

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
March 17, 1992

1. Call to Order and Roll Call:

The regular monthly meeting of the Board of the Metropolitan Sewerage District was held in the Boardroom of MSD's Administration Building at 2:00 p.m. on Tuesday, March 17, 1992. Chairman Smith called the meeting to order at 2:05 p.m. with the following members present: Bryson, Dent, Edwards, Frizzell, Ivey, Maas, McDonald, Penny, Post and Wallace.

Others present were: W. H. Mull, Engineer-Manager, John Stevens, General Counsel, Dean Huber and Bill Morris of Hendon Engineering Associates, Inc., Doyle Freeman of Henderson County, Jeff Dreibus representing the Council of Independent Business Owners, Bob Tinkler representing the League of Women Voters, Michael Thornhill of WLOS-TV, Clarke Morrison representing the Asheville Citizen-Times, Angel Morris, and Susan Presley MSD.

2. Minutes of the February 18, and February 25, 1992 Board Meetings:

Ms. Bryson moved that the minutes of the February 18, 1992 and February 25, 1992 meetings be adopted as written. Mr. Frizzell seconded. Voice vote was unanimous in favor of the motion.

3. Report of Engineer-Manager:

a. Consideration of Proposal for Engineering Services, Design of Sweeten Creek Sewer Rehabilitation, Priority One Interceptor (Hendon Engineering Associates);

Mr. Mull presented a Proposal by Hendon Engineering Associates for Engineering Services in connection with the Sweeten Creek Sewer Rehabilitation, Priority One Interceptor. Mr. Mull stated that the Sewer System Consolidation Committee, at its March 9, 1992 meeting recommended approval of the contract for a lump sum amount of \$98,800.00. Mr. Dent moved that the Board approve the proposal as presented. Mr. Edwards seconded. Roll call vote was as follows: 11 Ayes; 0 Nays.

b. Consideration of Proposal for Easement Plat Preparation - Black Mountain CIP, (ENG/6A);

Mr. Mull presented a revised Proposal by ENG/6A for Easement Plat Preparation for Black Mountain CIP Sanitary Sewer Rehabilitation which was reviewed by the Right-of-Way Committee March 10, 1992. Mr. Mull stated that the initial cost for the work was higher for the Black Mountain & Montreat areas because of the lack of available information to complete the work. Mr. Edwards moved upon recommendation of the Committee that the Board approve the proposal in the amount of \$650.00 per parcel (based on 60 parcels). Mr. Penny seconded. Roll call vote was as follows: 11 Ayes; 0 Nays.

c. Consideration of Proposals for Easement Acquisition Assistance, Weaverville CIP, Biltmore Forest CIP, Montreat CIP, Old Toll Road CIP, Woodfin Sanitary District CIP and Beaverdam Creek CIP, (McGill Associates);

Mr. Mull presented a Proposal by McGill Associates, P.A. for Engineering Services related to easement acquisitions on the following CIP Projects and reviewed by the Sewer System Consolidation Committee March 9, 1992: Town of Weaverville, at a cost of \$3,959.00; Town of Biltmore Forest at a cost of \$7,181.00; Town of Montreat at a cost of \$7,390.00; Old Toll Road at a cost of \$1,420.00; Woodfin Sanitary District and a cost of \$1,695.00 and Beaverdam Creek Interceptor at a cost of \$4,910.00. Following a brief discussion as to the scope of services, Ms. Wallace moved that the Board approve the proposal for a total maximum not to exceed cost of \$26,555.00. Mr. Frizzell seconded. Roll call vote was as follows: 11 Ayes; 0 Nays.

d. Consideration of Proposal for Easement Plat Preparation, Pisgah View Sewer Rehabilitation, Buncombe County CIP (William G. Lapsley & Associates);

Mr. Mull presented a Proposal by William G. Lapsley & Associates for Easement Plat Preparation for Pisgah View Sewer Rehabilitation, Buncombe County CIP. Mr. Mull reported that the proposal was presented to the Right-of-Way Committee March 9, 1992 and following review, the Committee recommended approval of the contract for a maximum not to exceed fee of \$12,200.00. Mr. Edwards moved that the Board approve the proposal as presented. Mr. Dent seconded. Roll call vote was as follows: 11 Ayes; 0 Nays.

4. **Report of Officers**

None

5. **Report of Committees:**

a. **Personnel Committee - Mr. Ivey**

Mr. Ivey reported that the committee met March 11, 1992 to review five (5) proposals received from consultants experienced in developing a Personnel Job Classification & Pay Plan for municipal units similar to the MSD's. Mr. Ivey stated that with guidance from both the City and County Personnel Directors and other interested Board Members, the Committee selected two of the most qualified companies who will be interviewed by the Committee March 30, 1992. Mr. Mull stated that the initial fees of the two companies selected range from \$12,000.00 to \$17,000.00 and if a decision is made at the March 30, 1992 meeting, the company selected could possibly start its work the first week of April. Mr. Mull further stated that in order to proceed with work prior to the next regular meeting of the Board, the Committee request that the Board give authorization to accept a proposal for a fee not to exceed cost. Following a brief discussion, Mr. Ivey moved that the Board authorize the Committee to enter into a contract at a cost not exceed \$20,000.00 for the purpose of developing a Personnel Job Classification Pay Plan. Mr. Penny seconded. Roll call vote was as follows: 11 Ayes; 0 Nays.

b. **Sewer System Consolidation Committee - Mr. Dent**

Mr. Dent reported that the committee met March 9, 1992 to discuss the following Issues:

1. Beaverdam Project - Mr. Dent reported that the committee discussed a contract with McGill and Associates for the Design and Construction Administration for the Beaverdam Interceptor along with the estimated cost of \$43,000.00 (made some 12 years ago in a sewer system evaluation) for repair of problems in lines that now would be double in cost. Mr. Dent stated that the additional cost would come out of the maintenance budget and that maintenance crews would proceed with the project.

2. Master Sewer Plan - Mr. Dent reported that the Committee discussed Mr. Steve Aceto's recommendation to the Board that a Master Sewer Plan be developed for the District. Mr. Dent stated that the Committee felt it was important to develop not only a master plan for the collector and interceptor sewer systems and treatment plant but an administrative policy as well. Mr. Mull stated that a meeting has been scheduled with Mr. Bill Morris of Hendon Engineering Associates to develop a more defined proposal to be presented to the Committee at its next meeting.

3. Request for Capacity Depletion Fee Waiver - Mr. Dent reported that the Committee reviewed a request from Mr. Jim Beck, (a developer of property in West Asheville) asking for credit in the amount of the cost of a sewer line against future capacity depletion fees for homes hooking onto the line. Mr. Dent stated that the

Committee considered the matter but decided that the request did not fit any of the criteria for exceptions to the capacity depletion fee and recommended unanimously that the request be denied.

4. Street Repairs - Mr. Dent reported that the Committee considered a proposed contract for the repair of asphalt street cuts in the City in order to save money and have the streets recovered more quickly and that the MSD is in the process of preparing a request for bids from private contractors to do the work now being done by the City of Asheville. Mr. Dent stated that this was reported to the Committee as information only and that no action was taken.

5. CIP Projects - Mr. Bill Morris of Hendon Engineering Associates presented a status report on Capital Improvement Projects to date. A brief discussion followed.

6. Nasty Branch Sewer Line - Mr. Dent reported that staff is working on estimates for the repair of the Nasty Branch sewer line (located near the French Board River) and that an updated report will be presented to the Committee at its next meeting.

7. Street and Sidewalk Project - Mr. Dent reported that in review of a letter from Hendon Engineering Associates, Inc. on bid openings for Contract 6 of the City of Asheville's Street and Sidewalk Project, the Committee unanimously recommended that the Board authorize the City of Asheville to award Section 2 - Sewer Rehabilitation of the contract to Paving Enterprises (Apparent Low Bidder) in the amount of \$648,714.15. Following a brief discussion, Mr. Dent moved that the Board ratify the recommendation of Hendon Engineering Associates, Inc. Mr. Post seconded. Roll call vote was as follows: 11 Ayes; 0 Nays.

Mr. Mull presented a letter from Hendon Engineering Associates, Inc. on three bids received by the City of Asheville March 10, 1992 for a combination of Section 1 - Street and Sidewalk Improvements and Section 2 - Sewer Rehabilitation. The results of the bid opening are as follows: APAC, Inc. (Apparent Low Bidder) with a base bid for Section 1 - Street and Sidewalk Improvements of \$1,602,475.90 and a base bid of \$510,797.40 for Section 2 - Sewer Rehabilitation for a total base bid of \$2,223,273.30; Paving Enterprises, Inc. with a base bid for Section 1 - Street and Sidewalk Improvements of \$1,833,087.10 and a base bid of \$503,547.48 for Section 2 - Sewer Rehabilitation for a total base bid of \$2,336,634.68. Following a discussion on the costs differences in the bids, Mr. Penny moved that the Board approve the apparent low bid of APAC-Carolina, Inc. for Section 2 - Sewer Rehabilitation in the amount of \$510,797.40. Mr. Dent seconded. Roll call vote was as follows: 11 Ayes; 0 Nays.

c. Bond Finance Committee - Ms. McDonald

Ms. McDonald reported that the Bond Finance Committee met March 16, 1992 to discuss the following: 1.) whether or not to take out new money in addition to refunding of the 1986A Bond Issue, 2.) whether or not the District should employ a Financial Advisor when doing the Bond Issues and 3.) the matter of Retention Bonds. The Committee unanimously recommended that the District combine the refunding of the 1986A Bonds with a new issue of approximately \$20 million and consolidate the two for a Revenue Bond Issue as soon as possible. Ms. McDonald moved that the Board approve the recommendation of the Committee. Mr. Edwards seconded. Roll call vote was as follows: 10 Ayes; 0 Nays and 1 Abstention (Mr. Ivey).

With regard to whether or not the District should employ a Financial Advisor to oversee who is hired as an underwriter, selling team, etc., the Committee recommended that the District did not need a Financial Advisor at this time, but that for future Bond Issues the District would consider the concept of a Financial Advisor and also would consider whether or not the District should do a General Obligation Bond as opposed to a Revenue Bond.

With regard to Retention Bonds, Ms. McDonald reported that a letter was received from Mr. George I. Woodall, Jr., Senior Vice President of Interstate/Johnson Lane (Underwriter for the Bond Issue) recommending companies that have offices in Asheville (A. G. Edwards, J.C. Bradford, Robinson-Humphrey, Merrill Lynch and Edward D. Jones) all receive \$500,000.00 worth of Retention Bonds, premised on a \$40 + million Bond Issue. Ms. McDonald stated that Retention Bonds are given with the right to market within the community and would represent approximately 5% of the total bond issue. Ms. McDonald moved that the Board direct Interstate/Johnson Lane to offer to the above listed companies Retention Bonds contingent upon the fact that they receive the same mark-up as Interstate/Johnson Lane. Mr. Penny seconded. Voice vote was unanimous in favor of the motion. Mr. Ivey abstained from voting. A brief discussion followed as to whether Retention Bonds have been offered in the past.

d. Plant Operations Committee - Dr. Maas

Dr. Maas reported that the Plant Operations Committee met on March 12, 1992 and March 17, 1992 to discuss three issues. The first issue deals with the level of zinc allowed in wastewater by a number of industries in the Asheville area. Dr. Maas stated that as a result of the Asheville-Buncombe Water Authority's decision (several years ago) to add 1/2 part per million of zinc to the water as a corrosion inhibitor, industries are limited by State standards of 1 part per million of zinc. Dr. Maas reported that although there was no immediate concern, the District could anticipate complaints from industries about the amount of zinc used and as a result, the Committee recommended that staff contact State representatives as to what it would take to ease the standards for zinc from 1 part per million to 1 1/2 parts per million.

Dr. Maas reported that the second issue discussed was the Process Performance Warranty required by Envirex and the District's ability to meet the full expansion capacity of 40mgd. Dr. Maas stated that as of February 1, 1992 tests have been performed using only 40% of the plant so that results can be extrapolated for a 40 mgd flow. Dr. Maas further stated that as a result of this testing, February's data showed that the District is meeting the level for Total Suspended Solids but the average for BOD's is somewhat above the limit and that the District will continue to run tests for an additional two months before any action is taken. A brief discussion followed as to whether this method of testing is acceptable to Envirex.

Dr. Maas reported that the third issue discussed was the incident regarding Charles D. Owen Manufacturing Company. Dr. Maas stated that due to the non-operating condition of a secondary holding tank, (which was essentially filled with a concentrated level of sulfuric acid) Charles D. Owen Manufacturing Company ended up in a situation where two major options presented itself, 1. shut down the plant so that no more wastewater was released into the basin or 2. release the sulfuric acid into the sewer system. Dr. Maas reported that it appeared that Charles D. Owen elected to release the acid into the sewer system and as an apparent result, the District's Ph level went down to 1.75, resulting in a devastating effect on the District's RBC's. Dr. Maas further reported that although a portion of the District's system was off-line at the time, approximately 1/3 of the biological growth was killed by a discharge of acid. Dr. Maas stated that the main problem associated with the spill is the effect it will have on the effluent BOD possibly resulting in noncompliance. Dr. Maas stated that there was an approximate 7-hour time lapse between the time the spill occurred and the time it appeared to reach the plant and during that time the District was not contacted by Charles D. Owen Manufacturing Company.

At 3:10 p.m. Mr. Frizell moved that the Board go into Executive Session to further discuss legal issues with counsel regarding the matter of Charles D. Owen Manufacturing Company. Ms. McDonald seconded. Voice vote was unanimous in favor of the motion.

At 3:49 p.m. Mr. Dent moved that the Board reconvene the regular meeting. Ms. McDonald seconded. Voice vote was unanimous in favor of the motion.

At 3:51 p.m. Ms. McDonald moved that the Board go into Executive Session to discuss the acquisition and condemnation of real property. Ms. Bryson seconded. Voice Vote was unanimous in favor of the motion.

At 4:27 p.m. Dr. Maas moved that the Board reconvene the regular meeting. Mr. lvey seconded. Voice vote was unanimous in favor of the motion.

Ms. McDonald moved that the Board approve the recommended action of the Right-of-Way Committee on parcels 17, 64, 53, 48, 49, 36, 32, 25 and 35. Mr. Edwards seconded. Roll call vote was as follows: 10 Ayes; 0 Nays.

6. Unfinished Business:

None

7. New Business

None

8. Date of Next Regular Meeting: April 21, 1992

9. Adjournment:

There being no further business, the meeting adjourned at 4:30 p.m.



Jackie W. Bryson, Secretary/Treasurer