

**PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY**

Meeting Date: 2/25/2003

Reference No.: CR-5-2003

Proposer: WSSC

Draft No.: 2

Sponsors: Shapiro, Dean

Item Title: A Resolution approving the Refunding Plan of the WSSC for the refunding of certain bonds of Washington Suburban Sanitary District through the issuance of General Construction Refunding Bonds, Water Supply Refunding Bonds and Sewerage Refunding Bonds

Drafter: Linnie Dixon
WSSC

Resource Thomas Traber
Personnel: WSSC

LEGISLATIVE HISTORY:

Date Presented: __/__/__

Executive Action: __/__/__

Committee Referral: 2/4/2003 THE

Effective Date: __/__/__

Committee Action: 2/13/2003 FAV(A)

Date Introduced: 2/4/2003

Public Hearing: __/__/__ :__ __

Council Action: 2/25/2003 ADOPTED

Council Votes: PS:A, MB:A, SHD:-, TD:A, CE:A, DCH:A, TH:A, TK:A, DP:-

Pass/Fail: P

Remarks: _____

TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE DATE: 2/13/03

Committee Vote: Favorable as Amended, 4-0 (In favor: Council Members Dean, Bland, Peters and Shapiro).

CR-5-2003 would approve the refunding of certain bond issues (General construction Refunding Bonds, Water Supply Refunding Bonds and Sewage Disposal Refunding Bonds) described in the enclosed Refunding Plan and Analysis. The Analysis has been amended to add one additional issue (Issue #29), which will generate substantial present value savings. All of the bonds were sold in earlier years at relatively higher interest rates and are candidates for refinancing within the next twelve months.

The Chief Financial Officer, WSSC, reports that if municipal bonds interest rates maintain present levels, refunding these outstanding bonds could result in present value savings of over \$25 million to the commission. Depending on the market, only cost-effective issues will be refunded. Refunding is scheduled to take place in March and September of this year.

Montgomery County Council approved the refunding plan on February 11, 2003.

The Legislative Officer finds it to be in proper legislative form and the office of Audits and Investigations determined that there should not be any negative fiscal impact on the County as a result of adopting CR-5-2003.

The Committee amended CR-5-2003 Draft 1 to add one additional bond issue.

BACKGROUND INFORMATION/FISCAL IMPACT

(Includes reason for proposal, as well as any unique statutory requirements)

Section 4-109, Article 29 of the Annotated Code of Maryland requires that the sale of refunding bonds by the Washington Suburban Sanitary Commission shall be approved by the County Executive and County Council of Prince George's and Montgomery Counties, respectively. This approval must occur within 30 days of receipt of a Refunding Plan from the Commission. If action is not taken within the thirty-day period the Refunding Plan stands approved.

CODE INDEX TOPICS: