

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

October 18, 1995

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, October 18, 1995. Chairman Post presided with the following members present: Bryson, Casper, Holcombe, Joyner, Kelly, Pace, Selby, Slosman, Sobol and Wallace.

Others present were: W. H. Mull, Engineer-Manager, John S. Stevens, General Counsel, Danny Bridges of McGill Associates, P.A., Patty Beaver of CIBO, Jim Fatland, Ann Sutton, Sharon Walk, Stan Boyd and Sondra Honeycutt, MSD.

2. Approval of the Minutes of the September 20 and 28, 1995 meetings:

Mr. Slosman moved that the minutes 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

Planning Committee Items:

Mr. Mull reported that the following items were brought before the Planning Committee, October 11, 1995:

d.II.1. Consideration of Funding for Additional Construction Work (Warranty Related) - Montreat CIP-Phase 2 - McGill Associates:

The Planning Committee recommended approval of the plantings through Snow Creek Nursery for a negotiated cost not to exceed \$2,000.00, and additionally, approval of Wheeler Construction Company's request for payment - Invoice #1020 in the amount of \$1,855.48 as amended.

d.II.2. Consideration of Funding for Additional Construction Work (Warranty Related) - Beaverdam Creek North Fork CIP - Wheeler Construction Company:

The Planning Committee recommended approval of Item 2, Invoice #1025 in the amount of \$426.00; Item 3, Invoice #1034 in the amount of \$1,808.00, and Item 4, Invoice #1 in the amount of \$1,725.60, for a total amount of \$3,959.60.

d.II.3. Consideration of Proposal for Geotechnical Work - North Swannanoa Interceptor - Phase Two-Section One - Law Engineering & Environmental Services, Inc.:

The Planning Committee recommended awarding the work to Law Engineering in an amount not to exceed \$7,100.00.

With no discussion, Ms. Wallace moved that the Board approve the Consolidation Motion Items as presented. Mr. Sobol seconded the motion. 8 Ayes; 0 Nays. Ms. Bryson, Mr. Holcombe and Mr. Pace were absent during the vote.

REGULAR AGENDA

Blue Ribbon Committee Items:

f.2.a. Consideration of Revision to Extension Policy on Connections to Existing 6" Private Sewer Systems:

Mr. Mull reported that a joint meeting of the Blue Ribbon and Planning Committees' was held October 11, 1995 to consider revisions to the District's current Extension Policy on Connections to 6" Private Sewer Systems. He presented a copy of a letter from Mr. Billy Clarke, Attorney for the District, containing the four (4) items to be revised and a copy of the Environmental Management Commission's regulations that address acceptance of wastes to disposal systems and air-cleaning devices. For those Board Members who were not present, Mr. Mull gave a brief report on the purpose of the meeting.

With regard to Revision Three (3), Mr. Selby questioned if written permission for a sewer tap is not granted from the current property owner or owners, what other recourse is there. Mr. Mull stated that if permission is not granted, they have the option of building their own sewer line, which would connect to the District line. Mr. Selby expressed a concern that if the District amends the current policy, will it accomplished what it was set out to do, (anticipating all potential situations) or will the policy need to be amended again in six months. In addition, he stated that any revisions to the current policy should allow for ample discussion by the public sector. A brief discussion followed regarding the need for public comment. With regard to the subject as a whole, Ms. Wallace suggested that this issue be placed on a future Planning Committee agenda in order to establish criteria for determining what issues should go to a public hearing. Mr. Slosman moved that the Board approve the recommendation of the Blue Ribbon and Planning Committees' to approve revisions to the District's current Policy. Mr. Pace seconded the motion. Voice vote was as follows: 10 Ayes; 1 Nay (Mr. Selby).

4. Report of Officers:

None

5. Report of Committees:

d. Planning Committee - October 11, 1995 - Mr. Slosman

Mr. Slosman had no further report.

Mr. Selby requested that Chairman Post task the Committees with some type of schedule on policy amendments, followed by a recommendation to the Board. Mr. Post stated that this issue will be addressed by the Committees on a case by case basis since it is not a requirement of State law.

e. Right of Way Committee - September 28, 1995 - Mr. Selby

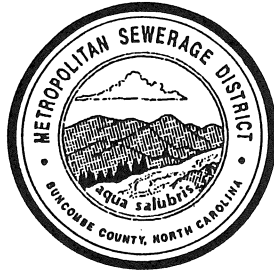
Mr. Selby reported that a presentation was given by Ms. Craven regarding the Greenway Conference. He stated that the Committee discussed using District rights-of-ways as greenways and that the Committee will further consider this issue at it's next meeting. Mr. Selby further reported that the Committee discussed the Beaverdam Creek Interceptor - North Fork, regarding a property owner's dissatisfaction with work performed by the contractor on this project. Staff was directed to meet with the property owner and come back to the Committee with a recommendation on how to settle this issue.

MSD Metropolitan Sewerage District of Buncombe County, North Carolina

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Jackie W. Bryson
Larry Casper
Michael L. Holcombe
Joe Joyner
E. Glenn Kelly
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Bob Selby
C. Michael Sobol
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RESOLUTION FOR BOARD COMPENSATION

WHEREAS, the Metropolitan Sewerage District of Buncombe County of North Carolina was created under the "Metropolitan Sewerage Districts" Act, Article 5, North Carolina General Statutes Chapter 162A; and

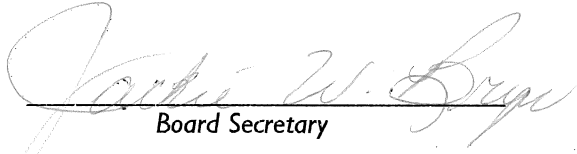
WHEREAS, the Act, Section 67 (d) sets forth compensation to Board members; and

WHEREAS, in accordance with Section 67 (d) of the Act, Members of the Board may receive compensation in amount to be determined by the Board, but not to exceed that compensation paid to members of Occupational Licensing Board for each meeting of the Board attended and for each regularly scheduled committee meeting of the board; and

NOW, THEREFORE, BE IT RESOLVED, Pursuant, to G.S.62A-67 (d). the Board of Directors of the Metropolitan Sewerage District of Buncombe County, North Carolina sets its' compensation, "to wit: \$100.00, but not to exceed \$300.00 per month, per Board Member" for attendance at board and regularly scheduled committee meetings,

Approved this **18th** day of **October, 1995**:

Attest:




Board Secretary



Board Chairman

Approved as to form:



District Counsel

f. Blue Ribbon Committee - October 11, 1995 - Mr. Casper

Mr. Casper reported that the Committee agreed that a meeting between the District Board and municipalities be scheduled to get an indication of what is expected from the MSD in terms of sewer extensions for economic development. Mr. Casper further reported that a meeting has been scheduled for November 20, 1995 between the District and Town Managers to discuss this, and other issues. Mr. Casper called to the Board's attention a suggestion by Mr. Mull that a retreat be planned between the District and municipalities in mid January, and urged that representation include all members of Town Boards. A discussion followed regarding land use planning and the use of District funds for economic development. Mr. Joyner requested that the District Board convey to the City and County that they should be doing land use planning, not the MSD. Mr. Stevens gave a brief update on a recent court case involving broad use of local and governmental funds for economic development, which was found to be unconstitutional and is being appealed. He stated that the MSD has the right under its statutes to build sewer lines both inside and outside the District, but does not have the authority to pay to any other governmental entity, (private or public) money for economic development. However, the District can participate in a proposed master plan of needs in the total District, as suggested by Mr. Fatland.

7. Unfinished Business:

a. Discussion Regarding the Acquisition of Real Property and a Report on a Termination Appeal.

Deferred to Closed Session

8. Old Business:

a. Consideration of Resolution on Board Compensation:

Mr. Mull presented a recommendation and resolution prepared by staff, along with a letter from Mr. Stevens regarding Board compensation. The resolution sets forth \$100.00 per Board and Committee meeting compensation with a \$300.00 per month maximum per Board Member. A lengthy discussion followed regarding reasons why Board compensation should or should not be increased; if compensation can be declined; a clarification on wording in the resolution regarding the amount of compensation per meeting, and what the public's perception would be if the increase is approved. Mr. Joyner moved that the Board adopt the recommendation of staff and change the Board Compensation as stated in the Resolution dated October 18, 1995, (copy attached). Ms. Wallace seconded the motion.

Mr. Slosman suggested that the Board further consider the \$300.00 compensation limit per month. Mr. Sobol questioned whether the compensation included other benefits such as hospitalization. The compensation resolution does not include medical benefits. Mr. Stevens reported that MSD's compensation is keyed to that compensation the Legislature provides for Licensing Boards, which currently says \$100.00, per meeting, per member, and has no cap. With no further discussion, Roll call vote was as follows: 8 Ayes; 3 Nays (Mr. Casper, Mr. Holcombe and Mr. Selby)

b. Sludge Management Study - McGill Associates, Inc.

Mr. Mull presented a copy of the Sludge Management Study prepared by McGill Associates, Inc. and reported that the study will be considered at the October 27 meeting of the Planning Committee.

c. Consideration of Request for Proposals for Banking Service:

Mr. Fatland reported that at the Board's direction staff prepared a Request for Proposal, to be mailed to banks in the Asheville area that have an approved pooling method of collateralization. He further reported that the reason for the recommendation is that it is good practice to evaluate banking services and associated costs every three (3) years. In addition, with the implementation of the new accounting software, it would be prudent upon the District to interface with the new depository, which includes direct deposit of employee payroll checks, and a direct line with the bank on fund balances to improve cash flow and investment management. Following review of the banks listed, Mr. Kelly moved that the Board authorize mailing out the Request for Proposals for Banking Services. Mr. Holcombe seconded the motion. Voice vote was unanimous in favor of the motion.

9. New Business:

a. Cash & Investment Report:

Mr. Fatland reported that the Investment Policy approved by the Board at its September 20, 1995 meeting, requires that the District give a quarterly report, which is filed with the North Carolina Local Government Commission on a semi-annual basis. In addition to the current quarter report, he presented a report on cash and investments held by the District a year ago, and stated that recent Board direction on cash and investment policies has greatly improved the District's yield without compromising safety or liquidity. Following a discussion regarding the amount of interest earned on the Bond Trustee Revenue account and the reason for the difference in yield on Treasury Bills, Mr. Selby requested that staff investigate whether the District can obtain a higher rate on the Bond Trustee Revenue account. With regard to the Summary of Cash Investments, Mr. Casper suggested that staff include the total effective yield per year.

b. Cash Management Plan:

Mr. Fatland reported that the Cash Management Plan is a follow-up to the District's Investment Policy, which allows for the following: prompt payment to vendors, contractors, consultants; maturity of investments to coincide with District obligations; requires that the Director of Engineering submit on the 10th of each month, an updated twelve month cash flow over all District construction funds, and that annually, in conjunction with the Budget, the Investment Policy and Cash Management Plan will be brought back to the Board for any possible modification to further enhance or improve the program. A brief discussion followed regarding the date construction contract payments and general account invoices will be paid each month, and whether contract document terms have been updated. Mr. Fatland stated that current contract specifications sets forth the payment date on the 15th day of each month. With no further discussion, Mr. Slosman moved that the Board adopt the Resolution establishing a Cash Management Policy. Mr. Kelly seconded the motion. Voice vote was unanimous in favor of the motion.

c. Consideration of the Establishment of a Management Information System and Geographic Information System Internal Service Fund.

Mr. Fatland reported that at the request of the Engineer-Manager, all departments were asked to look at interfacing the proposed new accounting system computers with the District's GIS and Collection System Maintenance computers. He further reported that the District has over fifty (50) computers with little or no method of service or training to employees, and recommends that this issue be referred to the Personnel Committee in November for further evaluation, with a report to the Board at its November 29 meeting. Mr. Casper suggested that staff prepare a report on each computer, (who is using it, and the software used).

In addition to the purchase of computers and required software, Mr. Fatland stated that staff recommends that a new position of Hardware/Software Analyst be established to ensure staff support and training, continuity and maximum use. A discussion followed regarding the cost benefit to the District.

At 3:15 p.m., Mr. Slosman moved that the Board go into closed session to consider the acquisition of real property and to hear a report on a termination appeal. Mr. Pace seconded the motion. Voice vote was unanimous in favor of the motion.

At 3:40 p.m., the Board reconvened the regular meeting.

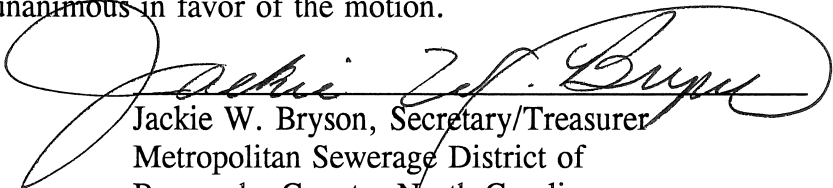
In other business, Mr. Sobol presented a copy of a proposed New Management Structure, prepared by Mr. Garnett Ball for review. Mr. Sobol moved that the Board receive the report and compensate Mr. Ball. Mr. Joyner seconded the motion. Roll call was as follows: 11 Ayes; 0 Nays.

Mr. Post referred to page eight (8) of the report, which showed an organizational chart and reported that the recommendation of Mr. Ball is as follows: That there be a General Manager. Under the General Manager would be a Deputy General Manager of Operations, (in charge of Engineering, Collection System and Wastewater Treatment) and a Deputy General Manager of Administration, (in charge of Finance and Human Resources). Mr. Post further reported, that as mentioned in the report, after interviewing Board Members and being familiar with MSD, these are the changes recommended. Mr. Kelly moved that the Board allow staff to comment on the recommendation and that it not be considered until the November meeting of the Board. Ms. Bryson seconded the motion. Mr. Post reported that the Chairman, Vice Chairman, and Chairman of the Personnel Committee met with the Engineer-Manager to discuss the report and that he was in favor of the concept. A discussion followed regarding whether the General Manager is required, as set out in the Bond Order, to be an engineer. Mr. Stevens referenced the section of the Bond Order with regard to the Engineer-Manager and stated that in order to amend the Bond Order, it would require a two-thirds vote of the outstanding Bond holders, but felt it could be amended during any defeasance of Bonds.

Following a statement by Mr. Selby regarding his concern on extending the process, Board Members expressed their individual opinions as to whether there was a need to delay action on this issue in order to give staff ample time to review and comment on the report. Mr. Post requested that the motion be amended to read "all department heads" instead of "staff". Mr. Slosman questioned how this report will be presented. Mr. Sobol suggested that the report be presented as a copy in order that the department heads can see the structure that is being proposed. Also, that the Engineer-Manager and a Board Member be in attendance. Ms. Wallace suggested that it would be appropriate for department heads to share any thoughts they might have in a confidential manner with a written report submitted to the Board by the Chairman of the Personnel Committee in November. Mr. Kelly suggested that the report be made available to Board Members prior to the regularly scheduled meeting. With no further discussion, voice vote was unanimous in favor of the motion.

11. Adjournment:

At 4:05 p.m. Mr. Holcombe moved for adjournment. Mr. Joyner seconded the motion. Voice vote was unanimous in favor of the motion.

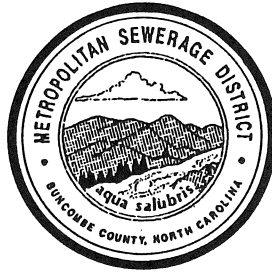

Jackie W. Bryson, Secretary/Treasurer
Metropolitan Sewerage District of
Buncombe County, North Carolina

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RESOLUTION ESTABLISHING CASH MANAGEMENT POLICY

WHEREAS, the District Board of Directors approved an investment policy at its regularly scheduled meeting on September 20, 1995 which set forth certain guidelines and restrictions governing investments; and

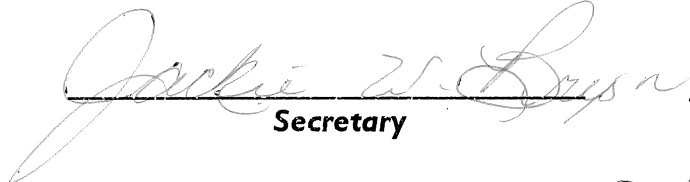
WHEREAS, it is the responsibility of the finance officer, who is appointed by and serves at the pleasure of the Board, to supervise the management of public moneys of the District; and

WHEREAS, it is the desire of the Board of Directors to use all its public funds in the most efficient manner and in the best interests of the public; and


NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF DIRECTORS THAT:

1. The Board of Directors hereby charges the finance officer, with the cooperation of the Engineer-Manager and department heads and officials, and consistent with all applicable NC Statutes and the District's Bond Order, to devise and implement a cash management plan which addresses cash receipts, deposits, forecasting of cash flows, disbursements, banking relations, monitoring and reporting on the plan; and
2. The independent auditor for the District shall monitor the District's compliance with the established cash management plan and the reports of the finance officer thereon. The auditor findings and/or recommendations shall be made annually to the Board as part of the District's audit; and


Approved this **18th** day of **October, 1995.**



Secretary



Chairman

APPROVED AS TO FORM: 

District Counsel