

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
MARCH 19, 1991**

1. Call to Order and Roll Call:

The regular monthly meeting of the Board of the Metropolitan Sewerage District was held in the Boardroom of MSD's Administration Building at 2:00 p.m. on Tuesday, March 19, 1991. Vice Chairman Williams called the meeting to order at 2:00 p.m. with the following members present: Aceto, Bryson, Edwards, Ivey, Maas, McDonald, Penny, Waddey, Wallace and Williams.

Others present were: W. H. Mull, Engineer-Manager, John S. Stevens, General Counsel, Dean Huber and Bill Morris of Hendon Engineering Associates, Inc., Randy Simpson representing the League of Women Voters/Greenline and Stan Boyd, MSD.

2. Minutes of February 19, 1991:

Ms. Bryson moved that the Board minutes of February 19, 1991 be adopted as written. Mr. Waddey seconded. Voice vote was unanimous in favor of the motion.

3. Report of Engineer-Manager:

a. Appeal for Waiver of Capacity Depletion Fee - Cheryl Strickland

Mr. Mull reported that this matter was cleared prior to today's meeting.

b. Status of Phase III & IV Main Plant Expansion Contracts:

Mr. Mull reported that Phase III was 98% complete with several loose ends to tie up and that as previously mentioned, the contractor was notified regarding a \$400.00 a day damages assessment as of December 31, 1990. Mr. Mull further reported that the plant is complete and coordination is under way with sub/subcontractors for the installation of motor controls and sampling pumps to be tied into the computer system, with completion expected within two months, and that Phase IV is progressing according to schedule. Dr. Maas then questioned the status of effluent quality and problems in the operation of secondary microscreens. Mr. Mull stated that the effluent quality is consistently within the limits of the NPDES permit and that several meetings have been held with Envirex, who will be replacing the media on the final microscreens to a size that will accommodate the new clarifiers when in operation.

c. Status of Storm Water Discharge Permit:

Mr. Mull stated that Part I of the NPDES Storm Water Discharge Permit Application has been made along with Buncombe County as a group, which is required by EPA at a cost of \$150.00. Mr. Mull reported that the District will be required to pay a share of the cost involved in water sampling and testing at an estimated cost of \$440.00 to \$2,200.00, according to who does the testing. Mr. Waddey stated that the deadline for completion of Part II of the application is November 16, 1991 and will be forthcoming when the North Carolina Association of County Commissioners receives the information.

d. Collection System Maintenance Equipment (Jet Wash/Vacuum Machines):

Mr. Mull reported that both the Sewer System Consolidation and Capital Improvement Plan Committee have met since the last Board meeting and recommend that the District advertise for bids to procure at least two new Jet Wash/Vacuum Machines at an estimated cost of \$120,000.00 - \$130,000.00 each. Mr. Aceto reported that at a recent CIP meeting Municipal representatives stated they have used both Buncombe County and the City of Asheville's machines and agreed that any type of periodic maintenance program would include using the two proposed machines on a regular basis. Mr. Aceto further reported that the committee reviewed the possibility of using private contractors to provide this type of service. A lengthy discussion followed on the cost involved in using private contractors compared to purchasing new equipment.

e. **Report on Shelburne Road Sewer Replacement:**

Mr. Mull presented the following formal/informal bid tabulation for the Shelburne Road Sewer Replacement: Engineer's Estimated total bid, \$12,000.00; Buckeye Construction Company (Apparent Low Bidder) with a total bid of \$11,380.89; Hobson Construction Company with a total bid of \$12,915.00 and Terry Brothers Construction Company with a total bid of \$13,185.00. The work was awarded to Buckeye Construction Company at a cost of \$11,380.89. Mr. Mull stated that work began on March 11, 1991 and that as of March 15, 1991 approximately 189 feet of line and two manholes have been installed. Mr. Mull stated that work on this line has progressed slowly due to the contractor encountering solid rock and the necessity of repairing a large water line before proceeding with construction.

f. **Status of Maintenance Facility Site:**

Mr. Mull reported that the MSD was too late in submitting an offer for the Weyerhauser site, therefore, an offer was accepted by another interested party. Mr. Mull stated that since that time, 10 other sites have been looked at and the MSD is presently renewing efforts to look at existing sites that can be leased and/or purchased. Mr. Stevens stated that because of time constraints in finding a facility prior to July 1, 1991, Board Members may be asked to give their opinion by phone on various sites. Mr. Ivey recommended that prior to lease or purchase, that every Board Member be given the opportunity to visit the property in question before a vote is taken. A discussion followed regarding the possibility of the Board authorizing a certain amount of earnest money to be set aside to tie up property. Mr. Stevens stated that the problem with earnest money is that unless it is for an option, you're obligating the District to buy without authority from the Board and that it was best to deal with this problem on a case by case basis. Mr. Mull stated that in the event a piece of property was to be considered, Board Members would be notified of a special meeting.

4. **Report of Officers**

Mr. Stevens stated that in connection with being able to move forward quickly with sewer consolidation and acquisitions of rights-of-way, the MSD has always had an interest in "quick take condemnation" and reported that this legislation was passed during its final days of the Legislative Session in 1990, giving MSD that authority.

Mr. Stevens further reported that there has been a continuing concern about adding areas beyond the MSD limits in the MSD and stated that in working with Bond Counsel on this issue. It is recommended that the best way to handle this situation is for new unincorporated areas that come into the District be represented by the three county representatives of the MSD Board. Mr. Stevens stated that if there were no objections he would proceed to attempt to get legislation approved.

Mr. Mull then presented to the Board for review a letter from the French Broad River Foundation.

5. **Report of Committees:**

a. **Sewer System Consolidation - Mr. Aceto**

Mr. Aceto reported that the committee met March 11, 1991 to discuss the purchase of two Jet Wash/Vacuum Machines and the Weyerhauser site, which have previously been discussed. He then called on Mr. Mull for a report on a recent meeting with Mr. Charles Rector of the City of Asheville and Mr. Dick Wood, Chairman of the Asheville-Buncombe Water Authority regarding water and sewer line conflicts with respect to the City's Street and Sidewalk Project. Mr. Mull stated that as a result of that meeting the City Engineering Department will contact MSD's Engineering staff to immediately start getting plans and specifications to make sure water lines are moved where they need to be in the Street and Sidewalk Project and that the City of Asheville would be responsible for funding particular portions of this project. Mr. Mull further stated that plans and

specifications for sewer line renewals must be in to the City before the City can advertise for street paving.

Mr. Aceto then called on Mr. Morris of Hendon Engineering for a report on the status of manhole mapping and inspection of lines in the Street and Sidewalk Project. Mr. Morris stated that both projects were progressing well and to date \$155,000.00 of the \$750,000.00 mapping budget has been spent.

b. Capital Improvement Plan Committee - Mr. Aceto

Mr. Aceto presented the minutes of the Capital Improvement Plan Committee of March 13, 1991 and reported the following:

1. Charges for Deactivating/Activating Water Meters and Sewer Service:

Mr. Aceto stated that there was some discussion regarding the fairness of imposing a minimal charge for keeping service available on a 12 month basis instead of paying a fee of \$10.00 to deactivate/activate water meters and sewer service for seasonal customers. Mr. Aceto proposed to the Rate Committee that MSD impose a charge for reactivating service simply because the District is maintaining capacity and keeping it available and asked the committee to consider a six-month minimum flow charge based on meter size when a deactivated meter is reactivated.

2. Extension of Maintenance Contracts:

Mr. Aceto stated that the committee discussed the possibility that some of the municipalities (strictly those on extremities of the system) might be interested in the extension of maintenance agreements with the MSD. Mr. Aceto then presented a letter from the Town of Montreat who is exploring the possibility of extending its contract at an estimated budget cost of \$9,300.00. Mr. Aceto moved that the Town of Montreat be allowed to continue to perform maintenance on its portion of the System in accordance with Pete Post's letter of March 14, 1991 for the year beginning July 1, 1991. Ms. Bryson seconded the motion. Roll call vote was as follows: 10 Ayes, 0 Nays.

3. Policy on Private Sewer Rehabilitation:

Mr. Aceto then called on Stan Boyd for an update on pending applications for Private Sewer Rehabilitation. Mr. Boyd stated that MSD staff is still investigating applications that will be discussed at the next Sewer System Consolidation Meeting scheduled for Monday, March 25, 1991.

4. Buncombe County Request Project Funding (Pisgah View):

Mr. Aceto reported that after preliminary engineering work on the Pisgah View project, which was originally recorded by the County to cost approximately \$13,000.00, has now been determined to cost approximately \$200,000.00 - \$250,000.00. Mr. Aceto stated that because of the increase in cost of this project, Mr. Jon Creighton, with Buncombe County has written a letter requesting that the MSD delete one of the County's other projects from the CIP list and use those funds for the rehabilitation of the Pisgah View Sewer Project.

Mr. Mull reported that the Housing Authority has a project in the Montford Avenue area which they have been pursuing for some time and have met with the Asheville-Buncombe Water Authority and other utilities about resurfacing the street. Mr. Mull stated that some storm sewers were in need of relocation and new water lines installed and that after inspection of the sewers by Hendon Engineering, it was found that over 2,100 feet of line would need to be replaced at an estimated cost of \$130,000.00

to \$150,000.00. Mr. Boyd reported that the Housing Authority has already received bids for repaving and are now in the process of awarding the bids. Mr. Boyd further reported that construction will need to be complete by June 30, 1991 in order to meet Federal funding requirements. Mr. Mull stated that in order to coordinate the two projects, the MSD would need to advertise for bid and award a contract prior to the next Board meeting. A lengthy discussion followed on the condition of the lines, shifts in the CIP list and the availability of CD Funds for this project. Mr. Waddey moved that the Board authorize the development of plans and specifications and going forward with bidding the project subject to City of Asheville approval of the reallocation of funds. Mr. Aceto seconded the motion. Voice vote was unanimous in favor of the motion.

Mr. Aceto then requested that the Easement Committee consider using the Easement Acquisition to make some scenic easements for greenspace in areas along the Swannanoa River and major tributaries of the French Broad River.

c. Sludge Committee - Mr. Edwards:

Mr. Edwards reported that the Sludge Committee met March 18, 1991 with Hendon Engineering & Associates to review preliminary engineering plans for building and the equipment needed for the chemical stabilization process. Mr. Edwards stated that plans should be ready for submission June 1, 1991 and at the direction of the committee requested that the Board authorize the Engineer-Manager to engage a consultant to develop a marketing plan for the end product. Mr. Mull suggested that the District contact Mr. Bob Rubin of North Carolina State University for his opinions as to what should be included in the bid that will be sent out to possible marketing firms. A discussion followed as to the uses of this compost product and to whom it should be marketed and the requirements for chemical testing. Mr. Edwards moved that the Board authorize the Engineer-Manager to engage a consultant to work up a marketing plan at a cost not to exceed \$10,000.00. Mr. Waddey seconded the motion. Roll call vote was as follows: 10 Ayes, 0 Nays.

d. Bond Finance Committee - Mr. Ivey

Mr. Ivey excused himself from the meeting to avoid a conflict of interest and asked that Ms. McDonald report on the meeting. Ms. McDonald reported that the committee met on Friday, March 15, 1991 to address the issues of whether or not to refund an outstanding bond issue and if so whether or not to continue with the current underwriters. Ms. McDonald stated that the committee agreed that at current interest rates the MSD could save from \$500,000.00 to \$1.2 million dollars if the bond issue was refunded. Also discussed was the possibility of getting more money for additional needs, which would save approximately \$60,000.00 - \$70,000.00 in the cost of having a prospectus prepared. Ms. McDonald further reported that the committee agreed that the District should stay with the current underwriters (Interstate/Johnson Lane, J. Lee Peeler Company and J. C. Bradford/First Charlotte Company) until such time as a larger issue would be needed, and at that time the MSD should consider adding Wheat First Securities who has 19 offices in North Carolina and a large market in Virginia. At the recommendation of the Bond Committee Ms. McDonald moved that the District authorize a revenue bond issue of \$15,000,000.00 to refund prior bonds, and to engage a bond finance team consisting of: Interstate/Johnson Lane, Lead Manager, with J. Lee Peeler and First Charlotte/J.C. Bradford as Co-managers. Mr. Waddey seconded the motion. Roll call vote was as follows: 9 Ayes, 0 Nays and 1 Abstention. Mr. Ivey took no part in the deliberation, consideration or decision involving this matter.

6. Unfinished Business

None

7. New Business

None

8. Date of Next Regular Meeting: April 16, 1991

9. Adjournment:

There being no further business, the meeting was adjourned.



Jackie W. Bryson, Secretary/Treasurer

State of North Carolina

County of Buncombe

Resolution

Whereas, E. Charles Dyson has been a member of the Metropolitan Sewerage District Board as a representative of the City of Asheville since January 19, 1985;

Whereas, E. Charles Dyson has rendered conscientious and distinguished service to the Board and to the citizens of Buncombe County; and

Whereas, E. Charles Dyson has been a faithful member during his six years of service and has been of invaluable assistance to the Board due to his status and background as an executive in a public utility enterprise. His experience and knowledge in matters involving all phases of utility management and operation have been of special value to the Board because of the nature of the work of the District and because of the enlargement and expansion of the District and its responsibilities during his tenure.

Now, Therefore, Be It Resolved:

One: That E. Charles Dyson be and he hereby is congratulated and thanked by the Board for his six years of dedication to the work of the Board and on behalf of the City of Asheville and the people of Buncombe County.

Two: That the original of the Resolution be placed in the permanent records of the Board and copies transmitted to E. Charles Dyson and the Asheville City Council.

Duly adopted this 19th day of March, 1991.

Charles W. Perry

Thayne Edwards

Martin E. Waddy

Stanley J. ...

Richard P. ...

George E. Drey

Carolyn R. Wallace

Lucine K. McDonald

Jackie W. Rayson

Frank S. Smith

W. Vera Williams

John S. Stevens

General Counsel

Engineer-Manager