



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: October 18, 2023

AGENDA ITEM: Consider a motion to approve Resolution No. 10-18-23-14 approving the issuance and sale of General Obligation (GO) Utility Revenue Bonds, Series 2023B (Public Utilities Commission) by the City of Grand Rapids, Minnesota in the Approximate Aggregate Principal Amount of \$4,755,000.

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

The Grand Rapids Public Utilities Commission (GRPUC) at the August 16, 2023 meeting, approved resolution 08-16-23-8 which authorized reimbursement from debt the Grand Rapids/Cohasset Industrial Park Utility Extension Project and requested the City Council to issue GO bonds to finance related costs.

The Grand Rapids/Cohasset Industrial Park Utility Extension (watermain loop) Project is being constructed this summer. The project is to provide sanitary sewer and water to the Ainsworth property. The project includes approximately \$884,118 for sanitary sewer improvements, \$957,794 water improvements, and no costs for street improvements for a total project cost of \$1,841,912 from the GRPUC. The sanitary sewer and water improvements are GRPUC assets and will increase the value of the appropriate sewer and water infrastructure.

This project also will provide future resiliency for the water system to the southwest part of the town including the hospital and elementary school.

The GRPUC at the July 12, 2023 meeting approved resolution 07-12-23-5 which authorized reimbursement from debt the Sylvan Bay Utilities Project and request the City council to issue GO bonds to finance related costs.

The City of Grand Rapids CP 2015-1 Sylvan Bay phase one project bid was awarded and is being constructed this summer. The July 2023 forecasted project costs includes \$878,973 for sanitary sewer improvements, \$1,066,705 water improvements, and \$615,687 street improvements for a total forecasted project cost of \$2,562,000 from the GRPUC. The sanitary sewer and water improvements are GRPUC assets and will increase the value of the appropriate sewer and water infrastructure.

The City Council is preparing to issue debt for the GRPUC soon and part of the debt issuance process is for the GRPUC to approve a resolution approving the issuance and sale of GO Utility Revenue Bonds, Series 2023B (PUC) in the amount of \$4,755,000.

Issuing debt in 2023 with principal and interest payments starting in 2024 was included in the proposed utility rates from the approved December 2022 cost of service studies for water and wastewater (sanity sewer).

RECOMMENDATION:

Approve Resolution No. 10-18-23-14 approving the issuance and sale of General Obligation (GO) Utility Revenue Bonds, Series 2023B (Public Utilities Commission) by the City of Grand Rapids, Minnesota in the Approximate Aggregate Principal Amount of \$4,755,000.