

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
MAY 6, 1998

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, May 6, 1998. Vice Chairman Kelly presided with the following members present: Aceto, Bryson, Field, Graham, Pace, Selby, Sobol and Spell. Those members absent were: Casper and Joyner.

Others present were: W. H. Mull, General Manager, John S. Stevens, General Counsel, Gary McGill and Danny Bridges of McGill Associates, Tammy Jones of WWNC Radio, Jim Fatland, John Kiviniemi and Sondra Honeycutt, MSD.

2. Approval of Minutes of April 15, 1998 Meeting:

Mr. Pace moved that the Board approve the minutes of the April 15, 1998 meeting as presented. Ms. Bryson seconded the motion. Voice vote was unanimous in favor of the motion.

3. Annual Report - McGill Associates, P.A.:

Mr. Mull presented an Annual Report prepared by McGill Associates, P.A., regarding inspection of the Sewerage System as required by Article V, Section 504 of the District's Bond Order. A discussion followed regarding the reported average daily flow of 23 MGD and how this amount compares to previous years; whether the daily total is a combination of actual flow and inflow; if billable flow is included, and a clarification on the figure for avoided power generation.

4. Consideration of 1998-99 Preliminary Budget Resolutions:

- a. O&M Budget**
- b. Fleet Replacement Fund Budget**
- c. Wastewater Treatment Plant Replacement Fund Budget**

Mr. Mull presented the Preliminary Budget Resolutions for Fiscal Year 1998-99. He reported that the Capital Improvement Plan Budget and recommended proposed Sewer Service Charges will be considered at the June 10, 1998 Board meeting. He further reported that the budget is up one (1) percent over last year; two (2) percent below the projected three (3) percent per year increase in the last bond issue. Mr. Pace asked how the District was able to save money other than eliminating positions. Mr. Fatland stated that other areas of savings resulted from implementation of a centralized purchasing system; cost saving improvements at the plant; budgeting more toward actual expenditures, and the ability to transfer monies from the General Fund Construction to the O&M budget when needed.

With regard to Sewer Service Charges, Mr. Fatland stated that staff is recommending a rate increase of 3.4%. However, if a new Bond Issue is not approved for 1998-99, a rate increase may not be needed. He further stated that this issue will be discussed at the June 1st meeting of the Finance Committee. Mr. Mull reported that in the past, rate increases were based on recommendations from the CIP Committee, but because of a surplus in CIP Funds during the past three years, the recommended 3% per year increase was not recommended. He stated that when the District proceeds with mandated construction projects, several rate increases will be needed to cover the cost. He recommended approval

of the Resolutions adopting the Preliminary O&M Budget totaling \$9,883,964.54; the Preliminary Fleet Replacement Fund Budget totaling \$358,000.00, and the Preliminary Wastewater Treatment Plant Equipment Replacement Fund Budget totaling \$200,000.00. Following a discussion with regard to whether revenues were included in the budget, Mr. Selby moved that the Board adopt the Preliminary Budget Resolutions as presented. Mr. Pace seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

5. Consolidated Motion Agenda:

With no discussion regarding the following Consolidated Motion Agenda items, Ms. Graham moved that the Board approve the recommendations of the Planning Committee, Right of Way Committee, Personnel Committee and staff as presented. Ms. Field seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

a. Consideration of Proposals for Engineering Services for City of Asheville Master Plan Projects - McGill Associates:

The Planning Committee recommends entering into an agreement for Engineering Services with McGill Associates for (6) Asheville Master Plan Projects in the amount of \$414,550.00, which includes a 10% contingency for Construction Administration.

b. Consideration of Updated Standards/Permit Delegation:

The Planning Committee recommends adoption of the updated standards, adoption of the amendments to the ordinance, and recommends authorizing the application for delegation.

c. Consideration of Proposal for Additional Services - Facilities Energy Audit/Energy Management Plan - Arcadis Geraghty & Miller:

The Planning Committee recommends approval of contract with Arcadis Geraghty & Miller in the amount of \$25,000.00.

d. Consideration of Proposal for Assistance for Phase 1 - Major Rehabilitation Program - Preventative Maintenance - Arcadis Geraghty & Miller:

The Planning Committee recommends approval of agreement with Arcadis Geraghty & Miller in the amount of \$18,800.00, modifying the original contract from \$87,020.00 to \$105,820.00.

e. Consideration of Proposal for Easement Acquisition Services:

The Right of Way Committee recommends acceptance of Martin/McGill's proposal for easement acquisition services for Bankstown, Dula, Morningside, Johnston, Macon and Old Haywood miscellaneous sewer rehabilitation projects.

f. Consideration of Construction Without Easement:

The Right of Way Committee recommends proceeding with construction without obtaining an easement nor pursuing condemnation on parcel #9649-05-18-4280.

g. Consideration of Condemnation:

The Right of Way Committee recommends appraisal of damages for the taking, and if not accepted, proceed with condemnation on parcel #9649-05-17-4962.

h. Consideration of Compensation Budgets:

The Right of Way Committee recommends approval of the Compensation Chart.

i. Consideration of Quarterly Investment Report:

Staff recommends that that the Board receive and file Investment Report for the third quarter ended March 31, 1998.

j. Consideration of Cost of Living Increase:

The Personnel Committee recommends approval of a 1.5% Cost of Living adjustment for 1998-99.

k. Consideration of Merit Increase:

The Personnel Committee recommends approval of a 2.5% Merit pay for 1998-99 fiscal year.

l. Consideration of 401-K Contribution:

The Personnel Committee recommends approval of a 1.5% employer matching contribution (To be paid only if employee matches employer contribution).

6. Consideration of Award of Bid to Pearpoint for Closed Circuit Television Equipment:

Mr. Mull reported that the Equipment Review Committee recommends award of the bid of Pearpoint, Inc. to purchase Closed Circuit Television equipment in the amount of \$198,396.30, with a four (4) year extended warranty at a cost of \$10,686.90, for a total of \$209,083.20. He further reported that Mr. Walter Currie, Attorney for the District, found the bid documents of Pearpoint, Inc. to be in acceptable form. Following a discussion regarding the difference between the old and new equipment, Mr. Pace moved that the Board award the bid to Pearpoint, Inc. in the amount of \$209,083.20. Ms. Graham seconded the motion. Roll vote was as follows: 9 Ayes; 0 Nays.

7. Consideration of Award of Bid for One (1) Backhoe with an Option to Purchase One (1) Additional Backhoe from the Bid Quote within Fiscal Year 1998-99:

Mr. Mull reported that at the March 20th meeting of the Equipment Review Committee, members recommended the replacement of one (1) backhoe with an option to purchase one (1) additional backhoe within fiscal year 1998-1999 based on specification received from fleet maintenance. He further reported that the following bids were received May 5, 1998 and staff recommends award to the lowest responsive bidder subject to legal review: Van Lott with a total base bid of \$53,274.50 including a 48 month/4000 hours warranty option, and Carolina Tractor with a total base bid of \$65,255.00 including a 36 month/5000 hours warranty option. Following a discussion regarding whether this issue was considered by a Committee of the Board, Mr. Pace moved that the Board approve the recommendation of staff. Ms. Bryson seconded the motion. Mr. Selby asked for a clarification on the number of bids that must be received. Mr. Mull stated that one (1) bid is required for equipment and three (3) for construction. With no further discussion, roll call vote was follows: 9 Ayes, 0 Nays.

8. Consideration of Award of Bid for Replacement of Vacuum Truck:

Mr. Mull reported that at the March 23, 1998 meeting of the Equipment Review Committee members recommended the replacement of a second vacuum truck, purchased in 1991 during Sewer Consolidation. He further reported that the following bid was received May 5, 1998 and staff recommends award to the lowest responsive bidder, subject to legal review: Jet-Vac Sanitary Service, Inc. with a total base bid of \$171,595.00 including three options; additional tool storage box, tellma drive line retarder, sydrostatic drive for compressor and warranties. Mr. Mull stated that Public Works Equipment did not submit a bid because it could not compete with the price on tank specifications. He further stated that Mr. Walter Currie, Attorney for the District found the bid of Jet-Vac Sanitary Service, Inc. to be in acceptable form. Mr. Pace asked for a price comparison between this truck and the one purchased last year. Mr. Mull stated that the price is the same, however, \$3,497.00 was added due to the addition of a new federally mandated automatic brake system. Following a brief discussion regarding the tank warranty, Mr. Aceto moved that the Board approve the bid of Jet-Vac Sanitary Service, Inc. in the amount of \$171,595.00. Mr. Pace seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

9. Committee Reports:

Personnel Committee

Mr. Sobol reported that in addition to reports on Smoking and Drug Free Workplace Policies, Mr. Fatland reported on the deletion of five staff positions and a request for (1) MIS Assistant and (1) Part-time Fleet Data Entry Clerk. He further reported that a portion of the \$182,000.00 savings resulting from deletion of positions will be used toward a 1.5% Cost of Living adjustment, 2.5% maximum Merit program and 1.5% 401-(k) voluntary employee matching contribution program. A discussion followed regarding the difference between last year's 401-(k) program and this year's voluntary program.

Planning Committee

Mr. Selby reported that the Committee discussed a request by Mr. Whatmore, a private developer, requesting approval of a 2" force main, which the District does not allow. He stated that the Planning Committee agreed to review private sewer standards, taking into consideration new and current technology, at a workshop to be held June 11, 1998, with the results forwarded to Mr. Whatmore. He further reported that the Committee considered proposals for Engineering Services for City of Asheville Master Plan Projects and reviewed changes/modifications made to the application for Permit Delegation and process. Mr. Mull reported that the Declaration of Intent to Amend the Sewer Use Ordinance will be resubmitted to the municipalities for comment, and during the 90 day waiting period, the District will submit the Permit Delegation application to the State for processing. He stated that when the District assumes the responsibility of Permit Delegation, the Developer will not only save time, but see a reduction in the process fees.

In other business, Mr. Selby reported that as a result of a request that members give their input for a strategy for planning items, the Committee discussed a letter from Mr. Aceto requesting consideration of an Infrastructure Council. Mr. Selby stated that the Council will be made up of representatives of municipalities, utilities and other counties within the French Broad River basin to coordinate master planning and identify needs. He further stated that a Planning Committee luncheon meeting is set for Thursday, May 28th at 11:30 a.m. Mr. Jon Creighton from Buncombe County was asked to attend to discuss ongoing planning with the County. Mr. Selby further reported that the Committee also discussed the District's Allocation Agreement with Cane Creek Water and Sewer District and the collection of an allocation fee for ITT.

Mr. Mull stated that he received a request from a customer that the Planning Committee consider waiver of a facility fee for an addition to his home. Mr. Selby stated the Committee would be happy to discuss his request.

Right of Way Committee

Mr. Pace reported that the Committee discussed items e.f.g. and h. of the Consolidated Motion Agenda. With regard to the North Swannanoa, Phase 2, Section 1-B, Mr. Sobol asked whether condemnations will be settled prior to the award of construction bids in September. Mr. Pace stated that Ms. Craven, MSD's Right-of-Way Coordinator, has indicated that they are on schedule.

Finance Committee

Reported as a part of the discussion on the Budget Resolutions (Item 4).

With Regard to the CIP Committee, Mr. Sobol announced an upcoming workshop scheduled for 8:30 a.m., May 14, 1998 at System Services to consider the CIP Budget.

10. Unfinished Business:

None

11. Old Business:

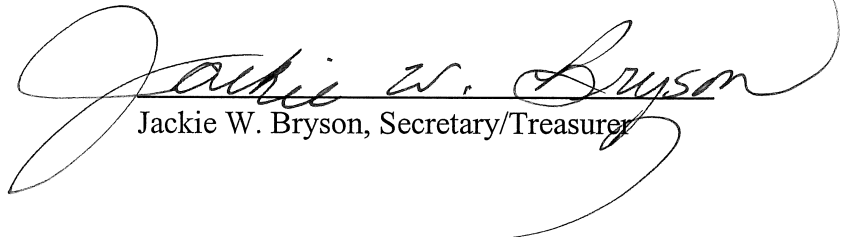
None

12. New Business:

Mr. Mull expressed his appreciation to employees and James Whitaker for their participation in the French Board River Clean-up day, May 2, 1998. Approximately 4,000 pounds of trash was hauled away. He reported that the District is working with the County to put a nature trail along this section of the River, which will be develop and maintain by the District.

13. Adjournment:

With no further business, Mr. Sobol moved that the Board adjourn at 2:58 p.m. Mr. Pace seconded the motion. Voice vote was unanimous in favor of the motion.

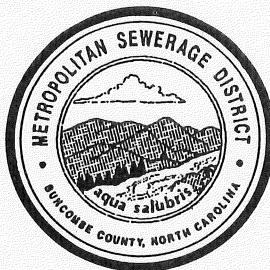

Jackie W. Bryson, Secretary/Treasurer

MSD Metropolitan Sewerage District of Buncombe County, North Carolina

W. H. Mull, P.E., Engineer-Manager
P.O. Box 8969, Asheville, N.C. 28814
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John S. Stevens, General Counsel

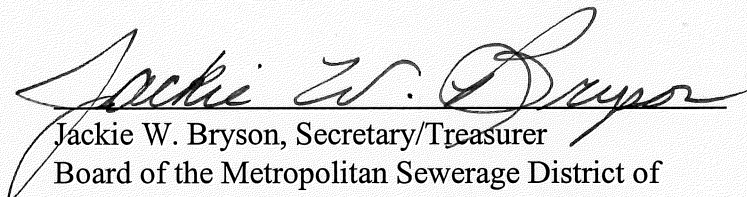


O.R. Post, Chairman
E. Benson Slosman, Vice-Chairman
Jackie W. Bryson
Larry Casper
Elizabeth C. Graham
Michael L. Holcombe
Joe Joyner
E. Glenn Kelly
Ben Pace
Bob Selby
C. Michael Sobol

CERTIFICATION

I, Jackie W. Bryson, Secretary/Treasurer to the Board of the Metropolitan Sewerage District of Buncombe County, North Carolina, do hereby certify that the attached is a true and correct copy of the Resolutions adopting the Preliminary Budgets for Fiscal Year 1998-99.

This the 6th day of May, 1998.

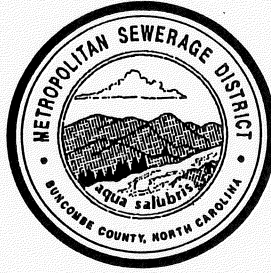

Jackie W. Bryson, Secretary/Treasurer
Board of the Metropolitan Sewerage District of
Buncombe County, North Carolina

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Larry Casper, Chairman
E. Glenn Kelly, Vice-Chairman
Steven T. Aceto
Jackie W. Bryson
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S. Douglas Spell

RESOLUTION OF THE METROPOLITAN SEWERAGE DISTRICT BOARD OF BUNCOMBE COUNTY, NORTH CAROLINA

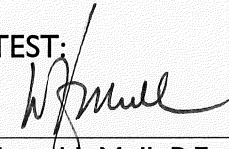
BE IT RESOLVED that the Metropolitan Sewerage District Board of Buncombe County North Carolina, hereby acknowledges receipt on May 6, 1998, to its Members from the General Manager the Preliminary Operation & Maintenance Budget for Fiscal Year 1998-99, totaling \$9,883,964.54 of which the estimated monthly Budget is equal to one-twelfth (1/12) of the total Budget and hereby sets the date for a public hearing on said Budget to be held at 2:00 p.m., June 10, 1998, in the Boardroom of the MSD Administration Building located at N.C. Highway 251 North at Woodfin, North Carolina. This Preliminary Operation and Maintenance Budget shall remain available for public inspection in the office of the District until such time as the Budget is adopted by the Board.

This 6th day of May, 1998.



Larry Casper, Chairman
Metropolitan Sewerage District Board
of Buncombe County, North Carolina

ATTEST:



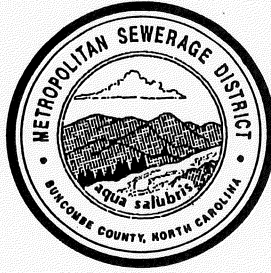
William H. Mull, P.E.
General Manager

MSD Metropolitan Sewerage District of Buncombe County, North Carolina

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RESOLUTION OF THE METROPOLITAN SEWERAGE DISTRICT BOARD OF BUNCOMBE COUNTY, NORTH CAROLINA

BE IT RESOLVED that the Metropolitan Sewerage District Board of Buncombe County North Carolina, hereby acknowledges receipt on May 6, 1998, to its Members from the General Manager the Preliminary Fleet Replacement Fund Budget for Fiscal Year 1998-99, totaling \$358,000.00 and hereby sets the date for a public hearing on said Budget to be held at 2:00 p.m., June 10, 1998, in the Boardroom of the MSD Administration Building located at N.C. Highway 251 North at Woodfin, North Carolina. This Preliminary Fleet Replacement Fund Budget shall remain available for public inspection in the office of the District until such time as the Budget is adopted by the Board.

This 6th day of May, 1998.



Larry Casper, Chairman
Metropolitan Sewerage District Board
of Buncombe County, North Carolina

ATTEST:



William H. Mull, P.E.
General Manager

MSD Metropolitan Sewerage District of Buncombe County, North Carolina

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RESOLUTION OF THE METROPOLITAN SEWERAGE DISTRICT BOARD OF BUNCOMBE COUNTY, NORTH CAROLINA

BE IT RESOLVED that the Metropolitan Sewerage District Board of Buncombe County North Carolina, hereby acknowledges receipt on May 6, 1998, to its Members from the General Manager the Preliminary Wastewater Treatment Plant Equipment Replacement Fund Budget for Fiscal Year 1998-99, totaling \$200,000.00 and hereby sets the date for a public hearing on said Budget to be held at 2:00 p.m., June 10, 1998, in the Boardroom of the MSD Administration Building located at N.C. Highway 251 North at Woodfin, North Carolina. This Preliminary Wastewater Treatment Plant Equipment Replacement Fund Budget shall remain available for public inspection in the office of the District until such time as the Budget is adopted by the Board.

This 6th day of May, 1998.



Larry Casper, Chairman
Metropolitan Sewerage District Board
of Buncombe County, North Carolina

ATTEST:



William H. Mull, P.E.
General Manager