

City of Fort Worth, Texas

# Mayor and Council Communication

DATE: 08/26/25 M&C FILE NUMBER: M&C 25-0762

LOG NAME: 60FINANCING TWDB AGREEMENT EAGLEMWTPEXP PART II

SUBJECT

(ALL) Authorize Execution of Financing Agreement with the Texas Water Development Board in the Amount of \$180,000,000.00 for the Eagle Mountain Water Treatment Plant 35 Million Gallon Per Day Expansion Project for the Water Department as Part of the State Water Implementation Fund for Texas Program

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a Financing Agreement with the Texas Water Development Board in the amount of \$180,000,000.00 for additional financial assistance for the Eagle Mountain Water Treatment Plant 35 Million Gallon per Day Expansion project (City Project No.105176) for the Water Department using State Water Implementation Fund for Texas funds.

DISCUSSION:

The Water Utility has long planned an expansion of the Eagle Mountain Water Treatment Plant as part of its ongoing efforts to meet growing demand for water within the utility's 450-square-mile service area.

The actions of this Mayor & Council Communication (M&C) authorize the execution of a Financing Agreement with the Texas Water Development Board (TWDB) in the amount of \$180,000,000.00 for additional financial assistance for the Eagle Mountain Water Treatment Plant 35 Million Gallon per Day Expansion project (City Project No.105176) using the State Water Implementation Fund for Texas (SWIFT) program. SWIFT is managed by the TWDB and borrowing under the program is a highly cost-effective way to finance eligible projects. Use of SWIFT funds provides low-cost financing with an estimated 14 percent interest rate subsidy for this 35-million-gallon-per-day (MGD) expansion project. This is the second financing agreement executed under this program for the Eagle Mountain Water Treatment Plant project.

Previously, on May 14, 2024, the City Council approved an application for financial assistance (Resolution 5950-05-2024), and TWDB subsequently granted a loan in the amount of \$125,000,000.00 for the Eagle Mountain Water Treatment Plant 35 MGD Expansion project. At its meeting on July 23, 2024, the TWDB adopted a resolution formally committing to financial assistance in the full requested amount (TWDB Resolution 24-049). Subsequently, on October 15, 2024, the City Council authorized the issuance and approved the sale of \$125,000,000.00 of City of Fort Worth, Texas Water and Sewer System Revenue Bonds, Series 2024C (M&C 24-0872). The loan closed on November 21, 2024.

The City was invited to apply again for funding for the project under the SWIFT program. On May 13, 2025, the City Council approved an additional application for financial assistance from TWDB in the form of a loan in the amount of \$180,000,000.00 for the same project (Resolution 6094-05-2025). At its meeting on July 24, 2025, TWDB adopted a resolution committing to the full requested amount (TWDB Resolution 25-091).

TWDB requires execution of a financing agreement prior to issuance and sale of the bonds. This M&C would authorize that agreement. A separate M&C to authorize the issuance and sale of water revenue bonds to the TWDB is scheduled to come before the City Council in October 2025, with closing anticipated to occur in November. By executing the agreement, the City is committing to issuing and selling the bonds to TWDB.

The Eagle Mountain Water Treatment Plant is located in Council District 7 and benefits the Water Utility's entire service area, including the City of Fort Worth and its wholesale customer cities.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: Texas Water Development Board

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that execution of the Financing Agreement commits the City to accepting \$180,000,000.00 from the Texas Water Development Board to fund the Eagle Mountain Water Treatment Plant 35 MGD Expansion project, and that funds will be available in the Water Prior Lien Debt Service Fund to make the associated debt service payments.

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