City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **Finance**

ACM: **Christine Taylor**

DATE: **October 21, 2025**

SUBJECT

Consider adoption of an ordinance of the City of Denton considering all matters incident and related to the issuance, sale and delivery of $11,235,000 in principal amount of "City of Denton, Texas Utility System Revenue Bonds, Series 2025" to the Texas Water Development Board; authorizing the issuance of the bonds; approving and authorizing instruments and procedures relating to said bonds; enacting other provisions relating to the subject; and providing an effective date. The Public Utilities Board recommends approval (6-0).

BACKGROUND

During FY 2023-24, the Water Utilties department applied for and recevied approval for project funding from the Texas Water Development Board SWIFT program. The program provides financial assistance for projects in the state water plan to help communities develop and optimize ater supplies. The City was approved for $195,845,000 with staff electing to choose a multi-year funding term to align with proejct needs. Below is the proposed five-year breakdown. Year one, FY 2024-25, has been issued and with this approved bond ordinance, year two will be issued for $11,235,000. The bond proceeds will be receieved in December 2025.

- FY 2024-25 $10,135,000 (issued)
- **FY 2025-26 $11,235,000**
- FY 2026-27 $57,240,000
- FY 2027-28 $87,690,000
- FY 2028-29 $29,545,000

The final interest rates on the Bonds are included in the ordinance with overall borrowing costs of 3.8% for the 30-year financing. The financing structure with the TWDB will save the City an estimated $2.3 million versus issuing Certificates of Obligations in the public market.

RECOMMENDATION

Staff recommends adoption of the ordinance.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On April 2, 2024, the City Council adopted a resolution (Res 24-562) authorizing the submission of the Texas Water Development Board application in the amount of $195,845,000.

On August 19, 2025, the City Council adopted an ordinance (Ord 25-1458) authorizing a financing agreement with the Texas Water Development Board regarding the issuance of City of Denton Utility System Revenue Bonds for the waterworks system improvements and related issuance costs.

EXHIBITS

1. Agenda Information Sheet
2. Ordinance
3. Presentation

Respectfully submitted:
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Assistant Director of Finance

Prepared by
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Treasury Manager