



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Ginger Faught, Deputy City Administrator

Council Meeting Date: October 6, 2026

Agenda Item Wording: Discussion and possible action regarding a Resolution authorizing the publication of Notice of Intention to issue City of Dripping Springs, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2027 and other matters related thereto.

Applicant: City of Dripping Springs

Summary/Background: **Overview**
The proposed resolution authorizes publication of the City's Notice of Intention to issue Combination Tax and Surplus Revenue Certificates of Obligation, Series 2027, in a maximum principal amount not to exceed \$48,580,000.
The Certificates would finance wastewater-system improvements, including a new wastewater treatment plant, City-wide SCADA system, collection-system expansion, an effluent holding pond and pump station, treated-effluent distribution improvements, related land or easements, and professional and issuance costs.

Notice and Financing Schedule

The resolution requires newspaper publication for two consecutive weeks, with the first publication at least 46 days before the ordinance authorizing issuance, and continuous posting on the City's website for at least 45 days. The notice sets December 1, 2026 at 6:00 p.m. as the tentative date for Council consideration of the authorizing ordinance.

The Certificates are proposed to be payable from ad valorem taxes as provided by law and additionally secured by surplus wastewater-system revenues. The notice estimates combined principal and interest of \$63,631,355.62, an estimated interest rate of 2.62%, and a maximum maturity date of June 1, 2047.

Closing Deadline

The anticipated closing date is January 15, 2027. The loan commitment expires January 31, 2027, so closing must occur before that date.

Next Steps/Schedule:

- Publish the Notice of Intention in a newspaper of general circulation for two consecutive weeks, with the first publication at least 46 days before the ordinance authorization date.
- Post the Notice continuously on the City website for at least 45 days before consideration of the authorizing ordinance.
- Return to City Council on December 1, 2026 for consideration of the ordinance authorizing the Certificates.
- Complete financing documents and related steps necessary for closing.
- Target closing on January 15, 2027, before the loan commitment expires January 31, 2027.