



## **COUNCIL COMMITTEE REPORT AUDIT AND FINANCE COMMITTEE**

Date: August 26, 2015

Agenda Item #:8

Agenda Item: *Develop recommendations relating to an ordinance authorizing negotiation and execution of an amended water cost reimbursement agreement with CLUB DEAL 120 WHISPER VALLEY, L.P., and CLUB DEAL 116 INDIAN HILLS TX, L.P., for the design and construction of water mains in an amount not to exceed \$21,200,000. This ordinance would supersede ordinances 20100527-006, 20100826-004, 20130117-015, and 20140807- 013 (Committee)*

### **Vote**

2-0-2 [Committee members are Mayor Pro Tem Tovo (chair), Council Member Troxclair (vice-chair), Council Member Renteria, and Council Member Pool.]

### **Sponsors/Department:**

Austin Water Utility

### **Summary of Discussion**

Bart Jennings, Manager, Austin Water Utility Business Strategy, presented on the proposed ordinance to amend the water cost reimbursement agreement that provides credit support for the Whisper Valley and Indian Hills Public Improvement Districts' Special Assessment Revenue Bonds, Subordinate Series 2011. Proposed changes would require a one-time reimbursement payment upon conditional acceptance of project rather than a two year payment schedule upon final acceptance.

Speakers Douglas H. Gilliland, President of Taurus of Texas, GP LLC and Managing Partner for Whisper Valley and Indian Hills, along with Mr. Steve Metcalf supported the proposal.

Committee members asked questions of staff and project partners about the financing structure, benefits of the proposal, and what would happen if the requested changes were not approved. Committee members expressed need for more information regarding proposal impacts and potential alternatives.

### **Direction**

The proposed ordinance was forwarded to Public Utilities Committee without recommendation.

### **Recommendation:**

The motion to forward the proposal to the Public Utilities Committee with a recommendation to approve the ordinance failed, with Council Members Renteria and Pool voting in favor and Mayor Pro Tem Tovo and Vice Chair Troxclair abstaining.