



***Delegating Authority to the
General Manager/CEO to Execute
Statements Expressing Official
Intent to Reimburse Expenditures
from Bond Proceeds***

***Presented by
David Thompson
Chief Financial Officer***



- **Federal tax law requires any issuer of tax-exempt debt, such as the Brazos River Authority, that anticipates the accumulation of project costs prior to the actual issuance of long-term debt to finance the project, to make a declaration of that fact.**
- **By executing the “Statement Expressing Official Intent”, the Brazos River Authority protects its ability to issue long-term debt for accumulated project costs, thereby allowing us to replenish reserves actually used for the project, at a time that the issuance of long-term debt is feasible.**
- **Reimbursement has to occur no later than 3 years from the expenditure date but not later than 18 months after the project/expenditure is placed into service.**



- **Authorizing the GM/CEO to express the official intent to reimburse provides the financing flexibility necessary to pursue our long-term capital projects and to protect our reserves by providing the opportunity to reimburse when appropriate.**
- **Clocks starts once money leaves the BRA's bank account (the "expenditure date")**
- **Statement must be in place at least 60 days after the expenditure date**
- **Board approval would still be required to issue bonds.**



- **In executing the official intent declaration to reimburse has no risk to BRA only the flexibility to be able to reimburse project expenditures executed before the debt issue, therefore replenishing our reserves.**
- **The downside in not doing the official intent declaration to reimburse and would require BRA to issue taxable bonds which carry a higher interest rate, are more costly to issue, harder to sell in the market, and will costs our system rate customers more money.**



5-year CIP Plan (in 000's)

Project Name	5 YR Project Budget	FY 22 Proposed Expenditures	FY 23 Proposed Expenditures	FY 24 Proposed Expenditures	FY 25 Proposed Expenditures	FY 26 Proposed Expenditures
CB-BE-Belhouse Drought Preparedness	52,400	900	1,500	15,500	20,000	14,500
CB-EW-EWCRWS Expansion Phase II	16,623	2,500	1,500	4,575	4,875	3,173
CB-GR-Lake Granger Intake Future Expansion	3,000	-	-	-	3,000	-
CB-OT-Trinity Groundwater	13,892	667	75	3,250	4,900	5,000
CO-ES-Environmental Services Building	11,153	6,326	4,827	-	-	-
CO-TS-Parking Lot Pavement Assessment & Repair	1,500	-	-	-	1,500	-
LB-LL-Hydrostatic Relief System Assessment & Replacement	5,905	755	575	575	2,500	1,500
LB-LL-Low Flow Facility Modifications & Improvements	4,000	-	1,000	1,500	1,500	-
LB-LL-Park 5 Access Pier and Park Upgrades	750	750	-	-	-	-
LB-LL-Road Repairs & Improvements	12,500	-	-	500	6,000	6,000
LB-LL-Tainter Gate Replacement and Improvements	27,458	4,652	10,860	10,860	1,086	-
UB-LG-Inspection Walkway Lighting	1,628	-	-	314	1,314	-
UB-LG-Low Flow Facilities	2,513	1,913	600	-	-	-
UB-LG-Low Flow Facility Access Walkway	1,392	-	-	300	300	792
UB-LG-Reinforced Concrete Components	2,685	560	475	550	550	550
UB-LG-Rip Rap Repair	6,000	-	500	500	2,500	2,500
UB-LG-Road Repair	300	300	-	-	-	-
UB-LG-Tainter Gate Transmission System Modifications	4,000	-	1,000	2,000	1,000	-
UB-LG-Trolley Replacement	1,760	707	850	203	-	-
UB-LG-Two Slip Boathouse Replacement	285	285	-	-	-	-
UB-PK-Bay #9 Weir Box	835	435	400	-	-	-
UB-PK-COC Ring Jet Valve Replacement	1,250	-	-	-	500	750
UB-PK-Flow Control Gate Replacement	1,760	945	700	115	-	-
UB-PK-North Bank Reconstruction	11,750	-	250	500	5,500	5,500
UB-PK-Southside Boathouse	319	300	19	-	-	-
UB-PK-Spillway Pump and Piping	1,340	450	600	290	-	-
Total Spend	\$ 186,998	\$ 22,445	\$ 25,731	\$ 41,532	\$ 57,025	\$ 40,265



“BE IT RESOLVED that the Brazos River Authority (the “Issuer”) expects, from time to time, to pay, or have paid on its behalf, expenditures in connection with the design, planning, acquisition and construction of various projects prior to the issuance of obligations to finance such projects; and the Issuer finds, considers, and declares that the reimbursement for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the Issuer and, as such, chooses to delegate to the General Manager/CEO of the Issuer the authority to declare, from time to time, its intention, on behalf of the Issuer, to reimburse itself for such payments at such time as it issues obligations to finance such projects.



BE IT FURTHER RESOLVED that the General Manager/CEO of the Issuer be and hereby designated the authorized representative of the Brazos River Authority for purposes of executing and delivering, on behalf of the Issuer, statements expressing official intent to reimburse costs relating to the various projects of the Issuer, from time to time, from the proceeds of obligations issued by the Issuer to finance such projects; and that this Resolution shall take effect and be in full force and effect from and after the date of its adoption, and it is so resolved; and all resolutions of the Board of Directors of the Issuer in conflict with or inconsistent with this Resolution are hereby amended or repealed to the extent of such conflict or inconsistency.”



**Brazos
River
Authority**