

ORDINANCE

APPROVING THE AMENDMENT AND EXTENSION OF THE SURETY POLICY TERMS SATISFYING THE DEBT SERVICE RESERVE FUND REQUIREMENTS RELATED TO THE CITY'S ELECTRIC AND GAS SYSTEMS NEW SERIES BONDS; DELEGATING THE AUTHORITY TO CERTAIN STAFF TO APPROVE OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

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WHEREAS, the City Council of the City of San Antonio, Texas (the "City") has heretofore issued, and there are currently outstanding, revenue bonds supported by a first and prior lien on and pledge of the net revenues (the "Senior Lien Bonds") of the City's electric and gas systems, on a parity with certain currently outstanding revenue bonds, revenue refunding bonds, and revenue and refunding bonds; and

WHEREAS, in connection with the issuance of the Senior Lien Bonds, a reserve fund is required, which can be met by supplying a qualified Surety Policy; and

WHEREAS, Senior Lien Bonds typically have a maturity date of thirty (30) years; and

WHEREAS, the City has obtained a qualified Surety Policy that covers up to \$300 million in issued Senior Lien Bonds; and

WHEREAS, the qualified Surety Policy is set to expire December 31, 2049; and

WHEREAS, CPS Energy seeks the ability to issue additional Senior Lien Bonds to meet future obligations, which requires the capacity to raise the current limit of the qualified Surety Policy beyond \$300 million and extend the maturity date of the qualified Surety Policy beyond December 31, 2049; and

WHEREAS, in order to obtain the lowest potential borrowing costs through the issuance of Senior Lien Bonds, CPS Energy and City staff recommend that City Council authorize the Designated Financial Officer to negotiate and enter into with one or more providers for the purpose of an insurance agreement providing one or more Surety Policies to satisfy the Senior Lien Bond's debt service reserve fund requirements; and

WHEREAS, the City Council finds and determines that the recommended action should be approved and that the authorization requested by City staff as set forth above should be granted;
NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. In order to protect and further the City's interests in selling each of the Senior Lien Bonds included in this Ordinance at the price and on the terms and conditions most advantageous and favorable to the City, the Designated Financial Officer is hereby authorized to negotiate and enter into with one or more providers for the purpose of an insurance agreement providing one or more Surety Policies to satisfy the Senior Lien Bond's debt service reserve fund requirements. Specifically, the Designated Financial Officer may seek qualified Surety Policy(s) that allow for (1) issuance of Senior Lien Bonds in excess of \$300 million and/or (2) extension of the maturity date beyond December 31, 2049.

SECTION 2. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED and APPROVED this 18th day of August, 2022.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney