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Title: Pertaining to the issuance of Water Revenue Bonds, Series 2022, to finance Phase I and year one of Phase II of the McCarron's Treatment Plant Improvement Project (2020-2022 Projects).

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Attachments: 1. Staff Report, 2. Resolution 22-74

Date	Ver.	Action By	Action	Result
1/11/2022	1	Board of Water Commissioners	Adopted	Pass

Pertaining to the issuance of Water Revenue Bonds, Series 2022, to finance Phase I and year one of Phase II of the McCarron's Treatment Plant Improvement Project (2020-2022 Projects).

Resolution Requesting the City of Saint Paul, Minnesota to Issue and Sell Water Revenue Bonds in an Aggregate Principal Amount Not to Exceed \$100,000,000 for Various Drinking Water Improvement Projects; Expressing the Intent of the Board of Water Commissioners to Reimburse Itself from the Proceeds of Such Tax-Exempt Bonds; and Authorizing Board of Water Commissioners Staff to Take Certain Actions with Respect to the Sale of Such Tax-Exempt Bonds

WHEREAS, Saint Paul Regional Water Services (the "Utility") provides safe drinking water to the residents of the City of Saint Paul, Minnesota (the "City") and the surrounding municipalities; and

WHEREAS, the Board of Water Commissioners of the City of Saint Paul, the governing body of the Utility (the "Board"), has identified certain water improvement and rehabilitation projects as set forth in the Water Capital Improvement Plan for the years 2020 through 2024 generally described as McCarron's Treatment Plant Improvements-Phase I, including the design, pilot testing and site preparation and the first year of Phase II including the purchase of water treatment equipment, demolition of existing structures and beginning the construction of the new treatment facilities (the "2020-2022 Projects") that will require the incurrence of a tax-exempt bonds or other debt obligation for funding of such 2020-2022 Projects; and

WHEREAS, it is proposed that the City Council of the City (the "Council") adopt a resolution or resolutions at a later date authorizing the issuance of one or more series of revenue bonds (the "Series 2022 Bonds"), in an aggregate amount estimated not to exceed \$100,000,000 of which approximately \$45,000,000 is anticipated to be sold in a direct placement to the Minnesota Public Facilities Authority (the "PFA") which will help provide funding in addition to the \$15,400,000 issued in 2021 in order to fund the 2020-2022 Projects; and

WHEREAS, the Series 2022 Bonds will be special, limited obligations of the City payable solely from revenues of the Utility and each series of the Series 2022 Bonds will (i) fund the 2020-2022 Projects, (ii) fund necessary reserves, if any, and (iii) pay costs of issuance; and

WHEREAS, the Series 2022 Bonds will be issued and payable on a parity with other outstanding revenue bonds of the City that are payable from the net revenues of the Utility, and the Utility staff and City staff will work with Ballard Spahr LLP as bond counsel to the City and Baker Tilly Municipal Advisors, LLC, as municipal advisor, to sell the Series 2022 Bonds in the future when appropriate; and

WHEREAS, the Council will also authorize execution and delivery of a Bond Purchase Agreement or Bid Form as necessary for the Series 2022 Bonds after such sale; and

WHEREAS, the Board will be required to concur in the issuance and sale of the Series 2022 Bonds at a later date after such sale of the Series 2022 Bonds but prior to their issuance by the City.

BE IT RESOLVED by the Board of Water Commissioners of the Saint Paul, Minnesota, as follows:

- 1) Request and Recommendation. The Board hereby requests and recommends that the City authorize the issuance of the Series 2022 Bonds in an estimated amount not to exceed \$100,000,000 in order to fund the 2020-2022 Projects and work with Utility staff, PFA staff, City staff, Ballard Spahr LLP and Baker Tilly Municipal Advisors, LLC on the issuance and sale of the Series 2022 Bonds upon the terms and conditions deemed appropriate by Utility staff and City staff with advice from Baker Tilly Municipal Advisors, LLC and Ballard Spahr LLP. The Board will review and take concurring action at its next meeting following Council action authorizing issuance and sale of each series of the Series 2022 Bonds. The staff of the Utility and the City are also able to take all necessary actions to apply to the PFA for a loan for all or a portion of the Series 2022 Bonds.
- 2) Reimbursement. The Board intends to make expenditures for the capital projects financed by the Series 2022 Bonds (the 2020-2022 Projects) and reimburse such expenditures from the proceeds of tax-exempt bonds or obligations. This resolution is intended to constitute a declaration of the Board's official intent, for purposes of Section 1.150-2 of the Treasury Regulations, with respect to certain original expenditures made from any sources other than the proceeds of the obligations, in conjunction with the capital projects and equipment financed thereby (the 2020-2022 Projects).