

# Memorandum

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Date: August 2, 2022

To: City of Seguin City Council

From: Amber Beard  
SSLGC General Manager

Re: Bond Issuance

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The Schertz/Seguin Local Government Corporation has financed the construction of well fields and cross-country pipelines and today provides a reliable water source. The Bonds are supported by Contracts between the Cities and the Corporation, and the liability is evenly split between the two Cities. Currently, the Corporation has \$128,925,000 of Bonds outstanding that are supported by the two Cities. The proposed financing is intended to pay for preliminary design and engineering related to a future project to construct parallel pipelines to serve the Gonzales and Guadalupe Treatment Plants. The Cowey Pipeline will be 42" in diameter and the Elm Creek Pipeline will be 36" in diameter.

The annual debt service related to the bonds will be incorporated into the future rate structure as determined by the Corporation's rate consultant, Willdan, and included in the Corporation's rate study.

SAMCO Capital Markets, the City's and the Corporation's Financial Advisor, proposes to sell the financing on August 18, 2022. To complete the transaction, the SSLGC Board will need to approve proceeding and then each City will need to ratify the SSLGC Board action. The SSLGC executive committee acted to begin proceeding with the financing at their July 5, 2022 meeting. The SSLGC Board authorized the parameter sale on July 21, 2022. The City of Schertz will consider and act on a parameter sale resolution authorizing the Corporation to sell Bonds at their August 16th Council meeting. Only after both Cities approve the Resolutions can SSLGC proceed to a bond sale.

SSLGC Staff requests approval.

Amber Beard  
SSLGC General Manager

cc: File