

MINUTES OF THE METROPOLITAN SEWERAGE DISTRICT BOARD

MARCH 25, 1975

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the City Council Chambers, Second Floor of City Hall, Asheville, North Carolina at 2:00 p. m. on Tuesday, March 25, 1975.

Mr. C. LeRoy Robinson, Chairman, reappointee for the City of Asheville, took the Oath of Office and was sworn in by Mr. Edward G. Roberts, Assistant Clerk of Superior Court.

PUBLIC HEARING ON WASTEWATER SERVICE CHARGES: At 2:05 p. m. Chairman Robinson opened the public hearing on the proposed User Charge Ordinance. Mr. Don Newton, Consulting Engineer of Greeley And Hansen, writer of the Ordinance, explained some of the contents of the Ordinance. Mr. Lew Hoffmann, Consulting Engineer, gave his official statement of approval of the Ordinance. Considerable discussion followed, and a copy of the "Court Stenographer's" report is attached.

Chairman Robinson closed the Public Hearing at 3:45 p. m. and reconvened the regular meeting at 4:00 p. m.

Mrs. Swicegood, Secretary, called the roll with the following members present: Mr. Dawson, Mr. Dillingham, Mr. Williams, Mr. McDevitt, Mr. Warlick, Mr. Dent, Mr. Smith and Mr. Robinson.

In addition to the Board members, the following staff members and consultants were present:

Mr. Anthony Redmond
Mr. L. E. Hoffmann
Mr. Don Newton
Mr. W. H. Mull
Mrs. Patsy Hoglen
Mrs. Linda Duncan

Consideration of Resolution Adopting Wastewater Service Charges - Mr. Robinson stated he would like to suggest that the board not take any action on the Resolution today, and that Mr. Newton make a review of today's meeting and present his comments and recommendations at the next meeting. Mr. Dawson moved the motion and Mr. Dent seconded the motion. Roll call vote was unanimous.

The members having received copies of the previous Minutes of the February 18, 1975 meeting, Mr. Williams moved the motion and Mr. Smith seconded the motion that they be recorded as approved. This motion was carried unanimously.

Mr. Mull, Engineer-Manager, gave a report on the following items:

- (a) Increased Federal Grant for 201 Facilities Plan.
- (b) Resolution regarding State Grant for 201 Facilities Plan. Mr. McDevitt suggested that the Board rescind the resolution passed at the last meeting of the Metropolitan Sewerage District Board, entitled "201 Facilities Plan Grant", and to substitute thereof the following resolution:

RESOLUTION OF THE METROPOLITAN SEWERAGE

DISTRICT BOARD OF BUNCOMBE COUNTY

WHEREAS, The North Carolina Environmental Management Commission, at its March 6, 1975 meeting, approved and certified a State Grant Offer under the Clean Water Bond Act of 1971 to the Metropolitan Sewerage District of Buncombe County in the amount of \$31,250.00, to aid in the preparation of the 201 Facilities Plan; and

WHEREAS, The terms and conditions of the Grant Offer are in accordance with the Grant Application filed by the Metropolitan Sewerage District; and

WHEREAS, The Grant Offer must be accepted, if at all, on or before April 11, 1975, and Assurances given as proscribed by said offer;

NOW, THEREFORE, BE IT RESOLVED, BY THE METROPOLITAN SEWERAGE DISTRICT BOARD OF BUNCOMBE COUNTY:

That the State Grant Offer of \$31,250.00 is hereby accepted; The M. S. D. hereby authorizes giving Assurances A. through M. of Section II of the Offer; and

That the Board's Engineer-Manager, William H. Mull, is hereby authorized and directed to execute the Acceptance Document on behalf of the Board.

Mr. McDevitt moved the motion that this resolution be adopted, and Mr. Dent seconded the motion. Roll call vote was unanimous.

- (c) Progress report on Black Mountain Relief Sewer: Construction completed except for final seeding.
- (d) Progress report on Industrial Wastes Monitoring: The Monitoring Van was on display in front of City Hall for the Board members to see, and is ready to start working with each industry on monitoring samples.
- (e) The following Resolution was presented by Mr. Mull upon request by the Trustee:

R E S O L U T I O N

BE IT RESOLVED that Wachovia Bank and Trust Company, N. A., Trustee, be and it is hereby authorized and directed to invest \$910,000.00 of the Reserve Account in securities of the United States Government pursuant to the provisions of Section 508 of the Bond Resolution.

Read, approved and adopted, this 25th day of March, 1975.

C. LeRoy Robinson
Chairman of the Board
Metropolitan Sewerage District
of Buncombe County

Lenior H. Swicegood
Secretary

Mr. Williams moved the motion that this resolution be adopted and Mr. Warlick seconded the motion. Roll call vote was unanimous.

- (f) The following Resolution was presented by Mr. Mull upon request by the Trustee:

R E S O L U T I O N

WHEREAS, the Trustee has informed us that there will be surplus funds currently in the Revenue Account

THEREFORE, BE IT RESOLVED that the Trustee is authorized and directed to deposit any surplus funds accrued in the Revenue Account between January 1, 1975 to June 30, 1975, in the Reserve Account and invest these funds in accordance with the Bond Resolution.

Read, approved and adopted, this 25th day of March, 1975.

C. LeRoy Robinson
Chairman of the Board
Metropolitan Sewerage District
of Buncombe County

Lenior H. Swicegood
Secretary

Mr. Warlick moved the motion that this resolution be adopted and Mr. McDevitt seconded the motion. Roll call vote was unanimous.

Chairman Robinson opened discussion on a meeting he attended March 24, 1975, along with Messrs Dent, Smith, Mull, and Redmond, regarding Section 208 Planning. The meeting was held at the Sheraton Motor Inn, and was also attended by Mr. Curtis Ratcliff, Chairman, Board of County Commissioner; Hon. Richard Wood, Mayor, City of Asheville; Mr. A. F. McRorie, Assistant Chief, Water Quality Division; Miss Linda Hoddy, EPA; Mr. Bob Sheppard, Executive Director of Land-Of-Sky Regional Council, and others. Following discussion, Mr. Redmond presented the following Resolution for the Board's consideration:

RESOLUTION INDICATING INTENT TO JOIN WITH OTHER
GENERAL PURPOSE UNITS OF LOCAL GOVERNMENT IN THE
ASHEVILLE STANDARD METROPOLITAN STATISTICAL AREA TO DEVELOP AND
IMPLEMENT A PLAN RESULTING IN A COORDINATED WASTE
TREATMENT MANAGEMENT SYSTEM FOR THE AREA

WHEREAS, pursuant to Section 208 of the Federal Water Pollution Control Act Amendments of 1972, P.L. 92-500 (hereinafter called "the Act"), the Administrator of the United States Environmental Protection Agency has by regulation published guidelines for the identification of those areas which, as a result of urban-industrial concentrations or other factors, have substantial water quality control problems (40 CFR Part 126); and

WHEREAS, the Asheville Standard Metropolitan Statistical Area, as enlarged for Section 208 planning purposes satisfies the criteria contained in the Act and guidelines and designation of the area pursuant to Section 208 and those guidelines is desirable; and

WHEREAS, Section 126.10 of the guidelines requires, among other things, that the affected general-purpose units of local government within the problem area must show their intent, through formally adopted resolutions, to join together in the planning process to develop and implement a plan which will result in a coordinated waste treatment management system for the area; and

WHEREAS, Section 208 of the Act requires that the planning agency have in operation a continuing areawide waste treatment management planning process within one year of its designation by the Governor; and

WHEREAS, Section 208 of the Act requires that the initial plan resulting from the planning process be certified by the Governor and submitted to the Administrator within two years of the commencement of the planning process; and

WHEREAS, such planning process and waste treatment management system is a necessary and significant measure to control present point and non-point sources of water pollution and to guide and regulate future development and growth in the area which may affect water quality, in order to prevent, abate and solve existing and potential substantial water-quality control problems;

NOW, THEREFORE, IT IS RESOLVED THAT the Metropolitan Sewerage District, recognizing that the Asheville Standard Metropolitan Statistical Area, as enlarged for Section 208 purposes has substantial water-quality problems, supports designation of the Area pursuant to Section 208 and the EPA Guidelines.

IT IS FURTHER RESOLVED THAT the Metropolitan Sewerage District intends to join with other affected general-purpose units of local government within the boundaries of the area to develop a plan designed to produce a coordinated waste treatment management system for the area and after mutual adoption of the plan by said general-purpose units of local government, the Metropolitan Sewerage District, and the North Carolina Board of Water and Air Resources or its successor, to implement the plan.

IT IS FURTHER RESOLVED THAT, inasmuch as the Region B Planning & Economic Development Commission is a single organization with elected officials or their designees from local governments and is capable of developing an effective areawide waste treatment management plan for the Area, Metropolitan Sewerage District supports the designation of the Region B Planning & Economic Development Commission as the planning agency for the Area.

IT IS FURTHER RESOLVED THAT the designated planning agency will submit the required planning process to the Governor for review and approval within ten (10) months following approval by the Environmental Protection Agency of the delineation and designation and within twenty-one (21) months after submission of the planning process will submit the developed plan to the Governor for review and approval.

IT IS FURTHER RESOLVED THAT all proposals for grants for construction of publicly-owned treatment works within the boundaries of the designated area will be consistent with the approved plan and will be made only by the management agency or agencies as included in the mutually-adopted plan.

Approved this 25th day of MARCH, 1975.

Mr. Dent moved the motion that this resolution be adopted and Mr. Warlick seconded the motion. Roll call vote was unanimous.

MINUTES CONTINUED

March 25, 1975

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Chairman Robinson appointed the following members to serve on the Budget Committee for FY-75-76: Mr. Dawson, Chairman; Mr. Williams, Mr. Dent and Mr. Smith.

The date of the next meeting will be held April 15, 1975.

There being no further business, the meeting adjourned at 5:10 p. m.

March 25, 1975


Secretary

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6 PROCEEDINGS OF PUBLIC HEARING ON

7 WASTE WATER SERVICE CHARGES

8 Asheville, North Carolina

9 March 25, 1975

10 BEFORE THE METROPOLITAN SEWERAGE DISTRICT

11 BOARD OF BUNCOMBE COUNTY, NORTH CAROLINA

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14 Mr. Leroy Robinson, Chairman, Presiding.
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24 Reported & Transcribed by
25 Mrs. Dorothy P. Hoover
Court Reporter,
709 Western Carolina Bank Bldg.
Asheville, North Carolina

In the Council Chamber, City Building,

2 p. m.

BOARD MEMBERS PRESENT:

P. P. Dillingham (Woodfin)

Charles Dent (Buncombe)

Paul Warlick (Biltmore Forest)

LEROY, ROBINSON, CHAIRMAN (Asheville)

George Dawson (Asheville)

Leon Williams (Black Mountain)

Larry McDevitt (Buncombe)

Frank Smith (Buncombe)

CHAIRMAN: It is 2:00 o'clock and we will now
~~declare this meeting in session; however, in order for~~
this day to progress it seems that I have to get sworn in
and as I told the council, here, I really enjoy being so
important, but whereas it is pertinent, we will have it
at this time.

(Oath was administered to Chairman Leroy
Robinson by the Deputy Clerk of the Court).

1 CHAIRMAN: We are now officially in session.
2 The purpose of the meeting today is to hold a public
3 hearing on Waste Water Service Charges. We will declare
4 the public hearing in session.

5 First of all, I would like to give you just a
6 slight background as to what has preceded to this point.
7 I think most of you are probably quite familiar with it.
8 I do see some new faces in the audience.

9 In October, 1973, the M.S.D. Board contracted
10 with Greeley & Hanson, Engineers out of Chicago to draft
11 a Sewer Use Ordinance and a Waste Water Service Charge.
12 In June of 1974 the Board passed the Sewer Use Ordinance
13 and I am sure all of you are familiar with this. During
14 this same time work has been prepared and carried on toward
15 a Waste Water Service Charge Ordinance or draft that ties
16 in with the Use Ordinance.

17 Of course, all of you know in January of this
18 year we had a Work Shop and I assume most of you were
19 invited and participated in our first draft of this sur-
20 charge or Waste Water Service Charge. Since that time
21 certain revisions have been made and Mr. Newton of Greeley
22 and Hanson will shortly bring you up to date, but I think
23 we had a very fine Work Shop. We had certainly a great
24 deal of input from you in the audience and as I understand
25 from Mr. Mull, our engineer, he has talked with most of you

1 in the industry that's affected by this and new data has
2 been interjected into this ordinance and into the calcula-
3 tions and so forth and Mr. Newton will explain it shortly.

4 Under our bond resolution that we have to operate
5 under, we are required to have a net revenue annually of one
6 and a half times our debt service. Well, in 73-74 -- it
7 is really the 74-75 fiscal year, ends June 30, 1975, the
8 figures read like this: We will have approximately
9 \$595,000.00 net revenue and \$419,000.00 debt service.

10 Well, as you immediately can see, this would be
11 somewhat short of the requirements of the bond issue. The
12 nearest I can calculate, it will be approximately \$35,000.00
13 short. This is the first time this has happened to us. It
14 happened to us because we had to amend the budget for power
15 rates and chemical expenses a couple of months ago in exce-
16 of \$100,000.00, but this would indicate or actually would
17 be mandatory under the bond resolution that we have a gen-
18 eral increase in our sewer rates. However, if this waste
19 water surcharge is passed by the Board, the need to have
20 this general increase will vanish, be eliminated because it
21 will produce enough revenue to cover this shortage in the
22 requirement.

23 I wanted to give you that information just as
24 information. At this time I would like to call on Mr.
25 Newton to bring us up to date on the revisions since our

1 last meeting. Mr. Newton.

2 MR. NEWTON: Thank you, Mr. Robinson. I am going
3 to talk from the board and can everybody hear me if I speak
4 like this, if I don't use the microphone?

5 MR. O. E. STARNES, JR.: We can hear you, but we
6 can't read those figures.

7 MR. NEWTON: I will turn the board this way. When
8 I was thinking about this public hearing today, it kind of
9 reminded me in a way of something my father said to me about
10 thirty years ago when I told him I was going to follow the
11 profession of sanitary engineering, as it was known at that
12 time, and he said, "Well, I suppose someone has got to do
13 it, but I am glad it's not me," and in a way I wish I could
14 let someone else do it in talking to you at this public hear-
15 ing. In spite of the fact that we are talking about waste
16 water, it is a rather dry subject so I am going to try and
17 be rather brief in what I comment to you.

18 Because it is the official public hearing, I know
19 a lot of gentlemen in particular here have heard what I have
20 to say and are thoroughly familiar with this report, but for
21 the general public who may not have had that opportunity, I
22 would like to run briefly through some of the concepts and
23 philosophies.

24 The philosophy behind the development of this
25 charge is that the charge should be proportional to the costs

1 which are accrued to the treatment of the wastes discharged
2 by any particular customer. That is a theoretical concept,
3 of course, and the best you can do is approach it as nearly
4 as practicable. That one concept is built into the require-
5 ments of the Federal Government under the guide lines which
6 were produced as a result of Public Law 92500. There is one
7 other requirement, that is in that law and that is that there
8 be no discounts for quantity and specifically that means
9 that the rate schedule cannot have what has been commonly
10 referred to as a sliding rate schedule. Now, your present
11 water service charges and your present sewage disposal charges
12 are a sliding rate schedule. If you remember, your water
13 rate, the first bracket is something like 46¢ a thousand
14 gallons and it keeps stepping down - I mean, that's the
15 sewage disposal charge, - it steps down to about 3¢ per
16 thousand gallons. Now, this is mandated by law, but that
17 cannot be.

18 All right. Now, with those two basic concepts,
19 generally speaking, how do we go about doing it? Well,
20 the first step in such a rate analysis, as we have done, is
21 to establish both the capital costs, those bond issue costs
22 which you have incurred in the past, and the operation and
23 maintenance costs as well and distribute those to the functions
24 which are performed by those parts of your system. Specific-
25 ally, for instance, a sewer has one purpose, to convey,

1 convey waste waters, so all sewers are related to, as we
2 refer to it, as quantity allocated costs. Then there are
3 parts of the treatment plant which can be distributed to
4 the other two main characteristics of your waste water,
5 the suspended solids and the B.O.D. Customer costs, for
6 instance, are allocatable only to individual customers.
7 There is an equal charge, as a matter of fact, for those
8 fixed billing costs.

9 Once we have allocated the costs to functions,
10 it is then possible, utilizing both the historical or the
11 projected total loads to the treatment plant, to establish
12 unit costs, a unit cost which is a summation of all of the
13 allocated charges of costs to quantity, conveyance charges,
14 in other words, all of those which are allocated to B.O.D.
15 and suspended solids. Now, those are unit costs which are
16 ~~determined on the loads which are received at the treatment~~
17 ~~plant. At that point in time, you don't worry where they~~
18 ~~came from; it is simply, this is in the plant, reaches the~~
19 ~~plant, it costs so much per unit to treat it.~~

20 Then you have to accomplish a distribution of
21 the total cost and hence then to unit cost to the individual
22 classes or groups of customers. At the present time we make
23 just two classifications, one which is called Domestic, but
24 it includes all residences, small commercial, any uncategor-
25 ized establishments at this moment. The other group is

1 classified as Industry. It includes those industries falling
2 within a certain specific group of standard industrial clas-
3 sification numbers which are set out in the Federal Law.

4 There are twenty-one of these major industries for
5 which we have had enough data to characterize them at the
6 present time as industries. Now, there may be more as time
7 goes on. This is a flexible distribution between the so-
8 called Domestic group and the Industries.

9 Those costs as I have just run through them
10 include two basically different kinds of things: one is the
11 capital charges which are your debt service and they are
12 relatively fixed. They include the operation and maintenance
13 charges which are variable and fluctuate from year to year
14 principally because of things like power, chemicals and wage
15 rates. There is a third category of costs which are somewhat
16 variable, your bond indenture requires that you maintain, as
17 Mr. Robinson pointed out, certain excess of revenues over the
18 requirements for operation and maintenance and pure debt
19 service. In addition to that there is a need, as Mr. Hof-
20 fman will indicate, for additional expenditures for capital
21 improvements, what is classified as replacements, renewals
22 and extensions. Now these two - that capital improvement
23 category can use all of this excess coverage, so-called, so
24 that is an amount really which we will classify as capital
25 improvements and it incidentally provides the debt service

1 and then an amount of money which goes toward fixed capital
2 improvements to the system.

3 Now, when we get through with these distributions,
4 how do we propose to make up the actual schedule?

5 The large group, the Domestic customers, it is
6 impracticable to attempt to analyze their waste for the
7 constituents and hence all of the costs that are allocated,
8 quantity, B.O.D. and suspended solids and customers, are all
9 lumped into one total amount and then it's proposed that the
10 charges to those customers be at a single unit price which
11 recognizes all of these functional costs, that portion of
12 them which are allocated to the Domestic group.

13 The Industrial group, however, has sufficient
14 quantity and strength characteristics to warrant treating
15 them in a different fashion and it is proposed that they then
16 be charged for actual quantities discharged and measured
17 under the three categories, quantity -- and that will be a
18 different charge than is applied to the Domestic customers,
19 purely the quantity related cost; secondly, a charge per
20 pound of B.O.D. and thirdly, a charge per pound of suspended
21 solids.

22 So much for background. Now, I will try to point
23 out some of these numbers that may not be quite large enough
24 to read, but I would like to just quickly run through two or
25 three charts to show you how we do it.

1 I am going to show you a chart here first which
2 simply shows you the distribution of the loads which are
3 received at the treatment plant. The top group is the
4 quantity. Now, this is for fiscal year 75-76 and based on
5 historical records and projecting next year. We anticipate
6 that the average quantity at the plant will be about 18.8
7 M.G.D. Of that there are two elements which are actually
8 metered quantities, metered at customers' meters. The top
9 line is the metered water for all Domestic categories, about
10 9.4 million. This line down here, Industries, is a similar
11 metered or in some cases it is estimated quantity of waste
12 discharged and billable from Industries.

13 You will notice this line here showing a rather
14 substantial proportion of the total flow, 5 million gallons
15 is classified as infiltration. This is not metered anywhere
16 and, of course, it is the result of the existence of the
17 sewer system. It is ground water and some surface water
18 which enters the system. It is not the result of anybody's
19 activities, but everybody, in effect, pays the cost of it.
20 The distribution of that is basically proportional to the
21 number of customers.

22 This brings me to one other point. The group of
23 Industries is only 21 out of twenty-six thousand odd custo-
24 mers and in actuality it is only about .08% of the total
25 number of customers and hence in the rounding out here, we

1 don't even bother to show that minor amount of infiltration
2 which is attributable to the Industrial group; however, it
3 is in actuality - it is included in that 4.4. There is a
4 distribution in effect of infiltration to the customers
5 grouped in the Industrial category.

6 Then the result is that in round numbers, 77%
7 of the quantity comes from the Domestic users, including
8 their allocation of infiltration. The Industrial component
9 is 23%, including their insignificant allocation of infiltra-
10 tion. We do the same thing for B.O.D. and Solids. This is
11 the forecast for B.O.D. for next year based on plant records.
12 Similarly, the suspended solids.

13 Now, after the work shop on January 28th, some of
14 the large industrial group furnished us enough additional
15 information that we revised the Industrial contribution to
16 the B.O.D. and suspended solids. We reduced their component.
17 Now, this simply meant these numbers don't change because
18 they are a forecast based on the total; -it simply meant then
19 that there was a shift in the balance between the two compon-
20 ents of the total and in effect it has had no effect on the
21 unit cost per pound of B.O.D. nor per pound of suspended
22 solid.

23 Now, we estimate that the Domestic contribution
24 will be 67% of the B.O.D., Industry, 33%, then on suspended
25 solids, Domestic 86% and Industries only 14%. That is the
distribution of loads.

1 Now, just let me show you something rather quickly
2 on what happens when we take these functional costs and al-
3 locate them. Really, in effect, we started Chinese style
4 here. This is the estimated total required revenue next year.
5 We have distributed these to Q, B.O.D. solids and customers.
6 I am not going to bother to give you the percentages, but
7 we ran through a percentage distribution of each one of the
8 costs, both capital and O&M to arrive at this total distribu-
9 tion. Now then, the next thing -- and these establish basic-
10 ly our unit cost for each one of those functions.

11 Now, these costs then can be distributed to the
12 two groups and you will notice here, 77 and 23, the same per-
13 centages I have just showed you of Q, produce a distribution
14 of that 833,000 to Domestic and Industry, the same thing is
15 followed through on B.O.D., Suspended Solids and Customers and
16 you end up here at the end, the same number and we come back
17 to the same thing.

18 In a nutshell, and I have reams of calculations
19 here and mostly in the office that gets to this thing - that
20 is what this procedure is, this distributing costs to functions
21 and then finally distributing it to the user groups.

22 Now, after we get these distributions of costs to
23 the group here, you can summarize the distribution and estab-
24 lish unit costs, unit charges.
25

1 Now, this particular chart shows for Industry, the
2 computation when you pull these summarized numbers apart, how
3 we produce the numbers. There is an allocation of 191.7 to
4 Quantity, that includes \$100.00 to allocated costs of the
5 customer services. This is estimated annual discharge of all
6 that group of Industries in hundreds of cubic feet and simple
7 division produces a unit charge. Similary, B.O.D. 159,000,
8 some three million pounds, .046; suspended solids the same
9 thing and about $2\frac{1}{2}\text{¢}$.

10 Now, just taking the total here and the total
11 quantity, that produces an average charge to all, an average
12 of all of those charges, of about 18¢ a hundred cubic feet.

13 Now, in the individual industries because of their
14 waste characteristics varying, we will have different charges
15 and they are now estimated to range from a low of about 13¢
16 a hundred to a high of almost 69¢ a hundred. Now, these
17 charges are to be reviewed at the end of each year and all
18 of the numbers that are shown on this chart here would, in
19 effect, change each year. This would be affected by the
20 annual operating costs; if they go up this goes up, if they
21 go down, this comes down. It is also affected by the production
22 of B.O.D., solids and quantity which the Industries contribute
23 to the thing. This may reduce their whole percentage or
24 whole allocation of costs to them so at the end of each year
25 these numbers are rerun on actual costs, these numbers are

1 are recalculated based on actual costs, that is, on metered
2 quantities and on the determination of the strength of the
3 waste and you produce new averages. If this produces a credit
4 to the Industries because they discharge less or these charges
5 worked out to be less, which they very well may do if the
6 total pounds of B.O.D. goes up, the cost of B.O.D. charges
7 in the total at the plant do not increase proportionally and
8 this cost may come down. So an Industry may get a credit
9 or may get an increase. If a credit is due, it is recom-
10 mended this be credited against the subsequent years bills and
11 if additional charge is indicated at that time, then a defic-
12 iency billing would be made to the Industry. The Industry
13 then does vary from year to year. This is mandated by the
14 Federal requirements.

15 This is a brief summary of how we arrive similarly
16 at the Domestic users' charges. Here are their charts of
17 the respective functional costs amounting to one million,
18 two hundred seventy-eight, as compared to about three hundred
19 ninety thousand to Industry.

20 Now, since we are not going to measure B..O. D.
21 and Solids here except as a difference in the treatment
22 plant then we need only the total billable water quantity,
23 the amount metered through the customers' meters and that,
24 in hundreds of cubic feet, divided into this, produces
25 for 75-76 an indicated charge of about 28¢ a hundred cubic

1 feet; 77-78 the escalation of costs is outrunning the estim-
2 ated increase in quantity and the charge is about 31¢.

3 Now, what does this mean in the total picture as
4 far as averages and how does it compare to the present?

5 On the left is your present; on the right the
6 proposed and the Domestic user, you have a minimum of \$1.15
7 and your charge varies by rate brackets and it starts out
8 now, converting it back into hundreds of cubic feet about
9 35¢ for the first rate bracket, but it would come on way
10 down to about 2.25¢ per hundred cubic feet, but that is only
11 for the largest water users such as an Industry. A typical
12 residence - I won't say average, because this is rather a
13 large water user - one that uses about 1200 cubic feet per
14 month would have an average charge of 35¢, approximately,
15 or about \$4.14 a month. Under the proposed charges and we
16 have recommended that as far as the Domestic users are con-
17 cerned that rather than change each year that they be set
18 at one time adequate to carry about three years in the future,
19 a recommended 32¢ a hundred cubic feet, or about \$3.84, a
20 slight reduction in spite of the fact that the O & M costs
21 are escalated at 10% per year to meet approximately the
22 current rate of inflation.

23 Now, the Industrial Group, their rates are the
24 same as the Domestic user. It happens now, based on the best
25 information we have on their water consumption at present,

1 the range of charges run from about 3¢ to about 25¢ a hundred
2 cubic feet and they average about 5¢ a hundred cubic feet.
3 Under the proposed charges the average, all the component
4 charges in, the range is from 13¢ to 68¢ and averages about
5 8¢.

6 Before you ask me this question I am going to say
7 something about this apparent differential. Because infiltra-
8 tion is a substantial thing in this system and because it is
9 a charge related only to the present facility, sewers, and
10 can only fairly be allocated to customers who are utilizing
11 the system as individual entities, each one of which has a
12 parallel interest in the efficiency of the sewer system, as
13 far as handling flows are concerned, infiltration overwhelm-
14 ingly falls into this large group of so-called Domestic
15 customers and has a tendency to shift more of that quantity
16 charge into every user. Now, mind you, everybody is bearing
17 it equally, but the greater weight of it is in that group.
18 The second thing is that on the average as we can visualize
19 it to date and have been able to estimate the strength of
20 the waste, a lot of Industries are actually producing some-
21 what less than the average strength of the wastes when they
22 are received at the plant; they are less in B.O.D. and solids
23 than residential customers, believe it or not, and this is
24 one of the things that this type of charge does; if they are
25 weaker than somebody else they should be charged less than

1 somebody else. These two factors are the principal things
2 that make the difference in those two. There is no quantity
3 discount in either one of those two charges.

4 With that, I think, Mr. Robinson, that I will
5 stop my discourse and return the floor to you for any
6 questions and participation from the audience.

7 CHAIRMAN ROBINSON: Thank you, sir. Prior to the
8 discussion, though, I would like to call on Mr. Hoffman,
9 who is our consultant engineer. I think he has a few of-
10 ficial statements to make concerning this report then we
11 will have comments from the audience.

12 MR. L. E. HOFFMAN: The Resolution authorizing and
13 securing the sewage disposal system bonds for the Metro-
14 politan Sewerage District has several stipulations regard-
15 ing the responsibilities of the consulting engineer in the
16 establishment of waste water service charges. It is stipu-
17 lated upon the Resolution that before the adoption of any
18 revision of sewage disposal charges all computations and
19 estimates upon which such revisions shall be based shall be
20 approved by the consulting engineer.

21 Another provision states that the District may
22 with the approval of its consultant engineer establish
23 rates or surcharges to be paid for the treatment of sewage
24 or industrial wastes.

25 In carrying out our responsibility under those

1 conditions we have during the past year studied and reviewed
2 each of the studies and all the facts and data as they were
3 developed by Greely and Hansen. We have taken part in most
4 of the work sessions and attended all public hearings. In
5 our judgment Mr. Newton is eminently qualified by experience
6 and training in the preparation of studies of this type and
7 he and his firm have to the best of their ability prepared
8 an equitable and realistic surcharge structure within the
9 framework of existing conditions. There is in the file of
10 each of the Commissioners a written statement as follows:

11 "In accordance with the requirements of
12 Section 502, Article V, of the Resolution
13 authorizing and securing the District's
14 sewage disposal system bonds, we have examined
15 and hereby approve all computations and esti-
16 mates set out in the Report on Wastewater Service
17 Charges, as revised February, 1975, prepared by
18 Greeley and Hansen, Engineer.

19 On the basis of the data presented, we
20 hereby approve the proposed resolution adopting
21 charges for the discharge of domestic wastewater
22 and industrial wastes to the sanitary sewerage
23 system of the Metropolitan Sewerage District,
24 as presented to the Board of Commissioners for
25 their consideration as of this date."

CHAIRMAN ROBINSON: Thank you, Mr. Hoffman. At
this time we will hear from the audience. Did everyone
receive a slip like this for you to fill in your name and
who you represent and whether or not you would like to
speak here today? If you have not received one of these,
please raise your hand.

1 There are a few people who have indicated they
2 would like to speak. For no better way, I have arranged for
3 them in alphabetical order and the Industry Beacon heads the
4 list. Therefore, I call on O. E. Starnes, Jr., Attorney,
5 Beacon Manufacturing Company.

6 MR. O. E. STARNES, JR.: This is my first meeting
7 and I apologize for not being as fully conversant with it
8 and certainly after hearing this learned dissertation, I
9 feel rather overwhelmed. We are told it is a very fine and
10 fair allocation and I appreciate the comment and we are told
11 that the gentleman who prepared it is eminently qualified
12 and certainly I feel like I could concur with that, Mr.
13 Chairman, at the same time what it boils down to is industry
14 must look at the bottom line and when I see us jumping from
15 \$22,000 to \$77,000 in one year, commencing as of the first
16 day of July, I believe it is, you can rest assured that
17 Beacon Manufacturing Company feels itself very sorely put
18 upon.

19 It certainly would not be seemly for an industry
20 such as Beacon to ask that it be carried or that it receive
21 any favors or that the system be burdened with it, neverthe-
22 less Beacon has been there for all of these many years, fifty
23 or more, I suppose, and under the circumstances now finds
24 itself regardless of the way, reason, manner or rationale
25 that it is arrived at suddenly confronted with this 300% or

1 more, 350% increase. Now it is impossible technically for
2 me to undertake to tell you how and why this is totally un-
3 fair as against beacon and certainly I will just not under-
4 take to do it, but at the same time, attempting to speak for
5 them, we can only submit that we feel that there is surely,
6 surely there can be some tempering, some other arrangement,
7 allocation, provision, division, whatever - something that
8 can be brought to bear on this thing so as not to have such
9 a calamitous effect here at this time.

10 I would like to reserve the right to comment
11 further a little bit later, if I might, please.

12 CHAIRMAN ROBINSON: Yes, sir, Mr. Starnes. Biltmore
13 Company, Mr. Philip Carson, Attorney.

14 MR. PHILLIP CARSON: Mr. Chairman, Members of the
15 Board and Staff of Experts: I, too, listened with interest
16 to Mr. Newton and concur in Mr. Starnes' introductory remarks
17 and will not repeat them.

18 I may tread where angels fear to tread and make
19 some comments on the substance of the report, if I may, Mr.
20 Chairman. I also concur that 400% increase to an industry
21 at one fell swoop is a little much to expect an industry to
22 absorb that has not had an opportunity to budget and effect
23 price changes and that sort of thing; that is what would
24 happen to my client. It is my ox that is being gored the
25 most. We are 68.2¢ per hundred cubic feet in the way this

1 ordinance is arranged and I would like to address why I think
2 that is unfair and why I think this Board should give it
3 some further study.

4 Mr. Newton indicated in his comments and with his
5 charts that Domestic users have an indicated cost basis per
6 hundred cubic feet of sewage treated at the plant based on
7 actual figures and not built in any future budgets and in
8 the report of, I believe, 27.87¢ per hundred cubic feet. I
9 believe that is correct. Gentlemen, that 27.87¢ per hundred
10 cubic feet figure appears to be much higher and out of line
11 with the figure you are charging industry and as he pointed
12 out it is due to an infiltration. Every bit of Industry's
13 sewage will be metered under the new proposal and every bit
14 of it will be charged per gallon or per hundred cubic feet
15 of discharge, that figure comes to approximately 18.20¢ per
16 metered cubic feet of discharge. The Domestic user's dis-
17 charge, however, will not be metered going out of the home,
18 or whatever is using it, it will be metered coming into the
19 home; thus only some 9 some millions of gallons per day of
20 Domestic Users discharge will be metered. However, Domestic
21 users will be responsible for an additional 5.5 million
22 gallons per day that will go into the sewerage plant in the
23 form of infiltration. Now, if you average the additional
24 sewerage attributable to Domestic Users into the Domestic
25 Users' cost, the Domestic Users' cost is not 27.87¢ per hundred

1 cubic feet, the Domestic Users' cost is 18.23¢ per hundred
2 cubic feet of discharge treated including infiltration or
3 almost within three one hundred thousandths of what Industry
4 as a whole will pay. The upshot of this is that Domestic
5 Users and Industry Users will be paying almost the same thing
6 or the cost will be the same for the amount of discharge
7 attributed to each user.

8 Does that make sense, Mr. Newton?

9 MR. NEWTON: If you related it entirely to
10 quantity and you distributed it that way, that is what you
11 come up with.

12 MR. CARSON: Well, for Domestic Users you relate
13 the entire infiltration to Q, don't you?

14 MR. NEWTON: No. It is related to the number of
15 customers. In other words all infiltration is considered to
16 be shared equally by each customer.

17 MR. CARSON: So it is 26,198 related to Q and
18 21 related to Q, B.O.D. and suspended solids?

19 MR. NEWTON: Well, infiltration is distributed
20 with respect to customers. The other factors are distributed
21 on a different basis.

22 MR. CARSON: I realize that, but in respect to
23 Q, the Domestic User paying for his discharge as metered,
24 as it comes into his home and paying for his additional cost
25 involved in infiltration will be paying approximately 18¢

1 per hundred cubic feet based on Q?

2 MR. NEWTON: I think you have lost me on the
3 number you are using there.

4 MR. CARSON: Well, if you average, instead of
5 using the 9.9 figure, if you add on your 5.5 that is attrib-
6 utable to Domestic Users then you have got not to be charged
7 (Interrupted.)

8 MR. NEWTON: You are asking what would the aver-
9 age charge be if it were related entirely to gross quantity
10 treated at the treatment plant?

11 MR. CARSON: Treated.

12 MR. NEWTON: It would be approximately 18¢.

13 Q Which is exactly the average that Industry is
14 paying?

15 MR. NEWTON: Just about.

16 MR. CARSON: And not 27.87, though that is the
17 correct figure, that figure is based on metered water coming
18 in the house?

19 MR. NEWTON: That's exactly right.

20 MR. McDEVITT, Board Member: Mr. Carson, so I
21 will understand you, are you referring in the report to the
22 figures at the bottom of pages, three, five?

23 MR. CARSON: What page?

24 MR. McDEVITT: That is on page 28, I believe.

25 MR. CARSON: Yes. I think it is more clearly

1 indicated on Page 21, under 1975-76.

2 MR. McDEVITT: I am talking, speaking specifically-
3 if I can flip to 28 here and give it to you,-of the rate down
4 at the bottom, Unit Cost, Gross Quantity, Domestic and
5 Industry.

6 MR. CARSON: Exactly.

7 MR. McDEVITT: It shows a computation of 18.19,
8 Domestic?

9 MR. CARSON: Correct.

10 MR. McDEVITT: And what you are saying is we are
11 measuring Industrial - I don't know if I am using the right
12 word, but - Industrial outflow and you would like us to look
13 at Domestic outflow, too, and relate the charge we are mak-
14 ing to the same standard?

15 MR. CARSON: That is exactly right because Domestic
16 Users are being charged for 14.4 million gallons per day
17 for sewerage treating. The 27.87¢ per hundred cubic feet
18 figure is based upon charging the Domestic User for only
19 9.9. It is actually and as Mr. Newton pointed out, infiltra-
20 tion is a cost of the entire system to be borne on a percent-
21 age basis. Industry only represents .08% as he indicated
22 of the total users and therefore is an almost negligible
23 figure and he says he has built that into the report. I
24 just wanted to point that out to the Board. The Domestic
25 User is paying 18¢ per hundred cubic feet for treatment

1 just as Industry is paying 18¢. It just depends on how you
2 look at the figures. Now on metered water, if you measure
3 it in that way, sure, it is Domestic Users - (Interrupted.)

4 MR. McDEVITT: 27¢, based on what is going into the
5 house, not what is coming out?

6 MR. CARSON: On what is going in the house, exact-
7 ly. I think the figure is misleading and I think the Board
8 should take some cognizance of the fact, if the Board will
9 allow me.

10 MR. NEWTON: Thank you.

11 MR. CARSON: My second point, if the Board will
12 allow me, my client feels that the cost division between
13 Industry and Domestic Users appears to be unfair. I don't
14 have the data of what that is based on, but if I could call
15 to the attention of the Board the Chart on Page 25 of the
16 Report and specifically to the fact that the chart is
17 divided into two separate categories, one Operation and
18 Maintenance and one on Administration.

19 Now, as we understand the report, the Operation
20 and Maintenance end of the chart deals with the treatment
21 of the sewage at the plant, whatever chemicals are used,
22 whatever electric charges are used, whatever manpower is
23 used, whatever is used, the cost involved in treating the
24 sewage; the total cost is \$441,626 as indicated here. The
25 second category is Administration Expense and I am assuming

1 that that includes, because I don't have the data, but assum-
2 ing from normal accounting practice that includes the cost
3 for the administration of the system as a whole. There are
4 salaries in both and I am assuming that the salaries, Social
5 Security Tax and Retirement Funds go to those working in the
6 plant; that the costs of salaries, social security and retire-
7 ment funds are attributable to those persons working in
8 administration. However when this report attributes the
9 cost between Domestic and Industry, the administration cost
10 except for one item of \$53,500, are spread on a pro-rata or
11 proportional basis between Domestic Users and Industry.

12 There are only 21 Industrial users; they are just
13 like 21 persons except they use a whole lot. There is no
14 distinction between how much a domestic user uses and there
15 should not be on this. This is a cost just like infiltration
16 that is a cost of each customer proportionately. It does
17 not cost any more to send a bill to the Biltmore Company,
18 it does not cost any more to send a bill to Beacon, it does
19 not cost any more for a secretary to write a letter to them
20 or to do the other administrative duties that they must do;
21 they should not bear any more of the cost of your experts,
22 or of your council or of your industrials - anybody that is
23 working in the administrative end, than they bear to the
24 whole system. They are one customer and that is all. Now,
25 in treatment they should bear more of the expense; in admin-

1 istration they should not. The only item that this report
2 attributes to pure administration is the billing and collect-
3 ing which I understand is done by the City of Asheville on
4 their water bills. We take the position and strongly contend
5 and will furnish you with some reports and data that all of
6 this administration cost should be spread on a pro-rata basis
7 and not on a 77/23% split which is what essentially happened.

8 I don't know how the figures were arrived at in
9 administration as to \$27,000 out of \$56,000 salaries should be
10 attributable to B.O.D. or \$15,000 should be attributable to
11 suspended solids or \$13,675 should be attributable to quantity.
12 Administration cost is overhead; it doesn't matter whether
13 you are shipping 500,000 gallons a day to the plant or whether
14 you are shipping one, if you are one customer it is going to
15 cost you exactly the same. Now, there may be some adminis-
16 tration charges which may be arguable that a bigger customer
17 uses more, but you are not distinguishing between a big
18 Domestic user and a little Domestic user and as far as over-
19 head goes, I don't think you should distinguish between a
20 Domestic user and an Industrial user.

21 The third point and I will also furnish you with
22 a report from Water and Waste Engineering talking about this
23 point as well as the one before, is that future capacity that
24 is built into a sewerage plant is almost always used by ad-
25 ditional Domestic users, rarely by existing Industrial users.

1 Your plan that you have before you in its revised
2 form does not make this distinction; the industry , the
3 existing industry, which is going to be billed on a metered
4 basis and pay every cent it owes is also going to be paying
5 23% of the future capacity of the plant that exists now and
6 23% of the debt services on that plant and this is contrary
7 to many ordinances and contrary to what the engineering report
8 that I am going to give you recommends.

9 Think of it this way: if a new industry comes in
10 that uses 50,000 gallons of water a day or discharges that
11 into your sewerage system, that Industry is immediately going
12 to pay on the Industrial Rate based on this Quantity, B.O.D.,
13 suspended solid, as this Board promulgates this cost. The
14 truth of the matter is, and I think perhaps the engineers may
15 agree with me, that almost all of the future capacity will be
16 used by domestic users. This is historically true throughout
17 the country and in our case it will be used by domestic users
18 and many people and many ordinances take the position that
19 this cost should be separated again on a pro-rata basis and
20 not be separated on a basis where 21 Industries have to pick
21 up 23% of the future capacity.

22 You are hitting them where it hurts, in their
23 pocketbook, but you are also hitting them under this ordinance
24 unfairly if you make them pay for the future capacity and
25 future debt services on this plant. If you put in new facilities

1 the Federal law now, of course, requires you to attribute
2 what Industry uses it and put it against them, but you can't
3 charge what was done in 1967 and what Industry has lived with
4 for some ten years and the future capacity that is still there
5 that Industry is never going to use and if it does use it, it
6 will pay to the penny, and it is unfair to charge Industry
7 for that future capacity and I hope you will consider it.

8 MR. McDEVITT: What about, Phil - I understand, I
9 think, what you are saying and have a certain amount of symp-
10 athy for it, but I don't plan, individually, aside from normal
11 growth which would probably be analogous to Industrial growth,
12 on my family using any more sewerage system than it is now and
13 yet we will be having to pay off on future capacity and future
14 debt service; why should we have to if an Industry doesn't?

15 MR. CARSON: An Industry has to, but an Industry
16 is just one user of the system. The fact that the Biltmore
17 Company uses that system is just exactly like Mr. McDevitt
18 using the system as far as one customer.

19 MR. McDEVITT: In other words, you are suggesting
20 that they would participate?

21 MR. CARSON: I am saying it would be minimal because
22 there are only 21 Industries, but they would pay their fair
23 share which would be just as one customer, not 21 customers
24 representing 23% of the cost of the future capacity and 23%
25 of the future debt service. They are just one customer just

1 like you are.

2 MR. McDEVITT: I see. You are saying they would
3 participate, but only on the customer basis, the similar
4 argument that you used just before and not on the basis of
5 the waste characteristics of what they put in the sewer
6 system?

7 MR. CARSON: Exactly. Why should one Industry and
8 one user, who is being billed one time a month or to take
9 the ordinance - why should 21 Industries pay 23% of the future
10 capacity. This is an expense of every person in Buncombe
11 County and sort of a public service idea. We are not going
12 to use any more and just because somebody comes in whose name
13 has Incorporated after it, - we may not even want them, they
14 might be a competitor or maybe somebody that will run us out
15 of business - why should we pay , 21 Industries pay, 23% of
16 the future capacity. That is a community expense. That is
17 what we built in there to take care of all of us. I think
18 there are 105,000 users on the system now and it is built for
19 115, 117, 125,000; these additional 20,000 hook-ups are sure
20 not the Biltmore Company's hook-ups, they are Buncombe County's
21 hook-ups and they are all of our expense.

22 Mr. Chairman, if I may move on, I think those
23 differences exist in what your proposed plan does as allocat-
24 ed between Industry and Domestic users. Industry is going
25 to be saddled with future cost, Industry is going to be sad-

1 dled with 23% of administration cost and my first point was
2 that Domestic users for what they are getting are actually
3 paying approximately the same thing as Industry would be pay-
4 ing, both of them would be paying the same thing.

5 Now, as between Industry - the report has been
6 characterized as including two classes, that being Domestic
7 and Industrial. The report actually covers 22 classes. It
8 includes Domestic and then it includes 21 different Industries,
9 as Mr. Newton pointed out, who would be paying anywhere from
10 15¢ per hundred cubic feet to 68¢ per hundred cubic feet for
11 their discharge, a tremendous disparity.

12 I think that proposition needs to be looked at and
13 I will explain why, but I would first like to comment that
14 Domestic user is a misnomer. It is clearly defined, I realize
15 that, but the word Domestic in the average person's mind, when
16 you say Domestic - and somebody has already called it a
17 residence - it is simply wrong. Domestic user under this
18 ordinance would include filling stations, hospitals, car washes,
19 dog kennels, restaurants, packing houses, freezer lockers,
20 people who put a tremendous amount of B.O.D. and suspended
21 solids in your system. It has got to be that way because if
22 you will look at your charts and take a look at the relative
23 amounts that are put into the system by the so-called Domestic
24 users and by the so-called Industrial users, they are almost
25 exactly the same thing. Industry puts a little more B.O.D than

1 does Domestic and Domestic puts a little more suspended solids
2 than does Industry and Domestic puts 77% of the quantity and
3 Industry puts 23% of the quantity and when you all come out
4 to it, the 77-23 figure is the magic number. That is what you
5 are going to be charging everybody. The rate of B.O.D. and
6 suspended solids combined for Industry and for Domestic will
7 average out just about the same and you are getting a consist-
8 ent 77-23% ratio and that is what you are charging on.

9 Now, we would contend that the report and I think
10 you will find on Page 15, on Page 19 and other places, that
11 the report concedes, and I believe Mr. Newton said today,
12 that the proposed rates are based on estimated figures both
13 from Industry and as far as calculations are concerned. This
14 is an extremely important document both to Domestic users and
15 to Industrial users. It is going to cost somebody a pile
16 anyway you go about it, but to put this document in today or
17 in the near future based on data which is estimates and to
18 go up 400% or more on many of these Industries is going to be
19 completely unfair.

20 The report, and on Page 25 I would like to call
21 your attention to that table, attempts to allocate the cost
22 of numerous individual items from salaries all the way down
23 to contingency in the operations and maintenance between what
24 it costs to treat quantity, what it costs to treat suspended
25 solids, what it costs to treat B.O.D. Now, as between Indust-
ries, those figures are of paramount importance and I don't

1 know exactly how those figures were arrived at. I don't know
2 whether this Board had any cost accounting done to determine
3 that insurance, for instance - and I assume that is general
4 liability insurance that the Board carries on its plants,
5 perhaps fire insurance and that sort of thing - insurance is
6 totaled at \$6,000. I don't know what rhyme, what reason - I
7 am sure there is some there, some explanation - by why \$2,600
8 of that \$6,000 should be attributed to B.O.D., \$1,500 to
9 suspended solids and \$2,100 to quantity. Why that breakdown?
10 I don't know. It seems to me insurance is a general cost to
11 cover a plant. The same would go for a number of other items
12 such as vehicle expense, general expense, fees for outside
13 services, down in the bottom portion of it.

14 This affects my client a whole lot because he
15 doesn't put very much in your system relative to some industries
16 on quantity, but he puts a lot of B.O.D. and suspended solids
17 in there, but I would maintain to the Board that these figures
18 have got to be based on, not estimates and not what might
19 have been done somewhere else, but on cost accounting at
20 your plant to see what it costs out at your plant so far as
21 salaries, social security, retirement funds - how much of
22 that is really attributable to quantity. How are you going
23 to figure it? Do you have a plan to figure it? Do you know
24 how much time the guy who is out there every day, how much
25 time he spends on this, how much of the salaries are actually

1 attributable? Do you know how much of the insurance is
2 attributable to B.O.D. or is it not just general over-all
3 expense?

4 It is extremely important to Industry, otherwise
5 some Industry is going to pay far out of proportion to what
6 it ought to pay as compared to another Industry.

7 As noted by your engineer repeatedly here to the
8 Board, the figures he uses on quantity, B.O.D. and suspended
9 solids in figuring the input of Industry are based on estim-
10 ated figures, not based on cost breakdown. As far as I know
11 there are not any metered lines going in at this point that
12 anybody knows exactly what to do. We don't know and I don't
13 think any other Industry knows exactly what it is. I think
14 we ought to have accurate figures.

15 Gentlemen, the unemployment in Buncombe County,
16 according to the press, is $12\frac{1}{2}\%$; 25 people out of every 200
17 are unemployed. This is a legitimate concern when you are
18 reviewing how restricted an ordinance you are going to put in.
19 Cities can govern their ordinances to attract industry and
20 attract persons to come in and use the sewerage system and
21 provide jobs by how restrictive they are. Winston-Salem is
22 a very good example where they have the Schlitz Brewing Co.,
23 where they have a very low cost on some of these suspended
24 solids. You can be so restrictive that you penalize Industry
25 and you can prevent the people in Buncombe County -- not by

1 purpose, I understand that, but if you are so restrictive to
2 Industry and to the cost to Industry in using your sewerage
3 plant, you can discourage Industry from coming in and I
4 assure you that they look at these costs.

5 As Mr. Starnes pointed out, these people have been
6 here for years and years and years and paying a price they
7 thought was fair and which nobody felt was unfair until the
8 Federal government came along and said you can't charge people
9 on sliding rates any more. All of a sudden what was fair all
10 these years is now unfair, but if this Board puts this ordin-
11 ance in promptly you are going to be just as unfair, if it
12 was in fact unfair, by penalizing Industry by having all of
13 these rates go up exorbitantly in one year. I don't think
14 you should put an ordinance in that will set a trend that will
15 be irreversible. I wish the Board would delay the implement-
16 ation of this ordinance as the City of Raleigh did, having a
17 mock-billing period to allow Mr. Mull and Industries a chance
18 to get meters in, to allow this Board to get accurate cost
19 accounting on what it costs to treat B.O.D., what it costs
20 to treat suspended solids, what it costs to treat quantity,
21 not in another plant in another part of the country, but what
22 it costs down here in Buncombe County on the French Broad
23 River. In the meantime, Industry can put it in their budgets,
24 anticipate, because they will have an idea what you are going
25 to do, they can adjust their costs, if necessary, and have

1 a chance to react to this thing.

2 MR. McDEVITT: What sort of delay would you sug-
3 gest?

4 MR. CARSON: I would suggest, I believe, that
5 Raleigh had one year and they did a mock billing to give
6 their Industrial customers an opportunity to get along and
7 to make some plans and to adjust to this thing.

8 Now, I would point out that if you change the
9 ordinance as is proposed, the average Domestic customer
10 would pay 30¢ less per month, not a whole lot. If the aver-
11 age Industrial customer stays right where it is, he would
12 pay \$4.14 a month; if he pays the new rate, he will pay an
13 average of \$3.84 a month, according to Mr. Newton. You are
14 not penalizing the Domestic user greatly, Gentlemen, but if
15 you put it in, I can assure you that you will be penalizing
16 an Industrial user unduely, unfairly and without opportunity
17 for that Industrial user to get ready.

18 I apologize to the Board for taking so much of
19 its time. You have been patient with me and again, I would
20 like to leave some five copies of the report that, if it
21 interests you, you might read it and we will be happy to
22 answer any questions. Thank you, Mr. Chairman.

23 CHAIRMAN ROBINSON: Thank you, Mr. Carson. Mr.
24 Newton would like to address himself to Mr. Carson's remarks
25 at this point.

1 MR. NEWTON: Mr. Carson has done his homework. He
2 has zeroed in on exactly the kind of thing that any charge
3 of this sort has inherent in it. By that I mean it has in
4 it the necessity of using data which is never and I say this,
5 even one that has been audited is never as complete as you
6 like to see in precision distribution of cost to function.

7 In elaboration of that I would like to say this,
8 that he has made some comments about specific allocations of
9 things that have been allocated to quantity, B.O.D. and
10 solids and suggests that they should entirely be to per-
11 customer costs. This I have seen argued many times and you
12 can find support for each way of going about it. He sug-
13 gests that the charges under the administration category are
14 strictly related to the presence or absence of a given custo-
15 mer. Well, in actuality, the management of the plant is
16 related to carrying out these specific functional operations,
17 the removal of B.O.D., the removal of suspended solids, and
18 so on. Because of the kind and nature there is a distribution
19 of these costs which are never precise to those functions
20 in general estimated proportions which in our judgment are
21 realistic.

22 He cited specifically the instance of insurance
23 and in that particular instance these are insurance items on
24 buildings and structures and in that particular instance
25 the reason some of it is allocated to B.O.D. is that it is

1 a proportion of the insurance which is related essentially
2 to the blower building and the blower building has as its
3 sole function the furnishing of air to the secondary facil-
4 ities which have the purpose of removing B.O.D, hence a
5 charge to B.O.D.

6 Similarly, the digester facilities in the control
7 building are related to the solids. This is how we make
8 these adjustments as to the distribution of these costs.

9 He mentioned vehicles. Essentially the vehicles
10 are utilized for two primary purposes, one is the mainte-
11 nance and operations on the lines; the patrolling of the
12 two remote satellite plants and some with respect to suspend-
13 ed solids. So everything that is related to going out and
14 checking that pumping station or the lines has been estimat-
15 ed and allocated to quantity and as far as the satellite
16 plants are concerned those expenses are related to the other
17 components, Q and B.O.D.

18 He talked about, I think, one of the most import-
19 ant things is the question of future capacity and alluded
20 to the fact that it is unfair in effect to charge any custo-
21 mer anything for future capacity and that is absolutely
22 right; that is a completely valid premise for establishing
23 a set of charges that have the utmost in fairness and distri-
24 bution, but now you have to ask yourself the question how
25 to go about relieving existing customers of the capital charges

1 for future capacity. Where is that cost or what is it being
2 spent for? It is being spent for vacant property and the
3 only way you can get at a system of charges which puts any-
4 thing on vacant property is to say in essence, all future
5 capacity charges must be related to property and that means
6 that you have got to go back to your assessed valuation. Now,
7 the bond ordinance--and here we get into the background - the
8 bond ordinance does not establish and provide the basis for
9 making assessment charges, general assessment charges, to
10 property, hence we are precluded from going through that
11 kind of a route and we are put in the position of having to
12 have everybody pay for the future capacity growth and we are
13 searching for a technique. Perhaps Mr. Carson's suggestion
14 has some merits in it that you relate it to individual custo-
15 ments rather than individual customer's contribution of
16 quantity, as he expressed it.

17 All the way through you can then discuss and argue
18 and go back and forth on how you make specific distributions
19 and I think that this is not the place, in a public hearing,
20 basically to do this. That was the intent and reason and
21 rationale for having the work shops, was to discuss that
22 type thing, to try to reach reasonable understandings with
23 Industry on that score.

24 He suggests a one year delay. Mr. Robinson allud-
25 ed to one thing which I think you have to recognize in con-

1 nection with that: if a delay were to be adopted in enacting
2 and implementing this ordinance or this resolution, then it
3 would be required, and I believe Mr. Hoffman would second
4 this, that there be some form of an across-the-board rate
5 increase in order to meet the existing bond resolution cov-
6 enants which your Board has made in selling the bonds.

7 I don't think there is anything else right at
8 the moment I want to add to that, but I did think I should
9 comment on a few of those things.

10 CHAIRMAN ROBINSON: All right, sir. I will now
11 call upon the representative of CTS, Mr. Clayton Coman.

12 MR. COMAN: Well, I am new in this town. My wife
13 is from this area and we like the town very much and I am
14 from Elkhart, Indiana and I was an engineer and chemist from
15 one of the other CTS plants and I was transferred down here
16 last June and the first thing, I would like to go over these
17 figures on Page 20 on this Estimated Present Industrial
18 Waste Load. CTS is classified in, I guess, Group No. 12.
19 The B.O.D. for pounds per day seems quite high to us. I
20 don't know exactly how these figures were arrived at, but
21 I notice down below it says these figures were just estimated,
22 but in one of our plants where we employ 1600 persons our
23 B.O.D. is below 50 pounds per day.

24 MR. McDEVITT: Mr. Coman, are you referring to
25 the original December report or the February revised report?

1 MR. COMAN: I am on the December, '74.

2 MR. McDEVITT: You referred to Group 12; that
3 is the original report.

4 MR. COMAN: Yes, that was the original.

5 MR. McDEVITT: Do you not have the revised one
6 that shows CTS?

7 MR. COMAN: Yes. I should have run this out, but
8 we still feel like we are high here because most of our
9 B.O.D. would come from our rest rooms and based on our
10 other plants, we feel it is still high.

11 Since I have come down here, we have put a large
12 drive on to conserve water and we have made quite a few
13 innovations where we have reduced our consumption by around
14 40% on water and that has helped us quite a bit on our
15 water bill, but I notice that the first gentleman that
16 talked today said something about at the end of the year
17 this whole price structure would be renewed and I was
18 wondering if we would go out and have, say, an independent
19 lab analyze our B.O.D.s and suspended solids and then compare
20 those with the city's results, would there be any objection
21 to something like this?

22 MR. MULL: We will be working with you, as I
23 discussed over the telephone with you, we hope sometime
24 prior to the first of July to get composite samples and,
25 of course, the numbers in this report, most of which are

1 based on information the Industries submitted to us, are
2 estimates for the purpose of this report and we will either
3 utilize these numbers or the numbers we come up with in
4 analyzing the waste or utilize the numbers you come up with
5 in a State-approved lab report and your charges will be based
6 on those computations.

7 MR. COMAN: We do feel that the way you have out-
8 lined here is a more fair way for each Industry, but we felt
9 the B.O.D. for our type industry was on the high side.

10 I am sorry I missed that January conference here,
11 but that is all I have to say.

12 CHAIRMAN ROBINSON: Thank you Mr. Coman and repre-
13 senting Sayles-Biltmore Bleacheries, Mr. Harry Dumont.

14 MR. DUMONT: Mr. Chairman, Members of the Board,
15 at our work shop meeting I noted there were several recom-
16 mendations and very strong ones made, but I haven't seen any
17 of them accepted to any effect in the new report. I would
18 like to again point out as I did at the work shop meeting
19 and it is a pragmatic approach and I was very much interested
20 in Mr. Newton's approach on the costs - I get the impression,
21 however, that as in many of these instances, when you have an
22 allocation problem or some problem of that nature, you pick
23 out someone and say, "Well, let's let them bear the burden."

24 I think as we have heard today, you have the pract-
25 ical effect of this ordinance as it is now created of increas-
ing the cost to 21 persons - 21 industries - 21 out of 26,000.

1 Now, it doesn't matter which way you approach it,
2 to me it just doesn't seem as though that 21 people or those
3 21 industries should bear the brunt of this with the alloca-
4 tions and their costs. Now, my client's cost is going to be
5 increased 420% and this is a time when every industry has
6 to watch very closely what they are doing and it is on the
7 eve of an announcement which, I think, shook us all with the
8 closing of one of our biggest industries.

9 I think whether the allocation is on an individ-
10 ual basis - and I was very much interested in Mr. Newton's
11 remarks that there are arguments both ways on individual
12 user basis - now, I don't think we should create a schism
13 between Domestic users and Industrial users. I don't even
14 know what Domestic users are. I know that some of the
15 industries and some of the specific items - and I don't want
16 to mention the names - big users are not included in the 21
17 industries here. I also know that certain studies which were
18 referred to, I think, either by Mr. Newton or one of the
19 other speakers, that recent studies have shown that a great
20 deal of this waste water or these items does come from other
21 sources than Industry, comes from filling stations, parking
22 centers, shopping centers, other places, fertilizers, streets -
23 those are just a few of them.

24 Now, it seems to me that an allocation on the basis
25 of an individual user, at least until we can get situated to

1 a point where Industry can absorb these items and I am sure,
2 as our chairman told me at the work shop, it isn't your desire
3 to drive out any Industry or to hurt any Industry, but it is
4 interesting to me the philosophical interchange (and I recognize
5 this is somewhat of a Jury speech,) but I think at the last
6 time when I was trying to point out the practical aspects
7 of this upon Industry, which you are hearing today and which
8 you will hear more of - the estimated cost to my client runs
9 from \$16,000 to \$59,760; they advise me on the basis of their
10 studies it will go higher than that, it will go \$80,000 to
11 \$91,000. Now, this is a cost imposed upon them.

12 It seems to me that no matter how you work it on
13 a practical, pragmatic basis, a distribution of this cost,
14 of this revenue, over a greater number of people - at least
15 in the beginning stages, and I think at the last work shop
16 meeting I suggested that we have a graduated basis and I was
17 advised that Industry was asking somebody to bear their burden,
18 but I don't think it is entirely their burden. I couldn't
19 help but be interested in the interchange between Mr. McDevitt
20 and Mr. Carson as to where the revenue is for future expansion.
21 I certainly would disagree because I think future expansion
22 is every individual's responsibility; it is everyone's desire.
23 I would certainly like to see it; I would certainly be happy
24 to pay a proportionate share, not to have the greatest share
25 or the biggest percentage of it coming from 21 different indus-
tries.

1 I urge this District group to reconsider on their
2 allocations so as either to monitor, as has been suggested,
3 this over a year, across-the-board increase, over a year
4 basis, and then a graduated scale or spread it out so that
5 Industry can absorb it rather than a 400% increase which may
6 have serious effects upon our economy and particularly the
7 personnel. Thank you.

8 CHAIRMAN ROBINSON: Thank you, Mr. Dumont. Repre-
9 senting the League of Women Voters, Mrs. Marjorie Lockwood.

10 MRS. LOCKWOOD: The League of Women Voters has been
11 interested in the quality of water nationwide since our study
12 in the 1950s. Nowhere is the quality of water affected more
13 than by the efficiency of waste treatment plants. We have
14 expressed our concern locally by visiting the Riverside plant
15 in the Spring of 1973, by our support of the recent State Clean
16 Water Bonds and our sponsorship of the water quality workshop
17 in September. We have also attended many hearings and work
18 shops leading to today's meeting.

19 We appreciate receiving copies of the report and
20 proposed resolution. We only wish to reiterate our position
21 that the cost of controlling pollution whether it is air,
22 water or land, should be paid for by those manufacturing,
23 selling and using the resultant products.

24 This proposed resolution seems to be an equitable
25 attempt to base charges on actual waste treatment cost and

1 we comment both the M.S.D. and Industry representatives for
2 their efforts in working out this compromise.

3 It is interesting to note that the cost to resid-
4 ential customers are projected to be somewhat less over the
5 next three years. To have something lower in a time of
6 rising utility costs is good news, indeed. We would not
7 want to see the rates lower, however, for any other reason
8 than it represents a truer allocation of waste treatment
9 costs. If as is expected industries can remove much of the
10 effluent themselves at a cheaper unit cost then that would
11 be another benefit of this resolution. It will help us to
12 handle further growth in residential hook-ups without exten-
13 sive enlargement of existing facilities.

14 I am thinking about Mr. Carson's remarks and it
15 seems to me that the Federal Water Pollution Control Act,
16 which requires, sets waste treatment standards and
17 requirements, applies to all industries in the United States
18 and, therefore, it seems to me that Buncombe County would not
19 be at a disadvantage with other counties on that score. Thank
20 you.

21 CHAIRMAN ROBINSON: Thank you, Mrs. Lockwood. That
22 completes the list of persons who had requested to speak.
23 However, we want to give everyone an opportunity, if there
24 is anyone in the audience - Mr. Leavitt.

25 MR. PAUL LEAVITT: I am Paul Leavitt, representing

1 Gerber Products Company. Mr. Newton, I would like to pose
2 a question to you to clear up some confusion in my mind at
3 least: the figures on the bottom of that last chart there, per
4 hundred cubic feet, but at the present time are you talking
5 about incoming water meter readings or in the future are you
6 talking about discharges? Have they been adjusted for that?

7 MR. NEWTON: You are correct. No, they have not
8 been adjusted. The average water usage, total water metered
9 at your present rates and the average bills worked out in
10 accordance with the graduated scale. We took each Industry's,
11 the record of water use and then applying the schedule of
12 charges existing at the present time, computed their average
13 water bill.

14 MR. LEAVITT: Then this is not not a comparison.
15 It is apples and oranges.

16 MR. NEWTON: Not strictly. It is a comparison of
17 the way the charges are arrived at now. In the future, of
18 course, they will be measured by a means which will represent
19 actual discharge rather than total water meter reading.

20 MR. LEAVITT: O.K. Thank you. It occurs to me that
21 there is some information perhaps or else I am misinformed
22 that we are required around the country - that this Board is
23 required, Buncombe County is required to start these charges
24 as a result of Public Act 92,500, the Federal Pollution Control
25 Amendment of 1972. I don't believe that is true and if the

1 attorneys in the crowd disagree, I would like to hear about
2 it because I think the reason for adopting the user charge
3 in accordance with that law is to gain grant approval, is
4 that right?

5 MR. NEWTON: That is correct, specifically.

6 MR. LEAVITT: All right, then nobody is telling you
7 by law to establish a user charge system such as we have at
8 this time.

9 MR. MULL: Well, the District Board now has three
10 grants from EPA, the conditions of which require the adoption
11 of a user charge ordinance in line with P.L. 92,500; these
12 are specific requirements in the grant agreements.

13 MR. LEAVITT: You have these grants in existence
14 at the moment?

15 MR. MULL: Yes. They are existing grants, in fact,
16 two of the projects have been constructed and completed
17 and payment for the grants of those projects will total close
18 to \$100,000 and is being or will be withheld until the adopt-
19 ion of the user charges. The third grant is before the
20 District. We haven't applied for that grant now, although the
21 Board has expenditures out on those projects.

22 MR. LEAVITT: So none of these are listed on your
23 table 22 on page 11?

24 MR. MULL: No, those are proposed future projects
25 right there. Page 8 lists the present projects. The Sweeten

1 Creek Relief Sewer is one of the projects, the Black Mountain
2 Relief Sewer is not in this chart as that project was started
3 after this chart was formulated. This is projects that have
4 been incurred since this report started and it doesn't include
5 the Black Mountain.

6 MR. LEAVITT: Well, that shoots down about 75% of
7 my argument. However, what it looks like to me as an outsider
8 looking in, is that because the MSD wishes to qualify for
9 Federal grants a system of charges is put in and Industry is
10 really being asked to pick up the tab and my suggestion was
11 going to be to follow Mr. Carson's final suggestion of a year
12 of grace because you, according to what I could get out of
13 the report, did not need a grant until 1976, which is a year
14 away. However, that isn't true as you have just corrected me,
15 but in essence the point, I think, is still to be made that
16 in order to qualify we have to follow the law 92,500, the
17 Federal law and that law is punitive to Industry as you have
18 heard many speakers here today come out with. So I believe
19 with that I will sit down because, as I say, you shot my
20 argument down.

21 CHAIRMAN ROBINSON: Thank you, Mr. Leavitt. Is
22 there anyone else? Yes, sir. Step forward, please.

23 MR. ED. CZARNECKI: Thank you, Mr. Robinson. Ed
24 Czarnecki from Metal Finishing Company. I didn't intend to
25 speak today, but was sitting back listening to the arguments

1 and it seems the entire distribution of costs is based upon
2 the proposed budget. The question I would like to point out
3 is that we in the metal finishing industry, plating industry,
4 are going to be governed by EPA Guide Lines which still have
5 not been settled, as to what we discharge into the sewer system
6 so naturally we are going to have to go to pre-treatment type
7 of operation. At the present time we have reduced our consumption
8 of water from 190,000 gallons per day to 48,000 gallons per
9 day and also gone to chemical rinses, counter-flow rinses and
10 settlement basins. This automatically will drop our B.O.D.
11 rate 25% of the listed amount of this under metal finishing.
12 So our costs are going to drop down below the \$7,500 that we
13 were normally paying.

14 We have obligated ourselves, our corporation has
15 obligated ourselves, to clean up our discharges prior to hav-
16 ing sewer-water use ordinances.

17 My question is, what is going to happen when Gerber,
18 Biltmore, Sealtest, Sayles-Bleachery are going to find out
19 it is more feasible to pre-treat and discharge less into the
20 system? This cost is going to have to be borne by the Domestic
21 users; so sooner or later the Domestic user is going to pay
22 for using all of this water because you have a budget estab-
23 lished here, the budget itself is not going to go down entirely.
24 I would say that the major parts of the budget that will go
25 down will be the chemicals and maybe the power and lights,

1 but everything else is going to stay about the same. I would
2 like you to consider this. Thank you.

3 CHAIRMAN ROBINSON: Thank you, sir. Anyone else
4 that would like to speak?

5 MR. PHILIP CARSON: (Biltmore Company) Mr. Chairman,
6 may I use Mr. Starnes' rebuttal time at this point?

7 CHAIRMAN ROBINSON: Yes, sir.

8 MR. CARSON: I was rebutted and I promise the
9 audience and the Board I won't take much time. I apologize
10 to the Staff if the purpose of my coming here today was
11 improper at a public hearing. I have been to every workshop
12 session; I have raised these points and I thought it was
13 entirely proper to raise them again. I apologize if it were
14 not.

15 Mrs. Lockwood, I would like to comment that Indus-
16 try agrees it should pay its fair share. All ordinances are
17 not alike under the Federal grant recovery law; there is great
18 leeway in those things. We think Buncombe County's proposed
19 ordinance would be extremely restrictive, extremely expensive
20 and does not fairly allocate costs.

21 Mr. Leavitt, I don't believe was shot down at all.
22 The grant recovery provisions only say when additional grants
23 are made to the District for expansion of the system that
24 to the extent that they use these new facilities that Industry
25 must pay their fair share. I don't think that causes any

1 difference in the basic problem as to whether or not under
2 this ordinance Industry will, in fact, pay its fair share
3 and I don't believe this Board will ever know that until it
4 gets the appropriate data to apply to the several industrial
5 and domestic users and again, I appreciate the opportunity
6 to speak to you and I hope you will give the several speakers
7 who spoke today consideration.

8 MR. NEWTON: I appreciate your bringing up the
9 grant recovery aspect, Mr. Carson. I wanted to comment on
10 that myself. The ordinance or resolution includes in addition
11 to the basic establishment of these proposed charges, the
12 basic procedure which can be activated when grant recovery
13 becomes necessary on these new facilities which are covered
14 by grants under P.L. 92,500. It, of course, does not apply
15 to anything existing in the past so none of the existing
16 industries are subject to any grant recovery with respect to
17 anything that exists in the ground out there now, the treat-
18 ment plant and the interceptors.

19 The comment was made that the basic reason for
20 industrial service charges was the requirements of 92,500.
21 I don't think that is exactly correct because generally
22 speaking it has been recognized that there is a differential
23 in the costs charged to the various parts or various users
24 of the system and in the past various resolutions such as
25 your own bond indenture provide the basic legislation for

1 establishing special charges for wastes of unusual character-
2 istics and it has been the desire of the engineers for some
3 years, starting back when I first prepared your first resolu-
4 tion on rates in 1965 to see a realistic assessment of the
5 costs attributable to Industry and the establishment of
6 charges. It was not considered then practical or feasible
7 for reasons that are not mine to decide, but I just wanted
8 to make it clear that 92,500 has not been the sole reason why
9 industries have been charged with any special charges. That
10 was all I wanted to comment on.

11 CHAIRMAN ROBINSON: All right. Did you wish to
12 comment on that, Mr. Hoffman?

13 MR. HOFFMAN: I believe so.

14 CHAIRMAN ROBINSON: Go ahead.

15 MR. HOFFMAN: Going again to the bond resolution
16 adopted by the Board authorizing the original bonds to build
17 the system, it was required that a sewer ordinance of this
18 type be adopted and the Board has actually been in violation
19 of the Board's Bond ordinance all of these years which has
20 been pointed out every year and any one bondholder, had they
21 seen fit could have brought suit at any time to enforce this
22 regulation, so that is in addition to public law 92,500, the
23 additional requirements of the bond resolution requires it.

24 MR. McDEVITT: Where is that in this report?

25 MR. HOFFMAN: Well, I just had my hand on it. Pages

1 CHAIRMAN ROBINSON: Did you wish to comment on
2 those?

3 MR. McDEVITT: No. I just wanted to know where
4 they were. I wish to read them.

5 CHAIRMAN ROBINSON: Did anyone else wish to speak
6 to this issue? We certainly appreciate everyone attending
7 here today and the comments and I assure you the Board will
8 take into consideration everything, I hope, that has been
9 said here today and Mr. Dumont, I will reiterate my statement
10 as I said before, it is not the intent of this Board to
11 unfairly charge anyone, industrial or otherwise, whatever
12 classification, but I think it is well to point out also
13 that since the original construction of a treatment plant
14 and interceptor lines and so forth and so on, to my know-
15 ledge there has not been any change in any rate, so we have
16 gone a long way, I think, in 7 or 8 years with a rate that
17 has carried us or allowed us to meet all of our commitments.

18 Unfortunately, with the inflationary process this
19 year, this does not look as if this will be so. As I stated
20 before these two items, chemicals and power, necessitated us
21 raising our budget \$100,000 in the last six months of this
22 year. That is pretty dramatic, I would say.

23 I agree with the comments on our economy. The
24 closing of plants certainly is a serious consideration to
25 anyone or any type of a cost that causes price increases by

1 industry on any type of product. I am in a business that is
2 getting hurt a little bit by the economy itself, but by the
3 same token, whatever action we take hopefully it will be
4 with consideration for everyone's viewpoint of this and I
5 believe our Board is such that we are certainly trying to do
6 that.

7 If no one else wishes to speak to this, I think
8 we should declare the public hearing closed and we can take
9 a five minute break and have our regular Board meeting.

10 Thank you very much for coming.
11
12
