

**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 3/26/2019

Item Creation Date:

FIN - CUS Series 2019A

Agenda Item#:

**Background:****RECOMMENDATION:**

Approve ordinance authorizing the City of Houston Combined Utility System First Lien Revenue Bonds, Series 2019A, in an aggregate amount not to exceed \$65 million. These bonds will be privately placed with the Texas Water Development Board.

**SPECIFIC EXPLANATION:**

The Texas Water Development Board (the "TWDB") administers a program that provides below market, low-interest rate loans to applicants to assist in meeting clean water needs of communities. This program is known as the Clean Water State Revolving Fund ("CWSRF"), which is open to political subdivisions that own and operate a wastewater system. The City's Combined Utility System ("CUS") has participated in this program since the late 1980's. The City of Houston Combined Utility System First Lien Revenue Bonds, Series 2019A will be issued in an amount not to exceed \$65 million.

The Finance Working Group ("FWG") recommends that the City issue the CUS Series 2019A Bonds with the proceeds to be used to fund approved projects in the City's adopted CIP, fund a reserve fund, if necessary, and pay costs of issuance.

The CUS Series 2019A Bonds will be privately placed with the TWDB, which eliminates the need for underwriters. The closing is expected to occur mid-April 2019. 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 March 5, 2019.

**Recommendation:**

The FWG recommends the approval of this item.

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Tantri Emo, Chief Business Officer and Director of Finance

Handwritten signature of Chris Brown in black ink.

Chris Brown, Houston City Controller

**Prior Council Action:**

Ordinance No. 2004-299; Resolution No. 2016-0029

**Amount of Funding:**

n/a

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