

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

FEBRUARY 20, 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, February 20, 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, Mike Moore, Citizen, Tim Ailsworth and Steven Lee with the North Carolina League of Municipalities, Brenda Ray of Russell & King PA, representing MSD, Ann LeMieux, Ed Bradford, Blake Bridwell, Mike Schraven, Stan Boyd, Mike Butler, Peter Weed, Shelia Freeman and Sondra Honeycutt.

2. Approval of Minutes of January 16, 2002 meeting:

Mr. Venable requested that the word "Mr." on page four, item 8, paragraph 2, line 1 be changed to read "Ms." With no further additions or corrections, Ms. Graham moved that the Minutes of the January 16, 2002 meeting be approved as amended. 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 Press, Kenilworth Lake Project, Dam at the Lagoon and Merrimon Avenue Emergency Project.

Mr. Hartye presented an article from the Chamber of Commerce's Existing Industry News referencing the District's efforts to obtain ISO 14001 Certification. He also presented an article in the January issue of Trenchless Technology regarding the District's pipe bursting efforts on the Swannanoa Interceptor.

Regarding Kenilworth Lake, Mr. Hartye reported while cleaning a section of line on the West Side of the lake, a faulty pipe repair gave out and less than 250 gallons of sewage escaped into the lake. He stated the defective joint repair was done when a drainage pipe from the street above was cut through the embankment and the sewer. He further reported MSD crews reacted immediately, containing the area and following new procedures for notification, including signage and doorhangers in the affected area. Testing began immediately and the "all clear" has been given.

Mr. Venable asked for a clarification on the location of the line where the leak occurred. Mr. Hartye presented a map showing the line in question. He stated that line cleaning was done on the opposite side of the lake from the main Ross Creek Interceptor and due to the location and condition of the line (silting deposits) it is likely the line had never been cleaned.

Minutes

February 20, 2002

Page Two

Regarding the lining project for the Upper Ross Creek interceptor, Mr. Hartye reported bids were received February 19th and would be considered by the Board at today's meeting. He stated that based on flow metering efforts, lining would reduce infiltration by approximately 15,000 gallons per day.

Regarding the Dam at the Lagoon, Mr. Hartye reported the project is near completion with the dam cap complete with final restoration 95% complete.

Mr. Hartye presented slides showing work that was done on the Merrimon Avenue & I-240 Emergency Project. He expressed his appreciation to Mike Schraven and Calvin Parton for long hours on the site and the ability to respond to adverse situations. Mr. Schraven reported that repairs took up to two weeks to complete, with the North bound lane closed for several days. Ms. Graham asked what type of leak it was. Mr. Hartye stated it was a potable water leak coming out of an old tap in the line. Ms. Field stated that several people have complained about a water leak in that area for over a year and asked if the leak was evident without digging in the street. Mr. Hartye stated the leak has been there a long time and was running under the previous roadbed, which was reinforced concrete.

6. Report of Committee Chairs:

Right of Way Committee:

Mr. Pace reported the Right of Way Committee met January 23, 2002 to consider condemnations on the North Swannanoa Phase II, Section 2 project and the Compensation Budget for the Lower Ross Creek project.

Finance Committee:

Mr. Kelly reported the Finance Committee met February 18, 2002 to consider the Self-funded Medical/Dental Program. He moved that the Board adopt the Committee's recommendation to approve the stop loss carrier contract with National Benefit Resources in the amount of \$996,968 and approve the medical program for FY03.

7. Consolidated Motion Agenda:

a. Consideration of Compensation Budget - Lower Ross Creek:

Mr. Hartye reported the Right of Way Committee recommends approval of the Compensation Budget for Lower Ross Creek.

b. Consideration of Self-funded Medical Program:

Mr. Hartye reported the Finance Committee recommends approval of the stop loss carrier contract with National Benefit Resources in the amount of \$996,968 and approval of the medical program for FY03.

c. Consideration of Bids: Merrimon Avenue AMP and East Avon AMP:

Mr. Hartye reported the following bids for the Merrimon Avenue AMP and East Avon AMP projects were received January 30, 2002: Terry Brothers Construction Company with a total base bid of \$262,440.00; Hobson Construction Company with a total base bid of \$279,400.00 and Tennoca Construction Company with a total base bid of \$443,030.00. He further reported staff recommends award of the contract to Terry Brothers Construction Company, Inc. in the amount of \$262,440.00, contingent upon

Minutes

February 20, 2002

Page Three

review by District Counsel.

d. Consideration of Bids for Governors View AMP:

Mr. Hartye reported the following bids for the Governors View Road project were received February 7, 2002: Clark & Leatherwood, Inc. with a bid of \$103,926.00; Terry Brothers Construction Company with a bid of \$107,190.00; T&K Utilities with a bid of \$113,920.00; Wolfpen Associates with a bid of \$114,464.30 and Hobson Construction Company with a bid of \$134,105.00. He further reported that staff recommends award of this contract to Clark and Leatherwood Construction Company, Inc. in the amount of \$103,926.00, contingent upon review by District Counsel.

e. Consideration of Bids for Clingman Avenue:

Mr. Hartye reported the following bids for the Clingman Avenue project were received January 30, 2002: T&K Utilities with a bid of \$135,257.50; Terry Brothers Construction Company with a bid of \$157,972.50; Tennoca Construction Company with a bid of \$159,980.00; Hobson Construction Company with a bid of \$173,585.00; Clarke & Leatherwood, Inc. with a bid

of \$203,400.00; Huntley Construction Company with a bid of \$235,098.00 and Wheeler Construction Company with a bid of \$297,350.00. Mr. Hartye further reported that staff recommends award of this contract to T&K Utilities, Inc. in the amount of \$135,257.50, contingent upon review by District Counsel.

f. Consideration of Bids for Upper Ross Creek Phase 1 and Lakey Gap Road Phase 1 (lining):

Pulled for further discussion

g. Consideration of Acceptance of Developer Constructed Sewer Systems: St. David's Subdivision and 446 Deaverview Subdivision:

Mr. Hartye reported staff recommends acceptance of the developer constructed sewer systems (St. David's Subdivision and 446 Deaverview Subdivision). All MSD requirements have been met.

h. Consideration of FY 2002-2003 Budget Calendar:

Presented as information only.

i. Six Month Revenue & Expenditure Report:

Presented as information only.

j. Cash Commitment/Investment Report for Period Ended 12/31/01:

Presented as information only.

Regarding item c. (East Avon AMP), Mr. Venable asked if the paving cost of \$11,000.00 to be reimbursed by the City was included in total bid. Mr. Hartye said it was. Ms. Bryson moved that the Board approve items a. through e. and g. through j. of the Consolidated Motion Agenda. Mr. Pace seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

Minutes

February 20, 2002

Page Four

Regarding item f. (Bids for Upper Ross Creek Phase 1 lining and Lakey Gap Road Phase 1 lining) Mr. Hartye presented the following bids received February 19, 2002: Am-Liner East, Inc. with a total base bid of \$320,130.00; Insituform Technologies with a total base bid of \$375,322.00; CSR Hydro Conduit with a corrected bid of \$377,288.30; Southeast Pipe Survey with a total base bid of \$406,724.34; Atlantic Coast Contractors with a total base bid of \$407,810.00; Jones Brothers, Inc. with a corrected bid of \$427,844.00 and Reynolds, Inc. with a total base bid of \$438,264.50. He stated that staff recommends award of the bid to Am-Liner East, Inc. in the amount of \$320,130.00.

Regarding Upper Ross Creek, Mr. Sobol stated he would like to see the difference in cost of upsizing this line considering future growth in this area. Mr. Hartye stated that in designing lines, MSD's Engineers look at both the build out and requirements of a basin when they consider upsizing. He further stated that the upper end of Chunn's Cove would not require upsizing for build out conditions. Mr. Bradford reported that Mr. Bridwell did look at the size of the line at the upper end of Chunn's Cove and felt an 8" line was adequate, since portions

of the area are developed out and because of the steep terrain. However, the lower end is being upsized from 15" to 24". Mr. Blackburn suggested the Design Engineer send a memo to the Construction Committee to let them know what's being done. Ms. Field stated the Construction Committee should set some guidelines on what Mr. Sobol would like to see included as part of the design. Mr. Hartye suggested that instead of doing a memo for each line, have staff bring the general design criteria to the Construction Committee for review, then in the future, this type of information could be included on a project basis.

Mr. Venable stated that since bids for this project came in under budget, could the remaining funds be carried over to next year's budget instead of going back into the CIP. Mr. Hartye stated the Lakey Gap Road project is actually budgeted for FY03, but is being done in this fiscal year because of the urgency of the project and bid price received. As far as getting better prices, the money the District is under on all of these bids will be carried over into the CIP for next year (i.e. if all this work could be done for \$2 million less, it would be rolled into next year). Potentially with the Collections Permit, future projects would be done based on actual lineal footage/year. A discussion was held regarding the Lakey Gap Road project and if it's dig and replace. With no further discussion, Ms. Graham moved that the Board approve the recommendation of staff. Mr. Pace seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

8. Report on Unauthorized Connections Program:

Mr. Hartye introduced Mr. Mike Butler and Ms. Sheila Freeman who gave a slide presentation on the Unauthorized Connections Program for 2001. Mr. Butler reported that 344,853 feet of line were tested in the following areas: Baird Cove, Old US 70, Biltmore Village and Lake Julian. He stated that 38 unauthorized connections were found; 18 were road drains and 20 were storm and yard drains. He further reported that the largest storm drain (18") was found on Merrimon Avenue, which will be removed as part of the Merrimon Avenue rehabilitation project. The largest gutter drains were found at Alliance Carolina and Burlington Business Park, with 1,700 gpd and 17,000 gpd respectively going into the system. He stated that notices of unauthorized connections were sent and property owners must correct the situation or a civil penalty fee will be imposed. A discussion was held regarding the number of homes connected, the amount of the fees, the cost to homeowners for repairs, and whether the District can legally enforce penalties.

Minutes

February 20, 2002

Page Five

Mr. Butler reported the biggest project was in the Lake Julian area of Skyland where manholes along creek banks were allowing water to enter the system during rain events and hundreds of manholes located in low areas allowed inflow into the sewer system. He stated that steps have been initiated to help eliminate inflow in this area and storm drains that are cross-connected have been identified along with ownership. He further stated that during smoke testing, the largest leaks are found in cleanout caps, which are repaired when found. Mr. Venable asked if other wastewater systems use smoke testing to find unauthorized connections and/or leaks. Mr. Butler said they do.

Mr. Butler reported that notices of Non-compliance, Private Sewer Leak, Plumbing Corrections and Smoke Testing were sent in February. Mr. Sobol asked if revised estimates are available on savings by reducing the flow to the plant. Mr. Hartye stated that staff provided information in the Cost Recovery Policy on how much it costs to treat new incremental amount of wastewater at the plant, but the primary reason for this program is to reduce SSO's. Mr. Sobol stated that he is more interested in the cost of treating wastewater and how much the District could save by adding new customers to the system. Mr. Hartye stated that this information was provided prior as a part of the Cost Recovery Policy presentation, but that he would extricate it from that information and present it separately as an informational item to the Board.

9. Old Business:

None

10. New Business:

Ms. Ball stated that she would like to make a recommendation about some of the issues being discussed about the Water Department. She suggested having someone from the Water Department come and make a presentation on how they do things or how their customer service is, and at that point, if there is some feedback she would be glad to hear it. She further stated that it would be helpful if the Board could put a name with a face and know who to call to discuss issues in a positive manner. She felt if the District has issues with the Water Authority or some other agency, these points should be made clear and not brought up in a public meeting without her having the ability to address them. Mr. Blackburn suggested Mr. Hartye meet with the Directors of the Water Department to resolve issues discussed at the Retreat. Ms. Ball stated that when she took these issues to the Manager and Water Resources Director, they had no idea of any customer service problems. Ms. Graham stated that sometimes complaints are of a personal nature, and not MSD related.

Councilwoman Holly Jones stated that she was astounded at the City Council meeting last Tuesday, when citizens were able to talk with apparent authority about sewer and infrastructure issues in Ross Creek. She stated she feels like there's an issue undermining the professionalism of the MSD Board and Staff when citizens say the MSD is wrong. She suggested that when the Board and Staff communicate with Council, let them know what is going on. She felt the Mayor did an excellent job in reporting on MSD's assessment of the Chunn's Cove situation, but was surprised when the infrastructure was in question since this was not an issue with the MSD Board. She suggested that MSD educate Council, both in a public and individual forum and, as Liaison to the MSD Board, keep her apprised of a response when issues come up. Mr. Hartye stated he talked extensively with Mr. Worley prior to the meeting to make him aware of the situation.

Minutes

February 20, 2002

Page Six

Ms. Ball said it might be helpful to have an MSD representative in attendance at Council meetings to answer questions that may arise. Ms. Graham stated these issues should be addressed at the Technical Review Committee, where MSD is represented. She further stated there is no reason to pay overtime for someone to be in attendance at Council meetings unless Council calls with a special request. Mr. Hartye stated no one from the MSD attended because Mr. Worley said it should not be an issue. Mr. Hartye also added these technical issues are, and should be, discussed at the Technical Review Committee, not at 1 a.m. in a City Council public input session. Mr. Venable stated that as a Board and corporate entity, the MSD has made an effort to educate the public and will continue to do so.

With regard to the Retreat, Ms. Field stated that she did not feel the Board completed its goals and objectives and requested an appropriate time be set to complete the process. Mr. Blackburn suggested after the March 20th Board Meeting. Voice vote in favor of the motion was unanimous.

At 3:35 p.m. Mr. Venable moved that the Board go into closed session to discuss pending litigation between Mr. Tom Tarrant and the MSD. Mr. Blackburn seconded the motion.

At 4:49 p.m. the Board went back into open session.

11. Adjournment:

With no further business, the meeting adjourned at 4:50 p.m.

Jackie W. Bryson, Secretary/Treasurer