



**Recommendation for
Water & Wastewater Commission**

Commission Meeting Date:	April 13, 2016
Council Meeting Date:	April 21, 2016
Department:	Austin Water
SUBJECT	
Approve a resolution approving the issuance by Travis County Water Control and Improvement District Number 10 of Unlimited Tax Bonds, Series 2016, in a par amount not to exceed \$45,970,000; and approving a substantial draft of the District's Bond Resolution and Preliminary Official Statement.	
AMOUNT AND SOURCE OF FUNDING	
The City is not responsible for payment of District bond debt service; the bonds are obligations solely of the District. There is no anticipated fiscal impact.	
Purchasing Language:	N/A
Prior Council Action:	N/A
For More Information:	Bart Jennings, 512-972-0118; Denise Avery, 512-972-0104; and Art Alfaro, 512-974-7882
Boards and Commission Action:	To be reviewed by the Water and Wastewater Commission on April 13, 2016.
MBE/WBE:	N/A

The Travis County Water Control and Improvement District Number 10 (the "District") was created by a petition filed with Travis County on August 10, 1956 and a confirmation election held September 29, 1956. The District is located in Travis County along the western shore of Lake Austin, and includes the City of West Lake Hills and the subdivisions of Westwood, Rolling Hills West, Knollwood, Westlake Highland and the Rob Roy Ranch. The District covers an area of approximately 5,000 acres of residential and retail property. The District serves approximately 2,900 connections.

The District was created for the purposes of providing, operating, and maintaining facilities to distribute potable water. The District is empowered, among other things, to purchase, construct, operate and maintain all infrastructure necessary for the supply and distribution of water. The District is a wholesale customer of the City of Austin ("City") for its entire potable water supply. The District does not provide wastewater service.

The City is not responsible for the principal and interest payments due on the District's debt. Section 8.1 of the current Wholesale Water Agreement between the City and the District requires the District to obtain "approval of the City" prior to the District selling bonds.

The City's Financial Services Department received a bond application from the District that requests consent to issue \$45,970,000 in Unlimited Tax Bonds, Series 2016. The application has been reviewed, and the City's approval of the District's request for consent is recommended. The issuance has also been reviewed by Standard & Poor's Ratings Services (S & P). S & P assigned an "AA" rating with a stable outlook to the bonds, which is its highest available rating for a water district.

Pursuant to a bond election held by the District and passed on May 9, 2015, an order from the Texas Commission on Environmental Quality approved the engineering projects and bond issuance. Subsequently, an order by the District's Board of Directors approved a bond sale of \$45,970,000 in unlimited tax bonds. The bonds as presented have a 25-year term, maturing in 2041. The current debt to assessed value ("AV") in the District is 0%, as the District does not have any outstanding debt at this time. The anticipated debt to AV after issuance is 1.38%.

The proceeds of the Bonds, along with certain other funds of the District, will be used to finance projects that will improve fire flows and reliability within the District's water system.