



REQUEST FOR BOARD ACTION

ITEM NO. 16.

DATE OF MEETING: January 4, 2011

REQUESTED BY: Michael G. Mack, Director, PCU

SHORT TITLE: Resolution Approving Proposal & Purchase Order from Waters and Company, LLC. for Financial Consulting Services to Assist Pender County Utilities in Establishing a Long-Term Financial Plan to Sustain the Pender County Utility Systems Financial Integrity: \$60,000

BACKGROUND: One of the priorities and strategies established by the Board of Commissioners in the adopted 2010-2012 Statement of Values and Strategies, was for PCU to employ an independent financial consultant to perform an analysis of the Rocky Point/Topsail and Maple Hill Water and Sewer Districts. The analysis is intended for the development of a five-year rate and fee schedule necessary to maintain system integrity including providing adequate funding for operations, maintenance, and capital improvements. \$75,000 was provided for this task in the FY 10/11 Water and Sewer Fund Budget.

PCU has selected the firm of Waters and Company, LLC from Birmingham, Alabama to conduct the financial consulting services based on their outstanding efforts for other clients such as Mecklenburg County, Wake County, and the City of Wilmington.

Waters and Company, LLC will provide financial consulting services in connection with PCU's long-term financial plans, capital improvement program, and financial models. They will provide financial models addressing utility rates and charges, sales volumes, operating expenses, capital budgets, debt and non-debt capital funding, debt service, and fund balances. Waters and Company proposes to complete the financial analysis for a not-to-exceed fee of \$60,000.

Staff is recommending the Board approve the resolution and authorize the Purchase Order.

SPECIFIC ACTION REQUESTED: Consider a resolution approving the proposal from Waters and Company, LLC. for financial consulting services and authorizing a Purchase Order in the amount of \$60,000 for the services rendered.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

RB
Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that:

the Board hereby approves the proposal of Waters and Company, LLC. for financial consulting services and authorizes a Purchase Order in the amount of \$60,000 for the services. The Chairman/County Manager is authorized to execute any/all documents necessary to implement this resolution.

072- 404500 Contracted Services \$60,000

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

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

George R. Brown, Chairman 1/4/2011
Date

ATTEST 1/4/2011
Date

WATERS AND COMPANY, LLC

176 Peachtree Circle
Birmingham, Alabama 35213
Telephone (205) 870-1187
Facsimile (205) 870-0889

December 20, 2010

Mr. Michael Mack
Director
Pender County Utilities
605 E. Fremont Street
Burgaw, NC 28425

Re: Financial Consulting Services

Dear Mr. Mack:

Waters and Company, LLC understands that Pender County Utilities ("PCU") desires financial consulting services in connection with its long-term financial plans, capital program and financial models. Waters and Company agrees to assist PCU in connection with its long-term financial plans for PCU's water and sewer system, including financial models addressing utility rates and charges, sales volumes, operating expenses, capital budgets, debt and non-debt capital funding, debt service, fund balances and other relevant factors. Waters and Company agrees to meet in Burgaw with PCU representatives as necessary in connection with the provision of these services.

As compensation for its services, Waters and Company will receive a fee, including expenses, not to exceed \$60,000 upon completion of services. We appreciate the opportunity to serve PCU.

Sincerely yours,
Waters and Company, LLC



By: G. Steven Waters
President