

**Resolution Stating Intent To Proceed with General Obligation Water Bond Election for Columbia-Union Water and Sewer District**

***WHEREAS:***

The Board of Commissioners of Pender County, North Carolina, has engaged in an extensive review of water supply and distribution issues facing the County. The Board has established a long-term plan to provide increased, secure water supply for County residents by building a new water treatment plant in the County. The Board has also established several new water and sewer districts in the County to facilitate the planning, construction and financing of water supply systems to serve parts of the County not currently served by a public water system. Citizens of the Columbia-Union District have expressed a desire for bond authorization as do other Districts in the County. The Board serves as the governing body of the water and sewer districts.

***BE IT THEREFORE RESOLVED*** by the Board of Commissioners of Pender County, North Carolina, as the governing Board of the Columbia-Union Water and Sewer District, as follows:

1. The Board makes an initial determination to proceed with a referendum on May 6, 2008, for general obligation water bonds for the Columbia-Union Water and Sewer District ("District") in the maximum amount of \$44,000,000.00.
2. The Board makes the following findings of fact in support of its determination:
  - a) The proposed capital projects are necessary and expedient for the District. The Board makes reference to the comprehensive engineering study prepared by McKim & Creed regarding County water supply and distribution for an explanation of projects considered by the Board in the process of determining the amount and purpose for proposed bonds (primarily distribution system for the District). The Board notes, however, that the precise of amount of bonds issued, the timing of the issuance of the bonds, and the projects eventually funded with bond proceeds, will depend on final project plans and costs and the evolving needs within the District.
  - b) The amount of bonds proposed is adequate and not excessive for the proposed purpose. The proposed bond amount has been derived from the Board's consideration of the engineering report and other sources, and in consultation with the United States Department of Agriculture – Rural Development, which the County expects will provide low-cost long-term financing for these projects.
  - c) The County's debt management and budgetary and fiscal management policies have been carried out consistently in accordance with the law.
  - d) The Board believes that no actual increase in the County's property tax rate will be necessary to provide for principal and interest payments on the bonds. The Board expects projects will be approved by the Board and by Rural Development, and bonds will be issued, only at such time as it appears likely that the net revenues of the particular utility operations will be sufficient to pay the debt service. The Board will engage in a continuing review of water rates and charges in order to maintain the water utilities on a self-supporting basis. In addition, the County will continue to seek grants for projects and to investigate other mechanisms for project funding so as to maintain affordable water rates and to support the operation of the water utilities. The Board recognizes, however, that if water system revenues are insufficient to make payments on the bonds, that the Board will be required to use tax revenues from the District to make up any shortfall.
3. The County Manager and all other County officers and employees are authorized and directed to proceed with the proper steps toward the authorization of the bond elections, including proceeding with applications to the North

