

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT**  
**SEPTEMBER 16, 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, September 16, 1998. Chairman Selby presided with the following members present: Aceto, Blackburn, Bryson, Casper, Graham, Joyner, Pace, Sobol and Spell. Ms. Field and Mr. Kelly were absent.

Others present were: W. H. Mull, General Manager, William Clarke, MSD Attorney, Gary McGill of McGill Associates, Patti Beaver of CIBO, Virginia Liles with the League of Women Voters, Jim Fatland, Diane Davis and Sondra Honeycutt, MSD.

Mr. Selby welcomed Mr. Brady Blackburn appointed by the City of Asheville to fill the term of Mr. Casper. Mr. Blackburn gave a brief report on his background.

Mr. Selby expressed the Board's appreciation to Mr. Casper for his service on the District Board. Mr. Casper stated that he has enjoyed serving as a member during the past six years.

**2. Approval of Minutes of the August 15, 1998 Meeting:**

Ms. Graham moved that the minutes of the August 19, 1998 meeting be approved as presented. Mr. Pace seconded the motion. Voice vote was unanimous in favor of the motion.

**3. Consolidated Motion Agenda:**

**a. Consideration for Participation in Upgrading Proposed Sewer Line from 6" to 8" - Mountain Vista Estates:**

Mr. Mull presented a map showing the location of a proposed upgrade of a developer constructed sewer line located in Black Mountain. He stated that the cost to upgrade the sewer line from 6" to 8" is estimated at \$61,000.00 and explained how the District calculates its percentage of participation in construction costs. He further stated that funds for this project will come out of the \$200,000.00 Contingency Fund for Miscellaneous Sewer Rehabilitation Projects and that staff recommends approval of participation (50%) in an amount not to exceed \$30,500.00. Following a brief discussion regarding the District's cost to maintain the pump station, Mr. Joyner requested that this item be pulled for further consideration.

**b. Consideration of Acceptance of Developer Constructed Sewer Systems:**

**1. Southside Village, Phase 1 - 8" Sanitary Sewer System:**

Mr. Mull presented a map showing the location of the project (Mills Gap Road) which included installation of approximately 1,000 linear feet of 8" sanitary sewer pipe at an approximate cost of \$30,000. He reported that all MSD requirements have been met and staff recommends acceptance.

**2. Skyland Town Center:**

Mr. Mull presented a map showing the location of the project, (Hendersonville Road in Asheville) which included installation of approximately 488 linear feet of 8" gravity sewer and approximately 514 linear feet of 12" gravity sewer at an approximate cost of \$62,000. He reported that staff recommends acceptance of the sewer system.

**3. Olmsted Phase 1 @ Biltmore Park:**

Mr. Mull presented a map showing the location of the project, (Biltmore Park off Overlook Road in Skyland) which included installation of approximately 730 linear feet of 8" sanitary sewer pipe at an approximate cost of \$50,000. He reported that all MSD requirements have been met and staff recommends acceptance contingent upon the timely annexation of subdivision phases by the City of Asheville (as with all portions of Biltmore Park development).

**c. Consideration of Compensation Charts - East Euclid Parkway and Dula:**

Mr. Mull reported that the compensation charts are based on 1998 tax values, and that completion of right-of-way acquisition is scheduled for October 30, 1998. He further reported that staff recommends acceptance of the compensation budgets for the East Euclid Parkway, an Asheville Master Plan project in the amount of \$10,500.00, and the Dula Miscellaneous Sewer Rehabilitation project in the amount of \$19,000.00. Mr. Aceto asked whether the Master Plan projects are extensions or rehabilitations. Mr. Mull stated that the Master Plan projects are rehabilitations that were included in the Consolidation Agreement.

**d. Approval of Treasurer's Report - Period Ended July 31, 1998:**

Mr. Mull reported that the average rate of return for all investments is 5.78% and that the investments comply with the NC General Statutes and Board investment policies. He further reported that staff recommends approval.

**e. Consideration of Proposed Revenue Bond Financing:**

Mr. Selby requested that this item be pulled for consideration under the Finance Committee report.

With no discussion on items b., c. and d., Mr. Sobol moved that the Board approve the recommendations of staff as presented. Mr. Pace seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

Regarding item e. (Proposed Revenue Bond Financing), Mr. Casper reported that the Finance Committee made the following recommendation:

**1. Selection Process for Underwriter:**

With the assistance of the Director of Finance for the City of Winston-Salem, authorize staff to shortlist the ten (10) firms who submitted proposals, to six (6) underwriters and proceed with



interviews and further evaluation, with a recommendation to the Finance Committee.

**2. Proposed Revisions to Bond Order:**

Mr. Mull referred to a list of seven (7) items for consideration proposed by Deputy General Manager Jim Fatland. In addition, he presented a list prepared by the underwriting firm of Robinson-Humphrey. Mr. Stevens, General Counsel added that the Engineer-Manager provision in the current bond order was also to be changed reflecting the deletion of the engineer requirement of the General Manager. Mr. Mull reported that the underwriting team and bond counsel would prepare and analyze proposed changes to the bond order and present to the Board for approval.

**3. Bond Counsel:**

Authorize request for proposals for Bond Counsel.

**4. Trustee Services:**

Contact the Bank of New York and request a release authorization and proceed with request for proposals for Trustee Services.

In other business, Mr. Casper reported that the Committee reviewed the Accounting Manual prepared by Marshall, Killian & Cole and CIP projections. Also, a discussion was held regarding the need for additional debt coverage information and how to do bond refinancing. With no further discussion, Mr. Pace moved that the Board approve the recommendations of the Finance Committee with regard to item e. as presented. Mr. Joyner seconded the motion. Voice vote was unanimous in favor of the motion.

Regarding Item a. (Mountain Vista Estates) Mr. Selby requested that Mr. Mull review the formula for participation in construction costs. Mr. Mull stated that the formula was adopted a few years ago following meetings of the Blue Ribbon Committee. He further stated that consideration was given on ways to evaluate connections to an existing sewer line on the system that was not planned for upgrade, but on the list for future upgrades. He reported that points are given based on rehabilitation needs; pipe capacity and location of the development and the total points earned determine MSD's percent participation, dependent upon availability of funds.

Mr. Selby asked whether there is a formula for take over of pump stations. Mr. Mull stated that provisions for the acceptance of pump stations is included in Appendix "B", Pump Station Maintenance Fee, of the District's Sewer System Extension Regulations. Mr. Joyner stated that no mention is made in the formula with regard to pump stations and questioned the difference in this project and one in Weaverville the District did not participate in. Mr. Mull explained the difference in the two projects. Mr. Joyner further stated that the District has long discussed the issue of why it does not want to take-over pump stations, which is in his opinion, a major item of consideration, because of persistent problems associated with them. Also, no mention is made of the fee charged to take over and maintain the pump station. Mr. Pace asked whether a policy was developed to accept pump stations based on maintenance for twenty (20) years. Mr. Selby stated that the Board spent a great deal of time creating the formula that developers review when they consider their projects. Mr. Spell asked if there is a State requirement for adding houses to a sub-standard line. Mr. Clarke stated that

there is a law that says if a line is at capacity no additional homes can be added. A lengthy discussion followed regarding whether there is enough capacity on the line to accommodate twenty (20) new homes; the difference between a pressure and a gravity sewer system; the cost to the District to maintain the pump station and the fee charged developers to take over these stations. Mr. Sobol suggested that the Planning Committee address the issue of low and high-pressure systems and pump stations.

Mr. Fatland reported that in a conversation with Mr. Boyd, he stated that the Planning Committee discussed setting a fee for take-over of pump stations, but no action was taken. Mr. Selby asked whether the District has a pump station policy. Mr. Mull stated that there is a policy. Mr. Selby asked whether the developer could maintain the pump station himself if the District agreed to participate in the project. Following a discussion with regard to whether a fee should be adopted prior to approval of participation, Mr. Pace moved that the Board approve 50% participation in the development of the existing sewer line in an amount up to \$35,000.00. Ms. Bryson seconded the motion. Roll call vote was as follow: 9 Ayes; 0 Nays.

Mr. Selby reported that Appendix "B" of the Sewer System Extension Regulations, states that "either the present value of the 20-year maintenance costs or the replacement costs is the fee a developer will pay if built to District standards in return for taking over and maintaining a pump station." A discussion followed with regard to whether Appendix "B" was formally adopted as part of the Regulations and what is included in the maintenance costs. Mr. Mull suggested that Appendix "B" be modified to say "the District will calculate the 20-year O&M costs (including two (2) visits a week; manpower; electric bills, etc.), and calculate the present replacement value of the pump station and charge a fee based on the higher of the two."

#### **4. Proposed Facility Fee Revisions:**

Mr. Mull reported that the issue of facility fees has been reviewed extensively. However, because of recent concerns expressed by developers and staff regarding potential inequities as it applies to additions to residences and individually metered rental spaces, the following modifications and revisions are recommended:

##### **Multi-Unit Rental/Lease Structures:**

When an applicant applies for a structure (non-residential only) the District should charge the facility fee structured on the lesser of the following two options: 1. They may install a master meter, which will serve the entire structure, or, 2) they may install separate individual meters to serve each space in the structure.

##### **Additions to Existing Residences:**

If an addition to an existing residence is all internal and no site visit is required, the District should not charge any facility fee. However, if the addition will change the outside footprint; require an upgrade to the existing water meter size, or be placed on property where MSD sewer lines traverses property, the District should charge the current fee of \$250.00.

Mr. Mull presented an Analysis Report of Monetary Impact of the proposed revisions and a Facility Fee Computation form for review. Following a brief discussion, Mr. Pace moved that the Board approve the revisions as



presented. Mr. Aceto seconded the motion. Voice vote was unanimous in favor of the motion.

5. **Consideration of Bids for Laboratory Instrumentation:**

Mr. Mull reported that on September 2, 1998 the Perkin Elmer Company submitted a bid in the amount of \$85,220.60 for the purchase of a Perkin Elmer ICP instrumentation package. He further reported that funds for this equipment are available in the WWTP Capital Equipment account and that staff recommends approval. Ms. Davis stated that this equipment would replace the atomic absorption (AA) technology used for metals analyses. She further stated that the new ICP Optical Emission Spectrometer will eliminate instances of matrix interference, providing MSD analysts with accurate, reliable, "court defensible" analytical results. Mr. Mull stated that the old equipment would continue to be utilized within the laboratory as a backup. With no discussion, Mr. Pace moved that the Board approve the bid of the Perkin Elmer Company in the amount of \$85,220.60. Ms. Bryson seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

6. **Consideration of Surplus Property and Authorization for Disposal:**

Mr. Mull reported that staff recommends Board approval of the surplus property list and authorize disposal in accordance with the N.C. General Statutes and Bond Order. He further reported that the net proceeds from the sale of the property will be credited to the Vehicle and Equipment Replacement Fund & MIS Internal Service Fund. With no discussion, Mr. Pace moved that the Board approve the recommendation of staff as presented. Ms. Graham seconded the motion. Voice vote was unanimous in favor of the motion.

7. **Committee Reports:**

**Personnel Committee**

To be discussed in closed session.

**Finance Committee**

Previously reported by Mr. Casper.

8. **Unfinished Business:**

None

9. **Old Business:**

a. **Board Member Responsibilities:**

Mr. Selby stated that as a result of a request by Mr. Joyner that the Board discuss Member etiquette/responsibilities, he opened the floor for discussion. Mr. Joyner stated that the Board has previously discussed the issue of micro-managing, and in his opinion, Members should not get personally involved in the business operations of the MSD, but instead go through the General Manager and to the Board only when necessary. Mr. Selby stated that Members have an obligation to be responsive when called upon to address issues concerning the MSD. However, calls received by Members should be directed to the General Manager, with the understanding that if an issue is not resolved, a follow-up call is in order.

As an example, he referenced problems encountered by Arden Presbyterian Church. Ms. Graham stated that she negotiated with the Church following approval of the General Manager. She further stated that if an effort had not been made, the District would have been forced to spend a great deal more of the ratepayers' money than was necessary. Mr. Joyner stated that the Board should recognize its responsibilities; primarily setting policy and directing staff, without getting personally involved. Mr. Pace stated that he has no problem with helping staff, but the Board agreed to go through the General Manager before contacting other staff members. However, he felt that Committee Chairs should be able to contact those staff persons who are directly involved without going through the General Manager. Mr. Sobol stated that the policy of going through the chain of command was initiated as a result of Board Members talking to employees, as opposed to talking to the customer base. He further stated that he agrees with the policy and will only become involved if a problem is not resolved. Mr. Selby expressed his appreciation to Mr. Joyner for bringing this issue to the attention of the Board.

At 4:20 p.m., Mr. Sobol moved that the Board go into closed session to discuss a personnel matter. Ms. Graham seconded the motion.

At 4:35 p.m., the regular meeting was reconvened.

Mr. Pace moved that the Board approve the contract with the General Manager commencing January 1, 1999. Ms. Bryson seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

**10. New Business:**

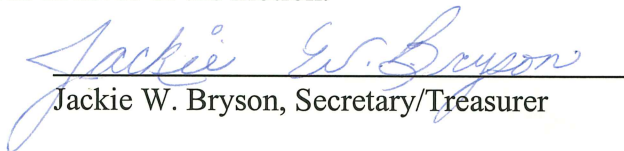
Regarding the issue of spousal health care, Mr. Joyner presented statistical information on how women are discriminated against in the Social Security system. He requested that these facts be considered in future discussions regarding health care. Mr. Selby asked whether the Personnel Committee has addressed this issue. Mr. Sobol stated that the Committee would consider the cost to the District at its next meeting.

Mr. Mull announced his plans to make presentations at Montreat College October 21; the quarterly meeting of WRATT, sponsored by Land-of-Sky Regional Council October 22 and the CEC/NC and PENC Environmental Conference in Raleigh October 23. Also, the League of Women Voters has made plans to attend the January meeting of the Board.

Mr. Selby appointed Mr. Aceto to serve on the Finance and CIP Committee and Mr. Blackburn to serve as Chairman of the Finance Committee. Mr. Mull stated that a meeting of the Finance Committee is tentatively scheduled for October 13 and CIP Committee for October 15.

**11. Adjourn:**

At 4:40 p.m., Mr. Pace moved for adjournment. Mr. Joyner seconded the motion. Voice vote was unanimous in favor of the motion.

  
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Jackie W. Bryson, Secretary/Treasurer



# RESOLUTION

## RESOLUTION APPROVING THE ACQUISITION OF THE SEWERAGE SYSTEM FACILITIES OF SKYLAND TOWN CENTRE

**WHEREAS**, the Metropolitan Sewerage District ("District") has been asked to acquire the sewerage system facilities constructed to serve Skyland Town Centre located off Mills Gap Road, City of Asheville, Buncombe County, North Carolina and more particularly described on a plat bearing an initial date of January 17, 1997, prepared by Wallace S. McAbee and recorded in the Office of the Register of Deeds for Buncombe County, in Plat Book 66 at Pages 174 and 175;

**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 Skyland Town Centre 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 Skyland Town Centre sewerage system facilities and the responsibility to operate and maintain it will preserve and maintain the public health and welfare within the District;

**WHEREAS**, Asheville/Granite, LLC 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 Asheville/Granite, LLC 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 Skyland Town Centre sewerage system facilities together with all easements therefor, said sewerage system being more particularly described on a plat bearing an initial date of January 17, 1997, prepared by Wallace S. McAbee, and recorded in the Office of the Register of Deeds for Buncombe County, in Plat Book 66 at Pages 174 and 175;

This the 16th day of September, 1998.

METROPOLITAN SEWERAGE DISTRICT OF  
BUNCOMBE COUNTY, NORTH CAROLINA

By:   
Chairman

ATTEST:

  
Secretary

# RESOLUTION

## RESOLUTION APPROVING THE ACQUISITION OF THE SEWERAGE SYSTEM FACILITIES OF SOUTHSIDE VILLAGE PHASE 1 (8 INCH SANITARY SEWER)

**WHEREAS**, the Metropolitan Sewerage District ("District") has been asked to acquire the sewerage system facilities constructed to serve Phase 1 of Southside Village located off Mills Gap Road, Limestone Township, Buncombe County, North Carolina and more particularly described on a plat bearing an initial date of August 13, 1997, last revised July 20, 1998, prepared by M. Dale Cipar, RLS, and recorded in the Office of the Register of Deeds for Buncombe County, in Plat Book 72 at Page 20;

**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 Southside Village Phase 1 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 Southside Village Phase 1 sewerage system facilities and the responsibility to operate and maintain it will preserve and maintain the public health and welfare within the District;

**WHEREAS**, The Biltmore Group, LLC 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 The Biltmore Group, LLC 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 Southside Village Phase 1 sewerage system facilities together with all easements therefor, said sewerage system being more particularly described on a plat bearing an initial date of August 13, 1997, last revised July 20, 1998, prepared by M. Dale Cipar, RLS, and recorded in the Office of the Register of Deeds for Buncombe County, in Plat Book 72 at Page 20;

This the 16th day of September, 1998.

METROPOLITAN SEWERAGE DISTRICT OF  
BUNCOMBE COUNTY, NORTH CAROLINA

By:

  
Chairman

ATTEST:

  
Secretary



# RESOLUTION

## RESOLUTION APPROVING THE ACQUISITION OF THE SEWERAGE SYSTEM FACILITIES OF OLMSTED PHASE 1 AT BILTMORE PARK

**WHEREAS**, the Metropolitan Sewerage District ("District") has been asked to acquire the sewerage system facilities constructed to serve Olmsted Phase 1 at Biltmore Park located off Olmsted Drive, Buncombe County, North Carolina, and more particularly described on a plat bearing an initial date of July 27, 1998, prepared by Webb Morgan & Associates, PA and recorded in the Office of the Register of Deeds for Buncombe County, in Plat Book 72 at Page 11;

**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 sewerage system facilities serving Olmsted Phase 1 at Biltmore Park are not subject to any lien or other encumbrance which is materially adverse;

**WHEREAS**, the District Board has determined the acquisition of the Olmsted Phase 1 at Biltmore Park sewerage system and the responsibility to operate and maintain it will preserve and maintain the public health and welfare within the District;

**WHEREAS**, Biltmore Farms, 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 Biltmore Farms, 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 Olmsted Phase 1 at Biltmore Park sewerage system together with all easements therefor, said sewerage system being more particularly described on a plat map dated July 27, 1998 prepared by Webb Morgan & Associates, PA, recorded in Plat Book 72 at Page 11, Buncombe County Registry.

This the 16th day of September 1998.

METROPOLITAN SEWERAGE DISTRICT OF  
BUNCOMBE COUNTY, NORTH CAROLINA

By: 

Chairman

ATTEST:

  
Secretary