

METROPOLITAN SEWERAGE DISTRICT BOARD

May 14, 1985

A special meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building, 2 p.m., Tuesday, May 14, 1985.

Chairman Robinson and the following Board members were present: Messrs. Batts, Boggs, Clark, Dent, Dyson (replaced Mrs. Sciara on the Board May 7), Pope, and Smith. Also attending were Attorney John S. Stevens, Consulting Engineers Dean Huber and Don Berryhill, and Robert W. (Tony) Anthony of Interstate Securities.

A copy of the Preliminary Official Statement dated May 13, 1985, was given each Board member, after which Mr. Stevens reviewed the document in detail, explaining to the Board that they must certify that all information contained therein is to be correct and that no untrue statements are incorporated in the Official Statement. The Board requested that he write to each of the MSD political subdivisions and send a copy of the Preliminary Official Statement, making reference to specific information re sewer consolidation. Among other numerous items, the Official Statement will contain a legal opinion from bond counsel, a consulting engineers' report from Hendon Engineering Associates, and an auditors' report from McGladrey Hendrickson and Pullen.

Mr. Anthony told the Board that several things were not addressed in the old bond documents, i.e., issuing bonds at variable rates, defeasing, etc.; however, the new bond order will allow MSD to do most types of financing the bond market has addressed. Also, the old bond order called for a debt service requirement of 150 percent; 120 percent is now in effect.

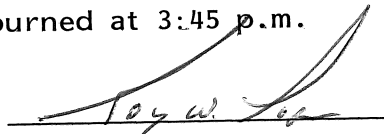
Two representatives from Standard & Poor's Corporation visited the District May 14 and will submit information regarding the District to the rating committee this week; the bond ratings should be received by the MSD by Friday, May 17. Moody's Investor Service (the other rating agency) is working on their analysis, and the ratings will be available by next Monday morning when preliminary pricing will begin after permission has been received by Interstate Securities from the District and the Local Government Commission. Mr. Anthony said preliminary pricing is scheduled for Monday, May 20, at which time the bonds will be put on the market on a trial basis. Results of the preliminary pricing will be closely followed on spread sheets by Interstate Securities and a group of 13 or 14 other firms, some national warehouses and brokerage houses who have a financial responsibility for a certain number of bonds. If no one bids, the bonds will be overpriced; if a larger number than anticipated is sold, the bonds will be underpriced. It is hoped that neither will happen, and repricing will be done only to make bonds more attractive. Preliminary pricing will last only twenty-four hours--from Monday noon to Tuesday noon--and preliminary prices become final only when the MSD and the underwriters sign a Bond Purchase Agreement on Thursday, May 23.

The Bond Purchase Agreement is a contract between the underwriters and the MSD which obligates the underwriters to buy the bonds from MSD at a set price. Preclosing is scheduled for June 12, with closing to be June 13 when final signatures will be applied to the bonds in New York. The proceeds from the bonds will be deposited in MSD's account on June 13, at which time the bonds will be delivered to the underwriters.

After discussion, Mr. Smith moved that the Board establish prior approval of a preliminary pricing at 9.3 percent or less for a bond issue of \$14,420,000., pending Local Government Commission concurrence, to allow Mr. Mull to proceed in working with Interstate Securities Corporation to pursue a rating for the MSD bonds to finance the Hydroelectric project and Phase 1 of the Main Plant Expansion. Mr. Dent seconded the motion, and roll call vote was unanimous in favor of the motion. (The underscored words were not a part of Mr. Smith's motion, but the motion was amended with concurrence from Mr. Dent. Roll call vote was unanimous in favor of the amended motion.)

Mr. Mull told the Board that a tentative EPA Federal grant increase of \$981,750 has been received for Phase 1 of the Main Plant Expansion project which, if approved by the Environmental Management Commission, would bring the total Federal grant to \$6,231,750.

There being no further business, the meeting was adjourned at 3:45 p.m.


Secretary

METROPOLITAN SEWERAGE DISTRICT BOARD

May 21, 1985

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building, 2 p.m., Tuesday, May 21, 1985.

Chairman Robinson and the following Board members were present: Messrs. Batts, Boggs, Clark, Dent, Dyson, Ivey, and Pope. Also attending were Attorney Walter Currie and Consulting Engineer Don Berryhill.

MINUTES OF PUBLIC HEARING

At 2:02 p.m., Chairman Robinson declared a public hearing open for the consideration of a proposed 1985-86 budget as advertised in The Asheville Citizen and The Asheville Times on April 28, 1985.

NOTICE OF PUBLIC HEARING BEFORE THE BOARD OF THE
METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY

Notice is hereby given that the Board of the Metropolitan Sewerage District of Buncombe County, North Carolina, will hold a public hearing at the Administration Building of the Metropolitan Sewerage District at the Main Treatment Plant on N. C. Highway 251 North, Woodfin, North Carolina, at 2 p.m., Tuesday, May 21, 1985, on the preliminary budget of Current Expenses of the Sewerage System for the fiscal year beginning July 1, 1985, and ending June 30, 1986.

C. LeRoy Robinson
Chairman of the Board

Approved as to form:
John S. Stevens, Attorney
April 26, 1985

Receiving no reply from either the public (no one from the general public attended the meeting) or the Board members, Chairman Robinson at 2:06 p.m. announced that the public hearing was closed. Thereupon, Chairman Robinson reconvened the regular monthly meeting.

Mr. Boggs moved that the preliminary O & M budget, which contains an overall 4.69 percent increase (\$70,577) over fiscal year 1984-85 budget, be adopted as presented to the Board. Mr. Clark seconded the motion, and roll call vote was unanimous in favor of the motion. Copies of the resolution adopting the budget and FY 1985-86 budget are attached to and thereby made a part of these minutes.

Mr. Dent moved that the minutes of the April 16 regular and May 14 special meetings stand approved as written. Mr. Clark seconded the motion, and voice vote was unanimous in favor of the motion.

Mr. W. H. Mull, Engineer-Manager, reported on the following:

- a. Resolution commending Mrs. Sciara for her tenure on the MSD Board: Mr. Dent moved that the Board adopt the resolution, and Mr. Pope seconded the motion. Roll call vote was unanimous in favor of the motion. The resolution is attached to and thereby made a part of these minutes.
- b. Resolution of Consent to Service or Process in connection with the sale of securities in the State of Ohio: Mr. Pope moved that the Board adopt the resolution, and Mr. Boggs seconded the motion. Roll call vote was unanimous in favor of the motion. The resolution is attached to and thereby made a part of these minutes.
- c. Resolution amending FY '84-85 Budget: Mr. Ivey moved that the Board adopt a resolution amending fiscal year 1984-85 budget as presented by the Budget Committee, and Mr. Dent seconded the motion. Roll call vote was unanimous in favor of the motion. A copy of the amended budget and supporting documents are attached to and thereby made a part of these minutes.

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- d. Request from Dave Cheadle to lease sign space: Mr. Ivey moved that the Board table this item until more information is received from Mr. Cheadle regarding sign size, tec., and pending Mr. Cheadle's getting clearance from the Asheville Sign Ordinance Commission to make sure the sign is erected according to the Commission's specifications and regulations. Mr. Dent seconded the motion, and roll call vote was unanimous in favor of the motion.
- e. Pollution coverage insurance: Mr. Mull presented to the Board a letter from Mr. David Flippin saying that the District's liability policy has not been renewed by Travelers and that he is trying to obtain the insurance from another source. Travelers cited increasingly liberal court decisions, federal regulations, and a near panic retreat on the part of reinsurers because of court decisions and federal regulations. This item was received as information by the Board.
- f. Preliminary pricing of bonds: Mr. Mull told the Board that the MSD bonds received an A rating from both Standard & Poor's and Moody's and that in a two-hour span Monday afternoon (from 2:30 to 4:30), May 20, the underwriters had contracts to sell \$30,670,000 of term and \$17,500,000 of serial bonds. Mr. Mull compiled a Schedule of Preliminary and Final Revenue Bond Issue Pricing, a copy of which is attached and is thereby made a part of these minutes.

At 2:50 p.m., the Board adjourned and recessed to reconvene in regular session at 10 a.m., Thursday, May 23, 1985.

* * * * *

MEETING OF MAY21 RECONVENED MAY 23, 10 a.m.

The District Board of the Metropolitan Sewerage District of Buncombe County met in adjourned regular session in the Boardroom of the Administration Building, N. C. Highway 251 North, Woodfin, North Carolina, the regular place of meeting, at 10 a.m., on May 23, 1985.

Present: Chairman Robinson, presiding, and members Boggs, Clark, Dent, Dyson, Ivey, Pope, and Smith.

Absent: Member Batts and Vice-Chairman Williams.

Also present were: John S. Stevens (MSD attorney), Don Berryhill and Dick Woodruff (MSD consulting engineers), Gundars Aperans (New York bonding attorney), Tony Anthony (Interstate Securities, lead underwriters for MSD bonds), Stephen Hope (attorney for Interstate Securities), and Butch Watson (Local Government Commission).

Mr. W. H. Mull, Engineer-Manager, reported on the following:

- a. WPCF Conference to be held October 7-10 in Kansas City, Missouri: Mr. Smith moved that the Board authorize those members who are interested to attend the WPCF Conference in Kansas City with the District to pay expenses for same, and Mr. Boggs seconded the motion. Roll call vote was unanimous in favor of the motion.
- b. Resolutions (1) for tentative award of contract for Section 2-General and (2) for tentative award of contract for Section 2A-Electrical of the hydroelectric project: Mr. Mull reported a tabulation of bids received May 22 for the General and Electrical contracts for Phase 3 (final phase) of the hydro project, as follows:

General		Electrical	
Cianbro Corp.	\$2,988,125	Brevard Electric Co.	\$193,660
Crowder Const. Co.	\$2,369,875	Elcon Corp.	\$256,500
Powell Const. Co.	\$2,154,000	M. B. Haynes Elec.	\$199,865
Republic Contracting Co.	\$2,374,700	Hayes & Lunsford	\$248,651
Elcon Corp.	\$2,487,500		

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(1) Mr. Dent moved that the Board adopt the resolution tentatively awarding the contract for Section 2-General to Powell Construction Company, Inc., for bid of \$2,154,000. Mr. Boggs seconded the motion, and roll call vote was unanimous in favor of the motion. The resolution is attached to and thereby made a part of these minutes.

(2) Mr. Boggs moved that the Board adopt the resolution tentatively awarding the contract for Section 2A-Electrical to Brevard Electric Company, Inc., for bid of \$193,660. Mr. Smith seconded the motion, and roll call vote was unanimous in favor of the motion. The resolution is attached to and thereby made a part of these minutes.

- c. Maintenance Reserve Fund and General Fund: Mr. Mull told the Board that two new funds have been created under the new bond order, which necessitate establishing two new accounts. After discussion, Mr. Smith moved that the Board give Mr. Mull authority to solicit proposals from and negotiate with qualified financial institutions in Buncombe County for the handling of these funds; however, should the proposals be equal to those of the banks currently handling MSD funds, then the District should continue using those banks and make no changes. Mr. Pope seconded the motion, and roll call vote was unanimous in favor of the motion.

Thereupon, Chairman Robinson introduced the following order which was read by its title and explained:

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Upon motion by member Ivey, seconded by member Pope, the foregoing order entitled:

AN ORDER AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS TO THE SEWERAGE SYSTEM OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY; AUTHORIZING THE ISSUANCE, UNDER THE PROVISIONS OF THE NORTH CAROLINA METROPOLITAN SEWERAGE DISTRICTS ACT AND THE STATE AND LOCAL GOVERNMENT REVENUE BOND ACT, OF SEWERAGE SYSTEM REVENUE BONDS OF THE DISTRICT, PAYABLE SOLELY FROM CERTAIN REVENUES, RESERVES AND OTHER MONEYS, TO PROVIDE FUNDS, WITH ANY OTHER AVAILABLE FUNDS, FOR PAYING THE COST OF SUCH IMPROVEMENTS; PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS FOR PAYING THE COST OF ADDITIONAL IMPROVEMENTS TO THE SEWRAGE SYSTEM, COMPLETING THE IMPROVEMENTS OR ANY ADDITIONAL IMPROVEMENTS AND REFUNDING BONDS OF THE DISTRICT; PROVIDING FOR THE ASSUMPTION OF ADDITIONAL INDEBTEDNESS IN CONNECTION WITH THE ACQUISITION OF ANY ADDITIONAL IMPROVEMENTS; PROVIDING FOR THE INCURRENCE OR ASSUMPTION OF CERTAIN OTHER INDEBTEDNESS OF THE DISTRICT; PROVIDING THAT NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF SUCH BONDS OR INDEBTEDNESS; PROVIDING FOR THE COLLECTION OF RATES, FEES AND CHARGES FOR THE USE OF THE SERVICES AND FACILITIES OF THE SEWERAGE SYSTEM AND FOR THE CREATION OF CERTAIN SPECIAL FUNDS; MAKING AVAILABLE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, ANY ADDITIONAL INDEBTEDNESS AND SUCH OTHER INDEBTEDNESS CERTAIN REVENUES OF THE SEWERAGE SYSTEM AND CERTAIN RESERVES AND OTHER MONEYS OF THE DISTRICT; AND SETTING FORTH THE RIGHTS AND REMEDIES OF THE OWNERS OF SUCH BONDS.

was adopted by the following vote:

Ayes: 8
Noes: 0

Chairman Robinson introduced a Purchase Contract which was reviewed by Mr. Anthony and Mr. Stevens. After Board discussion, Mr. Watson of the North Carolina Local Government Commission accepted the Purchase Contract, subject to approval by the Board.

Thereupon, Chairman Robinson introduced the following resolution which was read by its title and explained:

SERIES RESOLUTION OF THE DISTRICT BOARD OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY PROVIDING FOR THE ISSUANCE AND SALE OF \$14,420,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1985A OF SAID DISTRICT PURSUANT TO THE PROVISIONS OF THE BOND ORDER AUTHORIZING THE ISSUANCE OF SAID BONDS ADOPTED BY SAID DISTRICT BOARD ON MAY 23, 1985.

The District Board of the Metropolitan Sewerage District of Buncombe County DOES HEREBY DETERMINE AND RESOLVE, as follows:

Section 1. Capitalized words and terms used in this resolution which are defined in the Order (hereinafter mentioned) shall have the same meanings in this resolution as such words and terms are given in the Order.

Section 2. Under the authority of the North Carolina Metropolitan Sewerage Districts Act, as amended, and The State and Local Government Revenue Bond Act, as amended, the District Board of the Metropolitan Sewerage District of Buncombe County (the "District Board") on May 23, 1985 adopted a bond order (the "Order") authorizing the issuance of \$14,420,000 Sewerage System Revenue Bonds, Series 1985A (the "Series 1985A Bonds") of the Metropolitan Sewerage District of Buncombe County (the "District") for the purpose of providing funds, with any other available funds, for (a) paying the cost of acquiring and constructing the Improvements, (b) making the deposits to the credit of the Debt Service Reserve Fund and Interest Account as required by Section 209 of the Order and (c) paying expenses incidental and necessary or convenient thereto.

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Section 3. The Series 1985A Bonds shall be issuable in the denomination of \$5,000 each or any multiple thereof, shall be numbered from 85A-1 upward and shall consist of \$3,120,000 Bonds hereby designated "Serial Bonds" maturing annually on July 1 in the years and amounts as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>
1987	\$135,000	1994	\$215,000
1988	145,000	1995	235,000
1989	155,000	1996	255,000
1990	165,000	1997	275,000
1991	175,000	1998	300,000
1992	190,000	1999	325,000
1993	200,000	2000	350,000

and \$11,300,000 Bonds hereby designated "Term Bonds" which mature on July 1, 2015.

Section 4. The Sinking Fund Requirements for the Series 1985A Term Bonds shall begin in the Fiscal Year ending June 30, 2001 and shall be as follows:

<u>Fiscal Year Ending June 30</u>	<u>Sinking Fund Requirement</u>	<u>Fiscal Year Ending June 30</u>	<u>Sinking Fund Requirement</u>
2001	\$385,000	2009	\$ 765,000
2002	420,000	2010	835,000
2003	455,000	2011	910,000
2004	495,000	2012	995,000
2005	540,000	2013	1,085,000
2006	590,000	2014	1,185,000
2007	645,000	2015	1,295,000
2008	700,000		

Section 5. The Series 1985A Bonds maturing on or after July 1, 1996 are subject to redemption prior to maturity, at the option of the District Board, on or after July 1, 1995, in whole on any date or in part on any interest payment date, in inverse order of maturity and by lot within a single maturity, from any moneys that may be made available for such purpose, upon notice as provided in Article III of the Order and, when redeemed in any period shown in the following table, at the respective Redemption Prices (expressed as percentages of the principal amount of such Series 1985A Bonds to be redeemed) set opposite each such period in said table, plus accrued interest to the date fixed for redemption:

<u>Period (Both Dates Inclusive)</u>	<u>Redemption Prices (Expressed as a Percentage of Principal Amount)</u>
July 1, 1995 to June 30, 1996	102 %
July 1, 1996 to June 30, 1997	101-1/2
July 1, 1997 to June 30, 1998	101
July 1, 1998 to June 30, 1999	100-1/2
July 1, 1999 and thereafter	100

The Series 1985A Term Bonds due on July 1, 2015 are also subject to redemption in part by lot on July 1, 2001 and each July 1 thereafter to and including July 1, 2014 in an amount equal to the Sinking Fund Requirement therefor in the immediately preceding Fiscal Year set out in Section 4 of this resolution, upon notice as provided in Article III of the Order, at the principal amount of each Bond to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

Section 6. The proposal submitted by Interstate Securities Corporation, Carolina Securities Corporation, First Charlotte Corporation and The Robinson-Humphrey Company, Inc., the underwriters, including themselves (collectively the "Underwriters"), in the form of the Purchase Contract dated May 23, 1985 presented at this meeting offering to purchase the Series 1985A Bonds, bearing interest at the rates set forth in Section 7 below and at an aggregate purchase price of \$14,003,000 plus accrued interest from May 1, 1985 to the date of delivery of the Series 1985A Bonds, having been accepted by the Local Government Commission on behalf of the District and the Series 1985A Bonds having been awarded to the Underwriters by said Commission at said price and upon the terms and conditions set forth in said Purchase Contract, subject to the approval of the District, the District Board hereby approves, and approves the Local Government Commission's acceptance of, such proposal and award of the Series 1985A Bonds at said price and upon such terms and conditions. The Chairman and the Secretary-Treasurer of the District Board are hereby authorized and directed in the name and on behalf of the District Board to execute said Purchase Contract evidencing the approval thereof by the District.

The Official Statement relating to the Series 1985A Bonds, in the form presented at this meeting, is hereby approved and the Chairman and Engineer-Manager are hereby authorized to permit the distribution of said Official Statement with such changes, omissions, insertions and revisions as they deem advisable and to execute said Official Statement in the name and on behalf of the District Board to evidence the approval thereof by the District. The District Board hereby consents to the use by the Underwriters prior to the date hereof of the Preliminary Official Statement, dated May 13, 1985, relating to the Series 1985A Bonds.

Section 7. The Series 1985A Bonds shall bear interest, payable on the 1st day of January and July in each year beginning January 1, 1986, as follows:

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
1987	5.65%	1995	7.90%
1988	5.90	1996	8.05
1989	6.40	1997	8.15
1990	6.65	1998	8.30
1991	6.90	1999	8.40
1992	7.15	2000	8.50
1993	7.40	2015	8.75
1994	7.65		

Section 8. The proceeds (including accrued interest) of the Series 1985A Bonds shall be applied by the Trustee as follows:

(a) the amount received as accrued interest on the Series 1985A Bonds shall be deposited to the credit of the Interest Account;

(b) the amount of \$674,403, representing capitalized interest, shall be deposited to the credit of the Interest Account;

(c) the amount of \$1,371,750 shall be deposited to the credit of the Debt Service Reserve Fund; and

(d) the balance of such proceeds shall be deposited to the credit of the Construction Fund.

Section 9. The moneys in the funds and accounts created by the Resolution authorizing and securing Sewage Disposal System Bonds of the District, adopted by the District Board on September 25, 1964, as amended (the "1964 Resolution"), which moneys are available as a consequence of the District having made provision for the payment of its outstanding bonds issued pursuant to the 1964 Resolution (the "Prior Bonds"), shall be applied prior to or simultaneously with the delivery of the Series 1985A Bonds as follows:

(a) the amount in the Revenue Fund created by the 1964 Resolution shall be deposited to the credit of the Revenue Fund created by the Order;

(b) the amount in the Operation and Maintenance Fund created by the 1964 Resolution shall be deposited to the credit of the Operation and Maintenance Fund created by the Order;

(c) \$409,000 of the amount in the Bond Service Account created by the 1964 Resolution shall be deposited to the credit of the Interest Account created by the Order and the balance of the amount in said Bond Service Account shall be deposited to the credit of the General Fund created by the Order;

(d) \$452,000 of the amount in the Reserve Account created by the 1964 Resolution shall be deposited to the credit of the Construction Fund created by the Order and the balance of the amount in said Reserve Account shall be deposited to the credit of the General Fund;

(e) \$100,000 of the amount in the Repair and Extension Fund created by the 1964 Resolution shall be deposited to the credit of the Maintenance Reserve Fund created by the Order and the balance of the amount in said Repair and Extension Fund shall be deposited to the credit of the General Fund; and

(f) any other moneys in the funds and accounts created by the 1964 Resolution shall be deposited to the credit of the General Fund.

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Section 10. The officers, agents and employees of the District and the officers and agents of the trustee for the Prior Bonds, the Trustee for the Series 1985A Bonds and the Bond Registrar are hereby authorized and directed to do all acts and things required of them by the provisions of the Series 1985A Bonds, the Order, said Purchase Contract and this resolution for the full, punctual and complete performance of the terms, covenants, provisions and agreements therein.

Section 11. This resolution shall take effect immediately upon its passage.

Upon motion of member Smith, seconded by member Dent, the foregoing resolution entitled:

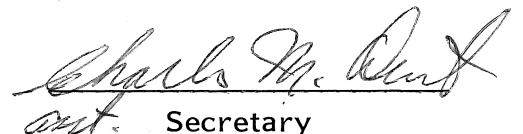
SERIES RESOLUTION OF THE DISTRICT BOARD OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY PROVIDING FOR THE ISSUANCE AND SALE OF \$14,420,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 1985A OF SAID DISTRICT PURSUANT TO THE PROVISIONS OF THE BOND ORDER AUTHORIZING THE ISSUANCE OF SAID BONDS ADOPTED BY SAID DISTRICT BOARD ON MAY 23, 1985.

was adopted by the following vote:

Ayes: 8
Noes: 0

Mr. Stevens advised the Board that the Escrow Deposit Agreement adopted by the Board April 24, 1985, on page 2, paragraph 2, incorrectly identified The Robinson-Humphrey Company, Inc., as Shearson Lehman; that the amount to be deposited in the "Cash Deposit" was incorrectly stated and that the correct amount is \$22,820; and that the final two columns in Appendix A were not completed and that the information necessary to complete them is now available. Mr. Ivey moved that the Board amend the Escrow Deposit Agreement to reflect these corrections, and Mr. Dyson seconded the motion. Roll call vote was unanimous in favor of the motion.

There being no further business, the meeting was adjourned at 11:40 a.m.


Secretary

MSD Metropolitan Sewerage District of Buncombe County, North Carolina.



W. H. Mull, P.E., Engineer-Manager
P.O. Box 685, Asheville, NC 28801
Telephone: Area Code 704-254-5646

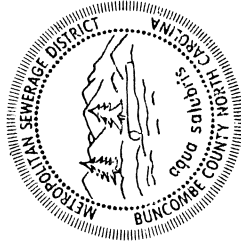
John S. Stevens, General Counsel

C. LeRoy Robinson, Chairman
M. Leon Williams, Vice-Chairman
Richard H. Davis, Secretary
Walter J. Boggs
Ben H. Clark
George E. Ivey
Charles W. Dink
Roy W. Pope
Diane M. Seara
Frank S. Smith III

May 21, 1985

I, Roy W. Pope, Secretary to 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 FISCAL YEAR 1985-86 BUDGET adopted by the Metropolitan Sewerage District Board at their regular meeting held May 21, 1985.

WITNESS my hand and seal of said District this 21 day of May 1985.



By Roy W. Pope
Secretary to the Board
Metropolitan Sewerage District
of Buncombe County

RESOLUTION OF THE METROPOLITAN SEWERAGE DISTRICT BOARD OF BUNCOMBE COUNTY

BE IT RESOLVED that the Metropolitan Sewerage District Board of Buncombe County does hereby adopt the attached Annual Operation and Maintenance Budget for the Fiscal Year 1985-86, this being the same Preliminary Budget which was presented at the regular Board meeting on April 16, 1985, currently lying on the table and totaling \$1,583,029., of which the estimated monthly budget is equal to one-twelfth (1/12) of the total budget.

By

C. LeRoy Robinson

C. LeRoy Robinson, Chairman
Metropolitan Sewerage District
Board of Buncombe County

Attest:

W. H. Mull

W. H. Mull
Engineer-Manager

RESOLUTION OF THE METROPOLITAN SEWERAGE
DISTRICT BOARD OF BUNCOMBE COUNTY

BE IT RESOLVED that the Metropolitan Sewerage District Board of Buncombe County does hereby adopt the attached Annual Operation and Maintenance Budget for the Fiscal Year 1985-86, this being the same Preliminary Budget which was presented at the regular Board meeting on April 16, 1985, currently lying on the table and totaling \$1,583,029., of which the estimated monthly budget is equal to one-twelfth (1/12) of the total budget.

By C. LeRoy Robinson
C. LeRoy Robinson, Chairman
Metropolitan Sewerage District
Board of Buncombe County

Attest: W. H. Mull
W. H. Mull
Engineer-Manager

	1985-86 BUDGET	CURRENT JULY	PERIOD ENDING 7/31/85	PRIOR JULY	PERIOD ENDING 7/31/84
200 SALARIES.....	144,500				
210 BILLING & COLLECTIONS.....	53,500				
220 TELEPHONE & TELEGRAPH.....	6,200				
230 TRAVEL & CONVENTION.....	4,800				
240 OFFICE SUPPLIES.....	6,500				
251 POWER & WATER.....	4,800				
260 DIRECTORS' EXPENSES.....	8,000				
270 INSURANCE.....	54,000				
280 DUES & SUBSCRIPTIONS.....	1,550				
290 ACCOUNTING @ 1% OF PAYROLL.....	5,745				
300 CONSULTING ENGINEERS.....	14,000				
310 LEGAL FEES & EXPENSES.....	10,000				
320 TRUSTEE FEES.....	6,500				
330 AUDIT FEES.....	4,000				
340 POSTAGE & PETTY CASH.....	2,200				
350 OFFICE EQUIPMENT REPAIRS.....	1,000				
360 FICA TAXES @ 6.70%.....	42,750				
370 NC RETIREMENT @ 8.35%.....	48,373				
380 VEHICLE EXPENSE.....	4,000				
390 CAPITAL OUTLAY (EQUIPMENT).....	10,000				
400 CONTINGENCY.....	13,500				
TOTAL ADMINISTRATIVE AND GENERAL.....	441,257				

4/16/85

	1985-86 BUDGET	CURRENT JULY	PERIOD ENDING 7/31/85	PRIOR JULY	PERIOD ENDING 7/31/84
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DISBURSEMENTS CONTINUED

500 SALARIES & WAGES.....	430,000				
510 CHEMICALS.....	42,000				
520 TELEPHONE.....	5,000				
530 POWER & LIGHTS.....	424,000				
540 SMALL TOOLS & SUPPLIES.....	7,500				
550 WATER & GARBAGE.....	8,000				
560 VEHICLE EXPENSE.....	15,000				
571 LABORATORY SUPPLIES.....	5,000				
580 UNIFORM SERVICE.....	3,200				
591 SCHOOLS.....	2,200				
600 MAINTENANCE BLDG. & GROUNDS.....	15,500				
610 MAINTENANCE PIPELINE.....	5,000				
620 MAINTENANCE EQUIPMENT.....	80,000				
630 CAPITAL OUTLAY--NEW.....	20,000				
640 EQUIPMENT REPLACEMENT.....	40,000				
650 CONTINGENCY.....	31,250				
TOTAL OPERATIONS EXPENDITURES.....	1,131,950				
TOTAL EXPENDITURES.....	1,573,177				
INTEREST TRANSFERRED TO REVENUE ACCT.....					
TOTAL DISBURSEMENTS.....					
TRANSFERRED FROM REVENUE FUND.....					
OTHER RECEIPTS.....					
TOTAL RECEIPTS.....					
EXCESS OF RECEIPTS OVER DISBURSEMENTS.....					
DISBURSEMENTS OVER RECEIPTS.....					
BEGINNING CASH BALANCE.....					
ENDING CASH BALANCE.....					

The current expenses for each month are estimated to be one-twelfth (1/12) of the annual budget.
Estimated revenue to be collected from sewer service charges for this fund equal \$1,573,177.

RESOLUTION

WHEREAS, the Metropolitan Sewerage District Board passed a Resolution at its regular meeting held on May 21, 1985, adopting an Amended Operation and Maintenance Budget for Fiscal Year 1984-85; and

WHEREAS, increases necessary to meet the operation requirements of the Metropolitan Sewerage District of Buncombe County, North Carolina, consisting of line items

Telephone & Telegraph	from 6,200	to 7,600
Office Supplies	from 6,500	to 8,400
Dues & Subscriptions	from 1,500	to 1,750
Audit Fees	from 3,800	to 3,850
Postage & Petty Cash	from 2,000	to 2,100
Telephone	from 3,500	to 5,000
Power & Lights	from 390,000	to 413,000

thereby decreasing line items

Consulting Engineers	from 16,000	to 14,300
Legal Fees & Expenses	from 15,000	to 13,000
Contingency	from 32,000	to 7,500

this being the same Preliminary Budget which was presented at the regular Board meeting on April 17, 1984, currently lying on the table and totaling \$1,504,600., of which the estimated monthly budget is equal to one-twelfth (1/12) of the total budget.

NOW, THEREFORE, BE IT RESOLVED by the Metropolitan Sewerage District Board of Buncombe County that the May 21, 1985, resolution adopting the Amended Operation and Maintenance Budget for Fiscal Year 1984-85 be and is hereby unanimously approved by roll call vote.

By C. LeRoy Robinson
C. LeRoy Robinson, Chairman
Metropolitan Sewerage District of
Buncombe County

ATTEST: W. H. Muji
W. H. Muji
Engineer-Manager

MSD Metropolitan Sewerage District of Buncombe County, North Carolina.

W. H. Muji, P.E., Engineer-Manager
P. O. Box 1808, Asheville, N. C. 28814
Telephone: Area Code 704-254-9640
John B. Stevens, General Counsel



C. LeRoy Robinson, Chairman
M. Leon Williams, Vice Chairman
Walter T. Burt
Walter J. Burt
Ben H. Clark
George E. Levy
Charles M. Jones
Roy W. Pope
Diane M. Squire
Frank S. Smith III

May 21, 1985

I, Roy W. Pope, Secretary to 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 AMENDED 1984-85 BUDGET adopted by the Metropolitan Sewerage District Board at its regular meeting held May 21, 1985.

WITNESS my hand and seal of said District this 21 day of May, 1985.

By Roy W. Pope
Secretary to the Board
Metropolitan Sewerage District
of Buncombe County



We have considered the proposed amendment to the 1984-85 budget increasing the budget amount for

Telephone & Telegraph	from 6,200	to 7,600
Office Supplies	from 6,500	to 8,400
Dues & Subscriptions	from 1,500	to 1,750
Audit Fees	from 3,800	to 3,850
Postage & Petty Cash	from 2,000	to 2,100
Telephone	from 3,500	to 5,000
Power & Lights	from 390,000	to 413,000

and decreasing the budget amount for

Consulting Engineers	from 16,000	to 14,300
Legal Fees & Expenses	from 15,000	to 13,000
Contingency	from 32,000	to 7,500

and find the proposed increases necessary to meet the operating requirements of the Metropolitan Sewerage District of Buncombe County.

In accordance with Section 506 of the Bond Resolution, we recommend and approve this proposed amendment to the Annual Budget.

HENDON ENGINEERING ASSOCIATES, INC.
By: Norman W. Rensfield
May 21, 1985

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA
 OPERATION AND MAINTENANCE FUND--STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

AMENDED BUDGET FOR FY 84-85

	1984-85 BUDGET	ACTUAL THROUGH 3/31/85	ESTIMATED 1984-85 EXPENDITURES	SURPLUS OR (DEFICIT)	AMENDED 1984-85 BUDGET
200 SALARIES.....	142,200	99,985	131,374	10,826	142,200
210 BILLING & COLLECTIONS.....	53,500	38,999	51,868	1,632	53,500
220 TELEPHONE & TELEGRAPH.....	6,200	5,629	7,486	-1,286	7,600 +
230 TRAVEL & CONVENTION.....	4,000	3,851	4,000	0	4,000
240 OFFICE SUPPLIES.....	6,500	6,224	8,278 (1)	-1,778	8,400 +
251 POWER & WATER.....	4,000	2,705	3,597	403	4,000
260 DIRECTORS' EXPENSES.....	8,500	5,465	7,740	760	8,500
270 INSURANCE.....	50,000	34,108	50,000	0	50,000
280 DUES & SUBSCRIPTIONS.....	1,500	1,575	1,608 (2)	-108	1,750 +
290 ACCOUNTING @ 1% OF PAYROLL..	5,300	4,003	5,150	150	5,300
300 CONSULTING ENGINEERS.....	16,000	9,620	12,794	3,206	14,300 -
310 LEGAL FEES & EXPENSES.....	15,000	4,539	6,036	8,964	13,000 -
320 TRUSTEE FEES.....	8,500	7,135	8,500	0	8,500
330 AUDIT FEES.....	3,800	3,806	3,806	-6	3,850 +
340 POSTAGE & PETTY CASH.....	2,000	1,575	2,094	-94	2,100 +
350 OFFICE EQUIPMENT REPAIRS....	600	399	590	10	600
360 FICA TAXES @ 6.70%.....	35,500	26,721	34,997	503	35,500
370 NC RETIREMENT @ 8.38%.....	44,500	32,944	43,154	1,346	44,500
380 VEHICLE EXPENSE.....	4,800	3,600	4,800	0	4,800
390 CAPITAL OUTLAY (EQUIPMENT)..	5,000	2,842	5,000	0	5,000
400 CONTINGENCY.....	13,500	10,397	10,397 (3)	3,103	13,500
TOTAL ADMINISTRATIVE AND GENERAL.....	430,900	306,120	403,271	27,629	430,900

DISBURSEMENTS CONTINUED	1984-85 BUDGET	ACTUAL THROUGH 3/31/85	ESTIMATED 1984-85 EXPENDITURES	SURPLUS OR (DEFICIT)	AMENDED 1984-85 BUDGET
500 SALARIES & WAGES.....	388,800	296,697	383,588	5,212	388,800
510 CHEMICALS.....	42,000	24,752	39,000	3,000	42,000
520 TELEPHONE.....	3,500	3,655	4,861 (4)	-1,361	5,000 +
530 POWER & LIGHTS.....	390,000	309,761	411,982 (5)	-21,982	413,000 +
540 SMALL TOOLS & SUPPLIES.....	7,500	5,031	6,691	809	7,500
550 WATER & GARBAGE.....	12,000	4,306	7,000 (6)	5,000	12,000
560 VEHICLE EXPENSE.....	16,000	10,858	14,440	1,560	16,000
571 LABORATORY SUPPLIES.....	6,000	4,158	5,800	200	6,000
580 UNIFORM SERVICE.....	3,200	2,596	3,100	100	3,200
591 SCHOOLS.....	2,200	1,687	2,000	200	2,200
600 MAINTENANCE BLDG. & GROUNDS.	15,500	13,007	15,500	0	15,500
610 MAINTENANCE PIPELINE.....	5,000	1,427	4,400 (7)	600	5,000
620 MAINTENANCE EQUIPMENT.....	90,000	43,931	74,931 (8)	15,069	90,000
630 CAPITAL OUTLAY--NEW.....	20,000	15,597	20,000	0	20,000
640 EQUIPMENT REPLACEMENT.....	40,000	259	15,259 (9)	24,741	40,000
650 CONTINGENCY.....	32,000	318	318	31,682	7,500 -
TOTAL OPERATIONS EXPENDITURES.....	1,073,700	738,037	1,008,870	64,830	1,073,700
TOTAL EXPENDITURES.....	1,504,600	1,044,158	1,412,140	92,460	1,504,600

RESOLUTION

WHEREAS, Diane M. Sciara served as a member of the Metropolitan Sewerage District Board from April 1, 1982 to May 8, 1985; and

WHEREAS, Diane M. Sciara has rendered conscientious and distinguished service to the Board, to the City of Asheville, and to the citizens of Buncombe County; and


WHEREAS, Diane M. Sciara has been a faithful member of the Board during her term of service and has been of a great help to the Board because of her close liason between the City of Asheville and the District and her attendance at and work with various committees of the Board.

NOW, THEREFORE, BE IT RESOLVED:

ONE: That Diane M. Sciara be and she hereby is congratulated and thanked by the Board for her term of service and her dedication to the work of the Board and on behalf of the citizens of Buncombe County and of the City of Asheville.

TWO: That the original of this Resolution be placed in the permanent records of the Board and copies be transmitted to Diane M. Sciara and to the City of Asheville.

Duly adopted this 21st day of May, 1985.



C. LeRoy Robinson, Chairman

AMOUNT: \$14,420,000

PURPOSE: TO FINANCE THE DISTRICT'S HYDROELECTRIC FACILITY AND PHASE 1 OF THE WASTEWATER TREATMENT PLANT EXPANSION

CHRONOLOGY OF FINANCING EVENTS:

OCT. 10, 1984 -- PROPOSALS REQUESTED FROM TEN UNDERWRITING FIRMS TO HANDLE MSD BONDS
NOV. 19, 1984 -- MSD BOND COMMITTEE REVIEWS PROPOSALS FROM NINE FIRMS AND SELECTS FOUR FOR INTERVIEWS
DEC. 05, 1984 -- MSD BOND COMMITTEE INTERVIEWS FOUR FIRMS AND SELECTS THE FOLLOWING:
LEAD UNDERWRITER: INTERSTATE SECURITIES
CO-MANAGERS: CAROLINA SECURITIES
FIRST CHARLOTTE
ROBINSON-HUMPHREY/AMEX
DEC. 11, 1984 -- MSD BOARD RATIFIES BOND COMMITTEE ACTION OF 12/5/84
JAN. 21, 1985 -- ORGANIZATIONAL MEETING OF FINANCE TEAM (UNDERWRITERS, BOND COUNSEL, LGC, MSD) - RALEIGH
FEB. 25, 1985 -- FIRST DOCUMENT REVIEW SESSION (FINANCE TEAM) - RALEIGH
MAR. 14, 1985 -- SECOND DOCUMENT REVIEW SESSION - RALEIGH
APR. 01, 1985 -- "DUE DILIGENCE" SEARCH OF MSD RECORDS BY UNDERWRITERS COUNSEL
APR. 02, 1985 -- THIRD DOCUMENT REVIEW SESSION - ASHEVILLE
APR. 04, 1985 -- PROPOSALS REQUESTED FROM THREE BANKS RE. SERVING AS TRUSTEE FOR ESCROW DEPOSIT ACCOUNT
TO DEFEASE OLD BONDS AND TRUSTEE FOR NEW REVENUE BONDS
APR. 16, 1985 -- ESCROW AND TRUSTEE COMMITTEE REVIEW PROPOSALS AND SELECT WACHOVIA FOR ESCROW AND NEW BONDS
APR. 18, 1985 -- FOURTH DOCUMENT REVIEW SESSION - CHARLOTTE
APR. 24, 1985 -- MSD BOARD ADOPTS ESCROW DEPOSIT AGREEMENT WITH WACHOVIA
APR. 25, 1985 -- FINAL DOCUMENT REVIEW SESSION - CHARLOTTE
MAY 01, 1985 -- RATING PRESENTATION MADE TO MOODY'S IN NEW YORK
MAY 02, 1985 -- RATING PRESENTATION MADE TO STANDARD AND POOR'S IN NEW YORK
MAY 14, 1985 -- STANDARD AND POOR'S RATING TEAM VISITS ASHEVILLE
MAY 17, 1985 -- RECEIVE "A" RATING FROM STANDARD AND POOR'S
MAY 20, 1985 -- RECEIVE "A" RATING FROM MOODY'S (MORNING)
MAY 20, 1985 -- PRELIMINARY PRICING (AFTERNOON)
MAY 21, 1985 -- FINAL PRICING
MAY 23, 1985 -- SELL BONDS - MSD BOARD EXECUTES BOND PURCHASE CONTRACT AND SERIES RESOLUTION
JUN. 13, 1985 -- BOND SALE CLOSED

SEE ATTACHED CHART (PAGE 2) FOR PRELIMINARY AND FINAL PRICING INFORMATION

MSD SERIES 1985-A REVENUE BONDS : 3,120,000 - SERIAL BONDS
11,300,000 - TERM BONDS
\$14,420,000 - TOTAL ISSUE

PAGE 2 OF 2
-----SUMMARY OF PRICING

BOND TYPE	YEAR DUE	PRINCIPAL AMOUNT	PRELIMINARY INTEREST RATE (5/20/85)	FINAL INTEREST RATE (5/21/85)
SERIAL	1987	\$135,000	5.75%	5.65%
SERIAL	1988	145,000	6.00	5.90
SERIAL	1989	155,000	6.50	6.40
SERIAL	1990	165,000	6.75	6.65
SERIAL	1991	175,000	7.00	6.90
SERIAL	1992	190,000	7.25	7.15
SERIAL	1993	200,000	7.50	7.40
SERIAL	1994	215,000	7.75	7.65
SERIAL	1995	235,000	8.00	7.90
SERIAL	1996	255,000	8.15	8.05
SERIAL	1997	275,000	8.25	8.15
SERIAL	1998	300,000	8.40	8.30
SERIAL	1999	325,000	8.50	8.40
SERIAL	2000	350,000	8.60	8.50
TERM	2015	11,300,000	8.825	8.75 *

RATED "A" BY MOODY'S AND STANDARD & POOR'S
-----STRONG POINTS : 1. STRONG LOCAL ECONOMY
2. PAST DEBT COVERAGE
3. DISTRICT MANAGEMENTWEAK POINTS : 1. FUTURE EPA GRANTS NOT "IN HAND"
2. LOW SEWER SERVICE CHARGE
3. SEWER CONSOLIDATION UNCERTAINTY

THE PRELIMINARY PRICING BROUGHT IN ORDERS FOR
\$17,500,000 WORTH OF OUR SERIAL BONDS, AND OVER
\$30,000,000 WORTH OF OUR TERM BONDS WITHIN TWO HOURS.

COMPARISON TO MOST RECENT NORTH CAROLINA REVENUE BOND ISSUE

\$15,000,000 LENOIR COUNTY HOSPITAL BONDS
INSURED (APPROXIMATE COST \$700,000)
RATED "AAA" DUE TO INSURANCE
DATE OF SALE : APRIL 17, 1985
TERM BOND INTEREST RATE = 9.00%

UNDERWRITERS DISCOUNT (APPROXIMATE)

ITEM	PRELIM \$/1,000	FINAL \$/1,000	ACTUAL COSTS
TAKEDOWN.....	\$16.00	\$13.57	\$125,000 (SOLICITATION)
MGMT. FEE.....	3.50	4.25	61,895 (SHARED BY FOUR FIRMS)
EXPENSES.....	3.50	5.93	85,510 (LARGELY FROM FEES)
UNDERWRITING.....	1.25	1.25	19,025 (RISK FROM 5/23 TO 5/13)
TOTALS.....	\$24.50	\$25.00	\$360,500

RESOLUTION

WHEREAS, the Metropolitan Sewerage District of Buncombe County, North Carolina, desires to construct a hydroelectric project in the interest of the public; and

WHEREAS, competitive bids have been solicited and received from contractors for Project No. 684, Section 2-General Work; and

WHEREAS, the following low bidder for Section 2 has been reviewed by Hendon Engineering Associates, Inc., and found to be responsible:

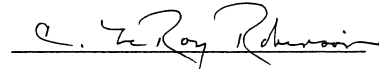
Powell Construction Co., Inc.
Bristol Highway
P. O. Box 3646 C.R.S.
Johnson City, TN 37602
\$2,154,000

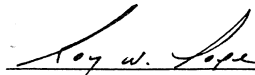
NOW, THEREFORE, BE IT RESOLVED by the Metropolitan Sewerage District Board to award said contract to said low bidder pending legal counsel review, consulting engineers' recommendation, and clarification of bid; and

BE IT FURTHER RESOLVED to authorize Mr. W. H. Mull, Engineer-Manager of the Metropolitan Sewerage District of Buncombe County, to execute all contracts and documents relating to this project on behalf of the Metropolitan Sewerage District.

RESOLVED this 23rd day of May, 1985, by the Chairman of the Board of the Metropolitan Sewerage District of Buncombe County.

Metropolitan Sewerage District of
Buncombe County, North Carolina


C. LeRoy Robinson
Chairman of the Board



Roy W. Pope
Secretary to the Board

RESOLUTION

WHEREAS, the Metropolitan Sewerage District of Buncombe County, North Carolina, desires to construct a hydroelectric project in the interest of the public; and

WHEREAS, competitive bids have been solicited and received from contractors for Project No. 684, Section 2A-Electrical Equipment and Wiring; and

WHEREAS, the following low bidder for Section 2A has been reviewed by Hendon Engineering Associates, Inc., and found to be responsible:

Brevard Electric Co., Inc.
35 Rosman Highway
P. O. Box 1262
Brevard, NC 28712
\$193,660

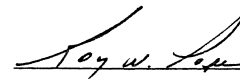
NOW, THEREFORE, BE IT RESOLVED by the Metropolitan Sewerage District Board to award said contract to said low bidder; and

BE IT FURTHER RESOLVED to authorize Mr. W. H. Mull, Engineer-Manager of the Metropolitan Sewerage District of Buncombe County, to execute all contracts and documents relating to this project on behalf of the Metropolitan Sewerage District.

RESOLVED this 23rd day of May, 1985, by the Chairman of the Board of the Metropolitan Sewerage District of Buncombe County.

Metropolitan Sewerage District of
Buncombe County, North Carolina


C. LeRoy Robinson
Chairman of the Board


Roy W. Pope
Secretary to the Board

CONSENT TO SERVICE OF PROCESS

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, the Metropolitan Sewerage District of Buncombe County, a public body and body politic and corporate of the State of North Carolina, exercising public and essential government functions and organized under the provisions of the North Carolina Metropolitan Sewerage District Act, as amended (the "District") for the purpose of complying with the laws of the State of Ohio relating to the sales of securities, hereby irrevocably appoints the Secretary of State of the State of Ohio and the successors in such office, the District's attorney in the State of Ohio upon whom may be served any notice, process or pleading in any action or proceeding against the District arising out of or in connection with the sale of securities or out of violation of the aforesaid laws of said State; and the undersigned does hereby consent that any such action or proceeding against the District may be commenced in any court of competent jurisdiction and proper venue within said State by service of process upon said officer with the same effect as if the undersigned was organized or created under the laws of said State and had lawfully been served with process in said State.

It is requested that a copy of any notice, process or pleading served hereunder be mailed to:

Mr. Stephen D. Hope
Moore, Van Allen, Allen & Thigpen
3000 MONB Plaza
Charlotte, North Carolina 28280

Dated: May 21, 1985

METROPOLITAN SEWERAGE DISTRICT
OF BUNCOMBE COUNTY

By C. Leroy Robinson
C. Leroy Robinson
Chairman of District Board

By Roy W. Pope
Roy W. Pope
Secretary and Treasurer
Of District Board

(Seal)

METROPOLITAN SEWERAGE DISTRICT
OF BUNCOMBE COUNTY
Post Office Box 8969
Asheville, North Carolina 28814

ACKNOWLEDGMENT

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

On this day of May, 1985 before me Jane C. Crowe, the undersigned officer, personally appeared C. Leroy Robinson and Roy W. Pope known personally to me to be the Chairman and the Secretary/Treasurer, respectively, of the District Board of the Metropolitan Sewerage District of Buncombe County, (the "District"), and that they, as such officers, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the District by themselves as such officers.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Jane C. Crowe
Notary Public

(Notarial Seal)

My Commission Expires: 11-2-88

(Certified Copy of Resolution of Foreign Issuer that suits***may be commenced***by serving the Secretary of State of Ohio.)

On motion duly seconded the following resolution was duly made, passed and adopted.

WHEREAS, This⁽¹⁾ District proposes to make application to the Division of Securities of Ohio to register or exempt the sale of securities within the State of Ohio in accordance with the provisions of Chapter 1707 of the Revised Code of Ohio, and all acts amendatory thereof and supplemental thereto.

WHEREAS, This⁽¹⁾ District is organized under the laws of the State of North Carolina and,

WHEREAS, It is therefore necessary, under Section 1707.11 of the Revised Code of Ohio, to file with said application the consent of this⁽¹⁾ District that suits and actions growing out of fraud in connection with the sale of securities in this state may be commenced against it in the proper court of any county in the State of Ohio, in which a cause of action may arise or in which the plaintiff in said action may reside, by the service of any process or pleadings authorized by the laws of said State of Ohio on the Secretary of State of Ohio, and that service of process in any such action against it may be served upon said officer, and that such consent be irrevocable:

BE IT THEREFORE RESOLVED: That the⁽²⁾ Chairman of the District Board of this⁽¹⁾ District and he is hereby authorized and directed for and on behalf of said⁽¹⁾ District to execute and file with the Division of Securities in the form prescribed by said Section, the irrevocable consent of this⁽¹⁾ District that suits and actions growing out of the sale of securities or fraud in connection with the sale of securities in this state may be commenced against it in the proper court of any county, in said State of Ohio, in which a cause of action may arise or in which the plaintiff in said action may reside by the service of any process or pleadings authorized by the laws of the said State of Ohio on the Secretary of State of Ohio, and that service of process in any such action against it may be served upon the Secretary of State of Ohio, and that such service of such process or pleadings on such officer shall be taken and held in all courts to be valid and binding as if due service had been made upon such⁽¹⁾ District itself.

⁽²⁾ the Secretary of the District Board of the Metropolitan Sewerage District of Buncombe County hereby certify that the foregoing is a true and exact copy of a resolution of the⁽³⁾ District Board which resolution was duly made, passed and adopted at a legal meeting of said⁽³⁾ District Board, held on the 21st day of May, 19 85, that the passage of said resolution was in all respects regular and according to the By-Laws of said⁽¹⁾ District

IN TESTIMONY WHEREOF, ⁽²⁾ the Secretary of said District Board have hereunto set my hand this 21st day of May, 19 85.

Roy W. Pope

Notes:

- (1) Here insert "corporation" or "association" as the case may be.
- (2) Here insert title of officer as "president," "manager," etc.
- (3) Here insert "board of directors," "trustees," "managers".