

MEMORANDUM

To: Mayor and City Councilmembers
Steve Parker, City Manager

From: Susan Caddell
Director of Finance

Subject: Certificates of Obligation Bonds 2026

Date: December 22, 2025

Included on the City Council agenda for January 6, 2026 is an item for a resolution of an intent to sell certificates of obligation bonds. Projects included in the bonds are for both General and Utility Fund projects. For the General Fund, the total issuance is for \$39,000,000 and projects include:

Walnut Springs Spillway \$1,200,000
Bonds were issued in FY25 to include engineering, construction, construction administration and testing to repair flood damages at Walnut Springs Park and south of the Nolte Street bridge. Additional funds are needed to complete this project.

Railroad Quiet Zones \$500,000
The City is currently working with the Union Pacific to develop a plan that would allow trains the ability to pass through the City of Seguin without having to blow their train horns at each railroad crossing. This funding would be for the installation of infrastructure to make this project possible. Bonds were issued in FY25 to fund this project. Additional funds are needed to complete this project.

Aldama-Walnut Springs Trail Crossing \$450,000
This project is to realign a portion of the Walnut Springs Trail near Aldama Street. The trail will be rerouted under West Kingsbury Street near Aldama Street through the existing drainage culverts to create Seguin's second below-grade trail crossing. This will allow trail users to safely go underneath West Kingsbury Street as opposed to traveling a short distance on a five-foot sidewalk along West Kingsbury Street to cross at Hildago Street/N. Vaughan Avenue at a traffic light or dangerously crossing West Kingsbury Street.

Fire Station #4 \$9,000,000
To meet the service delivery demands that come with growth of the northern part of the community, the construction of fire station #4 is necessary. Construction of this station will serve to help bring our organization more into line with NFPA response times for various parts of the city. Current growth trends indicate that the Rudeloff/Huber area would be the best location.

FINANCE

New Community Park North of IH10 \$1,000,000
This would allow the City's contribution to a park for a proposed public improvement district. Bonds were issued in FY25 to begin funding this project. Additional funds are needed to complete this project.

Joe Carrillo Blvd./Countryside Blvd. \$500,000
This is to provide additional funding to a Transportation Alternatives grant received in the amount of \$2,002,496. The project will construct a 10-foot shared-use path along the east side of Countryside Boulevard from FM 466 to Joe Carrillo Boulevard, and along the south side of Joe Carrillo Boulevard from SH 123 to east of Lantana Gate. The project will include crosswalks and pedestrian signage at the two Seguin ISD school campuses for safe crossings at Joe Carrillo Boulevard. Additional signs and crosswalk markings will be added within the project boundaries. Bonds were issued in FY25 to fund this project. Additional funds are needed to complete this project.

Martindale Road Realignment \$6,000,000
This project will assist in alleviating projected congestion from the construction of the new NISD elementary school and increased residential development in the area. This project is supported by the thoroughfare plan and roadway impact fee study.

Rudeloff Road Phase II \$5,000,000
This is the second phase of the added capacity project approved through the MPO funding process. These funds are the City's contribution for the construction costs associated with this project.

Guadalupe Street \$10,500,000
IH 10 to Union Pacific Railroad. Bonds were previously issued for engineering. This includes ROW acquisition and construction.

Huber Road South \$3,000,000
Walnut Springs Development agreement

Street Rehabilitation \$1,000,000
This will fund rehabilitation of numerous streets throughout the City utilizing the Zipper.

Chip Seal \$500,000
This is the annual funding of our chip seal program that extends the life of numerous streets and improves the driving surface of the roadway.

Contingency Funds \$350,000

For the Utility Fund, the total issuance is for \$31,000,000 and project include:

Jim Briley Substation \$832,489
This project would upgrade the feeders, breakers and lines at the Jim Briley Substation

FINANCE

New Navarro Elementary Electric Distribution Construction of the electric lines to serve the new Navarro Elementary School.	\$750,000
Cordova Road Water/Wastewater This project is for the water and wastewater portion of the MPO project for Cordova Road.	\$1,892,300
Guadalupe Street Water/Wastewater (IH10 to UPRR) This project is for the water and wastewater portion of the Guadalupe Street project.	\$1,915,302
Unity Lift Station Renewal (Construction) This project includes installing updated safety and operational improvements to enhance lift station access and maintenance. Includes fencing, gate, wet well hatches/safety grates, and replacing existing motors. A lift Station includes replacing control panel, backup power, and general site piping.	\$6,000,000
24" Geronimo Creek Interceptor (Engineering) This project replaces the existing 18-inch Geronimo Creek Interceptor with a new 24-inch line from I-10 to near US-90. This project increases capacity in the Geronimo Creek Interceptor to serve planned developments.	\$2,000,000
Water/Wastewater Master Plan	\$1,000,000
Walnut Branch Sewer Phase IV (30"-WB to Library) Bonds have been issued in the past for this project. Additional funding is needed to continue this project.	\$3,000,000
1.5MG Elevated Storage Tank (Engineering) This project includes construction of a new 1.5 MG EST and pertinent piping. The new EST will be interconnected with the ground water system and surface water systems. This EST is proposed with an overflow elevation of 740- feet at a facility height of approximately 200-feet. The proposed elevation provides minimum residual pressures of approximately 60 psi to all surface water customers. The EST will float independently from the ground water system but may be filled via the UPP during an emergency once pertinent projects have been completed. The primary driver for this project is to increase reliability for the surface water system and provide redundancy for surface water customers in the event of an emergency.	\$2,500,000
Surface Water / Ground Water Interconnect (Construction) This project is a critical component of the "Loop" project as this gives the System the ability to supply Rio Nogales 100% of their demand from the Ground Water System in the event of a Surface Water line failure. The loop project only provides ~50% of their demand.	\$4,000,000
SH46 Upper Pressure Plane Transmission Line Project S6 (Eng. & ROW) This project constructs a new 24" transmission main from the West Booster Station along SH46 north to the existing 16" water line at Cordova Rd.	\$5,000,000
West Booster Pump Station Pumping Expansion	\$1,500,000

FINANCE

Contingency Funds

\$609,909

The total issuance costs of these projects are \$70,000,000. An additional \$300,000 has been added in order to ensure we get the total amount of funding for these projects.

If you have any questions, you can contact me prior to the meeting. We will also have a representative from SAMCO Capital Markets at the meeting to answer any questions you may have.