

11-18-04
#61

RESOLUTION NO. 04

WHEREAS, Northwest Austin Municipal Utility District No. 1 (the "District") is a conservation and reclamation district, a body corporate and politic and governmental agency of the State of Texas, created on or about August 11, 1988, by an order of the Texas Water Commission, now the "Texas Commission on Environmental Quality" (the "Commission") and the District operates under Chapters 54 and 49, Texas Water Code (the "Act"); and

WHEREAS, on May 14, 1987, the City of Austin (the "City") granted its consent to the creation of the District and thereafter the City, the District, Texas American Bank-Fort Worth, N.A., Nash Phillips/Copus, Inc. and Plateau Utilities, Inc. entered into a certain "Agreement Concerning Creation and Operation of Northwest Austin Municipal Utility District No. 1" which, as amended (the "Consent Agreement"), sets forth revised terms and conditions for creation and operation of the District; and

WHEREAS, the creation of the District was confirmed by an election held within the District on May 8, 1988; and

WHEREAS, the Consent Agreement sets forth terms relating to the issuance of bonds by the District; and

WHEREAS, subject to the terms of the Consent Agreement, the District is authorized by the Act to purchase, construct, acquire, own, operate, maintain, repair, improve, or extend, inside or outside its boundaries, any and all works, improvements, facilities, plants, equipment, and appliances necessary to accomplish the purposes of its creation; and

WHEREAS, under the Consent Agreement and its proposed "Order Authorizing the Issuance of \$2,900,000 Northwest Austin Municipal Utility District No. 1 Unlimited Tax Refunding Bonds, Series 2004" (the "Series 2004 District Refunding Bond Order"), the District proposes to issue bonds designated as its \$2,900,000 Northwest Austin Municipal Utility District No. 1 Unlimited Tax Refunding Bonds, Series 2004" (the "Series 2004 Refunding Bonds") to refund the District's Series 1997 Unlimited Tax Bonds and its Series 1999 Unlimited Tax Bonds; and

WHEREAS, the District has submitted to the City for review and approval a substantial draft of the Series 2004 District Refunding Bond Order and Preliminary Official Statement and requested City approval of its proposed issue of the Series 2004 Refunding Bonds; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Council approves the issuance by the District of the Series 2004 Refunding Bonds, in an amount not to exceed \$2,900,000, and the substantial draft of the Series 2004 District Refunding Bond Order and Preliminary Official Statement for the Series 2004 Refunding Bonds, attached respectively as Exhibits A and B, and incorporated by reference, provided that the Council's approval is subject to and effective only to the extent that the District's issuance of the Series 2004 Refunding Bonds complies with the following requirements:

1. the principal amount of the Series 2004 Refunding Bonds does not exceed \$2,900,000;
2. the Series 2004 Refunding Bonds provide a minimum net present value savings of at least 4.25%;

3. the District secures the debt service payment on the bonds by obtaining a municipal bond insurance policy from a nationally recognized company, acceptable to the Director of the City's Department of Financial and Administrative Services, that issues insurance policies in the ordinary course of its business to guarantee the payment of debt service on municipal bonds;

4. the debt service on the Series 2004 Refunding Bonds maturing on and after September 1, 2005, has been structured to produce level annual savings;

5. the final maturity of the Series 2004 Refunding Bonds does not extend beyond September 1, 2020;

6. the City's Financial Advisor confirms to the City that the requirements of Items 1 through 5 above have been fully satisfied; and

7. the final offering documents shall be subject to final review and approval by the Director of the City's Department of Financial and Administrative Services or his designee.

ADOPTED: _____, 2004

ATTEST: _____

Shirley A. Brown
City Clerk