



# City of Olathe

## COUNCIL AGENDA ITEM

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**MEETING DATE:** 2/5/2019

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**DEPARTMENT:** Public Works

**STAFF CONTACT:** Dianna Wright/Mary Jaeger/Amy Tharnish

**SUBJECT:** Consideration of Resolution No. 19-1013 authorizing various improvements to the Water and Sewer System of the City and setting forth the intent to issue Water and Sewer Revenue Bonds.

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**ITEM DESCRIPTION:**

Consideration of Resolution No. 19-1013 authorizing various improvements to the Water and Sewer System of the City and setting forth the intent to issue Water and Sewer Revenue Bonds.

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**SUMMARY:**

This Resolution (Attachment A) declares the City's intent to proceed with the design and construction of the specified projects, and further authorizes the City Clerk to give public notice of the City's intent to finance all or a portion of the costs of the projects through the issuance of Water and Sewer Revenue Bonds.

This Resolution does not approve design and construction contracts for the projects, nor does it specifically approve the issuance of Revenue Bonds. Staff will return to Council at a later date for authority to enter into design and construction contracts and to authorize future issuance of Revenue Bonds.

Staff expects to complete many of the listed projects in phases. The allocations of total project costs set forth in the Resolution to specific projects are estimated as follows:

<b>Project Number</b>	<b>Project Name</b>	<b>Total Project Cost</b>
1-R-000-XX	Sanitary Sewer (I&I)	\$2,000,000
1-R-100-XX	Neighborhood Sanitary Sewer	900,000
5-R-000-XX	Waterline Rehab	2,000,000
5-C-030-XX	Fire Hydrants	1,917,500
1-C-026-18	Sanitary Sewer Manhole Lining	1,296,000
5-C-031-18	Vertical Well Field Improvements	6,101,500
1-C-020-15	Lift Station Replacements	7,257,610
5-C-004-16	WTP2: Alternative Disinfection	2,782,370
5-C-025-16	WTP2: Basin Modifications	2,469,876
	<b>Total</b>	<b>\$26,724,856</b>

Staff expects to issue multiple series of revenue bonds over the next several years to finance the projects, with the timing of bond issues based on cash flow needs for the projects. The resolution authorizes a maximum amount of \$32,000,000 of Revenue Bonds to be issued to finance the

projects.

The difference between the total project costs and the maximum amount of Revenue Bonds is attributable to estimated debt service reserve funds and costs of issuing the bonds, expected to be funded with bonded proceeds.

Based on projected funding needs for 2019, staff anticipates returning to Council on February 19, 2019 with a Resolution authorizing the sale of approximately \$17,400,000 of Water and Sewer System Revenue Bonds to finance a portion of the costs of the projects. The balance of the costs of the projects will be financed at a later date and/or paid with other sources of funds.

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**FINANCIAL IMPACT:**

Adopting this Resolution evidences the City's intent to undertake the projects and issue the bonds. An amount not to exceed \$32,000,000 of Water and Sewer Revenue Bonds may be issued to finance these costs, including bond reserves and issuance costs.

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**ACTION NEEDED:**

Approval of Resolution No. 19-1013 authorizing various improvements to the Water and Sewer System of the City and setting forth the intent to issue Water and Sewer Revenue Bonds for the purpose of paying the costs of the projects.

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**ATTACHMENT(S):**

Attachment A: Resolution