



Legislation Text

File #: 2018-5853, **Version:** 1

Consider a resolution authorizing the Mayor to execute a Second Amendment to the Wastewater Service Agreement with Fern Bluff Municipal Utility District.

In December 2009, the City partnered with the cities of Cedar Park and Austin to purchase the Brushy Creek Regional Wastewater System (BCRWWS) from the Lower Colorado River Authority (LCRA). The LCRA had two sub-regional customers, Brushy Creek and Fern Bluff Municipal Utility Districts (MUD), who owned capacity in the system. The City of Round Rock agreed to take on the two MUDs as their sub-regional customers and issued \$78.8 million in bonds based on capacity ownership in the system.

The wastewater service agreement outlines the terms in which the City will provide wastewater service to Fern Bluff MUD. The MUD is responsible for their share of operational costs (District Flow Charge) as outlined in the Master Agreement of the BCRWWS as well as their share of debt service (District Capital Charge) equal to their proportional share of capacity ownership in the system.

In June 2016, the City refunded approximately \$35 million in Utility System Revenue Bonds from the original bond issue for BCRWWS to take advantage of favorable market conditions. The City has saved an annual average of approximately \$250,000 of which Fern Bluff MUD has saved an average annual amount of \$6,600.

In December 2017, the City refunded an additional \$32 million of Utility System Revenue Bonds from the original bond issue for the BCRWWS which will allow the City and the Fern Bluff MUD to save significant money for interest payments. The City will be saving an annual average of approximately \$192,000 of which Fern Bluff MUD will have an average annual savings of \$4,500.

The Second Amendment to the Wastewater Service Agreement will replace the original debt service schedule (Exhibit "A") with the new debt service schedule including the refunding bonds.