

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE  
ADOPTED BY THE CITY COUNCIL.**

**ORDINANCE NO. 2023-10-12-\_\_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS APPROVING THE EXECUTION OF A CREDIT AGREEMENT RELATED TO THE CITY OF SAN ANTONIO, TEXAS WATER SYSTEM COMMERCIAL PAPER NOTES AND OTHER DOCUMENTATION IN CONNECTION THEREWITH; FINDING THE ORDINANCE TO HAVE BEEN CONSIDERED PURSUANT TO THE LAWS GOVERNING OPEN MEETINGS; PROVIDING A SEVERABILITY CLAUSE; ESTABLISHING AN EFFECTIVE DATE; AND ORDAINING OTHER MATTERS IN CONNECTION WITH THE FOREGOING**

\* \* \* \*

**WHEREAS**, pursuant to the authority contained in (i) Chapter 1502, as amended, Texas Government Code, (ii) certain ordinances (the *Senior Lien Bond Ordinances*) previously adopted by the City Council (the *City Council*) of the City of San Antonio, Texas (the *City*) authorizing the issuance of the currently outstanding senior lien revenue bonds (the *Previously Issued Senior Lien Bonds*), (iii) certain ordinances (the *Junior Lien Bond Ordinances*) authorizing the issuance of the currently outstanding junior lien revenue bonds (the *Previously Issued Junior Lien Bonds*), (iv) certain ordinances (the *Subordinate Lien Bond Ordinances*) previously adopted by the City Council authorizing the issuance of the subordinate lien revenue obligations outstanding from time to time (the *Previously Issued Subordinate Lien Obligations* and, collectively with the Previously Issued Senior Lien Bonds and the Previously Issued Junior Lien Bonds, the *Bonds*), and (v) an ordinance, as amended from time to time, adopted by the City Council relating to the implementation of a commercial paper program (the *Commercial Paper Ordinance*) authorizing the issuance of certain currently outstanding obligations on parity with the Previously Issued Subordinate Lien Obligations (the *Commercial Paper Notes*), the complete management and control of the water and wastewater system (the *System*) of the City is vested in a Board of Trustees (the *Board*) known as the San Antonio Water System (*SAWS*), during the period of time any of the Bonds are outstanding and unpaid; and

**WHEREAS**, pursuant to Texas law, the City Council has heretofore issued, and there are currently outstanding Commercial Paper Notes designated as “City of San Antonio, Texas Water System Commercial Paper Notes, Subseries A-1” (the *Subseries A-1 Notes*) and “City of San Antonio, Texas Water System Commercial Paper Notes, Subseries A-2” (the *Subseries A-2 Notes*, and collectively with the Subseries A-1 Notes, the *Series A Notes*), and authorized the following Commercial Paper Notes designated as “City of San Antonio, Texas Water System Commercial Paper Notes, Series B” (the *Series B Notes*) and “City of San Antonio, Texas Water System Commercial Paper Notes, Series C” (the *Series C Notes* and, together with the Series A Notes and the Series B Notes, the *Commercial Paper Notes*); and

**WHEREAS**, the Commercial Paper Ordinance currently authorizes Commercial Paper Notes to be issued in an amount not to exceed \$500,000,000; provided, however, the amount outstanding at any one time cannot exceed the amount of credit and liquidity support provided for the Commercial Paper Notes; and

**WHEREAS**, in order to provide certain credit and liquidity support for the Commercial Paper Notes, the City Council previously entered into a revolving credit agreement and a note purchase agreement (each, a *Credit Agreement*, and together, the *Credit Agreements*) for the Series A Notes; and

**WHEREAS**, pursuant to the terms of each respective Credit Agreement, the liquidity provider for the Series A Notes currently provides support for the Subseries A-1 Notes and the Subseries A-2 Notes in the combined, aggregate amount of \$400,000,000; and

**WHEREAS**, in accordance with the resolution adopted by the Board on March 7, 2023, SAWS conducted a competitive process for a new credit agreement to replace the current credit agreement related to the Series B Notes with a new provider and a new related expiration date (the *New Credit Agreement*); and

**WHEREAS**, the aforementioned competitive process resulted in the selection by SAWS of Truist Bank (*Truist*), as the provider of liquidity support for Commercial Paper Notes in the total amount of \$100,000,000; and

**WHEREAS**, upon the effectiveness of the New Credit Agreement with Truist, SAWS will have liquidity support for the Commercial Paper Notes in an amount equal to the programmatic capacity; and

**WHEREAS**, the City Council hereby finds and determines the adoption of this Ordinance is in the best interests of the ratepayers of the City; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS THAT:**

**SECTION 1:** The City Council hereby approves the selection of Truist as the provider of liquidity support for the Series B Notes, as evidenced by the form New Credit Agreement attached to this Ordinance as Exhibit A and the related Fee Letter set forth in Exhibit B hereto, and any other necessary documentation (collectively, the *Program Documentation*) to effectuate the matters that are the subject of this Ordinance.

**SECTION 2:** The City Council hereby delegates to the President/Chief Executive Officer of the System and the Executive Vice President/Chief Financial Officer of the System (the *CFO*) the authority to take any and all other actions consistent with the provisions of this Ordinance, which includes execution of any Program Documentation and the preparation, finalization, and distribution of an Updated Offering Memorandum relating to the Commercial Paper Notes that are authorized to be publicly marketed and sold.

The use by the Dealers (as defined in the Commercial Paper Ordinance) of the Updated Offering Memorandum, substantially in the form of Exhibit C attached hereto, prepared by the Board, acting on behalf of the City, in connection with the sale of the Commercial Paper Notes, and the distribution of the Updated Offering Memorandum by the Dealers, is hereby approved and authorized. The City Council delegates to the President/Chief Executive Officer and CFO, the authority to execute, on behalf of and as the act and deed of the Board, a certification evidencing (among other matters) that the final Updated Offering Memorandum is complete and accurate and

without material misstatements or omissions, and to take any and all other actions consistent with the provisions remarketing of the Commercial Paper Notes.

**SECTION 3:** The officers and employees of the City and the Board, in consultation with the Board's co-financial advisors (being PFM Financial Advisors, LLC and Estrada Hinojosa & Company, Inc. (the *Co-Financial Advisors*)) and the Board's bond counsel (being McCall, Parkhurst & Horton L.L.P.), are hereby authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City, acting by and through the Board, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance (including delivery of any notice of any matter that is the subject of this Ordinance or the Commercial Paper Ordinance to any interested party, such as the Issuing and Paying Agent under and pursuant to the Issuing and Paying Agency Agreement, as amended, or to any Dealer under an existing Dealer Agreement). In case any officer of the City Council whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

**SECTION 4:** The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the System.

**SECTION 5:** All ordinances, resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

**SECTION 6:** This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**SECTION 7:** If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

**SECTION 8:** It is officially found, determined, and declared that the meeting at which this Ordinance 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 Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

**SECTION 9:** This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**SECTION 10:** The effective date of this Ordinance shall be governed by the provisions of Section 1-15 of the City Code of San Antonio, Texas. This Ordinance shall take effect immediately if passed by eight (8) affirmative votes; otherwise, this Ordinance shall take effect ten (10) days from the date of passage.

PASSED AND ADOPTED by an affirmative vote of \_\_\_\_ members of the City Council of the City of San Antonio, Texas, this the 12th day of October, 2023.

CITY OF SAN ANTONIO, TEXAS

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**M A Y O R**  
Ron Nirenberg

ATTEST:

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City Clerk

(CITY SEAL)

I, the undersigned, City Attorney of the City of San Antonio, Texas, hereby certify that I read, passed upon, and approved as to form the foregoing Ordinance prior to its adoption and passage as aforesaid.

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Andrew Segovia, City Attorney,  
City of San Antonio, Texas

**EXHIBIT A**

Form of New Credit Agreement

See Tab No. \_\_

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**EXHIBIT B**

Form of Fee Letter

See Tab No. \_\_\_\_

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**EXHIBIT C**

Updated Offering Memorandum

See Tab No. \_\_\_\_

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