

RESOLUTION NO. R-2019-0341

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROUND ROCK, TEXAS REGARDING FINANCING OF WILLIAMSON COUNTY REGIONAL RAW WATER LINE; AUTHORIZING THE MAYOR, CITY MANAGER, AND CITY CLERK TO TAKE APPROPRIATE ACTIONS; AND DECLARING AN EFFECTIVE DATE

WHEREAS, Brazos River Authority (the "Authority") is an agency and political subdivision of the State of Texas, duly created and lawfully operating under Chapter 8502, Texas Special District Local Laws Code, as amended (the "Authority Act"), all pursuant to and in furtherance of the purposes of Article XVI, Section 59 of the Constitution of Texas; and

WHEREAS, pursuant to the Authority Act, and other applicable laws, the Authority and other entities are authorized to enter into contractual agreements regarding the public purposes for which the Authority was created; and

WHEREAS, amongst its authorized purposes, the Authority is authorized to store water in and to divert water from Lake Georgetown and Lake Stillhouse Hollow; and

WHEREAS, pursuant to separate and individual contracts heretofore executed between the Authority, on one part, and the City of Georgetown ("Georgetown"), the City of Round Rock ("Round Rock"), Jonah Water Special Utility District (formerly Jonah Water Supply Corporation)("Jonah"), Brushy Creek Municipal Utility District of Williamson County, Texas ("Brushy Creek") and Chisholm Trail Special Utility District ("Chisholm Trail")(collectively, Georgetown, Round Rock, Jonah, Brushy Creek and Chisholm Trail are herein referred to as the "Former Participants"), individually on their part, the Authority has contracted to make available to such parties water from Lake Stillhouse Hollow (which contracts are defined in the Base Agreement (hereinafter defined) as the "Stillhouse Supply Agreements" and in the Brushy Creek Agreement (as hereinafter defined) and Chisholm Trail Agreement (as hereinafter defined) as the "Supply Agreements"); and

WHEREAS, the Former Participants were so located that it became desirable from the standpoint of cost that each should divert the surface water which each needs for municipal supply purposes from Lake Georgetown or points between Lake Stillhouse Hollow and Lake Georgetown, rather than from Lake Stillhouse Hollow; and

WHEREAS, the Authority, Georgetown, Round Rock and Jonah entered into the "Williamson County Regional Raw Water Line Agreement" (the "Base Agreement"), dated as of June 30, 1986, for the purpose of providing for the Authority to design, construct and operate facilities for transporting water from Lake Stillhouse Hollow committed to Georgetown, Round Rock and Jonah to Lake Georgetown (the "Project") for diversion by them for municipal purposes; and

WHEREAS, subsequent to execution of the Base Agreement, the Authority, Georgetown, Round Rock and Jonah entered into "Amendment No. 1 to Williamson County Regional Raw Water Line Agreement" ("Amendment No. 1"), dated as of January 9, 1997 and "Second Amendment to Williamson County Regional Raw Water Line Agreement" ("Amendment No. 2"), dated as of March 23, 1999; and

WHEREAS, Section 15 of the Base Agreement provides that the Authority may provide service from the Project to parties other than Georgetown, Round Rock and Jonah, provided that certain conditions are met; and

WHEREAS, such conditions having been met, the Authority entered into separate agreements with Brushy Creek called the "Participation Agreement with Respect to Williamson County Raw Water Line" ("Brushy Creek Agreement"), dated as of October 1, 1998 and subsequently with Chisholm Trail called the "Chisholm Trail Participation Agreement with Respect to Williamson County Raw Water Line" ("Chisholm Trail Agreement"), dated as of March 15, 1999, respectively; and

WHEREAS, upon determining that the Texas Water Development Board ("TWDB") would agree to pay for and acquire an undivided interest in the Project to be held for later acquisition by Authority as usage of Project increased, thus reducing the interim costs to the Former Participants pending their full need for the transportation capacity of the Project, the Authority and the Former Participants entered into the "Supplemental Agreement Respecting Williamson County Raw Water Line" ("Supplemental Agreement"), dated as of May 20, 1999; and

WHEREAS, two purposes of the Supplemental Agreement were to amend the Project Agreements (hereinafter defined) to provide: (i) that Authority may enter into an arrangement with TWDB by virtue of which TWDB will pay for and acquire undivided interests in Project to be later leased and/or purchased from it by Authority; and (ii) that the term "Bonds" as used in Project Agreements includes bonds and other obligations issued by Authority to finance the acquisition of undivided interests in Project from TWDB and reimbursement of expenditures theretofore made by Authority out of monies other than Bond proceeds for design and construction of Project; and

WHEREAS, Authority and TWDB entered into that certain "MASTER AGREEMENT BETWEEN TEXAS WATER DEVELOPMENT BOARD AND BRAZOS RIVER AUTHORITY Williamson County Regional Raw Water Line Project", effective as of November 3, 1999 (the "Master Agreement") in which the TWDB acquired a fifty percent (50%) interest in the Project and agreed to contribute \$20,000,000 towards the cost of the Project; and

WHEREAS, in order to accommodate the differences in the timing of water transportation needs and associated costs of the Project of the Former Participants, Authority and the Former Participants entered into the "Amendment of Agreements Respecting Construction and Operation of Williamson County Raw Water Line" ("Amendment of Multiple Agreements"), dated as of April 17, 2000; and

WHEREAS, in order to avoid ambiguity in the Project Agreements due to the changes in the Stillhouse Supply Agreements and Supply Agreements, the Authority entered into separate agreements with the Former Participants called the "Third Amendment of Agreements Among Customers" ("Amendment No. 3") to modify the definition of "Stillhouse Supply Agreements" as defined in the Base Agreement and modified in Amendment No. 2, and "Supply Agreements" as defined in the Brushy Creek Agreement and Chisholm Trail Agreement; and

WHEREAS, the Authority entered into separate agreements with the Former Participants called the "Fourth Amendment of Agreements Among Customers ("Amendment No. 4"), each dated as of September 23, 2010, in order to provide for payment of additional pumping capacity at the intake structure and to approve the issuance of additional Bonds by Authority; and

WHEREAS, the Authority and the Former Participants thereafter amended the Base Agreement, Brushy Creek Agreement and Chisholm Trail Agreement by entering into a "Fifth Amendment of Agreements Among Customers" ("Amendment No. 5"); and

WHEREAS, collectively, the Base Agreement, Amendment No. 1, Amendment No. 2, Brushy Creek Agreement, Chisholm Trail Agreement, Supplemental Agreement, Amendment of Multiple Agreements, Amendment No. 3, Amendment No. 4, and Amendment No. 5 are referred to as the "Project Agreements"; and

WHEREAS, on September 24, 2013, Georgetown approved an "Asset Transfer and Utility System Consolidation Agreement" pursuant to which Georgetown assumed the ownership interest and related obligations of Chisholm Trail's portion of the Project, including the Chisholm Trail Agreement (the "Chisholm Trail Consolidation Agreement"), and

WHEREAS, on August 26, 2014, Georgetown approved a contract with Jonah in which the City acquired Jonah's water rights and ownership of the Project (the "Jonah Assumption Agreement"); and

WHEREAS, the remaining participants to the Project, being Georgetown, Round Rock, and Brushy Creek, are hereinafter referred to as the "Participants"; and

WHEREAS, pursuant to Section 3.4 of the Master Agreement, the Authority agreed to make payments to the TWDB, received from the Participants pursuant to the Project Agreements, in order to purchase the TWDB's interest in the Project; and

WHEREAS, pursuant to Section 3.1 of the Master Agreement, the Authority agreed to purchase the TWDB's ownership interest in the Project at the earliest possible date; and pursuant to Section 3.5 of the Master Agreement, the Authority retained the right to purchase said interest from the TWDB on or after 10 years from the date the TWDB delivered said funds to the Authority; and

WHEREAS, the Authority has determined it is beneficial and in the best interests of the Participants to issue "Bonds" pursuant to the Project Agreements in order to refund the obligations contained in the Master Agreement and to acquire the TWDB's interest in the Project; and

WHEREAS, the United States Securities and Exchange Commission has adopted Rule 15c2-12, as amended from time to time (the "Rule"); and

WHEREAS, the Rule provides that a broker, dealer or municipal securities dealer of Bonds issued after the effective dates set forth in the Rule, may not purchase or sell Bonds in connection with an offering thereof unless, prior to the purchase or sale thereof, "obligated persons", or entities acting on behalf of "obligated persons", have undertaken to provide certain

updated financial information and operating data annually, and timely notice of specified events, to certain information vendors; and

WHEREAS, the Authority and Round Rock heretofore entered into a Continuing Disclosure Agreement, as amended, in conformance with the Rule (the "Original CDA"); and

WHEREAS, in order to reflect recent amendments to the Rule, and provide adequate flexibility to accommodate any subsequent amendments to the Rule, it is deemed appropriate and necessary to enter into a new Continuing Disclosure Agreement (the "CDA"), which supercedes the Original CDA; and

WHEREAS, it is the intent of both the Authority and Round Rock that any and all obligations and/or duties of the respective party under the Original CDA with respect to any heretofore issued series of Bonds shall continue to be observed as carried forward into the CDA; and

WHEREAS, in order to clearly establish, authorize, ratify and confirm the contractual arrangements entered into by the Authority and the Participants and all actions taken by Round Rock in reliance on the Project Agreements, it is deemed to be appropriate to adopt this resolution.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK:

SECTION 1. That the City Council of Round Rock hereby incorporates the recitals set forth in the preamble hereto as if set forth in full at this place and further finds and determines that said recitals are true and correct.

SECTION 2. That, with respect to the Project Agreements to which Round Rock is a party, the actions of the City Council in authorizing the execution thereof, the authorization of, and the execution of such agreements by officers, officials and employees of Round Rock and all actions taken by Round Rock in reliance upon and pursuant to such agreements are hereby authorized, ratified and confirmed in all respects concurrently with the adoption of this resolution.

SECTION 3. That the Mayor, City Manager and City Clerk of Round Rock are hereby authorized and directed to execute, deliver and take all actions necessary and appropriate relating to the issuance of Bonds by the Authority for the purpose of refunding the obligations contained in the Master Agreement and to acquire the TWDB's interest in the Project, including without limitation the execution and delivery of a General Certificate, a Continuing Disclosure Agreement, and a Closing Certificate relating to the Bonds, in substantially the forms presented to the City Council at the meeting at which this resolution has been adopted, with such changes as may be required by the Texas Attorney General or the underwriters of said Bonds.

SECTION 4. That the Mayor or the Mayor Pro-Tem of the City Council of the City of Round Rock or the City Manager of the City of Round Rock are hereby authorized and directed to execute and deliver, and the City Clerk of the City of Round Rock is authorized and directed to attest, any amendment or supplement to the CDA hereinafter required or appropriate in

response to further amendment of the Rule in order to maintain compliance with the requirements of the Rule.

SECTION 5. That the CDA, and any amendment or supplement thereof, shall become effective and enforceable in accordance with its terms immediately upon execution and delivery thereof for all intents and purposes.

SECTION 6. That this resolution shall take effect immediately upon passage and all ordinances, orders and resolutions in conflict herewith are repealed to the extent of any such conflict.

RESOLVED this 22nd day of August, 2019.

CRAIG MORGAN, Mayor
City of Round Rock, Texas

ATTEST:

SARA L. WHITE, City Clerk