

Legislation Text

File #: 15-15522, Version: 1

Water and Sewer Revenue Bond Anticipation Note

Action:

- A. Adopt a bond order and resolution authorizing the issuance of up to \$250,000,000 of revenue bond anticipation notes and calling for the execution and delivery of various documents in connection with the issuance, and**
- B. Authorize city officials to take necessary actions to complete the financing, including making the application to the Local Government Commission.**

Staff Resource(s):

Kelly Flannery, Finance
Angela Charles, Charlotte Water

Explanation

- City Council adopts the Charlotte Water Capital 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 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 construction period financing will be in the form of a \$250,000,000 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 projects.
- The projects being funded 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.
- The North Carolina Local Government Commission is expected to review and approve this financing on June 1, 2021.

Fiscal Note

Funding: Charlotte Water Revenue Bond Debt Service Fund

Attachment(s)

Bond Order
Resolution