

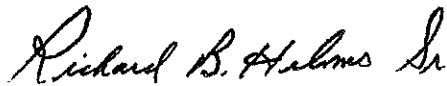
PUBLIC NOTICE

**Special Meeting of the Union County Water and Sewer District
Board of Governors**

**Monday, June 17, 2019
6:00 P.M.**

NOTICE IS HEREBY GIVEN that the Union County Water and Sewer District Board of Governors will hold a special meeting on Monday, June 17, 2019, at 6:00 p.m., in the Human Resources Training Room, Room #131, First Floor, Union County Government Center, 500 North Main Street, Monroe, NC 28112. The matters to be discussed during this special meeting shall include but not be limited to those items set forth on the attached agenda

During the special meeting, the Board may take such actions related to these matters as the Board deems appropriate and as per state law provided.



Richard B. Helms, Sr., Chair
Union County Water and Sewer District
Board of Governors

Union County Water and Sewer District Board of Governors
Monday, June 17, 2019
6:00 PM
Human Resources Training Room, Room 131
Union County Government Center
500 North Main Street
Monroe, North Carolina

www.unioncountync.gov

1. Appoint Deputy Finance Officers

BACKGROUND: G.S. 159-8 directs that no local government or public authority "may expend any moneys regardless of their source except in accordance with a budget ordinance or project ordinance adopted."

The pre-auditing of obligations, required by G.S. 159-28, is a principal legal mechanism for assuring compliance with the budget ordinance and each project ordinance. The pre-audit law provides that no obligation may be incurred in a program, function, or activity accounted for in a budget or project ordinance unless two requirements are met. First, the obligation must be authorized; that is, one of the ordinances must contain an appropriation to cover it. Second, the authorization must not be exhausted; sufficient unspent and unencumbered funds must remain in the appropriation to meet the obligation when it comes due. Only if both requirements are met is the obligation validly incurred.

Completion of this two-stage review is evidenced by placing the finance officer's certificate on the obligations. Having the deputy finance officer authorized to pre-audit obligations is important and such delegation will occur only with the approval of the District's finance officer and only when adequate internal controls are built into the payment procedures that are used.

Appointing Deputy Finance Officers will allow pre-audits to take place as necessary when the Water and Sewer District enters into Water and Sewer Services Extension Agreements in the future.

FINANCIAL IMPACT: Not applicable.

ACTION REQUESTED: Appoint Beverly Liles, Senior Accountant, and Deborah Cox, Controller to serve as "Deputy Finance Officers" in order to pre-audit obligations for Union County Water and Sewer District.

2. Union County Water and Sewer District's FY 2020 Operating Budget

BACKGROUND: The Proposed FY 2020 Operating Budget for the Water and Sewer District provides a balanced, fiscally sustainable

financial plan for the District.

The total recommended operating budget for FY 2020 is \$51,786,599 for the District operations and internal transfers. Additional information is provided in the resolution.

As required by State statute, a public hearing was conducted and public input received on June 3, 2019.

FINANCIAL IMPACT: Appropriation of \$51.8 million FY 2020 Operating Budget

ACTION REQUESTED: Adopt the Union County Water and Sewer District's Proposed FY 2020 Operating Budget Resolution

3. Deal Road Ventures Water and Sewer Extension Agreement Reimbursement

BACKGROUND: On February 28, 2019, the Water and Sewer Extension Agreement was amended between Union County and Deal Road Ventures in order to accommodate the incremental cost increase between the cost of the infrastructure needed for the development and the cost of the oversized infrastructure to meet future service needs. Approximately 220 lf (linear feet) of gravity sewer pipe was increased from 8-inch to a 24-inch which also included the steel casing pipe to be increased from a 16-inch to a 36-inch in order to cross under Weddington Road.

The amendment stated that the Union County Water and Sewer District shall reimburse the developer an amount not to exceed \$57,757.61 for the construction of Oversized Infrastructure. The reimbursement represents the incremental cost increase between the cost of the infrastructure required for the Development and the cost of the Oversized Infrastructure.

The UCWSD Water and Sewer Line Extension Agreements do not normally require reimbursement payments and therefore are not pre-audited by Finance. NC GS 159-28 does not allow for payment to be made without proper budget appropriation and without a prior pre-audit certification being applied to a contract. The attached resolution authorizes the payment to Deal Road Ventures, LLC with a prior pre-audit certificate in place.

FINANCIAL IMPACT: Appropriation of fund balance in the UCWSD Fund of \$57,758.

ACTION REQUESTED: Adopt Budget Amendment #1 for the Union County Water and Sewer District FY 2019 Budget and adopt a resolution authorizing payment to Deal Road Ventures, LLC.

4. Water and Sewer District Capital Reserve Fund

BACKGROUND: In accordance with the General Statutes of the State of North Carolina §162A-211(d) and Chapter 159, Article 3, Part 2, the System Development Fee Capital Reserve Fund (SDF

CRF) is hereby established for the purpose of allocating System Development Fees (formerly designated as Capacity Fees) to the costs of constructing capital improvements, professional fees, debt service for the construction or acquisition of capital improvements, and as System Development Fees (SDFs) may otherwise be allowed to be expended pursuant to applicable law. The scope, duration of the projects, and amounts appropriated in the SDF CRF will be based on future projects and revenue sources. The SDF CRF may be amended from time to time as SDFs are received.

The attached resolution for the SDF CRF establishes SDFs as a funding source and accounts for SDFs collected during FY 2019 for current and future projects as defined in the attached resolution.

Any projects that are allocated in the resolution that are not currently in progress will remain as restricted fund balance in the CRF until the funding is needed.

FINANCIAL IMPACT: \$4.7 million of system development fees will be appropriated as a financing source for the projects as defined in the attached resolution.

ACTION REQUESTED: Create a Water and Sewer District Capital Reserve Fund, adopt Resolution for the System Development Fee Capital Reserve and adopt Budget Amendment #2.

5. Approval of Minutes of Special Meeting of June 3, 2019

BACKGROUND: Draft minutes of the special meeting of the Board of Governors of the Union County Water and Sewer District have been provided to the Board of Governors for review and approval.

FINANCIAL IMPACT: N/A

ACTION REQUESTED: Approve minutes of special meeting of June 3, 2019.