



# Town of Blowing Rock

**Date:** Tuesday, February 28, 2023, 5:00 p.m.

**Location:** 1036 Main Street, Blowing Rock, NC 28605

## Special Meeting Agenda

<i>Item</i>		<i>Present &amp; Participants</i>
<b>I.</b>	<b>CALL TO ORDER – ROLL CALL FOR ATTENDANCE</b>	Mayor Charles Sellers
<b>II.</b>	<b>PLEDGE OF ALLEGIANCE</b>	Mayor Charles Sellers
	<b>APPROVAL OF SPECIAL MEETING AGENDA</b>	Mayor Charles Sellers
<b>III.</b>	<b>REGULAR AGENDA:</b>	
	<b>1. Water Meter Bid Results</b>	Matt Blackburn, Public Works Director
	<b>2. Water Meter Financing Bid Results</b>	Nicole Norman, Finance Director
<b>IV.</b>	<b>ADJOURNMENT/RECESS...<i>Mayor Charles Sellers entertains a motion and second to adjourn or recess the meeting.</i></b>	



# Town of Blowing Rock

February 24, 2023

RE: AMI Water Meter RFQ

On December 20<sup>th</sup> the Town of Blowing Rock submitted a request for qualifications (RFQ) for the installation of an AMI water meter system. The scope of this request included the design, furnishment, and installation of all meters and additional infrastructure required for the transmission and receiving of data provided by the AMI system. In addition to providing water meter readings for utility billings, the Town also requested that proposed systems provided for usage management, endpoint alarm handling, and a customer portal to allow account holders to view real time water usage data. The deadline for the Statement of Qualifications was the 25<sup>th</sup> of January 2023.

The Statement of Qualifications from the submitting firms were to include at a minimum:

1. Submitting firm's name, address, and brief history including technical qualifications
2. Services to be provided by submitting firm.
3. Percentage of work projected to be completed by subcontractors.
4. Submitting firm's understanding of proposed project and approach to delivering requested services.
5. Related experience to include:
  - a. Projects of relevant nature and scope, with date of completion
  - b. Resumes of key personnel qualified to perform items outlined in the referenced scope of work.
  - c. An organizational flow chart of the project manager and key personnel assigned to the project.
  - d. References with current contact on projects with similar size and scope
6. Schedule with key milestones indicating project progression.

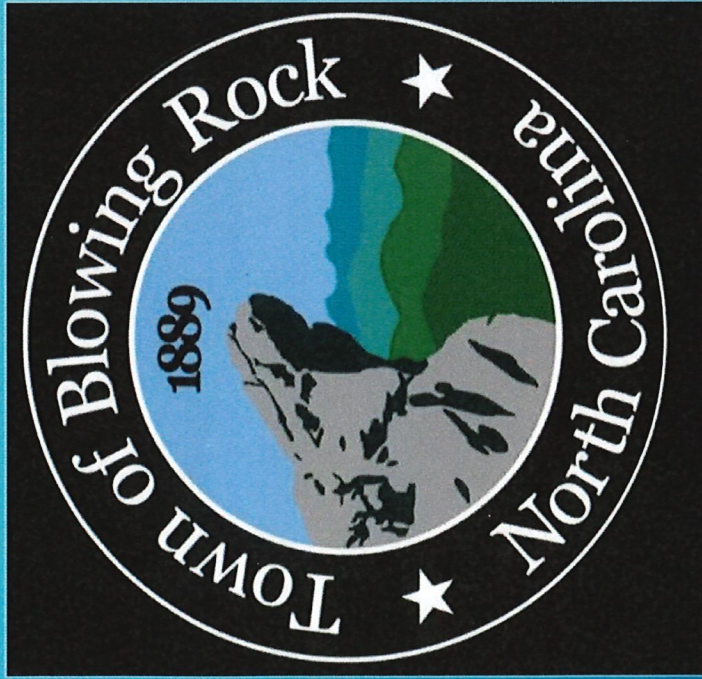
Qualifications were judged based on submitting firm's ability to meet the needs of the Town for the design, furnishing, installation, programming, and training process for the requested AMI system. The Town used a weighted scoring system in the review of all RFQs.

1. Firm and Individual Qualifications (30%)
2. Experience Considerations (30%)
3. Projected timeline of project implementation (20%)
4. References (20%)
5. Price- Cost estimates were provided by most firms, however, this was not included in the scoring of the RFQ nor was the main factor in the selection process.

The Town received 5 responses to the Request for Qualifications. The five companies that responded were:

- Core & Main: Neptune Meters
- Miller Supply: SET/Diehl Meters
- Fortiline: Kamstrup Meters
- Water Works: Muller Meters
- Ferguson: Sensus Meters

The Town reviewed all RFQ's and selected, based on the Town's opinion, the most qualified firm that seemed best suited to provide a reliable AMI network. All RFQ's were reviewed and scored individually by the Public Works Director, Public Works Superintendent, Finance Director, and Utility Billing Coordinator. Once scoring from these individuals was completed, a tally sheet was created showing the overall score for each firm. After careful consideration and review of all proposals, it is our recommendation to proceed with a contract with Fortiline Waterworks for a Kamstrup AMI water meter system. After many conversations with listed references and industry professionals, we believe the response proposed by Fortiline will provide the Town with the best product and highest level of customer service. The Kamstrup solution will reduce our water loss, be the easiest AMI system to implement and use, and will require less maintenance than other systems.



# WATER METERS

▶ Increased customer service

With the detailed usage data available in an AMI system, customer service representatives have immediate access to consumers' consumption information. When a customer calls with a high-water bill complaint, the customer service rep can give a complete picture of how and when water is being used. The ability to communicate this level of information to the customer not only adds validity to the accuracy of the meter, it makes for superior customer relationships when you can quickly resolve their questions.

▶ Help identify and pinpoint losses

System can detect and "flag" meters that show evidence of a leak. Flags can include high flow alarms or continuous usage alarms. This allows customer service representatives and field operations staff to more quickly diagnose problems at the consumer level.

## BENEFITS OF THE AMI SYSTEM

## AMR/AMI METERING TIMELINE

- ▶ **2011** – First conversations with metering companies exploring AMR technology
- ▶ **2012** – Entered into a pilot program with Hersey Meters using their HofRod AMR system. Pilot included approximately 150 meters
- ▶ **2016** – Explored options with Neptune on upgrading to AMR/AMI technology
- ▶ **2017** – Briefly looked into the possibility of partnering with Blue Ridge to read water meters through power meters. Our first propagation study was completed by Neptune
- ▶ **2018** – Entered into an AMI pilot program with Metron and Verizon utilizing cell signal to obtain meter readings
- ▶ **2019** – Updated propagation study completed by Neptune
- ▶ **2022-December** – RFQ's requested.
- ▶ **2023-January**- RFQ's received. 5 companies responded
  - ▶ Core & Main: Neptune
  - ▶ Fortiline: Kamstrup
  - ▶ Miller Supply: SET/Diehl
  - ▶ Water Works: Muller/Hersey
  - ▶ Ferguson: Sensus



# Town of Blowing Rock RFQ Review Sheet

## Tally Sheet

Scores based on a 0-5 scale

1. Firm and Individual Qualifications	Core & Main	Ferguson	Water Works	Fortline	Miller Supply
<b>Average Score</b>	4.75	2.25	4.00	4.75	4.00
2. Experience Considerations	Core & Main	Ferguson	Water Works	Fortline	Miller Supply
<b>Average Score</b>	4.50	1.50	3.75	4.75	3.25
3. Projected timeline of Project Implementation	Core & Main	Ferguson	Water Works	Fortline	Miller Supply
<b>Average Score</b>	3.50	0.00	3.25	4.25	1.75
4. References	Core & Main	Ferguson	Water Works	Fortline	Miller Supply
<b>Average Score</b>	4.00	3.25	3.75	4.75	3.25

## CRITERIA SCORES

	WEIGHT	CORE & MAIN WEIGHTED SCORE	FERGUSON WEIGHTED SCORE	WATER WORKS WEIGHTED SCORE	FORTLINE WEIGHTED SCORE	MILLER SUPPLY WEIGHTED SCORE
1. Firm and Individual Qualifications	0.30	1.43	0.68	1.20	1.43	1.20
2. Experience Considerations	0.30	1.35	0.45	1.13	1.43	0.98
3. Projected timeline of Project Implementation	0.20	0.70	0.00	0.65	0.85	0.35
4. References	0.20	0.80	0.65	0.75	0.95	0.65
<b>Total Score</b>	1.00	4.28	1.78	3.73	4.65	3.18



# AMI IMPLEMENTATION SCHEDULE

## Weeks 1-4

- Town issues PO for meters
- Fortiline orders meters, collectors, lids, and software
- Secure FCC licensed frequencies
- Contact utility billing software to interface with utility billing, Kamstrup, and H2O
- H2O Analytics receives route file for meter installation software
- Build READY manager USA database
- Project kickoff meeting
- Prepare collector sites
- Meters, collectors and lids delivered to the Town
- Confirm installation date for collectors and acceptance testing
- Install a few meters for interface testing

## Weeks 5-8

- Secure SIM Cards
- Large meter inventory and parts list
- Non-Standard residential meter inspection and parts list
- Training on software
- Software installed and ready for use
- Order parts for large meters and non-standard meters
- Collectors installed and test meters commissioned
- Schedule large meter installations

## Weeks 9-42

- Verify residential meter ETA, schedule installations
- Notice to proceed issued for network acceptance and meter installation
- Residential meter installation
- Punch list of remaining meters reviewed and resolved
- Fortiline supplies system acceptance litter for the Town of Blowing Rock signature





- Home
- Meters
- Analysis
- Operation
- Configuration

Info codes

- Infrastructure
- Performance reporting
- Performance overview
- Notifications
- Consumption alerts
- Audit log
- Meter configuration

Only show  Only high priority  Only active info codes

Start date: 12/26/2022

End date: 1/26/2023

Update

Export list

Reading time	Address	ZIP code	City	Serial number	Info code	*Meter Group	Info code (historical)
1/26/2023 12:00 AM	456 N MARSHAM ST	26757	ROMNEY	26079670	▲ Leak	Route 03	Route 03
1/26/2023 12:00 AM	472 N HIGH ST	26757	ROMNEY	21984459	▲ Leak, Low ambient temp.	ROUTE 3A	ROUTE 3A
1/26/2023 12:53 PM	25072 NORTHWESTERN PK	26757	ROMNEY	21984450	▲ Reverse, Low ambient temp.	Route 03	Route 03
1/26/2023 12:00 AM	496 N BOLTON ST	26757	ROMNEY	26080409	▲ Dry	Route 03	Route 03
1/26/2023 12:00 AM	185 S GRAFTON ST	26757	ROMNEY	21984453	▲ Dry	Route 02	Route 02
1/26/2023 12:00 AM	62 W MAIN ST	26757	ROMNEY	26079891	▲ Low ambient temp.	Route 03	Route 03
1/26/2023 12:00 AM	505 FIRST ST	26757	ROMNEY	26080368	▲ Low ambient temp.	Route 03	Route 03
1/26/2023 12:00 AM	663 W SIOUX LN	26757	ROMNEY	26080360	▲ Low ambient temp.	Route 03	Route 03
1/26/2023 12:00 AM	860 LEONARD LN	26757	ROMNEY	26080358	▲ Low ambient temp.	Route 03	Route 03
1/26/2023 12:00 AM	93 VALLEY ST	26757	ROMNEY	26080354	▲ Low ambient temp.	Route 03	Route 03
1/26/2023 12:00 AM	344 WOODLAND WAY	26757	ROMNEY	26080350	▲ Low ambient temp.	Route 02	Route 02
1/26/2023 2:40 AM	175 VALLEY ST	26757	ROMNEY	21870891	▲ Low ambient temp.	Route 03	Route 03
1/26/2023 12:29 AM	125 ARMSTRONG ST	26757	ROMNEY	26080347	▲ Low ambient temp.	Route 03	Route 03
1/26/2023 12:00 AM	467 EVERETT PL	26757	ROMNEY	26080346	▲ Low ambient temp.	Route 03	Route 03
1/26/2023 12:00 AM	398 EVERETT PL # APT B	26757	ROMNEY	26080345	▲ Low ambient temp.	Route 03	Route 03
1/26/2023 12:00 AM	452 WASHINGTON ST	26757	ROMNEY	26080344	▲ Low ambient temp.	Route 03	Route 03
1/26/2023 12:00 AM	399 ELK PL	26757	ROMNEY	26080342	▲ Low ambient temp.	Route 03	Route 03
1/26/2023 12:00 AM	335 DEPOT VALLEY RD	26757	ROMNEY	26080340	▲ Low ambient temp.	Route 02	Route 02
1/26/2023 12:00 AM	150 E GRAVEL LN	26757	ROMNEY	26080336	▲ Low ambient temp.	Route 02	Route 02
1/26/2023 12:00 AM	320 WOODLAND WAY	26757	ROMNEY	26079893	▲ Low ambient temp.	Route 02	Route 02
1/26/2023 12:00 AM	307 WOODLAND WAY	26757	ROMNEY	26079896	▲ Low ambient temp.	Route 02	Route 02
1/26/2023 12:00 AM	307 WOODLAND WAY	26757	ROMNEY	26079900	▲ Low ambient temp.	Route 02	Route 02

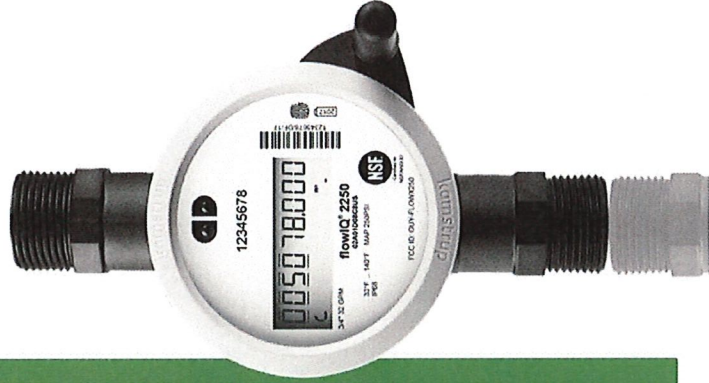
Info codes: 302

System tray area containing icons for Windows, taskbar, and system status. Time: 2:59 PM, Date: 1/26/2023.

Data Sheet

**flowIQ® 2250**

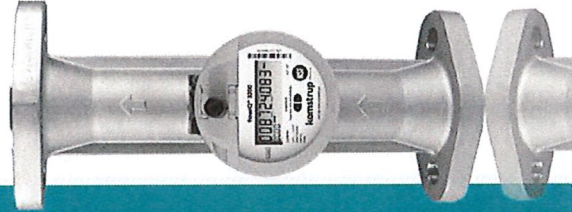
- Dual band radio
  - AMR (Walkby/drive-by)
  - AMI (Fixed network)
- Ultrasonic measurement
- Pinpoint accuracy
- 20 year longevity
- Dual temperature measurement
- IP68 Vacuum sealed construction
- Lead free and certified to NSF/ANSI 61
- Flow measurement in display
- Hourly log



Data sheet

**flowIQ® 3200**

- Dual band radio
  - AMR (Walk-by/drive-by)
  - AMI (Fixed network)
- Ultrasonic measurement
- Sustainable measurement accuracy
- IP68 Vacuum sealed construction
- Leadfree and certified to NSF/ANSI 61
- Flow measurement in display



### Display and info codes



The large display with totalized volume, flow rate and intuitive info codes on flowIQ® 3200 makes it easy for end users to understand their own consumption data.

flowIQ® 3200 includes a large number of intelligent info codes and alarms. An info code indicates a special condition in the meter. If the info code is available in the display, the related symbol is on when it has been activated. If the 'condition' is not active, the sign is OFF. The info codes provide you with the exact knowledge you need to target your efforts within operations optimization, customer information, water loss and tampering. The info codes in the display have the following meaning and function:

Info code	Meaning
	Water in the meter has not been stagnant for one continuous hour during the latest 24 hours. This can be a sign of a leaky faucet or toilet cistern or indicate a leakage after the meter.
	The water consumption has been consistently high for half an hour, which indicates a pipe burst.
	Attempt of fraud. The meter is no longer valid for billing.
	The meter is dry. In this case nothing will be measured.
	The water flows through the meter in the wrong direction.
	RADIO OFF flashes. The meter is still in transport mode with the built-in radio transmitter turned off. The transmitter turns on automatically on the first time water runs through the meter.
	RADIO OFF lights permanently. The radio is switched off permanently. Can be activated via METER TOOL.
	The symbol appears when the expected capacity left is 6 months or less.

- Switch off automatically when the condition that activated them no longer exists.
- Disappears when the water has been stagnant for one hour.
- Disappears when the consumption falls to normal level.
- Disappears when the water no longer flows in the wrong direction.
- Disappears when the meter is filled with water.



# Town of Blowing Rock

1036 Main Street ★ Post Office Box 47 ★ Blowing Rock, North Carolina 28605

To: Mr. Shane Fox, Mayor Sellers, and Members of Town Council  
From: Nicole Norman, Finance Officer  
Subject: Town of Blowing Rock Advanced Meter Infrastructure (AMI) Project Funding Approval (Financing Resolution) & Local Government Commission (LGC) Preliminary Findings Resolution  
Date: February 28, 2023

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Following a Request for Qualifications (RFQ) process conducted by the Public Works Director and a selection process was complete and a vendor recommendation was made, final pricing was received with a **not to exceed project cost of \$1,200,000**. Upon receipt of cost information bank financing proposals were solicited from both local and regional banks in conjunction with our financial advisors, First Tryon Advisors.

On February 23, 2023, bank bids were received to issue the final debt. Approximately 30 banks received the request for financing proposals with bids received from 8 institutions including Key Government Finance, First Horizon Bank, United Community Bank, Cogent Bank, Santander Bank, First National Bank, Truist Bank & Signature Public Funding. Rates offered ranged from 3.8330- 4.7040%, all providing 10-year financing term offers.

Following an analysis of proposals as well as initial discussions of offers with the Local Government Commission (LGC), the recommended award is to **Key Government Finance at a rate of 3.8330% and a term of 10 years**, with a fixed rate and call option after 1 initial year of the loan (in 2024) with no penalty and no closing fee (will have fees for: LGC & Financial Advisor services). Following Town Council consideration of the proposal, the LGC will consider the financing for final approval at their April 4, 2023, regular meeting. Should final approval be received, the loan would be scheduled for closing on or before April 11, 2023.

To proceed with issuance of the debt it is necessary for Town Council to adopt the enclosed financing resolution accepting the financing proposal submitted by Key Government Finance as well as the enclosed Preliminary Findings Resolution as part of the initial phase of the Local Government Commission (LGC) application.

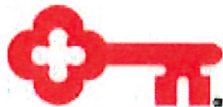
Enclosures:

- Preliminary Findings Resolution
- Key Government Finance Financing Proposal
- Bids Summary

**Town of Blowing Rock, North Carolina**  
 2023 Installment Purchase Financing (AMI Infrastructure)  
 Summary of Bids Received  
 February 23, 2023

Bank	Rate	Fees	Effective Rate	Prepayment	Additional Terms
Key Government Finance	3.8330%	\$0	3.8330%	After 1 year @ Par In Full Only Partial Prepay Available Upon Request	Must be accepted by February 28th for a closing by April 29th Kutak Rock would serve as bank counsel Escrow Fund is available at Town's request. (earnings credited to Town) 30/360 Interest Day Count convention is referenced
First Horizon	3.9900%	\$2,500	4.0352%	Anytime @ Par	Proposal expires on March 23rd Must close by April 30th Subject to taxability due to tax law changes
United Community Bank	4.2400%	\$107 Plus Out-of- Pocket Expenses	4.2419%	Anytime @ Par In Full or in Part	Must close by April 1st Audits due within 120 days of fiscal year end Must maintain deposit accounts with the bank Financing proceeds must be held at the bank
Cogent Bank	4.2900%	\$0	4.2900%	Any Payment Date @ 101% In Full Only	Must be accepted by February 28th Must close by March 22nd Proceeds may be held at Cogent Bank if desired (not required)
Santander Bank	4.3100%	\$2,000	4.3462%	After 3 years @ Par	Rate valid through May 24th Funds to be deposited into Escrow Agreement with TMI Trust Company
First National Bank	4.4000%	\$0	4.4000%	Anytime @ Par	Rate is guaranteed for 60 days (through April 24th) Audits due within 120 days of fiscal year end Must executed Business Loan Agreement at closing
Truist Bank	4.5500%	TBD	4.5500%	Any Payment Date @ 101% In Full Only	Must be accepted by February 28th Must close by March 31st Funds must be deposited at Truist (currently earning 3.50%)
Signature Public Funding	4.7040%	\$0	4.7040%	Any Payment Date @ 101%	Must be funded by March 23rd Subject to taxability due to tax law changes Proceeds to be held at the bank, interest earnings not credited to Town





## Town of Blowing Rock, NC

### Installment Purchase Financing Summary of Terms and Conditions February 23, 2023

*This Financing proposal is provided for discussion purposes only and does not represent a commitment from Key Government Finance, Inc. ("KGF"). This proposal and its terms are submitted on a confidential basis and shall not be disclosed to third parties (other than the Borrower's officers, directors, employees and advisors charged with reviewing and/or implementing the transactions contemplated hereby) without KGF's consent. This proposal is intended as an outline of certain material terms of the Facility and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions which would be contained in definitive documentation for the Facility contemplated hereby.*

Key Government Finance, Inc., ("Lender") is pleased to provide the following term sheet for a direct purchase financing structure to the Town of Blowing Rock, NC.

<b>Lender:</b>	Key Government Finance, Inc. ("Lender").
<b>Borrower:</b>	Town of Blowing Rock, NC (the "Town" or "Borrower").
<b>Issue:</b>	Installment Purchase Contract (the "2023 IPC" or "IPC").
<b>Tax Status:</b>	Tax-Exempt – Bank Qualified
<b>Facility:</b>	Direct Purchase of the 2023 IPC by the Lender.
<b>Amount:</b>	~\$1,200,000
<b>Use of Proceeds:</b>	The proceeds of the 2023 IPC will be used to finance 1) the purchase and installation of ~2,300 advance metering infrastructure (AMI) technology equipped water meters, 2) technology enhancements to the Town's Water Billing system, and 3) customer dashboard technology (the "Project").
<b>Drawdown:</b>	All funds will be drawn down at closing.
<b>Final Maturity Date:</b>	February 1, 2033
<b>Repayment:</b>	Annual level principal payments plus interest payments due on February 1, commencing on February 1, 2024.
<b>Facility Term:</b>	The estimated closing date for the Facility is sixty (60) days from award. The Lender will purchase and hold the Facility until the Final Maturity Date.

**Interest Rate Lock:** At the Borrower’s request, the Lender can provide an interest rate lock option (“Interest Rate Lock”) good through an April 29, 2023 closing date. The Interest Rate Lock will require a two-party e-mail confirmation between Lender and Borrower to confirm the terms of the Interest Rate Lock as provided by Lender. If the Interest Rate Lock confirmation is not received by Lender within the specified time, or the Facility closes after the agreed upon lock period, the final interest rate will be subject to index between the proposal date and the closing date based on the change in the KeyCorp Cost of Funds index.

Based on market conditions as of February 21, 2023, the Interest Rate Lock option is quoted below. Any revision to the amortization that increases the average life of the financing may result in a re-pricing of the Interest Rate Lock provided.

This Interest Rate Lock needs to be accepted by the Borrower no later than February 28, 2023 and would be valid for closing on or before April 29, 2023.

If the transaction does not close, the Town will not pay a termination fee on the rate lock, it will just expire. If the Borrower needs more time to accept the rate lock, please inform the Lender and we can request an extension to meet the new timeframe.

Interest Rate Lock		
	Weighted Average Life (Months)	Tax-Exempt Interest Rate
2023 IPC	63	3.833%

**Interest Day Count:** 30/360.

**Up-Front Fee:** \$0

**Costs of Issuance:** Lender plans to use Kutak Rock LLP as outside legal counsel. *Lender will pay Kutak’s Fee.* Attorney contact information is provided below:

Andrew Romshek Kutak Rock LLP 1650 Farnam Street Omaha, NE 68102 (402) 231-8797 <a href="mailto:Andrew.Romshek@KutakRock.com">Andrew.Romshek@KutakRock.com</a>	Bradley Nielsen Kutak Rock LLP 650 Farnam Street Omaha, NE 68102 (402) 231-8780 <a href="mailto:bradley.nielsen@KutakRock.com">bradley.nielsen@KutakRock.com</a>
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**Prepayment:** The Facility may be prepaid in whole, but not in part, any time at par plus accrued interest, beginning one year after closing. Partial prepayment may be available upon request.

**Security:** The 2023 IPC will be secured by an interest in the Project. Payments will be subject to annual appropriation.

**Escrow Account:** Escrow funding is available at the Lessor’s request. There will be no charge to the Lessee for the Escrow Account and earnings will be for the benefit of the Lessee. Once a disbursement is requested, funding to occur within 3 business days

**Financial Reporting:** Borrower shall provide directly to the Lender:

1. Annual audited financial statements including operating statistics within 270 days of Borrower’s fiscal year end.

**Default Rate:** 3% above the current interest rate for any outstanding payments in default, upon the occurrence of a payment default longer than 90 days, the default interest rate shall apply to all outstanding principal, until the payment default has been cured.

**Event of Taxability and Gross-Up Rate:** Usual and customary language for transactions of this nature. In the Event of Taxability, the tax-exempt interest rate would convert to the taxable interest rate. The Taxable Rate will be 4.852%.

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**Increased Cost:** No increased cost provisions will be required by the Lender.

**Documents:** All documents shall be attorney prepared and in a form and substance acceptable to the Lender and its legal counsel, including legal opinions customary for transactions of this nature. Town counsel will provide a Validity Opinion regarding the legality, validity, and enforceability of the Facility and a Tax Opinion regarding the tax-exempt nature of the interest earnings on the financing.

No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Agreement shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation.

**Credit Approval:** Lender has received a positive pre-screen approval for this transaction. The estimated amount of time required to obtain final credit approval is 1-3 business days after receipt of formal award assuming timely receipt of additional information, if any.

**Conditions Precedent to Closing:** Borrower's obligation will be subject to such terms and conditions that Lender may require with respect to this transaction, or as are customarily required with respect to similar credits and as set forth in the facility documents. Without limitation, such terms and conditions shall include:

1. Absence of Default.
2. Accuracy of Representations and Warranties.
3. Negotiation and Execution of satisfactory closing documents.
4. Absence of material adverse change in financial condition of Borrower during the period from the date hereof to the Closing Date.
5. Formal credit approval by the Lender.
6. If funds have not been formally appropriated for the first year's payments, prior to closing, the lease we will require board resolution (or minutes) evidencing formal approval of the acquisition, the contents of which shall indicate an intent to appropriate or formally fund payments related to the acquisition.

**Firm Experience:** The Lender is a subsidiary of KeyBank, N.A. KGF's portfolio consists of over \$5 billion of tax-exempt and taxable leases, loans, and bonds for municipalities, not-for-profits, and manufacturers across the United States.

**Other:** The Lender will make a loan by purchasing the 2023 IPC under the following additional conditions: (i) the 2023 IPC is not being registered under the Securities Act of 1933 and is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) the Lender will hold the 2023 IPC as one single debt instrument; (iii) no CUSIP numbers will be obtained for the 2023 IPC; (iv) no final official Statement has been prepared in connection with the private placement of the 2023 IPC; (v) the 2023 IPC will not close through the DTC or any similar repository and will not be in book entry form; and (vi) the 2023 IPC is not listed on any stock or other securities exchange.

**Expiration Date:** February 28, 2023

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### Proposal Acceptance/Expiration

This proposal is issued in reliance upon the accuracy of all information presented by you to us and is contingent upon the absence of any material adverse change in your condition, financial or otherwise, from the condition as it was represented to us at the time of this proposal. This proposal is subject to our formal approval and the execution of documentation acceptable to each of us. **IT IS NOT A COMMITMENT BY US TO ENGAGE IN THIS TRANSACTION.**

(a) Key Government Finance (“KGF”) is not recommending an action to you as the municipal entity or obligated person; (b) KGF is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to you with respect to the information and material contained in this communication; (c) KGF is acting for its own interests; and (d) you should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

KGF (i) is an entity directly or indirectly controlled by a bank or under common control with a bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, and (ii) the present intent of KGF, is to hold the municipal securities to maturity or earlier redemption or mandatory tender. Any placement agent, broker or financial advisor may rely upon the representations and warranties contained in this paragraph.

Lender notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, as amended and supplemented) (the “Patriot Act”), that Lender is required to obtain, verify and record all information that identifies Borrower, which information includes the name and address of Borrower and other information that will assist Lender to identify Borrower in accordance with the Patriot Act.

Lender acknowledges that, in connection with Borrower’s compliance with any continuing disclosure undertakings (each, a “Continuing Disclosure Agreement”) entered into by Borrower pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the “Rule”), Borrower may be required to file with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system, or its successor (“EMMA”), notice of its incurrence of its obligations under this Facility and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with this Facility, in each case including a description of the material terms thereof (each such notice, an “EMMA Notice”). Borrower shall not file or submit or permit the filing or submission of any EMMA Notice that includes any of the following unredacted information regarding Lender or any Escrow Agent: physical or mailing addresses, account information, e-mail addresses, telephone numbers, fax numbers, tax identification numbers, or titles or signatures of officers, employees or other signatories. Borrower acknowledges and agrees that Lender is not responsible in connection with any EMMA Notice relating to this Facility for Borrower’s compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities laws, including but not limited to those relating to the Rule.

The Lender will make a loan by purchasing the Facility under the following additional conditions: (i) the Facility is not being registered under the Securities Act of 1933 and is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state; (ii) the Lender will hold the Facility as one single debt instrument; (iii) no CUSIP numbers will be obtained for the Facility; (iv) no final official Statement has been prepared in connection with the private placement of the Facility; (v) the Facility will not close through the DTC or any similar repository and will not be in book entry form; and (vi) the Facility will not be listed on any stock or other securities exchange.

If the outlined foregoing proposal is satisfactory, reflects an arrangement that suits the need of your organization and you would like KGF to commence its due diligence process, please sign and return this proposal. The terms described in this proposal will expire on February 28, 2023 if we have not received an authorized signed copy on or before such date.

Thank you for allowing us the opportunity to present this Proposal. If you have any questions, please call me at 315-470-5180.

Sincerely,



**David Zapata**  
Vice President  
East Region Manager  
Key Government Finance, Inc.  
(315) 470-5180  
[David.Zapata@keybank.com](mailto:David.Zapata@keybank.com)

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APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2023

**Town of Blowing Rock, NC**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**RESOLUTION 2023-\_\_**

**RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20**

WHEREAS, the Town of Blowing Rock, North Carolina desires to install Advanced Metering Infrastructure (AMI) technology equipped utility service meters (the "Project") to better serve the citizens of Blowing Rock; and

WHEREAS, The Town of Blowing Rock desires to finance the Project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED that the Town Council of Blowing Rock, North Carolina, meeting in special session on the 28<sup>th</sup> day of February 2023, make the following findings of fact:

1. The proposed contract is necessary or expedient because it will allow for improved water usage monitoring by the Town as well as utility customers and earlier leak detection and mitigation capabilities.
2. The proposed contract is preferable to a bond issue for the same purpose because the term of a General Obligation or Revenue Bond issue would exceed the technology/meters useful life and closing costs are minimal in comparison with the issuance of bonds as closing costs are not being charged by the selected financial institution.
4. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because the sums due under the contract are consistent with comparable system market costs.
5. The Town of Blowing Rock's debt management procedures and policies are good because the Town's total debt falls significantly below its legal debt limit as calculated annually.
6. There will be no increase in taxes necessary to meet the sums to fall due under the proposed contract.
7. The Town of Blowing Rock is not in default in any of its debt service obligations.
8. The attorney for the Town of Blowing Rock has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.
9. The probable net revenues of the project to be financed will be sufficient to meet the sums to fall due under the proposed contract.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Finance Officer is hereby authorized to act on behalf of the Town of Blowing Rock in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this 28<sup>th</sup> day of February 2023.

The motion to adopt this resolution was made by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_ and passed by a vote of \_\_\_\_\_ to \_\_\_\_\_.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk

This is to certify that this is a true and accurate copy of Resolution No. \_\_\_\_\_ Adopted by the Town of Blowing Rock Town Council on the 28<sup>th</sup> day of February 2023.

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Date

**Resolution Approving Financing Terms**

*WHEREAS:* The Town of Blowing Rock ("Town") has previously determined to undertake a project for Advanced Meter Infrastructure (AMI) equipment, and the Finance Officer has now presented a proposal for the financing of such Project (the "Project").

**BE IT THEREFORE RESOLVED, as follows:**

1. The Town hereby determines to finance the Project through Key Government Finance, Inc., in accordance with the proposal dated February 23, 2023. The amount financed shall not exceed \$1,200,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 3.833%, and the financing term shall not exceed ten (10) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Town are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and a Project Fund Agreement as Key Government Finance, Inc. may request.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The Town shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Town hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. All prior actions of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this 28<sup>th</sup> day of February, 2023

\_\_\_\_\_  
(Clerk)

\_\_\_\_\_  
(Mayor)

TOWN SEAL