

RESOLUTION NO. 2020-10-29-0046R

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.

* * * *

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

CITY OF SAN ANTONIO, TEXAS



M A Y O R

Ron Nirenberg

ATTEST:



Tina J. Flores, City Clerk

APPROVED AS TO FORM:



Andrew Segovia, City Attorney



(SEAL)



EXHIBIT A

Board Resolution

See Tab No. 1

[illegible]

1. On the 29th day of October, 2020, the City Council (the *Council*) of the City of San Antonio, Texas (the *City*) convened in regular session at its regular meeting place in the City Hall of the City (the *Meeting*), the duly constituted members of the Council being as follows:

and all of such persons were present at the Meeting, except the following: , thus constituting a quorum. Among other business considered at the Meeting, the attached Resolution (the *Resolution*) entitled:

was introduced and submitted to the Council for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Councilmember Courage that the Resolution be finally passed and adopted in accordance with the City's Home Rule Charter. The motion was seconded by Councilmember Andrews-Sullivan and carried by the following vote:

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council of the City on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was open to the public and posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

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IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 29th day of October, 2020.

Jana Flores

City Clerk
City of San Antonio, Texas





City of San Antonio

City Council

October 29, 2020

Item: 39A

File Number: 20-6336

Enactment Number:

2020-10-29-0046R

Resolution, for the San Antonio Water System, authorizing the cash redemption/defeasance of certain outstanding debt obligations in an amount not to exceed \$71,045,000 par, to reduce future debt service.

Councilmember John Courage made a motion to approve. Councilmember Jada Andrews-Sullivan seconded the motion. The motion passed by the following vote:

Aye: 11 Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia,
Gonzales, Cabello Havrda, Sandoval, Pelaez, Courage and Perry