City Council Agenda Item Request

Submit to Clerk's Office
No later than 30 days before proposed Council meeting

1. **Date submitted to Clerk's Office:** March 18, 2026

2. **Primary contact person and Department requesting agenda item:** Tony McDowell

3. **Requested Council meeting date:** April 14, 2026

4. **Subject:** Initial Findings Resolution 2026 Water Revenue Bonds

5. **Action Requested:** Resolution authorizing the Finance Director of the City, or his designee, with advice from the City Attorney and bond counsel to file an application with the Local Government Commission (LGC) for its approval of the issuance of Water System Revenue Bonds and certain related matters.

6. **Note if time sensitive, and why:** Must be approved on April 14 in order to stay on schedule for LGC approval at its May 5th meeting.

7. **Potential fiscal impact(s) - if known by staff at time of request:** Issuance of the new money portion of the Water Revenue Bonds will result in additional debt service in the Water Resources Fund. The exact amount of that new debt service will be determined when the bonds are issued but staff has already accounted for an estimate of the debt in the water system rate model. Based on current interest rates, the refunding of the 2015 Water Bonds is expected to produce total net present value debt service savings of approximately $398,000.

8. **Identify all vendor outreach for Minority & Women Owned Business Enterprises (MWBE).** N/A

9. **Identify all Boards, Commissions and Council Committees with tentative dates - add in the vote and recommendation from each Board:** None

10. **Identify key issues:**
    - The City is planning to issue approximately $30-35M in Water Revenue Bonds in early June 2026 to fund the Mills River Water Treatment Plant Miscellaneous Upgrades - Phase II Project and Neighborhood Enhancement Project (NEP) Area 8 - Water Distribution Project.
    - Construction contracts for these two projects were previously approved by City Council and the projects are already underway.
    - Issuance of the debt prior to the close of the current fiscal year will allow for reimbursement of expenses incurred to date as well as future expenses associated with these projects.
    - In addition, based on advice from the City's external financial advisors and bond counsel, staff is recommending refinancing the currently outstanding 2015 Water System Revenue Bonds, which will results in net present value debt service savings of approximately $398,000.
    - This Council action will allow staff to proceed with filing the debt application with the LGC.

- City Council will then take final action on the issuance of this debt at their May 12, 2026 meeting.