

RESOLUTION NO. 2020-224R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING THE ALLIANCE REGIONAL WATER AUTHORITY (ARWA) ISSUING CONTRACT REVENUE BONDS FOR THE CITY OF SAN MARCOS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$43,955,000.00 INCLUDING APPROVAL OF THE BOND RESOLUTION AND OTHER RELATED MATTERS IN ACCORDANCE WITH THE REGIONAL WATER SUPPLY CONTRACT; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY NECESSARY DOCUMENTS RELATED TO THE BOND ISSUANCE; AND DECLARING AN EFFECTIVE DATE.

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|---|----------|
| CITY OF SAN MARCOS | § |
| COUNTIES OF HAYS, CALDWELL AND GUADALUPE | § |
| STATE OF TEXAS | § |

WHEREAS, the City of San Marcos, Texas (the "City") is a sponsor of the Alliance Regional Water Authority (the "Authority"); and

WHEREAS, the City has approved and executed the Regional Water Supply Contract dated and effective January 15, 2008 for the financing, construction and operation of the Authority Regional Water Supply Project as amended by the First Amendment to the Contract (collectively, the "Contract"); and

WHEREAS, any capitalized terms not otherwise defined herein shall have the meaning given in the Contract; and

WHEREAS, the City has previously requested the Authority issue a separate series of contract revenue bonds for the City in an amount not to exceed \$43,955,000 entitled "Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project – City of San Marcos, Texas), Series 2020C" (the "Bonds") to finance the City's contribution to the design, construction and equipment of the Phase 1B Improvements of the Authority Water Supply Project pursuant to the Contract which Bonds are payable from the Bond Payments to be made to the Authority under and pursuant to the Contract; and

WHEREAS, pursuant to Section 3.1(c) of the Contract, prior to adoption of a bond resolution for the City by the Authority's Board of Directors, a substantially final copy of the Bond Resolution for the City and the sale and offering documents, if any, shall be presented to the City for review and approval; and

WHEREAS, a substantially final copy of the Authority's Bond Resolution, both as defined in the Contract, authorizing the Bonds for the City's share of the Phase 1B Improvements of the Authority Water Supply Project has been presented to the City for review and approval; and

WHEREAS, the Bonds are being sold to the Texas Water Development Board and there are no sale and offering documents, as defined in the Contract, to be presented to the City for review and approval; however, a private placement memorandum has been submitted to the City for review and approval; and

WHEREAS, it is hereby further officially found and determined that public notice of the time, place, and purpose of this meeting was given, all as required by Texas Government Code, Chapter 551.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. RECITALS. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. Capitalized terms used herein shall have the meaning assigned in the preamble hereof or the Contract, unless otherwise defined.

SECTION 2. BOND RESOLUTION. The City Council hereby approves the Authority issuing contract revenue bonds for the City in the aggregate principal amount of \$43,955,000 including approval of the Bonds Resolution and other related matters in accordance with the Contract. The Bond Resolution in substantially the form attached hereto as Exhibit "A" is hereby approved with such changes as approved by the City's Authorized Representative.

SECTION 3. CERTIFICATES. The City's Authorized Representative is hereby authorized to sign the Approval Certificate attached hereto as Exhibit "B" reflecting the final interest rates and terms of the Bonds. The Mayor, City Clerk, City Manager and Assistant City Manager are each authorized to sign all certificates and are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Resolution and the issuance of the Bonds as requested by the City.

SECTION 4. ANNUAL AUDIT. Within 180 days after the City's fiscal year end, the City shall provide the Authority a copy of its annual audit.

SECTION 5. IMMEDIATE EFFECT. This Resolution shall take effect immediately from and after its adoption in accordance with the law.

PASSED AND APPROVED this October 20, 2020.

Mayor
City of San Marcos, Texas

ATTEST:

City Clerk

EXHIBIT "A"

BOND RESOLUTION

[See Separate Tab]

EXHIBIT "B"

APPROVAL CERTIFICATE

The undersigned Authorized Representative of the City of San Marcos, Texas pursuant to the resolution (the "Resolution") authorizing the issuance of obligations designated as "Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project – City of San Marcos, Texas), Series 2020C" (the "Bonds") hereby approves the following terms of the Bonds:

- (i) the total principal amount of the Bonds of \$43,955,000;
- (ii) the purchase price for the Bonds is \$43,955,000 (representing the original principal amount of the Bonds);
- (iii) the interest rates and maturity schedule for the Bonds are as set forth below:

| <u>YEAR OF</u> <u>STATED</u> <u>MATURITY</u> <u>(August 15)</u> | <u>PRINCIPAL</u> <u>AMOUNTS(\$)</u> | <u>INTEREST</u> <u>RATES(%)</u> | <u>YEAR OF</u> <u>STATED</u> <u>MATURITY</u> <u>(August 15)</u> | <u>PRINCIPAL</u> <u>AMOUNTS(\$)</u> | <u>INTEREST</u> <u>RATES(%)</u> |
|--|--|------------------------------------|--|--|------------------------------------|
| 2022 | \$ 2,190,000 | 0.120% | 2032 | \$ 2,285,000 | 1.080% |
| 2023 | 2,190,000 | 0.140 | 2033 | 2,310,000 | 1.230 |
| 2024 | 2,195,000 | 0.190 | 2034 | 2,340,000 | 1.290 |
| 2025 | 2,200,000 | 0.230 | 2035 | 2,375,000 | 1.360 |
| 2026 | 2,210,000 | 0.330 | 2036 | 2,410,000 | 1.410 |
| 2027 | 2,215,000 | 0.440 | 2037 | 2,450,000 | 1.450 |
| 2028 | 2,225,000 | 0.520 | 2038 | 2,490,000 | 1.490 |
| 2029 | 2,235,000 | 0.620 | 2039 | 2,535,000 | 1.520 |
| 2030 | 2,250,000 | 0.690 | 2040 | 2,585,000 | 1.550 |
| 2031 | 2,265,000 | 0.910 | | | |

- (iv) the Bonds are subject to redemption as set forth below:

The Bonds stated to mature on and after August 15, 2031 may be redeemed prior to their Stated Maturities, at the option of the Authority, in inverse order of maturity on February 15, 2031, or on any date thereafter, in whole or in part in an Authorized Denomination (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par, together with accrued interest to the date of redemption, and upon thirty (30) days prior written notice being given by United States mail, first-class postage prepaid, to Holders of the Bonds to be redeemed, and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond is subject to redemption prior to Stated Maturity and in an Authorized Denomination thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Bond to the Paying Agent/Registrar at its corporate trust office, a new Bond or

Bonds of like Stated Maturity and interest rate in any authorized denominations provided in the Resolution for the then unredeemed balance of the principal sum hereof.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Bond is called for redemption, in whole or in part, the Authority or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Bond within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part; and

(v) the Bonds have been approved for issuance by the Texas Water Development Board and will be approved by the Texas Attorney General.

EXECUTED AND DELIVERED THIS 20th day of October, 2020.

CITY OF SAN MARCOS, TEXAS

Title: _____