

METROPOLITAN SEWERAGE DISTRICT BOARD

May 19, 1987

1. CALL TO ORDER AND ROLL CALL:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration building at 2 p.m. on Tuesday, May 19, 1987. Chairman Smith called the meeting to order at 2:00 p.m.

Chairman Smith and the following members were present: Aceto, Boggs, Dent, Dyson, Edwards, Ivey, Pope, and Williams. Others present were: W. H. Mull, Engineer-Manager, Jack Stevens, General Counsel to the District, Bob Holbrook and Bill Morris with Hendon Engineering Associates, Inc., Leah Karpen representing the League of Women Voters, and Jim Stokoe with the Land-Of-Sky.

2. MINUTES OF APRIL 21, 1987 MEETING:

Mr. Williams moved that the minutes of the April 21, 1987, Board meeting be accepted as written, and Mrs. Pope seconded the motion. Voice vote carried unanimously in favor of the motion.

3. PUBLIC HEARING ON FY 1987-88 OPERATION AND MAINTENANCE BUDGET:

MINUTES OF PUBLIC HEARING

At 2:05 p.m., Chairman Smith declared a Public Hearing open for the consideration of a proposed 1987-88 Operation & Maintenance Budget as advertised in The Asheville Citizen and The Asheville Times on May 1, 1987.

**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 2:00 p.m., Tuesday, May 19, 1987, on the Budget of the District for the Fiscal Year beginning July 1, 1987, and ending June 30, 1988. The Budget has been submitted to the Governing Board and is available for public inspection in the office of the Clerk of the Board.

Frank S. Smith, III
Chairman of the Board

Approved as to form:
John S. Stevens, Attorney
April 17, 1987

In Mr. Batt's absence, Mr. Mull presented the same Preliminary Budget that was discussed at the Board meeting of April 21, 1987, with the exception of line item number 330 on page 1, "AUDIT FEES." Due to a proposed increase from the District's auditors, line item changes from \$5,000 to \$11,000, changed the overall total of the Budget from \$1,571,713. to \$1,577,713.

After discussion, including comments and questions from the public, Chairman Smith announced that the Public Hearing was closed. Thereupon, Chairman Smith reconvened the regular monthly meeting at 2:14 p.m.

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4. CONSIDERATION OF RESOLUTION ADOPTING FY 1987-88 OPERATION & MAINTENANCE BUDGET:

Mr. Boggs moved the adoption of the following resolution for the Annual Operation & Maintenance Budget for FY 1987-88. Mr. Dyson seconded the motion, and roll call vote was unanimous in favor of the motion.

**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 & Maintenance Budget for the Fiscal Year 1987-88, this being the same Preliminary Budget which was presented at the regular Board meeting on April 21, 1987, currently lying on the table and totaling \$1,571,713, of which the estimated monthly Budget is equal to one-twelfth (1/12) of the total Budget, with the exception of line item 330 "AUDIT FEES" which is changed from \$5,000 as stated in the Preliminary Budget to \$11,000, making the new total \$1,577,713. Read, approved and adopted by unanimous roll call vote the 19th day of May, 1987.

FRANK S. SMITH, III, CHAIRMAN
 Metropolitan Sewerage District
 Board of Buncombe County

5. REPORT OF ENGINEER-MANAGER:

a. STATUS REPORT ON 201 FACILITIES PLAN ADDENDUM FOR PHASE IV - SLUDGE HANDLING FACILITIES:

Mr. Mull reported that he and representatives from Hendon Engineering met with the State last week to review the results of the Value Engineering (V/E) which was performed on MSD's project several weeks ago. The State accepted Hendon's recommendations regarding the V/E report from Nichols and Associates which result in a savings of about \$1 million on the estimated construction costs of the sludge handling facilities. One of the prime savings is relocating the dewatering and incineration building to avoid some of the pile and foundation expenses. Mr. Mull stated the District has the Value Engineering Study available if anyone is interested in reviewing it. The use of tile floors in the sludge building and lime stabilization facilities remain ineligible for federal funding.

Mr. Mull and Hendon also reviewed with the State additional information regarding the project. The State had requested evaluation of a dedicated landfill for sewage sludge. Mr. Mull stated Hendon Engineering, with the help of others, spent about 3 weeks investigating a dedicated landfill for sewage sludge using EPA guidelines. The cost of the dedicated landfill was roughly \$2.4 million annualized as opposed to \$1.9 million for incineration. Mr. Mull stated that by giving this information to the State, this was added to the Facilities Plan as an addendum and as another alternative. Mr. Mull suggested to Mr. Boggs and Chairman Smith that the Sludge Committee meet as soon as possible to review the status of the project.

Mr. Mull reported that the District "ashed" a sample of its sludge and sent this off to be analyzed for EP toxicity. Test results will be back to MSD by Friday, May 22nd.

Mr. Mull reported the State had written to the County Commissioners requesting a letter from the County to inquire as to its acceptance of MSD sludge either in the landfill or a co-composting facility and at what fee would the County accept MSD sludge, and would the County work with the MSD. Mr. Mull presented a copy of the County's response to the State for the Board members to review.

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b. REQUEST FOR APPROVAL OF BID FOR INTAKE SCREEN RAKE:

Mr. Mull reported that the District had advertised for bids for an intake screen trash rake, but only received two bids and could not open. The District readvertised and again received two bids, one from Atlas Polar of Canada and one from Acme Engineering of Georgia. This time the bids were opened and transmitted to Jack Stevens and Bill Morris for review.

Mr. Stevens reported that it is the recommendation of Legal Counsel and Hendon Engineering that both bids be rejected, as neither was responsive, and that the project be rebid. Mr. Mull stated that a letter would be sent to each bidder giving the reason for rejection of the bids, and also letting them know the District will be readvertising for bids.

Mr. Dent moved that the Board adopt a resolution rejecting the bids as not being responsive. Mr. Williams seconded the motion and voice vote was unanimous in favor of the motion.

c. STATUS REPORT ON POSSIBLE REFUNDING OF 1985A AND 1986A BOND ISSUE:

Mr. Mull reported that the District will not be refunding the 1985A and 1986A Bonds at this time, due to interest rates being too high.

d. CONSIDERATION OF RESOLUTION REGARDING RETIREMENT BENEFITS:

Mr. Mull explained this benefit to the Board. The benefits cover three basic areas, those being, a. Credit for Military Service, b. Repayment of Voluntarily Withdrawn Accounts, and c. Credit for Out-of-State Service. The Board would have to pass a resolution and pay an increased fee to the retirement system for items a & b above, based on the District's total payroll, to allow an employee to receive these benefits. General discussion followed. Chairman Smith referred this matter to the Personnel Committee for its recommendation.

6. REPORT OF OFFICERS: None.

7. REPORT OF COMMITTEES:

a. HYDRO COMMITTEE - Mr. Dyson

Mr. Dyson reported that the Hydro Committee met on Tuesday, May 12, 1987, and discussed the following:

(1) Plaque and Hydro Brochure:

The plaque has been ordered by Hendon Engineering Associates, and will be at the District for the Hydro Plant Dedication. The Brochures have been received, and each Board member received a copy of the Brochure.

(2) Invitations and Program:

Mr. Dyson reminded the Board that the Hydro Plant Dedication will be held on June 16, 1987, at 10:00 a.m. He stated the invitations have been ordered, and Mr. Mull confirmed the invitations will be sent out this week. The Program is in the process of being prepared and will be sent to the printers within the next couple of weeks.

(3) Status of Resolution of Voith Concerns:

Mr. Dyson stated Jim Brewer with Hendon Engineering gave the Hydro Committee a status report on the problems associated with the Hydro which involved MSD's equipment manufacturer, Voith Hydro, Inc., (formerly Allis Chalmers). Mr. Mull stated that Jim Brewer is writing Voith a letter outlining the District's position in three areas:

1) The PACS people (sub-contractor to Allis Chalmers) who developed the computer program and operating system for the turbine said they had put in extra hours and wanted to be reimbursed for them. 2) Contactors were not functioning properly. Voith was saying this was a CP&L problem so MSD offered to have the CP&L representatives come out and talk with them, but Voith was finally convinced that this was not the problem. Voith will put a battery back-up system on the contactors at their expense. 3) Warranty: Specs call for a one (1) year warranty on the generators, speed increasor and the turbine. Voith finally agreed that these units could run at a higher kilowatt output continuously and still be within the warranty. Voith basically agreed to allow the higher output if the District would go ahead and allow the warranty period to run from the actual beneficial use of the units, which is January 1, 1987. This will be put in a letter to Voith and as soon as Voith's response is received the District hopes the problem will be resolved. Mr. Mull stated the District is still withholding payment to Voith until an agreement has been reached.

(4) Other:

Mr. Dyson stated the District will be receiving a letter from the U.S. Fish and Wildlife Service requesting from the District a time schedule for the District to conduct a minimum flow study between the dam and the powerhouse and a turbine mortality study at the powerhouse. A special meeting will be called of the Hydro Committee Meeting when this letter is received.

b. SEWER SYSTEM CONSOLIDATION COMMITTEE - Mr. Aceto

Mr. Aceto reported that the Sewer System Consolidation Committee met May 12, 1987, and the report in its entirety is as follows:

"The purpose of the meeting was to consider the engineer's updated consolidation plan and to make appropriate recommendations to the Board.

The updated consolidation plan foresees an approximate one year transition period between execution of transfer documents and actual system takeover, during which expenses in connection with system consolidation will be approximately \$1,500,000. Based on present billable flow rates, an additional charge between twenty and twenty five cents/ccf will be necessary to cover transition expenses during the first year, representing an approximate twenty percent (20%) increase in the projected domestic user rate for the coming year.

The Engineer-Manager informed the committee that in order for the plan to be viable, consolidation requires participation by virtually all the municipalities in the county, with exception of Montreat and possibly Weaverville.

The increase in estimated construction costs of proposed priority improvements from the time of the original consolidation implementation dates indicates continued delay in system consolidation and is costing users approximately \$1,500,000. There are other significant costs as well. In the areas where critical interceptor improvements are required, the state and EPA have in the past, and may again in the future, refuse to permit additional tap-ons to the system, having the effect of a building moratorium in the affected areas. He further pointed that MSD's EPA and state grants are to some extent conditional on MSD's recommendation that system consolidation will eventually be accomplished and the MSD continues to make strong efforts in that direction.

Apparently, the various municipalities, with the exception of Asheville, have accepted the inevitability of consolidation in accordance with their 1982 letter of intent to proceed with consolidation, and have scaled back their maintenance efforts in reliance on this. Therefore, MSD's minimal responsibility is to alert the municipalities and the public at large to the need for consolidation and the consequences of failure to proceed immediately. The consolidation issue affects the welfare of all municipalities and jurisdictions in Buncombe County, and the plan requires the cooperation of all to be in order to be realized.

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Chairman Smith suggested that the committee recommend to the Board that each member arrange to appear before the governing body of the municipality he or she represents to urge speedy adoption of the consolidation plan; that the appearances be arranged within sixty to ninety days of the board's next regular meeting, and that these officials be given copies of the updated consolidation plan and of a map showing the municipalities affected by critical interceptor improvements. It was the sense of the committee to make such a recommendation and that the recommendation be communicated to the press at the next regular meeting of the Board.

The meeting then adjourned at approximately 2:45 p.m."

At this time Mr. Aceto stated he had invited Mr. Jim Stokoe from the Land-of-Sky to present its perspective on Sewer System Consolidation. Mr. Stokoe stated that Mr. Aceto's report outlined a good course of action to take, and added it might also be advisable, when meeting with the various system owners, to reiterate the history of consolidation and the need to recognize and take action on identified rehabilitation problems.

Mr. Aceto formally moved that each MSD Board member arrange to appear before the governing body of the municipality he or she represents to urge speedy adoption of the consolidation plan; that the appearances be arranged within sixty to ninety days of the Board's next regular meeting, and that these officials be given copies of the updated summary of the proposed plan of consolidation prepared by Hendon Engineering Associates, and a map showing the municipalities affected by critical interceptor improvements. Mr. Aceto asked the MSD Legal Counsel to prepare a draft agreement and distribute this to the municipal officials for comment. Mr. Boggs seconded the motion and brief discussion followed. Voice vote carried unanimously in favor of the motion.

8. UNFINISHED BUSINESS:

a. COMMENTS OR QUESTIONS REGARDING HENDON ENGINEERING ASSOCIATES ANNUAL REPORT:

There were no comments or questions concerning this report which was ordered received and filed.

9. NEW BUSINESS:

a. PHILADELPHIA WPCF '87 60TH ANNUAL CONFERENCE - OCTOBER 5-8:

Mr. Mull requested that the Board authorize approval of expenses for those Board members who wish to attend the WPCF Conference in Philadelphia, October 5-8, 1987. Chairman Smith reminded the Board members that the District would pay supersaver airfare, hotel and meal expenses, and registration fees for Board members; and registration fee, but no other expenses, for member's spouses if they choose to attend the conference. Mr. Williams moved that the Board authorize approval for any Board members who wish to attend the '87 WPCF Conference, and Mrs. Pope seconded the motion. Voice vote was unanimous in favor of the motion. Mr. Mull urged each Board member to let him know if they plan to attend as soon as possible.

b. MC GLADREY HENDRICKSON & PULLEN AUDIT PROPOSAL:

Mr. Mull stated the District amended the Budget to handle this \$11,000 for "audit fees" and Board approval is needed for the District to enter into contract with McGladrey Hendrickson & Pullen so they can begin their pre-audit work in June. Mr. Aceto moved that the Board enter into a contract with McGladrey Hendrickson & Pullen to perform the audit for the District. General discussion followed. Mr. Edwards seconded the motion, and roll call vote was unanimous in favor of the motion. It was the consensus of the Board that Mr. Mull should pursue (after the 1988 audit) bids from other accounting firms to obtain cost information for the District. This was referred to the Budget Committee.

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c. TYPEWRITER FOR ADMINISTRATIVE OFFICE:

Mr. Mull reported the District needs a new typewriter and has received written proposals from various entities for different typewriters. Mr. Mull presented a proposal from Advanced Business Equipment for a ProType Display Typewriter at a cost of \$3,000. for the Board's approval. Mr. Boggs moved that the District's request for the ProType Display Typewriter be approved and purchased at a cost of \$3,000. Mr. Dent seconded the motion, and roll call vote was unanimous in favor of the motion.

d. ADVERTISE FOR BIDS FOR PHASE II & III OF THE WWTP:

The District is planning to advertise for bids on Phase II & III of the Wastewater Treatment Plant on June 15, 1987, with a bid opening date of July 15. Mr. Dent moved to authorize the advertisement, and Mr. Ivey seconded the motion. Voice vote carried unanimously in favor of the motion.

10. DATE OF NEXT REGULAR MEETING:

June 16, 1987.

11. ADJOURNMENT:

There being no further business, the meeting was adjourned.



SECRETARY

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 1987-88, this being the same Preliminary Budget which was presented at the regular Board meeting on April 21, 1987, currently lying on the table and totaling \$1,571,713, of which the estimated monthly Budget is equal to one-twelfth (1/12) of the total Budget, with the exception of line item 330 "audit fees" which is changed from \$5,000 as stated in the Preliminary Budget to \$11,000, making the new total \$1,577,713.



FRANK S. SMITH, III, CHAIRMAN
Metropolitan Sewerage District Board
of Buncombe County

Attest:



W. H. MULL, P.E.
ENGINEER-MANAGER

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



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

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 FISCAL YEAR 1987-88 BUDGET adopted by the Metropolitan Sewerage District Board at its regular meeting held May 19, 1987.

WITNESS my hand and seal of said District this 19th day of May, 1987.

Charles M. Dent, Secretary
Metropolitan Sewerage District
Board of Buncombe County

(SEAL)