

State Water Infrastructure Authority
Meeting Date: April 13-14, 2022
Agenda Item I – Emergency Operating Grant for Town of Kingstown

Division of Water Infrastructure Staff Report

Background

G.S. 159G-32(d)(6) and 159G-34.5(a)(4) enable DEQ to make funds available from the Viable Utility Reserve (VUR) for emergency operating grants (EOGs) for operating deficits at local government units that have been taken over by the Local Government Commission (LGC) and do not have sufficient revenue to pay operating expenses.

The Town of Kingstown was designated distressed during the State Water Infrastructure Authority's November 2020 meeting, and Kingstown's finances were taken over by the LGC, pursuant to G.S. 159-181, in December 2020.

The Division of Water Infrastructure received a request for a \$128,000 EOG for Eureka, dated April 5, 2022. This request will primarily be used for Kingstown to pay arrears to the City of Shelby for outstanding charges for operation, maintenance and repair of the Kingstown sewer system since 2010.

The town's sewer bill for 5,000 gallons is \$67.00, and rates cannot be raised to generate sufficient revenue. Pursuant to G.S. 159G-31(e), the LGC has applied for an emergency grant for operating deficits on behalf of the Town of Kingstown.

Staff Recommendation

Division staff recommend the award of a \$128,000 emergency operating grant to the Town of Kingstown for operating deficits.

North Carolina Department of Environmental Quality

Division of Water Infrastructure

Application for Emergency Grants for Operating Deficit



(Last updated: September 2019)

1. General Information

Applicant Name	County
Town of Kingstown	Cleveland

Fiscal Year(s) for which Assistance is Being Requested	Total Funding Requested
21-22	\$128,000

Applicant Type

<input type="checkbox"/> Municipality	<input type="checkbox"/> Sanitary District
<input type="checkbox"/> County	<input type="checkbox"/> Metropolitan Sewerage or Metropolitan Water District
<input type="checkbox"/> Water and Sewer Authority	<input checked="" type="checkbox"/> Local Government Commission (on behalf of a distressed unit)
<input type="checkbox"/> Water and Sewer District	

Funding Type(s) Requested

Emergency Grant for Operating Deficits

Drinking Water Utility

Wastewater Utility

Joint Drinking Water and Wastewater Utility

2. System Parameters

Residential Sewer Connections	Residential Water Connections
272	NA
Non-Residential Sewer Connections	Non-Residential Water Connections
	NA
Sewer Bill per 5,000 gallons	Water Bill per 5,000 gallons
\$74	NA

3. Authorized Representative Information

Authorized Representative Name: Sharon Edmundson

Title: Deputy Treasurer, State and Local Government Finance, NCDST

Mailing Address Line 1: 3200 Atlantic Ave Longleaf Building

Mailing Address Line 2:

City: Raleigh **State:** NC **Zip Code:** 27604

Phone Number: 919-814-4289 **E-Mail Address:**
sharon.edmundson@nctreasurer.com

4. Application Contact Information (if different than Authorized Representative)

Contact Name: Ann Cutler

Title: Finance Officer, Town of Kingstown

Mailing Address Line 1: 3200 Atlantic Ave, Longleaf Building

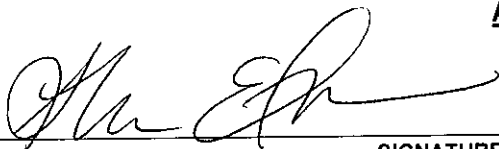
Mailing Address Line 2:

City: Raleigh **State:** NC **Zip Code:**
27604

Phone Number: 919-268-0395 **E-Mail Address:** ann.cutler@nctreasurer.com

5. Additional Information			
Other revenue of \$50,000 is from Directed State Grant			
6. Financial Information			
	Fiscal Years		
	21-22		
Sources of Funds			
Beginning cash	22562		
Customer Charges	137700		
System Development Fees	0		
Other Revenue	50,000		
Transfer from other funds	0	---	---
Total Sources of Funds	210262	---	---
Uses of Funds			
<i>Administration</i>			
Outstanding payables - Administration			
Salaries			
Other			
<i>Operations</i>			
Outstanding payables - operations	178,000		
Salaries	0		
Other	160262		
<i>Other Uses of Funds</i>			
Debt principal			
Interest			
Capital outlay			
Capital reserve			
Transfer to other funds			
Other (list):		---	---
Total Uses of Funds	338262	---	---
Estimated Net cash position [<i>Should align with funding request</i>]	(128,000)	---	---

Application Signature



SIGNATURE OF AUTHORIZED REPRESENTATIVE

Sharon Edmundson
TYPED NAME

Deputy Treasurer, SLGFD
TYPED TITLE

4/5/2022
DATE