

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
NOVEMBER 12, 1997**

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., Wednesday, November 12, 1997. Chairman Post presided with the following members present: Bryson, Casper, Graham, Holcombe, Joyner, Kelly, Selby, Slosman and Sobol. Mr. Pace was absent.

Others present were: W. H. Mull, General Manager, John S. Stevens, General Counsel, Danny Bridges with McGill Associates, Inc., Patti Beaver with CIBO, Jim Fatland, Larry Turner, Karl DeKing, Alan Jacobson, Dave Nisbeth and Sondra Honeycutt, MSD.

2. Approval of Minutes of the October 15, 1997 Meeting:

Ms. Bryson moved that the Board approve the minutes of the October 15, 1997 meeting as presented. Mr. Holcombe seconded the motion. Voice vote was unanimous in favor of the motion.

3. Consolidated Motion Agenda:

a. Consideration of Implementation of Facility Fee Revisions:

The Planning Committee recommended implementation of the Facility Fee revisions previously adopted by the Board. As requested by Mr. Selby, this issue was pulled from the Consolidated Motion Agenda for further discussion.

b. Consideration of Participation in the Upsizing of the Cane Creek Sewer to serve the new Buncombe County School:

Mr. Mull reported that a request was made by Buncombe County Schools regarding the best method of serving the proposed Cane Creek Middle School. He further reported that the preliminary sewer project cost to upgrade the line from 8" to 18" is estimated at \$1,537,000.00, with the District contributing \$500,000.00 (the difference between the cost of an 8" and 18" line). He stated that currently no funds are available in the CIP, and if approved, some shifting of projects will be necessary. He further stated that the Planning Committee recommends that the MSD participate in the upgrade, if the County will request that this area be included in the District Boundary. A discussion followed regarding the cost estimate and a clarification on the request by Buncombe County Schools.

c. Consideration of Budget Amendment:

Mr. Mull reported that the Finance Committee recommends approval of the Resolution amending the 1997-98 Operation and Maintenance Fund Budget from \$9,777,662 to \$9,910,291.

Mr. Holcombe moved that the Board approved the recommendations of the Planning and Finance Committees with regard to items b. and c. (upgrade of the Cane Creek sewer and budget amendment) as presented. Mr. Slosman seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

Regarding Item a. (facility fee revision) Mr. Selby stated that he feels the fee should stay as it is, however, if the Planning Committee's recommendation is approved, he would like the record to show that the Board voted to raise the fee for small homes and reduce the fee for large homes. Mr. Joyner moved that the Board approve the recommendation of the Planning Committee. Ms. Graham seconded the motion. Mr. Slosman recommended defeat of the motion and to keep the fees as they are. Mr. Turner stated that the revisions involve both residential and commercial space, therefore, if the Board approves leaving the fees for residential space the same, he suggested that the Board adopt staff's recommendation for clarification and revisions. Following a brief discussion, Mr. Joyner withdrew his motion and moved that the Board send this issue back to the Planning Committee for further consideration. Mr. Slosman seconded the motion. Voice vote was unanimous in favor of the motion.

4. GIS Presentation:

Mr. Turner reported that the following staff were instrumental in the preparation of the District's Geographical Information System (GIS) presentation: Karl DeKing, Alan Jacobson and David Nisbeth. Mr. DeKing presented a brief overview of the various components of the program and its future application. Several questions were asked with regard to how the District ranks the sophistication of its system with that of the City and County; consolidation of the systems; whether the scheduled fly-over will benefit the District; standardization of data; availability of remote access; system tracking and its future capabilities.

5. Consideration of Award of Construction Bids - Sewer Rehabilitation Project:

Mr. Mull reported that as a result of re-advertisement, construction bids for the Aston Park, Brucemont Place, Cogswood Road and 320 Old Haw Creek Road sewers, were received and opened November 6, 1997 as follows: Hobson Construction Company with a total base bid of \$354,863.00 and Buckeye Construction Company with a total base bid of \$378,040.70. He further reported that staff recommends award of the contract to Hobson Construction Company in the amount of \$354,863.00, with a contingency of \$35,000.00 to fund change orders. A discussion was held regarding the number of bids required; why more bids were not received; how a private sewer rehab project is defined; location of the projects and whether these projects are listed in the CIP. Mr. Selby moved that the Board approve the recommendation of staff. Mr. Slosman seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

6. Consideration of Award of Construction Bids - Lake Julian Pump Station:

Mr. Mull reported that bids for the Lake Julian Pump Station were opened November 6, 1997, but were rejected due to discrepancies in the bid documents and will be readvertised. He further reported that he drafted a letter to Reverend Anderson of Arden Presbyterian Church offering to install heavy duty paving on the driveway and a portion of the church parking lot to allow access to the Lake Julian Pump Station for the purpose of construction, routine inspection and maintenance. However, the Church can revoke permission to cross its property with a six month notice to the District of such revocation. He stated that he contacted Reverend Anderson regarding the offer and was told that the Building Committee would review the offer and respond to the District by November 17. Following a brief discussion, Ms. Graham gave a report on her conversation with church officials regarding this issue.

7. Consideration of Major Rehabilitation Consultant:

Mr. Mull reported that following the interview process for a Major Rehabilitation Consultant, held November 6th and 7th, staff recommends the firm of Piedmont Olsen Hensley out of South Carolina to develop Phase 1 of the District's Major Rehabilitation Program for a lump-sum fee of \$87,020.00. He presented a copy of the Agreement, Scope of Services and Fee Schedule for review. He further reported that McGill Associates and MSD staff will assist the firm in performing some of the local work. Mr. Slosman questioned the names of the other firms interviewed. Mr. Turner reported that the other firms were Camp Dresser & McKee and Consoer Townsend Envirodyne Engineers, Inc.. A discussion followed regarding the length of the contract; whether local firms will be considered for the design portion of the program; if the program is budgeted for, and an explanation of scope of services in each phase of the program.

Mr. Holcombe questioned how the preliminary phase of the rehabilitation plan compares to final phase. Mr. Turner explained that the term preliminary is being used because existing data will be utilized to determine the scope and cost of work to be done. Mr. Mull stated that the District needs to develop procedures and methodology to reduce overflows and infiltration inflow. Following a lengthy discussion regarding the reasons for not doing this work in-house and the need to be cautious and deliberate in the implementation of this program, Mr. Slosman moved that the Board approve the recommendation of staff. Mr. Joyner seconded the motion. Roll call vote was as follows: 9 Ayes; 1 Nay, (Mr. Sobol).

8. Consideration of Sevier Street Compensation Budget:

Mr. Mull reported that staff recommends approval of the Compensation Budget for the Sevier Street project in the amount of \$18,000.00. He further reported that the budget was calculated according to the established formula and policy of the Board and Right-of-Way Committee. With no discussion, Mr. Selby moved that the Board adopt staff's recommendation to approve the Compensation Budget as presented. Mr. Slosman seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays.

9. Consideration of District's Drug-Free Workplace Policy:

Mr. Mull reported that Personnel Committee discussed the Drug-Free Workplace Policy at length, but were undecided on the following issues: whether final job applicants should be drug tested, and reasonable suspicion testing and random drug testing for safety-sensitive positions. He further reported that because the Committee was split on the above issues, no recommendation was made. A discussion followed regarding the issues in question and whether they are included in the policy; the number of safety-sensitive positions; frequency and type of testing; the District's policy on rehabilitation and/or dismissal when testing is positive, and whether random testing applies to all employees. Mr. Sobol stated that because the Policy is comprehensive and complies with Federal Guidelines, he does not feel the District should involve itself in drug testing for final job applicants. He further stated that with the exception of CDL drivers and safety sensitive positions, there has not been a situation at the District that warrants such an expansive policy. Mr. Joyner agreed with Mr. Sobol and expressed his opinion regarding this issue. Mr. Selby moved that the Board approve the drug policy as presented. Mr. Holcombe seconded the motion. Following a discussion regarding the procedure for drug testing; fairness of the policy and whether it violates the trust of job applicants, voice vote was as

follows: 7 Ayes; 3 Nays (Mr. Slosman, Mr. Joyner and Mr. Sobol).

10. Consideration of Purchase Order for Stand-by Power:

Mr. Mull reported that the Board previously approved an agreement with CP&L for the upgrade of existing transformers at the wastewater treatment plant from 2500 kv to 5000 kv. He further reported that the agreement did not include providing stand-by generators, which were found to be necessary as part of the work. Therefore, staff recommends approval of a separate agreement for stand-by power in the amount of \$21,365.00. Mr. Selby moved that the Board approve the recommendation of staff. Mr. Joyner seconded the motion. Mr. Slosman questioned why CP&L is charging the District 1 ½ % fee for the unpaid balance. Mr. Mull reported that the bill will be paid in one lump sum, which will eliminate the additional fee. With no further discussion, roll call vote was as follows: 9 Ayes; 0 Nays. Mr. Holcombe was absent during the vote.

11. Committee Reports:

Planning Committee:

Mr. Slosman reported that in addition to the previously discussed items, the Amnesty Program for Un-billed Sewer Service was considered and is now in effect. Mr. Mull stated that a suggestion was made by Mr. Holcombe that the Board consider initiating an incentive program whereby sewer customers will be given a discount on their bill for installing backflow preventers.

Personnel Committee:

Mr. Sobol reported that as a part of the Employee Assistance Program, Time Management will be offered for all employees before December 31, 1997. Regarding the Employee Incentive Program, the Committee encouraged staff to provide employees with the necessary information to determine the cost savings of their suggestions. Mr. Mull stated that the Employee Advisory Committee will assist in promoting this program.

Mr. Casper requested that the Board proceed with it's consideration of the District's compensation program prior to the budget process. In addition, Mr. Post suggested that the Board consider the CIP program.

Finance Committee:

Mr. Casper reported that staff addressed modifications to the Purchasing Policy and requested that the Committee consider the development of a Procurement Card Policy. No action was taken.

Regarding the Budget Report, Mr. Casper reported that the District received 27.6% of its budgeted revenue and expended 19.7% of budgeted expenses. He further reported that Mr. Selby requested that staff present a status report on the projected expenditures for the Construction Fund for this fiscal year and provide a report on the decrease in expenses as a result of the closing of Gerber. In addition, Mr. Holcombe requested that staff insert language into the Budget Ordinance that includes the reserve for encumbrances; alleviating the need to amend the budget later in the year.

12. Unfinished Business:

None

13. Old Business:

None

14. New Business:

Sewer Back-up

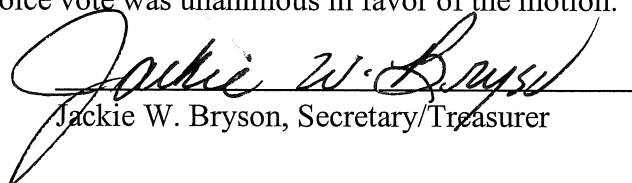
Mr. Mull reported that the District receives approximately fifty (50) calls per year regarding sewer back-ups into residences, which are denied by the insurance company if it's a first time occurrence. As a result, the Board approved \$50,000 annually to assist in cleanups, with a self-imposed limit of \$2,500 per incident. He further reported on a recent back-up into a residence that was so badly damaged that the cost of cleanup is estimated at approximately \$7,500. He stated that because the problem resulted from roots in the District's main line, and denied by the insurance company, he requested that the Board give him authorization to settle this claim in the full amount. A discussion followed regarding the possibility of the District providing additional liability insurance regardless of the ownership of a line; publishing the availability of homeowners insurance for back-ups, and the possibility of requiring backflow preventers for new construction. With no further discussion, Mr. Holcombe moved that the Board authorize the General Manager to settle this claim in the amount of \$7,500 and to further authorize up to \$7,500 to handle similar situations in the future, with a monthly report to the Board. Mr. Selby seconded the motion. Following a brief discussion, Mr. Holcombe amended his motion to read: that the Board authorize the General Manager to settle the claim up to \$7,500 and to come back to the Board with a policy on how to address these situations more effectively in the future. With no further discussion, roll call vote was as follows: 10 Ayes; 0 Nays.

Board Compensation Resolution:

Mr. Joyner stated that he previously expressed a concern and hope that MSD have a Board that is citizen-based, free to express their honest opinions and answerable to no one except the rate payers and the citizens of Buncombe County and the District. He further stated that in an attempt to assure the public that this is such a Board, he presented a proposed resolution that would eliminate compensation for Board Members who are paid elected officials or paid employees of an appointing authority. A discussion followed regarding the wording "duplication of compensation" and the North Carolina State Statutes regarding dual office holding. Mr. Post suggested that this issue be tabled until next month, and requested that Mr. Stevens provide the correct ruling for consideration.

15. Adjournment:

With no further business, Mr. Slosman moved for adjournment. Ms. Graham seconded the motion. Voice vote was unanimous in favor of the motion.


Jackie W. Bryson, Secretary/Treasurer