

CITY OF DRIPPING SPRINGS

RESOLUTION No. 2022-R14

RESOLUTION AUTHORIZING THE PUBLICATION OF NOTICE OF INTENTION TO ISSUE CITY OF DRIPPING SPRINGS, TEXAS COMBINATION TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022 AND OTHER MATTERS RELATED THERETO

- WHEREAS,** the City of Dripping Springs, Texas (the "City") is a duly incorporated Type A general law municipality authorized to issue certificates of obligation pursuant to the Certificate of Obligation Act of 1971, Section 271.041 et seq., Local Government Code (the "Act"); and
- WHEREAS,** the City Council (the "Council") of the City has determined that it is in the best interest of the City to proceed with the issuance of certificates of obligation ("Certificates") to implement certain projects; and
- WHEREAS,** the City Council of the City finds that the payment in whole or in part of contractual obligations incurred or to be incurred for the purposes set forth in Exhibit "A" attached hereto (the "Contractual Obligations") would be beneficial to the inhabitants of the City and are needed to perform essential City functions; and
- WHEREAS,** the Council has deemed it advisable to give notice of intention to issue the Certificates in a maximum principal amount not to exceed \$19,895,000 pursuant to the provisions of the Act for the purpose of financing the Contractual Obligations; and
- WHEREAS,** prior to the issuance of the Certificates, the City is required under the Act to publish notice of its intention to issue the Certificates in a newspaper of general circulation in the City and continuously on the City's website, the notice stating: (i) the time and place tentatively set for the passage of the ordinance authorizing the issuance of the Certificates, (ii) the purpose of the Certificates, (iii) the manner in which the Certificates will be paid, (iv) the then-current principal of all outstanding debt obligations of the City; (v) the then-current combined principal and interest required to pay all outstanding debt obligations of the City on time and in full; (vi) the maximum principal amount of the Certificates; (vii) the estimated combined principal and interest required to pay the Certificates on time and in full; (viii) the estimated interest rate for the Certificates or that the maximum interest rate for the Certificates may not exceed the maximum legal interest rate; and (ix) the maximum maturity date of the Certificates; and
- WHEREAS,** the meeting at which this Resolution is adopted was open to the public and public notice of the time, place and purpose of the meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

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

1. Attached hereto as Exhibit "A" is a form of the Notice of Intention to issue the Certificates, the form and substance of which is hereby adopted and approved.
2. Bond Counsel to the City shall cause the notice to be published in substantially the form attached hereto, in a newspaper (as defined by Subchapter C, Chapter 2051, Government Code) that is of general circulation in the City, for two consecutive weeks, the date of the first publication to be at least 46 days before the date tentatively set for passage of the ordinance authorizing the issuance of the Certificates.
3. The City Secretary shall cause the notice to be continuously published in substantially the form attached hereto on the City's website for at least 45 days before the date tentatively set for the passage of the ordinance authorizing the issuance of the Certificates.
4. The City Administrator, Deputy City Administrator, and City Treasurer along with the City's financial advisor and bond counsel are authorized to proceed with preparing any necessary bond and offering documents to effectuate the sale of the Certificates, including making application to appropriate rating agencies and bond insurers, if applicable.
5. The City hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of each series of the Certificates being issued or (ii) \$9,500 per series, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the City's staff is hereby instructed to take the necessary measures to make this payment. The City is also authorized to reimburse the appropriate City funds for such payment from proceeds of the Certificates.
6. This Resolution shall become effective immediately upon adoption. The Mayor and City Secretary are hereby authorized and directed to execute the certificate to which this Resolution is attached on behalf of the City, and the Mayor, City Secretary, City Administrator, Deputy City Administrator, and City Treasurer are further authorized to do any and all things proper and necessary to carry out the intent of this Resolution.

PASSED & APPROVED, this the 15th day of March 2022.

CITY OF DRIPPING SPRINGS:



Bill Foulds, Jr., Mayor

ATTEST:

Andrea Cunningham
Andrea Cuningham, City Secretary



EXHIBIT A

NOTICE OF INTENTION TO ISSUE CITY OF DRIPPING SPRINGS, TEXAS COMBINATION TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022

NOTICE IS HEREBY GIVEN that it is the intention of the City Council of the City of Dripping Springs, Texas, to issue interest bearing Certificates of Obligation of the City (the "Certificates") for the purpose of paying contractual obligations incurred or to be incurred by the City for: (1) financing the planning, acquisition, design and construction of improvements to the City's wastewater system, including constructing a new wastewater treatment plant, installing a City-wide SCADA electronic monitoring and operations system, expanding the existing wastewater collection system and constructing an effluent holding pond and pump station, treated effluent distribution system improvements, and related costs and the acquisition of any necessary easements or land;; and (2) professional services including fiscal, engineering, architectural and legal fees and other such costs incurred in connection therewith including the costs of issuing the Certificates. The City Council tentatively proposes to consider for first and final reading at a meeting to commence at 6:00 p.m., on May 17, 2022, at Council Chambers located at City Hall, 511 Mercer Street, Dripping Springs, Texas 78620, the passage of an ordinance authorizing the Certificates. The maximum amount of the Certificates that may be authorized for such purpose is \$19,895,000. The City Council presently proposes to provide for the payment of such certificates of obligation from the levy and collection of ad valorem taxes in the City as provided by law and is additionally secured by and payable from the surplus revenues of the City's wastewater system, remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding) that are payable from all or part of said revenues.

Due to the ongoing public health concerns regarding the COVID 19 virus, and as may be authorized by Executive Order of the Governor of Texas, such meeting regarding the Certificates to be held on May 17, 2022, may be conducted via a free public video conference or other lawful electronic means. In such event, information regarding how to access the meeting and public participation in the meeting will be available on the City's website and in the agenda posted no less than 72 hours before the meeting at the following internet address:
<https://www.cityofdrippingsprings.com/>

The following information is required pursuant to Texas Local Government Code, Section 271.049: As of March 15, 2022, the aggregate principal amount of all outstanding debt obligations of the City secured by and payable from ad valorem taxes is \$26,450,000. As of March 15, 2022, the combined principal and interest required to pay all outstanding debt obligations of the City secured by and payable from ad valorem taxes on time and in full is \$27,588,505. Such amounts also include debt service on debt that the City currently intends to pay from sources other than ad valorem taxes but that could be paid from ad valorem taxes if such other sources are not available at the time required for payment. The estimated combined principal and interest required to pay the Certificates on time and in full is \$24,293,542. The estimated interest rate for the Certificates is 2.0%. Such estimates take into account a number of factors, including the issuance schedule, maturity schedule and the expected rating(s) of the proposed Certificates. Such estimated interest

rate is provided as a matter of information but is not a limitation on the interest rate at which the Certificates may be sold. The maximum maturity date of the Certificates is June 1, 2042.

CITY OF DRIPPING SPRINGS, TEXAS

RESOLUTION NO. 2022-R14

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WHEREAS, the City of Dripping Springs, Texas (the "City") is a duly incorporated Type A general law municipality authorized to issue certificates of obligation pursuant to the Certificate of Obligation Act of 1971, Section 271.041 et seq., Local Government Code (the "Act"); and

WHEREAS, the City Council (the "Council") of the City has determined that it is in the best interest of the City to proceed with the issuance of certificates of obligation ("Certificates") to implement certain projects; and

WHEREAS, the City Council of the City finds that the payment in whole or in part of contractual obligations incurred or to be incurred for the purposes set forth in Exhibit "A" attached hereto (the "Contractual Obligations") would be beneficial to the inhabitants of the City and are needed to perform essential City functions; and

WHEREAS, the Council has deemed it advisable to give notice of intention to issue the Certificates in a maximum principal amount not to exceed \$19,895,000 pursuant to the provisions of the Act for the purpose of financing the Contractual Obligations; and

WHEREAS, prior to the issuance of the Certificates, the City is required under the Act to publish notice of its intention to issue the Certificates in a newspaper of general circulation in the City and continuously on the City's website, the notice stating: (i) the time and place tentatively set for the passage of the ordinance authorizing the issuance of the Certificates, (ii) the purpose of the Certificates, (iii) the manner in which the Certificates will be paid, (iv) the then-current principal of all outstanding debt obligations of the City; (v) the then-current combined principal and interest required to pay all outstanding debt obligations of the City on time and in full; (vi) the maximum principal amount of the Certificates; (vii) the estimated combined principal and interest required to pay the Certificates on time and in full; (viii) the estimated interest rate for the Certificates or that the maximum interest rate for the Certificates may not exceed the maximum legal interest rate; and (ix) the maximum maturity date of the Certificates; and

WHEREAS, the meeting at which this Resolution is adopted was open to the public and public notice of the time, place and purpose of the meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

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

1. Attached hereto as Exhibit "A" is a form of the Notice of Intention to issue the Certificates, the form and substance of which is hereby adopted and approved.

2. Bond Counsel to the City shall cause the notice to be published in substantially the form attached hereto, in a newspaper (as defined by Subchapter C, Chapter 2051, Government Code) that is of general circulation in the City, for two consecutive weeks, the date of the first publication to be at least 46 days before the date tentatively set for passage of the ordinance authorizing the issuance of the Certificates.

3. The City Secretary shall cause the notice to be continuously published in substantially the form attached hereto on the City's website for at least 45 days before the date tentatively set for the passage of the ordinance authorizing the issuance of the Certificates.

4. The City Administrator, Deputy City Administrator, and City Treasurer along with the City's financial advisor and bond counsel are authorized to proceed with preparing any necessary bond and offering documents to effectuate the sale of the Certificates, including making application to appropriate rating agencies and bond insurers, if applicable.

5. The City hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of each series of the Certificates being issued or (ii) \$9,500 per series, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the City's staff is hereby instructed to take the necessary measures to make this payment. The City is also authorized to reimburse the appropriate City funds for such payment from proceeds of the Certificates.

6. This Resolution shall become effective immediately upon adoption. The Mayor and City Secretary are hereby authorized and directed to execute the certificate to which this Resolution is attached on behalf of the City, and the Mayor, City Secretary, City Administrator, Deputy City Administrator, and City Treasurer are further authorized to do any and all things proper and necessary to carry out the intent of this Resolution.

EXHIBIT A

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the Certificates on time and in full is \$24,293,542. The estimated interest rate for the Certificates is 2.0%. Such estimates take into account a number of factors, including the issuance schedule, maturity schedule and the expected rating(s) of the proposed Certificates. Such estimated interest rate is provided as a matter of information but is not a limitation on the interest rate at which the Certificates may be sold. The maximum maturity date of the Certificates is June 1, 2042.

CITY OF DRIPPING SPRINGS, TEXAS


RESOLVED this 15th day of March, 2022.

ATTEST:



City Secretary
City of Dripping Springs, Texas

CITY OF DRIPPING SPRINGS, TEXAS



Mayor
City of Dripping Springs, Texas



CERTIFICATE FOR RESOLUTION NO. 2022-R14

THE STATE OF TEXAS §
COUNTY OF HAYS §
CITY OF DRIPPING SPRINGS §

We, the undersigned officers and members of the City of Dripping Springs, Texas (the "City"), hereby certify as follows:

1. The City Council of the City convened in a REGULAR MEETING ON THE 11TH DAY OF JUNE, 2019, at the City Council Chambers, Dripping Springs City Hall (the "Meeting"), and the roll was called of the duly constituted officers and members of the City, to-wit:

Bill Foulds, Jr. - Mayor	Taline Manassian - Mayor Pro-Tem, Place 1
Wade King, Place 2	Geoffrey Tahuahua, -Place 3
April Harris Allison,- Place 4	Sherrie Parks, - Place 5

and all of the persons were present, except the following absentees: Geoffrey Tahuahua, thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting: a written

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RELATED THERETO**

was duly introduced for the consideration of the City Council. It was then duly moved and seconded that the Resolution be passed; and, after due discussion, said motion carrying with it the passage of the Resolution, prevailed and carried by the following vote:

AYES: 4

NOES: 0

2. A true, full and correct copy of the Resolution passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that the Resolution has been duly recorded in the City Council's minutes of the Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the City Council's minutes of the Meeting pertaining to the passage of the Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting city officials as indicated therein; that each of the elected officials and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the Meeting, and that the Resolution would be introduced and considered for passage at the Meeting, and each of the elected officials and members consented, in advance, to the holding of the Meeting for such purpose, and that the Meeting was open to the public and public notice of the time, place and purpose of the meeting was given, all as required by Chapter 551, Government Code, as amended.

SIGNED AND SEALED March 15, 2022.

Andrea Cunningham
City Secretary

Bill
Mayor

[CITY SEAL]

