



Utility Revenue Bonds Delegation Ordinance

Legistar #24-0630

**City Council Meeting
April 23, 2024**



Financing of Capital Projects

- Capital Improvement Projects (CIP) and funding are approved in the City's Capital Budget
 - Reimbursement resolutions were approved by City Council on January 25, 2022 and December 20, 2022 to begin using funds for the projects
 - Capital Budget staff assesses funding needs for next 12-18 months to determine what debt needs to be issued to fund current and prior year approved projects
 - **Today** - First reading of an ordinance delegating the authority to certain city staff to approve the sale of Utility Revenue Bonds within stated parameters
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Summary of Financial Transaction

- Issuance of Utility System Revenue Bonds in an amount not to exceed \$186,089,000 for water, wastewater, and storm water utility improvements
- Potential refunding of up to \$100,000,000 of existing Utility System Revenue Bonds for savings



Projects to be Funded - Water

- Water Sources –
 - Choke Canyon Dam Improvements
 - Wesley Seale Dam Modernization and Improvements

- Water Supply Lines –
 - Mary Rhodes Pipeline Condition Assessment and Cathodic Protection

- Water Treatment –
 - ON Stevens Water Treatment Plant Project Improvement

- Water Distribution Lines –
 - Citywide Water Line Repair / Replacement

- Water Utility Support for Street Construction Projects



Projects to be Funded - Wastewater

- Wastewater Treatment Plant Improvements
- Wastewater Lift Station Upgrades
- Wastewater System Collection Lines Maintenance
- Wastewater Utility Support for Street Construction Projects



Projects to be Funded - Stormwater

- La Volla Creek Improvements
- North Beach Drainage Improvements
- Oso Creek Bottom Rectification
- Citywide Stormwater Infrastructure Rehabilitation
- Stormwater Utility Support for Street Construction Projects



Projects to be Funded - Gas

- New Gas Line Under Ship Channel
- Citywide Gas Infrastructure Improvements
- Gas Department Building Improvements
- Gas Utility Support for Street Construction Projects



Steps for Issuance

Specific steps must be followed per state law for the issuance of Utility Revenue Bonds:

- **April 23, 2024** - First Reading of ordinance to authorize delegation of authority
 - **May 14, 2024** - Second reading and adoption of ordinance authorizing delegation of authority
 - **May 23, 2024** – Sale of Utility System Revenue bonds
 - **June 18, 2024** – Closing Date for Utility System Revenue Bonds
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City of Corpus Christi, Texas



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Victor Quiroga
Managing Director
711 N Carancahua St
Suite 518
Corpus Christi, Texas 78401
361.278.1310
victor@spfmuni.com

Dan Wegmiller
Managing Director
248 Addie Roy Road
Suite B103
Austin, Texas 78746
512.820.6086
dan@spfmuni.com

Utility System Revenue Bonds Financing Overview per Approved Budget

- Ordinance #24-0630 will allow for the issuance of Utility System Revenue and Refunding Bonds to fund scheduled, planned, projects and to refinance existing debt for estimated ratepayer savings of \$2.6 million

PLANNED ISSUANCE*

1) Utility System Revenue Improvement & Refunding Bonds, Series 2024

- Not to exceed \$186,090,000 to fund planned project
- Bonds will not fund proposed desalination project
- Not to exceed \$100,000,000 to pursue an Escrow to Maturity Refinancing of the Series 2020B Taxable Bonds for estimated ratepayer savings of \$2.6 million
 - Projected annual savings of \$215,000 through 2036

* Preliminary, subject to change.

PRELIMINARY USE OF PROCEEDS

In Millions (\$)

Project	Revenue Bonds
Water	\$87.07
Wastewater	58.53
Stormwater	31.31
Gas	9.18
Total	\$186.09

METHOD OF SALE

- Open market financing through a negotiated sale process



QUESTIONS ?