

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT  
JULY 19, 2006**

**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 on Wednesday, July 19, 2006. Chairman Aceto presided with the following members present: Bellamy, Bissette, Bryson, Gantt, Newman, Pace, Sobol, VeHaun and Venable. Mr. Creighton and Mr. Kelly were absent.

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, Robert Williams with Roberts & Stevens, Martha Zeigler, Stan Boyd, Ann LeMieux, Ed Bradford, John Kiviniemi, Peter Weed, Ken Stines, Angel Banks, Julie Willingham and Sondra Honeycutt, MSD.

**2. Election of Officers:**

Mr. Aceto called for nominations for Chairman. Mr. Sobol nominated Mr. Aceto. Mr. Venable seconded the motion. Mr. Aceto called for discussion. Mr. Pace moved that the nominations be closed and Mr. Aceto elected Chairman by acclamation. Ms. Bryson 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 motion. Mr. Aceto called for discussion. Mr. Pace moved that the nominations be closed and Mr. Sobol elected Vice Chairman by acclamation. Mr. VeHaun seconded the motion. Voice vote in favor of the motion was unanimous.

Mr. Aceto appointed Mr. Bryson as Secretary/Treasurer, subject to approval of the Board. Mr. Pace moved that the Board approve the appointment of Ms. Bryson as Secretary/Treasurer. Mr. Bissette seconded the motion. Voice vote in favor of the motion was unanimous.

Mr. Aceto proposed the appointment of Mr. Venable as Assistant Secretary/Treasurer, to act in the absence of Mr. Bryson. Mr. Pace moved that the Board approve the appointment of Mr. Venable as Assistant Secretary/Treasurer. Ms. Bellamy seconded the motion. Voice vote in favor of the motion was unanimous. Mr. Gantt was absent during the election of officers.

**3. Inquiry as to Conflict of Interest:**

Mr. Aceto asked if there were any conflicts of interest with the agenda items. Mr. Bissette stated that he had a conflict with item d. of the Consolidated Motion Agenda. Mr. Aceto pulled item d. from the Consolidated Motion Agenda for separate consideration and excused Mr. Bissette from voting. No other conflicts were reported.

**4. Approval of Minutes of the June 14, 2006 Board Meeting:**

Mr. Newman moved that the Minutes of the June 14, 2006 Board Meeting be approved as presented. Mr. Venable seconded the motion. Mr. Aceto called for discussion. With no discussion, Mr. Aceto called for the question. Voice vote in favor of the motion was unanimous.

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

None

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

Mr. Aceto welcomed Mr. Williams, Mr. McGill and Mr. Martin.

**7. Report of General Manager:**

Mr. Hartye presented a graph of the annual Sanitary Sewer Overflows (SSO's) since 1999, showing a continued reduction. He stated that this reduction signifies a combined effort of the entire organization, but mainly as a result of both the Districts' aggressive Capital Improvement Program and preventative maintenance performed by System Services.

Mr. Hartye called attention to the June 2006 Report by the Volunteer Water Information Network (VWIN) of water quality testing results from 1990 through 2005.

As a matter of information, Mr. Hartye presented a one sheet synopsis and graphs of MSD's current year budget. In addition, he presented a GASB Preliminary Views Supplement on Derivatives.

With regard to Board/Committee Meetings, Mr. Hartye announced that the Personnel Committee will meet July 24<sup>th</sup> at 8:30AM to evaluate his performance. He presented an update of his Goals & Objectives for the current year and stated that he will provide the detailed departmental accomplishments for the entire District next month. He further announced that the next ROW Committee meeting will be held July 26<sup>th</sup> at 2PM and the next Regular Board Meeting will be held August 16<sup>th</sup> at 2PM.

Mr. Hartye presented a map of the Lower Smith Mill Creek Rehabilitation project approved by the Board in June.

**8. Report of Committees:**

**Right of Way Committee**

Mr. Pace reported that the Right of Way Committee met June 28, 2006 to consider the following items: Condemnations on the Merrimon @ Beaverdam Creek Sewer Project; Encroachment upon MSD land and Compensation Budget Amendment on the Merrimon Avenue/Reed Creek Interceptor.

Regarding the encroachment upon MSD land at 43 Goodman Road, the Committee considered whether to require the encroaching owners to sign a month to month lease for the area of encroachment in the amount of \$1.00 per day or alternatively require the owners to sign a License Agreement in the amount of \$1.00 per year. Mr. Venable questioned the \$1.00 per year agreement. Mr. Clarke stated that following review of the options, it was decided that the owners will be asked to sign a License Agreement for \$1.00 year; acknowledging that they are encroaching on MSD land. This will give MSD the right to ask the owners to vacate the premises at any time.

With regard to the Compensation Budget Amendment on the Merrimon Avenue/Reed Creek Interceptor, Mr. Pace reported that design revisions were necessary due to the denial of an encroachment request from the NCDOT. As a result, four new easements were created and four existing easements were modified at a cost of \$22,429, leaving \$13,432 in the total budget, which is not enough for the remaining three condemnations. As a result, staff is requesting an additional \$36,600 be added to the compensation budget.

**9. Consolidated Motion Agenda:**

**a. Consideration of Encroachment upon MSD Land:**

Mr. Hartye reported that the Right of Way Committee recommends that the owners of 43 Goodman Road be required to sign a License Agreement in the amount of \$1.00 per year.

**b. Consideration of Compensation Budget Amendment – Merrimon Avenue/Reed Creek Interceptor:**

Mr. Hartye reported that the Right of Way Committee recommends the addition of \$36,600 to the compensation budget for the Merrimon Avenue/Reed Creek Interceptor project.

**c. Consideration of 2006-2008 Contract for Restoration of Streets and Highways:**

Mr. Hartye reported that this contract is for the restoration of roads, driveways and sidewalks resulting from District maintenance activities such as taps for new connections or small repairs and unplanned emergency repairs to the system. He stated that the pavement restoration for the larger in-house and CIP contracts are contracted out separately. Mr. Hartye further reported that because only one bid was received on June 6, 2006 the contract was re-advertised and the following bid was received and opened on June 13, 2006: APAC-Atlantic, Inc. in the amount of \$862,585.77 for a two-year period. He stated that the FY07/08 combined budget for this line item is \$1,000,000.00 and appears to be in line with increases seen. Therefore, staff recommends award of the contract to APAC-Atlantic, Inc. in the amount of \$862,585.77, contingent upon review and approval of District Counsel. Mr. Aceto asked how the contract works. Mr. Hartye stated that this is a unit price contract for specific items that are typically incurred when repair patches are done. Mr. Sobol asked how staff came up with an aggregate amount of the bid. Mr. Hartye explained that these are estimates based upon historical quantities multiplied by the unit prices that were bid.

**d. Consideration of Developer Constructed Sewer Systems: Eastwood Village Condos; Vanderbilt Park North and Reynolds Mountain Phase II.**

This item was pulled for separate consideration.

**e. Consideration of Sodium Hypochlorite Contract:**

Mr. Hartye reported that since purchasing staff was not able to find a government contract suitable for MSD to “piggyback” pricing upon, bids were solicited in June. The following bids were received and opened June 26, 2006: CFS Enterprises with a total bid of \$0.8950/gallon; Industrial Chemical with a total bid of \$ 0.8140/gallon; JCI Jones with a total bid of \$0.7000/gallon and Univar USA with a total bid of \$0.6900/gallon. Mr. Hartye stated that FY 07 expenditures are anticipated to be \$162,000.00, which is a \$20,000.00 decrease from FY06. He further stated that staff recommends award of the contract to Univar USA in the amount of \$0.6900/gallon.

**f. Cash Commitment/Investment Report – Month Ended May 31, 2006:**

This item was presented as information only.

Mr. VeHaun moved that the Board approve items a.b.c.e.f. of the Consolidated Motion Agenda. Mr. Pace seconded the motion. Mr. Aceto called for discussion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 10 Ayes; 0 Nays.

Regarding Item d. (developer constructed sewer systems); Mr. Hartye reported that these systems are within the District boundary and Staff recommends acceptance of the systems and that all MSD requirements have been met. Mr. Gantt moved that the Board accept the developer constructed sewer systems. Ms. Bryson seconded the motion. Mr. Aceto called for discussion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 9 Ayes; 0 Nays. Mr. Bisette was excused from voting.

**10. Old Business:**

Mr. Hartye presented a notice sent out regarding the sewer bill which corresponds to the FY07 Rate/Budget Bullets presented in his report. He stated that on the opposite side of the notice is information on what residents should do if a sewer backup occurs.

**11. New Business:**

Mr. Aceto called for a motion for approval of a Resolution in appreciation and thanks to Ann LeMieux for fifteen years of service as head of the System Services Division. Ms. Bellamy moved that the Board approve the Resolution. Mr. Venable seconded the motion. Mr. Aceto called for discussion. With no discussion, voice vote in favor of the motion was unanimous. Mr. Aceto stated that Ms. Lemieux will be officially recognized at the August meeting of the Board.

**12. Adjournment:**

With no further business, Ms. Bellamy moved for adjournment at 1:35PM. Mr. Bisette seconded the motion. Voice vote in favor of the motion was unanimous.

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Jackie W. Bryson, Secretary/Treasurer