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August 29, 2025

MEMO TO: Timothy Bryant, CEO/General Manager

MEMO FROM: Rhonda Graham, Chief Financial Officer

SUBJECT: Series 2025 Revenue Bonds – Resolution Approving and Agreeing to the terms of the Series 2025 Bond Order

Attached is a resolution for Commission action at the September 10, 2025 meeting approving and agreeing to the terms of the Series 2025 Bond Order and requesting the City do the same. The Series 2025 Bond Order is a supplement to the Original Bond Order and approves the issuance of the Series 2025 Bonds. The not-to-exceed amount is \$230 million.

In order to issue revenue bonds, North Carolina General Statutes require that the issuing entity adopt a "bond order". The bond order is the legal document that outlines the security structure (i.e. pledge of net revenues of the utility system), flow of funds and ongoing covenants (i.e. rate covenant, additional bonds test, continuing disclosures, etc.) for the revenue bonds. The City adopted the Original Bond Order on November 5, 1990 and adopts supplemental bond orders in connection with each subsequent issuance of revenue bonds. The supplemental bond orders provide more details/specifics on the particular series of bonds being issued.

A draft copy of each of the Series 2025 Bond Order, Preliminary Official Statement and Notice of Sale will be provided for you at the meeting. Should an Escrow Agreement be needed, in the event the refunding of Prior Bonds moves forward, the form of Agreement would follow that approved in connection with the Series 2018 Bonds.

The status of the key milestones are:

- August 13/25 PWC & City adopt resolutions to file application w/LGC - **Complete**
- September 2 File Application with LGC - **Complete**
- **September 10** **PWC adopt Series 2025 Bond Order - request City adopt same**
- September 11 Send draft documents to rating agencies - **In Process**
- **September 22** **City adopt Series 2025 Bond Order**
- September 23 Calls with rating agencies (Moody's, S&P and Fitch)
- October 7 LGC approval
- October 10 Post Preliminary Official Statement and Notice of Sale
- October 21 Pricing – receive and accept bids for bonds
- November 12 Closing

Staff recommends that the Commission adopt the attached Resolution No. PWC2025.30.

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