



Legislation Details (With Text)

File #: 15-8879 **Version:** 1 **Name:**
Type: Business Item **Status:** Approved
File created: 7/24/2018 **In control:** City Council Business Meeting
On agenda: 9/10/2018 **Final action:** 9/10/2018
Title: Authorization of Water Sewer Revenue Bond Anticipation Note
Attachments: 1. Bond Order, 2. Resolution, 3. Project List

Date	Ver.	Action By	Action	Result
9/10/2018	1	City Council Business Meeting	Approve	Pass

Authorization of Water Sewer Revenue Bond Anticipation Note

Action:

- A. Adopt the bond order authorizing the issuance of up to \$100 million of revenue bond anticipation notes,**
- B. Adopt a bond resolution for the approval, execution, and delivery in connection with the issuance of up to \$100 million of revenue bond anticipation notes, and**
- C. Authorize the City Manager and Chief Financial Officer to take necessary actions to complete the financing, including submitting the application to the Local Government Commission.**

Staff Resource(s):

Robert Campbell, Finance
Angela Lee, Charlotte Water

Explanation

- City Council adopts the Charlotte Water Community Investment Plan which includes capital projects to be funded with debt proceeds. The debt issuance is planned in two steps: a short-term construction period draw program which will then be converted to long-term, fixed rate revenue bonds once construction nears completion (up to 36 months).
- This financing approach reduces interest cost, promotes rate stability, and provides flexibility in the timing of the spending.
- The construction period financing will be in the form of a \$100 million privately-placed drawdown program, allowing the City to reimburse expenses on a monthly basis during construction and eliminating interest expense on funds not yet expended on the project.
- These proceeds will be used for the following categories of projects:
 - Maintenance of existing treatment facilities to ensure reliable treatment processes and regulatory compliance, and
 - Rehabilitation and replacement of existing water and sewer infrastructure that has met its useful performance life.
- This action adopts the bond order and bond resolution for the program.
- The North Carolina Local Government Commission is expected to review and approve this financing on October 2, 2018.

Fiscal Note

Funding: Charlotte Water Debt Service Fund

Attachment(s)

Bond Order

Bond Resolution

Water and Sewer Projection Summary