

# SanfordHolshouser

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March 18, 2022

Joint Legislative Committee on Local Government  
Co-Chairs Sen. McInnis and Rep. Warren  
Legislative Building  
16 West Jones St.  
Raleigh, NC 27601

Fiscal Research Division  
Attention: Director  
North Carolina General Assembly  
300 North Salisbury St., Suite 610  
Raleigh, NC 27603

## **Notice to the Joint Legislative Committee on Local Government Concerning Proposed Financing by Cleveland County Water**

To the Committee:

As counsel to Cleveland County Water, a North Carolina sanitary district, and as required under N.C. Gen. Stat. Section 120-157.2, I am providing this notice of a proposed local government capital project that requires approval of the North Carolina Local Government Commission and requires debt to be issued in an amount exceeding \$1,000,000. Here is information about the proposed financing –

<b>Project description</b>	Acquisition, design, and construction of a new operations building
<b>LGC meeting for consideration</b>	May 3, 2022
<b>Amount to be financed</b>	Estimated as up to approximately \$4,997,000
<b>Type of financing</b>	USDA revenue bonds, along with revenue bond anticipation notes
<b>Other sources of financing</b>	Cleveland County Water will contribute \$1,263,000.

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<b>Estimated financing term</b>	Cleveland County Water expects a financing term of approximately 40 years, which essentially approximates the expected useful life of the property being financed.
<b>Estimated interest rate</b>	USDA has committed to a permanent financing annual rate of 1.75%.
<b>Expected source of repayment</b>	Utility fund revenues

Please let me know if you have additional questions or comments for me about this proposed financing.

Very truly yours,



Robert M. Jessup Jr.

cc: Sharon G. Edmundson, Secretary of the Local Government Commission  
c/o Joe Futima  
Karen Jenkins, legislative staff ([Karen.Jenkins@ncleg.gov](mailto:Karen.Jenkins@ncleg.gov))  
(each by electronic mail)  
Also to [reports@ncleg.net](mailto:reports@ncleg.net)