



SUBJECT: Approve ordinance supplementing the City of Houston, Texas Master Ordinance authorizing the issuance of City of Houston, Texas Combined Utility System Subordinate Lien Revenue Bonds, Series 2016D.		Category #	Page 1 of <u>1</u>	Agenda Item#
FROM (Department or other point of origin): Department of Finance and Office of the City Controller		Origination Date: 10/4/2016	Agenda Date	
DIRECTOR'S SIGNATURE: 		Council District Affected: All		
For additional information contact: Tantri Emo  Phone: 832-393-9076 Charisse Mosely Phone: 832-393-3529		Date and identification of prior authorizing Council action: Ordinance No. 2004-299		
RECOMMENDATION: (Summary) Approve ordinance authorizing the City of Houston Combined Utility System Subordinate Lien Revenue Bonds, Series 2016D, in an aggregate amount not to exceed \$64 million. These bonds will be privately placed with the Texas Water Development Board.				
Amount of Funding:			Finance Budget:	
Source of Funding: <input type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input type="checkbox"/> Other (Specify) <input checked="" type="checkbox"/> Enterprise Fund				
SPECIFIC EXPLANATION:				
<p>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 2016D will be issued in an amount not to exceed \$64 million.</p> <p>On August 10, 2016 City Council approved the ordinance for the financing agreement between City of Houston and TWDB for the design and construction of Northeast Water Purification Plant expansion and related water transmission lines. The Finance Working Group ("FWG") recommends that the City issue the CUS Series 2016D bonds with the proceeds to be used to fund approved projects in the City's adopted CIP and pay costs of issuance.</p> <p>The CUS Series 2016D bonds will be privately placed with the TWDB, which eliminates the need for underwriters. The closing is expected to occur by mid of November 2016. Norton Rose Fulbright LLP and Burney & Foreman are recommended as co-bond counsel.</p> <p>This transaction was presented to the Budget and Fiscal Affairs Committee on August 2, 2016.</p> <p>Recommendation:</p> <p>The FWG recommends the approval of this item.</p>				
REQUIRED AUTHORIZATION				
Finance Director:		Other Authorization:		Other Authorization: