

## METROPOLITAN SEWERAGE DISTRICT BOARD

November 20, 1984

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, November 20, 1984.

Chairman Robinson called the meeting to order, and Mrs. Crowe called the roll. In addition to the Chairman, the following members were present: Messrs. Batts, Boggs, Clark, Dent, Pope, Smith, and Williams and Mrs. Sciara. Also attending the meeting were Attorney John S. Stevens and Consulting Engineer Don Berryhill.

Mr. Williams moved that the minutes of the October 16 meeting stand approved as written, and Mr. Clark seconded the motion. Voice vote was unanimous in favor of the motion.

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

- a. Annual audit report: Alan Bolick presented a review of the District's annual audit for FY '83-84, which was received as information by the Board. The Board requested that Mr. Bolick include prior year comparative reports in the next audit of the balance sheet, revenue statement, and general O&M accounts expenses.
- b. Update on hydroelectric financing: Mr. Smith reported that the Bond Committee had solicited proposals from ten investment banking firms, to which nine replied, to handle the proposed bond issue of \$6-\$7 million. Those companies eliminated were Alex Brown & Sons, Wheat First Securities, Paine Webber, Inc., Public Finance Group, and Prudential-Bache Securities. The committee has scheduled a meeting with the other four firms (Interstate Securities Corporation, Carolina Securities Corporation, First Charlotte Corporation, and Robinson-Humphrey/American Express) for December 5, 9 a.m., and will recommend one of these four to be the District's chief underwriter for bonds. This was received as information by the Board.

Mr. Mull told the Board that a preconstruction conference was held with Cianbro Corporation on October 31 and that a notice to proceed with construction was issued November 6 for Cianbro to commence work on November 7. All work is to be completed within 540 consecutive calendar days thereafter, with date of completion set for May 1, 1986. This was received as information by the Board.

Mr. Boggs moved that the Board issue the final order to award the contract for three generating units to Allis-Chalmers Corporation, and Mr. Clark seconded the motion. (The original contract had given the District the right to cancel until December, 1984.) Roll call vote was unanimous in favor of the motion.

- c. Contract for engineering services and resident project representative services during construction of main plant expansion: Mr. Smith moved that the Board authorize the chairman to execute the agreement with Hendon Engineering Associates to provide services during construction for the main plant expansion project, Phase 1, for which the District will pay the engineers all allowable and allocable costs that are incurred in the performance of the contract for (1) engineering services--cost ceiling of \$131,503 plus a fixed fee of \$19,725--and (2) resident project representative services--cost ceiling of \$202,929. Mr. Pope seconded the motion, and roll call vote was unanimous in favor of the motion.
- d. Single/sole source procurement negotiation with Envirex for micro-screens: Mr. Mull told the Board that only one supplier (Envirex) provided information during the thirty-day prequalification period. This made it necessary to negotiate a price for microscreens in order to get a fixed price which must be provided contractors to be included in their bid for that particular piece of equipment.

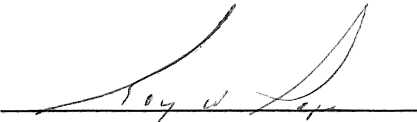
Mr. Mull, Expansion Committee members Dent, Boggs, and Pope and John Stevens met with four Envirex representatives (Sappler, Wisher, Moores, and Blackmon) in an all-day session November 15, beginning at 9:30 a.m. and ending at 6 p.m., to conduct the negotiations. The final negotiated figure of \$3,100,000 for equipment and \$300,000 for warranties will be distributed to contractors as a basis of one large element of their bid. Mr. Mull stressed the importance of getting bids and proceeding on schedule with this project from Phase 1 to Phase 2 in order to get State grant participation. Mr. Boggs moved the Board's acceptance of the negotiations with Envirex for the microscreens, and Mr. Smith seconded the motion. Roll call vote was unanimous in favor of the motion. (Mr. Dent was temporarily away from the meeting and did not vote.)

- e. Minimum sewer service charge customers: Mr. Mull presented a chart setting forth the Districts discharging into the system, the average number of customers in each district, the average number of minimum charge customers in each district, and the percentage of customers in each district who pay the minimum sewer service charge. He also presented a chart showing eleven North Carolina cities and their minimum sewer service charge. These ranged from a low of \$1.50 to a high of \$4.50; MSD's minimum is \$1.15. This report was received as information by the Board.
- f. Resolution regarding MSD bonds offered for redemption: Mr. Smith moved that the Board adopt this resolution, and Mr. Dent seconded the motion. Roll call vote was unanimous in favor of the motion. The resolution in its entirety is attached to and thereby made a part of these minutes.
- g. Ratify Board's decision to purchase \$30,000 of MSD's bonds (action taken by telephone poll): Mr. Williams moved that the Board ratify their previous action to purchase the following:
  - \$15,000 face amount, due 7/1/94, with 5% coupons attached (principal, \$10,653.15; accrued interest, \$287.50; total, \$10,940.65)
  - \$15,000 face amount, due 7/1/93, with 5% coupons attached (principal, \$11,087.40; accrued interest, \$289.58; total, \$11,376.98)Mr. Clark seconded the motion, and roll call vote was unanimous in favor of the motion.
- h. State grant offer in the amount of \$875,000 to aid in the cost of design and construction of Phase 1 improvements to the main treatment plant: Mr. Mull told the Board that he had executed and returned to the State the Offer and Acceptance document as authorized by the Board in a resolution dated June 19, 1984. This was received as information by the Board.
- i. Letter from the attorney for the Town of Woodfin: Mr. Mull read a letter he received November 20 from Phillip G. Kelley, general counsel for the Town of Woodfin, setting forth allegations of "obnoxious and nauseous odors emanating from MSD." It was the consensus of the Board that Mr. Stevens handle this matter.

Mr. Boggs requested that Mr. Mull supply the Board at the December meeting with information regarding the assignment of costs for inflow/infiltration to the domestic customers.

Date of the next regular meeting of the MSD Board will be December 11, 1984.

There being no further business, the meeting was adjourned at 3:25 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 beginning November 1, 1984, for a period of one year to and including the 30th day of November, 1985.

Read, approved, and adopted this 20th day of November, 1984.

  
Chairman of the Board  
Metropolitan Sewerage District  
of Buncombe County

ATTEST:  
  
W. H. Muir  
Engineer-Manager