

Memorandum



(Public Hearing 7-21-09)

Date:

June 2, 2009

To:

Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

Agenda Item No. 5 (M)

From:

George M. Burgess
County Manager

Subject:

Ordinance Amending and Restating Ordinance No. 08-126 to Authorize Use of Lines of Credit in \$400 Million Commercial Paper Program for the Miami-Dade Water and Sewer System

Recommendation

It is recommended that the Board of County Commissioners adopt the accompanying Ordinance amending and restating Ordinance No. 08-126 to include Lines of Credit as an alternative to Commercial Paper Notes (CP Notes, together with Lines of Credit, Interim Financing) with respect to the \$400 million Commercial Paper program for the Miami-Dade Water and Sewer Department (WASD). Ordinance No. 08-126 authorized, not to exceed at any one time, \$400 million in Water and Sewer System CP Notes, as well as authorized the issuance of not to exceed \$800 million of Water and Sewer System Revenue Bonds (Bonds) in one or more series.

Scope

The impact of the Ordinance is countywide. The implementation of an Interim Financing program will provide temporary financing required by WASD to continue to make capital improvements to its infrastructure according to its Capital Improvements Program (CIP), in anticipation of the issuance of additional long term revenue bonds. The projects to be funded are listed in "Exhibit A."

Fiscal Impact/Funding Source

The projects in "Exhibit A" are included in the FY 2008-09 adopted budget and multi-year capital improvement plan. The Interim Financing will be repaid from proceeds of the Bonds and like the Bonds, from water and sewer revenues. The fiscal impact will be to WASD and its customers.

Background

On November 16, 1993, the Board enacted Ordinance No. 93-134, as amended and supplemented (Master Ordinance), authorizing the issuance of water and sewer system revenue bonds from time to time.

On November 20, 2008, the Board enacted Ordinance No. 08-126 (Original Ordinance) which authorized the issuance of the CP Notes and the Bonds. The accompanying Ordinance amends and restates the Original Ordinance to add the option of utilizing Lines of Credit as an alternative to the CP Notes. It reauthorizes the issuance in one or more series, *and authorizes the entering into one or more lines of credit*, subject to the limitation that the Interim Financing not exceed \$400 million at any one time for the purpose of (i) paying a portion of the costs of the CIP Projects; and/or (ii) paying interest and principal on the CP Notes or interest on the Lines of Credit.

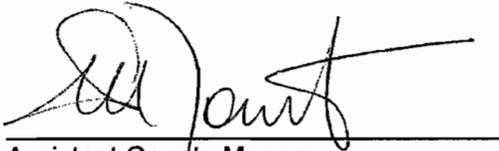
The Interim Financing provides the County with immediate access to construction funds when needed at short term interest rates until the County issues the Bonds. The utilization of low cost Interim Financing during construction will have a short term positive impact on the water and sewer rates charged to customers. This financing mechanism has been very successful in reducing the cost of borrowing for the Miami-Dade Aviation Department's CIP on an interim basis.

Honorable Chairman Dennis C. Moss
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The Interim Financing program is dependent upon one or more commercial banks with high credit ratings agreeing to issue a letter of credit to provide liquidity for the CP Notes or in the alternative, enter into one or more Lines of Credit. The letter of credit is necessary to take out the CP Notes in the event of a failure to achieve a timely remarketing of the CP Notes or an inability of the County to issue its revenue Bonds when required to repay the principal and interest on the CP Notes. The Lines of Credit will be direct loans and do not require the marketing of CP Notes.

This Ordinance also reauthorizes the issuance of the Bonds in an initial amount not to exceed \$800 million (Initial Bond Authorization) for the purpose of providing funds to pay costs of improvements to the water and sewer system, including payment of the Interim Financing, fund a deposit, if any, to the Reserve Account and to pay costs of issuance. *The details of any issuance of Bonds shall be determined pursuant to subsequent resolution(s) adopted by the Board.*

"Exhibit A" lists the projects in the CIP anticipated to be funded with the Interim Financing program. Pursuant to the Ordinance, the Finance Director, as the County Mayor's designee is authorized to obtain proposals through requests for proposals or any other competitive process deemed appropriate for the selection of commercial paper dealer(s), line of credit providers, issuing and paying agent(s) and credit provider(s) in connection with the Notes, after consultation with the County Attorney's Office, Bond Counsel and Financial Advisor. *The selected proposer and the details of the Interim Financing will be presented to the Board for consideration and approval.*



Assistant County Manager



MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

DATE: July 21, 2009

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 5(M)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Mayor's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 5(M)
7-21-09

ORDINANCE NO. _____

ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 08-126; AUTHORIZING ISSUANCE OF MIAMI-DADE COUNTY, FLORIDA WATER AND SEWER SYSTEM COMMERCIAL PAPER NOTES, IN ONE OR MORE SERIES, AND ENTERING INTO ONE OR MORE LINES OF CREDIT, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$400,000,000 OUTSTANDING AT ANY ONE TIME, AS INTERIM FINANCING IN ANTICIPATION OF ISSUANCE OF MIAMI-DADE COUNTY, FLORIDA WATER AND SEWER SYSTEM REVENUE BONDS; AUTHORIZING ISSUANCE OF NOT TO EXCEED \$800,000,000 MIAMI-DADE COUNTY, FLORIDA WATER AND SEWER SYSTEM REVENUE BONDS, IN ONE OR MORE SERIES, FOR PURPOSE, AMONG OTHERS, OF REPAYING INTERIM FINANCING, PURSUANT TO SECTION 208 OF ORDINANCE NO. 93-134; AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO OBTAIN PROPOSALS FOR SELECTION, AS APPLICABLE, OF COMMERCIAL PAPER DEALER(S), ISSUING AND PAYING AGENT(S) AND CREDIT PROVIDER(S) IN CONNECTION WITH INTERIM FINANCING; PROVIDING FOR ESTABLISHMENT OF DETAILS OF INTERIM FINANCING AND BONDS BY SUBSEQUENT RESOLUTIONS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Board of County Commissioners (the "Board") of Miami-Dade County, Florida (the "County"), acting pursuant to the authority cited in Section 1, owns and operates water and wastewater treatment plant facilities and a distribution and collection system and pursuant to such authority and Ordinance No. 93-134, enacted by the Board on November 16, 1993, as amended and supplemented (the "Master Ordinance"), the County is authorized to issue revenue bonds from time to time; and

WHEREAS, all terms used in capitalized form and not defined herein have the meanings assigned to such terms in the Master Ordinance; and

WHEREAS, the County is undertaking certain Improvements, as more particularly described in Exhibit "A" attached hereto and made a part hereof (the "CIP Projects"); and

WHEREAS, the County is in urgent need of funds to pay Costs of the CIP Projects and in order to provide interim financing therefor in anticipation of the issuance of Additional Bonds under the Master Ordinance, the Board desires to authorize the County to issue commercial paper notes (the "CP Notes") and/or enter into one or more lines of credit (the "Lines of Credit") (the CP Notes and the one or more Lines of Credit are individually and/or collectively, as applicable, hereinafter referred to as the "Interim Financing"); and

WHEREAS, Section 208 of the Master Ordinance permits proceeds derived from the sale of Additional Bonds to be applied to the payment of the Interim Financing; and

WHEREAS, the Board also desires to authorize the issuance of Additional Bonds pursuant to Section 208 of the Master Ordinance for the purpose, among others, of paying the Interim Financing (for purposes of this ordinance, the "Bonds"); and

WHEREAS, the Board deems it appropriate to authorize to the Finance Director, as the County Mayor's designee, to obtain proposals through requests for proposals or any other process as the Finance Director deems appropriate for the selection, as applicable, of commercial paper dealer(s), issuing and paying agent(s) and credit provider(s) in connection with the Interim Financing; and

WHEREAS, it is the intent of the Board that the details of the Interim Financing and the Bonds be approved by subsequent resolutions adopted by the Board; and

WHEREAS, on November 20, 2008, the Board enacted Ordinance No. 08-126 (the "Original Ordinance") authorizing the issuance of the CP Notes and the Bonds and it is the intent that this ordinance amends and restates the Original Ordinance in full; and

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated in this ordinance by reference,

**BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF
MIAMI-DADE COUNTY, FLORIDA:**

Section 1. This ordinance is enacted pursuant to the provisions of the Constitution of the State of Florida, the Home Rule Amendment and Charter of Miami-Dade County, Florida, Chapters 125 and 166, Florida Statutes, as amended, Section 215.431, Florida Statutes, as amended, the Code of Miami-Dade County, Florida, as amended, and other applicable provisions of law (collectively, the "Act").

Section 2. The recitals contained in the foregoing "WHEREAS" clauses are incorporated in this ordinance by this reference.

Section 3. (a) Under the authority of the Act and the provisions of this ordinance, (i) commercial paper notes of the County to be known as "Miami-Dade County, Florida Water and Sewer System Commercial Paper Notes" are hereby authorized to be issued, at one time or from time to time in one or more series, and (ii) one or more lines of credit are hereby authorized to be entered into, at one time or from time to time, in an aggregate principal amount not to exceed \$400,000,000 outstanding at any one time, for the purpose of (A) paying a portion of the Costs of the CIP Projects and/or (B) paying Interim Financing (including accrued interest thereon) previously issued or entered into, as applicable, pursuant to the provisions of this ordinance, including in each case paying costs and expenses incurred in connection with the issuance of or the entering into, as applicable, the Interim Financing, all as shall be provided by subsequent resolution or resolutions adopted by the Board. It is hereby understood and agreed that Interim Financing may be issued or entered into, as applicable, hereunder in an aggregate principal amount exceeding \$400,000,000; provided, however, that at no one time shall the Interim Financing collectively be outstanding hereunder in an aggregate principal amount exceeding \$400,000,000.

(b) The Interim Financing shall be payable from the sources described in subsequent resolution or resolutions adopted by the Board. The Interim Financing shall not constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or

power of the County, the State of Florida or any political subdivision of the State of Florida, within the meaning of any constitutional, statutory or charter provision.

(c) The CP Notes shall have such series designations, shall be issued in fully registered form without coupons in such denominations, shall be numbered, shall be dated as of such dates, shall mature on such dates, shall be subject to redemption, shall bear interest at such rates payable on such dates, shall be in such forms, and shall have such other terms, all as shall be determined pursuant to subsequent resolution or resolutions adopted by the Board.

(d) The Lines of Credit shall be dated as of such dates, shall mature on such dates, shall be repayable, shall be subject to prepayment, shall bear interest at such rates and have such fees payable on such dates, shall be in such forms, and shall have such other terms, all as shall be determined pursuant to subsequent resolution or resolutions adopted by the Board.

Section 4. (a) Under the authority of the Act, as applicable, and the provisions of the Master Ordinance and this ordinance, Additional Bonds of the County in an aggregate principal amount not to exceed \$800,000,000 are hereby authorized to be issued pursuant to Section 208 of the Master Ordinance, at one time or from time to time in one or more series, for the purpose of providing funds to pay Costs of the CIP Projects, including payment of the Interim Financing, fund a deposit, if any, to the Reserve Account and pay costs of issuance thereof.

(b) The Bonds shall be special limited obligations of the County, payable solely from Pledged Revenues as provided in the Master Ordinance.

(c) The Bonds shall have such series designations, shall be issued in fully registered form without coupons in such denominations, shall be numbered, shall be dated as of such dates, shall mature on such dates, be subject to redemption, shall bear interest at such rates payable on such dates, shall be in such forms, and shall have such other terms, all as shall be determined pursuant to subsequent resolution or resolutions adopted by the Board.

Section 5. The Finance Director is hereby authorized to obtain proposals through requests for proposals or any other process as the Finance Director deems appropriate for the selection, as applicable, of commercial paper dealer(s), issuing and paying agent(s) and credit provider(s) in connection with the Interim Financing, after consultation with the County Attorney, bond counsel and the financial advisor.

Section 6. This ordinance amends and restates the Original Ordinance in full.

Section 7. This ordinance shall take effect ten (10) days after its enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by the Board.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:





Prepared by:

Gerald T. Heffernan

Exhibit "A"
Miami-Dade Water & Sewer Department
Exhibit of Projects for Commercial Paper Program

WASTEWATER PROJECTS

Biscayne Bay Coastal Wetlands Rehydration (52 MGD)	\$ 621,000,000
Central District Plant Upgrades	33,000,000
Central Miami-Dade WW Transmission Mains & Pump Station Improvements	62,000,000
Corrosion Control Facilities Improvements	5,000,000
Gravity Sewer Renovations	31,000,000
North District WW Treatment Plant Upgrades	3,000,000
North District WW Transmission Mains & Pump Station Improvements	1,300,000
Peak Flow Management Facilities	439,000,000
Pump Station Generators & Miscellaneous Upgrades	8,000,000
Pump Station Improvement Program	44,000,000
South District WW Transmission Mains & Pump Station Improvements	3,000,000
South District WW Treatment Plant Upgrades	15,000,000
South District WW Treatment Plant - High Level Disinfection (1)	408,000,000
South District WW Treatment Plant Expansion -Phase III	18,000,000
Wastewater General Maintenance & Office Facilities	42,000,000
Wastewater Treatment Plant Automation Enhancements	6,000,000
Wastewater Treatment Plants Effluent Reuse	705,000,000
Wastewater Treatment Plants Miscellaneous Upgrades	<u>4,000,000</u>

TOTAL WASTEWATER PROJECTS **\$ 2,448,300,000**

WATER PROJECTS

Aquifer Storage Recovery - Wellfields	\$	3,000,000
Central Miami-Dade Water Transmission Main Improvements		19,000,000
North Miami-Dade Water Transmission Main Improvements		15,000,000
Safe Drinking Water Act Modification		115,000,000
South Miami Heights New Water Treatment Plant & Wellfield		41,000,000
South Miami Heights Transmission Mains Improvements		11,000,000
Water Distribution System Extension Enhancements		56,000,000
Water General Maintenance & Office Facilities		36,000,000
Water Treatment Plant - Alexander Orr, Jr Expansion		46,000,000
Water Treatment Plants - Hialeah/Preston Improvements		55,000,000
Water Treatment Plant - Upper Floridian Reverse Osmosis		22,000,000
Wellfield Improvements		<u>122,000,000</u>
TOTAL WATER PROJECTS	\$	<u>541,000,000</u>

RECAP:

TOTAL WASTEWATER PROJECTS	\$	2,448,300,000
TOTAL WATER PROJECTS		541,000,000
	\$	<u>2,989,300,000</u>

**Total Water & Sewer Project Costs Projected to be Funded
from Future Bond Proceeds** **\$ 3,489,300,000**

This exhibit is subject to amendment from time to time as annual revisions are incorporated into the "Adopted Capital Budget and Multi-Year Capital Plan" as it is adopted annually by the Miami-Dade County Board of County Commissioners.

Note: above amounts represent not the total project cost, but instead the amount anticipated to be funded from future bond sales.