



Town of Pikeville

December ^{18th} 2017

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 Wastewater System Improvements by the Town of Pikeville, North Carolina

Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the Town of Pikeville, North Carolina (the "Town") hereby notifies you of its intent to issue wastewater system revenue bonds (the "Bonds") pursuant to The State and Local Government Revenue Bond Act, Article 5 of Chapter 159 of the General Statutes of North Carolina, as amended, in the expected aggregate principal amount not to exceed \$2,027,000 to finance the cost of various improvements to the Town's wastewater system, including, without limitation, the acquisition of land and the acquisition and construction of a new spray irrigation system (collectively, the "Project"). The Town has received commitments from The United States Department of Agriculture – Rural Development ("USDA") to purchase the Bonds upon completion of the Project. In the interim, the Town intends to issue its sanitary sewer system revenue bond anticipation notes (the "Notes") to initially finance the construction of the Project. Once the Project is completed, the Town will refinance the maturing Notes with the proceeds of the Bonds to be purchased by USDA. The term of the Bonds will be approximately 40 years from the date of issuance thereof as required by the USDA. The term of the Notes will be approximately two years or less from the date of issuance. Both the Bonds and the Notes will be secured solely by the net revenues of the Town's water and sewer system.

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Please let me know if any further information is needed.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lisa Pate", written over a horizontal line.

Lisa Pate
Interim Town Administrator
Town of Pikeville, North Carolina

cc: Phillip Anderson, Local Government Commission