



# Issuance of Debt to Fund FY 2026 Capital Improvement Plan

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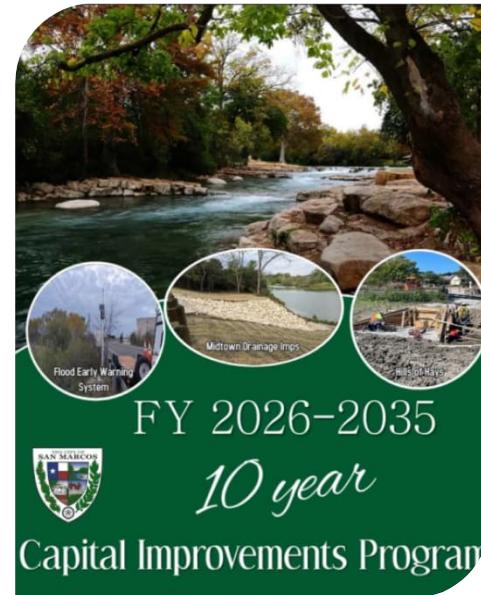
February 3, 2026

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# Purpose



- Brief City Council on updates to FY26 Capital Improvement Program (CIP) and discuss related funding.
- Brief City Council on upcoming debt issuance – 2026 Certificates of Obligation – and timeline.



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# Capital Improvements Program

- Long-range plan and schedule for capital projects and system assets
  - Identifies workload for Departments
  - Identifies funding needs for City
  - Identifies options for financing projects
- Planning Tool
  - Year 1 is only year approved in budget
  - Years 2-10 placeholders for planning purposes

FY	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	TBD
Year #	1	2	3	4	5	6	7	8	9	10	Bond

Approved In Budget

Not Approved In Budget  
Placeholders For Future Needs



# Definitions

- **Projects may be “Deferred” for several reasons:**
  - Staff capacity
  - Timing of other related projects/development
- **\*Other Funding:**
  - Cash Funding with FY 2025 funds in excess of 25% fund balance
  - Debt/Cash reserve from previously funded projects that closed out
  - Impact fee funding
  - TIRZ funded
- **Cancelled or Reduced Funding**
  - Project completed with existing funding
  - Project scope reduced/revised

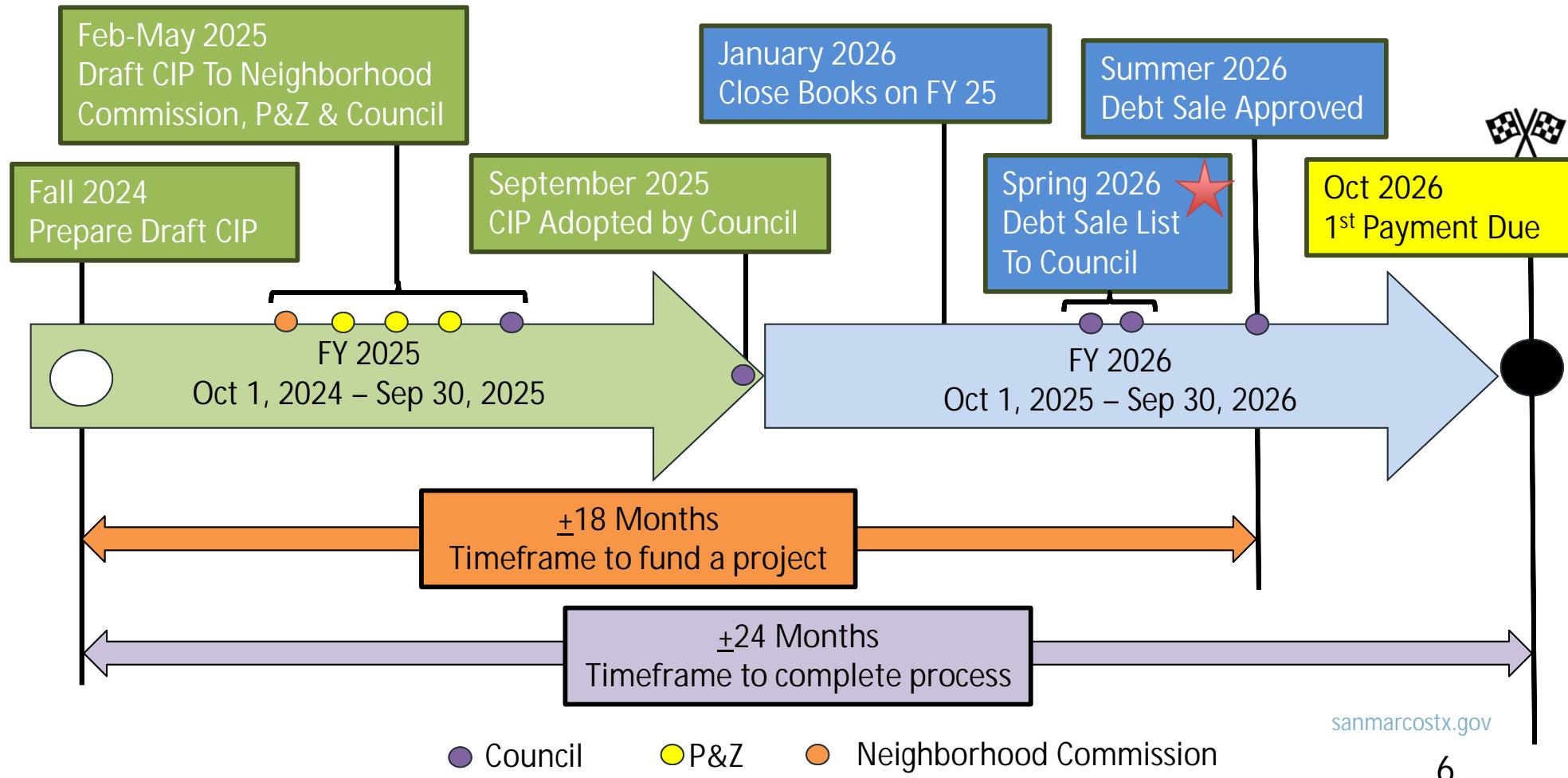
\*Detailed breakdown is included in the packet

# Debt Summary



Total	Amount	Fund	Debt Amount
Approved 2026 CIP	\$ 114,815,000	General	\$ 8,655,000
Prior Year Deferred Project Costs	\$ 28,500,000	Stormwater	\$ 4,250,000
<b>Total Project Costs</b>	<b>\$ 143,315,000</b>	Electric	\$ 2,350,000
2026 Deferred Project Costs	\$ (21,100,000)	WWW	\$ 93,060,000
TIRZ / Other Funding	\$ (2,850,000)	<b>Total</b>	<b>\$ 108,315,000</b>
Impact Fee Funded Project Costs	\$ (3,000,000)		
Cash/Debt Reserve Funded Project Costs	\$ (4,000,000)		
Project Funds Cancelled or Reduced	\$ (4,050,000)		
<b>Anticipated Debt Issuance</b>	<b>\$ 108,315,000</b>		

# FY 2026 CIP Schedule



# General Fund Summary



General Fund	Amount
Approved 2026 CIP - General	\$ 11,205,000
Prior Year Deferred Project Costs	\$ 5,000,000
<b>Total Project Costs</b>	<b>\$ 16,205,000</b>
2026 Deferred Project Costs	\$ (1,500,000)
Cash Reserve Funded Project Costs	\$ (2,000,000)
TIRZ/Other Funded Project Costs	\$ (2,850,000)
Project Funds Cancelled or Reduced	\$ (1,200,000)
<b>Anticipated Debt Issuance</b>	<b>\$ 8,655,000</b>



# General Fund Projects

Project #	Project Name	Prior Year Deferred	FY26 Approved Amount	FY26 DEBT Sale	Other Funding	FY26 Defer	Cancelled or Reduced Funding
795	Airport - DOL Land Acquisition	\$ 3,000,000			\$ 1,800,000		<b>1,200,000</b>
520	Airport - Runway 17-35 Extension	\$ -	\$ 400,000	\$ 400,000	\$ -		
26	Airport Infrastructure Grant Funded Projects	\$ -	\$ 155,000	\$ 155,000	\$ -		
183	Bishop St.	\$ -	\$ 500,000	\$ 500,000	\$ -		
415	Downtown Alley Reconstruction	\$ -	\$ 1,600,000		\$ 1,600,000		
739	Dunbar Education Building Stabilization	\$ 250,000		\$ 250,000	\$ -		
69	Fiber Optic Infrastructure Expansions	\$ -	\$ 300,000	\$ 300,000	\$ -		
796	Fire Administration and Training Facility Phase 2	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -		
772	Fire Department New Engine - Yarrington and IH 35 (Station 7)	\$ 1,250,000			\$ 1,250,000		
771	Fire Department New Station #7 - Yarrington and IH 35	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -		

# General Fund Projects



Project #	Project Name	Prior Year Deferred	FY26 Approved Amount	FY26 DEBT Sale	Other Funding	FY26 Defer	Cancelled or Reduced Funding
751	Gary Softball Complex Renovation Ph 2.	\$ -	\$ 100,000	\$ 100,000	\$ -		
793	Leah Drive Extension	\$ -	\$ 500,000		\$ -	\$ 500,000	
464	Old Ranch Road 12 Improvements – Craddock to Holland	\$ -	\$ 3,300,000	\$ 3,300,000	\$ -		
372	Pat Garrison Improvements from Comanche to Guadalupe	\$ -	\$ 50,000	\$ 50,000	\$ -		
679	Purgatory Creek Improvements Ph 1	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -		
103	San Marcos River Access Point Rehabilitation	\$ -	\$ 100,000	\$ 100,000	\$ -		
644	Sunset Acres Neighborhood Improvements	\$ -	\$ 1,000,000		\$ -	\$ 1,000,000	
23	Thorpe Lane Improvements	\$ -	\$ 200,000		\$ 200,000		
718	UPRR Quiet Zone - Uhland Rd. Quad Gates	\$ 500,000		\$ 500,000	\$ -		

# Stormwater Utility Summary



Stormwater Fund	Amount
Approved 2026 CIP	\$ 6,750,000
Prior Year Deferred Project Costs	\$ -
Total Project Costs	\$ 6,750,000
2026 Deferred Project Costs	\$ (2,500,000)
Anticipated Debt Issuance	\$ 4,250,000



# Stormwater Projects

Project #	Project Name	Prior Year Deferred	FY26 Approved Amount	FY26 DEBT Sale	Other Funding	FY26 Defer	Cancelled or Reduced Funding
183	Bishop St.	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -		
793	Leah Drive Extension	\$ -	\$ 500,000		\$ -	\$ 500,000	
464	Old Ranch Road 12 Improvements – Craddock to Holland	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -		
372	Pat Garrison Improvements from Comanche to Guadalupe	\$ -	\$ 50,000	\$ 50,000	\$ -		
53	Stormwater Master Plan Update	\$ -	\$ 200,000	\$ 200,000	\$ -		
644	Sunset Acres Neighborhood Improvements	\$ -	\$ 2,000,000		\$ -	\$ 2,000,000	

# Electric Utility Summary



Electric Fund	Amount
Approved 2026 CIP	\$ 10,000,000
Prior Year Deferred Project Costs	\$ 6,000,000
<b>Total Project Costs</b>	<b>\$ 16,000,000</b>
2026 Deferred Project Costs	\$ (10,100,000)
Cash Reserve Funded Project Costs	\$ (700,000)
Project Funds Cancelled or Reduced	\$ (2,850,000)
<b>Anticipated Debt Issuance</b>	<b>\$ 2,350,000</b>



# Electric Projects

Project #	Project Name	Prior Year Deferred	FY26 Approved Amount	FY26 DEBT Sale	Other Funding	FY26 Defer	Cancelled or Reduced Funding
759	Blanco Gardens Underground	\$ -	\$ 5,300,000		\$ -	\$ 5,300,000	
760	CA-30 Circuit Creation	\$ -	\$ 400,000		\$ -		\$ 400,000
80	Electric Master Plan	\$ -	\$ 650,000		\$ -		\$ 650,000
69	Fiber Optic Infrastructure Expansions	\$ -	\$ 300,000	\$ 300,000	\$ -		
821	Hilltop T1 Transformer Replacement	\$ -	\$ 800,000		\$ -		\$ 800,000
821	Hilltop T1 Transformer Replacement	\$ 1,000,000			\$ -		\$ 1,000,000
110	SM-220 Reconductor	\$ 1,300,000		\$ 1,300,000	\$ -		
828	Sunset Acres Subdivision Electric	\$ -	\$ 1,800,000		\$ -	\$ 1,800,000	
828	Sunset Acres Subdivision Electric	\$ 3,000,000			\$ -	\$ 3,000,000	



# Water/Wastewater Utility Summary

Water/Wastewater Fund	Amount
Approved 2026 CIP	\$ 86,860,000
Prior Year Deferred Project Costs	\$ 17,500,000
<b>Total Project Costs</b>	<b>\$ 104,360,000</b>
2026 Deferred Project Costs	\$ (7,000,000)
Cash/Debt Reserve Funded Project Costs	\$ (1,300,000)
Impact Fee Funded Project Costs	\$ (3,000,000)
Project Funds Cancelled or Reduced	\$ -
<b>Anticipated Debt Issuance</b>	<b>\$ 93,060,000</b>



# Water Projects

Project #	Project Name	Prior Year Deferred	FY26 Approved Amount	FY26 DEBT Sale	Other Funding	FY26 Defer	Cancelled or Reduced Funding
183	Bishop St.	\$ -	\$ 750,000	\$ 750,000	\$ -	\$ -	
788	Blanco Vista Elevated Storage Tank & 24-inch WL	\$ -	\$ 3,000,000		\$ 3,000,000		
24	Centerpoint Rd 16" Water Main Ext N. of Old Bastrop	\$ 500,000			\$ -	\$ 500,000	
95	Dale Drive Water Main Replacement	\$ -	\$ 70,000	\$ 70,000	\$ -		
415	Downtown Alley Reconstruction	\$ -	\$ 100,000	\$ 100,000	\$ -		
69	Fiber Optic Infrastructure Expansions	\$ -	\$ 150,000	\$ 150,000	\$ -		
204	Green Guy Water Main	\$ -	\$ 300,000	\$ 300,000	\$ -		
669	Highway 80/Davis Lane 18" Wastewater Rehab	\$ 1,100,000		\$ 1,100,000	\$ -		
581	Hunter Water Main Extension from Harmons Way to H&H Inc	\$ 500,000		\$ 500,000	\$ -		
793	Leah Drive Extension	\$ -	\$ 1,000,000		\$ -	\$ 1,000,000	



# Water Projects

<u>Project #</u>	<u>Project Name</u>	<u>Prior Year Deferred</u>	<u>FY26 Approved Amount</u>	<u>FY26 DEBT Sale</u>	<u>Other Funding</u>	<u>FY26 Defer</u>	<u>Cancelled or Reduced Funding</u>
42	North Side 12in Water Connection	\$ -	\$ 500,000		\$ -	\$ 500,000	
42	North Side 12in Water Connection	\$ 1,000,000			\$ -	\$ 1,000,000	
464	Old Ranch Road 12 Improvements – Craddock to Holland	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -		
372	Pat Garrison Improvements from Comanche to Guadalupe	\$ -	\$ 50,000	\$ 50,000	\$ -		
86	Spring Lake Pipe Relocation	\$ -	\$ 500,000	\$ 500,000	\$ -		
644	Sunset Acres Neighborhood Improvements	\$ -	\$ 1,500,000		\$ -	\$ 1,500,000	
720	University Dr. Water replacement - CM Allen to Sessom	\$ -	\$ 900,000		\$ 900,000		
82	Willow Springs Well Line EST	\$ -	\$ 100,000	\$ 100,000	\$ -		



# Wastewater Projects

Project #	Project Name	Prior Year Deferred	FY26 Approved Amount	FY26 DEBT Sale	Other Funding	FY26 Defer	Cancelled or Reduced Funding
183	Bishop St.	\$ -	\$ 750,000	\$ 750,000	\$ -		
415	Downtown Alley Reconstruction	\$ -	\$ 100,000	\$ 100,000	\$ -		
59	East IH35 WW Oversize	\$ -	\$ 1,000,000		\$ -	\$ 1,000,000	
69	Fiber Optic Infrastructure Expansions	\$ -	\$ 150,000	\$ 150,000	\$ -		
814	Hazelton St. Wastewater Improvements	\$ -	\$ 250,000	\$ 250,000	\$ -		
669	Highway 80/Davis Lane 18" Wastewater Rehab	\$ 4,400,000		\$ 4,400,000	\$ -		
81	Lift Station 23	\$ -	\$ 2,400,000	\$ 2,000,000	\$ 400,000		

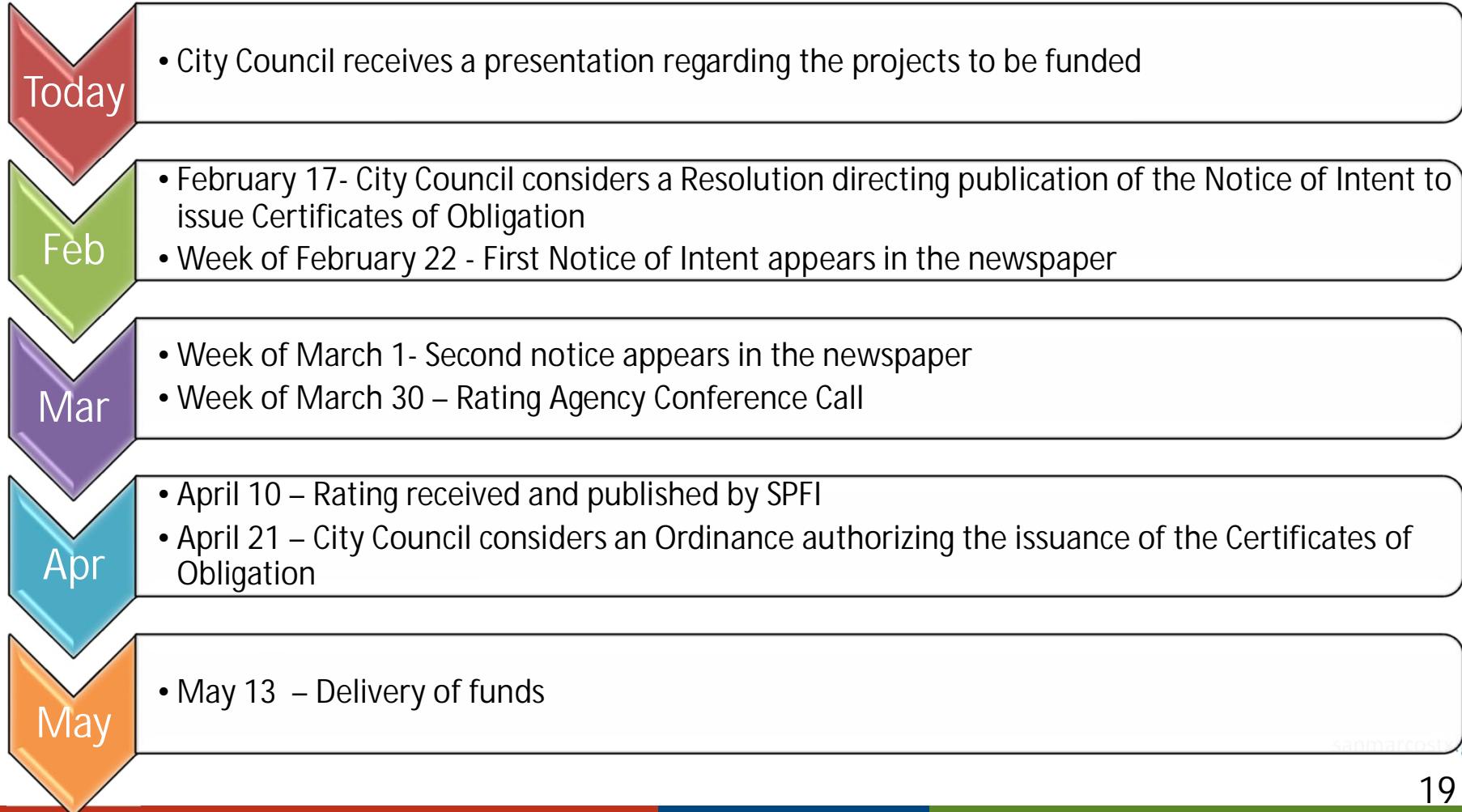


# Wastewater Projects

<u>Project #</u>	<u>Project Name</u>	<u>Prior Year Deferred</u>	<u>FY26 Approved Amount</u>	<u>FY26 DEBT Sale</u>	<u>Other Funding</u>	<u>FY26 Defer</u>	<u>Cancelled or Reduced Funding</u>
816	Mill St. Wastewater Improvements	\$ -	\$ 240,000	\$ 240,000	\$ -		
464	Old Ranch Road 12 Improvements – Craddock to Holland	\$ -	\$ 500,000	\$ 500,000	\$ -		
372	Pat Garrison Improvements from Comanche to Guadalupe	\$ -	\$ 50,000	\$ 50,000	\$ -		
644	Sunset Acres Neighborhood Improvements	\$ -	\$ 1,500,000		\$ -	\$ 1,500,000	
571	WWTP Improvements	\$ -	\$ 70,000,000	\$ 70,000,000	\$ -		
571	WWTP Improvements	\$ 10,000,000		\$ 10,000,000	\$ -		



# Next Steps





# Questions

- Location of CIP
  - Digital Copy & Interactive Map
    - <http://www.sanmarcostx.gov/366/10-Year-Capital-Improvements-Plan>
    - City Of San Marcos Webpage > Departments > Engineering > 10 Year Capital Improvements Program
  - Hard Copy
    - San Marcos Public Library, 625 E. Hopkins, during normal library hours: San Marcos Public Library Services
    - Engineering and Capital Improvements office located at 630 E. Hopkins, San Marcos TX 78666; Monday – Friday, 8:00 am – 5:00 pm



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