

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

January 17, 1996

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 17, 1996. Chairman Post presided with the following members present: Bryson, Holcombe, Kelly, Pace, Selby, Slosman, Sobol and Wallace. Those members absent were Casper and Joyner

Others present were: W. H. Mull, Engineer-Manager, John S. Stevens, General Counsel, Ed Byas of Hendon Engineering Associates, Inc., Danny Bridges of McGill Associates, PA, Ann Sutton, Stan Boyd, Jim Fatland, and Sondra Honeycutt, MSD.

2. Approval of the Minutes of the December 13, 1996 meeting:

Mr. Holcombe moved that the minutes of the December 13, 1995 meeting be approved as presented. Mr. Slosman seconded the motion. Voice vote was unanimous in favor of the motion.

3. Approval of Schedule of Annual Meeting Dates:

Mr. Post presented the Board of Director's Annual Meeting Schedule for 1996. Mr. Mull reported that the June meeting of the Board will be held a week early in order to meet the requirements of the budget process. With no additions or corrections, Ms. Bryson moved that the Board approve the schedule as presented. Mr. Selby seconded the motion. Voice vote was unanimous in favor of the motion.

4. Announcement of Reappointments to the District Board:

Mr. Post announced the following reappointments to the District Board for a three (3) year term: Mr. Bob Selby, representing Buncombe County, Mr. Larry Casper, representing the City of Asheville, and Mr. Joe Joyner, representing the Town of Weaverville.

5. Consideration of Executive Search Firm:

Mr. Sobol reported that the Personnel Committee met January 16, 1996 to hear presentations and to interview two (2) Executive Search firms, (Management Recruiters and Moffitt International) to recruit a Deputy General Manager of Operations for the District. He further reported that the Committee met again January 17, 1996 to interview Griffith & Associates by conference call. Mr. Sobol stated that because Norman Roberts & Associates, Inc., out of Los Angeles, was not able to participate in the conference call, he personally interviewed Mr. Roberts by phone the previous evening. He further stated that based on the interviews of all firms, the Personnel Committee recommends retaining the services of Norman Roberts & Associates, Inc. at a fee of \$15,000.00, plus a maximum of \$7,500.00 in additional expenses, for a total of \$22,500.00. A lengthy discussion followed regarding the time frame for completing the search; what the fees include; the firm's percent of return business and experience. Mr. Selby questioned the payment of fees, based on whether the job is complete or not, and if Mr. Roberts will charge the MSD the cost to visit Asheville. Ms. Wallace explained why the contract was written the way it was, and that Mr. Robert's travel expense to Asheville is included in the additional \$7,500.00.

Ms. Wallace stated that she feels Norman Roberts is the right choice since he has twenty-five (25) years experience; he is ranked by his peers as being the leading recruiter for governmental agencies, municipalities and engineers in the United States, and is familiar with North Carolina. In addition, Mr. Sobol stated that Mr. Robert's firm has a strong networking capability.

Mr. Slosman expressed a concern that the proposed contract amount of \$22,500.00 will not be adequate to complete the job. Also, that the District should consider hiring locally when possible, unless there is some compelling reason for going out of state. Mr. Selby expressed his concern about hiring a firm that has such a large depth of relationships with so many different professions and felt the Board should hire a firm that can do what is best for the District, versus what is best for those relationships. Mr. Pace stated that because of the position, circumstances and growth of the District, he felt the Board should look more toward management than experience in wastewater. Mr. Slosman moved that the Board engage the local firm of Moffitt International. Mr. Selby seconded the motion. Roll call vote was as follows: 3 Ayes; 6 Nays, Ms. Bryson, Mr. Holcombe, Mr. Kelly, Mr. Sobol, Ms. Wallace and Mr. Post.

Mr. Sobol moved that the Board engage Norman Roberts & Associates, Inc. pursuant to the terms of their proposal in an amount not to exceed \$22,500.00. Mr. Holcombe seconded the motion. A discussion followed regarding Mr. Kelly's suggestion that stipulations be added to the motion in order to insure that an applicant will be hired. With no further discussion roll call vote was as follows: 6 Ayes; 3 Nays, Mr. Kelly, Mr. Selby and Mr. Slosman.

6. Unfinished Business:

a. Consideration of Endorsement of the Infrastructure and Government Sections of the Asheville-Buncombe Visioning Document.

Mr. Slosman moved that the Board endorse the "Infrastructure" and "Government" sections of the Asheville-Buncombe Visioning Process Document. Ms. Wallace seconded the motion. A brief discussion followed with regard to whether the City of Asheville and Buncombe County have endorsed this document, and if endorsement of these sections obligates the District financially. With no further discussion, voice vote was as follows: 8 Ayes; 1 Nay, Mr. Kelly.

b. Consideration of Adoption of Amended By-laws of the District.

Mr. Stevens reported that at the December 13, 1995 meeting of the Board, he was asked to draft an amendment to the District's By-laws, (Article VII (b)) with regard to who has the authority to hire/discharge the Deputy General Manager of Administration and the Deputy General Manager of Operations. Mr. Stevens presented a draft amendment, but stated that because the By-laws currently say that the Engineer-Manager's powers are "subject to the approval of the Board", he felt the amendment may not be needed. Mr. Holcombe stated that because this statement technically applies to all employees, he felt it would be useful to draw a distinction between all employees and the above mentioned positions, therefore, moved that the Board adopt the amendment to the By-laws as prepared by Counsel. Ms. Wallace seconded the motion. As a matter of further clarification, Mr. Stevens stated that the Board has previously adopted an intricate Personnel Policy Manual and Grievance Procedure, which governs the hiring/discharge of all personnel, and must not be inconsistent with the By-laws. With no further discussion, voice vote was unanimous in favor of the motion.

7. Old Business: Report on Sludge Management Study - McGill Associates, Inc.

Mr. Bridges reported that the Sludge Management Study, provided to the Board at its October 18, 1995 meeting, was presented in entirety to the Planning Committee on October 27. As a result of that meeting, a letter and overall summary was sent to the Engineer-Manger, evaluating the District's sludge management practices and existing sludge handling equipment. The summary included the following sections: Executive Summary, Environmental Issues, Conclusions and Recommendations. Mr. Bridges further reported that in review of the current processes with MSD staff, it was found that a few of the processes needed to be looked at for optimization, and as a result, the following recommendations were made:

a. **Sludge Handling Pump Replacements:**

Mr. Bridges reported that because the four (4) sets, (a total of nine (9) pumps) appear to have excessive maintenance costs, it is recommended that they be replaced over a period of time at a cost of approximately \$395,000.00.

b. **Dewatering Alternatives:**

Mr. Bridges reported that following evaluation of the five (5) separate dewatering alternatives, (Centrifuge; Plate & Frame; Alkaline Stabilization, Incineration and Limited Action) and based on the results of a twenty year life cycle cost analysis, it is recommended that the MSD pursue the "Limited Action Alternative" for continued dewatering of sludge. He further reported that this alternative consist of utilizing the two (2) existing belt filter presses and making the necessary improvements required to bring the third belt filter press on line at an estimated capital improvement cost of \$184,295.00.

A brief discussion followed regarding the percent of solids this process would produce.

c. **Environmental Issues:**

Mr. Bridges reported that as recommended by the Board, a review of relevant environmental literature and interviews with nationally know experts in the sludge management field were performed. As a result, two (2) major issues were addressed, (odor control and soil pH levels). Mr. Bridges stated that the issue of odor control is being address by MSD personnel according to the weather conditions. With regard to the significant release of "bound up" metals should soil pH levels drop over a period of time, it was the consensus of those experts interviewed that this was not an issue of concern.

A lengthy discussion followed regarding the types of crops the stabilized product can be used on, and emissions levels of dioxin and volatile organic compounds (VOCs). Mr. Bridges further stated that although the issue of pH level's will continue to be looked at by the Environmental Protection Agency, the State Department of Environmental Management recommends that this product not be applied to direct root crops, (potatoes, carrots, etc.). Also, that a comprehensive study is being conducted by AMSO on multiple incineration sites throughout the country to compare emission levels of dioxin and VOCs.

d. **Cost Per Dry Ton of Processed Sludge:**

Mr. Bridges reported that the costs per dry ton of processing sludge, (including depreciation and replacement of equipment) were found to be \$219.00 for alkaline stabilization and \$306.00 for incineration. The same costs, (disregarding depreciation and replacement of equipment) were found to be \$177.00 and \$155.00 respectively. A discussion followed regarding the amount of dry tons being produced per day; whether these costs are included in the O&M Budget, and if the costs include both processing and delivery of the product.

Mr. Bridges further reported that the Department of Transportation (DOT) has indicated a willingness to take all of the product the District can produce at no cost. He stated that the DOT has the means to stockpile the product and spread it at their discretion, but noted that the \$177.00 costs per ton will increase to approximately \$182.00 if the District decides to give the product to the DOT. In answer to a question by Ms. Wallace regarding when the District plans to proceed with the marketing aspect of the process, Mr. Bridges stated that before this process can begin, they will need better information on the quantity and the time of year the product will be available. With regard to Southern States and

other possible users of the product, the District needs to make sure that it has enough product available for spring and fall applications.

A lengthy discussion followed regarding whether the N-Viro issue has been resolved; if there are companies who pick up dewatered sludge and dispose of the product for a fee, and if so, what the cost would be. With no further discussion, Mr. Kelly moved that the Board approve giving the DOT all the product they can use at no cost to either the DOT or the District until they are notified otherwise. Mr. Pace seconded the motion. Ms. Wallace stated that although she agrees with the motion, the District needs to enter into some type of agreement with McGill Associates regarding the question of marketing. With no further discussion, roll call vote was as follows: 9 Ayes; 0 Nays.

e. **Inflation Rate Adjustment**

Mr. Bridges reported that at the request of Mr. Selby, they were asked to adjust the inflation rate from two (2) percent to three (3) percent across the board, and further evaluate the three percent, with a four (4) percent inflation on fuel. He further reported that while this adjustment did bring the costs differences closer together, it did not affect the bottom line outcome, (limited action alternative) which is the most cost effective means of dewatering.

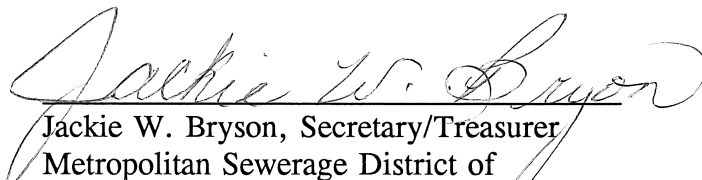
A discussion followed regarding the next step as far as marketing is concerned; what the law is with regard to MSD and the State on giving the product to the DOT, and the possibility of having a meeting to introduce the product, and to show potential users that there is a market. Mr. Mull suggested bringing a plan of action back to the Board at it's next meeting.

In summation, Mr. Bridges recommended that in order to move the process forward, that they proceed with the pump program, and continue to monitor the operational costs associated with the two (2) processes.

In other business, Chairman Post brought to the Board's attention the project status reports, and a letter from the Land of Sky Regional Council regarding the Water & Sewer Work Group. Mr. Mull presented an article on what Miami, Florida is doing to fix sewers under federal mandates.

8. **Adjournment:**

With no further business, Mr. Slosman moved for adjournment at 4:00 p.m. 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 31, 1996

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 31, 1996. Chairman Post presided with the following members present: Bryson, Casper, Joyner, Kelly, Pace, Selby, Slosman and Sobol. Those members absent were Holcombe and Wallace.

Others present were: W. H. Mull, Engineer-Manager, John S. Stevens, General Counsel, William R. Bowman, Burnett Associates, Inc., Con Dameron and William Langdon of William Langdon & Associates, Ann Sutton, Stan Boyd, Bob Ensley, and Sondra Honeycutt, MSD.

2. Report on Construction Bids for Lexington Avenue Sewer Rehabilitation:

Mr. Mull reported that three (3) bids for the Lexington Avenue Sewer Rehabilitation project were received January 25, 1996. He further reported that since the bid of Pollution Technology, Inc. was non-responsive due to an improper bid bond, the bids were returned to the contractors unopened. He stated that the bid opening is rescheduled for Tuesday, February 6, 1996.

3. Consideration of Agreement for Engineering Services:

Mr. Mull reported that tests on emissions of certain dioxin and furan compounds from the incinerator stack were run by Entropy, Inc., November 29 and 30, 1995. He further reported that because of regulatory and public concerns, he contacted Black & Veatch regarding their services in reviewing Entropy's tests results. Mr. Mull stated that Black & Veatch is one of the nation's leader's on sludge disposal; land application, chemical stabilization, incineration and air regulations. He presented an Engineering Services agreement from Black & Veatch, (based on time and expense not to exceed \$5,000.00) and recommended that the Board approve the agreement as presented. With no discussion, Mr. Sobol moved that the Board authorize the Engineer-Manager to enter into the Agreement with Black & Veatch. Mr. Kelly expressed his concern regarding paragraph five (5), which limits Black & Veatch's total liability for damages to \$5,000.00. Mr. Mull stated that prior to final approval of the Agreement, Counsel will review the contract form for any changes. Following a brief discussion regarding the types of tests run by Entropy, Inc, the motion was amended to include "subject to approval of Counsel". With no further discussion Mr. Joyner seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

4. Review of Cost Analysis - William Langdon & Associates.

Mr. Mull reported that at the request of the Board, staff retained two (2) Costs Estimators, (Mr. Joel Gray, a Construction Consultant out of South Carolina, and Mr. Jim Cole, a Contractor out of Weaverville) to perform estimates on new facilities at the Burlington site. Mr. Dameron reported that because both estimators looked at the project as though each individual building on the Burlington site were stand alone projects, the costs were significantly higher than originally estimated. He further reported that they had another contractor look at the project and the numbers brought in were comparative but, based on the costs of recent construction in the area, the costs difference was significantly lower. Mr. Dameron stated that in looking at the broader picture, the costs to relocate the Maintenance Vehicle Service facility at the end of the Burlington Plant is far more expensive than constructing a new metal building. He further stated that they also looked at adding onto the Administration building and bringing the Maintenance facility to the Burlington site.

Mr. Langdon presented a cost estimate prepared by Mr. Joel Gray for a metal building to house the Maintenance facility, which showed the primary facility costs at

\$45.84 per square foot, but after adding in the overhead, profit, growth and contingency, the cost increased to \$64.65 per square foot. He also presented a report on Comparative Costs, on three (3) alternatives along with schematic drawings and information on site work using present day cost to prime.

Mr. Slosman stated that in his opinion, the District will never know the true costs until plans are complete and put out for bid. Also, the idea of constructing a 20,000 square foot free standing metal building for Maintenance would be less expensive. Mr. Slosman introduced Mr. Bowman of Burnett Associates, Inc. for an evaluation of the upfit costs. Mr. Bowman reported that an artificial pricing system is used by companies throughout the U.S. when plans are not available. He further reported that the difference in comparing the Burlington facility as it is now, to recent construction in the area, is pricing by a design/build team, which would result in a more realistic cost estimate. A lengthy discussion followed regarding the difference in square footage costs between upfitting the Burlington building and a new building; the feasibility of building the Maintenance facility on District property; the costs of adding on to the current Administration building; appraised cost of both the Biltmore and Burlington facilities; geotechnical site costs, whether the Administration building and land can be sold and/or leased; the need for multi-prime bids, and additional costs to the MSD for William Langdon & Associates to bring the project through the bid phase.

At 2:35 p.m., Mr. Casper moved that the Board go into closed session to instruct staff concerning positions to be taken by, or on behalf of, the District in negotiating the price and other material terms of a contract for the acquisition of real property by purchase, option, exchange or lease. Mr. Kelly seconded the motion. Voice vote was unanimous in favor of the motion.

At 3:00 p.m., Mr. Pace moved that the Board reconvene the regular meeting. Mr. Joyner seconded the motion. Voice vote was unanimous in favor of the motion.

5. Unfinished Business:

Mr. Mull reported that staff, along with Sharon Kane of Hendon Engineering Associates, Inc., met with the U.S. Fish & Wildlife Service regarding the District's Hydro facility. As a result of that meeting, a letter was received notifying the District that the deposition of sediment that has occurred is adequate and that nothing further will need to be done with respect to the fish habitat minimum flow over the dam. A brief discussion followed regarding average flows and how many days per year, (maintaining a 360 cfs flow), is the Hydro not used.

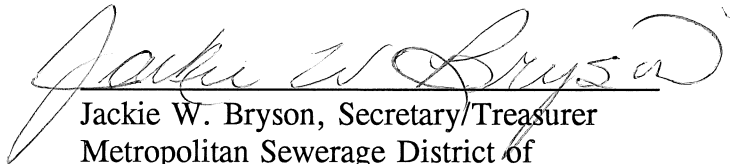
Mr. Mull reported that Lee Construction Company has signed the final agreement and change order, approved by the Board several months ago. He further reported that Lee Construction will proceed to retrofit the third belt filter press at no cost to the District.

6. Other Business: Asheville-Buncombe Water Authority's Public Relations Campaign

A brief discussion was held regarding an ad the Water Authority plans to run as part of it's Public Relations Campaign. Mr. Joyner recommended that the Board write a letter to the Water Authority stating it's objection to this particular ad. Mr. Selby suggested that Mr. Post contact the Chairman of the Water Authority and recommend that the Water Authority and the MSD meet to come up with a joint ad agreeable to both parties.

7. Adjournment:

With no other business, Mr. Slosman moved for adjournment at 3:15 p.m.. Mr. Casper 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