

Memorandum



CITY OF DALLAS

DATE August 22, 2025

TO Honorable Mayor and Members of the City Council

SUBJECT **August 27, 2025, Upcoming Agenda Item – 25-2513A – Financing Agreement for State Water Implementation Revenue Fund for Texas Funding**

On August 27, 2025, the City Council agenda includes a resolution authorizing the execution of the Financing Agreement and related documents for the funding commitment from the Texas Water Development Board (TWDB) for Project Loan LM251535. On August 24, 2022, the City Council authorized the acceptance of an award from the 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, including a multi-year commitment with TWDB to fund DWU's water main replacement program. This item represents the fourth-year issuance of the five-year SWIRFT funding commitment from TWDB, totaling \$170 million, and is required to accept and execute the Financing Agreement for the SWIRFT borrowing, as provided by TWDB.

In accordance with the SWIRFT funding commitment, DWU will issue \$34.0 million in Waterworks and Sewer System Revenue Bonds, Series 2025C (the "Series 2025C 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. Participation in these programs benefit DWU and its customers by providing lower overall financing costs for water and wastewater main replacement programs.

The issuance of bonds is contingent upon the approval of an ordinance, scheduled for City Council consideration in October 2025. Following approval of the ordinance, the bonds are scheduled to close in December 2025.

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 Bizzor Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Ahmad Goree, Chief of Staff to the City Manager
Directors and Assistant Directors