

## Legislation Details (With Text)

<b>File #:</b>	15-22698	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Business Item	<b>Status:</b>		Agenda Ready	
<b>File created:</b>	4/19/2024	<b>In control:</b>		City Council Business Meeting	
<b>On agenda:</b>	5/13/2024	<b>Final action:</b>			
<b>Title:</b>	Water Sewer Revenue Bonds and Revenue Bond Anticipation Note				
<b>Attachments:</b>	1. Bond Order - Charlotte Water Sewer Revenue Bonds, Series 2024, 2. Bond Order - Charlotte Water Sewer Bond Anticipation Note, Series 2024, 3. Bond Resolution - Charlotte Water Sewer Revenue Bonds, Series 2024, 4. Bond Anticipation Note Resolution - Charlotte Water Sewer BANs, Series 2024, 5. Budget Ordinance - Water Sewer Revenue Bonds				

Date	Ver.	Action By	Action	Result
5/13/2024	1	City Council Business Meeting	Adopt	Pass

## Water Sewer Revenue Bonds and Revenue Bond Anticipation Note

### Action:

- A. Adopt bond orders and resolutions authorizing and approving issuance of Water Sewer Revenue Bonds and Bond Anticipation Note and calling for the execution and delivery of various documents necessary to complete the sale,**
- B. Provide for the issuance of Water Sewer Revenue Bonds in an amount not to exceed \$610 million to refund outstanding 2022 Bond Anticipation Notes and provide financing for water sewer projects,**
- C. Provide for the issuance of Water Sewer Revenue Bond Anticipation Notes in an amount not to exceed \$500,000,000, and**
- D. Adopt a budget ordinance appropriating \$500 million in revenue bond proceeds and \$5 million from the Charlotte Water Operating Fund to the Charlotte Water Revenue Bond Debt Service Fund.**

### Staff Resource(s):

Teresa Smith, Finance  
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Angela Charles, Charlotte Water

### Explanation

- At its April 22, 2024, Business Meeting, City Council authorized the application to the Local Government Commission for debt issuance to fund Charlotte Water Capital Investment Plan projects and to refund existing debt.
- This action provides for the issuance of up to \$610 million comprised of the following:
  - New revenue bonds up to \$110 million to provide financing for projects listed below, and
  - Refunding of the 2022 Bond Anticipation Note (BAN) of approximately \$500 million. In 2022, the City obtained a \$500 million Revenue BAN to fund projects on a short-term, interim basis and planned to convert it to long-term, fixed rate revenue bonds at the end of the 24-month construction period.
- This action would also authorize a new construction period financing program for up to
  - \$500 million in short-term notes to provide financing for other projects that are in the design phase.

- The 2024 Revenue BAN of up to \$500 million is planned in two steps: a short-term construction period draw program lasting up to 36 months, which will then be converted into long-term, fixed rate revenue bonds once construction nears completion. This financing approach reduces interest cost, promotes rate stability, and provides flexibility in the timing of the spending.
- The revenue bonds and BAN will provide funding for projects concentrated in below areas:
  - Maintenance of existing treatment facilities to ensure reliable treatment process and regulatory compliance,
  - Rehabilitation and replacement of existing water and sewer infrastructure that has met its useful performance life, and
  - Water and sewer infrastructure capacity and expansion due to growth of the service area.
- These actions do not require any additional rate increases.

**Fiscal Note**

Funding: Charlotte Water Revenue Bond Debt Service Fund

**Attachment(s)**

Bond Orders

Resolutions

Budget Ordinance