

**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 10/9/2018

Item Creation Date:

FIN - CUS 2018F TWDB

Agenda Item#: 66.

Background:**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 2018F.

RECOMMENDATION:

Approve ordinance authorizing the City of Houston Combined Utility System Subordinate Lien Revenue Bonds, Series 2018F, in an aggregate amount not to exceed \$171 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 2018F will be issued in an amount not to exceed \$171 million.

On August 15, 2018 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 Northeast Water Purification Plant expansion and related 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 2018F 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 2018F bonds will be privately placed with the TWDB, which eliminates the need for underwriters. The closing is expected to occur by end of November 2018. Norton Rose Fulbright LLP and Burney & Foreman are recommended as co-bond counsel.

This transaction was presented to the Budget and Fiscal Affairs Committee on August 7, 2018.

The FWG recommends the approval of this item.

A handwritten signature in black ink, appearing to read "Tantri Emo".

Tantri Emo
Chief Business Officer and Finance Director

A handwritten signature in black ink, appearing to read "Chris Brown".

Chris Brown
Houston City Controller

Prior Council Action:

Ordinance No. 2004-299

Ordinance No. 2018-0637

Amount of Funding:

N/A

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