

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

March 16, 2022

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration building at 2:00 pm Wednesday, March 16, 2022. Chairman Vebaun presided with the following members present: Ashley, Bryson, Dearth, Franklin, Kelly, Manheimer, Pennington, Pressley, Watts, Whitesides and Wisler. Lapsley and Pelly were absent.

Others present were William Clarke, General Counsel; Forrest Westall, PE, with McGill Associates; Tom Hartye, Scott Powell, Angel Banks, Spencer Nay and Pam Nolan, MSD.

2. Inquiry as to Conflict of Interest:

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

3. Approval of Minutes of the January 19, 2022 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the January 19, 2022, Board Meeting. Mr. Watts moved for approval of the minutes as presented. Mr. Whitesides seconded the motion. Voice vote in favor of the motion was unanimous.

4. Discussion and Adjustment of Agenda:

None.

5. Introduction of Guests:

None.

6. Informal Discussion and Public Comment:

None.

7. Report of General Manager:

Mr. Hartye reported that MSD's consultant is currently finalizing the Compensation Study for District Employees. Typically, MSD rolls the recommendations of this study into the benefits considerations (including cost of living adjustments and health benefits) as a part of the budget process. With the current fuel cost increases and ongoing inflation, the lowest paid employees are struggling, and MSD is finding it hard to keep and fill these positions. We are intending to implement a partial adjustment of \$1/hour increase for the bottom 22 positions. Having seen the preliminary information from the study, these positions would be adjusted at least this much come July, but we feel the need is for those folks to get this partial adjustment now.

Mr. Hartye reported that as part of developing the preliminary budget, the Personnel Committee will meet on April 26th to consider Cost of Living/Merit pay

and Benefit Allocations, including the Self-Funded Medical & Dental Program. The CIP Committee will meet on April 28th to consider an update of the Ten-Year Capital Improvement Program and the FY 2023 Construction Budget. The Finance Committee will meet on May 2nd to consider a Preliminary Budget with an updated 10-year Business Plan which will incorporate the recommendations from the other Committees along with the proposed FY2023 Operating Budget and Sewer Rates.

Mr. Hartye stated that Mr. Watts asked him to mention that MSD is involved in some COVID testing at the plant. This is being done in partnership with the Health Department, CDC, and the State of North Carolina. There are about 30 sites involved across North Carolina. Mr. Hartye reported that they send out trending data and he has a print-out of the last trending data if anyone would like to see it. Ms. Wisler asked if this was common. Mr. Hartye stated that you can only get general trend information. Unfortunately, we don't have as good testing above ground as below ground. Mr. Kelly stated that there has been a lot of that on TV and asked if what MSD was finding is consistent with what you see nationally? Mr. Hartye stated yes, the general trend is the same as you can see on the graph with MSD's information. It shows the last Omicron peak. It's not quite as defined as the above ground testing. Ms. Manheimer commented that on NPR they were saying they might use it as forecasting for waves that might be coming. Mr. Hartye stated that if the virus goes away and you continue testing, if it comes back in the Fall, you could be alerted by the testing.

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

8. Report of Committees:

a. Right of Way Committee – January 26, 2022

Mr. Kelly reported that the Right of Way Committee met on January 26, 2022, to discuss routine recommendations for the Board. Ms. Manheimer was excused from voting on Item III. as shown in the Right of Way Committee Minutes, due to a conflict of interest, and will be excused from voting on this item today. There were no questions.

9. Consolidated Motion Agenda:

a. Consideration of Condemnation – Aurora Drive GSR

Mr. Hartye reported that there were seven (7) contacts with this owner. Staff and Right of Way Committee recommend authority to obtain appraisal and proceed with condemnation, if necessary.

b. Consideration of Compensation Budgets – Albemarle Commons Pump Station Elimination; Sweeten Creek @ Buck Shoals Road GSR; Wynne Street @ Mountain Street GSR:

Mr. Hartye reported that Staff and Right of Way Committee recommend approval of these Compensation Budgets.

c. Consideration of Developer Constructed Sewer Systems – Abundance Run; Amaranth Apartments; Milos Orchard; Third Street Cottages; Town Place by Marriott:

Mr. Hartye reported that the Abundance Run Subdivision Project is located in the City of Asheville and included rehabilitating approximately 159 linear feet of 8-inch public gravity sewer and extending approximately 316 linear feet of 8-inch public gravity sewer to serve the 16-unit residential subdivision.

Mr. Hartye reported that the Amaranth Apartments Project is located in the City of Asheville and included extending approximately 674 linear feet of 8-inch public gravity sewer to serve the 70-unit apartment complex.

Mr. Hartye reported that the Milos Orchard Project is located in the Town of Woodfin and included extending approximately 163 linear feet of 8-inch public gravity sewer to serve the 4-unit residential development.

Mr. Hartye reported that the Third Street Cottages Phase 1 Project is located in the City of Asheville and included relocating approximately 114 linear feet of 8-inch public gravity sewer to serve the 4-unit residential development.

Mr. Hartye reported that the Town Place by Marriott Project is located in the City of Asheville and included extending approximately 262 linear feet of 8-inch public gravity sewer to serve the 106-room hotel.

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

d. Second Quarter Budget to Actual Review FY2022:

Mr. Powell reported that Page 31 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 small developments. Interest and miscellaneous income are at budgeted expectations. O&M expenditures are at 52.81% of budget. They include encumbered amounts of approximately \$900,000.00. These amounts will be spent in future months throughout the rest of the fiscal year. Bond principal and interest expenditures are reflected at 50%. Actual amount spent as of the end of the second quarter is 16.9%. This will aid the user to properly assess debt service commitments on a budgetary perspective. This is due to the timing of the District's debt service payments. Amounts budgeted for capital equipment and capital projects are rarely expended proportionately throughout the year. Due to the timing of capital projects, this amount is considered reasonable.

e. Cash Commitment Investment Report – Month ended January, 2022:

Mr. Powell reported that Page 34 presents the makeup of the District's Investment Portfolio. There has not been a significant change in the makeup of the portfolio from the prior month. Additionally, the makeup of the portfolio is in accordance to the District's Investment Policy. Page 35 presents the MSD Investment Manager's report as of the month of January. The weighted average maturity of the investment portfolio is 60 days and the yield to maturity is 0.10%. Page 36 presents the District's Analysis of Cash Receipts. Domestic User Fees are considered reasonable based on timing of cash receipts and historical trends. Industrial User Fees are considered reasonable taking into consideration a temporary increase in revenue from one industrial user. Facility and Tap Fees are above budgeted expectations due to receiving revenue from various developers. Page 37 presents the District's Analysis of Expenditures. O&M, Debt Service, and Capital Project expenditures are considered reasonable based on timing of O&M expenditures and Capital Projects. Page 38 presents the District's Variable Debt Service Report. The 2008A Series Bond is performing at budgeted expectations. As of the end of February, both issues have saved the District rate payers approximately \$7.0 million in debt service since April, 2008. There were no questions.

f. Consideration of Auditing Services Contract FY2022:

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 2022 engagement Cherry Bekaert has proposed a fee of \$41,000.00. Staff recommends approval of the FY2022 Audit Contract with Cherry Bekaert, LLP. Next fiscal year 2023, the District will be going out for RFQ's to see if there is anyone that can provide the service that Cherry Bekaert provides. Ms. Franklin asked how often the District entertains RFQ's for the audit contract. Mr. Powell stated that it is typically based on the level of service. The District makes certain that whoever performs our audit, and it has been Cherry Bekaert for a considerable amount of time, that they continue to change Staff, Managers and Partners on the engagement. Other entities might go out every four or five years and that gives them that level. Cherry Bekaert is probably one of the biggest accounting firms who do governmental audits. Specifically, they have a niche in the utility market and since that is somewhat specialized and it's not just a general governmental audit, we believe if we continue to have them change staffing on the audit engagement, we have fresh eyes on the engagement, they bring up new things. Mr. Powell stated that he can assure that with the last 2-3 years with changing of staff and COVID, they have asked a lot of different questions from previous auditors. Mr. Hartye stated that there is not quite the selection as there would be for other entities here, for general governmental accounting opposed to utility enterprise, so they really have that corner on the market but the District will continue to go out to see if there is anyone else who has that type of experience.

There was no further discussion.

Mr. VeHaun reported that Ms. Manheimer is excused from voting on Item 08.a. Consideration of Condemnation – Aurora Drive GSR., of the Consolidated Motion Agenda, due to a conflict of interest. He then called for a motion to approve this item. Mr. Kelly moved; Mr. Watts seconded the motion. Roll call vote was as follows: 11 ayes, 0 nays.

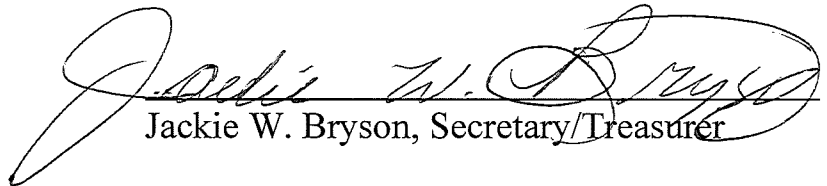
Mr. VeHaun then called for a motion to approve Items 08.b.–08.f. of the Consolidated Motion Agenda. Mr. Kelly moved; Ms. Wisler seconded the motion. Roll call vote was as follows: 12 ayes, 0 nays.

10. Old Business: None.

11. New Business: None.

12. Adjournment:

With no further business, Mr. VeHaun called for adjournment at approximately 2:19 pm.


Jackie W. Bryson, Secretary/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 3/16/2022

✓	Agenda Item	Presenter	Time
	Call to Order and Roll Call	VeHaun	2:00
	01. Inquiry as to Conflict of Interest	VeHaun	2:05
	02. Approval of Minutes of the January 19, 2022 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. Report of Committees		
	a. Right of Way Committee – January 26, 2022	Kelly	2:40
	08. Consolidated Motion Agenda	Hartye	2:45
	a. Consideration of Condemnation – Aurora Drive GSR	Hartye	
	b. Consideration of Compensation Budgets – Albemarle Commons Pump Station Elimination; Sweeten Creek @ Buck Shoals Road GSR; Wynne Street @ Mountain Street GSR		
	c. Consideration of Developer Constructed Sewer Systems – Abundance Run; Amaranth Apartments; Milos Orchard; Third Street Cottages; Towne Place by Marriott	Hartye	
	d. Second Quarter Budget to Actual Review FY2022	Powell	
	e. Cash Commitment/Investment Report-Month ended January, 2022	Powell	
	f. Consideration of Auditing Services Contract FY2022	Powell	
	11. Old Business	VeHaun	3:05
	12. New Business:	VeHaun	3:10
	13. Adjournment: (Next Meeting 4/20/22)	VeHaun	3:15
	STATUS REPORTS		

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
January 19, 2022

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held on Wednesday, January 19, 2022 at 2 PM. Due to the Covid-19 virus, Board Members and some staff attended the meeting both in person and 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 Vebaun presided with the following members either in person or present via internet or telephone access: Ashley, Bryson, Dearth, Franklin, Kelly, Manheimer, Pelly, Pennington, Pressley, Watts, Whitesides and Wisler. Lapsley was absent.

Others present either in person, via internet or telephone access were William Clarke, General Counsel; Forrest Westall, PE, with McGill Associates; Tom Hartye, Hunter Carson, Scott Powell, Ken Stines, Spencer Nay and Pam Nolan, MSD.

Mr. Hartye introduced new Board Member, Douglas Dearth, representing the Town of Weaverville. Mr. VeHaun welcomed Mr. Dearth and presented him with the traditional manhole hook.

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 15, 2021 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the December 15, 2021, Board Meeting. Mr. Kelly moved for approval of the minutes as presented. Mr. Watts seconded the motion. Voice vote in favor of the motion was unanimous.

4. Discussion and Adjustment of Agenda:

None.

5. Introduction of Guests:

None.

6. Informal Discussion and Public Comment:

None.

7. Report of General Manager:

Mr. Hartye reported that in the last Personnel Committee Meeting, there were some questions regarding employee training here at the District. MSD provides wastewater training programs not only for District employees, but also for local industry here in Western North Carolina, over and above the many training options we provide for our own forces. Ken Stines will give a brief presentation on some of these ongoing training programs.

Mr. Stines stated that he was going to talk about MSD's impacts beyond, some of MSD's extracurricular activities outside of daily activities, things that are important to the environment, our community, and the State of North Carolina. MSD is a member of the North Carolina Water Quality Association (NCWQA). NCWQA focuses critical public utility input and insights toward identifying the optimal approach to water issues in state legislation, rules, and agency policies. Roger Edwards, Director of the District's Wastewater Reclamation Facility, is on the Board of Directors for NCWQA. They meet quarterly and are a great networking community. MSD has also had representation on NC 811 Board of Directors for the last 15 or more years. Mr. Stines stated that he is currently on their Board. NC 811 promotes damage prevention and safe digging through communication of excavation activities and educates facility operators, excavators, and the general public. This is a place to communicate with all of the excavators, utilities, contractors, etc. throughout the State, to let them know what type of work is going on. When you see the paint marks on the sidewalks and streets, and people sometimes get upset, it is actually a law that you have to mark utilities. This protects citizens and utility workers. The Water Pollution Control System Operators Certification Commission (NCWPCSOCC) is appointed by the Secretary of the NC Department of Environmental Quality (NC DEQ) and Mr. Stines stated that he currently serves on that Commission. They regulate all of the certificates and license holders in the State of North Carolina from wastewater to biological to land applications. This commission meets quarterly to discuss issues and changes to laws, "needs to know" for certifications and disciplinary actions throughout the State. MSD also participates in the Wastewater Board of Education and Examiners and stated that himself and Mr. Edwards sit on this Committee. This is for all of the certifications and licensing in wastewater in the State. This Committee provides information to the NCWPCSOCC. NC Water/Warn is another organization that he has been involved with since about 2000. This organization is utilities helping utilities. A lot of people think it is just bigger utilities helping smaller utilities but that isn't always the case. During natural disasters and hardships such as the hurricanes on the coast that wipe out a whole treatment plant or water systems, the people in the western ends of the county or other parts of the State can go down and assist with what they need. MSD has found it very beneficial for small things sometimes. Here in Western North Carolina MSD is about the only game in town for sewer and that's with the City of Asheville and Water Department. We find ourselves helping a lot of communities around Western North Carolina. If anyone will remember, Marshall had a pump station go out and they called MSD. We went down and set up pumps, did all of the by-pass pumping to try to get the sewage contained. Waynesville, Bryson City and Burnsville are some others that have called on MSD for assistance. He presented slides and pointed out MSD Staff Member John Gosnell, who went down during Hurricane Florence and manned the Emergency Operations Center for Water and Sewer for about a week. MSD has 92 certified operators. They are required to have 6 hours of continuing education credits for those certifications every year. Those typically run \$100 - \$150 per person. MSD has been approved to teach the Wastewater Education Collections Grades 1-4, Biological 1-4, Continuing Education and Incinerator Training. Anyone in the western part of the State can attend and it gives them the opportunity to see some of MSD's equipment and facilities. A lot of the smaller towns around us, such as Clyde and Marshall, haven't been exposed to some of the equipment that is available out there. This is a good learning opportunity for them and lets them know we are here to help them in times

in times of emergencies. MSD is also a member of NCAWWA and NC Rural Water, who provide their own schools, typically in the Morganton, Raleigh and Fayetteville areas. There are 5 or 6 employees here at MSD who are instructors for these schools. Higher Education and Leadership Opportunities provided by MSD include WCI for Supervisory Development, the UNC School of Government, Western Carolina Leadership Programs, and the Disney Institute. A lot of MSD employees are members of NC AWWA-WEA and Water Environment Federation who put on conferences every year. This is a great conference to attend for education purposes with really good networking. The conference this year was in Charlotte, NC. Mr. Stines presented pictures of Filtration cloths at the aqua filter building. MSD spends about \$100,000.00 every year buying these cloths. They met a company at this conference from South Carolina that makes and sells these cloths. This company came to MSD and got a couple of the carpets, made some samples and gave a price. If we are able to use them, it will save about \$20,000.00 per year on one purchase alone. MSD sends 2 or 3 employees at a time to the Utility Expo conference every other year. This gives them an opportunity to see new heavy equipment, backhoes, track hoes and new trenchless technology. They also attend the WWETT show every couple of years. This show is similar to the heavy equipment show but consists of flusher and maintenance type equipment. All of these count toward continuing education credits. Mr. Stines stated that there are a tremendous amount of safety training classes offered at MSD and he presented a list of those classes. A lot of them are handled by the District's Safety Division. These classes are offered through the District to others in Western North Carolina and also count for credit hours. He stated that Sandra Moore, in the District's Safety Division, is an approved training provider for NCDOT for Flagging. A lot of people don't know that flaggers have to be certified by the State of North Carolina to set up, do plans and flag. MSD is a certified plan provider. MSD also teaches Confined Space Entry, Lock out/tag out, Arc Flash Events and Shore and Slope Protection. These classes are also for other municipalities, etc. in Western North Carolina, not just our own employees. He presented some slides from MSD's Step Program of an Excavator Class, Wastewater Certification Continuing Education Plan Reading class, a Stihl Chain Saw and Pipe Saw Manufacturer Training Class, a Dump Truck Class taught by the NC Highway Patrol, and a Practical Leveling Continuing Education Class. He stated that employees go through this program from the time they are hired. They may start out as an Operator I and can go up to an Operator VII with the different skill sets they have to achieve over a period of about 12-15 years. MSD is continuously trying to improve and educate employees. He stated that the leadership at MSD and the Board giving the tools to have these opportunities are one thing that makes MSD a great place to work. Mr. Stines reported that the District also participates in a lot of shows. Lisa Tolley, the System Services Office Administrator, heads up the home and trade shows. MSD also participates in school events such as Career Days. We send flusher trucks, backhoes and things of that nature and the participants get to see how everything operates. MSD also participates in The Blood Connection, The American Red Cross, United Way, Toys for Tots, Breast Cancer Awareness, NCRWA Training, International Right of Way Association, and the NC Pretreatment Consortium, Inc. MSD is also ISO 14001 Certified with the Environmental Management System.

Mr. Hartye reported that Board members and the public often ask who our biggest users are, who uses the most water and who pays the most to MSD. Attached is a list of Principal Commercial Users which can also be found in the Statistical Section of the CAFR. This has changed throughout the years except for number one being Milkco, Inc. which they have been for a long time.

Mr. Hartye reported that the next Right of Way Committee meeting will be held on January 26, 2022 at 9 am. The next Regular Board Meeting will be held on February 16, 2022 at 2 pm.

8. Report of Committees:

a. Planning Committee-December 17, 2021

Mr. Pelly reported that the Planning Committee met on December 17, 2021 to discuss two Agenda Items. The first was to review the Collection System Master Plan Addendum for Cane Creek Water & Sewer District. The Planning Committee approved Staff's Recommendation to approve the Addendum. The second item was a Developer appeal for a private pump station and force main for a subdivided property. The Planning Committee accepted Staff's Recommendation to deny this appeal.

9. Consolidated Motion Agenda:

a. Consideration of Bids: Mountainbrook Road @ Chunns Cove Road:

Mr. Hartye reported that this project is located off Chunns Cove Road in East Asheville. The project consists of approximately 3,204 LF, 2,713 LF of 8-inch DIP to be installed by dig and replace and 491 LF of 8-inch HDPE to be installed by pipe bursting. The existing lines are 6-inch clay that are undersized and in poor condition resulting in major infiltration and inflow. This project will also eliminate an aerial crossing. The contract was advertised and four sealed bids were received on December 16, 2021 in the following amounts: Thomas Construction Company in the amount of \$1,482,629.00; Hyatt Pipeline, LLC in the amount of \$1,038,496.00; T.P. Howard's Plumbing Co., Inc. in the amount of \$891,200.00; and Terry Brothers Construction Company with a bid in the amount of \$885,810.00. The apparent low bidder is Terry Brothers Construction Company with a bid amount of \$885,810.00. Terry Brothers has extensive experience with MSD District rehabilitation projects and continue to do excellent work. The FY 21-22 Construction Budget for this project is \$1,150,000.00. Staff recommends award of this contract to Terry Brothers Construction Company in the amount of \$885,810.00, subject to review and approval by District Counsel.

b. Consideration of Developer Constructed Sewer Systems – Hibriten Subdivision; Kyfields Ph. 5:

Mr. Hartye reported that the Hibriten Subdivision Project is located off Hibriten Drive in the City of Asheville and included extending approximately 140 linear feet of 8-inch public gravity sewer to serve the 9-unit residential development.

Mr. Hartye reported that the Kyfields Phase 5 project is located off Salem Road in the Town of Weaverville and included extending approximately 1,830 linear feet of 8-inch public gravity sewer to serve the 33-unit residential development.

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

c. Cash Commitment Investment Report – Month ended November, 2021:

Mr. Powell reported that Page 27 presents the makeup of the District's Investment Portfolio. In the month of November, staff invested 46.19% of available funds in US Government T-bills and governmental agencies. This was an increase from the prior month. Page 28 presents the MSD Investment Manager's report as of the month of November. The weighted average maturity of the investment portfolio is 28 days and the yield to maturity is 0.06%. Page 29 presents the District's Analysis of Cash Receipts. Domestic and Industrial User Fees are considered reasonable based on timing of cash receipts and historical trends. Facility and Tap Fees are above budgeted expectations due to receiving \$134,000.00 from one developer. Page 30 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 capital projects. Page 31 presents the District's Variable Debt Service Report for the month of December. The 2008A Series Bond is performing at budgeted expectations. As of the end of December, the issue has saved the District rate payers approximately \$6.9 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; Ms. Bryson seconded the motion. Roll call vote was as follows: 13 ayes, 0 nays.

10. MSD Collection System Master Plan Addendum: Cane Creek Water & Sewer District (CCWSD) Area:

Mr. Hartye reported that the District's Collection System Master Plan was prepared and adopted in 2008 and covered the entire District at that time. The Master Plan is prepared in cooperation with each of the entities and in accordance with the planning policies of the various local governments. CCWSD merged with the District on July 1, 2020, and since that time have been preparing an addendum to the District's Master Plan. McGill Associates gave a presentation at the Planning Committee Meeting on December 17th. In general, they provide system maps of the lines following creek beds, streets, and that type of thing and lay out the lines to serve the entire area. The map presented is a basin map and is larger than the area that the District took over as CCWSD as a political boundary. When you look at these areas you have to look outside at the basin that feeds into them because there are areas around the District that we serve outside of the border. McGill Associates laid out all of the interceptor lines and all of the small collector lines. The main output of this effort is a series of maps showing detailed lines. These maps are put onto the District's GIS so that when developers come in, we can show them how to extend from the existing sewer lines.

The District's Planning and Engineering folks don't have to figure out what to do for each new development "on the fly", they can just show them the master plan and how it needs to be laid out. It is important to finish this effort out in Cane Creek as well. Developers see how the system should be constructed in an organized fashion. The Planning Committee recommends adoption of the Collection System Master Plan Addendum for the CCWSD area.

With no further discussion, Mr. VeHaun called for a motion to adopt the Collection System Master Plan Addendum for the CCWSD area. Mr. Pennington moved; Mr. Ashley seconded the motion. Roll call vote was as follows: 13 ayes, 0 nays.

11. Developer Appeal for Private Pump Station and Force Main to serve Subdivided Property:

Mr. Hartye reported that this is the second item discussed at the December 17, 2021, Planning Committee meeting. He presented a map showing the area. The developer is appealing for his ability to install a private pump station and force main to a subdivided property. This is a 10.5-acre tract and most of the houses around here are on septic tanks and are larger lots. Instead of putting in 12 lots with septic tanks, developer wanted to put in 70 lots with single family homes. He wanted to put in a system and a private pump station and pump up to a manhole way up on the hill in the middle of a retirement community, right next to their dining hall. The District Policy does not allow private pump stations for subdivided lots. The only way you can have a private pump station is if this was a single ownership such as a mobile home park or apartments or something of that nature. If the property is to be subdivided, it must be a public gravity system. The retirement community's system is also a private system. There were several problems with this request but the main problem is that pursuant to the Master Plan when we can obtain gravity, that is required. MSD approved the flow and would allow construction of a gravity line (about 2,635 LF) along Brevard Road and Glenn Bridge Road to serve this property pursuant to the Master Plan. MSD further offered support with Right of Way acquisition along the route identified in the Master Plan in the event that private property must be crossed. There are also MSD participation programs where, if another developer wanted to develop their land and were going to tie onto this line, they would have to reimburse the original developer a proportionate share of the cost. If these were affordable housing units, there are significant cuts in the amount of fees that would be charged for each of these units plus we would participate in this line cost as well. The Staff and Planning Committee recommendation is to deny this appeal. Ms. Wisler asked if, since this is District Policy, the Developer could take any further action if the Board denies this appeal. Mr. Hartye stated the Board's decision will be the final decision.

With no further discussion, Mr. VeHaun called for a motion to deny the developers appeal for a private pump station and force main to serve the subdivided property. Ms. Wisler moved; Mr. Pennington seconded the motion. Roll call vote was as follows: 13 ayes, 0 nays.

12. Old Business: None.

13. New Business: None.

14. Adjournment:

With no further business, Mr. VeHaun called for adjournment at approximately 2:39 pm.

Jackie W. Bryson, Secretary/Treasurer



MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: March 11, 2022
SUBJECT: Report from the General Manager

- Compensation Study and Partial Adjustment

MSD's consultant is currently finalizing the Compensation Study for District Employees. Typically, we roll the recommendations of this study into the benefits considerations (including cost of living adjustments and health benefits) as a part of the budget process to take effect in July. With the current fuel cost increases and ongoing inflation, the lowest paid employees are struggling, and MSD is finding it hard to keep/fill these positions. We are intending to implement a partial adjustment of \$1/hour increase for the bottom 22 positions (those making under \$40,000/year). Having seen the preliminary information from the study, these positions would be adjusted at least this much come July, but we feel the need is for those folks to get this partial adjustment now.

- FY 2023 Budget Process and Committee Meetings

As a part of developing this preliminary budget, the Personnel Committee will also meet on April 26th to consider Cost of Living/ Merit pay and Benefit Allocations (i.e., Self-Funded Medical & Dental Program). The CIP Committee will meet on April 28th to consider an update of the Ten-Year Capital Improvement Program and the FY 2023 Construction Fund Budget. The Finance Committee will meet May 2nd to consider a Preliminary Budget with an updated 10-year Business Plan which will incorporate the recommendations from the other Committees along with the proposed FY2023 Operating Budget and Sewer Rates.

- Board/Committee Meetings/Events

The next Regular Board Meeting will be held on April 20th at 2 pm. The next Right of Way Committee meeting will be held on April 27th at 9 am.

**RIGHT OF WAY
COMMITTEE RECOMMENDATIONS
AND MINUTES
January 26, 2022**

I. Call To Order

The regular monthly meeting of the Right of Way Committee was held in the Boardroom of the William H. Mull Building and called to order at 9:00 a.m. on Wednesday, January 26, 2022. The following Right of Way Committee members were present: Glenn Kelly, Matt Ashley, Jackie Bryson, Esther Manheimer, Chris Pelly and Nathan Pennington. Al Whitesides was absent.

Others present: Bob Watts, Board Member; Tom Hartye, Hunter Carson, Darin Prosser, Wesley Banner, Spencer Nay and Pam Nolan, MSD.

II. Inquiry as to Conflict of Interest

Mr. Kelly inquired if anyone had a conflict of interest with Agenda items. Ms. Manheimer asked who the attorney is that represents the property owner in Item III of this Agenda. Mr. Banner stated that it is Ron Payne. Ms. Manheimer stated that she has a conflict with Item III because Mr. Payne is employed with her firm. Mr. Kelly excused Ms. Manheimer from voting on Item III. There were no further conflicts.

**III. Consideration of Condemnation – Aurora Drive GSR, MSD Project No. 2017145
Property Owner: Haley Wilson, Pins 9648-97-3340 & 9648-97-3060**

Subject parcel is improved with a single-family home that is owner occupied. The existing sewer line runs along the southern portion of the property and is being replaced via pipe bursting (trenchless) in its current location. The permanent easement will require clearing of scrub trees and kudzu vines to allow for equipment passage. The owner's main concerns pertain to loss of buffer and buildable area.

MSD's standard compensation offer is \$13,164, and the owner has countered at \$75,000. The owner recently contacted an attorney to represent her in easement negotiations.

Staff will continue to negotiate with the owner's attorney, however we are requesting authority to condemn if an agreement cannot be reached.

Contacts: 7

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

Mr. Banner explained the above situation and location. He has been out to the site with the Project Engineer, Darin Prosser, to explore alternate access to the easement via the property to the left

of this owner. Due to the topography there would be no way to get machinery to this easement. Mr. Ashley asked if the sewer line with the prescriptive easement is shown on the MSD maps. Mr. Banner stated yes. Mr. Ashley asked if owner was having a problem with what would be buildable area and would that change. Mr. Banner stated the easement width would remain the same, a 20-foot permanent easement. Mr. Ashley stated that she should have been aware of the line being there. Mr. Ashley asked if we typically ask this Board for approval for condemnation if we are working with a property owner? Mr. Banner stated that Mr. Clarke will continue to negotiate with owner's attorney but that communication has stopped because of the difference in compensation, they are not willing to come down any off of the \$75,000.00. Mr. Ashley asked if they are justifying \$75,000.00 by loss of buffer and loss of building footprint. Mr. Banner stated yes. Mr. Banner also pointed out that the property is adjacent to a stream so that further limits their buildable area with the stream buffer requirements. Mr. Ashley asked if they had talked with owner about replacing some of the smaller trees. Mr. Banner stated that they had and owner is not in agreement. Mr. Hartye stated that basically they can't build a structure down there on top of the easement anyway so that really isn't the issue. Mr. Banner stated that she is hanging her hat on the loss of buildable area. Mr. Prosser pointed out the location of the creek on the map and stated that per the Corp of Engineers, they probably couldn't build there anyway. There was further discussion regarding buildable area. Mr. Pennington stated that this might be a good candidate for a variance from the City but a blueline stream is going to preclude any kind of structure. He further stated that this seems like more of a perceived loss of land from owner's perspective but she doesn't understand that you can't really build in there anyway. He confirmed with Mr. Banner that you can put pavement or shrubs or grasses in MSD rights-of-way but not trees. Mr. Banner stated that is correct. He stated that if she applied now to build over the prescriptive easement already there she would be denied. There was some further discussion regarding the location and size of the stream.

Mr. Kelly made the motion to accept Staff's recommendation. Mr. Pelly seconded the motion. Ms. Manheimer was excused from voting on this item due to a conflict. Voice vote was unanimous.

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

IV. Consideration of Compensation Budgets-

**Albemarle Commons Pump Station Elimination, Project No. 2018171
Sweeten Creek Rd. @ Buck Shoals Rd. GSR, Project No. 2014015
Wynne Street @ Mountain Street GSR, Project No. 2019139**

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

STAFF RECOMMENDATION: Approval of Compensation Budgets.

Mr. Banner reviewed the above compensation budgets. The Albemarle Commons Pump Station Elimination project is located off Waters Road in the Haw Creek area and consists of extending 620 linear feet of 8" DIP to achieve gravity sewer service and to eliminate a developer built pump station. The Sweeten Creek @ Buck Shoals Road Project is located off of Hendersonville Road and consists of replacing 1,192 linear feet of 6" and 8" VCP with 8" DIP. The existing line had sags, was in poor structural condition and has experienced multiple SSO's. The Wynne Street @ Mountain Street project is located in the downtown area and consists of replacing 415 linear feet of 4" and 6" VCP with 6" PVC and 8" DIP. This line has frequent backups and limited access is difficult to maintain. There was no discussion.

Mr. Kelly made the motion to accept Staff's recommendation. Mr. Pelly seconded the motion. Voice vote was unanimous.

COMMITTEE RECOMMENDATION: Approval of Compensation Budgets.

V. Quarterly Reports-

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

STAFF RECOMMENDATION: For information only. No action required.

VI. Other business

Included in this package is a copy of the 2022 Right of Way Committee Meeting schedule.

There being no further business, the meeting adjourned at 9:14 am.

Metropolitan Sewerage District of Buncombe County

Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 1/26/2022

BOARD MEETING DATE: 3/16/2022

SUBMITTED BY: Tom Hartye, PE, General Manager
PREPARED BY: Angel Banks, Right of Way Manager
Wesley Banner, Right of Way Agent

REVIEWED BY: Hunter Carson, PE, Director of CIP

**SUBJECT: Consideration of Condemnation –
Aurora Drive GSR
MSD Project Number 2017145**

Property Owner: Haley Wilson, Pins 9648-97-3340 & 9648-97-3060

Subject parcel is improved with a single-family home that is owner occupied. The existing sewer line runs along the southern portion of the property and is being replaced via pipe bursting (trenchless) in its current location. The permanent easement will require clearing of scrub trees and kudzu vines to allow for equipment passage. The owner's main concerns pertain to loss of buffer and buildable area.

MSD's standard compensation offer is \$13,164, and the owner has countered at \$75,000. The owner recently contacted an attorney to represent her in easement negotiations.

Staff will continue to negotiate with the owner's attorney, however we are requesting authority to condemn if an agreement cannot be reached.

Contacts: 7

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

Mr. Banner explained the above situation and location. He has been out to the site with the Project Engineer, Darin Prosser, to explore alternate access to the easement via the property to the left of this owner. Due to the topography there would be no way to get machinery to this easement. Mr. Ashley asked if the sewer line with the prescriptive easement is shown on the MSD maps. Mr. Banner stated yes. Mr. Ashley asked if owner was having a problem with what would be buildable area and would that change. Mr. Banner stated the easement width would remain the same, a 20-foot permanent easement. Mr. Ashley stated that she should have been aware of the line being there. Mr. Ashley asked if we typically ask this Board for approval for condemnation if we are working with a property owner? Mr. Banner stated that Mr. Clarke will continue to negotiate with owner's attorney but that communication has stopped because of the difference in compensation,

they are not willing to come down any off of the \$75,000.00. Mr. Ashley asked if they are justifying \$75,000.00 by loss of buffer and loss of building footprint. Mr. Banner stated yes. Mr. Banner also pointed out that the property is adjacent to a stream so that further limits their buildable area with the stream buffer requirements. Mr. Ashley asked if they had talked with owner about replacing some of the smaller trees. Mr. Banner stated that they had and owner is not in agreement. Mr. Hartye stated that basically they can't build a structure down there on top of the easement anyway so that really isn't the issue. Mr. Banner stated that she is hanging her hat on the loss of buildable area. Mr. Prosser pointed out the location of the creek on the map and stated that per the Corp of Engineers, they probably couldn't build there anyway. There was further discussion regarding buildable area. Mr. Pennington stated that this might be a good candidate for a variance from the City but a blueline stream is going to preclude any kind of structure. He further stated that this seems like more of a perceived loss of land from owner's perspective but she doesn't understand that you can't really build in there anyway. He confirmed with Mr. Banner that you can put pavement or shrubs or grasses in MSD rights-of-way but not trees. Mr. Banner stated that is correct. He stated that if she applied now to build over the prescriptive easement already there she would be denied. There was some further discussion regarding the location and size of the stream.

Mr. Kelly made the motion to accept Staff's recommendation. Mr. Pelly seconded the motion. Ms. Manheimer was excused from voting on this item due to a conflict. Voice vote was unanimous.

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

Metropolitan Sewerage District of Buncombe County

Board Action Item - Right-of-Way Committee

COMMITTEE MEETING DATE: 1/26/2022

BOARD MEETING DATE: 3/16/2022

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

SUBJECT: Consideration of Compensation Budgets-

**Albemarle Commons Pump Station Elimination, Project No. 2018171
Sweeten Creek Rd. @ Buck Shoals Rd. GSR, Project No. 2014015
Wynne Street @ Mountain Street GSR, Project No. 2019139**

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

STAFF RECOMMENDATION: Approval of Compensation Budgets.

Mr. Banner reviewed the above compensation budgets. The Albemarle Commons Pump Station Elimination project is located off Waters Road in the Haw Creek area and consists of extending 620 linear feet of 8" DIP to achieve gravity sewer service and to eliminate a developer built pump station. The Sweeten Creek @ Buck Shoals Road Project is located off of Hendersonville Road and consists of replacing 1,192 linear feet of 6" and 8" VCP with 8" DIP. The existing line had sags, was in poor structural condition and has experienced multiple SSO's. The Wynne Street @ Mountain Street project is located in the downtown area and consists of replacing 415 linear feet of 4" and 6" VCP with 6" PVC and 8" DIP. This line has frequent backups and limited access is difficult to maintain. There was no discussion.

Mr. Kelly made the motion to accept Staff's recommendation. Mr. Pelly seconded the motion. Voice vote was unanimous.

COMMITTEE RECOMMENDATION: Approval of Compensation Budgets.

Albemarle Commons Pump Station Elimination

Project Number: 2018171

Compensation Budget

10-Jan-22

PIN and Name		Acres	Parcel SF	Land Value	LV/SF	Net PE SF	PE Assd. Value	50% PE Assd. Value	TCE SF	TCE Assd. Value	10% Annl Return	Proj Time	TCE Rent Value	Total Comp. (Rounded)
27 Pin	83 Pin													
	9659500548	6.25	272,250.00	\$86,500.00	\$0.32	1,163.00	\$372.16	\$186.08	2,935.00	\$939.20	\$93.92	3	\$23.48	\$210
	9658580803	17.92	780,595.20	\$1,561,200.00	\$2.00	11,080.00	\$22,160.00	\$11,080.00	20,177.00	\$40,354.00	\$4,035.40	3	\$1,008.85	\$12,089
													TOTALS:	\$12,298
													Staff Contingency:	\$5,000
													GM's Contingency	\$5,000
													Amendment	
													Total Budget:	\$22,298

Sweeten Creek Rd @ Buck Shoals Rd

Project Number: 2014015

Compensation Budget

10-Jan-22

PIN and Name		Acres	Parcel SF	Land Value	LV/SF	Net PE SF	PE Assd. Value	50% PE Assd. Value	TCE SF	TCE Assd. Value	10% Annl Return	Proj Time	TCE Rent Value	Total Comp. (Rounded)		
27 Pin	83 Pin															
	9654411791	Asheville-Buncombe CCM	0.75	32,670.00	\$199,300.00	\$6.10	1,424.90	\$8,691.89	\$4,345.95	2,487.50	\$15,173.75	\$1,517.38	4	\$505.79	\$4,852	
	9654329605	Carey, III	Patrick	4.98	216,928.80	\$498,900.00	\$2.30	4,459.20	\$10,256.16	\$5,128.08	6,688.90	\$15,384.47	\$1,538.45	4	\$512.82	\$5,641
	9654411960	Lighthouse, LLC		2.00	87,120.00	\$361,500.00	\$4.15	659.60	\$2,737.34	\$1,368.67	3,183.20	\$13,210.28	\$1,321.03	4	\$440.34	\$1,809
	9654329106	SST II Asheville I LLC		2.21	96,267.60	\$221,400.00	\$2.30	0.00	\$0.00	\$0.00	3,295.10	\$7,578.73	\$757.87	4	\$252.62	\$253
TOTALS:													\$12,554			
Staff Contingency:													\$5,000			
GM's Contingency													\$5,000			
Amendment																
Total Budget:													\$22,554			

Wynne Street @ Mountain Street GSR

Project Number: 2019139

Compensation Budget

10-Jan-22

PIN and Name		Acres	Parcel SF	Land Value	LV/SF	Net PE SF	PE Assd. Value	50% PE Assd. Value	TCE SF	TCE Assd. Value	10% Annl Return	Proj Time	TCE Rent Value	Total Comp. (Rounded)		
27 Pin	83 Pin															
	9649716540	Borchers	Susan	0.16	6,969.60	\$55,200.00	\$7.92	65.10	\$515.59	\$257.80	207.20	\$1,641.02	\$164.10	1	\$13.68	\$271
	9649716547	Dawson	John	0.26	11,325.60	\$59,000.00	\$5.21	144.90	\$754.93	\$377.46	91.00	\$474.11	\$47.41	1	\$3.95	\$381
	9649715511	Jones, et. al.	Helen	0.18	7,840.80	\$56,100.00	\$7.15	1,505.30	\$10,762.90	\$5,381.45	2,146.00	\$15,343.90	\$1,534.39	1	\$127.87	\$5,509
	9649714484	Messer	Sandra	0.14	6,098.40	\$54,200.00	\$8.89	1,115.40	\$9,915.91	\$4,957.95	886.80	\$7,883.65	\$788.37	1	\$65.70	\$5,024
	9649715485	Pickens Properties LLC		0.18	7,840.80	\$56,100.00	\$7.15	664.70	\$4,752.61	\$2,376.30	957.60	\$6,846.84	\$684.68	1	\$57.06	\$2,433
	9649715431	Whitman	Emma	0.14	6,098.40	\$54,200.00	\$8.89	0.00	\$0.00	\$0.00	169.10	\$1,503.30	\$150.33	1	\$12.53	\$13
													TOTALS:	\$13,632		
													Staff Contingency:	\$5,000		
													GM's Contingency	\$5,000		
													Amendment			
													Total Budget:	\$23,632		

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: March 16, 2022

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

REVIEWED BY: Hunter Carson, P.E. – Engineering Director

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Abundance Run Subdivision Sewer Extension, MSD Project No. 2019141

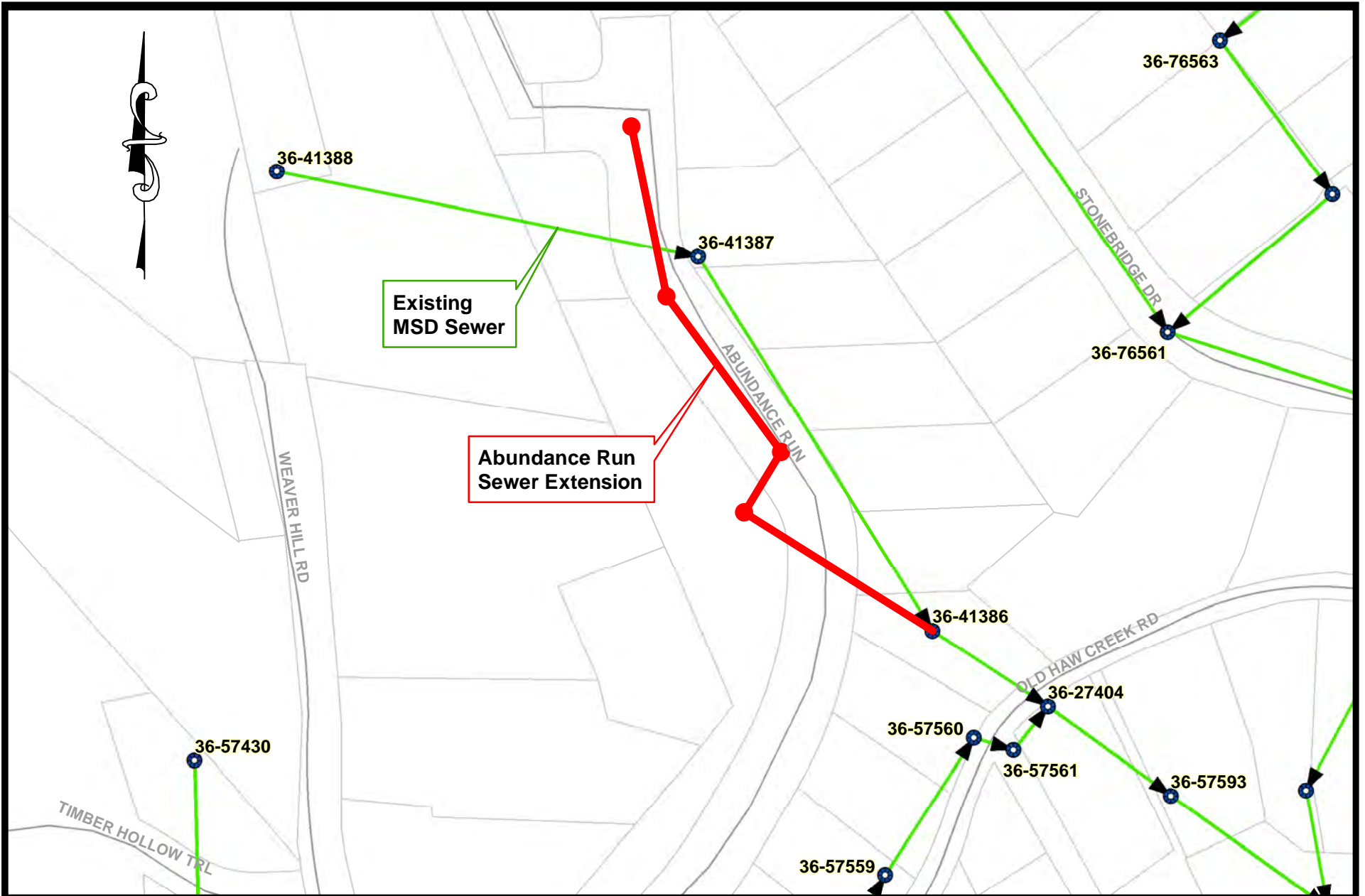
BACKGROUND: This project is located inside the District boundary at Weaver Hill Road and Old Haw Creek Road in the City of Asheville. The developer of the project is Dan Clere of Cardinal Point Construction, Inc.

The project included rehabilitating approximately 159 linear feet of 8-inch public gravity sewer and extending 316 linear feet of 8-inch public gravity sewer for a total of 475 linear feet of new 8-inch public gravity sewer to serve the Single-Family Residential Development.

A wastewater allocation was issued in the amount of 4,800 GPD for the sixteen (16) unit residential development. The estimated cost of the sewer construction is \$92,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

**Abundance Run Sewer Extension
MSD Project # 2019141**

Metropolitan Sewerage District of Buncombe County

03/02/2022

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: March 16, 2022

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

REVIEWED BY: Hunter Carson, P.E. – Engineering Director

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Amaranth Apartments Sewer Extension, MSD Project No. 2019068

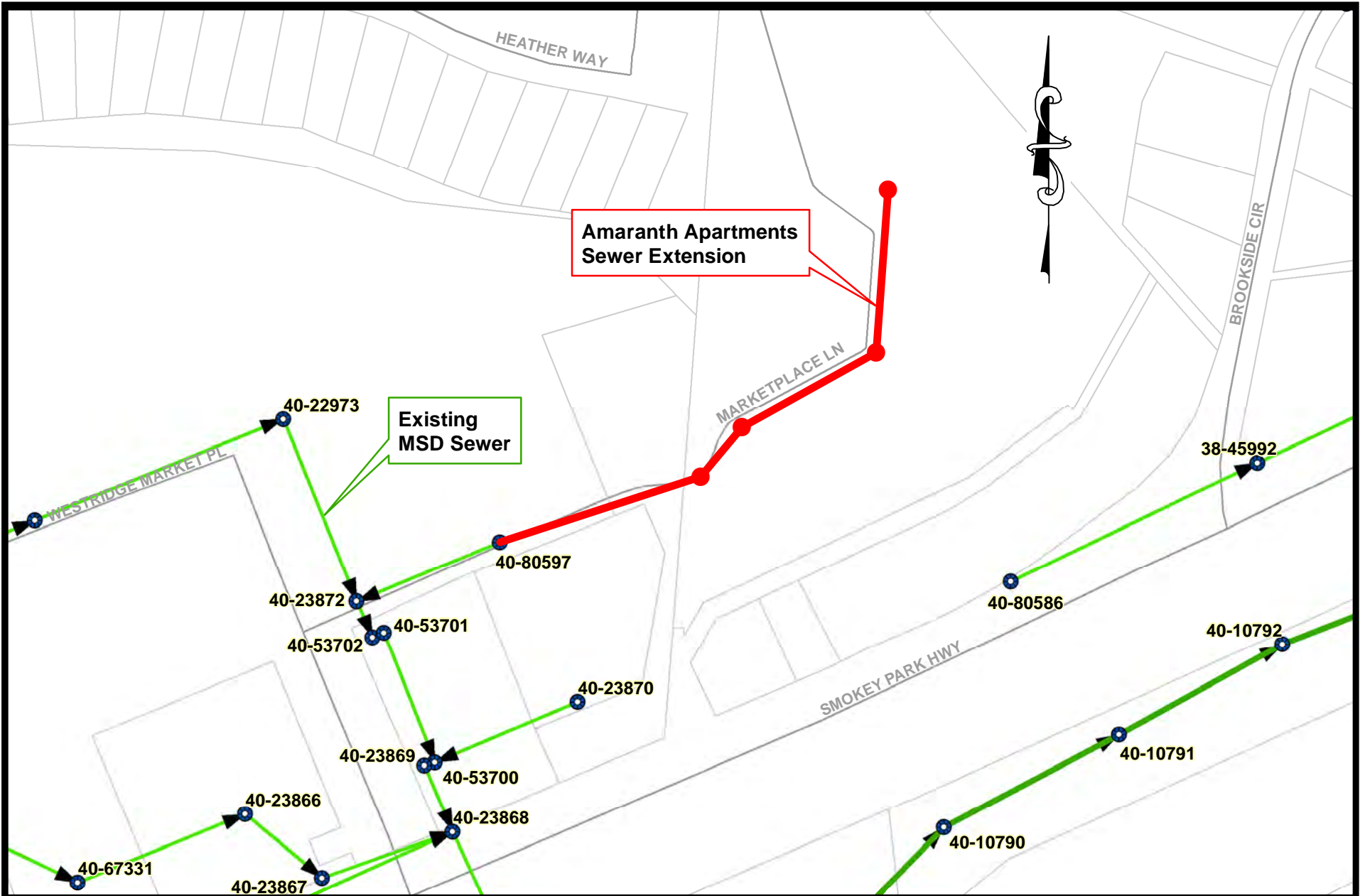
BACKGROUND: This project is located inside the District boundary on Market Place Lane off Westridge Market Place in the City of Asheville. The developer of the project is Jim Yamin of Workforce Homestead Inc.

The project included extending approximately 674 linear feet of 8-inch public gravity sewer to serve the Affordable Apartment Residential Development.

A wastewater allocation was issued in the amount of 14,700 GPD for the Seventy (70) unit apartment complex. The estimated cost of the sewer construction is \$147,636.97.

All MSD requirements have been met.

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



**Amaranth Apartments
Sewer Extension**

**Existing
MSD Sewer**



MSD
Engineering Division

**Amaranth Apartments Sewer Extension
MSD Project # 2019068**

Metropolitan Sewerage District of Buncombe County

03/02/2022

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: March 16, 2022

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

REVIEWED BY: Hunter Carson, P.E. - Engineering Director

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Milos Orchard Sewer Extension, MSD Project No. 2020200

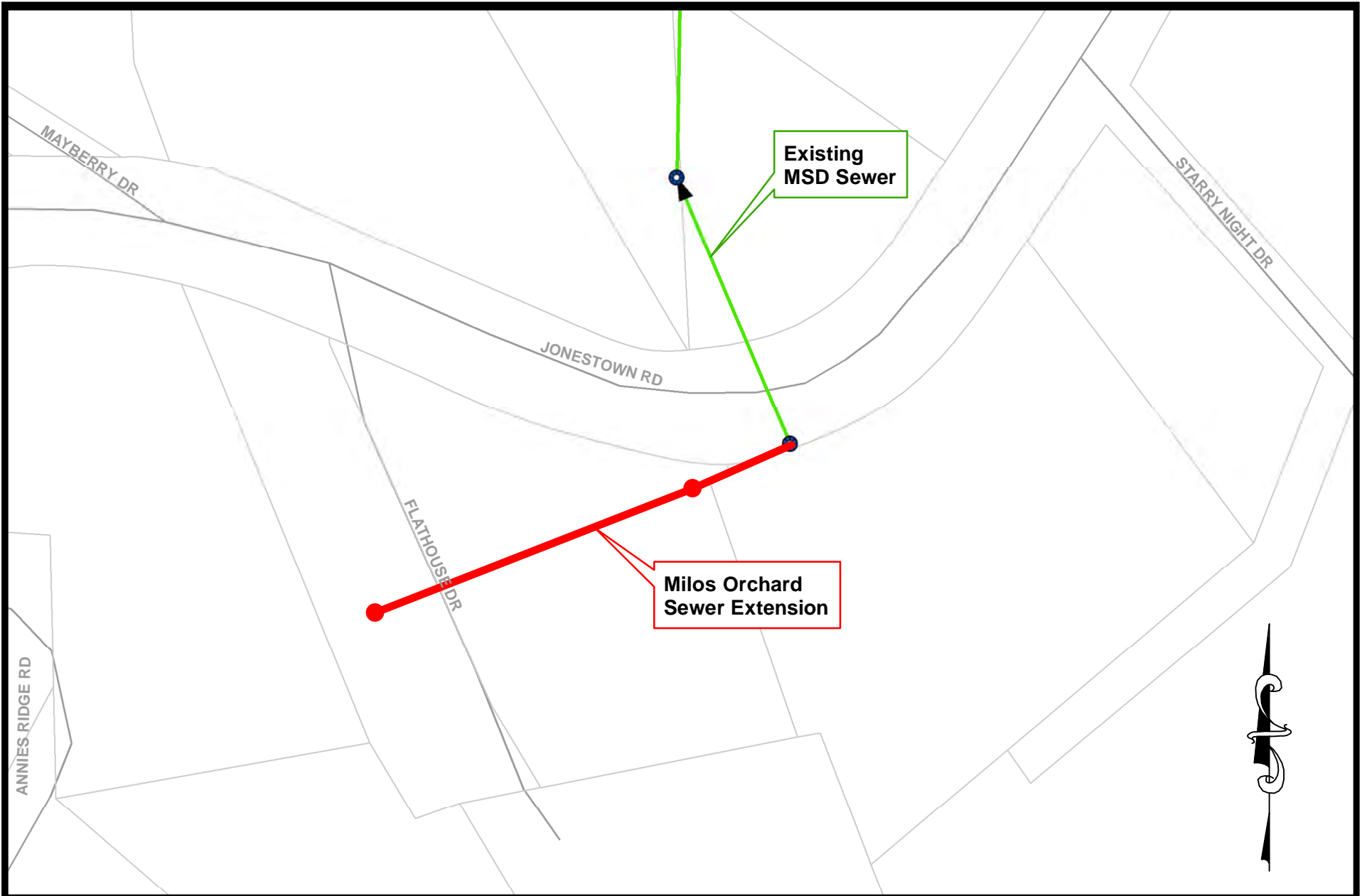
BACKGROUND: This project is located inside the District boundary along Jonestown Road in the Town of Woodfin. The developer of the project is Andy Stowe.

The project included extending approximately 163 linear feet of 8-inch public gravity sewer to serve the Single-Family Residential Development.

A wastewater allocation was issued in the amount of 1,600 GPD for the four (4) residential units for this development. The estimated cost of the sewer construction is \$31,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

Milos Orchard Sewer Extension MSD Project # 2020200

Metropolitan Sewerage District of Buncombe County

03/03/2022

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: March 16, 2022

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

REVIEWED BY: Hunter Carson, P.E. – Engineering Director

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Third Street Cottages Phase 1 Sewer Relocation, MSD Project No. 2019242

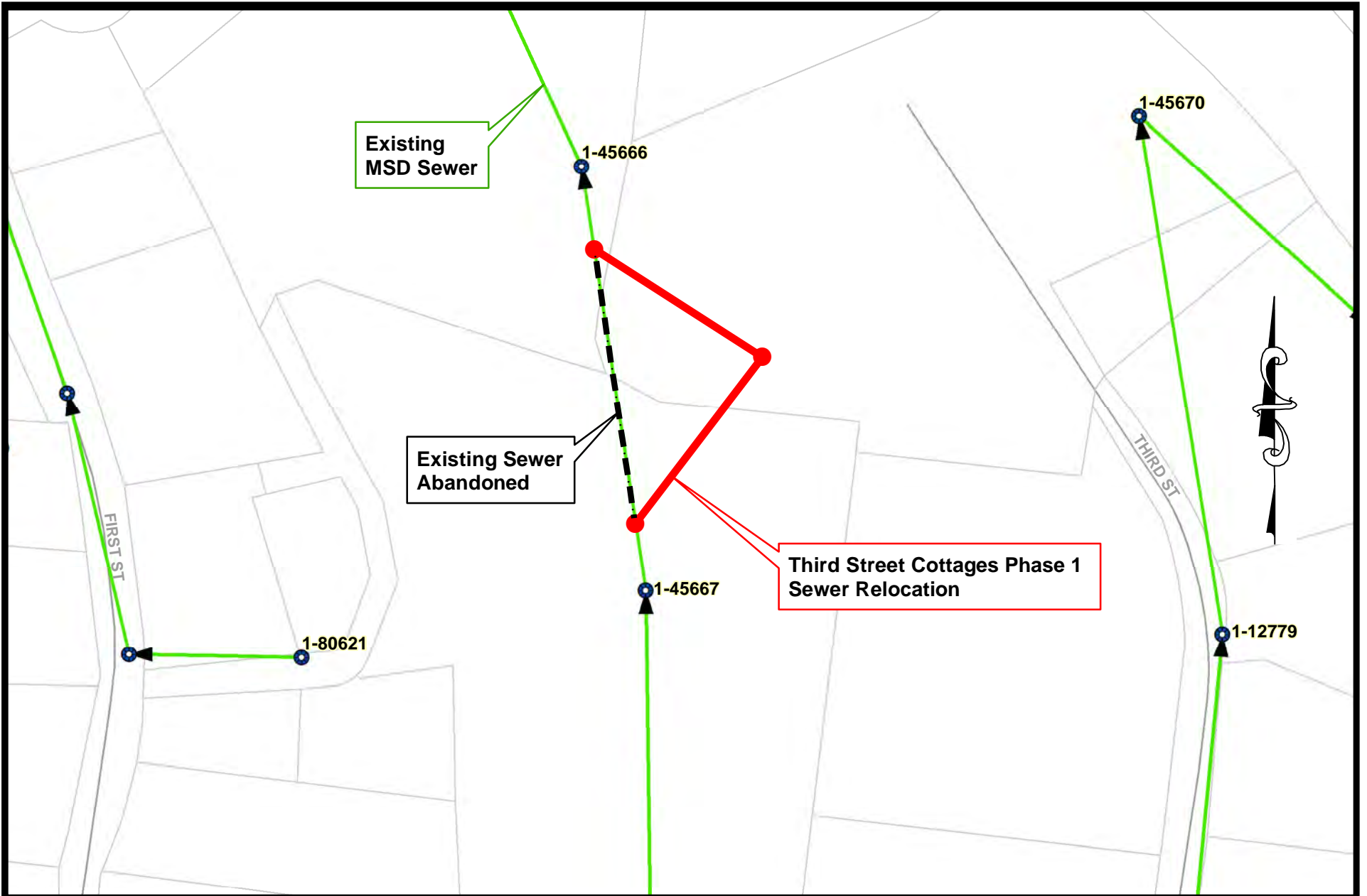
BACKGROUND: This project is located inside the District boundary at the end of Third Street in the City of Asheville. The developer of the project is Stuart Zitin.

The project included relocating approximately 114 linear feet of 8-inch public gravity sewer to serve the first phase of 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 phase of development. The estimated cost of the sewer construction is \$35,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

**Third Street Cottages Phase 1 Sewer Relocation
MSD Project # 2019242**

Metropolitan Sewerage District of Buncombe County

03/02/2022

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: March 16, 2022

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

REVIEWED BY: Hunter Carson, P.E. - Engineering Director

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

SUBJECT: Acceptance of Developer Constructed Sewer System for the Towne Place by Marriott Sewer Extension, MSD Project No. 2019187

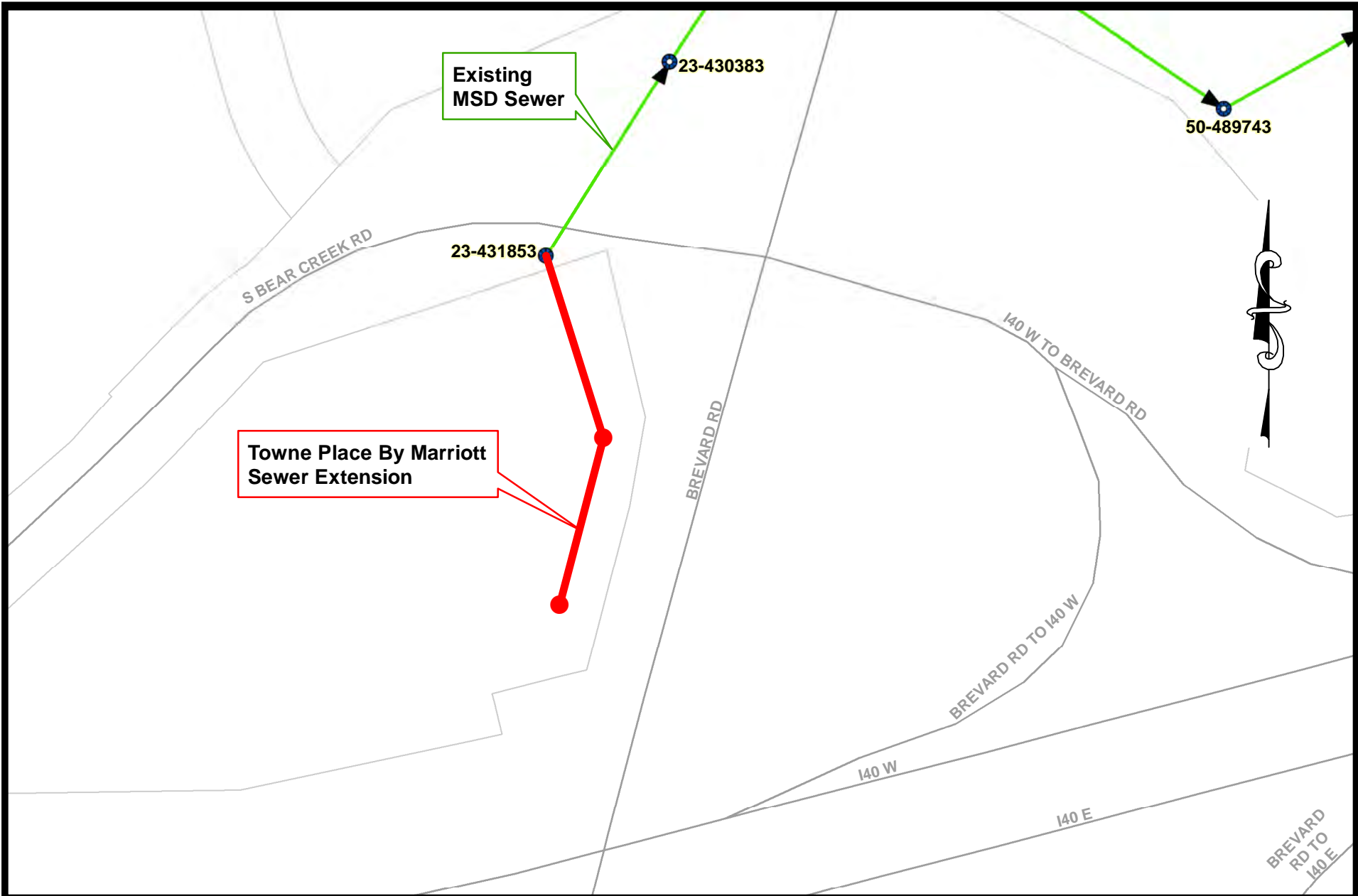
BACKGROUND: This project is located inside the District boundary at the intersection of Brevard Road and South Bear Creek Road in the City of Asheville. The developer of the project is Ford Elliot of Avon Park Holdings, LLC.

The project included extending approximately 262 linear feet of 8-inch public gravity sewer to serve the Commercial Development.

A wastewater allocation was issued in the amount of 18,550 GPD for the 106 room Hotel. The estimated cost of the sewer construction is \$32,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

**Towne Place By Marriott Sewer Extension
MSD Project # 2019187**

Metropolitan Sewerage District of Buncombe County

03/02/2022

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: March 16, 2022

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

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

Subject: Second Quarter Budget to Actual Review – FY2022

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, 2021 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 below budgeted expectations. Actual short-term interest rates are lower than anticipated for the fiscal year.
- Rental income reflects actual earnings.
- O&M expenditures are at 52.81% 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: March 16, 2022

Subject: Second Quarter Budget to Actual Review – FY2022

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 16.93%. The District is required to make semi-annual interest payments on January 1, 2022 and principal and semi-annual interest payments on July 1, 2022.
- 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, 2021
 UNAUDITED--NON-GAAP

	Budget	Actual to Date	% Budget to Actual
REVENUES			
Domestic User Fees ¹	\$ 34,939,096	\$ 17,897,554	51.23%
Industrial User Fees	3,509,420	1,761,640	50.20%
Facility Fees ²	2,000,000	2,544,749	127.24%
Tap Fees ³	175,000	348,200	198.97%
Billing and Collection	952,783	505,717	53.08%
Interest and Misc. Income	468,475	190,903	40.75%
Employee Contribution to Health Ins.	393,600	201,579	51.21%
City of Asheville (Enka Bonds)	35,000	-	0.00%
Rental Income	71,641	27,706	38.67%
Use of (Contributions to) Available Funds ⁴	<u>17,156,411</u>	<u>7,802,597</u>	45.48%
Total Revenues ⁵	<u>\$ 59,701,426</u>	<u>\$ 31,280,645</u>	52.40%
EXPENDITURES			
Operations and Maintenance ⁶	\$ 18,147,342	\$ 9,582,947	52.81%
Bond Principal and Interest ⁷	9,823,943	4,911,972	50.00%
Capital Equipment (Other than O&M) ⁶	1,107,609	687,064	62.03%
Capital Projects ⁶	29,622,532	16,098,661	54.35%
Contingency	<u>1,000,000</u>	<u>-</u>	0.00%
Total Expenditures	<u>\$ 59,701,426</u>	<u>\$ 31,280,645</u>	52.40%

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 16.93%.

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: March 16, 2022
 Submitted By: Thomas E. Hartye, PE., General Manager
 Prepared By: W. Scott Powell, CLGFO, Director of Finance
 Cheryl Rice, Accounting Manager
 Subject: Cash Commitment/Investment Report-Month Ended January 31, 2022

Background

Each month, staff presents to the Board an investment report for all monies in bank accounts and specific investment instruments. The total investments as of January 31, 2022 were \$76,660,826. The detailed listing of accounts is available upon request. The average rate of return for all investments is 0.043%. These investments comply with North Carolina General Statutes, Board written investment policies, and the District's Bond Order.

The attached investment report represents cash and cash equivalents as of January 31, 2022 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of January 31, 2022 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$29,210,976.

Total Cash & Investments as of 01/31/2022		76,660,826
Less:		
Budgeted Commitments (Required to pay remaining FY22 budgeted expenditures from unrestricted cash)		
Construction Funds	(23,144,196)	
Operations & Maintenance Fund	<u>(9,479,019)</u>	
		(32,623,215)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(11,900)	
FY22 Principal & Interest Due	<u>(8,032,224)</u>	
		(8,044,124)
District Reserve Funds		
Fleet Replacement	(609,994)	
Pump Replacement	(189,176)	
WWTP Replacement	(238,969)	
Maintenance Reserve	<u>(1,026,794)</u>	
		(2,064,933)
District Insurance Funds		
General Liability	(283,715)	
Worker's Compensation	(511,269)	
Post-Retirement Benefit	(2,397,332)	
Self-Funded Employee Medical	<u>(1,525,262)</u>	
		<u>(4,717,578)</u>
Designated for Capital Outlay		<u><u>29,210,976</u></u>

Meeting Date: March 16, 2022

Subject: Cash Commitment/Investment Report-Month Ended January 31, 2022

Page 2

Staff Recommendation

None - Information Only.

Action Taken

Motion by:

to

Approve

Disapprove

Second by:

Table

Send to Committee

Other:

Follow-up required:

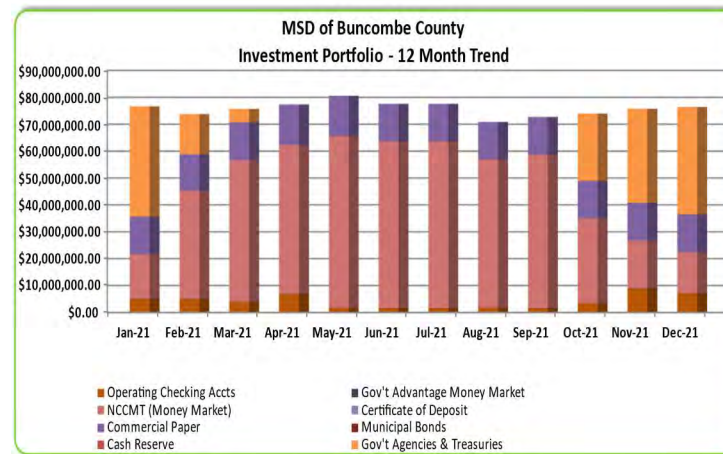
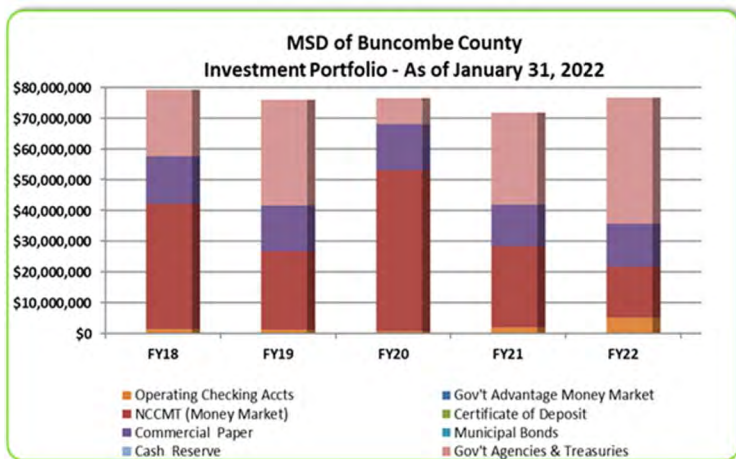
Person responsible:

Deadline:

**Metropolitan Sewerage District of Buncombe County
Investment Portfolio**

	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -	\$ -	\$ 11,900			\$ -	\$ -		\$ 11,900
Held by MSD	5,114,290	46,695	16,504,275	-	13,989,235	-		40,994,431	76,648,926
	\$ 5,114,290	\$ 46,695	\$ 16,516,175	\$ -	\$ 13,989,235	\$ -	\$ -	\$ 40,994,431	\$ 76,660,826

Investment Policy Asset Allocation	Maximum Percent	Actual Percent	
U.S. Government Treasuries,			
Agencies and Instrumentalities	100%	53.48%	No significant changes in the investment portfolio as to makeup or total amount.
Bankers' Acceptances	20%	0.00%	
Certificates of Deposit	100%	0.00%	The District's YTM of .10 % is exceeding the YTM benchmark of the
Commercial Paper	20%	18.25%	NCCMT Government Portfolio.
Municipal Bonds	100%	0.00%	
North Carolina Capital Management Trust	100%	21.54%	
Checking Accounts:	100%		All funds invested in CD's, operating checking accounts, Gov't Advantage money market
Operating Checking Accounts		6.67%	are fully collateralized with the State Treasurer.
Gov't Advantage Money Market		0.06%	



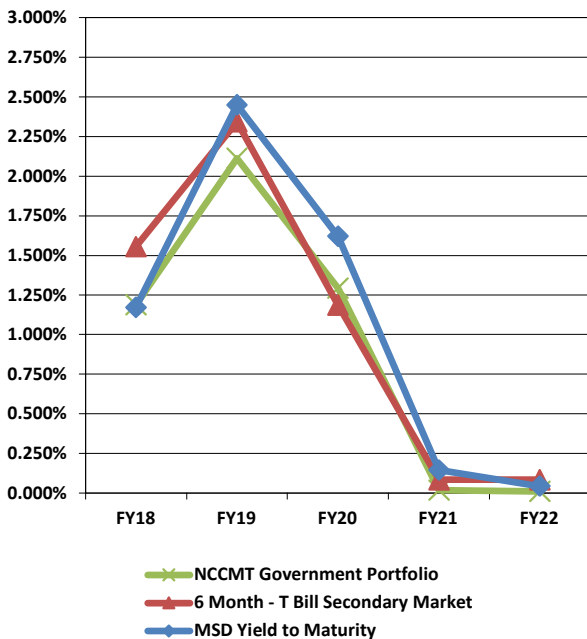
Metropolitan Sewerage District Investment Managers' Report

Summary of Asset Transactions			
	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 63,011,349	\$ 63,009,724	\$ 8,658
Capital Contributed (Withdrawn)	3,566,696	3,566,696	
Realized Income	8,477	8,477	(8,387)
Unrealized/Accrued Income		1,321	525
Ending Balance	\$ 66,586,522	\$ 66,586,218	\$ 796

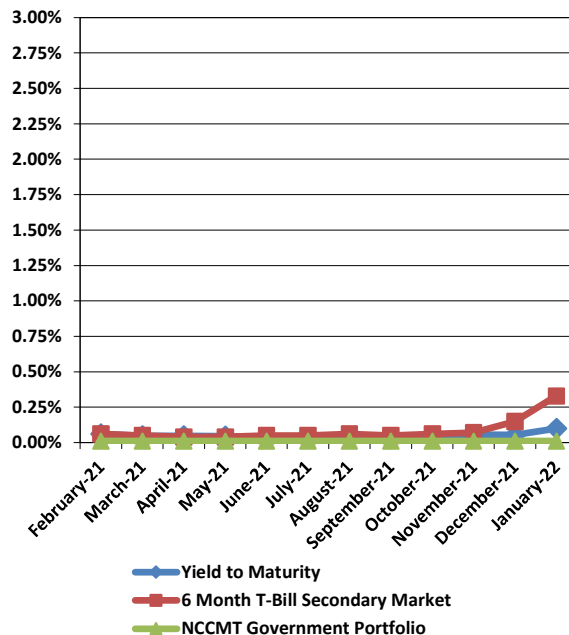
Value and Income by Maturity			
	Original Cost	Income	
Cash Equivalents <91 Days	\$ 43,587,595	\$ 1,268	
Securities/CD's 91 to 365 Days	22,998,927	\$ 669	
Securities/CD's > 1 Year	-	-	
	\$ 66,586,522	\$ 1,937	

Month End Portfolio Information	
Weighted Average Maturity	60
Yield to Maturity	0.10%
6 Month T-Bill Secondary Market	0.33%
NCCMT Government Portfolio	0.01%

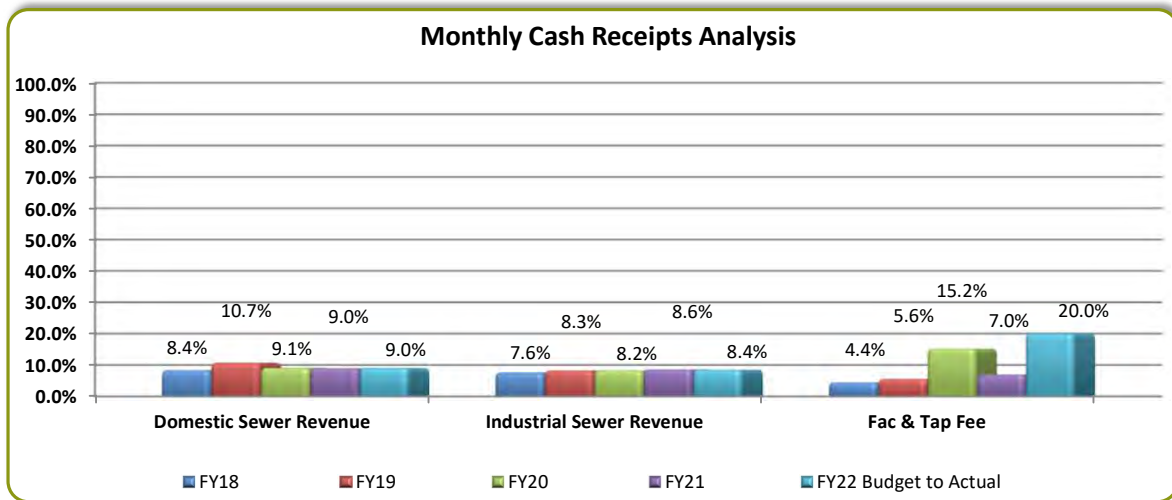
**Metropolitan Sewerage District
Annual Yield Comparison**



**Metropolitan Sewerage District
Yield Comparison - January 31, 2022**

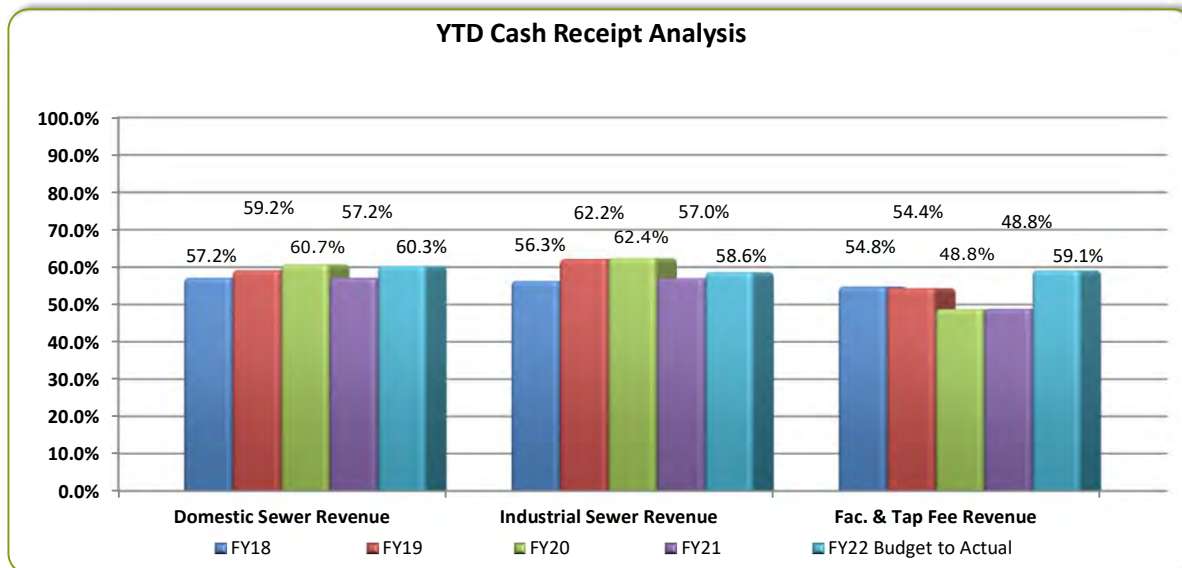


Metropolitan Sewerage District Analysis of Cash Receipts



Monthly Cash Receipts Analysis:

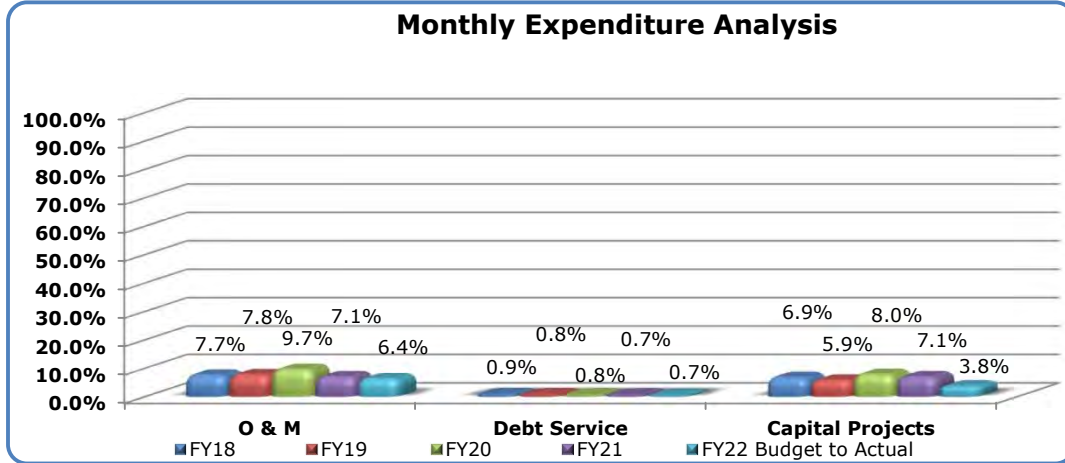
- Monthly Domestic Sewer Revenue is considered reasonable based on timing of cash receipts in their respective fiscal periods.
- Monthly Industrial Sewer Revenue is reasonable based on historical trends.
- Due to the unpredictable nature of facility and tap fee revenue, staff considers facility and tap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



YTD Actual Revenue Analysis:

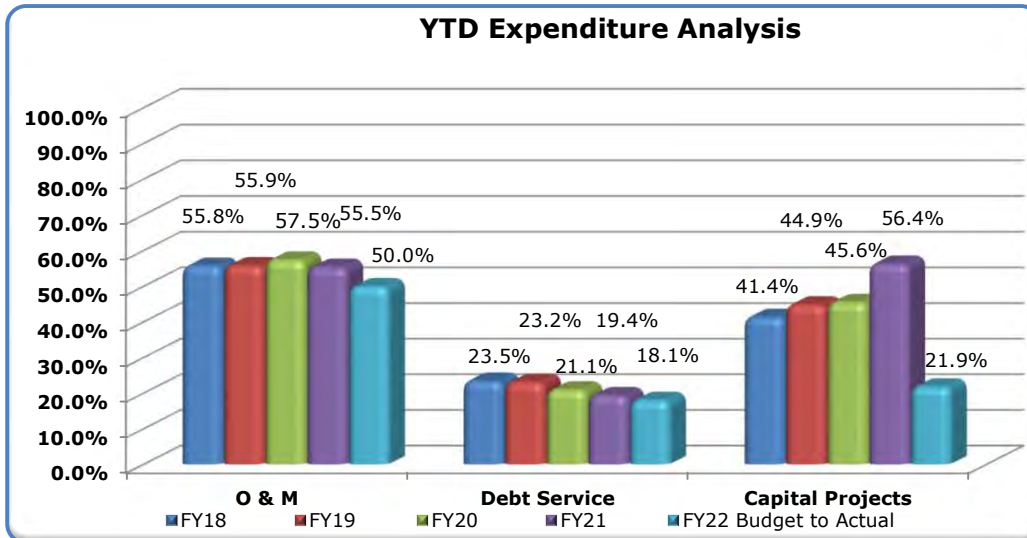
- YTD Domestic Sewer Revenue is considered reasonable based on historical trends.
- YTD Industrial Sewer Revenue is reasonable based on historical trends.
- Due to the unpredictable nature of facility and tap fee revenue, staff considers facility and tap fee revenue reasonable.

Metropolitan Sewerage District Analysis of Expenditures



Monthly Expenditure Analysis:

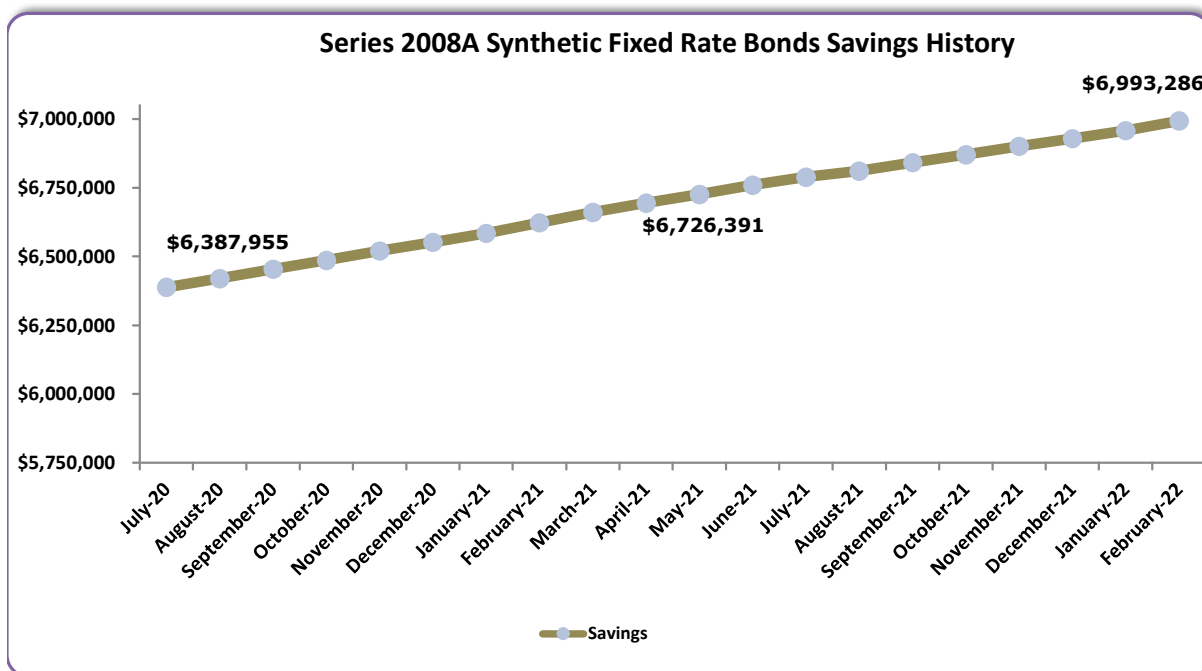
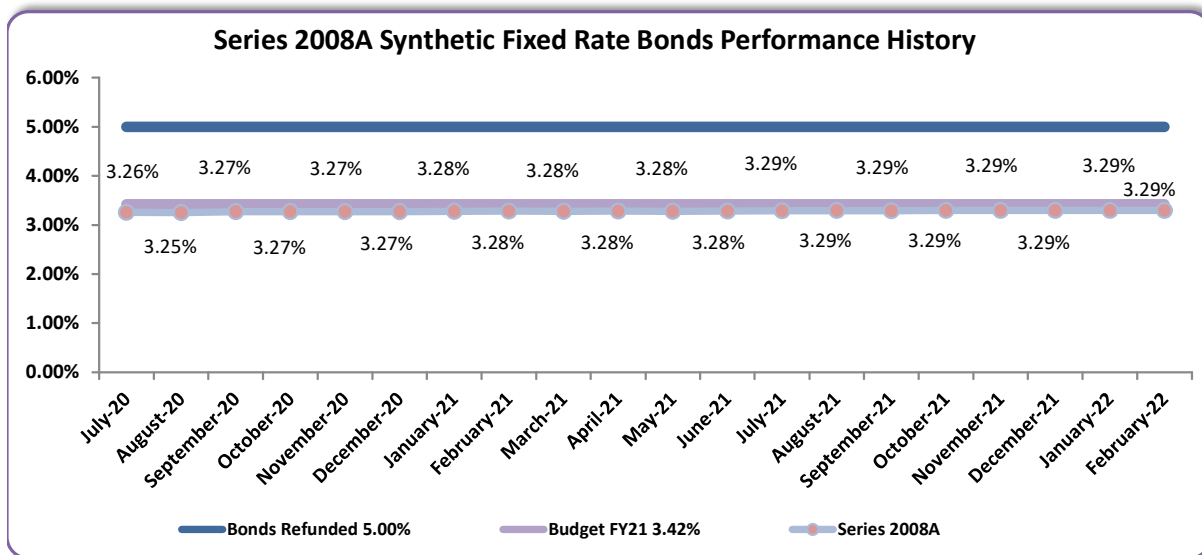
- Monthly O&M expenditures are considered reasonable based on historical trends and timing of expenditures in the current year.
- Due to the the nature of the variable rate bond market, monthly expenditures can vary year to year. Based on current variable interest rates monthly debt service expenditures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



YTD Expenditure Analysis:

- YTD O&M expenditures are considered reasonable based on historical trends.
- Due to the 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 consider 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 consider reasonable.

Metropolitan Sewerage District
Variable Debt Service Report
 As of February 28, 2022



Series 2008A:

- Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$6,993,286 as compared to 4/1 fixed rate of 4.85%.
- Assuming that the rate on the Series 2008A Bonds continue 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 \$1,864,470 to terminate the existing Bank of America Swap Agreement.

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

Meeting Date: March 16, 2022

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 FY2022

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 firm's 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 156 current local governments, authorities and public agencies audit clients across the Southeast U.S., including 7 North Carolina utilities; 7 North Carolina counties (including Durham, Cumberland, Forsyth, Guilford, New Hanover, and Mecklenburg) and 17 North Carolina cities/towns (including 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 \$41,000 (See attached engagement letter, audit contract, and planning letter) will be included in the FY2023 budget.

Staff Recommendation

Staff recommends approval of the FY2022 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:

March 1, 2022

VIA EMAIL:

spowell@msdbc.org

The Board of Directors
Metropolitan Sewerage District of Buncombe County, North Carolina
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, 2022:

Audit and attestation services

1. We will audit the basic financial statements of the District as of and for the year ended 06/30/2022 including the statement of net position, the related statement of revenue, expenses and changes in net position and cash flows, including the disclosures.
2. 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.
3. We will apply limited procedures to management's discussion and analysis ("MD&A") and other required supplementary information, as listed in the table of contents, 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.
4. We will read the introductory and statistical section accompanying the financial statements and consider whether a material inconsistency exists between the other information and the basic financial statements. In addition, we will remain alert for indications that a material inconsistency exists between the other information and knowledge obtained in the audit, or if such information contains a material misstatement of fact or is otherwise misleading. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

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. The objective of our audit is to obtain reasonable assurance about whether the District's basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion(s) about whether the District's basic financial are presented fairly, 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. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements in conformity with the basis of accounting noted above. 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*

Auditor's responsibilities for the audit of financial statements

We will conduct our audit in accordance with GAAS 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 an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("GAAP"). We will also:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Obtain an understanding of the District and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion(s). The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

District's management responsibilities related to the audit

The District's management is responsible for designing, implementing, and maintaining internal controls, including evaluating and monitoring ongoing activities, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Metropolitan Sewerage District of Buncombe County, North Carolina

March 1, 2022

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The District's management is responsible for making all financial records and related information available to us, including additional information that is requested for purposes of the audit (including information from outside of the general and subsidiary ledgers), 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, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, (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. 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 disclosures 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 disclosures and that you have reviewed and approved the financial statements and disclosures 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.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the result of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs to our auditor's report, or if necessary, withdraw from this engagement. 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.

We will also provide a report on internal control and compliance, and 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.

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. You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter. If the Authority's management requests additional services not listed above, we will provide an estimate of those fees prior to commencing additional work.

Metropolitan Sewerage District of Buncombe County, North Carolina

March 1, 2022

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The following summarizes the fees for the services described above:

Description of services	Estimated fee
Audit services Audit of the financial statements	\$ 41,000

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 there is an unavoidable risk that some material misstatements may 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. However, we will inform the appropriate level of the District's management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management 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 auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customer, 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 relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion(s). The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. 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.



To The Board of Directors
Metropolitan Sewerage District of Buncombe County, North Carolina
Asheville, North Carolina

We are engaged to audit the financial statements of the business-type activities of Metropolitan Sewerage District of Buncombe County, North Carolina (the "District") for the year ended June 30, 2022. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

OUR RESPONSIBILITIES UNDER U.S. GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS

As stated in our engagement letter dated March 1, 2022, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the District. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to RSI, as defined in the table of contents of the financial statements, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the accompanying supplementary information, as listed in the table of contents, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory and statistical section, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited, and we will not express an opinion or provide any assurance on it.

PLANNED SCOPE, TIMING OF THE AUDIT, SIGNIFICANT RISKS, AND OTHER

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risk of material misstatement as part of our audit planning:

- Management override of controls.

We expect to begin our audit in June 2022 and issue our report in October 2022. Daniel T. Gougherty is the engagement director and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Cherry Bekavert LLP

Charlotte, North Carolina
March 1, 2022

The	Governing Board
of	Primary Government Unit
and	Discretely Presented Component Unit (DPCU) (if applicable)

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

and	Auditor Name
	Auditor Address

Hereinafter referred to as Auditor

for	Fiscal Year Ending	Audit Report Due Date
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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). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) or the State Single Audit Implementation Act. 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 in accordance with 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 the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change 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. 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 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 30 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 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. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. 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/submitted-your-audit>

32. 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.

33. 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 be 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:** _____

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 the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was 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	
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>	\$

DPCU FEES (if applicable)

Discretely Presented Component Unit	
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*	
Authorized Firm Representative (typed or printed)*	Signature* <i>Daniel J. Hanforty</i>
Date*	Email Address*

GOVERNMENTAL UNIT

Governmental Unit*	
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)	Signature*
Date of Pre-Audit Certificate*	Email Address*

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

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
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.

STATUS REPORTS

MSD System Services In-House Construction

FY 21-22

PROJECT NAME	LOCATION	ZIP CODE	ESTIMATED FOOTAGE	ESTIMATED PROJECT DATES	WO#	CREW	COMPLETION DATE	ACTUAL FOOTAGE	NOTES
765 New Airport Road Construction Rehabilitation	Fletcher	28732	365	7/19/2021	281422	M. Hensley	7/19/2021	368	Complete
Northwest Avenue @ 215 Sewer Rehabilitation	Swannanoa	28778	252	7/8/21 - 7/26/21	275846	Norton	7/26/2021	244	Complete
S Bear Creek Road Creek Crossing Replacement	W. Asheville	28806	161	8/23/21 - 8/25/21	282110	Dockery	8/25/2021	161	Complete
Sulphur Springs Road Sewer Rehabilitation Line B	Asheville	28806	1,100	7/1/21 - 11/13/21	278841	Dockery	9/15/2021	1074	Complete
3 Glen Cliff Rd Construction Rehabilitation	Candler	28715	220	11/12/2021	284144	G. Hensley	11/12/2021	220	Complete
Smokey Park Highway Construction Repair	Enka	28715	290	11/11/21 - 12/15/21	283056	Karn	11/18/2021	283	Complete
Coleman Avenue at Conestee Sewer Rehabilitation	Asheville	28801	1,517	9/18/21 - 11/15/21	233875	Dockery	11/30/2021	1485	Complete
72 Dillingham Road	Asheville	28805	234	11/1/21 - 12/17/21	39327	Norton	12/9/2021	240	Complete
Parker Drive At No. 110 Sewer Rehabilitation	Swannanoa	28778	598	12/1/21 - 12/31/21	275885	Dockery	12/20/2021	374	Complete
Briarwood Road at W. Fox Chase Rd Sewer Rehabilitation	Weaverville	28804	300	12/20/21 - 1/14/22	267160	Norton	1/6/2022	297	Complete
Briarcliff Dr at Oakwilde Dr Construction Rehab Ph. 1	Asheville	28803	189	1/17/22 - 1/31/22	258768	Norton	1/11/2022	189	Complete
129 South Ln @ Warren Wilson Construction Rehab	Swannanoa	28778	155	1/24/22 - 1/28/22	285520	Dockery	1/28/2022	155	Complete
Grace Avenue	Asheville	28804	239	12/20/21 - 2/2/22	284413	Dockery	2/2/2022	258	Complete
Lotus Place Sewer Rehabilitation	Asheville	28804	825	1/31/22 - 3/4/22	275767	Dockery			Construction 85% complete
Naples Pump Station Elimination and Gravity Conversion	Cane Creek	28760	1858	2/10/22 - 3/4/22	285603	McDevitt			Construction 60% complete
44 Galax Sewer Rehab	Asheville	28806	294	3/4/22-4/8/22	280827	McDevitt			Ready for Construction
White Oak Road Sewer Rehabilitation Phase II	Arden	28704	1110	3/4/22 - 4/18/22	286269	Dockery			Ready for construction
753 Fairview Rd Sewer Rehabilitation	Asheville	28803	100	4/11/22 - 4/15/22	275813	McDevitt			Ready for construction
Northwest Avenue @ W Charleston Avenue	Swannanoa	28778	1031	FY 21-22	275849	TBA			Ready for construction
Owenby Lane @ US Highway 70 Sewer Rehabilitation	Black Mountain	28711	900	FY 21-22	268180	TBA			Ready for construction
Norwood Ave Sewer Rehabilitation	Asheville	28804	1022	FY 21-22	275810	TBA			Ready for construction
Highland Farms Road Sewer Rehabilitation	Black Mountain	28711	850	FY 21-22	275837	TBA			Ready for construction
Starnes Avenue at Broadway Street	Asheville	28801	922	FY 21-22	208325	TBA			Ready for construction
276 Hi-Alta Avenue Sewer Rehabilitation	Asheville	28806	201	FY 21-22	271375	TBA			Ready for construction
S Main St @ Reems Creek Rd Sewer Rehabilitation	Weaverville	28787	592	FY 21-22	275831	TBA			Ready for construction
Briarcliff Dr at Oakwilde Dr Construction Rehab Ph. 2	Asheville	28803	257	FY 21-22	TBA	TBA			In Design



CONSTRUCTION TOTALS BY DATE COMPLETED - Monthly

From 7/1/2021 to 1/31/2022

	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 2021	29	12	164	504	15	19	13,113	0	368	244	3	0	612
August 2021	24	7	96	631	11	28	5,000	0	161	0	0	0	161
September 2021	22	10	70	320	20	17	30,058	0	0	1082	8	0	1082
October 2021	23	7	51	826	13	33	30,659	0	917	8	1	0	925
November 2021	19	12	107	631	10	26	710	0	220	1545	14	223	1988
December 2021	18	15	99	465	18	15	215	0	0	614	3	0	614
January 2022	17	5	35	504	12	20	2,175	0	344	297	5	0	641
Grand Totals	152	68	622	3,881	99	158	81,930	0	2010	3790	34	223	6023

* Used to calculate Total Rehab Footage



CUSTOMER SERVICE REQUESTS

Monthly - All Crews

CREW	MONTH	JOBS	AVERAGE RESPONSE TIME	AVERAGE TIME SPENT
DAY 1ST RESPONDER				
	July, 2021	89	33	39
	August, 2021	112	30	31
	September, 2021	80	26	38
	October, 2021	99	27	38
	November, 2021	100	30	34
	December, 2021	99	28	37
	January, 2022	97	47	34
		676	32	36
NIGHT 1ST RESPONDER				
	July, 2021	40	29	29
	August, 2021	37	35	25
	September, 2021	36	29	24
	October, 2021	28	41	40
	November, 2021	30	23	33
	December, 2021	43	26	27
	January, 2022	30	35	30
		244	31	29
ON-CALL CREW *				
	July, 2021	24	64	51
	August, 2021	20	47	36
	September, 2021	24	53	31
	October, 2021	24	43	47
	November, 2021	27	45	46
	December, 2021	50	53	36
	January, 2022	44	50	39
		213	51	40
Grand Totals:		1,133	35	35

* On-Call Crew Hours: 8:00pm-7:30am (Jul. - Oct.) 11:30pm-7:30am (from Nov. onward) Monday-Friday, Weekends, and Holidays



PIPELINE MAINTENANCE TOTALS BY DATE COMPLETED - Monthly

July 01, 2021 to January 31, 2022

	Main Line Wash Footage	Service Line Wash Footage	Rod Line Footage	Cleaned Footage	CCTV Footage	Smoke Footage	SL-RAT Footage
2021							
July	88,857	1,558	0	88,857	24,368	1,600	21,884
August	104,500	972	610	105,110	32,703	347	26,520
September	57,013	996	1,608	58,621	24,916	4,265	23,383
October	65,871	967	2,250	68,121	21,998	0	0
November	51,867	1,863	2,647	54,514	16,520	917	0
December	65,031	2,411	2,225	67,256	21,251	850	0
2022							
January	40,421	1,636	2,180	42,601	13,595	50	0
Grand Total:	473,560	10,403	11,520	485,080	155,350	8,029	71,787
Avg Per Month:	67,651	1,486	1,646	69,297	22,193	1,147	10,255

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>
276 Hi Alta Avenue Sewer Rehabilitation	\$16,519	\$6,889	Project 100% complete with 42% of Total Budget expended and no condemnations.
Aurora Drive GSR	\$29,761	\$11,627	Access 67% complete with 39% of Total Budget expended to date.
Caledonia Road GSR	\$99,460		Access 34% complete with 0% of Total Budget expended to date.
Christian Creek Interceptor	\$100,477	\$85,427	Access 100% complete with 85% of Total Budget expended to date. Two condemnations filed. One case closed by Default Judgment. One case pending with Regal Hospitality.
Elk Mountain Place GSR	\$153,253	\$13,006	Access 14% complete with 8% of Total Budget expended to date.
Le An Hurst Road GSR	\$44,613	\$24,612	Project 100% complete with 55% of Total Budget expended and no condemnations.
Owenby Lane @ Old US Hwy. 70 GSR	\$42,013	\$16,700	Project 100% complete with 40% of Total Budget expended and no condemnations.
South Main St. @ Reems Creek Rd.	\$24,840	\$16,315	Project 100% complete with 66% of Total Budget expended and no condemnations.

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

March 9, 2022

PROJECT	LOCATION OF PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
BRYSON STREET	Biltmore Village	Terry Brothers Construction Company	8/18/2021	8/25/2021	5/1/2022	\$309,630.00	98%	Working on paving. Final walk through to be scheduled soon.
CHRISTIAN CREEK INTERCEPTOR	Buncombe County	Buckeye Bridge LLC	12/15/2021	3/14/2022	7/7/2023	\$5,938,455.00	0%	Preconstruction meeting was held on February 10th.
MANETTA ROAD @ JOHNSON DRIVE PHASE 1	Asheville 28804	Terry Brothers Construction Company	6/18/2021	7/1/2021	4/1/2022	\$265,358.74	98%	Paving being scheduled. Final walk through soon.
MOUNTAINBROOK ROAD @ CHUNNS COVE ROAD	Asheville 28805	Terry Brothers Construction Company	1/19/2022	1/20/2022	5/20/2022	\$885,810.00	60%	Construction is progressing well.
SPRINGSIDE ROAD @ OVERLOOK ROAD	Asheville 28803	Huntley Construction Company	5/19/2021	9/23/2021	4/21/2022	\$781,591.00	60%	Construction is progressing well.
WRF - EQUIPMENT STORAGE FACILITY	Woodfin	Cooper Construction Company	10/20/2021	3/28/2022	3/28/2023	\$3,008,962.18	0%	Preconstruction meeting was held on March 3rd.
WRF - INCINERATOR ASH LAGOON RESTORATION, PHASE 1	Woodfin	Chonzie, Inc.	12/15/2021	1/18/2022	3/19/2022	\$232,800.00	90%	Work progressing well.
WRF- PLANT HIGH RATE PRIMARY TREATMENT	Woodfin	Shook Construction Company	10/17/2018	1/7/2019	3/31/2022	\$15,319,516.52	95%	Three day performance testing complete. Working on drain line, punchlist, and site grading.
WRF - RBC SLIDE GATE REPLACEMENT	Woodfin	IPC Structures	10/20/2021	TBA	TBA	\$286,500.00	0%	Shop drawings approved. Slide gates are on order with estimated Spring 2022 delivery.
WEST CRABAPPLE LANE	Asheville 28804	TP Howard's Plumbing	10/20/2021	12/13/2021	3/13/2022	\$329,675.00	80%	Almost complete with pipe work.

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

Planning & Development Project Status Report

Active Construction Projects Sorted by Work Location and Project Number

March 3, 2022

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	Towne Place Suites	2016012	Asheville	28801	83	342	9/11/2018	Waiting on final inspection
3	Hounds Ear (Mears Ave Cottages)	2016123	Asheville	28806	18	402	8/18/2017	Pre-con held, construction not yet started
4	Ashecroft Ph. 2	2016229	Asheville	28806	40	2,450	2/20/2018	On hold
5	RADTIP	2017052	Asheville	28801	0	919	2/13/2018	Final Inspection complete, awaiting close-out docs
6	Whitney Drive Subdivision	2018057	Asheville	28806	15	425	3/12/2021	Testing
7	Rowhouse Development	2018205	Asheville	28801	20	365	1/7/2020	Final Inspection complete, awaiting close-out docs
8	Sterling Property	2018231	Asheville	28801	4	260	6/18/2021	Final Inspection complete, awaiting close-out docs
9	Timber Hollow Subdivision	2019049	Asheville	28805	18	525	7/28/2020	On hold
10	Millbrook Cottages	2019066	Asheville	28806	7	322	2/15/2022	Pre-con held, construction not yet started
11	Enclave at Piney Mtn. Ph. 1	2019075	Asheville	28805	211	740	3/19/2021	Waiting on final inspection
12	UNC-A Edgewood Road Parking Lot	2019078	Asheville	28801	Comm.	373	7/19/2019	Final Inspection complete, awaiting close-out docs
13	Ironwood Sewer Relocation	2019123	Asheville	28801	554	227	4/23/2021	Installing
14	Hawthorne at Haywood Phase 2	2019130	Asheville	28806	92	668	12/15/2020	Final Inspection complete, awaiting close-out docs
15	Edgewood Road South Subdivision	2019157	Asheville	28803	25	763	8/10/2021	Waiting on final inspection
16	Overlook Circle Subdivision	2019256	Asheville	28803	7	180	8/11/2020	Final Inspection complete, awaiting close-out docs
17	Craggy Park Ph. 2	2020038	Asheville	28806	27	1,300	11/24/2020	Final Inspection complete, awaiting close-out docs
18	Crossroads at West Asheville Ph. 1	2020111	Asheville	28806	0	1,758	1/25/2022	Installing
19	Airport Road Commercial Relocation	2020152	Asheville	28704	Comm.	204	5/13/2021	Final Inspection complete, awaiting close-out docs
20	Amarx - Baker Drive	2021046	Asheville	28804	24	760	10/22/2021	Installing
21	Burton Street	2021048	Asheville	28806	4	64	10/29/2021	Pre-con held, construction not yet started
22	20 Winding Road	2021106	Asheville	28803	10	220	11/2/2021	Installing
23	328 Emma Road	2021131	Asheville	28806	17	665	11/5/2021	Pre-con held, construction not yet started
24	808 Montreat Road	2015126	Black Mountain	28711	4	371	4/18/2017	Final Inspection complete, awaiting close-out docs
25	Chapman's Cove	2017227	Black Mountain	28711	10	430	9/21/2018	Final Inspection complete, awaiting close-out docs
26	Givens Highland Farms-Cottage Development	2018272	Black Mountain	28711	16	1,355	9/13/2019	Final Inspection complete, awaiting close-out docs
27	Padgettown Road - Phase 2	2019085	Black Mountain	28711	43	1,308	7/19/2019	Final Inspection complete, awaiting close-out docs
28	Sweet Birch Lane Phase 3	2020151	Black Mountain	28711	20	800	6/30/2021	Waiting on final inspection
29	Old Toll Road Subdivision	2020182	Black Mountain	28711	14	637	8/17/2021	Waiting on testing
30	Craven Hill Circle	2020195	Black Mountain	28711	3	380	11/5/2021	Pre-con held, construction not yet started
31	Waightstill Mountain Phase 2B	2015155	Buncombe Co.	28704	16	1,784	4/23/2019	Final Inspection complete, awaiting close-out docs
32	Bee Tree Village	2015158	Buncombe Co.	28778	26	1,118	3/17/2017	Final Inspection complete, awaiting close-out docs
33	NC DOT I-5504 NC 191/L-26 Interchange	2016132	Buncombe Co.	28806	0	355	10/23/2017	Installing
34	Liberty Oaks Ph. 1B	2018063	Buncombe Co.	28715	24	615	11/5/2021	Testing
35	Upper Grassy Branch Road	2018087	Buncombe Co.	28805	6	250	8/31/2018	Waiting on final inspection
36	Victoria Hills (Lance Road) Ph. 1	2018094	Buncombe Co.	28704	38	1,176	3/6/2020	Installing
37	Victoria Hills (Lance Road) Ph. 2 & 3	2018094	Buncombe Co.	28704	54	2,180	3/6/2020	Testing
38	Starnes Cove Subdivision	2018106	Buncombe Co.	28806	14	315	9/6/2019	Final Inspection complete, awaiting close-out docs
39	Rockdale Subdivision	2018145	Buncombe Co.	28778	9	630	3/17/2020	Final Inspection complete, awaiting close-out docs
40	Reserve at Gashes Creek	2018208	Buncombe Co.	28803	190	1,940	8/2/2019	Final Inspection complete, awaiting close-out docs
41	Porter Road Subdivision	2019022	Buncombe Co.	28803	9	210	6/30/2021	Installing
42	Rice MHP Off-Site	2019029	Buncombe Co.	28715	TBD	460	4/24/2020	Final Inspection complete, awaiting close-out docs
43	Reflection Pointe	2019032	Buncombe Co.	28806	270	1,995	6/30/2020	Final Inspection complete, awaiting close-out docs
44	Roberson Relocation	2019037	Buncombe Co.	28715	Comm.	200	4/24/2020	Pre-con held, construction not yet started
45	Jasper Apartments	2019086	Buncombe Co.	28778	100	760	12/8/2020	Final Inspection complete, awaiting close-out docs
46	Aiken Road Multi-Family	2019128	Buncombe Co.	28804	407	4,620	10/2/2020	Installing
47	Fairview Meadows Subdivision	2019142	Buncombe Co.	28730	42	1,460	8/28/2020	Final Inspection complete, awaiting close-out docs
48	Sveamore Cove Subdivision	2019158	Buncombe Co.	28803	26	570	6/9/2020	Waiting on final inspection
49	The Ramble - Tea House Ridge	2019159	Buncombe Co.	28803	22	8,050	9/21/2021	Installing
50	Fields Jaguar	2019169	Buncombe Co.	28704	Comm.	305	10/27/2020	Final Inspection complete, awaiting close-out docs
51	Laurelwood Village	2019216	Buncombe Co.	28704	29	855	5/25/2021	Waiting on final inspection
52	CMH Homes - N. Louisiana Ave.	2019220	Buncombe Co.	28806	30	1,187	7/28/2020	Final Inspection complete, awaiting close-out docs
53	841 Charlotte Hwy	2019222	Buncombe Co.	28730	Comm.	110	4/20/2021	Pre-con held, construction not yet started
54	Creekside Cottages	2019255	Buncombe Co.	28704	6	400	3/12/2015	Phase 2 Construction Not started
55	The Farm at Pond Road	2020009	Buncombe Co.	28806	687	3,550	6/4/2021	Waiting on final inspection
56	Fisher Mill Road	2020015	Buncombe Co.	28704	3	380	10/20/2020	Final Inspection complete, awaiting close-out docs
57	Fountain Park Subdivision - Ph. 2	2020026	Buncombe Co.	28806	120	4,611	7/12/2019	Final Inspection complete, awaiting close-out docs
58	Virginia Commons	2020072	Buncombe Co.	28704	47	750	6/4/2021	Waiting on final inspection
59	Amarx - Clayton Road	2020075	Buncombe Co.	28704	24	1,080	4/16/2021	Waiting on final inspection
60	Holbrook Road Subdivision - Ph. 2	2020150	Buncombe Co.	28715	16	670	11/13/2020	Final Inspection complete, awaiting close-out docs
61	Kirkwood MHP (aka Rice MHP on-site)	2020166	Buncombe Co.	28715	75	2,610	12/21/2021	Installing
62	Habitat- Glenn Bridge Road	2020178	Buncombe Co.	28704	30	908	12/14/2021	Testing
63	Springs of North Asheville Ph. 2	2020190	Buncombe Co.	28804	120	855	10/29/2021	Installing
64	Project Ranger (aka Pratt & Whitney)	2020194	Buncombe Co.	28803	Comm.	256	12/7/2021	Installing
65	Town Mountain Preserve Ph. 2	2020197	Buncombe Co.	28804	6	1,210	5/28/2021	Installing
66	Holbrook Road Subdivision - Ph. 3	2020243	Buncombe Co.	28715	29	1,365	4/27/2021	Final Inspection complete, awaiting close-out docs
67	Holbrook Road Subdivision - Ph. 4	2020244	Buncombe Co.	28715	12	454	4/27/2021	Final Inspection complete, awaiting close-out docs
68	Dollar Tree - Candler Sewer Relocation	2021001	Buncombe Co.	28715	Comm.	88	5/7/2021	Final Inspection complete, awaiting close-out docs
69	Village at Bradley Branch Ph. 4B	2021120	Buncombe Co.	28704	16	393	11/2/2021	Pre-con held, construction not yet started
70	Nesbitt Farms Ph. 2	2018101	Cane Creek	28759	81	4,094	2/23/2021	Final Inspection complete, awaiting close-out docs
71	Collett Industrial (Banner Farm)	2020108	Cane Creek	28759	Comm.	255	11/20/2020	Final Inspection complete, awaiting close-out docs
72	Pardee Partners	2021058	Cane Creek	28759	Comm.	1,105	11/2/2021	Testing
73	Rutledge Road Subdivision Ph. 1	2021032	Fletcher	28732	31	1,594	3/1/2022	Pre-con held, construction not yet started
74	Sunnap Warehouse	2021059	Fletcher	28732	Comm.	803	12/3/2021	Testing
75	828 North	2017153	Weaverville	28787	224	1,090	11/17/2020	Final Inspection complete, awaiting close-out docs
76	Ambler's Chase	2017249	Weaverville	28787	21	1,235	11/29/2018	Final Inspection complete, awaiting close-out docs
77	The Holston	2019133	Weaverville	28787	240	36	6/2/2020	Final Inspection complete, awaiting close-out docs
78	Northridge Commons Retail	2020147	Weaverville	28787	Comm.	790	12/1/2020	Final Inspection complete, awaiting close-out docs
79	Greenwood Park Ph. 2	2020245	Weaverville	28787	25	1,560	5/25/2021	Final Inspection complete, awaiting close-out docs
80	18 Wildwood Park Sewer Relocation	2021129	Weaverville	28787	1	147	2/22/2022	Pre-con held, construction not yet started
81	Crest Mountain Phase 3B	2013041	Woodfin	28806	69	1,329	10/15/2013	Final Inspection complete, awaiting close-out docs
82	Reese & Jan Lasher (High Hopes)	2015152	Woodfin	28806	14	320	4/26/2016	Final Inspection complete, awaiting close-out docs
83	Brown Avenue aka Wolf Tract	2017029	Woodfin	28806	6	219	6/4/2021	Installing
84	Skyfin-Terraces at Reynolds Mtn - Phase 4	2020167	Woodfin	28804	5	100	8/8/2017	Final Inspection complete, awaiting close-out docs
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	Waiting on testing
87	Weaverville Road Subdivision	2020123	Woodfin	28804	4	600	4/6/2021	Pre-con held, construction not yet started
88	West City View	2020155	Woodfin	28804	21	845	7/23/2021	Waiting on testing
			TOTAL		4,542	86,935		