

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	14020	Agenda Number	25.
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Meeting Date:	4/26/2012	Department:	Planning and Development Review
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Subject

Approve a resolution authorizing the issuance by North Austin Municipal Utility District ("District") of Unlimited Tax and Revenue Bonds, Series 2012, in an amount not to exceed \$11,360,000; and approving a substantial draft of the District's Bond Resolution 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.

Fiscal Note

Purchasing Language:	
Prior Council Action:	
For More Information:	Virginia Collier 974-2022; Sylvia Arzola 974-6448
Boards and Commission Action:	Recommended by the Water and Wastewater Commission.
MBE / WBE:	
Related Items:	

Additional Backup Information

The North Austin Municipal Utility District ("District") was created on November 15, 1983, by an Order of the Texas Water Commission, predecessor to the Texas Commission on Environmental Quality ("TCEQ"). The District contains approximately 998 acres and is located approximately 15 miles north of downtown Austin and three miles east/southeast of the US Hwy 183 and FM 620 intersection. A small portion of the District (approximately 12 acres of public rights-of-way) lies within the boundaries of the City of Austin, Texas ("City") and the remainder lies wholly within the City's Extraterritorial Jurisdiction ("ETJ"). It is generally bounded by McNeil Road on the South; Parmer Lane on the East; FM 620 on the North; and the subdivisions of Los Indios and Springwoods on the West.

The District receives City wholesale water and wastewater service.

The City has received a request from the District to approve a District bond sale in the amount of \$11,360,000. The total amount of bonds authorized for the District is \$73,100,000. After the issuance of the Bonds, the District will have outstanding new money bonds in the aggregate principal amount of \$13,500,000 and outstanding refunding bonds in the aggregate principal amount of \$1,695,000, for a combined outstanding debt in the aggregate principal

amount of \$15,195,000. After the proposed bond issue, \$43,465,000 in District bond authority will remain.

The proceeds from the proposed bond issue will fund various projects and expenses within the District, including: (i) water main repair; (ii) water leak investigation; (iii) water service line replacement; (iv) water meter replacement; (v) fire hydrant repair/replacement; (vi) booster pump station buildings and appurtenances; (vii) wastewater manhole repair/adjustment; and (viii) Rattan Creek drainage study and modifications. In addition, proceeds from the bonds will be used to capitalize approximately twenty one months' interest requirements on the bonds and pay certain costs associated with the issuance of the bonds.

The TCEQ order dated December 9, 2011, and approving this bond issue states that the maximum net effective interest rate for this issuance should not exceed 4.85%. The proposed combined maintenance and debt service tax rate after issuance of the bonds is \$0.41 per \$100 of assessed value. The District bonds are the sole obligation of the District until the City annexes the District. The District is not included in the City's annexation plan at this time.

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 \$11,360,000 in District Unlimited Tax and Revenue Bonds, Series 2012, contingent upon review and approval of the final bond offering documents by the City Chief Financial Officer's designee.