



BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

Subject: Discussion and any necessary action regarding Ordinance 2025-20 authorizing the issuance of City of Breckenridge, Texas Combination Tax Surplus Revenue Certificates of Obligation, Series 2026, in the principal amount of \$1,720,000 to fund water system improvements and awarding sale of such Certificates of Obligation to the Texas Water Development Board; and resolving other matters relating to the subject.

Department: Administration

Staff Contact: Cynthia Northrop

Title: City Manager

BACKGROUND INFORMATION:

The City of Breckenridge applied for and received a combination grant and low-interest rate loan through the Texas Water Development Board – Series 2026 Water Loss Assistance Fund for the purpose of water line replacement.

The total of award from TWDB is \$5,723,900 which includes:

- ✓ \$4,003,900 in grant funding
- ✓ \$1,720,00 in low-interest rate loan (subsidized loan where interest rates are 35% lower than the market rates)

This ordinance authorizes the issuance of \$1,720,000 in Combination Tax and Surplus Revenue Certificates of Obligation, Series 2026.

FINANCIAL IMPACT:

The financing terms are as follows:

- ✓ Closing Date: 2/5/2026
- ✓ Est. Construction Proceeds: \$1,651,500
- ✓ Interest Rates: 1.64% - 3.01%
- ✓ True Interest Cost: 2.55%
- ✓ First interest payment due (Semi-Annual): 9/15/2026
- ✓ First principal payment due (Annual): 3/15/2027
- ✓ Final payment due: 3/15/2046
- ✓ Optional call feature: 3/15/2036 at Par

✓ Average Life: 11.364 Years

STAFF RECOMMENDATION:

Consider approval of Ordinance 2025-20 as presented.