

RESOLUTION NO. 20160421-012

**RESOLUTION AUTHORIZING DEFEASANCE OF
WATER AND WASTEWATER REVENUE BONDS**

WHEREAS, The City of Austin, Texas (the "City") has outstanding the following obligations:

- (A) *City of Austin, Texas Combined Utility System Revenue Bonds, Series 1994* (the "Series 1994 Bonds"); and
- (B) *City of Austin, Texas Water and Wastewater System Revenue Refunding Bonds, Series 2009* (the "Series 2009 Bonds"); and

WHEREAS, all or a portion of the Series 1994 Bonds maturing on May 15, 2019, and all or a portion of the Series 2009 Bonds maturing on November 15 in each of the years 2022, 2023, 2024 and 2028, are eligible to be defeased and the Series 1999 Bonds and the Series 2009 Bonds selected to be defeased are called the "Defeased Obligations"; and

WHEREAS, the proceedings adopted by the council authorizing the issuance of the Bonds provide that the City may defease the Defeased Obligations prior to their scheduled maturities; and

WHEREAS, the City Manager recommends to council that the defeasance of the Defeased Obligations in the manner described below will be the most beneficial use of available water and wastewater system revenues, resulting in the reduction of the outstanding indebtedness secured by the revenues; and

WHEREAS, The meeting at which this Resolution is being adopted is open to the public, and that City gave public notice of the time, place, and purpose of such meeting, all as required by Chapter 551, Texas Government Code; **NOW, THEREFORE,**

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

Section 1. Council authorizes the use of surplus water and wastewater system revenues for the purpose of defeasing the Defeased Obligations.

Section 2. Those Series 1994 Bonds that are Defeased Obligations shall be defeased to May 15, 2019, their scheduled maturity date. The City Manager shall select the Series

2009 Bonds to be defeased and shall cause those Series 2009 Bonds that are Defeased Obligations to be redeemed prior to their scheduled maturities on November 15, 2019. Exhibit A sets forth the notice of redemption of the Series 2009 Bonds. Notice of redemption shall be given in the manner provided in the proceedings authorizing the issuance of the Series 2009 Bonds.

Section 3. The City Manager shall fund the defeasance of the Series 1994 Bonds from available water and wastewater system revenues in an amount, together with investment earnings on those revenues, equal to the maturity amount of the Series 1994 Bonds, plus accrued interest on the Defeased Obligations to their maturity date.

Section 4. The City Manager shall fund the defeasance of the Series 2009 Bonds from available water and wastewater system revenues in an amount, together with investment earnings on those revenues, equal to the principal amount of the Series 2009 Bonds to be redeemed, plus accrued interest on the Series 2009 Bonds to their redemption date.

Section 5. The City Manager shall execute and deliver any documents necessary to effect the defeasance of the Defeased Obligations, specifically, any agreement with the paying agent for the Defeased Obligations to hold the amounts deposited and invested to pay the Defeased Obligations at maturity or on their redemption date.

Section 6. This Resolution shall become effective immediately upon its passage, in accordance with Section 1201.028, Texas Government Code.

ADOPTED: _____ April 21 _____, 2016

ATTEST:

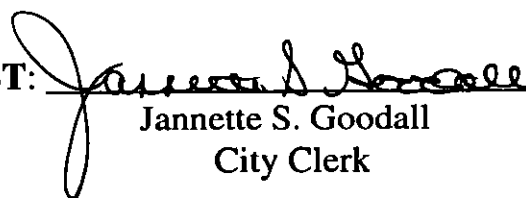

Jannette S. Goodall
City Clerk

EXHIBIT A

NOTICE OF REDEMPTION

CITY OF AUSTIN, TEXAS

Notice is hereby given that the following obligations issued by the City of Austin, Texas (the "City") are called for redemption prior to their scheduled maturities, at a price of par and accrued interest to the date of redemption, to-wit:

CITY OF AUSTIN, TEXAS WATER AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2009, outstanding obligations maturing on November 15 in each of the years 202_ through 202_ and on November 15, 202_, aggregating \$_____ in principal amount; **Redemption Date: November 15, 2019.**

<u>Maturity Date</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate</u>	<u>CUSIP</u>
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Due provision for the payment of the above-described obligations has been made with U.S. Bank National Association. ("U.S. Bank"), the paying agent for said obligations, and said obligations shall be presented for payment either in person or by mail, at the following addresses:

First Class/Registered/Certified
U.S. Bank
Global Corporate Trust Services
111 Fillmore, Avenue E
St. Paul, MN 55107

Express Delivery Only
U.S. Bank
Global Corporate Trust Services
111 Fillmore, Avenue E
St. Paul, MN 55107

By Hand Only
U.S. Bank
Global Corporate Trust Services
111 Fillmore, Avenue E
St. Paul, MN 55107

Interest on the redeemed obligations shall cease to accrue thereon after the redemption date.

CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the Bondholder. Neither the City nor U.S. Bank are responsible for the selection or correctness of the CUSIP numbers of the obligations or as indicated in any redemption notice.

THIS NOTICE is given under authority of a resolution adopted by the City Council of the City on April 21, 2016.