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STEVEN K. BLANCHARD, CEO/GENERAL MANAGER

PUBLIC WORKS COMMISSION
OF THE CITY OF FAYETTEVILLE

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ELECTRIC & WATER UTILITIES

June 25, 2012

Joint Legislative Committee on Local Government
Committee Chair and Committee Assistant
N.C. General Assembly
16 W Jones Street
Raleigh, NC 27601

Fiscal Research Division
N.C. General Assembly
Suite 619
Legislative Office Building
300 N Salisbury Street
Raleigh, NC 27603-5925

RE: Debt Issuance Reporting
FY 2010 DENR Clean Water SRF Loan Application
Public Works Commission of the City of Fayetteville, NC, **Outfall**
Rehabilitation Project (State Project No. CS370434-12)

Dear Committee Chair, Committee Assistant, and Fiscal Research Division:

Pursuant to the recent enactment of Session Law 2011-291 (House Bill 595), this serves as notification that the Public Works Commission of the City of Fayetteville, NC (PWC) is seeking funding from the Clean Water State Revolving Fund for the Outfall Rehabilitation project in excess of \$1,000,000.

The estimated total cost of the project is \$4,774,500, excluding 2% closing cost, and we intend to fund the entire project with proceeds from this loan. The financing will be for a term of approximately 20 years and is expected to bear interest at a rate not to exceed 4%. The loan would be payable from, and secured by, a pledge of revenues of the water and sewer system operated by the PWC on behalf of the City. The project contract documents have been submitted for approval to the Infrastructure Finance Section and upon approval we anticipate advertising for bids in September. Construction is expected to start in early 2013.

Additionally, this project is included in our six (6) year Capital Improvement Program and financing plan. PWC has and maintains a formal written policy to meet certain minimum debt service requirements above that required in its Bond Order.

BUILDING COMMUNITY CONNECTIONS SINCE 1905

AN EQUAL EMPLOYMENT OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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If additional information is needed, contact this office at 910-223-4005 for Dwight Miller, CFO or 910-223-4102 for Rhonda Haskins, Director of Financial Planning.

Very truly yours,

PUBLIC WORKS COMMISSION



Steven K. Blanchard
CEO/General Manager

cc: Vance Holloman, Secretary
Local Government Commission
N.C. Dept. of State Treasurer
325 N. Salisbury Street
Raleigh, NC 27603-1385

Mark Hubbard
Infrastructure Finance Section
NCDENR – Division of Water Quality
(via Email)

Dwight Miller, CPA (PWC Chief Financial Officer)
Rhonda Haskins, CPA (PWC Director of Financial Planning)
Lisa Smith, CPA (City of Fayetteville Chief Financial Officer)