



Legislation Text

File #: 21-221, **Version:** 1

STRATEGIC PRIORITY: Mobility Solutions, Infrastructure, and Sustainability
AGENDA DATE: April 14, 2021
COUNCIL DISTRICT(S): All
DEPARTMENT: Water Utilities Department
EXECUTIVE: Majed Al-Ghafry

SUBJECT

Ordinances authorizing the issuance and sale of City of Dallas, Texas Waterworks and Sewer System Revenue Bonds, Series 2021A, in the amount of \$22,000,000.00, and City of Dallas, Texas Waterworks and Sewer System Revenue Bonds, Series 2021B, in the amount of \$44,000,000.00, to the Texas Water Development Board; approving the execution of the agreements in connection with the sale of the bonds; and all other matters related thereto - Total not to exceed \$263,420.00 - Financing: Dallas Water Utilities Fund

BACKGROUND

On December 14, 2016, City Council authorized the City Manager and the Director of Dallas Water Utilities (DWU) to submit loan applications to the Texas Water Development Board (TWDB) for low-cost financial assistance to help facilitate DWU's annual small diameter water and wastewater main replacement programs. Financial assistance applications for the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF) were submitted by DWU in January 2017 and financial commitments were received from the TWDB on May 31, 2017.

In accordance with the financial assistance programs, DWU will issue \$66 million in bonds that will be purchased by the TWDB. Through the purchase of our bonds, the TWDB will in turn provide Dallas with interest rates 165 basis points below CWSRF and 155 basis points below DWSRF current market rates. This will result in an average annual debt service payment reduction of approximately \$920,000.00 when compared to a public offering.

This item represents the fourth year of a five-year funding commitment from the TWDB, totaling \$330 million. A subsequent item will be presented to Council for approval next year for the last year of the funding commitment. Participation in these programs will benefit DWU and its customers by providing lower overall costs for financing its water and wastewater main replacement programs.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 14, 2016, City Council authorized a loan application to the Texas Water Development Board for low-cost financial assistance through the Drinking Water State Revolving Fund to fund the engineering and construction of Dallas Water Utilities' water main replacement program for the next five years by Resolution No. 16-1942.

On December 14, 2016, City Council authorized a loan application to the Texas Water Development Board for low-cost financial assistance through the Clean Water State Revolving Fund to fund the engineering and construction of Dallas Water Utilities' wastewater main replacement program for the next five years by Resolution No. 16-1943.

On April 11, 2018, City Council authorized the issuance and sale of City of Dallas, Texas Waterworks and Sewer System Revenue Bonds, Series 2018A, in the amount of \$22,000,000, and City of Dallas, Texas Waterworks and Sewer System Revenue Bonds, Series 2018B, in the amount of \$44,000,000, to the Texas Water Development Board; approving the execution of the agreements in connection with the sale of the bonds; and all other matters related thereto by Resolution No. 18-0555.

On April 10, 2019, City Council authorized the issuance and sale of City of Dallas, Texas Waterworks and Sewer System Revenue Bonds, Series 2019A, in the amount of \$22,000,000, and City of Dallas, Texas Waterworks and Sewer System Revenue Bonds, Series 2019B, in the amount of \$44,000,000, to the Texas Water Development Board; approving the execution of the agreements in connection with the sale of the bonds; and all other matters related thereto by Resolution No. 19-0533.

On April 8, 2020, City Council authorized the issuance and sale of City of Dallas, Texas Waterworks and Sewer System Revenue Bonds, Series 2020A, in the amount of \$22,000,000.00, and City of Dallas, Texas Waterworks and Sewer System Revenue Bonds, Series 2020B, in the amount of \$44,000,000.00, to the Texas Water Development Board; approving the execution of the agreements in connection with the sale of the bonds; and all other matters related thereto by Resolution No. 20-0559.

[City Council will be briefed by memorandum regarding this matter on April 9, 2021.
<https://dallascityhall.com/government/citymanager/Documents/FY%2020-21%20Memos/Upcoming-Agenda-Item-40-Dallas-Water-Utilities-DWU-Bond-Issuance_memo_040921.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2020-21%20Memos/Upcoming-Agenda-Item-40-Dallas-Water-Utilities-DWU-Bond-Issuance_memo_040921.pdf)

FISCAL INFORMATION

Fund	FY 2021	FY 2022	Future Years
Dallas Water Utilities Fund	\$263,420.00	\$0.00	\$0.00

M/WBE INFORMATION

See Attachment I and II for M/WBE participation.