



# Finance Department

## Presentation to the City of Houston Budget and Fiscal Affairs Committee

### Upcoming Financial Transactions

September 28, 2021

Presented By:  
Melissa Dubowski – Deputy Director



# Agenda

- Combined Utility System (CUS)
  - a) CUS First Lien Revenue Bonds, Series 2021C (TWDB Clean Water Loan)



# CUS First Lien Revenue Bonds, Series 2021C (TWDB Clean Water Program)

## Background:

- The Texas Water Development Board (“TWDB”) administers a program that provides below market, low-interest rate loans to communities that assist in meeting clean water standards. This program is known as the Clean Water State Revolving Fund (“CWSRF”) and is open to political subdivisions that own and operate a wastewater system.
- In 1998, the TWDB began using a priority rating process to determine the amount of funding participants could receive from the Clean Water State Revolving Fund. Municipalities are annually requested to submit an Intended Use Plan providing information on projects to be considered for TWDB funding. After projects are prioritized and the amount of available funds determined, applicants are invited to apply for the CWSRF loans.



# CUS First Lien Revenue Bonds, Series 2021C (TWDB Clean Water Program)

## Background:

- Projects being financed: Citywide Sanitary Sewer Collection System Rehabilitation.

## Next Steps:

- The Finance Working Group recommends issuing the CUS First Lien Revenue Bonds, Series 2021C in an amount not to exceed \$130 million.
- The proceeds would be used for approved wastewater projects that are included in the FY2022 -FY2026 Adopted Capital Improvement Project.
- This item is scheduled to be presented to City Council for consideration on October 20, 2021.



# CUS First Lien Revenue Bonds, Series 2021C (TWDB Clean Water Program)

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System:	Combined Utility System
New Money or Refunding?:	New Money
Par Amount:	\$130 Million
Use of the Debt Proceeds:	Clean Water Projects

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Revenue Source Securing Debt:	Net Revenues of the Combined Utility System
Estimated Weighted Average Life of the Debt Being Refunded(Years):	N/A
Estimated Change to the Weighted Average Life of Debt Being Refunded:	N/A
Estimated Present Value Savings:	N/A
Estimated Percentage Savings:	N/A
Estimated True Interest Cost (%):	165 basis points below market rates, given the underlying credit rating for CUS
Anticipated Council Agenda Date:	October 2021
Anticipated Date of Pricing:	October 2021
Anticipated Date Closing:	November 2021

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**Questions?**