

CITY OF DRIPPING SPRINGS

RESOLUTION No. 2026-R##

A RESOLUTION OF THE CITY OF DRIPPING SPRINGS, TEXAS
CONSENTING TO AND EXPRESSING NO OBJECTION TO THE ISSUANCE
OF WATER, SEWER, AND DRAINAGE BONDS BY SPRINGHOLLOW
MUNICIPAL UTILITY DISTRICT OF HAYS COUNTY IN A PRINCIPAL
AMOUNT NOT TO EXCEED \$4,385,000; AND PROVIDING FOR AN
EFFECTIVE DATE.

WHEREAS, Springhollow Municipal Utility District of Hays County (the District) is a municipal utility district, a body corporate and politic and governmental agency of the State of Texas, created under Article XVI, Section 59 of the Texas Constitution, and operating under Chapters 49 and 54 of the Texas Water Code, as amended; and

WHEREAS, the City of Dripping Springs, Texas (the City), the District, and HM Parten Ranch Development, Inc. entered into that certain Agreement Concerning Creation and Operation of Springhollow Municipal Utility District, dated effective December 18, 2007, as subsequently assigned or amended (the Consent Agreement); and

WHEREAS, the Consent Agreement provides certain requirements and procedures applicable to the issuance of bonds by the District, including notice to the City, certifications to the City, and an opportunity for City review; and

WHEREAS, the District has provided notice to the City of the District's proposed Water, Sewer, and Drainage Bond Issue No. 6, in a principal amount not to exceed \$4,385,000 (the Bonds); and

WHEREAS, the District has represented that the proceeds of the Bonds will be used to reimburse previously unreimbursed water, wastewater, and drainage facilities in Parten Ranch Phase 8, impact fees for wholesale water capacity from West Travis County PUA, and costs of issuance and related eligible costs; and

WHEREAS, the District has certified to the City that the District is not in breach of any material provision of the Consent Agreement; and

WHEREAS, the District's financial advisor has certified to the City that the Bonds are being issued within the then-current economic feasibility guidelines established by the Texas Commission on Environmental Quality for districts issuing bonds for water, sewer, or drainage facilities in Hays County; and

WHEREAS, District counsel has clarified that \$4,385,000 is the final principal amount for the Bonds; and

WHEREAS, the District's financial advisor has confirmed that next year's projected tax rates are \$0.875 for debt service and \$0.125 for maintenance and operations, for a total District tax rate of \$1.00 per \$100 of taxable assessed valuation; and

WHEREAS, City Staff has reviewed the notice, financial advisor certification, engineering report, follow-up email confirmations, and related materials submitted to the City for the Bonds; and

WHEREAS, based on the materials provided to the City, the Bonds are proposed for purposes permitted under the Consent Agreement, and the District's debt-to-assessed-valuation ratio after issuance appears to remain below the limitation stated in the Consent Agreement; and

WHEREAS, the City Council desires to consent to and express no objection to the District's issuance of the Bonds, subject to the terms of this Resolution and the continued accuracy of the District's representations and certifications.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DRIPPING SPRINGS, TEXAS:

- 1. Finding of Fact:** The above and foregoing recitals are hereby found to be true and correct and are incorporated as finding of fact.
- 2. Consent and No Objection.** Subject to the continued accuracy of the District's representations and certifications provided to the City, the City Council hereby consents to / expresses no objection to the issuance by Springhollow Municipal Utility District of Hays County of its Water, Sewer, and Drainage Bond Issue No. 6 in a principal amount not to exceed \$4,385,000.
- 3. Purpose of Bonds.** The City's consent and no objection is based on the District's representation that the Bonds will be used for reimbursement of eligible water, wastewater, drainage, wholesale water capacity, costs of issuance, and related eligible costs associated with the District and the Parten Ranch development, as described in the materials submitted to the City.
- 4. No City Debt or Obligation.** The Bonds shall be obligations solely of the District. The City shall not be responsible for payment of the Bonds, and nothing in this Resolution shall be construed as creating any debt, liability, or financial obligation of the City with respect to the Bonds.
- 5. Consent Agreement Preserved.** Nothing in this Resolution waives, modifies, amends, or limits any provision of the Consent Agreement. The City's consent / no objection is based on the information submitted to the City and the District's certifications and representations, and is subject to continued compliance with the Consent Agreement and applicable law.
- 6. Further Actions.** The Mayor, City Administrator, City Secretary, and City Staff are authorized to take such actions and execute such documents as are reasonably necessary to carry out the intent of this Resolution.
- 7. Effective Date:** The resolution shall be effective from and after its approval and passage.

- 8. Meeting:** The meeting at which this Resolution was passed was open to the public, and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551.

PASSED AND APPROVED this, the ____ day of _____, by a vote of ____ (ayes) to ____ (nays) to ____ (abstentions) of the City Council of Dripping Springs, Texas:

CITY OF DRIPPING SPRINGS:

Bill Foulds, Jr., Mayor

ATTEST:

Diana Boone, City Secretary