

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
JUNE 13, 2007

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board and Public Hearing on the Budget, Rates and Fees for FY 2007-2008 was held in the Boardroom of MSD's Administration Building at 2:00 PM, Wednesday, June 13, 2007. Chairman Aceto presided with the following members present: Bellamy, Bissette, Bryson, Creighton, Gantt, Haner, Kelly, Newman, Sobol and Venable. Mr. VeHaun was absent.

Other present were: Stanley Boyd, Director of Engineering, William Clarke, General Counsel, Gary McGill with McGill Associates, Leah Karpen with the League of Women Voters, Joseph Martin with the Woodfin Sanitary Water & Sewer District, Martha Zeigler, Peter Weed, John Kiviniemi, Ken Stines, Angel Banks, Ed Bradford, Jim Naber, Julie Willingham and Sondra Honeycutt, MSD.

2. Inquiry as to Conflict of Interest:

Mr. Aceto asked if there were any conflicts of interest with agenda items. Mr. Aceto and Mr. Bissette asked to be excused from voting on Item d. (The Settings of Black Mountain) of the Consolidated Motion Agenda. Mr. Kelly moved that Mr. Aceto and Mr. Bissette be excused from voting on this item and that Mr. Sobol preside during the vote. Ms. Bryson seconded the motion. Voice vote in favor of the motion was unanimous. No other conflicts were reported.

3. Approval of Minutes of the May 16, 2007 Board Meeting:

Mr. Aceto asked if there were any objections to approving the Minutes of May 16, 2007 Board meeting as presented. With no objections, the minutes were approved by acclamation.

4. Discussion and Adjustment of Agenda:

Mr. Aceto stated that Item 9. (Facility Fee for Addition to a Residence) will be considered during the Report of the General Manager.

5. Informal Discussion and Public Comment:

Mr. Aceto welcomed Mr. Martin with the Woodfin Sanitary Water & Sewer District and stated that Mr. Boyd will fill in for Mr. Hartye in his absence.

6. Report of General Manager:

Mr. Boyd reported that a letter from Minister Myles Parks was received expressing his appreciation for a job well done to Herman Shelton, Furman Dean, Miguel Miquel, Wallace Foster, Bobby Arrowood, Sean Buckner, McKinley Hensley and Randy Mull.

Mr. Boyd presented the NC League of Municipalities Legislative Bulletin regarding an increase in the State's Budget and an article from Partnership for North Carolina's Future of frequently asked questions. Regarding the Legislative Bulletin, Mr. Venable noted that budget plans call for an increase in the State's permit fees and asked what the MSD pays. Mr. Boyd stated that renewal for the Collection System Permit is \$400.00 and the same for the Treatment Plant Permit.

Mr. Boyd reported that the next meeting of the Right of Way Committee will be held June 27th at 9AM and the next Regular Board Meeting will be held July 18th at 2PM.

With regard to Item 9 (Facility Fee for Addition to a Residence), Mr. Boyd reported that as a result of discussion at the May Board meeting, staff investigated the costs of locating existing sewer mains where an addition to a residence results in the change of the building footprint. He stated that staff has estimated the costs for locating the sewer under a “best case/worst case” scenario. He explained that the “best case” is where the locator visits the site, the manholes are visible and accessible and the sewer line can be located with minimal effort. The “worst case” is when the locator has trouble finding any physical references to go by and has to call for assistance, which requires cleaning and TV inspecting the line to locate. He further stated that the following options were developed for both scenarios: Adopt a tiered fee structure where the facility fee for the “best case” will be \$100 and the facility fee for the “worst case” will be \$555. Mr. Boyd noted that 17 locates have been done since July 1, 2006 and if the same number are done this coming year, the District is projecting a revenue of approximately \$3,500.00. He stated that staff recommends the facility fee for an addition to a residence be eliminated. Mr. Sobol moved that the Board approve the recommendation of staff. Mr. Gantt seconded the motion. Mr. Venable asked if a bathroom was added to a home, would the resident be required to pay a fee. Mr. Boyd stated that a fee would be charged if an addition was added to the outside wall of a house; changing the footprint of the house. Mr. Newman asked what the rationale is behind eliminating the fee. Mr. Boyd stated that the reasons include limited revenue received and because the fee is very unpopular. Mr. Venable asked what the actual cost is to locate a line. Mr. Boyd said about \$100.00. Ms. Bryson asked of the 17 locates, how many were a “worst case” scenarios. Mr. Boyd said a couple. With no further discussion, Mr. Aceto called for the question. Roll call vote was as follows: 10 Ayes; 1 Nay (Mr. Newman)

7. Report of Committees:

Right of Way Committee

Mr. Kelly called on Ms. Banks for a report. Ms. Banks reported that the Committee met May 30, 2007 to consider condemnations for the Old Home Road @ Weaverville Highway PRP and Compensation Budget for the Reems Creek Interceptor. Regarding condemnations, Ms. Banks reported that on the first parcel, the owner has been non-responsive, has not returned phone calls, letters or visits to the business on site. With regard to the second parcel, Ms. Banks reported that the owner’s issues are location of the line and compensation. She explained that the proposed line lies approximately 14 feet within the front property line and parallel to Weaverville Highway and the owner wants the line moved into the edge of the road right of way to reduce easement area on the property. She stated that the project engineer was consulted and it was determined that the line cannot be moved closer to the road due to NCDOT restrictions. The owner was offered the standard compensation of \$8,739 and refused this amount stating it was too low. She further stated that since a resolution seems unlikely, staff recommends authority to obtain appraisal and proceed with condemnation if necessary.

In other business, Ms. Banks reported that the Committee considered a compensation budget for the Reems Creek Interceptor project, which consists of approximately 8300 lineal feet of 30” and approximately 6500 of 40” DIP to replace an 18” clay line located at the Weaverville pump station on New Stock Road up to Lake Louise. She stated that staff recommends approval of the Compensation Budget. She further reported that a discussion was held regarding changing the Right of Way Committee Meetings to 9AM instead of 2PM. All Members were in favor of the change.

Regarding the second parcel, Mr. Sobol asked if there is any way to move the MSD’s line closer to the DOT right of way. Ms. Banks said the DOT will not allow MSD to put the line any closer. Mr. Kelly moved that the Board approve the recommendations of the Right of Way Committee. With no further discussion, Mr. Aceto called for the question. Roll call vote was as follows: 11 Ayes; 0 Nays.

8. Consolidated Motion Agenda:

a. Consideration of Schwing Pump Replacement:

Mr. Boyd reported that the Schwing pumps are located at the incineration facility and are used to feed the dewatered sludge to the incinerator or to Lime Stabilization. He stated that one of the two pumps was replaced in FY 06 as the first part of a phased replacement. The other pump, which has been in operation since the incineration facility was constructed, is in need of replacement. He further stated that in order to be compatible with MSD's existing equipment, staff recommends approval of a sole-source purchase of the Schwing equipment in the amount of \$177,570.00, subject to review and approval by District Counsel.

b. Consideration of Condemnations – Old Home Road @ Weaverville Highway PPR.

Considered during the Right of Way Committee report.

c. Consideration of Compensation Budget – Reems Creek Interceptor:

Considered during the Right of Way Committee report.

d. Consideration of Developer Constructed Sewer Systems: Vance Gap Estates; Fairview Oaks; Southridge Townhomes; Wise Sewer Extension and The Settings of Black Mountain Phase 1.

Mr. Boyd reported that staff recommends acceptance of the developer constructed sewer systems and that all MSD requirements have been met.

e. Consideration of Cost Participation for Volvo/Lake Julian Sewer Rehab:

Mr. Boyd reported that Volvo Construction Equipment, located in Skyland, is expanding its production and must construct a new access road onto Long Shoals Road. He stated that the new access road includes placement of fill over the existing Lake Julian Interceptor and since the existing pipeline can not support the proposed fill, it must be replaced. He further stated that staff has evaluated cost participation and has determined that a 25% cost share is appropriate, therefore, recommends the Board authorize the General Manager to reimburse Volvo for the Volvo/Lake Julian Sewer Rehab in an amount not to exceed \$44,500.00 upon completion of the sewer work.

f. Cash Commitment/Investment Report – Month ended April 30, 2007:

Presented as information only.

Regarding Item a. (Schwing Pump Replacement) Mr. Venable asked how old the pump is. Mr. Boyd said 13 years old. Mr. Aceto called for a motion on items a. d., with the exception of The Settings of Black Mountain and items e. and f. Mr. Kelly moved and Ms. Bellamy seconded the motion. With respect to Item a. (Schwing Pump Replacement) Mr. Clarke asked that the motion, based on staff's recommendation, include the following statement "the Board has found that the primary overriding concern for the proposed equipment is that it be standardized and compatible with MSD's existing equipment." Mr. Kelly and Ms. Bellamy accepted the amendment to the motion. Mr. Haner asked if it benefits MSD to sole source this item and if there is another source for this particular unit if put out for bid. Mr. Boyd stated that since MSD has an existing Schwing Pump, it would not have to stock parts from the manufacturer of a different brand. With no further discussion, Mr. Aceto called for the question. Roll call vote was

as follows: 11 Ayes; 0 Nays.

Mr. Sobol called for a motion regarding Item d. (The Settings of Black Mountain Phase 1). Mr. Venable moved that the Board approve the developer constructed sewer system. Ms. Bryson seconded the motion. Following a discussion regarding the cost of the extension, Mr. Sobol called for the question. Roll call vote was as follows: 9 Ayes 0 Nays. Mr. Aceto and Mr. Bissette were excused from voting.

Mr. Sobol asked if these systems can come back to the MSD for cost participation and how much they can get. Mr. Boyd said that they can get up to \$40,000 for an off-site extension.

9. Public Hearing – Consideration of Resolution Adopting the Final Budget and Rates & Fees for Fiscal Year 2007-2008:

MINUTES OF PUBLIC HEARING

At 2:35 PM, Mr. Aceto declared the Public Hearing open on the Budget, Rates & Fees for Fiscal Year 2007-2008.

Mr. Aceto called for public comment on the proposed Budget, Rates & Fees for Fiscal Year 2007-2008. With no comment, Mr. Kelly moved that the hearing be closed at 2:37 PM. Ms. Bellamy seconded the motion. Voice vote in favor of the motion was unanimous.

Mr. Aceto called for a motion to adopt the Final Budget, Rates & Fees for Fiscal Year 2007-2008. Mr. Kelly moved that the Board adopt the Budget as presented. Ms. Bellamy seconded the motion. Ms. Karpen asked if there was any change in the final budget compared to the preliminary budget. Mr. Aceto said the only change was the elimination of the facility fee for addition to a residence. With no further discussion, Mr. Aceto called for the question. Roll call vote was as follows: 11 Ayes; 0 Nays.

10. Consideration of Facility Fee for Addition to a Residence:

This item was considered and voted on under the General Manager's Report.

11. Old Business:

None

12. New Business:

None

13. Adjournment:

With no further business, Mr. Aceto called for adjournment at 2:40 PM.

Jackie W. Bryson, Secretary/Treasurer