



EAST MOORE WATER DISTRICT BOARD OF DIRECTORS

SPECIAL MEETING

TUESDAY, AUGUST 4, 2020, 10:15 AM

COMMISSIONERS MEETING ROOM, HISTORIC COURTHOUSE, CARTHAGE

CALL TO ORDER

ITEMS OF BUSINESS:

- I. Request for Approval of July 21, 2020 EMWD Special Meeting Minutes
- II. Request for Approval of EMWD Phase 4 Application to the Local Government Commission

ADJOURNMENT

EAST MOORE WATER DISTRICT BOARD OF DIRECTORS**SPECIAL MEETING****TUESDAY, JULY 21, 2020, 5:00 PM**

The East Moore Water District Board of Directors convened for a Special Meeting at 5:00pm, Tuesday, July 21, 2020 in the Commissioners' Meeting Room on the second floor of the Historic Courthouse, Carthage, North Carolina.

Directors Present: Chairman Frank Quis, Vice Chairman Louis Gregory, Catherine Graham, Jerry Daeke, Otis Ritter

Chairman Quis called the meeting to order at 5:03pm.

ITEMS OF BUSINESS:June 16, 2020 Special Meeting Minutes

Upon motion made by Director Ritter, seconded by Director Daeke, the Board voted 5-0 to approve the June 16, 2020, special meeting minutes of the East Moore Water District Board of Directors.

June 23, 2020 Special Meeting Minutes

Upon motion made by Director Daeke, seconded by Director Ritter, the Board voted 5-0 to approve the June 23, 2020, special meeting minutes of the East Moore Water District Board of Directors.

STARS Charter School Turning Lane Project Deed of Dedication

Public Works Director Randy Gould requested the Board's acceptance of a Deed of Dedication. Upon motion made by Director Graham, seconded by Director Ritter, the Board voted 5-0 to accept the Deed of Dedication for the STARS Charter School turning lane project.

Brookwood Phase 1B Deed of Dedication

Public Works Director Randy Gould requested the Board's acceptance of a Deed of Dedication. Upon motion made by Director Ritter, seconded by Director Graham, the Board voted 5-0 to accept the Deed of Dedication for the Brookwood Phase 1B subdivision.

Payment Plan

Public Works Director Randy Gould provided information on payment plans as required by the Governor's Executive Orders 124 and 142. Information to be shared with customers as reviewed by Mr. Gould is hereby incorporated as a part of these minutes by attachment as Appendix A.

EMWD Phase 4 Bid Opening Results

Public Works Director Randy Gould provided information to the Board regarding the bid opening for the East Moore Water District Phase 4 project. He shared that the bids were great and below budget and staff would be inquiring with the USDA regarding the opportunity to do more. He said they should be able to serve some who did not meet the criteria initially. Mr. Gould indicated the project should move quickly and be near completion by the end of the year.

ADJOURNMENT

There being no further business, upon motion made by Director Graham, seconded by Director Ritter, the Board voted 5-0 to adjourn the July 21, 2020, special meeting of the East Moore Water District Board of Directors at 5:13pm.

Francis R. Quis, Jr. Chairman

Laura M. Williams, Clerk to the Board

MEMORANDUM TO EMWD BOARD OF DIRECTORS:

FROM: Randy Gould, Public Works Director

DATE: July 21, 2011

SUBJECT: EMWD Phase 4 Application to the Local Government Commission

PRESENTER: Randy Gould, PE

REQUEST:

Adopt resolutions (a) making preliminary determination to proceed with revenue bond financing and (b) stating facts supporting application for LGC approval

BACKGROUND:

Bids were received on July 14, 2020 for the construction of the EMWD Phase 4 project. The apparent low bidder's bid was in the amount of \$1,211,063. The project budget for construction was in the amount of \$2,046,000.

IMPLEMENTATION PLAN:

Adopt the resolutions

FINANCIAL IMPACT STATEMENT:

Project included in the budget.

RECOMMENDATION SUMMARY:

Make a motion to adopt the attached resolution in the form presented.

SUPPORTING ATTACHMENTS:

Resolution supporting an application to the Local Government Commission for the EMWD Phase 4 project.

**Resolution supporting an application to the Local Government
Commission for its approval of revenue bonds and notes for
East Moore Water District in an estimated amount of up to \$1,395,000**

WHEREAS --

The East Moore Water District Board of Directors has previously approved a “Phase 4” project to build approximately 9.4 miles of water distribution lines to extend the District’s service area. The United States of America – Department of Agriculture – Rural Utilities Service has offered to assist the District in the project by providing a financing package that includes a low-interest loan not to exceed \$1,395,000. USDA generally requires that borrowers like the District separately arrange for construction-period financing through the issuance of “bond anticipation notes.”

The District plans to accept the offer from USDA. The District will provide for the issuance of the District’s revenue bonds in an estimated amount of up to \$1,395,000 to represent the loan component of the USDA proposal. Revenue bonds are not secured by a pledge of the District’s taxing power or by a lien on any District property. Instead, the bonds are payable only from the net operating revenues of the District’s water system.

North Carolina law requires that the District’s issuance of the bonds and notes be approved by the North Carolina Local Government Commission (the “LGC”), a division of the North Carolina State Treasurer’s office. Under the LGC’s guidelines, this governing body must make certain findings of fact to support the District’s application for the LGC’s approval of the bonds and notes.

THEREFORE, BE IT RESOLVED by the **East Moore Water District Board of Directors** that the District makes a preliminary determination to finance a portion of the project costs through the issuance of water revenue bonds to USDA in an amount estimated as not to exceed \$1,395,000.

In addition, the District makes a preliminary determination to contract for construction-period financing, as may be required by USDA, through the issuance of bond anticipation notes.

The final issuance of the bonds and the notes in any event is subject to the LGC's approval and this Board's subsequent approval. Some of the financing proceeds may represent reimbursement to the District for prior expenditures on project costs, and the District may also use financing proceeds to pay financing costs.

***BE IT FURTHER RESOLVED* that the Board makes the following findings of fact:**

1. The project is necessary and appropriate for the District under all the circumstances. The project will increase the capacity and efficiency of the District's public water system to the benefit of the District and the customers of the system.

2. The project is feasible. Project costs will be paid from grant funds and low-interest financing sources, including the bonds and notes. The District believes that the customer utility bills that will be necessary to provide for bond payments will be reasonable under the circumstances.

3. The District's debt management procedures and policies are sound and in compliance with law, and the District is not in default under any of its debt service obligations.

4. The District will be able to market the bonds and notes at reasonable rates of interest. The financing offer from USDA includes long-term financing at low interest rates so as to enhance the feasibility of issuing the bonds and otherwise maintaining the District's utility operations. In addition, the District will closely review proposed lending rates for the notes against market rates with guidance from the LGC. All amounts financed will reflect either approved contracts, professional estimates or previous actual expenditures.

***BE IT FURTHER RESOLVED* as follows:**

(a) The Board directs all officers and employees to take all such further action as they may consider necessary or desirable in furtherance of the purposes of this resolution, including completing an application to the LGC for its approval of the bonds and notes. The Board ratifies all prior actions of officers and employees in this regard.

(b) The District asks the LGC to solicit one or more proposals from financial institutions to purchase the notes and thereby provide construction financing for the project, and to proceed with the private sale of the notes to the best bidder.

(c) The Board intends that the adoption of this resolution will be a declaration of the District's official intent to reimburse preliminary project expenditures from bond and note proceeds. The District intends that funds that have been advanced for project costs, or which may be so advanced, from the District's water utility funds, or any other District funds, may be reimbursed from the financing proceeds.

(d) This resolution takes effect immediately.