



## REQUEST FOR BOARD ACTION

ITEM NO. 10

**DATE OF MEETING:** April 18, 2016

**REQUESTED BY:** Michael G. Mack, Utilities Director

**SHORT TITLE:** Resolution by the Board of Directors of the Central Pender Water and Sewer District Adopting a Revised Capital Project Budget Ordinance for the Design, Permitting, Bidding, and Construction of the Phase I Water Distribution System to serve the Central Pender Water and Sewer District.

**BACKGROUND:** On September 2, 2014, the Board of Directors of the Central Pender Water and Sewer District authorized the approval and acceptance of the USDA-RD Letter of Conditions for the permanent financing of the Central Pender Water Distribution System. Subsequently, on March 3, 2016, construction bids were received for the construction of the project and the USDA-RD requested a revised Final Capital Budget to reflect the actual construction cost. The USDA-RD approved the Revised Final Capital Budget on March 17, 2016.

Funding for this project is provided by a USDA-RD loan in the amount of \$6,047,000, a USDA-RD grant in the amount of \$3,910,091, and District Tap Fees in the amount of \$81,700 for a project total of \$10,038,791. There is no change to previously approved USDA-RD Letter of Conditions, only the amounts of the supplementary line items for the different components of the project.

**SPECIFIC ACTION REQUESTED:** The Board of Directors of the Central Pender Water and Sewer District is requested to approve the Revised Capital Project Budget Ordinance to document the proposed project expenditures, funding, and revenues.

**RESOLUTION**

**NOW, THEREFORE BE IT RESOLVED** by the Board of Directors of the Central Pender Water and Sewer District:

the Revised Capital Project Budget Ordinance to document the proposed project expenditures, funding, and revenues for the design, permitting, bidding, and construction of the Central Pender Water and Sewer District Phase 1 water distribution system is approved.

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

**AMENDMENTS:**

MOVED \_\_\_\_\_ SECONDED \_\_\_\_\_

APPROVED \_\_\_\_\_ DENIED \_\_\_\_\_ UNANIMOUS

YEA VOTES: Brown \_\_\_ McCoy \_\_\_ Keith \_\_\_ Piepmeyer \_\_\_ Williams \_\_\_

\_\_\_\_\_  
George R. Brown, Chairman      04/18/16  
Date

\_\_\_\_\_  
ATTEST      04/18/16  
Date

**CAPITAL PROJECT BUDGET ORDINANCE  
CENTRAL PENDER WATER AND SEWER DISTRICT  
WATER DISTRIBUTION PHASE I PROJECT**

**WHEREAS**, the Board of Directors of the Central Pender Water and Sewer District desire to adopt a final capital project budget ordinance pursuant to and as provided by NCGS 159- 13.2; and

**WHEREAS**, the Board of Directors of the Central Pender Water and Sewer District desire to construct a water distribution system to serve the properties within the District with public water supply;

**NOW, THEREFORE, BE IT ORDAINED**, by the Board of Directors of the Central Pender Water and Sewer District, as follows:

**SECTION 1:** The amounts herein set forth are hereby appropriated for the expenses related to the project:

Construction		\$ 6,526,174.00
Engineering Fees		\$ 782,400.00
PER	\$ 58,500.00	
Environmental Assessment	\$ 29,000.00	
Environmental Permitting	\$ 6,500.00	
Basic Services	\$ 409,100.00	
Additional Services	\$ 84,300.00	
Inspection Services	\$ 195,000.00	
Land/Easement Acquisition		\$ 35,000.00
Bond Counsel/ Legal Fees		\$ 44,400.00
Capitalized Interest		\$ 215,271.00
Pender County Capacity Fee		\$ 1,417,125.00
Equipment (water meters)		\$ 102,000.00
Additional Waterline Work		\$ 590,112.00
Project Contingency (5%)		<u>\$ 326,309.00</u>
<b>TOTAL PROJECT COST</b>		<b>\$10,038,791.00</b>

**SECTION 2:** The amounts herein set forth are hereby designated as the funding to be made available for the project to meet the foregoing appropriations:

USDA-RD GO Bond Loan	\$ 6,047,000.00
USDA-RD Grant	\$ 3,910,091.00
District Tap Fees	<u>\$ 81,700.00</u>
<b>TOTAL PROJECT FUNDING</b>	<b>\$10,038,791.00</b>

SECTION 3: The amounts herein set forth are hereby designated as the revenues to be collected by the District over the 40-year repayment term for the USDA-RD GO Bond Loan including interest at 3.25%:

Water User Fees	\$16,100,000.00
Capacity Fees	<u>\$ 3,100,000.00</u>
<b>TOTAL REVENUE</b>	<b>\$19,200,000.00</b>

SECTION 4: Authorized activities for the Central Pender Water & Sewer District Water Distribution Phase I Water Distribution Project include the expenditure of loan, grant and local funds for construction, engineering, site work, and contingency. The officials of Pender County are hereby directed to proceed with the project within the terms of the USDA-RD Letter of Conditions dated September 2, 2014, and the budget contained herein,

SECTION 5: The Finance Director is hereby directed to maintain within the Capital Project Fund sufficient detailed accounting records to provide the accounting of the USDA-RD Loan and Grant, and federal, state and local regulations.

SECTION 6: Funds may be advanced from the general fund for the purpose of making payments as due. Reimbursement requests should be made to the appropriate grantor agency in an orderly and timely manner.

SECTION 6: Copies of this ordinance shall be filed with the Finance Director and the Clerk to the Board of Commissioners to be kept by them for their direction in carrying out this project.

This ordinance was introduced and passed at this meeting of the Board of Directors of the Central Pender Water and Sewer District, and was adopted this the 18th day of April, 2016.

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George R. Brown, Chairman

ATTEST:

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Melissa Pedersen, Clerk to the Board

**BUDGET ORDINANCE AMENDMENT TITLE:** Central Pender Water Distribution Phase 1 Project Budget

Introduced by: Randell Woodruff, County Manager Date: 2016-04-18 Item #: 10

Fund: # 87 - CPWSD Department: Pender County Utilities Division: \_\_\_\_\_



**PENDER COUNTY, NORTH CAROLINA**

FY 2015-2016 Budget Amendment # \_\_\_\_\_ Date Approved: \_\_\_\_\_  
 Appropriations

REVENUES		EXPENDITURES	
Increase: <input checked="" type="checkbox"/>	Decrease: <input type="checkbox"/>	Increase: <input checked="" type="checkbox"/>	Decrease: <input checked="" type="checkbox"/>
Account # and Title	Amount	Account # and Title	Amount (leave off \$ sign)
87-335400-6051 USDA-RD GO Bonds		87-407460-6051 Construction	\$-59,434.00
87-348200-6051 USDA-RD Grant		87-404505-6051 Engineering Fees	\$46,800.00
87-330500-6051 District Tap Fees		87-404507-6051 Inspection Services	
		87-407433-6051 Land/Easement Acquisition	
		87-404502-6051 Legal & Admin	
		87-405755-6051 Environmental Permits	
		87-408400-6051 Capitalized Interest	
		87-405750-6051 Capacity Fee	\$-56,875.00
		NEW - 87-407600-6051 Equipment (Meters)	\$102,000.00
		87-409600-6051 Contingency	\$-32,491.00
<b>Total:</b>		<b>Total:</b>	<b>\$0.00</b>

Reason and Justification for Request:  
 On April 18, 2016, the Board is requested to approve a this Revised Capital Project Ordinance to construct a public water distribution system to serve the properties within Moore's Creek Water & Sewer District. This amendment sets up the line items approved in the ordinance.

Dept Mgr. Approval: Michael G. Mack	Date: 2016-04-18	Finance Officer Approval:	Date:	Budget Officer Approval:	Date:
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Board Approval (When Applicable)      Item #      Date of Minutes

**DEPARTMENT OF THE TREASURER  
LOCAL GOVERNMENT COMMISSION  
325 North Salisbury Street, Raleigh, North Carolina 27603-1888**

**FINAL CAPITAL BUDGET**

Unit Pender County - Central Pender Water & Sewer District Date March 17, 2016

Note: A separate FINAL CAPITAL BUDGET is required for each bond purpose for which notes are to be sold.

1. Bond purpose Construction of a new Public Water Distribution System  
Amount of notes \$ 9,957,091
2. Describe in general terms nature of project/capital outlay if different from original application.  
Construction of 86,300 LF of 12", 64,500 of 8", 46,600 LF of 6", 16,400 LF of 4", and 3,000 LF of 2" watermains to provide public water supply to approximately 680 residential customers in the Phase I area of the Central Pender Water & Sewer District.
3. Consulting Engineer or Architect Highfill Infrastructure Engineering
4. Final Capital budget — based on actual costs (i.e. construction bids received as of March 3, 2016. Include bid tabulations for construction cost (Note: Bid tabulations should equal construction cost in the following table).

Actual Cost		Funding Sources	
Construction Cost.....	\$ 6,526,174	Bonds (USDA-RD GO).....	\$ 6,047,000
Eng. Basic Services .....	\$ 409,100	Grants (USDA-RD).....	\$ 3,910,091
Environmental Assessment.....	\$ 29,000	.....	.....
Environmental Permitting.....	\$ 6,500	.....	.....
PER.....	\$ 58,500	.....	.....
Additional Services .....	\$ 84,300	.....	.....
Inspection .....	\$ 195,000	.....	.....
Land/Easement Acquisition....	\$ 35,000	.....	.....
Bond Counsel Legal Fees.....	\$ 44,400	.....	.....
Capitalized Interest .....	\$ 215,271	.....	.....
Water Capacity Fee .....	\$ 1,417,125	.....	.....
Equipment (Meters).....	\$ 102,000	.....	.....
Additional Waterline Work.....	\$ 590,112	.....	.....
Contingency (5%) .....	\$ 326,809	Owner Contribution .....	\$ 81,700
..... Total	\$ 10,038,791	Total .....	\$ 10,038,791

5. Have all required permits and/or approvals by State or Federal regulatory agencies been received? Yes.

Signature of Authorized Representative of Unit [Signature] Date 3/17/16

Concurrence of State USDA Representative [Signature] Date 3/17/16