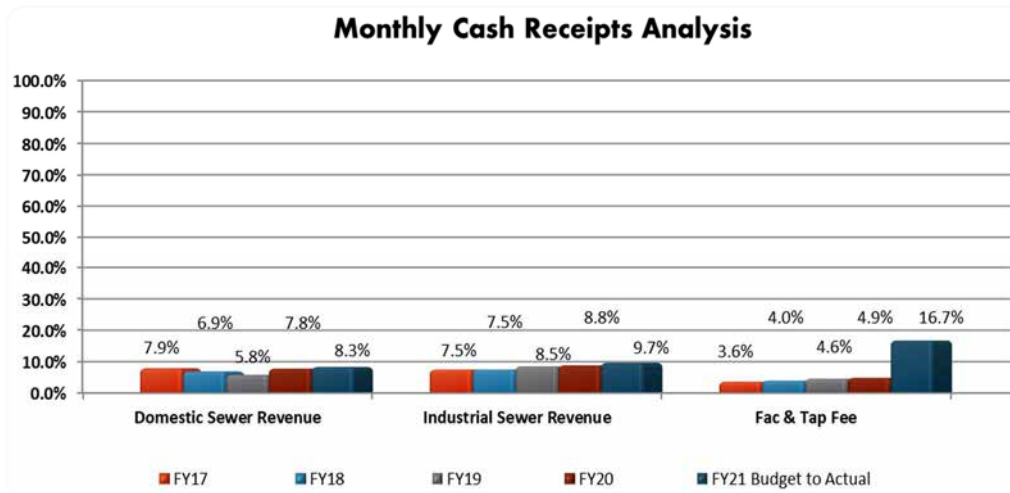
**Metropolitan Sewerage District
Annual Yield Comparison**



**Metropolitan Sewerage District
Yield Comparison - December 31, 2020**

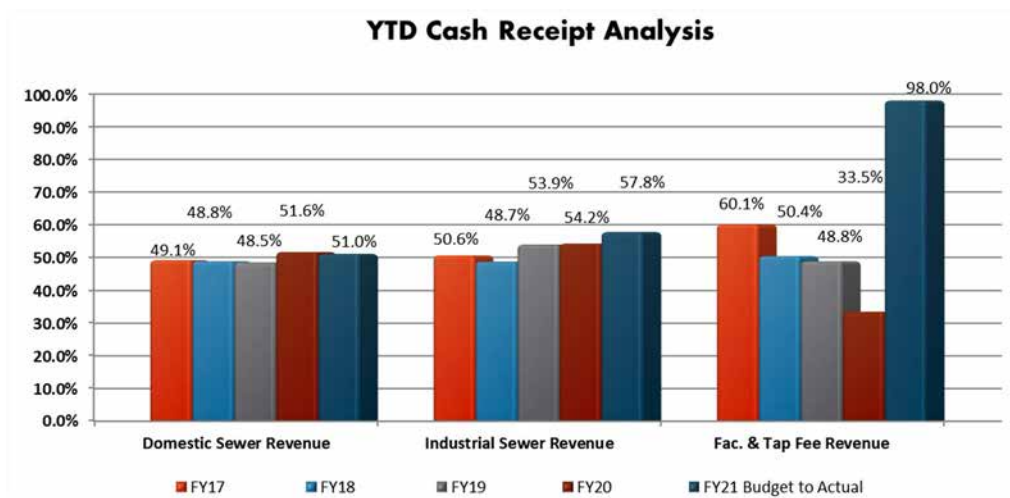


Metropolitan Sewerage District
Analysis of Cash Receipts
 As of December 31, 2020



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.



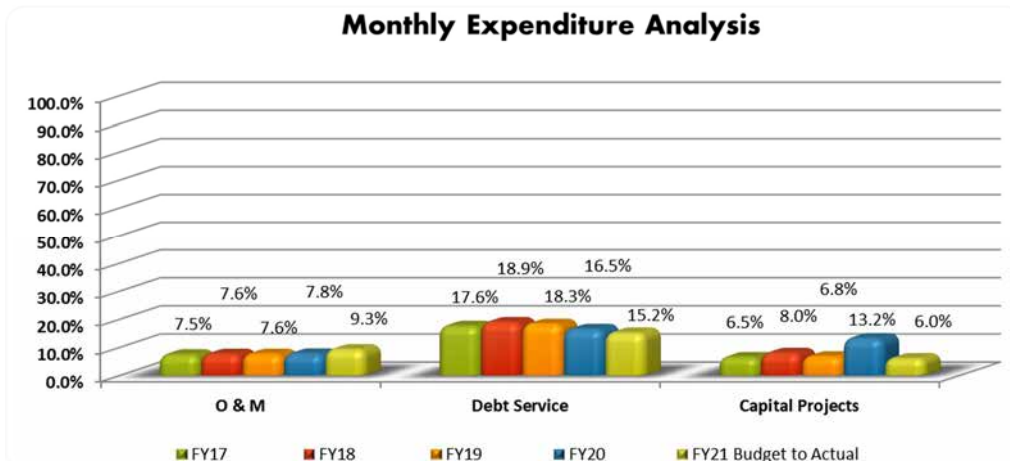
YTD Actual Revenue Analysis:

- ◆ 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

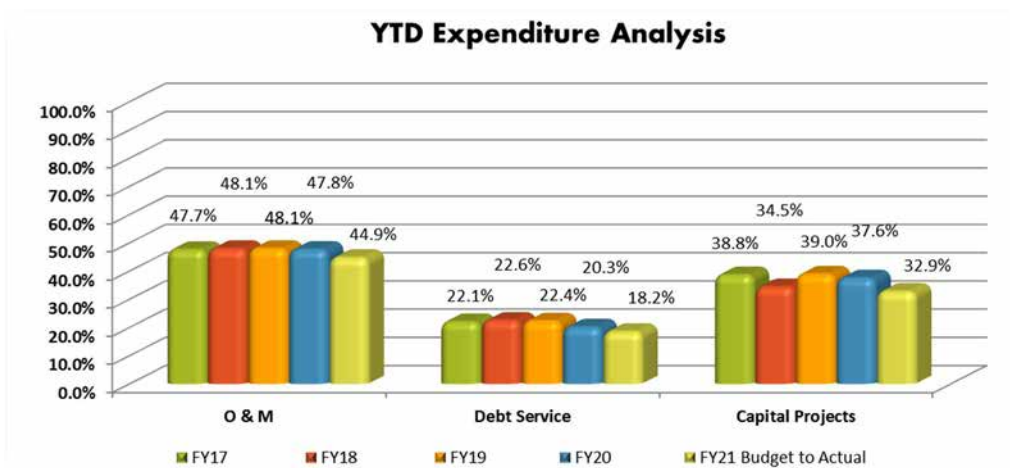
Analysis of Expenditures

As of December 31, 2020



Monthly Expenditure Analysis:

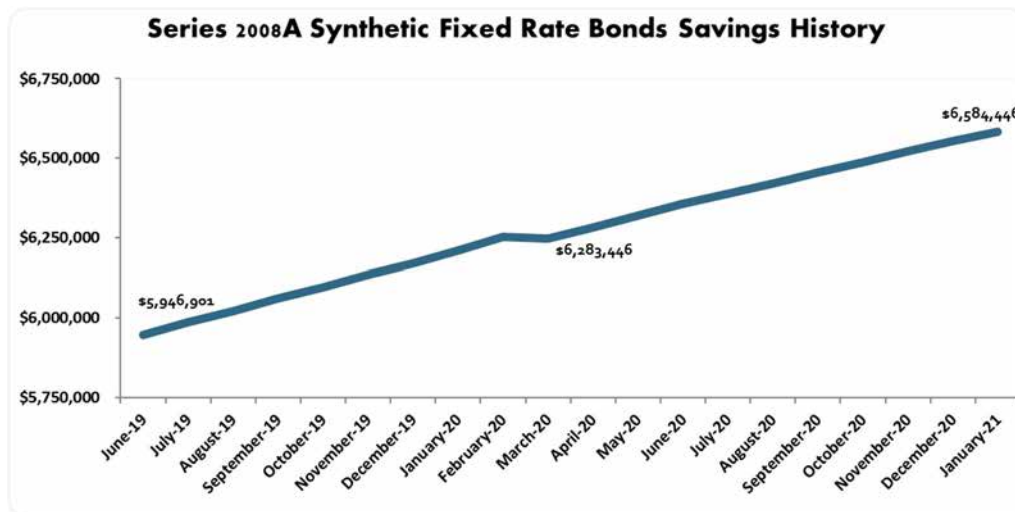
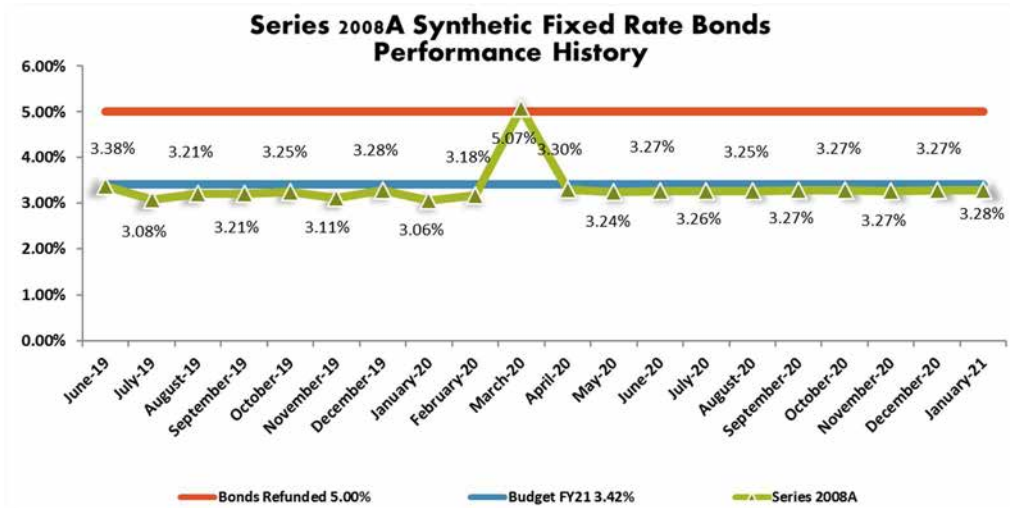
- Monthly O&M expenditures are considered reasonable based on historical trends and timing of expenditures in the current year.
- Due to the nature of the variable rate bond market, monthly expenditures can vary year to year. Based on current variable interest rates, monthly debt service expenditures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



YTD Expenditure Analysis:

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

Metropolitan Sewerage District
Variable Debt Service Report
 As of January 31, 2021



Series 2008A:

- ✦ Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$6,552,645 as compared to 4/1 fixed rate of 4.85%.
- ✦ Assuming the rate on the Series 2008A Bonds continues at the current all-in rate of 3.7210%, MSD will achieve cash savings of \$4,670,000 over the life of the bonds.
- ✦ MSD would pay \$3,262,026 to terminate the existing Bank of America Swap Agreement.

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

Meeting Date: February 17, 2021

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

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

Reviewed By: Billy Clarke, District Counsel

Subject: Consideration of Auditing Services Contract for FY2021

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, Bekaert 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 Bekaert, 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 that this approach ensures that industry standards as well as technical auditing standards are being evaluated at the highest levels. Additionally, CB believes this approach ensures client/auditor independence. Staff believes having a rotating partner approach has helped in refining internal controls and departmental practices.

CB has a large staff 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., including 9 North Carolina utilities; 9 North Carolina counties (including Durham, Cumberland, Forsyth, Guilford, and Mecklenburg) and 11 North Carolina cities/towns (including Asheville, Cary, Charlotte, Greensboro, Fayetteville, Raleigh, and Winston-Salem), many of which have either water or sewer funds.

Fiscal Impact

The combined audit fees and reimbursable expenses of \$38,000 (See attached engagement letter and audit contract) will be included in the FY2022 budget. This is a \$11,000 decrease from last year’s audit fees. 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 FY2021 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:

February 10, 2021

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” or “you” or “your” or “management”) and Cherry Bekaert LLP (the “Firm” or “Cherry Bekaert” or “we” or “us” or “our”) 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, 2021:

Audit and attestation services

1. We will audit the basic financial statements of the District as of and for the year ended June 30, 2021.
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 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 the audit of the financial statement.

Your expectations

As part of our planning process, we have discussed with you your expectations of Cherry Bekaert, changes that occurred during the year, your views on risks facing you, any relationship issues with Cherry Bekaert, and specific engagement arrangements and timing. Our services plan, which includes our audit plan, is designed to provide a foundation for an effective, efficient, and quality-focused approach to accomplish the engagement objectives and meet or exceed the District's expectations. Our services 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 the District in our audit of the District's 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 the District and the District should not expect that we will act only with due regard to the District's interest in the performance of this audit, and the District should not impose on us special confidence that we will conduct this audit with only the District's interest in mind. Because of our obligation to be independent of the District, no fiduciary relationship will be created by this engagement or audit of the District's financial statements.

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

Audit and attestation services

The objective of our audit is the expression of or opinions as to whether the District's 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 over financial reporting and compliance with the provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*

The report on internal control and compliance will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of the engagement, we will communicate to District's management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and will include tests of accounting records and other procedures as deemed necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion is other than unmodified, we will 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 an opinion, we may decline to express opinions or issue reports, or may withdraw from this engagement.

District's management responsibilities related to the audit

The District's management is responsible for designing, implementing, and maintaining effective internal controls, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that the District's management and financial information is reliable and properly reported. The District's management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

The District's management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) the District's management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or other. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree 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. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP, (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP, (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes), and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

The District's management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. The District's management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the *Audit and attestation services* section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing District's management views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all the District's management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management Representations

The Firm will rely on the District's management providing the above noted representations to us, both in the planning and performance of the audit, and in considering the fees that we will charge to perform the audit.

Fees

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

The following summarizes the fees for the services described above:

Description of services	Estimated fee
Audit services	
Audit of the financial statements	\$ 38,000

The fees will be billed periodically. Invoices are due on presentation. A service charge will be added to past due accounts equal to 1½% 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. No change, modification, addition, or amendment to this letter shall be valid unless in writing and signed by all parties. The parties agree that this letter may be electronically signed and that the electronic signatures will be deemed to have the same force and effect as handwritten signatures.

If you have any questions, please call Daniel T. Gougherty at 704.940.2631.

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 the District 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 the District’s 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 that the District will cooperate fully with any procedures we deem necessary to perform with respect to these matters.

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

Audit procedures – general

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve professional judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the District's management, as well as evaluating the overall presentation of the financial statements. 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 the District's management or employees acting on behalf of the District. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits, nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, 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, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. 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 the appropriate level of the District's management 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 auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditor.

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 the District's attorneys as part of the engagement, and they may bill the District for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

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, including cybersecurity, 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 or material weaknesses. However, during the audit, we will communicate to the District's management and those charged with governance internal control related matters that are required to be communicated under American Institute of Certified Public Accountants ("AICPA") 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 provisions of applicable laws and regulations, 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*.

Nonattest services (if applicable)

All nonattest 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 nonattest services in the attached letter.

You agree that the District's designated individual will assume all the District's 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, the designated individual is 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 nonattest complies with the laws and regulations

The accuracy and appropriateness of such nonattest services shall be limited by the accuracy and sufficiency of the information provided by the District's designated individual. In the course of providing such nonattest services, we may provide professional advice and guidance based on knowledge of accounting, tax and other compliance, and of the facts and circumstances as provided by the District's designated individual. Such advice and guidance shall be limited as permitted under the AICPA Code of Professional Conduct.

Communications

At the conclusion of the audit engagement, we may provide the District's 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 responsibilities 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 District's 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 the District's 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 the District's management's consultation with other accountants about auditing and accounting matters, (8) major issues that were discussed with the District's 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 the District's 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 12 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 voluntary 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 AICPA. 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 the District 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 the District, 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.

Use of third party providers

In the normal course of business, we may on occasion use the services of an independent contractor or a temporary or loaned employee, all of whom may be considered a third party service provider. On these occasions, we remain responsible for the adequate oversight of all services performed by the third party service provider and for ensuring that all services are performed with professional competence and due professional care. We will adequately plan and supervise the services provided by the third party service provider; obtain sufficient relevant data to support the work product; and review compliance with technical standards applicable to the professional services rendered. We will enter into a contractual agreement with the third party service provider to maintain the confidentiality of information and be reasonably assured that the third party service provider has appropriate procedures in place to prevent the unauthorized release of confidential information to others.

Subpoenas

In the event we are requested or authorized by the District, 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 the District, the District 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 provision

This Dispute Resolution Provision sets forth the dispute resolution process and procedures applicable to any dispute or claim arising out of or relating to this engagement letter or the services provided hereunder, or any other audit or attest services provided by or on behalf of the Firm or any of its subcontractors or agents to the District or at its request (“Disputes”), and shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

Mediation

All Disputes shall be first submitted to nonbinding confidential mediation by written notice to the parties, and shall be treated as compromise and settlement negotiations under the standards set forth in the Federal Rules of Evidence and all applicable state counterparts, together with any applicable statutes protecting the confidentiality of mediations or settlement discussions. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution (“CPR”), at the written request of a party, shall designate a mediator.

Arbitration procedures

If a Dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the parties so agree in writing), the mediation shall terminate and the Dispute shall be settled by binding arbitration to be held at a mutually agreeable location. The arbitration shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Dispute Resolution Provision (the “Rules”). The arbitration shall be conducted before a panel of three arbitrators. Each of the District and the Firm shall designate one arbitrator in accordance with the “screened” appointment procedure provided in the Rules, and the two party-designated arbitrators shall jointly select the third in accordance with the Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to enforce the terms of the engagement letter and to abide by the terms of the Rules. Except with respect to the interpretation and enforcement of these arbitration procedures (which shall be governed by the Federal Arbitration Act), the arbitrators shall apply the laws of the Commonwealth of Virginia (without giving effect to its choice of law principles) in connection with the Dispute. The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. Any discovery shall be conducted in accordance with the Rules. The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

Costs

Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

Waiver of trial by jury

In the event the parties are unable to successfully arbitrate 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.

Independent contractor

Each party is an independent contractor with respect to the other and shall not be construed as having a trustee, joint venture, agency, or fiduciary relationship.

No third party beneficiaries

The parties do not intend to benefit any third party by entering into this agreement, and nothing contained in this agreement confers any right or benefit upon any person or entity who or which is not a signatory of this agreement.

Statute of limitations

The District agrees not to bring any claims against any partner or employee of the Firm in any form for any reason. The District and the Firm agree that any suit arising out of or related to the services contemplated by this engagement letter must be filed within one year after the cause of action arises. The cause of action arises upon the earlier of (i) delivery of the final work product for which the firm has been engaged, (ii) where applicable, filing of the final work product for which the firm has been engaged, or (iii) the date which the services contemplated under this engagement letter are terminated by either party.

Terms and conditions supporting fees

The estimated fees set forth in the attached engagement letter are based on anticipated full cooperation from the District's 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 fees do 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 affect a reasonable amount of such consultation is reflected in our fees. 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 the District 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.

January 21, 2020

Michelle Thompson
Cherry Bekaert LLP
2626 GLENWOOD AVE STE 200
RALEIGH, NC 27608-1367

Dear Michelle Thompson:

It is my pleasure to notify you that on January 15, 2020, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is October 31, 2022. This is the date by which all review documents should be completed and submitted to the administering entity.

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

Thank you for your cooperation.

Sincerely,



Michael Fawley
Chair, National PRC
nprc@aicpa.org
+1.919.402.4502

National Peer Review Committee

cc: Marc Fogarty, David Bettler

Firm Number: 900010011816

Review Number: 568293



December 3, 2020

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:

Cherry Bekaert LLP ("Cherry Bekaert") is pleased to Metropolitan Sewerage District of Buncombe County ("MSD") with a five year fee commitment letter for auditing services for the years ending June 30, 2021 - 2025. We believe that we have a great working relationship with MSD and its Finance Department, have been responsive to your needs, provided strong service, and been an asset to MSD which warrants this five year fixed fee commitment and we look forward to continuing this relationship.

Our Firm's unique culture is rooted in core values that ensures continuous focus on our clients, our professionals, and a commitment to quality service. We believe the best partnerships are mutually beneficial, encourage open lines of communication, set clear expectations and aim to exceed those expectations. We will keep you front and center, not only in the way we deliver audit services, but also in how we bring best practices and proactive solutions to you. As one of the top largest regional accounting firms in the United States, our growth is based on our reputation for exceeding our clients' service expectations. For over 70 years, we have demonstrated our commitment to providing high quality, value-based services to our clients. Our Charlotte office is proud to continue serving you now and into the future.

Cherry Bekaert has prospered along with the North Carolina economy by forging strong service and advisory relationships with some of the leading governmental agencies, for-profit companies, service-based firms, non-profit entities, and individual clients in the area. Our local presence, combined with our regional resource network uniquely qualifies Cherry Bekaert to serve organizations like you in the most thorough, efficient and cost-effective manner possible.

Local Commitment. As a professional services firm, we are only as good as our people. Thus, we are committed to hiring only the best and brightest employees and providing them with the opportunity to excel. Because we are committed to our staff, they, in turn, are committed to the Firm and to the clients they serve. Our local team understands the importance of providing professional, timely and valuable service.

Resources and Solutions. At Cherry Bekaert, we serve as a proactive and innovative business partner for our clients. With more than 1,200 professionals, Cherry Bekaert has the proprietary knowledge to craft highly tailored solutions for audit, review, accounting, tax, and strategic management issues. In addition, our professionals will continue to take a consultative, team-based approach to address issues and provide solutions to those issues.

Partner Rotation. We believe knowledge, efficiency and effectiveness are optimized over time in a client relationship. Therefore, we strive to maintain continuity in partners and key professionals from year to year. In the mentoring and developing our staff, we normally experience a progression of staff responsibility during the years of service on the engagement allowing their knowledge of the client to increase the efficiency of our team. We will periodically introduce new staff to our clients as bringing fresh talent and insight to the engagement team provides new ideas, while maintaining team continuity, which creates efficiency and reduces the learning curve for new

team members. We have the depth of experience in the government industry to provide rotation at any level when our clients' governing bodies believe it is in the best interest of the audit engagement.

Proposed Fees. Cherry Bekaert will provide auditing services to MSD for the years ended June 30:

2021	2022	2023	2024	2025
\$38,000	\$40,000	\$42,000	\$44,000	\$46,000

The above fees include all travel, supplies, materials and other costs.

The proposed fee does not include any single audit testing required under Uniform Grant Guidance or the NC State Single Audit Implementation Act, as applicable.

We value our history with MSD and hope to strengthen our working relationship with MSD by continuing to offer value-added services and be a trusted advisor.

Again, we appreciate the opportunity to present our proposal letter for auditing services and we look forward to continuing our relationship with MSD. Please do not hesitate to contact me if you have further questions or need additional information.

With best regards,

Cherry Bekaert LLP



Daniel T. Gougherty, CPA
Audit Director
704.940.2631
dgougherty@cbh.com



The of and	Governing Board Board of Directors
	Primary Government Unit (or charter holder) Metropolitan Sewerage District of Buncombe County, North Carolina
	Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Cherry Bekaert LLP
	Auditor Address 1111 Metropolitan Avenue Suite 900, Charlotte, NC 28204

Hereinafter referred to as Auditor

for	Fiscal Year Ending	Audit Report Due Date
	06/30/21	10/31/21

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). 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 shall 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 GAAS. 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 requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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 State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall 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 unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. 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*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) 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 U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

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 LGC Staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') 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 shall 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/her findings, together with his recommendations for improvement. That written report shall 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 (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) 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 shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs 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. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. 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(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) 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 upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final 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 LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). 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 for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. 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 modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. 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 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. 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 shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. 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.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. 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.

26. 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.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern.

30. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

31. 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).

32. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

33. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

34. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Governmental Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	Title and Unit / Company:	Email Address:
<input type="text"/>	<input type="text"/>	<input type="text"/>

OR Not Applicable (Identification of SKE Individual not applicable for GAAS-only audit or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. 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 billings for the last annual audit of the unit submitted to the Secretary of the LGC. Should the 75% cap provided below conflict with the cap calculated by LGC Staff based on the billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

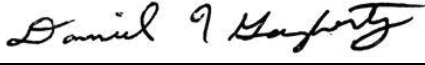
Primary Government Unit	Metropolitan Sewerage District of Buncombe County, North Carolina
Audit Fee	\$ 38,000
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval <i>(not applicable to hospital contracts)</i>	\$ 34,875.00

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit Fee	\$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval <i>(not applicable to hospital contracts)</i>	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Cherry Bekaert LLP	
Authorized Firm Representative (typed or printed)* Daniel T. Gougherty	Signature* 
Date* 02/10/21	Email Address* dgougherty@cbh.com

GOVERNMENTAL UNIT

Governmental Unit* Metropolitan Sewerage District of Buncombe County, North Carolina	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)*	Signature*
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

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.

Primary Governmental Unit Finance Officer* (typed or printed) W. Scott Powell	Signature*
Date of Pre-Audit Certificate*	Email Address* spowell@msdbc.org

**SIGNATURE PAGE – DPCU
(complete only if applicable)**

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
N/A	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

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.

DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT

STATUS REPORTS

MSD System Services In-House Construction

FY 20-21

PROJECT NAME	LOCATION	ZIP CODE	ESTIMATED FOOTAGE	ESTIMATED PROJECT DATES	WO#	CREW	COMPLETION DATE	ACTUAL FOOTAGE	NOTES
East Chestnut Ave. @ Five Points Line A Sewer Rehabilitation	Asheville	28801	580	5/11/20 - 7/2/20	268188	631	7/2/2020	638	Complete
WRF Ash Pump Line Replacement	Woodfin	28804	500	6/29/20-7/2/20	267391	674	7/2/2020	380	Complete
Caledonia Road at Springdale Rd	Asheville	28803	629	6/11/20 - 7/24/20	268194	674	7/14/2020	647	Complete
Cumberland Ave @ Magnolia Road Sewer Rehab	Asheville	28801	500	7/25/20 - 8/5/20	272220	674	7/31/2020	451	Complete
Lake Julian FM Replacement	Arden	28704	300	8/6/20 - 9/1/20	267272	674	8/12/2020	314	Complete
Winery Road Creek Crossing Repair	Asheville	28803	107	8/17/20 - 8/18/20	273337	614	8/18/2020	107	Complete
Westwood Avenue at Covered Corner Drive	Swannanoa	28778	1286	7/6/20 - 8/14/20	269524	631	8/26/2020	1125	Complete
217 Westwood Avenue Construction Rehabilitation	Swannanoa	28778	367	8/27/2020	269524	631	8/27/2020	367	Complete
91 Weaverville Road	Woodfin	28804	40	9/9/20 - 9/10/20	273982	647	9/10/2020	40	Complete
Wilson Avenue @ Dellwood Avenue Phase 1	Swannanoa	28778	1191	8/16/20 - 9/20/20	272531	674	9/29/2020	1173	Complete
Wilson Avenue @ Dellwood Avenue Phase 2	Swannanoa	28778	25	10/1/20 - 10/7/20	274491	674	10/7/2020	19	Complete
171 Forest Hills Drive Construction Rehab	Asheville	28803	260	10/18/2020	274835	608	10/18/2020	260	Complete
Eastwood Avenue @ Durham Place	Swannanoa	28778	1574	8/15/20 - 10/20/20	271745	631	10/30/2020	1591	Complete
Durham Place Replacement	Swannanoa	28778	225	11/1/20 - 11/6/20	275144	631	10/30/2020	206	Complete
214 Pine Hill Road Construction Rehab	Swannanoa	28778	148	11/12/2020	274408	631	11/12/2020	148	Complete
99 Old Patton Cove Road Construction Rehab	Swannanoa	28778	320	11/16/20 - 11/17/20	26639	631	11/17/2020	320	Complete
2317 US 70 Hwy Construction Rehab	Swannanoa	28778	1021	11/9/20 - 11/20/20	255611	631	11/16/2020	361	Complete
Union Chapel Road Construction Rehabilitation	Weaverville	28787	300	12/3/20 - 12/11/20	275349	631	12/9/2020	299	Complete
111 Compton Drive	Asheville	28806	370	12/14/20 - 1/15/21	228741	631	1/21/2021	364	Complete
Jarnaul Avenue Sewer Rehabilitation	Woodfin	28804	2554	10/12/20-2/19/21	273436	674			Construction 75% complete
77 Dellwood Street Sewer Rehabilitation	Asheville	28804	200	2/21/21 - 2/28/21	237568	631			Construction 10% complete
Dogwood Rd @ White Pine Sewer Rehabilitation	Arden	28704	565	2/22/21 - 4/30/21	265656	674			Ready for construction
Mount Clare Ave @ 37 Donna Drive Rehab	Asheville	28804	142	3/1/21 - 3/19/21	276876	631			Ready for construction
72 Dillingham Road	Asheville	28805	234	FY 20-21	39327	631			Ready for construction
Coleman Avenue at Conestee Sewer Rehabilitation	Asheville	28801	1517	FY 20-21	233875	674			Ready for construction
23 Spears Avenue Sewer Rehabilitation	Asheville	28801	130	FY 20-21	263130	TBA			Ready for construction
154 Overbrook Road Sewer Rehabilitation	Montreat	28757	470	FY 20-21	264010	631			Ready for construction
Mountain View Rd at Maxwell Rd Sewer Rehabilitation	Asheville	28805	521	FY 20-21	265289	TBA			In ROW
Owenby Lane @ US Highway 70 Sewer Rehabilitation	Black Mountain	28711	900	FY 20-21	268180	TBA			In ROW
75 White Oak Road Sewer Rehabilitation	Arden	28704	1226	FY 20-21	264966	TBA			In ROW
169 Charlotte Street Sewer Repairs	Asheville	28801	70	FY 20-21	244586	TBA			In Design
Bell Rd at New Haw Creek Rd Sewer Rehabilitation	Asheville	28805	1002	FY 20-21	248044	TBA			In Design



CONSTRUCTION TOTALS BY DATE COMPLETED - Monthly

From 7/1/2020 to 12/31/2020

	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 2020	29	9	180	514	15	18	16,700	0	0	2124	11	0	2124
August 2020	25	9	73	591	17	20	19,850	0	474	1439	8	0	1913
September 2020	28	11	201	634	18	25	240	0	0	1213	10	0	1213
October 2020	30	12	72	872	20	20	1,260	0	0	1816	10	260	2076
November 2020	26	9	157	519	16	14	0	0	987	0	0	0	987
December 2020	22	13	74	631	9	27	0	0	553	0	0	0	553
Grand Totals	160	63	757	3,761	95	124	38,050	0	2014	6592	39	260	8866

* Used to calculate Total Rehab Footage



PIPELINE MAINTENANCE TOTALS BY DATE COMPLETED - Monthly

July 01, 2020 to December 31, 2020

	Main Line Wash Footage	Service Line Wash Footage	Rod Line Footage	Cleaned Footage	CCTV Footage	Smoke Footage	SL-RAT Footage
2020							
July	139,745	1,781	1,508	141,253	17,283	17,249	16,389
August	120,958	1,682	1,115	122,073	29,203	30,909	24,117
September	86,789	1,342	2,545	89,334	22,635	4,520	31,359
October	70,467	1,264	5,903	76,370	21,650	3,640	83,346
November	71,302	1,592	1,675	72,977	18,441	2,890	50,836
December	56,115	1,262	275	56,390	16,585	0	50,297
Grand Total:	545,376	8,923	13,021	558,397	125,797	59,208	256,344
Avg Per Month:	90,896	1,487	2,170	93,066	20,966	9,868	42,724



CUSTOMER SERVICE REQUESTS

Monthly - All Crews

CREW	MONTH	JOBS	AVERAGE RESPONSE TIME	AVERAGE TIME SPENT
DAY 1ST RESPONDER				
	July, 2020	111	25	36
	August, 2020	103	26	36
	September, 2020	109	27	39
	October, 2020	137	26	41
	November, 2020	107	25	31
	December, 2020	110	28	33
		677	26	36
NIGHT 1ST RESPONDER				
	July, 2020	42	29	26
	August, 2020	34	36	33
	September, 2020	23	32	36
	October, 2020	38	36	30
	November, 2020	24	43	28
	December, 2020	46	25	28
		207	33	30
ON-CALL CREW *				
	July, 2020	26	44	34
	August, 2020	34	46	31
	September, 2020	22	46	37
	October, 2020	32	60	36
	November, 2020	29	54	36
	December, 2020	43	30	39
		186	46	36
Grand Totals:		1,070	31	35

* On-Call Crew Hours: 8:00pm-7:30am (Jul. - Oct.) 11:30pm-7:30am (from Nov. onward) 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>
Aurora Drive GSR	\$29,761		Negotiations begin winter 2021.
Christian Creek Interceptor	\$100,477	\$85,427	Access 87% complete with 85% of Total Budget expended to date. Five condemnations filed. One case closed via Default Judgment. Four cases pending (Norfolk Southern 3 sites plus Regal site).
Highland Farms Road GSR	\$11,128	\$500	Access 25% complete with 4% of Total Budget expended to date.
Le An Hurst Road GSR	\$44,613		Negotiations begin winter 2021.
Mountain View Road @ Maxwell Road GSR	\$17,840	\$3,288	Access 37% complete with 18% of Total Budget expended to date.
Northwest Avenue @ No. 215 GSR	\$18,356	\$4,131	Access 50% complete with 22% of Total Budget expended to date.
South Main St. @ Reems Creek Rd.	\$24,840		Negotiations begin winter 2021

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

February 10, 2021

PROJECT	LOCATION OF PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
CHESTNUT LODGE ROAD	Black Mountain	Terry Brothers Construction Company	8/19/2020	8/20/2020	3/18/2021	\$1,462,900.80	90%	Construction is progressing well.
JARNAUL AVENUE PHASE 2	Asheville 28804	TBA	TBA	TBA	TBA	TBA	0%	Project was bid on January 14th. Project will be presented at the February Board meeting for approval.
MUD CREEK INTERCEPTOR PHASE 2	Cane Creek	Buchanan and Sons	8/15/2018	11/21/2018	3/1/2021	\$3,338,194.40	92%	Punchlist work progressing well.
MULL BUILDING - HVAC RENOVATIONS PHASE 2	Woodfin	Bolton Construction Company	7/15/2020	10/19/2020	2/27/2021	\$319,831.00	95%	Installing sprinklers and finishing up with controls.
WALNUT STREET @ RANKIN AVENUE (COA COST SHARE)	Asheville 28801	Tennoca Construction Company	Contract administered thru COA - approved 11/20/19	1/6/2020	2/28/2021	\$1,709,532.00	99%	Continuing to work on punch list items.
WRF- PLANT HIGH RATE PRIMARY TREATMENT	Woodfin	Shook Construction Company	10/17/2018	1/7/2019	10/31/2021	\$15,188,281.87	75%	Working on 18" FBW lines, continuing to install MIC coatings and setting the gear in the process room. Completion delayed due to equipment lost in recent fire.

***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 4, 2021

No.	Project Name	Project Number	Work Location	Zip Code	Units	LF	Pre-Construction Conference Date	Comments
1	First Baptist Relocation	2015032	Asheville	28801	Comm.	333	7/21/2015	Final Inspection complete, awaiting close-out docs
2	8 Sulphur Springs Road	2015116	Asheville	28806	6	80	11/22/2016	Final Inspection complete, awaiting close-out docs
3	Towne Place Suites	2016012	Asheville	28801	83	342	9/11/2018	Testing
4	Hounds Ear (Mears Ave Cottages)	2016123	Asheville	28806	18	402	8/18/2017	Pre-con held, construction not yet started
5	Element Hotel	2016124	Asheville	28805	Comm.	177	1/21/2020	Waiting on final inspection
6	Ashecroft Ph. 2	2016229	Asheville	28806	40	2,450	2/20/2018	On hold
7	RADTIP	2017052	Asheville	28801	0	919	2/13/2018	Final Inspection complete, awaiting close-out docs
8	17 N. Market Street	2017238	Asheville	28801	16	256	5/10/2019	Final Inspection complete, awaiting close-out docs
9	US 74 Commercial Development	2018010	Asheville	28803	4	265	5/25/2018	Waiting on final inspection
10	Fern Street	2018081	Asheville	28803	8	60	2/15/2019	Testing
11	Lee Walker Heights	2018126	Asheville	28801	116	1,755	10/1/2019	Waiting on final inspection
12	Tru by Hilton	2018131	Asheville	28805	1	248	1/25/2019	Waiting on final inspection
13	Hamrick Farms	2018133	Asheville	28715	69	3,483	8/30/2019	Final Inspection complete, awaiting close-out docs
14	Rowhouse Development	2018205	Asheville	28801	20	365	1/7/2020	Waiting on final inspection
15	Habitat - Old Haywood Road	2018258	Asheville	28806	38	1,355	8/20/2019	Final Inspection complete, awaiting close-out docs
16	Timber Hollow Subdivision	2019049	Asheville	28805	18	525	7/28/2020	Installing
17	Mountain Song	2019065	Asheville	28806	5	263	5/1/2020	Final Inspection complete, awaiting close-out docs
18	Amaranth Apartments	2019068	Asheville	28715	70	840	5/21/2020	Testing
19	UNC-A Edgewood Road Parking Lot	2019078	Asheville	28801	Comm.	373	7/19/2019	Final Inspection complete, awaiting close-out docs
20	River Takh (Ulrichs) Sewer Extension	2019117	Asheville	28806	10	200	10/30/2020	Final Inspection complete, awaiting close-out docs
21	100 Airport Road Sewer Relocation	2019125	Asheville	28704	Comm.	548	8/23/2019	Waiting on final inspection
22	Hawthorne at Haywood Phase 2	2019130	Asheville	28806	92	668	12/15/2020	Pre-con held, construction not yet started
23	Abundance Run Subdivision	2019141	Asheville	28805	16	500	12/20/2019	Installing
24	Towne Place by Marriott (Bear Creek)	2019187	Asheville	28806	Comm.	264	2/28/2020	Waiting on final inspection
25	Overlook Circle Subdivision	2019256	Asheville	28803	7	180	8/11/2020	Final Inspection complete, awaiting close-out docs
26	Craggy Park Ph. 2	2020038	Asheville	28806	27	1,300	11/24/2020	Installing
27	West Keesler Avenue	2007176	Black Mountain	28711	6	410	11/15/2016	Final Inspection complete, awaiting close-out docs
28	808 Montreat Road	2015126	Black Mountain	28711	4	371	4/18/2017	Final Inspection complete, awaiting close-out docs
29	Chapman's Cove	2017227	Black Mountain	28711	10	430	9/21/2018	Final Inspection complete, awaiting close-out docs
30	402 Blue Ridge Road	2018206	Black Mountain	28711	6	372	2/5/2019	Final Inspection complete, awaiting close-out docs
31	262 Flat Creek Road	2018223	Black Mountain	28711	3	286	12/6/2019	Final Inspection complete, awaiting close-out docs
32	Givens Highland Farms-Cottage Development	2018272	Black Mountain	28711	16	1,355	9/13/2019	Final Inspection complete, awaiting close-out docs
33	Padgettown Road - Phase 1	2019003	Black Mountain	28711	6	240	7/19/2019	Final Inspection complete, awaiting close-out docs
34	Padgettown Road - Phase 2	2019085	Black Mountain	28711	43	1,308	7/19/2019	Waiting on final inspection
35	Waightstill Mountain Phase 2B	2015155	Buncombe Co.	28704	16	1,784	4/23/2019	Final Inspection complete, awaiting close-out docs
36	Bee Tree Village	2015158	Buncombe Co.	28778	26	1,118	3/17/2017	Final Inspection complete, awaiting close-out docs
37	NC DOT I-5504 NC 191/I-26 Interchange	2016132	Buncombe Co.	28806	0	355	10/23/2017	In Construction
38	Bradley Branch Phase 4A	2016189	Buncombe Co.	28704	27	2,420	5/10/2019	Final Inspection complete, awaiting close-out docs
39	Villas of Avery Creek	2017068	Buncombe Co.	28704	270	3,170	9/18/2018	Final Inspection complete, awaiting close-out docs
40	Sweetgrass Apartments	2018015	Buncombe Co.	28704	270	1,090	4/12/2019	Waiting on final inspection
41	Upper Grassy Branch Road	2018087	Buncombe Co.	28805	6	250	8/31/2018	Waiting on final inspection
42	Victoria Hills (Lance Road) Ph. 1	2018094	Buncombe Co.	28704	38	1,176	3/6/2020	Testing
43	Victoria Hills (Lance Road) Ph. 2 & 3	2018094	Buncombe Co.	28704	54	2,180	3/6/2020	Testing
44	Starnes Cove Subdivision	2018106	Buncombe Co.	28806	14	315	9/6/2019	Punchlist Pending
45	Bee Tree Road	2018115	Buncombe Co.	28778	6	240	12/18/2018	Final Inspection complete, awaiting close-out docs
46	Holbrook Road Subdivision - Ph. 1	2018125	Buncombe Co.	28715	170	2,225	1/14/2020	Final Inspection complete, awaiting close-out docs
47	Rockdale Subdivision	2018145	Buncombe Co.	28778	9	630	3/17/2020	Final Inspection complete, awaiting close-out docs
48	Retreat at Arden Farms	2018207	Buncombe Co.	28704	416	299	11/19/2019	Final Inspection complete, awaiting close-out docs
49	Reserve at Gashes Creek	2018208	Buncombe Co.	28803	190	1,940	8/2/2019	Waiting on final inspection
50	Birch Lane	2018241	Buncombe Co.	28704	26	875	1/3/2020	Final Inspection complete, awaiting close-out docs
51	Lower Grassy Branch Ph. 2	2018252	Buncombe Co.	28805	12	270	1/21/2020	Final Inspection complete, awaiting close-out docs
52	Rice MHP Off-Site	2019029	Buncombe Co.	28715	TBD	460	4/24/2020	Final Inspection complete, awaiting close-out docs
53	Reflection Pointe	2019032	Buncombe Co.	28806	270	1,995	6/30/2020	Waiting on final inspection
54	Roberson Relocation	2019037	Buncombe Co.	28715	Comm.	200	4/24/2020	Pre-con held, construction not yet started
55	Jasper Apartments	2019086	Buncombe Co.	28778	100	760	12/8/2020	Pre-con held, construction not yet started
56	Aiken Road Multi-Family	2019128	Buncombe Co.	28804	407	4,620	10/2/2020	Installing
57	Fairview Meadows Subdivision	2019142	Buncombe Co.	28730	42	1,460	8/28/2020	Testing
58	Riceville Road Development	2019156	Buncombe Co.	28805	7	145	1/21/2020	Final Inspection complete, awaiting close-out docs
59	Sycaamore Cove Subdivision	2019158	Buncombe Co.	28803	26	570	6/9/2020	Installing
60	Fields Jaguar	2019169	Buncombe Co.	28704	Comm.	305	10/27/2020	Waiting on testing
61	Twin Oaks Subdivision	2019195	Buncombe Co.	28704	45	2,300	10/9/2020	Installing
62	CMH Homes - N. Louisiana Ave.	2019220	Buncombe Co.	28806	30	1,187	7/28/2020	Installing
63	Longwell Building	2019230	Buncombe Co.	28730	Comm.	500	7/14/2020	Final Inspection complete, awaiting close-out docs
64	The Ramble Block F, Ph. 2	2019237	Buncombe Co.	28803	10	1,770	7/17/2020	Final Inspection complete, awaiting close-out docs
65	Creekside Cottages	2019255	Buncombe Co.	28704	6	400	3/12/2015	Phase 2 Construction Not started
66	Fisher Mill Road	2020015	Buncombe Co.	28704	3	380	10/20/2020	Installing
67	Fountain Park Subdivision - Ph. 2	2020026	Buncombe Co.	28806	120	4,611	7/12/2019	Installing
68	Haakon	2020055	Buncombe Co.	28715	Comm.	230	9/29/2020	Installing
69	Holbrook Road Subdivision - Ph. 2	2020150	Buncombe Co.	28715	16	670	11/13/2020	Testing
70	Collett Industrial (Banner Farm)	2020108	Cane Creek	28759	Comm.	255	11/20/2020	Waiting on final inspection
71	828 North	2017153	Weaverville	28787	224	1,090	11/17/2020	Installing
72	Ambler's Chase	2017249	Weaverville	28787	21	1,235	11/29/2018	Waiting on final inspection
73	Northridge Commons Townhomes	2018082	Weaverville	28787	53	1,380	4/9/2019	Final Inspection complete, awaiting close-out docs
74	Maple Trace Ph. 4	2018214	Weaverville	28787	35	1,265	5/24/2019	Final Inspection complete, awaiting close-out docs
75	The Holston	2019133	Weaverville	28787	240	36	6/2/2020	Waiting on testing
76	Greenwood Park Subdivision Ph. 1	2020018	Weaverville	28787	73	6,520	7/17/2020	Final Inspection complete, awaiting close-out docs
77	Northridge Commons Retail	2020147	Weaverville	28787	Comm.	790	12/1/2020	Pre-con held, construction not yet started
78	Crest Mountain Phase 3B	2013041	Woodfin	28806	69	1,329	10/15/2013	Final Inspection complete, awaiting close-out docs
79	Reese & Jan Lasher (High Hopes)	2015152	Woodfin	28806	14	320	4/26/2016	Final Inspection complete, awaiting close-out docs
80	Apple Lane	2017130	Woodfin	28804	4	60	8/31/2018	Final Inspection complete, awaiting close-out docs
81	Olivette Gravity Phase 2	2018116	Woodfin	28804	94	12,406	11/27/2018	Installing
82	Skyfin-Terraces at Reynolds Mtn -Phase 2	2018187	Woodfin	28804	10	140	8/8/2017	Final Inspection complete, awaiting close-out docs
83	Skyfin-Terraces at Reynolds Mtn -Phase 3	2020176	Woodfin	28804	12	605	8/8/2017	Final Inspection complete, awaiting close-out docs
84	Skyfin-Terraces at Reynolds Mtn -Phase 4	2020167	Woodfin	28804	5	100	8/8/2017	Installing
85	Brown Avenue	2018267	Woodfin	28804	3	62	7/2/2019	Final Inspection complete, awaiting close-out docs
86	Serenity Townhomes	2020037	Woodfin	28804	8	480	7/14/2020	Pre-con held, construction not yet started
TOTAL					4,255	93,896		



Metropolitan Sewerage District

OF BUNCOMBE COUNTY, NORTH CAROLINA

MSD BOARD
MEETING NOTICE
February 17, 2021 @ 2:00 PM

You may join meeting by dialing in:

United States (Toll Free): 1 866 899 4679

United States: +1 (571) 317-3116

Access Code: 494-838-645

~Protecting Our Natural Resources~

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 2/17/2021

✓	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 December 16, 2020 Board Meeting	VeHaun	2:10	
	03. Discussion and Adjustment of Agenda	VeHaun	2:15	
	04. Introduction of Guests	VeHaun	2:20	
	05. Informal Discussion and Public Comment	VeHaun	2:25	
	06. Report of General Manager	Hartye	2:30	
	07. Consolidated Motion Agenda	Hartye	2:40	
	a. Consideration of Bids - Jarnaul Avenue Phase II	Hartye		
	b. Consideration of Developer Constructed Sewer Systems – Avadim; Biltmore Terrace Ph. 3; 80 Deerhaven; East Haven Apartments; Glenn Bridge Meadows; Hyde Park Ph. 2; Joyner Avenue Sewer Relocation; Riverbend Forest; School Road East; ABCCM Transformation Village Off-site; ABCCM Transformation Village On-site; Hotel Milan; Bear Creek Hotel; Ingles #137-Airport Road; McCormick Place	Hartye		
	c. Second Quarter Budget to Actual Review-FY 2021	Powell		
	d. Cash Commitment/Investment Report-Month ended December, 2020	Powell		
	e. Consideration of Auditing Services Contract-FY2021	Powell		
	08. Old Business:	VeHaun	3:00	
	09. New Business:	VeHaun	3:05	
	10. Adjournment: (Next Meeting 3/17/21)	VeHaun	3:10	
	STATUS REPORTS			