

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

September 15, 1993

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 Wednesday, September 15, 1993. Chairman Post presided with the following members present: Bryson, Casper, Dent, Kelly, Penny, Post, Selby, Slosman and Wallace. Those members absent were: Frizzell and Joyner

Others Present were: W. H. Mull, Engineer-Manager, John S. Stevens, General Counsel, Bill Morris and Bill Conner of Hendon Engineering Associates, Inc., Mike Calhoun of Vaughn & Melton, Ben Morgan, R. F. Smith and James Dildine with Ruby-Collins, Inc., Gary McGill of McGill Associates, Bob Tinkler, representing the League of Women Voters and Linda Dickson, MSD.

2. Approval of the Minutes of the August 18, 1993, and August 27-28, 1993 Retreat;

With regard to the August 27-28, 1993 minutes, Mr. Post requested that the parcel referenced as the "Young Parcel" be changed to read "Biddle Parcel" and Ms. Bryson requested that the minutes show that she was absent and did not participate in either the discussion or vote on the Coleman issue. Mr. Dent requested that the Board delay approval of the Retreat minutes until the next regular meeting. There being no corrections in the minutes of the August 18, 1993 minutes, Ms. Wallace moved that the Board approve the minutes as presented and to delay approval of the August 27-28, 1993 minutes until the next regular meeting. Mr. Kelly seconded the motion. Voice vote was unanimous in favor of the motion.

3. Report of Engineer-Manager:

Mr. Post suggested that prior to consideration of the various items under the Engineer-Manager's report that Mr. Mull give a report on the September 10, 1993 meeting of the Capital Improvement Plan Committee (CIP). Mr. Mull reported that the CIP Committee met to review the following proposed Project Schedule and recommendations therein:

1. Adopt Construction Funds and General Fund Budget Option 5.e:

Mr. Mull reported that option 5.e consist of an assumed 3.5% annual revenue increase; a minimum 1.7% debt coverage ratio; a minimum 3 month fund balance reserve; and a 4% maximum annual construction cost increase. Following review of this option, the Committee recommended adoption of the schedule as presented.

2. A 5% Rate Increase for July, 1994:

Mr. Mull reported that although Option 5.e assumes revenues based on a 3.5% rate increase annually, the expected growth rate history of 1%, would leave an annual rate increase of 2.5%. However, due to water conservation efforts by the Asheville Buncombe Water Authority, there may be no increase in consumption. Mr. Mull further reported that a 5% increase would offset a decrease in revenues due to water conservation, but if conservation is not as projected, a 5% rate increase might be adequate for two years instead of one. Approval of the General Fund Budget Option 5.e and the 5% rate increase for July, 1994 are based on the following conditions: Concurrence of the Project Schedule by affected political subdivisions and the North Carolina Department of Environment, Health and Natural Resources (NCDEHNR), whereby projects were moved down in the schedule to the reduce funds in the first year; confirmation of actual revenues and billable flows as determined by the annual

user charge study to be performed in October, 1993 and review of the projections and alternatives by the Director of Administration, to be hired this fall.

In addition, Mr. Mull stated that the Committee discussed the following summary and change to previous spreadsheets: reduction of capital expenditures for FY 93-94 from \$30,001,000 to \$23,717,000, by postponing construction of selected projects, and reduction of annual inflation of the Operation and Maintenance Budget from 4.5% to 3.5%. Mr. Mull further stated that in discussions with Mr. Haner of the NCDEHNR, he did not have an issue with postponing projects as long as reserve funds were on hand in the event there was problem with any of the projects and the District could address those problem immediately.

Regarding the City of Asheville's annexation projects that have been delayed in court, Mr. Penny suggested that the Board consider postponing these project for two years instead of one. A lengthy discussion followed regarding the reasons for maintaining the current schedules; rights of way acquisition and whether the rate increase is for one year only. Mr. Penny requested that by adopting the recommendations, the Board realize that this issue needs to be affirmed in the budget process and that the District is not locking itself into a 5% rate increase with notification to the public prior to any increase. Mr. Slosman stated that the public should be aware that there was a proposed rate increase for 1992, which did not go into effect, and that the District was able to delay an increase for two years even though the Bond Issue recommended a 4% rate increase each year. Following a brief discussion on how costs are estimated for various projects, Mr. Dent moved that the Board accept the recommendations of the CIP Committee subject to future modifications if necessary. Bob Selby seconded the motion. Voice vote was unanimous in favor of the motion.

a. Consideration of Bids for Construction of Phase 2 - Montreat CIP;

Mr. Mull reported that bids for construction of Phase 2 - Montreat CIP were presented to the Sewer System Consolidation Committee August 5, 1993 and the Committee recommended that final action be postponed until funding considerations were finalized. Mr. Mull further reported that following review of the bids by the CIP Committee on August 20, 1993 the Sewer System Consolidation Committee, at its September 13, 1993 meeting recommended award of the Contract to the apparent low bidder in the amount of \$999,876.00, based on approval of the Project Schedule. There being no further discussion, Mr. Penny moved that the Board adopt the recommendation of the Sewer System Consolidation Committee. Mr. Dent seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

b. Consideration of Bids for Construction of North Swannanoa Interceptor - Phase 1;

Mr. Mull reported that bids for the North Swannanoa Sanitary Sewer Interceptor were opened August 10, 1993 and are as follows: Rockdale Pipeline, Inc. (Bid Withdrawn); Ruby Collins, Inc. (apparent low bidder) with a total base bid of \$12,414,262.00; W.L. Hailey & Company, Inc. - Rast Construction, Inc. with a total base bid of \$12,871,450.00; Bryant Electric Company, Inc. with a total base bid of \$14,093,534.00 and John D. Stephens, Inc. with a total base bid of \$13,542,514.70. Mr. Mull further reported that in an attempt to decrease the overall cost of construction, Ruby-Collins, Inc. has reduced its bid amount by \$533,274.00 for a total base bid of \$11,880,988.38. In a letter received from Walter Currie, Attorney for the District, he stated that the bids, bid bonds and powers of attorney are in acceptable form and that

changes in plans and specifications and reduction in the bid of Ruby-Collins, Inc. in the amount of \$533,274.00 is not excessive and is acceptable. In addition, Mr. Currie suggested the following options. 1. Award the contract to Ruby Collins for the negotiated contract amount. 2. Reject all bids and readvertise the project or 3. Authorize further negotiation with Ruby-Collins if the time during which the bid can be accepted is extended.

Mr. Mull stated that in the District's Right of Way agreement with Buncombe County, it agreed in addition to a number of golf course specifications, to reimburse the golf course for lost revenues during the construction period, based on the last three year's average winter revenues. Mr. Mull further stated that following review of the bids, the Sewer System Consolidation Committee recommended award of the bid in the amount of \$11,880,988.38. A lengthy discussion followed regarding the use of ductile iron pipe and whether its use would affect the integrity of the project; the difference in construction cost and the revised bid and whether the project should be rebid. There being no further discussion, Mr. Penny moved that the Board adopt the recommendation of the Sewer System Consolidation Committee and award the contract to Ruby-Collins, Inc. at the negotiated price of \$11,880,988.38. Ms. Bryson seconded the motion. Following a discussion as to whether the bid is a not to exceed cost; how the contractor will complete the project in 62 weeks and the unit price for rock, Roll call vote was as follows: 9 Ayes; 0 Nays.

1. Consideration of Rockdale Pipeline, Inc. Request:

Mr. Mull presented a letter from David Senter, Attorney for Rockdale Pipeline, Inc., requesting that Rockdale be allowed to perform sub-contract work for the North Swannanoa Interceptor Sewer Project. Mr. Mull reported that in review of a letter received from Walter Currie, Attorney for the District, the Sewer System Consolidation Committee concurred with counsel's recommendation that the Board not give permission to Rockdale Pipeline, Inc. There being no discussion, Mr. Penny moved that the Board adopt the recommendation of the Sewer System Consolidation Committee and not allow Rockdale Pipeline, Inc. to do subcontract work on the project. Ms. Wallace seconded the motion. Voice vote was unanimous in favor of the motion.

c. Consideration of Policy on Acquisition of Additional Sewerage System Facilities;

As a matter of information, Mr. Mull presented a draft Policy on Acquisition of Additional Sewerage System Facilities and reported that following review of the policy, the Sewer System Consolidation Committee recommended several changes and suggested that the policy not be adopted until the District approved some Standard Specifications and General Conditions, to be presented at the next regular meeting of the Board. A brief discussion followed.

d. Consideration of Contract Amendment - Beaverdam Interceptor - North Fork;

Mr. Mull presented a letter from Vaughn & Melton regarding additional services for contract administration on the Beaverdam Interceptor Sewer Improvement project - North Fork. Mr. Mull reported that the not to exceed fee of \$28,828.00 was based on an estimated construction time of 105 days, which has now been extended to 210 days. Therefore, Vaughn & Melton is requesting that \$40,000.00 be added to the engineering services contract for a total not to exceed fee of \$68,828.00. Mr. Mull further reported that following review of the contract amendment, the Sewer System Consolidation Committee recommended approval. Mr. Casper questioned the reason for the increase in construction time from 105 days to 210 days. Mr. Calhoun reported that in 1991 the original estimated construction time was 105 days but due to additional lines and

because of difficulty in laying the lines, construction time was increased to 210 days. Mr. Dent suggested that in the future, contract design be separate from contract administration with an up front estimate from the engineer on how much time the project will take and that the District not negotiate the contract until it is let for construction. Mr. Mull explained that the District has encountered problems with those projects on the CIP list since no previous engineering or design work had been done, therefore the District has attempted to put together some standard estimates for those projects and to date still have projects that have not been designed. There being no further discussion, Mr. Penny moved that the Board approve the contract amendment in an amount not to exceed \$68,828.00. Mr. Kelly seconded the motion. Roll call vote was as follows: 8 Ayes; 1 Nay (Mr. Casper).

Mr. Post reported that he has requested that staff come up with a policy to be presented to the engineers, which will set an order with regard to the way the District will do business in the future.

e. Consideration of Approval of Talmadge Drive Sewer Rehabilitation Project;

Mr. Mull reported that the District's Maintenance Division has requested that the sewers serving Talmadge Drive be rehabilitated because of reoccurring blockages and overflows. The recommended budget for this project is \$50,000.00 which will include legal, survey, easements, and construction fees with engineering to be done in-house. Mr. Mull further reported that funds for this project will come from the \$306,000.00 on the CIP spreadsheet under miscellaneous MSD projects and that the Sewer System Consolidation Committee recommended that the Board authorize proceeding with the project at a cost not to exceed \$50,000.00. Following a discussion regarding the length of the line and the location, Mr. Dent moved that the Board adopt the recommendation of the Sewer System Consolidation Committee. Mr. Penny seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

f. Consideration of Contract for Blasting Monitoring;

Mr. Mull reported that due to the large amount of rock encountered on the Kledis property - Earl Capps Hollow Sewer Rehabilitation, and a concern for two residences which could be affected and a well located approximately 100 feet from sewer line, staff has requested that it be allowed to authorize blasting monitoring on the property and presented the following two proposals received: Froehling & Robertson with a proposal of \$3,890.00 and Law Engineering with a proposal of \$6,800.00. Mr. Mull further reported that in review of the proposals, the Sewer System Consolidation Committee recommended that the Board award the contract to Froehling & Robertson for an amount not to exceed \$3,890.00. Mr. Penny moved that the Board adopt the recommendation of the Sewer System Consolidation Committee. Mr. Slosman seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

g. Report on Earl Capps Hollow Sewer Rehabilitation - Young Property;

Mr. Mull reported that during excavation of the Young Bus Line property, the contractor encountered petroleum products and has informed the District that he would not proceed with construction until conditions were made safe. Mr. Mull further reported that in review of this matter, the Sewer System Consolidation Committee recommended that the District investigate a possible alternate route and attempt to recoup the settlement from Young Bus Line for its easement. Mr. Mull presented a letter from the District to Young Bus Line stating they must notify the Groundwater Section of the Division of Environmental Management of the NCDEHNR that there is evidence of petroleum contamination in order that the District can continue its work on the sewer line. Mr. Mull stated that the District has notified its contractor not to take any

additional action until the matter is resolved.

h. Consideration of US 25 Sewer Rehabilitation to serve South Asheville Cinema Outparcels;

Mr. Mull reported that the sewer line along U.S. 25 which will serve the South Asheville Cinemas, Inc. is in disrepair and that the total estimated project cost to rehabilitate the line is \$60,000.00. Mr. Mull further reported that based on the cost share formula of 50%, the total cost to the District would be \$30,000.00 which would come from the \$306,000.00 on the CIP spreadsheet under miscellaneous MSD projects. In review of the project, the Sewer System Consolidation Committee recommended that the Board fund the project in an amount not to exceed \$30,000.00. Following a brief discussion on the location of the line, Mr. Penny moved that the Board adopt the recommendation of the Sewer System Consolidation Committee. Ms. Wallace seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

i. Consideration of Contract Amendment - Beaverdam Creek Interceptor;

Mr. Mull reported that McGill Associates has issued an invoice in the amount of \$1,099.21 for engineering assistance during easement acquisition, bringing the total billed to date to \$10,890.00, which exceeds the estimated amount of \$10,000.00. Mr. Mull further reported that because its the District desire to work with every property owner in answering questions and investigating alternative routes where feasible, the Right of Way Committee recommends that the contract price be increased to \$20,000.00. Following a brief discussion, Mr. Slosman moved that the Board adopt the recommendation of the Right of Way Committee. Ms. Wallace seconded the motion. Roll call vote was as follows: 8 Ayes; 1 Nay (Mr. Casper).

A lengthy discussion followed regarding the above action resulting from the need for increased public relations; problems encountered during easement acquisitions and whether its preferable to overestimate the cost of a project. With regard to project estimates, Mr. McGill stated that estimates should be done by the right of way staff and cautioned the Board against using high estimates in order to avoid having to deal with contract amendments.

j. Consideration of Contract Amendment - Montreat CIP;

Mr. Mull reported that McGill Associates, Inc. has issued an invoice in the amount of \$992.50 for engineering assistance during easement acquisition, bringing the total billed to date to \$8,166.00, which exceeds the estimated amount of \$7,390.00. Mr. Mull further reported that following review of the contract amendment, the Right of Way Committee recommended that the contract price be increased to \$8,500.00. Mr. Kelly moved that the Board adopt the recommendation of the Right of Way Committee. Mr. Slosman seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

Mr. Mull brought to the Board's attention the status reports provided and particularly to the report pertaining to the Standard Plans and Specifications and the Personnel Policy Manual. Mr. Mull reported that a status report on insurance was not included, but that staff is working with John Miall with the City of Asheville on RFP's for the District's health and dental insurance and recommended that the Personnel Committee meet to review the revised Personnel Policy Manual and job qualifications for the Director of Administration. A brief discussion followed with regard to how often the various committees should meet.

4. Report of Officers:

None

5. Report of Committees:

a. Capital Improvement Plan Committee - September 10, 1993 - Mr. Post

Mr. Post reported that the Capital Improvement Plan Committee met September 10, 1993 to discuss those items previously mentioned in the Engineer-Manager's report. Mr. Post further reported that because agenda items are mailed in advance, the amount of time spent in Committee meetings has decreased dramatically and expressed his appreciation to staff for their efforts in this regard.

b. Sewer System Consolidation Committee - September 13, 1993 - Mr. Dent;

No report.

Mr. Mull suggested that in the future all committee meetings be scheduled at the end of the month in order that the minutes, recommendations and agendas can be sent out prior to the next regular meeting of the Board. Mr. Mull stated that although there may be adjustments in the agenda, all items that require committee action will be included in the Engineer-Managers report, thereby eliminating the need for committee reports, unless there is a need for an executive session. Ms. Wallace requested that there be a place on the agenda for other issues.

c. Right-of-Way Committee - September 13, 1993 - Mr. Slosman

1. Consideration of Right of Way Policy

Mr. Slosman presented a Policy on Right Of Way Acquisition and stated that in review of the policy the following changes were made:

"No acquisition shall begin on a project until plans and specifications have been reviewed and approved by the District's Engineering Division".

"Upon completion and approval of plans and specifications, the Project Engineer shall provide the Right of Way Coordinator with two sets of plans and specifications, a form indicating affected property owners and the survey schedule".

There being no discussion, Mr. Slosman moved that the Board adopt the policy with the above changes. Ms. Bryson seconded the motion. Voice vote was unanimous in favor of the motion.

6. Unfinished Business:

Mr. Post reported that the new committee structure recommended by Municipal Advisors, Inc. will be reviewed by the Board at its next regular meeting and stated that because the Capital Improvement Plan Committee is made up of members from the different municipalities, it should stand alone. In addition, Mr. Post requested that staff discuss with the Right-of-Way Committee whether it should stand alone. Mr. Post requested that Board Members review the list of committees and decide which ones they prefer to serve on and report back to him before the next meeting. He further stated that because there will be four or five committees, some members may be asked to serve on more than one committee.

7. Old Business: Values and Mission Statements - Carolyn Wallace:

Ms. Wallace presented a final draft of the Values and Mission Statements and asked the Board for any suggested comments or changes. Following a brief discussion regarding the wording of the statements, Mr. Dent moved that the Board adopt the statements as presented. Mr. Slosman seconded the motion. Voice vote was unanimous in favor of the motion.

At 4:10 p.m. Mr. Dent moved that the Board go into executive session to discuss rights of way issues. Mr. Penny seconded the motion. Voice vote was unanimous in favor of the motion.

At 4:15 p.m. the regular meeting was reconvened with the following action taken:

Mr. Slosman moved that the Board approve compensation to Ms. Kyker in the amount of \$500.00. Mr. Kelly seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

Mr. Penny moved that the Board approve the Field Negotiation Chart as a guideline for the Sweeten Creek Interceptor Sewer. Mr. Dent seconded the motion. Following a brief discussion, roll call vote was as follows: 7 Ayes; 0 Nays; 2 Abstentions. Mr. Casper and Mr. Slosman took no part or deliberation on the subject.

Mr. Penny moved that the Board approve obtaining an appraisal on the Smathers parcel with the final offer of damages indicated and if the offer is not accepted proceed with condemnation. Mr. Kelly seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

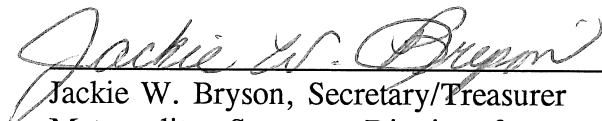
8. New Business

At 4:20 p.m. Mr. Slosman moved that the Board go into executive session to discuss a personnel matter. Mr. Penny seconded the motion. Voice vote was unanimous in favor of the motion.

At 4:34 p.m. the regular meeting was reconvened.

9. Adjournment:

There being no further business, the meeting was adjourned at 4:35 p.m.



Jackie W. Bryson, Secretary/Treasurer
Metropolitan Sewerage District of
Buncombe County, North Carolina