



Alexander County Administration

621 Liledoun Road, Taylorsville, NC 28681
Phone (828) 632-9332 ~ Fax (828) 632-0059

February 16, 2018

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
State Reserve Project Loan, Project No. H-SRP-D-17-0098
Alexander County Water Line Extension Project

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

Alexander County is providing this notice in accordance with N.C.G.S. 120-157.2 of a proposed local government capital project that requires approval of the North Carolina Local Government Commission (the "LGC") and requires debt to be issued in an amount exceeding \$1,000,000.

The County is seeking loan funds from the Drinking Water State Revolving Fund through the Division of Water Infrastructure of the N.C. Department of Environmental Quality ("NCDEQ"). The loan is expected to be \$4,971,335 and will be used for the construction of approximately 71,000 linear feet of 2-inch through 8-inch potable water lines along with valves, hydrants, fittings and related appurtenances. Total project costs including the loan closing fee are estimated to be \$5,070,762. The County will seek LGC approval of the debt after hearing from NCDEQ regarding the status of the loan application.

The proposed term of the loan is 20 years with \$3,000,000 at zero interest and \$1,971,335 at an expected maximum interest rate of 1.91%. The County's obligations will be payable from the

net operating revenues of the water system. The expected security for the loan is a pledge of water system revenues, but this will not constitute a pledge of the County's taxing authority.

If additional information is needed, please contact this office by phone at (828) 632-9332, by email at rfrench@alexandercountync.gov, or by mail at 621 Liledoun Road, Taylorsville, NC 28681.

Sincerely,
ALEXANDER COUNTY

A handwritten signature in cursive script that reads "Rick French".

Rick French, County Manager

cc: Local Government Commission
N.C. Dept. of State Treasurer
3200 Atlantic Avenue
Raleigh, NC 27604

Robby Bailey
Grant Management Unit
NCDEQ-Div. of Water Infrastructure
(via Email)