



# Finance Department

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

### Upcoming Financial Transactions

August 10, 2026

Presented By:  
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# Agenda

- **Combined Utility System (CUS)**
  - a) \$300,000,00 City of Houston, Texas Combined Utility System Revenue Bonds, Series 2026A (First Lien)
  - b) Coastal Water Authority Contract Revenue Bonds, Series 2026 (TWDB SWIFT Loan)



# **\$300,000,000 City of Houston, Texas Combined Utility System Revenue Bonds, Series 2026A (First Lien)**

## **Background:**

- The City was approved for \$966 million of multi-year funding by the Texas Water Development Board (TWDB).
- Projects being financed: East Water Purification Plant.
- This represents the second issuance for \$300 million. The first tranche of \$350 million was issued in 2025.
- The loan rates will be at TWDB's expected AAA rated financing cost, adjusted for a subsidy determined by TWDB for each funding cycle (up to 14%).

## **Next Steps:**

- The Finance Working Group recommends issuing the Series 2026C in an amount not to exceed \$300 million.
- This item is scheduled to be presented to City Council for consideration on August 12, 2026.



# **\$300,000,000 City of Houston, Texas Combined Utility System Revenue Bonds, Series 2026A (First Lien)**

|                                                                          |                                             |
|--------------------------------------------------------------------------|---------------------------------------------|
| System:                                                                  | Combined Utility System                     |
| New Money or Refunding?:                                                 | New Money                                   |
| Par Amount:                                                              | \$300 Million                               |
| Use of the Debt Proceeds:                                                | East Water Purification Plant               |
| Revenue Source Securing Debt:                                            | Net Revenues of the Combined Utility System |
| Estimated Weighted Average Life of the Debt<br>Being Refunded(Years):    | N/A                                         |
| Estimated Change to the Weighted Average Life<br>of Debt Being Refunded: | N/A                                         |
| Estimated Present Value Savings:                                         | N/A                                         |
| Estimated Percentage Savings:                                            | N/A                                         |
| Estimated True Interest Cost <sup>1</sup> (%):                           | 3.89%                                       |
| Anticipated Council Agenda Date:                                         | September 2026                              |
| Anticipated Date of Pricing:                                             | October 2026                                |
| Anticipated Date Closing:                                                | November 2026                               |

<sup>1</sup> Assumes TWDB Tax-Exempt Rates as of July 1, 2026.



# CWA Contract Revenue Bonds, Series 2026 (TWDB SWIFT Loan)

## **Background:**

- The Coastal Water Authority (CWA) applied for \$320 million in multi-year financing from the TWDB.
- Projects being financed: CWA Project B-2 Pipeline. The B-2 pipeline will be a raw water line that supplies raw water to industrial customers and to the East Water Purification Plant. B-2 will mitigate risk of B-1 failure.
- Debt service will be paid out of the Combined Utility System.

## **Next Steps:**

- The CWA's TWDB application was approved in 2024, and this is the third year of their multi-year issuance.
- The third loan installment of \$100 million is expected to close in fall 2026.
- Construction is expected to begin in 2027 and be completed in 2030.
- An RCA is expected to be presented to City Council on August 19, 2026.



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**Questions?**