



# Town of Johnstown

## TOWN COUNCIL AGENDA COMMUNICATIONS

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<b>AGENDA DATE:</b>	November 20, 2023
<b>SUBJECT:</b>	Resolution 2023-54 Authorizing the Reimbursement of the Town's Water Utility Enterprise with Proceeds from the Issuance of Municipal Bonds for Certain Capital Expenditures Undertaken or Proposed to be Undertaken by the Town
<b>ACTION PROPOSED:</b>	Consider Resolution 2023-54
<b>ATTACHMENTS:</b>	1. Resolution 2023-54
<b>PRESENTED BY:</b>	Matt LeCerf, Town Manager

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### **AGENDA ITEM DESCRIPTION:**

Enclosed for your review and consideration is Resolution 2023-54. This resolution would authorize the Town of Johnstown Water Utility Enterprise to be reimbursed with proceeds from the issuance of water revenue municipal bonds for capital expenditures undertaken or to be undertaken within the Water Utility Enterprise.

Council awarded the first phase of the construction for the expansion of our Water Treatment Plant on November 6 for approximately \$22 million. To complete this project, issuance of a water revenue municipal bond will be necessary. While the amount has not been fully determined, the Resolution enclosed considers a bond of up to \$75 million. At a time appropriate (hopefully interest rates are on a decline), Town Staff will work with Town Council, our Bond Counsel and Bond Underwriters to set a date in 2024 for the issuance of Water Revenue Bonds.

This Resolution will specifically allow the Town to reimburse itself for the initial phase if it wants and needs to or may use all the proceeds to fund the balance of the remaining project. This Resolution was drafted by Tom Peltz, Kutak & Rock our Bond Counsel with the flexibility on how the financing and if applicable, reimbursements may be handled and processed.

### **LEGAL ADVICE:**

The Town Bond Counsel drafted the Resolution presented for consideration.

*The Community That Cares*

[johnstown.colorado.gov](http://johnstown.colorado.gov)

P: 970.587.4664 | 450 S. Parish Ave, Johnstown CO 80534 | F: 970.587.0141

**FINANCIAL ADVICE:**

This Reimbursement Resolution allows the Town to fully get reimbursed if necessary for the improvements already approved as part of the capital project.

**RECOMMENDED ACTION:** Staff supports and recommends approval of Resolution 2023-54.

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**SUGGESTED MOTIONS:**

**For Approval**

I move to approve Resolution 2023-54 authorizing the Water Utility Enterprise to reimburse itself with proceeds from the issuance of a municipal bond for capital expenditures undertaken within the Water Utility Enterprise.

**For Denial**

I move we deny Resolution 2023-54 as presented.

*Reviewed and Approved for Presentation,*



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Town Manager