

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

JANUARY 16, 2002

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00 p.m., Wednesday, January 16, 2002. Chairman Blackburn presided with the following members present: Aceto, Ball, Bryson, Field, Graham, Kelly, Pace, Sobol and Venable. Mr. Gantt was absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill and Danny Bridges of McGill Associates, Councilwoman Holly Jones, MSD Board liaison, John Kiviniemi, Jim Fatland, Ann LeMieux, Roger Watson, Stan Boyd, Bill Conner, Ken Stines, Peter Weed and Sondra Honeycutt.

2. Approval of Minutes of December 19, 2001 Meeting:

Mr. Kelly moved that the Minutes of the December 19, 2001 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:

Mr. Hartye announced that Bill Conner would make a presentation on pipe bursting following the meeting.

4. Information Discussion and Public Comment:

Mr. Blackburn welcomed Councilwoman Holly Jones, appointed by City Council as liaison to the MSD Board.

5. Report of General Manager:

Mr. Hartye presented information regarding the Board Retreat, Press, Kenilworth Lake Project, Dam at Lagoon, List of 2001 Accomplishments and Swannanoa, Interceptor.

Mr. Hartye reported the Board Retreat is scheduled for February 16th at the Arboretum and that he would present a preliminary list of new goals and objectives for this year to be discussed.

Regarding the Kenilworth Lake Project, Mr. Hartye presented a copy of slides that were given in a presentation at the Public Meeting on December 18th. He also presented a map of the Ross Creek Basin, which includes the Kenilworth Lake sewer line, the Upper Ross Creek Lining, the Lower Ross Creek Interceptor and the Upper Ross Creek Interceptor. He reported that since the spill of August 29th, MSD cleaned 98% of the entire basin; did water quality testing of the lake; notified property owners of the survey and map; initiated weekly line inspections, and corresponded with property owners regarding critical access areas on the lower portion of the basin. He further reported

MSD developed Standard Operating Procedures for spills to impoundments including extensive testing and direct notification (newspaper, signage, doorhangers, etc.) and bumped these projects up to top priority in the CIP. Also, staff has been evaluating other lakes in the area to insure everything is okay. Mr. Aceto asked if the District is assigning priorities to protect lakes and whether these priorities were in place prior to the spill. Mr. Hartye explained that priorities are based on the structural condition of pipes, the amount of work orders, and whether there was a major sewer system overflow. Ms. Ball asked if reprioritizing the Ross Creek project had anything to do with Ross Creek being on the State's list of streams with impairments.

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Mr. Hartye stated no because the stream is not considered impaired for fecal coliform, but for sediment and other pollutants from runoff.

Regarding the dam at the lagoon, Mr. Hartye reported repairs are progressing well and near completion.

Mr. Hartye reported a pre-construction conference on the last phase of the Swannanoa Interceptor Project, followed by a Public Meeting at Charles D. Owen Middle School was held January 15th.

Regarding the Upper and Lower Ross Creek projects, Mr. Venable asked how staff determines the need to use Dig and Replace. Mr. Hartye stated this method is mainly determined by the structural

condition of the pipe. If there are significant structural defects, then dig and replace is required. Currently the majority of the pipes being rehabilitated have structural defects, but it's hopeful the lining method will be used more frequently in the future.

6. Report of Committee Chairs:

Finance Committee

Mr. Kelly reported the Finance Committee met January 14, 2002 to discuss the purchase of financial software. He stated the Committee recommends the Board adopt staff's recommendation to purchase the financial software, licenses and training for \$131,096.00.

Regarding the Budget Calendar, Mr. Kelly stated that paragraph two (2) should read "Chairman Kelly requested that all Finance Committee members review their calendars and notify the Finance Committee Secretary, no later than Friday, January 18th, on their availability for a meeting on February 18th".

7. Consolidated Motion Agenda:

a. Consideration of Bids for General Sewer Rehabilitation Projects: Glenn Bridge Road.

Mr. Hartye reported the following bids for the Glenn Bridge Road project were opened January 8, 2002: Buckeye Construction Company with a bid of \$287,075.75; Wolfpen Associates with a bid of \$313,793.20; Tennoca Construction with a bid of \$323,025.00; Hobson Construction with a bid of \$371,020.00; Huntley Construction with a bid of \$379,575.00; Terry Brothers Construction with a bid of \$411,675.00; T&K Utilities, Inc. with a bid of \$414,725.00; Thomas Construction with a bid of \$440,483.28; Ramey, Inc. with a bid of \$476,440.00; Ray Smith Construction with a bid of \$629,290.00 and Beers Skanska, Inc. with a bid of \$925,530.00. He further reported staff recommends award of this contract to Buckeye Construction Company, Inc. in the amount of \$287,075.75, contingent upon review by District Counsel.

b. Consideration of Bids for General Sewer Rehabilitation Project: Swannanoa River Road.

Mr. Hartye reported the following bids for the Swannanoa River Road project were opened January 3, 2002: Buckeye Construction with a bid of \$419,808.60; Huntley Construction with a bid of \$368,760.00; Tennaco Construction with a bid of \$330,792.00; Hobson Construction with a bid of

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\$329,279.00; T&K Utilities, Inc. with a bid of \$299,947.00 and Terry Brothers Construction with a bid of \$293,669.00. He further reported staff

recommends award of this contract to Terry Brothers Construction Company, Inc. in the amount of \$293,669.00.

c. Consideration of Informal Bids for Emergency Pipe Bursting: Merrimon Avenue at I-240.

Mr. Hartye reported a quote for emergency repairs to the Merrimon Avenue sewer line at the I-240 ramp was submitted by Midsouth Trenchless, Inc. on January 4, 2002 in the amount of \$99,961.60. Three other firms were invited to submit informal bids. Miller Pipeline Corp. asked to be excused because they felt the scope of the project was not suitable to their particular style of trenchless construction; Fontenn Construction, Inc. submitted a quote in the amount of \$119,750.00 and Eastern Utilities Specialties, Inc. did not submit a quote. He further reported staff recommends award of this contract to MidSouth Trenchless, Inc. in the amount of \$99,960.00.

d. Consideration of Financial Management Software:

Mr. Hartye reported the Finance Committee recommends the Board adopt staff's recommendation to purchase the financial software, licenses and training in the amount of \$131,096.

e. Consideration of Acceptance of Developer Constructed Sewer System: Ridgefield Business Center.

Mr. Hartye reported staff recommends acceptance of developer constructed sewer system. All MSD requirements have been met.

f. Consideration of Change of Threshold for Affordable Housing in the City of Asheville.

Mr. Hartye reported the City of Asheville is looking to change the threshold for affordable housing from \$100,000 to \$120,000. The District has a special rate for affordable housing, which would amount to less than \$1,000 differential for the District per year. He further reported that staff recommends the District continue to allow the various political subdivisions set the criteria for affordable housing with no objection to the City's proposed change.

g. Annual Meeting Dates.

Presented as information only.

h. Cash Commitment/Investment Report for Period Ended 11/30/01.

Pulled for further discussion

Mr. Kelly moved that the Board approve items a. through g. as presented. Mr. Aceto seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

Regarding item h., Mr. Aceto asked the significance of the unencumbered balance. Mr. Fatland stated the unencumbered balance means all funds the District has not obligated itself to spend. The number will be positive when the District receives proceeds from the 2001 Bond Issue. Mr. Hartye stated that \$6.9 million of the bond proceeds will be received by the end of January as

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reimbursement for bond project work already completed. This will bring the "unrestricted cash" number back into the positive. The balance of the bond proceeds will remain with the Bank of New York Trustee until the District completes projects and is reimbursed. Mr. Sobol asked about the status of the \$2 million State Grant. Mr. Hartye stated that Bill Conner has gone through the process with the EPA, and as the District progresses through the last phase of the Swannanoa Interceptor, application for reimbursement will be made.

8. Old Business:

Regarding affordable housing, Mr. Pace asked if the condition of the Ross Creek line would have an affect on the approval/disapproval of a proposed housing complex by Mountain

Housing Opportunity. Mr. Hartye stated an allocation of approximately 6,000 gallons per day has been approved and would not create a problem. Ms. Field stated only those homes that are considered affordable housing would get a reduction in fees, not the entire project.

Ms. Graham asked if there was any word from the City of Asheville regarding the water meter issue. Mr. Hartye stated the City has notified those users affected, but the District has not heard anything regarding the legal aspect of the issue. Ms. Ball stated the meters would not be replaced; only recalibrated.

Regarding unauthorized connections, Mr. Venable asked if more connections have been located. Mr. Hartye stated that new connections have been found and letters have been sent to people who have infractions. Also, the City of Asheville has been contacted about some cross connections. He further stated he would provide Mr. Venable with a report.

Regarding the public meeting on the Swannanoa Interceptor, Mr. Sobol reported the meeting was very successful with approximately 12-15 people in attendance. He stated the main concern came from Ingles and that Bill Conner would schedule a private meeting with Ingle's representatives to address any concerns.

9. New Business:

Mr. Blackburn reminded the Board of the Retreat scheduled for February 16th and asked Members to submit agenda preferences to Mr. Hartye.

Mr. Blackburn stated that following adjournment; Bill Conner would give a presentation on pipe bursting taking place on the Swannanoa Interceptor sewer.

10. Adjournment:

At 2:45 p.m., Mr. Pace moved for adjournment. Ms. Graham seconded the motion. Voice vote was unanimous in favor of the motion.

Jackie W. Bryson, Secretary/Treasurer