



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Finance

ACM: Christine Taylor

DATE: July 14, 2026

SUBJECT

Consider adoption of an ordinance considering all matters incident and related to the issuance, sale and delivery of up to \$295,000,000 in principal amount of "City of Denton Certificates of Obligation, Series 2026"; authorizing the issuance of the certificates; delegating the authority to certain city officials to execute certain documents relating to the sale of the certificates; approving and authorizing instruments and procedures relating to said certificates; enacting other provisions relating to the subject; and providing an effective date. The Public Utilities Board recommends approval (6-0).

BACKGROUND

On May 5, 2026, the City Council adopted Ordinance Nos. 26-0323 and 26-0324 directing the publication of Notice of Intentions (NOI) to issue Certificates of Obligation (COs) for General Government, Solid Waste, Water, Wastewater and Electric projects. The notices were published in a newspaper of general circulation (Denton Record Chronicle) on May 13, 2026, and May 20, 2026, as required by state law. The notices were also posted on the City of Denton website.

COs require NOIs to be issued early in the bond sale process calculating costs based on current market conditions and CO Utility project totals. General Obligation (GO) and CO bond sale costs are a shared expense. The estimated issuance cost used in the COs NOI process will be used to cover the GO bond sale costs.

The COs will be issued as a single series of obligations totaling \$295,000,000. The below table summarizes the totals for each fund and the estimated associated issuance cost.

General Government	\$ 56,108,874
Solid Waste	17,413,000
Water	44,974,160
Wastewater	113,905,785
Electric	58,434,588
Estimate Issuance Cost*	4,163,593
CO Bond Sale Total	\$ 295,000,000
*Shared with GO Sale	

The adopted FY 2025-26 Reimbursement Ordinance No. 25-1624 included \$339,775,213 in General Government, Solid Waste, Water, Wastewater and Electric projects however, the project list amounts were reduced by \$48.938 million after an internal analysis of funding and product availability as well as project timelines, reducing the Bond Sale project list to \$290,836,407 for these funds.

It is important to note that 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. The 2026 bond sale includes debt issuance terms below. All issued debt will have a 9-year call option.

- General Government \$48,644,444 will be 20-year debt, \$1,900,430 will be 10-year debt and \$5,564,000 will be 5-year debt.
- Solid Waste \$14,000,000 will be 20-year and \$3,413,000 will be 5-year debt.
- Water \$44,974,160 will be 20-year debt.
- Wastewater \$70,596,875 will be 30-year debt and \$43,308,910 will be 20-year debt.
- Electric \$54,434,588 will be 30-year debt and \$4,000,000 will be 10-year debt.

Since bond market conditions can change rapidly, staff is recommending that the City Council approve a delegated parameters sale for the COs. The parameters ordinance sets the following requirements in order to complete the sale of the COs. By doing so, City staff will be authorized to execute the sale without additional approval.

- Maximum amount of sale is \$295,000,000
- Final stated maturity of February 15, 2056
- Maximum net effective interest rate of 5.250%
- Delegation authority ends January 14, 2027

Below is a list of the recommended CO funded projects.

Solid Waste Fleet Shop FF&E (Int. Svc. - Fleet)	\$ 500,000
Radios & Modems (Tech Services)	1,900,430
Infrastructure Replacement (Tech Services)	1,745,527
Citywide Fiber Replacement (Tech Services)	1,875,000
Internal Service Total	\$ 6,020,957
Vehicle Replacement - General Fund (Motorpool)	\$ 5,564,000
Capital Replacements (Facilities)	3,030,888
Parking Lot Replacements (Facilities)	1,075,751
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 Design and Rebuilds (Traffic)	1,950,000
ADA Transition Plan Improvements (Transportation)	2,000,000
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	\$50,087,917

Vehicles - Replacements	\$ 2,965,000
Vehicles - New Additions	448,000
Organics Program Infrastructure	14,000,000
Solid Waste Total	\$ 17,413,000

Supplement to Bond Election 2019 Projects - Neighbor	\$ 3,500,000
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McKenna Park BPS Rehab & Fence Replacement	1,000,000
Annual Field Service Replacements	1,050,000
Oversize Participation Agreements	5,000,000
LCR (Lead and Copper Rule) Compliance	1,000,000
LCR (Lead and Copper Rule) Remediation	1,000,000
Water Distribution Replacement Program	2,500,000
Bonnie Brae (Phase 6)	1,800,000
Bonnie Brae (Phase 3)	775,000
PEC Phase 3/4 Water Upgrades	100,000
Westgate Road (Phase 2)	510,000
Water Taps	308,000
Fire Hydrant Installs	32,130
Water Meters	459,000
AMI/AMR Replacements	3,000,000
Sampling Station Upgrades	102,000
Large Valve Replacements	65,280
Transmission Line Condition Repairs	1,000,000
Ray Roberts Parallel 60" Transmission Line	500,000
24" Robson Ranch Transmission Main ((D-1))	600,000
WMP Projects 17 & 20	7,650,000
12/16" US 380 Water Line (Project 27)	250,000
Roselawn Elevated Storage Tank Improvements	200,000
SCADAOT/IT Delineation	250,000
Pump Station CIP-CI2 Conversion	100,000
SWBPS - AC System Replacement	50,000
Lake Lewisville Raw Water Station Rehab	2,000,000

RRWTP Capacity Rerate and Performance Upgrades	1,000,000
RRWTP Disinfection Conversion and Chemical Improv	1,500,000
RRWTP Raw Water Bldg. Electric Room AC Replacem	12,750
RRWTP Ozone Generator Cleaning	550,000
RRWTP Automated Source Water Monitoring	100,000
LLWTP Sludge Dewatering Improvement Project	3,250,000
LLWTP Filter Media Replacement	510,000
LLWTP Condition Assessment & DPR Study	2,400,000
LLWTP Ozone Building AC Installation - ASAP	200,000
LLWTP Plant Electrical Building AC Replacement	50,000
LLWTP Automated Source Water Monitoring	100,000

Water Total	\$ 44,974,160
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Milam Creek Basin Wastewater Line and Lift Station	\$ 1,000,000
Hobson Lift Station Force Main Replacement	500,000
Cooper Creek Lift Station Improvement Project	1,000,000
Robson West Lift Station	2,000,000
Lift Station Replacement	1,000,000
Beneficial Reuse Concrete Improvement	25,000
12/15-inch Robson Ranch Interceptor (HC: O-4)	949,620
Pipe/Force Main Condition Assessment	-
21/27/30-inch Roark Branch Interceptor Phase 2 (HC:	8,000,000
Clear Creek Water Reclamation Plant (CCWRP)	4,000,000
Hickory Creek Water Reclamation Plant Ph 1 (HC: O-	1,000,000
Hickory Creek Peak Flow Basin Improvements	2,295,000
Hickory Creek Force Main Replacement	510,000
PCWRP Expansion to 26 MGD and 75 MGD Headw	55,596,875
SCADA/HMI Upgrade Water Rec	250,000
Supplement to Bond Election 2019 Projects - Neighbor	3,500,000
Oversize Participation	4,345,200
Wastewater Taps	51,510
Manhole Repair/Replace/Lining	150,000
Clear Creek Interceptor	10,000,000
Annual Field Service Replacements	562,020
Collector Replacement Program	2,500,000
Cole Ranch Interceptor	6,250,000
Lakeview Ranch Interceptor	717,060
North Masch Branch Sewer	3,060,000
PEC Phase 3/4 Sewer Upgrades	400,000
Private Laterals Replacement	25,500
Mingo/Ruddell/Quiet Zone Sewer Upgrades	918,000
Bonnie Brae (Phase 3)	3,300,000

Wastewater Total	\$ 113,905,785
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Distribution Substations	\$ 10,902,510
Transmission Substation	900,000
Distribution Transformers	18,816,490
Automated Meter Reading	1,805,000
Feeder Extension and Improve	8,399,338
New Residential and Commercial	6,795,250
Power Factor Improvement	291,000
Street Lighting	460,000
Transmission Lines	1,500,000
Technology - Software/Hardware	4,000,000
Electric - Relocations	4,565,000
Electric Total	\$ 58,434,588
Total CO Bond Project List	\$ 290,836,407

RECOMMENDATION

Staff recommends adoption of the ordinance.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On October 21, 2025, the City Council adopted reimbursement ordinance (Ord. 25-1624) authorizing General Obligation Bonds and Certificates of Obligation funded projects in preparation of the 2026 Bond Sale.

On May 5, 2026, the City Council adopted ordinances (Ord. 26-0323, 26-0324) directing the publication of Notice of Intentions to Issue Certificates of Obligation of the City of Denton.

On June 22, 2026, the Public Utilities Board recommended this item to the City Council for consideration.

EXHIBITS

1. Agenda Information Sheet
2. Draft Preliminary Official Statement 2026 Series
3. CO Ordinance
4. Presentation

Respectfully submitted:
Matt Hamilton
Chief Financial Officer

Prepared by:
Randee Klingele
Treasury Manager