



Agenda Report

Agenda of: March 25, 2025

Department: Finance

Subject: Discussion, consideration and authorization to proceed on the proposed Phase II Water Project (Water Well and Elevated Storage) by RESPEC, the City's Engineer, and SAMCO Capital Markets, the City's Financial Advisor, and other matter related to the project, including the Financing.

Recommended Motion:

I move to proceed on the proposed Phase II Water Project (Water Well and Elevated Storage) by RESPEC, the City's Engineer, and SAMCO Capital Markets, the City's Financial Advisor, and other matter related to the project, including the Financing as presented.

Background:

The City of Castroville has been actively working to improve its water infrastructure to ensure long-term sustainability, meet regulatory requirements, and provide reliable water service to residents and businesses.

Phase 2 of the Water Project aims to further enhance the City's water supply and storage capacity through the development of a new water well and the construction of an elevated storage tank. These improvements are critical to:

- **Increasing Water Supply:** The additional water well will provide a more resilient and redundant water source, reducing dependency on existing wells and improving overall system reliability.
- **Enhancing Storage Capacity:** The elevated storage tank will ensure adequate water reserves, improve water pressure stability, and support future growth and emergency preparedness.
- **Regulatory Compliance & System Efficiency:** The project will help the City meet Texas Commission on Environmental Quality (TCEQ) requirements and optimize water distribution efficiency.

To support the planning, design, and execution of this project, the City has engaged **RESPEC**, the City's engineering firm, to oversee technical aspects, and **SAMCO Capital Markets**, the City's financial advisor, to evaluate funding options and recommend financial strategies. The financing discussion will explore potential funding sources, including bonds, loans, grants, or other mechanisms to minimize fiscal impact on the City.

City Council's approval to proceed with this project will allow for the finalization of design, financial structuring, and initiation of construction planning.

Fiscal Impact:

Budgeted Requires Budget Amendment

Source of Funding: Account Code:

Attachments:

Draft Timetable

Utility System Debt Schedule

Urgency (0-5 = Low Urgency to High Urgency):

Submitted by: Leroy Vidales, Finance Director