

METROPOLITAN SEWERAGE DISTRICT BOARD

October 18, 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, October 18, 1983.

Vice-Chairman Williams called the meeting to order, and Mrs. Duncan called the roll. In addition to the Vice-Chairman, the following members were present: Messrs. Batts, Boggs, Clark, Dent, Pope, Warlick, Smith and Mrs. Sciara.

Consulting Engineers from Harry Hendon and Associates, Inc., attending the meeting were Messrs. Don Berryhill, Dean Huber and Jim Brewer, Electrical Engineer.

Legal Counsel from Redmond, Stevens, Loftin and Currie, attending the meeting were Messrs. West and Stevens.

Mr. Clark moved that the minutes of the September 20 regular meeting stand approved as written, and Mr. Boggs seconded the motion. Voice vote was unanimous in favor of the motion.

At 2:05 p.m., Vice-Chairman Williams called to order an "Enforcement Hearing" on the matter of violations of the District's Regulations by Blue Ridge Plating Company, Inc. A record of the Hearing is attached herewith and made a part of these minutes. The Hearing was concluded at 2:55 p.m.

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

- a. Annual Audit Report: Alan Bolick presented a complete review of the District's Annual Audit for FY 82-83. Mr. Smith moved that we accept the A.M. Pullen & Company Financial Statements with Report of Certified Public Accountants for Metropolitan Sewerage District of Buncombe County, North Carolina for the year ended June 30, 1983 and Mrs. Sciara seconded the motion. Roll call vote was unanimous in favor of the motion.
- b. Status Report on Hominy Valley, South Buncombe, Weaverville projects: Hominy Valley: Phases I and II are complete; Phase III is 99% complete. South Buncombe: Phase I is complete; Phase II is 95% complete; Phase III is 56% complete; Phase IV construction has not started. Weaverville: is 49% completed. This report was received as information by the Board.
- c. Update on Hydroelectric Project: Our Application for License Exemption has been accepted by FERC and the public notice period started. We should have their final determination by the end of January. The State Utilities Commission has received our Application for a Certificate of Public Convenience and Necessity and no problems are anticipated. Public Notice will be published this month. This report was received as information by the Board.
- d. Resolution of final payment on South Buncombe Section 1 (Hobson Construction Company):

After hearing a report by Mr. Walter Currie, Mr. Boggs moved that the request of Hobson Construction Company for extension of the completion date for its contract for Section I of the South Buncombe Interceptor Sewers from May 28, 1982 to October 15, 1982 be denied and Mr. Smith seconded the motion. Roll call vote was unanimous in favor of the motion.

Mr. Warlick moved that \$50,274.53 of the liquidated damages totaling \$60,300.00 due from Hobson Construction Company for failure to complete the work for Section I of the South Buncombe Interceptor Sewers contract within the time specified by the contract be waived upon the conditions that Hobson releases MSD from all claims, Hobson submits an affidavit that all laborers, materialmen, and subcontractors have been paid, and that liquidated damages in the amount of \$10,025.47 are assessed and withheld from final payment to Hobson and Mr. Dent seconded the motion. Roll call vote was unanimous in favor of the motion.

- e. Progress report on Sewer System Consolidation Efforts: At the request of Mr. Smith, this item was postponed and will be the topic of a Special Board Meeting.
- f. Report of violation of Regulations (Sayles Biltmore Bleacheries): Mr. Mull read the Orders of Enforcement letter mailed to Sayles Biltmore Bleacheries on September 28, 1983, regarding pH violations. A report on the progress of Sayles to solve this problem and their compliance with the letter will be presented at the next Board meeting.
- g. Resolution regarding MSD bonds offered for redemption: Mr. Warlick moved for the adoption of this Resolution and Mr. Boggs seconded the motion. Roll call vote was unanimous in favor of the motion. A copy of the Resolution is attached herewith and made a part of these minutes.

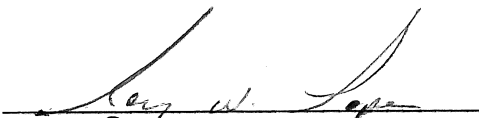
Mr. Mull brought to the attention of the Board proposals for sub-surface investigation work at the hydroelectric site and main plant site. These are as outlined in our contract with Harry Hendon & Associates, Inc. Three proposals were requested but only two have been received to date. The third will be submitted later this week. After discussion of the necessity to have this work done while the river is low, Mr. Boggs moved to authorize awarding the work to the company submitting the lowest acceptable proposal as determined by the Engineer-Manager and the Consulting Engineers, after receipt of the third proposal, provided the costs are within the estimates contained in our contract with Harry Hendon & Associates, Inc. and Mr. Smith seconded the motion. Roll call vote was unanimous in favor of the motion.

Report of Officers: none given.

Report of Committees: Insurance Committee - Mr. Smith: It was the conclusion of the committee to go back to Blue Cross-Blue Shield with a \$200.00 Deductible and a \$1,000.00 stop loss, and raise the life insurance to \$10,000.00. Mr. Pope moved to ratify the Insurance Committee action, and Mr. Batts seconded the motion. Roll call vote was unanimous in favor of the motion.

Mr. Mull reminded Board members of State Convention being held November 7th through November 9, 1983. Mr. Boggs moved that the Board authorize any Board members who can and will, attend this State Convention and Mrs. Sciara seconded the motion. Roll call vote was unanimous in favor of the motion.

Date of the next regular meeting of the MSD Board is scheduled for November 15, 1983. There being no further business, the meeting was adjourned at 4:07 p.m.


Secretary

RESOLUTION

WHEREAS, there have been offered for redemption to the Trustee under the Resolution authorizing Sewerage Disposal Bonds of the Metropolitan Sewerage District of Buncombe County from time to time over past years bonds of the District at such prices which has resulted in a decision by the Trustee to buy such bonds believing such purchase at favorable prices to be in the overall best interest of the District and there have been instances of such bonds having been offered and the Engineer-Manager of the District has recommended the purchase of the bonds but was unable to complete polling the members of the District Board in order to determine if the Board favored recommending such purchase to the Trustee before all of the bonds in question were sold to other buyers; and

WHEREAS, such bonds are only offered for redemption from time to time on a very irregular basis and remain on the market for only a very brief time; and

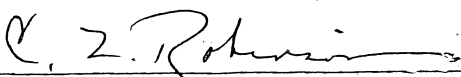
WHEREAS, in order to buy such bonds the Trustee must have sufficient funds in its Redemption Account to pay for any bonds offered; and

WHEREAS, some mechanism for review of purchase opportunities by a representative committee of the Board if advisable in order that the Trustee may be timely advised of opportunities to acquire bonds of the District offered for redemption at favorable prices and will have sufficient funds in the Redemption Account to buy such bonds;

NOW, THEREFORE, BE IT RESOLVED, a Bond Redemption Advisory Committee composed of the Chairman or Vice-Chairman, the Secretary-Treasurer, and one other member of the District Board appointed by the Chairman and acting upon the advice and recommendation of the Engineer-Manager, is hereby authorized on behalf of the District to authorize the transfer of sufficient funds into the Redemption Account to enable the Trustee to buy bonds of the District which are offered for redemption in an amount not to exceed 20 percent of the funds in the Reserve Account or \$500,000., whichever is greater, if in the unanimous judgment of such committee the price is a fair one and that the purchase of such bonds at that price by the Trustee would materially promote the interest of the District.

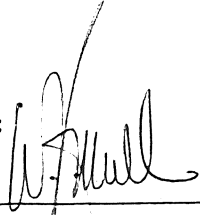
BE IT FURTHER RESOLVED that this Resolution shall be effective for a period of one year to and including the 31st day of October, 1984.

Read, approved, and adopted this 18th day of October, 1983.



Chairman of the Board
Metropolitan Sewerage District
of Buncombe County

ATTEST:



W. H. Mull
Engineer-Manager