



Legislation Text

File #: 2024-119, Version: 1

Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Sewage Disposal System Revenue Refunding Bonds in a Principal Amount Not to Exceed \$500,000,000 (Ordinance 2024-03)

Agenda of: April 24, 2024
Item No.: **2024-119**
Amount: Not to Exceed \$500,000,000

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: April 24, 2024

RE: Resolution Regarding Approval of Series Ordinance Authorizing Issuance and Sale of Sewage Disposal System Revenue Refunding Bonds in a Principal Amount Not to Exceed \$500,000,000 (Ordinance 2024-03)

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer\Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approves the resolution for the Series Ordinance Authorizing Issuance and Sale of Sewage Disposal System Revenue Refunding Bonds in a Principal Amount Not to Exceed \$500,000,000**, and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Great Lakes Water Authority ("GLWA") may proceed with the issuance of refunding of various outstanding sewage disposal system bonds for the purpose of achieving annual debt service savings. In order to do so, the GLWA Board must

approve the attached resolution approving the Series Ordinance.

The Series Ordinance sets forth the guidelines for the Refunding Bonds and authorizes the Chief Executive Officer or the Chief Financial Officer to execute the final terms of the Bonds, paying issuance costs and signing of the Bond Purchase Agreement, within the parameters set forth in the Series Ordinance.

JUSTIFICATION

The authorized amount for the Refunding Bonds is for an aggregate principal amount of not to exceed \$500,000,000.

Key Provisions:

- Not to Exceed Par Amount: \$500 million (for refunding)
- Maximum Coupon Rate: 6.00%
- Minimum Purchase Price: 98% of principal amount of bonds
- Maximum Underwriter Discount: 0.40% of principal amount of bonds
- Present Value Savings: Greater than 2.50% of principal amount of bonds to be refunded

BUDGET IMPACT

Savings resulting from the potential Sewer Refunding Bonds has not been included in the FY 2025 budget or ten-year financial plan. When savings are achieved, the financial plan will be revised accordingly.

COMMITTEE REVIEW

This matter was reviewed by the GLWA Audit Committee at its meeting on March 22, 2024. At that same meeting, the Audit Committee also received the following two related reports (attached to Legistar Item # 2024-118).

1. Presentation: 2024 Municipal Market Outlook and GLWA Debt (Page 94) Management Considerations
2. Presentation: Debt Service Reserve Fund Background and (Page 136) Considerations

After receiving the above presentations, the Audit Committee unanimously recommended that the Board of Directors approve the resolution for the Series Ordinance Authorizing Issuance and Sale of Sewage Disposal System Revenue Refunding Bonds in a Principal Amount Not to Exceed \$500,000,000 as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.