

**City Council
Agenda Memo**



TO: Larry D. Gilley, City Manager

**City Council
Meeting Date: September 11, 2014**

FROM: Mindy Patterson, Director of Finance

SUBJECT: Written Resolution Expressing Official Intent to Reimburse Costs of Projects for the Water Utility Department

GENERAL INFORMATION

The Water Utility Department is encountering unforeseen expenses due to the ongoing severe drought conditions in the region. The City expects to pay expenditures in connection with completing the work associated with the Hamby wastewater treatment plant, constructing improvements to the Hargesheimer water treatment plant, a professional services agreement with Enprotec/Hibbs and Todd for second stage short-term drought strategies, the acquisition of easements for the second stage drought projects, and the preselection or prepurchase of equipment associated with the second stage short-term drought projects. The work will ultimately be funded with the issuance of certificates of obligation (CO).

In order to proceed with the Projects prior to the sale of the CO, the attached Resolution requires approval by the City Council. The Resolution allows the City to enter into contracts prior to the delivery of the CO funds.

FUNDING/FISCAL IMPACT

The CO to support any costs associated with the Project is expected to be sold in the near future. Any expenditure on the Projects will be paid by the Water Utility Fund and then may be reimbursed upon delivery of the CO money.

STAFF RECOMMENDATION

Staff recommends approval.

ATTACHMENT

Resolution

Prepared by:

Name Mindy Patterson

Title Director of Finance

Item No. 6.2

Disposition by City Council

Approved Ord/Res# _____

Denied

Other

City Secretary

RESOLUTION NO. _____

RESOLUTION EXPRESSING OFFICIAL INTENT
TO REIMBURSE COSTS OF WATER AND WASTEWATER SYSTEM PROJECTS

WHEREAS, the City of Abilene, Texas (the "City") is a home-rule municipality and political subdivision of the State of Texas;

WHEREAS, the City expects to pay, or have paid on its behalf, expenditures in connection with the design, planning, acquisition and construction of the projects described on Exhibit "A" hereto (the "Projects") prior to the issuance of tax-exempt obligations or other obligations for which a prior expression of intent to finance or refinance is required by Federal or State law (collectively and individually, the "Obligations") to finance the Projects;

WHEREAS, the City finds, considers, and declares that the reimbursement for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the City and, as such, chooses to declare its intention to reimburse itself for such payments at such time as it issues Obligations to finance the Projects;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

Section 1. The City reasonably expects to incur debt, as one or more series of Obligations, with an aggregate maximum principal amount not to exceed \$57,000,000 for the purpose of paying the costs of the Projects.

Section 2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt Obligations will be issued by the City in furtherance of this Resolution after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

Section 3. The foregoing notwithstanding, no tax-exempt Obligation will be issued pursuant to this Resolution more than three years after the date any expenditure which is to be reimbursed is paid.

Section 4. This Resolution shall become effective immediately upon adoption.

(execution page follows)

APPROVED AND ADOPTED this September 11, 2014.

ATTEST:

City Secretary

Mayor

APPROVED:

City Attorney

[CITY SEAL]

Exhibit "A"

Constructing, acquiring installing and equipping additions, extensions and improvements to the City's water and wastewater system, including wastewater treatment plant improvements, water treatment improvements, distribution lines and pump stations, and engineering fees and acquisition of easements and equipment for water treatment improvements and transmission lines.