

**NOTICE TO JOINT LEGISLATIVE COMMITTEE ON LOCAL GOVERNMENT
OF PROPOSED LOCAL GOVERNMENT FINANCING**

June 15 2022

Joint Legislative Committee on Local
Government
16 West Jones Street
Raleigh, North Carolina 27601
Attention: Committee Chairs and Committee
Assistant

Fiscal Research Division
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925
Attention: Director

North Carolina Local Government Commission
3200 Atlantic Avenue
Raleigh, North Carolina 27604
Attention: Secretary

***City of Charlotte, North Carolina
Water and Sewer System Revenue Bonds***

***City of Charlotte, North Carolina
Bond Anticipation Note***

In accordance with N.C. Gen. Stat. §120-157.2(a) (the “*Statute*”), the City of Charlotte, North Carolina (the “*City*”) hereby notifies you of its intent to issue its Water and Sewer System Revenue Bonds, Series 2022 (the “*Bonds*”) and its Water and Sewer Revenue Bond Anticipation Note, Series 2022 (the “*Note*”) pursuant to Article 5 of Section 159 of the North Carolina General Statutes, as amended.

The Bonds are expected to be issued in an aggregate principal amount not to exceed \$400,000,000, the proceeds of which will be used to (1) prepay in full the City’s Water and Sewer System Revenue Bond Anticipation Note, Series 2021, (2) finance the costs of extensions, additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment for the water and sewer system owned by the City, (3) refund the City’s outstanding Water and Sewer System Revenue Refunding Bonds, Series 2011 and (4) to pay the corresponding costs of issuing the Bonds. In addition, the City is contemplating the refinancing of additional outstanding indebtedness of the City’s water and sewer system. The Note is expected to be issued in a principal amount not to exceed \$500,000,000, the proceeds of which will be used to (1) further finance improvements to the City’s water and sewer system in accordance with the City’s capital improvement plan and (2) pay the costs of issuing the Note.

The Bonds will be issued pursuant to an amended and restated General Trust Indenture dated as of September 24, 2020 (the “*General Indenture*”) between the City and U.S. Bank National Association, the successor to which is U.S. Bank Trust Company, National Association, as trustee, (the “*Trustee*”), and a series indenture relating to the Bonds between the City and the Trustee. The Note will be issued pursuant to the General Indenture and a series indenture relating to the Note. The Bonds and the Note will be special obligations of the City secured by and payable from the net revenues of the City’s water

and sewer system. The principal of and interest on the Bonds and the Note will not be payable from the general funds of the City.

The City expects that the Bonds will have a term of approximately 30 years, and interest on the Bonds will accrue at a fixed interest rate. The City expects the Note will accrue interest at a variable rate and expects to refinance the Note with long-term fixed rate bonds in approximately two to three years.

The City expects that the Local Government Commission of North Carolina (the "LGC") will consider for approval the City's proposal to issue the Bonds and the Note at its meeting scheduled for August 2, 2022 or at such later time as the LGC and the City may determine.

If you would like any additional information, please contact Mitali Shah at (704) 336-7909.

CITY OF CHARLOTTE, NORTH CAROLINA

By: Teresa T. Smith
Teresa T. Smith
Chief Financial Officer