

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
JULY 20, 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, July 20, 2005. Chairman Aceto presided with the following members present: Ball, Bellamy, Bissette, Bryson, Kelly, Pace, Sobol and Venable. Those members absent were: Gantt, Graham and VeHaun.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Joseph Martin with the Woodfin Sanitary Water & Sewer District, Linda Giltz with Land of Sky Regional Council, Elizabeth Teague with the Town of Black Mountain, Steven Lee Johnson with Sitework Studios, Angel Banks, Ed Bradford, Stan Boyd, Roger Watson, Ken Stines, Barry Cook, Julie Willingham, Peter Weed, Mike Butler, Scott Powell and Sondra Honeycutt, MSD.

2. Approval of Minutes of the June 15, 2005 Meeting:

Mr. Venable moved that the minutes of the June 15, 2005 meeting be approved as presented. Mr. Pace 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. Aceto welcomed Mr. Martin, Ms. Giltz, Ms. Teague and Mr. Johnson.

5. Election of Officers:

Mr. Aceto called for nominations for Chairman. Mr. Sobol nominated Mr. Aceto. Ms. Ball seconded the nomination. There being no further nominations, Mr. Venable moved that the nominations be closed and Mr. Aceto elected Chairman by acclamation. Mr. Pace seconded the motion. Voice vote in favor of the motion was unanimous.

Mr. Aceto called for nominations for Vice Chairman. Mr. Venable nominated Mr. Sobol. Ms. Bryson seconded the nomination. There being no further nominations, Ms. Ball moved that the nominations be closed and Mr. Sobol elected Vice Chairman by acclamation. Mr. Pace seconded the motion. Voice vote in favor of the motion was unanimous.

Mr. Aceto appointed Ms. Bryson as Secretary/Treasurer subject to approval of the Board. Voice vote in favor of the appointment was unanimous. Mr. Bissette was absent during the election of officers.

6. Report of General Manager:

Mr. Hartye presented information regarding GFOA Certificate of Achievement; Collection System Permit Inspection; Reading; Clean Cities Program, Master Plan/CIP Report and Board/Committee Meetings.

Mr. Hartye reported that MSD received the Government Finance Officers Association (GFOA) Certificate of Achievement for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2004. He expressed his appreciation to Martha Zeigler, Scott Powell and Teresa Gilbert.

Regarding the Collection System Permit Inspection, Mr. Hartye presented a copy of the Compliance Inspection Report conducted by the State Division of Water Quality. He expressed his appreciation to System Services Personnel, Plant Maintenance (pump stations) and MIS/GIS employees for their efforts. He recognized Barry Cook and Ken Stines with System Services.

With regard to reading, Mr. Hartye presented a Guest Commentary by Chairman Steve Aceto responding to a letter published in the Asheville Citizen Times June 15th about infrastructure needs. Mr. Aceto stated that he responded to the article with input from staff and encouraged other Members of the Board to do the same. Mr. Pace stated that Board Members writing articles regarding MSD should coordinate with the Chairman and the General Manager. Mr. Hartye also presented a copy of the Chamber's Asheville Economy Q & A regarding population growth and economic indicators.

Regarding the Clean Cities Program, Mr. Hartye presented a copy of a handout from Land of Sky Regional Council provided by Mr. Pace about this program. Mr. Pace reported that a presentation was given to CIBO regarding the program and it was brought out that a majority (65 of 100) vehicles in the 4 county area currently using alternative fuels are from the MSD fleet.

Mr. Hartye stated that at the request of Ms. Bellamy and Mr. Sobol, he put together a presentation that ties together the 2001 Master Plan with MSD's day to day operations and the Capital Improvement Program (CIP). He reported that the District was issued one of the first collection system permits in the State and in the nation in September 2002, which gave birth to the term "Active Plan" and refers to the current form of MSD's CIP which focuses on rehabilitation/replacement of the sewer system.

Mr. Hartye reported that the Master Plan recommended the following three-prong approach:

- Management, Operations and Maintenance.

Mr. Hartye stated that this approach includes GIS Mapping, and once completed, (approximately 3 years) the entire system can be pipe rated. The other aspect of this approach is Preventative Maintenance, which includes, identifying areas of right of way problems; clearing and maintenance, grease problems; response and education, and cleaning at least 10% of the total lines each year.

- Sewer Line and Plant Rehabilitation for Structural Maintenance

Mr. Hartye presented an updated 10-year CIP, which includes Interceptor and Wet Weather rehabilitation projects, General Sewer Rehabilitation projects, Pipe Rated projects, Private Sewer Rehabilitation projects, Treatment Plant & Pump Station improvements, Reimbursement projects and FY 05-06 projects. He reported that this approach includes maintaining plant effectiveness for 40 MGD through a Facilities Plan with Process Upgrades (incinerator, Grit & Grease and Primary Clarification) and Rehabilitation and Replacement of Equipment (RBC Blowers, Influent Pumps, and Hydro switchgear). He stated that the main component of this approach is the required rehabilitation of 50,000 lineal feet of line per year. This is accomplished through General Sewer Rehabilitation, Developer Upgrades and System Services Rehabilitation (Pipe lining and Dig & Replace Technology).

- Capacity Improvements for Future Growth and Wet Weather Containment

Mr. Hartye reported that the centerpiece of the Master Plan is the Hydraulic Model, which identifies Sewer Line and Plant Capacity Improvements for Future Growth during dry weather and wet weather containment (interceptors, tanks, pumps and quick treat facilities). He stated that the plant does not have any capacity issues related to growth over the next 20 years. The majority of MSD's Sanitary Sewer Overflows are related to structural issues with only a small portion related to wet weather infiltration and inflow.

Mr. Hartye stated that in the future he plans to provide the Board with a quarterly report on the three aspects of the Master Plan. Mr. Venable asked if the digesters would deteriorate over time. Mr. Hartye stated that plant staff is looking after them and that they will still be useful if the "quick treat" scenario should materialize.

With regard to Board/Committee meetings, Mr. Hartye reported that the Right of Way Committee will meet July 27th at 2PM and the Board Governance Committee will meet at 12 noon on August 17th prior to the regular Board meeting. Mr. Venable noted that the Personnel Committee will meet July 25th at 8:30AM. Ms. Bellamy asked if a meeting of the Planning Committee has been scheduled. Mr. Hartye stated that a meeting is tentatively schedule for early August.

7. Presentation of MSD/Municipal Greenway Program:

Ms. Banks introduced Ms. Giltz with Land of Sky Regional Council and Chair of Asheville's Greenway Commission to give a power point presentation on the MSD/Municipal Greenway Program. Ms. Banks also introduced Mr. Steven Lee Johnson with Sitework Studios; Ms. Elizabeth Teague, with the Town of Black Mountain and Mr. Roger Watson with MSD to discuss the greenway program. She reported that when Mr. Watson was designing the Broadway Rehabilitation Projects he collaborated with Mr. Johnson on the shared corridor for both sewer and greenway. Also, Ms. Teague was instrumental in the development of the greenway agreement.

Ms. Giltz reported that the first greenway was developed in 1988 followed by the Task Force and Greenway Master Plan, which identified potential greenway corridors throughout the City. Asheville's Greenway Commission was established in 1999 and the Parks and Greenways Foundation was developed in 2000. Ms. Giltz presented slides of greenways in Asheville and discussed the benefits, i.e. improved air and water quality, reduced flooding, recreation and transportation opportunities and viable habitat for plants and animals. Ms. Giltz reported that a total of 14 greenways corridors are proposed as the primary greenways for Asheville and the remaining corridors are considered neighborhood greenways, which will all be managed by the Asheville Parks and Recreation Department. She stated that to date, five miles of greenway have been constructed as well as a one-half mile trail constructed by the developer at the new Wal-Mart along the Swannanoa River. She further reported that current projects include the French Broad River Park, Azalea Park, Reed Creek, Clingman Forest, River Bend Development and Rhododendron Creek along West Asheville Park. She stated that construction of a small bridge across Reed Creek will begin August 15th.

Ms. Banks reviewed the benefits to MSD. Greenway corridors are kept clear thereby reducing MSD's right of way clearing costs. Clear rights of way allow for better access to lines, making maintenance easier and improving response times and the shared use helps prevent buildings over sewers. Mr. Venable asked if these areas, as far as mowing, are maintained by the municipalities. Ms. Banks said yes and explained the process. MSD has an agreement with the municipalities whereby they request to overlay

a designated area of the system with a greenway. MSD reviews the request and determines whether it should be done or not. If MSD agrees, the municipality will present plans for the improvements and they are responsible for building the greenway and maintaining it. She stated that MSD retains rights for operation and maintenance of the sewer system and when it is necessary to access a line. MSD is responsible for sub-surface restoration and the municipality is responsible for the final surface restoration. She further stated that this is a win, win situation and is a good way to give something back to the community for the expensive investment in infrastructure. Ms. Ball asked if a municipality must have the approval of MSD to put in a greenway. Ms. Banks stated that the District Board wanted some approval process and agreement as its overwhelming concern was liability. They wanted a procedure/process that would place the greenway under the municipality's liability insurance umbrella to protect MSD from claims of injury and/or property damage. Mr. Clarke stated that MSD easements are non-exclusive easements. Ms. Banks stated that for greenways in private developments, the developer may build greenways crossing sewers through land they own without approval from MSD; however, they are required to indemnify the District from any liability.

Mr. Johnson presented a drawing of the Reed Creek Greenway project. He explained how he and Mr. Watson shared electronic files of the sewer and greenway designs and were better able to see how each design would affect the other. This sharing of data resulted in a much better end project. Mr. Johnson noted that dove-tailing the greenway project with the sewer projects saved the City approximately \$75,000 in clearing costs for the greenway. Mr. Watson reported that the Reed Creek Greenway crossed two sewer projects, the Broadway Avenue Rehabilitation and the Broadway at Five Points Rehabilitation. He stated that MSD worked with the City to save trees wherever possible and had saved the City survey costs by sharing MSD's topographic information with them. He further reported that rocks were removed from the creek bed and later replaced to make the project look more natural instead of using rip-rap. Also, he and Mr. Johnson collaborated on a pedestrian bridge to be placed over the creek and a sewer line. They designed it such that each end of a 20-foot middle span will be bolted to the ends of the bridge structure seated on either side of the middle span so the span can be lifted out if access is needed to the pipe.

Ms. Teague noted that there are three (3) agreements between MSD and local governments, being the City of Asheville, Fletcher and Town of Black Mountain, all of whom have Greenway Master Plans. She stated that as development pressures increase with higher land values, it is important that we nurture these partnerships to make the most use of the land we have and add value to our property. Mr. Pace asked about upcoming projects. Ms. Teague reported that a project in Woodfin has been identified that would have easy access to the River Park. Also, Weaverville has adopted a Pedestrian Plan that it has been working on for a few years and has identified a greenway that may involve some sewer lines. She stated that both the Towns of Woodfin and Weaverville have been trying to get on the Transportation Improvement Project list for these projects. Ms. Teague further reported that also on the TIP list is a feasibility study for a railway corridor, potentially connecting up to Marshall. She stated that long-term, some of the Asheville Greenway Plan would fit into projects Hendersonville is working on. There are some regional connections that different local governments are looking at and eventually there could be a greenway connection from Hendersonville to Hominy Creek Park, to Azalea Park, to Black Mountain then to Old Fort.

Ms. Giltz announced the Blue Ridge Greenways Conference scheduled for November 12-13, 2005 at the Grove Park Inn and invited Board Members to attend. She expressed her appreciations to MSD for its work on this project. Mr. Venable asked if the Greenway Commission tries to coordinate its projects with MSD's plans. Mr. Johnson stated that the first piece of data anyone planning a greenway gathers is an MSD GIS map and information on upcoming MSD projects. Ms. Teague stated that the

problems smaller towns face in coordinating projects is time and money. They put their greenway plans together, but it takes a very long time to raise money for the construction of the greenway; in some cases it can take 10 years or more. Mr. McGill stated that many local governments have found it beneficial to get sewer line easements and greenway easements at the same time.

8. Consolidated Motion Agenda:

a. Consideration of Developer Constructed Sewer Systems: Rainbow Terrace Townhomes, Langwell Avenue. Subdivision, Mountain Area Hospice, Bobcat of Asheville and Mark Anderson Subdivision:

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

b. Consideration of Sanitary Sewer Rehabilitation Project – North Fork @ KOA:

Mr. Hartye reported that six bids for the North Fork @ KOA Project were received and opened June 21, 2005: Haren Construction Co. with a total bid of \$537,475.00; Hobson Construction Co., with a total bid of \$428,025.00; Terry Brothers Construction Co. with a total bid of \$403,720.00; Midsouth Trenchless, Inc. with a total bid of \$394,015.00; Buckeye Construction Co. with a total bid of \$284,357.75 and H&M Constructors with a total bid of \$260,800.00. He further reported that the bid bond of Hobson Construction Co. was invalid, therefore, the bid was rejected. The bid of Midsouth Trenchless, Inc. was sent via fax, therefore it was rejected. He stated that staff recommends award of this contract to H&M Constructors, Inc. in the amount of \$260,800.00, contingent upon review and approval by District Counsel.

c. Consideration of Sodium Hypochlorite Contract:

Mr. Hartye reported that staff recommends that the Sodium Hypochlorite Contract be awarded to Univar USA. Mr. Venable asked for a clarification on the wording in the background information provided and if Univar USA is the same vendor MSD used last year. Mr. Hartye explained that Univar USA is the same vendor, but could not continue to honor its previously negotiated price due to industry price increases. He stated that Univar USA agreed to hold their price firm for the total year contract irrespective of market changes.

d. Consideration of Cost Recovery for Howard Wise/Candler Sewer Extension:

Mr. Hartye reported that this project is located off Queen Road in Candler and staff recommends that the Board approve authority for the General Manager to reimburse Howard Wise \$28,165.00 upon Board acceptance of the sewer system for ownership and receipt of surety. Ms. Ball asked if this project is in the District. Mr. Hartye stated that the project is outside the District. Ms. Ball asked what kind of projects qualify for cost recovery. Mr. Hartye stated that cost recovery is for any project, residential or commercial, that requires an “off-site” gravity sewer extension of the District’s system.

e. Consideration of Rewritten Membership Agreement and Resolution for Participation in NCLM Property and Liability Insurance:

Mr. Hartye reported that staff recommends that the rewritten Membership Agreement be signed and that the Board adopt the Resolution for participation in the NCLM Property and Liability Insurance. Mr. Venable asked if most of the cities in North Carolina are members. Mr. Hartye said yes. Ms. Bellamy asked how MSD

became a member of the League of Municipalities. Mr. Clarke explained that MSD is a standing member of the League. Ms. Ball asked about the status of claims paid by the League. Mr. Hartye stated that MSD had a good year last year, but will need more of a track record before premiums will reduce appreciably. Ms. Ball stated that she was concerned about the League's scrutiny of claims. Mr. Hartye stated that MSD has expressed its concern about some claims in the past and the League was willing to adjust the amounts paid. He further stated that claims are up from last year because of the flood. Ms. Ball asked what the amount of the claims was. Mr. Hartye stated that he did not have the total amount available. Mr. Aceto suggested that Mr. Clarke find out if MSD has any input in the League of Municipality's Board of Trustees. If so, perhaps an MSD representative could attend the meetings.

f. Consideration of Rewritten Membership Agreement and Resolution for Participation in the NCLM Workers Compensation Insurance:

Mr. Hartye reported that staff recommends that the rewritten Membership Agreement be signed and that the Board adopt the Resolution for participation in the NCLM Workers Compensation Insurance.

g. Cash Commitment/Investment Report – Month ended May 31, 2005:

Presented as information only.

Mr. Sobol asked why the Summary of Interest Rate Exchange Agreement Transactions was not included in this report. Mr. Hartye stated that Ms. Zeigler plans to rework this report to show the projected savings versus the actual savings. He further stated that this will be included in next months report. Ms. Bellamy asked how much of the balance is new and old bond funds. Mr. Hartye stated that it was all from the recent \$24 million issuance this past year.

Ms. Ball requested that item d. (cost recovery for Howard Wise) be pulled for a separate vote.

Ms. Ball moved that items a.b.c.e.f.g. of the Consolidated Motion Agenda be approved as presented. Ms. Bellamy seconded the motion. Roll call vote was as follows: 8 Ayes; 0 Nays.

Mr. Pace moved that the item d. of the Consolidated Motion Agenda be approved as presented. Mr. Kelly seconded the motion. Roll call vote was as follows: 7 Ayes; 1 Nay (Ms. Ball). Mr. Bisette was absent during the vote on the Consolidated Motion Agenda Items.

9. Old Business:

None

10. New Business:

None

11. Adjournment:

With no further business, Mr. Pace moved for adjournment at 3:35PM. Mr. Venable seconded the motion. Voice vote in favor of the motion was unanimous.

