

Schertz Seguin

LOCAL GOVERNMENT CORPORATION

Memorandum

Date: August 23, 2016

To: Mayor Don Keil
Seguin City Council
City Manager Doug Faseler

From: Alan Cockerell
SSLGC General Manager

Re: TWDB SWIFT Funding

Schertz/Seguin Local Government Corporation has applied with the Texas Water Development Board through its SWIFT program for funding of the Guadalupe Project and Parallel Pipeline Project. The application has been finalized to include the following components; (1) Low Interest Loan in the amount of \$43,670,000 and (2) TWDB Participation in the amount of \$22,830,000 totaling \$66,500,000.

Benefits of utilizing the low interest loan include a subsidized rate at TWDB's AAA rating. The interest rate is estimated to be 2.53%, but may be adjusted when funding is secured. The board participation program includes TWDB ownership of a percentage of the pipeline that defers allocated debt service at no additional interest until the pipeline is fully utilized.

SSLGC has invested approximately \$12,860,364 in the Guadalupe project to date. These expenditures include land, water leases, bond expenses, engineering, permitting and legal fees. Seven well permits have been acquired from the groundwater district with water rights of 5,111 ac-ft per year.


The City of Schertz and the City of Seguin are working to develop an Interlocal Agreement for outlining the project to include each city's financial responsibilities and the assigned water rights from the project.

The SSLGC Board is scheduled to take action at a special called board meeting on August 29, 2016.

SSLGC Staff requests that the City of Seguin City Council approve these resolutions. The Schertz City Council will also be considering these resolutions the same evening as the Seguin meeting.

Proposed resolutions were transmitted directly from Jeff Kuhn with attachments

If you have questions, comments or need additional information regarding these resolutions, contact me at (830) 401-2403.



R. Alan Cockerell
SSLGC General Manager

cc: File