

METROPOLITAN SEWERAGE DISTRICT BOARD

December 11, 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, December 11, 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, Ivey, Pope, and Williams and Mrs. Sciara. Also attending the meeting were Attorney John S. Stevens and Consulting Engineer Don Berryhill.

Chairman Robinson read a note of appreciation from Mrs. Ruth Redmond; Mr. Redmond died November 10.

Mr. Ivey explained to the Board that the word "bid" in the second line of the update on hydroelectric financing (b) in the minutes of November 20, 1984, should be changed to "proposals." Mr. Williams then moved that the minutes stand approved as written with the correction in Item b, and Mr. Batts seconded the motion. Voice vote was unanimous in favor of the motion.

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

- a. (1) Resolution for tentative award of contract for Section 1 of additions to the wastewater treatment plant; (2) Resolution for tentative award of contract for Section 1-A (electrical) of additions to the wastewater treatment plant: The Board was given a tabulation of bids for the general contract for the Main Plant Expansion and the electrical contract for the Main Plant Expansion. The low bid received was submitted by Powell Construction Company in the amount of \$9,887,000 for the general work portion; the low bid received on the electrical portion was submitted by Brevard Electric Company in the amount of \$382,000. Other bids received are as follows: General: Lee Construction, \$11,021,000; Crowder Construction, \$11,120,000; Ballenger Corporation, \$11,253,954; Republic Construction, \$11,283,000. Electrical: Hayes & Lunsford, \$417,495; J. F. Adkins, Inc., \$424,236; M. B. Haynes Corporation, \$474,520; Elcon Corporation, \$528,700; Wireways, Inc., \$586,692. The Board was advised that Hendon Engineering Associates, by letter dated December 11, 1984, recommended awarding for Section 1 (general work) to Powell Construction Company and Section 1-A (electrical) to Brevard Electric Company. A letter was also presented from Mr. Walter Currie of Redmond, Stevens, Loftin & Currie, dated December 6, 1984, which outlined two ambiguities in the bid bond for Powell Construction Company. Mr. Currie had drafted a letter and recommended that once his letter and an acceptable Power of Attorney from Powell Construction Company and the American Insurance Company were received, the MSD could decide whether to accept this bid for the contract. Considerable discussion followed regarding the fact that the combined low bids for Phase 1 of the Main Plant Expansion were approximately \$2.3 million higher than original estimates. The discussion included several reasons for this discrepancy and the necessity for proceeding on schedule due to the tight schedule required to receive 75% financing on the eligible portions of the project from the EPA. The Plant Expansion Committee, chaired by Mr. Walter Boggs, advised that the low bid was considered a good bid and recommended that the Board consider accepting the low bids if adequate financing was available. Financing was discussed, and it was determined that adequate fundings could be made available. Mr. Boggs moved that the Board adopt the resolution tentatively awarding the contract for the general work to Powell Construction Company, subject to State and EPA approval. Mr. Dent seconded the motion, and roll call vote was unanimous in favor of the motion. A copy of the resolution is attached to and thereby made a part of these minutes. Mr. Boggs

then moved that the Board adopt the resolution tentatively awarding the contract for the electrical work to Brevard Electric Company, subject to State and EPA approval. Mr. Clark seconded the motion, and roll call vote was unanimous in favor of the motion. A copy of the resolution is attached to and thereby made a part of these minutes.

Mr. Ivey requested that the consulting engineers update financial information as to what is taking place with our projects and the report to be presented at the January 15, 1985, meeting.

- b. Update on hydroelectric financing: Mr. Stevens told the Board that the Hydro Bond Referendum Committee met last week to hear verbal proposals from four underwriting firms. There had been nine written proposals received previously, and the committee had eliminated five of those from further consideration at this time. Mr. Ivey told the Board that he, the other committee members (Batts, Sciara, Smith, and Williams), Mr. John Barnes from the Local Government Commission, Mr. Stevens, and Mr. Mull met Wednesday, December 5, with representatives from the four chosen firms. The firms were allocated one hour each to give their presentation, with the firms being heard in alphabetical order, as follows: Carolina Securities, First Charlotte Company, Interstate Securities, and Robinson-Humphrey/American Express. After the one-hour presentation by each company, the committee continued to meet to evaluate the presentations and unanimously chose Interstate Securities to be senior underwriter for the hydro financing. The committee felt that the other three firms had strengths that could definitely be assets, so the committee named them co-underwriters. He added that the underwriters will be paid after they sell the bonds and that MSD can terminate the underwriters' services at any time if the Board decides to do so. Mr. Pope moved that the Board accept the committee's recommendation, and Mrs. Sciara seconded the motion. Roll call vote was unanimous in favor of the motion.
- c. Tentative award of contract for bid to supply chlorine for the treatment plant for 1985: The Board was given a tabulation of bids opened at 11 a.m., December 11. Jones Chemicals, McKesson Chemical Company, and Thompson-Hayward Chemical Company each bid \$18.50/100 lbs., with Suffolk Chemical Company bidding \$19.50/100 lbs. It was the consensus of the Board that inasmuch as there were three low bids that the three low bidders which tied be invited to choose by lot and, if that is not satisfactory to all three bidders, that the matter be readvertised for bids.
- d. UNC-A internship program: Mr. Mull presented to the Board a letter from the Environmental Studies Program at UNC-A requesting that MSD consider sponsoring an intern at no cost to the District. It was the consensus of the Board that Mr. Mull proceed with this project. This item was received as information by the Board.
- e. Comparative water and sewer charges for North Carolina cities: Mr. Mull presented to the Board a chart showing water and sewer rates for 11 cities in North Carolina; this was received as information by the Board.
- f. Status of South Buncombe Right-of-Way: Mr. Stevens told the Board that George W. Westfeldt, Parcel #19 (Hooper's Creek, South Buncombe), was awarded \$21,000 for alleged damages as a result of a joint Buncombe-Henderson County sewer line across his property. The Board had previously authorized an offer of \$15,000 to settle the case out of court, but the offer was rejected. He said Mr. Westfeldt had appealed the \$21,000 award but had later withdrawn the notice of appeal. In a case pending regarding property adjoining the Westfeldts', Mr. Stevens told the Board that the District can settle with Jane Darnell, Parcel #19-A, for the sum of \$8,000. Mr. Pope moved that the Board authorize the \$8,000 settlement with Ms. Darnell, and Mr. Batts seconded the motion. Roll call vote was unanimous in favor of the motion.

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Mr. Stevens advised the Board that in the second trial of the Katheryn Hipps Trueblood case (Parcel #24, Lower Hominy) the jury awarded \$8,250. The first trial resulted in a \$20,000 award which MSD appealed and won, necessitating a second trial. Mrs. Trueblood appealed the case but has since withdrawn. With this case settled, Hominy Valley project is complete.

- g. Schedule of 1985 MSD Board meeting dates: Mr. Clark moved that these scheduled dates be accepted (the third Tuesday of each month with the exception of December when the meeting will be held the second Tuesday) and a copy of the schedule sent to all news media. Mr. Dent seconded the motion, and voice vote was unanimous in favor of the motion.
- h. Social Security taxes rebate (Asheville): Mr. Mull presented to the Board a copy of a newspaper article pertaining to rebates being made to some 750 city employees as part of a refund from the federal government stemming from overpayment of Social Security taxes between 1978 and 1981. During those years, the City was not required to pay Social Security taxes on days employees took off sick leave; however, taxes were paid, which resulted in refunds to employees and to the the City. For some reason, the City forgot to include the District employees in the refund. It was the concensus of the Board that Mr. Mull pursue the matter and develop a dollar amount that MSD should have been refunded. Mr. Mull is to report his findings at the January meeting.
- i. Proposed increase in health insurance premiums for MSD employees: Mr. Mull presented to the Board a schedule of current premiums paid to Blue Cross, new rates to become effective January 15, 1985, and percentage increase. The Board requested that Mr. Mull have Mr. Webb ask for and present proposals from insurance companies at the January meeting.

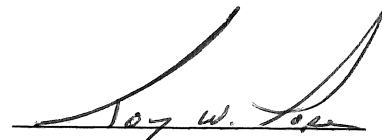
Unfinished Business: Assignment of costs for inflow/infiltration to domestic customers: This item was tabled and will be presented at the January meeting.

Mr. Stevens presented to the Board a resolution in connection with District funds deposited in the Revenue Fund, with such funds being deposited into the Cash Investment Account so the funds will draw interest. Mr. Pope moved that this resolution be adopted, and Mrs. Sciara seconded the motion. Roll call vote was unanimous in favor of the motion. A copy of the resolution is attached to and thereby made a part of these minutes.

Unfinished Business: Mr. Stevens said he had written a letter to the Town of Woodfin's legal counsel, Mr. Phillip G. Kelley, suggesting they meet to discuss Mr. Kelley's letter of November 20 which set forth allegations of "obnoxious and nauseous odors emanating from MSD." Mr. Stevens told the Board he has not received a reply to his letter.

Date of the next regular meeting of the MSD Board will be January 15, 1985.

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



Secretary

RESOLUTION

WHEREAS, the Metropolitan Sewerage District of Buncombe County, North Carolina, desires to expand its sewerage system in the interest of the public's health; and

WHEREAS, competitive bids have been solicited and received from contractors for Project No. 703, Section 1, additions to the wastewater treatment plant; and

WHEREAS, the following low bidder for Section 1 has been reviewed by Hendon Engineering Associates, Inc., and found to be responsible:

Powell Construction Company, Inc.
Bristol Highway
P. O. Box 3646 C.R.S.
Johnson City, TN 37602
\$9,887,000

NOW, THEREFORE, BE IT RESOLVED by the Metropolitan Sewerage District Board to award said contract to said low bidder pending North Carolina Department of Natural Resources and Community Development and United States Environmental Protection Agency approval; and

BE IT FURTHER RESOLVED to pledge the required local funds for Section 1 (approximately \$4,110,000); and

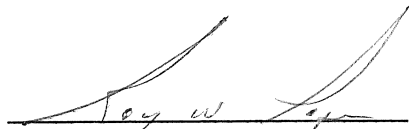
BE IT FINALLY RESOLVED to authorize Mr. W. H. Mull, Engineer-Manager of the Metropolitan Sewerage District of Buncombe County, to execute all contracts and documents relating to this project on behalf of the Metropolitan Sewerage District.

RESOLVED this 11th day of November, 1984, by the Chairman of the Board of the Metropolitan Sewerage District of Buncombe County.

METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA



C. LeRoy Robinson
Chairman of the Board



Secretary

RESOLUTION

WHEREAS, the Metropolitan Sewerage District of Buncombe County, North Carolina, desires to expand its sewerage system in the interest of the public's health; and

WHEREAS, competitive bids have been solicited and received from contractors for Project No. 703, Section 1-A (electrical), additions to the wastewater treatment plant; and

WHEREAS, the following low bidder for Section 1-A (electrical) has been reviewed by Hendon Engineering Associates, Inc., and found to be responsible:

Brevard Electric Company, Inc.
35 Rosman Highway
P. O. Box 1262
Brevard, NC 28712
\$382,000

NOW, THEREFORE, BE IT RESOLVED by the Metropolitan Sewerage District Board to award said contract to said low bidder pending North Carolina Department of Natural Resources and Community Development and United States Environmental Protection Agency approval; and

BE IT FURTHER RESOLVED to pledge the required local funds for Section 1-A (electrical) (approximately \$95,500); and

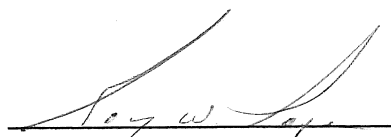
BE IT FINALLY RESOLVED to authorize Mr. W. H. Mull, Engineer-Manager of the Metropolitan Sewerage District of Buncombe County, to execute all contracts and documents relating to this project on behalf of the Metropolitan Sewerage District.

RESOLVED this 11th day of December, 1984, by the Chairman of the Board of the Metropolitan Sewerage District of Buncombe County.

METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA



C. LeRoy Robinson
Chairman of the Board



Secretary

RESOLUTION

WHEREAS, funds deposited by the District with Wachovia Bank & Trust Company, N.A., for credit to the District's Revenue Fund have been carried in a regular checking account which generates no interest to the District; and

WHEREAS, Wachovia Bank & Trust Company, N.A., now maintains a so-called Cash Investment Account into which the District can deposit money to be credited to its Revenue Fund which Cash Investment Account will pay interest to the District at rates to be determined from time to time; and

WHEREAS, the District has been advised by Wachovia Bank & Trust Company, N.A., that funds held on deposit in its Cash Investment Account are invested in obligations of the United States Government; and


WHEREAS, it would materially promote the District for it to earn interest on funds deposited to the credit of its Revenue Fund;

NOW, THEREFORE, IT IS RESOLVED:

Those persons authorized to deposit funds on behalf of the District to the credit of its Revenue Account are authorized and directed to deposit such funds into the Cash Investment Account maintained by Wachovia Bank & Trust Company, N.A.

Adopted this 11th day of December, 1984, by unanimous roll call vote by the Board of the Metropolitan Sewerage District of Buncombe County.

METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA



C. LeRoy Robinson
Chairman of the Board

ATTEST



W. H. Mull, P.E.
Engineer-Manager