

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND**  
**2006 Legislative Session**

Resolution No. CR-73-2006  
Proposed by The Chairman (by request – WSSC)  
Introduced by Council Member Dernoga  
Co-Sponsors \_\_\_\_\_  
Date of Introduction September 26, 2006

**RESOLUTION**

1 A RESOLUTION concerning

2 Approval of a Certain Refunding Plan of the Washington Suburban Sanitary Commission  
3 for the Issuance of Refunding Bonds

4 For the purpose of approving the Refunding Plan of the Washington Suburban Sanitary  
5 Commission for the refunding of certain bonds of Washington Suburban Sanitary District  
6 through the issuance of General Construction Refunding Bonds, Water Supply Refunding Bonds,  
7 and Sewage Disposal Refunding Bonds of Washington Suburban Sanitary District.

8 WHEREAS, Washington Suburban Sanitary Commission (the "Commission") proposes  
9 to issue General Construction Refunding Bonds, Water Supply Refunding Bonds and Sewage  
10 Disposal Refunding Bonds (the "Refunding Bonds"), at one time or from time to time, for the  
11 purpose of refunding the callable maturities and outstanding maturities of some or all of the  
12 bonds identified in EXHIBIT "A" (such callable maturities collectively, the "Refunding Bonds"),  
13 as market conditions may permit; and

14 WHEREAS, under the provision of Article 29 of the Annotated Code of Maryland, as  
15 amended ("Article 29"), and particularly, Section 4-109 thereof, the Commission is authorized to  
16 issue the Refunding Bonds to refund the Refunded Bonds to effect savings in debt service costs,  
17 directly or through any debt restructuring and only upon a finding by the Commission that such  
18 refunding will result in total savings in debt service costs; and

19 WHEREAS, said Section 4-109 of Article 29 provides for the preparation by the  
20 Commission of its plan respecting the issuance of the Refunding Bonds and pursuant thereto the  
21 Commission has delivered to the County Executive and the County Council of Prince George's  
22 County said plan (the "Refunding Plan") entitled:

WASHINGTON SUBURBAN SANITARY COMMISSION  
REFUNDING PLAN AND ANALYSIS

and dated September 7, 2006; and

WHEREAS, Section 4-109 of Article 29 provides that the sale of the Refunding Bonds as authorized thereunder shall not be made unless the Refunding Plan is approved by the County Executive and the County Council of Prince George's County and Montgomery County, respectively, provided, however, that if during the period of 30 days from the date of delivery of the Refunding Plan any County Executive or County Council shall have failed to approve or disapprove the Refunding Plan, such failure shall be deemed an approval of the Refunding Plan by such County Executive or County Council; and

WHEREAS, the Refunding Plan has been based upon certain assumptions, tables and other bases set forth in the Refunding Plan which have been reviewed and considered by the County Council; and

WHEREAS, delivery of the Refunding Plan to the County Councils and County Executives of the two Counties, respectively, has been approved by the Commission, and subject to the approval of the Refunding Plan as required under said Section 4-109, the Commission proposes issuing the Refunding Bonds of Washington Suburban Sanitary District as and when market conditions may permit, in the amount necessary to effectuate the Refunding Plan, subject to such revisions, if any, to the extent that any facts assumed should subsequently change; and

WHEREAS, the County Executive of Prince George's County has reviewed the Refunding Plan and has signed and submitted to the County Council his statement of approval of the Refunding Plan.

NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's County, Maryland, that the Refunding Plan shown as EXHIBIT "A" and affixed hereto be and is hereby approved, recognizing that the Refunding Plan is based upon certain assumptions, tables and bases set forth therein and that to the extent the facts assumed should change, revisions in the Refunding Plan may be necessary.

BE IT FURTHER RESOLVED that the Refunding Plan be placed on file with the Clerk of the Council and that the Clerk be and is hereby directed to deliver to the Treasurer of the Commission certified copies of this Resolution and of the excerpts from the minutes of the meeting of the County Council evidencing the adoption of this Resolution.

1 BE IT FURTHER RESOLVED that the provisions of this Resolution are severable and if  
 2 any paragraph, provision, sentence, clause, section or part hereof is held illegal, invalid,  
 3 unconstitutional or inapplicable to any person or circumstance by a court of competent  
 4 jurisdiction, such illegality, invalidity, unconstitutionality, or inapplicability shall not effect or  
 5 impair any of the remaining paragraphs, provisions, sentences, clauses, section, or parts of this  
 6 Resolution. It is hereby declared to be the legislative intent that this Resolution would have been  
 7 adopted if such illegal, invalid, unconstitutional, or inapplicable provision, paragraph, sentence,  
 8 clause, section or part had not been included herein.

9 BE IT FURTHER RESOLVED, that the Washington Suburban Sanitary Commission  
 10 shall provide a comprehensive report to the Council within ten (10) days of the issuance of the  
 11 Refunding Bonds of the total savings in debt service, the present value of savings and the total  
 12 savings for the fiscal year in which the refunding occurred as well as the ensuing fiscal year.

Adopted this 3rd day of October, 2006.

COUNTY COUNCIL OF PRINCE  
 GEORGE'S COUNTY, MARYLAND

BY: \_\_\_\_\_  
 Thomas E. Dernoga  
 Chairman

ATTEST:

\_\_\_\_\_  
 Redis C. Floyd  
 Clerk of the Council

**Exhibit A**

**WASHINGTON SUBURBAN SANITARY COMMISSION**

**REFUNDING PLAN AND ANALYSIS**

**SUBMITTED BY**

**PUBLIC ADVISORY CONSULTANTS, INC.**

**September 7, 2006**

## **Washington Suburban Sanitary Commission**

### **Tax-Exempt Bond Refunding Plan**

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#### **Executive Summary**

Public Advisory Consultants, Inc., as financial advisor to the Washington Suburban Sanitary Commission (WSSC, or the Commission) has conducted a review of outstanding tax-exempt indebtedness of the Commission for refinancing suitability. Based on current market conditions, the General Construction Bonds of 2005, the Water Supply Bonds of 2005, and the Sewage Disposal Bonds of 2005 all exhibit positive savings. From these three bond issues, approximately \$1.5 million in NPV savings and \$3.9 million in gross savings can be realized through the issuance of \$86,040,000 in tax-exempt advance refunding bonds to refinance \$79,730,000, the callable components of \$164,270,000 in outstanding debt. All numbers are based on current market conditions and subject to change.

#### **Major Assumptions and Methodology**

- Tax-exempt refunding bond rates as of early-September 2006.
- All eligible outstanding bonds called on earliest date.
- Escrow investments based on SLGS rates as of September 5, 2006.
- Issuance Costs estimated at 0.1% (\$1.00/Bond).
- Refunding bonds structured to achieve equal annual debt service savings within each year. (We could adjust this to achieve upfront savings on the General Construction Bonds as has been done previously.)
- All net present value savings statistics are net of all transaction costs and debt service fund contributions.

**Washington Suburban Sanitary Commission**  
**Tax-Exempt Bond Refinancing Analysis**  
**Summary of Debt Service Savings - 2005 Bond Series**  
**Sep-06**  
**Current Rates**

<b>Issue Number</b>	<b>Original Dated Date</b>	<b>Final Maturity Date</b>	<b>Original Bond Size</b>	<b>Purpose</b>	<b>Outstanding Principal</b>	<b>Refinanced Principal</b>	<b>Debt Service Fund Transfers</b>	<b>Current Average Interest Rate</b>	<b>Earliest Refinancing Date</b>	<b>Refunding Bonds Issued</b>	<b>Gross Present Value \$ Savings*</b>	<b>Net Present Value \$ Savings *</b>	<b>Net Present Value % Savings *</b>
1	3/15/2005	6/1/2029	\$15,000,000	General Construction Bonds of 2005	\$15,000,000	\$10,830,000	\$180,500	5.000%	Immediate	\$11,740,000	\$583,749	\$210,416	1.943%
2	3/15/2005	6/1/2025	\$60,330,000	Water Supply Bonds of 2005	\$57,080,000	\$27,830,000	\$463,833	5.000%	Immediate	\$30,030,000	\$1,377,179	\$528,085	1.898%
3	3/15/2005	6/1/2025	\$97,870,000	Sewage Disposal Bonds of 2005	\$92,190,000	\$41,070,000	\$684,500	5.000%	Immediate	\$44,270,000	\$1,988,977	\$747,809	1.821%

Total			\$173,200,000		\$164,270,000	\$79,730,000	\$1,328,833			\$86,040,000	\$3,949,905	\$1,486,310	1.864%
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\* Subject to change, based on current market conditions.

Prepared by: Public Advisory Consultants, Inc.

Date: September 7, 2006