

NOVEMBER 28, 1989

**1. Call to Order and Roll Call:**

The regular meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2 p.m. on Tuesday, November 28, 1989. Chairman Smith called the meeting to order at 2:00 p.m.

Chairman Smith and the following members were present: Aceto, Dent, Dyson, Edwards, Ivey, Maas, McDonald, Pope, Waddey, and Williams. Others present were: W.H. Mull, Engineer-Manager, John S. Stevens, General Counsel, Messers Dean Huber, Bob Holbrook and Bill Morris, of Hendon Engineering Associates, Tom Tarrant IV, City of Asheville Engineering Department, June Grant representing CIBO, and Clarke Morrison with the Asheville-Citizen Times.

**2. Minutes of October 24, 1989:**

Mr. Edwards moved that the Board minutes of October 24, 1989, be adopted as written. Mr. Waddey seconded the motion and voice vote was unanimous in favor of the motion.

**3. Audit Report for Fiscal Year 1988-89 - Alan Bolick**

Due to the Auditor being detained at the Charlotte Airport, the Audit will be presented at the December Board Meeting.

**4. REPORT OF ENGINEER-MANAGER:****a. Status of Phase III Plant Expansion Contracts:**

Mr. Mull stated this report will be discussed under Item 6b. Plant Expansion Committee Report.

**b. Status of Proposed Sludge Disposal Facilities-Phase IV Main Plant Expansion:**

Dr. Maas requested that this item be deferred for discussion until his arrival at the Board meeting. This item was discussed later in the meeting.

**c. Ratify Polling of Board Members Re: General Fund Account;**

Mr. Mull reported that after the October Board Meeting, he met with the Bond Underwriter Selection Committee and Budget Committee, to discuss the possibility of transferring among qualified banks certain funds from the General Account only of the District in order to receive a better interest rate. Board Members who were not at the above meeting were contacted via telephone, and all Board Members concurred with the transferring of certain funds among qualified banks from the General Account only in order to receive a better interest rate. Mr. Mull requested that the Board authorize the Engineer-Manager to be able to transfer funds among qualified local banks in the General Account only, in order to receive better interest rates on the District's money. The banks must meet the requirements of the Bond Order and regulations adopted by the State of North Carolina Treasurer's Office to invest those funds in CD's, etc. Mr. Waddey moved that the Board grant the Engineer-Manager authority to be able to transfer funds from the General Account only, among qualified local operating banks, in order to receive the best interest rate available. Mrs. Pope seconded. General discussion followed. Mr. Ivey stated the Banks would probably request a resolution from the District authorizing the opening of an account, and recommended that Mr. Waddey amend his motion to include the resolution. Mr. Ivey also recommended that the resolution name local operating banks individually, and leave the discretion of the transfer of funds to the

Engineer-Manager. Roll call vote was unanimous in favor of the motion.

**d. Status Report on Communication Equipment:**

Mr. Mull reported that the City of Asheville has gone out for bids on Radio Communication Systems. There has been some discussion with Mr. Walter Currie, Attorney for the District, regarding the District entering into Agreement with the City of Asheville, to contract purchase radios from the City, if it looks like the City's itemized bid price for radios is less than the District could obtain on its' own. The District is awaiting a response from Mr. Currie concerning a contractual agreement with the City of Asheville on a Radio Communication System.

**e. Action on Bids for Supplying Chlorine for 1990:**

Mr. Mull reported the District advertised for bids on supplying the District with Liquid Chlorine for Calendar Year 1990, and readvertised with a bid opening date of November 22, 1989, at which time all bids were opened. Mr. Mull stated the current supplier is Jones Chemical Company, and the current rate is \$24.45/cwt. The results of the November 22 bid opening are as follows: Van Waters & Rogers, Inc., with a total base bid of \$27.50/cwt; Prillaman Chemical Corporation with a total base bid of \$27.50/cwt, and Jones Chemical Company with a total base bid of \$24.45/cwt (Apparent Low Bidder). Mr. Dyson moved that the District award the contract for supplying liquid chlorine to the District for Calendar Year 1990 to the Apparent Low Bidder, Jones Chemical Company, at a rate of \$24.45/cwt. Mr. Williams seconded and roll call vote was unanimous in favor of the motion.

**f. City of Asheville Efficiency Study on Water and Sewer Maintenance Practices:**

Mr. Mull reported that the District was notified on November 27th that the City of Asheville has been through a rather extensive process to select a consultant to perform an efficiency study of the City of Asheville's field operation crews. The City has selected Burke and Associates to perform the efficiency study, and the work started today. In the proposal the City had requested that Burke break down the cost of the sewer portion of its efficiency study, anticipating the pending turnover of sewers to the District. Burke and Associates has done this, and the City of Asheville is hoping that the District would be willing to pick-up the cost of that portion of the study, and even enlarge on this to include maintenance for the entire District. Mr. Burke met with Mr. Mull this morning and is in attendance at the Board meeting. Mr. Mull reviewed several charts with the Board concerning the efficiency study to be done by Burke and Associates. At this time Mr. Mull turned the floor over to Mr. Burke to make a brief presentation to the Board concerning the efficiency study. It was the consensus of the Board that the District not participate in the efficiency study with the City of Asheville at the present time. Mr. Dent moved that the Board decline the opportunity to participate at the present time in the efficiency study with the City of Asheville being performed by Burke and Associates, and that the District thank the City of Asheville for offering the District the opportunity to participate in the efficiency study. Mr. Waddey seconded the motion, and general discussion followed. Voice vote carried unanimous in favor of the motion.

**b. Status of Proposed Sludge Disposal Facilities - Phase IV Main Plant Expansion:**

Mr. Mull reported that the District advertised for bids Tuesday, November 21, 1989, for Phase IV Sludge Handling Facilities, with a bid opening date of February 13, 1990.

Mr. Mull also reviewed a letter from the State Department of Environment, Health and Natural Resources, Division of Environmental Management, dated November 17, 1989, approving the plans, specifications and preliminary plan of operation for Phase IV Sludge Handling Facilities, along with a letter dated November 17, 1989, for authorization to construct wastewater treatment facilities. General discussion followed.

**g. Schedule of 1990 MSD Board Meetings:**

Mr. Mull presented the schedule of 1990 Board Meetings to the Board for approval. Mr. Ivey moved that the Board adopt the schedule of 1990 MSD Board Meetings. Dr. Maas seconded. Voice vote was unanimous in favor of the motion.

**h. Request to Advertise for Bids for New Operator's Truck:**

Mr. Mull reviewed the advertisement "Request for Bids" for a new Operator's truck, and stated the District has funds in the equipment replacement account. The current Operator's truck is a 1986 Toyota with 98,000 miles on the odometer. The District will retain this truck for in-plant use. General discussion followed. Mr. Dent moved that the Board authorize the Engineer-Manager to advertise for bids on one (1) Operator's truck, four or six cylinder and/or four wheel drive, at his discretion. Mr. Williams seconded the motion and roll call vote was unanimous in favor of the motion.

**5. Report of Officers**

None.

**6. Report of Committees:**

**a. Sewer System Consolidation - Mr. Aceto:**

Mr. Aceto stated that part of the Sewer System Consolidation Agreement calls for the establishment of a Capital Improvements Program Committee which will include representatives from the MSD Board among its members. Mr. Aceto requested that Chairman Smith constitute the CIP Committee and appoint someone from the District Board to the CIP Committee, and establish a meeting date and time. General discussion followed. Chairman Smith appointed three members from the Board to the CIP Committee: Mr. Waddey representing Buncombe County, Mr. Aceto representing the Town of Montreat, and himself, representing the City of Asheville. Mr. Aceto reviewed several items on the Schedule of Events for MSD Consolidation. The third item on the schedule is for MSD to initiate an interim rate. Mr. Morris with Hendon Engineering Associates reviewed the steps which need to be taken here. Chairman Smith proposed that the Sewer Service Charge Committee and himself meet within the next two weeks, and that Mr. Morris present cost data and a suggested course of action. Mr. Mull suggested the Sewer Rate Review Committee meet December 12, 1989, and the MSD Board meet December 19th at 2:00 p.m. Mr. Huber stated that the District's Bond Counsel has some specific ideas concerning what rate to put into effect and when, and what the plans cover, and stated that Mr. Stevens, General Counsel for the District, might want to contact Bond Counsel toward this matter.

Mr. Aceto requested that Mr. Phil Carson and Mr. Stew Fink be notified of the Sewer Service Charge Committee meeting December 12, 1989.

Item four of the Schedule was also discussed: MSD Advertise for an Assistant Manager for Consolidation Capital Improvements program, and request a proposal for adding offices to the Administration Building. Mr. Aceto asked that the Consulting Engineers comment on this. Mr. Mull stated he has contacted Mr. David Aiten, Architect, to find if he would still be interested in pursuing this design, if the Board wished him to do so, and he was in agreement to do this. Mr. Smith requested that this item be put on the Agenda for the December 19th meeting, and that a proposal be presented to the Board concerning fees and preliminary plans, etc.

Mr. Aceto suggested that the Personnel Committee meet with the same diligence as the Sewer Service Charge Committee, concerning the proposed personnel needs of the District. Another item discussed from the Schedule concerned investigating alternative sites for a maintenance facility. Chairman Smith appointed a Maintenance Facility Site Selection Committee consisting of Mr. Dyson, Chairman, and Mr. Waddey.

**b. Plant Expansion - Mr. Dent**

Mr. Dent reported that the Plant Expansion Committee met November 9, 1989, concerning the problem with the Final Micro-screens at the Wastewater Treatment Plant, and turned the floor over to Mr. Holbrook with Hendon Engineering Associates to give a status report. Mr. Holbrook reviewed the Status Report of the Phase III Plant Expansion. The problem concerning the microscreens continues. Mr. Holbrook stated that the District must get from Envirex what its' plans are and what Envirex perceives to do and what Envirex will agree to as far as financial liability with regard to contractor delays, potential fines from the State, if any, additional equipment, etc. Mr. Holbrook also reported that he and Mr. Mull met with Mr. Walter Currie, attorney for the District, on November 27th and discussed several options with regard to what the District's potential actions should be with regard to Envirex. Out of this meeting came another meeting scheduled for December 13th with Envirex, MSD, Hendon Engineering Associates and Mr. Walter Currie, Attorney. Mr. Holbrook requested that one Plant Expansion Committee member attend this meeting as an observer.

Mr. Aceto asked the status of the Sewer Consolidation and Renovation Committee, (sometimes referred to as the Blue Ribbon Committee in the October Board Minutes), and Chairman Smith stated letters would be sent out this week with an anticipated acceptance deadline of December 8, 1989, and a planned first meeting of January 8, 1990.

**c. Bond Underwriter Selection - Mr. Aceto:**

Mr. Ivey excused himself from the meeting. Mr. Aceto reported that the Bond Underwriter Selection Committee met November 21, 1989, to consider the selection of Bond Underwriters. Mr. Stevens, General Counsel, stated he has contacted the Local Government Commission concerning the process of selection of new underwriters and explained this procedure to the Board. Mr. Stevens reported that he had also inquired from the Commission about the J. Lee Peeler Company (which had expressed an interest in being on the District's Bond Underwriter Team) and that the Local Government Commission stated that J. Lee Peeler Company has done a great deal of work for the Local Government Commission and the Local

Government Commission feels very comfortable with J. Lee Peeler Company.

Mr. Aceto moved that the District ask the Local Government Commission to constitute these firms as underwriters for the District: Interstate Johnson/Lane as the Senior Manager to work with First Charlotte Company and J. Lee Peeler Company as co-managers of any bond refinancing. Mrs. McDonald seconded the motion, and voice vote was unanimous in favor of the motion.

**7. Unfinished Business:**

None.

**8. New Business:**

Mr. Mull stated the District has to advertise noncompliance industrial users in the newspaper once a year, and reviewed the public notice concerning such with the Board, along with the industrial users in noncompliance and the nature of noncompliance. All of the violations were corrected shortly after being notified of noncompliance by the District. A copy of the Public Notice is attached herewith and made a part of these minutes.

Mr. Aceto stated he received a letter from the Operations Manager of Radio Station WFGW/WMIT in Black Mountain. WFGW/WMIT requests that while construction of its new towers and ground system is being done during the spring and summer of 1990, the new sewer lines being proposed for the county be put in place across WFGW/WMIT's land. Another idea presented by WFGW/WMIT is relocation of this main line either south toward the river or north, closer to the building, in order to clear WFGW's towers or grounding system in the future. Mr. Aceto referred this to the Consulting Engineers and requested that the Consulting Engineers contact the radio station to see what can be done about coordinating this part of the system so WFGW's operations do not have to be interrupted, or inconvenienced more than necessary. General discussion followed.

Mr. Mull sought the Board's direction in that a number of requests like this are coming in and asked does the Board wish the District to assume responsibility and expenses for these kinds of request at this time when they are not part of the system? Chairman Smith felt it the responsibility of the Engineer-Manager to handle these kinds of situations.

**9. Date of Next Regular Meeting - December 19, 1989**

**10. Adjournment**

There being no further business, the Board Meeting was adjourned at 4:30 p.m.

  
Secretary

**SCHEDULE OF ANNUAL MEETING DATES**

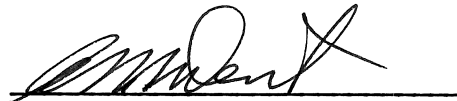
**OF THE**

**METROPOLITAN SEWERAGE DISTRICT BOARD**

Meetings are held in the Boardroom of Metropolitan Sewerage District's Administration Building, N.C. Highway 251 North at Woodfin, N.C.

1990

January 16	2:00 p.m.
February 20	2:00 p.m.
March 20	2:00 p.m.
April 17	2:00 p.m.
May 15	2:00 p.m.
June 19	2:00 p.m.
July 17	2:00 p.m.
August 21	2:00 p.m.
September 18	2:00 p.m.
October 16	2:00 p.m.
November 20	2:00 p.m.
December 18 (If Necessary)	2:00 p.m.



SECRETARY/TREASURER

**PUBLIC NOTICE**

In accordance with the Federal Water Pollution Control Act as amended by the Clean Water Act of 1977, as amended, and regulations regarding public participation promulgated in the Code of Federal Regulations, Section 403.8(f)(2)(ii), the Metropolitan Sewerage District of Buncombe County, North Carolina, must publish, at least annually, public notice of industrial users which, during the previous twelve months, were significantly violating applicable pretreatment standards. A significant violation is a violation which remains uncorrected 45 days after notification of noncompliance; or which is a part of a pattern of noncompliance over a 12 month period; or which involves a failure to accurately report noncompliance; or which resulted in the Metropolitan Sewerage District of Buncombe County exercising its emergency authority under 40 CFR Section 403.8(f)(1)(vi)(B).

Following is a list of industrial users which, during the period of July 1, 1988 to June 30, 1989, were significantly violating applicable pretreatment standards.

Eaton Corporation  
Marshall Division  
S M Company  
Williams Plating  
Precision Plating

The District is taking appropriate enforcement action pursuant to its Sewer Use Ordinance.

This the 27th day of November, 1989.

W. H. Mull, P. E.  
Engineer-Manager  
Metropolitan Sewerage  
District of Buncombe County,  
North Carolina

November 27, 1989  
(6996)

**METROPOLITAN SEWERAGE DISTRICT BOARD**  
**SPECIAL MEETING**  
**SIGNING CEREMONY SEWER SYSTEM CONSOLIDATION**

**NOVEMBER 21, 1989**

**1. Call to Order and Roll Call:**

A Special Meeting of the Metropolitan Sewerage District Board was held in the Asheville Civic Center, Banquet Room, at 2:00 p.m. on Tuesday, November 21, 1989. The purpose of this Special Board Meeting was to consider two Resolutions regarding Sewer System Consolidation.

Chairman Smith called the meeting to order at 2:00 p.m. with the following members present: Aceto, Dent, Dyson, Edwards, Ivey, McDonald, Pope, Waddey and Williams. Absent: Maas.

Others present were: Mr. W. H. Mull, Engineer-Manager, Mr. John S. Stevens, General Counsel, Mr. William Clarke, Attorney for MSD, Mr. William Morris, Hendon Engineering Associates, Mrs. Carolyn Ray, Mrs. Linda Dickson, and Mr. Robert Ensley, MSD Staff.

**2. Sewer System Consolidation:**

**a. Report from Mr. Aceto - Chairman, Sewer System Consolidation Committee:**

Mr. Aceto stated the purpose of the Special Board Meeting is to consider two resolutions which will allow the District to move forward with Consolidation of the sewer system.

**b. Proposed Resolution Authorizing Execution of Transfer Documents with Political Subdivisions Comprising the District:**

Mr. Aceto introduced the Resolution Relating to the Consolidation of Certain Sewerage Systems and Approving Certain Agreements Effecting Such Consolidation, and called attention to one change that occurred in the proposed resolution regarding private sewer systems. The change came as a result of negotiations with Buncombe County, in that the MSD will spend a maximum of \$250,000.00 to rehabilitate private sewer systems subject to certain conditions which are spelled out in the agreement. Mr. Aceto moved the adoption of the Resolution Relating to the Consolidation of Certain Sewerage Systems and Approving Certain Agreements Effecting Such Consolidation. Mr. Dyson seconded the motion and roll call vote was as follows: Ayes: 10 and Noes: 0 (The resolution is attached herewith and made a part of these minutes.

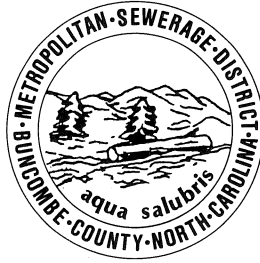


# MSD Metropolitan Sewerage District of Buncombe County, North Carolina

W. H. Mull, P.E., Engineer-Manager  
P.O. Box 8969, Asheville, N.C. 28814  
Telephone: Area Code 704-254-9646

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John S. Stevens, General Counsel



Frank S. Smith III, Chairman  
M. Leon Williams, Vice-Chairman  
Steven T. Aceto  
Charles M. Dent  
E. Charles Dyson  
M. Wayne Edwards  
George E. Ivey  
Richard P. Maas  
Diane K. McDonald  
Jackie W. Pope  
Marvin E. Waddey

I, Charles M. Dent, Secretary/Treasurer of the District 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 recorded minutes of the Special Meeting of the Metropolitan Sewerage District Board held on November 21, 1989.

I DO HEREBY FURTHER CERTIFY that a notice of said meeting of the Metropolitan Sewerage District Board, stating that a special meeting of the Metropolitan Sewerage District Board would be held at 2:00 P.M., on November 21, 1989, in the Banquet Room of the Asheville Civic Center on Haywood Street, in Asheville, North Carolina, for the purpose of considering the passage of resolutions relating to the consolidation of certain sewerage systems and the assumption of debt service on certain related indebtedness, was, at least 48 hours before said meeting, mailed to each Board Member, posted at the office of the Metropolitan Sewerage District, and mailed to such newspaper, wire service, radio stations, television stations, and persons that had filed with the District a written request for notices pursuant to G.S. 143-318.12.

WITNESS my hand and the corporate seal of said District the 21st day of November, 1989.

SECRETARY/TREASURER  
METROPOLITAN SEWERAGE DISTRICT OF  
BUNCOMBE COUNTY, NORTH CAROLINA

RESOLUTION RELATING TO THE ASSUMPTION OF  
DEBT SERVICE ON OUTSTANDING INDEBTEDNESS  
OF THE ENKA CANDLER WATER AND SEWER DISTRICT

WHEREAS, the District Board of the Metropolitan Sewerage District of Buncombe County (the "District") adopted on May 23, 1985 a bond order authorizing and securing sewerage system revenue bonds of the District;

WHEREAS, under the provisions of Section 214 of said bond order, as amended on June 4, 1985 (the "Bond Order"), the District may assume the payment of the principal of and the interest on Additional Indebtedness, as defined in the Bond Order, for the purpose of acquiring Additional Improvements, as defined in the Bond Order, subject to the conditions provided in said Section 214;

WHEREAS, as a part of the sewerage system consolidation program of the District, the District has agreed to acquire from the Enka Candler Water and Sewer District (the "ECWSO") and the ECWSO has agreed to transfer to the District the system of collector sewers and interceptor sewers and related property more particularly described below owned by the ECWSO, in accordance with the terms of a Sewer Consolidation Agreement between the District and the ECWSO made on November 21, 1989 (the "Agreement"); and

WHEREAS, under the Agreement, in consideration of the transfer to it of said property of the ECWSO, the District is to undertake certain responsibilities as to the operation, maintenance, improvement, reconstruction, including rehabilitation, and extension of said property and to assume the payment of debt service on the Sanitary Sewer Bond of the ECWSO, dated April 22, 1985 (the "Bond"), solely from the sources available therefor under the Bond Order, subject to the provisions of the Bond Order and applicable law;

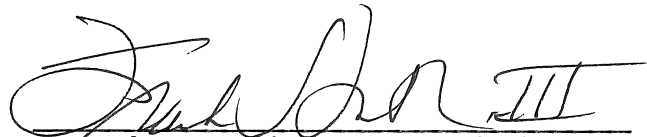
NOW, THEREFORE, the District Board of the District hereby finds, determines and resolves, as follows:

Section 1. The assumption of the payment of the principal of and the interest on the Bond of the ECWSO constituting Additional Indebtedness under the Bond Order pursuant to Section 214 of the Bond Order, commencing with the payment of the principal of and the interest on the Bond due on June 1, 1991, for the purpose of acquiring the existing sewerage system of the ECWSO, including approximately 76,000 linear feet of collector sewers and interceptor sewers and certain other property as described in the Agreement, constituting Additional Improvements, is hereby authorized. The principal of and the interest on the Bond shall be payable by the District solely from the sources available for the payment of Additional Indebtedness under the Bond Order and

shall be paid when due in accordance with the provisions of the Bond.

Section 2. Mohnkern, Bolick & Company, P.A., Certified Public Accountants, and Hendon Engineering Associates, Incorporated are hereby authorized to perform the duties imposed on Appropriate Consultants, as they may apply to each such firm, and the Secretary-Treasurer of the District Board of the District is hereby authorized to perform the duties imposed on an Authorized Officer in addition to certain other persons under the Bond Order in connection with the assumption by the District of debt service on the Bond as Additional Indebtedness pursuant to Section 214 of the Bond Order.

Section 3. This resolution shall take effect upon its passage.



Frank S. Smith, III, Chairman  
Metropolitan Sewerage District  
Board of Buncombe County

Attest:



Charles M. Dent  
Secretary

RESOLUTION RELATING TO THE CONSOLIDATION  
OF CERTAIN SEWERAGE SYSTEMS AND APPROVING  
CERTAIN AGREEMENTS EFFECTING SUCH CONSOLIDATION

WHEREAS, the Consolidation Committee of the District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina (the "District") has worked with representatives of the political subdivisions comprising the District, the County of Buncombe and other members of the community in developing a proposal to consolidate the collector and interceptor sewers and certain related property now owned by such political subdivisions and County and certain other collector sewers and related property into a single consolidated sewerage system to be owned and operated by the District together with the existing facilities of the District; and

WHEREAS, agreements with each of such political subdivisions, including the City of Asheville, the Town of Biltmore Forest, the Town of Weaverville, the Town of Black Mountain, the Town of Montreat, Woodfin Sanitary Water and Sewer District, Busbee Sanitary Sewer District, Crescent Hill Sanitary Sewer District, Skyland Sanitary Sewer District, Fairview Sanitary Sewer District, East Biltmore Sanitary Sewer District, Caney Valley Sanitary Sewer District, Swannanoa Water and Sewer District, Beaverdam Water and Sewer District, Venable Sanitary District and Enka-Candler Water and Sewer District, and with the County of Buncombe, transferring to the District the collector and interceptor sewers and certain related property (collectively the "Sewerage Systems") which such political subdivisions and County now own (collectively the "Agreements") have been prepared in the forms attached to this resolution;

WHEREAS, such political subdivisions and County have expressed their desire and intent to transfer the Sewerage Systems according to the terms and conditions set forth in the Agreements;

WHEREAS, the Consolidation Committee of the District Board of the District (the "District Board") has recommended to the District Board that the District Board proceed with the acquisition of the Sewerage Systems according to the terms and conditions set forth in the Agreements; and

WHEREAS, under the provisions of Section 714 of a bond order authorizing and securing sewerage system revenue bonds of the District, adopted by the District Board on May 23, 1985, as amended on June 4, 1985, the District may acquire sewerage system facilities such as the Sewerage Systems, subject to the conditions provided in said Section 714;

NOW, THEREFORE, the District Board hereby finds, determines and resolves, as follows:

Section 1. The acquisition by the District of the Sewerage Systems and the related responsibility to operate, maintain, improve, reconstruct and extend the Sewerage Systems and certain other collector sewers and related property according to the terms and conditions set forth in the Agreements would preserve and promote the public health and welfare within the District.

Section 2. The Sewerage Systems are not subject to any lien or other encumbrance which is materially adverse.

Section 3. The Agreements and other appropriate instruments will transfer complete ownership of the property to be transferred thereunder constituting the Sewerage Systems to the District, delegate to the District the responsibility for the operation, maintenance, improvement, reconstruction and extension of the Sewerage Systems and certain other collector sewers and related property, subject to certain terms and conditions set forth in the Agreements which represent the exercise of such responsibility by the District Board, and authorize the District to establish rates, fees and charges for the use of and for the services and facilities provided or to be provided by the District without supervision or regulation by any person transferring the ownership of the Sewerage Systems to the District.

Section 4. Pursuant to the Agreements, appropriate instruments to indicate such transfer of ownership will be duly recorded and the District will be guaranteed reasonable access to and over related public rights-of-way and easements necessary for the operation, maintenance, improvement, reconstruction or extension of the Sewerage Systems and certain other collector sewers and related property.

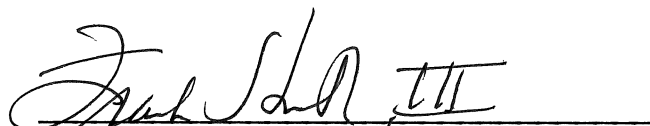
Section 5. Adequate funding for the acquisition, operation, maintenance, improvement, reconstruction and extension of the Sewerage Systems and certain other collector sewers and related property pursuant to the Agreements will be available from available funds of the District, from rates, fees and charges established by the District, from grants or other funds provided by the United States of America, the State or any other source, from the issuance of revenue bonds or general obligation bonds of the District, from taxes levied and collected by the District or from any combination of such sources, as is appropriate.

Section 6. The District Board will, in its sole discretion, determine the need and priority for the operation, maintenance, improvement, reconstruction and extension of the Sewerage Systems and certain other collector sewers and related property, subject to certain terms and conditions set forth in the Agreements which represent the exercise of such discretion by the District Board and taking into consideration, among other factors, the capacity of the District's existing facilities and available funding.


Section 7. The acquisition by the District of the Sewerage Systems according to the terms and conditions set forth in the Agreements is hereby approved. The Agreements substantially in the forms attached to this resolution are hereby approved, and the Chairman and the Secretary of the District Board are hereby authorized to approve changes in the Agreements which are not material and to execute the Agreements for and on behalf of the District.

Section 8. The Chairman and the Secretary of the District Board are hereby authorized to execute any and all other necessary instruments to complete the acquisition of the Sewerage Systems and to complete the consolidation of the Sewerage Systems and certain other collector sewers and related property into a single sewerage system under the ownership and operation of the District.

Section 9. This resolution will take effect upon its passage.

  
Frank S. Smith, III, Chairman  
Metropolitan Sewerage District  
Board of Buncombe County

Attest:

  
Charles M. Dent  
Secretary