



Recommendation for Action

File #: 22-2949, **Agenda Item #:** 5.

10/13/2022

Posting Language

Approve a resolution declaring the City of Austin's official intent to reimburse itself from the proceeds of tax-exempt obligations to be issued through October 2023 for acquisition and construction costs in an aggregate maximum principal amount of \$195,000,000 related to Fiscal Year 2022-2023 Austin Water Capital Improvement Projects.

Lead Department

Austin Water.

Fiscal Note

Funding is available in Austin Water's Capital Budget. A fiscal note is attached.

For More Information:

Inquiries should be directed to Joseph Gonzales, Assistant Director, (512) 972-0359; Tina Romero, Financial Manager III, (512) 972-0122; the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov.

Additional Backup Information:

Austin Water requests approval, in accordance with Federal Treasury Regulations, of an Official Declaration of Intent to Reimburse acquisition and construction costs of the Fiscal Year 2022-2023 capital improvement projects. Austin Water reasonably expects to issue debt through October 2023, with an aggregate maximum principal amount of \$195,000,000 for the purpose of paying for costs incurred from October 1, 2022 through October 31, 2023, which are associated with Austin Water Capital Improvement Projects. All costs to be reimbursed will be capital expenditures within the meaning of the Treasury Regulations.

A city must have budgeted for and provided a source of funds in order to enter into a contract. For the City to spend money today but reimburse itself from the issuance of debt obligations in the future, a reimbursement resolution is required by state and federal law. The resolution must contain certain information and is generally reviewed by bond counsel to protect the tax-exempt status of the future issuance. The resolution must be passed not more than 60 days after the date that the cost to be reimbursed is paid. Failure to adopt a qualified declaration of official intent will prohibit the City from reimbursing the cost with the proceeds of tax-exempt obligations. Reimbursement bonds generally must be issued no later than 18 months after the later of the date the expenditure was made or the date that the project, with respect to which the expenditure was made, is placed in service.

WATER SYSTEM

FUND	DESCRIPTION
3960	Improvements to and expansions of the waterworks system and facilities.
3990	Improvements to and expansions of the reclaimed water system.
4250	Texas Water Development Board loan reimbursements for State Water Implementation Fund of Texas Program.

4270	Texas Water Development Board loan reimbursements for State Revolving Fund Program.
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WASTEWATER SYSTEM

FUND	DESCRIPTION
4530	Improvements to and expansions of wastewater system and facilities.
4570	Improvements to and expansions of the sanitary sewer system and wastewater facilities.
4600	Texas Water Development Board loan reimbursements for State Water Implementation Fund of Texas Program.
4620	Texas Water Development Board loan reimbursements for State Revolving Fund Program.
4680	Vehicle acquisitions.

RECLAIMED WATER SYSTEM

FUND	DESCRIPTION
3990	Improvements to and expansions of the reclaimed water system.
4020	Texas Water Development Board loan reimbursements for State Water Implementation Fund of Texas Program.
4030	Texas Water Development Board loan reimbursements for State Revolving Fund Program.

Strategic Outcome(s):

Safety, Health and Environment, Government that Works for All.