

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
RETREAT
JULY 9-10, 1994

July 9, 1994

1. Call to Order and Roll Call:

The Board of the Metropolitan Sewerage District held a Retreat Saturday and Sunday, July 9-10, 1994 at Highland Park. Chairman Post called the meeting to order at 8:30 a.m. on Saturday with the following members present: Bryson, Casper, Dent, Holcombe, Kelly, Selby, Slosman, Sobol and Wallace. Absent was Mr. Joyner.

Others present included: W. H. Mull, Engineer-Manager, James R. Fatland, Director of Administration, John S. Stevens, General Counsel, Max Haner, representing the North Carolina Department of Environmental Health & Natural Resources (DEHNR). Representing Hendon Engineering was, Sharon Kane, Bob Holbrook, Ed Byas, and Bill Conner. Representing the City of Hendersonville was Fred Neihoff, Jr., Mayor, Chris Carter, City Manager, Tom Kilpatrick, Director of Utilities, Gary McGill and Keith Webb of McGill Associates, P.A.. Representing Henderson County was Vollie Good, Chairman, Board of Commissioners, Renee Kumor, Vice Chairman, Mike Edney, Commissioner, David Thompson, County Manager, Jim Erwin, Director of Utilities, and Bill Lapsley of Lapsley Engineering. Representing the Town of Laurel Park was F. Stuart Smith, Town Administrator, and representing the Town of Fletcher was Craig F. Honeycutt, Town Administrator.

2. General Discussion:

Mr. Post welcomed Board Members and visitors, and expressed his appreciation to Mr. Slosman for the use of the facility.

a. Auditor Services - Mr. Fatland

Mr. Fatland reported that at the request of the Finance Committee he explored the possibility of looking at new audit firms for 1994. However, since the District's current auditor, Bolick & Associates, Inc. prepared a six-month audit ending December 31, 1993, he recommended that the District approve a contract with Bolick & Associates to provide audit services for year ending 6/30/94 and solicit proposals for audit services for year ending 6/30/95. Following a brief discussion regarding the current annual audit fee; the number of years the District has retained Bolick & Associates, Inc., Mr. Slosman moved that the Board accept the recommendation of staff. Mr. Holcombe seconded the motion. Voice vote was unanimous in favor of the motion.

b. Changes to Open Meeting Laws - Mr. Stevens

Mr. Stevens gave a brief report on changes in the Open Meeting Laws, effective October 1, 1994, and stated that of the 20 reasons a public body can go into executive session, (now called a closed session) that number has been reduced to seven (7). Mr. Stevens explained that the biggest change involves maintaining minutes of closed sessions, which eventually will be subject to public scrutiny. In addition, claims can be brought against a public body as a whole, or against any member of that body for not adhering to the laws. A brief discussion followed with regard to the law on rights-of-way issues; whether closed meeting minutes will be separate from regular meeting minutes and if the District carries liability insurance on its members. Mr. Stevens further stated that there are two favorable changes in the law. First, that committee meetings of a public body are no longer required to be open to the public, as long as there is less than a majority of the Board's members in attendance, and second, that any social settings and meetings are not violations of the law, but there is a proviso that states these gatherings must truly be a social situations.

c. **Phase I Environmental Assessment Survey - Sulphur Springs Creek Sewer Rehabilitation - Mr. Mull**

Mr. Mull reported that following review of a proposal from Law Engineering for an Environmental Assessment Survey for Phase I of the Sulphur Springs Creek Sewer Rehabilitation project, the Planning Committee recommended award of the proposal in an amount not to exceed \$5,000.00. Mr. Mull further reported that the purpose of the proposal is to assess two (2) potential areas of contaminated soil within the planned sewer alignment trench excavation, and because Law Engineering is currently doing an environmental assessment along that same route, they agreed to conduct the study. A brief discussion followed regarding the source of contamination and how it will be disposed of. With no further discussion, Mr. Dent moved that the Board adopt the recommendation of Planning Committee. Ms. Bryson seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

3. **Update on Master Plan including a review of the South French Broad Interceptor Design Flows and Impact of Hendersonville and Henderson County flow - Sharon Kane and Bob Holbrook of Hendon Engineering Associates, Inc.**

Ms. Kane reported that the purpose of the Master Plan is to evaluate the adequacy of the existing sewer interceptors and treatment system and identify the improvements needed to satisfy present and future requirements through the year 2020. She further reported that the factors considered in developing the Master Plan are as follows: Areas to be served, transportation, water distribution, communication and population growth. Ms. Kane presented several maps showing the District's boundary and sanitary districts as it exists; North Carolina Department of Transportation's (DOT) plans for highway improvement during the next five (5) years; where development is expected to occur; present flows in the interceptors, and what the flow is comprised of. An analysis of the 1980 and 1990 Population and Housing Census data was used to determine the current growth trends. The rate of population growth was 8.6% for the ten year period or 0.8% per year. Total population on sewer was 19% for the ten year period or 1.9% per year.

Ms. Kane stated that current population data by household for each watershed, at the rate of 170gpd per household was used to determine the current rate of flow. Industrial daily maximum effluent limitations and SSES reported inflow and infiltration (I/I) were also included. Four scenarios of flow were discussed which were average daily flow, peaked dry weather flow, peaked wet weather flow and peaked wet weather with 75% I/I Rehabilitation. Mr. Holbrook stated that successful I/I rehabilitation should assure that in wet weather conditions, the water will stay in the lines and not overflow. A lengthy discussion followed with regard to where I/I is coming from; the difference between the two; whether the District can legally remove old storm drains that are connected to the system, and who is responsible for their removal. Ms. Kane reported that through a successful I/I rehabilitation program, they feel that 75% of the inflow may be eliminated.

Using the same scenarios, Ms. Kane presented maps showing the existing system in the year 2020, without construction of the South French Broad Relief Interceptor, the South French Broad is showing up as a problem area; from Dingle Creek to the confluence of Hominy Creek. If the flow is peaked, the problem is increased in the same area. Ms. Kane further reported that even with a successful rehabilitation program, (removing 75% of the inflow) the problem still exist from Powell Creek to the confluence of Hominy Creek and the South French Broad River. However, if the District built the South French Broad Relief Interceptor and replaced the line from Dingle Creek to Hominy Creek, (from a 36" line to a 48" line) the flow during dry or wet weather, would be contained within the pipe. Therefore, an I/I rehabilitation

program, with an emphasis in the north end, would virtually eliminate a need for an I/I program in the south end. Ms. Kane further stated that the projections on average daily flow being carried forward to the year 2020 are very consistent with what the District has been seeing over the past 10 years. A brief discussion followed with regard to what the peak flow, with rehab, would be at the plant in the year 2020; inflow problems in Swannanoa and Black Mountain, and projected growth of that area. Mr. Holbrook stated that the Asheville Area Chamber of Commerce's projections on the industrial growth do not, in his opinion, recognize the ability to serve high water industrial users in the South Buncombe area in the future, but rather a short term evaluation that must be looked at on an individual basis.

Mr. Mull reported that they are currently looking at the number of residents now on septic tanks, who will be connected to the system within the next 20 years, and whether the MSD can handle that additional flow. Mr. Haner stated that when you talk about developing new property, the intent is to maximize the profit and felt that if a development is within a reasonable area, the MSD will be asked to serve that area as opposed to it being developed as a septic system.

Mr. Holbrook reported that Hendon Engineering's recommendation is to build the South French Broad Interceptor Sewer as designed, and 15 years from now, (if growth occurs in the south portion of the basin as projected) expand the lower South French Broad Interceptor and implement a major system-wide inflow reduction program of the existing District and contracts outside the District.

In looking at regionalization, Mr. Holbrook reported they have talked with both the City of Hendersonville and Henderson County as to what their plans and flows might be. Mr. Holbrook reported that in looking at the potential flow out of the Mud creek basin, Hendersonville is looking at a potential 7mgd treatment plant. In addition, Henderson County's Master Plan, is looking at approximately 10mgd of average daily flow from the same basin, aggressively assuming that 50% of the potential development in that area would be sewerred by the year 2020. Mr. Holbrook further reported that they are looking for a cost effective solution for providing total treatment, assuming that 10mgd came out of Henderson County; where would that facility should be located, and what they would do as far as interceptors to carry the flow. Mr. McGill, Consultant to the City of Hendersonville, reported that Hendersonville arrived at 7mgd as a result of looking at the entire Mud Creek basin, as to what is served now, by both Hendersonville and Henderson County, and what can be served in any period of time. Mr. McGill further reported that they looked at where the system is right now and tried to project that forward, not so much in land area, and number of houses, but from a financial standpoint, then projected the flows in the same way Hendon Engineering did. Mr. Holbrook stated that in using Hendersonville's number of \$15 million, if they built an independent plant at Mud Creek to handle the whole area, the total cost would be \$27.7 million, not taking into consideration any sewer cost of Henderson County.

Mr. Holbrook presented a summary of regional alternatives as follows:

Alternate #1 - A 13mgd Treatment Plant at Mud Creek or Cane Creek at an estimated cost of \$28,000,000.

Alternate #2 - A 15mgd Treatment Plant at Asheville Water Plant Site (Ferry Road) at an estimated cost of \$44,600,000.

Alternate #3 - A 20mgd Treatment Plant below Dingle Creek at an estimated cost of \$56,400,000.

Alternate #4 - A 14mgd Treatment Plant at Avery Creek at an estimated cost of \$36,800,000.

Mr. Holbrook further stated that another possible alternative would be for the MSD to build the South French Broad Relief Interceptor, and at some future point when the flow capacity is enough where the MSD will have to go to the Lower South French Broad replacement, one option would be to pump the Cane Creek flow up to a Henderson County plant and expand that at a future site. Or, in the year 2020 look at a treatment plant at Dingle Creek. However, if the MSD decides to go with Alternate #1, then consolidation needs to be handled very rapidly or some agreement to handle the flow from Cane Creek needs to be considered.

Mr. McGill expressed his concern that the Master Plan does not consider those areas north of the treatment plant, especially since Phase I of a multi-phase water treatment facility is being built on the Ivey River, which will bring a significant amount of water into that area. Mr. McGill stated that when water service begins to expand in that area and the I-26 Corridor is built, the MSD may be pressured into providing sewer service regardless of its feasibility.

Ms. Wallace expressed her concern that pipe sizes will have a minimum 25 year life, and if this is the case, will the MSD be able to fulfill its responsibilities. Mr. Holbrook stated that if they define a project that needs to be done, they are looking at a design capacity 50 years in the future, but the horizon of what needs to be done is 25 years. Mr. Holbrook further stated that if you look at 1990 flows, the average flow coming from the south area is extremely small, even with the projections for large growth in that area, and in his mind, these decisions need to be considered a few more years before the MSD starts looking at 50 year projections.

5. Comments, Discussion: Henderson County, City of Hendersonville, Town of Fletcher and Town of Laurel Park:

Mr. Post again welcomed invited guests and called for any comments they wished to make that could affect MSD or its Master Plan in the future.

TOWN OF LAUREL PARK

Mr. Smith reported that the Town of Laurel Park does not have a sewer system, but through an arrangement, the City of Hendersonville handles its maintenance and collection. However, in the future they plan a sewer system, depending on how things go with regionalization, but that it would be 10 years before a system is developed. A brief discussion followed as to the location of Laurel Park, its population and whether the town is located in the Mud Creek drainage area.

HENDERSON COUNTY

Mr. Good, Chairman Henderson County Commission, reported that they were in attendance to learn about the MSD's Master Plan and how Henderson County can fit in, since they are having bad experiences with septic tanks, and business and industry are having problems with sewerage in the northern end of the County.

Mr. Erwin reported that Henderson County's plan is to determine its needs, flows, decisions about time tables, and areas they are going to serve, and at that point, will look at regional solutions for treatment of wastewater. Mr. Erwin further reported that Henderson County has a treatment allocation with the MSD for 1.35 mgd, for the Cane Creek Water & Sewer District, and has had an excellent working relationship with

the MSD for a number of years. Mr. Erwin stated that Henderson County's Master Plan will address the needs in South Buncombe, which includes, Back Fork, Devils Fork, Clear Creek and North Mud, all subbasins of Mud Creek. In addition, the Master Plan is projecting flows in all the basins of the county, except the Broad River, Green River and Little River basins, and considers where they think the growth will be and where the existing population is now. A brief discussion followed with regard to the percent of the population that is served by the Mud Creek Water & Sewer District and whether the reciprocal aid agreement for the Cane Creek and Christ School Road systems are still in effect.

Mr. Thompson reported that the agreement Henderson County has with the MSD on the Cane Creek System is one of the best he has seen, and at present Henderson County is using .25mgd of the 1.35mgd allocated. Mr. Thompson further reported that Henderson County is trying to decide how much expansion it can afford and the best alternative, but does not feel the County Commissioners will consider building a wastewater treatment plant until more growth occurs in the northern portion of the county. Mr. Thompson stated that if something is not formed regionally, Henderson County will consider expansion of its District, or its contract to secure additional allocation. Mr. Thompson further stated that they hope to discuss these options with the MSD in order to come up with a plan that will take care of Henderson County's future needs, and at the same time, help MSD with problems they are facing in the northern portion of Henderson County and South Buncombe.

HENDERSONVILLE

Mr. Neihoff, Mayor City of Hendersonville, expressed his appreciation to the Board for inviting Hendersonville to hear the MSD's Master Plan and to participate in the discussions. Mr. McGill, Consultant to the City of Hendersonville, reported that for the past two years the City of Hendersonville has been looking at the whole wastewater issue and began to decide what needed to be done to the existing treatment plant. He further reported that the existing plant has been upgraded and expanded to keep up with growth, but because of the terrain and rock on the site, expanding the plant in its existing location has become a cost issue. In addition, there is a concern that because Mud Creek is not large, the secondary limits would be increased. Mr. McGill presented a map showing the Mud Creek drainage basin, and stated that when they evaluated the alternatives, they looked at expanding the plant to 6mgd, at a cost of approximately \$8million, but because of tertiary limits and increased O&M costs, they began to look at other alternatives. Since the MSD is in the Cane Creek area, which is very close to Mud Creek, they have applied for a NPDES permit for discharge at this location. Mr. McGill briefly discussed the various alternatives Hendersonville has considered and stated that because Hendersonville's plant is near full capacity, they will have a problem if they don't move forward. Mr. Slosman questioned whether this new plant takes Henderson County's problems into consideration. Mr. McGill stated that they intend to look at the entire basin, regardless where the city limit or county lines are. Mr. McGill presented a map of the Cane Creek Basin and reported that they think this area deserves more consideration and might possibly be a situation where all the entities involved can share a facility at this site either through cost sharing or co-ownership. In addition, Hendersonville is interested in cost sharing with the MSD on sludge and laboratory facilities. Mr. Neihoff stated that Hendersonville is ready to sit down and talk with the MSD and Henderson County to see if some sort of joint ownership can be worked out.

TOWN OF LAUREL PARK

Mr. Smith stated that the Town of Laurel Park is in the same situation as the City of Hendersonville and Henderson County, and what affects them, affects the Town of

Laurel Park. A brief discussion followed with regard to whether permitting could be delayed to give Hendersonville time to review mgd numbers and make any necessary modifications.

4. Question & Answer Session - Jim Fatland, Facilitator

A question and answer session was held during the lunch break, facilitated by Jim Fatland. The main focus of discussion was centered around a regional concept, with emphasis on the following: Hendersonville's need to proceed with building a plant; the possibility of shared costs between the MSD, Hendersonville and Henderson County; the best location for a plant; the need to compare Master Plans, and whether to delay the construction of the South French Broad Interceptor Sewer. It was the consensus of the group that the engineers from the various entities meet to look at flow, plant capacity and location, and present their findings at the next meeting of the MSD's Planning Committee, July 28, 1994. It was suggested that Mr. Stevens be asked to contact the City Attorney for Hendersonville and the County Attorney for Henderson in order to identify legal issues involved in various regional undertakings.

5. Other Regional Concerns/Wrap Up

Mr. Post expressed his concern with regard to comments from Henderson County on the City of Hendersonville's plans and requested that several options be brought back to the Board for review. First, the engineer's report, and second that the following scenarios be discussed:

- a. A plant built by Hendersonville, with Henderson County and the MSD buying in sometime in the future.
- b. A plant built by Hendersonville, with Henderson County buying in now, and the MSD buying in sometime in the future.
- c. Plant built and owned jointly by Hendersonville, Henderson County and the MSD.
- d. Expansion of MSD's Boundary, with Hendersonville and Henderson County being represented on the MSD Board.

A lengthy discussion followed on the issue of press releases regarding a regional approach to sewerage treatment. It was the consensus of the Board that no press release come from any individual member of the Board, but that the Chairman speak for the Board as to any action taken by the Board.

Mr. Mull suggested that prior to a joint meeting between the MSD, Hendersonville and Henderson County that staff schedule a meeting with Counsel to discuss what would happen if the District is extended, and how a contractual agreement between the entities would work. Mr. Mull stated that there are two (2) things the MSD is looking at; first, a plant at Mud Creek or Cane Creek, and second, the need to look at sites for a second wastewater treatment plant at Dingle Creek or Hominy Creek; thereby avoiding interceptor construction. Mr. Mull further stated that if the MSD builds another facility, it should be built below Dingle Creek, in order to help Gerber Products with its flow.

Mr. Post questioned what MSD's options would be if Hendersonville built a plant at Mud Creek, and Cane Creek's flow is diverted toward Hendersonville. Mr. Holbrook reported that if a plant is built at Mud Creek and an I/I program is successful in that

area, then construction of the South French Broad Relief Interceptor Sewer would not be required. However, this would be assuming a lot in such a short period of time and still be timely enough for the Braeside development plans. A lengthy discussion followed regarding the 2mgd inflow problem at Powell Creek, and whether the MSD should fix this line instead of building the South French Broad Relief Interceptor Sewer; the cost involved, and how long it would take to handle the inflow problem. Mr. Haner reported that the DEHNR will not allow Braeside Development to construct additional collection sewers until the MSD has sufficient capacity to handle that flow. Mr. Mull reported that Hendon Engineering has strongly recommended in the past that the MSD proceed with an I/I rehabilitation program, but the recommendation was moved down on the priority list in order that the MSD could live with rates that are in effect now.

Mr. Post then recognized Mr. Haner for his comments on MSD's Master Plan. Mr. Haner reported that the DEHNR has had a good working relationship with the MSD over the years and that their office has followed a policy, whereby they do not want to be in the way of economic growth and development, while satisfying water and sewer requirements from the environmental side. Mr. Haner further reported that hopefully DEHNR rules, and how they are administered, will compliment MSD's efforts, and because the Master Plan is guided by projected growth and existing problems, it will need to mesh with what the MSD's Sewer Extension Policy is going to be. Mr. Haner stated there are a great number of needs in Buncombe County; some on a personal level, and some on a sub-regional basis, where wastewater treatment plants are privately owned. The Master Plan may need to recognize where those plants are and the political and environmental pressures down the road that the MSD is receptive to, in allowing the existing collection systems to abandon the privately owned wastewater treatment system, and put them on the same line, thereby increasing revenue and flow. In addition, there may be some pressure for the areas of Hominy Valley and North of Weaverville to be sewerred.

Mr. Mull presented a list of potential areas for regional cooperation as follows: Sample Analysis; Emergency Maintenance; Sludge Treatment; Emergency Pump-around Crew; Safety Training and Program Development; Plant and Collection System Employee Training and G.I.S. Mapping System.

With regard to other areas being included in the District, Mr. Stevens reported that it would be legally possible for all of Fletcher, Henderson County or Hendersonville to become part of the District, however, the only time another entity would have a seat on the MSD Board is if it were an incorporated area. Mr. Stevens further reported that the MSD cannot annex areas, but it can go into unincorporated areas and build sewerage disposal facilities. However, the MSD must always be careful not to use the resources of its ratepayers in areas outside the MSD boundary. Also, the MSD can condemn land.

6. Sludge Facilities Discussion:

a. Incineration

Mr. Holbrook reported that Enviroquip has been doing a systematic check of the Incineration facility and is slowly bringing the incinerator up; burning 1,400 pounds of undigested sludge per hour, and that two weeks ago, they burned an average of 2,200 - 3,000 pounds an hour. Mr. Holbrook further reported that Enviroquip and Lee Construction are proceeding to schedule all activities to start up the steam turbine and generators, and to do the necessary performance testing required to meet EPA regulations and specifications. At the same time, the MSD has written a letter to the bonding companies of both Lee Construction and Enviroquip informing them of the fact that the ultra press is not working.

The bonding companies have replied and requested more detailed information as to what the claim is. A lengthy discussion followed regarding the amount of fuel oil being used to burn sludge; whether the digesters are working and if the incinerator is burning digested sludge. Mr. Mull reported that after all testing is complete, the centrifuge will be tested along with operation of the digesters to see how much gas they produce. A discussion followed regarding the cost of the centrifuge (\$1.5 million).

b. Alkaline Stabilization Facility:

Mr. Holbrook reported that the facility is complete and operational, and that testing results show that the MSD has a "Class A" product according to EPA Clean Sludge Regulations. Mr. Holbrook further reported that agricultural analysis showed the product to be at an 88% lime equivalency, (8% volatile solids and 80% dry solids), and that a permit to dispose of the product has been applied for. Mr. Holbrook stated that the cost of operation is approximately \$60.00 per dry ton, with the finished cost at approximately \$75.00 per dry ton.

With regard to a question about the MSD's source of lime kiln dust and the process used, Mr. Holbrook reported that the MSD is using its own equipment, but N-Viro's patented process, (windrowing). However, N-Viro is willing to sell the MSD a licensing agreement to use its process. A lengthy discussion followed with regard to mixing sludge with garbage at the Buncombe County landfill and marketing of the product. Mr. Mull presented three (3) proposals for the Board's review from Black & Veatch; N-Viro and McGill Associates, P.A. for MSD's sludge program. Mr. Mull further reported that Dr. Rubin of North Carolina State University will monitor tests; assist in contacting agricultural customers and develop a brochure. In addition, the MSD does have a semi commitment from the Department of Transportation, County Landfill with recent interest in the product expressed by the WNC Arboretum. Following a brief discussion as to other facilities that are selling this type of product and whether the MSD should solicit request for proposals from other firms, Mr. Casper moved that the Board approve soliciting RFP's, with staff reviewing the proposals for costs, and make a recommendation to the Board at its August or September meeting. Ms. Wallace seconded the motion. Voice vote was unanimous in favor of the motion.

Mr. Sobol suggested that staff check out the availability of using other additives such as paper and wood chips and the costs involved.

At. 4:30 p.m., Mr. Slosman moved for adjournment.

JULY 10, 1994

1. Call To Order:

Chairman Post reconvened the meeting, Sunday, July 10, 1994 at 10:00 a.m. with the following members present: Bryson, Casper, Dent, Holcombe, Kelly, Slosman, Sobol and Wallace. Those members absent were: Mr. Joyner and Mr. Selby.

2. MAI Study Update:

Mr. Mull presented a list of recommendations proposed by Municipal Advisor's, Inc. (MAI) and reviewed each item with the Board as to whether they have been implemented or not. The following recommendations were made for items not yet implemented by the MSD:

a. **Committee Structure**

The Board discussed the consolidation of committees and directed staff to handle, administratively, several issues that are normally brought to the Committee such as: property acquisition, (by setting a policy with regard to condemnation) and to provide information to the Committee's at least one or two weeks in advance of the meeting. Mr. Slosman suggested that the Right of Way and Planning Committee's look at ways to streamline the issues. Mr. Fatland suggested that each Committee Chair come with an outline of policy and procedures for the Committee to review, i.e, purchasing for items under \$10,000.00. Mr. Post stated that the idea was good, but that it needed to be done within the guidelines set forth by the N.C. State Statutes, with award of contracts approved by the Board.

b. **Discontinue Secretary/Treasurer Signing Checks**

Mr. Mull stated that a Resolution regarding this issue will be presented at the next regular meeting of the Board. Mr. Casper recommended that Mr. Mull and Mr. Fatland sign checks, since they are familiar with who the checks are being disbursed to.

c. **Evaluation of Engineer-Manager**

The Board agreed that an evaluation of the Engineer-Manager be done annually and that a meeting of the Personnel Committee be scheduled within the next few weeks to review the Engineer-Manager's goals & objectives.

d. **Deleting the Two Assistant Superintendent of Collection's Positions and relocating the Assistant Collection's Superintendent to the Position of Safety Coordinator.**

It was the consensus of the Board that these positions remain in place for now and reviewed again during the next budget year. Following a lengthy discussion, Ms. Wallace moved that staff provide whatever supervisory training necessary and report back with a recommendation to the Personnel Committee in February, prior to budget meetings in March. Also, that other personnel matters be discussed at this same meeting. Mr. Kelly seconded the motion. Voice vote was unanimous in favor of the motion.

e. **Design New Format for Monthly Reports**

The Board agreed that a good financial narrative be developed to replace the current monthly report.

f. **Study Absenteeism Problems at Collection System's Division**

The Board agreed that Mr. Fatland develop a report on sickleave and overtime, and report back to the Board.

g. **Delete "Engineer" from Engineer-Manager Title**

It was the consensus of the Board that this change be considered again when the MSD is in the process of another Bond Issue.

A brief discussion followed regarding the process used for staff meetings, and

when they are held. Mr. Mull presented the Goals and Objectives of his and of the various divisions for Board review. These were referred to the Personnel Committee.

3. Other Business:

Mr. Post reminded the Board of the Water Environment Federation's Annual Convention to be held in Chicago, October 15-19.

With regard to discussions on sludge, Mr. Sobol suggested that staff prepare a report on the history of why the MSD decided to build an incinerator, since the Alkaline Stabilization Facility was to be the primary facility.

Mr. Post reported that he received a letter from Mayor Russ Martin requesting that the MSD set up a Committee to meet with a Committee to be appointed by him, to discuss the various concerns; when the MSD can expect payment on the City of Asheville's back sewer charges, and how much that will be. Mr. Post appointed Mr. Slosman, Ms. Wallace and Mr. Selby to serve on the Committee. Mr. Post further reported that a meeting will be set within the couple of weeks and asked that Mr. Stevens, along with himself be present.

4. Sewer Extension Policy

In the absence of Mr. Joyner, Mr. Post presented a letter addressing Mr. Joyner's concerns regarding payback in the event the MSD decided to develop an extension policy.

Mr. Casper reported that the Blue Ribbon Committee has met on two occasions; January and June, 1994 to considered the best approach to the issue of sewer extensions. Mr. Casper further reported that the Committee decided to look at other municipalities in North Carolina to see what type of extension policy they have and to look at research done by Hendon Engineering Associates, Inc. in 1992. Mr. Casper stated that from this information, it was found that most municipalities have extension policies that address health hazards and development, but none was found that subsidized a developer, (only programs that facilitate funding for developers). Mr. Casper presented a calculated example of how much it would cost the MSD to extend a line and how much revenue would be generated, however, it was apparent from the calculations, that the MSD cannot grow with the resulting payback numbers. A lengthy discussion followed with regard to why the MSD would help existing industry and not a private developer and what commitment if any did the MSD make with Gerber Products, Inc. Mr. Casper stated that he felt the difference between helping Gerber, as opposed to a private developer, is that Gerber is part of the Community now and that the permanent jobs created by Gerber are more important than temporary jobs that would be created by a construction situation. Ms. Wallace suggested that the MSD maintain information as to what other cities are doing and from that data, have staff develop scenarios that will assist industrial development and address health problems.

A lengthy discussion followed regarding the difference in payback to the MSD compared to payback for cities and counties; the issue of annexation and whether a policy for developers should be separate from a policy for industry. Mr. Stevens gave a brief historical perspective on annexation with regard to sewer funding between the MSD and other municipalities as contained in the Consolidation Agreements. Mr. Holcombe added that for approximately 50 years, the City of Asheville paid for sewer expenditures out of its water fund, through the Sullivan Act, which prohibited the City from charging differential water rates; ultimately resulting in sewer user fees and

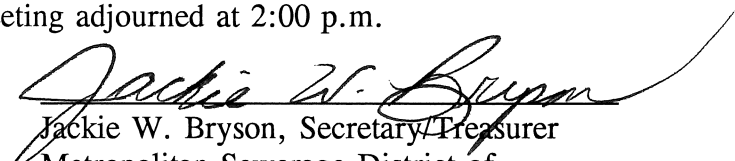
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consolidation. Mr. Casper stated that in answer to questions about the MSD's extension policy, the answer should be that the MSD has an extension policy, and that policy is, that the MSD does not do extensions. Mr. Mull gave a brief history of how decisions regarding extensions have been handled in the various municipalities.

Mr. Casper moved that the Board approve changing the term "Capacity Depletion Fee" to "Facility Fee". Ms. Wallace seconded the motion. Voice vote was unanimous in favor of the motion.

5. Adjournment

With no further business, the meeting adjourned at 2:00 p.m.


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