

MR. REDMOND, ATTORNEY, PRESENTED BOND COUNSEL'S OPINION RE: EXTENSION OF MSD BOUNDARIES BY ORDINANCE OR RESOLUTION.
PRELIMINARY BUDGET 1970-71 ADOPTED.

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Board Room 501, City Building, Asheville, North Carolina, at 2:00 p. m. on Tuesday, May 19, 1970.

Chairman Peterson called the meeting to order and Mrs. Swicegood, Secretary, called the roll with the following members present: Mr. Peterson, Mr. Garrison, Mrs. Swicegood, Mr. Dawson, Mr. Liles, Mr. Robinson, and Mr. Williams.

The members having received copies of the previous minutes, Mr. Garrison moved and Mr. Dawson seconded the motion that they be approved as recorded. This motion was carried unanimously.

Mr. Redmond, Attorney, stated in his report that each member had been mailed copies of a letter from Bond Counsel regarding extension of boundaries by resolution or ordinance of the MSD. He stated in effect that Bond Counsel has acquiesced in statements he made at the last meeting and that is first of all to enlarge the District we have to follow regulations and provisions of the Statutes which require a referendum on the part of the District and a petition on the part of any unincorporated area that wants to come in which would be a considerable expense to the District, such as public hearing, resolutions, etc. There seems to be no way to enlarge the District or increase its boundaries beyond its present territory by ordinance or resolution which was suggested at the last meeting.

Mr. Redmond stated the second thing, expenditures of money for repairs or maintenance or construction of sewerage facilities that are not physically connected to the sewage disposal system and its facilities which we issued bonds to pay for, Bond Counsel says very definitely that we cannot expend funds for the repair or maintenance of some isolated sewer line which is not a part of the facility which has been financed by the bonds. Mr. Johnson asked Mr. Redmond for his interpretation of whether we can extend our own interceptor lines and Mr. Redmond stated that we can. He also stated that we cannot take on the repair of the sewer line along Old County Home Road.

Regarding Gerber Screening Plant, Mr. Johnson pointed out and commented on a Cost Sheet prepared for the Board members showing all expenditures for Gerber since July 1, 1969 up to the present date, with a deficit of \$500.00. The Cost Sheet was discussed item by item and explained and commented upon by Mr. Johnson. He stated that he feels sure we will end up this year with a balanced budget on Gerber. Mr. Robinson requested a report of Gerber expenditures each month for the Board.

Mr. Johnson, Engineer-Manager, commented on the Preliminary Budget for fiscal year 1970-71, copies of which each Board member had received. He stated the Budget Committee had met and that he had no objection to their recommendation and turned its presentation over to Mr. Dawson, Chairman of the Committee. Mr. Dawson stated they had proposed a somewhat less budget than Mr. Johnson suggested and that Mr. Johnson had agreed upon it. Mr. Dawson feels the budget is ample and realistic. He moved the Preliminary Budget lay on the table and the Board hold a Public Hearing on the Preliminary Budget submitted, and the Notice of the Public Hearing be published in accordance with provisions of the Bond Resolution, the Public Hearing to be held on or before June 15th. Mr. Robinson seconded this motion and the roll call vote was unanimous.

Mr. Robinson asked several questions regarding Mr. Hendon's Annual Report and referred specifically to Mr. Hendon's recommendation that the District Board direct its staff to make an analysis of past revenues to determine the appropriate effect of eliminating each of the two lower use brackets in the Schedule of Rates for Sewer Service (\$0.03 and \$0.05 per 1,000 gallons of water used) on the District's revenues and the sewer users that fall in these brackets. These rates appear to us to be lower than reasonable and lower than those in similar systems.

Mr. Johnson stated this analysis was made a year ago and copies distributed to each Board member as well as to Mr. Hendon and he will be glad to send copies again to the Board. Mr. Johnson stated the City has engaged a firm to make a water rate study and it is supposed to be filed with the City in May, 1970 and they are going to review all their water rates. Mr. Johnson thinks it will be very appropriate when we get a copy of this report to present it to the Board and let Mr. Hendon comment on it.

There being no further business, the meeting adjourned at 3:00 p. m.

May 19, 1970


Secretary