

**AGENDA ITEM 25**

Discuss and take appropriate action on road bond program.

Mike Weaver discussed issues related to utility relocation. Dan Wegmiller of First Southwest Company discussed future road bond issuance and legislation that might affect bonds.

No action was taken on this agenda item.

< Attachment >

**John C. Doerfler**  
County Judge  
Williamson County



WILLIAMSON COUNTY COURTHOUSE  
710 MAIN, SECOND FLOOR  
GEORGETOWN, TEXAS 78626  
PHONE (512) 943-1550  
FAX (512) 943-1662

Via Facsimile No. (512) 463-1469 (Original mailed)

January 14, 2003

The Honorable Mike Krusee  
Room E2.204 Capitol Bldg.  
P.O. Box 2910  
Austin, Texas 78768-2910

Dear Representative Krusee:

We are writing this letter in support of proposed legislation to aid counties in financing infrastructure needs. As you know, Williamson County is one of the fastest growing counties in the country and as a result we are in the process of financing a number of transportation, criminal justice and other projects to keep up with the growth.

Current Texas law authorizes a number of governmental entities, including state agencies and certain cities, to utilize the provisions of Chapter 1371, Texas Government Code to issue commercial paper or other obligations and enter into various types of credit agreements. Chapter 1371 is most commonly referred to as the statute which authorizes certain governmental entities to issue debt obligations which bear a short-term or variable interest rate and to enter into the necessary credit agreements to support such debt obligations. Harris County as well as many cities such as Dallas, Fort Worth, Austin and state agencies such as the Texas Public Finance Authority have established successful commercial paper or other variable rate programs to help manage financing costs during construction of projects. Such variable rate obligations bear interest at what is considered short-term rates (typically less than 270 days but may be daily, weekly, monthly, etc.) and therefore bear interest at a rate lower than a 20 or 30 year fixed rate bond issue. Additionally by establishing a commercial paper or other similar variable rate program, a governmental entity can issue installments of obligations as proceeds are needed for the project instead of incurring the interest costs involved with issuing an entire bond issue.


The proposed legislation as well as the existing provisions of Chapter 1371 contains a number of safeguards to ensure that the statute is used judiciously including a requirement that the outstanding debt obligations of the county have a rating of at least Baa/BBB. Additionally, all debt obligations and credit agreements executed pursuant to the statute must be reviewed and approved by the Attorney General of the State of Texas.

Representative Mike Krusee  
January 14, 2003  
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Currently, only counties with a population of 3.3 million or more are authorized to utilize the provisions of Chapter 1371. The market ultimately determines whether issuing commercial paper or other variable rate debt makes the most economical sense for a county, however, we support amending Chapter 1371 to provide Williamson County and similarly situated counties another financing option to better manage interest and other costs involved in financing authorized projects.

We appreciate your consideration and please don't hesitate to call if we can be of assistance.

Very truly yours,

 1-14-03  
Judge John C. Doerfler  
Williamson County

By: \_\_\_\_\_

\_\_\_\_\_. B. \_\_\_\_\_

**A BILL TO BE ENTITLED****AN ACT**

relating to the issuance of obligations for certain improvements by certain counties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (4), Section 1371.001, Government Code, is amended to read as follows:

- (4) "Issuer" means:
  - (A) a home-rule municipality that:
    - (i) adopted its charter under Section 5, Article XI, Texas Constitution;
    - (ii) has a population of 50,000 or more; and
    - (iii) has outstanding long-term indebtedness that is rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for a long-term obligation;
  - (B) a conservation and reclamation district created and organized as a river authority under Section 52, Article III, or Section 59, Article XVI, Texas Constitution;
  - (C) a joint powers agency organized and operating under Chapter 163, Utilities Code;
  - (D) a metropolitan rapid transit authority or regional transportation authority created, organized, and operating under Chapter 451 or 452, Transportation Code;
  - (E) a conservation and reclamation district organized or operating as a navigation district under Section 52, Article III, or Section 59, Article XVI, Texas Constitution;
  - (F) a district organized or operating under Section 59, Article XVI, Texas Constitution, that has all or part of two or more municipalities within its boundaries;
  - (G) a state agency, including a state institution of higher education;

(H) a hospital authority created or operating under Chapter 262 or 264, Health and Safety Code, in a county that:

(i) has a population of more than 3.3 million; or

(ii) is included, in whole or in part, in a standard metropolitan statistical area of this state that includes a county with a population of more than 2.2 million;

(I) a hospital district in a county that has a population of more than two million;

(J) a nonprofit corporation organized to exercise the powers of a higher education authority under Section 53.47(e), Education Code;

(K) a county that:

(i) has a population of 3.3 million or more; or

(ii) that, on the date of issuance of obligations under this chapter, has outstanding at least \$100 million of indebtedness that is secured by and payable from its ad valorem taxes; and the outstanding long-term indebtedness of which is rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for a long-term obligation.

(L) an independent school district that has an average daily attendance of 50,000 or more as determined under Section 42.005, Education Code;

(M) a municipality or county operating under Chapter 334, Local Government Code; ~~or~~

(N) a district created under Chapter 335, Local Government Code; or

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

**AGENDA ITEM 26**

Consider authorizing Change Order #22 for Anderson Mill Road.

Capital Excavation is requesting additional compensation due to delays associated with utility relocation.

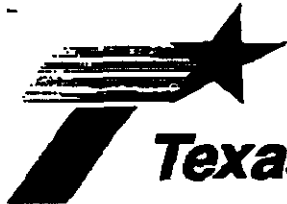
Moved: Commissioner Heiligenstein

Seconded: Judge Doerfler

Motion: To authorize TxDOT Change Order #22 in the amount of \$184,110.90 for the Anderson Mill Road project.

Vote: 5 - 0

< Attachment >



## Texas Department of Transportation

P.O. DRAWER 15426 • AUSTIN, TEXAS 78761-5426 • (512) 832-7000

October 17, 2002

CSJ: 0914-05-072  
Highway: CS  
Limits: On Anderson Mill Road  
From Ponds Springs Road  
To West of FM 734

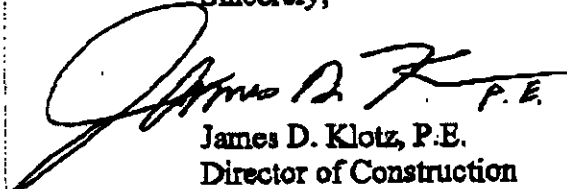
Mr. Joe M. England, P.E.  
Williamson County  
3151 S.E. Inner Loop, Suite B  
Georgetown, Texas 78626

Dear Mr. England:

Attached is a list of Change Orders, for the above referenced project, showing the 3rd Party Funding as we discussed.

If you have any questions, please contact me at 512/832-7032.

Sincerely,



James D. Klotz, P.E.  
Director of Construction  
Austin District

Attachment

RECEIVED  
10/24/02