

AGENDA



Thursday, June 10, 2010

**Treasury Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 26**

Subject: Approve an ordinance authorizing the execution of a First Amendment to the Standby Purchase Agreement and a Second Amended and Restated Letter Agreement between the City of Austin and Landesbank Baden Wurttemberg relating to the City of Austin, Texas Water and Wastewater System Variable Rate Revenue Refunding Bonds, Series 2004 and the approval of all related documents.

Amount and Source of Funding: No Fiscal impact during Fiscal Year 2009-2010. The fee remains unchanged at 0.75% per annum.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Art Alfaro, Treasurer 974-7882

Prior Council Action: On August 12, 2004, the City Council approved the issuance of \$132,475,000 City of Austin, Texas Water & Wastewater System Variable Rate Revenue Refunding Bonds, Series 2004 and all related documents, which included the Standby Bond Purchase Agreement and Letter of Credit Agreement.

On August 12, 2004 the City Council authorized the issuance of \$132,475,000 City of Austin, Texas Water and Wastewater System Revenue Refunding Bonds, Series 2004 in order to refund various Combined Utility System Revenue Bond transactions that produced 13.22% or \$16,662,566 in present value savings.

Landesbank Baden-Wurttemberg requested a change to the Standby Bond Purchase Agreement, to take into account the withdrawal of the bank's rating from Fitch Rating Service. Given that the Standby Bond Purchase Agreement is being modified, the City will also formally modify the Letter Agreement between the City and the bank. The modification of the Agreements provides an improvement to the City's benefit and does not change the facility fee paid by the City.