

## Legislation Text

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File #: 15-8879, Version: 1

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### 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