



## Legislation Text

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File #: 20-2110, Version: 1

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**STRATEGIC PRIORITY:** Mobility Solutions, Infrastructure, and Sustainability  
**AGENDA DATE:** December 9, 2020  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Water Utilities Department  
**EXECUTIVE:** Majed Al-Ghafry

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### **SUBJECT**

Authorize a loan application to the Texas Water Development Board for low cost financial assistance through the Drinking Water State Revolving Fund in an amount up to \$130,000,000.00 to fund the construction of Dallas Water Utilities' Elm Fork Filter Improvements Project - Financing: No cost consideration to the City

### **BACKGROUND**

The Texas Water Development Board (TWDB) Drinking Water State Revolving Fund (DWSRF), as authorized by the Safe Drinking Water Act, provides low-cost financial assistance for the construction of water infrastructure. Dallas Water Utilities (DWU) recently submitted a project information form and received an invitation from the TWDB to participate in this program to help facilitate construction of Dallas Water Utilities' Elm Fork Filter Improvements Project. There are several benefits to participating in this program including a low interest loan and no maximum funding limits. The low interest rate loan consists of a 125 basis point reduction below current market rates. This would result in an average annual debt service payment reduction of approximately \$1.6 million dollars for DWU's Elm Fork Filter Improvements.

This action is the first of two Council actions required by the TWDB to participate in this financial assistance program. This action will authorize the filing of a financial participation application for the DWSRF. The application process is expected to take about three months to complete, at which time DWU will receive a funding commitment letter from the TWDB. Once this letter is received, DWU will seek additional Council approval to accept the loan. The future action is anticipated to be presented to Council in May or June of 2021. Participation in this program will benefit Dallas Water Utilities and its customers by providing lower overall costs for financing its water infrastructure improvements.

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

This item has no prior action.

**FISCAL INFORMATION**

No-cost consideration to the City.

**MAP**

Attached