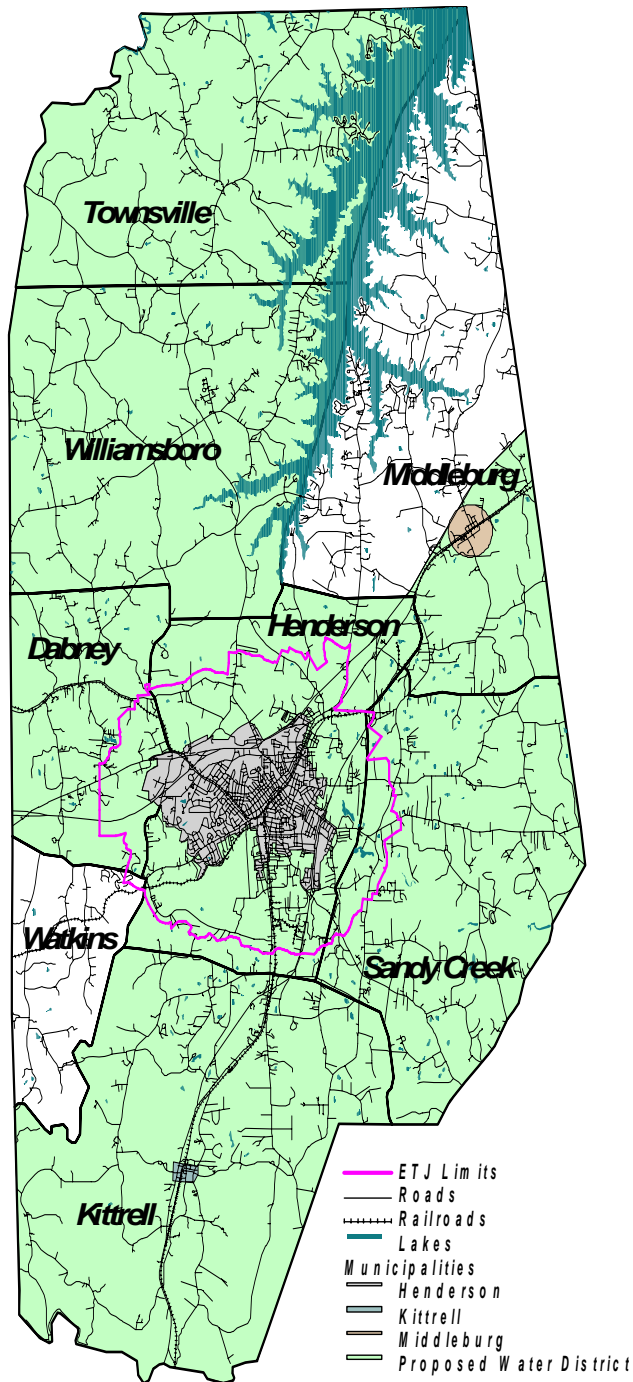


# VANCE COUNTY WATER DISTRICT



## I. District Organization

Vance County is hoping to establish a county water system to provide clean, safe, dependable drinking water to its rural residents. The first step in this process was taken on October 4, 2004 at a Board of Commissioners meeting when a Public Hearing was held. This Public Hearing resulted in the formation of the Vance County Water District. The territory of the Vance County Water District is encumbered by and within all areas of Vance County lying inside the Henderson, Sandy Creek, Kittrell, Townsville, Williamsboro and Dabney Townships, except for the incorporated municipalities of Henderson and Kittrell which are excluded from the Water District. A portion of the Middleburg Township is also part of the Water District including the incorporated municipality of Middleburg. This legally constituted and properly organized Water District has the authority to issue General Obligation and Revenue Bonds subject to the approval of voters in the Vance County Water District. A Bond Referendum is planned for the Spring of 2006 in support of the project.

## II. Water System Description

The Vance County Water District extends throughout Vance County (excluding the Watkins Township, the Town of Kittrell and City of Henderson incorporated areas and a portion of the Middleburg Township as described above). The population of the Water District is approximately 19,000 persons according to the 2000 Census Tract Data. The population is expected to increase in the future.

The Vance County Water District will be capable of providing water service to approximately 3,445 households. Water mains can be extended along roadway corridors where the housing density and the willingness of those residents to connect to the system meet the minimum requirement for financial feasibility. That is to

say where the expense to install the water main is justified by the amount of water used by the customers. With this in mind the proposed water system has the potential to include approximately 167 miles of water main throughout the Vance County Water District. Fire hydrants will be installed on all 6" diameter water mains and larger. The funding agency for the project, USDA-Rural Development, requires 80% of the residents along a proposed water main route to sign up for water service and agree to pay the Vance County Water District a minimum monthly water bill and any other portion of that water bill based upon the customers water usage at the prevailing District water rates.

It is hoped that the water for the Vance County Water District will be supplied by purchasing water from members of the Kerr Lake Regional Water System. Vance County is currently negotiating to purchase water from the City of Henderson. The Kerr Lake Regional Water System currently experiences an average water demand of 5.8 million gallons per day. The current capacity of the Kerr Lake Regional Water System treatment plant is 10.0 million gallons per day, however, this may be expanded to 20.0 million gallons per day in the future.

## III. Project Financing

Upon a successful Bond Referendum (planned for the Spring of 2006) Vance County will apply for Federal assistance from USDA-Rural Development for project funding in the form of loans and grants. It is anticipated that three phases of construction will be required for completion of the Vance County Water District. Each phase is expected to cost approximately \$6.0 million. It is anticipated that the Bond Referendum will be held for \$18.0 million to include all phases of water main construction.