

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
June 15, 1993

1. Call to Order and Roll Call:

The regular monthly meeting of the Board of the Metropolitan Sewerage District was held in the Boardroom of MSD's Administration Building at 2:00 p.m. on Tuesday, June 15, 1993. Chairman Ivey presided with the following members present: Bryson, Casper, Dent, Frizzell, Penny, Post, Slosman and Wallace. Those members absent were: Joyner and Selby.

Others present were: W. H. Mull, Engineer-Manager, John Stevens, General Counsel, Dean Huber and Bill Morris of Hendon Engineering Associates, Inc., Doyle Freeman and Jim Erwin of Henderson County, Gary David of McGill Associates, Bob Tinkler with the League of Women Voters, Clarke Morrison with the Asheville Citizen-Times, Ann Sutton, Stan Boyd, Angel Craven, Alan Jacobson, Sharon Walk, and Linda Dickson MSD.

2. Minutes of the May 12, 1993 Board Meeting:

There being no additions or corrections, Mr. Slosman moved that the minutes of the May 12, 1993 meeting be adopted as presented. Mr. Dent seconded the motion. Voice vote was unanimous in favor of the motion.

3. Public Hearing: Fiscal Year 1993-94 Operation & Maintenance Budget:

MINUTES OF PUBLIC HEARING

At 2:05 p.m. Chairman Ivey declared a Public Hearing open for consideration of the Preliminary 1993-94 Operation and Maintenance Budget as advertised in the Asheville Citizen-Times on May 15, 1993. Chairman Ivey called for any comments from the Board. Mr. Mull presented a copy of the Budget along with Mr. Joyner's comments pertaining to the Budget and stated that this is the same Preliminary Budget approved at the May 12, 1993 Board meeting and reported the following budget totals: General Administration, \$1,148,207; Plant Operations \$3,776,658; Collection System Operations \$3,094,566 and Engineering & Right Of Way \$574,975 bringing the Total Expenditures to \$8,594,406. A brief discussion followed regarding the District's Communications System; unexpected wages for plant operations, and a 3% cost of living increase for all employees. Mr. Ivey called for comments from the public and there being no comments, declared the Public Hearing closed at 2:10 p.m. and reconvened the regular Board meeting.

4. Consideration of Resolution Adopting the Preliminary Fiscal Year 1993-94 Operation & Maintenance Budget:

Mr. Mull presented a Resolution adopting the Preliminary Fiscal Year 1993-94 Operation & Maintenance Budget. Mr. Dent moved that the Board adopt the Budget as presented. Ms. Bryson seconded the motion. Following Mr. Ivey's reading of the Resolution, roll call vote was as follows: 9 Ayes; 0 Nays.

5. Consideration of Resolution Adopting Preliminary Fiscal Year 1993-94 General and Construction II and III Fund Budgets:

Mr. Mull presented the Preliminary Fiscal Year 1993-94 General and Construction 11 and 111 Fund Budgets and Budget Summary for review and reported that these budgets are normally adopted in October following completion of the audit and rate study for the past year. Mr. Mull further reported that the Capital Improvement Plan Committee (CIP) will meet June 17, 1993 to discuss these funds in relation to the District's 5 and 20 year plans and the financing of those plans through the issuance of revenue bonds, rate increases and/or both, as a result of projected deficit revenues for 1995-96, assuming the District continues on its present sewer rehabilitation schedule. A lengthy discussion

followed regarding the possibility of a 4% rate increase in January, 1994 as contemplated in the Bond Order; the CIP budget process; available Construction Reserve funds and restructuring of committees. Mr. Penny moved that the Board defer adoption of the Resolution until October, 1993 and that all future budgets be combined and completed in time to adopt a budget for fiscal year beginning July 1, 1994. Following a brief discussion as to reasons for the delay in the adoption of these budgets, Mr. Slosman seconded the motion. Voice vote was unanimous in favor of the motion.

Mr. Mull reported that reports were received from two underwriters with regard to refunding of the 1991-92 Revenue Bonds and that certain tax provisions governing the present bonds will expire on June 30, 1993. Therefore, the reports received are only valid if refunding of the bonds takes place prior to that date. Mr. Mull stated that the Bond Committee should be reinstated immediately in order to consider Request for Proposals for underwriting. As a result of the information received, Mr. Ivey scheduled a meeting of the new Finance Committee (a combination of the Budget, Bond and Sewer Service Charge Committee's) for June 30, 1993 at 12:00 p.m.

6. Report of Engineer-Manager;

a. Status of Report on Construction Projects;

1. US 74 Sewer Rehabilitation:

Mr. Mull reported that the U.S. 74 Sewer Line Improvements (a portion of the South Swannanoa Interceptor Sewer) at an estimated cost of \$1,600,000.00 is underway with Field Surveys 80% complete; Sewer Design 60% complete and Coordination with Agencies 40% complete.

2. Sweeten Creek Interceptor:

Mr. Mull reported that an Environmental Assessment Report was submitted to the State of North Carolina Department of Environmental, Health, and Natural Resources (NCDEHNR), on May 21, 1993 for the review process. Mr. Mull further reported that following review of new regulations and because of the size, scope, location of the new construction and projected increase in flow/usage, a Non-Discharge Permit Application for Gravity Sewer Extension has been submitted to the NCDEHNR. In addition, Easement Acquisition and Interceptor Manhole Rehabilitation is underway with advertisement for bid scheduled for April, 1994 and construction completion expected in July, 1995.

3. North Swannanoa Interceptor:

Mr. Mull reported that Design of Phase I, North Swannanoa Sanitary Sewer Interceptor project is pending approval from the North Carolina Department of Transportation with advertisement for bids scheduled for July 1, 1993 and construction to begin September, 1993. Mr. Mull further reported that Easement Plats are 85% complete on Phase II, Section 1 and Plans and Specifications are 90% complete on Phase II, Section 2. In addition, Environmental Assessments are 99% complete on Sections 1, 2 and 3 with completion of Phase 11 sections as follows: Section 1 - January, 1998; Section 2 - February, 1999 and Section 3 - March 2000.

4. Beaverdam Interceptor Sewer:

Mr. Mull reported that Wheeler Construction Company was given notice to proceed on the Beaverdam Interceptor Sewer Improvements May 24, 1993 with contract completion scheduled for December 19, 1993. Mr. Mull further reported

that Design of the Beaverdam Creek Interceptor is 95% complete and Easement Surveying 90% complete.

5. Asheville Street/Sidewalks Sewer Rehabilitation:

Mr. Mull reported that Contract 6-Section II of the Asheville Street/Sidewalk Sewer Rehabilitation project is 67% complete and Contract 11-Section II, 96% complete with change orders pending final paper work by the contractor.

6. Phase IV & V Sludge Handling Facilities:

Mr. Mull reported that as of May 25, 1993, 99% of Phase IV, Section 1-General Contract is complete including authorized change orders and a time extension to July 1, 1993. In addition, 99% of Section 1A-Electrical is complete; 95% of Section 1B-HVAC is complete and 80% of Section 1C-Plumbing is complete. Mr. Mull further reported that testing of the generators, using digester gas, and firing of the incinerator will take place this week. A brief discussion followed regarding new EPA regulations and the production of digester gas.

7. Alkaline Stabilization Facility:

Mr. Mull reported that as of May 25, 1993, 11% of Phase V Section 1-General Contract is complete and that no work has started on the Electrical or HVAC portions of the contract.

b. Consideration of Bids for Construction of Earl Capps Hollow Sewer Rehabilitation - Woodfin CIP - McGill Associates, P.A.:

Mr. Mull presented a letter and bid tabulation from McGill Associates, P.A. for construction of Earl Capps Hollow Sewer Rehabilitation in the Town of Woodfin. Mr. Mull reported that bids were opened at 2:00 p.m. on Tuesday, April 27, 1993 and they are as follows: Buckeye Construction Company (Apparent low bidder) with a total base bid of \$354,577.25; Terry Brothers Construction Company with a total base bid of \$377,451.00; Hobson Construction Company, Inc. with a total base bid of \$385,485.00 and Steppe Construction Company with a total base bid of \$410,605.00. Mr. Mull further reported that the bid documents are in proper order and that the apparent low bid of Buckeye Construction Company is \$41,389.75 below the revised construction cost estimate of \$395,967.00. Mr. Dent moved that the Board approve the apparent low bid of Buckeye Construction Company in the amount of \$354,577.25. Mr. Post seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

c. Consideration of Contract Change Order No. 2 for Asphalt Replacement - Collection Sewer Maintenance Division - APAC-Carolina, Inc.:

Mr. Mull presented Contract Change Order No. 2 with the APAC Company for Asphalt Replacement, Collection Sewer Maintenance Division in an amount not to exceed \$35,000.00. Mr. Mull reported that with the accomplishment of more work during the second year, more units of asphalt will be required to complete this fiscal year's work and because only one (1) bid was received, the present contract will need to be extended for one month. Following a brief discussion, Mr. Slosman moved that the Board approve the Change Order as presented. Mr. Dent seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

d. Consideration of Bids for Construction of Town & County Sewer Rehabilitation:

Mr. Mull presented an informal bid tabulation for the Construction of Town & Country Sewer Rehabilitation and reported that the bids were opened 2:00 p.m. June 9, 1993 and

reviewed by the Sewer System Consolidation Committee at a meeting held today and are as follows: Terry Brothers Construction Company (Apparent Low Bidder) with a total base bid of \$21,964.00; Hobson Construction Company with a total base bid of \$24,833.00 and NEO Corporation with a total base bid of \$25,324.00. Mr. Mull reported that the Committee recommended approval of the apparent low bid of Terry Brothers Construction Company in the amount of \$21,964.00, subject to review of the bid documents by the MSD Attorney. Mr. Slosman moved that the Board approve the recommendation of the Sewer System Consolidation Committee. Mr. Frizzell seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

e. Consideration of Proposal for Construction Contract Administration for North Swannanoa Sewer Rehabilitation - Phase 1 - Hendon Engineering Associates, Inc.:

Mr. Mull presented a memorandum from Stan Boyd, along with supporting data summarizing Construction Contract Administration costs for the North Swannanoa Sewer Rehabilitation project; comparing Hendon Engineering's proposal with that of the District's for performing the work in-house. Mr. Mull reported that at the June 7, 1993 meeting of the Sewer System Consolidation Committee the Committee recommended that because of the scope of the project and because Hendon Engineering Associates, Inc. has done the design work, that Phase I, Construction Contract Administration be awarded to Hendon Engineering Associates, Inc. for a budget cost ceiling of \$458,076.00. In addition, the Committee recommended that the Organizational Consultants (Municipal Advisors, Inc.) be asked to investigate the possibility of staffing for in-house administration for future projects. Mr. Slosman moved that the Board approve the recommendation of the Sewer System Consolidation Committee. Mr. Penny seconded the motion. Following a brief discussion as to when the next large project will take place, Roll call vote was as follows: 9 Ayes; 0 Nays.

f. Consideration of Quotes for Relocation of Utilities Conflicting with North Swannanoa Sewer Rehabilitation - Phase I:

Mr. Mull presented a quote from Southern Bell in the amount of \$52,749.00 and one from Carolina Power & Light Company in the amount of \$132,749.00 for the relocation of utilities that conflict with construction of the North Swannanoa Interceptor Sewer. Mr. Mull reported that the quotes were presented to the Sewer System Consolidation Committee on June 7, 1993 and the Committee recommended authorization for Southern Bell and Carolina Power & Light Company to relocate its utilities at the cost quoted with the stipulation that the costs of any upgrades in service be shared between MSD and the appropriate utility company. Mr. Penny moved that the Board approve the recommendation of the Sewer System Consolidation Committee. Mr. Post seconded the motion. Following a brief discussion, Roll call vote was as follows: 9 Ayes; 0 Nays.

g. Consideration of Amendment to Engineering Services Contract for Easement Surveys and Plats - Sweeten Creek Interceptor Sewer Rehabilitation - Hendon Engineering Associates, Inc.:

Mr. Mull presented an Amendment to Hendon Engineering Associates Services Contract for Easement Surveys and Plats for the Sweeten Creek Interceptor Sewer Rehabilitation. Mr. Mull reported that because the number of easement parcels has increased from 70 to 110, it was necessary to increase the estimated budget ceiling from \$50,000.00 to \$78,650.00, which shall not be exceeded unless authorized by further amendment to the agreement. Mr. Post questioned the cost of \$715.00 per parcel. Mr. Morris reported that Hendon Engineering Associates, Inc. was asked to increase the scope of work to survey existing lines as well as proposed lines and prepare easements for MSD's acquisition. Ms. Craven reported that the Committee agreed that it did not make sense to acquire easements on a proposed line without including easements on existing lines. Following a lengthy discussion regarding the additional cost per parcel, Mr. Dent moved that

the Board defer the Contract Amendment until additional comparative survey cost information is prepared and presented to the Board at the next regular meeting. Mr. Frizzell seconded the motion. Voice vote was unanimous in favor of the motion.

Mr. Mull requested that since the Board has approved the Contract for Construction Administration for the North Swannanoa Interceptor Sewer, staff has requested that the Board authorize proceeding with advertisement of bids for the Construction of Phase I. Mr. Post moved that the Board approve the request of staff. Ms. Wallace seconded the motion. Voice vote was unanimous in favor of the motion.

h. Consideration of Amendment to Engineering Services Contract - Assistance during Easement Acquisition - Beaverdam Creek Interceptor Sewer Rehabilitation - McGill Associates, Inc.

Mr. Mull presented an Amendment to McGill Associates, P.A. Engineering Services Contract for Assistance during Easement Acquisition of the Beaverdam Creek Interceptor Sewer Rehabilitation project. Mr. Mull reported that due to increased property owner requests concerning the proposed construction and location of the project, McGill Associates, P.A. has requested that the fee for engineering assistance in easement acquisition be increased from \$4,000.00 to \$10,000.00. Mr. Mull further reported that the Amendment was presented to the Right of Way Committee on June 4, 1993 and the Committee recommended approval of the Contract Amendment as presented. Mr. Slosman moved that the Board adopt the recommendation of the Right of Way Committee. Ms. Wallace seconded the motion. A lengthy discussion followed regarding the number of parcels involved in the project. Mr. Gary Davis of McGill Associates, Inc. stated there is no way to anticipate what a property owner will request during easement acquisition. There being no further discussion, roll call vote was as follows: 9 Ayes; 0 Nays.

i. Discussion of Claim on Pulliam Property - 707 Merrimon Avenue:

Mr. Mull presented a letter from McLean Insurance Agency stating that no written response to the Pulliam claim has been received from the insurance company. Mr. Boyd reported that the claim is being investigated and that a written report is forthcoming.

j. Consideration of Resolution Approving Public Auctions for the Disposal of Surplus Property:

Mr. Mull presented a Resolution and list of properties the District would like to declare as surplus property and disposed of in conjunction with the City of Asheville and Buncombe County's public auctions. In addition, Mr. Mull presented information taken from the Bond Order stating that the District may in any Fiscal Year sell, exchange, lease or otherwise dispose of any real or personal property up to a maximum aggregate value of such property of \$100,000 based upon fair market value. Following a brief description as to the auction process, Mr. Penny moved that the Board adopt the Resolution as presented. Mr. Slosman seconded the motion. Voice vote was unanimous in favor of the motion.

k. Consideration of Acceptance of Sewer Systems Constructed by Developers:

Deferred until the next regular meeting of the Board.

l. Consideration of Bids for High Resolution Plotter and Proposals for Purchase of Software:

Mr. Mull presented the following informal bid tabulation for a High Resolution Plotter and CAD/GIS Software Quotations for the Engineering Division, received June 4, 1993 and reviewed by the Sewer System Consolidation Committee on June 7, 1993:

a. High Resolution Ink Jet Plotter

1. Sharpe Company (Apparent Low Bidder) with a total base bid of \$9,004.70
2. Applied Software with a total base bid of \$15,894.00
3. New Era Computers, Inc. with a total base bid of \$11,370.09
4. The Print Machine with a total base bid of \$9,326.94
4. Highland Data (Bid received by FAX late - Not acceptable)

b. CAD & GIS Software Quotations

1. Applied Software (Apparent Low Quotation) with a total quote of \$20,475.47
2. New Era Computers, Inc. with a total quote of \$20,944.54
3. The Print Machine with a total quote of \$23,266.06

In addition, Mr. Mull presented a copy of the GIS/CAD Maintenance Computer System Configuration Budget. Mr. Mull reported that following review of the bids and quotes, the Committee recommending approval of the Apparent Low Bid of the Sharpe Company for a High Resolution Ink Jet Plotter in the amount of \$9,004.70, subject to review of the bids by MSD's Attorney and approval of the Apparent Low Quotation of Applied Software for the CAD & GIS Software in the amount of \$20,475.47. Mr. Post moved that the Board approve the recommendation of the Sewer System Consolidation Committee. Ms. Wallace seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

m. Discussion of Weaverville CIP Project Costs:

Mr. Mull presented a copy of the CIP project costs for the Town of Weaverville and reviewed by the Sewer System Consolidation Committee on June 7, 1993. Mr. Mull reported that the Committee recommended approval of the District's participation of 35% of the unbudgeted expenditures for this project totaling \$52,640.85. Following review of those items included in the District's share of expenditures, Mr. Dent moved that the Board approve the recommendation of the Sewer System Consolidation Committee. Mr. Penny seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

7. Report of Officers:

Mr. Post presented the minutes of a meeting held May 26, 1993 with representatives from the County of Buncombe, City of Asheville, Towns in Buncombe County and the MSD to discuss the following issues: Proposed new sewer service charge for public buildings; MSD's Extension Policy and communication between the MSD and other governmental representatives and the public. A brief discussion followed regarding the issue of free sewer service charges.

8. Report of Committees:

a. Capital Improvement Plan Committee - April 28, 1993 - Mr. Post

Mr. Post reported that the Capital Improvement Plan Committee (CIP) met May 13, 1993 to discuss the initial Five year Capital Improvement Plan and the development of a Five to Twenty Year Plan. Mr. Post further reported that the following three (3) alternatives were suggested as a result of anticipated budget overruns: (1) Move the five year plan to a seven year plan; (2) obtain additional funding from the various municipalities for projects that exceed the budget or, (3) raise the sewer service rates. Mr. Post stated that the Committee will discuss the three alternatives in detail at the next CIP meeting scheduled for June 17, 1993 at 2:00 p.m.

b. Right-of-Way Committee - June 4, 1993 - Mr. Slosman

Mr. Slosman reported that the Right-of-Way Committee met June 4, 1993 to review the following items:

1. Beaverdam Annexation Project

Mr. Slosman reported that the Committee discussed conflicts in the Beaverdam Annexation Project, which will result in future maintenance problems. In addition, the Committee discussed several alternatives for the District's control over the construction of CIP extension projects.

2. Pisgah View Sewer Improvements

Mr. Slosman reported that the acquisition phase of the project is 55% complete for a total of 20 easements with \$400.00 in compensation issued to date and that the projected advertisement date is scheduled for July 15, 1993.

Mr. Slosman further reported that following an offer to Mr. Max E. Wilson in the amount of \$489.96 for an easement and investigation as to whether Mr. Wilson's parcel lies within the flood plain or flood way, the Committee recommended condemnation of the property. Following a brief discussion, Mr. Slosman moved that the Board approve condemnation. Ms. Wallace seconded the motion. Voice vote was unanimous in favor of the motion.

3. Consideration of Field Negotiating Limits for Beaverdam Creek Interceptor

Mr. Slosman reported that the Committee reviewed a Field Negotiation Chart, based on 50% of the assessed land value (permanent easement area only) for all affected parcels on the project, and recommended Board approval of the chart and the negotiation limits therein. Mr. Slosman presented the Compensation Chart to the Board and moved that the Board adopt the Chart as the negotiating limits for acquisition of rights of way for the Beaverdam Creek Interceptor. Mr. Post seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

4. Policy on Right of Way Acquisition

Mr. Slosman reported that a special meeting of the Right of Way Committee was held May 19, 1993 to review revisions in the Policy on Right of Way Acquisition and that the Committee agreed that a joint recommendation be made by the Right of Way Committee and the Sewer System Consolidation Committee at a special called meeting of the Board to review policy matters prior to the establishment of a formal resolution. Mr. Slosman recommended that a retreat be scheduled as soon as possible to discuss this and other policies.

Mr. Penny stated that because of the scope of these issues the retreat should be scheduled over a two to three day period and that a facilitator should be hired to lead the session. Following a lengthy discussion with regard to scheduling of a retreat and who should facilitate the meeting, the Board requested that the Engineer-Manager inquire into possible dates and provide this information to the Board prior to the next regular meeting.

c. Sewer System Consolidation Committee - June 7, 1993 - Mr. Dent

Mr. Dent reported that the Sewer System Consolidation Committee met June 7, 1993 to review those items previously discussed in the Engineer-Manager's report.

d. Sewer Service Charge and Budget Committees - June 10, 1993 - Ms. Bryson

Ms. Bryson reported that the Sewer Service Charge and Budget Committees met June 10, 1993 to review those items previously reported and that any unresolved issues should be included in the agenda for the upcoming retreat.

9. Unfinished Business:

None

10. New Business:

Mr. Mull presented information received from the Water Environment Federation regarding its 66th Annual Conference & Exposition in Anaheim, California scheduled for October 3 - 7, 1993. Mr. Mull briefly discussed the benefits of the conference and requested Board approval of expenses for Board Members and Staff to attend the conference. Mr. Slosman moved that the Board authorize the expense for Board Members and Staff. Mr. Dent expressed his concerns as to whether it was important for Board Members to attend this meeting. Mr. Ivey stated that he felt it was important for all Board Members to attend at least one National Conference. There being no further discussion, Mr. Penny seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

Mr. Ivey announced the following upcoming Committee meetings: Insurance Committee, June 16, 1993, Capital Improvement Plan Committee, June 17, 1993 and the Finance Committee is scheduled for June 30, 1993.

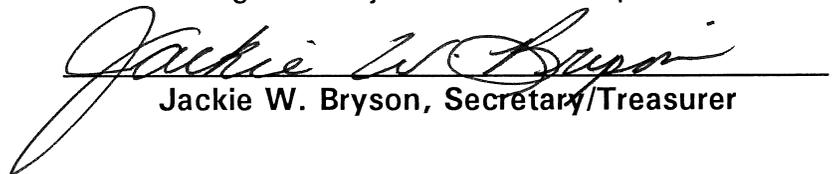
Mr. Penny inquired into the status of proposals for insurance. Mr. Mull reported that the deadline for receipt of the proposals is June 18, 1993. A discussion followed as to when the proposals would be reviewed and how a contract could be awarded prior to the July 1, 1993 deadline. Mr. Casper suggested that if the July 1, 1993 deadline could not be met, staff should apply for an extension of the existing policy.

With regard to the news article on Blue Ridge Plating, Mr. Stevens reported that a copy of the Opinion is available for anyone who is interested. A brief discussion followed.

11. Date of Next Regular Meeting: Wednesday, July 21, 1993.

12. Adjournment:

There being no further business the meeting was adjourned at 4:45 p.m.


Jackie W. Bryson, Secretary/Treasurer

MSD Metropolitan Sewerage District of Buncombe County, North Carolina

W. H. Mull, P.E., Engineer-Manager
P.O. Box 8969, Asheville, N.C. 28814
Telephone: Area Code 704-254-9646

Telecopier (704) 254-3299

John S. Stevens, General Counsel



George E. Ivey, Chairman
O. R. Post, Vice-Chairman
Jackie W. Bryson
Larry Casper
Charles M. Dent
Kenneth E. Frizzell
Joe Joyner
Charles W. Penny
Bob Selby
E. Benson Slosman
Carolyn R. Wallace

RESOLUTION OF THE METROPOLITAN SEWERAGE DISTRICT BOARD OF BUNCOMBE COUNTY, NORTH CAROLINA

BE IT RESOLVED that the Metropolitan Sewerage District Board of Buncombe County, North Carolina, does hereby adopt the attached Annual Operation and Maintenance Budget for the Fiscal Year 1993-94, this being the same Preliminary Budget which was submitted to the Board and other interested parties by the Engineer-Manager and Budget Officer on May 12, 1993, which Budget has been available for inspection at the District office since May 12, 1993, and which Budget totals \$8,594,406 of which the estimated monthly Budget is equal to one-twelfth (1/12) of the Total Budget.

THIS, 15th day of June, 1993.

GEORGE E. IVEY, CHAIRMAN
Metropolitan Sewerage District Board
of Buncombe County, North Carolina

Attest:

W. H. Mull, P.E.
Engineer-Manager

MSD Metropolitan Sewerage District of Buncombe County, North Carolina

W. H. Mull, P.E., Engineer-Manager
P.O. Box 8969, Asheville, N.C. 28814
Telephone: Area Code 704-254-9646

Telecopier (704) 254-3299

John S. Stevens, General Counsel

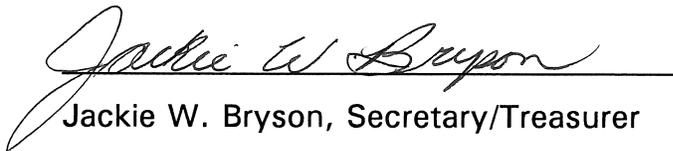


George E. Ivey, Chairman
O. R. Post, Vice-Chairman
Jackie W. Bryson
Larry Casper
Charles M. Dent
Kenneth E. Frizsell
Joe Joyner
Charles W. Penny
Bob Selby
E. Benson Slosman
Carolyn R. Wallace

CERTIFICATION

I, Jackie W. Bryson, Secretary/Treasurer to the Board of the Metropolitan Sewerage District of Buncombe County, North Carolina, do hereby certify that the attached is a true and correct copy of the Fiscal Year 1993-1994 Budget adopted by the Board of the Metropolitan Sewerage District at its regular meeting held June 15, 1993.

Witness my hand and seal of said District this 15th day of June, 1993.



Jackie W. Bryson, Secretary/Treasurer

Board of the Metropolitan Sewerage District of
Buncombe County, North Carolina

RESOLUTION
FOR THE
METROPOLITAN SEWERAGE DISTRICT BOARD

WHEREAS, the District may from time to time sell, exchange, lease or otherwise dispose of any equipment, motor vehicles, machinery, fixtures, apparatus, tools, instruments or other movable property if it determines that such articles are no longer needed or are no longer useful in connection with the Sewerage System, and the proceeds thereof shall be applied to the replacement of the properties so sold, exchanged, leased or disposed of or shall be deposited to the credit of the Maintenance Reserve Fund;

WHEREAS, the District Board finds that the attached list of properties should be declared surplus property and disposed of in compliance with the General Statutes of North Carolina and the Bond Order adopted May 23, 1985 as amended on June 4, 1985;

WHEREAS, the District Board finds that the attached list of properties have a fair market value of less than \$100,000 and therefore comply with the aforesaid Bond Order;

WHEREAS, the District Board accepts the offers to participate in the public auctions for the disposal of surplus properties made by both the City of Asheville and Buncombe County to be conducted in accordance with the General Statutes of North Carolina;

WHEREAS, the District Board agrees that the cost of participation in these public auctions shall be limited to prorated cost to conduct said auctions as compared to the revenues generated by each;

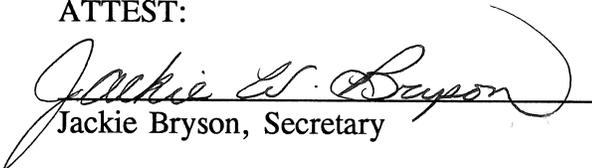
NOW, THEREFORE, BE IT RESOLVED by the District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina the attached list of properties is hereby declared surplus property and is to be disposed of accordingly.

Adopted this 15th day of June, 1993.

DISTRICT BOARD OF THE METROPOLITAN
SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NC

By: 
George E. Ivey, Chairman

ATTEST:


Jackie Bryson, Secretary

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
SPECIAL MEETING

June 30, 1993

1. Call to Order and Roll Call:

A special meeting of the Board of the Metropolitan Sewerage District was held June 30, 1993, at 8:30 a.m., to consider insurance proposals and award of contract.

Chairman Ivey called the meeting to order at 8:35 a.m. with the following members present: Bryson, Dent, Joyner, Post, Selby, Slosman and Wallace. Those members absent were: Casper, Frizsell and Penny

Others Present were: W. H. Mull, Engineer-Manager, John Stevens, General Counsel, Frank Patterson, Bill McLean and W.D. McLean with McLean Insurance Agency, Jim Stickney, Sr. and Jim Stickney, IV with Insurance Service of Asheville, Ann LaVeck and Linda Dickson, MSD.

2. Summary of Insurance Proposals and Recommended Options;

Mr. Mull expressed the District's appreciation to Mr. John Maill, Risk Manager with the City of Asheville and Linda Dickson, MSD for their diligent work in the preparation of Request for Proposals and negotiations with the various companies to come up with the best possible insurance coverage for the District.

Mr. Mull presented a summary of the District's present insurance coverage with McLean Insurance Agency as Agent in the amount of \$354,714.00, which expires at midnight June 30, 1993, and the most current recommendation from Mr. John Maill and the Insurance Committee, who met June 29, 1993 by conference call. Mr. Mull presented a current quotation from McLean Insurance Agency as Agent in the amount of \$249,340.00, (\$105,374.00 lower than last year's coverage) and a quotation from Insurance Services of Asheville (ISA) as Agent in the amount of \$325,898.00, excluding pollution coverage. However, with pollution coverage, ISA's total quotation is \$354,498.00. In addition, Mr. Mull presented a Final Best Program, which is a combination insurance package from McLean Insurance Agency and Insurance Services of Asheville in the amount of \$243,019.00, (\$6,321.00 below McLean's quotation of \$249,340.00 and includes Pollution coverage).

Mr. Ivey reported that the Insurance Committee, along with John Maill, reviewed the quotation items and recommended the combined insurance quotation as presented. Mr. Ivey reported that three (3) proposals were received but the third proposal could not be used because of the price. Mr. Ivey expressed the Board's appreciation to Mr. Stickney with Insurance Services of Asheville for his suggestion that the District could save money by exploring other insurance proposals. Several questions were raised regarding the Pollution coverage. Mr. Stickney reported that the Pollution coverage applies only to the wastewater treatment plant premises but does not include the incinerator, and the interceptor or collector lines. Mr. Patterson reported that the present policy has limited coverage on pollution but has paid \$60,000.00 in claims during the past year for liabilities including pollution back-up in homes and contamination to gardens. A discussion followed regarding pollution coverage on the incinerator and Alkaline Stabilization Facility. Mr. Mull reported that following testing of the incinerator and transfer of ownership from the contractor to the District, (within the next three months) the District will address insurance coverage at that time. Mr. Dent inquired into the matter of liability claims and whether the hiring of a Safety Director would have an effect on insurance rates. Mr. Patterson reported that during the last year approximately \$60,000.00 was paid out in liability claims. Mr. Stickney stated that a Safety Director could have a beneficial effect on Worker's Compensation experience, which is now, and will continue to be, the most expensive item of coverage. A discussion followed with regard to flood and computer coverage and the next scheduled

date for review of the policy would take place.

3. Consideration of Award of Contract:

There being no further discussion, Mr. Slosman moved that the Board adopt the proposal as presented by the Committee. Mr. Post seconded the motion. Roll call vote was as follows: 8 Ayes; 0 Nays.

4. Insurance Committee Recommendation:

Mr. Mull reported that the Insurance Committee met last week to review the District's dental coverage through Delta Dental Plan. Mr. Mull further reported that a letter was received from Delta Dental Plan stating that the following rates will be increased as of July 1, 1993: Employee rate from \$10.87 to \$12.94; Dependents rate from \$28.86 to 34.25 with an increase in the deductible from \$25.00 to \$50.00. Mr. Mull stated that following review of the plan, the Committee recommended that the District continue with Delta Dental Plan for one more year. A brief discussion followed regarding the cost of the plan to employees. Mr. Dent moved that the Board ratify the Insurance Committee's recommendation until January 1, 1994. Mr. Joyner seconded the motion. Roll call vote was as follows: 8 Ayes; 0 Nays.

Mr. Post recommended that prior to renewal of the District's insurance policy, that the District consider a quote on Worker's Compensation from the League of Municipalities at a possible cost savings of 25 to 30%. Mr. Mull reported that the District looked into joining the League of Municipalities but the fees were based on population, therefore, the cost to join would be substantial. Mr. Mull further reported that the District worked with the League on health insurance coverage and the League came up with a self-insured plan with reinsurance. It was recommended that the District switch to a self-insured plan in January, 1992, but because an employees twin children was seriously ill and the liability for the children was potentially \$2 million, the District remained with Blue Cross/Blue Shield until the liability was paid out. Mr. Stevens reported that the Municipal Pool (North Carolina Risk Management) is not a part of the League of Municipalities but a separate group of cities that have formed themselves into a pool but does merit consideration in comparing rates. Mr. Stevens further reported that the Municipal Worker's Comp pool is adversely affected by police and fire, which is always a problem, and there is a risk with such pools in that there maybe an assessment.

5. Other Business:

Mr. Mull reported that a tentative date of August 27, 28 & 29 has been selected for the Board Retreat. In order to confirm this date, Mr. Ivey surveyed the Board for possible attendance. Mr. Ivey appointed a Committee to work out the details of the retreat. Mr. Ivey appointed Ms. Wallace, Mr. Slosman and himself to serve on the Committee with Mr. Selby as an alternate.

6. Adjournment

There being no further business the meeting adjourned at 9:35 a.m.


Jackie W. Bryson, Secretary/Treasurer