



MEMORANDUM

DATE: Octboer 24, 2024
TO: Public Utilities Board
FROM: Vis Bouaphanthavong, Assistant Director of Finance
SUBJECT: TWDB Utility System Revenue Bonds, Series 2024

During the Public Utilities Board meeting on August 12, 2024, the board recommended the execution and delivery of a financing agreement with the Texas Water Development Board (TWDB) regarding the issuance of utility system revenue bonds for the expansion of the Ray Roberts Water Treatment Plant, agenda item PUB24-129. The City Council approved the financing agreement ordinance (Ord# 24-1310) on August 20, 2024.

TWDB's State Water Implementation Fund for Texas (SWIFT) program provides financial assistance for projects in the State's water plan to help develop and optimize water supplies. SWIFT offers fixed-rate loans at below market interest rates. The City elected a multi-year funding term to align with project needs for a total of five years.

The TWDB, met October 17, 2024 to set the loan rates for the agreement. With the timing constraints for the City to execute a bond ordinance, the City Council was presented and approved Ordinance 24-1526 on October 22, 2024. The current financing agreement and bond sale were executed for the fiscal year at \$10,135,000. This bond issuance is for a 30-year term with borrowing costs of 3.43%, recording an approximate savings of \$1 million compared to borrowing in the public market. The City will receive the bond proceeds on December 3, 2024.

OUR CORE VALUES

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