

# **BOARD OF THE METROPOLITAN SEWERAGE DISTRICT**

**JANUARY 21, 2004**

**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 21, 2004. Chairman Blackburn presided with the following members present: Aceto, Ball, Bryson, Field, Gantt, Graham, Kelly, Pace and Sobol. Mr. Venable was absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Leah Karpen with the League of Women Voters, Gary McGill of McGill Associates, Larry Frost with NCDENR, Stan Boyd, Ann LeMieux, Martha Zeigler, Ed Bradford, Mike Butler and Sondra Honeycutt, MSD.

**2. Approval of Minutes of the December 17, 2003 Meeting:**

Ms. Graham moved that the minutes of the December 17, 2003 meeting be approved as presented. Ms. Bryson seconded the motion. Voice vote in favor of the motion was unanimous.

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

None

**4. Informal Discussion and Public Comment:**

Mr. Blackburn welcomed Ms. Leah Karpen and Mr. Larry Frost.

**5. Report of General Manager:**

Mr. Hartye presented information regarding AMSA Award, Good Correspondence/Press, Reading, Community Meetings and Board/Committee Meetings.

Regarding the AMSA Award for Excellence in Management, Mr. Hartye expressed his appreciation to both the Board and Management team/staff for their efforts. He further stated that the award was given as a result of significant accomplishments over the past seven years that include Pipe Rating, ISO Certification, quality of treatment, Financial Reporting, Master Planning, efficiency measures and customer service initiatives.

With regard to Good Correspondence/Press, Mr. Hartye presented an article in the Asheville Citizen-Times from Jim Stover for MSD's immediate response and job well done when sewage backed up in his home. Mr. Hartye expressed his appreciation to Bobby Troutman, Shane Meadows, Mitch Hawes, Toby Roberts, Josh Walling and Ben Reeves.

Mr. Hartye presented a copy of an article in the Asheville Citizen-Times regarding the AMSA Award and an article in the Chamber of Commerce News Brief regarding both the AMSA Award and GFOA Award.

With regard to Reading, Mr. Hartye presented a copy of MSD's recent edition of the MetroLite; Asheville Economy from the Asheville Chamber regarding Labor Force and Employment; an update on the City of Atlanta regarding rate increases and Knoxville SSO issues.

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Regarding Community Meetings, Mr. Hartye announced that a Developers/Engineers meeting regarding the Extension Policy will be held January 27<sup>th</sup> at 9AM at MSD; a Plumbers Meeting regarding the Sewer Service Policy will be held February 4<sup>th</sup> at 8AM at MSD, and the Kenilworth (Ross Creek) Preconstruction Public Meeting will be held February 5<sup>th</sup> at 6PM at the Fellowship Hall of Kenilworth Presbyterian Church.

Mr. Hartye stated that the Right of Way Committee will meet January 28<sup>th</sup> at 2PM; the Finance Committee will meet February 4<sup>th</sup> at 2PM, with primary issues being billing update, Investment Policy and Auditor selection. The next meeting of the Board is scheduled for February 18<sup>th</sup> at 2PM. He further reported that he and Ms. Bryson will meet with the Woodfin Water & Sewer District on January 26<sup>th</sup> at 2PM.

Regarding the City of Atlanta article, Mr. Aceto asked if the adopted rate increase (from \$49.60 to \$107.57) is for water and if it is based on flow; similar to MSD's average bill. Mr. Hartye stated that this amount is based on 8ccf/month. MSD's monthly bill for 8ccf is approximately \$29.50, but the average consumption is 5ccf/month. He further stated that the article is not clear, but he assumes the increase is for both water and sewer.

**6. Consolidated Motion Agenda:**

**a. Consideration of Cost Recovery for McElrath Apartments Sewer Extension:**

Mr. Hartye reported that the project is located within the District Boundary at 78 Candler Heights Road and consists of an 8-unit apartment complex. Staff recommends the Board authorize the General Manager to reimburse Arthur and Joann McElrath, project owners, the amount of \$7,614.00, upon receipt of appropriate surety for Cost Recovery for this project.

**b. Annual Budget Calendar:**

Presented as information only.

**c. Annual Meeting Schedule:**

Presented as information only.

**d. Consideration of Developer Constructed Sewer Systems – Ascot Point Village and Alexander Drive:**

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

With regard to Ascot Point Village, Ms. Ball asked if the line running under the railroad tracks ends at the manhole or continues to Hendersonville Road. Mr. Boyd stated the line continues to Hendersonville Road, which was replaced. Ms. Ball asked if the line under the railroad track was replaced. Mr. Boyd said no. Ms. Graham asked what would happen if the sewer system was not brought up to standard, since all of the buildings are up. Mr. Clarke stated the line would remain private and not be accepted by MSD.

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**e. Consideration of Bond Reimbursement Resolution:**

Mr. Hartye stated that the reason for the Bond Reimbursement Resolution is first, IRS regulations and second, the Local Government Commission. Since the Local Government Commission requires MSD and other units of local governments to have bids for projects before issuing bond, MSD is put in the position of building projects with cash and then reimbursing itself with bond proceeds.

**f. Cash Commitment/Investment Report for Month Ended November 30, 2003:**

Presented as information only.

With regard to investments that matured in December, Ms. Graham asked at what interest rate and how long these funds were reinvested. Ms. Zeigler stated she wasn't sure of the rate, but the investment period was for one to two years. Ms. Graham asked if most of the investments are for a six to twenty-four month period, which accounts for the low interest rates. Ms. Zeigler stated that the rates are low because the funds are "on demand" and the goal is to time it so the District will have money when it is needed and fewer funds "on demand". Mr. Hartye stated that once the Investment Policy is revised staff can consult with an investment advisor to help with the development of an asset allocation plan.

With no further discussion, Mr. Pace moved that the Board approve the Consolidated Motion Agenda. Ms. Graham seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

**7. Old Business:**

None

**8. New Business:**

Mr. Kelly asked when the deadline was for Auditors to send in RFP's and if any have been received. Ms. Zeigler stated that three (3) RFP's were received on January 16<sup>th</sup> which was the deadline. Mr. Kelly asked if Ms. Zeigler plans to provide the Board with her recommendation along with the packet. Ms. Zeigler said yes, staff will bring this to the Finance Committee on February 4<sup>th</sup>.

**9. Adjournment:**

With no further business, Ms. Graham moved for adjournment at 2:20 p.m. Mr. Pace seconded the motion. Voice vote in favor of the motion was unanimous.

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Jackie W. Bryson, Secretary/Treasurer