



CITY OF SALUDA NORTH CAROLINA

MAYOR

Fred Baisden

CITY MANAGER

Jonathan Cannon

COMMISSIONERS

Mark Oxtoby

Carolyn Ashburn

Stan Walker

Leon Morgan

Wednesday, November 15, 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

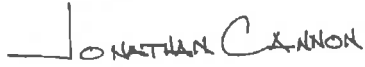
Re: Financing of Water and Sewer System Improvements by the City of Saluda, North Carolina

Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the City of Saluda, North Carolina (the "City") hereby notifies you of its intent to issue water and sewer 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 of \$1,910,000 to finance the cost of various improvements to the City's water and sanitary sewer systems (the "Project"). The City has received a commitment from The United States Department of Agriculture – Rural Development ("USDA") to purchase the Bonds upon completion of the Project. In the interim, the City will issue its water and sewer system revenue bond anticipation notes (the "Notes") to finance the construction of the Project. Once the Project is completed, the City will refinance the maturing Notes with the proceeds of the Bonds. The term of the Bonds will be approximately 40 years from the date of issuance as required by the USDA. The term of the Notes will be approximately two years from the date of issuance. Both the Bonds and the Notes will be secured solely by the net revenues of the City's water and sewer system.

Please let me know if any further information is needed.

Sincerely,

A handwritten signature in black ink that reads "Jonathan Cannon". The signature is written in a cursive style with a horizontal line extending from the left.

Jonathan Cannon

City Manager

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cc: Phillip Anderson, Local Government Commission
G. Thomas Lee, Womble Bond Dickinson (US) LLP