



Legislation Text

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Interoffice Memorandum

DATE: July 11, 2024

TO: Mayor Jerry L. Demings and County Commissioners

THROUGH: N/A

FROM: Ed Torres, M.S, P.E., LEED AP, Director, Utilities Department

CONTACT: Glenn Kramer, Utilities Manager

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DIVISION: Fiscal and Operational Support Division

ACTION REQUESTED:

Approval and execution of Resolution of the Board of County Commissioners declaring the County's official intent to reimburse itself from the proceeds of Tax-Exempt or other Tax-Advantaged obligations for certain Capital Expenditures to be made by the County with respect to the financing of certain costs and repayment of Interfund Loans relating to the Acquisition, Construction, and Equipping of Capital Improvements to its existing Water and Wastewater Facilities; authorizing certain incidental actions; and providing for an effective date. All Districts. (Fiscal and Operational Support Division)

PROJECT: N/A

PURPOSE: The County's Water and Wastewater System (System) is a capital-intensive operation, and large utilities typically fund capital improvements and expansions with long-term debt. The System's capital improvement program includes plans for system expansion to meet the needs of residential and commercial growth in the County as well as replacement and rehabilitation projects to ensure proper operation for the System's aging infrastructure. The System's last bond issue was in 2020, and we are projecting that the planned follow-up debt issue will be needed next year. Staff believes that it is in the best interest of the System to adopt a reimbursement resolution in anticipation of the issuance of debt.

The attached reimbursement resolution was prepared in consultation with Nabors Giblin & Nickerson, as bond counsel for the Utilities Department. This resolution is a common action used to declare our intent to reimburse Utilities' capital expenditures from the proceeds of a future tax-exempt debt issue.

This is not a binding action and does not require the issuance of any future debt. It simply reserves the financial flexibility under the tax code to take that action in the future, if the Board desires. Without the resolution, the Board would be limited by the tax code in the ability to reimburse for prior expenditures, and that could be financially unfavorable. All future debt and financial plans are still subject to normal Board approvals and budget review, and all projects must undergo the normal approval process.

The County Attorney's Office has reviewed the resolution as to form and content. The Utilities Department and the Fiscal and Business Services Division recommend approval.

BUDGET: N/A