



Recommendation for Action

File #: 23-1712, **Agenda Item #:** 7.

5/18/2023

Posting Language

Approve a resolution authorizing the issuance by Southeast Travis County Municipal Utility District No. 1 of up to \$5,855,000 of Unlimited Tax Bonds, Series 2023.

Lead Department

Financial Services Department.

Fiscal Note

This item has no fiscal impact.

For More Information:

Belinda Weaver, City Treasurer, 512-974-7885; Virginia Collier, Program Manager III, 512-972-0117; Joi Harden, Division Manager, 512-974-1617.

Council Committee, Boards and Commission Action:

To be reviewed by the Water and Wastewater Commission on May 10, 2023.

Additional Backup Information:

Southeast Travis County Municipal Utility District No. 1, a political subdivision of the State of Texas, was created under the laws of the State of Texas by Senate Bill No. 1913, Acts of the 82nd Texas Legislature, Regular Session, Chapter 1114, now codified as Chapter 8382, Subtitle F, Title 6, Texas Special District Local Laws Code (Enabling Legislation), and operates under Chapters 49 and 54 of the Texas Water Code. The Enabling Legislation became effective May 25, 2011, creating the District, subject to the consent of the City.

The City consented to the District's creation March 22, 2012 and under the terms of the Consent Agreement between the City, the District, and Qualico CR, L.P. effective as of April 13, 2012. The City and the District entered into a Strategic Partnership Agreement on June 4, 2012, as authorized by Section 43.0751, Texas Local Government Code, which sets forth the terms and conditions of the City's annexation of the land within the District and on which the District will continue to exist as a limited district, Southeast Travis County Limited District No. 1, in accordance with Section 43.0751, Texas Local Government Code, and the Enabling Legislation following the City's full-purpose annexation of the land within the District as provided in the Consent Agreement and the Strategic Partnership Agreement.

The District, which currently contains 187.72 acres of land, is located within the extraterritorial jurisdiction of the City in southeast Travis County, southeast of State Highways 130 and 71, with major access provided by State Highway 130 to Pearce Lane leading to Sun Chase Parkway at the District's northern boundary.

The District is required to obtain City approval for all bond sales pursuant to the Consent Agreement. The City has received a request to approve a bond sale in the amount of \$5.855 million for the Water, Wastewater and Drainage proposition approved by District voters in 2012. After the proposed bond issue, approximately \$10.7 million in authorized but unissued bonds will remain in this proposition, with approximately \$1.5 million unissued for the Parks and Recreational proposition, and approximately \$7.5 million unissued for the Road

proposition.

The proceeds from the bond sale will be used to finance the District's share of:

- Pearce Lane Phase 1 wastewater treatment plant;
- Pearce Lane wastewater treatment plant lift station and site improvements and,
- Engineering, inspection and permit expenses, as well as various interest and issuance costs.

The District bonds are the sole obligation of the District until the City annexes the District. The first eligible date for annexation is December 31, 2033.

City staff from Austin Water, the Parks and Recreation Department, the Housing Department, the Planning Department, and the Watershed Protection Department reviewed the District's Consent Agreement and its amendments. The District was found to be in compliance with the terms of the agreement. The City's Financial Services Department and the City's Financial Advisor have reviewed the District's proposed bond sale and recommend approval.