

**DATA SHEET**  
**Agenda Item No. 11.**

**Meeting Date: August 3, 2017**

**Agenda Item:**

Consider Resolution concerning the appointment of a Financing Team to prepare for financing the planned expansion of the Doe Branch Plant (Northeast Regional Water Reclamation System); authorizing presentations to credit rating agencies, Texas Water Development Board and preparation of documents as necessary.

<b>Placement:</b>	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Individual Consideration	<input type="checkbox"/> Executive Session
<b>Vote:</b>	<input checked="" type="checkbox"/> Non-Weighted	<input type="checkbox"/> Weighted Capital	
<b>Recommending Department: Business</b>			

**Background:**

The Doe Branch Plant (Northeast Regional Water Reclamation System) officially came online in November, 2016 and is currently permitted for 2 mgd capacity. The Plant serves Celina, Prosper, Denton County Fresh Water Supply District #10, and Mustang Special Utility District. Continued growth is projected in the Northeast Regional Water Reclamation System, confirming the need to prepare for an expansion of the Doe Branch Plant. The Board has authorized staff to initiate plans for expansion.

Prior to moving forward with any bond sale, the Financing Team would come back to the Board of Directors for approval of a recommended strategy for financing the project. .

**Recommendation:**

Recommend approval of the Resolution to appoint the Financing Team to prepare for the financing of the expansion to the Doe Branch Plant.

**Enclosures:**

Resolution to appoint the Financing Team.

Submitted By:   
William A. Greenleaf, Director of Business Services

Date: July 28, 2017



# RESOLUTION

## RESOLUTION # 2017 - \_\_\_\_

### **RESOLUTION CONCERNING THE APPOINTMENT OF A FINANCING TEAM TO PREPARE FOR THE FINANCING OF THE EXPANSION TO THE DOE BRANCH PLANT (NORTHEAST REGIONAL WATER RECLAMATION SYSTEM); AUTHORIZING PRESENTATIONS TO CREDIT RATING AGENCIES, TEXAS WATER DEVELOPMENT BOARD AND PREPARATION OF DOCUMENTS AS NECESSARY.**

**WHEREAS**, Upper Trinity Regional Water District (the "District") was duly created and is lawfully operating as a conservation and reclamation district created pursuant to Chapter 1053, Acts of the 71st Legislature of Texas, Regular Session, 1989, as amended, (the "Act") pursuant to Article XVI, Section 59 of the Constitution of the State of Texas and operates as a governmental agency of the State of Texas and a body politic and corporate; and

**WHEREAS**, pursuant to the Act, the District is authorized to plan, purchase, construct, acquire, own, operate, maintain, repair, and improve, inside or outside of its boundaries, any works, improvements, facilities, plants, equipment and appliances, that are necessary, helpful or incidental for the collection, treatment and discharge of wastewater from municipal, domestic and industrial uses, and is authorized to issue revenue bonds for such purposes; and

**WHEREAS**, the District, has entered into Northeast Regional Water Reclamation System Contracts and has therein agreed to acquire and develop the Doe Branch Water Reclamation Plant (the "Plant"); and

**WHEREAS**, the District intends to possibly issue a series of Northeast Water Reclamation System Revenue Bonds to finance an expansion to the Plant and provide funding for the completion of the first phase; and

**WHEREAS**, the Bonds are anticipated to be issued for the purposes of (i) expanding the District's Doe Branch Plant within the Northeast Regional Water Reclamation System (ii) reimbursing prior expenses for phase I construction (iii) making deposits to a Reserve Fund; and (iv) paying the costs and expenses of issuing the Bonds; and

**WHEREAS**, the Board hereby finds and determines that the Bonds shall be secured by a lien on and pledge of the Pledged Revenues, equally and ratably on a parity with any Additional Bonds; and

**WHEREAS**, the meeting at which this Resolution is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Section 551.041, Texas Government Code, as amended; and

**WHEREAS**, the Board of Directors of the District desires to approve the appointment of certain professionals (the "Financing Team") to accomplish the issuance and sale of the Bonds.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT THAT:**

**SECTION 1. Declaration of Preliminary Intent to Proceed with Issuance of Series 2018 Bonds.**


The District hereby declares its intent to proceed with the issuance of the Bonds; provided, however, that in the event such revenue bonds are issued they shall be a limited obligation of the District, payable by the District solely out of Pledged Revenues and shall not be a charge upon the faith and credit of the District or the taxing power of any entity, other than certain amounts payable under certain of the Water Reclamation Contracts.

**SECTION 2. Approval of Financing Team.** The Board hereby approves the appointment of the following firms and entities as the Financing Team to accomplish the issuance and sale of the Bonds: (i) First Southwest Company as Financial Advisor (the "Financial Advisor") and (ii) Bracewell LLP and Boyle & Lowry L.L.P., as Co-Bond Counsel ("Co-Bond Counsel").

**SECTION 3. Authorization to Prepare and Distribute Preliminary Official Statement.** The Financial Advisor is hereby authorized to prepare and distribute a preliminary official statement in connection with the issuance of the Series 2018 Bonds, and to include such information therein relating to the District and the System as is satisfactory to general Counsel of the District.

**SECTION 4. Authorization to Perform Necessary Acts.** The Executive Director and the Secretary of the Board and the officers, employees and agents of the District shall be, and each is, expressly authorized, empowered and directed from time to time and at any time to perform all acts and things necessary and desirable to carry out and effectuate the purposes of this Resolution.

**SECTION 5. Definitions.** As used in this Resolution the following terms shall have the following meanings:

1. "**Act**" means Chapter 1053, Acts of the 71st Legislature of Texas, Regular Session, 1989, as amended.
  2. "**Additional Bonds**" means additional parity revenue bonds permitted to be issued.
  3. "**Board**" means the Board of Directors of the District, being the duly authorized and governing body of the District, and it is further resolved that the declarations and covenants of the District contained in this Resolution are made by, and for and on behalf of the Board and the District in accordance with and as authorized by the Act, and are binding upon the Board and the District for all purposes.
  4. "**Bond**" means any of the Bonds.
  5. "**District**" means the Upper Trinity Regional Water District.
  6. "**Pledged Revenues**" means (i) the Net Revenues of the System, and (ii) any additional revenues, income, receipts, or other resources, including without limitations, any grants, donations, or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which in the future may, at the option of the District, be pledged to the payment of the Bonds or the Additional Bonds.
  8. "**System**" means the District's wastewater treatment system designated as the Northeast Regional Water Reclamation System, together with all future improvements, enlargements, extensions, and additions thereto which are deemed necessary and feasible by the District to provide water reclamation services to the District's customers, including those that have executed the Northeast Water Reclamation System Contracts, and all future new facilities, which are acquired or constructed with the proceeds from the sale of any Bonds, Additional Bonds or revenues from the
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System, and any wastewater treatment facilities which are at the option of the District, made a part of the System by official action of the District's Board of Directors, and all repairs to or replacements of the System. Said term does not include any District facilities which provide treated water supply and related services, or solid waste disposal services, of any kind. Said term does not include any facilities acquired or constructed by the District with the proceeds from the issuance of "Special Facilities Bonds," which are hereby defined as being revenue obligations of the District which are not secured by or payable from payments made under the Northeast Regional Water Reclamation System Contracts and similar contracts, and which are payable solely from sources other than revenues of the System.

9. "**Water Reclamation System Contracts**" means collectively (i) the Northeast Regional Water Reclamation System Contracts, as amended, among the District and Participating Members and Customers, and (ii) such other similar contracts as the District may enter into from time to time with additional Participating Members or other entities.

**SECTION 6. Providing an Effective Date.** This Resolution shall be in full force and effect immediately from and after its passage, and it is accordingly so resolved.

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT THIS 3rd DAY OF AUGUST 2017.**

Recommended:   
Thomas E. Taylor, Executive Director

Executed: \_\_\_\_\_  
Kevin Mercer, President

Attest: \_\_\_\_\_  
Mike Fairfield, Secretary

