

## Prince George's County Council

### Agenda Item Summary

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**Meeting Date:** 10/19/2004  
**Reference No.:** CR-064-2004  
**Draft No.:** 1  
**Proposer(s):** WSSC  
**Sponsor(s):** Dean, Harrington, Peters  
**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

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**Drafter:** Sandra A. Eubanks, Director THE Committee  
**Resource Personnel:** Tom Traber, WSSC

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#### LEGISLATIVE HISTORY:

<b>Date Presented:</b>	<b>Executive Action:</b>
<b>Committee Referral:</b> 10/5/2004 - THE	<b>Effective Date:</b>
<b>Committee Action:</b> 10/14/2004 - FAV	
<b>Date Introduced:</b> 10/5/2004	
<b>Public Hearing:</b>	
<b>Council Action (1)</b> 10/19/2004 - ADOPTED	
<b>Council Votes:</b> MB:A, SHD:A, TD:A, CE:A, DCH:A, TH:A, DP:A	
<b>Pass/Fail:</b> P	
<b>Remarks:</b>	

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#### AFFECTED CODE SECTIONS:

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#### COMMITTEE REPORTS:

##### TRANSPORTATION, HOUSING & THE ENVIRONMENT

**Date 10/14/2004**

Committee Vote, Favorable, 4-0, (In favor: Councilmembers Harrington, Peters, Dean and Hendershot.)

Staff summarized the purpose of the resolution and written referral comments that were received. CR-64-2004 approves the Refunding Plan of the Washington Suburban Sanitary Commission for refunding certain bonds of the Washington Suburban Sanitary District through the issuance of General Construction Refunding Bonds, Water Supply Refunding Bonds and Sewerage Refunding Bonds. All of the bonds were sold in earlier years at relatively higher interest rates and are candidates for refinancing within the next twelve (12) months. The estimated amount of the Refunding Bonds to be issued is \$111,140,000 and includes the transaction cost of approximately \$111,000.

While Exhibit "A" (Refunding Plan) indicates issuance of eight (8) bond issues, numbers seven (7) and eight (8) will not be issued unless present value savings increase. The bonds are included in the Refunding Plan to obtain Council approval so that when the market is conducive for refunding WSSC will not have to come back before the Council.

The Chief Financial Officer of WSSC reports that if municipal bond interest rates maintain present levels, refunding

these outstanding bonds could result in present value savings of over \$2.4 million to the Commission. Depending on the market, only cost-effective issues will be refunded. Refunding is scheduled to take place in early November.

The WSSC Commissioners approved the Refunding Plan on September 29, 2004 and the Montgomery County Council approved the Refunding Plan on October 12, 2004.

The Legislative Officer and the Office of Law find CR-64-2004 to be in proper legislative form. 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-64-2004.

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**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.

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**CODE INDEX TOPICS:**

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**INCLUSION FILES:**

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