CITY OF LENOIR

COUNCIL ACTION FORM

I. **Agenda Item:** Consideration of an Acceptance Resolution for additional funding for the Lenoir-Valdese Water Interconnect Project.

II. **Background Information:** N.C. General Statute 160A-460 through 160A-466, NC General Statute 160A-11 and N.C. General Statute 160A-322 authorize municipalities to enter into join undertaking to own and operate a public enterprise. N.C. General Statute 160A-311(2) defines a public enterprise to include water supply and distributions systems. N.C. General Statute 160A-274 authorizes governmental units such as Lenoir and Valdese to exchange with, lease to, lease from, sell to, or purchase from one another an interest in real or personal property upon such terms and conditions as the governmental units deem wise. Lenoir and Valdese operator water distribution systems. Valdese currently has available excess capacity of treated water sufficient to supply the request of Lenoir of up to 4,000,000 gallons per day.

The City of Lenoir received and has accepted a direct appropriation of $17,000,000 (less loan fees) through the NC General Assembly to fund the undertaking of a project to interconnect the Lenoir and Valdese water systems. This project has been identified for several years on the Utilities CIP. The City has applied for additional funding in the amount of $3,000,000 from the NC Department of Environmental Quality Division of Water Infrastructure. The State Water Infrastructure Authority has approved this additional funding amount (less loan fees).

III. **Staff Recommendation:** Staff recommends City Council approval of the Acceptance Resolution for the additional funding amount of $3,000,000 for the Lenoir-Valdese Water Interconnect Project.

IV. **Reviewed by:**

City Attorney: _____

Finance Director: _____

Public Works/Public Utilities Director: *Jeff Church*