



## AGENDA ITEM COMMENTARY

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<b>MEETING NAME:</b>	City Council
<b>MEETING DATE:</b>	August 19, 2024
<b>ITEM TITLE:</b>	Consider and take appropriate action on Resolution No. 2024-029, a resolution directing publication of a notice of intention to issue up to \$14 million in Certificates of Obligation for water system improvements.
<b>STAFF INITIATOR:</b>	Randy Criswell, City Manager

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### BACKGROUND:

Over the past two years, we've spent hundreds of thousands of dollars developing and implementing design phases of a \$32.5 million Water System Capital Improvements Plan. As we've developed the financing plan for the projects, we anticipate three different funding tranches. The first is for a total of an estimated \$12.75 million and includes these projects:

- New Elevated Storage Tank - \$6,500,000 – Ready to bid
- Water Dist Improvements for Elevated Storage Tank - \$1,500,000. Ready to bid
- EDR #2 Design - \$250,000 (ongoing)
- Lubbock North Interconnect and Ground Storage - \$2,000,000
  - Project design is complete and submitted to TCEQ
- Loop 88 East Supply and Ground Storage - \$1,000,000
  - Project design is complete and submitted to TCEQ
- Harvest Well completion - \$500,000 – awaiting TCEQ approval
- Overlook Wells - \$1,000,000 - ongoing

We anticipate the second tranche to come in about a year, and the third in 2026. Our water rate structure and impact fee adoption are based on this schedule. You'll notice the resolution is written with a not to exceed value of \$14 million, which is simply to ensure enough funding will exist in a volatile construction world.

The next step in the process is to adopt a resolution to direct the publication of a Notice Of Intention to issue the CO's. Our Bond Counsel has prepared the resolution and it is included as an exhibit.

### EXHIBITS:

### COUNCIL ACTION/STAFF RECOMMENDATION:

Approve Resolution as presented