

**To the Mayor and Members of the City Council****November 5, 2024**

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SUBJECT: MARY'S CREEK WATER RECLAMATION FACILITY, LIFT STATIONS AND FORCE MAINS FUNDING

As Fort Worth continues to be the fastest growing large city in the United States, Fort Worth Water (FWW) is working to address increasing needs by expanding water and wastewater services throughout the Fort Worth regional service area. To address growth on the west side of the city, FWW is moving forward in developing the Mary's Creek Water Reclamation Facility and associated lift stations and force mains. Currently, the projects' estimated costs total \$516,210,000.

In an effort to lessen the impact on water and wastewater rates due to increasing capital project costs, FWW is pursuing low-interest loan program opportunities with the Texas Water Development Board (TWDB) and the Environmental Protection Agency (EPA) to benefit from lower financing costs. In January 2024, the EPA reserved funding under its Water Infrastructure Finance and Innovation Act (WIFIA) loan program to support the development of the Mary's Creek projects and invited FWW to apply.

The WIFIA program accelerates investment in water and wastewater infrastructure by providing long-term, low-cost, supplemental credit assistance to creditworthy water and wastewater projects of national and regional significance. The WIFIA program funds 49% of total project costs and offers deferred repayment options, which may help minimize spikes in debt service costs and potential rate impacts. FWW will finance the remaining 51% of the total projects' costs using revenue bonds, impact fees, and potentially TWDB Clean Water State Revolving Loan Funds.

The projects include the construction of the Mary's Creek Water Reclamation Facility, two force mains, and two lift stations. The EPA deemed the Mary's Creek projects eligible for WIFIA funding with an application deadline of March 2025. FWW is currently completing the application and intends to submit by November 2024. Following the WIFIA application submittal, the EPA will require a review period of about nine months before final approval of the project award and closing of the master agreement, which will consist of two loans: Loan One for the Water Reclamation Facility and Loan Two for the lift stations and force mains.

The anticipated closing date for the master agreement and Loan One is July 2025, with a bid-advertisement date of October 2025. The desired closing date for Loan Two is May 2026 in order to construct the projects prior to the completion of the reclamation facility. The goal is to fully construct all of the Mary's Creek projects to become operational by the spring of 2029.

The WIFIA program provides the opportunity to construct these very large infrastructure projects at the lowest possible cost to FWW's ratepayers.

Should you have any questions about funding for the Mary's Creek Water Reclamation Facility projects, please contact Chris Harder, Water Director, at 817-392-5020.

David Cooke
City Manager