



Legislation Details (With Text)

File #: 01542 **Version:** 1 **Name:** Water Utility Fund
Type: Resolution **Status:** Passed
File created: 6/28/2005 **In control:** WATER UTILITY BOARD
On agenda: 8/2/2005 **Final action:** 8/2/2005
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Title: Authorizing a loan from the general fund to the water utility fund and the reimbursement of certain capital expenditures from the proceeds of future waterworks system revenue bonds.

Sponsors: Lauren Cnare

Indexes:

Code sections:

Attachments: 1. 01542.pdf

Date	Ver.	Action By	Action	Result
8/2/2005	1	COMMON COUNCIL	Adopt	Pass
7/19/2005	1	WATER UTILITY BOARD	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
7/11/2005	1	BOARD OF ESTIMATES (ended 4/2017)	Return to Lead with the Recommendation for Approval	Pass
7/5/2005	1	COMMON COUNCIL	Refer	
7/5/2005	1	WATER UTILITY BOARD	Refer	
6/29/2005	1	Attorney's Office	Fiscal Note Required / Approval	
6/29/2005	1	Finance Dept/Approval Group	Approved Fiscal Note By The Comptroller's Office	
6/29/2005	1	Attorney's Office	Referred for Introduction	

Fiscal Note

This resolution accomplishes two purposes. First, it provides the legal authorization for the Water Utility to use borrowed funds to finance specific projects started prior to the actual borrowing date. Second, it authorizes a loan from the general fund to the water utility fund to temporarily finance Water Utility capital expenditures. The loan shall accrue interest at the rate of earnings on City investments, plus .25% and shall be repaid when the Water Utility sells revenue bonds to permanently finance its capital projects. No significant budgetary impact is anticipated.

Title

Authorizing a loan from the general fund to the water utility fund and the reimbursement of certain capital expenditures from the proceeds of future waterworks system revenue bonds.

Body

WHEREAS, United States Treasury regulations permit proceeds of bonds, the interest on which is excluded from gross income for federal income tax purposes, to be allocated to reimburse an expenditure that was paid prior to the date of issue of the bonds only if the state or local government, within 60 days of the date of the expenditure, declared its official intent to reimburse the expenditure with proceeds of a borrowing; and

WHEREAS, it is desirable for the City of Madison to be able to use the proceeds of its bonds relating to its municipal waterworks system (the System) to reimburse expenditures relating to the System that are paid prior to the date of issue of such bonds; and

WHEREAS, the City is able to temporarily finance authorized Water Utility capital expenditures, until the sale of waterworks system revenue bonds, with an internal borrowing from the General Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY as follows:

Section 1. Authorization to Declare Official Intent. The Finance Manager of the City's water utility (the Declaration

Clerk
[Seal]