

# Memorandum



CITY OF DALLAS

DATE August 9, 2024

TO Honorable Mayor and Members of the City Council

SUBJECT **August 14, 2024, Upcoming Agenda Item – 24-2275 – Financing Agreement for State Water Implementation Revenue Fund for Texas Funding**

On August 24, 2022, the City Council authorized the acceptance of an award from the Texas Water Development Board (TWDB) for low-cost financial assistance via the State Water Implementation Revenue Fund for Texas (SWIRFT) for planning, design, and construction of projects and programs on the prioritization list, including a multi-year commitment with TWDB to fund DWU's water main replacement program. This item represents the third-year issuance of a five-year funding commitment from the TWDB, totaling \$170 million.

In accordance with the SWIRFT funding commitment, DWU will issue \$34.0 million in Waterworks and Sewer System Revenue Bonds, Series 2024C (the "Series 2024C Bonds") for Project Loan LM241535 that will be purchased by the TWDB. Through the purchase of our bonds, the TWDB will in turn provide the City with interest rates based on the cost of funds, which reflects the program's AAA credit rating wherein the interest rate is further reduced by a subsidy established by TWDB for each funding cycle. This will result in an average debt service payment reduction over the life of the loans when compared to a public offering. Participation in these programs will benefit DWU and its customers by providing lower overall costs for financing its water and wastewater main replacement programs.

This action is required to accept and execute the Financing Agreement for the SWIRFT borrowing, as provided by TWDB. The issuance of bonds is contingent upon the approval of an ordinance, scheduled for City Council consideration in October 2024. Following approval of the ordinance, the bonds are scheduled to close in December 2024.

Please let me or Sarah Standifer, Director of Dallas Water Utilities, know if you need any additional information.



Jack Ireland  
Chief Financial Officer

c: Kimberly Bizer Tolbert, City Manager (I)  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Dominique Artis, Chief of Public Safety (I)  
Dev Rastogi, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Alina Ciocan, Assistant City Manager  
Donzell Gipson, Assistant City Manager (I)  
Robin Bentley, Assistant City Manager (I)  
Jack Ireland, Chief Financial Officer  
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)  
Directors and Assistant Directors