

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

JANUARY 19, 2000

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., Wednesday, January 19, 2000. Chairman Blackburn presided with the following members present: Aceto, Bryson, Field, Gantt, Graham, Pace, Sobol, Spell and Venable. Mr. Kelly was absent.

Others present were: W. H. Mull, General Manager, William Clarke, General Counsel, Gary McGill and Danny Bridges of McGill Associates, David Nicholson and Gary Tweed of Henderson County, Patti Beaver of CIBO, Jim Fatland, Stan Boyd, John Kiviniemi, Ann LeMieux, Ken Stines, Ed Bradford and Sondra Honeycutt, MSD.

2. Approval of Minutes of the December 15, 1999 Meeting:

Mr. Spell moved that the minutes of the December 15, 1999 be approved as presented. Mr. Pace seconded the motion. Voice vote was unanimous in favor of the motion.

3. Discussion and Adjustment of Agenda:

With no changes to the agenda, Mr. Blackburn welcomed Mr. David Gantt representing Buncombe County and recognized Mr. David Nicholson and Mr. Gary Tweed of Henderson County.

Mr. Nicholson expressed his appreciation to the Board for the opportunity to address the relationship between Henderson County, the Cane Creek Water & Sewer District and the MSD and to discuss future plans in Henderson County. He reported that because substantial growth is occurring in Southern Buncombe County and Northern Henderson County, both in residential and commercial, as well as industrial uses, this is considered a prime economic development area for the whole region. As a result, discussions have been held regarding how Henderson County and Buncombe County can better work together on development issues. He gave a brief history on the relationship between Henderson County and the MSD; the development of an interceptor sewer line in Southern Buncombe County; the formation of the Cane Creek Water & Sewer District, the agreement between Henderson County and MSD to provide a collection system in Northern Henderson County, and the needed capacity allocation.

Mr. Tweed, Henderson County Engineer, gave a report on a study sponsored by Advantage West regarding water and sewer issues in Southern Buncombe County and Northern Henderson County. He presented a map showing the Cane Creek and Avery's Creek Districts and stated that one of the issues that came out of the study was the potential growth areas around the head waters of Cane Creek, which runs into Buncombe County, and how this growth will be dealt with. In addition, he stated that the French Broad basin ties into the western side of Cane Creek and runs to Rosman in Transylvania County. He further stated that one of the primary recommendations that came out of the study was for the MSD Board and Henderson County to start talking about the infrastructure needs of these areas.

Mr. Nicholson reported that Henderson County applied for two grants to do some sewer projects in conjunction with a road-widening project in the Town of Fletcher . He further reported that Henderson County is in the process of doing a rate study and will recommend to the Henderson County Board a rate reduction for residents in the Cane Creek District. He addressed sewer problems encountered at the Mills River Elementary School and proposed plans for a gravity sewer line to serve this area, which will eliminate four (4) package

Minutes

January 19, 2000

Page Two

treatment plants. Also, consideration is being given to expanding the boundaries of the Cane Creek Water and Sewer District. He stated that long term, Henderson County would like to work with the District and possibly become a full partner, with a seat on the District Board. A discussion followed regarding the capacity of the South Buncombe interceptor sewer; whether the District has enough capacity to handle the expected growth and how it would be paid for.

Mr. Aceto asked what the next step is in the process. Mr. Nicholson stated that Henderson County needs to sit down with representatives from the MSD, Cane Creek and Buncombe County to discuss short and long term plans; how allocation is assigned, and the possibility of merging the two Districts. Mr. Spell suggested that a good starting point would be for the District Board to review its current agreement with Cane Creek. As a matter of information, Mr. Blackburn reported that a "Partnership in the Community" committee is being created and that appointments will be made soon.

4. Report of General Manager

Consolidated Motion Agenda

a. **Consideration of Resolution Adding Authorized Signature:**

Mr. Mull presented a Resolution Authorizing the Deputy General Manager/Operations to serve as the fourth authorized individual to sign District checks. He stated that staff recommends approval of the Resolution.

b. **Budget Calendar:**

Presented as information only.

c. **Approval to Surplus Vehicle P-7:**

Mr. Mull reported that staff recommends approval to surplus vehicle P-7, a 1987 Ford Pick-up in accordance with the N.C. General Statutes.

d. **Continuing Disclosure:**

Mr. Mull reported that the District issued \$31,815.00 in revenue bonds in May, 1999 and is required to provide continuing disclosure in accordance with the Securities Exchange Commission Rule 15C-12 as amended.

e. **Consideration of Uniform Service Bids:**

Mr. Mull reported that bids were received December 14, 1999 for uniform services for the System Services Division. He stated that staff has reviewed the quality of the uniforms and contacted references and recommends the low bid of Rental Uniform Services in the amount of \$775.00

f. **Investment Report for Period Ended 11/30/99:**

Presented as information only.

g. **Consideration of Bids - Brooks Street:**

Mr. Mull reported that the following bids for the Brook Street project were received January 6, 2000: Terry Brothers Construction with a total base bid of \$378,130.00; Hobson Construction with a total base bid of \$388,710.00

Minutes

January 19, 2000

Page Three

and Buckeye Construction with a total base bid of \$479,215.75. He further reported that because the NCDOT has required that this project be constructed entirely at night, and the entire road be milled due to existing pavement conditions, the cost of construction is significantly higher than originally estimated. Staff recommends the Board award this contract to Terry Brothers Construction Company in the amount of \$378,130.00, contingent upon attorney review and approval.

h. Consideration of Bids - Old Haywood Road:

Mr. Mull reported that this project is located in West Asheville and is comprised of approximately 8,350 ft. of 8" - 18" ductile iron pipe, as well as a 48" tunnel under Patton Avenue. He further reported that the following bids were received on January 12, 2000: Buckeye Construction with a total base bid of \$1,148,554.60; Terry Brothers Construction with a total base bid of \$1,176,640.00; Hobson Construction with a total base bid of \$1,316,150.00; Bryant Electric Company with a total base bid of \$1,341,572.50 and Carolina Mountain Construction with a total base bid of \$1,400,203.00. He stated that staff recommends awarding the contract to Buckeye Construction Company in the amount of \$1,148,554.60, contingent upon attorney review and approval and upon final grant approval by NCDENR. A brief discussion was held regarding the projected budget for this project and whether a tunnel is definitely required.

i. Consideration of Policy Regarding Maintenance of 4-Inch Sewer Lines:

Mr. Mull reported that the Planning Committee reviewed the issue of 4-inch sewer lines and whether or not the District should maintain these lines. He stated that the Committee asked staff and counsel to develop a re-statement of the current policy with respect to 4-inch lines. He further stated that following review of the re-stated policy, the Committee recommends approval of the policy.

Mr. Venable stated that he would like the Board to begin to look into the possibility of increasing the amount of money allocated for private sewer rehab projects. Mr. Mull stated that the District will consider this during preparation of the budget and explained the process for completion of these projects. He further stated that staff is modifying the in-house policy, so that when the initial paper work is done and the right of way is given across the existing 4-inch line, the District will maintain the line until replacement.

Mr. Spell stated that he previously requested that staff provide historic information on how much was spent out of the \$200,000 replacement fund during the past three to five years, and what is outstanding on the list of projects, which will be helpful during the budget process. Regarding 4-inch sewer lines, Mr. Spell asked if there was any discussion about only maintaining 4-inch sewer lines when more than one resident is connected as opposed to a single connection. Mr. Mull stated that the District maintains individual lines that are under the street or shown on the SSES map. Mr. Spell clarified his question asking if there was any discussion with regard to maintaining 4-inch lines in public rights of way, and if so, is this contingent on serving more than a single property owner. Mr. Clarke stated that there was a discussion of maintaining 4-inch sewer lines in public road rights of way as of 7/1/99, but the Board might want to consider some clarification if it wants to require more than one connection.

Mr. Venable asked if old sewer lines considered to be a health hazard and in need of replacement fall within the private system rehab budget. Mr. Mull

Minutes

January 19, 2000

Page Four

stated that if a line is on private property the District cannot touch it. However, if a town or the County recommends replacement of a line because it's considered to be a health hazard and it meets several criteria for replacement and all paper work is done, the project will go on the list and be fixed temporarily until replaced with a public line. He further stated that the cost of replacement would come out of the O&M Budget. Mr. Sobol stated that if a problem is found to be in the 6-inch line instead

of the 4-inch line, the State will approve replacement with another 6-inch line. He further stated that the CIP Committee discussed the idea of replacing such lines before future problems in surrounding 4-inch lines occur. A lengthy discussion followed regarding what lines the District actually maintains.

j. Consideration of Amendment to Sewer Use Ordinance-Delegation of Sewer Permitting Authority:

Mr. Mull reported that the Declaration of Intent to Amend the Sewer Use Ordinance was sent out to the political subdivisions for comment. He stated that only a few minor comments were received and that the Board needs to approve the Resolution formally adopting the Amendment. He further reported that in order for the District to receive the \$3 million in grant funds, it must receive approval from the State on projects that are ready to be constructed. As a result, there has been a six-month delay in construction of these project.

k. Consideration of Bids for Dual-Wheel Truck:

Mr. Mull reported that since no bids were received, this item was pulled from the agenda.

a. Consideration of Bids for Odor Control:

Mr. Mull reported that because there is some confusion about the bids received, this item was pulled from the agenda.

Ms. Graham moved that the Board approve the Consolidated Motion Agenda as presented. Mr. Pace seconded the motion. Regarding Item i. (Policy on Maintenance of 4" Sewer Lines), Mr. Clarke stated that the second sentence of the policy should read as follows: "In accordance with the SEWER SERVICE POLICY MSD will maintain 4-inch sewer lines in public road rights of way serving more than one customer as of 7/1/99". Mr. Spell asked if there was any objection to pulling this item from the Consolidated Motion Agenda for further consideration of additions or deletions to the policy and requested that Mr. Clarke send a final draft of the policy to each Board Member. Following a brief discussion, Mr. Spell moved that the motion be amended, pulling item i. for further consideration. Ms. Field seconded the motion. The motion was approved by a show of hands.

With no further discussion, the Consolidated Motion Agenda was unanimously approved as amended. Roll call vote was as follows: 11 Ayes, 0 Nays.

1. **Committee Reports:**

Planning Committee

Mr. Aceto stated that further consideration of the Policy on Maintenance of 4-inch sewer lines is deferred to the next meeting of the Board.

Minutes

January 19, 2000

Page Five

He reported that the Committee considered the issue of private sewer rehabilitation/takeover of Lutheridge/Lutherock Ministries, Inc. (LLMI). He stated that the Committee's recommendation was that the District would acknowledge that a mistake was made by a prior staff member and that there did not appear to be present the criteria that would qualify this system for takeover. The Committee also considered whether it would be appropriate to invite LLMI to discuss this issue with the Board. He further stated that Mr. Mull suggested that another option would be to consider taking over the system if LLMI cleaned and TV inspected the system at its expense and then determine whether there was any significant problem before agreeing to take over the system. Mr. Mull stated that to date, the District has not received a response from LLMI.

Personnel Committee

Mr. Spell reported that the first item on the agenda was review of the Grievance Procedure. He presented a copy of revisions to the procedure and stated that the Committee recommends approval. He moved that the Board approve the Grievance Procedure as presented. Mr. Pace seconded the motion. Voice vote was unanimous in favor of the motion.

Mr. Blackburn stated that a Grievance Committee will be appointed and that Mr. Spell will serve as Chairman, with each Board Member serving on a rotational basis. Mr. Pace suggested that members of the Committee rotate on a quarterly basis.

At 3:26 p.m., Mr. Spell moved that the Board go into closed session to discuss the evaluation of the General Manager. Ms. Field seconded the motion. Voice vote was unanimous in favor of the motion.

At 4:17 p.m., the regular meeting was reconvened.

Mr. Blackburn asked that each Member consider what Committees they would be interested on serving on. He presented a copy of the Goals & Strategies that came out of the Board Retreat and asked that Members rate these in order of importance. He stated that one of the strategies was to create a "Partnership in the Community" Committee and requested that if anyone is interested in serving, please let him know.

2. Old Business:

Y2K Update Report:

Mr. Mull stated that the MIS Division considers any further Y2K analysis to be at a close.

3. New Business:

With regard to the Capital Improvement Program (CIP) Cash Flow Analysis, Mr. Blackburn stated that staff will redefine this report so the Board will know how much is available for construction, the amount spent, the amount obligated and the amount remaining. Mr. Mull noted that the CIP Status Report Summary in the back of the Board book lists all projects.

4. Informal Discussion and Public Comment:

Regarding the CIP Status Report Summary, Mr. Venable stated that Ivy Construction is in default on several projects. Mr. Mull stated that the bonding company has other contractors they will bring in to finish the work. Mr. Sobol

Minutes

January 19, 2000

Page Six

asked what the status is of payment to Ivy Construction. Mr. Mull stated that they are basically not overpaid, however there was some money owed when they went

under, which is being resolved with the bonding company. Ms. Field suggested that staff actively pursue payment and completion of these projects with the bonding company. Mr. Clarke stated that a meeting would be held this week.

5. Adjournment:

There being no further business, Mr. Pace moved for adjournment at 4:23 p.m. Mr. Aceto seconded the motion. Voice vote was unanimous in favor of the motion.

Jackie W. Bryson, Secretary/Treasurer