

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

February 21, 1996

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, February 21, 1996. Vice Chairman Slosman presided with the following members present: Bryson, Casper, Joyner, Kelly, Pace, Selby, Sobol and Wallace. Those members absent were Holcombe & Post.

Others present were: W. H. Mull, Engineer-Manager, John S. Stevens, General Counsel, Tim Hemker of W.K. Dickson and Co., Inc., Gary McGill and Danny Bridges of McGill Associates, PA, Patty Beaver of CIBO, Ann Sutton, Stan Boyd, Jim Fatland, Tom Tarrant, Chuck Young, Alan Jacobson, Sharon Walk and Sondra Honeycutt, MSD.

2. Approval of the Minutes of the January 17 and 31, 1996 meetings:

Mr. Joyner moved that the minutes of the January 17 and 31, 1996 meetings be approved as presented. Mr. Kelly seconded the motion. Voice vote was unanimous in favor of the motion.

3. Engineer-Manager's Report

Mr. Mull announced that a public meeting will be held at the Collection System Division, February 28, 1996 at 7:00 p.m. The purpose of the meeting is to hear a presentation on the equipment and techniques used to repair and maintain the 200 square miles of sewer service area in the District. Mr. Slosman encouraged Board Members to attend. Mr. Mull also announced that he will address the Regional Water Forum on February 29, 1996, and give a presentation to the Enka Candler Business Association on March 13, 1996.

CONSOLIDATED MOTION AGENDA

Finance Committee Items:

Mr. Mull reported that the following items were brought before the Finance Committee, February 14, 1996:

a.2. Finance Committee Policies/Procedures:

The Committee recommended approval of the Finance Committee Policies and Procedures.

a.3. Employee Medical/Dental Internal Service Fund:

The Committee recommended approval of the following four (4) part motion: (1) approval of a three (3) year agreement with Kanawha Employee Benefit Administrators, Inc., as third party administrator at a fixed cost of \$22,356.00 per year; (2) approval of The Hartford Insurance Company as stop loss insurance carrier at a fixed cost of \$111,145.00 per year; (3) That MSD employer contribution remain at the 1995-96 budget level over the next three years, with employee rates for individual and dependent coverage to remain unchanged, and (4) Consider approval of life insurance coverage for all MSD employees to be one times the annual salary at a minimum of \$20,000.00 and not to exceed \$50,000.00.

a.4. Consideration of Approval of Amended Budget Calendar:

The Committee recommended approval of the amended Budget Calendar.

a.5.a. Consideration of Six Month Investment Report:

The Committee recommended the receipt and filing of a Six Month Investment Report for the second quarter ending December 29, 1995.

a.5.b. Consideration of Approval of the Amended Investment Policies:

The Committee recommended approval of amended changes in the Investment Policy.

a.6. Consideration of Six Month Budget Report:

The Committee recommended receipt and filing of the Six Month Budget Report.

a.7. Consideration of Approval of Accounting Software Recommendation:

The Committee recommended approval of the Accounting Software Package.

Mr. Mull briefly explained the expected changes in the District's insurance coverage. With regard to Item a.3, Mr. Kelly recommended that as the District goes into the budget year that the Personnel and Finance Committees' look at benefits other municipalities provide; comparing those with the entire costs of the benefit package provided by the District. Also, the District needs to look at whether it has positions that are going unfilled or whether it is at full employment since it has an obligation not only to its employees, but to rate payers to hold their rates at the current level. Mr. Casper agreed with Mr. Kelly's comments and recommended that staff obtain information from the League of Municipalities with regard to salary and benefits. Mr. Fatland reported that staff is preparing a complete benefits comparison for the Finance Committee's review. Mr. Selby moved that the Board adopt the Consolidated Motion Agenda. Ms. Bryson seconded the motion. A brief discussion followed regarding Item a.7, (Consideration of approval of Accounting Software) the amount of hardware the District will need to be purchase. With no further discussion, roll call vote was as follows: 9 Ayes; 0 Nays.

Planning Committee Items:

Mr. Mull reported that the following item was brought before the Planning Committee, January 31, 1996:

d.II.3. Consideration of Amendment to Biosolids Product Marketing and Distribution Agreement - McGill Associates:

The Committee recommended that the Contract with McGill Associates in the amount of \$28,800.00 be increased to \$38,800.00.

Mr. Mull reported that the original Contract did not include negotiations on issues dealing with N-Viro, and providing cost estimates and participation in a small scale pilot testing of ashes. Following a discussion regarding McGill Associate's letter of December 20, 1995, requesting that the original contract amount of \$28,800.00 be amended to \$42,000.00, Mr. Pace moved that the recommended increase to \$38,000.00 be amended to \$42,000.00 as requested by McGill Associates. Ms. Wallace seconded the motion. Roll call vote was as follows: 9 Ayes, 0 Nays.

Mr. Kelly questioned the need to continue with the marketing study survey on disposal of the Alkaline Stabilized product. Mr. Bridges reported that except for the Department of Transportation's removal of approximately 8,000 tons, they have not approached other potential users about taking the product free. Mr. McGill added that their efforts are being concentrated on a program to dispose of the product. Ms. Wallace expressed a concern regarding the lack of negotiations on the issue of disposal of the

product and felt the District should be moving in that direction. Mr. Mull reported that in a conversation with Mr. Nicholson of N-Viro with regard to what other municipalities are doing to market their product and charging to dispose of the product, he stated that one municipality is selling the product for \$3.00/ton, but most are giving it away. Therefore, the District might consider reducing the price of its product. He further reported that there is another product that can be produced by mixing the product with leaves, which is more of a composting material, but currently the District does not have enough room to explore that possibility. Ms. Wallace moved that the Board contract with McGill Associates for an amended contract amount not to exceed \$6,000.00 to negotiate with Southern States and other buyers regarding the annual costs and tonnage needed, with a report on the options brought back to the Board for consideration following review by the Planning and Finance Committees. Mr. Joyner seconded the motion. A lengthy discussion followed regarding the product's liming value; whether the District should reduce its product costs; if a public meeting introducing the product to potential users should be held, as previously suggested; the number of tons the District produces annually; whether the District must guarantee Southern States an annual amount before it will agree to buy the product; equipment depreciation; budgetary impact, and the difference between dry and wet tons. With no further discussion, the motion was amended as follows: that the District instruct McGill Associates to negotiate with Southern States and other possible buyers/users for terms of a contract to include price, amount and delivery of the product, with a report to the Board on the options. Also, that staff be instructed to determine the budgetary impact of the various methods of disposal. Voice vote was unanimous in favor of the motion.

Right-of-Way Committee Items:

Mr. Mull reported that the following item was brought before the Right-of-Way Committee January 31, 1996.

e.II.e. Consideration of Approval of Compensation Budget-Sulphur Springs Creek Interceptor, Phase II.

The Committee recommended approval of the Compensation Chart.

Mr. Mull reported that the total Compensation Budget for Phase II of the Sulphur Springs Creek Interceptor is \$11,500.00 using the Board approved compensation formula. With no discussion, Mr. Kelly moved that the Board adopt the recommendation of the Right-of-Way Committee. Mr. Casper seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

REGULAR AGENDA ITEMS:

Personnel Committee Items:

b.1. Consideration of Recruitment Profile for the Deputy General Manager of Operations position.

Mr. Mull reported that a number of minor changes were made in the Recruitment Profile.

b.2. Consideration of David M. Griffith Associate's Salary Survey Recommendations.

Mr. Mull reported that the Personnel Committee recommended a pay grade of 51 for the position of Deputy General Manager of Operations, which will require a Master's degree in Engineering and acquiring a Professional Civil Engineer certification within one year of appointment.

Following a brief discussion, Mr. Sobol moved that the Board approve the Recruitment Profile with corrections and a pay grade 51 as recommended by the Personnel Committee. Mr. Kelly seconded the motion. Voice vote was unanimous in favor of the motion.

Right-of-Way Committee Items:

e.II.h. Consideration of Amendment of Right-of-Way Standards:

Mr. Mull reported that Mr. Stevens combined the District's Easement Agreement and the North Carolina General Warranty Deed in order to create one document and eliminate the need for title updates. He further reported that no action is necessary at this time, but that the Committee will bring comments back to it's February 29, 1996 meeting.

e.II.i. Consideration of Acceptance of a Developer Constructed Sewer System - Gaston Mountain.

Mr. Mull reported that the Committee recommended acceptance of the developer constructed sewer system, (Gaston Mountain) and that a survey be obtained to determine if the sewer line is within the right-of-way. In answer to a question on why the District is accepting a private system, Mr. Mull stated that the line was constructed prior to the District's implementation of any formal procedures, which are indicated in the final right-of-way document audit, and that the line has been inspected and meets the District's Public Sewer Standards. Mr. Pace moved that the Board adopt the recommendation of the Right-of-Way Committee. Mr. Kelly seconded the motion. A discussion followed regarding whether the District will contract for the survey work; who will pay for the survey; the age of the line, and if there are any benefits in accepting these private systems. With no further discussion voice vote was unanimous in favor of the motion.

g. Consideration of Developer Constructed Sewer System for Braeside Sections 1,2 & 3 - Biltmore Park.

Mr. Mull reported that staff recommended acceptance of the developer constructed system, (Braeside Sections 1,2 & 3 - Biltmore Park) contingent upon receipt of an easement agreement from the Buncombe County Board of Education. He further reported that the system has been inspected and has the appropriate encroachment agreement. Mr. Joyner moved that the Board adopt the recommendation of staff. Mr. Sobol seconded the motion. Voice vote was unanimous in favor of the motion.

h. Consideration of Bids for Janitorial Services Contract:

Mr. Mull reported that the following bids for Janitorial Services, which will place the District's four (4) facilities under a formal annual renewable contract, were received February 6, 1996: Happy Housekeeping with a total base bid of \$34,200.00; Home Care Specialties with a total base bid of \$32,820.00; J.I. Whitaker with a total base bid of \$27,300.00, and Mountain Cleaning Services with a total base bid of \$20,100.00. He further reported that staff recommends that the District Board accept the low bid of \$20,100.00 annually from Mountain Cleaning Services with the reservation that the Division Head responsible for each facility, shall have the right to sever that portion of the contract for cause after thirty (30) days written notice to the Contractor. Mr. Mull stated that currently J.I. Whitaker is under separate contract to clean the Maintenance, CIP and Burlington facilities, and from all comments, he is doing an excellent job. He further stated that Mountain Cleaning Services is under

contract to clean the Administration building, which has been less than satisfactory, however, they have indicated that they will meet all criteria of the contract. Mr. Sobol moved that the Board approve the bid of J.I. Whitaker at an annual cost of \$27,300.00, with a clarification on who is responsible for termination of any portion of the contract. Mr. Pace seconded the motion. A lengthy discussion followed regarding whether the contract should be given to the low bidder if services are less than desirable; who should be responsible for termination of any, or all portions of the contract, and if it is legal to disregard the low bid. Mr. Stevens stated that it is not necessary for the District to go out for bid on this type of contract, but since it did, it must provide adequate reasons for accepting a higher bid. Mr. Slosman recommended that the motion be amended giving the Engineer-Manager full authority to terminate any or all portions of the contract. Following a clarification on the motion, roll call vote was as follows: 7 Ayes; 2 Nays (Mr. Casper, Mr. Selby)

i. Consideration of Bids for Construction Contract - Lexington Avenue Sewer Rehabilitation:

Mr. Mull reported that the Lexington Avenue Sewer Rehabilitation project in the amount of \$362,068.00 is to be funded out of the General Rehabilitation funds for FY 95-96, but does not include the contingency amount of \$41,250.00. He further reported that the following bids for this project were received February 8, 1996: Pollution Technologies, Inc. with a total base bid of \$274,969.00; Atlantic Coast Contractors with a total base bid of \$331,584.00; Hobson Construction Co., Inc. with a total base bid of \$365,990.00, and Hobby Construction Co., Inc. with a total base bid of \$418,790.00. Mr. Mull stated that in a letter from Walter L. Currie, Attorney for the District, he reported that the District was correct in stopping the bid opening on January 25, 1996, since there were only three bids and one of the bidders did not have proper bid security. Also, that in review of the four bids received February 8, 1996, they are in acceptable form, except that the bid of Pollution Technologies did not provide an Alternate Bid, therefore, the bid can only be considered if the District decides to award the base bid work. Mr. Mull further stated that staff recommends that the Board award the construction contract to Pollution Technologies for a total base bid of \$274,969.00, with a 15% contingency of \$41,250.00, and authorization for the Engineer-Manager to deal with any unanticipated change order items.

Mr. Mull announced that a public meeting will be held at Max & Rosie's Cafe on Monday, March 4, 1996 at 6:00 p.m to hear a presentation and discussion concerning the rehabilitation of sewers on North Lexington Avenue, including Hiwassee, College, and Walnut Streets. Mr. Hemker, reported that the project is a 90 day contract and should be complete by the end of June. With regard to a question on traffic control, he stated that although the contractor will be responsible to maintain access to businesses during construction, they are working to make traffic flow into the area smoother. Mr. Hemker further reported that they have obtained reference information on Pollution Technologies Inc. in order to evaluate the quality of their work, and based on the information received from subcontractors, material suppliers and previous clients, which carried good recommendations, they concur that the project be awarded to Pollution Technologies, Inc. A lengthy discussion followed regarding why the District is maintaining this 6" line; the use of No-Dig technology as the District's first pilot program, and whether staff will be doing inspection of the project. With no further discussion, Mr. Selby moved that the Board adopt the recommendation of staff. Mr. Pace seconded the motion. Roll call vote was as follows: 8 Ayes; 1 Nay (Mr. Sobol)

4. Report of Committees

a. Finance Committee, February 14, 1996 - Mr. Casper

Mr. Casper presented a letter from Killian, Cole & Marshall, addressing improvements being implemented by Mr. Fatland on internal controls, which is a positive step in the right direction.

b. Personnel Committee, February 2, 1996 - Mr. Sobol

Mr. Sobol reported that in a recent conversation with Mr. Roberts of Norman Roberts & Associates, he stated that they will have four to five candidates for the position of Deputy General Manager of Operations by the second week in May.

d. Planning Committee, January 31, 1996 - Mr. Slosman

No further report.

e. Right of Way Committee, January 31, 1996 - Mr. Selby

Mr. Selby reminded the Board to read the proposed Right-of-Way Document.

f. Blue Ribbon Committee - Mr. Casper

Mr. Casper reported that the Committee has not met recently and questioned whether Members of the Board have met with their respective municipalities regarding the issue of extensions, and when a meeting with the representatives will be scheduled to hear what is expected of the MSD. Following a lengthy discussion with regard to planning and scheduling of a meeting with the municipalities to address this issue, the Board agreed that the Blue Ribbon Committee meet to develop an Agenda and schedule a series of meetings. Mr. Selby agreed to serve on the Committee.

5. Unfinished Business:

a. Consideration of Report from Black & Veatch:

Mr. Mull reported that tests results performed by Entropy, Inc. in November, 1995 for dioxin and furans, were sent to Black & Veatch for review. As a result, Black & Veatch found that based on emission rates averaged over the three testing runs, the maximum individual cancer risk from incinerator dioxins and furans is approximately 0.03 in one million, (0.3% of the ten in one million significance level established by the North Carolina Department of Environmental Health and Natural Resources). He further reported that the District plans to test every six months for dioxins and furans. Ms. Wallace requested that this report, along with the Alkaline Stabilization report be discussed at the next meeting of the Planning Committee. Mr. Slosman suggested that prior to presenting Black & Veatch's final document to the public, that paragraph two (2), page two (2) be rewritten in order that an understandable comparison can be made.

6. Old Business:

a. Status of Disposal of Alkaline Stabilized Product:

Mr. Mull reported that within the next week, the Department of Transportation will begin to haul away 8,000 tons of product. Ms. Wallace questioned what the District's plans are for disposal of the remaining amount.

Mr. McGill reported that they plan to present several options at the next Planning Committee meeting. Mr. Mull reported that the Land-fill is still an option, but the process would be an additional expense to the District. Mr. Bridges stated that they can go back to current users and inform them that the District is willing to give the product away, at their own hauling expense, until a decision is made on what to do with it. The Board authorized the Engineer-Manager to proceed with disposal of the product without charging a \$5.00/ton fee.

b. Consideration of Acquisition of Real Property and Condemnation of Rights-of-Way.

At 4:27 p.m. Ms. Bryson moved that the Board go into closed session to consider the acquisition of real property and condemnation of rights-of-way. Mr. Pace seconded the motion. Voice vote was unanimous in favor of the motion.

At 4:49 p.m., Ms. Wallace moved that the Board reconvene the regular meeting. Mr. Pace seconded the motion. Voice vote was unanimous in favor of the motion.

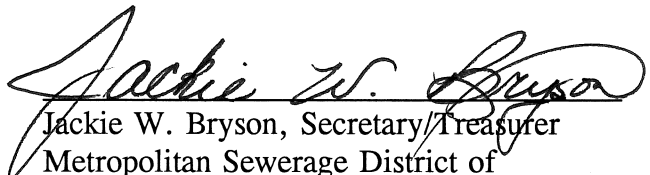
7. New Business:

a. Approval of Expense for Staff and Board Members to Attend the Land-of-Sky Regional Council's Annual Dinner Meeting, February 28, 1996.

Following a brief discussion regarding the number of staff that are planning to attend the meeting, Ms. Wallace moved that the Board authorize the expense for Board Members and Staff to attend the annual dinner meeting. Mr. Casper seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

8. Adjournment:

With no further business, Mr. Casper moved for adjournment at 4:51 p.m. Mr. Kelly seconded the motion. Voice vote was unanimous in favor of the motion.


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

**RESOLUTION APPROVING THE ACQUISITION OF THE SEWERAGE
SYSTEM FACILITIES OF THE
GASTON MOUNTAIN SUBDIVISION**

WHEREAS, the Metropolitan Sewerage District ("District") has been asked to acquire the sewerage system facilities constructed to serve portions of the development known as Gaston Mountain located off Sardis Road, in Buncombe County, and more particularly described on a plat bearing an initial date of April 7, 1993 and March 20, 1995 made by Webb A. Morgan and Associates, P.A. and recorded in the Office of the Register of Deeds for Buncombe County, in Plat Book 62, at Pages 199 and 200;

WHEREAS, the District Board is bound by certain covenants in its Bond Order and cannot acquire additional sewerage system facilities unless such provisions are satisfied;

WHEREAS, the District Board has determined the Gaston Mountain Subdivision Sewer facilities are not subject to any lien or other encumbrance which is materially adverse;

WHEREAS, the District Board has determined the acquisition of the Gaston Mountain Subdivision sewer system and the responsibility to operate and maintain it will preserve and maintain the public health and welfare within the District;

WHEREAS, Thomas L. Thrash, et al, have tendered appropriate instruments transferring complete ownership of the system from its point of connection with the exiting sewer line at Gaston Mountain Road to the District and delegating to the District the responsibility for operation and maintenance;

WHEREAS, the appropriate instruments prepared and executed by Thomas L. Thrash, et al have been duly recorded;

WHEREAS, the District has determined that it has reasonable access to and over related public rights of way and easements necessary to operate and maintain the system;

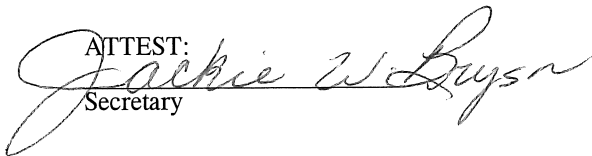
WHEREAS, the District Board has determined that adequate funding will be available for the acquisition and for the operation and maintenance of the system and that the District Board will have the authority to determine the need and priority for the operation and maintenance, improvement and reconstruction of the additional sewerage system facilities.

BE IT NOW HEREBY RESOLVED: The District Board of the Metropolitan Sewerage District hereby accepts the Gaston Mountain Subdivision sewer system together with all easements therefor, said sewerage system being more particularly described on a plat map last dated March 20, 1995 prepared by Webb A. Morgan and Associates, P. A. and recorded in Plat Book 62, at Page 199 and 200, Buncombe County Registry.

This the 21 day of February, 1996.

METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA
By: 
Chairman

ATTEST:
Secretary


Secretary