



REQUEST FOR BOARD ACTION

ITEM NO. 27

DATE OF MEETING: August 2, 2010

REQUESTED BY: Michael G. Mack, Director, PCU

SHORT TITLE: Resolution by the Board of Directors of the Scott's Hill Water and Sewer District Approving an Agreement and Authorizing a Purchase Order to Sanford Holshouser, LLP, to Represent the District as Bond Counsel for the Issuance of Bond Anticipation Notes and Fixed-Rate General Obligation Bonds for Interim and Permanent Financing of the Scott's Hill Water Distribution System.

BACKGROUND: Bob Jessup of Sanford Holshouser, LLP. served as Bond Counsel to Pender County in connection with the authorization and issuance of general obligation water bonds as part of the Bond Referendums done in 2006 for the Pender County Water Treatment Plant and Water Districts.

Staff desires to retain Mr. Jessup and Sanford Holshouser LLP. to represent Pender County as Bond Counsel in the pending issuance of \$3,067,000 in fixed-rate General Obligation (GO) Bond Anticipation Notes (BANS) for the Interim (during construction) financing and subsequent issuance of fixed-rate GO Bonds associated with the Permanent (upon completion of construction) financing of the Scott's Hill Water Distribution System.

Sanford Holshouser, LLP. has proposed to charge the County at the same rate that was in effect at the time of their agreement in 2006. For all work as bond counsel leading to the Scott's Hill Water and Sewer District's issuance of \$3,067,000 in General Obligation BANS and Bonds, they will charge an amount equal to \$0.95 per \$1,000 for each issuance of BANS and \$0.95 per \$1,000 for the issuance of the Bonds with a minimum charge per issue of \$5,000 for the BANS and \$10,000 for the Bonds. With \$3,067,000 in GO BANS and Bonds to be issued, the estimated incremental cost would be less than the minimum charge per issue (\$2,914 x 2).

Therefore, the total estimated compensation to Sanford Holshouser, LLP. for their effort is \$15,000 based upon only one issuance of BANS and one issuance of Bonds.

Funds are available in the Scott's Hill Water and Sewer District's Capital Project Fund (# 81-404505) and staff is recommending approval of the Agreements.

SPECIFIC ACTION REQUESTED: The Board of Directors of the Scott's Hill Water and Sewer District is requested to approve the Agreement and Authorize a Purchase Order to Sanford Holshouser, LLP. to represent the District as Bond Counsel for the issuance of GO Bond Anticipation Notes and Fixed-Rate GO Bonds for the interim and permanent financing of the Scott's Hill Water Distribution System in the amount of \$15,000.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

MT
Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Scott's Hill Water and Sewer District that:

the Agreement is approved and a Purchase Order to Sanford Holshouser, LLP. to represent the District as Bond Counsel for the issuance of GO Bond Anticipation Notes and Fixed-Rate GO Bonds for the interim and permanent financing of the Scott's Hill Water Distribution System in the amount of \$15,000 is authorized.

Account # 81-404505 Capital Project Fund \$15,000

The Chairman/County Manager is authorized to execute any document necessary to implement this resolution.

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Tate ___ Blanchard ___ Brown ___ Rivenbark ___ Williams ___

Jimmy T. Tate, Chairman 08/02/2010
Date

ATTEST 08/02/2010
Date