# Weatherford Municipal Utility Board

## AGENDA REPORT

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| **Meeting Date:** | April 24, 2025 | **Staff Contact:** | Dawn Brooks, Chief Financial Officer |
| **Item Number:** | 2025-209-AR | **Phone:** | 817-598-4130 |

**SUBJECT:** Consider Issuance of Tax and Utility System (Limited Pledge) Revenue Certificates of Obligation, Series 2025.

**BACKGROUND/DISCUSSION**

The Municipal Utility System has identified critical infrastructure needs for its water and wastewater systems that require significant capital investment. The proposed projects will enhance system capacity, improve reliability, and meet the growing demands of our community.

**Water System Capital Projects ($55M):**

The water system improvements include several critical infrastructure projects including Water Production Plant expansion, new transmission mains, elevated storage tanks, water line extensions, and pumping capacity upgrades.

**Wastewater System Capital Projects ($25M):**

The wastewater system improvements include lift station expansions, wastewater treatment plant improvements, and collection system extensions.

Staff is requesting the Utility Board to consider the proposed issuance of Tax and Utility System (Limited Pledge) Revenue Certificates of Obligation, Series 2025 in the principal amount not to exceed $80,000,000 for the purpose of financing these water and wastewater system improvements. This represents the first phase of planned utility infrastructure investments, with a second issuance anticipated in 2028.

The issuance of certificates of obligation requires a two-step process. First, the City Council must authorize the publication of a notice of intention to issue the certificates, this step will be considered on April 22, 2025 when Resolution R2025-06 is presented to the City Council for consideration. The notice of intent will be published in the Weatherford Democrat on April 30, 2025 and May 7, 2025. The certificates are schedule to be priced and sold in late June 2025, with funds becoming available on July 24, 2025.

**FINANCIAL IMPACT**

The principal amount of the certificates will not exceed $80,000,000. The recently implemented utility rate structure was specifically designed to accommodate the debt service payments associated with these certificates. The financial impact to the Utility System has been mitigated through this proactive rate adjustment, ensuring that adequate revenue will be available to service this debt without additional burden on taxpayers or ratepayers beyond what has already been implemented.

Annual debt service payments are estimated to be approximately $6.1 million based on current market conditions and anticipated terms. The certificates will be secured by a limited pledge of ad valorem tax revenues and a pledge of the net revenues of the City's utility system.

**SUGGESTED ACTION**

No formal action is required from the Utility Board. This item is presented for consideration and discussion only, as the authority to issue debt rests solely with the City Council.

**ATTACHMENTS**

- Weatherford CO S25 Timetable
- 25 Weatherford CO Preliminary
- Capital Project List