

Issue Analysis Form

Date: June 25, 2018

Item: Reimbursement Resolution for Professional Engineering Services to design the Food Lion Water System Upgrade & Route 156 Water Main Extension

Lead Department: Engineering & Utilities



Contact Persons: Frank Haltom, Director

Description and Current Status

The FY 2019 Capital Improvement Program includes two utility projects, The Food Lion Water System Upgrade and the Route 156 Water Main Extension. The Food Lion water system will include an upgrade to the booster station and an approximately one-mile extension of the 12" water main to the booster station. This will allow the current well to be abandoned and provide adequate fire protection for the area.

The Route 156 Water Main Extension will extend water approximately 3 miles from the 12" water main at Mount Sinai Road to the existing 12" water main located at Pine Ridge Mobile Home Park. This extension will provide a looped water system that will enhance water quality and allow for redundancy in the event of a water main break.

Government Path

Does this require IDA action?

☐ Yes ☒ No

Does this require BZA action?

☐ Yes ☒ No

Does this require Planning Commission action?

☐ Yes ☒ No

Does this require Board of Supervisors action?

☐ Yes ☐ No

2 Draft Resolutions Provided for Consideration and Adoption:

1. Combined Resolution for: Budget Amendment and Appropriation of Funds to FY2018-19 AND award of contract to Dewberry Engineers, Inc. for \$500,000* for project design
2. Reimbursement Resolution to permit reimbursement of funds expended with future debt issuance*

*Appropriation and reimbursement resolution for estimated construction costs will be provided at a later date

Fiscal Impact Statement

CIP budget: Food Lion Water System Upgrades - \$2,100,000; Route 156 Water Main Extension - \$2,640,000;

Estimated costs: Food Lion Water System Upgrades - \$2,250,000; Route 156 Water Main Extension - \$2,640,000

The **design** of these projects is estimated to cost **\$500,000** (\$260,000 for the Food Lion Water System; and \$240,000 for the Route 156 Water Main Extension).

Prince George County Impact

The Food Lion Water System Upgrades will allow the current well to be abandoned and provide adequate fire protection for the area. The Route 156 Water Main Extension will provide a looped water system that will enhance water quality and allow for redundancy in the event of a water main break.

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 10th day of July, 2018:

Present:

Vote:

Alan R. Carmichael, Jr., Chairman
Donald R. Hunter, Vice-Chairman
Floyd M. Brown, Jr.
Marlene J. Waymack
T. J. Webb

A-4_

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION; AWARD OF CONTRACT AND BUDGET AMENDMENT AND APPROPRIATION (\$500,000 DESIGN OF ROUTE 156 WATER MAIN EXTENSION & FOOD LION WATER SYSTEM UPGRADE UTILITY PROJECTS)

WHEREAS, 2 Utility Projects were included in the adopted County-Wide CIP Plan for FY2019 known as the Route 156 Water Main Extension and Food Lion Water System Upgrade projects; and

WHEREAS, the design phase is recommended for completion by Dewberry Engineers, Inc., one of the County's currently contracted engineering service providers; and

WHEREAS, The total estimated cost for the design phase of these projects is \$500,000_ (\$240,000 for the Route 156 Water Main Extension; and \$260,000 for the Food Lion Water System Upgrade; and

WHEREAS, The amount of \$500,000 will be available with the spring 2019 bond issuance for these projects and their design; and

WHEREAS, Staff is requesting authorization for the County Administrator to enter into a contract with Dewberry Engineers, Inc. in the amount of \$500,000 to move forward with the design phase of these projects.

NOW, THEREFORE, BE IT RESOLVED That the Board of the Supervisors of the County of Prince George this 10th day of July, 2018, hereby authorizes the County Administrator to execute a contract with Dewberry Engineers, Inc. to complete the design phase of the Route 156 Water Main Extension and Food Lion Water System Upgrade projects in the amount of \$500,000;

AND BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 10th day of July, 2018, does hereby authorize and appropriate the following increase of funds within the 2018-2019 Budget, such line items increased as follows, which monies shall be expended for purposes authorized and approved by the Board of Supervisors of the County of Prince George:

FUND/ORGANIZATION

AMOUNT

Capital Improvement Fund (0311)

Revenues:

0311-40-900-8115-341401	Debt Proceeds	\$500,000
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Expenditures:

0311-04-104-3179-48405	CIP – Route 156 Water Main Extension	\$240,000
0311-04-104-3180-48406	CIP – Food Lion Water System Upgrades	\$260,000

A Copy Teste:

Percy C. Ashcraft
County Administrator

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 10th day of July, 2018:

Present:

Alan R. Carmichael, Chairman
Donald R. Hunter, Vice-Chairman
Floyd M. Brown, Jr.
Marlene J. Waymack
T. J. Webb

Vote:

A-4_

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

**RESOLUTION OF OFFICIAL INTENT TO REIMBURSE
EXPENDITURES WITH PROCEEDS OF BONDS
OR OTHER INDEBTEDNESS**

WHEREAS, the Board of Supervisors (the "Board") of the County of Prince George, Virginia (the "County") has determined to undertake two (2) Utility capital improvement projects to **Extend the Water Mains along Routes 156** and to **Improve the Food Lion Water System** and will enter into the **design phases** of these projects in FY2019 (the "Purchase");

WHEREAS, the Board currently expects that the cost of the Purchase, excluding the costs of the financing thereof, will be approximately \$500,000;

WHEREAS, the Board currently expects to incur long-term indebtedness in an amount now estimated at \$500,000 to pay a portion of the costs of the Purchase (design), which indebtedness may take the form of tax-exempt bonds or other types of debt; the proceeds of such indebtedness may be used either for paying costs of the Purchase directly or for repaying other indebtedness previously incurred for the Purchase or for a combination of such purposes; and

WHEREAS, the County may also advance its own funds to pay expenditures relating to the Purchase (collectively, the "Expenditures") prior to receiving reimbursement for such Expenditures from the proceeds of tax-exempt bonds or taxable debt, or both;

THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County as follows:

1. The County intends to utilize the proceeds of tax-exempt bonds or notes (the "Bonds") or to incur other debt to pay Purchase costs in an amount not currently expected to exceed \$500,000.

2. The County intends that the proceeds of the Bonds be used to pay or reimburse the County for the payment of Expenditures made after the date of this Resolution or made within 60 days prior to the date of this Resolution or Expenditures which are incurred for certain preliminary costs such as architectural, engineering, surveying, soil testing, bond issuance expenses and the like. The County reasonably expects on the date hereof that it will pay or reimburse the Expenditures with the proceeds of the Bonds or other debt.

3. Each Expenditure will be, unless otherwise approved by bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, or (c) a nonrecurring item that is not customarily payable from current revenues.

4. The County intends to make a reimbursement allocation, which is a written allocation by the County that evidences the County's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Purchase is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The County recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, and certain de minimis amounts.

5. The Board intends that the adoption of this Resolution confirms the "official intent" of the County within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

6. The County Administrator and other officers of the County are hereby authorized and directed to take such actions, in consultation with the County's counsel, as may be necessary or desirable to implement the planning and structuring of the Bonds, including but not limited to negotiations with lenders or investment bankers for the Bonds, the selection of bond counsel to supervise the issuance of such Bonds and the engagement of such other professionals as may be necessary or desirable to assist the County in this process, but such officers shall not obligate the County on such Bonds without further approval by the Board.

7. This Resolution shall take effect immediately upon its passage.

A Copy Teste:

Percy C. Ashcraft
County Administrator