



Legislation Text

File #: 2017-4379, **Version:** 1

Consider a resolution authorizing the Brushy Creek Regional Utility Authority to file an application with the Texas Water Development Board for financial assistance for the expansion of the floating raw water intake and water treatment plant.

The BCRUA submitted an Abridged SWIFT Loan Application to the Texas Water Development Board (TWDB) on January 23rd. The TWDB Board acted on March 29th, and has invited BCRUA (and its three member cities) to submit a full and formal application for the Phase 1C Construction Project loan. BCRUA has been coordinating with TWDB, the Cities of Cedar Park, Leander and Round Rock, and various engineering, financial and bond counsel representatives in order to complete and submit the loan application package before the deadline of 5:00 p.m., on Friday, April 28th.

The Board resolution authorizes filing of the SWIFT Loan Application, sets the not-to-exceed amount of \$16,995,000, appoints Tom Gallier, the General Manager, as the authorized representative of BCRUA for the purposes of the application, and further authorizes the engineer, Financial Advisors, and Bond Counsels each City selects to assist in preparation of the application, as well as communicate with TWDB on behalf of BCRUA, or any of the three partner cities.

The loan application, as was the case with the Phase 1A TWDB loan package, will ultimately result in three separate bond issues, covering each City's portion of the total loan. That breakout is as follows:

BCRUA - Cedar Park:	\$ 4,430,152 (26.07%)
BCRUA - Leander:	\$ 8,134,696 (47.86%)
BCRUA - Round Rock:	\$ 4,430,152 (26.07%)
TOTALS	\$16,995,000 (100.0%)

A strict time-line will need to be followed, if we are to work within the Board's and the three City Council's regular meeting schedules. That schedule is as follows:

BCRUA:	Wednesday, April 19 th
Leander:	Thursday, April 20 th
Cedar Park:	Thursday, April 27 th
Round Rock:	Thursday, April 27 th

Following Cedar Park and Round Rock's actions (assuming affirmative votes), staff will incorporate all three Cities completed documentation into the final application package, and submit it to TWDB before close of business on Friday, April 28th. TWDB staff will then evaluate the loan package, clarify any questions or concerns with BCRUA/City staff, and/or consultants, and make a final recommendation to the TWDB Board. This should occur within sixty days, and we can expect a TWDB Board decision by sometime in July. The next stage will be the development of the three bond packages by each City's Financial Advisor and Bond Counsel (with assistance by BCRUA and City staff, and the project engineering consultant), followed by formal action by BCRUA's Board, and each

City Council. Assuming all goes well, we can expect the three bond offers to fund in late October, or early November of this year.

Phase 1C design will run well into 2018 and bidding should occur around the middle of 2018. As a result, we will not start to draw down the bond proceeds into escrow before August or September of 2018. Interest on the loans should be extremely competitive, based on the State of Texas' continued strong credit ratings, and the SWIFT programs' ongoing interest subsidy.