

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

RESOLUTION NO. _____

**A RESOLUTION CALLING FOR THE DEFEASANCE AND REDEMPTION
OF THE CURRENTLY OUTSTANDING OBLIGATIONS STYLED “CITY
OF SAN ANTONIO, TEXAS WATER SYSTEM VARIABLE RATE JUNIOR
LIEN REVENUE BONDS, SERIES 2019A (NO RESERVE FUND)” USING
LAWFULLY AVAILABLE SYSTEM FUNDS AND COMMERCIAL PAPER
NOTES; APPROVING AN ESCROW AGREEMENT RELATED
THERE TO; 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*) 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 Notes*) 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 March 5, 2024 (the *Board Resolution*), a copy of which is attached hereto as Exhibit A, provided that the City of San Antonio, Texas Variable Rate Junior Lien Revenue Bonds, Series 2019A (No Reserve Fund) (the *Redeemed Bonds*) shall be redeemed and defeased utilizing lawfully available System funds and Commercial Paper Notes; and

WHEREAS, pursuant to the terms of the City ordinance authorizing the Redeemed Bonds (the *Ordinance*), the decision of the City to exercise the right to optionally redeem the Redeemed Obligations prior to stated maturity shall be entered in the minutes of the City Council; and

WHEREAS, the current market conditions dictate, and the System’s realization of maximum financial benefit from the defeasance of the Redeemed Obligations, is dependent upon the redemption of such Redeemed Obligations; 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 the Redeemed 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 Redeemed Obligations will be redeemed at or prior to their Mandatory Tender Date, and an "Authorized Official" under the Board Resolution shall give written notice to the Escrow Agent (defined in the Board Resolution) that the Redeemed Obligations shall be paid at or prior to the Mandatory Tender Date. The City Council hereby calls for redemption prior to stated maturity the Redeemed Obligations and hereby resolves that such obligations are to be defeased and redeemed as specified in the Board Resolution, and such order to redeem the Redeemed Obligations at or prior to the Mandatory Tender Date shall be irrevocable upon its delivery of notice thereof (which notice shall be in the form specified in and delivered pursuant to the provisions of the Ordinance).

2. All ordinances 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.

* * * *

3/21/2024
Item No. ____

PASSED AND APPROVED this the 21st day of March, 2024.

CITY OF SAN ANTONIO, TEXAS

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney

(SEAL)

EXHIBIT A

Board Resolution

See Tab No. 1

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