

**Spotsylvania County  
Board of Supervisors Agenda  
Executive Summary**

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**Meeting Date:** Tuesday, September 27, 2022

**Title:** Approval of Issuance of New Money Water and Sewer System Revenue Bonds & Authorization of Future Public Hearing for Budget Adjustment for Bond Proceeds

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**Type:** Action Item

**Agenda Title:** Approval of Issuance of New Money Water and Sewer System Revenue Bonds & Authorization of Future Public Hearing for Budget Adjustment for Bond Proceeds

**Recommendation:** Following the public hearing for comments on the issuance of new-money Water and Sewer Revenue Bonds, staff recommends that the Board:

1. Approve the attached resolution and related documents authorizing the issuance of up to \$69,200,000 in 2022 Water and Sewer Revenue Bonds for the purpose of financing certain capital projects included in the Adopted CIP; and
2. Authorize a public hearing to be held following the sale of the bonds (date TBD) to receive comment on the FY 2023 budget adjustment that will be necessary to reflect these bond proceeds and issuance costs.

**Summary:** The County's Adopted Capital Improvement Plan ("CIP") calls for a program of capital improvements to and expansions of the County's water and sewer system including, without limitation, upgrades and extensions of water and wastewater transmission and treatment facilities. The issuance of the new money Revenue Bonds has been determined to be the preferable manner by which to finance such improvements. The Bonds will be issued pursuant to the Public Finance Act, Section 15.2-2600 et. seq. of the Code of Virginia of 1950, as amended.

Staff requests that the Board approve the attached resolution and related documents for the issuance of Water and Sewer bonds this fall. As is always the case when we request Board approval of bond documents, the documents are subject to further edits as we finalize the bond transaction, but are substantially complete at this time.

A future budget adjustment will be necessary to record the bonds proceeds and issuance costs once the transaction is finalized. Due to the amount of the future budget adjustment, a public hearing will be required. As such, staff requests that a future public hearing to receive comments related to the budget adjustment necessary for the bond proceeds be authorized to follow the closing of the bonds

sale, the time of which is to be determined.

FY 2023 debt service costs related to the new-money issuance are included in the FY 2023 Adopted Budget.

**Financial Impact:** The FY 2023 debt service costs related to the issuance of these Revenue Bonds are included in the FY 2023 Adopted Budget. Once the issuance is complete, we will request the Board's approval to adjust the FY 2023 Budget for the proceeds and related issuance expenses.

**Staff Contacts:**

Beckie Forry  
Interim Chief Financial Officer

**Legal Counsel:**

Richard L. Hurlbert  
Jr.  
Bond Counsel

**Additional Background/Other Considerations:** N/A

**Consequence of Denial/Inaction:** If the Board decides not to authorize the public hearing, the Revenue Bond issuance will not be able to occur. As such, the FY 2023 capital improvements adopted in the CIP to improve and expand the County's water and sewer system either (a) would not be completed, or (b) would be deferred, subjecting the County to market risk that prevailing interest rates will increase.

**ATTACHMENTS:**

1. W&S Draft Preliminary Official Statement
2. W&S Financed Projects in FY 2023
3. W&S Notice of Public Hearing
4. W&S Notice of Sale
5. W&S Supplemental Agreement of Trust
6. W&S Bonds Board Resolution