



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 8/19/2025

ALL

Item Creation Date: 8/6/2025

HPW – 20FMS144 – Coastal Water Authority Contract Revenue Bonds, Series 2025

Agenda Item#: 38.

Background:

SUBJECT: Approve an Ordinance authorizing the issuance and sale of Coastal Water Authority Contract Revenue Bonds, Series 2025 (City of Houston Projects) (the “Series 2025 Bonds”) to the Texas Water Development Board (the “TWDB”) under the State Water Implementation Fund of Texas (“SWIFT”) financial assistance program in an amount up to \$50,000,000 as the second installment of a \$320,000,000 multi-year commitment by the TWDB running from 2024 through 2028 to provide funding for the planning, design, construction and installation of a second B System raw water pipeline to mitigate the risk of failure of Coastal Water Authority (“CWA”)’s existing B System raw water pipeline and loss of water to industrial facilities and the City of Houston (“City”)’s East Water Purification Plant (the “CWA Transmission Expansion Project”); approving the form of the Seventh Supplemental Bond Resolution of CWA related to such Series 2025 Bonds and a continuing disclosure agreement of the City in a form required by the TWDB, and approving the related Seventh Supplement to the Projects Contract between the City and CWA authorizing CWA to proceed with the second installment of the TWDB financial assistance under a form of financing agreement provided by the TWDB and evidencing the City’s payment obligations in connection therewith.


RECOMMENDATION: Approve An Ordinance Approving the Issuance and Sale of Coastal Water Authority Contract Revenue Bonds, Series 2025 (City of Houston Projects) to the Texas Water Development Board; Approving the Form, Terms, and Substance of a Seventh Supplemental Bond Resolution of the Coastal Water Authority Relating to the Bonds and Related Agreements; Approving a Seventh Supplement to the Projects Contract Between the City of Houston and Coastal Water Authority; Containing Other Provisions Relating to the Subject; And Declaring an Emergency.

SPECIFIC EXPLANATION: The City and CWA have identified the CWA Transmission Expansion Project as a project that is critical to mitigating the risk of failure of CWA’s existing B System raw water pipeline and loss of water to industrial facilities and the City’s East Water Purification Plant. Following the identification of the CWA Transmission Expansion Project as a critical infrastructure project, the City and CWA sought to establish the most cost-effective approach to financing the CWA Transmission Expansion Project. CWA and the City identified the TWDB SWIFT financial assistance program as a source of financing at below market rates and made application for financial assistance for the CWA Transmission Expansion Project. The TWDB approved a multi-year commitment under the SWIFT financial assistance program to purchase up to \$320,000,000 in Coastal Water Authority Contract Revenue Bonds (City of Houston Projects), proposed Series 2024 through proposed Series 2028, to finance the CWA Transmission Expansion Project.

CWA and the City intend for the Series 2025 Bonds to be issued in an amount not to exceed \$50,000,000 as the second of several series of Bonds issued to fund the CWA Transmission Project through the TWDB’s SWIFT financial assistance program.

The Seventh Supplement to the Projects Contract authorizes CWA to undertake the CWA Transmission Project as an Other City Project under the Project Agreement and the existing Operating Contract between the City and CWA, authorizes the issuance of the Series 2025 Bonds, and obligates the City to make all principal installment and interest payments on the Series 2025 Bonds as an operations and maintenance expenses of the City’s Combined Utility System.

This transaction was presented to the Budget and Fiscal Affairs Committee on July 29, 2025.

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Randall V. Macchi, JD
 Director, Houston Public Works

Prior Council Action:

Ordinance No. 2014-0995 dated November 12, 2014
 Ordinance No. 2024-0584 dated August 14, 2024

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ATTACHMENTS:

Description

Prior Council Action Ord. 2014-0995
Prior Council Action Ord. 2024-0584

Type

Backup Material
Backup Material