

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

SEPTEMBER 19, 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, September 19, 2001. Chairman Blackburn presided with the following members present: Aceto, Ball, Bryson, Field, Gantt, Graham, Kelly Pace, Sobol and Venable.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill and Danny Bridges of McGill Associates, Richard Tsang and Wayne Miles of Camp Dresser & McKee, Ann Lemieux, John Kiviniemi, Jim Fatland, Stan Boyd, Ed Bradford, Mike Butler, Peter Weed, Sharon Walk and Sondra Honeycutt.

2. Approval of Minutes of the August 15, 2001 Meeting:

Ms. Graham moved that the Minutes of the August 15, 2001 meeting be approved as presented. Mr. Kelly 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. Report of General Manager:

Mr. Hartye presented information regarding the Master Plan Workshops, Capital Facilities and Tap Fees, Publications, Bond Issue, Good Correspondence and Planning Committee.

Mr. Hartye presented a 10-year Summary of Facility & Tap Fees and reported over \$1 million was collected last year without an increase in fees. He stated projections for last year were \$730,000. Ms. Field asked why collections were up. Mr. Hartye stated most of the increase is due to average size residential customers hooking onto the system.

Regarding publications, Mr. Hartye reported 35,000 copies of the District's Community Resource Guide were distributed by the Asheville Citizen Times on August 25th. He expressed his appreciation to Peter Weed and the Division Directors for their work on this project.

Regarding the Bond Issue, Mr. Hartye reported a conference call was held September 18th with Peter Michele, the District's Bond Attorney, whose firm's offices were located in the World Trade Center. Mr. Michele indicated that no one from his firm was injured. The firm has relocated and is planning to stay with the original bond schedule. However, it has not been determined if the Insurance and Rating Agencies are on schedule, since they were severely impacted by this event. He stated if the schedule stands, the closing would be held in December. Mr. Venable asked what the worst case scenario would be if there is no closing in December. Mr. Hartye stated the District would be fine through June of next year, and if necessary, the schedule for issuance can be adjusted.

With regard to Good Correspondence, he presented a summary of a telephone call received from former Congressman Bill Hendon complimenting

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the efforts of Jason Capizzi and Jason Norton from System Services while working on a sewer problem at his home.

Mr. Hartye announced the next Planning Committee meeting is scheduled for September 25th at noon to consider Pace Lab's Proposal and the Extension/Cost Recovery Policy.

6. Report of Committee Chairs:

Right of Way Committee

Mr. Pace reported the Right of Way Committee met August 22, 2001 and approved proceeding to construct without condemnation for parcels on Clingman Avenue. The owners of the parcels in question could not be determined, and the parcels were relatively small. Once construction proceeds, if the owners come forward, the District can proceed with condemnation. The Committee also

reviewed the proposed compensation budget for Depot Street emergency rehabilitation.

Planning Committee

Mr. Aceto reported the Planning Committee met August 29, 2001 to consider whether to allow developers to construct and convey to the District pump stations using single phase power. He stated that based on a previous determination that any pump station constructed would be under the District's operational control, the engineers were asked to do a cost benefit analysis to see whether it was feasible to allow single-phase pump stations. After hearing the engineer's cost benefit analysis, the Committee decided to make no change in the District's current policy on pump stations which does not allow construction of new pump stations using single phase power.

Mr. Aceto further reported the Committee considered the issue of MSD assuming responsibility for sewer lines which were publicly owned and maintained prior to sewer consolidation, but which were not shown on the SSES Maps. He stated the Committee recommends MSD adopt a policy wherein MSD would take over sewer lines publicly owned and maintained by the District's constituent political subdivisions prior to Consolidation but not shown on the SSES Maps. The policy would require the political subdivisions to identify the lines and provide evidence of ownership and operation and maintenance and access to the lines. In addition, the political subdivisions would be required to notify landowners over or under whose properties these lines pass that MSD is the owner of the lines.

Mr. Sobol stated the policy on pump station standards has put some developers at a disadvantage when dealing with difficult parcels of land and is amazed developers are not allowed to build single-phase pump stations when the District still maintains a single-phase pump station within it's system. He further stated in looking at the standards, redundancy is a requirement and the District has four (4) pump stations on the system that have no redundancy. Also, when he asked prior to Y2K, if there were back-up systems at all pump stations, the answer was yes, which he confirmed to the citizens of Black Mountain. Mr. Hartye stated that all but four pump stations have stationary back-up on site. Regarding the other four stations, two portable generators were purchased prior to Y2K, one to handle two stations located in south Asheville and one to handle two stations in north Asheville, which was done because these stations could not support stationary generators. Mr. Pace asked if the District acquired the single-phase

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pump station prior to approval of a three-phase standard. Mr. Hartye stated it was acquired at the time of Consolidation. He further stated the District's policy is to eliminate pump stations and developers should be installing gravity sewers instead of pump stations where feasible. Mr. Venable noted the statement in the Planning Committee minutes that say "the O&M Costs of a one-phase pump station could exceed that of a three-phase station by \$35,000". He stated this statement seems to confirm if the District allows single-phase vs. three-phase, it would save developers money, but in the long run, the District would pay to keep them running.

7. Consolidated Motion Agenda:

Ms. Ball requested the Chairman excuse her from voting on item d. (Acceptance of Annexation Sewer from the City of Asheville) of the Consolidated Motion Agenda. Chairman Blackburn approved her request.

a. Consideration of Construction Without an Easement or Condemnation - Clingman Avenue:

The Right of Way Committee recommends proceeding with construction without an easement or condemnation action at this time. If owners or heirs do come forth, staff will negotiate or condemn if necessary for taking at that time.

b. Consideration of Compensation Budget - Depot Street Emergency Rehabilitation:

The Right of Way Committee recommends approval of the Compensation Budget.

c. Consideration of Acceptance of Developer Constructed Sewer Systems - Crowell Farms and Skyland Distributors:

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

d. Consideration of Acceptance of Annexation Sewers from the City of Asheville:

1. East Oakview (Brevard Road Annexation)

Staff recommends acceptance of City constructed sewer system and reimbursement of \$15,359.34 to the City of Asheville.

2. West Asheville Phase 1 (Enka Annexation)

Staff recommends acceptance of City constructed sewer system and reimbursement of \$363,385.73 to the City of Asheville.

a. Consideration of Bids - Riverside Cemetery, Harnett Street, Vernell Street and Pearson Drive:

The following bids for the above miscellaneous sewer rehabilitation projects were received August 23, 2001: Cooper Construction Company with a total base bid of \$1,042,639.80; T&K Utilities, Inc. with a total base bid of \$852,084.00; Hobson Construction Company with a total base bid of

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\$837,755.00; Terry Brothers Construction Company with a total base bid of \$817,049.00 and Buckeye Construction Company with a total base bid of \$810,640.00. Staff recommends award of the contract to Buckeye Construction Company, Inc. in the amount of \$810,640.00, contingent upon review by District Counsel.

b. Consideration of Bids - London Road Pilot Basin Phase 2B & Middlebrook Road:

The following bids for the above projects were received September 6, 2001: R&R Utilities, Inc. with a total base bid of \$996,300.00; Buckeye Construction Company with a total base bid of \$966,644.33; Portland Utilities, Inc. with a total base bid of \$966,416.10; Hobson Construction Company with a total base bid of \$785,340.00 and Terry Brothers Construction Company with a total base bid of \$738,889.00. Staff recommends award of the contract to Terry Brothers Construction Company in the amount of \$738,889.00, contingent upon review of District Counsel.

c. Cash Commitment/Investment Report - Month Ended July 31, 2001:

Presented as information only.

With no discussion, Mr. Pace moved that the Consolidated Motion Agenda be approved as presented. Ms. Graham seconded the motion. Roll call vote was as follows: 11 Ayes; 0 Nays - except on item 6d. for which the vote was 10 Ayes; 0 Nays.

3. **SSES Maps and Consolidation:**

Mr. Hartye presented a policy drafted by Mr. Clarke, on publicly maintained sewer lines not identified on SSES Maps at the time of sewer consolidation. He asked for the Board's concurrence to bring it to the CIP Committee prior to its adoption. As an example, Mr. Hartye presented a map showing the difference in a line in Weaverville that was not on the SSES Maps, was a 4" line and is considered by MSD to be private, compared to a 4" service line in Black Mountain that serves more than one resident.

Mr. Hartye addressed the terms and conditions of the Policy and stated the Planning Committee recommends acceptance of Staff's recommendation, based on financial ability and with a provision to allow the General Manager's discretion in accordance with the policy. Mr. Pace asked if the Political Subdivisions would be responsible for obtaining rights-of-way under/over sewer lines. Mr. Clarke stated the District's obligations under the Policy is subject to available funding and subject to physical and legal access. He further stated the Policy says the Political Subdivision would do everything including possibly using their right of eminent domain. Mr. Aceto moved to approve the recommendation of the Planning Committee. Mr. Sobol seconded the motion. Ms. Ball suggested that Item 3., line two of the terms and conditions be changed to read "In addition, the Political Subdivision (s) shall provide a history of public ownership **(if available)** etc." Also, that the first sentence of Item 5. be changed to read "The property owner(s) shall be advised, in writing **by the Political Subdivision(s)** as to the approximate location of the sewer line(s)." Mr. Aceto suggested that these recommendations for change and others be brought to the CIP Committee. Mr. Venable asked several questions regarding how similar situations, like the one in Weaverville would be handled, whether 4" lines are a problem and if those residents who have already paid a connection would be reimbursed. Mr. Hartye stated the District would take over a line, do the necessary point repair, and add it

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to the other 825 miles of lines for repair. Regarding 4" lines, Mr. Hartye stated these lines are a problem, but it's not a requirement to immediately replace a 4"

line with an 8" line & manholes until a full contract is underway and that the issue of reimbursement would be addressed based on the final outcome of the policy. Mr. Blackburn called for the question. Ms. Ball asked that the policy be approved with the recommended changes. With no further discussion, roll call vote was as follows: 11 Ayes; 0 Nays.

4. Discussion of Master Plan Issues:

Deferred until after the regular meeting.

5. Old Business:

None

6. New Business:

At 2:44 p.m., Mr. Sobol moved that the Board go into Closed Session to discuss pending litigation. Mr. Pace seconded the motion. Voice vote was unanimous in favor of the motion.

At 2:54 the Board moved into regular session.

7. Adjournment:

At 2:55 p.m. Mr. Venable moved for adjournment. Mr. Pace seconded the motion. Voice vote was unanimous in favor of the motion.

Jackie W. Bryson, Secretary/Treasurer