



**Meeting Date:** April 30, 2026      **Agenda Type:** Action Items

**From:** Jessica Coleman      **Reviewed by:** John Warren  
Financial Planning and      Director of Financial Planning  
Analysis Manager      and Analysis

**Submitted by:** Jessica Williams      **Approved by:** Ryan Kelso  
Chief Financial Officer      Chief Executive Officer

**RECOMMENDED ACTION:** Discuss and Consider Adoption of Resolution #2026-212 Relating to the Principal Forgiveness Agreement with the Texas Water Development Board in the Amount of \$510,000 and Resolving Other Matters Incident and Related Thereto

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## **BACKGROUND**

In May of 2023, NBU submitted a Project Information Form (“PIF”) to the Texas Water Development Board (“TWDB”) Drinking Water State Revolving Fund (“DWSRF”) for the Lead Service Line Replacement (LSLR) program.

Under the DWSRF, the TWDB provides low-cost financial assistance for planning, acquisition, design, and construction of water infrastructure. The Infrastructure Investment and Jobs Act (“IIJA”) appropriated funds through the DWSRF for LSLR projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. The TWDB LSLR program funding includes a 51% forgivable loan and a 49% low-interest loan.

In January 2025, the NBU Board approved a resolution authorizing the submittal of an application requesting financial assistance under the TWDB’s Drinking Water State Revolving Fund (DWSRF) Program for the Lead Service Line Replacement (LSLR) program.

In December 2025, NBU received a DWSRF loan commitment from the TWDB for \$24.3 Million. The commitment includes an issuance for Inventory that has an expiration date of August 31, 2026, for \$1M, whereby \$510,000 is a principal forgiveness loan and \$490,000 is a zero-interest loan. The second commitment includes an issuance for \$23.3 Million that has an expiration date of August 31, 2027, whereby \$11.4 Million is forgivable and \$11.9 Million is a low interest loan. At this time, NBU staff is seeking approval for the principal forgiveness portion in the amount of \$510,000. The second approval will be brought to the NBU Board prior to the expiration date of August 31, 2027.

NBU staff recommend that the Board approve Resolution #2026-212 authorizing the principal forgiveness agreement with the TWDB in the Amount of \$510,000. The proposed timeline includes City Council authorization in May 2026 and the closing in June 2026.

### **FINANCIAL IMPACT**

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This principal forgiveness amount of \$510,000 has no financial impact on NBU.

### **LINK TO STRATEGIC PLAN**

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### **Financial Excellence**

### **EXHIBITS**

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1. Resolution #2026-212