Legislation Details (With Text)

File #:	15-13731	**Version:**	1	**Name:**	
Type:	Business Item			**Status:**	Agenda Ready
File created:	7/7/2020			**In control:**	City Council Business Meeting
On agenda:	4/12/2021			**Final action:**	
Title:	Water and Sewer Revenue Bond Refunding				
Attachments:	1. Bond Order - Charlotte Water and Sewer Refunding Revenue Bonds, Series 2020 - rev. to v2, 2. Resolution (Combines Findings and Approvals) - Water and Sewer System Refunding Revenue Bonds, Series 2020 - rev. to v2, 3. Charlotte Water Budget Ordinance				

Date	Ver.	Action By	Action	Result
7/27/2020	1	City Council Business Meeting	Approve	Pass

Water and Sewer Revenue Bond Refunding

Action:

A. Adopt a bond order and resolution that makes certain Statements of Fact concerning the refunding of Water Sewer Revenue Bonds and Revenue Bond Anticipation Notes,

B. Provide for the issuance of Water Sewer Revenue Bonds in an amount not to exceed $405 million to refund outstanding 2009B Revenue Bonds and 2018 Bond Anticipation Note,

C. Authorize City Officials to take necessary actions to complete the financing, including making the application to the Local Government Commission, and

D. Adopt a budget ordinance appropriating $405 million to the Charlotte Water Revenue Bond Debt Service Fund.

Staff Resource(s):
Kelly Flannery, Finance
David Czerr, Charlotte Water

Explanation

- This action provides for the refunding of both the 2009B revenue bonds and the 2018 Bond Anticipation Note (BAN). The 2009 bonds are being refinanced at lower rates to achieve savings. The 2018 BAN is replacing short-term debt with long-term permanent debt.
- In 2009, revenue bonds for water and sewer projects totaling $366 million were issued at a fixed rate. Approximately $300 million are outstanding and are currently available for refunding.
- In 2018, the city obtained a $100 million BAN to fund projects on an interim basis and planned to convert it to permanent debt at the end of the 24 to 36-month construction period.
- The projects being funded by this refunding are concentrated in two different areas:
  - Maintenance of existing treatment facilities to ensure reliable treatment process and regulatory compliance, and
  - Rehabilitation and replacement of existing water and sewer infrastructure that has met its useful performance life.
- This action does not require rate increases.
- Later in Fiscal Year 2021, there will be a request for Council to authorize a new program to provide construction period funding for upcoming water and sewer capital improvements.

Fiscal Note
Funding: Charlotte Water Revenue Bond Debt Service Fund

Attachment(s)
Bond Order
Resolution
Budget Ordinance