

METROPOLITAN SEWERAGE DISTRICT BOARD

July 21, 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, July 21, 1987. Chairman Smith called the meeting to order at 2:00 p.m.

Chairman Smith and the following members were present: Aceto, Boggs, Batts, Dent, Edwards, Ivey, Pope, Waddey and Williams. Others present were: W. H. Mull, P.E., Engineer-Manager, John Stevens, General Counsel to the District, Bill Morris with Hendon Engineering Associates, Inc., Mr. Charles Webb with Webb Insurance Agency, and Leah Karpen representing the League of Women Voters.

2. MINUTES OF JUNE 16, 1987 MEETING:

The minutes of the June 16, 1987 Board meeting, reflected a duplication of paragraphs under the Report of Engineer-Manager. Mr. Dent moved that the minutes of the June 16, 1987 Board minutes be approved as amended. Mr. Williams seconded the motion, and voice vote was unanimous in favor of the motion.

3. ELECTION OF OFFICERS (CHAIRMAN AND VICE-CHAIRMAN):

Mr. Boggs moved that Frank S. Smith serve as Chairman of the MSD Board for 1987-88. Mrs. Pope seconded the motion, and voice vote carried unanimously in favor of the motion.

Mr. Ivey moved that Leon Williams serve as Vice-Chairman of the MSD Board for 1987-88. Mr. Waddey seconded the motion and voice vote was unanimous in favor of the motion.

4. APPOINTMENT OF OFFICERS (SECRETARY-TREASURER AND ASSISTANT SECRETARY-TREASURER):

Chairman Smith re-appointed Charles M. Dent as Secretary-Treasurer, and Mrs. Jackie Pope as Assistant Secretary-Treasurer, to the MSD Board for 1987-88.

5. REPORT OF ENGINEER-MANAGER:

a. Advertisement for Bids for Phase III, Main Plant Expansion:

Mr. Mull reported that the District has extended the bid date on Phase III of the Main Plant Expansion, from August 4, 1987, to August 18, 1987, at 2:00 p.m.

b. Consideration of Resolution Amending FY '86 - '87 Budget:

Mr. Mull reported that the District must reconcile its budget for FY '86-87, which will not affect the total dollar amount of the bottom line of the budget. The following resolution was presented to the Board:

RESOLUTION

WHEREAS, the Metropolitan Sewerage District Board passed a resolution at its regular meeting held on July 21, 1987, adopting an AMENDED OPERATION AND MAINTENANCE BUDGET for Fiscal Year 1986-87; and

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

Line Item 230 "Travel & Convention"	from <u>\$ 4,000</u> to <u>\$ 4,300</u>
Line Item 260 "Directors' Expense"	from <u>\$10,000</u> to <u>\$10,700</u>
Line Item 270 "Insurance"	from <u>\$65,000</u> to <u>\$68,300</u>
Line Item 280 "Dues & Subscriptions"	from <u>\$ 1,650</u> to <u>\$ 1,750</u>
Line Item 310 "Legal Fees & Expenses"	from <u>\$20,000</u> to <u>\$21,400</u>
Line Item 390 "Capital Outlay (Equip.)"	from <u>\$ 5,000</u> to <u>\$ 6,700</u>
Line Item 400 "Contingency"	from <u>\$ 9,155</u> to <u>\$10,755</u>
Line Item 510 "Chemicals"	from <u>\$47,000</u> to <u>\$47,900</u>
Line Item 540 "Small Tools & Supplies"	from <u>\$ 9,000</u> to <u>\$11,300</u>

thereby decreasing line items

Line Item 320 "Trustee Fees"	from <u>\$18,000</u> to <u>\$ 8,900</u>
Line Item 650 "Contingency"	from <u>\$29,940</u> to <u>\$26,740</u>

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 \$ 1,571,986, 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, North Carolina that the July 21, 1987, resolution adopting the AMENDED OPERATION AND MAINTENANCE BUDGET for Fiscal Year 1986-87, be and is hereby unanimously approved by roll call vote.

Frank S. Smith, III, Chairman
 Metropolitan Sewerage District
 Board of Buncombe County,
 North Carolina

ATTEST:

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

Mr. Boggs moved that the resolution amending the Fiscal Year 1986-'87 budget be approved and Mr. Waddey seconded the motion. Roll call vote was unanimous in favor of the motion.

c. Proposed State Funding List for Fiscal Year 1988:

Mr. Mull reported that the State Funding list shows Buncombe County as being in project III on the priority list for Fiscal Year '88 (beginning October 1, 1987). This would be for any project the District would have, but primarily for sludge handling facilities, if this goes beyond September 30, 1987. The Special Notice attached to the State Funding List indicates that for Fiscal Year 1988 one-half of the Fiscal Year 1988 allocation of \$2.4 billion will be utilized as state revolving loans.

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Mr. Mull stated that the Legislature and the Environmental Management Commission, according to Coy Batten, are considering that 25% of the funds (beginning October 1) will be Grant Funds, and 75% will be Loan Funds, somewhere in the vicinity of 5%. The District has also been advised by the Environmental Management Commission that these Loans will probably be on a first-come, first-served basis, regardless of where you are on the priority list. Grant Funds will be dispensed prior to dispensing the Loan Funds. The Federal Act requires that 1/2 of the Fiscal Year 1989-'90 allocations, and all of Fiscal Year 1991-'94 allocations be used for Revolving Loans. The State has the authority to override this decision, and apparently has chosen to use only 25% of next year's monies for Grants.

Mr. Mull stated that if the District did not get approval on its sludge handling facilities by September 30, 1987, then the District is less assured of any possibility of receiving grant funds. The North Carolina Department of Natural Resources & Community Development will hold a Public Hearing on the Fiscal Year 1988 Municipal Construction Grant Priority List and Funding List on July 22, 1987, at 2:00 p.m. in Raleigh, North Carolina.

d. CONTRACT AMENDMENT WITH BLUE CROSS/BLUE SHIELD:

At this time Mr. Mull introduced Mr. Charlie Webb of Webb Insurance, and stated that sometime ago the Board had authorized the District to amend its contract with Blue Cross/Blue Shield for the purpose of carrying the District's retired employees on its' Health Insurance Plan, with the retired employee paying his/her own premium. The District has had some problems getting this particular amendment implemented and Mr. Webb reviewed this with the Board.

Mr. Webb reported that he and Mr. Mull had discussed this request to make the District's Health Insurance Plan available to retired employees. Blue Cross stated there is no problem with this as long as the District pays the premium for a retired employee who is under the age of 65. After an employee reaches age 65 the District could carry the retired employee on its insurance on an employee-pay basis.

Mr. Webb stated that he and Mr. Mull have discussed the possibility of going with other carriers, and stated that he feels he isn't sure he would recommend that the District make a change in carriers for this reason alone, and that the possibilities exist for the District setting itself up for adverse experience and spiraling rates. General discussion followed.

Chairman Smith referred this matter back to the Insurance and Personnel Committees for further negotiations and their recommendation at the August Board meeting. Mr. Ivey will chair the joint meeting of the Personnel and Insurance Committees.

6. REPORT OF OFFICERS: None

7. REPORT OF COMMITTEES:

a. Hydro Committee - Mr. Dyson

Mr. Boggs reported that the Hydro Committee met on July 14, 1987, and turned the floor over to Mr. Mull to summarize the meeting:

- (1) Status of Fish Habitat Study:** Mr. Mull reported that Mr. Skip Basen and other representatives from RMC Environmental Services, along with a representative from the U.S. Fish and Wildlife Service, and a State representative from

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the Department of Water Resources, began a minimum flow study on the Craggy Dam July 13, 1987, and finished on July 19, 1987. A report should be received on the minimum flow study within a week to 10 days.

Mr. Mull also reported that since the flume had to be drained, a survey was performed on the flume. The findings were that there are between 14 and 18 different species of fish living in the flume. Mr. Mull noted that a number of fish had been caught in the flume and tailrace in the past month.

(2) **Status of Resolution of Voith Concerns:** Mr. Mull reported that the flume was drained the morning of July 18th, due to the fact that Voith had to replace a leaking hydraulic system at the Hydro Plant. The flume was filled back up on July 19th. The District is still holding final payment to Voith, due to the fact that they have not resolved the problems with the contactors.

(3) **Trash Removal System:** Mr. Mull reported that the U.S. Fish & Wildlife Service requested that the District look into a trash/fish removal screen. Mr. Mull passed around a sample of a screen for the Board members to review. It is estimated that the cost to install this particular screen in the flume would be about \$300,000. The screens the District had proposed in its FERC Application has a bar screen with 1-1/8" openings to keep out small fish. The U.S. Fish and Wildlife Service still approves of this type screen. Mr. Mull reviewed a letter from Mr. Dick Woodruff of Hendon Engineering Associates, Inc., dated July 10, 1987, concerning Notes on Water Intake Structures for Fish Protection. Mr. Mull recommended that the District proceed with a trash rack cleaning device on its existing screen to remove debris, then, if necessary, put a screen in the flume which would bypass fish using a modified version of what the District included in the FERC application. Mr. Mull stated the District has no evidence that a screen should be put in to begin with, and therefore, has no justification for putting a screen in.

It is the recommendation of the Hydro Committee that, at the appropriate time, the District ask the U.S. Fish & Wildlife Service representatives to appear before the MSD Board to explain their requirements for a fish bypass device, and what their requirements are based on.

Mr. Mull noted that the District is losing power generation because of the build-up of trash on the existing screens, and recommended that the Board authorize the District to readvertise (3rd time), for a rack cleaning device.

Mr. Boggs moved that the Board authorize the Engineer-Manager to proceed with readvertisement of bids for a trash rack cleaning device for the intake structure. Mr. Ivey seconded the motion, and roll call vote was unanimous in favor of the motion.

b. Sewer System Consolidation Committee - Mr. Aceto

Mr. Aceto reported that a meeting has been scheduled on Friday, July 24th, with Mr. Ratcliff and an unspecified number of members of the Buncombe County Board of Commissioners to discuss sewer system consolidation. The District will present its concerns about consolidation, and hopefully this will form the basis of a more detailed agreement to be drawn-up by the District's General Counsel, and presented for signature. A

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meeting has been scheduled for July 31st at 8:00 a.m. at Shoney's on Tunnel Road with Mayor Bisette and Mr. Harold Huff, and other City representatives. Chairman Smith stated these meetings are opened to anyone who would like to attend.

c. Sludge Committee - Mr. Boggs

Mr. Boggs reported the Sludge Committee met on Tuesday, July 21, 1987, at 12:00 Noon. The Sludge Committee recommends to the Board that the Engineer-Manager be authorized to proceed with engineering studies which are intended to provide a method of impoundment or other treatment for sludge during the interim period until a permanent system is constructed, and allow the Engineer-Manager to apply for construction permits.

Mr. Boggs moved that the Board accept this recommendation. Mr. Edwards seconded the motion. Mr. Mull stated the District is evaluating raising the dike around the lagoon to provide more storage capacity, and the District will obtain a construction permit from the State for this request. Roll call vote was unanimous in favor of the motion.

Mr. Boggs presented a recommendation from the Sludge Committee to the Board, requesting the Engineer-Manager, Chairman of the Board, and MSD General Counsel, to take all available actions to expedite the sludge handling alternatives with the State and EPA by meeting with the State and EPA representatives as soon as possible and requesting that a determination be made on MSD's petition, and to report these findings at the August Board meeting. Mr. Boggs moved that the Board accept this recommendation of the Sludge Committee and Mr. Dent seconded. General discussion followed. Voice vote was unanimous in favor of the motion.

8. Unfinished Business: None

9. New Business: None

10. Date of Next Regular Meeting: August 18, 1987

11. Adjournment:

There being no further business, Chairman Smith adjourned the meeting at 3:00 p.m.



 SECRETARY

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

OPERATION AND MAINTENANCE FUND--STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

PROPOSED AMENDED BUDGET FOR FY 86-87

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	AMENDED 1986-87 BUDGET	ACTUAL THROUGH 6/30/87	SURPLUS OR (DEFICIT)	AMENDED 1986-87 BUDGET	LINE INCREASE (DECREASE)
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200 SALARIES.....	152,500	146,855	5,645	152,500	
210 BILLING & COLLECTIONS.....	58,000	56,737	1,263	58,000	
220 TELEPHONE & TELEGRAPH.....	8,500	7,936	564	8,500	
230 TRAVEL & CONVENTION.....	4,000	4,293	-293	4,300 +	300
240 OFFICE SUPPLIES.....	6,500	5,968	532	6,500	
251 POWER & WATER.....	4,800	3,930	870	4,800	
260 DIRECTORS' EXPENSES.....	10,000	10,655	-655	10,700 +	700
270 INSURANCE.....	65,000	68,288	-3,288	68,300 +	3,300
280 DUES & SUBSCRIPTIONS.....	1,650	1,710	-60	1,750 +	100
290 ACCOUNTING @ 1% OF PAYROLL..	6,100	5,686	414	6,100	
300 CONSULTING ENGINEERS.....	14,000	12,547	1,453	14,000	
310 LEGAL FEES & EXPENSES.....	20,000	21,311	-1,311	21,400 +	1,400
320 TRUSTEE FEES.....	18,000		18,000	8,900 -	-9,100
330 AUDIT FEES.....	5,000	5,000		5,000	
340 POSTAGE & PETTY CASH.....	3,000	2,475	525	3,000	
350 OFFICE EQUIPMENT REPAIRS....	1,000	674	326	1,000	
360 FICA TAXES @ 6.70%.....	41,884	35,986	5,898	41,884	
370 NC RETIREMENT @ 8.38%.....	50,357	47,405	2,952	50,357	
380 VEHICLE EXPENSE.....	4,800	4,800		4,800	
390 CAPITAL OUTLAY (EQUIPMENT)..	5,000	6,695	-1,695	6,700 +	1,700
400 CONTINGENCY.....	9,155	10,690	-1,535	10,755 +	1,600

TOTAL ADMINISTRATIVE AND GENERAL.....	489,246	459,641	29,605	489,246	SUM:

7/14/87

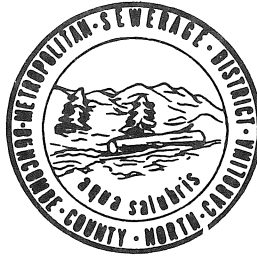
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DISBURSEMENTS CONTINUED		1986-87 BUDGET	ACTUAL THROUGH 2/28/87	SURPLUS OR (DEFICIT)	AMENDED 1986-87 BUDGET	LINE INCREASE (DECREASE)
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500	SALARIES & WAGES.....	454,000	416,924	37,076	454,000	
510	CHEMICALS.....	47,000	47,862	-862	47,900 +	900
520	TELEPHONE.....	8,000	7,639	361	8,000	
530	POWER & LIGHTS.....	320,000	300,840	19,160	320,000	
540	SMALL TOOLS & SUPPLIES.....	9,000	11,239	-2,239	11,300 +	2,300
550	WATER & GARBAGE.....	8,000	6,617	1,383	8,000	
560	VEHICLE EXPENSE.....	8,500	6,877	1,623	8,500	
571	LABORATORY SUPPLIES.....	7,200	6,483	717	7,200	
580	UNIFORM SERVICE.....	3,200	3,046	154	3,200	
591	SCHOOLS.....	2,200	2,006	194	2,200	
600	MAINTENANCE BLDG. & GROUNDS.	16,600	15,427	1,173	16,600	
610	MAINTENANCE PIPELINE.....	10,000	9,253	747	10,000	
620	MAINTENANCE EQUIPMENT.....	74,100	54,074	20,026	74,100	
630	CAPITAL OUTLAY--NEW.....	20,000	18,507	1,493	20,000	
640	EQUIPMENT REPLACEMENT.....	65,000	57,257	7,743	65,000	
650	CONTINGENCY.....	29,940		29,940	26,740 -	-3,200
TOTAL OPERATIONS EXPENDITURES.....		1,082,740	964,051	118,689	1,082,740	SUM:
TOTAL EXPENDITURES.....		1,571,986	1,423,692	148,294	1,571,986	SUM:

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 AMENDED 1986 - 87 BUDGET, adopted by the Metropolitan Sewerage District Board at its regular meeting held July 21, 1987.

WITNESS my hand and seal of said District this 21st day of July, 1987.


Secretary to the Board
Metropolitan Sewerage District
Board of Buncombe County, North
Carolina

(SEAL)

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
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Secretary to the Board
Metropolitan Sewerage District
of Buncombe County, North
Carolina

(SEAL)

RESOLUTION

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WHEREAS, increases necessary to meet the operation requirements of the Metropolitan Sewerage District of Buncombe County, North Carolina, consisting of line item(s)

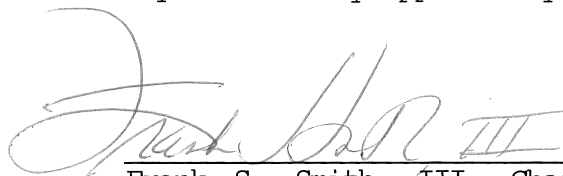
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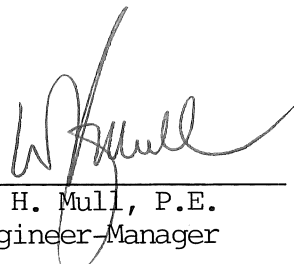
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Frank S. Smith, III, Chairman
Metropolitan Sewerage District
Board of Buncombe County, North
Carolina

ATTEST:



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

We have considered the proposed amendment to the 1986 - 87 BUDGET increasing the budget amount for line item(s)

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

In accordance with Section 505 of the Bond Resolution, we recommend and approve this proposed amendment to the annual budget for Fiscal Year 1986 - 87.

HENDON ENGINEERING ASSOCIATES, INC.

By: William F. Morley
Date: 7-22-87