

METROPOLITAN SEWERAGE DISTRICT BOARD

February 15, 1983

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2 p.m., Tuesday, February 15, 1983.

Chairman Robinson called the meeting to order, and Mrs. Crowe called the roll. In addition to the Chairman, the following members were present: Messrs. Boggs, Clark, Dent, Pope, Warlick, and Williams and Mrs. Sciara.

In addition to the Board, the following attorney, consultants, and MSD staff were present: Mr. John S. Stevens; Messrs. Dean Huber and Ray Carter; Mr. W. H. Mull and Mrs. Jan Crowe.

Mr. Clark moved that the January 18 minutes stand approved as written, and Mr. Boggs seconded the motion. Voice vote was unanimous in favor of the motion.

Mr. J. Ray Elingburg, Clerk of Superior Court, administered the Oath of Office to four members appointed to three-year terms to the MSD Board, effective January 19, 1983. Taking the oath, being sworn by Mr. Elingburg, were:

Mr. Walter J. Boggs, City of Asheville
Mr. Walter T. Batts, County of Buncombe
Mr. Paul W. Warlick, Town of Biltmore Forest
Mr. M. Leon Williams, Town of Black Mountain

Mr. Batts replaced Mr. Williams, and Mr. Williams replaced Mr. Griffith.

Mr. W. H. Mull, Engineer-Manager, reported on the following:

- a. Resolution regarding tax sheltering options for contributions to Local Governmental Employees' Retirement System: Under this tax sheltering arrangement, MSD's payroll office must deduct Federal and State withholding taxes on an employee's gross salary less the retirement contribution. After the tax sheltering arrangement is effective, the Retirement System will continue to credit the amount of an employee's contribution to his account in the Retirement System and will continue to recognize an employee's full salary for purposes of compensation. Should an employee terminate and request a refund, the System will report to the Internal Revenue Service an employee's contributions made after the election of the pickup as taxable income in the year of the refund. At retirement, an employee will have to pay Federal income tax on all amounts received over and above the contributions made prior to the date of election to tax shelter the contributions. After discussion, Mr. Pope moved that the Board adopt this resolution. Mr. Boggs seconded the motion, and roll call was unanimous in favor of the motion. In accordance with North Carolina General Statute 128-30(b1), this election will be effective March 1, 1983. The resolution in its entirety is as follows:

Resolution To Elect A Tax Shelter Of Employees'
Contributions Payable As Members Of The North Carolina
Local Governmental Employees' Retirement System

WHEREAS, the 1981 Session (1982 Regular Session) of the North Carolina General Assembly, by a duly ratified bill effective July 1, 1982, enacted North Carolina General Statute 128-30(b1); a copy of which is attached hereto, which under the conditions specified therein permits an employer participating in the North Carolina Local Governmental Employees' Retirement System to tax shelter the contributions payable to this System by its employees who are members of this System; and,

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WHEREAS, this employer is an employer participating in the North Carolina Local Governmental Employees' Retirement System with respect to its eligible employees; and,

WHEREAS, this employer deems it desirable to tax shelter the contributions payable by its employees of the North Carolina Local Governmental Employees' Retirement System.

NOW, THEREFORE, BE IT RESOLVED BY THE Metropolitan Sewerage District of Buncombe County, North Carolina, in regular session, that as of February 15, 1983, the Metropolitan Sewerage District of Buncombe County, North Carolina, elects pursuant to the provisions of North Carolina General Statute 128-30(b) to pick up and pay to the North Carolina Local Governmental Employees' Retirement System the contributions which would be otherwise payable to this System by its employees who are members of this System and to treat in all respects such contributions in the manner specified in said North Carolina General Statute 128-30(b).

Upon motion of Roy W. Pope and seconded by Walter J. Boggs, the above resolution was introduced and adopted. The number voting in the affirmative was 8 and the number voting in the negative was 0.

The Engineer-Manager of the Metropolitan Sewerage District of Buncombe County, North Carolina, is hereby authorized and directed to carry out the terms and intent of the foregoing Resolution.

Duly adopted this 15th day of February, 1983.

/s/ C. LeRoy Robinson
Chairman

/s/ Roy W. Pope
Secretary

North Carolina General Statute 128-30(b)

"(b) Pick Up of Employee Contributions.--Anything within this section to the contrary notwithstanding, effective July 1, 1982, an employer, pursuant to the provisions of Section 414(h)(2) of the Internal Revenue Code of 1954 as amended, may elect to pick up and pay the contributions which would be payable by the employees as members under subsection (b) of this section with respect to the service of employees after June 30, 1982.

The members' contributions picked up by an employer shall be designated for all purposes of the Retirement System as member contributions, except for the determination of tax upon a distribution from the System. These contributions shall be credited to the annuity savings fund and accumulated within the fund in a member's account which shall be separately established for the purpose of accounting for picked-up contributions.

Member contributions picked up by an employer shall be payable from the same source of funds used for the payment of compensation to a member. A deduction shall be made from a member's compensation equal to the amount of his contributions picked up by his employer. This deduction, however, shall not reduce his compensation as defined in subdivision (7a) of G.S. 128-21. Picked-up contributions shall be transmitted to the System monthly for the preceding month by means of a warrant drawn by the employer and payable to the Local Governmental Employees' Retirement System and shall be accompanied by a schedule of the picked-up contributions on such forms as may be prescribed. In the case of a failure to fulfill these conditions, the provisions of subsection (f)(3) of this section shall apply."

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- b. Request for authorization to advertise for bids for chlorine: After a brief discussion, Mr. Dent moved that the Board authorize the Engineer-Manager to proceed with a request for bids for chlorine to treat wastewaters. Mr. Williams seconded the motion, and roll call vote was unanimous in favor of the motion.
- c. Hydroelectric project update: Mr. Mull told the Board that he had a discussion with CP&L representatives who are distressed with MSD's difficulties in securing permission from Fish and Wildlife to proceed with this project. CP&L had hoped for MSD to be able to produce power for the District's own use and to be able to purchase any excess power generated by the District. Mr. Mull told the Board that a time frame in connection with a license or exemption from same from FERC will be presented at the next Board meeting. This report was received as information by the Board.
- d. Request from Woodfin Sanitary Water & Sewer District for a well site on MSD property: After discussion, Mr. Pope moved that the Board accept the proposal from Woodfin with the following stipulations in the agreement:
1. That MSD be charged "inside" rather than "outside" rates for water usage in order to be charged a reduced water rate;
 2. That necessary wording be used to indemnify the MSD;
 3. That chlorine be applied in accordance with minimum State requirements;
 4. That samples from the well be given to MSD periodically so they can be tested in MSD's lab to assure there is no contamination present in the well water.
- Mr. Dent seconded the motion, and roll call vote was unanimous in favor of the motion with the exception of Mr. Boggs, who voted in the negative.
- e. Status report on Hominy Valley, South Buncombe, and Weaverville projects: Hominy Valley: Phases I and II are complete and in service; Phase III is 83% complete but not expected to finish on time due to NCDOT change order and problems with railroad, etc. South Buncombe: Phase I is complete; Phase II is 70% complete, but contractor is closed down for winter; Phase III will be awarded as soon as State approves with notice to proceed to be issued the first of March; Phase IV is pending, awaiting outcome of rescheduled Henderson County Bond Referendum. Weaverville: Notice to proceed was issued after preconstruction conference held 1/31/83; work will commence 2/10/83. This report was received as information by the Board.
- f. Ratification of action taken by Right-of-Way Review Committee: Mr. Dent moved that the Board ratify these actions authorizing the following: South Buncombe #101, Lance, settlement of case for the Commissioners' award of \$2,900; Weaverville #16, Roberts, \$4,000. Mr. Clark seconded the motion, and roll call vote was unanimous in favor of the motion.
- g. Consideration of proposals for flow monitoring at Sayles Biltmore Bleacheries: Mr. Mull read three proposals for thirty-day monitoring, those being: Professional Services Group (PSG), \$13,500 with extra \$100 per meter per day for all over thirty days; American Digital Systems (ADS), \$1,984 with extra monitoring to cost \$6 per day; McCullough Associates, \$3,500 with extra monitoring to cost \$50 per day. After discussion, Mr. Boggs moved that the Board authorize Mr. Mull, the consulting engineers, and the attorney to evaluate these proposals and to expend up to

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\$3,500 for the initial thirty-day monitoring at Sayles Biltmore Bleacheries; further, if the study shows the measure of wastewater at Sayles confirms MSD's figures, the bill for the thirty-day monitoring is to be passed along to Sayles. Mr. Clark seconded the motion, and roll call vote was unanimous in favor of the motion.

- h. Presentation of 208 Sewer Consolidation Task Force report: Mr. Mull and Mr. Jim Stokoe of Land-of-Sky presented a program to the Board, which was followed by a question/answer session. Mrs. Sciara then moved that the Board adopt the plan in principle as presented but, at this point in time, not be bound by details. Mr. Dent seconded the motion, and roll call vote was unanimous in favor of the motion. Additional 208 meetings scheduled with collector owners are: February 16, 3:30 p.m., Buncombe County Board of Commissioners; February 17, 10 a.m., Black Mountain Board of Aldermen, Montreat Board of Commissioners, Christmount Christian Assembly, Blue Rigde Assembly, and Ridgecrest Baptist Conference Center; February 17, 2 p.m., Asheville City Council; February 18, 1 p.m., Biltmore Forest Board of Commissioners, Weaverville Board of Aldermen, Woodfin Sanitary Water & Sewer District Trustees, Lutheridge Assembly, Avery Creek Sanitary District, and Henderson County Officials.

Mr. Stevens presented the following resolution to the Board:

RESOLUTION

WHEREAS, Paul E. Griffith has been a member of the Metropolitan Sewerage District Board since January 19, 1977; and

WHEREAS, Paul E. Griffith has rendered conscientious and distinguished service to the Board and to the citizens of Buncombe County; and

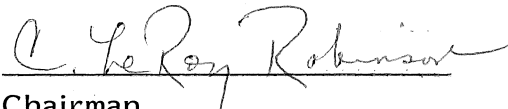
WHEREAS, Paul E. Griffith has been a faithful member during his six years of service and has been of great help to the Board because of his familiarity with the Town of Black Mountain and of the Swannanoa area of Buncombe County.

NOW, THEREFORE, BE IT RESOLVED:

ONE: That Paul E. Griffith be and he hereby is congratulated and thanked by the Board for his six years of dedication to the work of the Board and on behalf of the people of Buncombe County.

TWO: That the original of this Resolution be placed in the permanent records of the Board and a copy be transmitted to Paul E. Griffith.

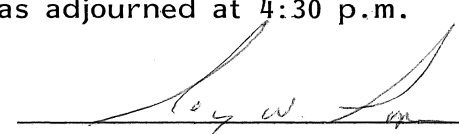
Duly adopted this 15th day of February, 1983.


Chairman

Mr. Pope moved the adoption of the foregoing resolution, and Mr. Clark seconded the motion. Voice vote was unanimous in favor of the motion.

Date of the next regular meeting of the MSD Board will be March 15, 1983.

There being no further business, the meeting was adjourned at 4:30 p.m.


Secretary