

AGENDA



Thursday, November 19, 2009

Planning and Development Review
RECOMMENDATION FOR COUNCIL ACTION

Item No. 39

Subject: Approve a resolution authorizing the issuance by Senna Hills Municipal Utility District ("District") of Unlimited Tax and Revenue Bonds, Series 2010, in an amount not to exceed \$1,600,000, and approving a substantial draft of the District's Bond Order and the Preliminary Official Statement.

Amount and Source of Funding: No fiscal impact to the City. The City has no responsibility for payment on District bonds unless the District is annexed by the City.

For More Information: Virginia Collier 974-2022; Sylvia Arzola 974-6448

Boards and Commission Action: Recommended by Water and Wastewater Commission.

The Senna Hills Municipal Utility District ("District") was created on April 6, 1988, by an Order of the Texas Water Commission, predecessor to the Texas Commission on Environmental Quality ("TCEQ"). The District contains approximately 323 total acres and is located in Austin's ("City") Extraterritorial Jurisdiction. The District is located on the north side of FM 2244, approximately 5.0 miles west of the intersection of FM 2244 and Loop 360, and 2.5 miles east of the intersection of FM 2244 and State Highway 71.

The City has received a request from the District to approve a District bond sale in the amount of \$1,600,000. The total amount of bonds authorized for the District is \$16,000,000. The District has previously issued the following bonds: Series 2009, \$5,200,000 (the expected sale date is late November 2009); Series 2004, \$1,820,000; Series 2000, \$3,380,000; and Series 1999, \$2,985,000. The total amount of District bonds sold to date is \$13,385,000 (excluding this proposed bond sale), of which \$12,100,000 is currently outstanding. After the proposed bond issue, \$1,015,000 in District bond authority will remain.

The proceeds from the proposed bond issue will fund the District's share of costs for the water, wastewater, and drainage facilities serving the following development:

- a. Senna Hills, Section 8,
- b. Senna Hills, Section 9, and
- c. Senna Hills, Section 10.

The District does not receive City water or wastewater service but does have agreements to purchase raw and treated water from the Lower Colorado River Authority. The District owns a wastewater treatment plant with flow limits of a 30-day average not to exceed 0.157 million gallons per day ("mgd"). The current annual average daily flow is 0.42 mgd. Currently, the District serves 318 water and wastewater connections and with the proposed development another 75 connections will be served. There are no out-of-district customers. The City's nearest water and wastewater mains are located approximately 5 miles or more from the District.

The TCEQ is currently reviewing this bond issue. The proposed net effective rate should not exceed 7%. These bonds are the sole obligation of the District. However, if annexation and dissolution by the City were to occur, the City would be responsible for any remaining debt.

The consent agreement for the District requires City approval for all bond sales. City departmental staff from the Austin Water Utility, Parks and Recreation, Emergency Medical Services, Library, Planning and Development Review, Neighborhood Housing, Finance-Treasury, Watershed Protection, Fire, and Law reviewed the District's consent agreements and found no current compliance deficiencies. City staff recommends approval of the issuance of \$1,600,000 in District Unlimited Tax and Revenue Bonds, Series 2010, contingent upon review and approval of the final bond offering documents by the Chief Financial Officer's designee.