

## BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

January 19, 1994

### 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 Wednesday, January 19, 1994. Chairman Post presided with the following members present: Bryson, Casper, Dent, Joyner, Kelly, Penny, Post, Selby, Slosman, Sobol and Wallace.

Others Present were: W. H. Mull, Engineer-Manager, John S. Stevens, General Counsel, Bill Morris and Bob Holbrook of Hendon Engineering Associates, Inc., Richard Kendrick of The Robinson-Humphrey Company, Inc. Gary McGill of McGill Associates, P.A., Ray Kisiah, City of Asheville Parks & Recreation, Bob Tinkler, representing the League of Women Voters, Patty Beaver of CIBO, Sondra Honeycutt and Linda Dickson, MSD.

### 2. Approval of the Minutes of the December 15, 1993 and January 6, 1994 meetings;

Ms. Wallace requested that page 6, paragraph 3 of the December 15, 1993 minutes, regarding the marketing study, be changed to read "should" start soon, instead of "would" start soon. In addition, Mr. Dent asked why the minutes referred to the digester. Mr. Holbrook stated that the digester was mentioned in answer to a question about its use. There being no further corrections, Mr. Dent moved that the minutes of the December 15, 1993 and the January 6, 1994 meetings be approved as corrected. Ms. Bryson seconded the motion. Voice vote was unanimous in favor of the motion.

Mr. Post announced the appointment of the following members to the Blue Ribbon Committee, which was established to consider and develop a Sewer Extension and/or Interceptor Policy: Larry Casper, Chairman, Benson Slosman, Carolyn Wallace, Joe Joyner, Bob Selby, Pete Post and Steve Aceto, (former member of the District Board).

Mr. Post recognized Mr. Richard Kendrick of The Robinson-Humphrey Company, Inc. Mr. Kendrick expressed his appreciation to the Board for its selection of The Robinson-Humphrey Company, Inc. to perform the underwriting on the District's most recent Bond issue and presented to the Board a framed copy of that Issue. Mr. Kendrick reported that the refinancing was a tremendous success for his firm, and resulted in a substantial savings to the District. In addition, requested that the Board consider Robinson-Humphrey for any future issues.

### 3. Engineer-Managers Report:

#### Personnel Committee Items

#### 1. Consideration of Medical/Dental Insurance Proposals

Mr. Mull reported that the Personnel Committee met January 5, 1994 to consider a revised proposal from Blue Cross Blue Shield (BCBS), which included its ASO Plan (a 100% self-insured policy). Mr. Mull presented a revised Medical and Dental Cost Analysis for 1994 along with an estimate from The Guardian for the cost of a drug card and stated that although The Guardian Plan is better overall, employees who are currently on the HMO Plan have expressed a concern about having to pay up front for drugs and physician services. Mr. Mull further reported that a drug card is available through The Guardian, but would cost the District an additional \$25 - \$35,000 per year and that in a conversation with a local drug store, they indicated a willingness to work with the insurance company in allowing employees to submit an insurance card when filling prescriptions. For employees on the 80/20% plan, the employee would

pay 20% of the prescription cost up front and the drug store would bill the insurance company for the remaining 80%. For employees on the 100/% plan, they would bill the full amount to the insurance company. Mr. Mull stated that The Guardian has offered to write local physicians requesting that they consider filing claims in lieu of asking for payment up front. A lengthy discussion followed regarding the cost of a drug card; reduction in the deductible; possible implementation of a Flexible Benefit Plan and the annual cost to the District and its employees for family coverage. There being no further discussion, Mr. Penny moved that the Board adopt the recommendation of the Personnel Committee and approve The Guardian Plan. Mr. Penny suggested that the District continue to pursue other ways to help the employee offset the cost of not having a drug card and to consider the implementation of a Flexible Benefit Plan (allowing employees to have money deducted from their checks in pre-tax dollars to help pay for the up front cost of drugs and physician services). Mr. Joyner seconded the motion. A brief discussion followed regarding the number of employees involved and the amount of savings to the District and its employees over the current plan. There being no further discussion, roll call vote was as follows: 10 Ayes; 0 Nays; 1 Abstention (Mr. Kelly - absent during discussion).

Mr. Mull further stated that BCBS agreed to extend the District's coverage at the current rate until February 15, 1994 if the District would give it an opportunity to submit a revised proposal. However, BCBS's recent billing reflected the new rate of \$41,593.33, and in a conversation with Mr. Luckadoo about the billing he stated that continuation of the old rate was contingent on the District's approval of the proposal for 1994. Therefore, Mr. Mull requested that the Board approve payment to BCBS for the old amount of \$37,911.50 with a reminder of Mr. Luckadoo's statement at the January 5, 1994 Personnel Committee meeting.

#### **Planning Committee Items**

1. Consideration of Policy on Acquisition of Additional Sewerage System Facilities:

Mr. Mull reported that in review of the Policy on Acquisition of Additional Sewerage System Facilities, the Committee recommended approval of the Policy, reserving the right to charge application and/or inspection fees, with the actual fee schedule to be determined at a later date. Following a brief discussion, the Board agreed to delete the sentence in Item #1, "The application shall be accompanied by a fee of \_\_\_\_" and replaced with "The District reserves the right to assess an application fee". Mr. Penny moved that the Board adopt the Policy as corrected. Mr. Casper seconded the motion. Mr. Dent stated that the Policy should stress that persons making a request for the upgrade of a line should be required to pay for that cost, and should state in more detail the requirements for easements in accordance with the District's standards for additional facilities. Mr. Mull suggested that the following should be added to Item #2 after (according to District Standards), "and to require repair as necessary to bring the system up to District standards". There being no further discussion, Mr. Penny withdrew his motion to approve the policy until the above mentioned changes have been made and further reviewed by the Planning Committee.

2. Consideration of Standards for Additions or Extensions to Sewer System:

Mr. Mull reported that following review of the Standards for

Additions or Extensions to the Sewer System the Committee recommended that the Board adopt the Standards. Mr. Mull further reported that at the conclusion of the meeting Mr. Boyd advised the Committee that the meeting with the Contractors and Engineers, to review corrections and revisions to the specifications, adjourned with no significant comments made other than to the handling of documents. There being no discussion, Mr. Dent moved that the Board adopt the recommendation of the Planning Committee. Mr. Joyner seconded the motion. Voice vote was unanimous in favor of the motion.

3. Consideration of Policy for Recycling:

Mr. Mull reported that in review of the Policy for Recycling the Committee recommended adoption of the Policy subject to the following conditions: (1. that each company contacted provide information on where the recyclables are disposed of or sold off to, making sure they do not end up at the county landfill and (2. to make a conscientious effort to give some of the District's recycling to small businesses instead of using just the larger companies, thereby helping smaller businesses succeed. Mr. Mull presented the Policy, the Resolution adopting the Policy, and an extensive list of items to be recycled. Ms. Wallace asked who will train the Recycling Coordinators and when the Policy would be implemented. Mr. Mull stated that training will be provided by the City & County through its recycling programs and upon adoption of the Policy, additional information will be assembled and submitted to the Planning Committee for modification. Following a lengthy discussion and suggestions for changes to the Policy, Ms. Wallace moved that the statement, "and shall be responsible for the effective implementation of MSD's Recycling Policy in that facility" be added to item #2 of the Policy. Mr. Selby seconded the motion. In addition, Ms. Wallace suggested that the Policy be presented to Planning Committee for additional review. There being no further discussion, voice vote was unanimous in favor of the motion.

Ms. Wallace moved that the Board adopt both the Policy and the Resolution, in support of the Policy. Mr. Slosman seconded the motion. Voice vote was unanimous in favor of the motion.

4. Consideration of Funding Sewer Line Relocation to Accommodate South Asheville Ballfields (West Chapel Road Park):

Mr. Mull presented a preliminary material cost estimate, (based on invoices & quotes from Waterpro & Young Concrete) for the relocation of a sewer line to accommodate the South Asheville Ballfields, (West Chapel Road Park). Mr. Mull reported that materials for the original route designed by the District, (running through the center of the ballfield and using all ductile iron pipe (DIP) material) was estimated at a cost of \$9,507.59 and the two alternate routes selected by the City of Asheville (located around the outside of the park; one using all DIP materials and the other using PVC & DIP materials) is estimated at \$15,154.37 and \$11,219.70 respectively). Mr. Mull further reported that the District's estimated construction cost to relocate the sewer line around the outside of the park is as follows: \$48,325.80 (constructed prior to fill & prior to grading - manholes left at final grade) and \$44,905.20 (constructed prior to fill but after grading cut slope). Mr. Mull stated that Hobson Construction Company has declined its offer of labor to relocate the line since installation around the ballfields, would require additional manholes and trench work, therefore, the Committee recommended the following:

(1. The District cannot be responsible for constructing sewer lines without some type of compensation. (2. It is the School Board's responsibility to take care of the children and they have not done so using the money received from the sale of both properties; the Biltmore School Property and the Oakley Property to do this. (3. It is the children who are suffering the consequences. If the District can be reimbursed somehow, the District may be willing to front the monies to build the sewerline.

Mr. Selby gave a brief report on the sale of the ballfield in Biltmore, used by the Little League, and reported on a recent conversation with Mr. Bill Stewart, who stated that they were promised some years ago that the children would always have a place to play ball. Mr. Selby further reported that Buncombe County has budgeted \$337,000 for the purchase of the land from the School Board; the City of Asheville budgeted \$400,000 for development of the field (grading, fencing and lighting) and that the Buncombe County Water Authority has agreed to pay for water line improvements. In addition, the District has previously committed \$10,500.00 and numerous hours of in-house engineering to accommodate a request to relocate the line around the ballfield. A lengthy discussion followed regarding the cost of running the line through the center of the ballfield and whether the District should participate to a greater degree than previously committed. Mr. Joyner stated that because the District only covers a portion of the County, he has a problem with placing the burden on a certain number of citizens within that district rather than on the entire county and has strong reservations about the District giving money away that comes from the rate payers. Mr. Slosman suggested that a call be made to Mr. Hobson requesting that he reconsider his offer to provide the labor to relocate the line. Mr. Hobson stated that he would consider the request, but because of pressing commitments, would need to get back to the Board at a later date.

In a question to Mr. Kisiah about the possibility of running the line through the center the field and the expected completion date, Mr. Kisiah stated that he did not see a problem as long as the requested right-of-way was not too extensive, resulting in further delay, and that completion is projected for May 1, 1994. Following a discussion as to the number of fields involved; how often the fields will be used; the possibility of raised fields and the condition of the present sewer line, Mr. Penny moved that the Board reaffirm its previous commitment to pay the cost of materials for the project up to \$10,500.00 and to provide in-house engineering. Mr. Penny stated that he was making the motion in order to get the issue before the Board, but that he does not personally support it, feeling that the District should do more. Mr. Kelly seconded the motion. Roll call vote was as follows: 7 Ayes; 4 Nays (Mr. Dent, Mr. Penny, Mr. Selby, Mr. Sobol)

Ms. Wallace informed Mr. Kisiah that the Board's decision did not reflect a lack of concern for the children that will suffer as a result.

5. Consideration of Budget for CIP Project Engineer:

As a result of the Board's decision to hire a CIP Project Engineer and part time Secretary, Mr. Mull presented job descriptions for these positions along with a projected budget through the end of the fiscal year for salaries, communication equipment, vehicle expense and capital outlay (office equipment/furniture, office trailer, site preparation and utility connections). Mr. Mull reported that a quote has been received for the

cost of leasing an office trailer, (\$17,352.00 for the first year and \$11,400.00 per year thereafter) in lieu of purchasing a trailer at an estimated cost of \$38,400.00 and that at least two other quotes are expected. A brief discussion followed regarding the annual costs compared to the budget presented and the need to address those items that have not been finalized from the Management Study.

In answer to a question about the Director of Administration position, Mr. Mull reported that 66 applications have been received and staff is in the process of dividing the qualified from the non-qualified applicants for review by the Personnel Committee at a called meeting.

6. Earl Capps Hollow Sewer Rehabilitation Woodfin CIP:

Mr. Mull reported that due to petroleum contaminated soil encountered by the contractor on the Earl Capps Hollow Sewer Rehabilitation project, the District employed S&ME to evaluate alternate routes for the sewer both on and around the Young property. As a result, contamination was found on all routes, but the original proposed route appears feasible to construct. Mr. Mull further reported that S&ME advised that work could continue if masks and gas detectors were used, however, the contractor refused to resume work because he felt the site is too dangerous for his men and equipment, therefore, a meeting has been scheduled for January 21, 1994 with project engineers to see if this problem can be resolved. Mr. McGill stated that because of a liability issue, the Contractor was advised by his Attorney and Insurance Agent not to proceed with the project. In addition, it is likely that material to be excavated will not be suitable to put back in the ground, resulting in the need for a decision on how to dispose of the contaminated soil. Mr. McGill further stated that depending on the results of a meeting with the Contractor, it may be the recommendation of McGill Associates, P.A. not to proceed until further consultation with legal Counsel. A brief discussion followed regarding the number of feet that is contaminated and the yards of dirt involved.

**Right-of-Way Committee Items**

1. Biltmore Forest Sewer Rehabilitation

As a result of a request by the Town of Biltmore Forest to re-route 2,588 linear feet of sewerline in an effort to save a large number of trees, Mr. Mull presented a proposal from McGill Associates, P.A. for engineering and surveying at a cost of \$7,590.00. Mr. Mull reported that following review of the proposal, the Right-of-Way Committee recommended approval of the redesign costs and obtaining a written agreement from Swain Ballard stating the Town of Biltmore Forest's willingness to work with the contractor during construction if additional work areas become necessary. Mr. Slosman moved that the Board adopt the recommendation of the Right-of-Way Committee. Mr. Penny seconded the motion. A lengthy discussion followed regarding the District's Tree Policy; whether the request falls within the policy and if the project will be re-bid. Mr. McGill reported that provisions of the contract documents state that within the 20 foot MSD easement, if there are any trees that can be saved, that the Public Works Director of Biltmore Forest is to be contacted in order that an inspection of the area, where the trees are to be removed, can be made. This item is believed to have increased the original bid prices due to the uncertainty involved.

There being no further discussion, roll call vote was as follows: 8 Ayes; 2 Nays (Mr. Selby, Mr. Sobol); 1 Abstention (Mr. Kelly).

2. Haw Creek Annexation Sewer

Mr. Mull reported that in review of a letter from Mr. Harold Huff, proposing that the current design of the Haw Creek Annexation Sewer Project be altered in order to reduce the number of affected trees located within the permanent easement area, and consideration of several alternative options, the Committee recommended acceptance of Mr. Huff's letter of November 29, 1993 as long as: (1. Language regarding the City's responsibility for removal of the trees that die and property owner satisfaction is added to the easement agreement or (2. A letter regarding same is written to the District. Mr. Dent moved that the Board adopt the recommendation of the Right-of-Way Committee. Mr. Penny seconded the motion. Ms. Wallace recommended that item (2. be changed to read "A letter from an authorized city official regarding the same is written to the District." There being no further discussion, voice vote was unanimous in favor of the motion.

3. North Swannanoa Interceptor, Phase II

To be considered in Executive Session.

4. Columbia Bible College/Eliada Homes, Inc.

Mr. Mull reported that the Board previously agreed to a resolution approving the acquisition of the Columbia Bible College sewerage system facilities, contingent upon modification of the original easement agreement between Eliada Home and Columbia Bible College, with regard to Eliada Home's ability to tap into the line at any time. Mr. Mull presented a letter from Eliada Homes, Inc. agreeing that its right to tap into the line will be subject to the availability of capacity and payment of the District's prevailing fees at the time of application for such a tap. There being no discussion, Mr. Dent moved that the Board adopt the resolution as presented. Mr. Joyner seconded the motion. Voice vote was unanimous in favor of the motion.

4. **Report of Officers**  
None

5. **Unfinished Business**  
None

6. **Old Business**  
None

7. **New Business: Land of Sky Regional Council Annual Dinner**

Mr. Mull presented an invitation from the Land of Sky Regional Council to attend its annual dinner, February 23, 1994 and requested that the Board approve the expense for Board Members and Staff to attend. Mr. Penny moved that the Board approve the cost of the Dinner for those who wish to attend. Mr. Dent seconded the motion. Roll call vote was as follows: 8 Ayes; 3 Nays (Mr. Joyner, Mr. Selby, Mr. Sobol)

Mr. Post presented a letter from Hendon Engineering Associates, Inc. announcing the resignation of Mr. Bill Morris. Mr. Post expressed the Board's appreciation to Mr. Morris for his service to the District. Mr. Morris stated that he has enjoyed working for the Board for the past eight years. Mr. Dent moved that the Board send a letter to Mr. Morris expressing its appreciation.

At 4:30 p.m. Mr. Penny moved that the Board go into Executive Session to consider rights-of-way acquisition. Mr. Sobol seconded the motion.

At 5:10 p.m. Ms. Wallace moved that the regular meeting of the Board be reconvened. Mr. Kelly seconded the motion.

Mr. Slosman moved that the Board accept the recommendation of the Right-of-Way Committee to approve the compensation charts for North Swannanoa Phase II, Sections 1 and 2. Mr. Kelly seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays; 2 Absent (Mr. Dent, Mr. Penny)

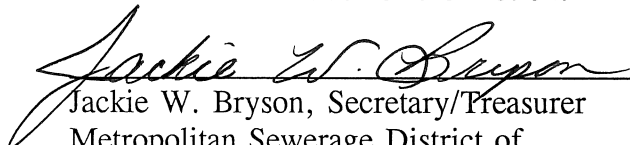
Mr. Casper requested that the Board be prepared to address any questions regarding the increase in industrial user charges and that in the preparation of a letter to industry, that the reasons for the increase, (non utilization of the treatment plant, higher cost, etc.) be explained. In addition, industrial users should be informed that the District's rates are lower than those of other cities in North Carolina and that it does rebate. Mr. Mull reported that the Survey of North Carolina Cities Sewer Charges is currently being updated. Mr. Slosman stated that the announcement of Ball-Incon's closing and the news that Gerber Products Company will possibly be doing something else, will have a critical effect on the monetary well being of the District. Mr. Joyner asked why the District cannot treat industrial users the same way it treats domestic users, and not give rebates. Mr. Post stated that the District will look into this matter when the audit is complete and the District has an opinion from Hendon Engineering Associates, Inc. as to whether the District should continue with the 80/20% split. Mr. Sobol suggested that the Board consider ways to educate the public on the problems encountered by the District so that when rates are increased, the public will better understand the reasons. A brief discussion followed regarding the District's public relations effort.

Mr. Mull asked the Board for an opinion on whether it wanted Hendon Engineering Associates, Inc. to continue to prepare the District's Annual User Charge Analysis or to submit request for proposals. It was the consensus of the Board that the District stay with Hendon Engineering until the Director of Administration has been hired, after which it is hoped that this work can be done in-house.

Mr. Slosman requested that a status report on the Ultra Presses be included on the agenda for the next regular meeting of the Board. Ms. Wallace requested that the incinerator not be referred to as the "thermal converter" since this is confusing and misleading to the public. Mr. Mull reported that the marketing consultants (Bio-Gro) will make a presentation to the Planning Committee at its February 25, 1994 meeting.

#### 8. Adjournment:

At 5:30 p.m., Mr. Slosman moved that the meeting be adjourned. Mr. Kelly seconded the motion. Voice vote was unanimous in favor of the motion.

  
Jackie W. Bryson, Secretary/Treasurer  
Metropolitan Sewerage District of  
Buncombe County, North Carolina

## BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

January 6, 1994

### 1. Call to Order and Roll Call:

The special 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 Thursday, January 6, 1994. Chairman Post presided with the following members present: Bryson, Casper, Dent, Joyner, Kelly, Penny, Post, Selby, Slosman, Sobol and Wallace.

Others Present were: W. H. Mull, Engineer-Manager, John S. Stevens, General Counsel, Steve Aceto, former MSD Board Member, Bill Morris of Hendon Engineering Associates, Jack Cecil of Biltmore Dairy Farms, Philip Carson representing Biltmore Dairy Farms, Doyle Freeman of Henderson County, Arlis and Rachel Queen, representing Taxpayers for Accountable Government, Bob Tinkler, representing the League of Women Voters, Patty Beaver of CIBO, Dan Voorhis with the Asheville Citizen-Times, Sondra Honeycutt and Linda Dickson, MSD.

### 2. Appointment of C. Michael Sobol and Reappointment of Charles Penny, Carolyn Wallace and Jackie Bryson;

Mr. Post congratulated Mr. Michael Sobol, on his appointment to the District Board, representing the Town of Black Mountain and announced the reappointment of Charles Penny, Carolyn Wallace and Jackie Bryson.

### 3. Sewer Extension Policy Discussion:

Prior to discussion on the District's Extension Policy, Mr. Post recognized Mr. Jack Cecil who was present to give a report on Biltmore Dairy Farm's proposed development in South Asheville. Mr. Cecil presented a map showing the location of the proposed 600 acre development, (a Master Plan Community) which includes 410 home sites, a 720 unit multi-family complex, an office/commercial complex and a small site for retail development. Mr. Cecil reported that the tax base to the City and County over the life of the project (8-10 years) is estimated at \$190 million and that total revenues to the District in capacity depletion and annual user fees is estimated at \$2.3 million. Mr. Cecil further reported that in order to proceed with the project, Biltmore Dairy Farms is requesting that the District consider participating, along with the City and County, in the cost of running a 12" line approximately 7,100 linear feet from the French Broad Interceptor to the proposed development; approve an allocation of 620,000 gallons of water per day for the entire project and be given the opportunity to participate in the development of the District's Sewer Extension Policy. Mr. Cecil expressed his appreciation to the Board for its consideration of the proposed development and Biltmore Dairy Farm's desire for a continued partnership with the District.

A lengthy discussion following regarding the District's current policy; line capacity; the cost to the District for the proposed line and whether the project will be developed if the District does not participate. Mr. Cecil stated there was a definite distinction between an extension for a collector and/or lateral line compared to an interceptor, which is built for the benefit of the public, but agreed that the developer should be entirely responsible for the cost of collector and/or feeder systems. Mr. Cecil further stated that the estimated cost to the City, County and District for the proposed line is \$500,000.00, however, enough tax base and sewer revenues will be generated during the first two years to pay the District back for its investment. A discussion followed regarding the availability of funds for the French Broad Interceptor and when it is scheduled to be constructed. Mr. Mull reported that funding for this line has been in place since 1985, and as soon as all right-of-way acquisitions are in place, the line will be built.

Mr. Joyner questioned the difference in the request of Biltmore Dairy Farms and that of Mr. Winkler, the developer of a mobile home park. Mr. Mull stated that the



only time a fee is charged is when a line is not on the Capital Improvement Plan (CIP) list and that the Hilton Inn Golf Course line was not a specific identified line and not on the CIP list of projects to complete. Mr. Post reported that the draft policy on sewer upgrades, prepared by Hendon Engineering Associates, Inc. and adopted by the Board January 21, 1992 was applied to the Winkler project. A brief discussion followed with regard to the policy; whether it applies to extensions; if schools located near the proposed line can tie in and the capacity of the Lake Julian line. Mr. Mull stated that the new line would help alleviate some of the problems with the Lake Julian line, which is in need of repair.

Mr. Post introduced Mr. Steve Aceto, a former Member of the District Board and Chairman of the Consolidation Committee. Mr. Aceto reported that during his tenure on the Board it was his responsibility to negotiate the consolidation agreements and to carry through on the following obligations under the agreements: First, to complete upgrades and interceptor lines and second, to contribute 35% of the cost of projects identified in the agreements. Mr. Aceto further reported that if a line was on the CIP schedule a developer could buy an earlier time slot for construction of a line, based on a formula devised to create criteria that could be applied to any project brought before the Board. Mr. Aceto further stated that the Board is responsible to provide "a level playing field" where developers know what the District will do, thereby creating a climate for economic growth, but that funding projects on a case by case bases is against what the Board agreed its responsibilities were. Mr. Aceto then gave a brief history of Buncombe County's public utility financing during the 1920's.

Mr. Sobol inquired as to why a policy was not established during Mr. Aceto's term on the Board. Mr. Aceto reported that as a result of consolidation, a resolution was approved to establish a Sewer Master Plan, however, the sole concern of the District at that time was rehabilitation because of the immediate threat of a moratorium. A brief discussion followed regarding the amount of funds available for rehabilitation and the District's responsibility on extensions. Mr. Mull reported that to date, the Sewer Master Plan, being developed by Hendon Engineering Associates, Inc. is approximately 75% complete, but that the District needs to develop an extension policy. Mr. Casper stated that the District should not be in the business of funding projects on a compensation basis, but rather develop criteria whereby the District will give a rebate based on the financial criteria when met. Mr. Mull stated that any criteria established must also apply to mobile home parks and other developments.

Mr. Joyner moved that the Board table the request by Biltmore Dairy Farms for a sharing of the cost of the South Buncombe Interceptor Sewer lines until the MSD develops a District wide uniform Sewer Extension Policy. Mr. Kelly seconded the motion. Mr. Penny suggested that the Biltmore Park Project could be substituted for a project that is on the CIP list, (further reducing the cost to the District) followed by the development of a Sewer Extension Policy. Mr. Stevens reported that paragraph 8 of the Consolidation Agreement states that projects will be completed on a 35/65% share for approximately five (5) years and that municipalities may substitute one project for another listed on Exhibit D, provided that the cost of the project is approximately the same as the project for which it is substituted. In addition, that the District shall contribute no more than the cost of the substituted project than it would contribute to the original project, based on the original cost, and that the substitute project shall satisfy other requirements of applicable law and Section 714 of the Bond Order. Following a discussion regarding the definition of line extensions and whether the policy should be retroactive to include request by other developers, the motion was defeated by a show of hands.

Mr. Arlis Queen, representing Taxpayers for Accountable Government, asked Mr. Penny if the taxpayer will be responsible to pay for this project. Mr. Penny stated that the City of Asheville and Buncombe County have previously agreed to share in the

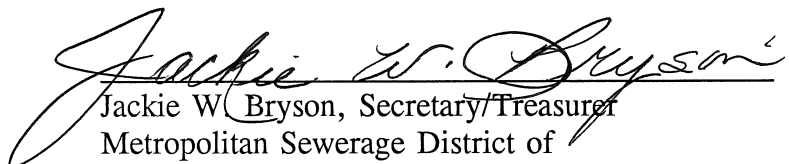
cost of the project and that because the County has a similar arrangement with the District for sharing in the cost of projects on the CIP list, it has the right to substitute one project for another by formal request to the District Board.

Mr. Bill Morris of Hendon Engineering Associates, Inc. reported that the proposed draft of the Sewer Extension and Upgrading Policy was developed as a follow-up to the Consolidation Agreement, which was not designed to provide for annexation projects or to do special projects requested by the municipalities, but to place ownership of the sewer lines under one entity and to see that rehabilitation was done. In addition, the policy was not based solely on Hendon Engineering's thoughts, but rather on other policies found throughout the state and across the nation and that the policy recognizes that the District is here to serve the good of the public by providing a 40 million gallon treatment plant; provide for approximately 3 million feet of sewer lines and interceptors and to give reasonable access to persons who wish to tie-in and use public treatment. Mr. Morris further reported that the District is still in the process of rehabilitation and working on the problem of infiltration inflow; a high debt service, (as a result of treatment plant expansions and major interceptor) and that during recent discussions on user fees, the Board decided it did not want to go beyond a certain level of spending, since no profit factor is built into user rates. Mr. Morris stated that the Sewer Master Plan is being developed to evaluate where the District stands as far as providing for the needs of the County over the next 50 years and beyond; whether to expand the present treatment plant; replace interceptors not already on the CIP; install leaf lines, or continue to rehabilitate lines to address infiltration inflow so that existing lines will have sufficient capacity. Mr. Morris further stated that at this stage of the Master Plan, the District can live with most of its existing interceptors, if the problem of infiltration inflow is addressed at the 85% level, and should not spend money on installing new larger pipes underground or line extensions until its main goal of rehabilitation is accomplished. A lengthy discussion followed on what the District can expect as far as payback for its participation in extension projects; whether the District is setup to take on the requests of all developers who need line extensions and its responsibility to develop criteria on sewer extensions.

Mr. Morris suggested that if the District decides it wants to do extensions, a fund needs to be established within the budget from user fees, which would require adjustment, in order to bring in enough money each year for this purpose, but stated that at this time, the District does not have enough money for line extensions. Following a brief discussion, Mr. Slosman moved that a Blue Ribbon Committee be established, to be chaired by Larry Casper and comprised of Board Members, former Board Members, Engineer-Manager, General Counsel and selected citizens of the community to consider and develop a Sewer Extension and/or Interceptor Policy. Ms. Wallace seconded the motion. Voice vote was unanimous in favor of the motion.

#### 4. Adjournment:

There being no further business, the meeting was adjourned at 4:20 p.m.

  
Jackie W. Bryson, Secretary/Treasurer  
Metropolitan Sewerage District of  
Buncombe County, North Carolina

**RESOLUTION  
FOR THE  
METROPOLITAN SEWERAGE DISTRICT BOARD**

WHEREAS, the District may from time to time sell, exchange, lease or otherwise dispose of any equipment, motor vehicles, machinery, fixtures, apparatus, tools, instruments or other movable property if it determines that such articles are no longer needed or are no longer useful in connection with the Sewerage System, and the proceeds thereof shall be applied to the replacement of the properties so sold, exchanged, leased or disposed of or shall be deposited to the credit of the Maintenance Reserve Fund;

WHEREAS, the District Board finds that the recently replaced Perkin-Elmer Model 305A Atomic Absorption Spectrometer should be declared surplus property and disposed of in compliance with the General Statutes of North Carolina and the Bond Order adopted May 23, 1985 as amended on June 4, 1985;

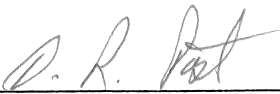
WHEREAS, the District Board finds that the Perkin-Elmer 305A Atomic Absorption Spectrometer has a fair market value of less than \$1,000 and therefore complies with the aforesaid Bond Order;

WHEREAS, the District Board wishes to donate by transferring the Perkin-Elmer 305A to Asheville Buncombe Technical Community College in accordance with N.C. General Statute 160A-274;

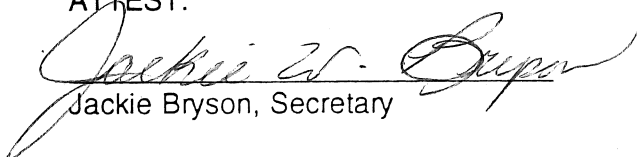
NOW, THEREFORE, BE IT RESOLVED by the District Board of the Metropolitan Sewerage District of Buncombe County North Carolina the Perkin Elmer 305A is hereby declared surplus property and is to be donated to Asheville Buncombe Technical Community College.

Adopted this 6th day of March 1994.

DISTRICT BOARD OF THE METROPOLITAN  
SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NC

By:   
O.R. Post

ATTEST:

  
Jackie Bryson, Secretary

## **METROPOLITAN SEWERAGE DISTRICT POLICY ON ACQUISITION OF ADDITIONAL SEWERAGE SYSTEM FACILITIES**

WHEREAS, the Metropolitan Sewerage District has been asked to acquire additional sewerage system facilities constructed by private developers and by political subdivisions within the District (hereinafter sometimes referred to as "additional sewerage system facilities");

WHEREAS, the District Board anticipates it will receive additional requests to take over sewer system facilities in the future;

WHEREAS, the District Board is bound by certain covenants in its Bond Order and cannot effectively acquire additional sewerage system facilities unless such provisions are satisfied, the District Board hereby adopts the following policy regarding the acquisition of additional sewerage system facilities. The policy shall apply to the acquisition of privately owned sewerage system facilities as well as extensions to public sewer systems carried out by political subdivisions or their agents.

1. A private developer or political subdivision desiring to transfer sewer system facilities to the District shall make written application to the District. Such written application should include a legal description of the system, together with appropriate easements, plans showing the system as constructed and a Certificate of Substantial Completion signed by an engineer or architect, registered in the State of North Carolina. The District Board reserves the right to assess an application fee. The District reserves the right to adjust the amount of the application fee as the District Board, in its sole discretion may deem appropriate. Upon receipt and review of the information, the District Board must make inquiry to determine that the acquisition of additional sewerage system facilities and the related responsibility to maintain, operate, improve, reconstruct or extend such facilities will preserve and promote the public health and welfare within the District. In making such inquiry, the District Staff and the private developer or political subdivision shall provide the District Board with such information as the Board may, in its discretion require. In making the determination as to whether or not such an acquisition would preserve and promote the public health, the District Board shall consider at least the following items:

- (a) the age and condition of the additional facilities;
- (b) whether or not the additional facilities were constructed according to District standards;
- (c) easement or the lack of easement for such additional facilities;
- (d) the number of people being served by the facilities;
- (e) the effect on the public health and welfare.

The District has developed and published construction standards for new sewers and shall make a copy of such standards available for an appropriate charge to private developers, political subdivisions and other interested parties.


2. The District Board must determine that the additional sewerage system facilities are not subject to any lien or other encumbrance which is materially adverse. It shall be incumbent upon the developer or political subdivision desiring to transfer a sewerage system facility to the District to provide evidence satisfactory to the District Board or its counsel that the facilities are not subject to any lien or other encumbrance which is materially adverse. The determination as to whether or not an encumbrance is "materially adverse" shall be in the discretion of the District Board. The District reserves the right to assess a fee to cover the cost of inspecting sewer system facilities to determine the age and condition of the additional facilities; whether or not the additional facilities were constructed according to District standards; to require repair as necessary to bring the system up to the District's

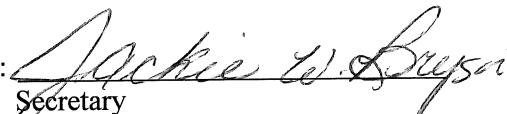
Standards and to require the entity transferring the system to obtain easements in accordance with District Standards; and any other steps necessary to determine whether the additional sewer system facilities are subject to any lien or encumbrance which is materially adverse.

3. The developer or political subdivision desiring to transfer the sewerage system facilities to the District shall prepare an appropriate instrument transferring complete ownership of such facilities to the District, delegating to the District the responsibility for operation, maintenance, improvement or reconstruction of such facilities and authorizing the District to establish rates, fees and charges without supervision or regulation from any political subdivision. The instrument shall adequately describe the sewerage system facilities to be conveyed, including any easements therefor. The instrument of transfer shall be in form and content satisfactory to the District Board and its counsel and shall be in form appropriate for recording in the Office of the Register of Deeds for Buncombe County.

4. Upon receipt, satisfactory review by the District and proper execution and recordation of the documents transferring the system, and a finding by the District Board that the transfer will benefit the public health; and that adequate funding for the acquisition, operation, maintenance, improvement or reconstruction of the additional sewerage system facilities will be available from the various funding options available to the District, the District may accept the additional sewerage system facilities.

Adopted this 16 day of February, 1994.

  
\_\_\_\_\_  
Chairman  
Metropolitan Sewerage District

Attest:   
Secretary

RESOLUTION APPROVING THE ACQUISITION  
OF THE SEWERAGE SYSTEM FACILITIES  
OF THE COLUMBIA BIBLE COLLEGE

WHEREAS, the Metropolitan Sewerage District ("District") has been asked to acquire the sewerage system facilities constructed to serve the Columbia Bible College property located on Ben Lippen School Road in Asheville, Buncombe County, and more particularly described on As-Built drawings prepared by Ledford Engineering, Inc., dated April 1993 and filed in the Administrative Offices of the Metropolitan Sewerage District, at 2225 Riverside Drive, Asheville, North Carolina.

WHEREAS, the District Board is bound by certain covenants in its Bond Order and cannot acquire additional sewerage system facilities unless such provisions are satisfied;

WHEREAS, the District Board has determined the Columbia Bible College Sewerage System facilities are not subject to any lien or other encumbrance which is materially adverse;

WHEREAS, the District Board has determined the acquisition of the Columbia Bible College Sewerage System and the responsibility to operate and maintain it will preserve and maintain the public health and welfare within the District;

WHEREAS, the Columbia Bible College has tendered appropriate instruments transferring complete ownership of the system to the District and delegating to the District the responsibility for operation and maintenance;

WHEREAS, the appropriate instruments that are prepared and executed by Columbia Bible College are in such form that they may be duly recorded;

WHEREAS, the District has determined that it has reasonable access to and over related public rights of way and easements necessary to operate and maintain the system;

WHEREAS, the District Board has determined that adequate funding will be available for the acquisition and for the operation and maintenance of the system and that the District Board will have the authority to determine the need and priority for the operation and maintenance, improvement and reconstruction of the additional sewerage system facilities.

BE IT NOW HEREBY RESOLVED: The District Board of the Metropolitan Sewerage District hereby accepts the Columbia Bible College Sewerage System together with all easements therefore, said sewerage system being more particularly described on As-Built drawings prepared by Ledford Engineering, Inc., dated April 1993 and filed in the Administrative Offices of the Metropolitan Sewerage District, at 2225 Riverside Drive, Asheville, North Carolina.

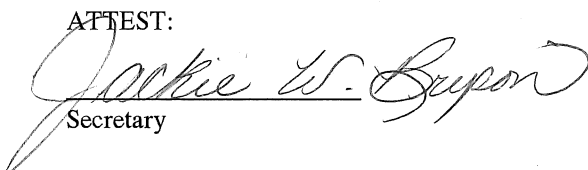
This the 19<sup>th</sup> day of January, 1994.

METROPOLITAN SEWERAGE DISTRICT OF  
BUNCOMBE COUNTY, NORTH CAROLINA

By: 

Chairman

ATTEST:

  
Secretary