



MEMORANDUM

DATE: September 15, 2025
TO: Members of the Public Utilities Board
FROM: Katherine Koch, Project Manager, Water Utilities
SUBJECT: Notice of Approval to Execute the TWDB Financing Agreement

On August 19, 2025, the City Council approved the execution and delivery of this fiscal year's Financing Agreement with the Texas Water Development Board (TWDB) for the State Water Implementation Fund for Texas (Ord. No. 25-1458).

The Financing Agreement is a mutual commitment between the City and the TWDB stating that the City is committed to entering into a loan agreement with the TWDB, with the funds made available by bonds that will be issued by the TWDB. The Financing Agreement also details termination penalties in the event the City does not execute the loan after executing the financing agreement. While the City's application was approved for \$195,845,000, staff elected a multi-year funding term to align with project needs. Below is the estimated five-year breakdown. Year one, FY 2024-25, has been issued. With this Financing Agreement, the City is preparing for the issuance of year two, FY 2025-26.

- FY 24/25: \$10,135,000
- **FY 25/26: \$11,235,000**
- FY 26/27: \$57,240,000
- FY 27/28: \$87,690,000
- FY 28/29: \$29,545,000

The Water Utilities department will use the loan for the Ray Roberts Water Treatment Plant (RRWTP) Expansion project. This project will expand RRWTP's treatment capacity by the design and construction of a 20 million gallons per day membrane treatment facility.

The TWDB will sell bonds and use the proceeds to fund the SWIFT loans. The City will be expected to close the loan in mid-November to early December and will then be fully obligated to repay the loan.

Several administrative steps must occur annually for the City to obtain the requested funds, all of which are based upon TWDB's deadlines. The current Financing Agreement for \$11,235,000 is due to the TWDB on or before September 5, 2025. Due to the timing constraints for the City to execute the financing agreement, staff were unable to present the financing agreement to the Public Utilities Board prior to the City Council.

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Inclusion • Collaboration • Quality Service • Strategic Focus • Fiscal Responsibility