

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS TO DECLARE THE INTENT TO REIMBURSE CAPITAL PROGRAM EXPENDITURES OF THE ELECTRIC UTILITY (\$65,000,000), SOLID WASTE (\$23,580,000), AND GENERAL GOVERNMENT (\$12,335,000) WITH TAX-PREFERRED OBLIGATIONS (CERTIFICATES OF OBLIGATION AND GENERAL OBLIGATION BONDS) WITH AN AGGREGATE MAXIMUM PRINCIPAL AMOUNT EQUAL TO \$100,915,000; 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 Electric Utility distribution and transmission facilities approved as part of the FY 2016-17 Capital Improvement Program Budget and described in Attachment 1 hereto (the "Electric Utility Projects") prior to the issuance of Certificates of Obligation for which a prior expression of intent to finance or refinance is required by Federal or state law to finance the Electric Utility Projects; and

WHEREAS, the Issuer expects to pay, or have paid on its behalf, expenditures in connection with the ongoing capital expansion of the Solid Waste refuse and recycling activities approved as part of the FY 2016-17 Capital Improvement Program Budget and described in Attachment 2 hereto (the "Solid Waste Projects") prior to the issuance of Certificates of Obligation for which a prior expression of intent to finance or refinance is required by Federal or state law to finance the Solid Waste Projects; 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 projects approved as part of the FY 2016-17 Capital Improvement Program Budget and described in Attachment 3 hereto (the "General Government Projects" and, together with the Electric Utility Projects, the Solid Waste Projects, the "Projects") prior to the issuance of Certificates of Obligation and General Obligation Bonds for which a prior expression of intent to finance or refinance is required by Federal or state law to finance the General Government 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 Issuer reasonably expects to incur debt, as one or more series of tax-exempt obligations, tax-credit obligations and/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 \$100,915,000 for purpose of paying the costs of the Projects.

SECTION 2. 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 (1) the date the expenditures are paid, or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

SECTION 3. 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 4. The foregoing Sections 2 and 3 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 after 18 months of the date the original expenditure is made.

SECTION 5. This Ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED this the _____ day of _____, 2016.

CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
ANITA BURGESS, CITY ATTORNEY

BY:  _____

CITY OF DENTON
DENTON MUNICIPAL ELECTRIC
ESTIMATED USAGE OF 2016/17 BOND PROCEEDS

Line Item	(000)
Transmission Lines & Substation Related Projects	
Locust Substation	3,020,509
Denton North Interchange	216,635
Hickory Substation	7,198,466
Eagle Substation	550,871
RD Wells Interchange	74,275
Mayhill Substation	4,970,222
Long Road Substation	1,145,070
Woodrow Substation (Switchgear & Main Control Bldg.)	1,411,221
North Lakes Substation	711,800
Underwood Substation	303,289
North of Loop 288 at TX428 Substation	519,924
Brinker Substation	7,922,646
Denton Energy Center Substation	1,454,548
TPMA Spencer Interchange	1,640,235
Various Subs RTU Installs	273,579
SCADA Computer Replacement	247,583
Other Substation Projects	306,384
Bonnie Brae - North Lakes	1,003,252
Pockrus - Mayhill	1,714,650
Spencer Switch - Locust	1,106,618
Denton North - North Lakes	1,903,140
Denton Energy Center Substation	261,454
Hickory - Locust	3,927,886
New 138 kV TL from Woodrow to Brinker	370,899
New 138 kV TL to connect Brinker to Spencer	565,470
New 138 kV TL to connect Mayhill to Brinker/Spencer	188,490
New 138 kV TL to connect Brinker to Loop 288	747,879
Arco-Cooper Creek reconstruction	1,355,911
TL Routing Study	304,016
Total Substation and Transmission Line Related Projects	45,416,922
Distribution Line and Other Related Projects	
Automated Meter Reading	1,070,957
Building Construction	831,533
Communication Equipment	238,575
Distribution Transformers	1,939,614
Feeder & Extensions	10,864,057
New Residential & Commercial (less AIC)	3,611,129
Over-Under Conv / Power Factor Impr.	561,715
Street Lighting	331,300
Other Distribution Projects	134,198
Total Distribution Line and Other Related Projects	19,583,078
Total Estimated 2016-17 Bond Proceeds Usage	65,000,000

Attachment 2

FY 2017 SW&R CIP

2017	Project Title	Replace	Project Costs
1	Auto Side Load	SW1157	294,000
2	Auto Side Load	SW1158	294,000
3	Auto Side Load	SW1159	327,000
4	Rear Load	SW1053	231,000
5	Front-Load	SW1055	290,000
6	Front-Load	SW1148	352,000
7	Front-Load	Addition	290,000
8	Roll-Off	SW0870	222,000
9	Recycling Drop-Off Site Improvements		20,000
10	Leachate Recirculation Infrastructure Expansion		75,000
11	Landfill Excavator	Addition	450,000
12	Electric Forklift	Addition	30,000
13	TCEQ Authorized Facility Systems Infrastructure		525,000
14	TCEQ Ground Water Well and Methane Gas Monitoring System		25,000
15	Process Upgrades & Technology Improvements		400,000
16	Solid Waste & Environmental Engineering Services		150,000
17	Cell Development		3,000,000
18	TCEQ Permitted Control systems		1,050,000
19	MSW Facility Machinery & Equipment		150,000
20	Permit Amendment		250,000
21	Site Maintenance Improvements & Improvements		325,000
22	Solidification Equipment	Addition	290,000
23	100 Yard Trailers	Addition	180,000
24	Mobile Light Power Plants	Addition	30,000
25	Roll-Off Containers	Addition	50,000
26	Articulated Dump Truck	SW0028	580,000
27	Track Loader	Addition	500,000
28	Mining Material Diversion Equipment	Addition	2,150,000
29	BMR Material Diversion Equipment	Addition	300,000
30	BMR Excavator Material Handler	SW1261	550,000
31	BMR Facility Improvements	Addition	250,000
32	BMR Wheeled Excavator	Addition	450,000
33	BMR Trommel	Addition	580,000
34	Dump Truck	SW0029	150,000
35	Solid Waste Fund Property Acquisition (T)		500,000
36	HCC Building Solar		400,000
37	Operations Building Expansion		1,200,000
38	Maintenance Building		2,000,000
39	NG Line Extension		400,000
40	Entrance Upgrade & Road Tie-In		1,300,000
41	Materials Processing Building		2,700,000
42	KDB Property Acquisition		220,000
43	KDB Building Design		50,000
			23,580,000

FY 2017 Solid Waste & Recycling Reimbursement Ordinance CIP

23,580,000

Attachment 3
City of Denton
General Government CIP
FY 2016-17

	PROGRAM DESCRIPTION	FY 2016-17
1	Misc Traffic Signals	\$ 500,000
2	Miscellaneous Roadways	\$ 100,000
3	PROPOSITION 1 - 2014 Bond Election	\$ 600,000
4		
5	Fire Station #3 Remodel/Rebuild - McCormick	\$ 1,000,000
6	Relocation of Communications Center & Criminal Investigations Bureau	\$ 500,000
7	PROPOSITION 2 - 2014 Bond Election	\$ 1,500,000
8		
9	Total - 2014 Bond Election GOs	\$ 2,100,000
10		
11	Vehicle/Equipment Replacements	\$ 3,860,000
12	Facility Maintenance Program	\$ 1,175,000
13	Public Safety Radio Upgrades to Digital	\$ 2,000,000
14	Computer Aided Dispatch (CAD) System Replacement	\$ 3,000,000
15	Fleet Fuel Truck	\$ 200,000
16		
17	Total - COs	\$ 10,235,000
18		
19	TOTALS	\$ 12,335,000