



ARAPAHOE COUNTY
COLORADO'S FIRST

Board Summary Report

Date: November 5, 2019
To: Board of County Commissioners
From: Todd Weaver, Budget Manager
Subject: Bond Resolution – Arapahoe County Water and Wastewater Public Improvement District – 2019 Refunding Bonds

Request and Recommendation

The purpose of the public hearing is to adopt a resolution to refund outstanding general obligation bonds of the Arapahoe County Water and Wastewater Public Improvement District (PID) through the issuance of general obligation refunding bonds pursuant to the authority previously granted by the qualified electors of the Public Improvement District.

Background

On or about December 16, 2009, the Board of County Commissioners of Arapahoe County, acting as ex officio Board of Directors of the Arapahoe County Water and Wastewater Public Improvement District (the "PID") issued \$51,075,000 in general obligation Taxable Direct-Pay Build America Bonds (BABs) and \$5,000,000 in tax-exempt general obligation bonds to finance a portion of the Arapahoe County Water and Wastewater Authority's ACWWA Flow project. The proceeds of the financing were used to purchase water rights. Property taxes have been collected from taxpayers within the boundaries of the PID to pay the annual debt service on the bonds.

County staff has been working with the County's financial advisors, Jason Simmons and Mattie Prodanovic of Hilltop Securities, Inc. in relation to this bond refunding proposal as well as bond counsel at Butler Snow, LLP. The PID has an opportunity to reduce the interest rate on these outstanding obligations and hopefully, lower the mill levy paid by the PID taxpayers by the issuance of these general obligation refunding bonds. Staff presented information on the refunding proposal at a November 5, 2019 study session where the Board approved staff to move forward with these preparations.

Links to Align Arapahoe

The refunding of the outstanding general obligation bonds to bonds with a lower interest rate is in keeping with the County's overall goal of Fiscal Responsibility through Improving Government Efficiencies by using taxpayer dollars efficiently.

Discussion

County staff is working with the financial advisors and bond counsel to prepare the various documents associated with this refunding transaction. The sale of these general obligation refunding bonds will be through a competitive bid process in order to get the lowest interest rate on the refunding bonds. It is necessary to have all of the documentation prepared, including a preliminary official statement, in order for the transaction to proceed. The intended sale date for the refunding bonds is December 11, 2019.

Alternatives

The PID cannot move forward with the refunding unless such a resolution is adopted by the Board.

If this resolution is not adopted, then there would be no changes and the existing loan obligation under the Series 2009A or 2009B general obligation bonds will be paid in accordance with their terms at the interest rate established at the time of the original sale of the bonds.

Fiscal Impact

The proposal to issue refunding general obligation bonds is an effort to restructure the existing bonds and lower the interest rate and realize savings that would possibly lower the mill levy, or at least lessen any increase in the mill levy, in the future for the taxpayers within the PID.

Reviewed By:

Janet Kennedy, Finance Director
John Christofferson, Deputy County Attorney

**NOTICE OF PUBLIC HEARING
ARAPAHOE COUNTY WATER AND WASTEWATER
PUBLIC IMPROVEMENT DISTRICT**

NOTICE IS HEREBY GIVEN that the Board of County Commissioners of Arapahoe County, Colorado, acting as the *ex officio* Board of Directors for the Arapahoe County Water and Wastewater Public Improvement District, will hold a special meeting at 9:30 a.m., on Tuesday, November 12, 2019, in the East Hearing Room, Arapahoe County Administration Building, 5334 S. Prince Street, Littleton, Colorado. At this special meeting, the Board will consider adoption of a resolution to refund outstanding general obligation bonds of the Public Improvement District through the issuance of general obligation refunding bonds, pursuant to the authority previously granted by the qualified electors of the Public Improvement District. The bonds to be refunded include all or a portion of the Arapahoe County Water and Wastewater Public Improvement District General Obligation Bonds Series 2009A and Series 2009B, dated December 16, 2009, in an amount not to exceed \$56,075,000.00.

Any interested citizen may appear and provide testimony concerning the issuance of general obligation refunding bonds. This special meeting of the Arapahoe County Water and Wastewater Public Improvement District will be conducted as part of the general business meeting of the Board of County Commissioners of Arapahoe County on November 12, 2019.

Date: October 31, 2019

**BY ORDER OF THE ARAPAHOE COUNTY WATER AND
WASTEWATER PUBLIC IMPROVEMENT DISTRICT**

Jeff Baker, Chair of the Board of County Commissioners of Arapahoe County and the Presiding Officer of the *ex officio* Board of Directors of the Arapahoe County Water and Wastewater Public Improvement District