



City of League City, TX

300 West Walker
League City TX 77573

Text File

File Number: 22-0358

Agenda Date: 8/9/2022

Version: 1

Status: Agenda Ready

In Control: Finance & Project Management

File Type: Agenda Item

Title

Consider and take action on a resolution approving the Continuing Disclosure Agreement with Gulf Coast Water Authority for Series 2022 Revenue Bonds for the 54-inch Water Line Replace 42-inch Line on SH3 (WT1502) (Executive Director of Finance and Budget)

..Background:

If approved, this item will approve the Continuing Disclosure Agreement with Gulf Coast Water Authority (GCWA) for Series 2022 Revenue Bonds which defines the City's obligations regarding the issuance. This issuance is estimated at \$4,895,583 million to satisfy City of Houston (COH) cash call of \$6,595,583 due October 2022 for the 54-inch Water Line Replace 42-inch Line on SH3 (WT1502). The remaining \$1.7 million is programmed in the FY2023-2027 CIP to be paid with \$1.2 million cash from water capital recovery funds and \$500,000 cash from transfer of utility fund balance.

On October 8, 2019, City Council approved a resolution authorizing the Third Amended and Restated Water Supply contract between GCWA and the City of League City (COLC) which added language addressing contractual obligations between GCWA and the COH, on behalf of COLC, for the replacement and capacity upgrade to the existing 42-inch South East Transmission Line (SETL) from the Southeast Water Purification Plant (SEWPP) to the City's State Highway 3 Booster Pump Station (SH3 BPS) located in Webster, Texas. The total cost of the SETL project is shared between seven co-participants with COLC's proportionate share being approximately 44 percent of the project total. GCWA is issuing the 2022 Revenue Bond in the amount of \$4.90 million to satisfy the October 2022 COH cash call as shown on the attached schedule. The remaining \$1.7 million is programmed in the FY2022-2026 CIP to be paid with cash and water capital recovery funds.

The FY2023-2027 CIP includes the 54-inch Water Line Replace 42-inch Line on SH3 (WT1502) project with the anticipated annual debt service for the GCWA 2022 Revenue Bond funded from Water Capital Replacement Fees. The CIP anticipates 20-year debt issuance in the amount of \$4.90 million at 4.75% interest. The FY2023 Proposed Budget will be amended to include the principal and interest payment due in FY2023 through the Utility Debt Service Fund along with the water capital recovery funds as a revenue.

Attachments:

1. Data Sheet
2. Proposed Resolution
3. Exhibit A - Continuing Disclosure Agreement
4. COH Cash Call sheet
5. 10/8/19 11A
6. CIP Project Sheet
7. CIP map

FUNDING

{X} This issuance is estimated at \$4,895,583 million to satisfy City of Houston (COH) cash call of \$6,595,583 due October 2022 for the 54-inch Water Line Replace 42-inch Line on SH3 (WT1502). The remaining \$1.7 million is programmed in the FY2023-2027 CIP to be paid with \$1.2 million cash from water capital recovery funds and \$500,000 cash from transfer of utility fund balance. The CIP anticipates 20-year debt issuance in the amount of \$4.90 million at 4.75% interest. The FY2023 Proposed Budget will be amended to include the principal and interest payment due in FY2023 through the Utility Debt Service Fund along with the water capital recovery funds as a revenue.

STRATEGIC PLANNING

{X} Addresses Strategic Planning Critical Success Factor #1: Develop and Maintain our Infrastructure