

Memorandum



CITY OF DALLAS

DATE April 15, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **Application for Texas Water Development Board Financing – State Water Implementation Fund for Texas**

I am pleased to announce that on April 11, 2022, the Texas Water Development Board (TWDB) approved the 2022 State Water Implementation Fund for Texas (SWIFT) program prioritization list, amount of funds available, and terms of subsidy for Dallas Water Utilities (DWU). With this approval, DWU received invitations to submit applications for financial assistance through SWIFT. SWIFT was created in 2013 by the Texas Legislature to provide affordable financial assistance for projects in the state water plan. The program provides low-cost financial assistance for planning, design, and construction. Through fiscal year 2021, SWIFT has committed approximately \$9.2 billion for projects across Texas.

DWU has four projects and programs on the prioritization list that represent \$378.2 million in planned capital improvements and include one multi-year commitment for DWU's water main replacement program. Our participation in SWIFT provides lower overall costs for financing projects for the design and construction of important infrastructure, benefitting DWU customers. Other benefits include:

- Low interest loans – long-term, fixed rate loans offered at below-market rates, further reduced by tax-exempt subsidies of 14% to 25% based on the loan term
- No maximum funding limits and multi-year commitments
- TWDB is a dedicated source of funding for DWU projects and frees up bond and commercial paper capacity to use on other infrastructure improvements

DWU, through the City Controller's Office, will seek City Council approval on April 27, 2022 to authorize loan applications to TWDB ahead of the May 11, 2022 deadline. TWDB will consider approval of applications and authorize a bond sale and execution of financing agreements in Summer 2022. If funding commitments are secured, TWDB anticipates closing on the loans in Winter 2022.

If you have any questions, please contact Terry Lowery, Director of Dallas Water Utilities.


M. Elizabeth Reich

Chief Financial Officer

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

Majed A. Al-Ghafry, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Robert Perez, Interim Assistant City Manager
Carl Simpson, Interim Assistant City Manager
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors