



Commission Meeting Agenda Item Memorandum

ITEM TYPE

Action Item

MEETING DATE:

April 5, 2022

PRESENTER:

Erika McComis, City Manager

ITEM DESCRIPTION:

Discuss and consider adoption of a Resolution 2022-10 directing publication of Notice of Intention to issue Combination Tax and Revenue Certificates of Obligation to the Texas Water Development Board to provide funds for water system improvement projects; and resolving other matters relating to the subject.

BACKGROUND INFORMATION:

The City has recently been awarded funding through the Texas Water Development Board Drinking Water State Revolving Fund for improvements at the water treatment plant and raw water intake to replace several sections of the water distribution system. The City received \$1,312,809 funds eligible for principal forgiveness (grant) and an amount not to exceed \$1,020,000 funded with an interest rate of zero percent (loan). The remaining amount of \$1,305,000 is to be funded in the form of an equivalency loan at the TWDB program's regular terms.

The next step in the process to acquire the funds is to publish a notice of intention to issue certificates of obligation for the available funds. The resolution before the commission this evening lists an amount not to exceed \$2,325,000. The estimated combined principal and interest required to pay the certificates to be authorized on time and in full is \$2,853,802.88. The first payment due will be interest only and will be in March of 2023.

A calendar showing progression of the process as well as a rate analysis from our financial advisor is attached. The Commission will meet again on June 7th to consider action authorizing issuance of the Certificates of Obligation and to approve the sale along with the principal forgiveness agreement.

FISCAL IMPACT:

Not Applicable

- Proposed Expenditure:
- General Ledger Code:
- Proposed Revenue:
- Budget Amendment Required: No
- Financial Review Completed by:

LEGAL REVIEW:

The City Manager reviewed this item.

ATTACHMENTS:

Resolution

RECOMMENDED MOTION AND/OR ACTION:

Move to approve Resolution 2022-10.