

AUGUST 16, 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, August 16, 1988. Chairman Smith called the meeting to order at 2:05 p.m.

Chairman Smith and the following members were present: Aceto, Batts, Boggs, Dent, Edwards, Pope, Waddey and Williams. Others present were: W.H. Mull, Engineer-Manager, Dean Huber and Bill Morris, representatives of the Consulting Engineers, and John S. Stevens, General Counsel for the District.

2. Minutes of July 19, 1988:

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

3. REPORT OF ENGINEER-MANAGER:**a. Status of Phase III Plant Expansion Contracts:**Section 3 - General Work

Mr. Mull reported that Republic Contracting Corporation has requested payment of \$1,394,524 including stored materials for 12.5% of the contract and 21% of the contract time has lapsed.

Section 3A - Electrical

King Electric has requested payment of \$250,354 including stored materials for 23.1% of the contract and 21% of the contract time has lapsed.

Section 3B - HVAC

The District has awarded the contract to Martin Heating and Air Conditioning, Inc., pending approval of NCDNR&CD, Division of Environmental Management, and the EPA.

Section 3C - Plumbing

Bids were received on the project June 7, 1988. One bid was received from Price Piping Company, Inc. in the amount of \$198,440.00. Bid negotiations were held on July 20th and a reduced bid amount of \$196,940.00 was negotiated. Award of contract to Price Piping is pending the approval of NCDNR&CD, Division of Environmental Management, and EPA.

b. Status of Contract for Interim Floating Aeration Equipment to Boost Activated Sludge System:

This equipment will be in operation by August 17, 1988. The contractor has not requested payment on the contract to date.

c. Report of Violation of Sewer Use Ordinance - Able Septic Tank Cleaning Service:

Mr. Mull reviewed a Report to the Board of the MSD, "Illegal Discharge by Able Septic Tank" (attached hereto and made a part of these minutes). Able Septic Tank Cleaning Service illegally discharged No. 6 diesel fuel oil into the MSD Sewerage system on Friday, July 22, 1988, and violated the District's Sewer Use Ordinance. General discussion followed. The Engineer-Manager advised the Board that he intended to revoke Able Septic Tank's permit, suspend the revocation and place Able on probation for a period of time. If other violations occur during this period of time, then the revocation would be effective. This action is authorized in Section 15.02.05 of the Sewer Use Ordinance. Mr. Mull stated a letter will be sent to Able Septic Tank Cleaning Service outlining the above.

d. Request for Easement - City of Asheville - Thompson Street:

Mr. Mull reported that the City of Asheville has requested an Easement on MSD property at the Thompson Street Bridge in the amount of \$1,200.00. The District is also seeking from the Housing Authority, a right-of-way on Depot Street to locate a telemetry monitoring site. A meeting was held last week with the City of Asheville and the Housing Authority. It was agreed at this meeting that the City of Asheville and the Housing Authority recommend to their respective Board that these rights-of-way be swapped. Mr. Mull requested that the Board authorize the District to enter into this easement agreement at the Thompson Street Bridge with the City of Asheville. Mr. Dent moved that the Engineer-Manager proceed with the easement with the City of Asheville. Mrs. Pope seconded the motion, and voice vote was unanimous in favor of the motion.

e. Telemetry Flow Monitoring Proposed Land Purchase:

Mr. Mull reported that at the Board meeting of February 16, 1988, the Board authorized the purchase of a tract of land, approximately .4 acre, located in the bend of Pearson Bridge Road, at a cost not to exceed \$2,500.00 from Mr. Jack Jenkins, to put in a telemetry monitoring site, a bar screen and a siphon grinder. Since that time, Mr. Jenkins is now saying he will sell us this whole parcel at a price of \$10,000. (just over 2 acres). Mr. Mull recommended to the Board that the District be authorized to purchase this piece of property not to exceed \$10,000. Mr. Williams moved that the District purchase the property, located in the bend of Pearson Bridge Road, at a price not to exceed \$10,000. Mr. Wadley seconded the motion. Roll call vote was unanimous in favor of the motion.

f. Status of Proposed Sludge Disposal Facilities (Phase IV, Plant Expansion):

Mr. Mull reported that nothing has been received from the Environmental Protection Agency concerning the proposed sludge disposal facilities.

4. Report of Officers:

None

5. Report of Committees:

a. Sewer System Consolidation Committee - Mr. Aceto

Mr. Aceto reported that the Sewer System Consolidation Committee met August 3, 1988, to present and discuss the significant issues affecting consolidation with representatives of the City of Asheville. Mr. Aceto's report is attached hereto and made a part of these minutes. Mr. Aceto also stated that the Sewer System Consolidation Committee will be meeting again to discuss consolidation further. After lengthy discussion, no action was taken by the Board.

6. Unfinished Business:

(1) Status of U.S. Fish and Wildlife and N.C. Wildlife Resources Commission Matters:

Mr. Mull reported that a letter was received from the U.S. Department of the Interior Fish and Wildlife Service dated July 19, 1988. Mr. Jack Stevens, General Counsel, Mr. Jim Brewer and Mr. Dick Woodruff, representatives of the Consulting Engineers, Mr. Dilip Mathur of RMC Muddy Run and myself will be meeting with Mr. Martin Gaynes, MSD Exemption Attorney, in Washington, D.C. on August 25, 1988, to discuss what the next step should be for the District to take.

7. New Business:

None

- 8. Date of Next Regular Meeting - September 20, 1988
- 9. Adjournment:

There being no further business, the Board meeting was adjourned at 3:30 p.m.



Secretary

REPORT TO THE BOARD
OF THE
METROPOLITAN SEWERAGE DISTRICT

Illegal Discharge by Able Septic Tank

On Friday, July 22, 1988, Able Septic Tank discharged No. 6 diesel oil into the MSD sewer line at an unauthorized discharge point. Previously, septage haulers were given a specific manhole for discharge of their waste. Able was aware that all septage was to be discharged at that point and not at any other point on the line.

MSD monitoring crews confronted the driver of the Able Septic Tank truck. He admitted having been hired to transfer No. 6 diesel fuel from one storage tank to another at Balcrank, Inc. in Weaverville. Apparently, the driver for Able decided to stop pumping the oil because he was afraid it would ruin his pump. He then went and picked up a couple of loads of septage and discharged that (mixed with the heavy fuel oil) into the MSD pipe in order to clean out his truck. Evidence of heavy fuel oil was found on the driver's hose on the truck and around the manhole where he had dumped a couple of loads.

The Engineer-Manager advised Able to provide personnel to assist in cleaning heavy fuel oil off the screens at the plant and from the grease troughs. Able did assist in the clean-up along with MSD personnel.

The Engineer-Manager informed the owner of Able Septic Tank, Mr. John Frye, by telephone of the violation on Friday, July 22. The Engineer-Manager confirmed this notice of violation in writing by letter dated August 1, 1988. A copy of the violation letter is attached to this report.

It is evident from the violation letter that Able Septic Tank violated numerous provisions of the MSD Sewer Use Ordinance. Able was also in violation of its permits to discharge septage. The specific violations are detailed in the violation letter.

The violation letter, in Paragraph 11, requires Able Septic Tank to provide MSD

with a report of corrective actions taken and documentation of plans, actions and commitment demonstrating that this or similar violations will not occur again.

On August 9, 1988, Able Septic Tank responded through its attorney, Edward B. Krause, P.A. A copy of Mr. Krause's letter is attached. In the letter, Mr. Krause acknowledges that he was in violation of his permit as set forth in Mr. Mull's letter. Mr. Krause basically promises on behalf of Able Septic Tank Company that this will not happen again.

It is the recommendation of the Engineer-Manager that the MSD revoke Able Septic Tank's permit and that the revocation be suspended and Able be placed on probation for a period of time. If other violations occur during this period of time, then the revocation would be effective. This action is authorized in Section 15.02.05 of the Sewer Use Ordinance.

In addition to this action, the District Board may take enforcement action pursuant to the Sewer Use Ordinance. In order to do so, the District Board must give notice to Able showing the date, hour, and place for hearing on the alleged violation and the proposed enforcement action. The Board can subject Able to civil penalties of \$1,000 for each violation. In addition, the Board can require Able to pay any costs or expenses incurred by MSD, including those for damage to the sewer system and extraordinary treatment measures. Finally, the Board can recover reasonable attorneys fees and expenses involved in enforcing violation. This action is authorized by Sections 15.03 and 15.09 of the Ordinance.

In this matter, Able has acknowledged two violations. Should the Board wish to pursue action in addition to that recommended by the Engineer-Manager, it could impose a penalty of at least \$2,000 on Able. There were some costs involved in cleaning up the matter, although these do not appear to have been extraordinary costs. There were also some legal fees involved in assisting the MSD in preparing a notice of violation. The Board could attempt to recover these in an enforcement action.

The Board should have no trouble proving the violations in this matter because Mr. Krause, the attorney for Able Septic Tank Company, has admitted the violations. The Board is clearly authorized to impose penalties. The only issue at the hearing would appear to be why the penalties should not be imposed.

At a hearing, Able Septic Tank would probably argue that it has done everything necessary to clean up the damage and assure the Board that such an incident would never happen again. Mr. Frye's arguments that one of the Able employees took this action without Mr. Frye's knowledge is not a defense since Able is responsible for the actions of its employees.

Respectfully submitted this 4th day of August, 1988.

ROBERTS STEVENS & COGBURN, P.A.
POST OFFICE BOX 7647
ASHEVILLE, NORTH CAROLINA 28802
(704) 252-6600

BY William Clarke
WILLIAM CLARKE

RECEIVED

AUG 12 1988

Metropolitan Sewerage District
of Buncombe County

RECEIVED

AUG 17 1988

REPORT OF SEWER SYSTEM CONSOLIDATION COMMITTEE
TO MSD BOARD MEETING AUGUST 16, 1988

Metropolitan Sewerage District
of Forsyth County

The Sewer System Consolidation Committee met August 3, 1988, to present and discuss the significant issues affecting consolidation with representatives of the City of Asheville.

Present were Doug Bean, City Manager; Louis Bisette, Mayor; Jim Stokoe, Land of Sky Regional Council; MSD Board Members, Aceto, Ivey, Dent, Morris, Boggs, Dyson, and Chairman Smith; Board Counsel John S. Stevens, and Bill Morris for Hendon Engineering.

Jim Stokoe presented a memorandum for discussion outlining pertinent facts and summarizing four consolidation options. A copy of Stokoe's 8-page memorandum is attached.

Bill Morris explained in some detail the technical considerations relative to the impracticality of metering, the necessity to proceed with collector system rehabilitation on a coordinated system-wide basis rather than leaving to each jurisdiction the separate task of rehabilitating its own system, and presented for the benefit of the City representatives a sewerage system map from the SSES, showing the ownership and general location of interceptor sewers. A copy of the map is attached.

The City expressed its basic concern that the "total consolidation" option recently presented in draft documents to the City was unacceptable because it failed to place on MSD the responsibility for extensions in accordance with the City's plan of annexation, and because it would result in duplication of services presently performed by City Water and Sewer Maintenance crews and by the City Engineering Department. Bean and Bisette suggested the document would be far more palatable to the City if MSD assumed all responsibility for sewer system line extension and if MSD agreed to contract all maintenance and services to the City, in order that the City could continue to maintain its present staff in that capacity.

Chairman Smith proposed a possible compromise arrangement whereby the City could perform maintenance functions and MSD would collect directly from sewer users a fee to be credited to the jurisdiction in which the user is located and used solely for sewer line extensions and capacity upgrades as directed by the jurisdiction on whose behalf the collections were made.

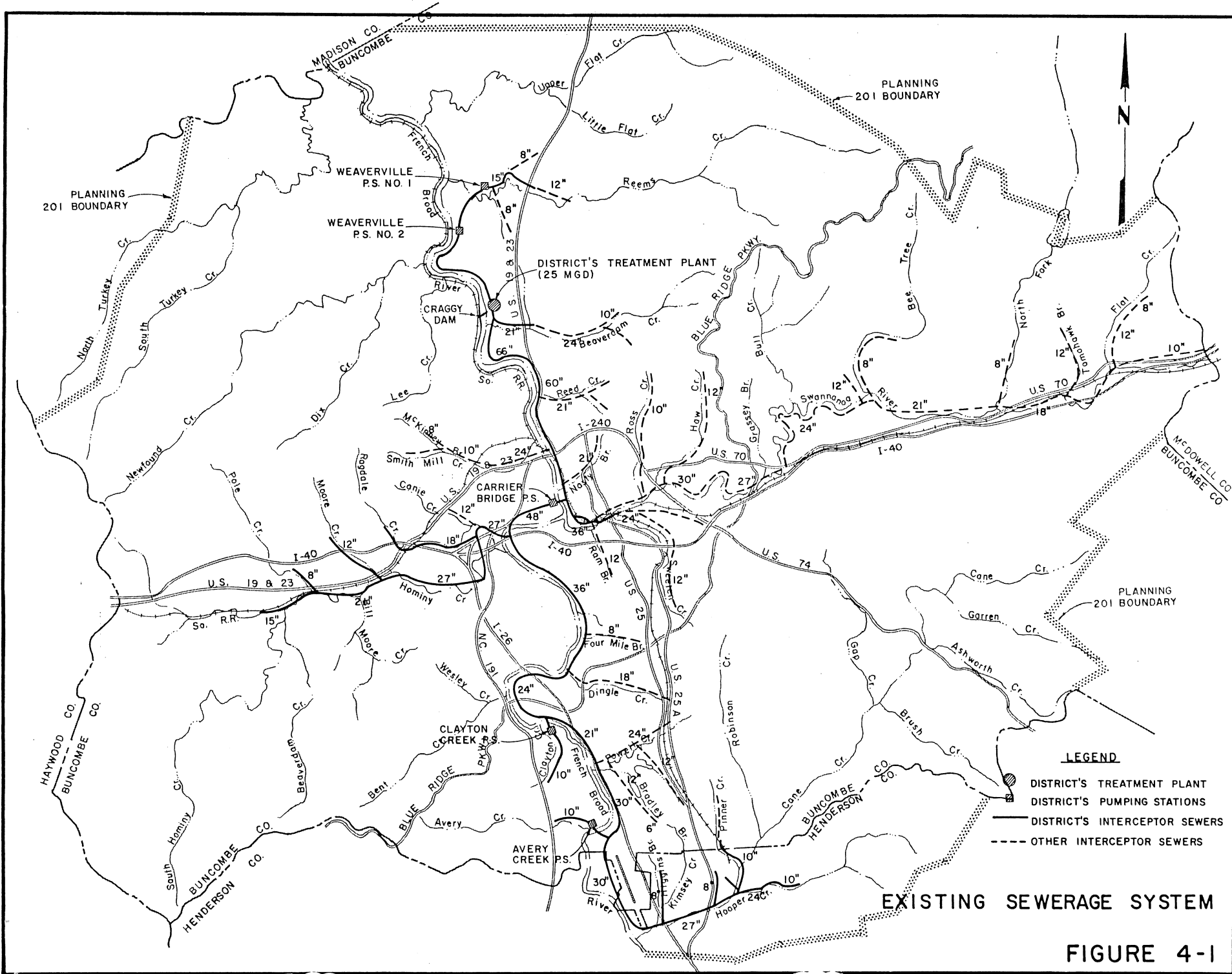
City representatives agreed that Smith's proposal was attractive, and would put a consolidation plan within reach if the County and other municipalities so agreed. It was determined that MSD's legal counsel should amend the proposed consolidation documents accordingly, and present the amended proposal in a joint meeting between City and County representatives to determine whether there is sufficient agreement between them on

the proposal to make a formal presentation to all sewer system owners in the district. It was estimated that the document could be made ready for consideration by City and County representatives by the time of the next regular MSD board meeting.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Steven T. Aceto".

Steven T. Aceto
Chairman
Sewer System Consolidation Committee



MEMORANDUM

To: MSD Sewer Consolidation Committee
Mayor Lou Bissette
Doug Bean
Bill Mull
Jack Stevens
Bill Morris

From: Jim Stokoe

Subject: Discussion paper for August 3, 1988 meeting

Date: August 3, 1988

In my continued attempt to assist the sewer owners and the MSD to clarify and reach agreement on sewer management in Buncombe County I have attempted to draw together (1) some facts which may not be mutually understood, and (2) a synopsis of the MSD Sewer Consolidation Committee's discussion of the "most likely options" for sewer management.

I apologize for not getting these ideas together in time to permit your more thorough review. If any of this is in error, let's correct it at the meeting.

PERTINENT FACTS -- FOR CLARIFICATION & DISCUSSION

* The nature of the pollution problem caused by the dilapidated sewer system must be clarified among ourselves and the public in order to put the seriousness of the problem in perspective. Some facts:

- During wet weather there can be more storm water than sewage in the lines. About 65 MGD can be treated by MSD for a short period of time (after plant expansion is completed), but more than twice that amount (130-140 MGD) has been recorded heading toward the plant in wet weather.

- MSD's raw sewage pumping station can only handle 65 MGD. This means that the additional 65-75 MGD goes into the creeks and the river--untreated! MSD has a 54" bypass line and valve at the pump station that will direct the excess flow that reaches this point in the system

(approximately 30-40 MGD) to discharge directly to the French Broad River below Craggy Dam.

- During dry weather conditions raw sewage can leak out through cracks in the lines and pollute ground water.

- MSD's permit specifically allows the bypass line and valve to remain operable, but DEM has assured MSD they will eventually close it.

- If the bypass valve were closed now, raw sewage would surface through manholes and broken pipes throughout the system during some storms, much worse than it does now.

- If the interceptors alone were fixed and enlarged so that all of this inflow could get to the plant instead of overflowing, MSD would have to bypass more than 65 MGD to the river during some storms.

* The above facts highlight the public health/environmental issues, and also show that the whole system must be fixed as a unit, and not at random.

* The interceptors owned by MSD represent only a small part of the total interceptor mileage, and account for very little of the rehab cost (i.e., they are in good shape). The biggest rehab projects (and pollution problems) are on the older lines that cross multiple jurisdictional boundaries. They lie both in the City and the County, and in other jurisdictions (this is not to discount the major pollution contribution and rehab cost of the collector sewers as well).

* MSD's bond covenants prevent it from rehabilitating sewer lines which it does not own. Likewise, MSD cannot collect user charges to transfer to sewer owner jurisdictions to do their own rehab work if MSD does not own the lines.

* MSD's bond covenants also prevent it from participating in a "water agreement" arrangement (that is, one which commits MSD to carry out the City's annexation plans -- per first paragraph of Doug Bean's May 26, 1988 letter to Steven Aceto).

* The MSD committee has attempted to articulate Doug Bean's proposed sewer management arrangements (from his May 26 letter to Aceto) in a way that would be feasible for MSD (see Option #1 below).

Note: the following represents the MSD Sewer Consolidation Committee's discussion of possibly feasible options at its July 6, 1988 meeting.

OPTION 1: "INTERCEPTOR CONSOLIDATION"

(This is the Committee's best attempt to articulate Doug Bean's proposal from his May 26, 1988 letter.)

Components:

1. MSD takes over ownership of all interceptors, say over 18 inches.
2. MSD rehabilitates the interceptors, and collector owners simultaneously rehabilitate the collectors.
3. MSD accepts collectors for ownership and maintenance when a jurisdiction has all of its collectors rehabilitated.
4. If a jurisdiction fails to rehabilitate all of its collectors by an agreed-upon date, then MSD imposes a moratorium on its taps.

*MSD
4 owners
less than
approx 1/2
of these
lines.*

Analysis:

How can we define and assess "fails to rehabilitate"? Since the ultimate goal is to eliminate inflow & infiltration, the definition would have to hinge on the jurisdiction's success in reducing I & I. To measure this, MSD would have to meter the jurisdiction's flow into the interceptor system. But wet weather meter readings could easily show no difference before and after rehab -- no matter how good a job of rehab the jurisdiction did!

The biggest problem with this option is that inflow & infiltration is a problem of the entire system at once, and dividing it up to work on "pieces" of it is ineffective and unenforceable.

Conclusion:

After repeated attempts, the MSD Sewer Consolidation Committee has not been able to articulate this option in a way which will work. The City of Asheville may choose to do further work on this option and present it to the next sewer owners' meeting (my target date is August 18, 1988).

OPTION 2: CONSOLIDATE THE SYSTEM AND METER OUT NON-PARTICIPANTS AT THEIR COST

Components:

- 1. MSD has the agreement of all jurisdictions except Asheville to carry out the consolidation plan of the Land-of-Sky task force.
- 2. MSD would consolidate the remainder of the system under the Task Force plan (uniform user charge structure, etc.)
- 3. MSD would install approximately 138 meters to isolate and measure contributions of the entire City of Asheville system, and bill Asheville according to its flow.

(138 meters to meter everybody)

Analysis:

Cost:	capital cost of each meter.....	\$14,000
	(\$7000 for the meter; \$7000 for manhole and site work)	
	capital cost of 138 meters.....	\$1,932,000
	amortize meters over 5 years (5-year replacement interval) and site work over 20 years:	
	meter cost per year.....	\$375,000
	site cost per year.....	98,000
	monitoring/maintenance cost per year.....	250,000
	administrative cost per year.....	85,000
	<hr/>	
	Approx. annual cost to City for metering services.....	\$808,000

Conclusions:

- 1. Any arrangement that depends upon permanent meter installations will be very expensive.
- 2. Inaccuracies & uncertainties in metering:
 - a. During high flows, surcharged lines entering the City system would prevent the quantification of flows contributed by the City.
 - b. Metering flow between two points is inconclusive because water can both enter & leave in between the points of measurement.

c. It is difficult to maintain meters used to measure raw sewage.

3. Attempting to attain the benefits of a consolidated sewer system without Asheville (with more than half of the total flow as well as interconnections with several other systems) would be very difficult if not impossible.

OPTION 3: TOTAL SYSTEMWIDE CONSOLIDATION UNDER MSD

Components:

1. MSD takes ownership of all lines under the agreements that are now "on the table" (details per Stokoe's "Option #4" writeup of May 23, 1988 -- attached).

Analysis:

This option reflects the realities that (1) the sewer system is hydrologically one unit, and (2) the sewer system has a single point of responsibility for implementing environmental controls and measuring compliance -- MSD (even though the sanctions for failing to implement those controls will be enforced against all jurisdictions regardless of "fault"). This option establishes a single point of ownership and control which matches the single point of environmental responsibility. This is why the Task Force deemed it to be the most cost-effective option.

OPTION 4: NO-ACTION/NO-GROWTH ALTERNATIVE

Components:

1. Continue the status quo (see Stokoe's Option #8 of May 23, 1988--attached).

Conclusion:

Even if continued growth were not a concern, this option would not be desirable because it does not solve the pollution problem.

DRAFT

MSD Sewer Consolidation Committee 90-Day Planning Process

May 23, 1988

Option # 4: Total Systemwide Consolidation (Single control of collection, transport and treatment)

I. Main Features of This Option

Ownership of Lines: MSD takes ownership of all lines

Metering: None

User Rate Structure: Uniform systemwide rate structure

Interceptor Rehab: By MSD

Collector Rehab: By MSD

Who Controls Discharge Permit Compliance/How? MSD has full control

What is Needed to Implement This Option? Completion of the agreements which are "on the table."

Extensions: Planned and financed by current sewer owners; engineered and constructed by MSD, which would take ownership after construction.

Master Planning: 201 Facilities Plan update--
by joint effort (committee, etc.) of all jurisdictions and MSD.

II. Advantages

- Carries out the plan developed by the Land-of-Sky Regional Council 208 Task Force and agreed to in principle by all owners in 1985.
- Puts control of the sewer system in the agency responsible for maintaining the NPDES discharge permit (MSD).
- * Economies of scale/one sewer maintenance department

III. Disadvantages/Concerns

- Disruption of Asheville's Department of Water, Sewer and Engineering Services as MSD builds its sewer work force
- Inequities from applying a uniform systemwide user charge system to some systems which have already charged customers to do sewer rehab.
- Some citizen confusion, loss of coordination and less economy-of-scale on service/repair calls for water (which the City would continue to handle) and sewer (which the City now handles with the same crews; but which MSD would take over).

DRAFT

MSD Sewer Consolidation Committee
90-Day Planning Process

May 23, 1988

Option # 8 : Zero-Growth Option ("No-Action Alternative")

I. Main Features of This Option

Ownership of Lines: Current owners retain their lines

Metering: None

User Rate Structure: As determined by individual owner jurisdictions

Interceptor Rehab: As determined by individual owner jurisdictions

Collector Rehab: As determined by individual owner jurisdictions

Who Controls Discharge Permit Compliance/How? No one has control (same as current situation)

What is Needed to Implement This Option? No action required -- this is the real-life scenario which has prevailed to the present.

Extensions: Planned and funded by individual jurisdictions

Master Planning: Countywide -- none; each jurisdiction does its own planning

II. Advantages

- Requires no changes - maintains status quo

III. Disadvantages/Concerns

- Will lead to a systemwide moratorium on growth
- Pollution at the MSD plant (bypass) and through exfiltration/surcharging manholes, etc. will continue until plant capacity is increased to handle I & I (150 MGD? -- prohibitively expensive).