Finance Department
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MEMORANDUM

DATE: October 20, 2025

TO: Public Utilities Board

FROM: Randee Klingele, Treasury Manager

SUBJECT: Bond Rates

During the Public Utilities Board meeting on October 13, 2025, Member Riback requested the potential bond rate for the 2026 Bond Sale at the conclusion of the Reimbursement Ordinance presentation (PUB 25-157). Although future rates are unknown, staff suggested providing the City's last bond sale rates from the 2025 Bond Sale as well as the current market rates.

2025 GO/CO Bond Sale

On July 23, 2025, the City's financial advisor, Hilltop Securities, conducted competitive sales for

- $78,320,000 in General Obligation (GO) Bonds
- $232,645,000 in Certificates of Obligation (CO)

Below are the results of the bond sale with the rates submitted in the "Bid Submission" columns for GOs and COs. The City awarded the bonds to the bolded firms who provided the lowest competitive rates (3.95% and 4.34%, respectively).

GO Participating Firms	Bid Submission	CO Participating Firms	Bid Submission
J.P. Morgan Securities, LLC	**3.958935**	**Wells Fargo Bank, NA**	**4.344676**
Wells Fargo Bank, NA	3.981007	BofA Securities	4.369846
KeyBanc Capital Markets	3.98854	J.P. Morgan Securities, LLC	4.373314
BofA Securities	3.999874	Jefferies, LLC	4.436305
Jefferies, LLC	4.007035	Truist Securities, Inc.	4.448214
Robert W. Baird & Co., Inc.	4.025919	Morgan Stanley & Co., LLC	4.473754
Truist Securities, Inc.	4.052199	Robert W. Baird & Co, Inc.	4.519245
Raymond James & Assoc., Inc.	4.124223		

Current Rates

Below are the current market rates (as of October 13, 2025) received from Hilltop Securities.

- 3.99% General Obligation
- 4.08% Certificates of Obligation

Clarification of TWDB Revenue Bond Rates

During the Texas Water Development Board (TWDB) presentation (PUB 25-150) it was noted the current TWDB anticipated rate was 3.32%, which represents the average interest cost (coupon rate) each year. The True Interest Cost (TIC), which includes issuance costs and timing of cash flows is 3.80%. Since the TIC is typically used to compare bond issuances, staff additionally wanted to share this calculated rate with the Board. Utilizing the TIC of 3.80%, which includes the TWDB subsidy, the estimated savings by utilizing the TWDB SWIFT program is approximately $2.3 million compared to issuing COs in a public-market sale.