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RESOLUTION NO.

**RESOLUTION AUTHORIZING DEFEASANCE OF
WATER AND WASTEWATER REVENUE BONDS**

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 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 2016 (the “Series 2016 Bonds”); and

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

WHEREAS, the Series 2012 Bonds maturing on November 15 in each of the years 2024 through 2027, inclusive, in an aggregate maturity amount not to exceed \$5,595,000, the Series 2013A Bonds maturing on November 15 in each of the years 2024 through 2027, inclusive, in an aggregate maturity amount not to exceed \$42,515,000, the Series 2014 Bonds maturing on May 15 in each of the years 2024 through 2027, inclusive, and on November 15 in each of the years 2024 through 2033, inclusive, in an aggregate maturity amount not to exceed \$121,550,000, the Series 2015A Bonds maturing on May 15 in each of the years 2024 through 2030, inclusive, and on November 15 in each of the years 2024 through 2033, inclusive, in an aggregate maturity amount not to exceed \$115,130,000, the Series 2016 Bonds maturing on November 15 in each of the years 2025 through 2033, inclusive, in an aggregate maturity amount not to exceed \$111,075,000, and the Series 2017 Bonds maturing on November 15 in each of the years 2028 through 2037, inclusive, and on November 15 in each of the years 2042 and 2046, in an aggregate maturity amount not to exceed \$184,670,000, 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

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

38 **WHEREAS**, the Series 2012 Bonds may be redeemed prior to their scheduled maturities
39 on any date on or after November 15, 2022; the Series 2013A Bonds may be redeemed prior to
40 their scheduled maturities on any date on or after May 15, 2023; the Series 2014 Bonds may be
41 redeemed prior to their scheduled maturities on any date on or after May 15, 2024; the Series
42 2015A Bonds may be redeemed prior to their scheduled maturities on any date on or after
43 November 15, 2025; the Series 2016 Bonds may be redeemed prior to their scheduled maturities
44 on any date on or after November 15, 2026; and the Series 2017 Bonds may be redeemed prior to
45 their scheduled maturities on any date on or after November 15, 2027; and

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

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

53 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN, TEXAS:**

54 Section 1. Council hereby authorizes (a) the use of surplus water and wastewater system
55 revenues in an amount not to exceed \$60,000,000 and (b) the use of surplus debt service reserve
56 funds in excess of the "Reserve Fund Requirement" defined in the proceedings authorizing the
57 issuance of Defeased Obligations in an amount not to exceed \$750,000, for the purpose of
58 defeasing the Defeased Obligations. No bonds shall be issued, the proceeds of which are used for
59 the specific purpose of defeasing the Defeased Obligations.

60 Section 2. The City Manager shall select the Defeased Obligations to be defeased to their
61 respective maturities or dates fixed for redemption prior to their respective maturities solely from
62 available water and wastewater system revenues in an amount, together with investment earnings
63 on those revenues, equal to the maturity amount of the Defeased Obligations, plus accrued interest
64 on the Defeased Obligations to their respective maturity dates or dates fixed for redemption.

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

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

71
72 **ADOPTED:** _____

73 **ATTEST:** _____
Myrna Rios, City Clerk