



Legislation Details (With Text)

File #: 15-22501 **Version:** 1 **Name:**
Type: Business Item **Status:** Agenda Ready
File created: 3/13/2024 **In control:** City Council Business Meeting
On agenda: 4/22/2024 **Final action:**
Title: Water Sewer Revenue Bonds and Revenue Bond Anticipation Notes

Attachments:

Date	Ver.	Action By	Action	Result
4/22/2024	1	City Council Business Meeting	Approve	Pass

Water Sewer Revenue Bonds and Revenue Bond Anticipation Notes

Action:

- A. Adopt initial findings resolution that makes certain Statements of Fact concerning the 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 \$610,000,000,**
- C. Provide for the issuance of Water Sewer Revenue Bond Anticipation Notes in an amount not to exceed \$500,000,000, and**
- D. Authorize City Officials to take necessary actions to complete the financing, including making the application to the Local Government Commission.**

Staff Resource(s):

Teresa Smith, Finance
Matt Hastedt, Finance
Angela Charles, Charlotte Water

Explanation

- 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
 - 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; it is expected that permanent financing for these projects will be secured in two to three years.
- 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 two 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.
- Water and sewer infrastructure capacity and expansion due to growth of the service area
- These actions do not require rate increases.

Fiscal Note

Funding: Charlotte Water Revenue Bond Debt Service Fund

Attachment(s)

Resolution