



Agenda Item Report

Legislative Board: City Council
Date: October 21, 2025
Contact: Blake Neffendorf, Public Works Director
Agenda Item ID / Number: 2025-914- / I.1

ITEM TITLE: Deliberation and possible action to adopt a Resolution approving the Alliance Regional Water Authority (ARWA) issuing Contract Revenue Bonds in an aggregate principal amount not to exceed \$1,700,000 for the City of Buda, including approval of the ARWA Bond Resolution and Other Related Matters in Connection with the Regional Water Supply Contract Project (Public Works Director Blake Neffendorf and ARWA Executive Director Graham Moore) [PUBLIC TESTIMONY]

1. EXECUTIVE SUMMARY

The City of Buda has a regional water supply contract with the Alliance Regional Water Authority (Alliance Water) that allows the Alliance Water to finance, construct, maintain, and operate a water supply project in a manner that will enable the Alliance Water to deliver water to sponsors. The Phase 1B funding includes project shares that were set by the water supply agreement with Buda's share of the total project cost approved at 5.08%. Four issuances were initially planned for Buda's share of the funding for the project. The first issuance was in October 2017, the second issuance was in November 2019, the third issuance was in October 2020, and the fourth issuance was in October 2022. Due to rising costs from inflation and easement acquisitions, an additional bond issuance was required to cover the remaining items needed to complete Phase 1B and to cover the costs of Phases 1C & 1D. \$7,010,000 was issued in October 2024 to cover these additional costs. Additional funds were identified as being needed in late 2024 to cover the cost for a permanent clarification and solids handling solution at the water treatment plant. This sixth issuance of \$1,700,000 will cover Buda's portion of the needed work.

2. BACKGROUND/HISTORY

The Alliance Water entered into a regional water supply contract with the City on January 15, 2008, to operate a water supply project and deliver water to the City of Buda and other participants. On July 5, 2017, the Alliance Water requested and received approval from the City Council to fund Buda's portion of the pipeline project that will allow for future water to be delivered to the City of Buda and other sponsors. At that meeting, City Council selected the 20-year low interest loan option for this project. City Council was made aware that the Alliance Water would come back to City Council in October of that year for approval to sell the bonds for Phase 1B of the project. City Council subsequently approved a resolution authorizing the sale of bonds for Buda's portion at its October 17, 2017, meeting, not to exceed \$1.625 million, which was part of a \$31.93 million total issuance. At the October 15, 2019 Council meeting, the City Council approved a resolution authorizing the Board of Directors of the ARWA to issue the City of Buda's portion of contract revenue bonds not to exceed \$4.37 million, which was part of a \$85.88 million total issuance. At Council's October 20, 2020 meeting, Mr. Moore provided an update on the project and Council approved a resolution authorizing the sale of bonds for Buda's portion not to exceed \$6.225 million, which was part of a \$122.58 million total issuance. At the October 18, 2022 meeting, City Council approved a resolution authorizing the sale of bonds not to exceed \$2,440,000, which was part of a \$48,000,000 total issuance. In December 2023, Council approved an Amendment to the Regional Water Supply Contract to allow the use of Bond Anticipation Notes (BAN). The BAN was used to finance the remaining portion of the Phase 1B Project until SWIFT funding could be obtained in 2024. At the October 15, 2024 meeting, City Council approved a resolution authorizing the sale of

bonds not to exceed \$7,010,000 which was part of a combined \$138,000,000 issuance for ARWA.

3. ANALYSIS

City staff has worked with staff at the Alliance Water, McCall Parkhurst & Horton law firm (bond adviser), and staff at Specialized Public Finance (financial adviser) on this request to approve a resolution by the Board of Directors of Alliance Water. This resolution is with respect to the issuance of Buda's final share of contract revenue bonds not to exceed the aggregate principal amount of \$1.7 million in connection with the Phase 1B Improvements of the Regional Water Supply Project and the Phase 1C/1D Expansion Project. This is the sixth issuance in contract revenue bonds for the project. Buda's portion is part of an overall issuance by Alliance Water that totals \$33.5 million for 2025. The Board of Directors of Alliance Water is scheduled to consider debt issuance at its October 29th meeting and close on the loans by December 11, 2025.

4. FINANCIAL IMPACT

FY 2026 Budgeted amount for debt service requirement for Series 2017D, 2019D, 2020D, 2022D, 2024D, and 2025D: \$1,427,203.50.

5. STRATEGIC PLAN/GOALS

BALANCED AND INTENTIONAL GROWTH

6. STRATEGIC PLAN OBJECTIVES

Secure long-term water supply with an effective water conservation system and expanded water reuse system

7. PROS AND CONS

N/A

8. ALTERNATIVES

N/A

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

Approval of a resolution authorizing the issuance of obligations by the Alliance Water designated as "Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - City of Buda, Texas) in the total aggregate principal amount not to exceed \$1,700,000.

Attachments:

[Resolution - Buda ARWA Authorization.pdf](#)

[Resolution - ARWA](#)

[TWDB Private Placement Memo - City of Buda 2025D.pdf](#)

[Buda General Certificate.pdf](#)

[Buda Approval Certificate.pdf](#)

[Presentation - Buda - 2025 SWIFT Loan Approval 2025-10-21_R1.pdf](#)