



Meeting Date: December 12, 2024 **Agenda Type:** Action Items

From: Jessica Coleman **Reviewed by:** John Warren
Finance & Risk Manager Director of Finance

Submitted by: Dawn Schriewer **Approved by:** Ryan Kelso
Chief Financial Officer Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Adoption of Resolution #2024-192 Approving the Second Amendment to Note Purchase Agreement (Taxable Notes) With JPMorgan Chase Bank, National Association in Connection with the "City of New Braunfels, Texas Utility System Program Notes, Taxable Series 2021," and Resolving Other Matters Incident and Related Thereto, Including the First Amendment to Fee Letter Related Thereto

BACKGROUND

On February 25, 2021, the NBU Board authorized the use of short-term obligations, in the aggregate principal amount of not to exceed \$100 million. The short-term obligations, in the form of taxable program notes, were subsequently approved by City Council on March 8, 2021. This financing mechanism provided NBU the additional liquidity needed to quickly respond to the financial impact of Winter Storm Uri and allowed NBU to remain flexible and liquid with quick access to funds when needed.

On January 26, 2023, the NBU Board approved the extension of the taxable note program with JPMorgan Chase Bank, National Association to March 17, 2025, pursuant to the terms contemplated in the Note Purchase Agreement of the existing taxable note program. This extension has continued to allow NBU to remain flexible and liquid with quick access to funds when needed.

NBU staff requests that the Board approve Resolution #2024-192 to extend the taxable note program with JPMorgan Chase Bank, National Association to March 17, 2028, amending certain terms of the Note Purchase Agreement including reducing the Commitment from \$100,000,000 to \$75,000,000. This extension will allow NBU to continue to remain flexible and liquid with quick access to funds when needed.

FINANCIAL IMPACT

NBU's staff estimates liquidity costs of approximately \$1.4 million over the program term.

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

1. Resolution #2024-192