



## PROJECT FUNDING REQUEST

**BOARD DATE:** April 11, 2024

**PRESENTED BY:** Kathy Hopkins

### ACTION REQUESTED

Approve by resolution a request from the City of Dallas (Dallas County) for \$16,675,712 in financial assistance consisting of \$14,175,000 in financing and \$2,500,712 in grant from the Flood Infrastructure Fund for a federal grant award matching funds project.

### STAFF RECOMMENDATION

Approve                       No Action

### PROJECT NAME

Modified Dallas Floodway Extension, Project Number 40209

### BACKGROUND

Passed by the 86th Texas Legislature and approved by voters through a constitutional amendment, the Flood Infrastructure Fund (FIF) was created to provide funding for flood mitigation projects. The purpose of the FIF, as outlined in Senate Bill 7, is to assist in financing drainage, flood mitigation, and flood control projects. FIF projects presented for consideration have been scored and ranked using prioritization criteria outlined in 31 Texas Administrative Code § 363.404 and further specified in the 2020 Flood Intended Use Plan. The prioritized list of projects was approved by the Board on September 17, 2020.

### PROJECT NEED AND DESCRIPTION

The City of Dallas (City) has been awarded funding by the United States Army Corps of Engineers (USACE) to address the effects of flooding from the Trinity River (approximately \$170 million to date). As recently as August 22, 2022, major flooding resulted in as much as \$6 billion in damages and economic loss. Through a Project Cooperation Agreement between the Department of the Army and the City, the USACE will be constructing the project using funds from the Bipartisan Budget Act of 2018 estimated to be \$517,398,000. The City is making a local contribution of \$25,382,689 for land acquisition and \$16,671,413 for utility relocation required for the local share. FIF funds requested by the City for the local share are for the costs associated with utility relocation.

This project aims to reduce flood risk for the citizens of Dallas by creating new levees that tie into the existing levee system. The Lamar and Cadillac Heights levees are the final components of the Dallas Floodway Extension construction. The Lamar levee will have an approximate total length of 16,419 feet with an average height of 17.6 feet and a crown width of 20 feet. The Cadillac Heights levee will have an approximate total length of 11,891 feet, with an average height of 14.9 feet and a crown width of 20 feet. Both levees are designed to provide standard project flood level of protection to the adjacent neighborhoods. The Dallas Floodway Extension project extends the existing Dallas Floodway upstream of this project to provide a similar level of protection downstream.

## PROPOSED PROJECT FUNDING

<b>TOTAL PROJECT COST</b>	<b>\$559,456,401</b>
Grant amount requested from FIF	\$2,500,712
Loan amount requested from FIF	\$14,175,000
Local contribution	\$25,382,689
Local in-kind	\$0
Federal funding	\$517,398,000

## PROJECT SCHEDULE

<b>Task</b>	<b>Estimated Schedule Date</b>
FIF Closing/Contract Execution	October 11, 2024
Design and Real Estate Acquisition	Underway
Lamar Levee Construction Start	Early 2028
Cadillac Heights Levee Construction Start	Mid 2028
Lamar Levee Construction Complete	2030
Cadillac Heights Levee Construction Completion	2031

## KEY ISSUES

The selected project is eligible under Category 3, Federal Award Matching Funds, of the 2020 Flood Intended Use Plan. This category of funding was designed to leverage federal funding by assisting applicants with the required local match. Category 3 projects are eligible to receive a maximum of 90 percent grant funds for the required match based on criteria outlined in the 2020 Flood Intended Use Plan. Recipients of financial assistance may either use their own available funds or borrow FIF funds at zero percent interest for any portion of the required local share not provided through FIF grant funds.

The City qualifies for 15% grant and \$14,175,000 in zero percent financing from the FIF, for a portion of the local match requirements for federal funds from the United States Army Corps of Engineers (USACE). The City has been selected to receive \$517,398,000 in federal funds through the USACE. For the financial review section, see Attachment 1.

The project recommended for approval meets all minimum requirements found in the 2020 Flood Intended Use Plan:

- (1) for construction-oriented projects, the benefit/cost ratio of the project meets the requirements of the 2020 Flood Intended Use Plan;
- (2) for flood control projects where the project watershed is located outside the boundaries of the applicant, the applicant has entered into a Memorandum of Understanding with all required entities related to management of the watershed;
- (3) the funding request does not include redundant funding;
- (4) the area to be served by the project meets the requirements of the 2020 Flood Intended Use Plan related to the National Flood Insurance Program;
- (5) the project was developed using the best/most recent available data;
- (6) for construction projects, the applicant has planned for operation and maintenance costs; and
- (7) for construction projects, the applicant has considered possible floodwater capture techniques that could be associated with the project for water supply purposes.

The project recommended for approval meets the statutory requirements found in Texas Water Code § 15.536:

- (1) the application and the assistance applied for meet the requirements of Texas WaterCode, Chapter 15, Subchapter I and 31 Texas Administrative Code Chapter 363; and
- (2) the application demonstrates a sufficient level of cooperation among eligible political subdivisions and includes all of the eligible political subdivisions substantially affected by the flood project.

**LEGAL/SPECIAL CONDITIONS**

- Prior to closing, the County shall execute a Grant Agreement in a form and substance acceptable to the Executive Administrator.

Attachments:

1. Financial Review
2. Resolution (24- )
3. Location Map

# Financial Review

## City of Dallas

Risk Score: 2A

Audit Reviewed: FY 2022

### Key Indicators

Indicator	Result	Benchmark
Population Growth, Average Annual 2010-2020	City: 0.86%	State: 1.49%
Top 10 Customers % of Total Revenue	4.62%	10-15%
Median Household Income as % of State	85%	100%
Days of Cash on Hand (3-year Average)	477 days	30-149 days
Net Fixed Assets/ Annual Depreciation	1 years	12-24 years
Debt Service Coverage Ratio	2.23x	1.0x
Debt-to-Operating Revenues	1.45	4.00-5.99x
Unemployment Rate (December 2023)	City: 3.40%	State: 3.50%
Working Capital Ratio	38.71	> 1.0

### Key Risk Score Strengths

- The City's drainage system revenues are adequate to maintain coverage for all proposed debt.
- A high working capital ratio provides the City with ample resources to cover short-term liabilities and shows a strong liquidity position.
- The City's days of cash on hand is above the benchmark, indicating the City can pay its operating expenses with the cash it has available.

### Key Risk Score Concerns

- The population growth of the City is below the benchmark over the past ten years; however, regional water plan projections project the City to grow by approximately 10 percent over the next 10 years.
- The City's drainage system has a ratio of one year for fixed assets to annual depreciation. This is due to the fact that the drainage system does not hold any fixed assets or account for depreciation.

### PLEDGE

Legal Pledge Name	Drainage System Revenues
Type of Pledge	<input type="checkbox"/> Tax <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Tax & Revenue <input type="checkbox"/> Contract <input type="checkbox"/> Other
Revenue Pledge Level	<input checked="" type="checkbox"/> First <input type="checkbox"/> Second <input type="checkbox"/> Third <input type="checkbox"/> N/A

### RATES AND CHARGES

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
WATER	8,300	\$30.73	\$30.73	1.81	1.81
WASTEWATER	5,300	\$33.50	\$33.50		
DRAINAGE	N/A	\$9.22	\$9.22		

**TAXES**

	2022 Tax Year Rate	Max Projected Tax Rate (Year 2024)	Maximum Allowable Rate	3-Year Avg Current Tax Collections	Assessed Valuation
Maintenance & Operation	\$0.5403	\$0.5403			
Interest & Sinking	\$0.2055	\$0.2055	\$2.50	97%	\$176,015,700,456
Total Tax Rate	\$0.7458	\$0.7458			

Cost Savings

Based on a 30-year maturity schedule and current interest rates, the City could save approximately \$9,086,036 over the life of the financing.

<b>Responsible Authority</b>	Dallas
<b>Program</b>	FLOOD
<b>Commitment Number</b>	G1001733, L1001732
<b>Project Number</b>	40209
<b>List Year</b>	2020
<b>Type of Pledge</b>	Revenue Pledge
<b>Pledge Level (if applicable)</b>	First Lien
<b>Legal Description</b>	\$2,500,712 Grant Agreement, \$14,175,000 City of Dallas Drainage Utility System Revenue Bonds, Proposed Series 2024A
<b>Tax-exempt or Taxable</b>	Tax-Exempt
<b>Refinance</b>	No
<b>Outlay Requirement</b>	Yes
<b>Disbursement Method</b>	Escrow
<b>Outlay Type</b>	Outlay = Escrow Release
<b>Qualifies as Disadvantaged</b>	No
<b>Financial Managerial &amp; Technical Complete</b>	N/A
<b>Phases Funded</b>	Construction
<b>Pre-Design</b>	Yes
<b>Project Consistent with State Water Plan</b>	N/A
<b>Water Conservation Plan</b>	N/A
<b>Overall Risk Score</b>	2A

### PROJECT TEAM

Team Manager	Financial Analyst	Engineering Reviewer	Environmental Reviewer	Attorney
Kathy Hopkins	Arnoldo Rubio	Cody Ransone		Breann Hunter

ISSUE BEING EVALUATED  
FOR ILLUSTRATION PURPOSES ONLY  
City of Dallas

**\$14,175,000 City of Dallas Drainage Utility System Revenue Bonds, Proposed Series 2024A**

Dated Date: 10/11/2024      Source: FIF  
 Delivery Date: 10/11/2024      IUP Year: 2022  
 First Interest: 4/1/2025      Case: Drainage Revenue  
 First Principal: 10/1/2025      Admin.Fee: \$0  
 Last Principal: 10/1/2053      Admin. Fee Payment Date: N/A  
 Fiscal Year End: 09/30      Required Coverage: 1.0

**\$90,090,000 City of Dallas Drainage Utility System Revenue Bonds, Proposed Series 2024B**

Dated Date: 10/11/2024      Source: FIF  
 Delivery Date: 10/11/2024      IUP Year: 2022  
 First Interest: 4/1/2025      Case: Drainage Revenue  
 First Principal: 10/1/2025      Admin.Fee: \$0  
 Last Principal: 10/1/2053      Admin. Fee Payment Date: N/A  
 Fiscal Year End: 09/30      Required Coverage: 1.0

FISCAL YEAR	PROJECTED NET SYSTEM REVENUES	CURRENT DEBT SERVICE	\$14,175,000 ISSUE				\$90,090,000 ISSUE				TOTAL DEBT SERVICE	ACTUAL COVERAGE
			PRINCIPAL PAYMENT	INTEREST RATE	INTEREST PAYMENT	TOTAL PAYMENT	PRINCIPAL PAYMENT	INTEREST RATE	INTEREST PAYMENT	TOTAL PAYMENT		
2025	\$8,007,000	-	\$0	-	-	-	\$0	-	-	-	-	0.00
2026	\$8,007,000	-	\$490,000	-	-	\$490,000	\$3,105,000	-	-	\$3,105,000	\$3,595,000	2.23
2027	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2028	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2029	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2030	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2031	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2032	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2033	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2034	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2035	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2036	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2037	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2038	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2039	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2040	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2041	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2042	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2043	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2044	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2045	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2046	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2047	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2048	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2049	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2050	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2051	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2052	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2053	8,007,000	-	490,000	-	-	490,000	3,105,000	-	-	3,105,000	3,595,000	2.23
2054	8,007,000	-	455,000	-	-	455,000	3,150,000	-	-	3,150,000	3,605,000	2.22
		\$ -	\$14,175,000		\$ -	\$14,175,000	\$90,090,000		\$ -	\$90,090,000	\$104,265,000	

\$14,175,000 ISSUANCE	
AVERAGE (MATURITY) LIFE	14.94 YEARS
NET INTEREST RATE	0.000%
COST SAVINGS	\$9,086,036
AVERAGE ANNUAL REQUIREMENT	\$488,793

\$90,090,000 ISSUANCE	
AVERAGE (MATURITY) LIFE	14.98 YEARS
NET INTEREST RATE	0.000%
COST SAVINGS	\$57,943,361
AVERAGE ANNUAL REQUIREMENT	\$3,106,552

TOTAL AVERAGE ANNUAL REQUIREMENTS
\$3,475,500

Disclaimer: This is a working document and is provided as a courtesy. All information contained herein, including the proposed interest rate, is subject to change upon further review of the TWDB in accordance with 31 Texas Administrative Code Chapters 363, 371, 375, or 384, as applicable. The TWDB does not function as a financial advisor to anyone in connection with this financing. The information contained in this document is used by TWDB staff to analyze the application for financing is illustrative only and does not constitute any guaranty of future rates. The TWDB makes no claim regarding the applicability of the information at closing, at which time actual rates will be set.

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD  
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF  
\$16,675,712 TO THE CITY OF DALLAS  
FROM THE FLOOD INFRASTRUCTURE FUND  
THROUGH THE PROPOSED PURCHASE OF  
\$14,175,000 CITY OF DALLAS DRAINAGE UTILITY SYSTEM REVENUE BONDS  
PROPOSED SERIES 2024A  
AND  
THE EXECUTION OF A GRANT AGREEMENT IN THE AMOUNT OF \$2,500,712

(24 - )

Recitals:

The Dallas Water Utilities (the Utility), on behalf of the City of Dallas (City), located in the Counties of Dallas, Denton, Collin, Kaufman, and Rockwall, Texas, has filed an application for financial assistance from the Flood Infrastructure Fund (FIF) in accordance with Texas Water Code Chapter 15, Subchapter I, to provide matching funds to enable the City to participate in a federal program for a flood project, identified as Project No. 40209.

The Utility seeks financial assistance from the Texas Water Development Board (TWDB) in the amount of \$16,675,712 through the TWDB's proposed purchase of \$14,175,000 City of Dallas Drainage Utility System Revenue Bonds, Proposed Series 2024A (together with all authorizing documents (Obligations)) and \$2,500,712 through execution of a Grant Agreement, all as is more specifically set forth in the application and in recommendations of the Executive Administrator's staff.

The City has offered a pledge of first lien of net stormwater drainage utility system revenue as sufficient security for the repayment of the Obligations.

The City has received a federal award contingent on availability of matching funds.

As used in this resolution, "Executive Administrator" means the person acting in that capacity on a permanent, interim or temporary basis.

Findings:

1. The application and financial assistance requested meet the requirements of Texas Water Code, Chapter 15, Subchapter I; 31 TAC Chapter 363, Subchapters A and D; and the State Fiscal Year 2020 Flood Intended Use Plan (FIUP).
2. The City has demonstrated a sufficient level of cooperation among eligible political subdivisions and has included all of the eligible political subdivisions



substantially affected by the flood project in accordance with Texas Water Code § 15.536(2).

3. The City has submitted a written memorandum of understanding relating to the management of the project watershed executed by all governing bodies of eligible political subdivisions located in the project watershed.
4. In its opinion the taxes or revenues pledged by the City will be sufficient to meet all Obligations assumed by the City in accordance with Texas Water Code § 15.536(3).
5. The City is eligible to receive grant funding in accordance with Texas Water Code § 15.534 and the FIUP.
6. The City has demonstrated that the benefit-cost ratio of the Project meets the requirements of the FIUP.
7. The request for financial assistance does not include redundant funding for activities already performed and/or funded through another source, in accordance with the FIUP.
8. The City has demonstrated that the application meets the requirements of the FIUP related to the National Flood Insurance Program in the area to be served by the Project.
9. The Project was developed using the best and most recent available data, in accordance with the FIUP.
10. The City has documented that it has planned for operations and maintenance costs associated with the Project, in accordance with the FIUP.
11. The City has considered possible floodwater capture techniques that could be associated with the Project for water supply purposes, in accordance with the FIUP.

NOW THEREFORE, based on these findings, the TWDB resolves as follows:

A commitment is made by the TWDB to the Utility for financial assistance in the amount of \$16,675,712 from the Flood Infrastructure Fund, to be evidenced by the TWDB's proposed purchase of \$14,175,000 City of Dallas Drainage Utility System Revenue Bonds, Proposed Series 2024A and execution of a Grant Agreement in the amount of \$2,500,712. This commitment will expire on October 31, 2024; however, the Executive Administrator may, at his discretion, grant up to one extension for a maximum of three months.

Such commitment is conditioned as follows:

Standard Conditions:

1. This commitment is contingent on availability of TWDB funds on hand.
2. This commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that the City has complied with all of the requirements of the laws under which said Obligations were issued, that said Obligations were issued in conformity with the Constitution and laws of the State of Texas, and that said Obligations are valid and binding obligations of the City.
3. This commitment is contingent upon the City's continued compliance with all applicable laws, rules, policies, and guidance (as these may be amended from time to time to adapt to a change in law, in circumstances, or any other legal requirement), including but not limited to 31 TAC Chapter 363.
4. The City shall use a paying agent/registrar in accordance with 31 TAC § 363.42(c)(2).

The Following Conditions Must Be Included in the Obligations:

5. The Obligations must provide that the City will comply with all applicable TWDB laws and rules related to the use of the financial assistance.
6. The Obligations must provide that the City will not begin construction for a portion of the Project until the environmental finding has been issued for that portion of the Project.
7. The Obligations must contain a provision requiring the City to maintain insurance coverage sufficient to protect the TWDB's interest in the project.
8. The Obligations must include a provision wherein the City, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the City's Obligations or obligated persons, will, at a minimum, regardless of the amount of the Obligations, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of

such rule, such continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the City's Obligations, if the TWDB sells or otherwise transfers such Obligations, and the beneficial owners of the TWDB's bonds if the City is an obligated person with respect to such bonds under SEC Rule 15c2-12.

9. The Obligations must contain a provision requiring the City to levy a tax and/or maintain and collect sufficient rates and charges to produce revenues in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Obligations.
10. The Obligations must include a provision requiring a final accounting to be made of the total sources and authorized use of Project funds within 60 days of the completion of the Project.
11. The Obligations must include a provision requiring the City to deposit any bond proceeds from the Obligations that are determined to be surplus proceeds remaining after completion of the Project and completion of a final accounting, including any interest earned on the bond proceeds, into the Interest and Sinking Fund.
12. The Grant Agreement and Obligations must include a provision stating that the City shall either return or deposit into the Interest and Sinking Fund any grant funds that are determined to be surplus funds remaining after completion of the Project and completion of a final accounting, including any interest earned on the grant funds.
13. The Obligations must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect.
14. Financial assistance proceeds are public funds and, as such, the Obligations must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256 and the Public Funds Collateral Act, Government Code, Chapter 2257.
15. Financial assistance proceeds shall not be used by the City when sampling, testing, removing or disposing of contaminated soils and/or media at the Project site. The Obligations shall include an environmental indemnification provision wherein the City agrees to indemnify, hold harmless and protect the TWDB from any and all claims, causes of action or damages to the person or property of third

parties arising from the sampling, analysis, transport, storage, treatment, recycling, and disposition of any contaminated sewage sludge, contaminated sediments, and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials, and employees as a result of activities relating to the Project to the extent permitted by law.

16. The Obligations must contain a provision stating that the City shall abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter G.
17. The Obligations must provide that the City will not cause or permit the Obligations to be treated as “federally guaranteed” obligations within the meaning of § 149(b) of the Code.
18. The Obligations must contain a covenant that the City will refrain from using the proceeds of the Obligations to pay debt service on another issue of obligations of the borrower in contravention of section 149(d) of the Code (related to “advance refundings”).
19. The Obligations must contain a provision requiring the City to submit quarterly status reports on the progress of the project that details information requested by the Executive Administrator. The Executive Administrator may withhold authorization to release funds from escrow or adjust the amount of funds to be released from escrow based on the receipt of the quarterly status reports and the projected quarterly needs for the project.

Pledge Conditions for the Loan:

20. The Obligations must require the accumulation of a reserve fund of no less than average annual debt service requirements, to be accumulated in equal monthly installments over the initial sixty (60) months following the issuance of the Obligations.
21. If the City has existing revenue obligations with the same pledge of security as the proposed Obligations that will remain outstanding after the term of any financial assistance made by the TWDB pursuant to this commitment, the Obligations must contain a provision providing that the lien or liens securing the Obligations issued to the TWDB shall be at least on a parity with lien or liens securing such outstanding obligations.
22. The Obligations must contain a provision providing that additional revenue obligations may only be incurred if net system revenues are at least 1.25 times the average annual debt service requirements after giving effect to the additional

obligations when net revenues are determined from the last completed fiscal year or a 12 consecutive calendar month period ending not more than ninety (90) days preceding the adoption of the additional obligations as certified by the Chief Financial Officer of the City. An authorized representative of the City must provide the calculations, identifying reasonable assumptions, in a manner and format that is acceptable to the Executive Administrator.

Conditions to Close or for Release of Funds:

23. Before closing, the City shall submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements.
24. Before release of funds for the relevant services, and if required under the TWDB's financial assistance program and if not previously provided with the application, the City shall submit executed contracts for engineering and, if applicable, financial advisor and bond counsel, for the Project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed, reflected in the contract, and acceptable to the Executive Administrator.
25. Before closing, when any portion of financial assistance is to be held in escrow or in trust, the City shall execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB.
26. Before closing, the City's bond counsel must prepare a written, unqualified approving opinion acceptable to the executive administrator. Bond counsel may rely on covenants and representations of the City when rendering this opinion.
27. Before release of funds for construction, the City must provide the TWDB with evidence that the necessary acquisitions of land, leases, easements, and rights-of-way have been completed, or that the City has the legal authority necessary to complete the acquisitions.

PROVIDED, however, the commitment is subject to the following special condition:

Special Condition:

28. Before closing, the City shall execute a Grant Agreement in a form and substance acceptable to the Executive Administrator.  
APPROVED and ordered of record this, the 11th day of April, 2024.

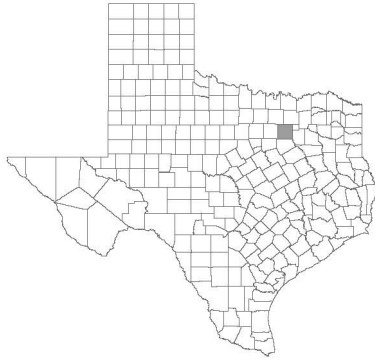
TEXAS WATER DEVELOPMENT BOARD

\_\_\_\_\_  
Brooke T. Paup, Chairwoman

DATE SIGNED: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Bryan McMath, Interim Executive Administrator



# City of Dallas Dallas County

