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RESOLUTION NO.

WHEREAS, the City of Austin, Texas (the “City”) has outstanding the following obligations:

City of Austin, Texas Water and Wastewater System Revenue Refunding Bonds, Series 2011 (the “Series 2011 Bonds”);

City of Austin, Texas Water and Wastewater System Revenue Refunding Bonds, Series 2012 (the “Series 2012 Bonds”);

City of Austin, Texas Water and Wastewater System Revenue Refunding Bonds, Series 2013A (the “Series 2013A Bonds”);

City of Austin, Texas Water and Wastewater System Revenue Refunding Bonds, Series 2014 (the “Series 2014 Bonds”);

City of Austin, Texas Water and Wastewater System Revenue Refunding Bonds, Series 2015A (the “Series 2015A Bonds”);

City of Austin, Texas Water and Wastewater System Revenue Refunding Bonds, Series 2017 (the “Series 2017 Bonds”);

City of Austin, Texas Water and Wastewater System Revenue Refunding Bonds, Series 2020C (the “Series 2020C Bonds”); and

WHEREAS, the Series 2011 Bonds maturing on November 15 in each of the years 2022 through 2026, inclusive, in an aggregate maturity amount not to exceed \$17,310,000, the Series 2012 Bonds maturing on May 15, 2022 and on November 15 in each of the years 2022 through 2027, inclusive, in an aggregate maturity amount not to exceed \$89,955,000, the Series 2013A Bonds maturing on November 15 in each of the years 2022 through 2027, inclusive, in an aggregate maturity amount not to exceed \$85,875,000, the Series 2014 Bonds maturing on November 15, 2022 and on May 15 and November 15 in each of the years 2023 through 2027, inclusive, in an aggregate maturity amount not to exceed \$53,445,000, the Series 2015A Bonds maturing on May 15 and November 15 in each of the years 2022 through 2027, inclusive, in an aggregate maturity amount not to exceed \$110,700,000, the Series 2017 Bonds maturing on November 15 in each of the years 2022 through 2024, inclusive, in an aggregate maturity amount not to exceed \$39,510,000, and the Series 2020C Bonds maturing on November 15 in each of the years 2022 through 2026, inclusive, in an aggregate maturity amount not to exceed \$11,995,000, are eligible to be defeased, and all or any portion of the aforementioned bonds described in this paragraph that are selected to be defeased by the City Manager are called the “Defeased Obligations”; and

37 **WHEREAS**, the proceedings adopted by the council authorizing the
38 issuance of the Bonds provide that the City may defease of the Defeased
39 Obligations prior to their scheduled maturities; and

40 **WHEREAS**, the Series 2011 Bonds may be redeemed prior to their
41 scheduled maturities on any date on and after November 15, 2021; the Series 2012
42 Bonds may be redeemed prior to their scheduled maturities on any date on and
43 after November 15, 2022; the Series 2013A Bonds may be redeemed prior to their
44 scheduled maturities on any date on and after May 15, 2023; the Series 2014
45 Bonds may be redeemed prior to their scheduled maturities on any date on and
46 after May 15, 2023; and the Series 2015A Bonds may be redeemed prior to their
47 scheduled maturities on any date on and after November 15, 2025; and

48 **WHEREAS**, City staff recommends to council that the defeasance of the
49 Defeased Obligations in the manner described below will be the most beneficial
50 use of available water and wastewater system revenues, resulting in the reduction
51 of the outstanding indebtedness secured by the revenues; and

52 **WHEREAS**, the meeting at which this Resolution is adopted was open to
53 the public, and that public notice of the time, place, and purpose of such meeting
54 was given, all as required by Chapter 551, Texas Government Code; **NOW,**
55 **THEREFORE,**

56 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

57 Section 1. Council hereby authorizes (a) the use of surplus water and
58 wastewater system revenues in an amount not to exceed \$65,000,000 and (b) the
59 use of surplus debt service reserve funds in excess of the "Reserve Fund
60 Requirement" defined in the proceedings authorizing the issuance of Defeased
61 Obligations in an amount not to exceed \$ 12,285,138.00, for the purpose of
62 defeasing the Defeased Obligations. No bonds shall be issued, the proceeds of
63 which are used for the specific purpose of defeasing the Defeased Obligations.

64 Section 2. The City Manager shall select the Defeased Obligations to be
65 defeased to their respective maturities or dates fixed for redemption prior to their
66 respective maturities solely from available water and wastewater system revenues
67 in an amount, together with investment earnings on those revenues, equal to the
68 maturity amount of the Defeased Obligations, plus accrued interest on the
69 Defeased Obligations to their respective maturity dates or dates fixed for
70 redemption. The foregoing notwithstanding, any Series 2017 Bonds and any
71 Series 2020C Bonds selected to be defeased shall not be called for redemption
72 prior to their scheduled maturity dates.

73 Section 3. The City Manager shall execute and deliver any documents
74 necessary to effect the defeasance of the Defeased Obligations, specifically, any
75 agreement with any paying agent for the Defeased Obligations to hold the amounts
76 deposited and invested to pay the Defeased Obligations at their respective maturity
77 dates or dates fixed for redemption.

78 Section 4. This Resolution shall become effective immediately upon its
79 passage, in accordance with Section 1201.028, Texas Government Code.

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83 **ADOPTED:** _____, 2021 **ATTEST:** _____
84 Myrna Rios
85 Interim City Clerk