

## ACTION FORM BRYAN CITY COUNCIL

|  |   |                                      |  |
|--|---|--------------------------------------|--|
| <b>DATE OF COUNCIL MEETING:</b> June 11, 2013  |   | <b>DATE SUBMITTED:</b> June 3, 2013  |  |
| <b>DEPARTMENT OF ORIGIN:</b> BTU   |   | <b>SUBMITTED BY:</b> Joe Hegwood     |  |
| <b>MEETING TYPE:</b>   | <b>CLASSIFICATION:</b>                      | <b>ORDINANCE:</b>                    | <b>STRATEGIC INITIATIVE:</b>                       |
| <input type="checkbox"/> BCD   | <input type="checkbox"/> PUBLIC HEARING     | <input type="checkbox"/> 1ST READING | <input type="checkbox"/> PUBLIC SAFETY             |
| <input type="checkbox"/> SPECIAL   | <input type="checkbox"/> CONSENT            | <input type="checkbox"/> 2ND READING | <input type="checkbox"/> SERVICE                   |
| <input checked="" type="checkbox"/> REGULAR  | <input type="checkbox"/> STATUTORY          |                                      | <input type="checkbox"/> ECONOMIC DEVELOP.         |
| <input type="checkbox"/> WORKSHOP  | <input checked="" type="checkbox"/> REGULAR |                                      | <input checked="" type="checkbox"/> INFRASTRUCTURE |
|  |   |                                      | <input type="checkbox"/> QUALITY OF LIFE           |
| <b>AGENDA ITEM DESCRIPTION:</b> Consider for adoption a resolution approving and authorizing publication of notice of intention to issue certificates of obligation in a principal amount not to exceed \$6,200,000 to fund BTU Rural system construction; and providing an effective date.  |   |                                      |  |
| <b>SUMMARY STATEMENT:</b> At the June 10, 2013, BTU Board meeting, the BTU Board will consider a resolution recommending the issuance of certificates of obligation (CO) in a principal amount not to exceed \$6,200,000 to fund BTU Rural system construction. The issuance of certificates of obligation requires a publication of notice. This City Council agenda item authorizes the publication of notice of intent to issue the certificates of obligation. Consideration of this resolution by the City Council on June 11, 2013, is contingent upon the BTU Board approving the aforementioned resolution on June 10, 2013. |   |                                      |  |
| The Rural system bond issuance recommended by the BTU Board is for the purpose of paying contractual obligations to be incurred for: (i) the acquisition, construction, replacement and repair of substations, feeders and other distribution improvements to the City's Rural Electric System, and, (ii) related professional services, including legal, fiscal, engineering and design fees, and costs of issuance. The certificates are to be issued, and this notice is given, under and pursuant to the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended.                                     |   |                                      |  |
| As shown on the attached "Preliminary Timeline of Events", City Council will not be requested to authorize the actual issuance of the certificates of obligation until the July 23, 2013, Regular meeting of City Council.   |   |                                      |  |
| <b>STAFF ANALYSIS AND RECOMMENDATION:</b> Adoption of this resolution provides public notice of intention to issue certificates of obligation in compliance with the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended. Consideration of this resolution by the City Council on June 11, 2013, is contingent upon the BTU Board approving the aforementioned resolution on June 10, 2013.   |   |                                      |  |
| <b>OPTIONS (In Suggested Order of Staff Preference):</b>   |   |                                      |  |
| <ol style="list-style-type: none"> <li>1. Approve the resolution, allowing for the potential future issuance of certificates of obligation.</li> <li>2. Do not approve the resolution, deferring or eliminating the issuance of future certificates of obligation.</li> </ol>  |   |                                      |  |
| <b>ATTACHMENTS:</b>  |   |                                      |  |
| <ol style="list-style-type: none"> <li>1. BTU Resolution recommending issuance of Certificates of Obligations including BTU Rural - Series 2013 Projects (the attached Word version is not signed as the BTU Board will not consider the resolution until June 10, 2013)</li> <li>2. City of Bryan Series 2013 COs Resolution Authorizing Publication of NOI</li> <li>3. Specialized Public Finance, Inc. Preliminary Timeline of Events (pdf file)</li> </ol>   |   |                                      |  |
| <b>FUNDING SOURCE:</b>   |   |                                      |  |
| Bonds will be funded from BTU rural revenues. Certificates of obligation also provide security for bonds through ad valorem taxes.   |   |                                      |  |

**APPROVALS:** Hugh R. Walker, 06/04/2013

**APPROVED FOR SUBMITTAL: CITY MANAGER**

**APPROVED FOR SUBMITTAL: CITY ATTORNEY** Janis K. Hampton, 06-03-2013

Revised 04/2013

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION RECOMMENDING THAT THE BRYAN CITY COUNCIL APPROVE AN ORDINANCE WHICH AUTHORIZES THE ISSUANCE OF BONDS OR OTHER OBLIGATIONS IN AN AMOUNT NOT TO EXCEED \$6,200,000 FOR SUBSTATION, FEEDER AND OTHER DISTRIBUTION SYSTEM IMPROVEMENTS.**

WHEREAS, all bond sales must be approved by the Bryan City Council; and

WHEREAS, the Bryan City Council has authorized the Bryan Texas Utilities Board through Ordinance No. 1281 to make recommendations to the Bryan City Council; and

WHEREAS, Bryan Texas Utilities is planning expenditures for the acquisition, construction, replacement and repair of substations, feeders, and other distribution improvements to its Rural System; and

WHEREAS, the Bryan Texas Utilities expenditures for the acquisition, construction, replacement and repair of substations, feeders, and other distribution improvements to its Rural System are necessary to ensure reliability of electric service; and

WHEREAS, these bonds are in the best interest of Bryan Texas Utilities' customers to ensure reliable power.

NOW, THEREFORE be it resolved that the Bryan Texas Utilities Board:

Recommends that the Bryan City Council approve an ordinance which authorizes the issuance of bonds or other obligations in an aggregate principal amount not to exceed \$6,200,000 for substation, feeder and other distribution system improvements to its Rural System.

Considered and adopted on a vote of \_\_\_\_\_ ayes and \_\_\_\_\_ nays, this 10th day of June, 2013, at a regular meeting of the Bryan Texas Utilities Board at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

**ATTEST:**

**BRYAN TEXAS UTILITIES BOARD**

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Angela Saxby, Recording Secretary

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Carl L. Benner, Chairperson

## BTU Rural — Series 2013 Projects

### Substation Projects - Distribution Portion

|                           |                |
|---------------------------|----------------|
| Millican Substation       | \$1,080,000    |
| Spare Power Transformer   | 800,000        |
| Koppe Bridge Substation   | 631,000        |
| Substation Breakers       | 300,000        |
| Other substation projects | <u>647,000</u> |
| Subtotal                  | \$3,458,000    |

### Feeder Construction

|  |                  |
|--|------------------|
| Distribution portion of South Transmission Project | 702,000          |
| Rebuild feeders along FM 2154                      | 293,000          |
| Other feeder projects less than \$100,000 each     | <u>1,051,000</u> |
| Subtotal   | \$2,045,000      |

**Total** \$5,503,000

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS, APPROVING AND AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City Council of the City of Bryan, Texas, has determined that certificates of obligation should be issued under and pursuant to the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended, for the purpose of paying contractual obligations to be incurred for (i) the acquisition, construction, replacement and repair of substations, feeders and other distribution improvements to the City's Rural Electric System, and (ii) related professional services, including legal, fiscal, engineering and design fees, and costs of issuance; and

WHEREAS, prior to the issuance of such certificates, the City Council is required to publish notice of its intention to issue the same in a newspaper of general circulation in the City, said notice stating (i) the time and place the City Council tentatively proposes to pass the ordinance authorizing the issuance of the certificates, (ii) the maximum amount proposed to be issued, (iii) the purposes for which the certificates are to be issued and (iv) the manner in which the City Council proposes to pay the certificates;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS:

Section 1.

The City Secretary is hereby authorized and directed to cause notice to be published of the City Council's intention to issue certificates of obligation, in one or more series, in a principal amount not to exceed \$6,200,000 for the purpose of paying contractual obligations to be incurred for (i) the acquisition, construction, replacement and repair of substations, feeders and other distribution improvements to the City's Rural Electric System, and (ii) related professional services, including legal, fiscal, engineering and design fees, and costs of issuance, such certificates to be payable from ad valorem taxes and a limited pledge (not to exceed \$1,000) of the surplus revenues of the City's waterworks and sewer system. The notice hereby approved and authorized to be published shall read substantially in the form and content of Exhibit A attached hereto and incorporated herein by reference as a part of this Resolution for all purposes.

Section 2.

The City Secretary shall cause the aforesaid notice to be published in a newspaper of general circulation in the City, once a week for two (2) consecutive weeks, the date of the first publication to be at least thirty-one (31) days prior to the date stated therein for the passage of the ordinance authorizing the issuance of the certificates of obligation.

Section 3.

It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 4.

This Resolution shall be in force and effect from and after its passage on the date shown below.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS at a regular meeting on the 11<sup>th</sup> day of June, 2013.

ATTEST:

CITY OF BRYAN:

\_\_\_\_\_  
Mary Lynne Stratta, City Secretary

\_\_\_\_\_  
Jason P. Bienski, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Janis K. Hampton, City Attorney

EXHIBIT A

NOTICE OF INTENTION TO ISSUE  
CITY OF BRYAN, TEXAS, CERTIFICATES OF OBLIGATION

TAKE NOTICE the City Council of the City of Bryan, Texas, shall convene at 6:00 p.m. on the 23rd day of July, 2013, at its regular meeting place in the City Hall, 300 South Texas Avenue, Bryan, Texas, and, during such meeting, the City Council will consider the passage of an ordinance authorizing the issuance of certificates of obligation, in one or more series, in a principal amount not to exceed \$6,200,000 for the purpose of paying contractual obligations to be incurred for (i) the acquisition, construction, replacement and repair of substations, feeders and other distribution improvements to the City's Rural Electric System, and (ii) related professional services, including legal, fiscal, engineering and design fees, and costs of issuance, and such certificates are to be payable from ad valorem taxes and a limited pledge (not to exceed \$1,000) of the surplus revenues of the City's waterworks and sewer systems. The certificates are to be issued, and this notice is given, under and pursuant to the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended.

Mary Lynne Stratta  
City Secretary  
City of Bryan, Texas