

**Council Members**

Barry Kaufman, Mayor  
Jimmie Accardi, Vice Mayor  
Weidner Abernethy  
Kelly Melang  
Erin Gonyea



**Town Manager**

Bob Pudney

**Town Attorney**

Stacy C. Eggers IV

January 3, 2022

Attention: Committee Chair and Committee Assistant  
Joint Legislative Committee on Local Government  
North Carolina General Assembly  
Legislative Building  
16 W. Jones Street  
Raleigh, NC 27601

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

RE: Town of Beech Mountain  
Drinking Water State Revolving Fund (SRF)  
Proposed \$2,913,265 Loan  
2022 Water System Rehabilitation Project  
Project No. WIF-2023

To Whom It May Concern:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina as amended, the Town of Beech Mountain hereby notifies you of its intent to enter into a Drinking Water State Revolving Fund (SRF) loan with the Division of Water Infrastructure of the North Carolina Department of Environmental Quality, subject to the approval of the Local Government Commission, in the expected amount of \$2,913,265.

**Purpose of Project:** This project will address failing water distribution lines (primarily 2" and 4" galvanized steel pipes with leaking joints and service line connections) by replacing them with approximately 22,100 linear feet of 6" ductile iron water mains. The location will be along various streets in the Town. The primary purpose of the project will be to reduce water loss. Real water loss is estimated to be 62% of the water produced at the treatment plant, based on the 2020 AWWA water audit. The service connections, which are a significant cause of the water loss, will also be replaced.

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All work will replace existing pipes with the same size pipe, except mains smaller than 6-inch size will be replaced with 6-inch size mains. No additional capacity or service area will be created by the project.

**Scope of Project:** This project will address failing water distribution lines (primarily 2" and 4" galvanized steel pipes with leaking joints and service line connections) by replacing them with approximately 22,100 linear feet of 6" ductile iron water mains. The location will be along various streets in the Town.

**Debt Requirement of the Project:** The projected construction cost of the 2022 Water System Rehabilitation Project is \$2,913,265, all of which is to be debt financed.

**Means of Financing the Project:** The project is to be financed through a Drinking Water State Revolving Fund (SRF) loan at a maximum interest rate of 1.13% over 20 years, subject to availability and conditions of the funding program.

**Sources of Repayment for the Project:** The SRF loan principal and interest will be repaid using funds collected by the Town from its current customer base, through normal fees. Increases in these normal fees may be necessary in the near future but we anticipate such fees to remain below 4% of the Median Household Income for our service area (for those customers using 5,000 gallons per month or less).

If more specific information is needed, please do not hesitate to contact me at the address above or to contact our consulting engineer, Benjie Thomas of West Consultants, at:

West Consultants, PLLC  
405 South Sterling Street  
Morganton, NC 28655  
Phone: (828) 522-4728  
Email: bthomas@west-consultants.com

Sincerely,

Robert Pudney, Town Manager

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cc: Greg Gaskins  
Local Government Commission  
NC Department of State Treasurer  
325 N. Salisbury Street  
Raleigh, NC 27603-1385

Shadi Eskaf, Director  
NC Division of Water Infrastructure  
1633 Mail Service Center  
Raleigh, NC 27699-1633