

REQUEST FOR BOARD ACTION / CONTRACT CONTROL FORM

Tracking Number: 7.

Date of Request: June 5, 2008

Date Request Received: June 5, 2008

Board Meeting Date Requested: June 16, 2008

Board Meeting Date Assigned: June 16, 2008

Short Title: Resolution Stating Intent To Proceed With General Obligation Water Bond Election For The Columbia - Union Water And Sewer District: \$50,000,000.

- Request Status:**
- Request is proceeding to Board of Commissioners
 - More information is needed – see attached
 - Request on hold – no further information needed
 - Other:

Background: In 2006, the voters of the Columbia-Union Water and Sewer District narrowly defeated the \$44,000,000 Bond Referenda that would have allowed the construction of a backbone water system. The Board of Commissioners has instructed staff to take steps to appropriately place this bond referenda on the ballot for the November 4th election.

(Administrative Use Only)

Since the \$44,000,000 cost estimate was based on 2006 numbers, staff requested the Engineer to update the estimate. McKim & Creed took into account a 7% annual increase in construction costs since 2006 and now estimates this figure to be closer to \$50,000,000.

CONTRACT TYPE

Bond Counsel has indicated that this sets the "maximum" amount of bonding authority and in no way prevents the County from borrowing and bonding for less.

- Renewal
- For Service(s)
- Intergovernmental – County as Grantee
 - Federal Grantor
 - State Grantor
 - Grant or
- County as Grantor
 - County Funds
 - Other Funds:
- Revision
- For Equipment

This is the first in a number of required steps in order to place this on the November ballot.

PURCHASING Budgeted Item: Yes No
 Date Rec'd: Reviewed and Approved
 Comments on Reverse

Specific Action Requested: Approve a Resolution stating intent to proceed with general obligation water bond election for the Columbia - Union Water and Sewer District

Date Sent: _____ Signed: _____

Requested by: Michael G. Mack
 Department: Pender Utilities
 Title: Utilities Director
 Contact Phone: 910-259-1570
 Contact Fax: 910-259-1579

ATTORNEY Reviewed and Approved
 Date Rec'd: Legal Problem(s)
 Comments on Reverse

Date Sent: _____ Signed: _____

FINANCE Sufficient Funds Available Not Available
 Date Rec'd Budget Amendment Necessary
 Budgeted Amendment is Attached
 Comments on Reverse

Date Sent: _____ Signed: _____

CLERK Signature(s) Required:
 Board Chairman/County Manager
 Other:

Date Rec'd Approved by Board: Yes No
 At meeting on

**Resolution Stating Intent To Proceed with General Obligation Water Bond Elections for
The 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. 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 follows:

1. The Board makes an initial determination to proceed with referenda on November 4, 2008, for general obligation water bonds in the maximum amount of \$50,000,000 for the Columbia – Union Water and Sewer District.

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 Columbia – Union Water and Sewer 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 amounts and purposes for proposed bonds (primarily a water treatment plant for the County and distribution systems for the districts). The Board notes, however, that the precise 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 County and the districts.

b) The amount of bonds proposed is adequate and not excessive for the proposed purpose. The proposed bond amounts have 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 any of 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 particular District to make up any shortfall.

3. The County Manager/Clerk to the Board 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 Carolina Local Government Commission (the "LGC") for its approval of such bonds. The Board appoints the County Manager/Clerk to the Board as the County's authorized representative with respect to the LGC application process.

4. The Clerk to this Board is authorized and directed to publish a notice of the Board's intent to apply to the LGC for approval of the bonds. This notice must be in the form prescribed by statute and consistent with this resolution.

5. All County officers and employees are authorized and directed to take all such further action as they may consider necessary or desirable in connection with the furtherance of the purposes of this resolution. All such prior actions of County officers and employees are ratified, approved and confirmed. All other resolutions, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict. This resolution takes effect immediately.

* * * * *

I certify that the foregoing resolution was duly adopted at a meeting of the Board of Commissioners of Pender County, North Carolina, duly called and held on June 16, 2008, and that a quorum was present and acting throughout such meeting. Such resolution remains in full effect as of today.

Dated this 16th day of June, 2008
[SEAL]

Paul B. Parker
Clerk, Board of Commissioners
Pender County, North Carolina

