
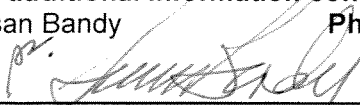


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| SUBJECT: City Council Resolution authorizing the City to make loan application with the Texas Water Development Board, to access the Equivalency (Tier III), Clean Water State Revolving Fund program. | Category # | Page 1 of <u>1</u> | Agenda Item # |
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| FROM (Department or other point of origin): Department of Public Works and Engineering | Origination Date | Agenda Date |
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| DIRECTOR'S SIGNATURE:  Dale A. Rudick, P.E., Director | Council District affected: All |
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| For additional information contact: Susan Bandy  Phone: (832)395-2468 | Date and identification of prior authorizing Council action: |
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RECOMMENDATION: (Summary)

Pass a Resolution authorizing the City to make loan application with the Texas Water Development Board, to access the Equivalency (Tier III), Clean Water State Revolving Fund program.

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| Amount of Funding: No funds are required at this time. | F & A Budget: |
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SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund
 Other (Specify)

SPECIFIC EXPLANATION:


The Department of Public Works & Engineering wishes to apply for a low interest rate loan from the Texas Water Development Board (TWDB) under the Clean Water State Revolving Fund (CWSRF), Equivalency (Tier III) program, to improve the wastewater system. The interest rates available on this program are 155 basis points below the current bond market rates.

The TWDB administers loan programs to eligible municipalities and agencies through the purchase of bonds issued by the loan recipients. In 1998, the TWDB began using a priority rating process to determine the amount of funding participants could receive from the State Revolving Fund. Municipalities are annually requested to submit an Intended Use Plan providing information on projects to be considered for TWDB funding. After the projects are prioritized and the amount of available funds determined, applicants are invited to apply for SRF loans. These wastewater projects are included in the FY2016-FY2020 Adopted Capital Improvement Plan (CIP).

The City of Houston has benefited from the lower interest rates offered by the SRF program since 1988 and wishes to continue its participation in the program. This resolution will authorize the City to make application with the TWDB to receive a \$65.75 million loan commitment based on the City's FY2016 Intended Use Plan. The loan commitment from the TWDB is for a one year period. Within that period, City Council approval will be requested to authorize the issuance of bonds to the TWDB. The \$65.75 million SRF bond issuance is anticipated in February 2017.

It is requested that City Council approve the resolution authorizing the City to make loan application with the Texas Water Development Board for the Clean Water State Revolving Fund.

cc: Marta Crinejo
 Gary Wood
 Howard Hilliard
 Ruth Gonzales
 Daniel Menendez

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| REQUIRED AUTHORIZATION | | CUIC#20SB52 |
| Finance Department: | Other Authorization: | Other Authorization:  |