



January 5, 2022

Fiscal Research Division
N. C. General Assembly, Suite 619
Legislative Office Bldg
300 N. Salisbury Street
Raleigh, North Carolina 27603-5925

Re: Stanly County – Liberty Hill Water Pump Station Upgrade Loan

Dear Fiscal Research Division Staff;

Stanly County is preparing to finance the relocation and upgrade of its current Liberty Hill water pump station. This pump station is a key asset in our water distribution system and enables the County to provide water to the fast growing western side of Stanly County.

The Liberty Hill pump station relocation and upgrade project was expedited as a result of Charlotte Pipe's recent decision to relocate its foundry operations to Stanly County. As such, Stanly County must have a pump station that can reliably provide water to this major private sector employer.

The new and improved pump station will be relocated to a larger parcel of land to the east of the current site. The County acquired the land fee simple at no cost.

The total cost of the project to include engineering and construction is estimated to be \$1,595,000. The County will seek financing bid options for a twelve (12), fifteen (15) and a twenty-year (20) year loan term. Once all of the bids are received the County will assess which amortization option is most financially viable to ensure the debt is appropriately serviced. The revenue generated from Charlotte Pipe's water purchases will satisfy the aforementioned debt service. Stanly County is currently working to secure financing from a local bank and anticipates a very, favorable interest rate given our strong financial position.

If you have any questions or would like additional information regarding the proposed loan please let me know. Thank you for your time and kind consideration of this critical infrastructure project in Stanly County.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Andrew M. Lucas'.

Andrew M. Lucas
County Manager

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