

METROPOLITAN SEWERAGE DISTRICT BOARD

May 20, 1986

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building, 2 p.m., Tuesday, May 20, 1986.

Vice-Chairman Williams and the following Board members were present: Messrs. Batts, Boggs, Dent, Edwards, and Ivey and Mrs. Pope. Attorney John S. Stevens and Consulting Engineers Dean Huber and Bill Morris attended, along with Dr. Carl Koch of the Philadelphia office of Greeley and Hansen, Heather Baines of the Land-of-Sky Regional Council, and Leah R. Karpen of the League of Women Voters.

MINUTES OF PUBLIC HEARING

At 2:05 p.m., Vice-Chairman Williams declared a public hearing open for the consideration of a proposed 1986-87 budget as advertised in The Asheville Citizen and The Asheville Times on April 25, 1986.

NOTICE OF PUBLIC HEARING BEFORE THE BOARD OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY

Notice is hereby given that the Board of the Metropolitan Sewerage District of Buncombe County, North Carolina, will hold a public hearing at the Administration Building of the Metropolitan Sewerage District at the Main Treatment Plant on N.C. Highway 251 North, Woodfin, North Carolina, at 2 p.m., Tuesday, May 20, 1986, on the preliminary budget of Current Expenses of the Sewerage System for the fiscal year beginning July 1, 1986, and ending June 30, 1987.

C. LeRoy Robinson
Chairman of the Board

Approved as to form:
John S. Stevens, Attorney
April 17, 1986

Receiving no remarks from either the public or the Board members, Vice-Chairman Williams, at 2:07 p.m., announced that the public hearing was closed. Thereupon, Vice-Chairman Williams reconvened the regular monthly meeting.

Mr. Batts moved that the preliminary O & M budget totaling \$1,445,985 be adopted as presented to the Board. Mr. Edwards seconded the motion, and roll call vote was unanimous in favor of the motion. Copies of the resolution adopting the budget and FY 1986-87 budget are attached and thereby made a part of these minutes.

Mr. Boggs moved that the minutes of the April 15 meeting be approved as written, and Mr. Batts seconded the motion. Roll call 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 reported that Powell has completed 64% of Section 1 and is gaining on their own schedule, which may result in that section being completed ahead of scheduled completion date; received as information by the Board.
- b. Update on Hydro Project: Mr. Mull said July 13 is the target date to open the flume gates to allow water to begin flowing into the flume, after which it will take a number of days for the flume to fill up before generation of electricity can begin. He told the Board that there will be a ceremony after the job is 100% complete (grass sown, painting completed, etc.), which should be one-two months after the start-up date; received as information by the Board.

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- c. CP&L's Monthly Facilities Charge options to install, own, operate, and maintain lines and equipment to receive and measure electricity MSD delivers to CP&L's system: After discussion, it was the consensus of the Board to mail pertinent information to Chairman Robinson and Messrs. Dyson and Smith for their input and then to schedule a meeting of the Budget Committee (Batts, Boggs, Dyson, and Smith) and Mr. Ivey for further discussion of these MFCs and to prepare a recommendation for consideration of the full Board.
- d. Sewer service charges in arrears--Christmount Christian Assembly: Mr. Mull told the Board that the District does not currently have a late payment charge as encouragement for users to keep their accounts current. He cited problems especially with Christmount and told the Board he had asked Mr. Stevens to evaluate the situation. Mr. Stevens told the Board that most sewer service charges are paid along with one's water bill but that there are users who are billed directly by the District. He said the City recently implemented an 18% APR late charge on water bills unpaid after twenty-five days. He then read a resolution he had prepared for the District to adopt a late or service charge for overdue bills. Mr. Boggs moved that the Board adopt the resolution, and Mrs. Pope seconded the motion. Roll call vote was unanimous in favor of the motion. The resolution is as follows:

RESOLUTION OF THE METROPOLITAN SEWERAGE
DISTRICT BOARD OF BUNCOMBE COUNTY

BE IT RESOLVED: Effective June 1, 1986, unpaid charges for sewer service furnished directly by the District which remain unpaid for twenty-five (25) days after billing shall accrue interest payable to the District at the rate of 18% per annum from and after the 25-day period which shall be charged at 1½% per month.

Read, approved, and adopted by unanimous roll call vote the 20th day of May, 1986.

/s/ M. Leon Williams

M. Leon Williams, Vice-Chairman
Metropolitan Sewerage District of
Buncombe County

- e. Buncombe County's request for MSD to enter into a contract with E & A Environmental Consultants for a Refuse Derived Fuel Composting Study in conjunction with the County: Along with the County's request, Mr. Mull presented recommendations by the consulting engineers on sludge disposal alternatives and a progress report on interim methods for sludge disposal and sewage lagoon odor control at the MSD plant. Mr. Boggs gave a report for the Sludge Committee, saying that they had a meeting the latter part of April to discuss the upcoming conference to be held in Orlando the week of May 26. He added that those persons attending the conference have been delegated to gather information. There will be a meeting June 3 of the Sludge Committee and any interested Board member to evaluate the information and to prepare a recommendation on sludge disposal to present to the full Board for consideration. Dr. Koch, who is an expert in the field, spoke to the Board on incineration and composting and disposal of composted material. Mr. Mull read a letter from Cherry Saenger of the League of Women Voters, in which Ms. Saenger requested a meeting to discuss sludge disposal with Mr. Mull, the MSD Board, and representatives of concerned citizen groups. The Board also heard comments from Leah R. Karpen of the League of Women Voters. The Board scheduled the meeting requested in Ms. Saenger's letter for June 11, 7:30 p.m., in the MSD Boardroom. Mr. Dent moved that the Board table Buncombe County's request until the June 17 Board meeting, and Mr. Ivey seconded the motion. Voice vote was unanimous in favor of the motion.

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- f. Option of direct purchase of laboratory equipment and supplies which do not require installation for Phases 2 and 3 of MSD's new wastewater treatment facilities: Mr. Mull told the Board that grant funds are not available for laboratory equipment and supplies which do not require installation (including the GC/MS and the AA spectrophotometer) and can be excluded from the general contract. These can be purchased directly by the District and could save as much as \$20,000 to \$30,000 over contractor purchase. Mr. Dent moved that the Board go the direct purchase route, buying the laboratory equipment and supplies outright rather than buying through a contractor. Mrs. Pope seconded the motion, and roll call vote was unanimous in favor of the motion.
- g. Status of 1986A Revenue Bond Issue: Mr. Mull presented a status report as of May 20, reporting on the May 12 meeting in Raleigh with the bonding attorneys, the lead underwriters, MSD attorneys and consulting engineers, and himself. Among items discussed were possible refunding of 1985A revenue bonds (which might result in a significant savings to the District) and the consulting engineers' report, which included information on sewer consolidation and showed rate increases. Mr. Mull said Mr. Aperans has requested an eleven-month unaudited report of the District's finances instead of the previously agreed upon nine-month, and the auditors have been advised and are working on the audit. The District will need approximately \$16 million from the 1986A issue and, in order to comply with proposed law, will need to spend 5% of the net proceeds (approximately \$800,000) within thirty days of closing. Mr. Mull told the Board that a decision must be made on how to spend the \$800,000 and that he would investigate the possibility of paying for a portion of the RBC units up front. Mr. Stevens said that some form of tax reform is probably going to pass and may provide that some constraints be placed on municipal bonds by requiring that at least 5% of the proceeds from a bond issue be spent within thirty days. The following schedule has been established in connection with the 1986A Revenue Bond Issue: June 4-5, Raleigh, document review sessions; July 9, Raleigh, document review session; July 21, Preliminary Official Statement will be mailed; July 28, preliminary pricing; July 31, Asheville, sign Purchase Agreement; August 20, New York, preclosing; August 21, New York, closing.
- h. Request for approval to attend National WPCF Conference to be held in Los Angeles, October 5-8: Mr. Ivey moved that the Board approve the attendance of MSD staff and designated Board members, with the District to pay travel, hotel, and conference expenses for those persons. Mrs. Pope seconded the motion, and roll call vote was unanimous in favor of the motion.
- i. Status of bids for RBC units: Mr. Mull told the Board that only one bid was received, that being from Envirex. He read a letter from the consulting engineers which stated that the project was advertised in accordance with North Carolina law and that copies of the advertisement and procurement documents were provided to all known manufacturers of rotating biological contactors. Additionally, the letter stated that the consulting engineers reviewed a preliminary verbal breakdown of the bid with Envirex and determined that the base RBC price offered--without supplemental equipment, extended warranties, and state sales tax which were added during the competitive procurement process to allow comparison between mechanical and air-driven RBC units--is comparable to earlier estimated prices provided in 1983 (\$6.6 million) and in 1984 (\$7.1 million). The consulting engineers met April 22 with representatives of North Carolina Department of Natural Resources and Community Development. Should less than three bids be received, the State informed the consulting engineers that the District should obtain EPA Form 5700-41 and supporting information from all bidders, negotiate with the bidders, and submit all documentation to NCDNR&CD for review and approval prior to contract award. Therefore, the consulting engineers recommended that the Board authorize MSD's Engineer-Manager to enter into tentative negotiations with Envirex in

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accordance with State law and EPA regulations for negotiated procurement. Mr. Dent moved that the Board authorize Mr. Mull to negotiate with Envirex on the purchase of the RBCs in accordance with State law and EPA regulations for negotiated procurement, with the negotiations to be subject to a final review and approval of the Board, North Carolina Department of Natural Resources and Community Development, and the EPA. Mr. Edwards seconded the motion, and roll call vote was unanimous in favor of the motion.

In connection with sewer consolidation, Mr. Mull told the Board that the DOT Maintenance Yard at Craggy Prison on Riverside Drive will be up for sale next year, as DOT will be moving to new facilities on Charlotte Highway. This might be a good site for the collection system maintenance yard.

The next regular monthly meeting of the MSD Board is scheduled for June 17, 1986. There being no further business, the meeting was adjourned at 3:50 p.m.



Secretary

MSD Metropolitan Sewerage District of Buncombe County, North Carolina.

W. H. Mull, P.E., Engineer-Manager
P. O. Box 8969, Asheville, N. C. 28814
Telephone: Area Code 704-254-9646

John S. Stevens, General Counsel



C. LeRoy Robinson, Chairman
M. Leon Williams, Vice-Chairman
Walter T. Batts
Walter J. Boggs
Charles M. Dent
E. Charles Dyson
M. Wayne Edwards
George E. Ivey
Jackie W. Pope
Frank S. Smith III

May 20, 1986

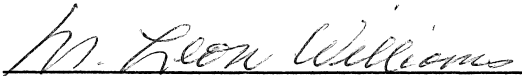
I, Jackie W. Pope, Assistant Secretary to the District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina, do hereby certify that the attached is a true and correct copy of the FISCAL YEAR 1986-87 BUDGET adopted by the Metropolitan Sewerage District Board at its regular meeting held May 20, 1986.

WITNESS my hand and seal of said District this 20th day of May, 1986.

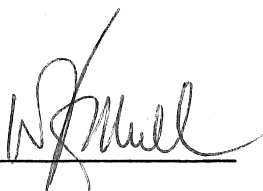
Assistant Secretary to the Board
Metropolitan Sewerage District of
Buncombe County

RESOLUTION OF THE METROPOLITAN SEWERAGE
DISTRICT BOARD OF BUNCOMBE COUNTY

BE IT RESOLVED that the Metropolitan Sewerage District Board of Buncombe County does hereby adopt the attached Annual Operation and Maintenance Budget for the Fiscal Year 1986-87, this being the same Preliminary Budget which was presented at the regular Board meeting on April 15, 1986, currently lying on the table and totaling \$1,445,985., of which the estimated monthly budget is equal to one-twelfth (1/12) of the total budget.


M. Leon Williams

M. Leon Williams, Vice-Chairman
Metropolitan Sewerage District of
Buncombe County

Attest: 

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

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA
 OPERATION AND MAINTENANCE FUND--STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

BUDGET

	1986-87 BUDGET	CURRENT JULY	PERIOD ENDING 7/31/86	PRIOR JULY	PERIOD ENDING 7/31/85
200 SALARIES.....	150,000				
210 BILLING & COLLECTIONS.....	53,500				
220 TELEPHONE & TELEGRAPH.....	8,000				
230 TRAVEL & CONVENTION.....	4,000				
240 OFFICE SUPPLIES.....	6,500				
251 POWER & WATER.....	4,800				
260 DIRECTORS' EXPENSES.....	8,000				
270 INSURANCE.....	67,000				
280 DUES & SUBSCRIPTIONS.....	1,650				
290 ACCOUNTING @ 1% OF PAYROLL..	6,100				
300 CONSULTING ENGINEERS.....	14,000				
310 LEGAL FEES & EXPENSES.....	20,000				
320 TRUSTEE FEES.....	18,000				
330 AUDIT FEES.....	4,000				
340 POSTAGE & PETTY CASH.....	3,000				
350 OFFICE EQUIPMENT REPAIRS....	1,000				
360 FICA TAXES @ 6.70%.....	42,884				
370 NC RETIREMENT @ 8.38%.....	50,857				
380 VEHICLE EXPENSE.....	4,800				
390 CAPITAL OUTLAY (EQUIPMENT)..	5,000				
400 CONTINGENCY.....	16,155				
TOTAL ADMINISTRATIVE AND GENERAL.....	489,245				

DISBURSEMENTS CONTINUED	1986-87 BUDGET	CURRENT JULY	PERIOD ENDING 7/31/86	PRIOR JULY	PERIOD ENDING 7/31/85
500 SALARIES & WAGES.....	454,000				
510 CHEMICALS.....	47,000				
520 TELEPHONE.....	5,600				
530 POWER & LIGHTS.....	200,000				
540 SMALL TOOLS & SUPPLIES.....	9,000				
550 WATER & GARBAGE.....	8,000				
560 VEHICLE EXPENSE.....	16,000				
571 LABORATORY SUPPLIES.....	7,200				
580 UNIFORM SERVICE.....	3,200				
591 SCHOOLS.....	2,200				
600 MAINTENANCE BLDG. & GROUNDS.	16,600				
610 MAINTENANCE PIPELINE.....	5,000				
620 MAINTENANCE EQUIPMENT.....	99,000				
630 CAPITAL OUTLAY--NEW.....	20,000				
640 EQUIPMENT REPLACEMENT.....	40,000				
650 CONTINGENCY.....	23,940				
TOTAL OPERATIONS EXPENDITURES.....	956,740				
TOTAL EXPENDITURES.....	1,445,985				
INTEREST TRANSFERRED TO REVENUE ACCT.....					
TOTAL DISBURSEMENTS.....					
TRANSFERRED FROM REVENUE FUND.....					
OTHER RECEIPTS.....					
TOTAL RECEIPTS.....					
EXCESS OF RECEIPTS OVER DISBURSEMENTS.....					
(DISBURSEMENTS OVER RECEIPTS).....					
BEGINNING CASH BALANCE.....					
ENDING CASH BALANCE.....					

The current expenses for each month are estimated to be one-twelfth (1/12) of the annual budget.

Estimated revenue to be collected from sewer service charges for this fund equal \$1,445,985.