

## **City Voters Approve Charter Amendment to Acquire Alafaya Utilities, Inc.**

By a substantial margin, City voters approved an amendment to the City Charter authorizing the issuance of up to \$36 million in utility revenue bonds to acquire Alafaya Utilities - a privately owned wastewater treatment facility that serves 7,500 sewer and 1,500 reclaimed customers. The official vote tally was 3,256 Yes votes compared with 1,840 No votes. This acquisition is the most significant in the City's history and we want to thank you for your support.

During the week of September 6th all \$36 million of the utility revenue bonds were marketed and sold. The City's excellent credit rating coupled with fortuitous timing resulted in very favorable interest rates as reflected in the 3.74% true interest cost. This will result in significantly lower financing costs than were projected in the financial feasibility study. On Tuesday, September 14<sup>th</sup>, the financial transaction between the City and Alafaya Utilities was completed and City ownership became official on Wednesday, September 15, 2010.

Since the financing plan and related credit ratings were very favorable, a debt service reserve was not required. Consequently, there will be sufficient bond proceeds to fund all planned capital improvements, including the interconnection of the Alafaya and City wastewater systems. This major capital improvement will significantly reduce costs for the purchase of bulk sewer services from Seminole County to treat wastewater for the City's 1,600 sewer customers that are not part of the Alafaya system. Engineering and design of this interconnection will take place during FY 10-11 with construction slated for FY 11-12. Interconnection of the Alafaya and City reclaimed systems is scheduled to occur in 2010 to provide Alafaya reclaimed customers' greater reliability and availability of reclaimed water. Other major capital improvements that will begin in FY 10-11 include headworks improvements that will upgrade the operational efficiency of the plant, odor control improvements, tank rehabilitation and the construction of a reclaimed tie-in and radio read meter installation for the Little Creek neighborhood.

As former Alafaya wastewater customers, and City water customers, on behalf of the Oviedo City Council and City Manager we want to welcome you as our newest wastewater customers. For these customers, we want to convey a simple message - we are here to serve you and provide the same high level of customer service that you have been receiving as a City water customer. Please click on the following link to read the welcome letter recently mailed to all Alafaya wastewater customers: