



Finance Department

Presentation to the City of Houston Budget and Fiscal Affairs Committee

Upcoming Financial Transactions

December 6th 2016

Presented By:
Tantri Emo – Deputy Director



Agenda

- Combined Utility System (CUS)
 - A. First Lien Revenue Bonds, Series 2017A (Texas Water Development Board CWSRF Loan)



CUS First Lien Revenue Bonds, Series 2017A

Background:

- The Texas Water Development Board administers a program that provides below market, low-interest 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 CWSRF loans.

Note: This presentation constitutes the written recommendation of the Finance Working Group.



CUS First Lien Revenue Bonds, Series 2017A

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 2017A in an amount not to exceed \$65.750 million.
- The proceeds would be used for approved wastewater projects that are included in the FY2016 - FY2020 Adopted Capital Improvement Project.
- This item will be presented to City Council for consideration in January 2017.

Note: This presentation constitutes the written recommendation of the Finance Working Group.



CUS First Lien Revenue Bonds, Series 2017A

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| System: | Combined Utility System |
| New Money or Refunding?: | New Money |
| Par Amount: | \$65.750 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 (%): | 120 basis points below market rates, given the underlying credit rating for CUS |
| Anticipated Council Agenda Date: | January 2017 |
| Anticipated Date of Pricing: | January 2017 |
| Anticipated Date Closing: | February 2017 |



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Questions?