

METROPOLITAN SEWERAGE DISTRICT BOARD

June 17, 1986

The District Board of the Metropolitan Sewerage District of Buncombe County met in regular session in the Boardroom in the Administration Building, N.C. Highway 251 North, Woodfin, North Carolina, the regular place of meeting, at 2 p.m., on June 17, 1986.

Present: Chairman Robinson, presiding, and members Boggs, Dent, Dyson, Edwards, Ivey, Pope, Smith, and Williams.

Absent: Member Batts.

Attorney Walter L. Currie and Consulting Engineers Dean Huber and Bill Morris attended, along with Heather Baines of the Land-of-Sky Regional Council.

Mr. Smith moved that the minutes of the May 20 meeting be approved as written, and Mr. Dent seconded the motion. Voice vote was unanimous in favor of the motion.

Chairman Robinson requested that election of chairman and vice-chairman and appointment of secretary-treasurer and assistant secretary-treasurer be postponed until the July 15 meeting.

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

- a. Update on Treatment Plant Expansion: Mr. Mull reported that Powell has completed 67% of Section 1 and is continuing to gain on their own schedule; therefore, projected completion date of February, 1987, has been moved back to October of this year; received as information by the Board.
- b. Update on Hydro Project: Mr. Mull said that the project is behind schedule and asked Mr. Huber to brief the Board on reasons for the delay as set forth in a letter from Singh Kahlon, project engineer. Mr. Huber said that June, 1986, was originally scheduled as start-up date; however, about three months ago, it became obvious that the project could not be completed on time. Renovation necessary to adapt the project to the final design of the generation equipment furnished by Allis-Chalmers, along with other renovations, has slowed down progress by the contractor. Mr. Huber said the consulting engineers feel the contractor has a legitimate claim for a 30- to 45-day extension and recommended that the Board grant a 45-day time extension to the contracts of Powell Construction Company and of Brevard Electric Company. It was the consensus of the Board to grant the time extension, and projected completion date is revised to August 27, 1986.
- 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: In accordance with Item c of the May 20 Board meeting, the Budget Committee and Mr. Ivey met at 1:15 p.m. today to discuss the two options as set forth in CP&L's letter of May 8 and to evaluate Mr. Huber's recommendation as set forth in his letter of May 14. Mr. Smith, Chairman of the Budget Committee, moved that the Board adopt Mr. Huber's recommendation to accept Option One, which is to make a one-time payment of \$66,294 and pay a MFC of \$662.94 for CP&L to install, own, operate, and maintain lines and equipment to receive and measure electricity the District delivers to their system. Mr. Williams seconded the motion, and roll call vote was unanimous in favor of the motion.
- d. Proposed resolution amending FY '85-86 Budget: Mr. Dent moved that the Board adopt a resolution amending fiscal year 1985-86 budget as presented by the Budget Committee, and Mrs. Pope seconded the motion. Roll call vote was unanimous in favor of the motion. A copy of the amended budget and supporting documents are attached to and thereby made a part of these minutes.

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- 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: Mr. Mull told the Board that the Sludge Committee had met with interested citizens Wednesday evening, June 11, 7:30 p.m. Seven Board members attended, along with representatives of the League of Women Voters, Sierra Club, Land-of-Sky Regional Council, and the County Landfill. Two suggestions for sludge disposal came from the group, those being (1) hauling all sludge to the landfill for burial and (2) employing E & A Environmental Consultants for a study. Mr. Mull read a letter from Mrs. Leah R. Karpen and one he had sent to Chairman Ratcliff and told the Board he had met with Jon Creighton regarding co-disposal. He also presented E & A's letter offering their services for a ten-day evaluation of an off-site option for composting at an estimated cost of \$4,500. In her letter, Mrs. Karpen requested that the District compost sludge and not incinerate. Mr. Mull asked in his letter that the County Commissioners consider the following: (1) Entering into a twenty-year contract to receive dewatered sludge (approximately 22% solids) from the District's Main Wastewater Treatment Plant at the County landfill, with the quantity of the dewatered sludge to approximate 90 cubic yards a day initially and to increase to approximately 185 cubic yards per day at design capacity. He asked what tipping fee would be required of the District if this alternative can be considered. (2) If Alternative #1 is not feasible, would the County then consider a short-term (3½ to 4 years) contract to receive dewatered sludge from the District. This would be the time required for the District to complete construction of sludge disposal facilities at the treatment plant. He asked what tipping fee range would this alternative anticipate. Mr. Mull said the County Commissioners are meeting today and will be discussing sludge disposal and tipping fees for same. Bill Morris told the Board he has talked with the State and that the State said burial will be okay if the County will accept the sludge. Mr. Mull emphasized that a decision must be made by the MSD Board by July 15 as to a final disposal method since there is 75% grant funding available now but will be none in the future. The Sludge Committee scheduled its next meeting for July 1, 2 p.m. All Board members and Mrs. Karpen will be notified of the meeting.
- f. Status of 1986A Revenue Bond Issue: Mr. Mull reported on another lengthy meeting in Raleigh with the Lead Underwriters, Bonding Attorneys, etc., and said everything is moving on schedule with closing set for August 20-21 in New York. Mr. Currie told the Board that the Local Government Commission has been requested to sell the proposed Sewerage System Revenue Bonds, Series 1986A, at private rather than public sale for two reasons--hoping for a better rate and reducing the cost of the bond issue.

Chairman Robinson introduced the following resolution which was read by its title and explained:

RESOLUTION REQUESTING THE LOCAL
GOVERNMENT COMMISSION TO SELL THE
PROPOSED SEWERAGE SYSTEM REVENUE
BONDS, SERIES 1986A, OF THE
METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY AT PRIVATE SALE

WHEREAS, the District Board of the Metropolitan Sewerage District of Buncombe County is considering issuing its Sewerage System Revenue Bonds, Series 1986 (the "Series 1986A Bonds"), constituting an additional series of revenue bonds pursuant to the provisions of the Bond Order adopted by said District Board on May 23, 1985, as amended; and

WHEREAS, said District Board is considering issuing the Series 1986A Bonds on a negotiated basis to certain underwriters;

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NOW, THEREFORE, the District Board of the Metropolitan Sewerage District of Buncombe County DOES HEREBY DETERMINE AND RESOLVE, as follows:

Section 1. The District Board of said District hereby requests the Local Government Commission of North Carolina to sell the Series 1986A Bonds at private sale and without advertisement in accordance with the provisions of Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina.

Section 2. This resolution shall take effect immediately upon its passage.

Upon motion of member Dyson, seconded by member Williams, the foregoing resolution entitled:

RESOLUTION REQUESTING THE LOCAL
GOVERNMENT COMMISSION TO SELL THE
PROPOSED SEWERAGE SYSTEM REVENUE
BONDS, SERIES 1986A, OF THE
METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY AT PRIVATE SALE

was passed by the following vote:

Ayes: 9

Noes: 0

- g. Status of bids for RBC units: Mr. Mull told the Board that a final negotiation session had been held with Envirex representatives, the end result being a net savings of \$969,293 to the District. Final negotiated contract price is \$7,658,144., with funding by EPA in the amount of \$5,780,179., by the State in the amount of \$809,225., and by MSD in the amount of \$1,394,847. Mr. Mull expressed his appreciation to Bob Holbrook of Hendon Engineering Associates and to Walt Currie for their negotiating expertise. Mr. Boggs moved the adoption of a resolution accepting the final negotiated contract price of \$7,658,144 for the Rotating Biological Contactors, and Mr. Smith seconded the motion. Roll call vote was unanimous in favor of the motion. The Resolution is attached to and thereby made a part of these minutes.

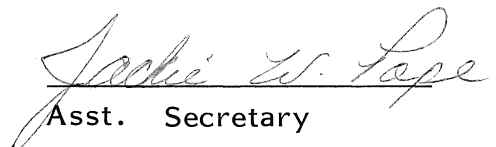
Mr. Smith requested that the District make a contribution of \$3,000 to the French Broad River Foundation, payable \$1,000 a year for three years, beginning in June, 1986. He said the Foundation is trying to raise funds to create an office with one full-time employee, and their goal is to raise \$20,000 from users of and dischargers into the river in order to do this so that the organization will be self-supporting. He said their plans are to go to the public for assistance after the \$20,000 is raised and that they have asked the Asheville-Buncombe Water Authority, Buncombe County, and other public bodies to contribute to the Foundation. Mr. Smith said the Foundation was established in an effort to make people more aware of the river and the importance of returning it to its original cleanliness and purity. He stated as his two reasons for making the request of the MSD are (1) to ensure that MSD's intake into the hydro plant is clean water and (2) because MSD is one of the major dischargers into the river. Mr. Boggs moved that the Board authorize participation in the amount requested by Mr. Smith and payable over a three-year period, and Mr. Williams seconded the motion. After discussion, Mr. Currie recommended that the contribution, if any, be paid to the Land-of-Sky Regional Council and allow them to disburse the funds as

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they have express authority to give money to nonprofit organizations while the District does not have that authority. Mr. Dent moved that Mr. Smith's request be postponed until the Board's next meeting to allow Mr. Smith to gather more information on the Foundation (how much money has been raised from what sources, etc.) and to enable Mr. Currie to prepare a definite legal opinion as to public contributions as they pertain to the District. Mr. Williams seconded the motion, and roll call vote was as follows: Ayes, 7; Noes, 2.

For the Board's information, Mr. Mull presented a utilities bill from Orlando which sets forth residential electric and water charges, city garbage charges, city utility tax, and city sewer charges, with the sewer charges being almost three times the charges for water.

The next regular monthly meeting of the MSD Board is scheduled for July 15, 1986. There being no further business, the meeting was adjourned at 3:25 p.m.


Asst. Secretary

RESOLUTION

WHEREAS, the Metropolitan Sewerage District Board passed a Resolution at its regular meeting held on June 17, 1986, adopting an Amended Operation and Maintenance Budget for Fiscal Year 1985-86; and

WHEREAS, increases necessary to meet the operation requirements of the Metropolitan Sewerage District of Buncombe County, North Carolina, consisting of line items

Telephone & Telegraph	from	6,200	to	8,000
Travel & Convention	from	4,000	to	4,750
Insurance	from	50,000	to	56,000
Legal Fees & Expenses	from	10,000	to	17,000
Postage & Petty Cash	from	2,200	to	2,300
Office Equipment Repairs	from	1,000	to	1,300

Chemicals	from	42,000	to	52,000
Telephone	from	5,000	to	5,750
Power & Lights	from	420,000	to	440,000
Laboratory Supplies	from	6,000	to	6,400
Maintenance Equipment	from	80,000	to	82,000

thereby decreasing line items

Billing & Collections	from	53,500	to	46,500
Capital Outlay (Equipment)	from	10,000	to	4,000
Contingency	from	13,500	to	10,500

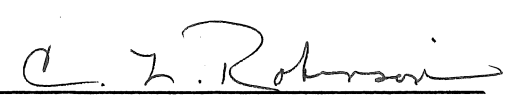
Capital Outlay--New	from	20,000	to	8,850
Equipment Replacement	from	40,000	to	22,000
Contingency	from	33,520	to	29,520

this being the same Preliminary Budget which was presented at the regular Board meeting on April 16, 1985, currently lying on the table and totaling \$1,575,177., of which the estimated monthly budget is equal to one-twelfth (1/12) of the total budget.

NOW, THEREFORE, BE IT RESOLVED by the Metropolitan Sewerage District Board of Buncombe County that the June 17, 1986, resolution adopting the Amended Operation and Maintenance Budget for Fiscal Year 1985-86 be and is hereby unanimously approved by roll call vote.

ATTEST: _____


W. H. Mull
Engineer-Manager


Chairman of the Board
Metropolitan Sewerage District
Board of Buncombe County

We have considered the proposed amendment to the 1985-86 budget increasing the budget amounts for line items

Telephone & Telegraph	from	6,200	to	8,000
Travel & Convention	from	4,000	to	4,750
Insurance	from	50,000	to	56,000
Legal Fees & Expenses	from	10,000	to	17,000
Postage & Petty Cash	from	2,200	to	2,300
Office Equipment Repairs	from	1,000	to	1,300

Chemicals	from	42,000	to	52,000
Telephone	from	5,000	to	5,750
Power & Lights	from	420,000	to	440,000
Laboratory Supplies	from	6,000	to	6,400
Maintenance Equipment	from	80,000	to	82,000

and decreasing the budget amounts for line items

Billing & Collections	from	53,500	to	46,500
Capital Outlay (Equipment)	from	10,000	to	4,000
Contingency	from	13,500	to	10,500

Capital Outlay--New	from	20,000	to	8,850
Equipment Replacement	from	40,000	to	22,000
Contingency	from	33,520	to	29,520

and find the proposed increases necessary to meet the operating requirements of the Metropolitan Sewerage District of Buncombe County.

In accordance with Section 506 of the Bond Resolution, we recommend and approve this proposed amendment to the Annual Budget.

HENDON ENGINEERING ASSOCIATES, INC.

By: William J. Morrow

June 16, 1986

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

June 17, 1986

I, Charles M. Dent, 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 AMENDED 1985-86 BUDGET adopted by the Metropolitan Sewerage District Board at its regular meeting held June 17, 1986.

WITNESS my hand and seal of said District this 17th day of June,
1986.

Secretary to the Board
Metropolitan Sewerage District
of Buncombe County

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA
 OPERATION AND MAINTENANCE FUND--STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 PROPOSED AMENDED BUDGET FOR FY 85/86

		1985-86 BUDGET	ACTUAL THROUGH 5/31/86	ESTIMATED 1985-86 EXPENDITURES	SURPLUS OR (DEFICIT)	AMENDED 1985-86 BUDGET
200	SALARIES.....	144,500	132,726	143,806	694	144,500
210	BILLING & COLLECTIONS.....	53,500	36,970	41,470	12,030	46,500 -
220	TELEPHONE & TELEGRAPH.....	6,200	7,393	7,943	-1,743	8,000 +
230	TRAVEL & CONVENTION.....	4,000	3,956	4,706	-706	4,750 +
240	OFFICE SUPPLIES.....	6,500	5,459	5,959	541	6,500
251	POWER & WATER.....	4,000	3,655	3,955	45	4,000
260	DIRECTORS' EXPENSES.....	8,000	6,270	6,665	1,335	8,000
270	INSURANCE.....	50,000	53,981	55,981	-5,981	56,000 +
280	DUES & SUBSCRIPTIONS.....	1,650	1,357	2,077	-427	1,650
290	ACCOUNTING @ 1% OF PAYROLL..	5,745	5,200	5,630	115	5,745
300	CONSULTING ENGINEERS.....	14,000	13,273	13,273	727	14,000
310	LEGAL FEES & EXPENSES.....	10,000	16,078	16,978	-6,978	17,000 +
320	TRUSTEE FEES.....	8,500	7,015	7,015	1,485	8,500
330	AUDIT FEES.....	4,000	4,000	4,000	0	4,000
340	POSTAGE & PETTY CASH.....	2,200	2,221	2,321	-121	2,350 +
350	OFFICE EQUIPMENT REPAIRS....	1,000	860	1,298	-298	1,300 +
360	FICA TAXES @ 6.70%.....	40,790	35,339	38,369	2,421	40,790
370	NC RETIREMENT @ 8.38%.....	48,372	42,917	46,517	1,855	48,372
380	VEHICLE EXPENSE.....	4,800	4,400	4,800	0	4,800
390	CAPITAL OUTLAY (EQUIPMENT)..	10,000	900	900	9,100	4,000 -
400	CONTINGENCY.....	13,500	9,185	9,185	4,315	10,500 -
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	TOTAL ADMINISTRATIVE AND GENERAL.....	441,257	393,156	422,849	18,408	441,257

		1985-86 BUDGET	ACTUAL THROUGH 5/31/85	ESTIMATED 1985-86 EXPENDITURES	SURPLUS OR (DEFICIT)	AMENDED 1985-86 BUDGET
DISBURSEMENTS CONTINUED						
500	SALARIES & WAGES.....	430,000	382,867	414,112	15,888	430,000
510	CHEMICALS.....	42,000	47,710	51,810	-9,810	52,000 +
520	TELEPHONE.....	5,000	5,184	5,639	-639	5,750 +
530	POWER & LIGHTS.....	420,000	400,113	436,113	-16,113	440,000 +
540	SMALL TOOLS & SUPPLIES.....	7,500	7,174	7,474	26	7,500
550	WATER & GARBAGE.....	8,000	6,184	6,584	1,416	8,000
560	VEHICLE EXPENSE.....	16,000	13,205	14,205	1,795	16,000
571	LABORATORY SUPPLIES.....	6,000	6,194	6,344	-344	6,400 +
580	UNIFORM SERVICE.....	3,200	2,433	2,433	767	3,200
591	SCHOOLS.....	2,200	854	1,104	1,096	2,200
600	MAINTENANCE BLDG. & GROUNDS.	15,500	8,240	10,240	5,260	15,500
610	MAINTENANCE PIPELINE.....	5,000	1,041	1,041	3,959	5,000
620	MAINTENANCE EQUIPMENT.....	80,000	77,868	81,868	-1,868	82,000 +
630	CAPITAL OUTLAY--NEW.....	20,000	6,335	7,335	12,665	8,850 -
640	EQUIPMENT REPLACEMENT.....	40,000	16,861	19,261	20,739	22,000 -
650	CONTINGENCY.....	33,520	17,284	27,284	6,236	29,520 -
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	TOTAL OPERATIONS EXPENDITURES.....	1,133,920	999,547	1,092,847	41,073	1,133,920
	TOTAL EXPENDITURES.....	1,575,177	1,392,702	1,515,695	59,482	1,575,177

RESOLUTION

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

WHEREAS, competitive bids have been solicited and one bid received from equipment manufacturers for Project No. 703CC, Rotating Biological Contactors Procurement; and,

WHEREAS, negotiations were conducted between MSD and the bidder in accordance with U.S. E.P.A. regulations, North Carolina state law, and MSD Board approval; and,

WHEREAS, the following negotiated low bidder for Project 703CC, RBC Procurement, has been reviewed by Hendon Engineering Associates, Inc. and found to be responsible:

Envirex, Inc.
1901 South Prarie Avenue
P.O. Box 1067
Waukesha, WI 53187
\$7,984,251

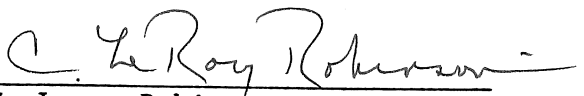
Now, THEREFORE, BE IT RESOLVED by the Metropolitan Sewerage District Board to award said negotiated contract to said bidder pending North Carolina Department of Natural Resources and Community Development and United States Environmental Protection Agency approval and grant award; and,


BE IT FURTHER RESOLVED to pledge the required local funds for Project 703CC, RBC Procurement (approximately \$1,394,847); 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 17th day of June, 1986, 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