BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
DECEMBER 18, 1996

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 Wednesday, December 18, 1996. Chairman Post presided with the following members present: Casper, Bryson, Holcombe, Joyner, Kelly, Pace, Selby, Slosman, Sobol and Wallace.

Others present included, W. H. Mull, General Manager, William Clarke, Attorney for the District, Danny Bridges, McGill Associates, Inc., Peggy B. Eaker, Hart, Inc., Jim Fatland, Larry Turner, Ann Sutton, Chuck Young, Neil Hall, Randy Hintz, John Sainato, Marsha Kiser, Jon van Hoff, Marc Fender and Sondra Honeycutt, MSD.

2. Approval of Minutes of the November 13, 1996 meeting.

Ms. Bryson moved that the minutes of the November 13, 1996 meeting be approved as presented. Mr. Slosman seconded the motion. Voice vote was unanimous in favor of the motion.

Mr. Post recognized Mr. Mull for receiving the Arthur Sidney Bedell Award at the State AWWA/WEA Conference in Pinehurst. He stated that this award is in recognition of extraordinary personal service in the water pollution control field. In addition, Mr. Post announced the reappointment of Mr. Holcombe to the District Board .

Mr. Mull announced the upcoming Board Retreat scheduled for February 1, 1997 with a make-up date for the following Saturday.

3. Consolidated Motion Agenda:

Mr. Mull presented the following items for consideration and approval:

- Accept and File CAFR (1995-96 Audit)
- Approve Budget Amendment
- Accept and File Quarterly Budget Reports
- Award of Vehicle Bids
- Authorize Advertisement of New Vacuum Truck and Sale of Existing Vacuum Truck.
- Approve Resolution Establishing Construction III Fund Bank Account

With regard to the award of vehicle bids, Mr. Mull reported that in October, 1996 the Board approved the purchase, replacement and disposition of various vehicles using encumbered funds from the FY 95-96 Capital Budget, FY 96-97 Capital Budget and Replacement Fund in an amount not to exceed $348,000. He further reported that the Vehicle and Equipment Review Committee recommends that the Board award groups A, B, C, D and F to Parkway Chevrolet in the low bid amount of $280,224 and award groups E and G to Matthews Ford in the bid amount of $42,752. Mr. Mull presented a copy of the bid tabulation as attached and stated that the low bid of Parkway Chevrolet for group E did not comply with the specifications, therefore, it was recommended that group E be awarded to Matthews Ford, the next low bidder, since the bid does comply with the specifications.

Regarding the sale of the District's existing vacuum truck, Mr. Mull requested that following consideration of the price, that the Board give approval to sell the truck to the City of Asheville without going through the bid process. Mr. Clarke stated that in order to sell without a request for bids, the District must advertise the cost of the truck.

Following a brief discussion regarding whether the bids for vehicles are within budget; the cost of the new vacuum truck; the estimated value of the existing vacuum truck, and the reason for staff's recommendation that the District establish a Construction III Fund checking account with First Citizens Bank, Mr. Holcombe moved that the Board adopt the Consolidated Motion Agenda items as presented. Mr. Pace seconded the motion. Roll call vote was as follows: 11 Ayes; 0 Nays.

4. Get Well Plan Presentations:

Mr. Mull reported that as a result of the staff retreat held in September, the following three (3) work groups; Public Image, Communications and Morale/Working Together have finalized presentations to be given at today's meeting. He further reported that these presentations will be made to all employees on January 10, and a work session will be held February 26 to finalize the detailed written plan including, specific actions, person(s) responsible, time line and performance monitoring. Following the Communication group's presentation Ms. Wallace requested an example of policies and procedures that need to be reviewed by staff prior to implementation. Ms. Sutton noted that the purchasing and travel policies are good examples. Ms. Wallace suggested that the General Manager and Deputy General Managers could help in deciding which policies would benefit by having some review by staff before implementation. Mr. Mull stated that most internal policy decisions need to be done in this manner. Ms. Wallace stated that this method should also apply to those policies that come before the Board.

5. Supervisor Training Program:

Mr. Fatland reported that as a result of the Employee Opinion Survey and the staff retreat held in September, the consultants (Zerfoss, Inc.) recommended an on-going supervisory training program. Three proposals for supervisory training were received from, Western Carolina Industries (WCI); Zerfoss, Inc. and Huff & Associates, and were evaluated by the Personnel Division, which resulted in the following recommendation:

1. Approve Personnel Plan of Action for Supervisory Training.

2. Approve agreement with Western Carolina Industries (WCI) to perform supervisory training program at a cost of $13,050.

3. Retain the services of WCI to perform New Hire/Promotional Training and a tailored annual refresher program to suit the current needs of MSD.

Mr. Mull reported that the same programs will be presented to all employees and later resubmitted to the Board in written form. Following a brief discussion regarding when the training program will begin, Ms. Wallace moved that the Board approve the agreement with Western Carolina Industries to perform

supervisory training at a cost of $13,050. Mr. Holcombe seconded the motion. Mr. Joyner suggested that a proper introduction to MSD for new Board Members be implemented. Mr. Post requested that Marc Fender include new Board Members in the employee indoctrination program. Mr. Holcombe encouraged staff to also include existing employees. With no further discussion, roll call vote was as follows: 11 Ayes; 0 Nays. Mr. Post expressed his appreciation to staff for their presentations.

6. Sludge Management Program:

Mr. Mull presented a proposed time schedule and engineering proposal from McGill Associates to accomplish the tasks outlined in the District's Sludge Management Plan. He stated that following review, the Planning Committee recommends, 1). Retain McGill Associates to implement the engineering proposal; 2). Pay the outstanding amount owed to McGill Associates to date, and 3). Adopt the time schedule as presented. Mr. Bridges addressed several questions regarding the construction cost of the ash dewatering facility; cost of alternative fuels; whether the Sludge Optimization Plan is final; number of staff operating the Alkaline Stabilization and Incineration facilities; if the Forest Service still plans to utilize the Nutri-Lime product; advertisement of the product, and whether any effort has been made to sell the product in other non-mountainous counties in North and South Carolina. With no further discussion, Mr. Slosman moved that the Board approve the recommendations of the Planning Committee. Mr. Pace seconded the motion. Following a request by Mr. Casper that the Board consider moving toward a closure on this issue and making a final decision on disposal of the product, roll call vote was as follows: 11 Ayes; 0 Nays.

7. Committee Reports:

Planning Committee:

Mr. Slosman presented a copy of the minutes of the December 13, Planning Committee meeting and schematics of the new facilities at the Burlington site. Mr. Turner reported that the Board, at the October 16 meeting, approved a contract with Architectural Resources Collaborative for the design of a new maintenance facility at the Burlington site (Phase 1), and design development phase of the "old CP&L building" for use as a central office building for MSD. Mr. Turner reviewed the schematics and stated that because of the 50 foot setback ruling by the Town of Woodfin, which requires that buildings be setback 50 feet from the Burlington driveway area, the Committee recommends that MSD Board Members and Attorneys have an active role in a meeting with Woodfin on January 13, to discuss the zoning ordinance and policy. A discussion followed regarding whether the setback policy will affect the plans; where maintenance personnel will be housed; if the new facilities will accommodate future growth, and whether the District can go out for construction bids based on the schematics presented. Mr. Slosman requested that Board Members consider the schematics and come back to the Planning Committee with any questions or comments.

In other business Mr. Slosman reported that the Committee discussed a request by Henderson County that the District enter into a three way agreement with Cane Creek Water & Sewer District, Airport Technology Park (ATP) and the MSD to treat sewage discharged from ATP. He further reported that there was some discussion concerning whether the owner of ATP was building the sewerlines to MSD public standards. Mr. Mull stated there was a question regarding whether the agreement would become null and void should the MSD extend its boundary to include the Cane Creek Water & Sewer District and the

ATP. Also, there was a question regarding the billing by Asheville Buncombe Water Authority instead of Henderson County. The Committee agreed that MSD staff should visit the site to determind if any construction is taking place and if MSD standards are being followed and bring this information back to the Board in January.

Finance Committee

Regarding the minutes of the Finance Committee meeting of December 13, Mr. Casper stated that the motion with regard to Bond Counsel, page two, paragraph one, be changed to read: "Mr. Kelly moved that the Board table any action on changing Bond Counsel". Mr. Casper reported that the Committee reviewed the Quarterly Budget Report, which were found to be in line, from both the expense and revenue side.

8. New Business: (Bids for WMIT Sewer Rehabilitation Phase II, Section 2-a - North Swannanoa Sanitary Sewer Inceptor.

Mr. Mull reported that the WMIT Sewer Project was previously bid on May 7, 1996 with a low bid of $251,028.00. However, the contractor was released from the contract due to multiple contractural complications. He further reported that the project was re-bid on December 10, 1996 and the bid specifications required bids for PVC, RCP and DIP. BC&D Associates did not supply the proper bid surety with its bid and the District Attorney recommended that the bid be rejected.

Mr. Mull presented the bid tabulation as follows: BC&D Associates with total base bids of $454,750 (PVC), $482,030 (DIP) and No bid for (RCP); Ruby-Collins, Inc. with total base bids of $533,121 (PVC), $528,561 (DIP) and $603,980 (RCP); Terry Brothers Construction with total base bids of $653,143 (PVC), $673,903 (DIP), and $757,418 for (RCP), and Wheeler Construction with total base bids of $637,190 (PVC), $637,190 (DIP), and $635,910 for (RCP). Mr. Mull stated that staff recommends that the contract be awarded to Ruby-Collins, Inc. of Smyrna, Georgia, pending legal review and approval, for Alternate Bid #1, (Ductile Iron Pipe) in the contact amount of $528,561; authorize the remaining $21,439.as contingency for the project and that the bid of BC&D be rejected because of improper bid bond and non-responsiveness.

A discussion followed regarding the difference in the May bid amounts compared to the amounts bid in December; the location of the project; when the remaining portions of the project will be complete, and the requirements of the bid bond. With no further discussion, Mr. Slosman moved that the Board award the contract to Ruby-Collins, Inc. in the amount of $528.561, with a contingency of $21,439. Mr. Holcombe seconded the motion. Roll call vote was as follows: 11 Ayes; 0 Nays.

9. Adjournment:

Mr. Slosman moved for adjournment at 3:50 p.m. Mr. Holcombe seconded the motion. Voice vote was unanimous in favor of the motion.

Jackie W. Bryson

Jackie W. Bryson, Secretary/Treasurer

RESOLUTION AUTHORIZING DISTRICT TO ESTABLISH CONSTRUCTION III CHECKING ACCOUNT WITH ITS' DEPOSITORY

WHEREAS, the Trustee at the request of the District has been disbursing funds from the Construction III Fund to pay construction contractors, consultants and related costs; and

WHEREAS, the District to comply with this process, has lost the opportunity of earning interest on its' monies for 3 to 5 days each month; and

WHEREAS, the District's Bond Order, with Board approval, authorizes the District to utilize its' own official depository for disbursing funds for Construction III Fund obligations; and

WHEREAS, the District will continue to submit payment requisitions to the Trustee for approval prior to disbursing funds as set forth in the Bond Order; and

NOW THEREFORE, BE IT RESOLVED:

That the Board does hereby authorize the establishment of a Construction III Fund bank account with its' official depository for the purpose of paying obligations; and

THAT IT FURTHER BE RESOLOVED:

That the Chairman, Secretary, Treasurer, Assistant Secretary and Assistant Treasurer be designated as official signatories for this account whereby any of two must sign all checks drawn on the Construction III Fund bank account.

PASSED AND ADOPTED THIS 18TH DAY OF DECEMBER, 1996

APPROVED: _____
Chairman

ATTEST: _____
Secretary

APPROVED AS TO FORM: _____
District Legal Counsel