

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
DECEMBER 17, 1997**

1. Call to Order and Roll Call:

The regular monthly meeting of the Board of the Metropolitan Sewerage District was held in the Boardroom of MSD's Administration Building at 2:00 p.m., Wednesday, December 17, 1997. Ms. Bryson presided with the following members present: Casper, Graham, Holcombe, Joyner, Kelly, Pace, Post, Selby, Slosman and Sobol.

Others present were: W. H. Mull, General Manager, William Clarke, MSD Attorney, Danny Bridges of McGill Associates, Inc., Con Dameron and William Langdon of William Langdon & Associates, Reverend Tom Anderson and David Payne of Arden Presbyterian Church, Ginny Liles representing the League of Women Voters, Patti Beaver of CIBO, Brenda Fullick of Mountain Express, and Jim Fatland, Larry Turner and Sondra Honeycutt, MSD.

2. Approval of Minutes of the November 12, 1997 Meeting:

Mr. Slosman moved that the Board approve the minutes of the November 12, 1997 meeting as presented. Mr. Holcombe seconded the motion. Voice vote was unanimous in favor of the motion.

3. Election of Officers:

Ms. Bryson stated that she received the resignations of Chairman Post and Vice Chairman Slosman as officers of the Board effective December 16, 1997 and expressed the Board's appreciation for their dedicated service to the District. As the District's Bylaws require the Board to fill any officer vacancy at the next regularly scheduled meeting, she called for nominations from the floor for Chairman. Mr. Holcombe nominated Mr. Casper. Mr. Post seconded the motion. As a point of order, Mr. Selby questioned whether the By-laws call for the election of officers at the annual meeting in July. Mr. Clarke reported that the By-laws do state that officers will be elected in July, but if there is a vacancy in the officers, the vacancy shall be filled at the next regularly scheduled meeting of the Board. He further stated that elections for Chairman and Vice Chairman should be held again at the July, 1998 meeting. Mr. Selby further questioned whether Board proceedings comply with Robert's Rules of Order. Mr. Clarke stated that the District does comply, except to the extent that the District By-laws differentiate in some areas. A discussion followed regarding the point of order in the election of officers. Mr. Selby requested that if other nominations for Chairman are made, that the second place nomination automatically be named Vice Chairman. There being no further discussion and nominations, Ms. Bryson declared the nominations closed and called for a vote. Voice vote was unanimous in favor of the nomination of Mr. Casper as Chairman.

Mr. Casper assumed the position as Chairman of the Board and expressed his appreciation to Members for their support and recognized guests in attendance. He opened the floor for nominations for Vice Chairman. Ms. Bryson nominated Mr. Kelly. Mr. Post seconded the motion. Mr. Pace nominated Mr. Selby. Mr. Selby declined the nomination and stated that if the nomination for Mr. Kelly is not carried, he would like to nominate Mr. Sobol for Vice Chairman. Following a discussion regarding the procedure for nominations and voting, Mr. Casper called for a vote on the nomination of Mr. Kelly as Vice Chairman by a show of hands. The vote was as follows: 9 Ayes, 2 Nays.

4. Consideration of Bids - Lake Julian Pump Station #2:

Mr. Mull reported that the following bids for construction of Lake Julian Pump Station #2 were received and opened December 9, 1997: R. T. Construction with a bid of \$214,275.00 for Alternate "A"; \$71,750.00 for Alternate "B"; \$215,700.00 Base Bid for Alternate "C"; \$429,975.00 for Alternate "A" & "C", and \$287,450.00 for Alternate "B" & "C". Hobson Construction Company with a bid of \$212,450.00 for Alternate "A"; \$87,390.00 for Alternate "B"; \$218,593.75 Base Bid for Alternate "C"; \$431,043.75 for Alternate "A" & "C" and \$305,983.75 for Alternate "B" & "C". He further reported that staff recommends that the Board award the contract to the apparent low bidder, R.T. Construction Company, Inc., with a contingency of \$66,000.00.

Regarding access across the church property, Mr. Mull stated that ongoing discussions have been held with the church and an offer made to utilize the church parking lot for access to and from the construction site. Mr. Payne, Attorney and Deacon of the church, stated that he and Reverend Anderson were present to gather specific information regarding the purpose of the request. Mr. Mull reported that the purpose is to construct a new pump station on the current site and a new water line. He further reported that the project is expected to take six to nine months with construction to commence within thirty (30) days. A discussion followed regarding the location of the water line; if damage to the parking lot is expected, and whether construction will take place on Sundays. Mr. Turner reported that the parking lot will only be used for access to and from the construction site and that no construction will take place on Sundays. He further reported that if any damage to the parking lot occurs, the District will repave. Mr. Payne stated that a meeting will be called next week to address the issue, with a letter to the Board clearly outlining the Church's position. Mr. Slosman expressed the Board's willingness to work with the Church in an attempt to save the ratepayers the added expense of building a road to the pump station. With no further discussion, this item was deferred to the January meeting of the Board.

5. Consolidated Motion Agenda:

a. Consideration of Proposed Facility Fee Revisions:

Mr. Mull reported that the Planning Committee recommends accepting staff's recommendation for adoption of the following proposed changes to the Policy on Facility Fees:

1. Keep current fees for mobile homes and residential (\$600, \$750 & \$900).
2. Insert statement for affordable housing.
3. Delete the words Manufactured Homes.
4. Utilize staff's recommendation for Non-Residential or mixed uses to be reviewed in two (2) years.

b. Consideration of Transfer of Private Development Project for Takeover and Maintenance:

Mr. Mull reported that staff recommends the transfer of private development projects for takeover and maintenance as follows:

1. View Pointe Subdivision

Acceptance of developer constructed sewer system, which includes installation of 1,163 linear feet of 8" sanitary sewer pipe at an approximate cost of \$48,000, contingent upon receipt of the final recorded subordination agreement.

2. Campose Mobile Home Park Sewer Extension:

Acceptance of developer constructed sewer system, which includes installation of 34 linear feet of 8" ductile iron pipe under the road, at an approximate cost of \$3,200.

3. Norm's Minit Mart Sewer Extension:

Acceptance of developer constructed sewer system, which includes installation of 400 linear feet of 8" sanitary sewer pipe at an approximate cost of \$35,000.

4. Superior Modular Products Sewer Relocation

Acceptance of developer constructed sewer system, which includes construction of 312 linear feet of 8" sewer line at an approximate cost of \$21,000.

c. Consideration of Acceptance of MSD's Comprehensive Annual Financial Report (CAFR) for Year Ended June 30, 1997.

Mr. Mull reported that the Finance Committee recommends acceptance of the CAFR for year ended June 30, 1997.

d. Consideration of Amendment of Purchasing Policies and Authorize Use of Procurement Cards:

Mr. Mull reported that the Finance Committee recommends adoption of a resolution amending the Purchasing Policy, including a six-month trial basis for Procurement Cards (January 1, 1998 - June 30, 1998).

With no discussion, the Consolidated Motion Items were approved unanimously.

6. Discussion/Consideration of Consolidated Office Facility:

Mr. Mull reported that the Planning Committee recommends proceeding with consolidation and construction/renovation of an office facility utilizing the CP&L building, with the costs to be carefully scrutinized and justified by the Board. Additionally, the architects were asked to do a rough comparison in current dollars of building onto the old Administration building with the prior plan, and adding an additional 6,000 square feet. He presented a Comparative Cost Analysis of MSD offices as follows; \$3,665,892.00 for consolidated facilities at the CP&L Burlington site, and \$3,480,000.00 for separate construction of Maintenance & Operation and Administration offices. He also presented a Financial Report through December 15, 1997 showing Capital Improvement Program Expenditures and Encumbrances totaling \$2,696,622.00. Mr. Casper questioned whether the additional expense of \$51,125.00 for Phase II, Design/Construction of the CP&L Building was approved by the Board. Mr.

Fatland reported that this amount was appropriated for in the Capital Improvement Program Budget for 1997-1998. A lengthy discussion followed regarding office facilities for Maintenance personnel; the total square feet of office space needed for all employees and what the \$51,125.00 cost includes. Mr. Dameron reported that a summary overview and study of the Maintenance & Operations office was presented to the Planning Committee and that it was projected that 8,500 square feet of office space will be needed through the year 2005.

Mr. Sobol recommended that the Board appoint a committee to revisit the figures prior to the January meeting of the Board. Mr. Casper requested that the study done by the architects be provided to each Board member, updated if necessary, and that a special meeting of the Planning Committee be scheduled for December 30, 1997 at 8:30 a.m. to review this information. He encouraged all Board Members and the Architects attend this meeting. Mr. Sobol requested that Mr. Fatland be present to provide additional financial information.

7. Consideration of Contract for Annual Emissions Testing:

Mr. Mull reported that staff recommends approval of a contract with Entropy, Inc. in the amount of \$26,880 to perform the District's annual air emissions testing on the incinerator. Mr. Casper questioned the amount budgeted for this work. Mr. Mull stated that approximately \$20,000 was set aside in the Operations & Maintenance budget. Following a brief discussion regarding other companies who perform this work, Ms. Bryson moved that the Board award the contract to Entropy, Inc.. Mr. Pace seconded the motion. Roll call vote was as follows: 11 Ayes; 0 Nays.

Mr. Slosman recommended that for next year, the District check on other firms that can perform this service.

7. Consideration of Bids for Stand-by Generators

Mr. Mull reported that in order to eliminate overflow problems associated with power outages at Weaverville Pump Stations 1 and 2, the following bids were received and opened November 18, 1997 for two (2) stand-by generators: Curtis Engine with a total base bid of \$60,450.00; Carolina Engine with a total base bid of \$51,638.00 and Atlantic Power with a total base bid of \$62,452.00. He further reported that staff recommends that the Board award the bid to Carolina Engine of Charlotte, NC as the lowest responsive bidder and that funds are available in the CIP budget. A discussion followed regarding the number of overflows that will be avoided as a result of stand-by power; State requirements for reporting overflows; CP&L's proposal to install stand-by power facilities in the future, and whether the District will incur additional expense to retrofit the pump stations for the generators. With no further discussion, Mr. Slosman moved that the Board approve the recommendation of staff. Mr. Pace seconded the motion. Roll call vote was as follows: 11 Ayes; 0 Nays.

8. Consideration of Microscreens as Surplus Property:

Mr. Mull reported that the 678 microscreens proposed for surplus were intended for use during the start-up period of the plant expansion. However, they will not be used in the future due to their sizes of 74 and 250 microns, since the District is required to use a 27 micro grid to meet treatment standards. He further reported that staff recommends that the microscreens be declared surplus property,

and in accordance with the North Carolina General Statutes and District Bond Covenant, the Board authorize the solicitation of bids. Following a brief discussion regarding the size of the microscreens, Mr. Selby moved that the Board approve the recommendation of staff. Ms. Graham seconded the motion. Voice vote was unanimous in favor of the motion.

9. Report on Auction Participation with City of Asheville:

Mr. Mull reported that the District received \$14,515.00 from District property sold at the City of Asheville's October 11, 1997 annual auction. He further reported that the cost of participation in the auction will be paid from the proceeds, which is calculated from the total cost to conduct the auction.

10. Committee Reports:

Planning Committee

Mr. Slosman reported that in addition to the previous items, the Planning Committee discussed the Sewer Connection Amnesty Program.

Finance Committee

Mr. Casper presented a copy of the minutes of the December 10, 1997 Finance Committee meeting. He reported that the Committee discussed the decrease in revenues from domestic sewer charges and requested that staff provide a 4-year cash receipt-month by month comparison of dollars collected versus the number of customers, and obtain year to date information on revenues. Mr. Mull reported that the auditors obtain an estimate from the water billing departments of what is due the District on June 30 each year. He further reported that although the estimates are on an accrual basis, a large discrepancy was noted in Asheville-Buncombe Water Authority's estimated revenue between last year and this year. As a result, a billing analysis is being done by staff. Mr. Casper stated that industrial sewer charges decreased from \$4,381,900 in 1996 to \$3,996,679 in 1997, which does not reflect the closing of Gerber. He further stated that the Committee also expressed a concern with the increase in operating expenses, and the proposed amendment to the purchasing policies and utilization of procurement cards.

11. Unfinished Business:

None

12. Old Business:

a. Report on Capital Improvement Program for Fiscal Year 1997-98:

Mr. Mull presented a memorandum from Mr. Fatland outlining the adopted policies for administration of the District's Capital Improvement Program and budget for fiscal year 1997-98. He reported that the estimated actual expenditures through June 30, 1997 is \$12,193,139 of the \$15,000,000 estimated. Mr. Sobol questioned the \$2,171,000 budgeted for the maintenance facility addition. Mr. Fatland reported that \$2.8 million was appropriated in the CIP budget for Phase I of the project, and of this amount, \$2,058,000 is the estimated cash expenditure through June 30, 1997. Mr.

Mull stated that additional information will be presented when the second quarter report is given.

b. Consideration of Resolution for Board Compensation:

Mr. Casper asked about the legality of the Resolution for Board Compensation. Mr. Clarke reported that the Statutes state that MSD Board Members may be compensated for Board meetings and expenses. He further reported that there is a prohibition against dual office holding, but if you hold a North Carolina elective office, you can also hold one other appointed office. He explained that if you are a member of a City Council, Board of Commissioners, or an officer of a City or County and serve an appointed position on another board, you are considered to serve as Ex-officio. Mr. Joyner stated that he felt paid employees or elected officials of municipalities should not be double compensated. He expressed a concern that the Board often concerns itself with saving money, except when it comes to savings from compensation to its members. Ms. Graham stated that she did not feel it is the District's responsibility to tell other entities, who appoint members to the Board, whether or not these individuals can be compensated. Mr. Joyner stated that the second reason for consideration is that if you are a paid employee of an entity that appoints you, then you are under pressure to do what that entity wants you to do, rather than have a free voice as a member of the Board. Mr. Pace stated that the Board voted to compensate its members the same as other Boards in the State, therefore, he suggested that a letter be sent to the entities explaining the options. Mr. Joyner pointed out that the reason the District increased its compensation was to accommodate those members who are not able, or in a position, to spend the time necessary to serve on the Board. With no further discussion, Mr. Joyner moved that the Board approve the Resolution for Board Compensation as presented. The motion died for lack of a second.

13. New Business:

a. Consideration of Additional Compensation for Final Settlement of Sewer Back-up:

Mr. Mull reported that at the November 12, 1997 meeting the Board approved a settlement for back-up of sewerage into a residence in the amount of \$7,500. He further reported that since that time, additional bills in the amount of \$224.00 were submitted and reviewed by staff. Therefore, he requested that the Board approve up to \$300.00 additional funds for final settlement of the claim. With no discussion, Mr. Holcombe moved that the Board approve the recommendation of the General Manager. Ms. Graham seconded the motion. Roll call vote was as follows: 11 Ayes; 0 Nays.

b. Consideration of Proposed Smoking Policy:

Mr. Mull presented a memorandum from James Naber, MSD's Safety Officer, outlining the options for a proposed smoking policy, prepared at the request of the Board. In addition, he presented a memorandum from Mr. Clarke to Mr. Naber regarding information on the state of existing smoking regulations in Buncombe County. As stated in paragraph three (3) of the memorandum, Mr. Mull noted that legislation adopted by the NC General Assembly, October 15, 1993, allows political subdivisions to re-enact ordinances or rules regulating smoking, provided that such rules are not more

stringent than the statute, which states that: "if any part of a building is designated as non-smoking, at least 20% of the interior space of equal quality to that of the nonsmoking area shall be designated as smoking area, unless physically impracticable." Mr. Clarke reported that the constitutionality of ordinances passed by County Boards of Health were questioned by the NC Court of Appeals. As a result, Buncombe County is not currently enforcing its ordinance. He further reported that if the MSD adopts a policy regulating smoking, it probably has to comply with the requirements previously quoted. A discussion followed regarding how employees feel about the proposed policy; the minimum smoking area required and whether the policy will include restrictions on smokeless tobacco. Mr. Casper ask the Board for their personal opinions regarding this issue. With no further discussion, Mr. Mull stated that the policy will be revisited by the Board in February following completion of the employee survey.

In other business, Mr. Casper questioned recent negotiations regarding District boundary extensions, and suggested that a committee be set up to examine this issue. Mr. Mull reported that several meetings have been held with representatives from Avery's Creek and Buncombe County to discuss these extensions. Mr. Casper appointed Mr. Holcombe and Mr. Selby to serve on this committee and requested that Mr. Slosman and Mr. Post serve in a civilian capacity. A brief discussion followed.

Because of pressing issues, Mr. Casper recommended that the January 21st meeting of the Board be rescheduled to Wednesday, January 14, 1997.

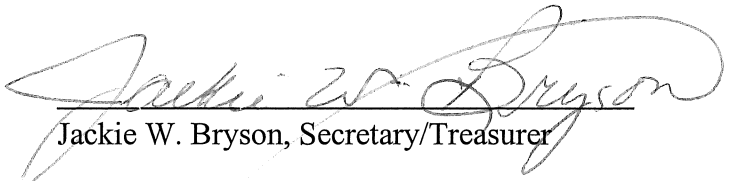
At 4:25 p.m., Mr. Sobol moved that the Board go into closed session to discuss personnel and finance matters. Mr. Pace seconded the motion. Voice vote was unanimous in favor of the motion.

At 4:43 p.m. the regular meeting reconvened.

Ms. Graham moved that the Board approve the retirement package as presented. Mr. Pace seconded the motion. Roll call vote was as follows: 10 Ayes; 0 Nays. Mr. Holcombe was absent during the vote.

14. Adjournment:

With no further business, Ms. Graham moved for adjournment at 4:45 p.m. Mr. Joyner seconded the motion. Voice vote was unanimous in favor of the motion.


Jackie W. Bryson, Secretary/Treasurer

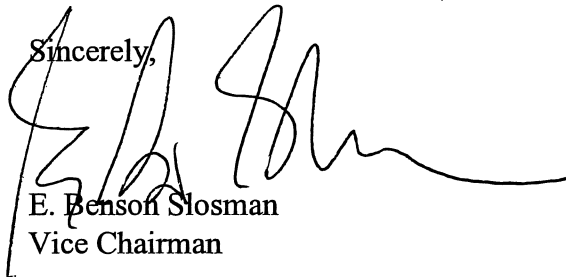
December 16, 1997

Mr. William H. Mull, P.E.
General Manager
Metropolitan Sewerage District of
Buncombe County, N.C.
PO Box 8969
Asheville, North Carolina 28814

Dear Mr. Mull:

As you are aware, my term as Vice Chairman of the Metropolitan Sewerage District Board expires January 19, 1998. Therefore, I hereby submit my resignation as of today's date.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Benson Slosman', written over the typed name and title.

E. Benson Slosman
Vice Chairman

EBS

cc: MSD Board
John S. Stevens, General Counsel

December 16, 1997

Mr. William H. Mull, P.E.
General Manager
Metropolitan Sewerage District of
Buncombe County, N.C.
PO Box 8969
Asheville, North Carolina 28814

Dear Mr. Mull:

As you are aware, my term as Chairman of the Metropolitan Sewerage District Board expires January 19, 1998. Therefore, I hereby submit my resignation as of today's date.

Sincerely,

A handwritten signature in black ink, appearing to read "O.R. Post, III". The signature is written in a cursive style with a long horizontal flourish extending to the right.

O.R. Post, III
Chairman

ORP

cc: MSD Board
John S. Stevens, General Counsel

RESOLUTION

RESOLUTION APPROVING THE ACQUISITION OF THE SEWERAGE SYSTEM FACILITIES OF VIEWPOINT

WHEREAS, the Metropolitan Sewerage District ("District") has been asked to acquire the sewerage system facilities constructed to serve Viewpoint located off Swannanoa River Road in Asheville, Buncombe County, and more particularly described on a plat bearing an initial date of September 16, 1997 and last revised November 18, 1997 prepared by Bartlett Surveying and recorded in the Office of the Register of Deeds for Buncombe County, in Plat Book 68, at Page 65;

WHEREAS, the District Board is bound by certain covenants in its Bond Order and cannot acquire additional sewerage system facilities unless such provisions are satisfied;

WHEREAS, the District Board has determined that the Viewpoint sewerage system facilities are not subject to any lien or other encumbrance which is materially adverse;

WHEREAS, the District Board has determined the acquisition of the Viewpoint sewerage system and the responsibility to operate and maintain it will preserve and maintain the public health and welfare within the District;

WHEREAS, American Lifestyles Community, Inc, has tendered appropriate instruments transferring complete ownership of the system to the District and delegating to the District the responsibility for operation and maintenance;

WHEREAS, the appropriate instruments have been prepared and executed by American Lifestyles Community, Inc. and have been duly recorded;

WHEREAS, the District has determined that it has reasonable access to and over related public rights of way and easements necessary to operate and maintain the system;

WHEREAS, the District Board has determined that adequate funding will be available for the acquisition and for the operation and maintenance of the system and that the District Board will have the authority to determine the need and priority for the operation and maintenance, improvement and reconstruction of the additional sewerage system facilities.

BE IT NOW HEREBY RESOLVED: The District Board of the Metropolitan Sewerage District hereby accepts the Viewpoint Sewerage System together with all easements therefor, said sewerage system being more particularly described on a plat map dated September 16, 1997 and last revised November 18, 1997 prepared by Bartlett Surveying and recorded in Plat Book 68, at Page 65, Buncombe County Registry.

This the 17th day of December, 1997.

METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA

By: _____
Chairman

ATTEST:


Secretary

RESOLUTION

APPROVING THE ACQUISITION OF THE SEWERAGE SYSTEM FACILITIES OF CAMPOS MOBILE HOME PARK

WHEREAS, the Metropolitan Sewerage District ("District") has been asked to acquire the sewerage system facilities constructed to serve Campos Mobile Home Park, located off Old US 70 in Swannanoa Township, Buncombe County, and more particularly described on a plat bearing an initial date of October 8, 1997, prepared by C & R Surveying, and recorded in the Office of the Register of Deeds for Buncombe County, in Plat Book 64, at Page 46

WHEREAS, the District Board is bound by certain covenants in its Bond Order and cannot acquire additional sewerage system facilities unless such provisions are satisfied;

WHEREAS, the District Board has determined that the Campos Mobile Home Park sewerage system facilities are not subject to any lien or other encumbrance which is materially adverse;

WHEREAS, the District Board has determined the acquisition of the Campos Mobile Home Park sewerage system and the responsibility to operate and maintain it will preserve and maintain the public health and welfare within the District;

WHEREAS, Alan Campos has tendered appropriate instruments transferring complete ownership of the system to the District and delegating to the District the responsibility for operation and maintenance;

WHEREAS, the appropriate instruments have been prepared and executed by Alan Campos and have been duly recorded;

WHEREAS, the District has determined that it has reasonable access to and over related public rights of way and easements necessary to operate and maintain the system;

WHEREAS, the District Board has determined that adequate funding will be available for the acquisition and for the operation and maintenance of the system and that the District Board will have the authority to determine the need and priority for the operation and maintenance, improvement and reconstruction of the additional sewerage system facilities.

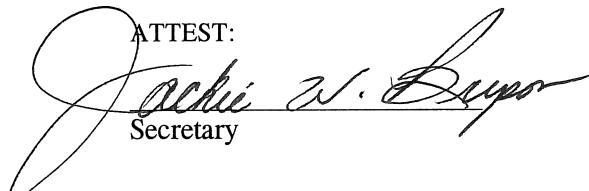
BE IT NOW HEREBY RESOLVED: The District Board of the Metropolitan Sewerage District hereby accepts the Campos Mobile Home Park sewerage system together with all easements therefor, said sewerage system being more particularly described on a plat map dated October 8, 1997 prepared by C & R. Surveying and recorded in Plat Book 64, at Page 46, Buncombe County Registry.

This the 17th day of December, 1997.

METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA

By: _____
Chairman

ATTEST:


Secretary

RESOLUTION

APPROVING THE ACQUISITION OF THE SEWERAGE SYSTEM FACILITIES
OF SUPERIOR MODULAR PRODUCTS, INC.

WHEREAS, the Metropolitan Sewerage District ("District") has been asked to acquire the sewerage system facilities serving Superior Modular Products, Inc. located off Buckeye Cove Road in the Swannanoa Township, Buncombe County, and more particularly described on a plat bearing an initial date of February 1, 1996, last revised April 24, 1997 prepared by Kenneth O. Pankow and recorded in the Office of the Register of Deeds for Buncombe County, in Plat Book 66, at Page 153;

WHEREAS, the District Board is bound by certain covenants in its Bond Order and cannot acquire additional sewerage system facilities unless such provisions are satisfied;

WHEREAS, the District Board has determined the Superior Modular Products, Inc. sewer facilities are not subject to any lien or other encumbrance which is materially adverse;

WHEREAS, the District Board has determined that acquisition of the Superior Modular Products, Inc. sewer system and the responsibility to operate and maintain it will preserve and maintain the public health and welfare within the District;

WHEREAS, Superior Modular Products, Inc. has tendered appropriate instruments transferring complete ownership of the system and delegating to the District the responsibility for operation and maintenance;

WHEREAS, the appropriate instruments have been prepared and executed by Superior Modular Products, Inc. and have been duly recorded;

WHEREAS, the District has determined that it has reasonable access to and over related public rights of way and easements necessary to operate and maintain the system;

WHEREAS, the District Board has determined that adequate funding will be available for the acquisition and for the operation and maintenance of the system and that the District Board will have the authority to determine the need and priority for the operation and maintenance, improvement and reconstruction of the additional sewerage system facilities.

BE IT NOW HEREBY RESOLVED: The District Board of the Metropolitan Sewerage District hereby accepts the Superior Modular Products, Inc. sewer system together with all easements therefor, said sewerage system being more particularly described on a plat map dated February 1, 1996, last revised April 24, 1997 prepared by Kenneth O. Pankow. and recorded in Plat Book 66, at Page 153, Buncombe County Registry.

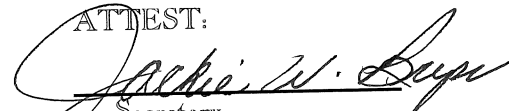
This the 17th day of December, 1997.

METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA

By: _____

Chairman

ATTEST:


Secretary

RESOLUTION

APPROVING THE ACQUISITION OF THE SEWERAGE SYSTEM FACILITIES OF NORMS MINIT MART (SEWER EXTENSION)

WHEREAS, the Metropolitan Sewerage District ("District") has been asked to acquire the sewerage system facilities serving Norms Minit Mart located at the intersection of Sweeten Creek Road and Pensacola Avenue, Asheville Township, Buncombe County, and more particularly described on as-built construction drawings entitled Gravity Sewer Main Extension, Metropolitan Sewerage District of Buncombe County, North Carolina, Service to: Minit Mart, bearing a date of June 4, 1996, prepared by Jon H. Laughter, P.E. and filed in the engineering offices of the Metropolitan Sewerage District;

WHEREAS, the District Board is bound by certain covenants in its Bond Order and cannot acquire additional sewerage system facilities unless such provisions are satisfied;

WHEREAS, the District Board has determined the Norms Minit Mart sewer facilities are not subject to any lien or other encumbrance which is materially adverse;

WHEREAS, the District Board has determined that acquisition of the Norms Minit Mart sewer extension and the responsibility to operate and maintain it will preserve and maintain the public health and welfare within the District;

WHEREAS, Norman Gordon, et al have tendered appropriate instruments transferring complete ownership of the system and delegating to the District the responsibility for operation and maintenance;

WHEREAS, the appropriate instruments have been prepared and executed by Norman Gordon, et al and have been duly recorded;

WHEREAS, the District has determined that it has reasonable access to and over related public rights of way and easements necessary to operate and maintain the system;

WHEREAS, the District Board has determined that adequate funding will be available for the acquisition and for the operation and maintenance of the system and that the District Board will have the authority to determine the need and priority for the operation and maintenance, improvement and reconstruction of the additional sewerage system facilities.

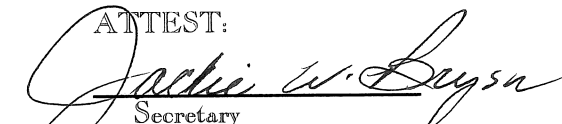
BE IT NOW HEREBY RESOLVED: The District Board of the Metropolitan Sewerage District hereby accepts the Norms Minit Mart sewer extension together with all easements therefor, said sewerage system being more particularly described on as-built drawings dated June 4, 1996 prepared by Jon H. Laughter, P.E., on file in the offices of the Metropolitan Sewerage District.

This the 17th day of December, 1997.

METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA

By: _____
Chairman

ATTEST:


Secretary