

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
NOVEMBER 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, November 16, 2005. Chairman Aceto presided with the following members present: Ms. Ball, Ms. Bellamy, Mr. Bissette, Ms. Bryson, Mr. Gantt, Mr. Kelly, Mr. Pace, Mr. Sobol and Mr. Venable. Ms. Graham and Mr. VeHaun were absent.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Joseph Martin with Woodfin Sanitary Water & Sewer District, Leah Karpen with the League of Women Voters, Jim Cargile with Preserve Properties, David Lee and Eric Nichols with Harris, Murr & Vermillion, Stan Boyd, Martha Zeigler, Ann LeMieux, Ed Bradford and Sondra Honeycutt, MSD.

2. Approval of Minutes of the October 19, 2005 Meeting:

Ms. Bellamy moved that the Minutes of the October 19, 2005 meeting be approved as presented. Mr. Gantt seconded the motion. Voice vote in favor of the motion was unanimous.

3. Discussion and Adjustment of Agenda:

Ms. Bellamy requested that 6.b (prospect terrace) be pulled from the Consolidated Motion Agenda due to a conflict of interest.

4. Informal Discussion and Public Comment:

Mr. Aceto welcomed Ms. Karpen, Mr. Martin, Mr. Cargile, Mr. Lee and Mr. Nichols. He congratulated Board Members, Ms. Bellamy, Mr. Kelly and Mr. Vahaun for their election/re-election to public office.

5. Report of General Manager:

Mr. Hartye reported on a letter of appreciation from Manna Food Bank regarding a special food drive headed up by David Montieth. He expressed his appreciation to David for his efforts. He further reported that an email of appreciation was received from Mr. David Herbert of Kenilworth regarding the District's response to an overflow in that area and expressed his appreciation to System Services staff, Grady Brooks, Roy Lytle, Steve Meeks, Rick Bradley, Randy Mull, Jesse Hunter, McKinley Hensley, Marcus Bynum, Kevin Devlin, Eric Gillis and Shane Meadows for their efforts. Also, a letter of appreciation from United Way was received for this year's campaign. Mr. Hartye stated that \$10,000 plus was raised and expressed his appreciation to Martha Zeigler and Stan Boyd who headed up the campaign.

With regard to reading, Mr. Hartye presented a copy of the NACWA Legislative update of November 3rd and a NACWA Legislative alert regarding the Clean Water Trust Act of 2005. Mr. Hartye recognized Mr. Sobol for an update. Mr. Sobol reported that he is a member of NACWA's Clean Water Funding Task Force which has met several times during the past few years to set up a Clean Water Trust Fund to help meet the nation's infrastructure needs. He stated that the Clean Water Trust Act of 2005 establishes a dedicated revenue source for the Trust Fund, consisting of an excise tax on flushable products and a reinstatement of the Corporate Environmental Income Tax. He further stated that because it's a non-partisan bill, it will not contribute to the deficit, which is a good selling point. He further reported that the Bill is going through Representative John J. Duncan of Tennessee and after it leaves the Legislature Procedure Committee, NACWA will work with its members and other supporting organizations to recruit 200

House members as co-sponsors, conduct briefings and schedule hearings in 2006. He stated that once this is done, he will come back to the Board and explain what can be done in this District to get the bill passed. Mr. Aceto asked how this Board can support this effort. Mr. Sobol stated that he takes the position that the MSD Board is behind this effort, since it's a Member of NACWA and once the legislation has been introduced as a bill, he will provide Mr. Hartye with a copy of the bill and other information to be distributed to the Board for the purpose of discussion. Mr. Aceto expressed his appreciation to Mr. Sobol for his involvement.

Regarding Board/Committee Meetings, Mr. Hartye reported that the next meeting of the Board Governance Committee will be held December 14th at noon prior to the regular Board Meeting at 2PM and that the next Right of Way Committee will meet November 30th at 2PM. Also, a Planning Committee meeting is tentatively scheduled for the end of November to discuss the Mine Hole Gap development. Ms. Ball asked Mr. Hartye about inviting Planning Directors from the various municipalities to come in and discuss their concepts. Mr. Hartye stated he will attempt to get Scott Shepherd to come and talk at the next meeting. Ms. Bellamy asked that Mr. Hanks with the City of Asheville be added to the list.

6. Report of Committees:

Board Governance Committee

Mr. Gantt reported that the Board Governance Committee met prior to the Board Meeting to discuss issues such as conflicts of interest, attendance, voting, and conduct. He stated that the Committee will meet again in December to come up with recommendations to be presented at the January Board Meeting. He expressed his appreciation to the Committee and others for their involvement.

7. Consolidated Motion Agenda:

a. Consideration of Cost Recovery for Taylor Apartments:

Mr. Hartye reported that the Taylor Apartments project is located off Jims Branch Road and consist of 4 residential units. The estimated 5-year net revenues will be \$3,943. He further reported that staff recommends the Board approve authority for the General Manager to reimburse Elizabeth Taylor \$3,943 upon receipt of surety and Board acceptance of the sewer system. Ms. Ball asked if this project is located within the District. Mr. Hartye said yes.

b. Consideration of Developer Constructed Sewer Systems: Prospect Terrace; Hadley Park, Phase 1; Hadley Park, Phase 2; The Ramble at Biltmore Forest, Block B, Phase 1; Biltmore Terrace; Holcombe Meadows; Oakview Road; Cherry Blossom Cove Phase 2 and Cherry Blossom Cove Phase 2A.

Mr. Hartye reported that three of the projects (Hadley Park, Phase 1 and 2 and The Ramble at Biltmore Forest) are located outside the District and that Prospect Terrace will be considered separately. He stated that staff recommends acceptance of the developer constructed sewer systems and that all MSD requirements have been met.

c. Consideration of Bids Water Reclamation Facility Pump Station Project: Lake Julian Pump Station Grinder:

Mr. Hartye reported that this project is to install a grinder at the Lake Julian Pump Station to reduce pump damage/downtime due to debris clogging the pumps and that

the following bids were received on November 1, 2005: Haren Construction Co., Inc. with a total bid of \$336,000.00; Buncombe Construction Co., Inc. with a total bid of \$240,000.00 and Hobson Construction Co., Inc. with a total bid of \$125,000.00. Mr. Hartye stated that staff recommends award of the contract to Hobson Construction Co., Inc. in the amount of \$125,000.00, contingent upon review by District counsel. Mr. Hartye was asked why the bid amounts are so different. He stated that it's because of the market and the amount of work available. Also, the work is somewhat specialized.

d. Master Plan/Capital Improvement Program Quarterly Report:

This item was presented as information only. Ms. Bellamy asked how far out the Master Plan goes. Mr. Hartye stated that the study covers a 20-year horizon, but is updated every 5-6 years.

e. Report on FY 05 First Quarter Liability Insurance Plan Performance:

This item was presented as information only.

f. Cash Commitment/Investment Report – Month Ended September 30, 2005:

This item was presented as information only.

Mr. Pace moved that items a. b. (except Prospect Terrace) c. d. e. f. of the Consolidated Motion Agenda be approved as presented. Mr. Kelly seconded the motion. Mr. Aceto called for discussion. With no discussion roll call vote was as follows: 10 Ayes; 0 Nays.

Mr. Kelly moved that the Board accept the developer constructed sewer system (Prospect Terrace). Mr. Bissette seconded the motion. Mr. Aceto called for discussion. With no discussion roll call vote was as follows: 9 Ayes; 0 Nays. Ms. Bellamy did not vote because of a conflict of interest.

8. Old Business:

None

9. New Business:

Mr. Gantt asked about the possibility of conservation easements being placed on MSD's property adjoining the French Broad River. Mr. Pace stated that he has been working on this issue personally as a member of the French Broad River Voluntary Buffer Partnership through Land of Sky Regional Council. Mr. Aceto asked Mr. Pace if this issue should be handled by the Right of Way Committee. Mr. Pace said yes. Mr. Venable asked if this has to do with MSD's rights of way. Mr. Gantt stated this would involve any property MSD has to put some easements on for trails or greenways.

10. Adjournment:

With no further business, Mr. Venable moved for adjournment at 2:35 PM. Mr. Pace seconded the motion. Voice vote in favor of the motion was unanimous.

Jackie W. Bryson, Secretary/Treasurer

