



***RESOLUTION AUTHORIZING THE
ISSUANCE AND SALE OF BRAZOS RIVER
AUTHORITY WATER SUPPLY SYSTEM
REVENUE BONDS, NEW SERIES 2023B AND
BRAZOS RIVER AUTHORITY WATER
SUPPLY SYSTEM REVENUE BONDS, NEW
SERIES 2023C; AND RESOLVING OTHER
MATTERS RELATED THERETO***

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



TWDB Financing Update:

- **April 6th - received invitation to submit complete application**
- **May 4th - complete SWIFT application submitted to the TWDB**
- **July 25th - TWDB approved BRA financial assistance request**
- **July 31st - BRA resolution for the adoption of Financing Agreement committing BRA to borrow from the TWDB**
- **September 5th – Financing Agreement executed**
- **September 25th - BRA Board resolution authorizing bond issue**
- **October - TWDB bond closing anticipated**
- **November 2nd - BRA closing scheduled**



Estimated TWDB Financing

	July 31st	September 25th
• Refund Short-Term Financing	\$46,000,000	\$46,000,000
• Cost of Issuance	385,000	385,000
• Debt Service Reserve Fund	3,037,215	3,100,515
• Contingency/Rounding	<u>577,785</u>	<u>104,485</u>
• Total Estimated Financing	\$50,000,000	\$49,590,000



PNC Short-Term Financing Update

- **July 31st - Approved \$46M 2023A bond issuance and sale to PNC Bank.**
- **August 15th – Closed on 2023A bonds and sold to PNC Bank.**
- **November 2nd - Expected closing with the TWDB on 2023B and 2023C bonds and redemption of \$46M 2023A bonds held by PNC Bank.**



Estimated PNC Short-Term Financing Cost

	July 31st	September 25th
Estimated interest payments*	\$ 530,000	\$590,000
Estimated interest earnings**	(455,000)	(553,000)
Estimated cost of issuance	<u>280,000</u>	<u>232,000</u>
Net estimated cost ***	\$ 355,000	\$269,000

***July based on fixed rate of 5.92% from August 22nd through October 16th and an estimated variable rate of 5.92% from October 17th through November 2nd - September adjusted for issue date of August 15th.**

****July based on TexPool rate 5.09% - September based on current rate 5.55%**



“WHEREAS, Brazos River Authority (the “Authority”) was duly created and is lawfully operating under Chapter 8502, Texas Special District Local Laws Code, as amended (the “Act”), pursuant to and in furtherance of the purposes of Article XVI, Section 59 of the Constitution of Texas; and

WHEREAS, in order to facilitate the conservation and development of the surface waters of the Brazos River, the Authority has heretofore established the Brazos River Water Supply System (the “System”) comprised of various facilities of the Authority; and



WHEREAS, the Authority heretofore pledged a subordinate lien on the revenues derived from said System to the security and payment of its Water Supply System Revenue Refunding Bonds, New Series 2015 (the “Series 2015 Bonds”) and obligations on a parity therewith; and

WHEREAS, in the Series 2015 Agreement, the Authority reserved the right to amend the Series 2015 Agreement upon the consent and approval by the owners of at least 51% in aggregate principal amount of all the Series 2015 Bonds and Additional Parity Obligations then outstanding; and

WHEREAS, the Board of the Authority has determined it to be in the best interests of the Authority to issue the hereinafter authorized bonds for the purpose of refunding the Brazos River Authority Water Supply System Revenue Bond, Taxable New Series 2023A in order to effect a restructuring the Authority’s debt service, and to amend the Series 2015 Agreement; and

WHEREAS, the bonds hereinafter authorized are to be issued and delivered pursuant to the Act, Chapter 1207 of the Texas Government Code, and other applicable laws, for the purposes herein provided.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BRAZOS RIVER AUTHORITY:

Section 1. RECITALS, COVENANTS AGREEMENT AND AMOUNT AND PURPOSE OF THE BONDS. The Board of the Authority hereby incorporates the recitals set forth in the preamble hereto as if set forth in full at this place and further finds and determines that said recitals are true and correct. Additional terms used in this Resolution are defined as set forth in the New Series 2023B-C Bond Covenants Agreement (the “Agreement”) substantially in the form presented at this meeting, the terms of which Agreement are hereby incorporated herein as if set forth in full at this place. The Bonds of the Authority are hereby authorized to be issued and delivered, in two series, in the aggregate principal amount not



to exceed \$49,590,000, to wit: (1) Series 2023B Bonds in the aggregate principal amount of \$33,225,000 and (2) Series 2023C Bonds in the aggregate principal amount of \$16,365,000, for purposes of refunding the Brazos River Authority Water Supply System Revenue Bond, Taxable New Series 2023A and paying the costs of issuing the Bonds.

Section 2. DESIGNATION AND TERMS OF SALE. (a) Designation. Each Bond issued pursuant to this Resolution shall be designated: “BRAZOS RIVER AUTHORITY WATER SUPPLY SYSTEM REVENUE BOND, NEW SERIES 2023B” or “BRAZOS RIVER AUTHORITY WATER SUPPLY SYSTEM REVENUE BOND, NEW SERIES 2023C”, as applicable.

(b) Sale of Bonds. The Bonds are hereby sold and shall be delivered to or pursuant to the directions of the TWDB at a purchase price equal to 100% of the principal amount thereof. The Bonds have been purchased by the TWDB pursuant to the TWDB Resolution, the provisions of which TWDB Resolution are incorporated herein.

(c) Terms of Sale. Each series of Bonds shall be dated as of August 15, 2023, shall be in the denomination of \$5,000 or any integral multiple thereof (an “Authorized Denomination”), shall be numbered consecutively from R-1 upward (except the Initial Bond of each series shall be numbered T-1), shall be payable to the respective initial registered owners thereof, or to the registered assignee or assignees of the Bonds or any portion or portions thereof (in each case, the “Registered Owner”), and shall mature on February 15 in each of the years, and in the amounts, respectively, as follows:

SERIES 2023B BONDS

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2024	\$630,000	2039	\$1,050,000
2025	685,000	2040	1,085,000
2026	705,000	2041	1,130,000
2027	725,000	2042	1,175,000
2028	745,000	2043	1,220,000
2029	765,000	2044	1,265,000
2030	790,000	2045	1,320,000
2031	810,000	2046	1,370,000
2032	835,000	2047	1,430,000
2033	860,000	2048	1,485,000
2034	885,000	2049	1,550,000
2035	915,000	2050	1,610,000
2036	945,000	2051	1,680,000
2037	975,000	2052	1,750,000
2038	1,010,000	2053	1,825,000



SERIES 2023C BONDS

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2032	\$615,000	2043	\$715,000
2033	475,000	2044	750,000
2034	495,000	2045	785,000
2035	510,000	2046	820,000
2036	530,000	2047	860,000
2037	555,000	2048	900,000
2038	575,000	2049	945,000
2039	600,000	2050	990,000
2040	630,000	2051	1,040,000
2041	655,000	2052	1,090,000
2042	685,000	2053	1,145,000

The Bonds shall bear interest from the respective dates set forth in the FORM OF BOND in Section 2 of the Agreement to their respective dates of maturity or redemption prior to maturity at the rates per annum equal to the lesser of (i) 6.00% per annum or (ii) the rates offered by the TWDB on their date of delivery. The Bonds shall be subject to redemption pursuant to the provisions of the Agreement.



Section 3. AMENDMENT. Upon the issuance and delivery of the Bonds and the redemption of the Series 2023A Bond, the Series 2015 Agreement shall be and is hereby amended by deleting subsection 3(m) in its entirety and by replacing subsection 21(c) in its entirety with the language set forth in subsection 21(c) of the Agreement.

Section 4. IMMEDIATE EFFECT. This Resolution shall be effective immediately from and after its adoption.”



Brazos

RIVER AUTHORITY