

**MEMORANDUM**

**To:** Mayor and City Councilmembers  
Steve Parker, City Manager

**From:** Susan Caddell  
Director of Finance

**Subject:** Issuance of Utility Revenue Bonds

**Date:** January 13, 2020

During the FY2020 budget process, staff recommended the issuance of Utility Revenue Bonds for several capital improvement projects. They include:

Walnut Branch Sanitary Sewer Phase III Upgrade/Replacement                      \$1,785,478  
(Huber to Kingsbury)

This line is a very old line and in need of replacement, in addition to increasing its capacity due to the increased demand from new development upstream from this line.

Geronimo Creek WWTP Engineering    \$1,100,000

This plant has reached treatment levels that require it to be expanded due to TCEQ regulations. In addition, significant residential growth is planned in the watershed. These monies will fund the engineering required to design the expansion. Additional funding will be required in FY21 for its actual construction.

North Milam Street Water and Sanitary Sewer Replacement                      \$930,000  
(Mountain to Kingsbury)

This roadway is planned for total reconstruction. Engineering is currently underway for the roads design and the replacement of the very old utility infrastructure. Construction is proposed in FY20.

The total amount recommended to be funded from Utility Revenue bonds is \$3,900,000. Included in the agenda is a resolution allowing the City to issue Utility Revenue Bonds for these projects. Duane Westerman will be at the City Council meeting for any questions concerning the financing that you may have. Proceeds should be received by the end of February or beginning of March.