

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
February 21, 2024

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, February 21, 2024. Chairman Vebaun presided with the following members present: Bryson, Dearth, Kelly, Lapsley, Manheimer, Pelly, Pennington, Watts, Whitesides and Wisler. Ashley, Franklin, and Moore were absent.

Others present were William Clarke, General Counsel; Patty Beaver with CIBO; Joe Martin with Woodfin Sanitary Water & Sewer District; Jim McAllister with the Town of Woodfin; Tom Hartye, Hunter Carson, Scott Powell, Mike Stamey, Angel Banks, Ken Stines, Lisa Tolley, Pam Thomas, Meredith Troughton, 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 17, 2024 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the January 17, 2024 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:

Mr. VeHaun welcomed Patty Beaver with CIBO; Joe Martin with Woodfin Sanitary Water & Sewer District; and Jim McAllister with the Town of Woodfin.

6. Informal Discussion and Public Comment:

None.

7. Report of General Manager:

Mr. Hartye reported that attached is a letter from Paul Glaser of the CBHT Brotherhood expressing appreciation for Chad Ledford for giving a group tour of the MSD Treatment Plant.

Mr. Hartye reported that MSD's training needs have significantly expanded over the last 20 years, and we have become a magnet for all types of regional training. Hence, we have repurposed our old Administration Building on the hill into a Training Center. That work was done in concert with the work on this Boardroom. Mr. Hartye presented slides showing the location of the Treatment Plant and the old Administration Building, which is above the Treatment Plant and built in 1977. It

has been rented out throughout the years to other businesses but after the last lease ran out, we decided to repurpose it as a training center. He stated that MSD's Building Trades folks have kept it up really well throughout the years and it is a really nice building with great views out over the plant and the dam and river. He presented slides of the conference rooms, offices and the old Boardroom with its wooden table and the training center area. He also presented a list and slides of all of the types of training that have taken place over the years, with 50% or more of that training being safety related, and all were previously held in this Mull Building Boardroom. That was why there were movable tables, carpet was worn out, etc. This training will now be held in the Training Center. Training over the years has included Collection System Operators and Wastewater Treatment Operators Training, they all have to be certified and have continuing education. MSD provides those classes, not only for MSD employees, but for a lot of Western North Carolina folks who come here instead of traveling to Raleigh or elsewhere for those classes. Some Safety Training has included blood borne pathogens, confined space, electrical shock, lock out/tag out, natural gas, emergency response, trenching and shoring and traffic control, and CPR, to name a few. MSD holds continuing education for Professional Engineers and Incinerator Training for operators and regulators. We have had EPA and State Representatives come to our training for the incinerator because it is highly technical. We have also had Engineering, surveying, electrical training, maintenance, computer, and budget training. All of those types of training will now be taking place at the new Training Center instead of this Boardroom. There will still be meetings held in this Boardroom but it won't see quite the amount of traffic as it did in the past.

In addition to what's going on at the Training Facility and here on Campus, MSD goes on the road as well to educate the community. He presented slides of employees taking equipment to the schools to get kids engaged in what goes on with construction, with trucks, cleaning out sewers, and that type of thing. MSD employees also have educational booths at realtor and builder shows. Mr. Hartye stated that he wanted to give a special thank you to Lisa Tolley who managed the training center project and manages most of MSD's training, in addition to her regular job which is managing the System Services Department. He also thanked Gerald Roberts and Building Trades for keeping the old Administration Building together all of this time. It is in great shape to be 40+ years old.

Mr. Hartye reported that attached are some graphs of SARA-Covid-2 testing in the wastewater. The NC Health and Human Services Dashboard for wastewater testing can be found at [Covid Wastewater Testing](#). There was a surge going on, it's a lagging indicator but informative if you should want to keep your eye on it.

Mr. Hartye reported that the next Regular Board Meeting will be held on March 20th at 2 pm. The February Right of Way Committee Meeting has been cancelled. The next Right of Way Committee Meeting will be held on March 27th at 9 am.

8. Consolidated Motion Agenda:

a. Consideration of Bids for Materials Procurement: Incinerator Rehabilitation:

Mr. Hartye reported that the existing fluidized bed incinerator (FBI) is located at the Treatment Plant. It was put into service in 1992 and has undergone several rebuilds over the years. The FBI is scheduled for heat exchanger and preheat burner system replacement in April, 2024, and a major internal rebuild in FY25-26. He presented various slides regarding the FBI functions. The heat exchanger was replaced in 2015, 8 years ago, and is at the end of its useful life. The item on the agenda for today is consideration of bids for procurement of materials for the incinerator itself. The incinerator was down for several weeks in the winter of 2022-2023 for replacement of the dome floor. Staff largely performed most of that work including replacing the tuyeres and rebuilding of the floor. The FY 25-26 FBI rehabilitation will consist of replacing the interior walls and corbel firebricks that are in poor condition due to sand erosion. These are all specialty bricks which have to be fabricated and have a very long lead time. That is why we are procuring these beforehand. The District will pre-purchase the materials and come back in FY25-26 for that rebuild. Basically, different parts of the whole system are being re-built every several years because they all don't last the same amount of time. The materials purchase was advertised and one bid was received on January 25, 2024 at 2:30 pm. The contract was then re-advertised (per NCGS formal bidding requirements) on February 1, 2024 at 4 pm, and one bid was received as follows: Industrial Furnace Company, Inc. in the amount of \$1,339,000.00. The apparent low bidder is Industrial Furnace Company, Inc., in the amount of \$1,339,000.00. They have extensive experience with MSD's FBI and have assisted MSD with numerous repairs. The quality of their work and materials has been exceptional. Sufficient funds are available in the project budget for these expenditures. Staff recommends that the District procure the specified incinerator materials as supplied by Industrial Furnace Company, Inc. in the amount of \$1,339,000.00.

b. Consideration of Developer Constructed Sewer Systems – Julian Woods Retirement Community; Rydele Heights Phase I; Upper Grassy Branch Road:

Mr. Hartye reported that the Julian Woods Retirement Community project is located off of Long Shoals Road in the City of Asheville and included relocating approximately 1,075 linear feet of 8-inch public gravity sewer along with abandoning approximately 630 linear feet of public sewer to accommodate 130 Senior Living Residential Units.

Mr. Hartye reported that the Rydele Heights Phase I project is located off Country Oak Drive in Buncombe County and included extending approximately 1,470 linear feet of 8-inch public gravity sewer to accommodate 48 homes in this phase of the residential development.

Mr. Hartye reported that the Upper Grassy Branch Road project is located off of Upper Grassy Branch Road in Buncombe County and included extending

approximately 250 linear feet of 8-inch public gravity sewer to serve 6 homes in this residential development.

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

c. Consideration of Auditing Services Contract – FY 2024:

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 2024 engagement, Cherry Bekaert's fee is \$47,000.00. Staff recommends approval of the FY 2024 Audit Contract with Cherry Bekaert, LLP, contingent upon review and approval by District Counsel. Mr. Kelly asked how this year compares to last year. Mr. Powell stated that it went up approximately \$3,000.00 but last year we were \$2,000.00 below the contract amount. To put the \$47,000.00 in perspective, if you go back in time, our 2008 audit was \$47,000.00. We have effectively gone 14 years with no increase in actual fees.

d. Second Quarter Budget to Actual Review – FY 2024:

Mr. Powell reported that Page 55 presents the District's second quarter Budget to Actual Review and Expenditure Report. Domestic User Fees and Industrial User Fees are at budgeted expectations. Facility and Tep Fees are above budgeted expectations due to unanticipated revenue from various developers that have put projects in the pipeline this year. Interest and miscellaneous income are above budgeted expectations due to actual short-term interest rates being higher than anticipated for the fiscal year. O&M expenditures are at 51.8% of budget. They include encumbered amounts which has elevated the Budget to Actual above 50%. Bond principal and interest expenditures are reflected at 80%. This reflects principal and semi-annual interest expenditures.

e. Cash Commitment Investment Report – Month ended December, 2023:

Mr. Powell reported that Page 58 presents the makeup of the District's Investment Portfolio. There has been no significant change in the makeup of the portfolio from the prior month. Page 59 presents the MSD Investment Manager's report as of the month of December. The weighted average maturity of the investment portfolio is 64 days and the yield to maturity is 5.26%. Page 62 presents the District's Variable Debt Service Report. The 2008A Series Bonds are performing at budgeted expectations. As of the end of January, the issue has saved the District rate payers over \$7.6 million in debt service since April of 2008.

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

9. Old Business:

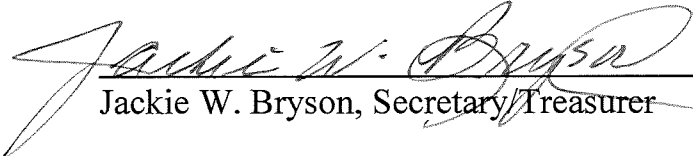
None.

10. New Business:

None.

11. Adjournment:

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



Jackie W. Bryson, Secretary/Treasurer



Metropolitan Sewerage District

Regular Board Meeting

February 21, 2024 @ 2 pm

	Agenda Item	Presenter
	Call to Order and Roll Call	VeHaun
	01. Inquiry as to Conflict of Interest	VeHaun
	02. Approval of Minutes of the January 17, 2024 Board Meeting	VeHaun
	03. Discussion and Adjustment of Agenda	VeHaun
	04. Introduction of Guests	VeHaun
	05. Informal Discussion and Public Comment	VeHaun
	06. Report of General Manager	Hartye
	07. Consolidated Motion Agenda	Hartye
	a. Consideration of Bids for Material Procurement –Incinerator Rehabilitation	Hartye
	b. Consideration of Developer Constructed Sewer Systems – Julian Woods Retirement Community; Rydele Heights Phase 1; Upper Grassy Branch Road	Hartye
	c. Consideration of Auditing Services Contract – FY2024	Powell
	d. Second Quarter Budget to Actual Review – FY2024	Powell
	e. Cash Commitment/Investment Report-Month ended December, 2023	Powell
	08. Old Business	VeHaun
	09. New Business:	VeHaun
	10. Adjournment: (Next Meeting 3/20/24)	VeHaun
	STATUS REPORTS	

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
January 17, 2024

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, January 17, 2024. Chairman Vebaun presided with the following members present: Ashely, Bryson, Dearth, Franklin, Kelly, Manheimer, Pelly, Pennington, Watts, Whitesides and Wisler. Lapsley and Moore were absent.

Others present were William Clarke, General Counsel; Richard Hart with Cherry Bekaert; Glendon Fetterolf with CDM Smith; Patty Beaver with CIBO; Tom Hartye, Bart Farmer, Scott Powell, Mike Stamey, Pam Thomas, Shaun Armistead, Angel Banks, Ken Stines, Spencer Nay and Pam Nolan, MSD.

2. Inquiry as to Conflict of Interest:

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

3. Approval of Minutes of the November 18, 2023 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the November 18, 2023 Board Meeting. Mr. Whitesides 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:

Mr. VeHaun welcomed Richard Hart with Cherry Bekaert; Glen Fetterolf with CDM Smith and Patty Beaver with CIBO

6. Informal Discussion and Public Comment: None.

7. Report of General Manager:

Mr. VeHaun stated earlier in this meeting that he wanted to thank everyone for the hard work that has gone into the Boardroom Improvements. Mr. Hartye reported that he would like to thank all of the Staff who helped to make the Boardroom improvements happen over the last 3 months. Specifically, Gerald Roberts and his crew (Jamie Fox, Calvin Nolan, Bailey Merrill, Pritchard Hensley and Keith Lewis), along with the District's electrical group, and Tim Hensley and Lisa Tolley for overseeing the project. About 25 years ago this room was built as a combination Committee, Boardroom and Training Facility. MSD's training needs have significantly expanded over the years, and we have become sort of a magnet for all types of regional training. Hence, we have repurposed our old Administration Building on the hill into a bona fide Training Center to meet those needs. He stated that he would show the Board more about the Training Facility in an upcoming Board meeting. There never was a lot of space to work with in this Boardroom but Staff did a good job of making the most of it. Mr. Hartye stated that the carpet kept

having to be replaced and many knees were banged on the portable table legs, so he is appreciative of that aspect. Now we can have this primarily as a Board and Committee meeting room as well as for engineering and business meetings.

Mr. Hartye reported that Dana Reume of Hibriten Way called to express her appreciation for Dylan Dyer, Ray Lunsford and Pete Cole for their assistance in what ended up being a private plumbing issue.

Mr. Hartye called on Richard Hart from Cherry Bekaert, the District's Auditor, to give a report on the Fiscal Year 2023 Audit. Mr. Hart reported that this will be a quick report thanks to Scott Powell and Cheryl Rice who do a terrific job with financials. Items to be discussed are Audit results and required communications. For the results of the audit, they had an unmodified opinion. The audit was performed in accordance with the Government Auditing Standards and the generally accepted auditing standards. The report was issued on October 17. An unmodified opinion means a clean opinion and is the best an auditor can provide. There were no corrected or uncorrected misstatements. The District has implemented a new standard this year, GASB 96, which is related to subscription-based information technology agreements similar to the standard from last year. There was no material impact to the financial statements and they did not identify any concerns with them. Additionally, they try to report if they have noted anything in terms of related party transactions outside the course of normal business and they did not. They didn't see anything that lacked any business purpose and had no issues identifying who controls the District. In terms of significant or unusual transactions outside the normal course of business for the District itself, none were identified. Accounting estimates are an integral part of financial statements and they do have management's decision making based off of their experience, based off of historical information and current impacts and events. These are very sensitive as you adjust estimates it can have an impact on the financials. Some estimates seen are depreciation expense, the useful life of the assets that are being depreciated, and management estimates related to retirement pension plans and OPEB liability. Management utilizes a third party during the evaluation for OPEB based off the State of North Carolina. Cherry Bekaert reviews those to make sure the estimates are reasonable. There were no issues identified with management's estimates. The financial statements are required to have footnotes that are neutral, Cherry Bekaert reviewed the footnotes and determined that they are neutral. There were no difficulties encountered or disagreements with management. There were no auditor consultations within Cherry Bekaert nor any other auditor that they are aware of. There were no other findings or issues, no fraud or legal acts, nor any noncompliance with Federal or State Regulations. The Annual Comprehensive Financial Report (ACFR) includes a few sections. One section is the Supplementary Information and is mentioned in the Table of Contents. In terms of Supplementary Information, that is not a part of the financial statements and footnotes. It is an additional piece of the ACFR. What Cherry Bekaert is required to do is corroborate the information with management and make sure it reconciles with statements in the related footnotes and ensure that it doesn't have any contradictory information from those financials. Supplementary Information is another section noted in the Table of Contents. Cherry Bekaert makes sure that it matches up with financials and reconciles appropriately and corroborates that management. Another section is Other Information, which is the statistical section and introduction. We did not have nor provide an opinion there.

There are no upcoming financial reporting changes for FY24 that would impact the District. There were no financial performance indicators that were of concern. The Audit Report was submitted within 5 months of the end of the fiscal year. There were no noted budget violations. The District's Capital Assets continue to increase every year. The Long-Term Bond payable which the District has been paying down as it invests in Capital Assets and the District has not gone out for new debts since FY2018, so you see a steady decline due to normal payment of debt. The Net Position shows assets and deferred inflows over liabilities and deferred outflows and is holding strong. As to Operating Results, expenses are increasing, and include an increase in operating revenues, expenses, and income but the results are consistent year after year. In terms of Revenue vs. Total Expenditures, total Revenue is around \$50 Million, which is in line with Total Operating Expenses. He stated that the financials were very pristine when they receive them and he appreciated the collaboration with Scott Powell, Cheryl Rice, Tom Hartye, and the financial team.

Mr. Hartye reported that Board Members and the public often ask who the District's biggest users are. Attached is a list of Principal Commercial Users which can be found in the Statistical Section of the ACFR. This section also has a lot of other financial and operational statistics that may be of interest.

Mr. Hartye reported that the next Regular Board Meeting will be held on February 21st at 2 pm. The next Right of Way Committee Meeting will be held on February 28th at 9 am.

8. Consolidated Motion Agenda:

a. Consideration of Annual Meeting Dates FY 2024:

Mr. Hartye reported that attached is a list of annual meeting dates for Board Meetings and a description of when Committee Meetings will be held.

b. Consideration of Budget Calendar FY 2024-2025:

Mr. Hartye reported that attached is the Budget Calendar showing when all meetings will be held that lead up to the Preliminary and Final Budget.

c. Consideration of Bids – Weaverville PS Replacement Project:

Mr. Hartye reported that the Weaverville Pump Station was originally constructed in 1983 and serves the Town of Weaverville and surrounding areas of northern Buncombe County. There have been two capacity upgrades since 1983. The current capacity is 2.8 MGD. Current demand, including future allocations, is 3.1 MGD. Mr. Hartye presented a map showing the Weaverville Pump System Service Area. The replacement system accounts for future growth in existing and expanded service areas. The Pump Station and Force Main are designed for 50-year flow projections and a 5-year storm peak hour flow (PHF). Parts of this system include the Reem's Creek Gravity Sewer, Weaverville Pump Station #1, Weaverville Pump Station #2, Lee Creek Pump Station (which comes across from the other side of the river at the Olivette Subdivision) and the Force Main of approximately 20,000 LF from Pump Station 1 to the Water Reclamation

Facility (WRF). We now start from Weaverville Pump Station 1 and pump all of the flow (2.1 Million gallons) to Weaverville Pump Station 2 along Riverside Drive and Old Marshall Highway and then pump it up again to get to the Treatment Plant. The new system will consist of one pump station and a larger force main, these are larger pumps with higher pressure and higher flow. Pump Station 2 will be repurposed and will tie into that system and will be made into a smaller pump station to serve the local area. Pump Station 1 is off of Reems Creek on MSD property. We will build a new 5 MGD Pump Station expandable to 6 MGD for 2070 flow. It will be built next to the existing pump station which will be demolished once the new station and force main are complete. The existing 30" aerial creek crossing is to be re-laid beneath Reems Creek. That will then pump into a 24" HDPE force main from Pump Station 1 to the WRF. The second Pump Station located at Riverside Drive and Old Marshall Highway is repumping all of the flow right now. It will be downsized to a 0.5MGD Station to serve basins in that area and will tie into the larger force main. The Lee Creek Pump Station currently serves the Olivette development and will tie into the force main that's going to the WRF. The proposed force main is 24" and has to be sized for all of those planned flows for the basins north of Weaverville and also for Lee Creek and part of Newfound Creek. The Force Main will be approximately 20,000 LF of 24" HDPE. HDPE has fused joints which allow no infiltration/exfiltration and are chemical resistant. Thirty easements will be obtained. The easements across Buncombe County properties are being acquired by MSD Right of Way Staff. MSD contracted with Telics for all other easement acquisition, which was brought before the Board in October, 2023. The Compensation Budget was a little over \$50,000.00. This right of way acquisition is to be completed by Fall of 2024. The Administration Period will last for 6 months, during which the contractor will be completing Equipment Submittals and Requests for Information prior to construction and procuring long lead-time equipment and piping. The Active Construction Period will be 20 months, from August 2024 to March 2026. First, they will build the big pump station and force main and then the smaller pump station and force main. They will have several crews working on the pump stations and force mains concurrently. MSD will provide in-house inspection services. Ms. Wisler asked at what level of a contract do we engage an engineering firm. Mr. Hartye stated that typically, if it is any of the District's line replacement jobs, we have several Project Engineers in house that perform those. If it is a multi-disciplinary job that consists of pump stations, electrical, mechanical or structural, then those are farmed out. Ms. Wisler asked about the large differences in some of the bid prices. Mr. Hartye stated that for the HDPE the contractors have different suppliers which is one of the big differences. Staff reviews the bids with the contractors to make sure they are good with their numbers. They have done these larger projects before so they have the capability and knowledge. Mr. Kelly asked what the Staff's estimate was for this project. Mr. Hartye stated \$19.5 Million. There was some further discussion regarding finding contractors compared to before COVID.

This project was advertised formally and three sealed bids were received on December 21, 2023 as follows: Thalle Construction Company, Inc. with a bid amount of \$29,134,850.00; T.P. Howard's Plumbing Company, Inc. with a bid amount of \$28,792,500.00 and Haren Construction Company with a bid amount of \$20,986,375.00. The apparent low bidder is Haren Construction Company

with a bid amount of \$20,986,375.00. Haren Construction Company has performed work for the District in the past and has done well. References are attached. There is a Capital Project Ordinance included with this item. CDM Smith and MSD Staff recommend award of this contract to Haren Construction Company in the amount of \$20,986,375.00, subject to review and approval by District Counsel.

d. Consideration of Construction Administration Contract – Weaverville Pump Station Replacement Project:

Mr. Hartye reported that this project is now ready for the construction phase. District Staff are experienced and will perform most of the daily on-site inspection work; however, CDM Smith will still be needed to perform specialized tasks and services. These include review/approval of all construction submittals; attendance at monthly progress meetings; site inspections; technical assistance with requests for information, change orders and work change directives; and producing complete record drawings after project completion. Staff has negotiated CDM Smith's original fee to \$841,075.00 for these services over the estimated 28-month construction period. This fee equates to approximately 4.0% of the construction contract. Staff believes this is a fair price. A Capital Project Ordinance is included with this item as well. Staff recommends award of the Construction Administration Contract to CDM Smith in the amount of \$841,075.00, subject to review and approval by District Counsel.

e. Consideration of Audit and Annual Report – FY Ended June 30, 2023:

Mr. Powell reported that the link to the Annual Comprehensive Financial Report may be found here:

<http://www.msdbc.org/documents/annualreports/FY2023.pdf>

He reported that there is a lot of great information there and he would encourage everyone to look at it. There is also attached a Schedule of Revenue and Expenditures Budget to Actual. Domestic User Fees and Industrial User Fees are above budgeted expectations. This is primarily due to increased usage over the previous year. Facility and Tap fees are above budgeted expectations due to receiving revenue from various developers. O&M expenditures are at 89.8% of budget. This is due to energy cost deference from the Hydro Facility as well as the HRTP not going on-line as budgeted. Capital Expenditures were less than budgeted due to a couple of project delays. There were no questions.

f. Cash Commitment Investment Report – Month ended November, 2023:

Mr. Powell reported that Page 37 presents the makeup of the District's Investment Portfolio. There has been no significant change in the makeup of the portfolio from the prior month. Page 38 presents the MSD Investment Manager's report as of the month of November. The weighted average maturity of the investment portfolio is 76 days and the yield to maturity is 5.26%. Page 39 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 based on timing of cash receipts and historical trends. Facility and Tap Fees are above budgeted expectations due to receiving revenue from various developers. Page 40 presents the Districts analysis of expenditures. O&M, Debt Service and Capital Project expenditures are considered reasonable based on historical trends and timing of cash expenditures. Page 41 presents the District's Variable Debt Service Report. The 2008A Series Bonds are performing at budgeted expectations. As of the end of December, the issue has saved the District rate payers over \$7.6 million in debt service since April of 2008.

With no further discussion, Mr. VeHaun called for a motion to approve the Consolidated Motion Agenda. Mr. Watts moved, Mr. Whitesides seconded the motion. Roll call vote was as follows: 12 ayes; 0 Nays.

9. Old Business: None.

10. New Business: None.

11. Adjournment:

With no further business, Mr. VeHaun called for adjournment at 2:37 pm.

Jackie W. Bryson, Secretary/Treasurer



MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: February 16, 2024
SUBJECT: Report from the General Manager

- Kudos

- Attached is a letter from Paul Glaser of the CBHT Brotherhood expressing appreciation for Chad Ledford for giving a group tour of the MSD Treatment Plant.

- MSD Training Center

MSD's training needs have significantly expanded over the last 20 years, and we have become a magnet for all types of regional training. Hence, we have repurposed our old Administration Building on the hill into a bona fide Training Center to meet those needs. I will share a few slides of that operation.

- Covid Testing in Wastewater

Attached are some graphs of SARA-Covid-2 testing in the wastewater. The NC Health and Human Services Dashboard for wastewater testing can be found at [Covid Wastewater testing](#). The SARS-CoV-2 virus, which causes COVID-19, breaks down quickly in the environment. Scientists have not found wastewater to be a pathway for disease transmission, although we can still measure the RNA fragments in the wastewater.

- Board/Committee Meetings/Events

The next Regular Board Meeting will be held on March 20th at 2 pm. The February Right of Way Committee has been cancelled. The next Right of Way Committee meeting will be held on March 27th at 9am.

An Engaging, Inclusive Reform Congregation
in the Blue Ridge Mountains



43 N. Liberty St • Asheville, NC 28801-1822
828.253.4911

November 9, 2023

Metropolitan Sewerage District
2028 Riverside Drive
Asheville, North Carolina 28804

Dear MSD,

This is to thank you for allowing our Brotherhood Group to tour your amazing wastewater treatment plant last week.

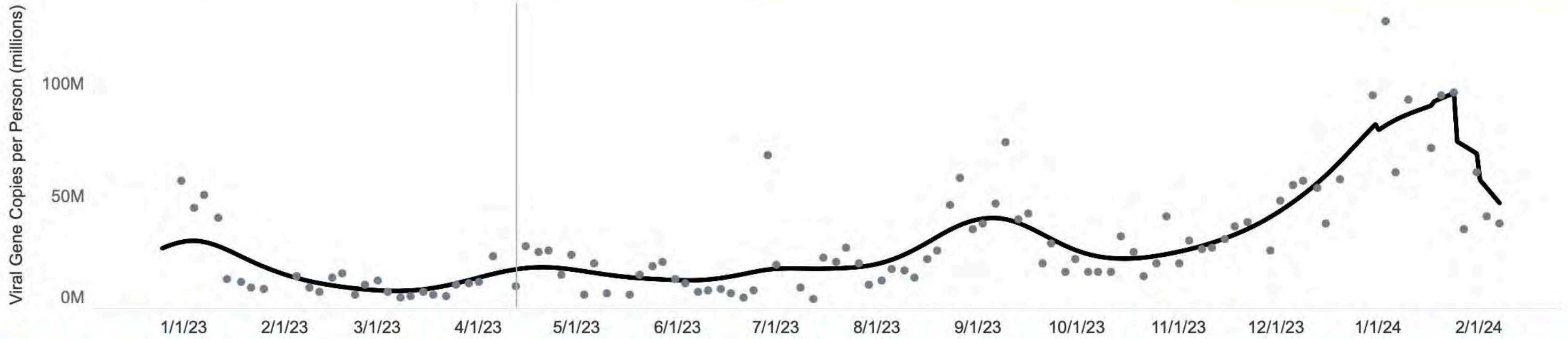
Chad Ledford did an amazing job showing and explaining to us the various tasks undertaken by MSD on a daily basis, leaving us with tremendous respect for the job you all do.

We thank you for your work and, again, for allowing us to visit your facility.

Sincerely,

Paul Glaser
President
CBHT Brotherhood

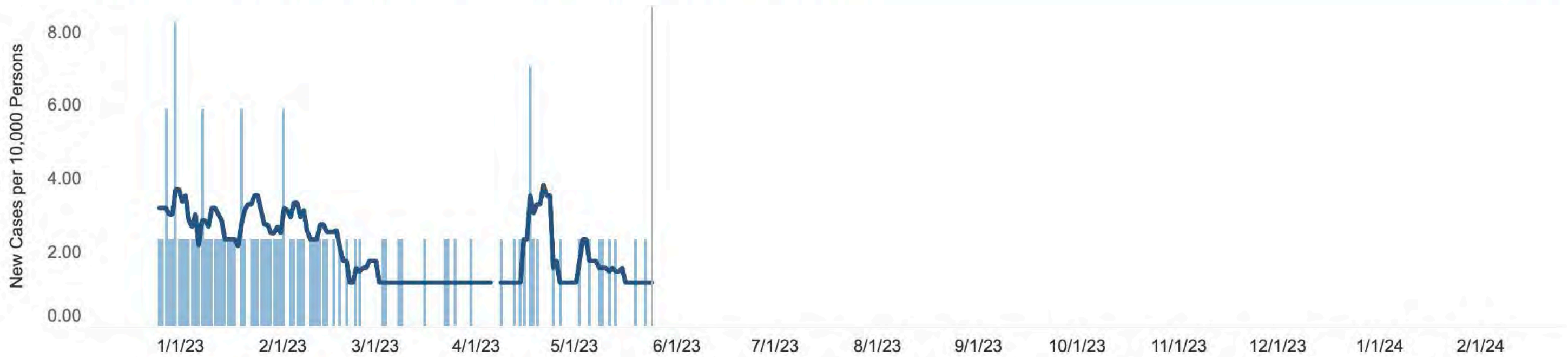
COVID-19 Virus in Wastewater Samples - MSD of Buncombe County



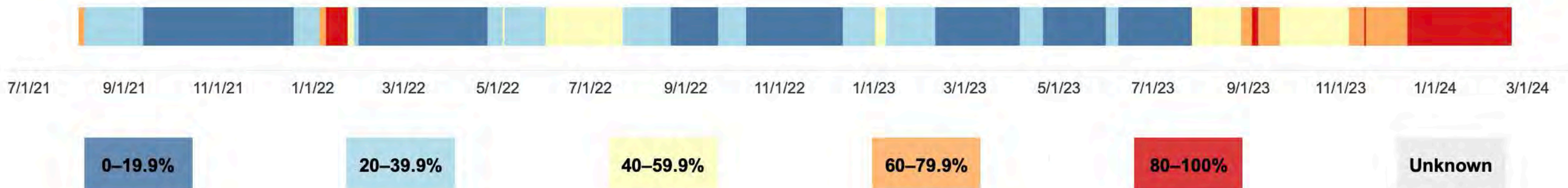
Reported COVID-19 Cases in the Sewershed - MSD of Buncombe County



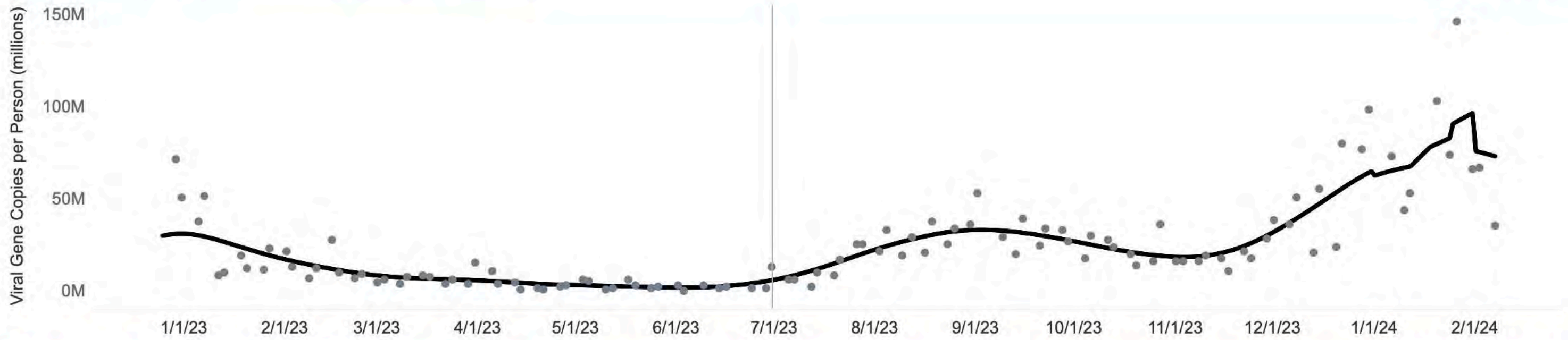
The final update to the COVID-19 Cases in the Sewershed was made on May 24, 2023.



Wastewater Percentiles Over Time - MSD of Buncombe County



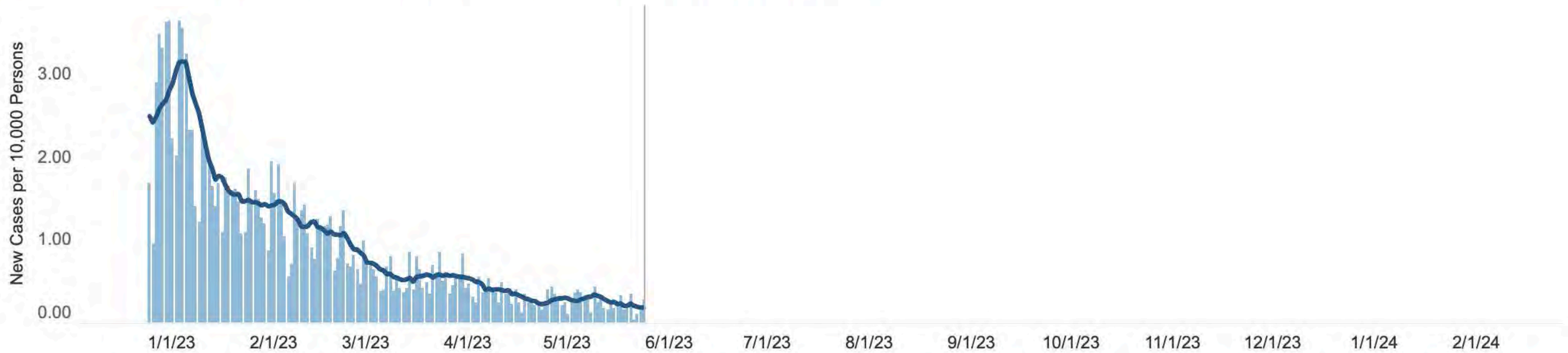
COVID-19 Virus in Wastewater Samples - Raleigh



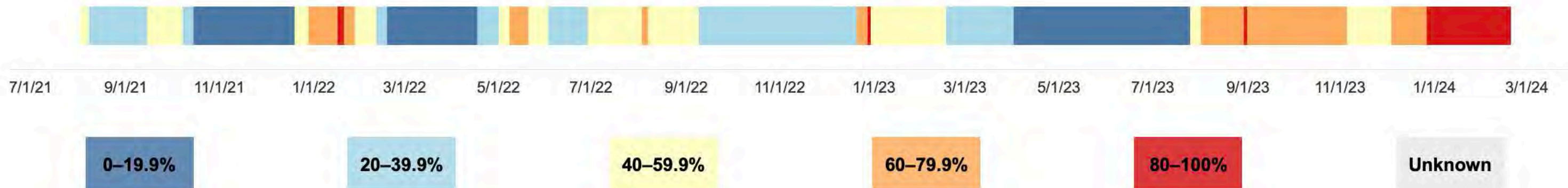
Reported COVID-19 Cases in the Sewershed - Raleigh



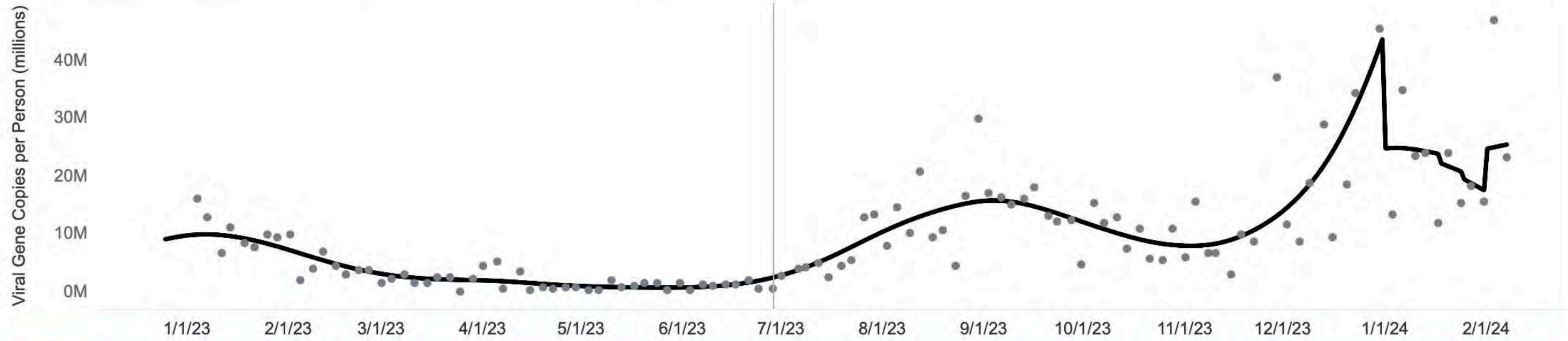
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Wastewater Percentiles Over Time - Raleigh



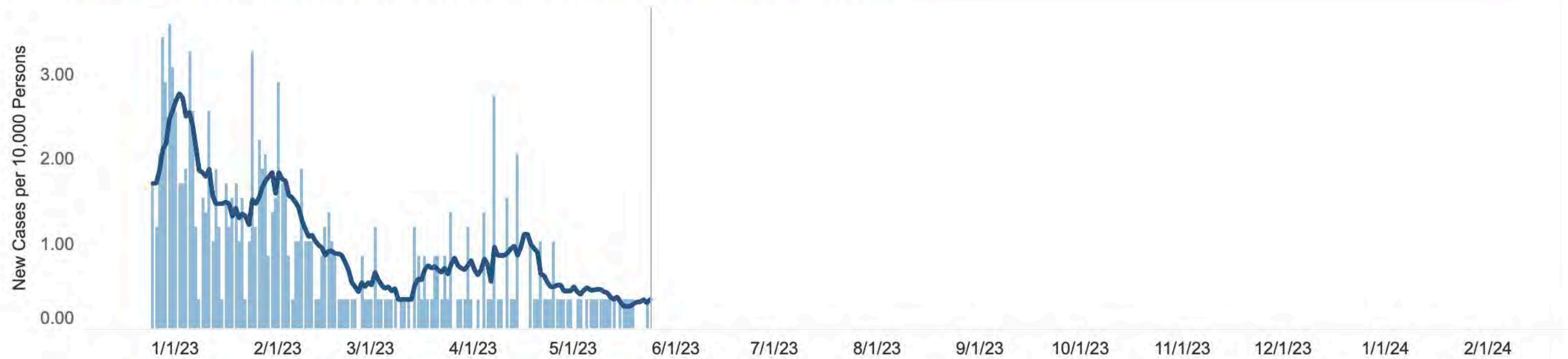
COVID-19 Virus in Wastewater Samples - Wilmington City



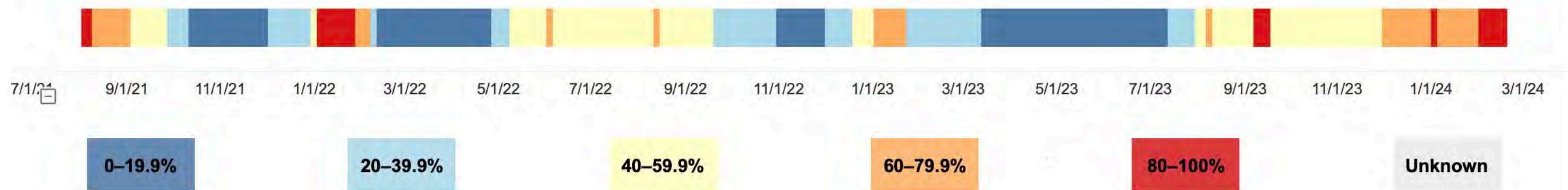
Reported COVID-19 Cases in the Sewershed - Wilmington City



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Wastewater Percentiles Over Time - Wilmington City



Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

BOARD MEETING DATE: February 21, 2024

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

PREPARED BY: Hunter Carson, P.E. – Director of Engineering
Darin Prosser, P.E. – Project Manager

SUBJECT: Consideration of Bids for Materials Procurement: Incinerator Rehabilitation, MSD Project No. 2022057

BACKGROUND: The fluidizing bed incinerator (FBI) is located at MSD's Water Reclamation Facility and is the District's primary means of solids disposal. The existing FBI was originally placed into service in 1992 and has undergone several rebuilds of various components over the years with the most major rebuild in 2004. The FBI is scheduled for heat exchanger and preheat burner system replacement in April 2024, and a major internal rebuild in FY 25-26.

The FY 25-26 FBI rehabilitation will consist of replacing the interior walls and corbel firebricks that are in poor condition due to sand erosion. The interior ceiling will also be replaced with castable refractory material, and the carbon steel shell of the FBI will be rehabilitated. The FBI dome (floor) underwent major repairs in winter 2022-2023, so replacement is not planned for at this time; however, its condition will be assessed during the planned April 2024 shutdown.

Replacement of the nickel alloy tuyeres (located in the dome) will be performed on an as-needed basis during the internal rebuild. The tuyeres disperse air from the FBI's wind box into the incinerator, creating the fluidized motion of the sand inside the FBI. Many of the tuyeres were repaired in 2023 and are generally in fair condition.

Procurement of the Incinerator Materials

The District is pre-purchasing the materials required for the FY 25-26 rebuild due to lead-times of approximately one year for the firebricks and tuyeres. Fabrication will span two fiscal years, FY 23-24 and FY 24-25, so a Capital Project Ordinance will be required. Installation of these materials will be completed through a competitively bid construction contract. Advertisement of the construction contract is scheduled for FY 25-26.

This materials purchase contract was advertised, and one bid was received on January 25, 2024, at 2:30pm. The contract was re-advertised (per NCGS formal bidding requirements) and one bid was again received on February 1, 2024, at 4:00pm in the following amount:

<u>Supplier</u>	<u>Materials Price</u>
1) Industrial Furnace Company, Inc.	\$1,339,000.00

The apparent low bidder is Industrial Furnace Company with a bid amount of \$1,339,000.00. Industrial Furnace Company has extensive experience with MSD's FBI and has assisted MSD with numerous repairs. The quality of their work and materials has been exceptional.

FISCAL IMPACT: The FY 23-24 budget for this project is \$2,150,000.00 and includes partial payment of the incinerator materials per the contract (10% payment following approved shop drawings, \$133,900.00). The remaining balance of the FY 23-24 budget is reserved for final payments of the new heat exchanger and preheat burner system (purchased under separate contracts), as well as installation of both components in April 2024. Sufficient funds are available in the project budget for these expenditures.

The remaining 90% of the materials purchase contract (due upon delivery) will be included in the FY24/25 CIP budget.

STAFF RECOMMENDATION: Staff recommends that the District procure the specified incinerator materials as supplied by Industrial Furnace Company, Inc. in the amount of \$1,339,000.00.

**INCINERATOR REHABILITATION
MATERIALS PROCUREMENT CONTRACT
CAPITAL PROJECT ORDINANCE**

BE IT ORDAINED by the Board of the Metropolitan Sewerage District of Buncombe County, North Carolina, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Incinerator Rehabilitation – Materials Procurement Contract Capital Project Ordinance is hereby adopted:

Section 1. The project authorized is the Incinerator Rehabilitation – Materials Procurement Contract to be financed in whole or in part by appropriated net position.

Section 2. The following amounts are appropriated for the project:

Capital Expenditures	<u>\$ 1,339,000.00</u>
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Section 3. The following revenues are anticipated to be available to provide for these expenditures:

Transfer from General Fund	<u>\$ 1,339,000.00</u>
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Section 4. The Finance Officer is hereby directed to maintain within the Construction Fund sufficient specified detailed accounting records to satisfy all financial reporting requirements.

Section 5. Funds may be advanced from the Operations and Maintenance fund if necessary for the purpose of making payments as due.

Section 6. The Finance Officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this Board.

Section 7. Copies of this Incinerator Rehabilitation – Materials Procurement Contract Project Ordinance shall be furnished to the Secretary of the Governing Board, and to the Finance Officer for direction carrying out this project.

ADOPTED this Twenty-first day of February, 2024.

**ATTEST: BOARD OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE
COUNTY, NORTH CAROLINA**

M. Jerry VeHaun, Chairman

Jackie W. Bryson Secretary/Treasurer

APPROVED AS TO FORM:

William Clarke, Legal Counsel
Metropolitan Sewerage District
of Buncombe County, NC

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

**Incinerator Rehabilitation Materials Purchase
Project No. 2022057**

**BID TABULATION
February 1, 2024**

BIDDER	Bid Bond	Bid Forms	Total Bid Amount
Industrial Furance Company, Inc. 40 Humboldt Street Rochester, NY 14609	Yes	Yes	\$1,339,000.00

APPARENT LOW BIDDER

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



This is to certify that the bids tabulated herein were publicly opened and read aloud at 4:00 p.m. on the 1st day of February, 2024, in the W.H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina, and that said bids were accompanied by acceptable bidders bonds in the amount of 5% of the bid.

SCHEDULE OF ESTIMATED QUANTITIES AND BID PRICES

**WATER RECLAMATION FACILITY IMPROVEMENT INCINERATOR REHABILITATION
MATERIALS PROJECT NO. 2022057**

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY

ITEM NO.	DESCRIPTION	QTY	UNITS	TOTAL
BASE BID				
1	FIRECLAY BRICKS FOR FBI WALLS AND CORBEL (QUANTITY AND DIMENSIONS DETERMINED BY SUPPLIER BASED ON 2004 HANKIN DRAWINGS)	1	LS	\$ 941,000.00
2	REFRACTORY CASTABLE MATERIAL FOR FBI CEILING (QUANTITY DETERMINED BY SUPPLIER BASED ON 2004 HANKIN DRAWINGS)	1	LS	\$ 192,000.00
3	170 TUYERES 30-INCH SHAFT, ADJUSTABLE AND LOCKING MADE OF HEAT AND CORROSION RESISTANT NICKEL ALLOY (BASED ON 2004 HANKIN DRAWINGS)	1	LS	\$ 206,000.00
	TOTAL BASE BID			\$ 1,339,000

TOTAL WRITTEN BASE BID PRICE 1 million, three hundred
thirty nine thousand and 00 /100 dollars.

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

BUDGET DATA SHEET - FY 2023 - 2024

PROJECT:	Incinerator Rehabilitation FY24	LOCATION:	MSD-Treatment Plant
TYPE:	Treatment Plant	PIPE RATING:	N/A
PROJECT NO.	2022057	TOTAL LF:	0
PROJECT BUDGET:	\$5,383,450.00	PROJECT ORIGIN:	Ageing Equipment, IFCO Recommendation

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 12/31/22	EST. COST JAN - JUNE 2023	BUDGET FY 23-24
55310 - PRELIM. ENGINEERING				
55320 - SURVEY - DESIGN				
55330 - DESIGN				
55340 - PERMITS				
55350 - SPECIAL STUDIES				
55360 - EASEMENT PLATS				
55370 - LEGAL FEES				
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION				
55400 - APPRAISAL				
55410 - CONDEMNATION				
55420 - CONSTRUCTION	\$5,383,450.00	\$320,450.00	\$23,000.00	\$2,150,000.00
55430 - CONST. CONTRACT ADM.				
55440 - TESTING				
55450 - SURVEY - ASBUILT				
TOTAL AMOUNT	\$5,383,450.00	\$320,450.00	\$23,000.00	\$2,150,000.00

ENGINEER:	MSD	DP	ESTIMATED BUDGETS - FY 25 - 33	
R.O.W. ACQUISITION:	N/A	# PLATS: [0]	FY 24-25	\$2,890,000.00
CONTRACTOR:			FY 25-26	\$0.00
CONSTRUCTION ADM.:	MSD		FY 26-27	\$0.00
INSPECTION:	MSD		FY 27-28	\$0.00
			FY 28-29	\$0.00
PROJECT DESCRIPTION: This project is for the rehabilitation of the incinerator and includes replacement of the heat exchanger, preheat burner system, and high temperature refractory lining inside the fluidizing bed incinerator. The refractory was last replaced in 2004 and protects the steel shell of the incinerator from high temps and corrosive gases. The heat exchanger and preheat burner both show signs of significant wear and need to be replaced.			FY 29-30	\$0.00
			FY 30-31	\$0.00
			FY 31-32	\$0.00
			FY 32-33	\$0.00

SPECIAL PROJECT NOTES: Heat exchanger is currently on order. The project also includes money for a high-temp camera, new tuyeres and hauling during the incinerator shutdown.



**Incinerator Rehabilitation FY 24
Project No. 2022057**

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 21, 2024

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 Julian Woods Retirement Community Sewer Relocation, MSD Project No. 2019112

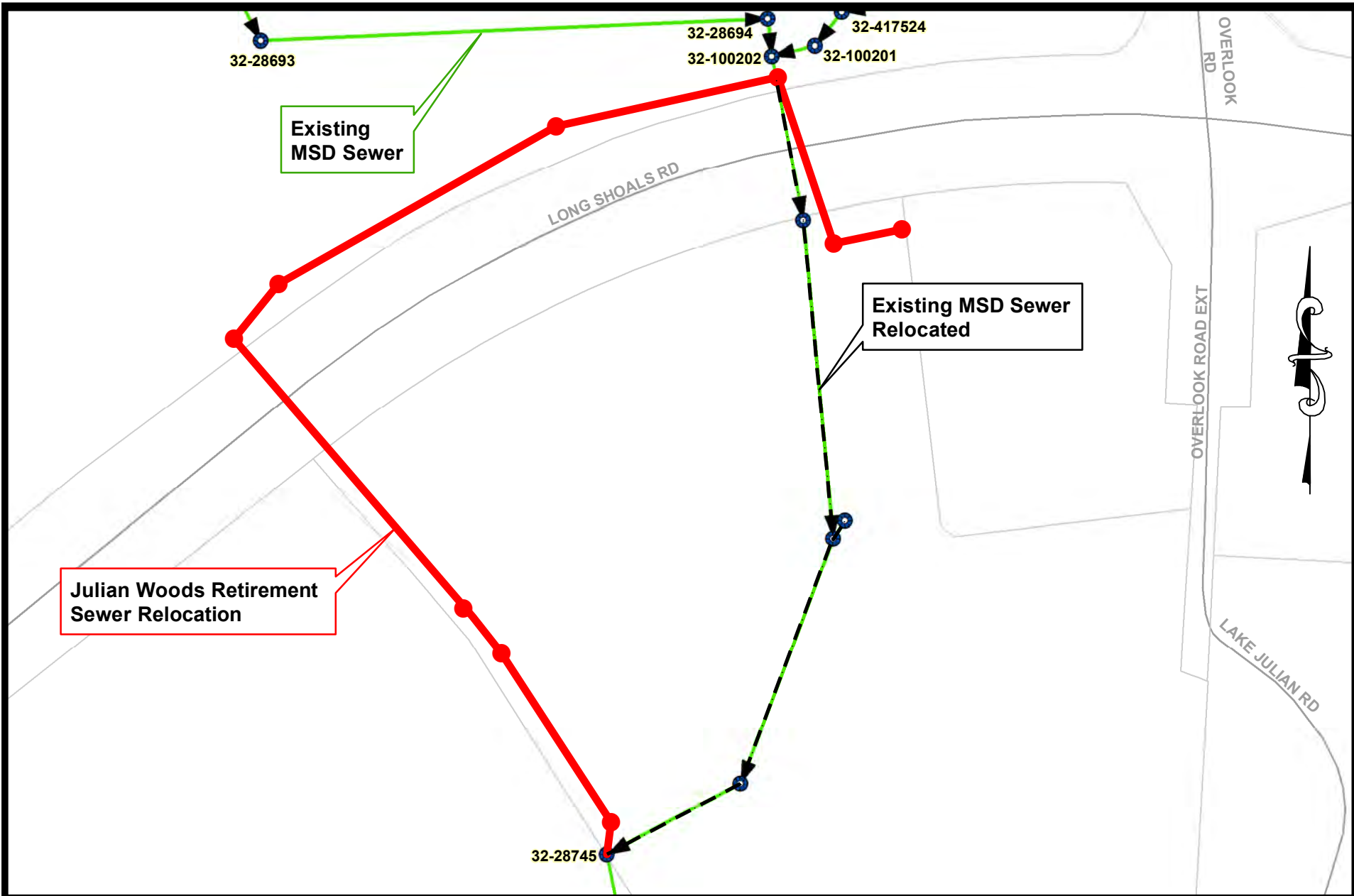
BACKGROUND: This project is located inside the District boundary off Long Shoals Road in the City of Asheville. The developer of the project is Bob Lewis of Cameron General Contractors.

The project included relocating approximately 1,075 linear feet of 8-inch public gravity sewer along with abandoning approximately 630 linear feet of public sewer to accommodate the Senior Living Community.

A wastewater allocation was issued in the amount of 17,500 GPD for the 130 Senior Independent Living Residential Units in the development. The estimated cost of the sewer construction is \$451,000.00.

All MSD requirements have been met.

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



MSD
Engineering Division

Julian Woods Retirement Sewer Relocation
MSD Project # 2019112
Metropolitan Sewerage District of Buncombe County

02/07/2024

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 21, 2024

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 Rydele Heights Phase 1 Sewer Extension, MSD Project No. 2021098

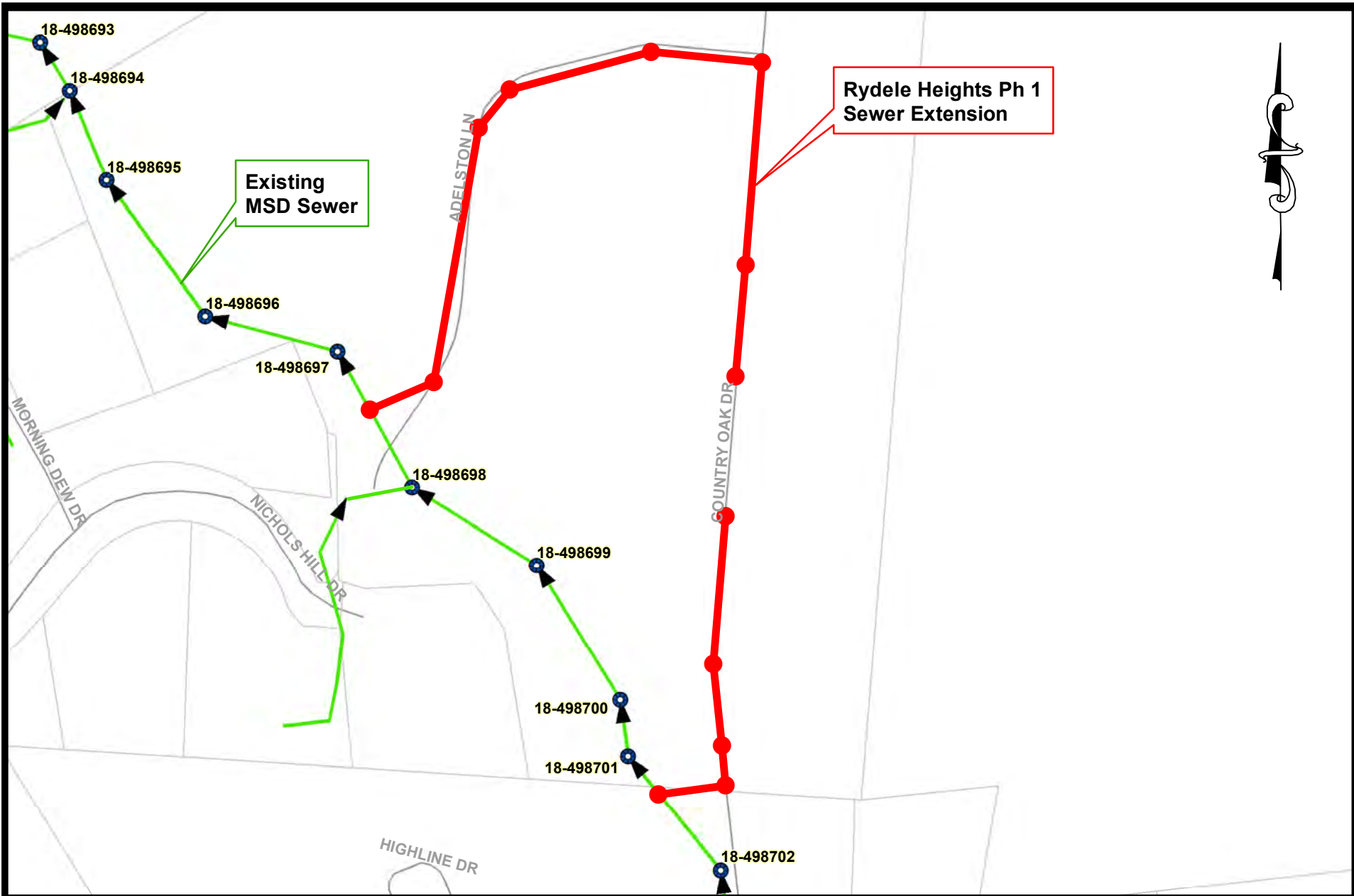
BACKGROUND: This project is located inside the District boundary off Country Oak Drive in Buncombe County. The developer of the project is Chris Eller of Civil Developments, LLC.

The project included extending approximately 1,470 linear feet of 8-inch public gravity sewer to serve this phase of the Single-Family Residential Development.

A wastewater allocation was issued in the amount of 14,400 GPD for the forty-eight (48) homes in this phase of the residential development. The estimated cost of the sewer construction is \$322,860.50.

All MSD requirements have been met.

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



MSD
Engineering Division

**Rydele Heights Ph 1 Sewer Extension
MSD Project # 2021098**

Metropolitan Sewerage District of Buncombe County

02/07/2024

Metropolitan Sewerage District of Buncombe County

Board Action Item

BOARD MEETING DATE: February 21, 2024

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 Upper Grassy Branch Road Sewer Extension, MSD Project No. 2018087

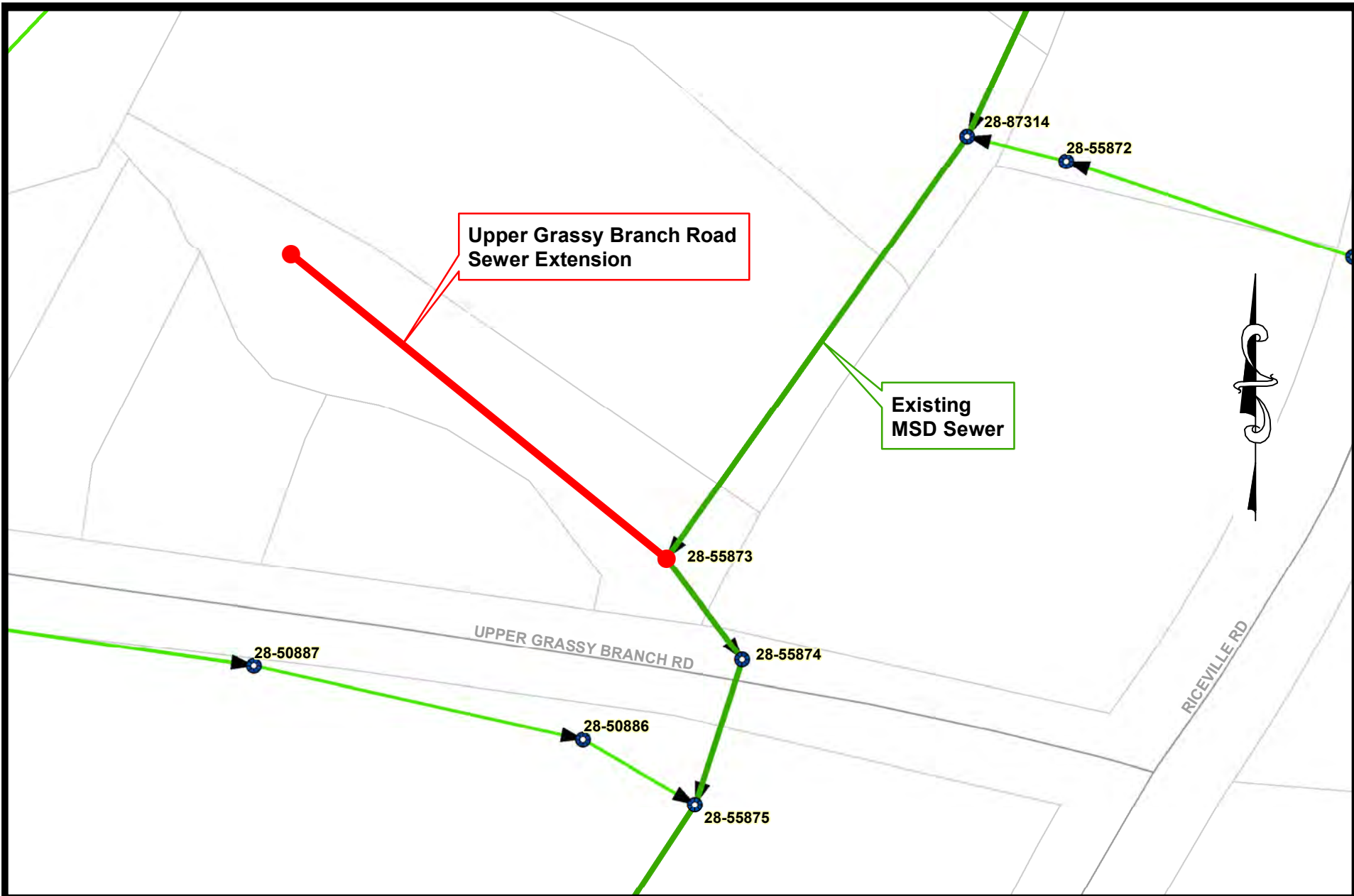
BACKGROUND: This project is located inside the District boundary off Upper Grassy Branch Road in Buncombe County. The developer of the project is Ash Leblanc of Boss Builders, LLC.

The project included extending approximately 250 linear feet of 8-inch public gravity sewer to serve the Single-Family Residential Development.

A wastewater allocation was issued in the amount of 1,800 GPD for the six (6) homes in this phase of the residential development. The estimated cost of the sewer construction is \$42,500.00.

All MSD requirements have been met.

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



MSD
Engineering Division

**Upper Grassy Branch Road Sewer Extension
MSD Project # 2018087**

Metropolitan Sewerage District of Buncombe County

02/07/2024

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY

BOARD ACTION ITEM

Meeting Date: February 21, 2024

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 FY2024

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 March of 2023, staff issued an RFP for auditing services. Cherry, Bekaret LLP (CB) was chosen due to their audit approach, the firm's staffing, and notably the governmental utility experience in North Carolina. At the April Board Meeting, the Board approved Cherry Bekaret, LLP as auditors.

Discussion

CB takes a rotating partner approach to government and utility engagements. Every 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.

Fiscal Impact

The combined audit fees and reimbursable expenses of \$47,000 (See attached engagement letter and audit contract) will be included in the FY2025 budget.

Staff Recommendation

Staff recommends approval of the FY2024 audit contract with Cherry Bekaert, LLP, contingent upon review and approval of District counsel.

Action Taken

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

February 9, 2024

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, 2024:

Audit and attestation services

1. We will audit the basic financial statements of the District as of and for the year ended June 30, 2024 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 statements 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 the 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

February 9, 2024

Page 4

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 OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP, (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP, (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes), and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

You agree to assume all the District's management responsibilities relating to the financial statements and 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.

The District's management is responsible for disclosing to us all documents that comprise the annual report and preparation of the annual report. You agree you will provide us with the final version of all documents comprising the annual report prior to the date of the auditor's report so that required audit procedures can be completed prior to the issuance of the auditor's report. If obtaining the final version of these documents is not possible prior to the date of the auditor's report, then the documents will be provided as soon as practicable, and the District will not issue the annual report prior to providing them to the us and allowing sufficient time to apply required audit procedures. If the documents comprising the annual report are provided after the date of the auditor's report and we concluded that there is a material inconsistency or misstatement then we will take appropriate actions which may include communicating the matter to those charged with governance or obtaining legal advice.

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 Representation's

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 which will be at our standard billing rates noted in the table below. 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.

The following summarizes the estimated fees for the services described above:

Description of services	Estimated fee
Audit services Audit of the financial statements	<u>\$47,000</u>

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 and alternative practice structure

Cherry Bekaert LLP and Cherry Bekaert Advisory LLC (an associated, but not affiliated entity) are parties to an administrative services agreement (“ASA”). Cherry Bekaert LLP and Cherry Bekaert Advisory LLC are operating in an arrangement commonly described as an “alternative practice structure”. Pursuant to the ASA, Cherry Bekaert LLP leases professional and administrative staff, both of which are employed by Cherry Bekaert Advisory LLC, to support Cherry Bekaert LLP’s performance under this engagement letter. As a result, Cherry Bekaert LLP will share your confidential information with Cherry Bekaert Advisory LLC so that the leased employees are able to support Cherry Bekaert LLP’s performance under this engagement letter. These leased employees are under the direct control and supervision of Cherry Bekaert LLP, which is solely responsible for the professional performance of the services under this engagement letter. The leased employees are subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information, and Cherry Bekaert LLP and Cherry Bekaert Advisory LLC have contractual agreements requiring confidential treatment of all client information.

To the extent Cherry Bekaert Advisory LLC will provide tax, advisory, and/or consulting services to you, Cherry Bekaert LLP will provide Cherry Bekaert Advisory LLC with access to your accounting, financial, and other records that Cherry Bekaert LLP maintains to enable Cherry Bekaert Advisory LLC to provide those services to you.

In addition to the structure noted above, 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. Unless otherwise indicated, estimated fees 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.



December 16, 2022

Michelle Thompson
Cherry Bekaert LLP
3800 Glenwood Ave Ste 200
Raleigh, NC 27612-5532

Dear Michelle Thompson:

It is my pleasure to notify you that on December 16, 2022, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is October 31, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

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

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Michael Wagner". The signature is fluid and cursive.

Michael Wagner
Chair, National PRC

+1.919.402.4502

cc: Marc Fogarty, Steven Siegel

Firm Number: 900010011816

Review Number: 594133

Report on the Firm's System of Quality Control

November 29, 2022

To the Partners of Cherry Bekaert LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans; an audit performed under FDICIA; and an examination of service organizations (SOC 2 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.



Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Cherry Bekaert LLP has received a peer review rating of pass.

EisnerAmper LLP

EisnerAmper LLP
Iselin, New Jersey



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	Date Audit Will Be Submitted to LGC
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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 (GAGAS)* 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, Subpart F* (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).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

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 Auditing 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.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit 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 and/or the compliance section, 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.

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 *Government 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 *Government 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 on the LGC-205 Contract is not applicable for GAAS-only audits 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. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. 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. 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 Unit	
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$

Discretely Presented Component Unit	
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
TOTAL AMOUNT NOT TO EXCEED	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm*	
Authorized Firm Representative (typed or printed)*	Signature* <i>Daniel J. Mayforty</i>
Date*	Email Address*

GOVERNMENTAL UNIT

Governmental Unit*	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
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.

Sum Obligated by This Transaction:	\$
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* (Enter date in box to right)	
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.

Sum Obligated by this Transaction:	\$
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.

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: February 21, 2024
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, CLGFO Director of Finance
Subject: Second Quarter Budget to Actual Review – FY2024





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, 2023 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. 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 better-than-expected variance as of the end of the second quarter is due to receiving revenue from various developments.
-  Interest and miscellaneous income are above budgeted expectations. Actual short-term interest rates are higher than anticipated for the fiscal year.
-  Rental income reflects are at budgeted expectations.

Meeting Date: February 21, 2024

Subject: Second Quarter Budget to Actual Review – FY2024

Page 2

Discussion (continued)

- ✚ O&M expenditures are at 51.8% 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.

- ✚ Bond principal and interest are at 80%. This reflects principal and semi-annual interest payments.

- ✚ Amounts budgeted for capital equipment and capital projects are rarely expended proportionately throughout the year and are expected to be fully spent prior to the end of the year.

Staff Recommendation

None - Information Only.

Action Taken

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

Metropolitan Sewerage District

Budget to Actual Revenue and Expenditure Report

For the three months ended December 31, 2023

UNAUDITED--NON-GAAP

	Amended Budget	Actual to Date	% Budget to Actual
REVENUES			
Domestic User Fees ¹	\$ 38,928,326	\$ 19,849,060	50.99%
Industrial User Fees	3,410,895	1,949,529	57.16%
Facility Fees ²	3,000,000	5,106,818	170.23%
Tap Fees ³	200,000	225,657	112.83%
Billing and Collection	1,157,474	515,084	44.50%
Interest and Misc. Income	2,902,076	2,506,716	86.38%
Employee Contribution to Health Ins.	385,800	187,026	48.48%
City of Asheville (Enka Bonds)	35,000	-	0.00%
Rental Income	96,000	47,869	49.86%
Use of (Contributions to) Available Funds ⁴	<u>6,704,394</u>	<u>3,859,441</u>	57.57%
Total Revenues⁵	\$ 56,819,965	\$ 34,247,200	60.27%
EXPENDITURES			
Operations and Maintenance ⁶	\$ 20,972,686	\$ 10,861,422	51.79%
Bond Principal and Interest	8,734,667	7,158,173	81.95%
Capital Equipment (Other than O&M) ⁶	734,619	432,611	58.89%
Capital Projects ⁶	25,377,993	15,794,994	62.24%
Contingency	<u>1,000,000</u>	<u>-</u>	0.00%
Total Expenditures	\$ 56,819,965	\$ 34,247,200	60.27%

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

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: February 21, 2023
 Submitted By: Thomas E. Hartye, PE., General Manager
 Prepared By: W. Scott Powell, CLGFO, Director of Finance
 Cheryl Rice, Accounting Manager
 Subject: Cash Commitment/Investment Report-Month Ended December 31, 2023

Background

Each month, staff presents to the Board an investment report for all monies in bank accounts and specific investment instruments. The total investments as of December 31, 2023 were \$90,036,366. The detailed listing of accounts is available upon request. The average rate of return for all investments is 4.777%. These investments comply with North Carolina General Statutes, Board written investment policies, and the District's Bond Order.

The attached investment report represents cash and cash equivalents as of December 31, 2023 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of December 31, 2023 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$41,240,456.

Total Cash & Investments as of 12/31/2023		90,036,366
Less:		
Budgeted commitments (required to pay remaining FY24 budgeted expenditures from unrestricted cash		
Construction Funds	(17,981,218)	
Operations & Maintenance Fund	<u>(12,251,815)</u>	
		(30,233,033)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(1,262,892)	
FY24 Principal & Interest Due	<u>(7,329,095)</u>	
		(8,591,987)
District Reserve Funds		
Fleet Replacement	(1,383,357)	
Pump Replacement	(249,666)	
WWTP Replacement	(424,172)	
Maintenance Reserve	<u>(1,271,051)</u>	
		(3,328,246)
District Insurance Funds		
General Liability	(403,194)	
Worker's Compensation	(453,230)	
Post-Retirement Benefit	(2,713,452)	
Self-Funded Employee Medical	<u>(3,072,768)</u>	
		<u>(6,642,644)</u>
Designated for Capital Outlay		<u>41,240,456</u>

Meeting Date: February 21, 2024

Subject: Cash Commitment/Investment Report-Month Ended December 31, 2023

Page 2

Staff Recommendation
None - Information Only.

Action Taken

Motion by:

to

Approve

Disapprove

Second by:

Table

Send to Committee

Other:

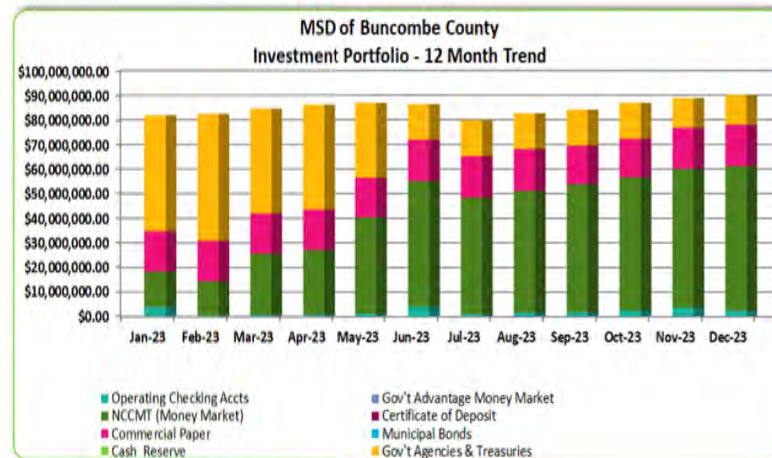
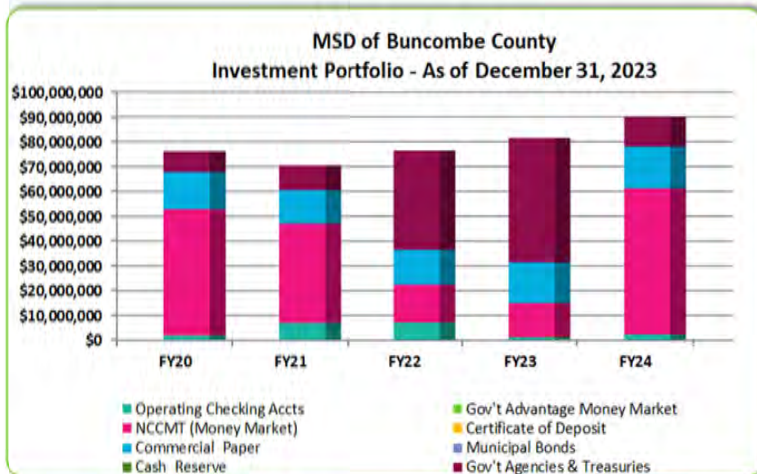
Follow-up required:

Person responsible:

Deadline:

	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -		\$ 1,262,891			\$ -	\$ -		\$ 1,262,891
Held by MSD	2,394,745	46,704	57,501,752	-	16,789,038	-		12,041,236	88,773,475
	\$ 2,394,745	\$ 46,704	\$ 58,764,643	\$ -	\$ 16,789,038	\$ -	\$ -	\$ 12,041,236	\$ 90,036,366

Investment Policy Asset Allocation	Maximum Percent	Actual Percent	
U.S. Government Treasuries, Agencies and Instrumentalities	100%	13.37%	No significant changes in the investment portfolio as to makeup or total amount. All funds invested in CD's, operating checking accounts, Gov't Advantage money market are fully collateralized with the State Treasurer.
Bankers' Acceptances	20%	0.00%	
Certificates of Deposit	100%	0.00%	
Commercial Paper	20%	18.65%	
Municipal Bonds	100%	0.00%	
North Carolina Capital Management Trust	100%	65.27%	
Checking Accounts:	100%		
Operating Checking Accounts		2.66%	
Gov't Advantage Money Market		0.05%	



Meeting Date: February 21, 2024

Subject: Cash Commitment/Investment Report-Month Ended December 31, 2023

Page 4

Metropolitan Sewerage District Investment Managers' Report On December 31, 2023

Summary of Asset Transactions

	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 77,757,649	\$ 77,890,907	\$ 144,008
Capital Contributed (Withdrawn)	1,081,037	1,081,037	
Realized Income	222,575	222,575	
Unrealized/Accrued Income		126,940	48,901
Ending Balance	<u>\$ 79,061,261</u>	<u>\$ 79,321,459</u>	<u>\$ 192,909</u>

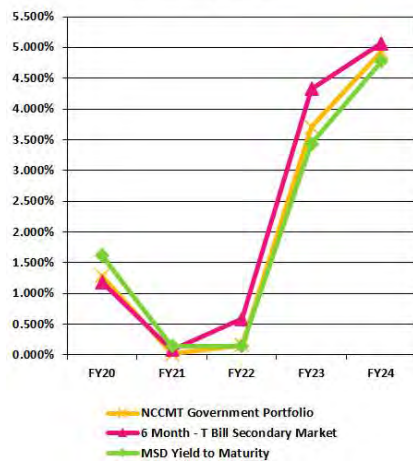
Value and Income by Maturity

	Original Cost	Income
Cash Equivalents <91 Days	\$ 69,020,025	\$ 347,814
Securities/CD's 91 to 365 Days	8,657,621	43,629
Securities/CD's > 1 Year	1,383,615	6,972
	<u>\$ 79,061,261</u>	<u>\$ 398,415</u>

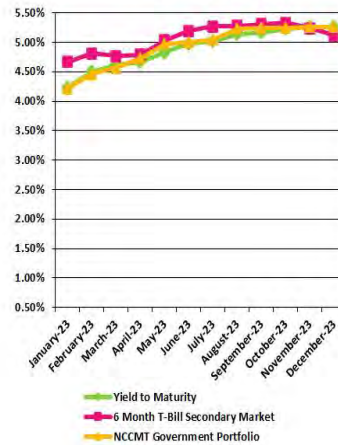
Month End Portfolio Information

Weighted Average Maturity	64
Yield to Maturity	5.26%
6 Month T-Bill Secondary Market	5.12%
NCCMT Government Portfolio	5.26%

Metropolitan Sewerage District
Annual Yield Comparison



Metropolitan Sewerage District
Yield Comparison - December 31, 2023

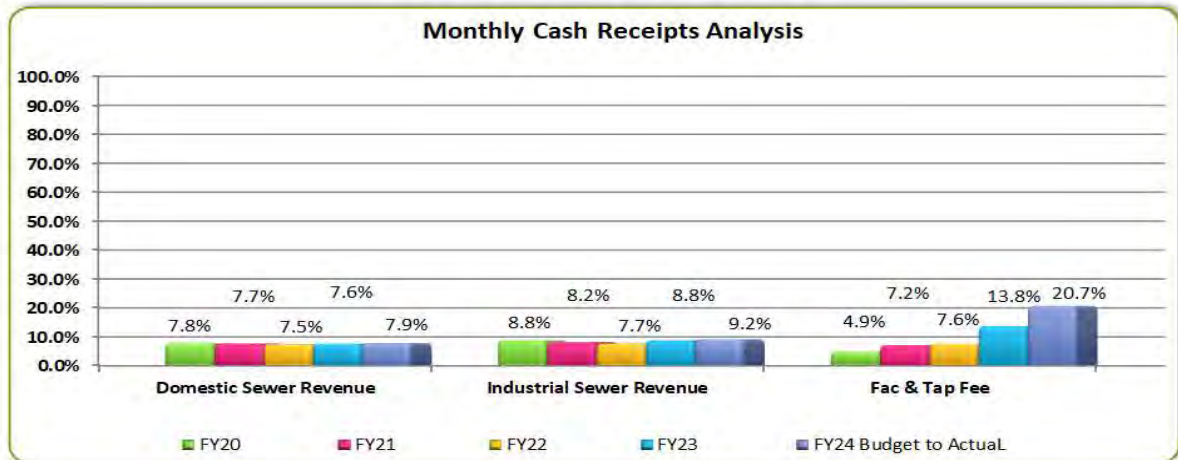


Meeting Date: February 21, 2024

Subject: Cash Commitment/Investment Report-Month Ended December 31, 2023

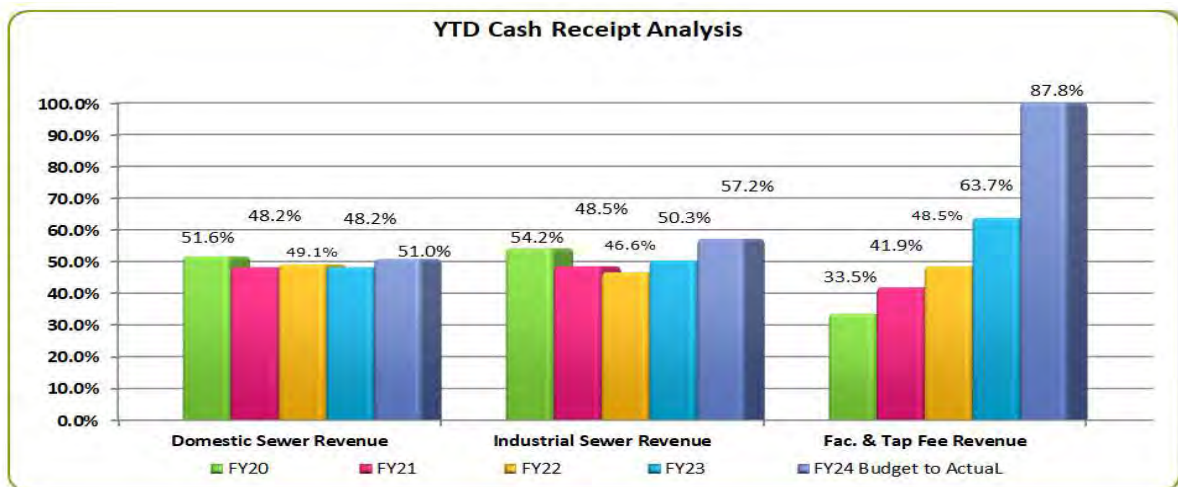
Page 5

Metropolitan Sewerage District Analysis of Cash Receipts As of December 31, 2023



Monthly Cash Receipts Analysis:

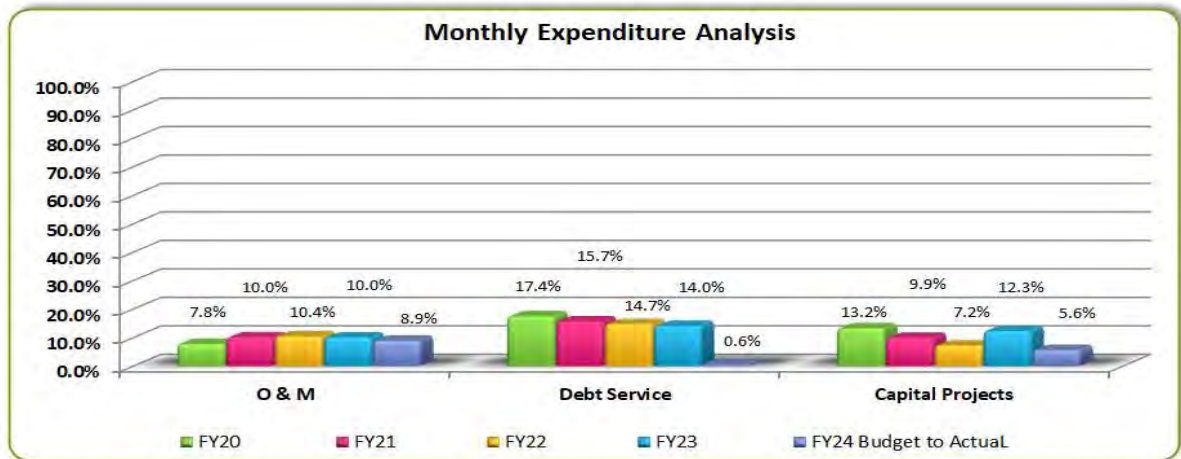
- * Monthly domestic sewer revenue is considered reasonable based on timing of cash receipts in their respective fiscal periods.
- * Monthly industrial sewer revenue is reasonable based on historical trends.
- * Due to the unpredictable nature of facility and tap fee revenue, staff considers facility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



YTD Actual Revenue Analysis:

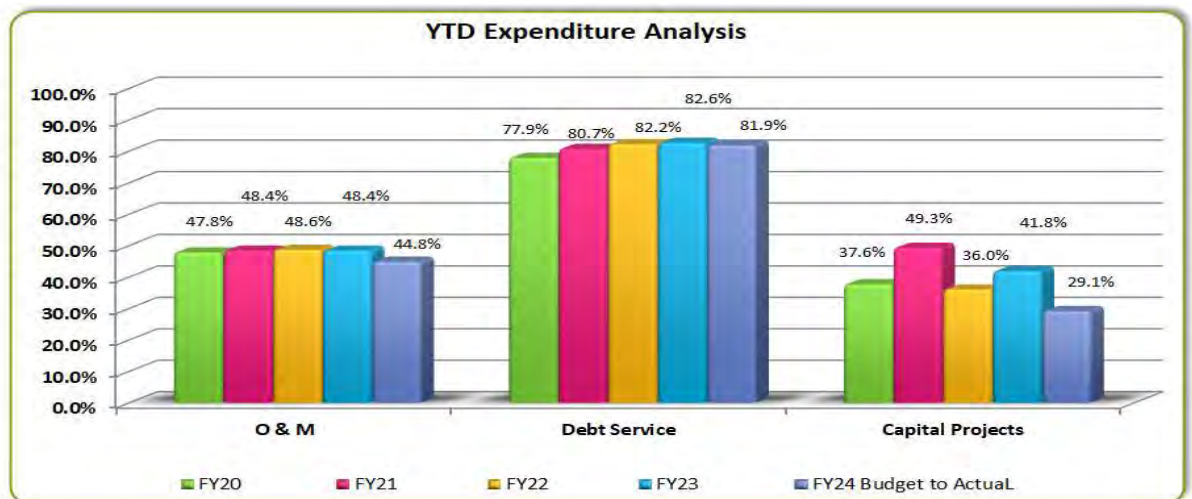
- * YTD domestic sewer revenue is considered reasonable based on historical trends.
- * YTD industrial sewer revenue is reasonable based on historical trends.
- * Due to the unpredictable nature of facility and tap fee revenue, staff considers facility and tap fee revenue reasonable.

Metropolitan Sewerage District Analysis of Expenditures As of December 31, 2023



Monthly Expenditure Analysis:

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



YTD Expenditure Analysis:

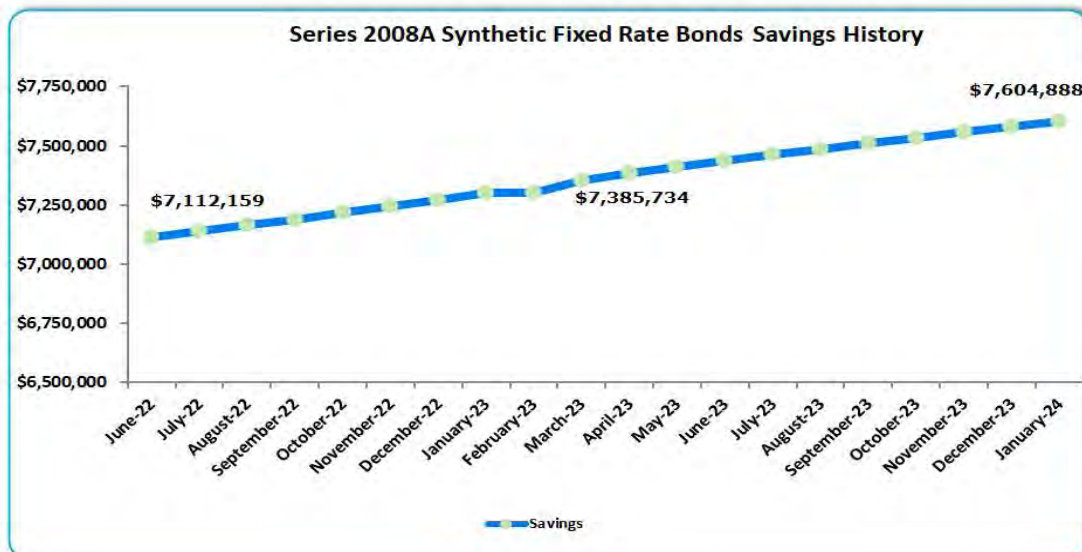
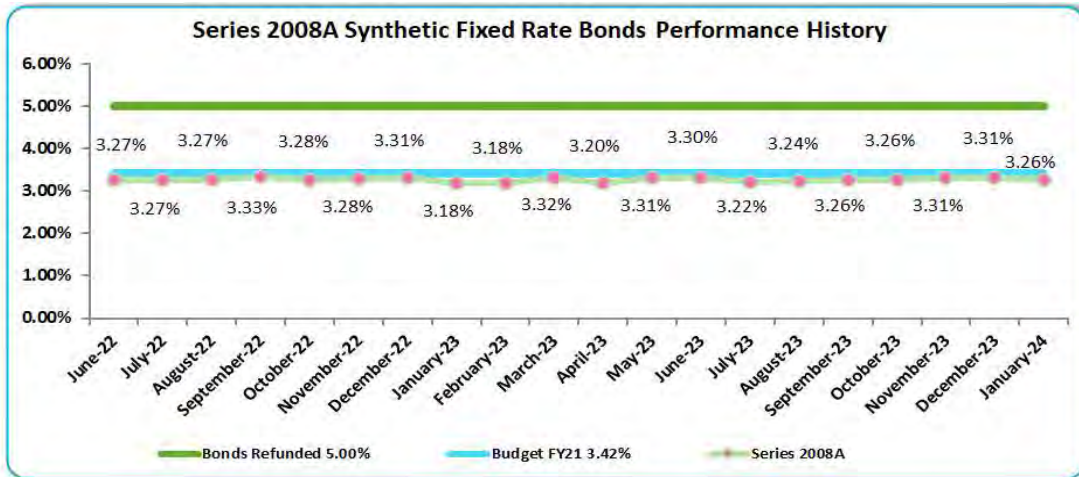
- * YTD O&M expenditures are considered reasonable based on historical trends.
- * Due to the nature of the variable rate bond market, YTD expenditures can vary year to year. Based on current variable interest rates, YTD debt service expenditures are considered reasonable.
- * Due to nature and timing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

Meeting Date: February 21, 2024

Subject: Cash Commitment/Investment Report-Month Ended December 31, 2023

Page 7

Metropolitan Sewerage District Variable Debt Service Report As of January 31, 2024



Series 2008A:

- * Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$7,604,888 as compared to 4/1
- * fixed rate of 4.85%.
- * Assuming the rate on the Series 2008A Bonds continues at the current all-in rate of 3.7210%, MSD will achieve cash savings of \$4,670,000 over the life of the bonds.
- * MSD would pay \$281,311 to terminate the existing Bank of America Swap Agreement.

STATUS REPORTS

MSD System Services In-House Construction

FY 2023-2024

PROJECT NAME	LOCATION	ZIP CODE	ESTIMATED FOOTAGE	ESTIMATED PROJECT DATES	WO#	CREW	COMPLETION DATE	ACTUAL FOOTAGE	NOTES
573 Merrimon Ave Construction Rehabilitation	Asheville	28804	120	7/27/2023	297830	Cantrell	7/27/2023	120	Complete
Briarcliff Dr at Oakwilde Dr Construction Rehab Ph. 2	S. Asheville	28803	257	7/31/23 - 8/4/23	285342	McDevitt	8/8/2023	115	Complete
298 Hazel Mill Road	Asheville	28806	94	8/15/2023	298011	Cantrell	8/15/2023	94	Complete
Independence Boulevard IRS Rehabilitation	E. Asheville	28805	318	8/4/23 - 8/25/23	287247/297426	Matthews	8/21/2023	318	Complete
96 Lookout Road Sewer Rehabilitation	Woodfin	28804	100	8/28/23 - 9/8/23	292101	McDevitt	8/28/2023	225	Complete
712 N Rugby Road Construction (Point Repair) Rehabilitation	Hendersonville	28791	660	9/5/2023	298698	G. Hensley	9/5/2023	660	Complete
19 Independence Blvd IRS Rehabilitation	E. Asheville	28805	113	9/7/2023	298714	Matthews	9/7/2023	113	Complete
6 Cottage Street Sewer Rehabilitation	Woodfin	28748	250	9/4/23-9/15/23	287819	Matthews	9/15/2023	100	Complete
Somerset Place Sewer Rehabilitation	Arden	28704	633	9/6/23 - 10/1/23	298716	McDevitt	9/28/2023	567	Complete
Onteora Blvd @ Cleveland Ave Ph. II	Asheville	28803	500	10/2/2023 - 10/13/23	299035	Matthews	10/6/2023	485	Complete
Onterora Blvd @ Cleveland Avenue Ph. I	Asheville	28803	157	8/28/23 - 10/10/23	292512	McDevitt	10/17/2023	146	Complete
5 Creekside Ct Construction Rehabilitation	Asheville	28803	159	11/28/2023	300314	G. Hensley	11/28/2023	159	Complete
Stuyvesant Road Rehabilitation	Biltmore Forest	28803	752	10/16/23-11/17/23	298321	McDevitt	11/30/2023	750	Complete
5 Forest View Drive Construction Rehab	Asheville	28804	155	12/21/2023	300702	Meadows	12/21/2023	155	Complete
60 Elk Mountain Scenic Hwy Rehabilitation	Asheville	28804	25	1/26/2024	301414	G. Hensley	1/26/2024	27	Complete
135 Aurora Drive Sewer Rehabilitation Ph. 1	Asheville	28803	700	12/4/23 - 1/31/24	28731	McDevitt	1/31/2024	702	Complete
135 Aurora Drive Sewer Rehabilitation Ph. 2	Asheville	28803	483	2/1/24 - 2/20/24	28731	McDevitt			Construction just underway
3 Frontier Court IRS Rehabilitation	E. Asheville	28805	137	2/20/2024	298396	Matthews			Ready for construction
Kimberely Avenue @ Sedley Ave (Step Portion)	Asheville	28804	224	2/21/2024 - 3/4/2024	TBA	Matthews			Ready for construction
Maple Springs Road at Knauth Rd Rehabilitation	Asheville	28805	893	3/5/2024 - 4/26/2024	275867	McDevitt			ROW 90% complete
5 Golf Street	Asheville	28801	240	FY 23-24	284586	McDevitt			Ready for construction
Grindstaff Dr @ McDowell St	Asheville	28803	603	FY 23-24	284606	McDevitt			Ready for construction
Baker Place @ Carrier Street Sewer Rehabilitation	Asheville	28806	1300	FY 22-24	284574	TBA			Ready for construction
Old Fairview Rd @ Willington Road	Asheville	28803	732	FY 23/24	276005	TBA			Ready for construction
44 Galax Sewer Rehab	Asheville	28806	294	FY 23/24	280827	TBA			Ready for Construction
Naples PS Elimination and Gravity Conversion Ph. 2	Cane Creek	28760	422	FY 23/24	285603	TBA			Ready for construction
Norwood Ave Sewer Rehabilitation	Asheville	28804	1022	FY 23/24	275810	TBA			Ready for construction
28 Woodward Avenue Sewer Rehabilitation	Asheville	28804	660	FY 23/24	249386	TBA			In Design
Wellington Street Phase I	Asheville	28806	459	FY 23/24	280245	TBA			In Design
48 Clarendon Road Sewer Rehabilitation	Asheville	28806	500	FY 23/24	258562	TBA			Preliminary Engineering
55 Congress Street Sewer Rehabilitation	Asheville	28801	823	FY 23/24	247631	TBA			Preliminary Engineering



CONSTRUCTION TOTALS BY DATE COMPLETED - Monthly

From 7/1/2023 to 12/31/2023

	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 2023	15	5	173	490	22	20	9,974	0	120	0	0	0	120
August 2023	25	9	46	980	8	33	20,859	318	115	225	6	94	752
September 2023	22	11	54	826	8	25	41,142	113	660	667	2	0	1440
October 2023	23	11	114	311	16	15	20	0	485	146	2	0	631
November 2023	28	7	301	753	12	25	0	0	159	750	7	0	909
December 2023	17	7	43	594	10	27	0	0	155	0	0	0	155
Grand Totals	130	50	731	3,954	76	145	71,995	431	1694	1788	17	94	4007

* 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, 2023	94	28	35
	August, 2023	112	23	32
	September, 2023	100	26	38
	October, 2023	83	25	38
	November, 2023	88	30	35
	December, 2023	101	30	35
		578	27	35
NIGHT 1ST RESPONDER				
	July, 2023	27	36	26
	August, 2023	26	28	17
	September, 2023	32	22	32
	October, 2023	42	33	23
	November, 2023	26	22	31
	December, 2023	32	33	29
		185	29	26
ON-CALL CREW *				
	July, 2023	21	45	31
	August, 2023	13	74	44
	September, 2023	21	46	38
	October, 2023	21	45	42
	November, 2023	24	72	42
	December, 2023	37	48	45
		137	53	41
Grand Totals:		900	31	34

* 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, 2023 to December 31, 2023

	Main Line Wash Footage	Service Line Wash Footage	Rod Line Footage	Cleaned Footage	CCTV Footage	Smoke Footage	SL-RAT Footage
2023							
July	134,561	1,149	580	135,141	10,100	0	36,583
August	160,454	1,318	2,633	163,087	16,079	1,298	9,969
September	151,665	1,563	927	152,592	5,419	0	14,896
October	154,578	1,122	3,317	157,895	15,226	200	4,565
November	115,538	1,598	1,362	116,900	13,402	550	20,825
December	105,715	1,563	1,085	106,800	13,478	0	7,964
Grand Total:	822,511	8,313	9,904	832,415	73,704	2,048	94,802
Avg Per Month:	137,085	1,386	1,651	138,736	12,284	341	15,800

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

February 14, 2024

PROJECT	LOCATION OF PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
BUCHANAN AVENUE	Asheville 28801	Terry Brothers Construction Co.	11/15/2023	2/12/2024	7/11/2024	\$876,159.40	5%	Pipe installation has begun.
CHEROKEE ROAD	Asheville 28801	Terry Brothers Construction Co.	9/20/2023	10/2/2023	3/31/2024	\$783,907.00	75%	Pipeburst work at 60 Cherokee Road currently being scheduled.
CHRISTIAN CREEK INTERCEPTOR	Buncombe County	Buckeye Bridge LLC	12/15/2021	3/14/2022	3/31/2024	\$7,456,109.70	95%	Contractor continues working on the final bore with approx. 39 LF remaining. Manhole work to begin soon.
ERWIN HILLS ROAD @ HIGH SCHOOL	Asheville 28806	Burrell's Utilities & Excavating, Inc.	7/24/2023	1/15/2024	3/14/2024	\$61,285.00	85%	Mainline pipe installation complete. Site restoration work underway.
INTERMEDIATE CLARIFIER EFFLUENT TROUGH REHAB, PHASE 1	Woodfin	Cove Utility, LLC	10/18/2023	6/20/2024	10/18/2024	\$534,000.00	0%	Preliminary site visit by contractor being scheduled. Shop drawings being reviewed.
LINING CONTRACT NO. 9	Buncombe County	Terry Brothers Construction Co.	1/18/2023	3/20/2023	3/14/2024	\$2,296,765.00	95%	Final inspection at work sites is underway.
MSD MULL BUILDING HVAC RENOVATIONS PHASE 3	Woodfin	Bolton Construction	11/16/2023	TBA	TBA	\$190,154.00	0%	Materials are being ordered.
RBC REMOVAL	Woodfin	DH Griffin	11/15/2023	1/16/2024	2/16/2024	\$490,500.00	100%	Job is complete.
SAND HILL ROAD ODOR CONTROL STATION	Asheville 28806	Keys Construction	11/16/2023	1/4/2024	4/30/2024	\$86,100.00	5%	Foundation and pier work is scheduled for week of February 19th.
WEAVERVILLE PUMP STATION AND FORCEMAIN IMPROVEMENTS	Woodfin	Haren Construction Co.	1/17/2024	TBA	TBA	\$20,986,375.00	0%	Preconstruction meeting scheduled for February 29th.

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

Planning & Development Project Status Report

Active Construction Projects Sorted by Work Location and Project Number

February 9, 2024

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	Hounds Ear (Mears Ave Cottages)	2016123	Asheville	28806	18	402	8/18/2017	Pre-con held, construction not yet started
3	Ashecroft Ph. 2	2016229	Asheville	28806	40	2,450	2/20/2018	On hold
4	RADTIP	2017052	Asheville	28801	0	919	2/13/2018	Final Inspection complete, awaiting close-out docs
5	North Bear Creek Subdivision Ph. I	2018117	Asheville	28806	5	105	9/6/2023	Waiting on Final Inspection
6	Pineview Subdivision	2018185	Asheville	28806	4	91	5/30/2023	Final Inspection complete, awaiting close-out docs
7	Lake Julian Crossing Phase I	2018271	Asheville	28704	Comm.	1,004	11/30/2022	Final Inspection complete, awaiting close-out docs
8	Timber Hollow Subdivision	2019049	Asheville	28805	18	525	7/28/2020	On hold
9	Millbrook Cottages	2019066	Asheville	28806	7	322	2/15/2022	Pre-con held, construction not yet started
10	3927 Sweeten Creek Rd (Rumi Way)	2019076	Asheville	28704	16	590	2/1/2023	Installing
11	UNC-A Edgewood Road Parking Lot	2019078	Asheville	28801	Comm.	373	7/19/2019	Final Inspection complete, awaiting close-out docs
12	Julian Woods Retirement Relocation	2019112	Asheville	28704	Comm.	1,083	3/17/2022	Waiting on Final Inspection
13	Ironwood Sewer Relocation	2019123	Asheville	28801	554	227	4/23/2021	Waiting on Testing
14	Ontoora Blvd and May Street Relocate	2019207	Asheville	28803	0	16	1/17/2023	Pre-con held, construction not yet started
15	Villas at Pinecroft (Amarx Beaverdam)	2020228	Asheville	28804	72	796	1/18/2024	Pre-con held, construction not yet started
16	Burton Street	2021048	Asheville	28806	4	64	10/29/2021	Pre-con held, construction not yet started
17	Ingles #31 - Sherwin Williams	2021049	Asheville	28806	Comm.	200	5/23/2023	Final Inspection complete, awaiting close-out docs
18	Beloved Asheville	2021070	Asheville	28805	12	272	4/29/2022	Final Inspection complete, awaiting close-out docs
19	Reserve at McIntosh	2021207	Asheville	28806	228	2,475	12/14/2023	Pre-con held, construction not yet started
20	Busbee Ph. 1	2021245	Asheville	28803	210	4,245	4/26/2022	Waiting on Testing
21	MAHEC Parking Deck	2021083	Asheville	28803	Comm.	550	6/1/2022	Final Inspection complete, awaiting close-out docs
22	Old Home Road Subdivision	2021094	Asheville	28804	21	1,790	5/4/2022	Installing
23	Woodfield (RAD Lofts)	2021063	Asheville	28801	235	403	6/8/2022	Installing
24	Fairfax and Maple	2021154	Asheville	28806	8	250	1/8/2024	Pre-con held, construction not yet started
25	Reed Creek Mixed Use	2022008	Asheville	28801	49	295	2/23/2023	Final Inspection complete, awaiting close-out docs
26	Oak Hill Development	2022065	Asheville	28806	10	313	3/23/2023	Waiting on Testing
27	Crossroads Community Ph1 Apartments	2022068	Asheville	28806	660	595	8/25/2022	Final Inspection complete, awaiting close-out docs
28	Reddick Road	2021108	Asheville	28805	5	507	9/2/2022	Waiting on Testing
29	Randolph Avenue Commercial	2021149	Asheville	28806	Comm.	650	6/30/2022	Final Inspection complete, awaiting close-out docs
30	The Avery	2021206	Asheville	28801	200	161	11/8/2023	Waiting on Final Inspection
31	The Ramble - Block K	2022015	Asheville	28803	38	4,516	1/25/2023	Waiting on Testing
32	Long Shoals Apartments (The Meridian)	2022039	Asheville	28704	3	400	6/14/2023	Waiting on Final Inspection
33	Habitat New Heights Phase 2	2022042	Asheville	28806	60	1,810	6/9/2023	Waiting on Final Inspection
34	Busbee Phase 1A	2022102	Asheville	28803	179	1,325	1/24/2024	Pre-con held, construction not yet started
35	16/18 Spring Drive	2022125	Asheville	28806	2	70	4/18/2023	Final Inspection complete, awaiting close-out docs
36	Holiday Villa	2022172	Asheville	28704	7	355	2/15/2023	Final Inspection complete, awaiting close-out docs
37	Pennsylvania Avenue (Asheville Wesleyan)	2022260	Asheville	28806	7	113	1/11/2024	Installing
38	Lake Julian Crossing Phase II	2023178	Asheville	28704	Comm.	130	11/30/2022	Installing
39	808 Montreat Road	2015126	Black Mountain	28711	4	371	4/18/2017	Final Inspection complete, awaiting close-out docs
40	Givens Highland Farms-Cottage Development	2018272	Black Mountain	28711	16	1,355	9/13/2019	Final Inspection complete, awaiting close-out docs
41	Sweet Birch Lane Phase 3	2020151	Black Mountain	28711	20	800	6/30/2021	Waiting on Final Inspection
42	Old Toll Road Subdivision	2020182	Black Mountain	28711	14	637	8/17/2021	Waiting on Final Inspection
43	Tudor Croft - Phase 2D	2018004	Black Mountain	28711	5	224	6/8/2022	Waiting on Final Inspection
44	NCDOT I-5504 NC 191/I-26 Interchange	2016132	Buncombe Co.	28806	0	355	10/23/2017	Installing
45	Liberty Oaks Ph. 1B	2018063	Buncombe Co.	28715	24	615	11/5/2021	Final Inspection complete, awaiting close-out docs
46	Rockdale Subdivision	2018145	Buncombe Co.	28778	9	630	3/17/2020	Final Inspection complete, awaiting close-out docs
47	The Ramble - Tea House Ridge	2019159	Buncombe Co.	28803	22	8,050	9/21/2021	Waiting on Final Inspection
48	841 Charlotte Hwy	2019222	Buncombe Co.	28730	Comm.	110	4/20/2021	Pre-con held, construction not yet started
49	Town Mountain Preserve Ph. 2	2020197	Buncombe Co.	28804	6	1,210	5/28/2021	Waiting on final inspection
50	Rockberry Apartments	2021116	Buncombe Co.	28704	420	2,420	6/13/2023	Installing
51	Village at Bradley Branch Ph. 4B	2021120	Buncombe Co.	28704	16	393	11/2/2021	Final Inspection complete, awaiting close-out docs
52	Hominy Creek Multi-Family	2021195	Buncombe Co.	28715	216	1,310	9/7/2023	Waiting on Testing
53	Biltmore Terrace Development Phase 4	2021208	Buncombe Co.	28803	31	400	6/14/2023	Waiting on Paving
54	Hawthorne at Holbrook	2021229	Buncombe Co.	28806	350	1,876	6/20/2023	Waiting on Final Inspection
55	Belle Meadow Phase 1	2021235	Buncombe Co.	28806	74	1,730	6/9/2023	Waiting on Testing
56	Asheville West Subdivision Ph. 2	2022032	Buncombe Co.	28806	50	1,570	7/26/2023	Waiting on Testing
57	Brooks Cove Road	2022045	Buncombe Co.	28715	141	2,357	5/3/2023	Waiting on Final Inspection
58	Creekside Community (2177 Brevard Rd)	2022046	Buncombe Co.	28704	0	3,267	7/18/2023	Pre-con held, construction not yet started
59	Clayton Crossing	2022089	Buncombe Co.	28704	70	2,420	6/13/2023	Waiting on Final Inspection
60	Edgewood Road S - Offsite Extension	2022262	Buncombe Co.	28803	0	165	10/25/2023	Pre-con held, construction not yet started
61	Creekside - Onsite	2023012	Buncombe Co.	28704	502	1,885	9/26/2023	Waiting on Testing
62	Montainal Land Co. Off-Site Extension	2023017	Buncombe Co.	28778	17	440	1/5/2024	Installing
63	Edgewood Road S Subdivision Ph. 2	2023143	Buncombe Co.	28803	7	285	10/25/2023	Pre-con held, construction not yet started
64	Collett Industrial (Banner Farm)	2020108	Cane Creek	28759	Comm.	255	11/20/2020	Final Inspection complete, awaiting close-out docs
65	Tap Root Phase 1	2020024	Fletcher	28732	198	8,397	4/29/2022	Final Inspection complete, awaiting close-out docs
66	Taproot Phase 2A	2021161	Fletcher	28732	151	2,462	6/6/2023	Final Inspection complete, awaiting close-out docs
67	Henderson County EMS (Fletcher Facility)	2023083	Fletcher	28732	Comm.	130	10/25/2023	Waiting on Testing
68	Rutledge Road Subdivision Phase 2 (The Authors)	2023073	Fletcher	28732	36	1,285	1/17/2024	Pre-con held, construction not yet started
69	Taproot Phase 3	2023114	Fletcher	28732	128	4,130	2/7/2024	Pre-con held, construction not yet started
70	Ingles #140 Fletcher	2023139	Fletcher	28732	Comm.	715	11/30/2023	Waiting on Testing
71	Taproot Phase 4	2023237	Fletcher	28732	113	5,757	2/7/2024	Pre-con held, construction not yet started
72	Taproot Phase 5	2023238	Fletcher	28732	111	3,648	2/7/2024	Pre-con held, construction not yet started
73	Mills River Townhomes (Jeffress Road)	2021253	Mills River	28759	150	3,267	6/6/2023	Waiting on Final Inspection
74	Haywood Park Subdivision	2022165	Mills River	28791	20	2,300	11/22/2023	Installing
75	James River - Mills River Site	2022222	Mills River	28759	2	460	1/17/2024	Pre-con held, construction not yet started
76	Palisades at Reems Creek	2020066	Weaverville	28787	132	1,020	3/24/2022	Waiting on Final Inspection
77	Union Chapel (Views at Reems Creek)	2021030	Weaverville	28787	11	650	8/2/2022	Final Inspection complete, awaiting close-out docs
78	18 Wildwood Park Sewer Relocation	2021129	Weaverville	28787	1	147	2/22/2022	Final Inspection complete, awaiting close-out docs
79	9 Pleasant Grove Extension	2023098	Weaverville	28787	40	780	10/26/2023	Waiting on Final Inspection
80	Crest Mountain Phase 3B	2013041	Woodfin	28806	69	1,329	10/15/2013	Final Inspection complete, awaiting close-out docs
81	Serenity Townhomes	2020037	Woodfin	28804	8	480	7/14/2020	Final Inspection complete, awaiting close-out docs
82	Weaverville Road Subdivision	2020123	Woodfin	28804	4	600	4/6/2021	On hold
83	Rydele Heights Phase 2	2021098	Woodfin	28804	24	412	3/1/2023	Waiting on Testing
			TOTAL		5,884	103,824		