Weatherford City Council

AGENDA REPORT

Meeting Date:	April 22, 2025	**Staff Contact:**	Dawn Brooks, Chief Financial Officer
Item Number:	2025-187-AR	**Phone:**	817-598-4130

SUBJECT: Discussion and consideration of all matters incident and related to approving and authorizing publication of notice of intention to issue certificates of obligation, including the adoption of a resolution pertaining thereto.

BACKGROUND/DISCUSSION

Staff is requesting City Council approval of a resolution authorizing the publication of notice of intent to issue Certificates of Obligation (COs) in the principal amount not to exceed $80,000,000 for the purpose of financing water and wastewater system improvements. This represents the first phase of planned utility infrastructure investments, with a second issuance anticipated in 2028.

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. The funding allocation is approximately $55 million for water system improvements and $25 million for wastewater system improvements.

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. Following this publication (which must appear in a newspaper of general circulation in the City once a week for two consecutive weeks, with the first publication occurring at least 45 days before the date tentatively set for the passage of the ordinance authorizing the issuance), the Council may then approve the actual issuance of the certificates.

If approved, the notice of intent will be published in the Weatherford Democrat on April 30, 2025 and May 7, 2025 (at least 45 days prior to the issuance). The certificates would 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

Staff recommends that the City Council approve and adopt Resolution R2025-06 authorizing the publication of notice of intention to issue the City of Weatherford, Texas Tax and Utility System (Limited Pledge) Revenue Certificates of Obligation, Series 2025 in an amount not to exceed $80,000,000 for water and wastewater capital projects.

ATTACHMENTS

- R2025-06
- Weatherford CO S25 Timetable
- 25 Weatherford CO Preliminary
- Capital Projects List