

**GREATER TEXOMA UTILITY AUTHORITY
BOARD MEETING
MARCH 15, 2021**

REMOTE ACCESS AVAILABLE AT:

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Join by phone 872-240-3412 with access code: 454-537-525

**NOTICE OF PUBLIC MEETING
OF THE BOARD OF DIRECTORS OF THE
GREATER TEXOMA UTILITY AUTHORITY
Monday, March 15, 2021, 12:30 p.m.**

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Notice is hereby given that, in accordance with Governor Abbott's March 16, 2020, action to temporarily suspend certain provisions of the Texas Open Meetings Act, a quorum of the Board of Directors of the Greater Texoma Utility Authority will hold a Board meeting in-person and via telephone and video conference call beginning at 12:30 p.m. on Monday, March 15, 2021. Please note for in-person attendance that the Board meeting location can only accommodate a limited number of attendees in order to comply with the Governor's proclamation related to in-person gatherings, and that remote access may be required in the event the capacity limitations are reached. Public comment can be provided whether participating in-person or remotely.

Agenda:

- I. Call to Order.
- II. Pledge of Allegiance.
- III. Consent Agenda
* Items marked with an asterisk (*) are considered routine by the Board of Directors and will be enacted in one motion without discussion unless a Board Member or a Citizen requests a specific item to be discussed and voted on separately.
- IV. * Consider and act upon approval of Minutes February 15, 2021 Meeting.
- V. * Consider and act upon approval of accrued liabilities for February 2021.
- VI. Citizens to be Heard.
- VII. Consider all matters incident and related to the issuance and sale of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2021 (City of Van Alstyne Project)", including the adoption of a resolution approving the issuance thereof and the facilities to be constructed or acquired by the Authority.

- VIII. Consider and act upon authorization of General Manager to advertise for bids for City of Van Alstyne Elevated Storage Tank and Appurtenances.
- IX. Consider and act upon authorizing award of contract for the construction of the City of Sherman's Post Oak Wastewater Treatment Plant Aeration and Other Secondary Improvements Project.
- X. Consider and act upon authorization of General Manager to advertise for bids for City of Sherman Project.
- XI. Receive General Manager's Report: The General Manager will update the Board on operational and other activities of the Authority.
 - a. CGMA connection to NTMWD update
 - b. Office Building update
- XII. Adjourn.

¹The Board may vote and/or act upon each of the items listed in this agenda.

²At any time during the meeting or work session and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the Greater Texoma Utility Authority Board may meet in executive session on any of the above agenda items or other lawful items for consultation concerning attorney-client matters (§551.071); deliberation regarding real property (§551.072); deliberation regarding prospective gifts (§551.073); personnel matters (§551.074); and deliberation regarding security devices (§551.076). Any subject discussed in executive session may be subject to action during an open meeting.

³PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING, AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT VELMA STARKS AT (903) 786-4433 TWO (2) WORKING DAYS PRIOR TO THE MEETING, SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

ATTACHMENT IV

**MINUTES OF THE BOARD OF DIRECTORS' MEETING
GREATER TEXOMA UTILITY AUTHORITY**

MONDAY FEBRUARY 22, 2021

**AT THE ADMINISTRATIVE OFFICES
5100 AIRPORT DRIVE
DENISON TX 75020**

Members Present: Brad Morgan, Scott Blackerby, Donald Johnston, Matt Brown, Stanley Thomas, and Anthony Richardson

Members Absent: Ken Brawley

Staff: Drew Satterwhite, Debi Atkins, Tasha Hamilton, Nichole Sims, and Velma Starks

General Counsel: Mike Wynne, Wynne and Smith
Bond Counsel: Kristen Savant, Norton Rose Fulbright

Visitors: Tom Pruitt, City of Sherman

I. Call to Order

Board President Brad Morgan called the meeting to order at 12:33 p.m.

II. Pledge of Allegiance

Board President Brad Morgan led the group in the Pledge of Allegiance.

III. Consent Agenda

Items marked with an asterisk () are considered routine by the Board of Directors and are enacted in one motion without discussion unless a Board Member or a Citizen request a specific item to be discussed and voted on separately.

IV. * Consider and act upon approval of Minutes of January 18, 2021 Meeting.

V. * Consider and act upon approval of accrued liabilities for January 2021.

General Manager Drew Satterwhite reviewed the liabilities with the Board.

Board Member Stanley Thomas made a motion to approve the consent agenda items. Board Member Anthony Richardson seconded the motion. Motion passed unanimously.

VI. Citizens to be Heard.

There were no citizens requesting to address the Board.

VII. Receive Quarterly Investment Report.

Debi Atkins reviewed Quarterly Investment Report with the Board. Discussion was held.

VIII. Consider all matters incident and related to the issuance, sale and delivery of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2021 (City of Sherman Project)", including the adoption of a resolution authorizing the issuance of such bonds, establishing parameters for the sale and issuance of such bonds and delegating certain matters to authorized officials of the Authority.

General Manager Drew Satterwhite provided background information for the Board. The City of Sherman requested financial assistance for several water and sewer projects. It was determined that the open market would be the best source of funding for the projects. Kristen Savant, Norton Rose Fulbright provided details. The Board is requested to adopt a parameters resolution that would delegate authority to the General Manager to execute bond documents after the bond series has been priced. Discussion was held. Board Member Stanley Thomas made the motion to adopt the resolution. Board Member Donald Johnston seconded the motion. Motion passed unanimously.

IX. Consider and act upon Statements of Qualifications for Engineering Services for Northwest Grayson County WCID#1 Water System Improvements including a new Elevated Storage Tank Project.

General Manager Drew Satterwhite provided background information for the Board. The Northwest Grayson County WCID#1 requested assistance in obtaining funding for improvements to the District's water system. This includes the construction of a new elevated storage tank. The Authority staff solicited engineering services on behalf of Northwest Grayson County WCID#1 as required by the DWSRF program. Three responses were received. Northwest Grayson County WCID#1 selected Biggs & Mathews. The Staff recommends that the Board confirm the Northwest Grayson County WCID#1 selection of Biggs & Mathews, Inc. Board Member Scott Blackerby made the motion to confirm the Northwest Grayson County WCID#1 selection of Biggs & Mathews, Inc. Board Member Matt Brown seconded the motion. Motion passed unanimously.

X. Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board authorizing the filing of the application for assistance and making certain findings in connection therewith (Northwest Grayson County WCID #1 Water System Improvements Project).

General Manager Drew Satterwhite provided background information for the Board. The Northwest Grayson County WCID #1 requested assistance in obtaining funding for improvements to the City's water system. These improvements include a new elevated storage tank, appurtenances and other water system projects as funds allow.

The Texas Water Development Board (“TWDB”) Drinking Water State Revolving Fund (“DWSRF”) was initially selected as the funding source for these improvements. However, the TWDB informed the Authority staff in February that changes had been made to the SRF programs by limiting the amount of funding they are making available. For at least the next 12 months the SRF program funding will be difficult to qualify for and will take significantly more time to be funded if a project ends up qualifying. Due to these changes in the SRF program and discussions with TWDB, the Authority staff is proposing to pursue funding through the Texas Water Development Fund (“DFund”). The DFund is a state funded loan program with below market interest rates. Staff recommends the Board approve the Resolution requesting financial assistance from the TWDB on behalf of the Northwest Grayson County WCID for a new elevated storage tank and appurtenances in an amount not to exceed \$2,360,000. Board Member Matt Brown made the motion to approve the Resolution. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

- XI. Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board authorizing the filing of the application for assistance, and making certain findings in connection therewith (City of Henrietta Wastewater Treatment Plant Project).

General Manager Drew Satterwhite provided background information for the Board. The Texas Water Development Board (“TWDB”) Clean Water State Revolving Fund was initially selected as the funding source for these improvements, however; due to the changes made by the TWDB, the Authority staff is proposing to pursue funding through the Texas Water Development Fund (“DFund”). Staff recommends the Board approve the Resolution requesting financial assistance from the TWDB on behalf of the City of Henrietta for improvements to their Wastewater Treatment Plan in an amount not to exceed \$10,235,000. Board Member Anthony Richardson made the motion to approve the Resolution. Board Member Donald Johnston seconded the motion. Motion passed unanimously.

- XII. Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board authorizing the filing of the application for assistance, and making certain findings in connection therewith (City of Dorchester Water System Improvements Project).

General Manager Drew Satterwhite provided background information for the Board. The City of Dorchester requested assistance in obtaining funding for improvements to the City’s water system. These improvements include construction of new water well, pump station, ground storage and water lines, appurtenances and other water system projects as funds allow. The Texas Water Development Board (“TWDB”) Clean Water State Revolving Fund was initially selected as the funding source for these improvements, however; due to the changes made by the TWDB, the Authority staff is proposing to pursue funding through the Texas Water Development Fund (“DFund”). Staff recommends the Board approve the Resolution requesting financial assistance from the TWDB on behalf of the City of Dorchester for improvements to their Water System in an amount not to exceed \$4,625,000. Board Member Stanley Thomas made the motion to approve the Resolution. Board Member Scott Blackerby seconded the motion. Motion passed unanimously.

- XIII. Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board authorizing the filing of the application for assistance, and making certain findings in connection therewith (City of Princeton Water System Improvements Project).

General Manager Drew Satterwhite provided background information for the Board. The City of Princeton requested assistance in obtaining funding for improvements to the City's water system. These improvements include a new elevated storage tank, appurtenances and other water system projects as funds allow. The Texas Water Development Board ("TWDB") Clean Water State Revolving Fund was initially selected as the funding source for these improvements, however; due to the changes made by the TWDB, the Authority staff is proposing to pursue funding through the Texas Water Development Fund ("DFund"). Staff recommends the Board approve the Resolution requesting financial assistance from the TWDB on behalf of the City of Princeton for improvements to their water system in an amount not to exceed \$9,790,000. Board Member Scott Blackerby made the motion to approve the Resolution. Board Member Anthony Richardson seconded the motion. Motion passed unanimously.

- XIV. Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board authorizing the filing of the application for assistance, and making certain findings in connection therewith (City of Valley View Wastewater System Improvements Project).

General Manager Drew Satterwhite provided background information for the Board. The City of Valley View requested the Authority staff assist the City of Valley View in obtaining funding from the Texas Water Development Board ("TWDB"). They have a wastewater plant that needs to be upgraded as well as some inflow and infiltration issues in their collection system. These issues need to be looked at as a whole and we believe that there needs to be preliminary engineering performed to dive further into these issues in order for the City to select the appropriate path forward on capital improvements. The Texas Water Development Board ("TWDB") Clean Water State Revolving Fund was initially selected as the funding source for these improvements, however; due to the changes made by the TWDB, the Authority staff is proposing to pursue funding through the Texas Water Development Fund ("DFund"). Staff recommends the Board approve the Resolution requesting financial assistance from the TWDB on behalf of the City of Valley View for testing, planning, and designing the Wastewater System in an amount not to exceed \$700,000. Board Member Donald Johnston made the motion to approve the Resolution. Board Member Anthony Richardson seconded the motion. Motion passed unanimously.

- XV. Consider and act upon a Resolution by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board authorizing the filing of the application for assistance, and making certain findings in connection therewith (City of Bells Wastewater System Improvements Project).

General Manager Drew Satterwhite provided background information for the Board. The City of Bells requested the Authority staff to assist the City in obtaining funding from the Texas Water Development Board ("TWDB") Clean Water State Revolving Fund ("CWSRF") and the Drinking Water State Revolving Fund ("DWSRF") for rehabilitation of water distribution lines and repairs to the wastewater treatment plant. The Texas Water Development Board ("TWDB") Clean Water State Revolving Fund was initially selected as the funding source for these improvements,

however; due to the changes made by the TWDB, the Authority staff is proposing to pursue funding through the Texas Water Development Fund ("DFund"). Staff recommends the Board approve the Resolution requesting financial assistance from the TWDB on behalf of the City of Bells for improvements to their Water/Wastewater System in an amount not to exceed \$3,500,000. Board Member Donald Johnston made the motion to approve the Resolution. Board Member Stanley Thomas seconded the motion. Motion passed unanimously.

XVI. Receive General Manager's Report: The General Manager will update the Board on operational and other activities of the Authority

- a. Update on the Authority's Office Building

General Manager Drew Satterwhite informed the Board that pipes had burst and the office was flooded. Insurance claims have been filed and a company to dry out the building has been engaged. Office staff will mostly be working remotely until the offices are back in order.

XVII. Adjourn

Board Member Stanley Thomas made the motion to adjourn. Board Member Anthony Richardson seconded the motion. Motion passed unanimously. Board President Brad Morgan declared the meeting adjourned at 1:33 p.m.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT V

RESOLUTION NO. _____

**A RESOLUTION BY THE BOARD OF DIRECTORS OF THE
GREATER TEXOMA UTILITY AUTHORITY AUTHORIZING
PAYMENT OF ACCRUED LIABILITIES FOR THE MONTH OF FEBRUARY**

The following liabilities are hereby presented for payment:

	CURRENT	PRIOR MONTH	PRIOR YEAR
GENERAL:			
<u>Audit</u>			
Hankins Eastup Deaton Ton Seay - Audit for Fiscal Year 2020	36,900.00		
<u>Dues and Subscriptions</u>			
Lake Texoma Association (Annual membership dues)	250.00		
Sherman Area Chamber of Commerce (Membership renewal for 2021)	300.00		
<u>Fuel and Reimbursements for Mileage</u>			
Velma Starks (Reimbursement for mileage)	14.73		
ExxonMobil (Fuel - operations vehicles)	267.77		
Shell Fleet (Fuel - operations vehicles)	198.28		
Valero Fleet (Fuel - operations vehicles)	395.61		
<u>Insurance</u>			
TWCA Risk Management (Workers' compensation insurance)	848.00		
<u>Leases/Rental Fees</u>			
North Texas Regional Airport (Lease - administrative offices)	2,266.08		
<u>Maintenance Agreements</u>			
Nova Tech (Konika-Minolta copier)	375.48		
<u>Miscellaneous</u>			
Valley View Consulting (Investing fees, 4th Qtr 2020)	9,320.61		
<u>Postage</u>			
United States Postal Service (Refill meter)	500.00		
<u>Professional Services</u>			
Final Details (Cleaning Service)	585.00		
<u>Repair & Maintenance - Building & Equipment</u>			
Diamond Computers (Refurbished existing laptop for VS home office. McAfee virus protection for 10 users)	398.90		
Diamond Computers (Cleaned up TA's desktop computer)	255.00		
<u>Repair & Maintenance - Administrative and Operations Vehicles</u>			
Grayson Co. Tax Assessor - Registration renewal for F150 LP 1096614 ending VIN# 60607 (WE truck))	7.50		
Whistlestop Car Spa - (Oil Change F150 LP 1397006 (DH truck))	74.05		
<u>Supplies</u>			
American Express - Stamp, Logmein, Zoom)	286.71		
Bank of Texas Visa (General Office Supplies)	324.24		
Office Depot (General Office Supplies)	139.98		
Home Depot Pro (Janitorial Supplies)	139.98		
Exxon/Mobil (Field supplies - ice)	8.60		
<u>Utilities</u>			
Wayne Eller (Reimbursement for cell phone expenses)	25.00		
Dave Tomlinson (Reimbursement for cell phone expenses)	25.00		
Drew Satterwhite (Reimbursement for cell phone expense)	25.00		
Sparklight (Internet)	129.44		
AT & T Wireless (cell phone)	78.19		
City of Denison (Water)	205.82		
City of Sherman (Trash services)	85.00		
MP2 Energy Texas LLC	300.64		
ATMOS Energy	281.93		
TOTAL:	55,012.54	\$ 12,218.11	\$ 58,540.91

	CURRENT	PRIOR MONTH	PRIOR YEAR
SOLID WASTE:			
Matheson Tri-Gas (Nitrogen bottle rental for landfill)	22.00		
<u>Utilities</u>			
Grayson-Collin Electric	146.02		
Starr Water Supply	30.15		
TOTAL:	<u>198.17</u>	<u>\$ 175.89</u>	<u>\$ 360.35</u>
WASTEWATER:			
<u>Advertising</u>			
Herald Democrat (Sherman 2020 - Invitation to bid on aeration basin and bio clarifier.)	1,446.94		
Herald-Banner Classify (Sherman 2020 - For bids on aeration basin and bio clarifier)	1,614.80		
Star Local Media (Shrman 2020 - Aeration Basin Upgrades / Post Oak WWTP notification for bids)	1,554.00		
<u>Construction Contracts</u>			
Red River Construction (Kaufman 2019 - WWTP improvements. Pay App #5)	151,321.75		
<u>Engineering Fees</u>			
Freeman-Millican (Sherman 2017 - Northwest Sewer & Force Main 100% Additional Services complete)	15,575.00		
Plummer (Pottsboro 2019 - WWTP Ph2 44.44% detailed design complete. Engineering Ser. thru Jan 21)	26,753.46		
Plummer (Pottsboro 2019 - WWTP Phase 2 engineering services)	52,124.68		
<u>Paving Agent Fees</u>			
Bank of Texas Trust (Krum 2012 - GTUACOKCRB12 2/15/21)	300.00		
Bank of Texas Trust (Krum 2014 - GTUACRBS2014 2/15/21)	300.00		
Bank of Texas Trust (Kaufman 2017 - GTUAKAUF2020 2/15/21)	300.00		
Bank of Texas Trust (Gunter 2018 - GTUAGUNTER18 2/15/21)	300.00		
<u>Postage</u>			
TOTAL:	<u>251,590.63</u>	<u>\$ 40,748.98</u>	<u>\$ 300,993.68</u>
WATER:			
<u>Construction Costs</u>			
<u>Legion Development (Gunter 18 - Water System Improvements Pay App #11)</u>	101,536.95		
Patterson Professionals (Paradise 2018 - Waterline extension. Pay App #8)	29,474.50		
THI (Gunter 2018 - Water System Improvements 250K ground storage tank. Pay App #3)	295,414.63		
<u>Engineering Fees</u>			
City of Krum (Krum 2017 - 43.50% const. phase complete. Masch Branch Water Well project Eng. Ser. through Dec. 2020)	1,646.21		
City of Krum (Krum 2017 - Engineering services through Oct-Nov 2020 for the Masch Branch Water Well)	14,009.11		
City of Paradise (Paradise 2018 - October 2020 engineering services for Water Distribution System improvements)	5,012.50		
City of Paradise (Paradise 2018 - Water Dist. Syst. Improvements 84% const. phase & 60.83% residential serv. complete)	1,397.50		
City of Paradise (Paradise 2018 - 92.60% provide Const. Phase serv. & Rep. Serv 71.75% complete for Wtr. Dist. Expansion)	5,323.00		
City of Princeton (Princeton 2018 - Forest Grove Pump Station Engineering fees through October 2020)	3,007.50		
Freeman-Millican (Sherman 2017 - Northwest Sewer & Force Main engineering fees complete)	15,575.00		
Freeman-Millican (Gunter 2018 - Water System Improvements services through November 2020)	9,975.00		
KSA Inc. (Whitewright 2019 - Wtr Improvements 37.55% well permitting complete. November 2020 services)	5,529.75		
<u>Groundwater</u>			
American Express (NTGCD - Invoiced A/R application, TWCA, TAGD)	206.60		
American Express (RRGCD - GoDaddy SSL for Dripdrop, TWCA, TAGD)	227.98		
AT & T Mobility (NTGCD - W. Parkman - cell phone)	72.18		
Allen Burks (RRGCD - cell phone reimbursement)	25.00		
Bank of Texas Visa (NTGCD - Chick-Fil-A BOD lunch)	131.70		
Bank of Texas Visa (RRGCD - Grayson Cnty Clerk public notice, Kathleen's Kitchen BOD lunch, GoDaddy Jan server)	291.49		
Exxon/Mobil (NTGCD - Fuel, W. Parkman)	65.56		
Paul Sigle (NTGCD - cell phone reimbursement)	12.50		
Paul Sigle (RRGCD - cell phone reimbursement,)	12.50		
Shell (NTGCD - Fuel, W. Parkman)	76.08		
Velma Starks (NTGCD - mileage reimbursement)	13.07		
Velma Starks (RRGCD - mileage reimbursement)	9.27		
<u>Paving Agent Fees</u>			
Bank of Texas Trust (Krum 2017 - GTUAKRUM17 2/15/21)	300.00		
Bank of Texas Trust (Bear Creek 2019 - GTUABEARCR19 2/15/21)	300.00		
Bank of Texas Trust (Gunter 2018 - GTUAGUNT18A 2/15/21)	300.00		
Bank of Texas Trust (Lake Kiowa 2014 - GTUALKIOWA14 2/15/21)	300.00		
Bank of Texas Trust (Lake Kiowa 2017 - GTUALKIOWA17 2/15/21)	300.00		

CURRENT PRIOR MONTH PRIOR YEAR

CGMA Repair & Maintenance

Burnside A/C & Heating (CGMA - Replaced OEM Air handler control boar and diagnostic fee)	1,157.00
City of Denison Lab (CGMA - Water tests for Bloomdale Pump Station)	21.00
Integrity Control Services (CGMA - Bloomdale Pump Station repairs on soft start #2 & #3 pumps)	4,810.83
Industrial Networking (CGMA - 1 year renewal for cradlepoint network)	77.94
Kemp Lawn Maintenance (CGMA - Bloomdale Pump Station)	380.83
Texas Excavation Safety System, Inc. (CGMA - water tests, Oct-Dec)	583.30
USA Bluebook (CGMA - rubber covered hose & Pulsatron series E plus pump and pvc teflon with ceramic repair kit)	1,936.25

CGMA Utilities

AT & T Mobility (CGMA emergency back up lines)	112.46
AT & T U-Verse (Bloomdale Pump Station)	96.08
City of McKinney (Pass Through Charges)	26,857.72
North Texas Municipal Water District (Water Usage, January)	228,980.00
MP2 Energy Texas LLC (Bloomdale Pump Station)	7,298.19

TOTAL: 762,857.18 \$ 1,122,548.60 \$ 2,853,688.77

GRAND TOTAL: 1,069,658.52 \$ 1,175,691.58 \$ 3,213,583.71

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY THAT the Secretary-Treasurer is hereby authorized to make payments in the amounts listed above.

On motion of _____ and

seconded by _____, the foregoing

Resolution was passed and approved on this, the _____ day of _____, _____ by the following vote:

AYE:

NAY:

At a regular meeting of the Board of Directors of the Greater Texoma Utility Authority.

President

ATTEST:

Secretary/Treasurer

ATTACHMENT VII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: March 10, 2021

SUBJECT: AGENDA ITEM NO. VII

CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF "GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS, SERIES 2021 (CITY OF VAN ALSTYNE PROJECT)", INCLUDING THE ADOPTION OF A RESOLUTION APPROVING THE ISSUANCE THEREOF AND THE FACILITIES TO BE CONSTRUCTED OR ACQUIRED BY THE AUTHORITY.

ISSUE

Consider and act upon resolution for the City of Van Alstyne Elevated Storage Tank Water System Improvements Project.

BACKGROUND

The Van Alstyne City Manager approached the Authority General Manager, requesting funding for the construction of a new elevated storage tank for the City's water system. The City needs to construct a new 750,000 gallon elevated storage tank as they are approaching the TCEQ limits on elevated storage per connection. The City requested that the Authority staff work with the Van Alstyne's City Engineer to request the funding through the Texas Water Development Board ("TWDB"). The TWDB Drinking Water State Revolving Fund ("DWSRF") is the most economical funding source available for this project. Following approval from the Board of Directors in May of 2020, an application to the TWDB was submitted on behalf of the City of Van Alstyne in an amount not to exceed \$4,000,000.

The TWDB has now provided a funding commitment for this project and the next step is to get Board and Council action to authorize issuance of the debt.

CONSIDERATIONS

In order to proceed with the Bond issuance, the Authority and the City will need to adopt a resolution authorizing the issuance. The City of Van Alstyne Council is set to consider this at their March 16, 2021 meeting.

The interest rate we received was 1.82% for the \$4,000,000 on a 30-year term. The TWDB estimates that Van Alstyne could save approximately \$982,000 over the life of the loan by using the Drinking Water State Revolving Fund.

Kristen Savant, the Authority's Bond Counsel, will be available at the meeting to assist with any questions the Board may have.

STAFF RECOMMENDATIONS

Staff recommends that the Board of Directors approve the City of Van Alstyne Bond Resolution which would authorize the issuance of \$4,000,000 through the TWDB's DWSRF,

ATTACHED

Debt Service Schedule
Bond Resolution



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

PAGE 2

PREPARED AND SUBMITTED BY:

A handwritten signature in blue ink, appearing to read "Drew Satterwhite", is written over a horizontal line.

Drew Satterwhite, P.E., General Manager

Rates Provided by the TWDB on 3/8/21

Greater Texoma Utility Authority

(City of Van Alstyne Project)

\$4,000,000 Contract Revenue Bonds, Series 2021 (DWSRF)

April 27, 2021 Closing

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/27/2021	-	-	-	-	-
12/01/2021	-	-	38,335.43	38,335.43	-
06/01/2022	105,000.00	1.100%	32,244.75	137,244.75	-
09/30/2022	-	-	-	-	175,580.18
12/01/2022	-	-	31,667.25	31,667.25	-
06/01/2023	110,000.00	1.100%	31,667.25	141,667.25	-
09/30/2023	-	-	-	-	173,334.50
12/01/2023	-	-	31,062.25	31,062.25	-
06/01/2024	110,000.00	1.100%	31,062.25	141,062.25	-
09/30/2024	-	-	-	-	172,124.50
12/01/2024	-	-	30,457.25	30,457.25	-
06/01/2025	115,000.00	1.100%	30,457.25	145,457.25	-
09/30/2025	-	-	-	-	175,914.50
12/01/2025	-	-	29,824.75	29,824.75	-
06/01/2026	115,000.00	1.100%	29,824.75	144,824.75	-
09/30/2026	-	-	-	-	174,649.50
12/01/2026	-	-	29,192.25	29,192.25	-
06/01/2027	115,000.00	1.100%	29,192.25	144,192.25	-
09/30/2027	-	-	-	-	173,384.50
12/01/2027	-	-	28,559.75	28,559.75	-
06/01/2028	120,000.00	1.100%	28,559.75	148,559.75	-
09/30/2028	-	-	-	-	177,119.50
12/01/2028	-	-	27,899.75	27,899.75	-
06/01/2029	120,000.00	1.100%	27,899.75	147,899.75	-
09/30/2029	-	-	-	-	175,799.50
12/01/2029	-	-	27,239.75	27,239.75	-
06/01/2030	120,000.00	1.100%	27,239.75	147,239.75	-
09/30/2030	-	-	-	-	174,479.50
12/01/2030	-	-	26,579.75	26,579.75	-
06/01/2031	120,000.00	1.100%	26,579.75	146,579.75	-
09/30/2031	-	-	-	-	173,159.50
12/01/2031	-	-	25,919.75	25,919.75	-
06/01/2032	125,000.00	1.100%	25,919.75	150,919.75	-
09/30/2032	-	-	-	-	176,839.50
12/01/2032	-	-	25,232.25	25,232.25	-
06/01/2033	125,000.00	1.100%	25,232.25	150,232.25	-
09/30/2033	-	-	-	-	175,464.50
12/01/2033	-	-	24,544.75	24,544.75	-
06/01/2034	125,000.00	1.100%	24,544.75	149,544.75	-
09/30/2034	-	-	-	-	174,089.50

2021 \$4.0mm contract revs | SINGLE PURPOSE | 3/ 8/2021 | 3:29 PM

Rates Provided by the TWDB on 3/8/21

Greater Texoma Utility Authority

(City of Van Alstyne Project)

\$4,000,000 Contract Revenue Bonds, Series 2021 (DWSRF)

April 27, 2021 Closing

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/01/2034	-	-	23,857.25	23,857.25	-
06/01/2035	125,000.00	1.240%	23,857.25	148,857.25	-
09/30/2035	-	-	-	-	172,714.50
12/01/2035	-	-	23,082.25	23,082.25	-
06/01/2036	130,000.00	1.380%	23,082.25	153,082.25	-
09/30/2036	-	-	-	-	176,164.50
12/01/2036	-	-	22,185.25	22,185.25	-
06/01/2037	130,000.00	1.500%	22,185.25	152,185.25	-
09/30/2037	-	-	-	-	174,370.50
12/01/2037	-	-	21,210.25	21,210.25	-
06/01/2038	130,000.00	1.600%	21,210.25	151,210.25	-
09/30/2038	-	-	-	-	172,420.50
12/01/2038	-	-	20,170.25	20,170.25	-
06/01/2039	135,000.00	1.690%	20,170.25	155,170.25	-
09/30/2039	-	-	-	-	175,340.50
12/01/2039	-	-	19,029.50	19,029.50	-
06/01/2040	135,000.00	1.780%	19,029.50	154,029.50	-
09/30/2040	-	-	-	-	173,059.00
12/01/2040	-	-	17,828.00	17,828.00	-
06/01/2041	140,000.00	1.860%	17,828.00	157,828.00	-
09/30/2041	-	-	-	-	175,656.00
12/01/2041	-	-	16,526.00	16,526.00	-
06/01/2042	140,000.00	1.930%	16,526.00	156,526.00	-
09/30/2042	-	-	-	-	173,052.00
12/01/2042	-	-	15,175.00	15,175.00	-
06/01/2043	145,000.00	1.990%	15,175.00	160,175.00	-
09/30/2043	-	-	-	-	175,350.00
12/01/2043	-	-	13,732.25	13,732.25	-
06/01/2044	145,000.00	2.040%	13,732.25	158,732.25	-
09/30/2044	-	-	-	-	172,464.50
12/01/2044	-	-	12,253.25	12,253.25	-
06/01/2045	150,000.00	2.090%	12,253.25	162,253.25	-
09/30/2045	-	-	-	-	174,506.50
12/01/2045	-	-	10,685.75	10,685.75	-
06/01/2046	155,000.00	2.130%	10,685.75	165,685.75	-
09/30/2046	-	-	-	-	176,371.50
12/01/2046	-	-	9,035.00	9,035.00	-
06/01/2047	155,000.00	2.160%	9,035.00	164,035.00	-
09/30/2047	-	-	-	-	173,070.00
12/01/2047	-	-	7,361.00	7,361.00	-

2021 \$4.0mm contract revs | SINGLE PURPOSE | 3/ 8/2021 | 3:29 PM

Rates Provided by the TWDB on 3/8/21

Greater Texoma Utility Authority

(City of Van Alstyne Project)

\$4,000,000 Contract Revenue Bonds, Series 2021 (DWSRF)

April 27, 2021 Closing

Debt Service Schedule

Part 3 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/01/2048	160,000.00	2.190%	7,361.00	167,361.00	-
09/30/2048	-	-	-	-	174,722.00
12/01/2048	-	-	5,609.00	5,609.00	-
06/01/2049	165,000.00	2.220%	5,609.00	170,609.00	-
09/30/2049	-	-	-	-	176,218.00
12/01/2049	-	-	3,777.50	3,777.50	-
06/01/2050	165,000.00	2.240%	3,777.50	168,777.50	-
09/30/2050	-	-	-	-	172,555.00
12/01/2050	-	-	1,929.50	1,929.50	-
06/01/2051	170,000.00	2.270%	1,929.50	171,929.50	-
09/30/2051	-	-	-	-	173,859.00
Total	\$4,000,000.00	-	\$1,233,833.18	\$5,233,833.18	-

Yield Statistics

Bond Year Dollars	\$66,917.78
Average Life	16.729 Years
Average Coupon	1.8438048%
DV01	5,516.90
Net Interest Cost (NIC)	1.8438048%
True Interest Cost (TIC)	1.8190176%
Bond Yield for Arbitrage Purposes	1.8190176%
All Inclusive Cost (AIC)	1.8190176%

IRS Form 8038

Net Interest Cost	1.8438048%
Weighted Average Maturity	16.729 Years

2021 \$4.0mm contract revs | SINGLE PURPOSE | 3/ 8/2021 | 3:29 PM

BOND RESOLUTION

\$4,000,000

**GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS
SERIES 2021
(CITY OF VAN ALSTYNE PROJECT)**

Adopted: March 15, 2021

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A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2021 (City of Van Alstyne Project)" for the construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Van Alstyne, Texas, and the payment of all costs incident and related to the construction, acquisition, improvement, and financing thereof; pledging the Pledged Revenue to the payment of the principal of and interest on said Bonds; and resolving other matters incident and related to the issuance, sale, and delivery of said bonds

WHEREAS, the Board of Directors of the Greater Texoma Utility Authority (the "Authority") has determined that \$4,000,000 in principal amount of bonds should be issued at this time to provide funding for the Series 2021 Project more fully described in Section 1 hereof; and

WHEREAS, the Board of Directors of the Authority has determined that the bonds herein authorized may and shall be issued as Additional Bonds (herein defined) on a parity with the Outstanding Previously Issued Bonds (herein defined) in that:

(a) The Authority is not now in default as to any covenant, condition or obligation prescribed in a resolution authorizing the issuance of the Outstanding Bonds Similarly Secured or the Contract (herein defined), including any amendment or supplement thereto;

(b) A consulting engineer has certified to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement or improvement of the Project (herein defined);

(c) The City of Van Alstyne, Texas, will approve this resolution authorizing the issuance of the Bonds as to form and content and shall acknowledge that the payment of principal of and interest on such Bonds is payable, in whole or in part, from payments to be made by the City of Van Alstyne, Texas, under and pursuant to the Contract;

(d) The Bonds mature on June 1 or December 1 in each of the years in which they are scheduled to mature;

(e) This Resolution provides for deposits to be made to the Bond Fund in amounts sufficient to pay the principal of and interest on such Bonds as the same become due; and

(f) This Resolution provides that the amount to be accumulated and maintained in the Reserve Fund shall be in an amount equal to not less than the average annual requirement (calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Bonds) for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenue, and provides that any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than sixty (60) months from the date of the passage of this Resolution;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Revenue bonds of the Authority shall be and are hereby authorized to be issued as a series in the aggregate principal amount of \$4,000,000 to be designated and bear the title "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2021 (City of Van Alstyne Project)," (hereinafter referred to as the "Bonds"), for the construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Van Alstyne, Texas (the "City"), including an elevated storage tank, and the payment of all costs incident and related to the construction, acquisition and financing thereof, pursuant to authority conferred by and in conformity with the Constitution and the laws of the State of Texas, including Texas Special District Local Laws Code, Chapter 8283.

SECTION 2: Interest Rates – Payment Dates – Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities. The Bonds shall be issued as fully registered obligations only, shall be dated March 15, 2021 (the "Bond Date"), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on June 1 in each of the years and in principal installments (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the following schedule:

<u>YEAR OF STATED MATURITY</u>	<u>PRINCIPAL AMOUNT (\$)</u>	<u>INTEREST RATE (%)</u>
2022	105,000	1.100
2023	110,000	1.100
2024	110,000	1.100
2025	115,000	1.100
2026	115,000	1.100
2027	115,000	1.100
2028	120,000	1.100
2029	120,000	1.100
2030	120,000	1.100
2031	120,000	1.100
2032	125,000	1.100
2033	125,000	1.100
2034	125,000	1.100
2035	125,000	1.240
2036	130,000	1.380
2037	130,000	1.500
2038	130,000	1.600
2039	135,000	1.690
2040	135,000	1.780
2041	140,000	1.860
2042	140,000	1.930
2043	145,000	1.990
2044	145,000	2.040
2045	150,000	2.090
2046	155,000	2.130
2047	155,000	2.160
2048	160,000	2.190
2049	165,000	2.220
2050	165,000	2.240
2051	170,000	2.270

The Bonds shall bear interest on the unpaid principal amounts from the date of delivery to the initial Purchaser (which date shall be the date noted in the Registration Certificate of the Paying Agent/Registrar appearing on the definitive Bonds delivered in exchange for the Initial Bond, and is anticipated to be April 27, 2021), and interest shall be calculated upon the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds shall be payable on December 1, 2021 and each June 1 and December 1 thereafter until maturity or redemption.

SECTION 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books (the "Security Register") maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders. A copy of the Security Register shall be maintained within the State of Texas at all times.

The selection and appointment of BOKF, NA, dba Bank of Texas, Dallas, Texas, as Paying Agent/Registrar for the Bonds is hereby approved and confirmed, and the Authority agrees and covenants to cause to be kept and maintained at the Designated Payment/Transfer Office (identified below) of the Paying Agent/Registrar books and records (the "Security Register") for the registration, payment and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached hereto as **Exhibit A**, and such reasonable rules and regulations as the Paying Agent/Registrar and Authority may prescribe; and the President or Vice President and Secretary or Assistant Secretary of the Board of Directors of the Authority are authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The Authority covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the Authority agrees to promptly cause a written notice thereof to be sent to each Holder by United States mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or the redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated office in St. Paul, Minnesota (the "Designated Payment/Transfer Office"). Interest on each Bond shall be paid to the Holder whose name appears in the Security Register at the close of business on the Record Date (the fifteenth (15th) day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the address of the Holder recorded in the Security Register, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. Provided, however, while the Texas Water Development Board (the "Board") is the registered owner of the Bonds, payments on the Bonds shall be made by wire transfer without expense to the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day.

that is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

(a) Optional Redemption. The Bonds having Stated Maturities on and after June 1, 2032, shall be subject to redemption prior to maturity, at the option of the Authority, in whole or in part, in inverse order of maturity if fewer than all, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar), on June 1, 2031, or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

(b) Exercise of Redemption Option. At least forty-five (45) days prior to a redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the Authority shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the Authority to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the Authority.

(c) Selection of Bonds for Redemption. If fewer than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding, which is obtained by dividing the principal amount of such Bonds by \$5,000, and shall select the Bonds to be redeemed within such Stated Maturity by lot.

(d) Notice of Redemption. Not fewer than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States mail, first class postage prepaid, in the name of the Authority and at the Authority's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the

principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Authority shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the Authority at the Designated Payment/Transfer Office of the Paying Agent/Registrar, as provided herein and in accordance with rules and regulations as the Paying Agent/Registrar and the Authority may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of the Bonds issued under and pursuant to the provisions of this Resolution, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the single Initial Bond authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denominations and having the same Stated Maturity and being of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the single Initial Bond authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and being of a like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the Authority, evidencing the same obligation to pay, and entitled to the same benefits under this Resolution, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 30 hereof, and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the Authority nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in this Resolution relating to the payment and transfer/exchange of the Bonds, the Authority hereby approves and authorizes the use of the "Book-Entry Only" securities clearance, settlement, and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in a Blanket Issuer Letter of Representations by and between the Authority and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general, the Authority covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3,4 and 5 hereof.

The Authority agrees it will not discontinue its use of the DTC Book-Entry-Only System with respect to the Bonds without prior notice to and consent from the Texas Water Development Board while the Board is the Holder of any of the Bonds.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the Authority by the President or Vice President of the Board of Directors under its seal reproduced or impressed thereon and attested by the Secretary or Assistant Secretary of the Board of Directors. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Authority on the date of the adoption of this Resolution shall be deemed to be duly executed on behalf of the Authority, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial Holders and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Bond duly signed shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

Notwithstanding the above and foregoing paragraph, the Initial Bonds authorized for delivery to the initial purchasers in Section 8 hereof shall have printed thereon both Certificates of Registration appearing in Section 9(c) and 9(d) hereof, and both such certifications shall be required to be manually executed in connection with the initial delivery of the Initial Bonds and both such certifications appearing on the Initial Bonds, duly signed, shall be conclusive evidence that such Initial Bonds have been duly certified, registered and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered Bond in the total principal amount of \$4,000,000 with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered Bonds, being one bond for each year of maturity in the applicable principal amount and numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial Purchaser, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to appear on the Initial Bond, the Registration Certificate of Paying Agent/Registrar to appear on the definitive Bonds, and the form of Assignment to appear on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution, and the Bonds may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association if available, and otherwise the reference to CUSIP NO. in the form of Bond may be omitted from the Bonds) and such legends and endorsements (including insurance legends in the event the Bonds are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the Authority or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The Bonds shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

United States of America
State of Texas
Counties of Collin, Cooke, Fannin, and Grayson
Greater Texoma Utility Authority
Contract Revenue Bonds, Series 2021
(City of Van Alstyne Project)

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP NO.
March 15, 2021	_____ %	June 1, 20____	_____

Registered Owner:

Principal Amount:

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value received, hereby promises to pay to the Registered Owner of this Bond named above (the "Holder") or the registered assigns thereof, solely from the revenues hereinafter identified, on the Stated Maturity date specified above, the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is the delivery date of this Bond to the initial Holder (which delivery date is anticipated to be April 27, 2021) or this Bond bears the originally executed Registration

Certificate of the Comptroller of Public Accounts, in which case it shall bear interest from such date) at the per annum rate of interest specified above computed upon the basis of a 360-day year consisting of twelve (12) 30-day months; such interest being payable on December 1, 2021, and on each June 1 and December 1 thereafter until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity date or date of redemption to the Holder thereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the Registration Certificate hereon, or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the fifteenth (15th) day of the month next preceding each interest payment date, and interest and principal due shall be paid by the Paying Agent/Registrar by check sent United States mail, first class postage prepaid, at the expense of the Authority or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

If the date for payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$4,000,000 (herein referred to as the "Bonds") pursuant to a Resolution adopted by the governing body of the Authority (herein referred to as the "Resolution"), for the construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Van Alstyne, Texas (the "City"), including an elevated storage tank, and the payment of all costs incident and related to the construction, acquisition and financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas.

The Bonds maturing on and after June 1, 2032, may be redeemed prior to their Stated Maturities, at the option of the Authority, in whole or in part, in inverse order of maturity if fewer than all, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar) on June 1, 2031, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

Not fewer than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the Authority and at the Authority's expense, to each Registered Owner of a Bond to be redeemed and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed.

In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the Holder only upon presentation and surrender of this Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office, and there shall be issued, without charge therefor to the Holder hereof, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Resolution for the then unredeemed balance of the principal sum hereof. If this Bond is selected for redemption, in whole or in part, the Authority and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the Holder within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Authority shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds constitute special obligations of the Authority, and, together with the Previously Issued Bonds and any Additional Bonds, if issued, are payable as to principal and interest solely from and equally secured by a first lien on the Pledged Revenue of the Authority (identified and defined in the Resolution, and including revenues to be received under and pursuant to an Amended and Restated Contract For Water Supply and Sewer Service between the Authority and the City of Van Alstyne, Texas, dated as of April 17, 2006, together with all amendments thereto). Reference is hereby made to the Resolution, copies of which are on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the revenues pledged for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Authority and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity, and

deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the same meanings assigned in the Resolution.

The Authority expressly reserves the right to issue further and additional revenue bond obligations in all things on a parity with the Bonds and the Previously Issued Bonds, payable solely from and equally secured by a lien on the Pledged Revenue described above; provided, however, that any and all such Additional Bonds may be so issued only in accordance with and subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Resolution, to which reference is hereby made for more complete and full particulars.

The Holder hereof shall never have the right to demand payment of this Bond out of any funds raised or to be raised by taxation.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Holder hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and being of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The Authority and the Paying Agent/Registrar, and any agent of either, shall treat the Holder whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity, and (iii) on any other date as the owner for all other purposes, and neither the Authority nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond in order to render the same a legal, valid and binding obligation of the Authority have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the issuance of the Bonds does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Directors of the Authority has caused this Bond to be duly executed under the official seal of the Authority.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER (
OF PUBLIC ACCOUNTS (REGISTER NO. _____
THE STATE OF TEXAS (

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Registration Certificate of Paying Agent/Registrar.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Resolution; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Register in St. Paul, Minnesota is the "Designated Payment/Transfer Office" for this Bond.

BOKF, NA, dba Bank of Texas,
Dallas, Texas,
as Paying Agent/Registrar

By: _____
Authorized Signature

Registration Date:

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights
thereunder, and hereby irrevocably constitutes and appoints _____

attorney to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

DATED: _____

Signature Guaranteed:

NOTICE: The signature on this
assignment must correspond with the
name of the registered owner as it
appears on the face of the within Bond in
every particular

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section,
except that the form of a single fully registered Initial Bond shall be modified as follows:

REGISTERED
NO. T-1

REGISTERED
\$4,000,000

United States of America
State of Texas
Counties of Collin, Cooke, Fannin, and Grayson
Greater Texoma Utility Authority
Contract Revenue Bonds, Series 2021
(City of Van Alstyne Project)

Bond Date: March 15, 2021

Registered Owner: Texas Water Development Board

Principal Amount: FOUR MILLION DOLLARS

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value
received, hereby promises to pay to the Registered Owner named above (the "Holder") or the

registered assigns thereof, solely from the revenues hereinafter identified, on June 1 in each of the years and in principal amounts in accordance with the following schedule:

<u>STATED MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
------------------------	-------------------------	----------------------

(Information to be inserted from schedule in Section 2 hereof.)

(or so much thereof as shall not have been paid upon prior prepayment) and to pay interest on the unpaid principal amount hereof from the date of delivery of this Bond to the initial purchasers (which delivery date is anticipated to be April 27, 2021) at the per annum rates of interest specified above computed upon the basis of a 360-day year consisting of twelve (12) 30-day months; such interest being payable on December 1, 2021, and on each June 1 and December 1 thereafter until maturity or prior redemption. Principal of and premium, if any, on this Bond shall be payable at the Stated Maturities or on a prepayment date thereof by BOKF, NA, dba Bank of Texas, Dallas, Texas (the "Paying Agent/Registrar"), only upon presentation and surrender of this Bond to its designated offices in St. Paul, Minnesota (the "Designated Payment/Transfer Office"), or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the fifteenth (15th) day of the month next preceding each interest payment date, and interest and principal due shall be paid by the Paying Agent/Registrar by check sent United States mail, first class postage prepaid, at the expense of the Authority or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Certain Definitions. In addition to terms defined elsewhere in this Resolution, for all purposes of this Resolution and in particular for clarity with respect to the issuance of the Bonds and the pledge and appropriation of the Pledged Revenue therefor, the following definitions are provided:

(a) The term "Additional Bonds" shall mean parity revenue bonds issued in accordance with the terms and conditions prescribed in Section 19 hereof.

(b) The term "Authorized Investments" shall mean the obligations identified in the "Public Funds Investment Act" (Texas Government Code, Chapter 2256), as amended.

(c) The term "Bonds" shall mean the "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2021 (City of Van Alstyne Project)" authorized by this Resolution.

(d) The term "Bonds Similarly Secured" shall mean the Previously Issued Bonds, the Bonds and Additional Bonds.

(e) The term "Contract" or "Amended and Restated Contract For Water Supply and Sewer Service" shall mean that certain contract, dated as of the 17th day of April, 2006, by and between the Authority and the City of Van Alstyne, Texas, together with amendments and supplements thereto (which by the term of such instrument is designated as a supplement to such Contract), a copy of such Contract being attached hereto as **Exhibit B** for the purposes of identification.

(f) The term "City" shall mean the City of Van Alstyne, Texas.

(g) The term "Cost of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

(h) The term "Debt Service" shall mean as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the Authority as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of Bonds Similarly Secured without a fixed numerical rate, that such obligations bear, or would have borne, interest at the highest rate reached, or that would have applied to such obligations (using the index or method for computing interest applicable to such obligations) during the twenty four (24) month period next preceding the date of computation; and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to maturity, the principal amounts thereof will be redeemed prior to maturity in accordance with the mandatory redemption provisions applicable thereto.

(i) The term "Depository Bank" means, currently, Bank of America, N.A., Dallas, Texas. The Authority reserves its right to change from time to time its depository bank to any other bank having trust powers. In the event of any change in the Authority's depository bank, the Authority shall timely notify any parties affected by such change.

(j) The term "Fiscal Year" shall mean the twelve month operational period of the Authority commencing October 1 of each year; provided, however, the Authority may change the fiscal year to another period of not less than twelve (12) calendar months but in no event may the fiscal year be changed more than one time in any three calendar year period.

(k) The term "Government Obligations" as used herein, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the Authority, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the Authority, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other authorized securities or obligations under applicable laws of the State of Texas that may be used to defease obligations such as the Bonds.

(l) The term "Maintenance and Operation Expense of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

(m) The term "Outstanding" shall mean when used in this Resolution with respect to Bonds or Bonds Similarly Secured, as of the date of determination, all Bonds or Bonds Similarly Secured theretofore issued and delivered, except:

(i) those Bonds or Bonds Similarly Secured canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(ii) those Bonds or Bonds Similarly Secured paid or deemed to be paid in accordance with the provisions of Section 29 hereof; and

(iii) those Bonds or Bonds Similarly Secured that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 30 hereof or similar provisions with respect to Bonds Similarly Secured.

(n) The term "Pledged Revenue" shall mean (i) the amount received by the Authority as monthly amortization payments by reason of Section 3.01(a) of the Contract, less the fees and charges of any paying agent/registrars with respect to Bonds Similarly Secured; plus (ii) the amounts deposited into the Bond Fund referenced in Section 12(b) of this Resolution and the amounts described in Section 3.01(b) of the Contract and deposited into the Reserve Fund referenced in Section 12(c) of this Resolution; plus (iii) any amounts on deposit in the Construction Fund, created and established by Section 26 of this Resolution, pending the application of such money for the payment of the Cost of the Project.

(o) The term "Previously Issued Bonds" shall mean the Outstanding (1) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2014A (City of Van Alstyne Project)", (2) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2014B (City of Van Alstyne Project)", and (3) "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015 (City of Van Alstyne Project)" heretofore issued which are in every respect on a parity with the Bonds.

(p) The term "Project" shall mean, with respect to the Bonds, the Series 2021 Project, and, with respect to the Bonds Similarly Secured, collectively, the Projects described as such in the exhibits attached to the ordinances of the City that have from time to time approved the issuance of Bonds Similarly Secured by the Authority for the financing of such Projects.

(q) The term "Series 2021 Project" shall mean, with respect to the Bonds, the project described in Section 1.

SECTION 11: Pledge. The Authority hereby covenants and agrees that all of the Pledged Revenue is hereby irrevocably pledged for the payment of the Bonds Similarly Secured, and the interest thereon, and it is hereby declared and resolved that the Bonds Similarly Secured and the interest thereon shall constitute a first lien upon said Pledged Revenue.

Texas Government Code, Chapter 1208, as amended, applies to the issuance of the Bonds Similarly Secured and the pledge of the Pledged Revenue granted by the Authority under this Section of this Resolution, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are Outstanding and unpaid such that the pledge of the revenues granted by the Authority under this Section of this Resolution is to be subject to the filing requirements of Texas Business & Commerce Code, Chapter 9, as amended, then in order to preserve to the Holders of the Bonds the perfection of the security interest in said pledge, the Authority agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business & Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 12: Fund Designations. The Authority hereby covenants and agrees with the Holders of the Bonds Similarly Secured that all income, receipts and revenues derived from the operation and ownership of the Project shall be kept separate from other funds or accounts of the Authority. To that end the following special Funds (herein so called) were created and

established by a resolution authorizing Previously Issued Bonds and shall exist and govern the application of the Pledged Revenue while the Bonds Similarly Secured are Outstanding, to wit:

(a) Greater Texoma Utility Authority Revenue Fund, hereinafter called "Revenue Fund". This Fund shall be kept in the Authority's Depository Bank.

(b) Greater Texoma Utility Authority Bond Interest and Sinking Fund, hereinafter called "Bond Fund". This Fund shall be deposited with the Depository Bank of the Authority, or other authorized depository, as trustee of the Pledged Revenue, and moneys deposited therein shall be used to pay principal of and interest on Bonds Similarly Secured when and as the same shall become due and payable.

(c) Greater Texoma Utility Authority Bond Reserve Fund, hereinafter called "Reserve Fund". This Fund shall be deposited with a depository of the Authority and money deposited therein shall be used to pay the principal of and interest on Bonds Similarly Secured falling due at any time when there is insufficient money available in the Bond Fund.

SECTION 13: Revenue Fund. All revenues and income of any kind or character received by the Authority by reason of (i) its ownership of all or a part of the Project, (ii) the operation of the Project, or (iii) the Contract, shall be deposited in the Revenue Fund.

Investment income and profits from the investment of the Revenue Fund shall be retained therein until used as provided in this Section 13.

Money in the Revenue Fund shall be used in the following order of priority:

1. Payments into the Bond Fund, as provided by Section 14;
2. Payments into the Reserve Fund, as provided by Section 15;
3. The curing of any deficiencies, as provided by Section 16;
4. The payment of other costs of the Project including maintenance and operation expenses not paid by the Authority and those purposes for which provision is made by Section 3.01(c) through 3.01(e) of the Contract; and
5. Applied as provided in Section 18.

SECTION 14: Bond Fund. The Authority hereby covenants and agrees to deposit into the Bond Fund amounts sufficient to pay the principal of and interest on the Outstanding Bonds Similarly Secured as the same become due. There shall be deposited in the Bond Fund, by reason of the issuance of the Bonds, the following amounts:

From the Pledged Revenue on deposit in the Revenue Fund there shall be deposited in the Bond Fund (i) beginning on or before the fifteenth (15th) day of the month next following delivery of the Bonds and on or before the fifteenth (15th) day of each following month until and including the first interest payment date, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of interest on deposit by the fifteenth (15th) day of the month next preceding the first interest payment date, and thereafter on the fifteenth (15th) day of each following month, an amount equal to not less than one sixth (1/6) of the next installment of interest; (ii) beginning on or before the fifteenth (15th) day of the month

next following delivery of the Bonds, and on or before the fifteenth (15th) day of each following month until and including the first principal payment date, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of principal on deposit by the fifteenth (15th) day of the month preceding the first principal payment date, and thereafter on or before the fifteenth (15th) day of each month, an amount equal to one twelfth (1/12) of the next annual principal payment to become due on the Bonds.

Except in compliance with the rules of the Texas Water Development Board, no bond proceeds will be deposited to the Bond Fund.

The monthly deposits to the Bond Fund for the payment of principal and interest on the Bonds shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in the Bond Fund is equal to the amount required to pay all Outstanding Bonds Similarly Secured (principal and interest) for which said Fund was created and established or (ii) the Bonds Similarly Secured are no longer Outstanding.

SECTION 15: Reserve Fund. The Authority hereby covenants and agrees with the Holders of the Bonds Similarly Secured that it will provide for the accumulation of, and when accumulated, will thereafter continuously maintain in the Reserve Fund an amount equal to the Average Annual Debt Service requirement of all Bonds Similarly Secured (the "Required Reserve Fund Amount"). For purposes of calculating the interest requirement on any Bonds Similarly Secured bearing interest at a variable rate, the interest rate shall be calculated at 5.00%. The Average Annual Debt Service requirement shall be calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured on the date of the last series of Bonds Similarly Secured (after giving effect to the issuance of such last series); provided, however, the average annual requirement shall also be calculated at the end of each Fiscal Year or upon the redemption or defeasance of any Bonds Similarly Secured. If any Bonds Similarly Secured are subject to mandatory redemption, the amount required to be redeemed in any Fiscal Year shall be treated as if it matured in that Fiscal Year. Any amounts on deposit in the Reserve Fund in excess of such requirement shall be transferred to the Revenue Fund.

In addition to any amounts currently , beginning on or before the fifteenth day of the first month following the delivery of the Bonds, and on or before the 15th day of each month thereafter, there shall be deposited in the Reserve Fund an amount equal to not less than one-sixtieth (1/60) of the Required Reserve Fund Amount, and such monthly deposits shall take into account the amounts already on deposit in said Reserve Fund.

When the Required Reserve Fund Amount has been fully accumulated, said monthly payments to said Fund may be terminated; provided, however, should the amount in such fund be reduced, after the Required Reserve Fund Amount has been accumulated, monthly deposits shall be resumed and continued to be made in an amount not less than one-twelfth (1/12) of the amount of the deficiency, on or before the 15th day of each month until the Required Reserve Fund Amount has been fully restored.

Investment income and profits realized from the investment of the Reserve Fund shall be retained therein as may be necessary to fully fund or restore the Required Reserve Fund Amount and thereafter shall be transferred to the Revenue Fund.

SECTION 16: Investments - Security of Funds. Money deposited to the credit of any Fund referenced in this Resolution may, at the option of the Authority, be invested in Authorized Investments; provided that all such investments shall be made in such a manner that

the money required to be expended from said Funds will be available at the proper time or times. Such investments (except State and Local Government Series investments held in book entry form, which shall at all times be valued at cost) shall be valued in terms of current market value. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses debited to, the Bond Fund. All interest and interest income derived from deposits in and investments of the Reserve Fund shall, subject to the limitations provided in Section 15 hereof, be credited to and deposited in the Revenue Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

All moneys on deposit in the special Funds for which this Resolution makes provision (except any portions thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys in such special Funds shall be used only for the purposes permitted by this Resolution.

SECTION 17: Transfer of Funds - Deficiencies in Funds. (a) While any of the Bonds are Outstanding, the Board of Directors shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Bond Fund and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures or comes due by reason of redemption prior to maturity, such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date of payment for the Bonds.

(b) If in any month the Authority shall, for any reason, fail to pay into the Bond Fund and Reserve Fund the full amounts above stipulated, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available and unallocated Pledged Revenue of the following month or months, and such payments shall be in addition to the amount hereinabove provided to be otherwise paid into said Funds during such month or months.

SECTION 18: Remainder of Revenues. Money remaining in the Revenue Fund, after making the payments required in items (1) through (4) of the last paragraph of Section 13, shall be transferred to any other fund referenced in this Resolution and used as a credit to the amount that would otherwise be required to be paid by the City under Section 3.01 of the Contract.

SECTION 19: Issuance of Additional Parity Bonds. In addition to the right to issue bonds of inferior lien as authorized by the laws of this State, the Authority reserves the right hereafter to issue Additional Bonds. The Additional Bonds, when issued, shall be payable from and secured by a first lien on and pledge of the Pledged Revenue in the same manner and to the same extent as are the Bonds and the Previously Issued Bonds, and the Bonds, the Previously Issued Bonds and Additional Bonds shall in all respects be of equal dignity. The Additional Bonds may be issued in one or more installments provided, however, that no Additional Bonds, shall be issued unless and until the following conditions have been met:

(a) The Authority is not then in default as to any covenant, condition or obligation prescribed in a resolution authorizing the issuance of the Outstanding Bonds Similarly Secured or the Contract (including any amendment or supplement thereto).

(b) A consulting engineer certifies to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement or improvement of the Project .

(c) The City shall have approved the resolution(s) authorizing the issuance of the Additional Bonds as to form and content and acknowledged that the payment of principal of and interest on such Additional Bonds is payable, in whole or in part, from payments to be made by the City, under and pursuant to the Contract.

(d) The Additional Bonds are made to mature on June 1 or December 1 or both in each of the years in which they are scheduled to mature.

(e) The resolution authorizing the issuance of the Additional Bonds provides for deposits to be made to the Bond Fund in amounts sufficient to pay the Debt Service on such Additional Bonds as the same become due.

(f) The resolution authorizing the issuance of the Additional Bonds provides that the amount to be accumulated and maintained in the Reserve Fund shall be in an amount equal to not less than the Average Annual Debt Service requirement (calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Additional Bonds) for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenue, and provides that any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than sixty (60) months from the date of the passage of the resolution authorizing the issuance of the proposed Additional Bonds. For purposes of calculating the interest requirement on any Bonds Similarly Secured bearing interest at a variable rate, the interest rate shall be calculated at 5.00%.

(g) The Authority will demonstrate to the Board's Executive Administrator that the Pledged Revenues will be sufficient to pay the Previously Issued Bonds, the Bonds and the proposed Additional Bonds.

Bonds Similarly Secured may be refunded (pursuant to any law then available) upon such terms and conditions as the governing body of the Authority may deem to be in the best interest of the Authority, and if fewer than all such Outstanding Bonds Similarly Secured are refunded the proposed refunding bonds shall be considered as "Additional Bonds" under the provisions of this section but the certificate required in subparagraph (b) above shall not be required or be applicable to the issuance of such refunding bonds.

SECTION 20: Insurance. The Authority covenants that it will at all times keep insured such of its plants, structures, buildings, stations, machinery, equipment, apparatus, distribution pipelines and equipment, as are usually insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by corporations operating like properties, and will also at all times maintain worker's compensation insurance and insurance against public liability and property damages to the extent permitted by law, in a reasonable amount with a responsible insurance company or companies; provided, however, that any time while the City or any contractor engaged in construction work shall be fully responsible therefor, or the Authority has assumed such responsibility, the Authority shall not be required to carry such insurance. The Authority further covenants that such insurance with respect to the Project shall be in an amount sufficient to protect the Board's interest in the Project.

SECTION 21: Records - Accounts - Accounting Reports. The Authority hereby covenants and agrees that so long as any of the Bonds Similarly Secured or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts on a Fiscal Year basis pertaining to the operation of the Project separate and apart from all other records and accounts of the Authority in accordance with accepted accounting practices and complete and correct entries shall be made of all transactions relating to said Project. The Holder or Holders of any Bonds Similarly Secured, or any duly authorized agent or agents of such Holders, shall have the right at all reasonable times to inspect all such records, accounts and data relating thereto and to inspect the Project and all properties comprising same. The Authority further agrees that within ninety (90) days following the close of each Fiscal Year, or as soon thereafter as possible, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants or Licensed Public Accountants. Each such audit, in addition to whatever other matters may be thought proper by the Accountant shall particularly include the following:

- (a) A detailed statement of the receipts and disbursements from the Revenue Fund.
- (b) A balance sheet as of the end of such Fiscal Year.
- (c) The Accountant's comments regarding the manner in which the Authority and the City have complied with the covenants and requirements of this Resolution and the Contract and his recommendations for any changes or improvements in the operation, records and accounts of the Authority.
- (d) A list of the insurance policies in force (if obtained by the Authority) at the end of the Fiscal Year on the Project properties, setting out as to each policy the amount thereof, the risk covered, the name of the insurer, and the policy's expiration date.
- (e) A list of the securities that have been on deposit as security for money in the Bond Fund and Reserve Fund throughout the Fiscal Year, a list of the securities, if any, in which money in the Bond Fund and Reserve Fund has been invested, and a statement of the manner in which money in the Revenue Fund has been secured in such Fiscal Year.

Expenses incurred in making the audits referred to above are to be regarded as Maintenance and Operating Expenses of the Project and paid as such. Copies of the aforesaid annual audit shall be immediately furnished to the Executive Director of the Municipal Advisory Council of Texas at his or her office in Austin, Texas, the Texas Water Development Board, Attention: Executive Administrator, and, upon written request, to the initial Holder and any subsequent Holder of the Bonds Similarly Secured.

By its approval of this Resolution, the City agrees (a) to provide the Texas Water Development Board with annual audit reports, to be submitted without charge, within one hundred twenty (120) days of the close of each fiscal year, (b) in order to secure its obligations under the Contract, to maintain rates and charges for its utility system sufficient to pay all of its obligations secured by and made payable from the revenues derived from the operation of its utility system and (c) to implement any water conservation program required by the Board until all financial obligations to the Board have been discharged..

SECTION 22: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the Authority covenants and agrees particularly that in the event the Authority (a) defaults (i) in payments to be made to the Bond Fund or Reserve

Fund as required by this Resolution, or (ii) in the observance or performance of any other of the covenants, conditions or obligations set forth in this Resolution or (b) the City defaults under the Contract, any Holder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board of Directors and other officers of the Authority to observe and perform any covenant, condition or obligation prescribed in this Resolution.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 23: Special Covenants. The Authority hereby further covenants as follows:

(a) It has the lawful power to pledge the revenues supporting this issue of Bonds and has lawfully exercised said power under the Constitution and laws of the State of Texas; that the Bonds, the Previously Issued Bonds, and the Additional Bonds, when issued, shall be ratably secured under said pledge of the Pledged Revenue in such manner that one bond shall have no preference over any other bond of said issues.

(b) Other than for the Bonds and the Previously Issued Bonds, the Pledged Revenue has in no manner been committed or pledged to the payment of any debt or obligation of the Authority.

(c) So long as any of the Bonds or any interest thereon remain Outstanding, the Authority will not sell or encumber the Project or any substantial part thereof; provided, however, this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the Project, and, also, with the exception of the Additional Bonds expressly permitted by this Resolution to be issued, it will not encumber the Pledged Revenue unless such encumbrance is made junior and subordinate to all of the provisions of this Resolution.

(d) The Authority will maintain rates and charges to the City sufficient to meet the debt service requirements on the Outstanding obligations of the Authority that are supported by such revenues and the establishment of the special funds maintained for the payment and security of such obligations.

None of the special covenants herein appearing shall be construed in any manner which would deprive the Authority of its right to pledge any revenues produced by modification of the Contract and specifically designated to meet obligations incurred in providing the Authority with enlarged or additional facilities; further, that none of said covenants shall be construed in any manner that would deprive the Authority of its right to pledge that part of any revenue or income derived by it from other future contracts with other cities, towns or villages or the Authority or others and required to satisfy conditions for payment of other bonds or obligations issued by the Authority and such right is especially reserved.

SECTION 24: Bonds are Special Obligations. The Bonds are special obligations of the Authority payable from the Pledged Revenue and the Holders thereof shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

SECTION 25: Bonds are Negotiable Instruments. Each of the Bonds herein authorized shall be deemed and construed to be a "Security" and as such a negotiable instrument, within the meaning of Texas Business and Commerce Code, Chapter 8, as amended.

SECTION 26: Construction Fund. The Authority hereby creates a construction fund account in a depository of the Authority, which is known as the "Construction Fund," into which shall be deposited all remaining proceeds derived from the sale of the Bonds in accordance with Section 34 of this Resolution and this Section. To the extent of any conflict between this Section and Section 34, Section 34 controls. In this Section, when the term "Cost(s) of the Project" is used, the reference is to the Series 2021 Project.

Moneys on deposit in the Construction Fund shall be disbursed only for payment of the respective Costs of the Project financed. All expenditures for construction, labor, and materials shall be disbursed only upon receipt of a certificate of the Engineer (as defined in the Contract) based upon estimates of work and material furnished as approved by such Engineers and submitted to the Authority and the City's Engineer for approval prior to payment. The Authority shall keep records of the nature and amount of all Construction Fund expenditures and make the same available to the City and the engineers at all reasonable times. Should there be any balance in the Construction Fund after all such Costs of the Project have been paid, such balance shall be deposited in the Bond Fund.

All earnings realized from these investments shall be retained in the Construction Fund until completion of the Series 2021 Project and shall be treated in the same manner as other moneys in the Construction Fund are treated as pursuant to this Resolution.

SECTION 27: Notices to Holders-Waiver. Wherever this Resolution provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case in which notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Resolution provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 28: Cancellation. All Bonds surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Authority, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Authority may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered that the Authority may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Authority.

SECTION 29: Satisfaction of Obligation of Authority. If the Authority shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and

interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge of the Pledged Revenue under this Resolution and all other obligations of the Authority to the Holders shall thereupon cease, terminate, and become void and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The Authority covenants that no deposit of moneys or Government Obligations will be made under this Section and no use made of any such deposit that would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent/Registrar or an authorized escrow agent, pursuant to this Section that is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the Authority or deposited as directed by the Authority. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of four (4) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the Authority, be remitted to the Authority against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the Authority shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 30: Mutilated - Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the Authority and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the Authority and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Resolution equally and ratably with all

other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 31: Sale of the Bonds. The sale of the Bonds to the Texas Water Development Board (herein referred to as the "Purchaser" and the "initial Holder") pursuant to a loan commitment received from said Board, at the price of par, less a loan origination fee of 2.25%, to provide for the Bonds to bear interest at an effective interest rate equivalent to the Purchaser's lending rate therefor, is hereby confirmed and declared to be in the best interests of the Authority. Delivery of the Bonds to said Purchaser shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale.

SECTION 32: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

"Closing Date" means the date on which the Bonds are first authenticated and delivered to the initial Purchaser against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (i) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (ii) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The Authority shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition,

construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on (1) any Bond issued hereunder or (2) any series of bonds or obligations issued or incurred by the Texas Water Development Board or the Texas Water Resources Finance Authority to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Authority receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Authority shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Authority shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the Authority or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Authority shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Authority shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or

with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the Authority shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The Authority shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The Authority shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the Authority may commingle Gross Proceeds of the Bonds with other money of the Authority, provided that the Authority separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the Authority shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The Authority shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six (6) years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Authority shall pay to the United States out of the Construction Fund, other appropriate fund or, if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Bond Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The Authority shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2)

and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Elections. The Authority hereby directs and authorizes the President, Secretary and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(j) Nonpurpose Investments. No portion of the proceeds of the Bonds will be used, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments which produce a yield materially higher than the yield on the Board's bonds that were issued to provide financing for the Bonds (the "Source Series Bonds"), other than Nonpurpose Investments acquired with:

(i) proceeds of the Board's Source Series Bonds invested for a reasonable temporary period of up to three (3) years (reduced by the period of investment by the Board) until such proceeds are needed for the facilities to be financed;

(ii) amounts invested in a bona fide debt service fund, within the meaning of § 1.148-1(b) of the IRS Regulations; and

(iii) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt service on the Bonds, 125% of average annual debt service on the Bonds, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Bonds.

SECTION 33: Control and Custody of Bonds. The President of the Board of Directors of the Authority shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond(s) pending approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchaser.

Furthermore, the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, are hereby authorized and directed to furnish and execute such documents relating to the Authority and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Bonds by the Attorney General and their registration by the Comptroller of Public Accounts and, together with the Authority's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for printing of the definitive Bonds and the delivery of the Initial Bond(s) to the initial Purchaser and the exchange thereof for definitive Bonds.

SECTION 34: Rules and Regulations of the Texas Water Development Board. In compliance with the published rules and regulations of the Texas Water Development Board

(the "Board"), the Authority agrees and covenants that upon completion of the Series 2021 Project, the proper officials of the Authority promptly shall cause to be prepared and submitted to the Board (i) a final accounting of the total costs of the Series 2021 Project and the expenditure of funds therefor and (ii) a copy of the construction plans for the Series 2021 Project as built and completed. In addition to other information required by the Board, said final accounting shall identify (i) all funds utilized or represented to be available in the Authority's application, from whatever source derived, and (ii) all Series 2021 Project costs contained and approved in the Authority's application to the Board or approved in subsequent change orders. If the total cost of the Series 2021 Project is less than the amount of the Series 2021 Project funds available, then the Authority may use such surplus proceeds remaining after completion of the Series 2021 Project for the following purposes as approved by the Executive Administrator: (1) to redeem Bonds, in inverse annual order of stated maturities, (2) to deposit into the Bond Fund for the payment of capitalized interest or principal on the Bonds or (3) to pay eligible project costs as authorized by the Executive Administrator. Execution and delivery of an Escrow Agreement, substantially in the form attached hereto as **Exhibit C**, by the President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, is hereby approved. The Construction Fund shall be held subject to the Escrow Agreement and moneys deposited therein shall be kept separate from other funds and accounts of the Authority. The Authority further covenants and agrees (i) that certain proceeds of sale of the Bonds shall be deposited in the Construction Fund created by Section 26 of this Resolution and established with a depository of the Authority, and (ii) all funds deposited in such Construction Fund shall be disbursed only for the Series 2021 Project the Bonds and, as is appropriate, in accordance with the provisions of Chapter 15 or 17 of the Texas Water Code.

The Authority further agrees and covenants as follows:

(i) to comply with all applicable laws of the State of Texas and all applicable rules and policies of the Board with respect to the acquisition and construction of the Series 2021 Project and the loan of funds to the Authority by the Board evidenced by the Bonds.

(ii) no bond proceeds will be used for sampling, testing, removing or disposing of contaminated soils and/or media at the project site and, to the extent permitted by law, to indemnify, hold harmless and protect the Board from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport and/or removal and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the Authority, its contractors, consultants, agents, officials and employees as a result of activities relating to the project.

(iii) all laborers and mechanics employed by contractors and subcontractors for the Series 2021 Project shall be paid wages at rates not less than prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations. The Authority, all contractors, and all subcontractors shall ensure that all Project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for the construction of the Series 2021 Project shall include in full in any contract in excess of \$2,000 the contracts clauses as provided by the Board.

(iv) The Authority will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by the 2014 Appropriations Act and related State Revolving Fund Policy Guidelines.

(v) the Contract shall not be amended or revised in a manner to affecting the financial condition of the Authority and its ability to pay the Bonds without the prior written approval of the Board's Executive Administrator.

(vi) The Authority shall provide the Board with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The Authority shall obtain a Data Universal Numbering System ("DUNS") Number and shall register the System for Award Management ("SAM"), and maintain current registration at all times while the Bonds are outstanding.

(vii) All proceeds of the Bonds will be timely and expeditiously used, as required by 40 CFR § 35.3135(d) and the Authority will adhere to the approved project schedule.

(viii) The Board may exercise all remedies available to it in law or equity, and any provision of the Bonds that restricts or limits the Board's full exercise of these remedies shall be of no force and effect.

(ix) The Authority will not acquire any of the Board's bonds that were issued to provide financing for the Bonds in the amount of the Bonds to be acquired from the Authority by the Board.

(x) Prior to any action by the Authority to convey the project (including the related obligation to repay the Bonds) to another entity, the conveyance and assumption must be approved by the Board; the Authority will notify the Board's Executive Administrator prior to taking actions to alter the Authority's legal status in any manner, including any transfer of substantially all of its assets to another entity.

(xi) The Authority will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States of America, as required by the 2014 Federal Appropriations Act, related EPA SRF Policy Guidelines and the TWDB American Iron and Steel Guidance, unless the Authority has requested and obtained a waiver from EPA pertaining to the Series 2021 Project.

(xii) The proceeds of the Bonds shall be held in a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257.

(xiii) The Authority will comply with all federal Disadvantaged Business Enterprise and other procurement and contracting requirements established by the Environmental Protection Agency and will provide documentation of such

compliance in the form and manner approved by the Board's Executive Administrator.

SECTION 35: Legal Opinion. The Purchaser's obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Norton Rose Fulbright US LLP, Attorneys, concerning the validity of the Bonds, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds by the Purchasers. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds, or an executed counterpart thereof shall accompany the global Bonds deposited with the Depository Trust Company.

SECTION 36: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Authority nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

SECTION 37: Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 38: Resolution a Contract - Amendments. This Resolution shall constitute a contract with the Holders from time to time, be binding on the Authority, and shall not be amended or repealed by the Authority so long as any Bond remains Outstanding except as permitted in this Section and in Section 39 hereof. The Authority, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Authority may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds Similarly Secured then outstanding, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the consent of all Holders of the Bonds then outstanding, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 39: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2 12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The Authority shall provide annually to the MSRB (1) within six (6) months after the end of each Fiscal Year, financial information and operating data of the general type described in **Exhibit D** hereto and (2) if not provided as part of such financial information and operating data, audited financial statements of the Authority and the City, when and if available. Any financial statements so provided shall be prepared in accordance with the accounting principles described in **Exhibit D** hereto, or such other accounting principles as the Authority may be required to employ from time to time pursuant to state law or regulation, and audited, if the Authority commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available by the required time, the Authority will provide unaudited financial information of the type included in the final Application for Financial Assistance and described in **Exhibit D** by the required time and audited financial statements when and if such audited financial statements become available.

If the Authority changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Authority otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Material Event Notices. The Authority shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;

- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Authority, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority, and (b) the Authority intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The Authority shall notify the MSRB, in a timely manner, of any failure by the Authority to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by this Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this

Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The Authority shall be obligated to observe and perform the covenants specified in this Section with respect to the Authority and the Bonds while, but only while, the Authority remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Authority in any event will give notice required by subsection (c) hereof of any Bond calls and defeasance that cause the Authority to be no longer such an "obligated person".

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the Authority or the State of Texas or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Authority does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE AUTHORITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Authority in observing or performing its obligations under this Section shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Authority under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the Authority from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the Authority if the SEC amends

or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the Authority's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the Authority so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 40: Further Procedures. Any one or more of the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Authority all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, and Bond Counsel are each hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the documents authorized and approved by this Resolution: (i) in order to cure any technical ambiguity, formal defect, or omission in the Resolution or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Authority whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 41: Reapproval of Contract. In all respects, the Contract is reapproved and shall be and remain in full force as the agreement of the parties to such Contract.

SECTION 42: Incorporation of Findings and Determinations. The findings and determinations of the Board of Directors of the Authority contained in the preamble hereof are hereby incorporated by reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

SECTION 43: Benefits of Resolution. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person other than the Authority, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Authority, the Paying Agent/Registrar and the Holders.

SECTION 44: Inconsistent Provisions. All orders or resolutions, or parts thereof, that 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 contained herein.

SECTION 45: Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 46: Severability. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 47: Public Meeting. 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 Texas Government Code, Chapter 551, as amended.

SECTION 48: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

[The remainder of this page is intentionally blank]

PASSED AND ADOPTED, this March 15, 2021.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(Seal)

EXHIBIT A

Paying Agent/Registrar Agreement

EXHIBIT B

Amended and Restated Contract For Water Supply and Sewer Service

EXHIBIT C

Escrow Agreement

EXHIBIT D

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 39 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data to be provided annually in accordance with such Section are the financial statements of the Authority and the financial statements of the City.

Accounting Principles

The accounting principles referred to in such Section are generally those described in the financial statements referenced above, as such principles may be changed from time to time to comply with state law or regulation.

ATTACHMENT VIII



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: March 2, 2021

SUBJECT: AGENDA ITEM NO. VIII

CONSIDER AND ACT UPON AUTHORIZATION FOR THE GENERAL MANAGER TO ADVERTISE FOR BIDS FOR CITY OF VAN ALSTYNE ELEVATED STORAGE TANK AND APPURTENANCES.

ISSUE

Authorization for General Manager to advertise for bids for projects funded by the GTUA/City of Van Alstyne Bond Series 2021 (City of Van Alstyne Project).

BACKGROUND

The previous agenda item discussed funding for the Van Alstyne Elevated Storage Tank and water system improvement projects funded by this bond issue.

OPTIONS/ALTERNATIVES

In the past the Board has customarily authorized the General Manager to proceed with advertising projects as soon as the engineering plans and specifications are complete.

CONSIDERATIONS

Authorizing the General Manager to advertise as soon as plans and specifications are complete will improve the efficiency of the process to complete the project.

STAFF RECOMMENDATIONS

The staff recommends that the Board approve the General Manager to advertise for bids on any projects that are to be funded by the GTUA/City of Van Alstyne Bonds.

PREPARED AND SUBMITTED BY:

Drew Satterwhite, P.E., General Manager

ATTACHMENT IX



GREATER TEXOMA UTILITY AUTHORITY

AGENDA COMMUNICATION

DATE: March 10, 2021

SUBJECT: AGENDA ITEM NO. IX

CONSIDER AND ACT UPON AUTHORIZING AWARD OF CONTRACT FOR THE CONSTRUCTION OF THE CITY OF SHERMAN'S POST OAK WASTEWATER TREATMENT PLANT AERATION AND OTHER SECONDARY IMPROVEMENTS PROJECT.

ISSUE

Consider and act upon award of Contract. for the City of Sherman Wastewater Treatment ("WWTP") Plant Aeration and Other Secondary Improvements Project.

BACKGROUND

The City of Sherman staff approached the Authority staff requesting financial assistance for several upcoming capital improvement projects. After several meetings with the City staff, we identified the projects that we believe are ideal candidates to take advantage of the below market interest rate savings through the Texas Water Development Board's ("TWDB") Clean Water State Revolving Fund ("CWSRF"). Projects requested to be funded through the CWSRF include 1) Aeration Basin and Other Secondary Improvements, Phase II; 2) Biological Clarifier Rehabilitation; 3) WWTP Control Building Expansion; 4) Brine Line Project (engineering, bores, rights-of-way, construction); and 5) WWTP Storm water Lift Station. These improvements are all identified in the City of Sherman's 5-year Capital Improvements Plan that they develop annually.

In January 2020, the Board and City of Sherman Council approved the Bond Resolution which authorized the issuance of \$13,595,000 through the TWDB's CWSRF program. The Authority was able to procure a special class of CWSRF funds called the Equivalency Funds, which offers below market interest rates. The interest rate received for this issuance was 0.29% for a 20-year term. The TWDB estimates that the City of Sherman could save approximately \$2.1 million over the life of the loan by using the CWSRF.

This project consists of a new Electrical Building of CMU construction; replacement of three multistage centrifugal blowers; façade, HVAC and lighting improvements at existing Blower Building; replacement of aeration diffusers and grids, air valves, and air flow meter at Aeration Basins; replacement of 14 gates at the Aeration Basin, three gates and three telescoping valves at the Clarifier Control Station; replacement of existing screw lift pump with immersible pump, four gates, FRP Parshall flume liner, miscellaneous valves at Aeration Basin Lift Station; and replacement of mechanism, control panel, effluent weirs, troughs, box, at three Bio-Clarifiers.

CONSIDERATIONS

The City of Sherman opened bids for the WWTP Aeration and Other Secondary Improvements Project on March 4, 2021. Five (5) bids were received for the project.

Charlotte Smith, P.E. with Perkins Engineering, the engineering consultants for this project, has discussed the project with the City of Sherman staff and provided the attached letter of recommendation and bid tabulation. The award recommendation includes the 3 additive alternate bid items.

The City of Sherman Council will consider award of this contract at their March 15, 2021 Council meeting.



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

PAGE 2

STAFF RECOMMENDATIONS

Staff recommends authorizing the General Manager to award contract to Red River Construction Co. in the amount of \$5,644,800.00, contingent upon the Sherman City Council taking similar action.

ATTACHED

Engineer's Letter of Recommendation
Bid Tabulation

PREPARED AND SUBMITTED BY:

A handwritten signature in blue ink, appearing to read "Drew Satterwhite", is written over a horizontal line.

Drew Satterwhite, P.E., General Manager



PERKINS
ENGINEERING
CONSULTANTS, INC.

6001 Interstate 20 West
Suite 219
Arlington, TX 76017
Office: 817-719-0372
Fax: 817-719-0372
www.perkinsconsultants.com

March 5, 2021

Drew Satterwhite, P.E.
General Manager
Greater Texoma Utility Authority
5100 Airport Drive
Denison, Texas 75020

RE: Post Oak Wastewater Treatment Plant
Aeration and Other Secondary Improvements
Recommendation of Award

Dear Mr. Satterwhite,

Five bids were publicly opened and read aloud for the above referenced project on March 4, 2021 at 2:00 pm. We recommend award to the lowest responsive bidder, Red River Construction Co., in the amount of \$ \$5,606,000.00. Including the three additive alternatives brings the total to \$5,644,800.00.

We have worked with Red River Construction Co. on several successful projects, including a previous project at the Post Oak plant. We believe Red River Construction Co. is capable of performing well on this project.

A complete tabulation of bids received is attached.

Please contact me if you have any questions.

Sincerely,

Charlotte G. Smith

Charlotte G. Smith, P.E.
TX PE 90300; TBPE Firm No. 8699

cc: Mr. Tom Pruitt, P.E., City of Sherman

**City of Sherman Post Oak WWTP
Aeration and Other Secondary Improvements Project
Bid Summary**

Item No.	Description	Unit	Est. Quantity	Eagle Contracting, L.P.		Schofield Civil Construction		Gracon Construction, Inc.		Red River Construction Co.		Crescent Contractors	
				Unit Price	Extended Amount	Unit Price	Extended Amount	Unit Price	Extended Amount	Unit Price	Extended Amount	Unit Price	Extended Amount
1	Complete construction and operational completion of the improvements shown on the plans and specifications, ready to operate. Bid amount shall include all excavation, backfilling, pumping, dewatering, bypass pumping, or drainage, sheeting, shoring and bracing; disposal of any and all surplus materials, protection of all overhead, surface or underground structures; removal and replacement of any pipelines, appurtenances and connections, cleaning up, overhead expense, bonds, public liability and compensation, and property damage insurance, patent fees and royalties, risk due to the elements, and profit, unless otherwise specified, except for work described in subsequent bid items, below.	LS	1	\$ 4,422,300	\$ 4,422,300	\$ 4,315,000	\$ 4,315,000	\$ 5,187,000	\$ 5,187,000	\$ 4,170,700	\$ 4,170,700	\$ 4,450,000	\$ 4,450,000
2	Allowance for immersible pump and accessories to be paid to the Pump Supplier by the awarded General Contractor for all items in Scope of Supply from Xylem Flygt per Section 43 25 00 Variable-Speed Immersible Centrifugal Pump and drawings.	LS	1	\$ 131,000	\$ 131,000	\$ 131,000	\$ 131,000	\$ 131,000	\$ 131,000	\$ 131,000	\$ 131,000	\$ 131,000	\$ 131,000
3	Instrumentation and Control System hardware and programming for PLCs, HMIs, and SCADA in accordance with Sections 26 05 00 and 26 05 30.	LS	1	\$ 154,000	\$ 154,000	\$ 177,000	\$ 177,000	\$ 162,000	\$ 162,000	\$ 167,780	\$ 167,780	\$ 175,120	\$ 175,120
4**	Electrical and instrumentation work not included in Bid Item No. 3.	LS	1	\$ 1,040,000	\$ 1,040,000	\$ 1,195,000	\$ 1,195,000	\$ 1,092,000	\$ 1,092,000	\$ 1,100,000	\$ 1,100,000	\$ 1,150,000	\$ 1,150,000
5	Drilled piers, nine for Electrical Building foundation and three for Cable Tray Support, as shown on Sheets 03-S-01 and 04-S-01.	LF	144	\$ 115	\$ 16,560	\$ 165	\$ 23,760	\$ 133	\$ 19,152	\$ 130	\$ 18,720	\$ 145	\$ 20,880
6	Additional reinforced concrete sidewalk paving not shown on plans (sidewalk paving shown on plans is to be included in Bid Item 1.)	SF	200	\$ 10	\$ 2,000	\$ 20	\$ 4,000	\$ 25	\$ 5,000	\$ 14	\$ 2,800	\$ 5	\$ 1,000
7	Additional reinforced concrete roadway or driveway paving not shown on plans (roadway paving shown on plans is to be included in Bid Item 1.)	SF	1000	\$ 13.50	\$ 13,500	\$ 23	\$ 23,000	\$ 35	\$ 35,000	\$ 15	\$ 15,000	\$ 9	\$ 9,000
TOTAL AMOUNT BID (ITEMS 1-7)				\$ 5,779,360		\$ 5,868,760		\$ 6,631,152		\$ 5,606,000		\$ 5,937,000	

** Blower and clarifier control panels adjacent to the equipment shall be provided by the selected manufacturers and included in Bid Item No. 1. Field power and signal wiring and conduit are to be provided by the selected Electrical Subcontractor and included in Bid Item No. 4.

Additive Alternative Bid Items

Item No.	Description	Unit	Est. Quantity	Unit Price	Extended Amount	Unit Price	Extended Amount	Unit Price	Extended Amount	Unit Price	Extended Amount	Unit Price	Extended Amount
Add Alt 1	Switchboard shelter as depicted on Sheet 08-S-01.	LS	1	\$ 13,000	\$ 13,000	\$ 15,300	\$ 15,300	\$ 25,000	\$ 25,000	\$ 12,000	\$ 12,000	\$ 22,000	\$ 22,000
Add Alt 2	Hard piping of 1/2" air line to aluminum sulfate storage tanks as depicted on Sheet 02-M-06.	LS	1	\$ 4,600	\$ 4,600	\$ 4,000	\$ 4,000	\$ 14,000	\$ 14,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 10,000
Add Alt 3	Fall Protection Fixed Bases at Aeration Basins and Clarifier Control Station and associated handrail modifications as depicted on Sheets 02-M-01, 02-M-05, 05-M-01 and 06-M-01.	LS	1	\$ 4,700	\$ 4,700	\$ 31,000	\$ 31,000	\$ 21,000	\$ 21,000	\$ 21,800	\$ 21,800	\$ 6,000	\$ 6,000

ATTACHMENT X



GREATER TEXOMA UTILITY AUTHORITY AGENDA COMMUNICATION

DATE: March 2, 2021

SUBJECT: AGENDA ITEM NO. X

CONSIDER AND ACT UPON AUTHORIZATION FOR THE GENERAL MANAGER TO ADVERTISE FOR BIDS FOR CITY OF SHERMAN PROJECT

ISSUE

Authorization for General Manager to advertise for bids for water and sewer projects funded by the GTUA/City of Sherman Bond Series 2021 (City of Sherman Project).

BACKGROUND

The funding for the City of Sherman projects was discussed at the February 22, 2021 GTUA meeting. The projects encompassed in this bond issuance include the following:

Marilee SUD ROW	\$	2,000,000
Legacy Water Line & Engineering	\$	1,000,000
Northwest Sewer Additional Funding	\$	2,225,000
Stream Bank Stabilization Nantucket/Vancouver	\$	600,000
Texoma Parkway Sewer Overflow Relief	\$	230,000
Wastewater Master Study	\$	600,000
Water Master Study	\$	300,000
Laboratory Facility Expansion Design	\$	250,000
Ida Road Ground Storage Tank Engineering	\$	250,000
Southside Industrial Sewer Replacement Engineering	\$	500,000
Lamberth Water Line Loop	\$	1,000,000

OPTIONS/ALTERNATIVES

In the past the Board has customarily authorized the General Manager to proceed with advertising projects as soon as the engineering plans and specifications are complete.

CONSIDERATIONS

Authorizing the General Manager to advertise as soon as plans and specifications are complete will improve the efficiency of the process to complete the project.

STAFF RECOMMENDATIONS

The staff recommends that the Board approve the General Manager to advertise for bids on any projects that are to be funded by the GTUA/City of Sherman Bond Series 2021.

PREPARED AND SUBMITTED BY:

Drew Satterwhite, P.E., General Manager

ADJOURN