



ACTION ITEM REPORT

Item Title:

Consideration and ACTION to approve the first and second reading of an ordinance authorizing the issuance of "City of Los Fresnos, Texas Combination Tax and Subordinate Lien Revenue Certificates of Obligation, Series 2025 (Clean Water State Revolving fund)"; providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the city and further securing said certificates by a subordinate and inferior lien on and pledge of the net revenues of the system on a parity with certain currently outstanding subordinate lien obligations; and providing an effective date.

Recommendation:

This is the loan portion of the sewer project. The interest rate is variable from a low of 1.59% to a high of 3.16% averaging about 2.75%. This is under our projections of 3% so saves us from what we projected. The annual payments are between \$108,276.50 and \$112,514.00. The rate increases that were approved will cover the debt for the life of the loan, which is 20 years. Again this is the culmination of about 8 years of work on this sewer project

I recommend approval.