



Legislation Text

File #: 2020-0146, **Version:** 1

Consider a resolution expressing official intent to reimburse certain project expenditures from the proceeds of a future Utility System Revenue Bonds sale.

This resolution allows for project costs related to the design and construction of the Brushy Creek Regional Wastewater System (BCRWWS) East Plant Expansion Project to be spent before the bond proceeds are received.

The City of Round Rock is working to make the City of Leander a sub-regional customer of BCRWWS instead of an equity partner as currently set out in the existing Interlocal Agreement among the cities of Cedar Park, Austin, Round Rock and Leander. A Wastewater Service Agreement between the cities of Round Rock and Leander will come before Council for approval at a later time.

As a result, this resolution will allow the expansion project to move forward using existing cash and then reimburse the funds once the bonds are issued. This resolution is for up to \$54 million of costs on the expansion project, which represents the City of Leander's portion of the project cost.

Proceeds from the sale of the Utility System Revenue Bonds will be used for the City of Leander's portion of the project cost which includes:

- Preliminary engineering costs
- Final engineering costs
- Construction administration costs
- Construction costs
- Electrical improvements
- Capital projects necessary to the expansion project

This resolution is required to meet IRS rules and regulations regarding the use of tax-exempt funds.

Staff recommends approval