

ORDINANCE NO. 25-_____

AN ORDINANCE OF THE CITY OF DENTON TO DECLARE THE INTENT TO REIMBURSE CAPITAL PROGRAM EXPENDITURES OF GENERAL GOVERNMENT (\$109,770,635), THE SOLID WASTE UTILITY (\$18,249,000), THE WATER UTILITY (\$55,651,541), THE WASTEWATER UTILITY (\$141,892,454), AND THE ELECTRIC UTILITY (\$58,434,588) WITH TAX-PREFERRED OBLIGATIONS (CERTIFICATES OF OBLIGATION AND GENERAL OBLIGATION BONDS) WITH AN AGGREGATE MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$383,998,218; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton (the “Issuer”) is a municipal corporation/political subdivision of the State of Texas; and

WHEREAS, the Issuer expects to pay, or have paid on its behalf, expenditures in connection with the ongoing capital expansion of the General Government, and Solid Waste, Water, Wastewater and Electric utility projects approved as part of the FY 2025-26 Capital Improvement Program Budget and described on Exhibit “A” hereto (collectively, the “Projects”) prior to the issuance of Certificates of Obligation and General Obligation Bonds which are tax-exempt obligations, tax-credit obligations or obligations for which a prior expression of intent to finance or refinance is required by Federal or state law to finance the Projects; and

WHEREAS, the Issuer finds, considers, and declares that the reimbursement of the Issuer for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the Issuer and, as such, chooses to declare its intention to reimburse itself for such payments at such time as it issues the obligations to finance the Projects; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings set forth in the above preamble to this Ordinance are true and correct and are hereby adopted.

SECTION 2. The Issuer reasonably expects to incur debt, as one or more series of tax-exempt obligations, tax-credit obligations or obligations for which a prior expression of intent to finance or refinance is required by Federal or state law (collectively and individually, the “Tax-Preferred Obligations”), with an aggregate maximum principal amount equal to \$383,998,218 for the purpose of paying the costs of the Projects as described in Exhibit “A” attached hereto and incorporated by reference herein for all purposes.

SECTION 3. All costs to be reimbursed pursuant hereto will be capital expenditures. No Tax-Preferred Obligations will be issued by the Issuer in furtherance of this ordinance after a date which is later than 18 months after the later of (i) the date the expenditures are paid or (ii) the date on which the property, with respect to which such expenditures were made, is placed in service.

SECTION 4. The foregoing notwithstanding, no Tax-Preferred Obligation will be issued pursuant to this ordinance more than three years after the date any expenditure which is to be reimbursed is paid.

SECTION 5. The foregoing Sections 3 and 4 notwithstanding, all costs to be reimbursed with qualified tax credit obligations shall not be paid prior to the date hereof and no tax credit obligations shall be issued in furtherance of this ordinance after 18 months of the date the original expenditure is made.

SECTION 6. This Ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____.

The ordinance was passed and approved by the following vote [___ - ___]:

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Gerard Hudspeth, Mayor:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the 21st day of October, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Exhibit A

**CAPITAL IMPROVEMENT PROJECT LISTING
SERIES 2026 - Reimbursement Ordinance**

DEBT FUNDED PROJECTS	CIP Budget/RO
GENERAL OBLIGATION PROJECTS (2023 Bond Election):	
Ruddell, Mingo Roadway & Quiet Zones (Prop A)	\$ 18,125,000
Oakland Drainage & Upstream Detention Improvements (Prop B)	15,595,000
PEC 3&4 Drainage Improvements (Prop B)	10,000,000
Public Art - Public Safety (Prop D)	503,000
2023 Bond Election GO Total	\$ 44,223,000

CERTIFICATES OF OBLIGATION PROJECTS (Internal Service - Self-Supported):	
Solid Waste Fleet Shop FF&E (Fleet)	\$ 500,000
End User Computing (Technology Services)	712,400
Radios & Modems (Technology Services)	1,900,430
Infrastructure Replacement (Technology Services)	1,745,527
Citywide Fiber Replacement (Technology Services)	1,875,000
Internal Service Total	\$ 6,733,357

CERTIFICATES OF OBLIGATION PROJECTS (General Government - Tax Supported):	
Vehicle Replacement - General Fund (Motorpool)	\$ 5,564,000
Security Video Surveillance Upgrades (Facilities)	250,000
Facilities ADA Upgrades (Facilities)	1,900,000
Capital Replacements (Facilities)	4,000,000
Facility Condition Maintenance (Facilities)	4,000,000
Adjacency Remodels (Facilities)	50,000
Parking Lot Replacements (Facilities)	1,825,000
Generator Project (Facilities)	100,000
Linda McNatt Animal Shelter (Facilities)	4,500,000
Fire Station 5 (Facilities)	400,000
Fire Station 6 (Facilities)	1,100,000
Briarcliff Park (Parks)	1,375,000
Traffic Signal Cabinets (Traffic)	208,000
Traffic Signal Design and Rebuilds (Traffic)	1,950,000
ADA Transition Plan Improvements (Transportation)	2,500,000
HSIP Projects (Transportation)	500,000
Road Safety Improvements (Transportation)	2,500,000
Ryan Road Widening (Streets)	1,000,000
Elm / Locust Phase 2 (Streets)	1,000,000
Neighborhood 2&6 (Streets)	6,500,000
Neighborhood 1B (Streets)	6,800,000
Bonnie Brae Phase 3 (Streets)	2,500,000
Westgate Drive Phase 2 (Streets)	3,875,473
Bonnie Brae Phase 6 (Drainage)	300,000
Westgate Drive Phase 2 (Drainage)	1,725,965
Elm / Locust Phase 2 (Drainage)	2,000,000
Westgate Drive Phase 1 (Drainage)	390,840
General Government Total	\$ 58,814,278

CERTIFICATES OF OBLIGATION PROJECTS (Solid Waste):	
Vehicles - Replacements	\$ 3,801,000
Vehicles - New Additions	448,000
Organics Program Infrastructure	14,000,000
Solid Waste Total	\$ 18,249,000

CERTIFICATES OF OBLIGATION PROJECTS (Water):	
Supplement to Bond Election 2019 Projects - Neighborhood 1B	\$ 3,500,000
Supplement to Bond Election 2019 Projects - Neighborhood 2 & 6	500,000
McKenna Park BPS Rehab & Fence Replacement	510,000
Emergency Generator Evaluation	102,000
Annual Field Service Replacements	562,530
Oversize Participation Agreements	2,603,881
LCR (Lead and Copper Rule) Compliance	510,000
LCR (Lead and Copper Rule) Remediation	255,000
Water Distribution Replacement Program	1,275,000
Bonnie Brae (Phase 6)	1,800,000
Bonnie Brae (Phase 3)	775,000
PEC Phase 3/4 Water Upgrades	1,500,000
Westgate Road (Phase 2)	510,000
Water Taps	161,670
Fire Hydrant Installs	32,130
Water Meters	459,000
AMI/AMR Replacements	5,100,000
Sampling Station Upgrades	102,000
Large Valve Replacements	65,280
Transmission Line Condition Assessment	510,000
Transmission Line Condition Repairs	510,000
Ray Roberts Parallel 60" Transmission Line	255,000
24" Robson Ranch Transmission Main ((D-1))	4,080,000
WMP Projects 17 & 20	7,650,000
12/16" US 380 Water Line (Project 27)	1,020,000
RRWTP Capacity Rerate and Performance Upgrades	9,100,000
RRWTP Disinfection Conversion and Chemical Improvements	2,295,000
RRWTP Raw Water Line Cleaning for Zebra Mussels	153,000
RRWTP Raw Water Bldg. Electric Room AC Replacement	12,750
RRWTP Ozone Generator Cleaning	280,500
RRWTP Automated Source Water Monitoring	51,000
LLWTP Sludge Dewatering Improvement Project	3,250,000
LLWTP Filter Media Replacement	510,000
LLWTP LAS Bulk Storage Capacity Redesign	255,000
LLWTP DME Pond Infill	204,000
LLWTP High Service Pump Station	127,500
LLWTP Condition Assessment & DPR Study	1,224,000
LLWTP Ozone Building AC Installation - ASAP	102,000
LLWTP Plant Electrical Building AC Replacement	25,500
LLWTP Automated Source Water Monitoring	51,000
Lake Lewisville Raw Water Station Rehab	1,020,000
Roselawn Elevated Storage Tank Improvements	1,927,800
Riney Road Tank Painting & Lighting Improvement	255,000
SCADAOT/IT Delineation	127,500
Pump Station CIP-CI2 Conversion	51,000
NW EST Tank Painting	255,000
SWBPS - AC System Replacement	25,500
Water Total	\$ 55,651,541

CERTIFICATES OF OBLIGATION PROJECTS (Wastewater):	
Milam Creek Basin Wastewater Line and Lift Station	\$ 4,258,500
Hobson Lift Station Force Main Replacement	255,000
Cooper Creek Lift Station Improvement Project	3,621,000
Robson West Lift Station	5,814,000
Lift Station Replacement	510,000
Beneficial Reuse Concrete Improvement	12,750
12/15-inch Robson Ranch Interceptor (HC: O-4)	949,620
Pipe/Force Main Condition Assessment	281,010
21/27/30-inch Roark Branch Interceptor Phase 2 (HC: D-4)	4,080,000
Clear Creek Water Reclamation Plant (CCWRP)	2,040,000
Hickory Creek Water Reclamation Plant Ph 1 (HC: O-1, O-2, O-5)	2,550,000
Hickory Creek Peak Flow Basin Improvements	2,295,000
Hickory Creek Force Main Replacement	510,000
PCWRP Expansion to 26 MGD and 75 MGD Headworks	51,000,000
SCADA/HMI Upgrade Water Rec	127,500
Supplement to Bond Election 2019 Projects - Neighborhood 1B	3,500,000
Oversize Participation	4,345,200
Wastewater Taps	51,510
Manhole Repair/Replace/Lining	76,500
Clear Creek Interceptor	39,478,784
Annual Field Service Replacements	562,020
Collector Replacement Program	1,275,000
Cole Ranch Interceptor	3,187,500
Lakeview Ranch Interceptor	717,060
Masch Sewer Line Replacement	306,000
PEC Phase 3/4 Sewer Upgrades	1,000,000
Hickory Creek Interceptor IV	3,060,000
Private Laterals Replacement	25,500
Robson Ranch Wastewater Improvement Project Phase I & II	1,785,000
Mingo/Ruddell/Quiet Zone Sewer Upgrades	918,000
Bonnie Brae (Phase 3)	3,300,000
Wastewater Total	\$ 141,892,454

CERTIFICATES OF OBLIGATION PROJECTS (Electric):	
Distribution Substations	\$ 8,210,000
Transmission Substation	2,400,000
Distribution Transformers	10,000,000
Automated Meter Reading	1,805,000
Feeder Extension and Improve	11,075,338
New Residential and Commercial	8,315,250
Power Factor Improvement	300,000
Street Lighting	650,000
Transmission Lines	5,770,000
Technology - Software/Hardware	4,409,000
Electric - Relocations	5,500,000
Electric Total	\$ 58,434,588

TOTAL GOs	\$ 44,223,000
TOTAL COs	\$ 339,775,218
GRAND TOTAL	\$ 383,998,218