



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/13/2020

Item Creation Date:

FIN - CUS 2020E (TWDB)

Agenda Item#: 11.

Background:

RECOMMENDATION:

Approve ordinance authorizing the City of Houston Combined Utility System Subordinate Lien Revenue Bonds, Series 2020E, in an aggregate amount not to exceed \$38 million. These bonds will be privately placed with the Texas Water Development Board.

SPECIFIC EXPLANATION:

The Texas Water Development Board (the "TWDB") administers programs that provide below market, low-interest rate loans to applicants. One of these programs is known as the State Water Implementation Revenue Fund ("SWIRFT"), which is open to political subdivisions undertaking a project included in the adopted regional water plans and in the state water plan. City of Houston Combined Utility System Subordinate Lien Revenue Bonds, Series 2020E will be issued in an amount not to exceed \$38 million.

On August 26, 2020 City Council approved the first step in this transaction, which was the ordinance for the financing agreement between City of Houston and TWDB for the design and construction of the Northeast plant water transmission lines. The ordinance covered by this RCA is step two in the same financing arrangement. The Finance Working Group ("FWG") recommends that the City issue the CUS Series 2020E bonds with the proceeds to be used to fund approved projects in the City's adopted CIP and pay costs of issuance.

The CUS Series 2020E bonds will be privately placed with the TWDB, which eliminates the need for underwriters. The closing is expected to occur in November 2020.

This transaction was presented to the Budget and Fiscal Affairs Committee on June 2, 2020.

DocuSigned by:

Tantri Emo

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Tantri Emo, Chief Business Officer/Director of Finance

DocuSigned by:

Chris Brown

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Chris B. Brown, Houston City Controller

Prior Council Action:

Ordinance No. 2004-299

Ordinance No. 2020-720

Amount of Funding:

n/a

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