

JULY 18, 1989

1. Call to Order and Roll Call:

The Annual meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2 p.m. on Tuesday, July 18, 1989. Chairman Smith called the meeting to order at 2:00 p.m.

Chairman Smith and the following members were present: Aceto, Dent, Dyson, Edwards, Ivey, Maas, Pope, Waddey and Williams. Others present were: W.H. Mull, Engineer-Manager, John S. Stevens, General Counsel for the District, Dean Huber, Bill Morris, Sharon Kane, and Dr. Lloyd Robinson of Hendon Engineering Associates, Mr. Ken Deaver with Carolina Water Service, Inc., Mr. Mike Holcombe with Asheville/Buncombe Water Authority, Debra Price with CIBO, and Mr. Richard Wood, Attorney.

2. Minutes of June 20, 1989:

Mr. Dyson moved that the Board minutes of June 20, 1989 be adopted as written. Mr. Dent seconded the motion, and voice vote was unanimous in favor of the motion.

3. Executive Session to Discuss Right-of-Way Matter - Project 721:

At 2:10 p.m. Chairman Smith called the Board into Executive Session to discuss the right-of-way matter concerning Project 721. Mr. Stevens, General Counsel for the District was not present at the Executive Session.

At 2:35 p.m. Chairman Smith reconvened the regular Board meeting.

Mr. Dent moved that the District present the three options described by Mr. Richard Wood and Hendon Engineering Associates, to the Biltmore Company. Mr. Waddey seconded and roll call vote was unanimous in favor of the motion.

4. Election of Officers (Chairman and Vice-Chairman):

Chairman Smith opened the floor for nomination of officers. Mr. Dent moved that the current officers, Mr. Frank Smith, III, Chairman, and Mr. M. Leon Williams, Vice-Chairman, serve another year. Mr. Edwards seconded. As there were no other nominations or discussion, voice vote carried unanimously in favor of the motion.

5. Appointment of Officers (Secretary-Treasurer & Assistant Secretary Treasurer):

Chairman Smith reappointed Mr. Dent as Secretary-Treasurer and Mrs. Pope as Assistant Secretary-Treasurer to continue in office for another year.

6. REPORT OF ENGINEER-MANAGER:**h. Proposed Laboratory Equipment:**

Mr. Mull turned the floor over to Dr. Maas to review the results of a meeting held on July 17, 1989, with Mr. Walter Currie, Attorney for the District, Dr. Lloyd Robinson with Hendon Engineering Associates, Inc., and Dr. Maas concerning the laboratory equipment. After review and discussion, Mr. Waddey moved that the District go out for bids on the Perkin Elmer Zeeman 5100 atomic absorption spectrophotometer as well as another brand of an atomic absorption spectrophotometer, with the proper requirements stated by the EPA, and then make a

decision on which brand to purchase when the bids are received. Dr. Maas seconded. The floor was opened for discussion on the motion. After extensive discussion Mr. Waddey rescinded his motion and Mr. Dyson moved that the District accept the recommendation of Hendon Engineering Associates, Inc., on the lab equipment list and the furniture list, and go out for bids on the lab equipment and furniture. Mr. Mull asked that the Board keep in mind that the equipment list and furniture list would be reduced somewhat by the State. Mr. Williams seconded, and roll call vote is as follows: 9 yeas and 1 abstention (Dr. Maas).

g. Proposed Carolina Water Service Agreements for Mt. Carmel and Bent Creek Subdivisions:

Mr. Mull reported that this item was discussed at June's Board meeting. As there were several unanswered questions from last month's Board meeting, Mr. Ken Deaver with Carolina Service, Inc. attended the Board meeting to answer any questions. The previous Agreements for Bent Creek and Mt. Carmel will have to be modified by General Counsel. Mr. Mull reported that currently, both subdivisions do have individual water meters at all of the homes, and Carolina Water Service, Inc. will know by the end of July whether or not the City of Asheville will either purchase the water system at Mt. Carmel or have a bulk service arrangement with Carolina Water Service, Inc. The City will not take over Bent Creek in either capacity because of the low water pressure in this area.

There was discussion on 3 billing alternatives: 1) Carolina Water Service, Inc. will take meter readings and apply MSD's sewer service charge and collect from each customer and remit to the MSD monthly; 2) take the total water meter readings and the District can calculate the sewer service charge and bill Carolina Water Service, Inc., or 3) Carolina Water Service, Inc. will send the District the individual meter readings, and the District can then apply the sewer service charge and bill the customer directly. Both subdivisions will continue to own and operate their sewer lines and continue to pay for the operation of their pumping stations or whatever facilities are required to get wastewater from the subdivisions. Should the City of Asheville take over the Mt. Carmel Subdivision, then the City of Asheville will be billing for sewer service charges. General discussion followed. Mr. Aceto moved that the District enter into Agreements in the form previously submitted to and reviewed by the Board, with Carolina Water Service, Inc. for the Bent Creek and Mt. Carmel Subdivisions, to accept and treat waste from these subdivisions. Roll call vote was unanimous in favor of the motion.

a. Status of Phase III Plant Expansion Contracts:

Mr. Mull reported that Phase III has encountered no major problems since last month, and that work is progressing on the project.

b. Proposed Refunding of 1985A Bonds:

Mr. Mull reviewed a letter from Mr. George Woodall, Senior Vice President of Interstate/Johnson Lane, regarding the fact that the District can, according to Interstate/Johnson Lane's analyses a couple of weeks ago, have a net present value savings of approximately \$639,000 by refunding the bonds and utilizing bond insurance for the refunding issue. Mr. Mull recommended to the Board that the District pursue refunding of the 1985A Bonds. Mr. Aceto made the motion to pursue refunding and Mrs. Pope seconded. Roll call vote was: 9 yeas and 1 abstention (Mr. Ivey).

- c. Status of Sludge Disposal Facilities - Grant Offer for Sludge Incineration Facilities from United States Environmental Protection Agency Dated June 28, 1989, and District's Response to Environmental Protection Agency Dated July 7, 1989, Requesting a Time Extension to Accept the Grant Offer:**

Mr. Mull stated that he has had three different phone conversations with the Environmental Protection Agency, and it appears that the District will receive the time extension requested to accept the grant offer. The official letter granting the extension has not been received in the mail at this time.

- d. Scheduling of Special Board Meeting to Hear Presentation of Black & Veatch/Engineering Science Report on Sludge Handling Facilities, Tentatively Scheduled for August 4, 1989:**

Mr. Mull stated that a couple of Board members could not attend the special Board meeting tentatively scheduled for August 4th, and opened the floor to suggestions for another date. It was the consensus of the Board that the special Board meeting will be held on Tuesday, August 8, 1989, at 2:00 p.m. Mr. Stevens, General Counsel reminded the Board that the District is under a very tight time schedule concerning its sludge handling facilities, and stated that after reviewing the statutes and regulations pertaining to this project at considerable length, the law is very clear that the District must have a project obligated (under contract) by October 1, 1990, or the grant funds are forfeited.

- e. Resolution Amending Operation and Maintenance Budget FY 1988-89:**

Mr. Mull reported that the District adopted a Bottom Line Budget last year, and therefore, a Resolution is not needed to amend the Budget line items, as it does not affect the overall bottom line of the Budget. At this time, Mr. Mull reviewed the line items amended in the FY 1988-89 Operation and Maintenance Budget with the Board.

- f. Proposed Quotation from Spatco Dated June 23, 1989, for Removing Underground Gasoline Tanks and Installing Above-ground Tanks:**

Mr. Mull reported that this item was discussed some months ago by the Board, and added that he has reviewed Spatco's proposal with Marvin Waddey as the County is involved in a similar situation with its underground storage tanks. Spatco's proposal for Equipment and Installation is \$5,774.00 plus applicable tax. Mr. Mull recommended that the Board authorize the District to purchase an above-ground storage tank from Spatco and have them dig up the old underground tanks and store them on the site at the Wastewater Treatment Plant, take soil samples and report analysis back to the District. Mr. Waddey so moved and Dr. Maas seconded. After discussion, roll call vote was unanimous in favor of the motion.

7. Report of Officers:

None.

8. Report of Committees:

a. Sewer System Consolidation Committee - Mr. Aceto:

Mr. Aceto reported that the Sewer System Implementation Committee met at 11:30 a.m. July 12th, at Mr. Stevens office,

and basically the sense of the meeting was that July 26th the Committee will hear another presentation of projected sewer rates, and this presentation will enable the City of Asheville and Buncombe County to give some kind of definitive response to the counter proposals that MSD has made to the City of Asheville and Buncombe County. General discussion followed.

b. Hydro Committee - Mr. Dyson:

Mr. Dyson reported that the Hydro Committee met June 27th, with representatives from Hendon Engineering Associates, General Counsel, Fisheries Biologists, and Washington Attorneys to hear an update on the U.S. Fish & Wildlife Service requirements of minimum flows. At this meeting, Sharon Kane made a presentation concerning a proposed fish habitat restoration site in the French Broad River.

Mr. Dyson turned the floor over to Sharon Kane with Hendon Engineering Associates to review with the Board her findings on the fish habitat restoration site. Mr. Mull reported that he spoke with Ms. Mike Gantt of the U.S. Fish & Wildlife Service today, and stated that Ms. Gantt did not have an answer for the District, but he is in the hopes of meeting with her probably a week from Friday. Extensive discussion followed.

c. Sludge Committee - Mr. Dent

Mr. Dent reported that since the last meeting, the Sludge Committee heard a presentation by EnViro-Gro Technologies on a sludge disposal method. At the June Board meeting the Board authorized the District to get proposals from two Engineering firms to evaluate the sludge management alternatives of the District. The District requested proposals from Black & Veatch and Engineering Science, and received a joint proposal from Black & Veatch and Engineering Science on June 26th. A telephone poll was conducted of the Board members on June 27th concerning acceptance of the joint proposal from Black & Veatch & Engineering Science, and poll vote was unanimous to accept the joint proposal. The joint engineering study of the District's sludge management alternatives is due at the end of this month.

9. Unfinished Business:

None.

10. New Business:

a. Project 703, Section 1A Wastewater Treatment Plant Additions, and Project 684, Section 2A Electrical, Craggy Dam Hydro Project - Brevard Electric Matter:

Mr. Mull turned the floor over to Mr. Stevens, General Counsel for the District, to discuss this item. Mr. Stevens reviewed a letter to Brevard Electric from Mr. Walter Currie, Attorney for the District, concerning installation of improper wire in the construction of the Wastewater Treatment Plant addition and the Craggy Dam Hydroelectric Facility. Mr. Stevens stated a response has been received from Brevard Electric and Brevard Electric is stating that the problem was caused by flooding and that the wiring met Engineer's specifications. Mr. Stevens recommended that the Board authorize the Engineer-Manager to take necessary steps to get the matter resolved, including suit. Mr. Ivey moved that the Board authorize the Engineer-Manager to take whatever steps are necessary to get this matter resolved, including suit. Mr. Williams seconded the motion, and voice vote was unanimous in favor of the motion.

b. Request From Re-Max Advantage Realty to Erect Sub-division Sign on MSD Property:

Mr. Mull reviewed a letter from Mr. David Perkins of Re-Max Advantage Realty, requesting permission to install a sub-division sign on MSD Property for approximately one year. The property is located at the left hand side of Pearson Bridge Road across from Richmond Hills Drive where it intersects the road going up the hill toward Square D. General discussion followed. Mr. Ivey moved that the District authorize the Engineer-Manager to arrange for satisfactory erection and destruction of the sub-division sign requested by Re-Max Advantage Realty. Dr. Maas seconded the motion and voice vote was unanimous in favor of the motion.

11. Date of Next Regular Meeting - August 15, 1989

12. Adjournment:

There being no further business, the Board meeting was adjourned at 4:00 p.m.



Secretary