

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT

July 17, 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, July 17, 1996. Chairman Post presided with the following members present: Bryson, Casper, Holcombe, Joyner, Kelly, Slosman, Sobol and Wallace. Those members absent were Mr. Pace and Mr. Selby.

Others present were: W. H. Mull, Engineer-Manager, Billy Clarke, Attorney for the District, Bill Morris and Ed Byas of Hendon Engineering Associates, Inc., Patty Beaver with CIBO, Sandra Trivett, an interested citizen, Ann Sutton, Jim Fatland, Tom Tarrant, and Sondra Honeycutt, MSD.

2. Approval of the Minutes of the June 12, 1996 meeting.

Ms. Wallace moved that the minutes of the June 12, 1996 meeting be approved contingent on the following change: that the wording on page two, paragraph two be changed to read "based on an average of the Bureau of Labor Statistics COL figures over the last four years." With no further additions or corrections, Ms. Bryson seconded the motion. Voice vote was unanimous in favor of the motion.

3. Election of Officers:

a. Election of Chairman and Vice Chairman:

Mr. Joyner nominated Mr. Post as Chairman. Mr. Sobol seconded the nomination. With no further nominations, Ms. Wallace moved that the nominations be closed. Mr. Holcombe seconded the motion. Voice vote was unanimous in favor of the motion.

Ms. Wallace nominated Mr. Slosman as Vice Chairman. Mr. Joyner seconded the nomination. With no further nominations, Ms. Bryson moved that the nominations be closed. Mr. Holcombe seconded the motion. Voice vote was unanimous in favor of the motion.

b. Appointment of Secretary/Treasurer:

Mr. Post appointed Ms. Bryson to serve as Secretary/Treasurer.

4. Engineer-Manager's Report

CONSOLIDATED MOTION AGENDA

Personnel Committee Items:

Mr. Mull reported that the following items were brought before the Personnel Committee, June 12, 1996.

b.1. Consideration of Overtime Pay Policy:

The Committee recommended that the Overtime Pay Policy be amended setting forth that holiday, vacation and sick leave hours be counted in the calculation of overtime pay.

b.2. Consideration of Standby Pay:

The Committee recommended Standby Pay for employees on call at a rate of \$35.00/week, and during a holiday week, \$52.50, (\$35.00 x 1.5).

b.3. Consideration of Compensation for Deputy General Manager of Operations:

The Committee recommended that the Board approve a starting salary of \$74,000.00; approve a housing allowance of \$600.00 per month, not to exceed six months, or until Mr. Turner's home sells; the cost of moving Mr. Turner's household items and automobile from Sarasota to Asheville, and provide a MSD vehicle for his use during the business day; mileage and/or allowance.

With regard to items, (b.1 Overtime Policy and b.2 Standby Pay) a discussion was held on the annual cost impact to provide both overtime and standby pay; whether these additional costs are budgeted for; if a policy comparison of other member agencies has been made; whether the overtime policy will encourage abuse of sick and annual leave, and the possibility of increasing the amount of hours worked per shift. With no further discussion, Mr. Slosman moved that the Board table Item b.1 until additional information is obtained. Mr. Holcombe seconded the motion. Voice vote was unanimous in favor of the motion. Mr. Kelly moved that the Board table item b.2. until an annual costs impact study is done and reviewed by the Deputy General Manager of Operations. Mr. Casper seconded the motion. Following a lengthy discussion as to the pros and cons of approving this policy, the motion was defeated by voice vote. Mr. Holcombe moved that the Board approve Standby Pay. Mr. Sobol seconded the motion. Roll call vote was as follows: 6 Ayes; 3 Nays (Mr. Casper, Mr. Kelly and Mr. Slosman)

With regard to item b.3., (Compensation for Deputy General Manager of Operations) Mr. Sobol moved that the Board approve the recommendation of the Personnel Committee. Mr. Joyner seconded the motion. Following a brief discussion, roll call vote was as follows: 9 Ayes; 0 Nays.

Right of Way Committee Item:

Mr. Mull reported that the following item was brought before the Right-of-Way Committee June 27, 1996.

e.IV.a. Consideration of Ceiling Amount for Obtaining Temporary Easements and Preliminary Engineering Costs:

The Committee recommended to approve a ceiling of \$15,000.00 for obtaining temporary easements and preliminary engineering costs for Lake Julian.

Mr. Joyner moved that the Board adopt the recommendation of the Right-of-Way Committee. Mr. Holcombe seconded the motion. Following a brief discussion regarding whether the easements are temporary, roll call vote was as follows: 9 Ayes; 0 Nays.

Construction Committee Items:

Mr. Mull reported that the following items were brought before the Construction Committee July 11, 1996:

g.II.1. Consideration of Engineering Services Agreement - North Lexington Avenue Sewer Rehabilitation:

The Committee recommended that the original contract amount for Construction Services - Administration be amended in the amount of \$2,411.50, and Construction Services - Observation be amended in the amount of \$11,100.00. Funds to come from project (construction) contingency of approximately \$41,250.00.

g.II.2. Consideration of Construction Contract Change Order #6 - North Swannanoa Interceptor, Phase 1 - Ruby Collins.

The Committee recommended that the amount of \$213,451.44 be approved for Change Order #6.

g.II.3. Consideration of Construction Contract Amendment - Airport Road Sewer - N.C. Department of Transportation.

The Committee recommended funding improvements in an amount not to exceed \$20,000.00 for Airport Road Sewer Rehabilitation.

A discussion followed with regard to who the engineer is on the North Lexington Avenue Project, (item g.II.1) and whether Change Order #6, (item g.II.2) was reviewed by the MSD Attorney. Mr. Mull reported that Change Order #6 had been seen by Mr. Currie, Attorney for the MSD, but the quantities were not reviewed. He further reported that in response to the Committee's request that all change orders be reviewed by the MSD Attorney, Mr. Currie stated that because of the costs, he did not feel it was necessary to review every change order presented to the Committee. Mr. Sobol questioned why quantities of sewers were omitted from the contract drawings for the project. Mr. Byas reported that there were revisions in the plans close to the end of the design phase. A discussion followed on the possibility of having different engineering firms handle the design and construction on future projects, and that contracts of this size be reviewed for detail by MSD's Attorney in order to avoid such large change orders.

Mr. Holcombe moved that the Board approve the recommendation of the Construction Committee with regard to items g.II.1 and g.II.3. Mr. Slosman seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

Mr. Holcombe moved that the Board refer item g.II.2 back to the Construction Committee with further review by the MSD Attorney. Mr. Casper seconded the motion. Voice vote was unanimous in favor of the motion.

REGULAR AGENDA ITEMS:

h. Consideration of Bids for Rough Terrain Fork Truck:

Mr. Mull reported that the following bids for a Rough Terrain Fork Truck were received on June 20, 1996: Carolina Tractor-Caterpillar with a total base bid of \$40,973.00; N.C. Equipment Co. - JCB, with a total base bid of \$37,740.00, and E.F. Craven Company - Case 586, with a total base bid of \$35,219.21. He further reported that because the low bid complies with the specifications and is budgeted for in the Fleet Replacement Fund, staff recommends that the Board award the bid to E.F. Craven Company in the amount of \$35,219.21. Following a brief discussion regarding the age of the existing forklift, and the difference in size, Mr. Holcombe moved that the Board approve the bid of E.F. Craven Company in the amount of \$35,219.21. Mr. Slosman seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

i. Consideration of RBC Basin Cleaning Contract:

Mr. Mull reported that four companies were contacted regarding quotes to complete cleaning of the RBC basins and that Video Industrial Services was the only company to offer a lump sum price of \$60,000.00. He further reported that in review of the proposal by Video Industrial Services, Mr. Currie, Attorney for the MSD, recommended that any agreement be incorporated into an expanded contract, which would include appropriate warranties, safeguards and indemnification from Video Industrial Services. Mr. Mull stated that cleaning of the basins will need to be done every 5 to 6 years until a substantial amount of rehabilitation of the collection system has been completed. Following a brief

discussion, Mr. Slosman moved that the Board approve the contract with Video Industrial Services in the amount of \$60,000.00, contingent upon approval of the certificate of insurance by the MSD Attorney. Mr. Joyner seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

5. Report of Committees

b. Personnel Committee - Mr. Sobol

No further report

d. Planning Committee - Mr. Slosman

Mr. Slosman reported that no recommendation was needed with regard to consideration of a proposal from Henderson County for an allocation request. In addition, no recommendation was needed regarding the utilization of landfill gas, but that a full report will be forthcoming at a future meeting of the Board.

e. Right-of-Way Committee - Mr. Selby

No further report.

g. Construction Committee - Mr. Holcombe

No further report.

6. Unfinished Business:

a. Consideration of Resolution Adopting Charges for Domestic and Industrial Users:

Mr. Mull reported that this resolution was modified by the District's legal counsel from the previous resolution, which specified how the District calculated domestic and industrial charges; rebates and surcharges.

b. Consideration of Resolution Adopting Sewer Rates for Customers Outside MSD:

Mr. Mull reported that this resolution adopts the sewer rates for outside the District for the Fiscal Year 1996-97, which adds one cent to the ccf charge for both domestic and industrial users.

With no discussion, Mr. Holcombe moved that the Board adopt the above resolutions as presented. Ms. Bryson seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

7. Old Business:

None

8. New Business:

a. Consideration of Resolution Requesting the Bond Registrar, with Respect to the Sewerage System Revenue Bonds Series 1992B of the District, to Take Certain Action.

Mr. Mull reported that the resolution authorizes the Bond Registrar to (a) conduct a lottery to determine which of the 1992B Term Bonds constitute the Refunded 1992B Term Bonds and (b) to provide the result of such lottery to the

District. With no discussion, Mr. Kelly moved that the Board approve the resolution as presented. Mr. Slosman seconded the motion. Voice vote was unanimous in favor of the motion.

In other business, Mr. Slosman provided a draft reply to an article by Jim Conschafter of the Asheville Chamber of Commerce that ran in the Asheville Citizen-Times titled "Wrong Message". He stated that because the public does not understand interceptors or extensions, he attempted to respond in layman terms. A discussion was held regarding whether the District should reply, and if a reply is made, should it come from an individual Member of the Board or from the Chairman. It was decided that the letter should come from the Chairman of the Board. Several suggestions for revision were made to the reply, and individual opinions were expressed regarding the method of response. A copy of the finalized letter is attached

Regarding the upcoming WEF Conference in Dallas, Texas, Mr. Joyner suggested that the Board consider authorizing only a limited number of members to attend. A discussion followed regarding the expense, and the value of the conference's technical sessions, and in learning new technologies.

Mr. Mull reported that he received a letter from the City of Asheville Planning Department regarding the West End/Clingman Avenue Neighborhood Plan, which list four (4) MSD responsibilities. He further reported that a public meeting will be held within a month to review this plan, however, this particular area is not on the District's CIP schedule for rehabilitation. Also, that this issue will be reviewed by the Planning Committee at it's next meeting.

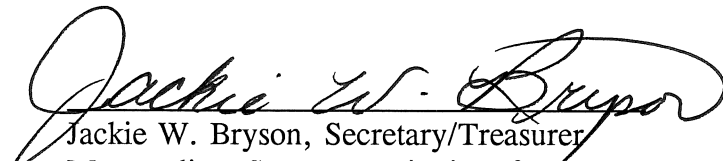
At 3:40 p.m., Mr. Kelly moved that the Board go into closed session to consider the acquisition of real property and condemnation of rights-of-way. Ms. Wallace seconded the motion. Voice vote was unanimous in favor of the motion.

At 3:47 p.m., the Board reconvened the regular meeting.

Mr. Sobol moved that the Board approve the recommendation of the Right-of-Way Committee. Ms. Bryson seconded the motion. Roll call vote was as follows: 9 Ayes; 0 Nays.

9. Adjournment:

With no further business, Mr. Slosman moved for adjournment at 3:50 p.m. Mr. Sobol seconded the motion. Voice vote was unanimous in favor of the motion.

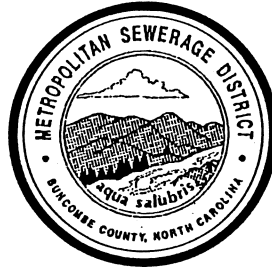

Jackie W. Bryson, Secretary/Treasurer
Metropolitan Sewerage District of
Buncombe County, North Carolina

MSD Metropolitan Sewerage District of Buncombe County, North Carolina

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Bob Selby
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Carolyn R. Wallace

July 17, 1996

Mr. Larry Pope
Executive Editor
Asheville Citizen-Times
PO Box 2090
Asheville, N.C. 28802

Dear Mr. Pope:

As Chairman of the Metropolitan Sewerage District Board, I would like to reply to the Guest Column by Jim Conschafter of the Asheville Chamber of Commerce in the Asheville Citizen-Times titled "Wrong Message".

In the Consolidation Agreement of 1990, the MSD committed over \$80 million to rehabilitate the existing sewer system to prevent raw sewage from overflowing into creeks and basements, and to provide adequate capacity for future growth. Extensions were to remain the function of municipal and county governments and private developers.

We are committed to the economic growth of Western North Carolina by rebuilding a crumbling sewer system neglected by political bodies for 75 years. We are doing this by prudent financial planning and charging a long-range rebuilding plan to the present and future rate payers of the system.

Attracting new industry is critical to the well being of all. It provides jobs and prosperity to our region as well as increasing property values and the tax base. This tax base is where the benefits are, and where the dollars necessary to build extensions should come---not from the ratepayers who pay some of the highest rates in the state.

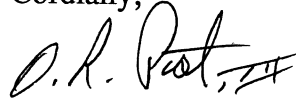
There may be some confusion in terminology. Replacing old and inadequate interceptors is what MSD does. These are the large main lines that provide sewer service from each

Page Two

area in our district to the treatment plant. MSD took over and continues to take over extension lines in our district for maintenance.

What we don't do is new extensions that feed into our interceptors. This is a function of developers, the county and the cities. If built to our standards, we take responsibility for line maintenance. Maintenance is our function---not planning for the County or Municipalities of the District or taxing our rate payers.

Cordially,

A handwritten signature in black ink, appearing to read "O.R. Post, III". The signature is written in a cursive style with a horizontal line through the middle of the name.

O.R. Post, III, Chairman
Metropolitan Sewerage District

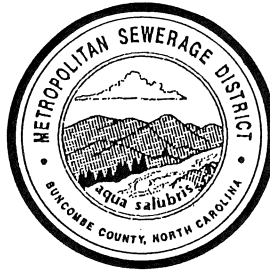
ORP:sh

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CERTIFICATION

I, Jackie W. Bryson, Secretary to the District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina, DO HEREBY CERTIFY that the attached copy is a true and correct copy of the RESOLUTION adopted by the Metropolitan Sewerage District Board at their regular meeting held July 17, 1996.

WITNESS my hand and seal of said District this 17th day of July, 1996.

Signed by:

Jackie W. Bryson,

Secretary/Treasurer

Metropolitan Sewerage District Board

of Buncombe County, North Carolina

A RESOLUTION ADOPTING CHARGES
FOR THE DISCHARGE OF DOMESTIC
WASTEWATER AND INDUSTRIAL WASTES TO THE
SANITARY SEWERAGE SYSTEM OF THE
METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY

WHEREAS, the District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina, has heretofore adopted a Resolution adopting charges for the discharge of domestic wastewater and industrial wastes to the sanitary sewerage system of the Metropolitan Sewerage District of Buncombe County on the 15th day of April, 1975, and has amended said Resolution from time to time to adjust user charges for domestic and industrial users of the sewerage system and, the District Board now desires to revise said Resolution; and

WHEREAS, the District Board of the Metropolitan Sewerage District of Buncombe County, North Carolina, has heretofore adopted on November 10, 1994, an Ordinance for the purpose of regulating and controlling the discharge of wastewaters into the sanitary sewerage system tributary to wastewater treatment facilities of the District; and

WHEREAS, the Ordinance provides, among other things, for the control metering and determination of the characteristics of industrial wastes discharged to the sanitary sewerage system and for the subsequent adoption of a schedule of charges and fees for

wastewater disposal services; and

WHEREAS, the District Board desires to provide for the equitable sharing of costs between domestic users and industrial users and to establish separate charges for the discharge of domestic and industrial wastewaters;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE DISTRICT BOARD OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, as follows:

Section 1, DOMESTIC WASTEWATER CHARGE

Sec. 1.1 General

The domestic wastewater charge shall be applicable to all residential, commercial, and institutional customers discharging wastes with no unusual characteristics and to industries whose discharge consists of wastes solely from sanitary conveniences.

Sec. 1.2 Adjustment of Charge

The domestic wastewater charge shall be subject to periodic adjustment in conjunction with the industrial wastewater charges, as necessary to maintain adequate revenues and to meet operation and maintenance expenses, as shown by the Annual Budget for the current fiscal year, and the principal and interest requirements on account of the revenue bonds then outstanding, and plus either one-fifth of the principal and interest requirements or such larger sum as set forth in the Annual Budget for capital expenditures from the General Fund.

The procedure for determining from time to time the domestic users' share of costs and the resulting domestic wastewater charges shall be as outlined in Section 2 for

the establishment of the industrial wastewater charges.

Section 1.3 Domestic Wastewater Charge Established

The domestic wastewater charge shall be a charge per 100 cubic feet and a meter charge.

These charges shall be established annually based upon the cost of operation, debt service and construction of the District's collection, treatment and disposal systems.

There shall be no discounts for increased quantity.

Section 2 INDUSTRIAL WASTEWATER CHARGES

Section 2.1 General

Industrial wastewater charges shall be applied to the following user categories:

A. Industrial User shall mean any nongovernmental user of publicly owned treatment works identified in the Standard Industrial Classification Manual, 1972, Office of Management and Budget, as amended and supplemented, under the following divisions:

- a) Division A - Agriculture,
Forestry and Fishing
- b) Division B - Mining
- c) Division D - Manufacturing
- d) Division E - Transportation
Communications, Electric, Gas and Sanitary Services
- e) Division I - Services

A user in the Divisions listed may be excluded if it is determined that it

will introduce into the system only segregated domestic wastes or wastes from sanitary conveniences.

- B. Industrial User shall also mean any other industrial, commercial, or institutional user of the sanitary sewerage system and the District's treatment works who shall be so classified by the District by reason of the volume and/or characteristics of the wastes discharged or of the type, extent, and nature of the facilities used and required to provide service to such user.

Sec. 2.2 Charge Components

The billings to industrial users shall be based on separate charges for the following:

- A. Wastewater quality (Q), per 100 cubic feet.
- B. Suspended solids (SS), per pound.
- C. Biochemical oxygen demand (BOD), per pound
- D. Meter Charges

Section 2.3 Determination of Charges Annually

The costs included in the annual computation of domestic and industrial charges shall include the following:

- A. Operation and maintenance expenses, (Treatment and Transport System)
- B. Interest and principal on outstanding bond issues.
- C. Coverage required by bond indentures on the debt service or such larger sum as set forth in the Annual Budget for capital expenditures from the General Fund.

- * Expenditures from the General Fund, using funds from prior years' deposits, are excluded from consideration in the industrial wastewater charges.

Section 2.4 Distribution of Costs and Computation of Unit Charges

Section 2.41 The total annual costs for the system shall recognize at least the following subdivisions:

- A. Lateral Sewer System
- B. Trunk and intercepting sewer systems
- C. Pumping stations
- D. Wastewater treatment plants
- E. Billing Costs
- F. General Administration
- G. Hydroelectric Facility

Section 2.42 The costs shall be distributed to fairly recognize the contribution to each subdivision of the following basic classifications of users:

- A. Industrial users, including:
 - a) Industrial users as defined in Federal Guidelines.
 - b) Other industrial, commercial, or institutional users with unusual waste characteristics.
- B. Domestic users, including all residential, institutional, and commercial users not included in A b) above.

Sec. 2.43 The cost distribution shall permit the establishment of realistic total annual costs to the two basic classes of users for the following functions or purposes:

- A. Conveyance of Wastewater (Q)
- B. Removal of BOD
- C. Removal of SS

Costs not directly related to any of the foregoing functions, such as administration and billing and collection, shall be distributed among the several functions by such other parameters as will produce a reasonable apportionment of such costs to each user.

Sec. 2.44 The cost distribution shall distinguish between current operation and maintenance costs and non-operating expenditures including principal and interest and debt service coverage required on the bonds outstanding and any additional sums budgeted for deposit to the General Fund. The distribution of debt service and debt service coverage to functions as set forth in Section 2.43 shall be in accordance with the application of the bond funds to the construction of the facilities having such functions. The distribution of additional sums budgeted for deposit to the General Fund may recognize, in addition, the application of monies from the General Fund for extensions and improvements to the District's facilities.

Sec. 2.45 The annual distribution shall be in accord with the general principles set forth in "Financing and Charges for Wastewater Systems," a joint committee report of the American Public Works Association, American Society of Civil Engineers and Water Pollution Control Federation, 1973, and shall be subject to approval of the Consulting Engineers. Summarized data showing the development of the annual charges shall be maintained by the District, and copies thereof shall be made available to all industrial users and others upon request.

Section 2.5 Classes of Industrial Users

The Engineer-Manager may establish classes of industrial users to whose wastewaters representative strengths are assigned. Such class wastewater characteristics may recognize analyses of representative users of each class in Buncombe County and/or typical data from other sources. To the extent practical, actual data for each industrial user's wastewater shall be used. Any industrial user to whose wastewaters standard strength parameters have been applied may request analysis of its wastewater; and, upon determination of the characteristics on samples representative of the wastewater on not less than three working days, such characteristics shall be used in determining the charges until the wastewaters may again be sampled.

Section 2.6 Weighted Volume Charge

The Engineer-Manager may consolidate the component charges of the industrial wastewater charges into a single volume charge which includes the characteristic charges computed for a unit volume of 100 cubic feet. Such a weighted volume charge may be applicable to a class of users or to each user where its actual wastewater characteristics are known.

Section 2.7 Miscellaneous Provisions

Industrial users exhibiting marked, seasonal load variations shall pay charges which recognize the dedication or reservation of capacity for the treatment of their seasonal peak operation loads and any unusual operation and maintenance costs directly related to such seasonal loads.

This provision shall apply only to those industrial users whose peak loads exceed

10 percent of any capacity parameter and are at least twice its off-season loads.

Section 3. SEVERABILITY

If any section, clause, provision, or portion of this Resolution shall be held to be invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect any other section, clause provision, or portion of this Resolution.

Section 4. MAY BE AMENDED

Sec. 4.01 This Resolution may be amended from time to time, which amendments shall include, but need not be limited to, periodic adjustments to the domestic and industrial user charges, rates and fees.

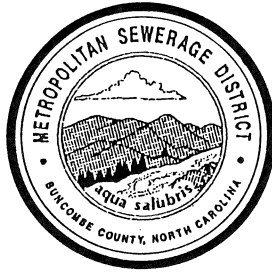
Sec. 4.02 ADOPTED THIS 17th day of July, 1996.

MSD Metropolitan Sewerage District of Buncombe County, North Carolina

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John S. Stevens, General Counsel



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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 Resolution adopting the USER CHARGE RATES OUTSIDE MSD FOR FISCAL YEAR 1996-97.

This 17th day of July, 1996.

Jackie W. Bryson, Secretary/Treasurer

Board of the Metropolitan Sewerage District of
Buncombe County, North Carolina

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 adopts the User Charge Rates for Outside the District for the Fiscal Year 1996-97, which was submitted to the Board and other interested parties by the Engineer-Manager on July 17, 1996, as set forth below.

DOMESTIC USER CHARGE PER CCF OUTSIDE DISTRICT:

(Treatment)
\$2.55/ccf

BILLING FEE

\$1.30 (Per Invoice)

BASE METER CHARGE

Size	Fee
5/8"	\$ 4.10/month
3/4"	5.90
1"	10.50
1-1/2"	24.00
2"	42.00
3"	94.00
4"	168.00
6"	380.00
8"	670.00
10"	1,050.00

INDUSTRIAL USER CHARGE OUTSIDE DISTRICT:

(Treatment)

Flow (Per CCF) \$0.597

BOD (Per Lb.) - \$0.389 (For all BOD > 10 mg/l)

SS (Per Lb.) - \$0.262 (For all TSS > 13 mg/l)

BILLING FEE

\$1.30 (Per Invoice)

BASE METER CHARGE

Size	Fee
5/8"	\$ 4.10/month
3/4"	5.90
1"	10.50
1-1/2"	24.00
2"	42.00
3"	94.00
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8"	670.00
10"	1,050.00

This the 17th day of July, 1996.



O.R. Post, III, Chairman
Metropolitan Sewerage District Board of
Buncombe County, North Carolina

ATTEST:

W. H. Mull, P.E.
Engineer-Manager

MSD Metropolitan Sewerage District of Buncombe County, North Carolina

W. H. Mull, P.E., Engineer-Manager
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RESOLUTION OF THE DISTRICT BOARD OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY REQUESTING THE BOND REGISTRAR WITH RESPECT TO THE SEWERAGE SYSTEM REVENUE BONDS, SERIES 1992B OF SAID DISTRICT TO TAKE CERTAIN ACTION

WHEREAS, on April 30, 1992 the Metropolitan Sewerage District of Buncombe County, in North Carolina, (the "District") issued its \$22,500,000 Sewerage System Revenue Bonds, Series 1992B, which include \$4,020,000 of term bonds due on July 1, 2016 (the "1992B Term Bonds"); and

WHEREAS, on August 13, 1993, the District issued its \$33,130,000 Sewerage System Revenue Refunding Bonds, Series 1993A for the purpose of redeeming prior to maturity, among other bonds of the District, \$4,000,000 principal amount of the 1992B Term Bonds (the "Refunded 1992B Term Bonds"), and proceeds of such Series 1993A bonds were deposited for such purpose with Wachovia Bank of North Carolina, N.A., as Escrow Agent, pursuant to an Escrow Deposit Agreement, dated as of August 13, 1993, between the Escrow Agent and the District; and

WHEREAS, all of the bonds mentioned above were issued pursuant to a Bond Order adopted by the District Board of the District (the "District Board") on May 23, 1985, as amended on June 4, 1985 and July 21, 1993 (collectively the "Bond Order"), under which Wachovia Bank of North Carolina, N.A. was appointed the Trustee and the Bond Registrar (the "Bond Registrar"), and a series resolution with respect to each such series of bonds passed by the District Board in accordance with the Bond Order; and

WHEREAS, under the respective series resolution, the 1992B Term Bonds are subject to redemption prior to maturity, at the option of the District Board, on or after July 1, 2002, by lot within a single maturity and otherwise as described in such series resolution and, under Section 302 of the Bond Order, not more than 90 days and at least 30 days before the redemption date of any bonds issued under the Bond Order, the Bond Registrar is to give notice of any such redemption as provided in such Section; and

**RESOLUTION
PAGE TWO**

WHEREAS, pursuant to paragraph 12 of such Escrow Deposit Agreement, the District elected to redeem on July 1, 2002 \$4,000,000 of the 1992B Term Bonds but no lottery has been conducted to determine which of the 1992B Term bonds constitute the Refunded 1992B Term Bonds; and

WHEREAS, the District Board has been informed that certain owners of the 1992B Term Bonds have requested a determination as to which of the 1992B Term Bonds constitute Refunded 1992B Term Bonds which have been advance refunded and are secured by moneys in such Escrow Deposit Agreement; and

WHEREAS, the Bond Registrar could conduct a lottery to make such a determination now rather than in the year 2002 prior to giving notice of the redemption of the Refunded 1992B Term Bonds if the Bond Registrar were requested to do so by the District Board;

NOW, THEREFORE, THE DISTRICT BOARD OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY DOES HEREBY DETERMINE AND RESOLVE, as follows:

Section 1. The District Board hereby requests the Bond Registrar (a) to conduct a lottery as soon as possible to determine which of the 1992B Term Bonds constitute the Refunded 1992B Term Bonds and (b) to provide the result of such lottery to the District.

Section 2. The officers, agents and employees of the District and the officers and agents of the Bond Registrar are hereby authorized and directed to do all acts and things required to effectuate the provisions of this resolution.

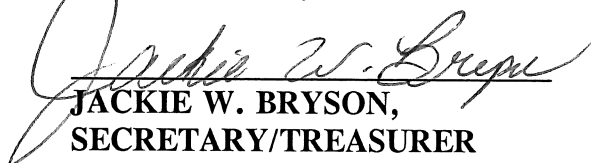
Section 3. This resolution shall take effect immediately upon its passage.

DULY ADOPTED THIS 17th day of July, 1996.



**O.R. POST, III, CHAIRMAN
METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA**

ATTESTED BY:



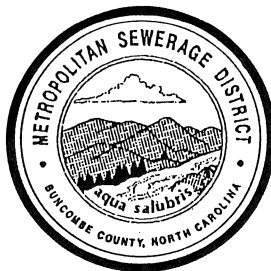
**JACKIE W. BRYSON,
SECRETARY/TREASURER**

MSD Metropolitan Sewerage District of Buncombe County, North Carolina

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

July 17, 1996

Mr. Larry Pope
Executive Editor
Asheville Citizen-Times
PO Box 2090
Asheville, N.C. 28802

Dear Mr. Pope:

As Chairman of the Metropolitan Sewerage District Board, I would like to reply to the Guest Column by Jim Conschafter of the Asheville Chamber of Commerce in the Asheville Citizen-Times titled "Wrong Message".

In the Consolidation Agreement of 1990, the MSD committed over \$80 million to rehabilitate the existing sewer system to prevent raw sewage from overflowing into creeks and basements, and to provide adequate capacity for future growth. Extensions were to remain the function of municipal and county governments and private developers.

We are committed to the economic growth of Western North Carolina by rebuilding a crumbling sewer system neglected by political bodies for 75 years. We are doing this by prudent financial planning and charging a long-range rebuilding plan to the present and future rate payers of the system.

Attracting new industry is critical to the well being of all. It provides jobs and prosperity to our region as well as increasing property values and the tax base. This tax base is where the benefits are, and where the dollars necessary to build extensions should come---not from the ratepayers who pay some of the highest rates in the state.

There may be some confusion in terminology. Replacing old and inadequate interceptors is what MSD does. These are the large main lines that provide sewer service from each

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area in our district to the treatment plant. MSD took over and continues to take over extension lines in our district for maintenance.

What we don't do is new extensions that feed into our interceptors. This is a function of developers, the county and the cities. If built to our standards, we take responsibility for line maintenance. Maintenance is our function---not planning for the County or Municipalities of the District or taxing our rate payers.

Cordially,

O.R. Post, III, Chairman
Metropolitan Sewerage District

ORP:sh