



Weatherford City Council

AGENDA REPORT

Meeting Date: June 24, 2025
Item Number: 2025-327-AR

Staff Contact: Dawn Brooks, Chief Financial Officer
Phone: 817-598-4130

SUBJECT: Discussion and consideration of all matters incident and related to the issuance and sale of "City of Weatherford, Texas, Tax and Utility System (Limited Pledge) Revenue Certificates of Obligation, Series 2025", including the adoption of Ordinance O2025-27 authorizing the issuance of such certificates of obligation.

BACKGROUND/DISCUSSION

The Municipal Utility System has identified critical infrastructure needs for its water and wastewater systems that require significant capital investment. This bond issue represents the first phase of our planned utility infrastructure investments, with approximately \$55 million allocated for water system improvements and \$25 million for wastewater system improvements. These projects will enhance system capacity, improve reliability, and meet our community's growing demands.

We've specifically discussed both the issuance of these bonds and the funding amount required at several public meetings, including:

- June 27th Municipal Utility Board meeting
- July 25th Municipal Utility Board meeting (which included debt school)
- August 29th Municipal Utility Board meeting
- September 10th City Council meeting
- April 22nd City Council meeting
- April 24th Municipal Utility Board meeting

We've strategically waited for market conditions to stabilize before proceeding with this issuance to ensure we've secure the most favorable terms possible.

The most notable of these projects being funded include:

- The Water Purification Plant Expansion Project Phases II-IV to increase treatment capacity
- New elevated storage tank at the West Park Pump Station area
- Lift Station 17 Expansion to 4 MGD
- Town Creek Main Trunk Line

Many of these projects are necessary to maintain compliance with TCEQ regulations as our community grows. Given the critical and time-sensitive nature of these compliance needs, Certificates of Obligation provide the appropriate funding mechanism to address these requirements efficiently.

The current utility rate structure was specifically designed to accommodate the debt service for these certificates.

The issuance of certificates of obligation requires a two-step process. First step was completed on April 22, 2025

when the City Council authorized the publication of a notice of intention to issue the certificates and adopted Resolution R2025-06. The notice of intent was published in the Weatherford Democrat on April 30, 2025 and May 7, 2025. This the second and final step in the process, the City Council must authorize the the issuance of the certificates and adopt Ordinance O2025-27. The certificates are schedule to be priced on June 24, 2025, with funds becoming available on July 24, 2025.

FINANCIAL IMPACT

Bond payments will be for an estimated 20 years with a 10-year call provision.

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

Staff recommends approval of Ordinance O2025-27 authorizing the issuance and sale of "City of Weatherford, Texas Tax and Utility System (Limited Pledge) Revenue Certificates of Obligation, Series 2025.

ATTACHMENTS

- [WEATHERFORD CO 2025 - Ordinance](#)
- [WEATHERFORD CO 2025 - PAR Agmt - US Bank](#)
- [Capital Project List](#)