



# Finance Department

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

### Upcoming Financial Transactions

April 28, 2026

Presented By:  
Melissa Dubowski – Finance Director



# Agenda

- **Combined Utility System (CUS)**
  - a) Texas Water Development Board (TWDB) State Revolving Fund (SRF) Loan Application



# CUS Texas Water Development Board (TWDB) State Revolving Fund (SRF) Loan Application

## Background:

- Project being financed: Lead and Copper Rule Revision Compliance Project.
- All financing will be made at the ratio of 51% principal forgiveness and 49% loan/bond.
- Partial of financed portion interest rate is up to 35% reduction from the Municipal Market Data (MMD) rate. The remaining of financed portion is 0% interest.
- The loan commitment from the TWDB is for a one-year period.
- Loan proceeds will be used to fund service line inventory/validation and perform replacement of qualifying service lines.
- To date, no lead service lines have been found. Service lines qualifying for replacement are typically galvanized steel installed during a historic period when lead distribution lines may have been in service.



# CUS Texas Water Development Board (TWDB) State Revolving Fund (SRF) Loan Application

## Next Steps:

- CUS will be submitting an application with the TWDB in the amount of approximately \$33 million.
- The Finance Working Group recommends proceeding with the application.
- This item will be presented to City Council for consideration on May 6, 2026.
- The loan is expected to close in Spring 2027.



# Finance Department

Questions?