

METROPOLITAN SEWERAGE DISTRICT BOARD

MAY 17, 1988

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 17, 1988. Chairman Smith called the meeting to order at 2:00 p.m.

Chairman Smith and the following members were present: Aceto, Batts, Boggs, Dent, Edwards, Ivey, Pope, Wadley and Williams. others present were: W.H. Mull, Engineer-Manager, John Stevens, General Counsel, William Clarke, Attorney, Dean Huber and Bill Morris, representatives of the Consulting Engineers, Clarke Morrison of the Asheville Citizen-Times, and Leah Karpen representing the League of Women Voters.

2. MINUTES OF APRIL 19, 1988:

Mr. Williams moved that the Board minutes of April 19, 1988 be approved as written. Mr. Edwards seconded the motion, and voice vote was unanimous in favor of the motion.

3. ADOPTION OF SEWER USE ORDINANCE:

Mr. William Clarke presented a formal report to the Board stating that on February 16, 1988, the Board of the MSD passed a Declaration of Intent to adopt a Sewer Use Ordinance, and on March 8, 1988, a copy of the proposed Ordinance was sent to the governing bodies of political subdivisions located within the MSD and other individuals possibly concerned with the amendments to the Ordinance. During the comment period, two comments were received, but no action was required. The District has complied with all North Carolina Statutory guidelines and requirements concerning the Ordinance.

Mr. Clarke presented a Resolution to the District Board for adoption of the Sewer Use Ordinance of the Metropolitan Sewerage District of Buncombe County, North Carolina. Mr. Ivey moved that the Board adopt the Resolution adopting the Sewer Use Ordinance and Mr. Aceto seconded. Roll call vote was unanimous in favor of the motion.

4. REPORT OF ENGINEER-MANAGER:

a. Status of Phase III Plant Expansion Contracts:

Mr. Mull reported that on Section 3 General Work, mobilization of contractor has been completed, and demolition of primary settling basin and detritors is 80% complete. Structure excavation on RBC #1 is 80% complete. Stone backfill under floor slabs RBC #1 is 50% complete, and work is beginning on the foundation of the structure.

Section 3A, Electrical, there has been no significant change in the status of electrical work since the April report.

Readvertisement was made on May 2, 1988, for Section 3B HVAC, and Section 3C Plumbing. All bids are due in June 7th.

b. Status of Modifications to Sludge Lagoon Dike:

Mr. Mull reported that all work on this project has been completed, and final inspection was performed on April 21, 1988. Most items have been resolved.

c. Status of Carrier Bridge Pumping Station Modifications:

Mr. Mull reported that there has been no change on this project since the April report.

d. Responses to Solicitation of Proposals from Local Auditors:

Mr. Mull reported that the District has received 5 Auditor Proposal for Services - 1) McGladrey Hendrickson & Pullen, 2) Cansler, Hemphill & Company, 3) Mohnkern, Bolick & Company, 4) Crisp, Hughes & Company, and 5) Johnson, Price & Sprinkle. These proposals for service will be reviewed by the Engineer-Manager and Budget Committee and a recommendation will be brought back to the Board.

e. Consideration of Request to Purchase New Copier for the Metropolitan Sewerage District:

Mr. Mull reviewed a Cost Comparison Chart of all copiers evaluated by the District as follows: 1) Advanced Business Equipment - Minolta EP-490Z Plain Paper Copier plus a one year Service Contract was \$13,106.00; 2) Pitney Bowes D640 Plain Paper Copier plus a one year Service Contract was \$12,372.00 - 3) Systems & Services - Ricoh FT5560 Plain Paper Copier plus a one year service contract was \$10,411.00; 4) Wrights Business Machines of Asheville - Sharp SF-9750 Plain Paper Copier plus a 15-month service contract was \$10,363.00, and 5) Xerox 5046 Plain Paper Copier plus a one year service contract was tentatively priced at \$10,026.00. After reviewing and discussing the cost comparison of copiers evaluated, Mr. Ivey moved that the Board authorize the Engineer-Manager to purchase the Sharp SF-9750 Plain Paper Copier from Wrights Business Machines of Asheville at a price of \$10,363.00 which includes a 15-month service contract. Mr. Batts seconded the motion and roll call vote carried unanimously in favor of the motion.

f. Report on Preliminary Discussions to Improve Septage Handling Situation:

Mr. Mull reported he met with Walter Currie, Attorney, Bill Morris of Hendon Engineering Associates and some of the MSD staff to discuss two problems the District has on the system - One is grease in the system, and the second is septage in general. The suggestion was made that since most of the septage comes from outside MSD boundaries, the District work with the County to install a septage dump station where the garbage transfer station is now, and have two or three tanks set-up for the Septic Tank Haulers to dump into, and transfer the monitoring control of this to the County. Mr. Mull reviewed several options other cities are using in this situation.

The District would also have an opportunity to put in some Live Liquid Micro Organisms which would destroy the grease in the septage. The cost would be passed on to Septic Tank Haulers. Mr. Mull stated this is being looked into by Walter Currie, and noted a brief conversation with Jon Creighton of the County indicated the County is receptive to this idea. Additional meetings will be held to discuss this situation.

g. Consideration of Request to Conduct 90-day Trial of Live Liquid Micro Organisms (LLMO) for Grease Control:

Mr. Mull reported that bacterial enzyme treatment of the grease contained in MSD's sewage sounds like an option of grease reduction worthy of a trial application. The process investigated involves injecting the concentrated bacteria liquid and activator in two manholes located 6 to 8 hours upstream of the treatment plant, and will require 30 gallons of bacteria and 2 gallons of activator per day at a cost of \$11.50 per gallon. The total cost of the 90-day trial period would be approximately \$33,120.00. Mr. Mull stated that the District will be working with the Health Department Building Inspectors and the Land-of-the-Sky Regional Council to try to resolve it. After lengthy discussion, Mr. Aceto moved that action be tabled on this matter until the June Board Meeting. Mr. Boggs seconded, and voice vote was unanimous in favor of the motion.

5. Report of Officers:

None.

6. Report of Committees:

a. Budget Committee - Mr. Batts

(1) Adoption of Amended Budget for FY 1987-'88:

Mr. Batts presented the Amended Budget for FY 1987-'88 and reviewed the details with the Board. Mr. Batts brought a recommendation to the Board from the Budget Committee that the Board adopt the Resolution amending the Budget for FY 1987-'88. Mr. Dent moved that the Board accept the recommendation of the Budget Committee. Mr. Batts seconded the motion and roll call vote was unanimous in favor of the motion.

(2) Adoption of Preliminary Operation and Maintenance budget for FY 1988-'89:

Mr. Batts reported that the Budget Committee has reviewed and recommends adoption of the recommendation of MSD's Auditors (McGladrey Hendrickson & Pullen) that the Budget be presented with only a bottom line number instead of line item numbers in order to facilitate maintenance of balanced line items during the Fiscal Year that do not affect the total budget.

Mr. Batts brought a recommendation to the Board from the Budget Committee that the Board adopt the Resolution adopting the Preliminary Operation and Maintenance Budget for FY 1988-'89 as proposed. Mr. Williams moved that the Board accept the recommendation of the Budget Committee. Mr. Boggs seconded, and roll call vote was unanimous in favor of the motion.

(3) Schedule Public Hearing on Preliminary Operation and Maintenance Budget for FY 1988-'89:

Mr. Batts presented a recommendation to the Board from the Budget Committee, that the Board adopt the Resolution scheduling a Public Hearing on said Preliminary Operation and Maintenance Budget for FY 1988-'89, on June 21, 1988, at 2:00 p.m. Mr. Boggs moved that the Board accept the recommendation of the Budget Committee. Mrs. Pope seconded the motion and voice vote was unanimous in favor of the motion.

b. Sewer System Consolidation Committee - Mr. Aceto

Mr. Aceto reported that a meeting was held Tuesday, May 11, 1988, called by the Land-of-Sky Regional Council, of all collection system owners to review their current status and direction on consolidation of the sewer systems, and to explore future options. All collection system owners confessed to being in favor of Sewer System Consolidation. Mr. Aceto stated the conclusion of the meeting was that during the next 90 days, the MSD would, in consultation with any interested municipality specifically through their town manager or water manager, proceed to come up with a proposal or proposals in outline form, which would be brought to all the municipalities within the succeeding 90 day period. The managers all agreed that they would present proposals to their Boards, to initiate action on consolidation.

7. Unfinished Business:

a. Letter Dated May 10, 1988, to Regional Director, U.S. Fish and Wildlife Service, Atlanta, Georgia:

Mr. Mull reviewed the above letter with the Board, which appeals the decision of the U.S. Fish & Wildlife office in Raleigh. The District is awaiting a reply to this letter. General discussion followed.

8. New Business:

None.

9. Date of Next Regular Meeting: June 21, 1988

10. Adjournment:

There being no further business, the meeting was adjourned at 3:50 p.m.



SECRETARY/TREASURER

METROPOLITAN SEWERAGE DISTRICT
OF
BUNCOMBE COUNTY, NORTH CAROLINA

RESOLUTION

The Metropolitan Sewerage District of Buncombe County, North Carolina, having declared its Intent to Adopt an Ordinance to regulate and control the sewerage system operated by the Metropolitan Sewerage District of Buncombe County on February 16, 1988, and having given notice to the governing bodies within the District as required by North Carolina General Statute 162A-81(13a), and the 60 day period for comment having elapsed and the comments of governing bodies within the District having been considered,

IT IS HEREBY RESOLVED, that the District Board of the Metropolitan Sewerage District of Buncombe County, does hereby adopt an Ordinance to regulate and control the sewerage system operated by the Metropolitan Sewerage District of Buncombe County, North Carolina, to become effective this the 17th day of May, 1988. This Ordinance is adopted pursuant to the provisions of the North Carolina General Statutes, Chapter 162A-81(13a).

ADOPTED this 17th day of May, 1988.



Chairman, Metropolitan Sewerage District Board of
Buncombe County, North Carolina

ATTEST:


Secretary

RESOLUTION

The District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina does hereby adopt the following Declaration of Intent;

"RESOLVED, the District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina, does hereby declare its intent to adopt an Ordinance to regulate and control the Sewerage System operated by the Metropolitan Sewerage District. This Declaration of Intent is made pursuant to North Carolina General Statutes, 162A-81(13a). A copy of the Ordinance which the District Board intends to adopt is attached to this Declaration of Intent."

Adopted this 16 day of February, 1988.



~~Vice~~ Chairman, Metropolitan Sewerage District Board
of Buncombe County, North Carolina



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

REPORT TO THE DISTRICT BOARD OF THE METROPOLITAN
SEWERAGE DISTRICT OF BUNCOMBE COUNTY

On February 16, 1988, the District Board of the Metropolitan Sewerage District, Buncombe County, N. C. (hereinafter District Board) passed a Declaration of Intent to adopt a SEWER USE ORDINANCE OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA (hereinafter Ordinance). A copy of the Declaration of Intent is attached and incorporated herein by reference.

On March 8, 1988, a copy of the proposed Ordinance was sent to the following governing bodies of political subdivisions located within the Metropolitan Sewerage District and other individuals possibly concerned with the amendments to the Ordinance.

1. Buncombe County Board of Commissioners
Mr. R. Curtis Ratcliff, Chairman
Ms. Doris P. Giezentanner
Dr. Wayne Montgomery
Mr. Tom Sobol
Mr. Jesse I. Ledbetter
P. O. Box 7435
Asheville, N. C. 28802
2. Board of Commissioners
Town of Weaverville
Mr. Reese Lasher, Mayor
Mr. Bernard Koesters
Mr. Harold Payne
Mr. David Langford
Mr. David Bell
Ms. Kathleen Young
P. O. Box 338
Weaverville, N. C. 28787
3. Board of Directors of
Woodfin Sanitary Water & Sewer District
Mr. Hugh H. Roberson, Chairman
Mr. Ray Langford
Mr. James Angel
P. O. Box 8452
Asheville, N. C. 28814
4. Board of Aldermen
Town of Woodfin
Mr. Kermit Penley, Mayor
Mr. Dewer Beauchamp
Mr. Ray Cole
Mr. John Maney
Mr. A. V. Roberts
Mr. Willis Banks
90 Elk Mountain Road
Asheville, N. C. 28804

5. Board of Aldermen
Town of Black Mountain
Mr. Michael Begley, Mayor
Mr. Bill White
Mr. Tom Marett
Mr. Tom Blizzard
Mr. Richard Hudson
Ms. Martha Gallion
225 W. State Street
Black Mountain, N. C. 28711
6. Board of Commissioners
Town of Biltmore Forest
Mr. Canie B. Smith, Mayor
Mr. E. Glenn Kelly
Ms. Robbie Hambright
Mr. Robert B. Armstrong
P. O. Box 5352
Biltmore Station
Asheville, N. C. 28813
7. City Council of the City of Asheville
Mr. Louis Bisette, Mayor
Ms. Wilhelmina Bratton
Mr. Russ Martin
Mr. Walter Boland
Ms. Mary Lloyd Frank
Mr. Ken Michalove
Ms. Norma Price
P. O. Box 7148
Asheville, N. C. 28802
8. Avery Creek Sanitary District
Mr. Ralph G. Hill, Chairman
Mr. Gene Dumas
Mr. William Anderson
Mr. Nathan Arthur
Ms. Millicent Arthur
1921 Brevard Road
Arden, N. C. 28704
9. Board of Commissioners
Town of Montreat
Mr. Andy Andrews, Mayor
Ms. Edith Barden
Mr. Thomas Nalley
P. O. Box 423
Montreat, N. C. 28757
10. Mr. Jon Creighton, County Planner
County of Buncombe
25 Valley Street
Asheville, N. C. 28801

11. Mr. Doug Bean, City Manager
City of Asheville
P. O. Box 7148
Asheville, N. C. 28802
12. Mr. Al Richardson, Town Manager
Town of Black Mountain
225 West State Street
Black Mountain, N. C. 28711
13. Mr. Bob Musselwhite, Manager
Town of Biltmore Forest
P. O. Box 5352
Biltmore Station
Asheville, N. C. 28813
14. Mr. Charles Horn, Town Manager
Town of Weaverville
P. O. Box 338
Weaverville, N. C. 28787
15. Mr. Charles Anderson, Superintendent
Woodfin Sanitary Water & Sewer District
P. O. Box 8452
Asheville, N. C. 28814
16. Mr. Douglas S. Finan
Pretreatment Program Coordinator
Division of Environmental Management
Department of Natural Resources & Community Development
P. O. Box 27687
Raleigh, N. C. 27611
17. Mr. O. R. "Pete" Post, III, Town Supervisor
Town of Montreat
P. O. Box 423
Montreat, N. C. 28757
18. Trustees of Cane Creek Water and Sewer District
Mr. William T. Drake, Chairman
Board of Trustees
Mr. Troy Maybin, Vice-Chairman
Mr. F. Richard Baker
Mr. William C. Parker, Jr.
Mr. Huge D. Randall
244 Second Avenue East
Hendersonville, N. C. 28739

Copies of the letters sent to the various governing boards within the District and other individuals are attached to this report and incorporated herein by reference.

During the period between passage of the Declaration of Intent to adopt the Ordinance and today's date, only two comments were received regarding the proposed

amended Ordinance. A comment was received from Mr. Swain Ballard of the Town of Biltmore Forest Public Works Department. Mr. Ballard's comment was that Section 5.01.02 was "confusing". Mr. Ballard suggested that the language "and leading directly to the MSD wastewater treatment plant" should be added. It was determined that the language of 5.01.02 which was approved on February 16, 1988 best conveys the meaning desired by EPA. No change is recommended. A letter was received from Mr. Harold Huff, the Director of the City of Asheville Water, Sewer and Engineering Department. The letter indicated the City of Asheville had no opposition to the proposed changes.

No other comments were received.

According to the statute authorizing the adoption of the Ordinance (North Carolina General Statutes Chapter 162A-81(13a), the District Board, after declaring its intent to adopt an Ordinance is to submit the Ordinance to each governing body for review and comment. The District is to consider the comments and suggestions with respect to the proposed Ordinance and may modify the proposed Ordinance to reflect comments and suggestions offered by any governing body. At any time following sixty (60) days after the submission of the Ordinance to the governing bodies, the District is authorized to adopt the Ordinance.

After reviewing the proposed Ordinance and the comments received and incorporating those comments where appropriate, the attached draft of the Ordinance is submitted to the District Board for adoption.

Respectfully submitted this 17th day of May, 1988.

ROBERTS STEVENS & COGBURN, P. A.

By: William Clarke
William Clarke

SECTION 21 ADOPTION AND EFFECTIVE DATE

Section 21.01 Declaration of Intent to Adopt

Declaration of Intent to Adopt this Sewer Use Ordinance was introduced to the District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina and passed on: 2/16/88.

Frank Smith
Chairman: District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina

Attest: W. Mull
Engineer-Manager

Section 21.02 Consideration of Comments and Suggestions

Comments and suggestions from governing bodies within the District with respect to this Ordinance considered by the District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina on: _____.

Section 21.03 Adoption and Effective Date

21.03.01 Sewer Use Ordinance adopted: _____.

21.03.02 Effective Date: _____.

Chairman: District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina

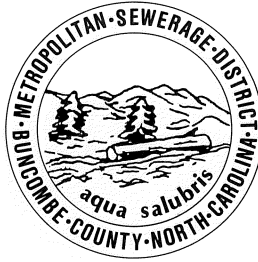
Attest: _____
Engineer-Manager

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

Telecopier (704) 254-3299

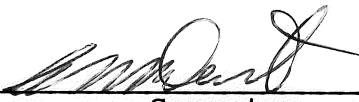
John S. Stevens, General Counsel



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 Resolution amending the Fiscal 1987 - 88 Budget adopted by the Metropolitan Sewerage District Board at its regular meeting held on May 17, 1988.

WITNESS my hand and seal of said District this 17th day of May, 1988.



Secretary
Metropolitan Sewerage District Board
of Buncombe County, North Carolina

(SEAL)



RESOLUTION

WHEREAS, the Metropolitan Sewerage District Board adopted a Budget Resolution at its regular meeting held on March 15th, 1988, for Fiscal Year 1987-88; and

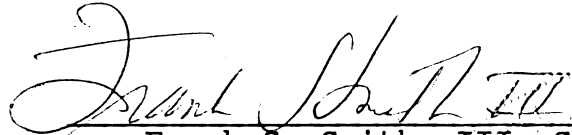
WHEREAS, increases are necessary to meet the operation requirements of the Metropolitan Sewerage District of Buncombe County, North Carolina, consisting of line item(s):

Line Item 270 "Insurance"	from \$ <u>84,500</u>	to \$ <u>88,000</u>
Line Item 510 "Chemicals"	from \$ <u>80,000</u>	to \$ <u>87,000</u>
Line Item 530 "Power & Lights"	from \$ <u>220,000</u>	to \$ <u>236,000</u>
Line Item 540 "Small Tools & Supplies"	from \$ <u>13,000</u>	to \$ <u>15,000</u>

thereby decreasing line item(s):

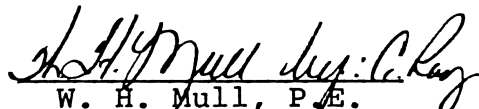
Line Item 370 "NC Retirement @ 8.59%"	from \$ <u>59,847</u>	to \$ <u>56,347</u>
Line Item 500 "Salaries & Wages"	from \$ <u>521,767</u>	to \$ <u>496,767</u>

NOW, THEREFORE, BE IT RESOLVED by the Metropolitan Sewerage District Board of Buncombe County, North Carolina, that the Budget Resolution which it adopted on March 15th, 1988, for Fiscal Year 1987 - 88, be and is hereby amended pursuant to the foregoing schedule Duly approved and adopted by roll call vote this the 17th day of May, 1988.

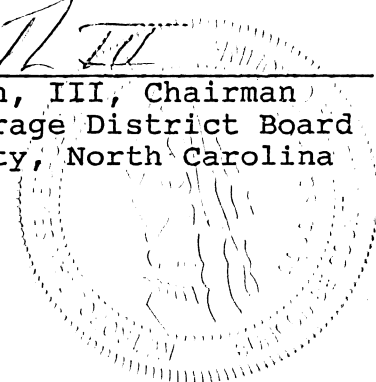


Frank S. Smith, III, Chairman
Metropolitan Sewerage District Board
of Buncombe County, North Carolina

ATTEST:



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

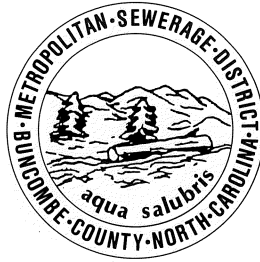


MSD Metropolitan Sewerage District of Buncombe County, North Carolina

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John S. Stevens, General Counsel



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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 1987 - 88 BUDGET, adopted by the Metropolitan Sewerage District Board at its regular meeting held on May 17, 1988.

WITNESS my hand and seal of said District this 17th day of May, 1988.

Secretary

Metropolitan Sewerage District Board
of Buncombe County, North Carolina

(SEAL)



METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLIN
 OPERATION AND MAINTENANCE FUND--STATEMENT OF CASH RECEIPTS AND I
 AMENDED BUDGET (5/17/88)
 =====

		AMENDED 1987-88 BUDGET -----
200	SALARIES.....	189,000
210	BILLING & COLLECTIONS.....	68,000
220	TELEPHONE & TELEGRAPH.....	8,500
230	TRAVEL & CONVENTION.....	4,000
240	OFFICE SUPPLIES.....	7,000
251	POWER & WATER.....	4,800
260	DIRECTORS' EXPENSES.....	10,000
270	INSURANCE.....	88,000
280	DUES & SUBSCRIPTIONS.....	1,650
290	ACCOUNTING @ 1% OF PAYROLL..	7,108
300	CONSULTING ENGINEERS.....	14,000
310	LEGAL FEES & EXPENSES.....	30,000
320	TRUSTEE FEES.....	18,000
330	AUDIT FEES.....	11,000
340	POSTAGE & PETTY CASH.....	3,000
350	OFFICE EQUIPMENT REPAIRS....	1,000
360	FICA TAXES @ 7.15%.....	50,464
370	NC RETIREMENT @ 8.42%.....	56,347
380	VEHICLE EXPENSE.....	6,100
390	CAPITAL OUTLAY (EQUIPMENT)..	5,000
400	CONTINGENCY.....	17,506
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	TOTAL ADMINISTRATIVE AND GENERAL.....	600,475

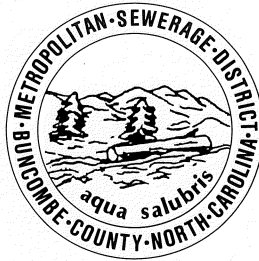
MSD

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RESOLUTION OF THE METROPOLITAN SEWERAGE DISTRICT BOARD OF BUNCOMBE COUNTY, NORTH CAROLINA

BE IT RESOLVED that the Metropolitan Sewerage District Board of Buncombe County, North Carolina, hereby acknowledges receipt on May 13, 1988, to its Members from the Engineer-Manager and Budget Office of the attached Preliminary Operation and Maintenance Budget for the Fiscal Year 1988-89, totaling 1,834,112 dollars of which the estimated monthly Budget is equal to one-twelfth (1/12) of the total Budget and hereby sets the date for a public hearing on said Budget to be held at 2:00 p.m., June 21, 1988, in the Boardroom of the MSD Administration Building located at N.C. Highway 251 North at Woodfin, North Carolina. This Preliminary Operation and Maintenance Budget shall remain available for public inspection in the office of the District until such time as the Budget is adopted by the Board.

This 17th day of May, 1988.

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

ATTEST:

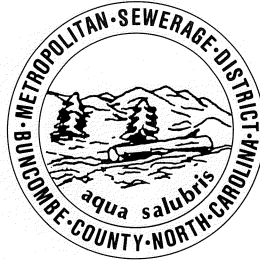
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NOTICE OF PUBLIC HEARING

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

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, June 21, 1988, on the Budget of the District for the Fiscal Year beginning July 1, 1988, and ending June 30, 1989. The Budget has been submitted to the Governing Board and is available for public inspection in the office of the Clerk of the Board.

THIS 17th day of May, 1988.

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

Approved as to form:

John S. Stevens, Attorney
May 17, 1988

MSD Metropolitan Sewerage District of Buncombe County, North Carolina

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P.O. Box 8969, Asheville, N.C. 28814
Telephone: Area Code 704-254-9646

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John S. Stevens, General Counsel



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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 PRELIMINARY OPERATION & MAINTENANCE BUDGET for FY 1988 - 89, adopted by the Metropolitan Sewerage District Board at its regular meeting held May 17, 1988.

WITNESS my hand and seal of said District this 17th day of May, 1988.

Secretary
Metropolitan Sewerage District Board
of Buncombe County, North Carolina



We have considered the proposed amendment to the 1987 - 88 BUDGET increasing the budget amount for line item(s):

Line Item 270 "Insurance"	from \$	<u>84,500</u>	to \$	<u>88,000</u>
Line Item 510 "Chemicals"	from \$	<u>80,000</u>	to \$	<u>87,000</u>
Line Item 530 "Power & Lights"	from \$	<u>220,000</u>	to \$	<u>236,000</u>
Line Item 540 "Small Tools & Supplies"	from \$	<u>13,000</u>	to \$	<u>15,000</u>

thereby decreasing line item(s):

Line Item 370 "NC Retirement @ 8.59%"	from \$	<u>59,847</u>	to \$	<u>56,347</u>
Line Item 500 "Salaries & Wages"	from \$	<u>521,767</u>	to \$	<u>496,767</u>

find the proposed increases/decreases 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 1987 - 88.

HENDON ENGINEERING ASSOCIATES, INC.

By: H. Dean Huber

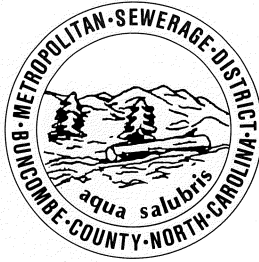
Date: 5-17-88

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

Telecopier (704) 254-3299


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

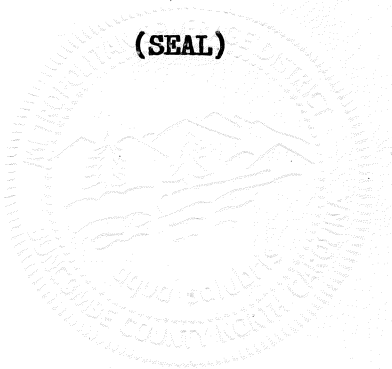
I, Charles M. Dent, Secretary to the District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina, do hereby certify that the attached is a true and correct copy of the Resolution acknowledging receipt to its members of the Preliminary Operations and Maintenance Budget for the Fiscal Year 1988 - 89, and hereby setting the date for a public hearing on said Budget.

This 17th day of May, 1988.



Secretary
Metropolitan Sewerage District Board
of Buncombe County, North Carolina

(SEAL)



METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

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

PRELIMINARY OPERATION AND MAINTENANCE BUDGET
=====

	1988-89 BUDGET	CURRENT JULY	PERIOD ENDING 7/31/88
	-----	-----	-----
200 SALARIES.....			
210 BILLING & COLLECTIONS.....			
220 TELEPHONE & TELEGRAPH.....			
230 TRAVEL & CONVENTION.....			
240 OFFICE SUPPLIES.....			
251 POWER & WATER.....			
260 DIRECTORS' EXPENSES.....			
270 INSURANCE.....			
280 DUES & SUBSCRIPTIONS.....			
290 ACCOUNTING @ 1% OF PAYROLL..			
300 CONSULTING ENGINEERS.....			
310 LEGAL FEES & EXPENSES.....			
320 TRUSTEE FEES.....			
330 AUDIT FEES.....			
340 POSTAGE & PETTY CASH.....			
350 OFFICE EQUIPMENT REPAIRS....			
360 FICA TAXES @ 7.15%.....			
370 NC RETIREMENT @ 8.42%.....			
380 VEHICLE EXPENSE.....			
390 CAPITAL OUTLAY (EQUIPMENT)..			
400 CONTINGENCY.....			
-----	-----	-----	-----
TOTAL ADMINISTRATIVE AND GENERAL.....	640,953		

DISBURSEMENTS CONTINUED		1988-89 BUDGET	CURRENT JULY	PERIOD ENDING 7/31/88
		-----	-----	-----
500	SALARIES & WAGES.....			
510	CHEMICALS.....			
520	TELEPHONE.....			
530	POWER & LIGHTS.....			
540	SMALL TOOLS & SUPPLIES.....			
550	WATER & GARBAGE.....			
560	VEHICLE EXPENSE.....			
571	LABORATORY SUPPLIES.....			
580	UNIFORM SERVICE.....			
591	SCHOOLS.....			
600	MAINTENANCE BLDG. & GROUNDS.			
610	MAINTENANCE PIPELINE.....			
620	MAINTENANCE EQUIPMENT.....			
630	CAPITAL OUTLAY--NEW.....			
640	EQUIPMENT REPLACEMENT.....			
650	CONTINGENCY.....			
TOTAL OPERATIONS EXPENDITURES.....		1,193,159		
TOTAL EXPENDITURES.....		1,834,112		
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 \$1,834,112.