



AGENDA INFORMATION SHEET

DEPARTMENT: Finance

ACM: Christine Taylor

DATE: April 27, 2026

SUBJECT

Consider recommending adoption of an ordinance of the City of Denton, Texas directing the publication of Notice of Intention to issue \$243,000,000 in principal amount of Certificates of Obligation of the City of Denton for Waterworks and Wastewater System and Electric System projects; and providing an effective date.

BACKGROUND

This ordinance provides the Notice of Intention (NOI) to issue \$ 243,000,000 of Certificates of Obligation (CO) of the City of Denton for Water, Wastewater and Electric System projects, as required by state law. The notice will be published once a week for two consecutive weeks in the Denton Record Chronicle, with the date of the first publication to be at least forty-six (46) days before the date tentatively set for the passage of the ordinance authorizing the issuance of the bonds. The notice will also be posted on the City’s website.

The principal amount has an additional \$25.685 million included for two purposes. \$2.685 million is for issuance costs and to allow flexibility in marketing and pricing the bond sale. Issuance costs are shared between the General Obligation (GO) and CO Bond Sale. The remaining \$23 million is capitalized interest to cover interest payments during early years of the Water Utilities projects, while construction is underway and project revenues are not yet available.

Staff recommends the sale of \$243,000,000 in COs for Water, Wastewater and Electric System. Changes to material pricing and project requirements for large projects were compared to the initial 2025 scopes and pricing in developing the NOI project list. After evaluating project schedules and cash flow projections, Water Utilities identified a lower funding need in the current fiscal year. And an overall review of Electric’s capital projects resulted in a shifting of project dollars without producing a reduction of NOI project dollars.

Below is a list of recommended Water, Wastewater and Electric System CO funded projects for FY 2025-26.

Water Project Details	Reimbursement Ordinance	Notice of Intent
Supplement to Bond Election 2019 Projects - Neighborhood 1B	3,500,000	3,500,000
Supplement to Bond Election 2019 Projects - Neighborhood 2 & 6	500,000	500,000
McKenna Park BPS Rehab & Fence Replacement	510,000	1,000,000
Emergency Generator Evaluation	102,000	-
Annual Field Service Replacements	562,530	1,050,000
Oversize Participation Agreements	2,603,881	5,000,000
LCR (Lead and Copper Rule) Compliance	510,000	1,000,000
LCR (Lead and Copper Rule) Remediation	255,000	1,000,000

Water Distribution Replacement Program	1,275,000	2,500,000
Bonnie Brae (Phase 6)	1,800,000	1,800,000
Bonnie Brae (Phase 3)	775,000	775,000
PEC Phase 3/4 Water Upgrades	1,500,000	100,000
Westgate Road (Phase 2)	510,000	510,000
Water Taps	161,670	308,000
Fire Hydrant Installs	32,130	32,130
Water Meters	459,000	459,000
AMI/AMR Replacements	5,100,000	3,000,000
Sampling Station Upgrades	102,000	102,000
Large Valve Replacements	65,280	65,280
Transmission Line Condition Assessment	510,000	-
Transmission Line Condition Repairs	510,000	1,000,000
Ray Roberts Parallel 60" Transmission Line	255,000	500,000
24" Robson Ranch Transmission Main ((D-1))	4,080,000	600,000
WMP Projects 17 & 20	7,650,000	7,650,000
12/16" US 380 Water Line (Project 27)	1,020,000	250,000
Roselawn Elevated Storage Tank Improvements	1,927,800	200,000
Riney Road Tank Painting & Lighting Improvement	255,000	-
SCADAOT/IT Delineation	127,500	250,000
Pump Station CIP-CI2 Conversion	51,000	100,000
NW EST Tank Painting	255,000	-
SWBPS - AC System Replacement	25,500	50,000
Lake Lewisville Raw Water Station Rehab	1,020,000	2,000,000
RRWTP Capacity Rerate and Performance Upgrades	9,100,000	1,000,000
RRWTP Disinfection Conversion and Chemical Improvements	2,295,000	1,500,000
RRWTP Raw Water Line Cleaning for Zebra Mussels	153,000	-
RRWTP Raw Water Bldg. Electric Room AC Replacement	12,750	12,750
RRWTP Ozone Generator Cleaning	280,500	550,000
RRWTP Automated Source Water Monitoring	51,000	100,000
LLWTP Sludge Dewatering Improvement Project	3,250,000	3,250,000
LLWTP Filter Media Replacement	510,000	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	2,400,000
LLWTP Ozone Building AC Installation - ASAP	102,000	200,000
LLWTP Plant Electrical Building AC Replacement	25,500	50,000
LLWTP Automated Source Water Monitoring	51,000	100,000
Water Total	\$ 55,651,541	\$ 44,974,160

Wastewater Project Details	Reimbursement	
	Ordinance	Notice of Intent
Milam Creek Basin Wastewater Line and Lift Station	\$ 4,258,500	\$ 1,000,000
Hobson Lift Station Force Main Replacement	255,000	500,000
Cooper Creek Lift Station Improvement Project	3,621,000	1,000,000
Robson West Lift Station	5,814,000	2,000,000
Lift Station Replacement	510,000	1,000,000

Beneficial Reuse Concrete Improvement	12,750	25,000
12/15-inch Robson Ranch Interceptor (HC: O-4)	949,620	949,620
Pipe/Force Main Condition Assessment	281,010	-
21/27/30-inch Roark Branch Interceptor Phase 2 (HC: D-4)	4,080,000	8,000,000
Clear Creek Water Reclamation Plant (CCWRP)	2,040,000	4,000,000
Hickory Creek Water Reclamation Plant Ph 1 (HC: O-1, O-2, O-5)	2,550,000	1,000,000
Hickory Creek Peak Flow Basin Improvements	2,295,000	2,295,000
Hickory Creek Force Main Replacement	510,000	510,000
PCWRP Expansion to 26 MGD and 75 MGD Headworks	51,000,000	55,596,875
SCADA/HMI Upgrade Water Rec	127,500	250,000
Supplement to Bond Election 2019 Projects - Neighborhood 1B	3,500,000	3,500,000
Oversize Participation	4,345,200	4,345,200
Wastewater Taps	51,510	51,510
Manhole Repair/Replace/Lining	76,500	150,000
Clear Creek Interceptor	39,478,784	10,000,000
Annual Field Service Replacements	562,020	562,020
Collector Replacement Program	1,275,000	2,500,000
Cole Ranch Interceptor	3,187,500	6,250,000
Lakeview Ranch Interceptor	717,060	717,060
North Masch Branch Sewer	-	3,060,000
Masch Sewer Line Replacement	306,000	-
PEC Phase 3/4 Sewer Upgrades	1,000,000	400,000
Hickory Creek Interceptor IV	3,060,000	-
Private Laterals Replacement	25,500	25,500
Robson Ranch Wastewater Improvement Project Phase I & II	1,785,000	-
Mingo/Ruddell/Quiet Zone Sewer Upgrades	918,000	918,000
Bonnie Brae (Phase 3)	3,300,000	3,300,000

Wastewater Total	\$ 141,892,454	\$ 113,905,785
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Electric Project Details	Reimbursement	
	Ordinance	Notice of Intent
Distribution Substations	\$ 8,210,000	\$ 10,902,510
Transmission Substation	2,400,000	900,000
Distribution Transformers	10,000,000	18,816,490
Automated Meter Reading	1,805,000	1,805,000
Feeder Extension and Improve	11,075,338	8,399,338
New Residential and Commercial	8,315,250	6,795,250
Power Factor Improvement	300,000	291,000
Street Lighting	650,000	460,000
Transmission Lines	5,770,000	1,500,000
Technology - Software/Hardware	4,409,000	4,000,000
Electric - Relocations	5,500,000	4,565,000
Electric Total	\$ 58,434,588	\$ 58,434,588

Total CO Projects for Water, Wastewater and Electric	\$ 255,978,583	\$ 217,314,533
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The City sells bonds in accordance with the useful life of the asset that is being acquired. For example, vehicles are typically sold with bonds that will be paid within five years. For the FY 2025-26 proposed debt issuance for Water, Wastewater and Electric System COs: \$4,000,000 will be 10-year debt, \$115,571,035 will be 20-year debt, and \$97,743,498 will be 30-year debt.

If approved by the City Council, staff will proceed with the publication of the Notice of Intention and will schedule the Bond Ordinance consideration and adoption for July 14, 2026. The bond ordinance will dictate the parameters of the bond sale. Under such an arrangement, staff will be permitted to execute the bond sale within six (6) months of July 14, 2026, provided certain interest rate parameters are met.

RECOMMENDATION

Staff recommends adoption of the ordinance.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On October 21, 2025, the City Council adopted reimbursement ordinance (Ord. 24-1664) authorizing the reimbursement of capital program expenditures of \$109,770,635 in GO and \$274,227,583 in CO funded projects for General Government, Solid Waste, Electric, Water and Wastewater.

FISCAL INFORMATION

The ordinance is for the authorization to publish the Notice of Intention to sell \$243,000,000 of Certificates of Obligation for Water, Wastewater and Electric System projects. A notice is only required for Certificates of Obligation.

EXHIBITS

1. Agenda Information Sheet
2. Ordinance
3. Presentation

Respectfully submitted:
Matt Hamilton
Chief Financial Officer

Prepared by:
Ranee Klingele
Treasury Manager