

# **BOARD OF THE METROPOLITAN SEWERAGE DISTRICT**

**FEBRUARY 16, 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, February 16, 2000. Chairman Blackburn presided with the following members present: Aceto, Bryson, Field, Gantt, Graham, Kelly, Spell and Venable. Mr. Pace was absent.

Others present were: W. H. Mull, General Manager, William Clarke, General Counsel, Gary McGill and Danny Bridges of McGill Associates, Bill Moore of Moore Associates, P.A., Jeff Haney of Terminix, Jim Fatland, Tom Hartye, Stan Boyd, John Kiviniemi, Art Mandler and Sondra Honeycutt, MSD.

## **2. Approval of Minutes of the January 19, 2000 Meeting:**

Mr. Spell moved that the minutes of the January 19, 2000 meeting be approved as presented. Ms. Graham seconded the motion. Voice vote was unanimous in favor of the motion.

## **3. Discussion and Adjustment of Agenda:**

None

## **4. Report of General Manager:**

### Consolidated Motion Agenda

#### **a. Consideration of Self-funded Employee Medical/Dental Program:**

Mr. Mull reported that because of a significant increase in paid claims, employees were notified of the need to increase the cost of dependent coverage by \$11.54 per pay period. This increase will bring in an additional \$30,000 during FY 00, and the District is being asked to contribute \$60,000. Also, Management and Staff will be reviewing the Self-funded Medical Program, the plan document and providers in the next budget year. He further reported that the Finance Committee recommends that the Board approve the Self-funded Medical Program, increasing the District contribution by \$60,000 and the employee contribution by \$30,000.

**b. Consideration of Bids for Grinder Pumps:**

Mr. Mull reported that the following bid for Bar Screen Grinders at Square "D" and Pearson Bridge was received February 15, 2000: Heyward Inc. with a total base bid of \$46,666.00 (\$28,760.00 Pearson Bridge and \$17,906.00 for Square "D"). He stated that because the District is not required to receive three (3) bids for this item, staff recommends that the Board award the bid to Heyward, Inc. in the amount of \$46,666.00, subject to legal review.

**c. Consideration of Bids for One-ton Truck:**

Mr. Mull reported that the following bids for a one-ton truck were received January 27, 2000: Buchanan & Young, Inc. with a total base bid of \$33,146.00; Matthews Ford with a total base bid of \$31,162.00, and Egolf Motors, Inc. with a total base bid of \$32,747.25. He further reported that staff recommends that the Board award the bid to Matthews Ford in the amount of \$31,162.00 as the lowest responsible bidder.

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**d. Consideration of Bids for Odor Control:**

Mr. Mull reported that Request for Proposals for Odor Control Services for the Treatment Plant and the Carrier Bridge Pump station were solicited. He further reported that the RFP included the purchase of chemical, option to purchase or lease equipment and all necessary services and technical support. The proposals are as follows: US Filter with a total base bid of \$124,140.00 for Option 1, and \$112,110.00 for Option 2; Vulcan with a total base bid of \$99,900.00 for Option 1, and \$87,900.00 for Option 2; C&C Chemical with a total base bid of \$141,545 for Option 1, and \$152,865.00 for Option 2, and US Peroxide with a total base bid of \$154,050 for Option 1, and \$92,850 for Option 2. He stated that staff recommends award of the contract to Vulcan Chemical Technologies in the amount of \$87,900 for Option 2, and apply \$2,000.00 to contingency for additional chemical or services needed during the summer months, bringing the total to \$89,900.00. Mr. Venable asked why the lease is for only one year, and what will happen after that time. Mr. Mull stated that

the District would continue to lease the equipment. Mr. Hartye stated that staff would re-evaluate the total contract prior to issuing a purchase order for FY00-01. He further stated that they are currently putting in at Carrier Bridge and Weaverville, which was identified in the Odor Control Study as being the source of most of the problem along Riverside Drive.

**e. Update on Owner Engineered Design Changes - London Road, AMP:**

Pulled from the Agenda.

**f. Consideration of Bids for Pilot Basin - Phase 2-A:**

Mr. Mull reported that Phase 2-A of the Pilot Basin Project entails the rehabilitation of approximately 2900 L.F. of 8" sewer in the public right of way by dig and replacement. He stated that the following bids for this project were received January 11, 2000: Hobson Construction Co. with a total base bid of \$391,875.00; Carolina Mountain Construction with a total base bid of \$412,206.00; T&K Utilities, Inc. with a total base bid of \$417,250.00 and Terry Brothers Construction with a total base bid of \$424,605.00. He further stated that staff recommends awarding the bid to Hobson Construction Company in the amount of \$391,875.00, pending legal review and approval. Mr. Spell asked how the bid of Hobson Construction compared with the Engineer's estimate. Mr. Bridges stated that the original estimate was approximately \$335,000.00 and that the difference is due to an increase in the quantity of select backfill for this project.

**g. Consideration of Bids for WWTP Maintenance Building:**

Pulled for further consideration.

**h. Consideration of Bids Remote Telemetry SCADA:**

Mr. Mull reported that the project will be re-bid on February 22 since only two bids were received.

**i. Consideration of Acceptance of Developer Constructed Sewer Systems - Roadhouse Grill, Burnside Phase III at Biltmore Park, East Ridge Subdivision and Braeside Section 5 at Biltmore Park:**

Mr. Mull reported that staff recommends acceptance of the developer constructed sewer systems and that all MSD requirements have been met.

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With no discussion, Mr. Spell moved that the Board approve the Consolidated Motion Agenda items a.b.c.d.f.h.i. Ms. Field seconded the motion. Roll call vote was follows: 10 Ayes; 0 Nays.

Regarding Item g. (Bids for new Maintenance Building), Mr. Sobol asked about the size of the building and the "R" value on the walls and ceiling. Mr. Moore of Moore Associates, P.A., stated that the wall insulation is well above code and the ceiling is R-30. He further stated that more insulation could be added, but because of the garage doors, there will be a loss of heat. Mr. Sobol stated that the Board should recognize its responsibility to the ratepayers by making this building as energy efficient as possible, thereby reducing the O&M Budget 30 years out. Mr. Mull stated that the insulation has been increased, but the garage doors will be open several times throughout a day. Mr. Sobol stated that he wants to make sure the District is utilizing new technology and designs to reduce the amount of money being spent for utilities. Ms. Field suggested that the Board approve the contract as is and ask Mr. Moore to have his engineers take another look at it's efficiency and do a change order if necessary. Ms. Graham moved that the Board accept staff's recommendation and award the contract to the following bidders for construction, with further investigation into the insulation issue:

General: SH-NO Construction & Realty \$578,150.00

(with Alternates G-1 & G-3)

Plumbing: Haynes Plumbing \$ 27,525.00

Mechanical/HVAC Bolton Corporation \$ 48,500.00

Electrical Ampla Apex, Inc. \$ 41,800.00

**TOTAL \$695,975.00**

Mr. Sobol seconded the motion. Following a brief discussion regarding the grading, roll call vote was as follows: 10 Ayes; 0 Nays.

**1. Analysis of Federal & State Grants on CIP & Sewer Rates:**

Mr. Mull reported that an Analysis of Federal & State Grants on CIP & Sewer Rates was discussed at length by the Finance Committee and it was decided to review this matter at a later date. Several questions were asked regarding the use of grant funds and when the District could expect to receive them. Mr. Mull stated that the \$2 million Federal appropriation is to be administered by the EPA in a 60/40-matching program, but at this time the requirements are not known. He further stated that the \$3 million State grant are bond funds that cannot be diverted elsewhere. These funds will be received through reimbursement as projects are completed. Mr. Spell asked when this matter would be discussed. Mr. Mull stated that the reason a meeting has not been scheduled is because of uncertainty as to when the District will receive the Federal Grant Funds and the District's revenue stream due to significant loss of revenue from industrial users. Mr. Spell asked if there was any direction from the Committee as to one of the five alternatives submitted for use of these funds. Mr. Kelly stated that since the District has not received the funds, the Committee felt there was no need to make a decision at this time, but the Committee would consider the issue at a later date.

**2. Consideration of Bids for Phase II CP&L Building Phone System:**

Mr. Mull reported that due to the consolidation of facilities, the District's five existing systems need to be replaced with one system capable of serving all, and will provide services currently paid to BellSouth on a monthly basis. He

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further reported that the following bids were received February 8, 2000: Mountain Communications with a total base bid of \$62,482.00; InterTelcom with a total base bid of \$67,164.65; K Com, Inc. with a total base bid of \$79,281.60; Southeastern Telecom with a total base bid of \$84,960.00 and Teleco, Inc. with a total base bid of \$86,757.00. He stated that staff recommends award of the bid to Mountain Communications in the amount of \$62,482.00. A discussion was held regarding proposals for the ISDN PRI local service with these systems and how the current system will be utilized. With no further discussion, Ms. Field moved that the Board approve the bid of Mountain Communications in the amount of \$62,482.00. Ms. Graham seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

**3. Consideration of Additional Professional Services - Pilot Basin:**

Mr. Mull presented a memorandum from McGill Associates, P.A. regarding a summary of the original scope of services, assumptions that were made, and additional service fees (\$68,730.00) resulting from changes to the scope as part of the Pilot Basin project. Mr. Sobol question why some 3,900 lineal feet of sewer line would not require rehabilitation. Mr. Bridges stated that as a result of line cleaning and video inspection, it was determined that these lines are in good shape and do not need rehabilitation. Mr. Hartye stated that although some lines in the Pilot Basin were found to be in good shape, a large majority of lines in phase II, will be dig and replace. However, as the project proceeds, trenchless technology can be used in those basins that are not as bad. With regard to the preparation of easement plats, Mr. Spell questioned the total number. Mr. Hartye confirmed that there are a total of fifty (50) plats and explained the rationale and procedure used in obtaining these easements. Following a brief discussion regarding the contingency, Ms. Bryson moved that the Board approve the recommendation of staff to increase the scope of services and design fee for McGill Associates in the amount of \$68,730.00 for the Pilot Basin Project. Ms. Field seconded the motion. Mr. Aceto asked how this fee compares with the original design estimate. Mr. Hartye stated that there is an increase of approximately 5.5%, which includes all of the design and 2/3 of the construction contract administration. With no further discussion, roll call vote was as follows: 10 Ayes; 0 Nays.

#### 4. **Committee Reports:**

##### **Right of Way Committee**

In the absence of Mr. Pace, Mr. Sobol reported that the Committee discussed at length various alignment changes on parcel 0619.14.23.7001, which include redesigning the lateral to cross the river at the location of the present aerial crossing. He further reported that staff will compare the costs of redesign with preparation for court and Mr. Mull is to decide whether to redesign or proceed with condemnation.

##### **Construction Committee**

Mr. Venable reported that the Committee met February 3, 2000 to consider a Change Order for the Tile Roof on the Consolidated Office Facility. Ms. Field reviewed the difference in costs of the various components of the tile roof approved by the Board October 20, 1999 and those approved by the Construction Committee. A lengthy discussion followed regarding the cost of contract administration; the length of the contract; the difference in the cost of a metal roof vs. a tile roof and weather grant funds are available for this project. With no further discussion, Ms. Field moved that the Board approve the Change

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Order in the amount of \$175,948.00 and an increase in construction contract administration not to exceed \$20,000. Mr. Venable seconded the motion. Roll call vote was as follows: 8 Ayes; 2 Nays (Ms. Graham and Mr. Sobol). A brief discussion followed regarding the availability of other grant funds for this project.

Mr. Mull reported that following a discussion on windows for the new facility, the Committee recommended that he sign a change order for installation of up to 18 operational windows, not to exceed \$14,000.00, with the windows to be placed at the direction of the Architect. Mr. Sobol stated that the District contracted with a company out of Greenville, South Carolina to do a Feasibility HVAC Alternative Study on the recommendation of the Architect. He further stated that in his opinion the study does not give consideration to a super insulated structure. As a result, he feels the District is being remiss to the ratepayers in doing its very best to reduce the size of the system and operational costs. Ms. Field suggested that the Architects invite the Engineers who did the study to address the Construction Committee regarding this issue.

### **Personnel Committee**

Mr. Spell reported that the Committee reviewed several proposed organizational changes. He stated that the primary changes include moving Human Resources under the General Manager, combining MIS/GIS personnel within the MIS Internal Service Fund, with those employees reporting to the Deputy General Manager of Operations, and (eliminating the Building Trades Internal Service Fund by having them under the Treatment Plant Budget). With no discussion, Mr. Spell moved that the Board approve the recommendation of the Personnel Committee to accept the organizational changes as presented. Ms. Field seconded the motion. Voice vote was unanimous in favor of the motion.

In other business, Mr. Spell reported that the Committee considered the General Manager's Contract.

### **Finance Committee**

Mr. Kelly reported that the Finance Committee met February 15 to discuss several issues previously considered, but primarily, the Board needs to adopt the recommended Budget Calendar. He further stated that Mr. Fatland would present figures on sewer rates at the April 26 meeting of the Committee. With no discussion, Ms. Graham moved that the Board adopt the Budget Calendar as recommended by the Finance Committee. Ms. Bryson seconded the motion. Voice vote was unanimous in favor of the motion.

## 5. Old Business:

### a. **Consideration of Re-stated Policy on Maintenance of 4-Inch Sewer Lines:**

Mr. Clarke reported that at the request of the Board he revised the Policy on Maintenance of 4-Inch Sewer Lines and distributed a copy to each Member, but received no comment. Mr. Blackburn asked if there was any comment regarding the policy. Mr. Venable reported that he recently attended a meeting of the Weaverville Town Council where property owners were present to report on sewer problem, which they felt was the responsibility of MSD to correct. However, since the meeting, Mr. Mull informed him that those owners involved, have signed the necessary paper work and paid fees in order to be placed on the District's list for replacement. Mr. Venable asked if the procedure for being placed on the list is covered in this Policy. Mr. Clarke stated that the procedure is not in this Policy. Mr. Mull stated that the District

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would do emergency maintenance on the line in Weaverville and place it on the list for replacement at a later date. Mr. Hartye stated that the Policy says "the District will continue its Private Sewer Rehabilitation Program as set out in the Consolidation Agreements and reconsider the current funding level for the Private Sewer Rehabilitation Program". A discussion followed regarding the size and type of lines covered by this policy and any further revisions that need to be made to the Policy.

As requested by Mr. Spell, Mr. Mull presented a list of Private Sewer Rehab Projects and Inquiries. Mr. Sobol questioned the estimated cost of the Patton Mountain project and whether the District is committed to the homeowners, or to just take care of the problem. Mr. Clarke stated that the District's obligation is to the various municipalities, with whom it signed agreements, but that any obligation of the District, is subject to available funds. Mr. Mull stated that a presentation is scheduled for the next meeting of the Planning Committee to review this particular project. Following a brief discussion, Mr. Aceto moved that the Board adopt the Re-stated Policy on Maintenance of 4-Inch Sewer Lines. Ms. Graham seconded the motion. Voice vote was unanimous in favor of the motion.



Mr. Venable stated that the Weaverville Town Council seems to have a problem with the way MSD interprets private sewer systems and thinks that perhaps the MSD is not living up to the Consolidation Agreement. Ms. Field suggested that the District initiate some public relations so municipalities understand how and why the District interprets its policy the way it does.

**b. Tabulation of Goals & Strategies from the Planning Retreat:**

Mr. Blackburn presented the tabulation of Goals and Strategies from the Planning Retreat for review. Ms. Field stated that she found it difficult to rank, since several of the Goals were equally number one and should have been combined.

**c. Committee Structure:**

Mr. Blackburn went over the various Committees and made the following appointments: Mr. Aceto to the By-laws Committee; Mr. Gantt and Ms. Field to the CIP Committee; Mr. Spell to the Construction Committee, and Ms. Field, Mr. Sobol, Mr. Venable, Mr. Aceto and Mr. Gantt to the Partnership in the Community Committee. A discussion was held regarding scheduled meeting times.

**1. New Business:**

Mr. Spell questioned the status of permit delegation. Mr. Clarke stated that permit delegation should be approved at the March Environmental Management Commission meeting. Mr. Spell further asked if it is necessary for the Board to consider acceptance of developer constructed sewer systems. Mr. Clarke stated that the District's Bond Order requires it to formally accept developer constructed sewer systems.

**Presentation of Board Meeting Web Page:**

Mr. Mandler gave a slide presentation on the proposed use of laptops via the internet for meetings of the Board. He addressed the technical aspect of the proposal, the cost estimate, how information can be exchanged and the advantages and disadvantages of the system. Following a brief discussion Mr.

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Spell moved that the Board direct staff to write a proposal to be presented to the Finance Committee. Mr. Sobol seconded the motion. Voice vote was unanimous in favor of the motion. As a matter of information, Mr. Mandler introduced the District's internet web site and demonstrated its contents.

#### **11. Informal Discussion and Public Comment:**

Mr. Blackburn recognized Mr. Jeff Haney of Terminix. Mr. Haney stated that his company has twenty (20) trucks using 100 gallons of water a day and being charged for sewer treatment based on water consumption. He requested that he be educated on what he can do to reduce this cost. Mr. Blackburn suggested that Mr. Haney talk directly to Mr. Mull regarding this issue.

At 4:35 p.m., Mr. Sobol moved that the Board go into closed session to discuss the General Manager's contract. Ms. Graham seconded the motion.

At 4:45 p.m., the regular meeting was reconvened.

#### **12. Adjournment:**

With no further business, the meeting adjourned at 4:46 p.m.

Jackie W. Bryson, Secretary/Treasurer