

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

JULY 18, 2001

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, July 18, 2001. Chairman Blackburn presided with the following members present: Aceto, Bryson, Field, Graham, Gantt, Pace, Sobol and Venable. Absent were: Ball and Kelly.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill and Danny Bridges of McGill Associates, Paul Caldwell and Van Gerald of Sassafras Valley, LLC, Ann LeMieux, John Kiviniemi, Jim Fatland, Stan Boyd, Ed Bradford, John Fields, Ricky Bates, Shaun Meadows and Sondra Honeycutt, MSD.

Mr. Blackburn presented Certificates of Commendation on behalf of the Board of Directors to Ricky Bates and Shaun Meadows for heroic actions during a recent flood situation.

2. Approval of Minutes of the June 13, 2001 Meeting:

Mr. Aceto moved that the Board approve the minutes of the June 13, 2001 meeting as presented. Mr. Pace seconded the motion. Voice vote was unanimous in favor of the motion.

3. Discussion and Adjustment of Agenda:

None

4. Informal Discussion and Public Comment:

None

5. Election of Officers:

Chairman

Ms. Bryson nominated Mr. Blackburn as Chairman. Mr. Sobol seconded the nomination. There being no other nominations, Mr. Blackburn called for a vote. Voice vote in favor of Mr. Blackburn was unanimous.

Vice Chairman

Mr. Aceto nominated Mr. Sobol as Vice Chairman. Ms. Graham seconded the motion. There being no other nominations, Mr. Blackburn called for a vote. Voice vote in favor of Mr. Sobol was unanimous.

Secretary/Treasurer

Mr. Blackburn appointed Ms. Bryson to serve as Secretary/Treasurer. By a show of hands the appointment was unanimously approved.

6. Report of General Manager:

Mr. Hartye presented information regarding the upcoming Master Plan Workshop, Staff membership in Committees and Organizations, Enka Village Petition, Commendation for Heroic Actions and Press.

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Mr. Hartye reported a 2-hour Master Plan workshop is scheduled for September 19th prior to the 2:00 Board meeting. He stated the first workshop would be a presentation format followed by a second workshop that would get into more detail. Mr. Sobol requested that information be made available to the Board prior to the workshop

Regarding the Enka Village Petition, Mr. Hartye reported that System Services personnel have inspected the majority of lines involved, which were found to be in good shape. He further reported that upon completion of smoke testing, a recommendation would be made at the next Board meeting. A discussion was held regarding the process for inclusion of an area into the District following the Board's approval to proceed.

In other business, Mr. Hartye reported he was notified the District would not receive the \$2 million State Grant applied for. As a result, projects previously committed to these funds will go out for bid during the next couple of months and be included in the bond issue this fall. Mr. Venable asked why the District did not receive the funds. Mr. McGill stated there were two reasons. First, the bar was

raised across the State for certain projects and the District missed the cut-off by 17 points. Also, there was a lot of political interest in the last round of funding.

Mr. Hartye reported that in a continuing effort to be more efficient, three (3) Building Trades positions would be cut back and personnel would hopefully be shifted to other divisions during the next twelve (12) months. He stated these employees have been notified and offered cross training for placement in other positions within the MSD.

Mr. Hartye announced the company picnic scheduled for August 3, 2001 from 11:00 AM. to 4:30 PM at the Maintenance Facility.

7. Report of Committee Chairs:

With no Committee reports, Mr. Blackburn reviewed the membership of each Committee and appointed Mr. Sobol to Chair the Construction Committee. All other Committees will remain the same.

8. Consolidated Motion Agenda:

a. Consideration of Bids for Lowes/NCDOT Reimbursement Project:

Mr. Hartye reported the following bids for the Lowes/NCDOT Reimbursement Project were opened on July 6, 2001: Bryant Electric with a total base bid of \$82,680.00; Terry Brothers Construction with a total base bid of \$51,890.00 and Tennoca Construction Company with a total base bid of \$37,586.50. He stated the NCDOT would reimburse the District for the design, rights-of-way and construction costs of the project. He further stated that staff recommends award of the contract to Tennoca Construction Company in the amount of \$37,586.50, contingent upon approval by District Counsel and upon final approval of reimbursement amounts by the NCDOT.

b. Consideration of Acceptance of Developer Constructed Sewer Systems: Brookhaven Village, Town Center, Phase II, Laurelwood Mobile Home Park, Olmsted, Phase II, Mountain Vista Estates and Water's Edge Condominums:

Staff recommends acceptance of the developer constructed sewer systems and all MSD requirements have been met.

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c. Consideration of Cost Participation in Sewer Rehabilitation Projects:

Jeff Kocha Project:

Mr. Hartye reported the project is a developer install, which includes relocating 433 linear feet of existing 6-inch sewer line on the site to accommodate two duplex apartment buildings. He stated MSD's participation is 25% of the construction costs in an amount not to exceed \$4,795.35.

Sassafras Valley Subdivision:

Mr. Hartye reported the project is a developer install, which includes rehabilitation of approximately 2,147 linear feet of sewer line to accommodate a 250-unit subdivision. He stated MSD's participation is 50% of the construction cost in an amount not to exceed \$80,025.00.

Mr. Venable asked for a clarification on the following statement, "The developer has been advised that if their estimate is used, this matter will only be presented to the MSD Board one time and no future consideration will be given for additional cost participation if actual expenses exceed the estimate." Mr. Hartye explained that this language was added because the developer's estimate was considerably lower than MSD's.

Mr. Blackburn introduced Mr. Caldwell and Mr. Gerald of Sassafras Valley. Mr. Gerald reported the project includes the replacement of an existing line that has been in place for 40 years and currently serves 25 residents. He stated the line is an old terracotta line that is leaking and is substandard. The line will be replaced from the entrance of the 4-H Camp up to the new development. Mr. Aceto asked Mr. Gerald if he thought the Cost Participation Policy was fair. Mr. Gerald stated the policy is advantageous to those residents currently on the line, but not to Sassafras Valley, until such time it sells a house or piece of property. Mr. Sobol asked how much of the line is public. Mr. Gerald stated that it is all public line.

Mr. Sobol questioned the District's estimates for some of these projects. Mr. Hartye stated the estimate for Lowes/NCDOT Sewer Relocation project was based on prices the District received last year prior to the Budget being established. He further stated the

District would be remiss if it did not base its estimates on what the market was doing at that time, not knowing what it would do in a year. Mr. Bradford stated he thinks mobilization plays a large part in the cost of the project, the job is an easy one, and Tennoca hopes to do the bridge replacement work as well. He further stated he was concerned about the reducing the costs of the project for fear the District would realize last year's prices, which would put the estimated cost under the bid price.

With regard to Sasfras Valley, Mr. Gerald stated that part of the cost reduction was due to the procurement of a right of way to take the project out to the highway, simplifying it greatly. Mr. Hartye explained the District participates in the cost of a project based on the existing condition and length of the line.

Ms. Field asked if there are any statutory requirements or best practices that say the District must use estimates from the previous year. She stated this is a statutory requirement with the City and it must budget based on the previous year's numbers plus cost of living increases. Mr. Hartye stated there is no statutory requirement, but this is the District's standard practice.

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Reynolds Mountain Development

Mr. Hartye reported the Reynolds Mountain Development involves upgrading approximately 80 feet of 6" sewer line at an estimated cost of \$22,440.00. He stated that since the District is doing the construction, the developer would provide 50% of the funds (11,220.00) up front and is subject to 50% participation in any additional expenses incurred at time of construction.

a. **Consideration of Acceptance of Sewer System Constructed by the City of Asheville: West Annexation Phase III Contract B:**

Mr. Hartye reported the project includes installation of approximately 4,791 linear feet of 8" sanitary sewer pipe at a total project cost of \$334,545.89. He further reported as per the Consolidation Agreement, MSD must reimburse the City 35% (\$117,091.06) of the total project cost,

which will be paid to the City of Asheville after the project is complete and all MSD requirements have been met and accepted for ownership and maintenance.

Regarding the 35% project cost participation, Mr. Sobol stated at one time, the Board voted to tie the City of Black Mountain and the City of Asheville projects into a certain figure if they wanted to switch projects based upon 1/3 of the cost at the time of construction. Mr. Clarke stated when Consolidation began, the MSD agreed to pay 35% of the actual cost at the time of construction of certain annexation projects.

b. Consideration of Bids for Restoration of Streets and Highway Right-of-Way following Maintenance performed by the District - 2 Year Contract:

Mr. Hartye reported that since only one (1) bid was received, the contract would be re-advertised and presented at the next meeting of the Board.

c. Consideration of Bids for Three (3) Cab & Chassis Trucks:

Mr. Hartye reported that three bids were received, but two bids did not meet specifications, therefore, the trucks will be re-advertised and the results presented at the next meeting of the Board.

d. Cash Commitment/Investment Report for Period Ended 5/31/01:

Presented as information only.

Regarding the upcoming Bond Issue, Mr. Hartye stated that bids must be in-hand before going to bond and staff is currently waiting to receive bids for the Grant projects and the last section of the North Swannanoa Interceptor Sewer project.

With no further discussion, Ms. Graham moved that the Board approve the Consolidated Motion Agenda as presented. Mr. Pace seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

9. Old Business:

Mr. Sobol asked for an update on the Alkaline Stabilization Facility. Mr. Hartye stated the facility is used once a year for about one-month while the Thermal Converter (TC) is down for maintenance or during emergency situations. Mr. Sobol asked when further discussion on this facility could be held. Mr.

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Hartye stated this issue could be discussed at upcoming Master Plan meetings. Mr. Sobol asked when discussions on pump stations would be held. Mr. Hartye stated this issue would be discussed at the Planning Committee in August.

10. New Business:

Mr. Blackburn announced that a six-month review of the General Manager would be held in the next couple of weeks.

Regarding truck bids, Mr. Sobol questioned whether purchases of smaller trucks have been considered in an effort to cut expenses. Ms. LeMieux stated that staff has looked at smaller vehicles, but found they have limited use, and the diesel trucks, which the District has used exclusively for the past 10 years, saves money on fuel and the resale value is higher. Mr. Hartye stated that the vacuum trucks have been downsized significantly. Mr. Pace expressed his appreciation to staff for consideration of all the various cost saving aspects when purchasing vehicles.

Mr. Venable questioned the statement that two (2) of the vehicles are for the new System Services crew. Ms. LeMieux stated that these trucks will be used by some of the grounds crew that were transferred from the Treatment Plant to System Services.

11. Adjournment:

With no further business, Mr. Pace moved for adjournment at 2:50 p.m. Ms. Field seconded the motion. Voice vote was unanimous in favor of the motion.

Jackie W. Bryson, Secretary/Treasurer