



Legislation Details (With Text)

File #: Res. 2019-203R **Version:** 1 **Name:**

Type: Resolution **Status:** Individual Consideration

File created: 9/4/2019 **In control:** City Council

On agenda: 10/15/2019 **Final action:**

Title: Consider approval of Resolution 2019-203R, approving a Resolution by the Board of Directors of the Alliance Regional Water Authority Authorizing the Issuance of Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - City of San Marcos, Texas), Series 2019C for Phase 1B Improvements in the Amount of \$30,800,000 and Approving Other Related Matters.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution Approving Resolution San Marcos 10-3-2019, 2. Authorizing Resolution San Marcos 10-2-2019.pdf, 3. TWDB Private Placement Memo - City of San Marcos 2019C 10-2-19.pdf, 4. San Marcos Phase 1B Financing Update 2019-10-15

| Date | Ver. | Action By | Action | Result |
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AGENDA CAPTION:

Consider approval of Resolution 2019-203R, approving a Resolution by the Board of Directors of the Alliance Regional Water Authority Authorizing the Issuance of Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - City of San Marcos, Texas), Series 2019C for Phase 1B Improvements in the Amount of \$30,800,000 and Approving Other Related Matters.

Meeting date: October 15, 2019

Department: Public Services/Finance

Amount & Source of Funding

Funds Required: [Click or tap here to enter text.](#)

Account Number: [Click or tap here to enter text.](#)

Funds Available: [Click or tap here to enter text.](#)

Account Name: [Click or tap here to enter text.](#)

Fiscal Note:

Prior Council Action: The City entered into the regional water supply contract in January 15, 2008 and has been working with the regional partners since then to secure future water supplies.

City Council Strategic Initiative: [Please select from the dropdown menu below]

N/A

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Not Applicable

Master Plan: [Please select the corresponding Master Plan from the dropdown menu below (if applicable)]

Choose an item.

Background Information:

The Alliance Regional Water Authority (Alliance Water) entered into a regional water supply contract with the City on January 15, 2008, to operate a water supply project and deliver water to the City of San Marcos and other sponsors. Starting in 2017 City Staff worked with Alliance Water to determine the appropriate option to fund San Marcos's portion of the project that will allow for future water to be delivered to the City of San Marcos and other sponsors. The 20-year low interest loan option was selected for this project based on the interest savings this would option would afford. City Council subsequently approved a resolution authorizing the sale of bonds for San Marcos's portion at its October 17, 2017 meeting, not to exceed \$11.45 million, which was part of a \$31.935 million total issuance. This was the first issuance of debt for the Phase 1B project.

In 2019 Alliance Water will issue a total of \$85.9 million with \$30.8 million of that being San Marcos's portion of the issuance. The Texas Water Development Board sold its bonds in late September and Alliance Water intends to close on its bonds on November 20, 2019. This resolution is with respect to this issuance and San Marcos's share of contract revenue bonds not to exceed the aggregate principal amount of \$30.8 million in connection with the Phase 1B Improvements of the Regional Water Supply Project. City staff has worked with staff at the Alliance Water, McCall Parkhurst & Horton law firm (bond adviser), and staff at Specialized Public Finance (financial adviser), on this request to approve a resolution by the Board of Directors of the Alliance Water. The Board of Directors of the Alliance Water is scheduled to approve the bond resolution at its October 30th meeting.

The City of San Marcos has a regional water supply contract with the Alliance Regional Water Authority (Alliance Water)

that allows the Alliance Water to finance, construct, maintain, and operate a water supply project in a manner that will allow the Alliance Water to deliver water to sponsors on a regional basis. The Phase 1B project includes well development, raw water lines, water treatment plant, booster pump station, inline tanks and approximately 90-miles of transmission pipelines. The project is scheduled to start delivering water to all Sponsors by mid-2023. The Phase 1B funding includes project shares that was set by the water supply agreement, with San Marcos's share of the total project cost approved at 35.86%. Three issuances will be required for San Marcos's share of the funding for the project. The first issuance was in October 2017. This is the second of three required issuances. The final issuance is planned for October 2020.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Recommend approval of the resolution to allow issuance of the debt on the City's behalf for the regional water supply project.