

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
NOVEMBER 18, 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, November 18, 1998. Chairman Selby presided with the following members present: Aceto, Blackburn, Bryson, Field, Graham, Kelly, Pace, Sobol and Spell. Mr. Joyner was absent.

Others present were: W. H. Mull, General Manager, John S. Stevens, General Counsel, Gary McGill of McGill Associates, Michael Calhoun of Vaughn & Melton, Chip Smith and Mark Lethbridge of Arcadis, Geraghty & Miller, Patti Beaver of CIBO, Jim Fatland, Tom Hartye, John Kiviniemi, Stan Boyd, Ann LeMieux, Art Mandler and Sondra Honeycutt, MSD.

2. Approval of Minutes of October 21, 1998 Meeting:

Mr. Sobol moved that the minutes of the October 21, 1998 meeting be approved as presented. Mr. Blackburn seconded the motion. Voice vote was unanimous in favor of the motion.

3. Consolidated Motion Agenda:

a. Consideration of Compensation Charts: Old Haywood MSR, Morning Side Drive MSR, Shiloh Rehabilitation MSR and Midland Drive MSR.

The Right of Way Committee recommends acceptance of the Compensation Budgets.

b. Consideration of Condemnations - North Swannanoa 11, Section 2.

The Right of Way Committee recommends appraisal of damages for the taking and if not accepted, proceed with condemnation.

c. Consideration of Contract Modification for Engineering Services - Old Haywood Road, MSR.

The Right of Way Committee recommends approval of Contract Modifications.

d. Landfill Gas Worth Estimate:

The Planning Committee recommends proceeding with purchase of two (2) 1-megawatt generators.

e. Evaluation of Chlorination Alternatives:

The Planning Committee recommends approval to proceed with the change from gas chlorine to sodium hypochlorite and to include it within the budget process for FY-99-00.

f. Consideration of Change Order - Sunset Trail:

The Construction Committee recommends a time extension to February 6, 1998, the date of substantial completion.

g. Consideration of Change Order - Sulpher Springs Rehabilitation:

The Construction Committee recommends adding 32 days to the contract, extending the completion date to July 30, 1998.

h. Consideration of Change Order - New Maintenance Facility:

The Construction Committee recommends authorizing \$80,544.00 for changes in work and adding 21 days, extending the contract time to November 10, 1998.

i. Consideration of Contract for Engineering Services - City of Asheville Master Plan - Vaughn & Melton:

The Construction Committee recommends acceptance of the proposal from Vaughn & Melton in the amount of \$141,400.00.

j. Treasurers Report:

Staff recommends that the Board receive and file Investment Report for the month ending September 30, 1998.

k. RFP for Banking Services:

Staff issued an RFP for Banking Services on November 13, 1998. A recommendation will be presented at the December 16, 1998 Board meeting.

l. Quarterly Budget Report:

Staff recommends that the Board receive and file the Quarterly Budget Report for the month ending September 30, 1998.

m. Consideration of Bid for Second Rod Truck:

Staff recommends that the Board award the bid to the apparent low bidder, Jet-Vac Sewer Equipment Company in the amount of \$63,769.00. The District's Attorney approved award of the bid following review of the bid tabulation, advertisement and specifications.

Following review of the Consolidated Motion Agenda, item d. (Landfill Gas Worth Estimate) and item h. (Change Order - New Maintenance Facility) were pulled for further discussion. Ms. Graham moved that the Board approve the recommendations of staff, the Right-of-Way, Construction and Planning Committees with regard to items a.b.c.e.f.g.i.j.k.l.m. of the Consolidated Motion Agenda. Ms. Bryson seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays. Mr. Pace was absent during the vote.

Regarding item d., Mr. Mull reported that the two (2) 1-megawatt generators would give the District 100% self-sufficiency in the event of a shutdown of both CP&L and the Hydro facility. However, after further consideration of the Planning Committee's recommendation, staff recommends that the District purchase only one (1) unit at this time, since the State may not require standby power and because of the cost of the unit and payback period (up to 13 years). Mr. Sobol asked how much of the Plant would be operational without a second unit and if consideration will be given to purchase another generator. Mr. Mull stated that because of the amount of electricity required to restart machinery following an outage, only parts of the Plant would be

operational, however, staff will evaluate a second unit and come back to the Board with a recommendation in December. With no further discussion, Mr. Aceto moved that the Board approve the solicitation of bids for the purchase of one 1-megawatt generator and continue to evaluate the purchase of a second generator. Mr. Sobol seconded the motion. Mr. Kelly asked whether the unit is budgeted for. Mr. Mull stated that funds for the purchase of the unit are not budgeted in this fiscal year, but since there is a need to purchase the unit now, funds will be taken from the CIP budget. With no further discussion, voice vote was unanimous in favor of the motion.

With regard to item h., Mr. Selby asked if the contractor has completed work on the new Maintenance facility. Mr. Boyd stated that the contractor is working on punch list items and are close to substantial completion. A discussion followed regarding the substantial completion date and whether there is a penalty clause for not completing the contract on time. With no further discussion, Ms. Field moved that the Board approve the change order in the amount of \$80,544.00. Ms. Graham seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays. Mr. Pace was absent during the vote.

4. Consideration of Pump Station Acceptance Policy:

Mr. Mull reported that following extensive review of the Pump Station Acceptance Policy and Specification, the Committee recommends adoption, contingent upon evaluation to create a fund for replacement costs. He further reported that a reimbursement fee will be required for all pump stations where it is determined that connection by gravity sewer is achievable. He stated that the fee will be calculated by MSD staff and be the sum total of the current replacement cost of the pumps and electric panel, and the "present worth" of the telephone and electric service costs for twenty (20) years. He further stated that since Pump Station Maintenance was transferred from System Services to the Wastewater Treatment Plant, all monies received from the new policy will be deposited into the Wastewater Treatment Plant and Pump Station Replacement Fund. As an example he noted Exhibit #3 (a proposed pump station) and Exhibit #4, (new specifications for Grinder Sewage Pumping Stations and Piping). He stated that the Policy will be sent to the various Municipalities and builders for review and comment. Mr. Aceto stated that the District is trying to encourage people to use gravity sewers and be on the public system. Also, the policy was modified to create a positive incentive to small developments. A discussion followed regarding whether annexed areas would be required to abide by the policy and pump station upgrades. Mr. Spell stated that from a technical standpoint the policy is very sound and protects the interest of MSD. With no further discussion, Mr. Aceto moved that the Board approve the policy for further assimilation prior to formal adoption. Ms. Field seconded the motion. Voice vote was unanimous in favor of the motion.

5. Committee Reports:

Right of Way Committee

No further report.

Construction Committee

No further report.

Mr. Mull stated that staff would bring a recommendation back to the Committee regarding an increase in time extensions for projects from 5% to a greater amount.

Planning Committee

Mr. Aceto reported that in addition to the issues previously discussed, the Committee reviewed a letter from the Department of Environmental Health and Natural Resources (DEHNR) acknowledging receipt of the District's sanitary sewer delegation package, which they have assigned an engineer to work on. Also, the committee recommended that a presentation be given on the status of all MSD systems and the Y2K problem.

Regarding the delegation application, Mr. Spell asked if there is a time frame for approval of the application. Mr. Mull stated that he would inquire into the matter and report his findings at the December meeting.

6. **Unfinished Business:**

Consideration of Flow Monitoring Program - Field Services - Phase II, Major Rehabilitation Program:

Mr. Mull presented a proposal from Arcadis Geraghty & Miller, Inc. for field services for the permanent and temporary flow monitoring program, which was not included in the original contract amount of \$497,000.00. He reported that staff recommends amending the contract with Arcadis by adding an additional \$488,000.00 to the current amount of \$497,000.00 for a total new contract amount of \$985,000.00, utilizing Byrd/Forbes Associates. A discussion followed regarding the scope of work in the original contract and whether line cleaning was included. Mr. Lethbridge of Arcadis stated that the original contract was for engineering services, which included flow monitoring implementation, hydraulic model development, pilot basin rehabilitation (being performed by McGill Associates) and program management. He further stated that in order to put data into the model and eliminate areas from further study, system-wide flow monitoring was considered. This will enable the District to make intelligent decisions over the next 10 to 15 years in terms of what is needed in rehabilitation and what can be expected in removing wet weather water from the system. He explained that the line cleaning is to eliminate overflows in the system.

Mr. Sobol asked several questions regarding the time frame for monitoring the system; the total number of permanent and temporary meters and who will own the meters. Mr. Lethbridge reported that monitoring will begin in January or February and conclude in sixty (60) days. He further reported that there will be a total of 69 meters; 59 owned or leased by Byrd/Forbes and 10 owned by the District. He stated that because the State will be mandating SCADA (Supervisory Control and Data Acquisition) systems in July, 1999, the 10 meters will be permanently placed at gravity sites with the pump stations in order that data can be fed into the computer model.

Mr. Sobol further questioned the reason for contracting this work out; how often the meters will be maintained and the type of sensors to be used. Mr. Lethbridge stated that because of the scale of the project, it would be difficult to locate 59 meters; staff the project in-house and have the kind of expertise needed to monitor a system of this size. He further stated that the meters will be maintained on a monthly basis, but the District will need to decide whether the 10 permanent meters will be serviced in-house or contracted out. A lengthy

discussion followed regarding the type of sensors to be used; who manufacturers the meters, weather research was done on the various types of meters; if references were obtained and if time is of the essence in proceeding with this work.

Mr. Selby asked Mr. McGill for his opinion. Mr. McGill stated that American Signa meters are the best the District can get for now and that Bryd/Forbes Associates is a reputable firm who has been in business for many years. He further stated that the flow monitoring program is an integral part of the big picture, which forms the foundation of decisions to be made when the pilot basin is complete, and in preparation of the CIP budget. Following a discussion regarding the selection of Byrd/Forbes Associates, Mr. Aceto moved that the Board approve the amendment to the contract with Arcadis for Phase II of the project as recommended by staff. Ms. Graham seconded the motion. Mr. Stevens stated that if the amendment to the contract includes the purchase of 10 additional meters, the bid laws should be considered. With no further discussion, the motion was amended to include "subject to review by Counsel with regard to the bid laws." Roll call vote was as follows: 9 Ayes; 1 Nay (Mr. Sobol).

7. Old Business:
None

8. New Business:

a. Consideration of Bar Screen Replacement Bids:

Mr. Mull reported that six (6) bids were received on November 9, 1998 for the Bar Screen Replacement Project. However, two (2) bid protests were filed with the District and referred to the attorney for an opinion. He further reported that the Attorney advised that should the District waive proper execution of the bid as an informality and award the bid to Hickory Construction (the low bidder), it must hold a hearing on the bid protests of Dellinger Construction and Crowder Construction. In the alternative, he advised that the District could reject all bids and re-advertise. He stated that because the bids were over the original estimate, staff also recommends approval of a revised budget estimate of \$585,000.00 plus a 10% contingency for a total project budget of \$643,500.00. He further stated that the bids were over the estimated cost because the material specifications were changed to all stainless steel and the possibility of having to grind some of the concrete in the bar screen channel. Following a discussion regarding the consequences, of re-bidding and whether the District has the option to re-bid, Mr. Kelly moved that the Board approve the recommendation of staff. Ms. Bryson seconded the motion. Voice vote was unanimous in favor of the motion.

b. Year 2000 Update:

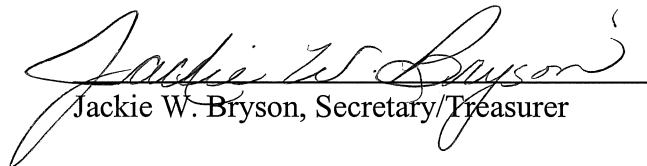
Mr. Mull reported that because the Planning Committee requested that a presentation on the status of the Year 2000 problem be given, Mr. Mandler, Management Information Systems (MIS) Administrator was present to answer questions regarding this issue. Mr. Sobol stated that in order to insure that the District is prepared for any problems in the Year 2000, it should consider taking the following steps: Have each division log all computers, test them out and keep the results, and prepare a back-up plan with regard to how the District will address any problems that may arise. Mr. Sobol asked how long it would take to replace failed Programmable Logic Controllers (PLC's) at the Plant should a system failure occurred. Mr. Mandler stated that it could take up to two weeks to replace a PLC, however, since the plant is capable of being run fully in the manual mode, he has little concern about the impact one or

two failed PLC's would have on the operation of the plant. He further stated that all computers have been set forward to be sure they register 2000 and beyond and no problems were found, but they will be tested again in 1999. A discussion followed regarding whether the District should have a written policy in place; if insurance is a possible solution; what problems could occur if the telephone system shuts down, and if the District would lose telemetry to the pump stations. Mr. Mull stated that one area of concern is if CP&L goes off line, they will not be able to pump gas from the landfill to power the District's generators.

In other business, Mr. Selby noted that the six-month revenue and expenditure report for the period ending September 30, 1998 shows that domestic user fees are up while industrial user fees are down. He stated that the budget for 1998-99 took into account the closing of Gerber, however, the fees are still below projections for the period.

9. Adjournment:

With no further business, Mr. Pace moved for adjournment at 3:30 p.m. Ms. Graham seconded the motion. Voice vote was unanimous in favor of the motion.


Jackie W. Bryson, Secretary/Treasurer