

METROPOLITAN SEWERAGE DISTRICT BOARD

September 17, 1985

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building, 2 p.m., Tuesday, September 17, 1985.

Chairman Robinson and the following Board members were present: Messrs. Batts, Boggs, Clark, Dent, Dyson, Ivey, Pope, Smith, and Williams. Also present were Attorney John S. Stevens and Consulting Engineers Dean Huber and Don Berryhill.

Mr. Boggs moved that the minutes of the August 20 meeting stand approved as revised, and Mr. Dent seconded the motion. Voice vote was unanimous in favor of the motion.

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

- a. Update on Treatment Plant Expansion: Mr. Mull presented a graph to the Board which showed percent completion of the project. He said Powell Construction Company has completed 19% of its work, Brevard Electric has completed 13% of its work, and Moser has not started on HVAC as Powell has not progressed to the point where Moser can work. Work is progressing on MSD's schedule, although Powell is behind on its own schedule. This report was received as information by the Board.
- b. Update on Hydro project: Mr. Mull presented to the Board a graph which showed that Cianbro has completed 55% of Section 1 of the project, Powell has completed 12% of Section 2, and Brevard Electric has completed 3.9% of its work. All work is progressing on or slightly ahead of schedule. This report was received as information by the Board.
- c. Results of Hominy Valley Interceptor Sewer project audit: Mr. Mull told the Board that EPA, in its Summary of Findings memorandum, had notified the District that there was a pay-back in the amount of \$97,875 due EPA. After this was protested, EPA's final determination was that \$7,587 was due the MSD. Mr. Mull said that--according to the auditors--this is the first time EPA has owed more money, that the final payment has been approved, and that the District will be receiving \$7,587 additional moneys for the Hominy Valley project. This report was received as information by the Board.
- d. Letter from Sayles re flow equalization basin: This item was postponed until the October 15 meeting.
- e. North Carolina AWWA-WPCA Conference, November 10-13, Charlotte: Mr. Pope moved that the District authorize payment of expenses for Mr. Mull and for those Board members who wish to attend the conference, and Mr. Dent seconded the motion. Roll call vote was unanimous in favor of the motion.
- f. Fair Labor Standards Act: Mr. Mull presented to the Board a table setting forth actual overtime incurred by MSD employees from April 15, 1985, through September 30, 1985, amounting to \$1,459.40, and projected overtime from October 1, 1985, through June 30, 1986, amounting to \$7,521.40, for a total projected cost to the District of \$8,980.80. It was the consensus of the Board to pay overtime by October 15 as required by the Fair Labor Standards Act if the law is not repealed exempting the District and for the full amount to be taken from the current budget.
- g. User Charge Report: Mr. Smith reported that the Sewer Service Charge Committee met on Monday, September 16, with Mr. Mull and Mr. Huber to review the consulting engineers' report on industrial and domestic user charges for FY 1984-85 and proposed user charges for FY 1985-86. He said it was the Committee's recommendation that the Board adopt industrial rates as set forth in the consulting engineers' report, that the Board approve increasing the domestic rate from 46¢ per 100 cubic feet to 57¢ per 100 cubic feet, and that the Board approve increasing the minimum domestic sewer service charge from \$1.15 to \$1.71 for the

first 300 cubic feet, said minimum charge being based on the fact that all users will be charged at the approved rate (57¢/CCF for FY 1985-86) for a minimum of 300 cubic feet each month. Mr. Smith told the Board that it was the Committee's opinion that increasing the minimum domestic rate should not unduly adversely effect lower income people as the majority of those people live in low income housing projects and do not pay sewer service charges.

Mr. Dent moved that the Board accept the recommendation of the Committee and adopt the domestic rates, beginning October 1, 1985, and the industrial rates, retroactive to July 1, 1985, as set forth in the consulting engineers' report, and that a letter be sent to users stating the reasons for the increases. Mr. Williams seconded the motion, and roll call vote was unanimous in favor of the motion. Domestic rates are increased from 46¢ to 57¢ per 100 cubic feet; industrial rates are as follows: Flow, \$0.123/CCF; BOD, \$0.074/lb.; SS, \$0.037/lb.

Mr. Smith moved that the minimum domestic sewer charge be increased from \$1.15 to \$1.71 for the first 300 cubic feet, and Mr. Boggs seconded the motion. Roll call vote was unanimous in favor of the motion.

Mr. Stevens told the Board that the Sewer System Consolidation Committee met Thursday, September 5, to consider the proposals made to the MSD during the August 20 Board meeting by Mayor McDevitt and Chairman Ratcliff on behalf of the City and the County. At the September 5 meeting, the Committee tentatively agreed that the MSD could better control discharges into its system and, therefore, could better handle the sewage and that one entity, the MSD, should handle all the collector sewer lines. The Committee's draft of a Statement of Principles was presented for the Board's consideration, as follows:

1. That the MSD should undertake to implement Sewer Consolidation for these reasons:
 - (a) The MSD has a significant interest in having control over the sewer collector system because it is ultimately responsible for treating what is generated and transported through that system.
 - (b) The MSD, because of its experience and expertise in constructing and maintaining interceptor sewer lines, is the logical entity to have the responsibility for rehabilitating and maintaining the collector sewer lines in the District.
 - (c) The MSD recognizes and agrees with the position of the City and the County that one entity should be in control of the entire sewer system in the District, and that entity is the MSD.
2. That any sewer consolidation plan must be consistent with and not in violation of North Carolina law and the Bond Order entered into by the MSD in connection with its recent bond issue and have the support and approval of the N. C. Local Government Commission.
3. All political entities which comprise the MSD must be a part of any Sewer Consolidation Plan. If the MSD takes over the collector systems, it will only take over all of them.
4. The position of the City and the County that there be a right initially after seven years and thereafter after two years to terminate the Sewer Consolidation and take collector lines back from the MSD is rejected. If the MSD takes over the collector systems, it will take them for good.
5. The MSD recognizes that the collector system throughout the District is in need of rehabilitation and reconstruction as well as continued maintenance and that the responsibility to accomplish this will be that of the MSD. The MSD, in its sole and absolute discretion, shall determine the sewer user rate applicable for rehabilitation and maintenance of the collector system as well as the priority and timing of rehabilitation and reconstruction of collector lines.

6. All sewer maintenance equipment owned by any political entity will be delivered over to the MSD at no cost.
7. Pursuant to working out the details of a consolidation plan, the MSD will consider hiring all existing sewer maintenance personnel of its constituent political entities who meet the present personnel criteria and standards of the MSD; however, the MSD is unwilling to make any guarantee of continued employment of any person presently employed by it or who may become employed by it because of Sewer Consolidation.
8. The MSD rejects the proposal that it collect an amount of money equaling 8.7% of its annual sewer user charge to be returned to the constituent political entities for new sewer construction and line extension. The MSD will consider a plan under which it will collect as a part of its sewer user charge a sum of money which MSD would use for new sewer construction and sewer line extension as it may be directed by political entities providing that such a plan does not violate existing law nor the Bond Order.
9. The MSD recognizes that there are local ad valorem tax derived funds and Water Authority revenues as well as state and federal grant funds which are presently being used for collector line maintenance. The MSD will expect that such funds will be contributed to it to help defray the cost of maintenance of existing collector lines.
10. The MSD will need nine to twelve months lead time between the closing of an agreement between itself and its constituent political entities and the transfer of collector lines and the assumption of maintenance and rehabilitation responsibilities by the MSD.
11. The MSD expects to engage an engineering and rate and user charge consultant to advise it as to the appropriate sewer user charge to meet its obligations under any Sewer Consolidation Plan.

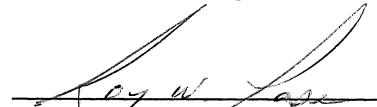
After discussion, it was the consensus of the Board that the Statement of Principles be presented for discussion at a coordinated meeting between the Committee members, Mr. Mull, Mr. Stevens, Mayor McDevitt, and Chairman Ratcliff. It was explained that this Statement addresses only the items specifically raised in the City-County memorandum and that other MSD concerns remain. It was agreed that there was general consensus among the Board members on all of the items of the Statement of Principles except #6, #8, and #9 and that, as to those, more consideration and study by the Board would be required.

Appointment/Reappointment of Committees: Since the Bond Redemption, Bond Referendum, and Escrow & Trustee Selection Committees are no longer needed, Chairman Robinson declared those committees eliminated; and, since the Task Force Committee was almost a duplication of the Sewer System Consolidation Committee, he disbanded the Task Force Committee. He then appointed Mr. Dyson to replace Mrs. Sciara on the Hydro and Insurance Committees and asked the Board to look over the list of committees and to notify him at the October Board meeting if any member of any committee would like to serve on or switch to another committee. Active committees are:

Budget:	Batts, Boggs, Pope, Smith
Expansion (Treatment Plant):	Boggs, Dent, Smith
Hydro:	Batts, Boggs, Dent, Dyson
Insurance:	Dyson, Robinson, Smith
Personnel:	Batts, Ivey, Williams
Sewer Service Charge:	Boggs, Smith
Sewer System Consolidation:	Dent, Ivey, Robinson, Smith
Sludge:	Boggs, Dent, Pope

The next regular monthly meeting of the MSD Board is scheduled for October 15, 1985.

There being no further business, the meeting was adjourned at 4:10 p.m.


Secretary