



***Vance County Water District
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February 3, 2012

Joint Legislative Committee on Local Government
North Carolina General Assembly
Legislative Building
16 West Jones Street
Raleigh, North Carolina 27601
Attention: Committee Chairs and Committee Assistant

Fiscal Research Division
North Carolina General Assembly
Legislative Office Building
Suite 619
300 North Salisbury Street
Raleigh, North Carolina 27603-5925

Re: **Financing of Water Distribution System Improvements by the
Vance County Water District**


Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the Vance County Water District (the "District") hereby notifies you of its intent to issue general obligation bonds pursuant to The Local Government Bond Act, Article 4 of Chapter 159 of the General Statute of North Carolina, as amended, in an aggregate principal amount not to exceed of \$27,000,000 to finance the cost of acquiring, constructing, enlarging, extending, renovating and improving a water distribution system of said District, inside and outside its corporate limits, including, without limitation, water mains and lines, booster pump stations, water storage tanks, water supply interconnections, system interconnections and other appurtenant facilities, and the acquisition of any necessary land, rights-of-way and equipment. The issuance of bonds was approved at a bond referendum held in the District on May 6, 2008. If issued, the bonds will be secured by the full faith and credit and taxing power of the District, without limitation as to rate or amount, and the District would expect to pay the debt service on the bonds from general fund revenues of the District.

The District expects that the Bonds when issued will be purchased by the United States Department of Agriculture – Rural Development, will have a forty year maturity, will bear interest at not more than four percent (4%), and principal and interest will be amortized in approximately level debt service payments. Interim financing may be obtained until the permanent financing is available.

VANCE COUNTY WATER DISTRICT

By: _____


Finance Director

cc: Margaret Lusk, Local Government Commission
Thomas Lee, Bond Attorney