



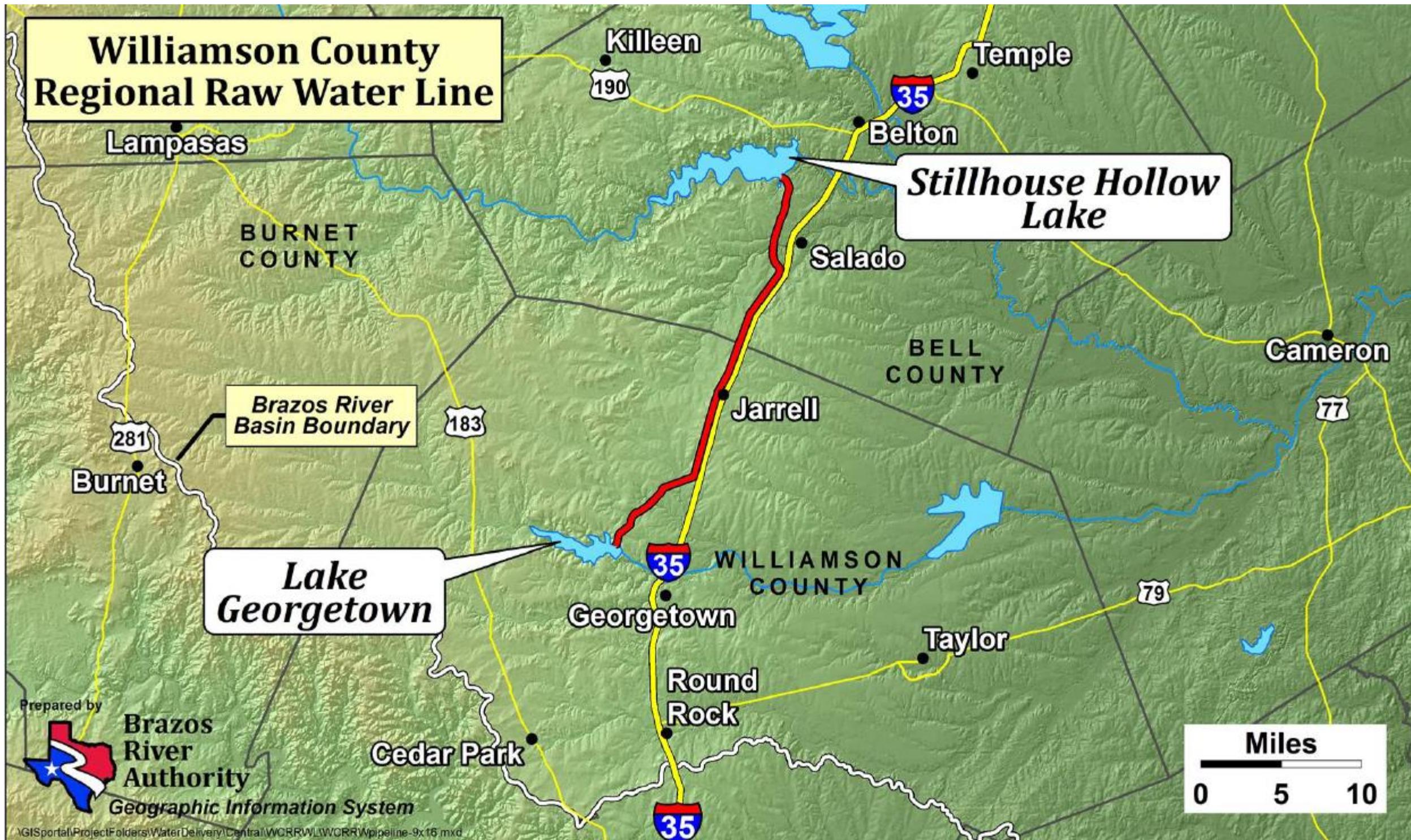
# ***Williamson County Regional Raw Water Line Refunding***

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



# ***Williamson County Regional Raw Water Line***

- **26 mile long, 48-inch diameter pipeline that transfers water from Lake Stillhouse Hollow to Lake Georgetown.**
- **WCRRWL customers responsible for repayment of debt:**
  - **City of Georgetown**
  - **City of Round Rock**
  - **Brushy Creek Municipal Utility District**
- **WCRRWL debt structure \$29M outstanding:**
  - **Texas Water Development Board(TWDB) State Participation loan - \$15M.**
  - **Open Market Revenue Bonds - \$14M.**





## ***Williamson County Regional Raw Water Line***

- **TWDB \$15M loan is eligible for refunding.**
- **Interest rate is 6% with a remaining 13 years on the TWDB \$15M loan.**
- **Current market interest rates are much lower**
- **Estimated savings for our customers is approximately \$260K per year or \$3.5M over remaining term.**
- **Estimated new debt issuance not to exceed \$16.3M**



**The following resolution is presented for consideration to the Board of Directors of the Brazos River Authority for adoption at its July 29, 2019 meeting.**

**WHEREAS, Brazos River Authority (the "BRA" or the "Issuer") 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, pursuant to the Authority Act, and other applicable laws, the BRA and other entities are authorized to enter into contractual agreements regarding the public purposes for which the BRA was created; and**



**WHEREAS, amongst its authorized purposes, the BRA is authorized to store water in and to divert water from Lake Georgetown and Lake Stillhouse Hollow; and**

**WHEREAS, pursuant to separate and individual contracts heretofore executed between the BRA, on one part, and the Participants (as defined in the hereinafter authorized 2019 Bond Covenants Agreement), individually on their part, the BRA has contracted to make available to the Participants water from Lake Stillhouse Hollow; and**

**WHEREAS, the Participants are so located that it became desirable from the standpoint of cost that each should divert the surface water which each needs for municipal supply purposes from Lake Georgetown or points between Lake Stillhouse Hollow and Lake Georgetown, rather than from Lake Stillhouse Hollow; and**



**WHEREAS, the BRA and the Participants subsequently entered into the Project Agreements (as defined in the 2019 Bond Covenants Agreement) for the purpose of providing for the BRA to design, construct and operate facilities for transporting water from Lake Stillhouse Hollow committed to the Participants to Lake Georgetown known as the “Williamson County Regional Raw Water Line Project” (the “Project”), for diversion by them for municipal purposes; and**

**WHEREAS, the BRA heretofore entered into that certain “MASTER AGREEMENT BETWEEN TEXAS WATER DEVELOPMENT BOARD AND BRAZOS RIVER AUTHORITY Williamson County Regional Raw Water Line Project”, effective as of November 3, 1999 (the “Master Agreement”) to fund, in part, the initial construction of the Project; and**



**WHEREAS, pursuant to Section 3.1 of the Master Agreement, the BRA agreed to purchase the Texas Water Development Board's ("TWDB") ownership interest in the Project at the earliest possible date; pursuant to Section 3.4 of the Master Agreement, the BRA further agreed to make payments to the TWDB, in order to purchase the TWDB's interest in the Project; (collectively, the "Refunded Obligations"); and pursuant to Section 3.5 of the Master Agreement, the BRA retained the right to purchase said interest from the TWDB on or after 10 years from the date the TWDB delivered said funds to the BRA; and**

**WHEREAS, the BRA has determined it is beneficial and in the best interests of the Participants to issue the hereinafter authorized bonds (the "Bonds") in order to refund the Refunded Obligations to acquire the TWDB's interest in the Project; and**



**WHEREAS, the Bonds authorized to be issued by this resolution (the “Resolution”) are to be issued and delivered pursuant to the Authority Act, Chapters 1207 and 1371, Texas Government Code, as amended, and other applicable laws; and**

**WHEREAS, the Project Agreements authorize the BRA to issue the Bonds in the manner and amount and with the security, as hereinafter provided.**



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

**Section 1. RECITALS, COVENANTS AGREEMENT AND AMOUNT AND PURPOSE OF THE BONDS.** The Board of BRA 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 2019 Bond Covenants Agreement (the “Agreement”) substantially in the form presented at this meeting, the terms of which are hereby incorporated herein as if set forth in full at this place. The Presiding Officer, the Assistant Presiding Officer, the Secretary and any Assistant Secretary of the Board and the General Manager/CEO are authorized and directed to execute the Agreement. The Bonds of the BRA are hereby authorized to be issued and delivered in the aggregate principal amount of not to exceed \$16,300,000 for the purpose of providing funds to refund the Refunded Obligations.



**Section 2. DESIGNATION, AUTHORIZED OFFICER, DATE, DENOMINATIONS, NUMBERS, MATURITIES, TERMS AND SALE OF BONDS. (a) Designation: Authorized Officer. Each Bond issued pursuant to this Resolution shall be designated: “BRAZOS RIVER AUTHORITY CONTRACT REVENUE REFUNDING BOND, SERIES 2019 (WILLIAMSON COUNTY REGIONAL RAW WATER LINE PROJECT)”, subject to paragraph (c) of this section. As authorized by Chapters 1207 and 1371, Texas Government Code, as amended, the General Manager/CEO of the Issuer is hereby designated as the “Authorized Officer” of the Issuer.**

**(b) Terms of Bonds. Initially there shall be issued, sold, and delivered hereunder, in one or more series, fully registered bonds, without interest coupons, numbered consecutively upward payable to the respective initial registered owners thereof, or to the registered assignee or assignees of the Bonds or any portion or portions (in each case the “Registered Owner”), in the denomination of \$5,000 or any integral multiple thereof (an “Authorized Denomination”), maturing not later than 40 years from the date of the Bonds, payable serially or otherwise on the dates, in the years and in the respective principal amounts, and at the respective rates of interest, and dated, all as set forth in a certificate of the Authorized Officer.**



**(c) Sale of Bonds. As authorized by Chapters 1207 and 1371, Texas Government Code, as amended, the Authorized Officer is hereby authorized, appointed, and designated to act on behalf of the Board in selling and delivering the Bonds and carrying out the other procedures specified in this Resolution and the Agreement, including determining and fixing the date of the Bonds, any different or additional designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of the Bonds within the maximum amount set forth in Section I hereof, the rate of interest to be borne by each such maturity, the principal and interest payment periods and dates (including the dates for making deposits to the Interest and Sinking Fund), the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Board, as well as any mandatory sinking fund redemption provisions, procuring municipal bond insurance, and approving modifications to this**



**Resolution and the Agreement and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would be financially desirable and advantageous, and all other matters relating to the issuance, sale, and delivery of the Bonds. The Authorized Officer, acting for and on behalf of the Issuer, is authorized to arrange for the Bonds to be sold at competitive sale pursuant to a notice of sale and bidding instructions and official bid form, or negotiated sale to an underwriter or underwriting syndicate and to enter into and carry out a bond purchase agreement with such underwriters of the Bonds, at such prices, in the aggregate principal amounts not exceeding the maximum amount set forth in Section 1 hereof, with such maturities of principal, with such interest rates, and with such optional and mandatory sinking fund redemption provisions, if any, and other matters, as shall be set forth therein. Any bond purchase agreement or notice of sale and bidding instructions shall be substantially in such form as approved by the Authorized Officer, provided that the price to be paid for the Bonds shall be**



**not less than 95% of the initial aggregate principal amount thereof plus accrued interest thereon from their date to their delivery, and no Bond shall bear interest at a rate greater than 10% per annum. The Authorized Officer is further authorized, for and on behalf of the Issuer, to approve any official statement, and any supplements thereto relating to the Bonds and referred to in any such notice of sale or bond purchase agreement. It is further provided, however, that, notwithstanding the foregoing provisions, the Bonds shall not be delivered unless, prior to their delivery, the Bonds have been rated by a nationally recognized rating agency for municipal long term obligations, as required by said Chapter 1371, Texas Government Code, as amended.**



**(d) Terms.** In establishing the aggregate principal amount of the Bonds, the Authorized Officer shall establish an amount within the amount authorized in Section 1 hereof, which amount shall be sufficient to provide, *inter alia*, for (i) the funding of the Reserve Fund, if necessary, as may be required by the 2019 Bond Covenants Agreement, (ii) the refunding of the Refunded Obligations, and (iii) the payment of the costs of issuance of the Bonds.

**Section 3. IMMEDIATE EFFECT; REPEAL.** This Resolution shall be effective immediately from and after its adoption. Any resolution of the Board heretofore adopted which conflicts with the subject, terms or provisions of this Resolution is hereby repealed and shall be of no further purpose or effect. The authority of the Authorized Officer to sell the Bonds as described in Section 2(c) of this Resolution shall expire on the one-year anniversary date of the adoption of this Resolution by the Board.”



Brazos River Authority



**Brazos**



**RIVER AUTHORITY**