

MINUTES OF THE METROPOLITAN SEWERAGE DISTRICT BOARD

A Special Meeting of the Metropolitan Sewerage District Board was held in the Board of Education Room 701, City Hall, Asheville, North Carolina at 2:00 p. m. on Thursday, May 1, 1975.

Chairman Robinson called the meeting to order and Mrs. Hoglen, Assistant Secretary, called the roll with the following members present: Mr. Clark, Mr. Dawson, Mr. Dillingham, Mr. Warlick, Mr. Williams, Mr. Dent, Mr. McDevitt, Mr. Smith, Mr. Robinson and Mr. Hyatt.

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

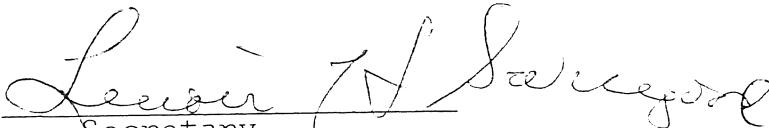
Mr. Anthony Redmond
Mr. Don Newton
Mr. W. H. Mull
Mrs. Patsy Hoglen
Mrs. Linda Duncan

Mr. Warlick moved the motion that, in view of the information received from the Consulting Engineer, any action at this meeting on the User Charge Ordinance be postponed until the Board's regular meeting on May 20, 1975. Mr. Smith seconded this motion. Vote was unanimous.

There was some discussion of the proposed Ordinance by the public in attendance at this meeting, including comments by representatives of the Asheville Chamber of Commerce and League of Women Voters.

There being no further business, Mr. Hyatt made the motion that the meeting be adjourned at 2:45 p. m.

May 1, 1975


Secretary

MINUTES OF THE METROPOLITAN SEWERAGE DISTRICT BOARD

MAY 20, 1975

AMENDED

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the old Office of the Junior Chamber of Commerce on the First Floor, City Hall, Asheville, North Carolina at 2:00 p. m. on Tuesday, May 20, 1975.

Chairman Robinson called the meeting to order and Mrs. Swicegood, Secretary called the roll with the following members present: Mr. Clark, Mr. Dawson, Mr. Robinson, Mr. Dillingham, Mr. Warlick, Mr. Williams, Mr. Dent, Mr. Smith, Mr. Hyatt and Mr. McDevitt.

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

MINUTES OF PUBLIC HEARING: At 2:01 p. m. Chairman Robinson declared a Public Hearing opening for the consideration of a proposed 1975-76 budget as advertised in the Asheville Citizen on May 1, 1975.

NOTICE OF PUBLIC HEARING BEFORE THE BOARD OF THE
METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY

Notice is hereby given that the Board of the Metropolitan Sewerage District of Buncombe County, North Carolina, will hold a public hearing in the Junior Chamber of Commerce's old Office on the First Floor, City Building, Asheville, North Carolina, at 2:00 p. m. on Tuesday, May 20, 1975 on the preliminary budget of Current Expenses of the Sewerage System for the fiscal year beginning July 1, 1975 and ending June 30, 1976.

C. LeRoy Robinson
Chairman of the Board

Approved as to Form:
Anthony Redmond, Attorney
April 21, 1975

Mr. Dawson, Chairman of the Budget Committee, stated that the total increase was 10.94 per cent on the new budget. A 4 per cent increase was included for the lesser paid plant employees. Mr. Dawson made the motion that this proposed budget for 1975-76 be approved and accepted, and Mr. Clark seconded the motion.

Receiving no reply from the public or the Board members, Chairman Robinson at 2:05 p. m. announced that the Public Hearing was closed.

THEREUPON, Chairman Robinson reconvened the regular monthly meeting and Mr. Warlick called the question on adopting the new budget. Roll call vote was unanimous.

The members having received copies of the previous minutes of April 15, 1975 and May 1, 1975, Mr. Clark moved the motion and Mr. Dawson seconded the motion that they be recorded as approved. Vote was unanimous.

Mr. Donald Newton of Greeley And Hansen Engineers, explained in brief the User Charge Ordinance.

Mr. L. E. Hoffmann, MSD's Consulting Engineer, read the attached letter of approval for the proposed resolution adopting charges for the discharge of domestic wastewater and industrial wastes to the sanitary sewerage system of MSD.

Mr. Harold K. Bennett, Attorney, representing the following eleven industries: Biltmore Dairy Farms, Gerber, Coca Cola, R. C. Cola, Asheville By-Products, Beacon Manufacturing Co., Sayles Biltmore Bleacheries, Wamsutta Mills, Dynatex, Square D Company, and Taylor Instruments; requested another postponement on the Board's vote while the businesses employed another engineering firm to go over the ordinance in detail. Mr. Bennett stated, "that we do not want to create delay, we recognize that you must take some step by June 15th to raise the funds for your budget". Mr. Bennett stated, "that he also was informed that the Asheville Area Chamber of Commerce, Inc., on the 12th day of May, 1975, adopted a resolution requesting this Board to grant a stay, so as to give these industries who are interested in your ordinance an opportunity to obtain legal and engineering counsel".

Mr. Manley Wright, Chairman of the Asheville Area Chamber of Commerce's Economic Development Committee, said, "We believe that the rate structure at this point is directly damaging to industry. Our concern here is for the (economic) future of Buncombe County".

Two representatives of the Asheville-Buncombe League of Women Voters, President Robin Daniels and Mrs. Marjorie Lockwood, spoke in favor of the ordinance. They said industries, which contribute the largest amount of waste to the MSD Treatment System, should bear the brunt of the cost of treating it.

The new ordinance classifies 21 MSD users as "industrial" users. Their charges are computed on a formula based on the amount and type of waste discharged and the cost to treat it. All other customers will be billed a minimum \$1.15 fee plus 32 cents per 100 cubic feet of water consumed above the minimum. For the "average" domestic user, it is estimated the monthly charge will drop from \$4.26 to \$3.84.

Mr. Robinson, Chairman, stated that the industries were mailed copies of this written ordinance, dated December, 1974 - Revised in February, 1975. Public Workshop Seccion was held on January 28, 1975, Public Hearing was held on March 25, 1975. A Special Meeting was held on May 1, 1975 to take action on this resolution, but there were new comments and the Board postponed action from May 1, 1975 to May 20, 1975, the Board's regular meeting date.

Chairman Robinson stated that the Board was warned in 1972 that increasing costs would require a new rate ordinance "but the Board didn't act and it caught up with the Board".

Chairman Robinson called for someone to either make the motion to accept this resolution or to defeat it. Mr. Smith said, "Mr. Chairman, I would like to offer "A RESOLUTION ADOPTING CHARGES FOR THE DISCHARGE OF DOMESTIC WASTEWATER AND INDUSTRIAL WASTES TO THE SANITARY SEWERAGE SYSTEM OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY AND PROVIDING FOR THE RECOVERY OF THE PORTIONS OF FEDERAL GRANTS FROM INDUSTRY" and move its adoption effective July 1, 1975. Mr. Williams seconded this motion.

Mr. L. E. Hoffmann, Consulting Engineer with Harry Hendon and Associates, Inc., read the RESOLUTION in full. (Copy Attached) Mr. Warlick called the question on adopting the RESOLUTION. Roll call vote was unanimous. Mr. McDevitt made the following statement for his reason in voting yes. MR. McDEVITT: "Mr. Chairman, I commend the long hard work of Mr. Newton, of whom I have great respect and my fellow board members. I endorse the philosophy which this resolution is about, which is having those who pay because of cost. You can expect this philosophy, if necessary, to make good judgements. While I support the philosophy, I question certain judgements: specifically, the one calling for allocation of administrative costs in increment function rather than on customer basis, however, we are imposing these charges in phases which I advocated in our meetings since this proposal first began. This phase will give both MSD and industry additional time to evaluate test controls before the full ordinance takes hold, while still enabling us to meet our bond requirements and federal requirements as well. For this reason I vote, yes".

Mr. W. H. Mull, Engineer-Manager, gave the following report:

- (a) Application to discharge industrial wastes - Wintex Knitting Mills. Wintex Knitting Mills has submitted their application - No action necessary.

- (b) Letter regarding industrial wastes - Quorum Knitting Mills.
Read letter - No action necessary.
- (c) Employees' Hospitalization rates with Blue Cross-Blue Shield of North Carolina. New rates beginning July 1, 1975.

Members of the Board received copies of the new rate schedule and the District now pays 1/2 of the employee's share of cost. Mr. Mull ask for the Board's approval on the new increase. Mr. Dawson moved the motion and Mr. Clark seconded the motion. Mr. Redmond stated that there should be other Companies rates investigated and compared. After discussion, Mr. McDevitt moved to table the previous motion and moved that the Chairman appoint a committee to work with Mr. Mull to call competitive bids for the Board to review before the Board takes action, and Mr. Dent seconded the motion. Vote was unanimous. The following committee volunteered to work with Mr. Mull: Mr. McDevitt, Mr. Smith and Mr. Warlick.

Mr. Mull, Engineer-Manager, told the Board that he had received communication on May 12th from the EPA regarding a revised increased in the grant on the 201 Facilities Plan.

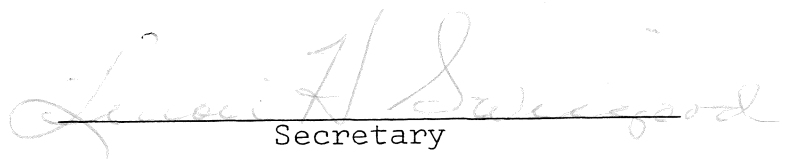
Unfinished Business:

Mr. Robinson, Chairman, said that he wanted to thank the Board for the patience and understanding and the willingness to attend meetings and really get interested and involved in this wastewater service charge. It has been helpful for us to understand it and have the knowledge of it, but you have been great about it and I personally appreciate it, and I say this to our staff, to Mr. Redmond, and I certainly want to thank Mr. Hoffmann and his associate. Mr. Newton, "I really want to thank you because you have been great in this deal".

Mr. Warlick moved the motion that a resolution be written thanking Mr. Newton, Mr. Hoffmann and his associate for their fine work. Mr. Clark seconded the motion. Vote was unanimous. Chairman directed Mr. Redmond to prepare this resolution.

There being no further business, Mr. Smith made the motion that the meeting be adjourned at 3:45 p. m.

May 20, 1975


Secretary

May 20, 1975

Board of Commissioners,
Metropolitan Sewerage District of
Buncombe County, North Carolina
Asheville, North Carolina 28807

Gentlemen:

In accordance with the requirements of Section 502, Article V, of the Resolution authorizing and securing the District's sewage disposal system bonds, we approved on March 25, 1975 all computations and estimates set out in the Report on Wastewater Service Charges, as revised February, 1975, prepared by Greeley and Hansen, Engineer, and the proposed resolution adopting charges for the discharge of domestic wastewater and industrial wastes to the sanitary sewerage system of the Metropolitan Sewerage District.

We have examined the proposed revisions to the wastewater service charges as set out in Greeley and Hansen's memoranda of April 10, 1975 and May 9, 1975, respectively, and hereby approve the revisions as presented therein.

Respectfully submitted,



L. E. Hoffmann
Harry Hendon and Associates, Inc.
Consulting Engineers

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A RESOLUTION ADOPTING CHARGES
FOR THE DISCHARGE OF DOMESTIC
WASTEWATER AND INDUSTRIAL WASTES TO THE
SANITARY SEWERAGE SYSTEM OF THE
METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY AND PROVIDING FOR THE
RECOVERY OF PORTIONS OF FEDERAL
GRANTS FROM INDUSTRY

WHEREAS, the District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina has heretofore adopted on June 18, 1974, Regulations for the purpose of regulating and controlling the discharge of wastewaters into the sanitary sewerage system tributary to wastewater treatment facilities of the District; and

WHEREAS, said regulations provide, among other things, for the control metering and determination of the characteristics of industrial wastes discharged to the sanitary sewerage system and for the subsequent adoption of a schedule of charges for wastewater disposal services; and

WHEREAS, the District Board is desirous of providing for the equitable sharing of costs between domestic users and industrial users and now establishing separate charges for the discharge of domestic and industrial wastewaters; and

2.

WHEREAS, with respect to the Federal grants made and to be made to the District under the provisions of PL 92-500, it is necessary to provide for the recovery from each industry the proportionate share of such grants allocable to the conveyance and treatment of its wastes,

BE IT HEREBY RESOLVED BY THE DISTRICT BOARD OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, as follows:

Section 1. DOMESTIC WASTEWATER CHARGE

Sec. 1.1 General

The domestic wastewater charge shall be applicable to all residential, commercial and institutional customers discharging wastes with no unusual characteristics and to industries whose discharge consists of wastes from sanitary conveniences.

Sec. 1.2 Adjustment of Charge

The domestic wastewater charge shall be subject to periodic adjustment in conjunction with the industrial wastewater charges, as necessary to maintain adequate revenues and to meet operation and maintenance expenses, as shown by the Annual Budget for the current fiscal year, and the principal and interest requirements on account of the revenue bonds then outstanding, and plus either one

half of the principal and interest requirements or such larger sum as set forth in the Annual Budget for capital expenditures from the Repair and Extension Fund.

The procedure for determining from time to time the domestic users share of costs and the resulting domestic wastewater charges shall be as outlined in Section 2 for the establishment of the industrial wastewater charges.

Sec. 1.3 Domestic Wastewater Charge Established

The domestic wastewater charge is hereby established at \$0.32 per 100 cubic feet, effective on the first regular meter reading date for each user after July 1, 1975.

There shall be a minimum charge of \$1.15 per month.

There shall be no discounts for increased quantity.

Section 2. INDUSTRIAL WASTEWATER CHARGES

Sec. 2.1. General

Industrial wastewater charges shall be applied to the following user categories:

- A. Industrial User shall mean any nongovernmental user of publicly owned treatment works identified in the Standard Industrial Classification Manual, 1972, Office of Management and Budget, as amended and supplemented, under the following divisions:

- (a) Division A - Agriculture,
Forestry and Fishing
- (b) Division B - Mining
- (c) Division D - Manufacturing
- (d) Division E - Transportation,
Communication, Electric, Gas,
and Sanitary Services
- (e) Division I - Services

A user in the Divisions listed may be excluded if it is determined that it will introduce into the system only segregated domestic wastes or wastes from sanitary conveniences.

B. Industrial user shall also mean any other industrial, commercial or institutional user of the sanitary sewerage system and the District's treatment works who shall be so classified by the District, by reason of the volume and/or characteristics of the wastes discharged or of the type, extent and nature of the facilities used and required to provide service to such user.

Sec. 2.2 Charge Components

The billings to industrial users shall be based on separate charges for the following:

- a. Wastewater quantity (Q), per 100 cubic feet.
- b. Suspended solids (SS), per pound.
- c. Biochemical oxygen demand (BOD), per pound.

Sec. 2.3 Determination of Charges Annually

Sec. 2.31 The industrial wastewater charges shall be established annually based on the actual costs, as defined in Sec. 2.32, for the District's facilities for each preceding fiscal year. The charges so computed shall be the basis for estimating the monthly billings to each such customer for the following fiscal year. The charges collected shall be adjusted to actual costs at the end of each fiscal year and appropriate credits given against billings in the ensuing year, or additional billings made to each such customer, using the actual wastewater quantities and characteristics discharged by that customer during the preceding fiscal year as the basis for computing the adjusted charges.

The actual costs shall be determined as soon after the end of each fiscal year as possible and until such time the charges for the current year shall be based on either the rates for the prior year or on estimated rates for the current year.

Sec. 2.32 The costs included in the computation of actual charges for the preceding fiscal year, or of estimated charges for an ensuing fiscal year, shall include the following:

- a. Operation and maintenance expenses.
- b. Interest and principal on outstanding bond issues.
- c. Coverage required by bond indentures on the debt service, or such larger sum as set forth in the Annual Budget for capital expenditures from the Repair and Extension Fund.

Expenditures from the Repair and Extension Fund, using funds from prior years' deposits, are excluded from consideration in the industrial wastewater charges.

Deposits to and expenditures from a special reserve fund established for the retained portion of Federal grant recovery from industries as established under the provisions of Sec. 3 hereof, are also excluded from consideration in the industrial user charges.

Section 2.4 Distribution of Costs and Computation of Unit Charges

Sec. 2.41 The total annual costs for the system shall recognize at least the following subdivisions:

Lateral sewer system (if such are operated and maintained by the District)

Trunk and intercepting sewer system

Pumping stations

Wastewater treatment plants

Billing costs

General administration

Sec. 2.42 The costs shall be distributed to fairly recognize the contribution to each subdivision of the following basic classifications of users:

- a. Industrial users, including:
 1. Industrial users as defined in Federal guidelines.
 2. Other industrial, commercial, or institutional users with unusual waste characteristics.
- b. Domestic users, including all residential institutional and commercial users not included in a.2 above.

Sec. 2.43 The cost distribution shall permit the establishment of realistic total annual costs to the two basic classes of users for the following functions or purposes:

Conveyance of wastewater (Q)

Removal of BOD

Removal of SS

Costs not directly related to any of the foregoing functions, such as administration and billing and collection, shall be distributed among the several functions by such other parameters as will produce a reasonable apportionment of such costs to each user.

Sec. 2.44 The annual distribution shall distinguish between current operation and maintenance costs and non-operating expenditures including principal and interest and debt service coverage on the bonds outstanding and any additional sums budgeted for deposit to the Repair and Extension Fund. The distribution of debt service, and debt service coverage, to functions shall be in accordance with the application of the bond funds to the construction of the facilities having such functions. The distribution of additional sums budgeted for deposit to the Repair and Extension Fund may recognize, in addition, the application of monies from the Repair and Extension Fund for extensions and improvements to the District's facilities.

Sec. 2.45 The annual distribution shall be in accord with the general principles set forth in "Financing and Charges for Wastewater Systems," a Joint Committee Report of the American Public Works Association, American Society of Civil Engineers and Water Pollution Control Federation,

1973, and shall be subject to approval of the Consulting Engineers. Summarized data showing the development of the annual charges shall be maintained by the District and copies thereof shall be made available to all industrial users and others upon request.

Sec. 2.46 The industrial wastewater charge are established initially for FY, 1975-76, as follows:

For Quantity	\$0.09 per 100 cubic feet
For Characteristics	
BOD	0.041 per pound
Suspended Solids	0.021 per pound

The industrial wastewater charges shall become effective on the first regular meter reading date for each industrial user after July 1, 1975, or after any later date of written notice from the Engineer-Manager of classification as an Industrial User.

Sec. 2.47 During FY 1975-76, the charges to industrial users shall be abated in such a manner as to produce a graduated increase in the total charges to industrial users computed by application of the established initial charges. The procedure shall result in the total charges for each monthly billing period increasing from the charges which would have resulted under the rates in effect prior to July 1, 1975 by a fixed proportion of the difference between such charges and the rates in effect prior to July 1, 1975, and the charges determined by the procedures set forth herein and using the initial rates as set forth in Sec. 2.46.

Expressed as a formula, the interim charges are to be determined as:

$$C_i = C_o + F (C_n - C_o), \text{ where}$$

C_i = interim monthly total charge

C_o = charges determined using metered water use during the monthly billing period and the rates in effect prior to July 1, 1975;

C_n = charges determined by using the same quantity of metered water use as in computing C_o , or the wastewater discharged during the monthly billing period, and the pounds of BOD and suspended solids determined by analysis to be in the discharge to the public sewer and the initial unit charges of Sec. 2.46; and

F = a factor representing the maximum percent of the increase in computed charges which actually will be imposed for each billing period.

The factor, F , is established in the following magnitudes:

For the first three monthly billing periods $F = 0.25$

For the next three monthly billing periods $F = 0.5$

For the next three monthly billing periods $F = 0.75$

For the next three monthly billing periods $F = 1.0$

The adjustment in charges at the end of FY 1975-76, as set forth in Sec. 2.3, will affect the unit charges for industrial wastewater service. The actual unit costs shall then be used in a recomputation of the interim charges as set forth in this Sec. 2.47, to determine any adjustments in the total amount paid by each industrial user for wastewater service during FY 1975-76.

The provisions of this Sec. 2.47 shall terminate as to each Industrial User on its first regular meter reading date after June 30, 1976.

Section 2.5 Classes of Industrial Users

The Engineer-Manager may establish classes of Industrial Users to whose wastewaters representative strengths are assigned. Such class wastewater characteristics may recognize analyses of representative users of each class in Buncombe County and/or typical data from other sources. To the extent practical actual data for each Industrial User's wastewater shall be used. Any Industrial User to whose wastewaters standard strength parameters have been applied may request analysis of his wastewater and upon determination of the characteristics on samples representative of the wastewater on not less than three working days, such characteristics shall be used in determining the charges until the wastewaters may again be sampled.

Section 2.6 Weighted Volume Charge

The Engineer-Manager may consolidate the component charges of the industrial wastewater charges into a single volume charge which includes the characteristic charges computed for a unit volume of 100 cubic feet. Such a weighted volume charge may be applicable to a class of users or to each user where his actual wastewater characteristics are known.

Section 2.7 Miscellaneous Provisions

Sec. 2.71 Industrial Users exhibiting marked, seasonal load variations shall pay charges which recognize the dedication or reservation of capacity for the treatment of their seasonal peak operation loads, and any unusual operation and maintenance costs directly related to such seasonal loads.

This provision shall apply only to those Industrial Users whose peak loads exceed 10 percent of any capacity parameter and are at least twice its off-season loads.

Section 3. GRANT RECOVERY

Section 3.1 Applicability

Recovery of an Industrial User's share of any Federal grant shall apply to all Industrial Users, as provided in the Federal Guidelines for "User Charges and Industrial Cost Recovery," as published in the Federal Register of August 21, 1973, and any revisions and amendments thereto.

Grant recovery is applicable only to grants made under PL 92-500, subsequent to October, 1972, and does not apply to the earlier grants made in connection with construction of the District's facilities.

Section 3.2 Basis

Sec. 3.21 Recovery of Federal grant funds from industry shall be applied to each such industrial user of the sewerage system and treatment works to the extent of the grant amount allocable to the conveyance and treatment of wastes from such user.

Allocation of grant costs to Industrial Users shall, to the extent practical, recognize the individual elements of the system used in the conveyance and treatment of each user's wastes.

Sec. 3.22 Grant recovery from Industrial Users having marked seasonal variations in waste loads shall recognize the dedication or reservation of capacity for the treatment of their peak seasonal operating loads.

This provision shall apply only to those Industrial Users whose peak loads exceed 10 percent of any capacity parameter and are at least twice its off-season loads.

Section 3.3 Grant Recovery Payment

Sec. 3.31 Billings for grant recovery shall be made annually at the end of the District's fiscal year, over a period of thirty (30) years, starting at the end of the first such fiscal year in which the project constructed with the grant funds has been in operation for twelve months.

Sec. 3.32 Each industry's annual payment shall be determined by applying unit annual grant recovery amounts to the total annual discharge by such industry, measured as waste volume and in terms of pounds of pollutants (i.e.; BOD, SS).

Sec. 3.33 Each industry's annual discharge for the purposes of grant recovery shall be those quantities determined and used as the bases of the total annual Industrial User Charges.

Sec. 3.34 Each industry shall make annual grant recovery payments for each year of the thirty (30) year recovery period during which it uses facilities financed by said grant.

Sec. 3.35 If an industry uses the sewerage system for less than the full fiscal year, the grant recovery shall be related to the waste quantities discharged during the actual period of use, which for a new user, shall be established using the date of inspection and approval of the connection to the sewerage system at the main or at the

property line, or for a service termination as the date of the final reading of the water or wastewater meter after the date specified in the users' notification of intent to cease discharge of wastes.

Sec. 3.36 If an industry shall cease discharging wastes to the sewerage system, after written notice of such intention, the grant recovery from such industry shall cease with the final reading of the meter, as provided in Sec. 3.35.

Grant recovery as to any new industry occupying new facilities shall start on the date as provided in Sec. 3.35.

Grant recovery as to any new industry occupying existing premises, having an existing connection to the sewerage system, shall start upon the date specified in an approved permit to discharge industrial waste to the sewerage system.

Sec. 3.37 Should future projects also be financed in part by Federal grants, to which the grant recovery provisions apply, unit grant recovery amounts shall be determined for such projects, and the recovery of such additional grants from industry shall be accomplished in the manner set out herein for such recovery period as shall be determined for each future grant.

Section 3.4 Determination of Unit Grant Recovery Amounts

Sec. 3.41 Unit grant recovery amounts shall be determined for each facility on which grant funds are expended, upon completion of construction and determination of the actual total cost (including engineering, surveys, inspection and other related, eligible costs) and the grant share of said actual total cost.

Sec. 3.42 The grant share shall be distributed in proportion to the functional purposes of each facility using the same methods and in the same proportions used in distributing the local share of the cost. The grant amount shall be distributed to volume and to characteristics, including BOD, SS and such additional characteristics as may be appropriate.

Sec. 3.43 Unit annual grant recovery amounts for volume and characteristics of the wastewaters shall be determined for each facility as follows:

- a. For volume, a charge per gallon of discharge, computed as follows:

$$g_v = \frac{\text{Grant allocated to volume}}{C_v \times 365 \text{ days} \times 30 \text{ years}}$$

Where C_v = annual average daily
design capacity in gallons

- b. For each characteristic, a charge per pound discharged, computed as follows:

$$g(\text{BOD or SS}) = \frac{\text{Grant alloc. to characteristic}}{C_a \times 365 \text{ days} \times 30 \text{ years}}$$

Where C_a = Annual average daily design
quantity of each characteristic (BOD or SS)

Sec. 3.44 The unit annual grant recovery amounts for each separate facility used in conveying and treating each industry's wastes shall be summated to determine the total grant recovery charges to be paid by each industry for waste volume and for each characteristic (i.e.: BOD or SS).

Section 3.5 Deposit and Application of Grant Recovery Funds

Sec. 3.51 A special fund shall be established, entitled the "Grant Recovery Fund," with a special account in an Asheville bank, and all receipts of grant recovery charges from industry shall be deposited therein.

Sec. 3.52 Annually, as required by the Federal government, fifty (50) percent of the amounts deposited to the Grant Recovery Fund, shall be transferred to the U. S. Treasury together with any interest earned thereon.

Sec. 3.53 A minimum of 80 percent of the retained amounts together with interest earned thereon, shall be used solely for the eligible costs of the expansion or reconstruction of treatment works constructed with grant funds for which recovery is made from industry. The written approval of the Regional Administrator of the E. P. A. shall be obtained prior to commitment of the retained amounts for any expansion and reconstruction. The remainder of the retained amounts may be used for any lawful purpose of the District.

Sec. 3.54 Pending use, the retained amounts for reconstruction and expansion shall be invested in (1) obligations of the U. S. Government, or (2) obligations guaranteed as to principal and interest by the U. S. Government or any agency thereof, or (3) deposited in accounts fully collateralized by obligations of the U. S. Government or by obligations fully guaranteed as to principal and interest by the U. S. Government or any agency thereof.

Section 4. SEVERABILTIY

Sec. 4.01 If any section, clause, provision, or portion of this Resolution shall be held to be invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect any other section, clause provision, or portion of this resolution.

Section 5. EFFECTIVE DATE

Sec. 5.01 The wastewater charges and provisions for grant recovery, as set forth in this Resolution, shall become effective on July 1, 1975

Sec. 5.02 ADOPTED THIS May 20, 1975
