Texas Water Development Board (TWDB) State Water Implementation Fund for Texas (SWIFT) Financing Agreement Authorization

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File ID 26-1207 August 18, 2026

Ray Roberts Water Treatment Plant Expansion Project

- In 2024, the Water Utilities department applied for and received approval for a multi-year low-interest loan totaling $195,845,000 from the Texas Water Development Board (TWDB) State Water Implementation Fund for Texas (SWIFT) program to fund the Ray Roberts Water Treatment Plant (RRWTP) Expansion Project.

- The RRWTP was placed into service in 2002 and has a current treatment capacity of 20 million gallons a day (MGD). Based on Hunter-Cole Development Analysis, MUD growth analysis, and average annual city growth, it is currently anticipated that the RRWTP will need to support a build-out capacity of approximately 110 MGD by the year 2053.

- This project will expand RRWTP's treatment capacity by an additional 20 million gallons per day (MGD) through the design and construction of a parallel membrane process train, with space reserved for an additional 30 MGD in treatment capacity.

- The RRWTP Expansion Project is in the Design phase with the CMAR and the Design Engineer on contract as of September 2025. It is anticipated that construction will begin in early 2027 and be complete by early 2032.

State Water Implementation Fund for Texas (SWIFT) Loan Program

- Passed by the Legislature and approved by Texas voters through a constitutional amendment, the State Water Implementation Fund for Texas (SWIFT) program helps communities develop and optimize water supplies at cost-effective rates.

- Benefits of the program include:
  - Diversification of our financial portfolio
  - Interest Savings – TWDB offers subsidized interest rates typically 1%-2% lower than the rates the City would receive issuing COs.
  - Extended amortization or deferred repayment options

- It is anticipated that the City will save upwards of $20 million by utilizing SWIFT funding.

Financing Agreement

- The Financing Agreement is a binding commitment between the City and the TWDB that obligates the City to borrow $57,240,000 during FY 2026-27.

- Annually, both a financing and a loan agreement will be executed for the below amounts.
    - FY 24/25: $10,135,000 (funding closed)
    - FY 25/26: $11,235,000 (funding closed)
    - **FY 26/27: $57,240,000**
    - FY 27/28: $87,690,000
    - FY 28/29: $29,545,000

- Debt service payments are included in the proposed FY 2026-27 budget and financial proforma. Payments on the $57.2 million TWDB financing agreement begin June 2027.

Year 3 Funding Timeline

- August 18, 2026 – Financing Agreement presented to Council
- September 4, 2026 – Executed Financing Agreement due to TWDB
- September 25, 2026 – TWDB sells bonds which will fund the City's approved loan application
- October TBD – City Council considers ordinance authorizing the issuance of City bonds to TWDB
- Late November/Early December – Funding closes

Questions?