

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
MARCH 16, 2005**

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 PM, Wednesday, March 16, 2005. Chairman Aceto presided with the following members present: Ball, Bellamy, Bissette, Bryson, Gantt, Graham, Pace, Sobol, VeHaun and Venable. Mr. Kelly was absent

Others present were: Tomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Ms. Karpen with the League of Women Voters, Joseph Martin with Woodfin Sanitary Water & Sewer District, Stan Boyd, Martha Zeigler, Ed Bradford, Ann LeMieux, John Kiviniemi, Ken Stines, Julie Willingham and Sondra Honeycutt, MSD.

2. Approval of Minutes of the February 16, 2005 Meeting:

Mr. Gantt moved that the Minutes of the February 16, 2005 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:

Ms. Ball requested that Item c. of the Consolidated Motion Agenda be pulled to vote on separately and that Item d. be pulled due to a conflict of interest. Mr. Aceto excused Ms. Ball from voting on Item d.

4. Informal Discussion and Public Comment:

None

5. Report of General Manager:

Mr. Hartye presented information regarding 2005 Board Retreat, Annual Developers Meeting, House Bill 272 and Board/Committee Meetings.

Mr. Hartye reported that the Board Retreat will be held March 29th from 8:30AM until 2PM in the MSD Boardroom. He stated that the retreat will be centered on Regional and Long Range Planning Issues.

Mr. Hartye announced that the Annual Developers meeting will be held at the MSD March 17th at 9AM. He stated that the topics to be discussed will involve standards and specifications for construction and system transfer as well as the Cost Recovery Program.

Regarding House Bill 272, Mr. Hartye reported that this provision would allow for the collection of overdue sewer charges from North Carolina income tax refunds. He stated that MSD sent a request to legislators to add "Metropolitan Sewerage Districts created under Article 5 – Chapter 162A of the General Statutes" along with the currently stated Sanitary Districts. He further stated that Representative Wilma Sherrill responded saying she will bring it up and if the co-sponsor of the bill has no objections, then she will amend the bill when it is debated in Committee.

With regard to Board/Committee Meetings, Mr. Hartye announced the next Right of Way Committee Meeting will be held March 23rd at 2PM, the CIP Committee will meet March 31st at 8:30AM, the Personnel Committee will meet April 4th at 8:30AM, the Finance Committee will meet April 6th at 3PM and the

next regular meeting of the Board will be held April 20th at 2PM. Mr. Sobol asked if the Cost Recovery Program will be brought up at the CIP Committee Meeting and requested that staff prepare a handout on what has been paid during the past year.

6. Report of Committees:

Right of Way Committee

Mr. Pace reported that the Right of Way Committee met February 23, 2005 to consider Compensation Budgets on Oaken Hill Place and North Fork @ KOA Rehabilitation Projects. Also, the Committee considered condemnations on the Lower Smith Mill Creek Rehabilitation Project.

7. Consolidated Motion Agenda:

Regarding Item c. (Developer Constructed Sewer Systems), Ms. Ball stated that although this will be discussed at the Retreat, her issue with this item is the District's policy of accepting lines outside the District as a normal course of action. Mr. Venable moved that the Board approve the recommendation of staff to accept the developer constructed sewer systems. Mr. Pace seconded the motion. With no discussion, roll call vote was as follows: 9 Ayes; 2 Nays (Ms. Ball and Ms. Bellamy).

Regarding Item d. (Consideration of City of Asheville Sewer System - West Area Annex Phase 4) Mr. Aceto excused Ms. Ball and Ms. Bellamy from voting due to a possible conflict of interest. Mr. Gantt moved that the Board approve the recommendation of staff to accept the City of Asheville constructed sewer system. Mr. Pace seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

Mr. Hartye went over the following items:

a. Consideration of Compensation Budget – Oaken Hill Place Rehabilitation Project:

Mr. Hartye reported that the Right of Way Committee recommends approval of the Compensation Budget for Oaken Hill Place Rehabilitation Project.

b. Consideration of Compensation Budget – North Fork @ KOA Rehabilitation Project:

Mr. Hartye reported that the Right of Way Committee recommends approval of the Compensation Budget for North Fork @ KOA Rehabilitation Project. Mr. Sobol asked why replacement of these lines does not extend to US Highway 70. Mr. Bradford stated that the purpose of this project is to eliminate future washouts due to flooding. Mr. Sobol stated that since there is some new development upstream, replacement of the line could be seen as aiding the developer if the line goes beyond the campground. Mr. Hartye stated this work has nothing to do with that project and that typically, if a developer plans to tie onto a line that is substandard, MSD requires the developer to upgrade that line in order to accept the additional flow. Mr. Venable asked if MSD received any federal money to replace this line. Mr. Hartye stated that MSD has received some money from FEMA.

c. Consideration of Developer Constructed Sewer Systems: Biltmore Lake Block A5, Fernstone Village and Deerfield Sewer Extension.

Mr. Hartye reported that Staff recommends approval of the Developer Constructed Sewer Systems and that all MSD requirements have been met.

d. Consideration of Purchase of Vacuum Truck:

Mr. Hartye reported that the Equipment Review Committee met to consider next year's equipment purchases, which included the replacement of a 19 year old high-pressure vacuum truck. He stated the truck is beyond its useful life and is no longer cost effective. He further reported that Fleet maintenance has located a new 2005 truck priced at \$246,200.00 and by moving the purchase date up by four months; the District will save \$41,405.00. He stated that the Fleet Manager and System Services operators have inspected the truck which includes all standard warranties and recommends proceeding with the purchase. Mr. Venable asked how staff determines when its time to purchase a new truck. Mr. Hartye stated that some of the factors include age, down time for repairs and the increased cost of maintenance. Mr. Stines stated that the truck has a blower system on it, which wears out over time. He further stated that the truck is way beyond its useful life and will cost a substantial amount to repair.

e. Cash Commitment/Investment Report – Month ended January 31, 2005:

Mr. Sobol requested that staff provide an update at the next meeting of where MSD is on Synthetic Swaps. A discussion was held regarding the interest rate cap. Ms. Zeigler stated that it has never gone over 2% in any particular week. Mr. Pace questioned the unencumbered balance. Mr. Hartye stated that this amount reflects proceeds from the recent sale of bonds for specific projects in the District's 10-year CIP. These funds are utilized for future construction. With no further discussion, Ms. Graham moved that the Board approve items a.b.e.f. of the Consolidated Motion Agenda. Ms. Ball seconded the motion. Roll call vote was as follows: 11 Ayes; 0 Nays.

8. Old Business:

Ms. Graham moved that the Board adopt the Resolution honoring Brady Blackburn. Mr. VeHaun seconded the motion. Voice vote in favor of the motion was unanimous.

9. New Business:

None

10. Adjournment:

With no further business, Ms. Graham moved for adjournment at 2:25 PM. Ms. Bryson seconded the motion. Voice vote in favor of the motion was unanimous.

1. Is the Board going to continue helping developers with projects outside the District.
2. What does the Board want to accomplish during this year.
3. Board Member Conduct & Restrictions.