

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 McGee, At Large Place 5: | _____      | _____      | _____          | _____         |
| Jill Jester, At Large Place 6:         | _____      | _____      | _____          | _____         |

PASSED AND APPROVED this the 21<sup>st</sup> day of October, 2025.

\_\_\_\_\_  
GERARD HUDSPETH, MAYOR

ATTEST:  
INGRID REX, INTERIM CITY SECRETARY

BY: \_\_\_\_\_

APPROVED AS TO LEGAL FORM:  
MACK REINWAND, CITY ATTORNEY

BY: \_\_\_\_\_  
Digitally signed by  
Susan Keller  
Date: 2025.10.02  
20:59:56 -05'00'

**Exhibit A**

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

| <b>DEBT FUNDED PROJECTS</b>                                 | <b>CIP Budget/RO</b> |
|-------------------------------------------------------------|----------------------|
| <b>GENERAL OBLIGATION PROJECTS (2023 Bond Election):</b>    |                      |
| 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              |
| <b>2023 Bond Election GO Total</b>                          | <b>\$ 44,223,000</b> |

|                                                                                 |                     |
|---------------------------------------------------------------------------------|---------------------|
| <b>CERTIFICATES OF OBLIGATION PROJECTS (Internal Service - Self-Supported):</b> |                     |
| 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           |
| <b>Internal Service Total</b>                                                   | <b>\$ 6,733,357</b> |

|                                                                                  |                      |
|----------------------------------------------------------------------------------|----------------------|
| <b>CERTIFICATES OF OBLIGATION PROJECTS (General Government - Tax Supported):</b> |                      |
| 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              |
| <b>General Government Total</b>                                                  | <b>\$ 58,814,278</b> |

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

| <b>CERTIFICATES OF OBLIGATION PROJECTS (Water):</b>            |                      |
|----------------------------------------------------------------|----------------------|
| 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               |
| <b>Water Total</b>                                             | <b>\$ 55,651,541</b> |

| <b>CERTIFICATES OF OBLIGATION PROJECTS (Wastewater):</b>       |                       |
|----------------------------------------------------------------|-----------------------|
| 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             |
| <b>Wastewater Total</b>                                        | <b>\$ 141,892,454</b> |

| <b>CERTIFICATES OF OBLIGATION PROJECTS (Electric):</b> |                      |
|--------------------------------------------------------|----------------------|
| 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            |
| <b>Electric Total</b>                                  | <b>\$ 58,434,588</b> |

|                    |                       |
|--------------------|-----------------------|
| <b>TOTAL GOs</b>   | <b>\$ 44,223,000</b>  |
| <b>TOTAL COs</b>   | <b>\$ 339,775,218</b> |
| <b>GRAND TOTAL</b> | <b>\$ 383,998,218</b> |