RESOLUTION NO. _____

A RESOLUTION CALLING FOR REDEMPTION PRIOR TO STATED MATURITY CERTAIN CURRENTLY OUTSTANDING CITY OF SAN ANTONIO, TEXAS WATER SYSTEM REVENUE OBLIGATIONS USING LAWFULLY AVAILABLE SYSTEM FUNDS AND PROVIDING AN EFFECTIVE DATE

*   *   *   *

WHEREAS, the City Council (the *City Council*) of the City of San Antonio, Texas (the *City*) has heretofore issued, and there are currently outstanding, revenue bonds (the *Senior Lien Obligations*) secured by a first and prior lien on and pledge of the pledged revenues (the *Pledged Revenues*) of the City's combined utility systems (the *System*); and

WHEREAS, the City Council of the City has heretofore issued, and there are currently outstanding, revenue bonds (the *Junior Lien Obligations,* and together with the Senior Lien Obligations, the *Bonds*) supported by a junior lien on and pledge of the net revenues (the *Net Revenues*) of the System; and

WHEREAS, the City Council of the City has heretofore issued, and there are currently outstanding, revenue obligations (the *Subordinate Lien Obligations*) supported by a subordinate lien on and pledge of the Net Revenues of the System; and

WHEREAS, the City has heretofore issued, and there are currently outstanding, multiple series of commercial paper notes (the *Commercial Paper*) that are equally and ratably secured by a lien on and pledge of the Net Revenues of the System subordinate to the lien securing the payment of the Senior Lien Obligations and Junior Lien Obligations but on parity with the lien thereon and pledge thereof securing the Subordinate Lien Obligations; and

WHEREAS, the Board of Trustees of the San Antonio Water System (the *Board*) has, pursuant to a resolution adopted on October 6, 2020, (a copy of which is attached hereto as Exhibit A, the *Board Resolution*), provided that certain maturities of the outstanding Bonds, as selected by an authorized Board representative pursuant to the terms of such Board Resolution (such Bonds, the *Defeased Obligations*), be defeased to their respective dates of stated maturity or prior redemption; and

WHEREAS, pursuant to the terms of the City ordinances authorizing each series of Bonds from which the Defeased Obligations are selected (collectively, the *Defeased Obligations Ordinances*), the decision of the City to exercise the right to optionally redeem any Defeased Obligations prior to their respective dates of stated maturity shall be entered in the minutes of the City Council; and

WHEREAS, the System's realization of maximum financial benefit from the defeasance of the Defeased Obligations is dependent upon the redemption of such Defeased Obligations prior to their dates of stated maturity; and

WHEREAS, in response to the request of the City Council made in the Board resolution, the City hereby finds and determines that it is in its best interests, and in the best interests of the ratepayers of the System, to call for redemption prior to their dates of stated maturity the Defeased Obligations as part and in furtherance of the System's finance plan described in the Board Resolution; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO THAT:

1.   The Defeased Obligations will mature or will be redeemed prior to maturity at the price of par, premium, if any, and accrued interest to the redemption date. An "Authorized Official" under the Board Resolution shall give written notice to the Escrow Agent (defined in the Board Resolution) that the Defeased Obligations shall be paid on their identified dates of redemption prior to Stated Maturity. The City Council hereby calls for redemption prior to stated maturity the Defeased Obligations and hereby resolves that such obligations are to be defeased and, as applicable, redeemed as specified in the Board Resolution (and any "Approval Certificate" executed pursuant to the terms thereof), and such order to redeem the Defeased Obligations on the dates identified by an Authorized Official shall be irrevocable upon his or her delivery of notice thereof (which notice shall be in the form specified in and delivered pursuant to the provisions of the applicable Defeased Obligations Ordinance).

2.   All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

3.   The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

4.   This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

5.   If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

6.   It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

7.   The effective date of this Resolution shall be governed by the provisions of Section 1-15 of the City Code of San Antonio, Texas. This Resolution shall take effect immediately if passed by the affirmative vote of at least eight members of the City Council, otherwise the same shall take effect on the tenth day after the date of its passage by the City Council.

*   *   *   *

10/29/2020
Item No. ___

PASSED AND APPROVED this the 29th day of October, 2020.

<div align="right">CITY OF SAN ANTONIO, TEXAS</div>

_____
M A Y O R
Ron Nirenberg

ATTEST: **APPROVED AS TO FORM**:

_____   _____
Tina J. Flores, City Clerk   Andrew Segovia, City Attorney

(SEAL)

EXHIBIT A

Board Resolution