



February 15, 2017

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

Junaluska Sanitary District
PO Box 35
Lake Junaluska, NC 28745

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

Vance Holloman, Secretary
Local Government Commission
NC Department of State Treasurer
325 N. Salisbury Street
Raleigh, North Carolina 27603-1385

Mark Hubbard, PE
Project Management Branch
NCDEQ Division of Water Infrastructure
1633 Mail Service Center
Raleigh, North Carolina 27699-1633

RE: Hwy. 209 – I-40 Sewer
Financing of a Sewer Extension along Hwy. 209
Haywood County., North Carolina

Ladies and Gentlemen:

In accordance with NCGS 120-157.2(a), and Local Government Commission Memorandums # 2012-02 dated July 25, 2011 and # 2012-09 dated October 18, 2011, the Junaluska Sanitary District hereby notifies you of its intent to (1) construct three (3) sewer pump stations and 18,500 feet of 2-6 inch force main to transport sewerage from Riverbend Elementary School and two (2) truck stops to the Richland Creek Pump Station; (2) abandon two (2) failing WWTPs at truck stops; and (3) abandon one failing septic system at Riverbend Elementary School.

Purpose of Project:

The JSD Hwy 209 & I-40/Riverbend School sewer project is a 3.5 mile long sewer project intended to provide public sewer service to the Existing businesses at the Hwy 209 & I-40 Interchange as well as the Riverbend School in Haywood County, NC. The project is intended to replace the 23+ year old on site sewer system at the Riverbend School, and remove the two (2) NPDES Discharge permits for the Pilot Travel Center and Sams Mart businesses at the interchange. Both facilities are undersized, are non-compliant.

Scope of the Project:

This project will include the design and installation of three (3) pump stations and low pressure force main, designed to eliminate the discharge (permits), the onsite sewer system and provide a long term and reliable public sewer solution. The capacity (design) of the system is one (1) 40,000 gpd pump station at the Riverbend Elementary School, and one (1) 25,000 gpd station at Pilot Travel Center, one (1) 15,000 gpd pump station at Sams Mart, and approximately 18,500 linear feet low pressure force main.

Debt Requirements of the Project:

The total project budget is \$3,911,421. The Junaluska Sanitary District applied to the NCDEQ – Division of Water Infrastructure (DWI) for a DWSRF loan in the amount of \$2,570,021. The difference between the loan and project budget, \$1,341,400 will be provided from the Golden Leaf, Haywood County and Junaluska Sanitary District. Golden Leaf has granted \$1,000,000, Haywood County has allocated \$300,000 and Junaluska Sanitary District has allocated the remaining \$41,400.

The project has been approved by NCDEQ-DWI and is listed on the DWSRF funding document for the full amount of the \$2,570,021. budget.

The loan amount will be financed through the DWI over a twenty (20) year period at an interest rate of 0% as set by the State.

Means of Financing the Project:

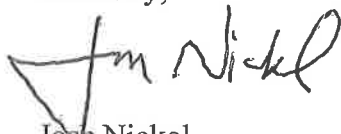
The project will be financed as a capital project as part of the annual District's budget process for the sewer enterprise fund.

Sources of Repayment for the Project:

The source for repayments is through the revenues generated by sewer sales to Junaluska Sanitary District customers. This amount of debt, \$2,570,021, over a twenty (20) year period will not require an increase in sewer rates.

Should further information be required, please advise.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Nickol". The signature is stylized with a large, sweeping initial "J" and a cursive "Nickol".

Josh Nickol
Manager/Finance Director