

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
APRIL 15, 1998

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., Wednesday, April 15, 1998. Chairman Casper presided with the following members present: Bryson, Field, Graham, Joyner, Kelly, Pace, Selby and Spell. Those members absent were: Aceto and Sobol.

Others present were: W. H. Mull, General Manager, John S. Stevens, General Counsel, Danny Bridges of McGill Associates, Patti Beaver of CIBO, Brenda Fullick of Mountain Express, John Kiviniemi, Jim Fatland, Art Mandler and Sondra Honeycutt, MSD.

Mr. Casper welcomed Mr. Spell who was appointed to the Board by the City of Asheville.

2. Approval of Minutes of the March 18, 1998 Meeting:

Ms. Graham moved that the Board approve the minutes of the March 18, 1998 meeting as presented. Mr. Pace seconded the motion. Voice vote was unanimous in favor of the motion.

3. Consideration of Sole Source Purchase Request - Waterlink-Hycor Helisieve Plus Septage Receiving Unit:

Mr. Mull reported that currently local septage haulers are discharging unattended into a manhole in the collection system, which provides little protection for the treatment plant processes and inherent billing collection problems. As a result, staff recommends authorization to sole source a Waterlink-Hycor Helisieve Plus Septage Receiving Unit to be constructed at the Waste Water Treatment Plant (WWTP) in accordance with the General Statutes. He further reported that Waterlink, Inc./Hycor Corporation is the only company that offers a shaftless spiral design system and is offering to sell a demonstration model to the District for \$35,000.00 (half of the original list price). He stated that funds for this equipment are available in the CIP Budget. A discussion followed regarding the current method of discharge, vs. a septage receiving unit; the cost of disposal per 1000 gallons; verification that this firm is the only source of supply, and equipment warranty. Mr. Kiviniemi stated that the current cost of disposal is \$56.00 per 1000 gallons. He further stated that several vendors were contacted regarding this particular system and the equipment offered by Waterlink, Inc./Hycor Corporation has a one-year warranty on parts and labor. Mr. Stevens recommended independent verification that this firm is the only source of supply, or go out to bid. He suggested that the Board could approve the purchase subject to verification from the Engineer of Record. With no further discussion, Ms. Graham moved that the Board approve the equipment purchase subject to an opinion from the Engineer of Record that Waterline, Inc./Hycor Corporation is the sole source of supply. Mr. Pace seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

4. Consideration of Developer Constructed Sewer Systems:

a. Brookside Cove Phase I:

Mr. Mull reported that Mr. Elbert Brown, Jr. is the developer of the Brookside Cove project located at the intersection of Brookside Avenue and

Highway 9 in Black Mountain. He further reported that the project included installation of 1,033 linear feet of 8" sanitary sewer pipe at an approximate cost of \$45,000.00.

b. Hamburg Mountain Phase II:

Mr. Mull reported that J.S.R. Construction is the developer of the Hamburg Mountain project located in Weaverville off of Hamburg Mountain Drive. He further reported that the project included installation of 2,621 linear feet of 8" sanitary sewer pipe at an approximate cost of \$110,082.00.

c. Comfort Inn - Crowell Road Sewer Extension:

Mr. Mull reported that Mr. Patel is the developer of the Comfort Inn project located at the Intersection of Old Haywood Road and Crowell Road. He further reported that the project included installation of 570 linear feet of 8" sanitary sewer pipe at an approximate cost of \$23,500.00.

Mr. Mull presented maps showing the location of the projects and stated that staff recommends acceptance of the developer constructed sewer systems. With no discussion, Mr. Joyner moved that the Board approve acceptance of the sewer systems as presented. Ms. Graham seconded the motion. By a show of hands the motion was approved unanimously.

5. Report on CIP Project Schedule and Costs:

Mr. Mull reported that following review of the Capital Improvement Plan (CIP) schedule, the CIP Committee recommends that the proposed project schedule and program be approved, subject to staff review of the Consolidation Agreement and other annexation projects, to ascertain whether annexation areas are allocated as 65%/35% of today's actual costs, or estimated costs at the time of the Consolidation Agreement. Mr. Pace asked for a clarification on what happens when you substitute one project for another. Mr. Mull stated that the original project will not be done, however, if a project is not substituted, it will be done at actual cost, considering the scope of the project does not change. Mr. Casper asked if unused CIP project funds are carried over into the next year. Mr. Mull stated that the District will be close to meeting its target for 1997-98, but any unused funds will be rolled over.

Mr. Mull presented a copy of the CIP Committee minutes for review. Mr. Selby reported that the meeting was held April 7, 1998 and was well represented. He further reported that Members felt more work was done on CIP projects this year and recommended that the Board adopt the CIP Schedule and Program for 1998-99. He stated that the Committee questioned the District's share of actual current cost estimates and the amount of the estimated 1997-98 CIP budget of \$18 million that will be expended by June 30. Mr. Selby further stated that if \$16.5 million of the estimated budget is expended, the District will need to supplement its reserves. Therefore, the Committee recommends a 5% rate increase this year, with incremental rate increases as needed, and continuing with current funding strategy of Revenue Bonds and "Pay as you Go" financing for the CIP Program.

In other business, Mr. Selby reported that Mr. Haner of the NCDEHNR expressed a concern regarding the need to place the North Swannanoa Interceptor Sewer Rehabilitation as a top priority as a result of the State's Sewer System

Overflow (SSO) policy, which could impose possible mandatory penalties without judgment.

Mr. Casper requested that staff provide specific information regarding progress on the project with cost projections on the various phases to the Planning Committee at its April 21st meeting. Mr. Pace moved that the Board approve the CIP Schedule and Program. Ms. Bryson seconded the motion. A discussion followed regarding whether annexation projects are allocated at today's actual costs, or costs at the time of the Consolidation Agreements, and whether these costs apply to substituted projects. Mr. Stevens stated that the provision says that the entity shall pay 65 percent of the cost of work done on the extensions to the Sewerage System set forth on Exhibit "D" from the effective date of the Agreement and that District shall pay 35 percent of such cost, including any reimbursement by District. In addition, "Cost" shall mean the actual cost of constructing the extension, the cost of engineering work done in connection with the extension and the cost of acquiring any easements necessary for the extension. With no further discussion, voice vote was unanimous in favor of the motion.

Regarding incremental rate increases to fund the CIP Program, Ms. Field asked whether it's the practice of District to do small bond issues. Mr. Mull stated that the District is committed to expend bond funds within a three year period, therefore the amount of the bond is based on what will be spent during that time. A brief discussion followed regarding General Obligation bonds and whether the Board needs to approve the recommendation of the CIP Committee on Project Financing. Mr. Mull stated that the Committee's recommendation on Project Financing was made as a matter of information and does not require approval.

6. MIS Presentation:

Mr. Mandler presented an update on computer technology accomplishments that have taken place at the MSD since August, 1996. He stated that his goal, was to provide as much functionality as possible with the equipment that was in place. He further stated that his roll is to provide leadership in setting a direction for technology applications; provide guidance and training to support users; keeping in mind the overall picture and system integration.

Accomplishments include:

- Standardization of Computer Hardware and Software
- Development of Local Area Networks and Wide Area Network
- District-Wide E-mail
- Database Development
- Pentamation Implementation
- Training
- System Administration/Hardware Troubleshooting
- On-going Support

Upcoming MIS projects include:

- Company-Wide Internet
- MSD-Wide Internet E-Mail
- Pentamation Customization
- Bar coding

- Fixed Assets Inventory
- GIS Mapping effort
- Voice Interaction

Mr. Mandler expressed his appreciation to management for their support. Several questions were asked regarding the District's Web Page; E-Mail address; one-stop permitting; data storage; type of CAD software being used and information link between divisions.

7. Committee Reports:

Capital Improvement Plan:

Previously reported by Mr. Selby.

8. Unfinished Business:

None

9. Old Business:

Consideration of CP&L Building Financing:

Mr. Mull reported that the Board at its February meeting requested that staff prepare a financial analysis on utilizing revenue bonds (private and public), or an operating lease to finance the renovations of the CP&L building, which would have to be approved by the Local Government Commission, Bond Attorney and others. Mr. Fatland reported that he met with Mr. Dennie Martin of Martin/McGill to assist in the analysis. He further reported that they met with the Local Government Commission (LGC) to discuss the options. He stated that the Commission recommended that they contact Bond Counsel and the LGC regarding the possibility of doing a banker placed revenue bond issue and the Institute of Government regarding legal issues on an operating lease. As a result, the Privately Offered Revenue Bond appears to be the most cost effective approach, which will save on issuance costs; funds will be available quicker through a local bank, and projects can be substituted. Mr. Joyner stated that he does not like the idea of the District leasing property rather than owning it. Mr. Kelly agreed with Mr. Joyner stating that the District is looking for a long-term solution. Mr. Casper recommended that the Board not vote on this issue today, but that it be reviewed by the Finance Committee

10. New Business:

a. Report on Proposed Outline for Newspaper Insert:

Mr. Mull reported that staff has been working with Diane Delafield on the development of a Newspaper Insert. He presented an outline for review and requested the Board's input for additions or corrections.

b. Consideration of No-Cost Time Extension - New Maintenance Facility Construction Contracts:

Mr. Mull reported that at the March meeting, the Board approved a no-cost time extension of 113 days for Cooper Enterprises, the General Contractor for

the new Maintenance Facility. He further reported that because the same extension needs to be made for the sub-contractors, staff recommends a no-cost time extension of 113 calendar days be approved for D.R. Walters Electric, Inc., McNutt Service Group, and Pyatt Heating & Air Conditioning, Inc. With no discussion, Ms. Field moved that the Board approve the recommendation of staff. Mr. Pace seconded the motion. Voice vote was unanimous in favor of the motion.

In other business, Mr. Mull reported on the following:

a. Emissions Testing Results:

Mr. Mull reported that recent emissions testing performed by Entrophy, Inc. show the District's measured emissions were low, with Particulate Matter at 0.07 lb/dry ton of sludge., Beryllium less than 0.05 grams/24 hours, and Mercury at 27.7 grams/24 hours; all less than six percent of the published limits. Also, the removal efficiencies for the nine (9) heavy metals all exceeded 99.8 percent removal.

b. Report on Annual Power Summary:

Mr. Mull reported that the Annual Power Summary showed the District's Avoided power costs for 1996 was \$678,451.36 compared to \$717,211.26 in 1997; Purchased power cost for 1996 was \$487,808.52 compared to \$399,752.14 in 1997; Standby Power Cost for 1996 was \$116,603.60 in 1996 compared to \$68,944.80 in 1997, and Hydro Power Sales increased from \$25,793.88 in 1996 to \$54,471.24 in 1997.

c. Historic Designation:

Mr. Mull reported that the District received it's State Historic Designation for the CP&L Building along with a list of consultants who can assist the District in applying for National Designation, which will qualify the District for possible grant monies.

d. Arden Presbyterian Church:

Mr. Mull gave a report on concerns voiced by Arden Presbyterian Church regarding it's agreement with the District in crossing the church property and recent events that occurred by a subcontractor to the grading subcontractor during clearing and grading of the property. He further reported that the Contractor, R.T. Construction, wrote a letter of apology to the Church, which will be followed up by a letter from the District.

e. Adopt-A-Stream Program:

Mr. Mull gave a report on the District planned participation in the upcoming Adopt-A-Stream Program scheduled for May 2, 1998. He further reported that fifty (50) employees have agreed to help in the clean-up and that Mr. Whitaker, the District's Janitorial Service, will assist in hauling debris. He presented a map showing the location of the clean-up and encouraged Board Member involvement.

f. Status of MSD's Participation in the Greenway Project:

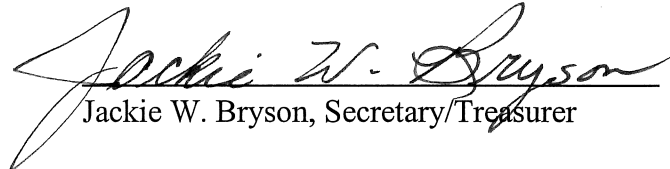
Mr. Mull reported that the City of Asheville's Greenway Consultant will make a presentation to the Board at the May or June meeting.

Mr. Casper questioned the status of the Planning Committee's recommendation regarding a facility fee for ITT. Mr. Selby reported that this issue was to go before the Planning Committee, however, the meeting was rescheduled to April 21. Mr. Pace expressed his feelings with regard to last minute meeting cancellations.

Mr. Casper appointed Mr. Spell to serve on the Personnel Committee. At the request of Mr. Stevens, Mr. Casper appointed Mr. Kelly and Ms. Bryson to serve on a Claims Review Committee to consider a possible medical claim appeal. Mr. Stevens stated that a claim was made for hospitalization coverage, which was partially denied by the District's Third Party Administrator to which the employee has appealed. He further stated that there is some indication that the Third Party Administrator may reverse itself and determine that the claim should be paid.

11. Adjournment:

With no further business, Mr. Pace moved for adjournment at 4:00 p.m. Mr. Selby seconded the motion. Voice vote was unanimous in favor of the motion.


Jackie W. Bryson, Secretary/Treasurer

RESOLUTION

RESOLUTION APPROVING THE ACQUISITION OF BITMORE COMMONS PHASES 1-4

WHEREAS, the Metropolitan Sewerage District ("District") has been asked to acquire the sewerage system facilities constructed to serve Biltmore Commons located off Sardis Road, City of Asheville, Buncombe County, North Carolina and more particularly described on a plat dated August 11, 1995, prepared by Wallace S. McAbee, recorded in plat book 64 at page 82; and plat dated March 15, 1995 and last revised on October 4, 1996, prepared by Wallace S. McAbee, recorded in plat book 66 at page 93; and plat dated July 18, 1996, prepared by Wallace S. McAbee, recorded in plat book 66 at page 14. All plats referenced herein have been recorded in the Office of the Register of Deeds for Buncombe County, North Carolina.

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

WHEREAS, the District Board has determined that the Biltmore Commons sewerage system facilities are not subject to any lien or other encumbrance which is materially adverse;

WHEREAS, the District Board has determined the acquisition of the Biltmore Commons sewerage system facilities and the responsibility to operate and maintain it will preserve and maintain the public health and welfare within the District;

WHEREAS, Nappier and Gunnells Construction Co., Inc., et al have tendered appropriate instruments transferring complete ownership of the system to the District and delegating to the District the responsibility for operation and maintenance;

WHEREAS, the appropriate instruments have been prepared and executed by Nappier and Gunnells Construction Co., Inc. and have been duly recorded;

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

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

BE IT NOW HEREBY RESOLVED: The District Board of the Metropolitan Sewerage District hereby accepts the Biltmore Commons sewerage system facilities together with all easements therefor, said sewerage system being more particularly described on a plat dated August 11, 1995, prepared by Wallace S. McAbee, recorded in plat book 64 at page 82; and plat dated March 15, 1995 and last revised on October 4, 1996, prepared by Wallace S. McAbee, recorded in plat book 66 at page 93; and plat dated July 18, 1996, prepared by Wallace S. McAbee, recorded in plat book 66 at page 14. All plats referenced herein have been recorded in the Office of the Register of Deeds for Buncombe County, North Carolina.

This the 16th day of April, 1997.

METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA

By: 
Chairman

ATTEST:


Secretary

RESOLUTION

RESOLUTION APPROVING THE ACQUISITION OF THE SEWERAGE SYSTEM EXTENSION FOR CROMFORT INN, CROWELL ROAD

WHEREAS, the Metropolitan Sewerage District ("District") has been asked to acquire the sewerage system facilities constructed to serve the Comfort located off Crowell Road, Asheville, North Carolina, Buncombe County, and more particularly described on as-built drawings bearing an initial date of October 14, 1996, prepared by Kenneth O. Pankow, P.E., and on file in the offices of the Metropolitan Sewerage District;

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

WHEREAS, the District Board has determined that the Comfort Inn, Crowell Road Extension sewerage system facilities are not subject to any lien or other encumbrance which is materially adverse;

WHEREAS, the District Board has determined the acquisition of the Comfort Inn, Crowell Road sewerage system extension and the responsibility to operate and maintain it will preserve and maintain the public health and welfare within the District;

WHEREAS, Smoky Park Investment, Inc. has tendered appropriate instruments transferring complete ownership of the system to the District and delegating to the District the responsibility for operation and maintenance;

WHEREAS, the appropriate instruments have been prepared and executed by Smoky Park Investment, Inc. and have been duly recorded;

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

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

BE IT NOW HEREBY RESOLVED: The District Board of the Metropolitan Sewerage District hereby accepts the Comfort Inn, Crowell Road Sewerage System System Extension together with all easements therefor, said sewerage system being more particularly described on as-built drawings bearing an initial date of October 14, 1996, prepared by Kenneth O. Pankow, P.E., and on file in the offices of the Metropolitan Sewerage District;

This the 15th day of April, 1998.

METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA

By: _____
Chairman

ATTEST:

Secretary

RESOLUTION

RESOLUTION APPROVING THE ACQUISITION OF THE SEWERAGE SYSTEM FACILITIES OF BROOKSIDE COVE SUBDIVISION, PHASE 1

WHEREAS, the Metropolitan Sewerage District ("District") has been asked to acquire the sewerage system facilities constructed to serve Phase 1 of the Brookside Cove Subdivision located off Brookside Avenue, Black Mountain, North Carolina, Buncombe County, and more particularly described on a plat bearing an initial date of January 7, 1998, last revised January 19, 1998, prepared by Kenneth O. Pankow, P.E., and recorded in the Office of the Register of Deeds for Buncombe County, in Plat Book 68 at Page 92;

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

WHEREAS, the District Board has determined that the Brookside Cove, Phase 1 Subdivision sewerage system facilities are not subject to any lien or other encumbrance which is materially adverse;

WHEREAS, the District Board has determined the acquisition of the Brookside Cove, Phase 1 Subdivision sewerage system facilities and the responsibility to operate and maintain it will preserve and maintain the public health and welfare within the District;

WHEREAS, Elbert S. Brown, Jr. And Karen K. Brown have tendered appropriate instruments transferring complete ownership of the system to the District and delegating to the District the responsibility for operation and maintenance;

WHEREAS, the appropriate instruments have been prepared and executed by Elbert S. Brown, Jr. and Karen K. Brown and have been duly recorded;

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

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

BE IT NOW HEREBY RESOLVED: The District Board of the Metropolitan Sewerage District hereby accepts the Brookside Cove, Phase 1 Subdivision sewerage system facilities together with all easements therefor, said sewerage system being more particularly described on a plat bearing an initial date of January 7, 1998, last revised January 19, 1998, prepared by Kenneth O. Pankow, P.E., and recorded in the Office of the Register of Deeds for Buncombe County, in Plat Book 68 at Page 92;

This the 15th day of April, 1998.

METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA

By: _____
Chairman

ATTEST:

Secretary

RESOLUTION

APPROVING THE ACQUISITION OF THE SEWERAGE SYSTEM FACILITIES OF HAMBURG MOUNTAIN, PHASE II SUBDIVISION

WHEREAS, the Metropolitan Sewerage District ("District") has been asked to acquire the sewerage system facilities constructed to serve Hamburg Mountain, Phase II Subdivision, located off Hamburg Drive in the Town of Weaverville, Reems Creek Township, Buncombe County, and more particularly described on a plat bearing an initial date of July 1, 1997, last revised January 27, 1998 prepared by McMahan & Associates and recorded in the Office of the Register of Deeds for Buncombe County, in Plat Book 68, at Page 122;

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

WHEREAS, the District Board has determined that the Hamburg Mountain, Phase II Subdivision sewerage system facilities are not subject to any lien or other encumbrance which is materially adverse;

WHEREAS, the District Board has determined the acquisition of the Hamburg Mountain, Phase II Subdivision sewerage system facilities and the responsibility to operate and maintain it will preserve and maintain the public health and welfare within the District;

WHEREAS, Haywood Street Redevelopment Corporation has tendered appropriate instruments transferring complete ownership of the system to the District and delegating to the District the responsibility for operation and maintenance;

WHEREAS, the appropriate instruments have been prepared and executed by Haywood Street Redevelopment Corporation and have been duly recorded;

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

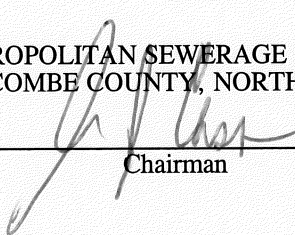
WHEREAS, the District Board has determined that adequate funding will be available for the acquisition and for the operation and maintenance of the system and that the District Board will have the authority to determine the need and priority for the operation and maintenance, improvement and reconstruction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

BE IT NOW HEREBY RESOLVED: The District Board of the Metropolitan Sewerage District hereby accepts the Hamburg Mountain, Phase II Subdivision sewerage system facilities together with all easements therefor, said sewerage system being more particularly described on a plat bearing an initial date of July 1, 1997, last revised January 27, 1998, prepared by McMahan & Associates, and recorded in the Office of the Register of Deeds for Buncombe County, in Plat Book 68 at Page 122;

This the 15th day of April, 1998.

METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA

By: _____


Chairman

ATTEST:


Secretary