

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

December 21, 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, December 21, 1994. Chairman Post presided with the following members present Bryson, Casper, Dent, Holcombe, Joyner, Selby, Slosman, Sobol and Wallace. Those Members absent were: Kelly.

Others Present were: W. H. Mull, Engineer-Manager, John S. Stevens, General Counsel, Danny Bridges and Gary McGill of McGill Associates, P.A., Bob Holbrook and Ed Byas of Hendon Engineering Associates, Inc., Bob Tinkler representing the League of Women Voters, Jim Fatland, Stan Boyd, Linda Mazingo, Wayne Watkins, Tom Tarrant, Neil Hall and Sondra Honeycutt, MSD.

2. Approval of the Minutes of the November 10, 1994 meeting;

With regard to the Audit Report, Ms. Bryson reported that the decrease in the number of meters in use by the Woodfin Sanitary Water & Sewer District is 12 instead of 309. With no further comments, Mr. Selby moved that the Minutes of the November 10, 1994 meeting be approved as presented. Mr. Joyner seconded the motion. Voice vote was unanimous in favor of the motion.

3. Engineer-Manager's Report

CONSOLIDATED MOTION AGENDA

Mr. Mull reported that the following Consolidated Motion items were brought before the Finance, Personnel, Planning, Right of Way and Blue Ribbon Committee's. Mr. Joyner requested that prior to a vote on the Consolidated items that he be given an opportunity to comment on Planning Committee items d.4, (why the District is transferring funds to pay the City of Asheville for a project located in an area that has not been annexed) and d.5, (why the District is considering the substitution of the Sardis Road and Lees Creek Sewer Extension Projects for the Ducker Creek project in order to accommodate a development the Board previously rejected). In addition, Mr. Joyner questioned whether the City and County have informed the public that these projects will be delayed in order to transfer funds from one project to another. Mr. Holcombe requested that the Board consider voting separately on Finance Committee Item a.4, (Consideration of the District's Policy on Sewer Refunds). Mr. Casper requested that Personnel Committee Items b.2, (Consideration of Additional Laboratory Staffing) and b.4, (Consideration of Changes in General & Administrative Department) be pulled for further discussion. Mr. Joyner stated that since other items are being pulled for further consideration that Items d.4 and d.5 be pulled. Following a lengthy discussion on whether there was a need to further discuss these items, Mr. Holcombe moved that the Board adopt the Consolidated Motion, and vote separately on those items pulled for discussion. Ms. Wallace seconded the motion. Roll call vote was as follows: 10: Ayes; 0 Nays.

The Consolidated Motion Items not in question are as follows:

Finance Committee Items:

a.1 Consideration of Annual Audit Report:

The Finance Committee recommended the following: (1) approval of the Annual Audit Report; (2) that staff develop purchasing policies, procedures and improve internal control procedures for Committee review in February; (3) Authorize staff to prepare RFP for investment banking services to develop policies and strategy on investments, and, (4) authorize staff to coordinate consultant interviews with the Finance Committee.

a.2. Consideration of Quarterly Budget Report for Period Ending 9/30/94:

The Finance Committee recommended approval of the Quarterly Budget Report and that staff submit information requested to the Board at its December meeting.

a.3. Consideration of Overtime Report for 3 Months ending 9/30/94:

The Finance Committee recommended review of overtime on a quarterly basis and approval of current Overtime Report.

Planning Committee Items:

d.6 Consideration of Proposal for Architectural Services for New Engineering Division Building - William Langdon & Associates:

The Planning Committee recommended proceeding with a contract for architectural services provided that this is within the CIP budget framework, and contingent upon the contract not exceeding \$12,500.00.

Right of Way Committee Items:

e.3.a Sweeten Creek Interceptor Sewer:

The Right of Way Committee made the following recommendations with regard to Property Owners as follows:

Property Owner #1: Obtaining an appraisal, offering indicated damages and condemnation if offer not accepted.

Property Owner #2: Presentation of easement document containing language limiting duration of construction across property excepting unforeseen delays due to discovery of rock, contamination or inclement weather. If an agreement cannot be reached, staff has authority to obtain an appraisal, offer indicated damages and condemnation if offer not accepted.

Property Owner #3: Delete manhole work from the contract and have the District's Maintenance Division do the repairs. If the owner refuses to allow District personnel on his property for repairs, condemn for the easement.

Property Owner #4: Delete work from contract and have the District's Maintenance Division do the repairs and record the easement agreement with the signatures the District has.

Property Owner #5: Record Easement Agreement with Buncombe County signature only, delete manhole work from the contract and have the District's Maintenance Division do the needed replacements.

Property Owners #6,7 and 8: Deletion of Easements.

Property Owner #9: offer compensation in the amount of \$5,500.00 for easement with authority to negotiate up to a maximum of \$8,400.00. If the offer is not accepted, proceed with condemnation.

Property Owner #10: Obtain ex-husbands conveyance of easement, record easement and proceed with work. If refused, delete manhole from project and have the District's Maintenance Division do the work. If access is denied to Maintenance personnel, proceed with condemnation.

Property Owner #11: Authorize the Engineer-Manager to make final decision based on findings of re-alignment assessment.

e.4.a Talmadge Street Rehabilitation:

The Right of Way Committee recommended obtaining an appraisal, final offer in the amount indicated as damages and condemnation if not accepted.

e.5.a Pisgah View Rehabilitation:

The Right of Way Committee recommended Angel Banks Craven to represent the District in mediation of condemnation cases.

e.6.a North Swannanoa Interceptor, Phase II:

The Right of Way Committee recommended obtaining an appraisal, offering indicated damages and condemnation if offer is not accepted.

Blue Ribbon Committee Items:

f.1 Consideration of Sewer Extension Policy:

The Blue Ribbon Committee recommended that the Engineer-Manager prepare a comparative study of the benefits of a Sewer Extension Policy between the MSD and the City of Asheville to be presented to the Committee at its next meeting scheduled for January 9, 1995, followed by separate meetings between the MSD, the City of Asheville, Buncombe County and Buncombe County Economic Development Commission to be held at the MSD in order to explain why the MSD is leaning toward a no extension policy.

The following items were pulled from the Consolidated Motion for discussion and individual vote:

a.4 Consideration of District Policy on Sewer Refunds:

In referenced to a memorandum from Mr. Fatland, Mr. Mull reported that since July 1, 1993, the District has given 100 refunds totalling \$51,033.04, limited to the District's current two (2) year refund policy. He further reported that although the North Carolina Statutes of Limitation states a two (2) year liability period, it does not mean the District cannot refund passed that time, but the fiscal impact of changing that policy is unknown. Mr. Mull stated that following review, the Finance Committee recommended approval of staff's recommendation to use the 2-year refund policy and forward to the Board for approval. Mr. Holcombe stated he was not aware the District had a formal policy and felt since Mrs. May has paid the District for services she did not receive since 1965 she should be given a full refund. Mr. Stevens reported that a contract for sewer services falls within the Statute of Limitation and that if Mrs. May or anyone else sued the District for a period prior to the two (2) years limit, the District could plead the Statute of Limitation, but that the District is not bound by such statute when it sues for payment. A lengthy discussion followed regarding the Committee's recommendation; the total amount of Mrs. May's claim; whether the District is responsible for errors made in billing by the City of Asheville; how long the sewer user charges have been in effect and if the District would be setting a precedent by refunding Mrs. May prior to the two year period. With no further discussion, Mr. Joyner moved that the Board approve staff's recommendation and maintain the District's current 2-year refund policy. Mr. Casper seconded the motion. A brief discussion followed regarding the possibility of asking sewer user's to notify the District if they are not on the system and whether this is an ethical issue. With no further discussion, roll call vote was as follows: 7 Ayes; 3 Nays (Mr. Holcombe, Mr. Slosman and Ms. Wallace).

b.2 Consideration of Laboratory Staffing:

Mr. Mull reported that staff has recommended deleting two (2) unfilled Chemical Laboratory Technician 1 positions at a paygrade of 13, (19,982.43 to 27,975.61) and

adding one (1) Chemist (Instrumentation) at a paygrade of 19, (24,351.20 to 34,091.47), thereby ensuring that the laboratory will function better in the coming year and decreasing the budgeted amount for these positions by \$13,491.73. Mr. Fatland reported that following review of the Laboratory, staff felt that creating Laboratory Technician I and II positions, would allow for professional growth and retention of valuable laboratory personnel. Mr. Holcombe moved that the Board adopt the recommendation of the Personnel Committee and approve staff's recommendation with regard to Laboratory Staffing. Mr. Sobol stated that by adding this position tests that are now being done on the outside can be done in-house along with the additional functions created as a result of the stabilization/incineration facilities and possible shared laboratory functions with the City of Hendersonville. With no further discussion, Mr. Slosman seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

b.4 Consideration of Changes in General & Administrative Departments:

Mr. Mull reported that following review of staff's recommendations with regard to changes in the General & Administrative Departments, the Personnel Committee made the following recommendations: 1.) Reclass Accounting/Personnel Manager to Assistant Human Resource Manager; 2.) Transfer Inventory Control Clerk from the Collections Department to General and Administrative Department, and that all other items be returned to Committee for further consideration. Mr. Casper questioned whether the Accounting Supervisor's position is included in the Committee's recommendations. Mr. Mull stated that this matter will be brought before the next meeting of the Personnel Committee. With no further discussion, Mr. Sobol moved that the Board adopt the recommendations of the Personnel Committee. Mr. Holcombe seconded the motion. Voice vote was unanimous in favor of the motion.

d.4 & d.5 - Consideration of Extension Project Substitution/City of Asheville - Brevard Road for Skyland II Area Project; Consideration of Extension Project Substitution - Buncombe County Extension CIP - Ducker Creek Sewer Project for Sardis Road and Lee's Creek Sewer Projects.

Mr. Joyner stated that in his opinion the Consolidation Agreement deals with addressing sewer services and not furnishing funds for other reasons. He reiterated his feelings regarding the District funding projects that are not in areas annexed by the City. Mr. Stevens reported that Exhibit "D" of the Consolidation Agreement discusses the 35%/65% funding split and includes a list of those projects involved. He further reported that the Agreement states "The City or any other political subdivision comprising the District may substitute a project for any projects it has listed on "Exhibit D" provided: (1) the cost of such project will be approximately the same as the project for which it is substituted; (2) the District shall contribute no more to the cost of the substituted project than it would have contributed to the original project based on the estimated cost of the original project; and (3) such substitution shall satisfy the requirements of applicable law and Section 714 of the Bond Order." As a matter of clarification, Mr. Stevens read Section 714 of the Bond Order, but stated he did not feel this Section addressed the substitution of projects, but instead the takeover of an entire sewerage system, which was included as a safeguard for the District. Mr. Post stated that the projects in question are listed on Exhibit "D" of the Consolidation Agreement. A lengthy discussion followed regarding the transfer of funds from one project to another; whether a project can be substituted when it is located within an area that has not been annexed; the condition of the lines in question, and who will address future problems on those projects that are being substituted. Mr. Mull reported that following review of these projects, the Planning Committee recommended the transfer of funds from one project to the other with regard to both items, d.4 (Brevard Road Sewer Project for the Skyland II Area Projects) and d.5 (Ducker Creek Sewer Project for the Sardis Road and Lee's Creek Sewer), and that appropriate resolutions and any legal documents required to effect these substitutions be prepared. With no further discussion, Mr. Slosman moved that the Board adopt the recommendation of the Planning Committee and adopt the following resolutions. Mr. Selby seconded the motion. Roll call vote was as follows: 9 Ayes; 1 Nay (Mr. Joyner).

RESOLUTION

WHEREAS, the Sewer Consolidation Agreement between the District and the City of Asheville provides that the District participate in the cost of certain Extension Projects specifically list on Exhibit "D";

WHEREAS, Exhibit "D" of the Consolidation Agreement lists a project described as "CP&L, Skyland" and subsequently referred to as "Skyland II" by the City of Asheville;

WHEREAS, the total project cost for the "CP&L, Skyland" Sewer Extension Project is shown on Exhibit "D" as \$879,000.00;

WHEREAS, the District's share of the total project cost for the "CP&L, Skyland" Sewer Project is shown on Exhibit "D" as limited to \$372,650.00;

WHEREAS, the Consolidation Agreement between the District and the City of Asheville provides that "The City or any other political subdivision comprising the District may substitute a project for any projects it has listed on Exhibit "D";

WHEREAS, the City of Asheville has requested that the project listed on Exhibit "D" of the Consolidation Agreement be deleted and be substituted, and the District having considered the City of Asheville's request;

NOW, THEREFORE BE IT RESOLVED by the Metropolitan Sewerage District Board of Buncombe County, North Carolina, and adopted by roll call vote this 21st day of December, 1994 that the Brevard Road Sewer Project be substituted for the Skyland II Annexation Area Project with the participation of the District limited to \$372,650.00.

RESOLUTION

WHEREAS, the Sewer Consolidation Agreement between the District and Buncombe County as Trustees of the Enka-Candler Water and Sewer District provides that the District participate in the cost of certain Extension Projects specifically listed on Exhibit "E";

WHEREAS, Exhibit "E" of the Consolidation Agreement lists projects described as "Sardis Road" and "Lee's Creek";

WHEREAS, the total project cost for the "Sardis Road", Sewer Extension Project is \$432,000.00 and the total project cost for "Lee's Creek", Sewer Extension Project is \$1,000,000.00 as shown on Exhibit "E";

WHEREAS, the District's share of the total project cost for the "Sardis Road", Sewer Project is shown on Exhibit "E" as limited to \$151,200.00 and the "Lee's Creek, Sewer Project to \$350,000.00;

WHEREAS, the District and Buncombe County have previously agreed to transfer \$250,000.00 of the District's share of the "Lee's Creek", Sewer Project to the Pisgah View Sewer Rehabilitation Project;

WHEREAS, the Consolidation Agreement between the District and Enka-Candler Water & Sewer District provides that "The Buncombe County Commissioners acting as Trustees for the Enka-Candler Water and Sewer District; or any other political subdivision comprising the District may substitute a project for any project it has listed on Exhibit "E";

WHEREAS, Buncombe County has asked the District that the projects listed on Exhibit "E" of the Consolidation Agreement be deleted and be substituted, and the District having considered Buncombe County's request;

NOW, THEREFORE BE IT RESOLVED, by the Metropolitan Sewerage District Board of Buncombe County, North Carolina, and adopted by roll call vote this 21st day of December, 1994 that the Ducker Creek Sewer Project be substituted for the "Sardis Road" Sewer Project and "Lee's Creek" Sewer Project with the participation of the District limited to \$185,000.00, (Sardis Road \$151,200.00 and Lee's Creek \$33,800.00).

REGULAR AGENDA

Finance Committee Item:

a.5 Consideration of Vehicle Bids:

Mr. Mull reported that due to the lack of competitive and acceptable bids received November 7, 1994 the bids were readvertised and received December 19, 1994. Mr. Fatland reported that Mr. Tarrant contacted several dealers and inquired as to the reason why they had not submitted a bid and found that the bid bond was a problem along with the fact that the bids were being lumped into one category. As a result of this investigation, the Equipment Review Committee made the following recommendation to the Finance Committee: (1) Reject the bids received on November 7, 1994 due to the lack of competitive and acceptable bids. (2) Waive the requirement of furnishing a Bid Bond on bids less than \$100,000.00 for those bids received December 19, 1994 as required by the N.C. General Statutes. (3) Accept the low bids received December 19, 1994. (4) Declare the vehicles to be replaced as surplus property subject to the concurrence of the District Engineer as required by the Bond Covenant, and that these vehicles will be auctioned after the arrival of the replacement vehicles either through a District auction or a joint auction with Buncombe County or the City of Asheville. With regard to the reason why the District is purchasing four-wheel drive vehicles, Mr. Mull presented a display of photos prepared by Mr. Tarrant showing a number of vehicles traveling in rough terrain.

Mr. Mull further reported that the bids received December 19, 1994 are as follows: (3-3/4 Ton Trucks), Matthews Ford, apparent low bidder, with a bid of \$20,835.00 and Parkway Chevrolet with a bid of \$20,850.00. (2 Utility Vehicles), Anderson-Nissan Lincoln Mercury with a bid of \$19,647.64; Apple Tree Honda with a bid of \$23,110.49; Deal Buick-Isuzu Lotus with a bid of \$20,454.00; Skyland Olds, Inc. Jeep Mazda, apparent low bidder, with a bid of \$19,578.24; Matthews Ford with a bid of \$20,669.00 and Parkway Chevrolet with a bid of \$21,600.00. (1-1/2 Ton Truck), Anderson-Nissan Lincoln Mercury with a bid of \$19,162.00; Matthews Ford with a bid of \$18,756.00 and Parkway Chevrolet, apparent low bidder, with a bid of \$18,524.00. (1 Ton Truck), Carolina Truck & Body, Inc. with a bid of \$36,950.00; Matthews Ford with a bid of \$30,955.00 and Parkway Chevrolet, apparent low bidder, with a bid of \$25,500.00. (2 Sedans), Anderson-Nissan Lincoln Mercury with a bid of \$17,448.00; Skyland Olds, Inc. Jeep Mazda with a bid of \$15,212.50; Matthews Ford with a bid of \$14,604.00 and Parkway Chevrolet, apparent low bidder, with a bid of \$12,777.00. Following a brief discussion with regard to when additional vehicles will be needed and whether the vehicles are four-wheel drive, Ms. Wallace moved that the Board adopt the recommendation of the Finance Committee and approve the recommendations of the Equipment Review Committee. Mr. Holcombe seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

Planning Committee Items:

d.7 Consideration of Bids - Hilton Inn Golf Course Sewer Rehabilitation (Mulberry Hill Mobile Home Park):

Mr. Mull reported that bids were opened October 4, 1994 for construction of sewer line improvements on the Hilton Inn Golf Course and Mulberry Hill Mobile Home Park. The bids received are as follows: Neo Corporation with a total base bid of \$79,900.00 and Hobson Construction Company, (apparent low bidder) with a total base

bid of \$70,150.00. Mr. Mull further reported that following negotiations with Hobson Construction Company, it was determined that approximately \$10,000.00 can be deleted from the bid amount, since a portion of the work can be done by the District's Maintenance staff, with the District funding any cost overruns. The Planning Committee discussed the possibility of using sliplining technology in lieu of standard construction procedures. The Committee recommended that information be provided to the Board as to whether the line would last another year before rehabilitation and that additional information on sliplining be provided to the Board for review. Mr. Mull presented an informal bid from Boatman Construction Company, Inc. to slipline the project at a total estimated cost of \$79,345.00, compared to the standard procedure cost of \$69,275.00. A lengthy discussion followed with regard to whether the sliplining technique will work in mountainous terrain; the reason why existing sewer manholes need to be rehabilitated; Mulberry Hill Mobile Home Park's share of the cost, and if the highway connector planned across the golf course has been funded and have an impact on the project. With no further discussion, Mr. Dent moved that the Board approve the negotiated bid of Hobson Construction Company for the conventional method of construction pending investigation with the Department of Transportation as to the timing for construction of the connector. Mr. Holcombe seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

d.10 Consideration of Construction Standards for Private Collection Sewers and Related Matters:

Mr. Mull reported that following considerable discussion on construction standards, the Planning Committee recommended that staff develop a draft of "MSD Private System Standards" with a copy sent to each Member of the Board for review, and that a joint meeting of the Blue Ribbon Committee and Planning Committee be scheduled to fully discuss this issue. Mr. Mull further reported that because it is not clear if the current specifications on 6" sewers apply to public or private sewers, a section will be drafted for "MSD Private System Standards" which will upgrade the current State Standards for 6" sewerlines with dual cleanouts, etc, and presented at the next meeting of the Planning Committee. With regard to the joint Committee meeting scheduled for January 9, 1995, Mr. Mull stated that this meeting has been postponed until the Blue Ribbon Committee has a chance to meet and further discuss extensions and cost participation of extensions and that a new date for the meeting will be announced.

5. Report of Officers

None

6. Report of Committees:

a. Finance Committee - November 29, 1994 - Mr. Casper:

Mr. Casper reported that in review of the Annual Audit Report, the Committee asked several questions on the various line items of the Report and made the following recommendations: (1) Forward Audit Report to the Board for approval; (2) Request that staff develop purchasing policies, procedures and improve internal control procedures for Committee review in February; (3) Authorize staff to prepare RFP for investment banking services to develop policies and strategy on investments, and (4) Staff to coordinate consultant interview with Finance Committee. As a matter of information, Mr. Casper presented a list of answers to those questions asked at the meeting. Mr. Casper further reported that the Committee discussed the Quarterly Budget Report and commended Mr. Fatland on the format and presentation. The Committee requested that Mr. Fatland prepare additional information on Capital Expenditures to be presented at the January meeting of the Board. In addition, Mr. Fatland presented an Overtime Report for 3 months ending September 30, 1994. Following a brief discussion on the reasons for the increase in cost of chemicals, Mr. Post stated that the Committee requested that Mr. Fatland prepare an in-house evaluation of the costs of operating the

Chemical Stabilization and Incineration facilities.

b. Personnel Committee - December 7, 1994 - Mr. Sobol:

With regard to Laboratory staffing, Mr. Sobol stated that although adding personnel is an expense to the District, it will save money in the future by having outside laboratory work done in-house. In addition, the Committee felt that the District would realize a substantial cost savings by utilizing in-house inspectors and recommended that a cost analysis with projected savings of using in-house inspectors be presented at the next scheduled meeting of the Personnel Committee January 11, 1994.

c. Planning Committee - December 8, 1994 - Mr. Slosman:

No further report.

d. Right of Way Committee - December 8, 1994 - Mr. Selby:

No further report.

e. Blue Ribbon Committee - November 21, 1994 - Mr. Casper:

Mr. Casper reported that the Committee recommended that staff prepare a comparative study of benefits of a Sewer Extension Policy between the MSD and the City of Asheville and Buncombe County in terms of sales tax, property tax, etc. followed by separate meetings between the MSD, the City of Asheville, Buncombe County and Buncombe County Economic Development Commission to explain why the MSD is leaning toward a no extension policy. Mr. Selby reported that at the last meeting of the County Commissioners it was requested that the District reconsider a Sewer Extension Policy. Mr. Selby further reported that Asheville City Council would like to see the District do sewer extensions. In addition, he felt that the District should provide the State Legislative Delegation with a copy of the Blue Ribbon Committee's minutes in order that it will know the District is struggling with this issue, but more importantly, that the State Legislature will understand that the District does not do extensions.

7. Unfinished Business:

None

8. Old Business:

a. Report on Meeting with Enviroquip:

Mr. Mull reported that a meeting was held December 16 with Lee Construction, Enviroquip, Hendon Engineering and Mr. Walter Currie, Attorney for the District. Mr. Currie requested that a report on the results of this meeting be deferred to a special called meeting of the Board. Mr. Mull presented a copy of the history of events leading up to the current selection of sludge disposal alternatives and stated that the final portion of the report will be complete within a couple of weeks.

b. Report on Breakdown of Components, (Sludge, Lime & Cement Kiln Dust) in relation to the Final Biosolids Product - Danny Bridges - McGill Assoc:

Mr. Mull reported that operating cost figures on the Alkaline Stabilization and Incineration facilities are being developed and that they are proceeding with the test plots. However, the video and marketing of the product has been delayed until the costs figures are in place. Mr. Bridges presented results of the Lime/CKD Analysis, and as a matter of comparison, a copy of the Alkaline Biosolids Metals Analysis presented at the November 21 meeting of the Board, which shows a considerable decrease in the numbers. Mr. Bridges reported that staff, through it's pre-treatment program, have established locations where excess cadmium was coming into the plant, thereby

decreasing the sludge cake average from 89.22 to 22 and the alkaline product average from 24.4 to 10. Mr. Bridges further reported that because a higher concentration of lead was found in the kiln dust, retesting will be performed to confirm the results. A brief discussion followed regarding the tests and if samples were taken directly from the sludge lagoon; the reason for high concentrations of zinc; who performed the test on lead, and if the analysis is part of the original contract. Mr. Bridges suggested that until the lead issue is resolved that monthly analysis be performed. Ms. Wallace questioned if the January report will include results of the marketing survey. Mr. Bridges stated that an update on the various markets, along with a report on how the costs and analysis figure into the overall scenario will be given. Mr. Sobol asked if an analysis of the amount of cement/lime kiln dust to be used each month will be part of that report. Mr. Mull stated that if the District decides to purchase N-Viro's product and process there will be a guarantee of their product within certain ranges. Mr. McGill stated that since the District does not have a contract for cement/lime kiln dust, these costs will need to be factored in.

c. Regional Water & Sewer Update:

Mr. Holcombe presented a press release by the officials of the City of Asheville, the City of Hendersonville, Henderson County, Buncombe County and the Asheville/Buncombe Water Authority announcing that on-going discussions will be taking place between the staff's of the respective boards for the purpose of determining the feasibility of utilizing the existing Hendersonville water treatment plant as a regional water plant to sell water to the Asheville/Buncombe system and to the Hendersonville system. Mr. Holcombe reported that there is an indication of mutual interest from those parties mentioned that this is a worthwhile issue to be explored and that the first meeting will take place in January. Mr. Holcombe further reported that having heard the Mayor of Hendersonville speak on a regional concept the press release can be viewed as a step rather than a direct move into a Regional Water and Sewer Authority. In addition, that today's press release will not affect the existing agreement, which will be executed the first of January, between the Asheville-Buncombe Water Authority, the City of Asheville and Henderson County.

Mr. Post presented a letter from the City of Hendersonville to the Regional Water and Sewer Authority Work Group stating that in it's opinion the objective of the Work Group, examining the feasibility of the regionalization of water and sewer services, has been achieved. He reported that the Land-of-Sky Regional Council has requested a response from the District as to it's interest in continuing to be part of the Work Group. Mr. Post stated that because there has been considerable discussion with the various entities as far as participation in shared laboratory facilities, accepting sewerage from Henderson County and the long range possibility of a sewer plant with Henderson County, he feels that the District should continue with this type of dialogue, and like the City of Hendersonville, approach the regional concept in steps. Mr. Mull agreed with the approach suggested by Mr. Post and reported that a meeting was recently held with Henderson County to discuss the possibility of taking into the District a large subdivision adjacent to the Cane Creek Water & Sewer District by increasing the size of a portion of that line. Mr. Joyner stated that although he felt the idea of regionalism is good, he expressed his concern that in doing so, the other entities may turn their problems over to the MSD. A lengthy discussion followed regarding the problems brought about by sewer consolidation; the District's feelings about regionalism and whether it is the desire of the District to continue it's participation in the Regional Water and Sewer Work Group. With no further discussion, Mr. Slosman moved that the Board authorize staff to continue to meet and to "keep the dialogue going" with this organization and to participate in future meetings. Mr. Joyner seconded the motion. Following a brief discussion regarding a clarification of the motion, voice vote was unanimous in favor of the motion.

9. New Business:

Ms. Wallace recognized Mr. Tinkler, representing the League of Women Voters, for his regular attendance at District Board meetings and recommended that the Board write a letter of appreciation to the League for its continued interest in the District's efforts to better serve the community.

Mr. Post announced the reappoints of Mr. Kelly, Mr. Sobol, Mr. Slosman and himself to the District Board and are awaiting a response from Buncombe County regarding Mr. Dent's appointment.

Mr. Casper asked for an update on the City of Asheville's recent decision to pay the District \$119,000.00 in back sewer service charges; whether the total amount of charges is correct, and if the District has starting billing for these charges. Mr. Mull reported that the charges are billed through the City of Asheville and that he plans to meet with the City Manager to discuss questions regarding this issue. Mr. Holcombe stated that the City of Asheville provided the District with the necessary information to calculate the charges and have addressed those discrepancies noted, but since that time, there had been no further communication with the District in this regard. A brief discussion followed with regard to how far back the charges were calculated and whether the city schools and airport are being billed. With regard to back sewer charges owed by the Town of Black Mountain, Mr. Sobol reported that they are now paying. Mr. Slosman requested information on the total amount now being paid by the City of Asheville, City schools, the Asheville Regional Airport and the Town of Black Mountain.

In other business, Mr. Mull reported that the following bids for Chlorine were received November 14, 1994: Van Waters & Rogers, Inc. with a total base bid of \$500.00/ton; Prillaman Chemical Corporation with a total base bid of \$590.00/ton; Jones Chemical Company with a total base bid of \$481.00/ton and PB&S Chemical Company, (apparent low bidder) with a total base bid of \$475.00/ton. Mr. Mull further reported that the District is currently paying \$500.00/ton and that as a result of the bids received, the District will realize an approximate \$3,000.00 savings over last year. With no discussion, Mr. Casper moved that the Board approve the low bid of PB&S Chemical Company in the amount of \$475.00/ton. Mr. Holcombe seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

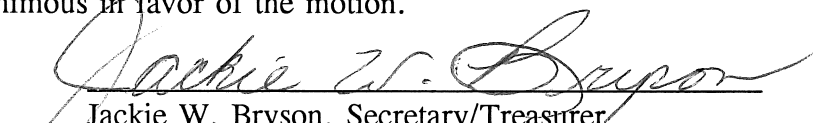
Mr. Sobol asked for an update on testing of a centrifuge. Mr. Mull stated that at this time no tests are planned, but that this issue will be discussed at the special called meeting of the Board in January.

Mr. Post appointed Mr. Joyner to serve on the Planning Committee.

10. Date of Next Regular Meeting, January 18, 1995

11. Adjournment:

At 4:25 p.m. Mr. Slosman moved for adjournment. Mr. Holcombe 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