

DRAFT
MINUTES

**STATE OF NORTH CAROLINA
COUNTY OF HENDERSON**

**CANE CREEK WATER & SEWER DISTRICT
OCTOBER 2, 2006**

The Cane Creek Water & Sewer District Board met for a regularly scheduled meeting at 5:30 p.m. in the Commissioners' Conference Room of the Henderson County Office Building at 100 North King Street, Hendersonville, North Carolina.

Present were: Chairman Bill Moyer, Vice-Chairman Charlie Messer, Commissioner Shannon Baldwin, Commissioner Larry Young, Commissioner Chuck McGrady, County Manager Steve Wyatt, Assistant County Manager Justin B. Hembree, Assistant County Manager Selena Coffey, County Attorney Russ Burrell, and Clerk to the Board Elizabeth W. Corn.

Also present were: Planning Director Anthony Starr, Fire Marshal Rocky Hyder, Finance Director J. Carey McLelland, Deputy Clerk to the Board Terry Wilson, and Research/Grants Coordinator Amy Brantley.

Commissioner McGrady made the motion for the Board to convene as Cane Creek Water & Sewer District Board. All voted in favor and the motion carried.

Financing – Mud Creek Phase I Sanitary Sewer Line Project

Finance Director Carey McLelland informed the Board that included in the current fiscal year budget are funds to pay debt service for financing the Phase I construction of the Mud Creek Sanitary Sewer Line Project in the Cane Creek Water and Sewer District. Staff has requested proposals from financial institutions to finance this project and to also refinance the District's Rural Development loan. Attached, with the agenda, was a summary of the proposal received and a copy of the lowest responsive proposal from Bank of America Public Capital Corporation.

Staff presented a resolution to the Board of Commissioners for consideration concerning the proposed installment purchase contract financing for the Project and the refinancing. First, the resolution authorizes Staff to begin the negotiation of an installment purchase financing contract with Bank of America to finance \$3,178,000 over a 10-year term at a 3.73 annual interest rate to fund the design and construction of the Phase I Project at a total cost of \$2 million and to refinance the outstanding Rural Development loan principal balance of \$1,178,000. Refinancing this loan will save the District \$549,434 in interest expense. There is no prepayment penalty for paying the loan off in full at any time.

Second, the resolution makes the necessary findings to undertake and finance the Project and authorizes Staff to submit an application to the Local Government Commissioner for its required approval of the installment purchase contract financing.

And third, the resolution calls for a required public hearing on the financing documents to be held on the Board of Commissioner's October 18, 2006 meeting date at 11:00 a.m. and directs the Clerk to the Board to cause a notice of the public hearing to be published in a local newspaper with general circulation.

Commissioner McGrady made the motion to approve the resolution which will authorize the necessary actions to be taken to carry out the financing and set the required public hearing for the Board's October 18, 2006 meeting at 11:00 a.m. All voted in favor and the motion carried.

Adjourn

DATE APPROVED:

Commissioner McGrady made the motion for the Board to adjourn as Cane Creek Water & Sewer District Board and reconvene as Henderson County Board of Commissioners. All voted in favor and the motion carried.

Attest:

Terry Wilson, Deputy Clerk to the Board

William L. Moyer, Chairman