



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Water Utilities
ACM: Cassey Ogden
DATE: November 18, 2025

SUBJECT

Consider approval of a resolution of the City of Denton authorizing the submission of an application through the Water Utilities Department to the Texas Water Development Board for financial assistance via a low-interest loan for sixty million dollars (\$60,000,000) from the Clean Water State Revolving Fund for the Pecan Creek Water Reclamation Plant Reconstruction Project; designating the City Manager as the authorized representative of the City to apply for and take those actions necessary in connection with such application, designating the City's Financial Advisor, Engineer and Bond Counsel and authorizing them to aid, assist and appear on behalf of the City before TWDB; approving the TWDB Resolution for such application; and providing an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

INFORMATION/BACKGROUND

The Water Utilities Planning and Engineering Department is seeking \$60 million in funding through the Texas Water Development Board Clean Water State Revolving Fund (CWSRF).

The CWSRF is a federal-state partnership established under the Clean Water Act and overseen nationally by the U.S. Environmental Protection Agency (EPA). In Texas, the program is administered by the Texas Water Development Board (TWDB), which provides low-interest loans for wastewater infrastructure projects. TWDB monitors all project compliance with EPA's environmental, financial, and reporting standards.

The Pecan Creek Water Reclamation Project (PCWRP) was ranked and included in the State Fiscal Year (SFY) 2026 CWSRF Intended Use Plan (IUP). TWDB has invited the City of Denton to submit a formal loan application for funding through the CWSRF program. This invitation follows the City's submission of a Project Information Form (PIF), which the TWDB reviewed and ranked sufficiently high for inclusion in the Invited Projects List for 2026. The City's project (PIF #16700) is listed with an eligible cost of approximately \$326 million.

Under this invitation, the City is eligible to receive up to \$60 million in loan funding for FY 2026. The remaining amount for the eligible project cost has not yet been committed; it will require reapplication in future funding cycles (e.g., SFY 2027 and beyond), subject to the TWDB's evaluation, ranking, and funding availability.

The City's overall funding plan for the PCWRP includes approximately 49 percent in loans through the U.S. EPA's Water Infrastructure Finance and Innovation Act (WIFIA) program, and the remaining 51

percent through the TWDB's CWSRF program. This combined approach leverages both federal and state financing mechanisms to minimize borrowing costs and improve cash flow over the project's life.

A significant benefit of applying for a TWDB loan, rather than issuing bonds, is the ability to secure lower interest rates, which reduces overall borrowing costs. Unlike bonds, which often feature shorter terms and fixed repayment schedules, CWSRF loans provide more flexible and cost-effective financing. The Application Filing and Authorized Representative Resolution form, TWDB-0201A, is a required document in the completed application packet. It names the designated authorized representative who has the authority to serve as the signator for any documents, including providing payments, that may be required in connection with the preparation and filing of the application for financial assistance through the TWDB CWSRF program.

RECOMMENDATION

Staff recommends approval of the resolution to apply for a Texas Water Development Board (TWDB) program loan to continue the application process.

FISCAL INFORMATION

If awarded, the required loan payment will be programmed into the Water Utilities Department's CIP budget for the loan term and will not be funded by any future bond sales.

EXHIBITS

Exhibit 1: Agenda Information Sheet

Exhibit 2: Resolution and TWDB Form TWDB-0201A

Exhibit 3: Presentation

Respectfully submitted:
Stephen D. Gay
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940-349-8086

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Legal point of contact: Susan Keller at 940-349-8132.