

## AGENDA



Thursday, January 28, 2010

**Planning and Development Review  
RECOMMENDATION FOR COUNCIL ACTION**
**Item No. 33**

**Subject:** Approve a resolution authorizing the issuance by Travis County Municipal Utility District No. 10, formerly known as Point Venture II MUD ("District"), of Unlimited Tax and Revenue Bonds, Series 2010, in an amount not to exceed \$3,570,000, and approve a substantial draft of the District's Bond Resolution and the Preliminary Official Statement.

**Amount and Source of Funding:** No fiscal impact. 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; Jackie Chuter, 974-2613; Sylvia Arzola, 974-6448.

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

Travis County Municipal Utility District No. 10, formerly known as Point Venture II Municipal Utility District ("District"), was created by the Texas Water Commission, predecessor to the Texas Commission on Environmental Quality ("TCEQ"), on May 17, 1989. The District contains approximately 590 acres and is located in part in both the City of Austin's extraterritorial jurisdiction and the City of Lago Vista's extraterritorial jurisdiction approximately 5.5 miles south of the intersection of FM 1431 and Lohman Ford Road on Lake Travis.

The City has received a request from the District to approve a District bond sale in the amount of \$3,570,000. The total amount of bonds authorized for the District is \$20,300,000. The District has previously issued the Series 2003 Bonds in the amount of \$1,920,000. After the proposed bond issue, \$14,810,000 in District bond authority will remain.

The proceeds from the proposed bond issue will fund the District's share of costs for the following projects:

- a. Construction and engineering expenses for water, wastewater, and drainage facilities to serve Waterford on Lake Travis, Sections 2 and 3;
- b. Construction and engineering expenses for the force main to serve Waterford on Lake Travis, Section 3;
- c. Construction and engineering expenses for the offsite utilities to serve Waterford on Lake Travis, Section 5;
- d. Construction and engineering expenses for the water and wastewater facilities to serve Waterford on Lake Travis, Section 6;
- e. Clearing for Waterford on Lake Travis, Sections 2A, 3, 5 and 6;
- f. Clearing for the water plant, phase 3 location; and
- g. Land acquisition costs, including taxes, for the wastewater treatment plant, phase 1, water plant, phases 1-3, lift station no. 1, lift station no. 2 and the Section 7 water quality ponds.

The District does not receive City wholesale water or wastewater service, but owns a water treatment plant and a wastewater treatment plant. Effluent from the wastewater treatment plant is disposed via irrigation. Currently, the District serves 24 single-family water and wastewater connections and including this bond issue the District will have funded utilities to serve 79 single-family water and wastewater connections.

The TCEQ order approving this bond issue dated October 12, 2009, states that the maximum net effective interest rate for this issuance should not exceed 7.15%. Further the TCEQ order granted the District's request for a waiver of the 30% developer contribution requirement associated with this request and the prior bond issuance. District bonds are the sole obligation of the District unless the City annexes the District. This 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 \$3,570,000 in District Unlimited Tax and Revenue Bonds, Series 2010, contingent upon review and approval of the final bond offering documents by the City Chief Financial Officer's designee.