

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
AUTHORIZING THE EXECUTIVE ADMINISTRATOR
TO REQUEST A WAIVER FROM THE
TEXAS BOND REVIEW BOARD OF REQUIREMENTS IN
TEXAS WATER CODE SECTION 17.0112(a)

(18-120)

WHEREAS, pursuant to Section 49-d-10 of Article III of the Texas Constitution, the Texas Water Development Board (TWDB or Board) has the authority to issue State of Texas, General Obligation Water Financial Assistance Bonds (Economically Distressed Areas Program) (hereinafter EDAP bonds) in an amount not to exceed \$250,000,000, but may not issue more than \$50,000,000 in EDAP bonds during a state fiscal year in accordance with Texas Water Code § 17.0112(a); and

WHEREAS, approximately \$53,492,380 in EDAP bonds remains constitutionally authorized, but unissued, by the TWDB pursuant to Section 49-d-10 of Article III of the Texas Constitution; and

WHEREAS, at a September 20, 2018 meeting of the TWDB, the Board approved a prioritization of Economically Distressed Areas Program (EDAP) applications and applicants for a proposed state fiscal year 2019 bond sale; and

WHEREAS, the Board currently does not have sufficient EDAP bonds available for the aforementioned applicants and projects, with the last issuance of new money EDAP bonds occurring in state fiscal year 2016, and;

WHEREAS, several potential applicants and projects of state fiscal year 2019 EDAP funding from the Board hold nuisance determinations issued by the Texas Department of State Health Services, finding that a nuisance dangerous to the public health and safety exists resulting from the water supply or sanitation problems in the areas to be served by the proposed projects; and

WHEREAS, in order to accommodate the EDAP program needs in state fiscal year 2019, and to protect the public health and safety in the areas to be served by those prioritized projects where a nuisance dangerous to the public health and safety exists, the TWDB must exhaust the remaining constitutional authority in Section 49-d-10 of Article III of the Texas Constitution to issue EDAP bonds in an amount which exceeds the statutory limitation on EDAP bonds issuances in a state fiscal year; and

WHEREAS, before the Board may authorize the issuance of more than \$50,000,000 in EDAP bonds in a state fiscal year, it must seek and receive a waiver, and due authorization, from the Texas Bond Review Board pursuant to Texas Water Code § 17.0112(b); and

WHEREAS, the Board deems it necessary to delegate the authority to the Executive Administrator, or his authorized representative, to seek a waiver from the Texas Bond Review Board to authorize the TWDB to request to issue more than \$50,000,000 in EDAP bonds for a

proposed, state fiscal year 2019 EDAP Bond sale in order to address the current funding needs of the program and protect the public health and safety of economically distressed areas projects prioritized by the Board; and

NOW, THEREFORE, based on said considerations, the Texas Water Development Board hereby finds:

That the TWDB does not have sufficient bonds to meet the needs of the EDAP program in state fiscal year 2019, and that the public health and safety in the areas to be served by the eligible applications and projects prioritized by the TWDB on September 20, 2018, require immediate authorization of additional bonds.

NOW, THEREFORE, the Texas Water Development Board hereby resolves:

The TWDB hereby authorizes its Executive Administrator, or his authorized representative, to request:

(a) a waiver from the requirements in Texas Water Code § 17.0112(a) from the Texas Bond Review Board, on the grounds that the TWDB does not have sufficient bonds to meet the needs of the EDAP program in state fiscal year 2019, and that the public health and safety in the areas to be served require immediate authorization of additional bonds in an amount not to exceed \$53,492,380;

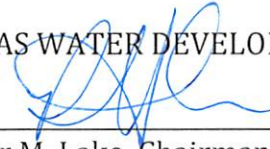
(b) authorization for the TWDB to submit a request to the Texas Bond Review Board asking to submit, at a later date, a request to issue of all remaining authorized but unissued EDAP bonds for state fiscal year 2019 in an amount not to exceed \$53,492,380; and

(c) that the Texas Bond Review Board give notice and schedule a hearing, pursuant to Texas Water Code Section 17.0112(b).

APPROVED and ordered of record this the 16th day of October, 2018.



TEXAS WATER DEVELOPMENT BOARD


Peter M. Lake, Chairman

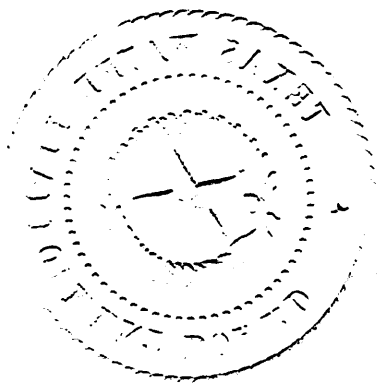
DATE SIGNED: 10/17/18

ATTEST:



Jeff Walker
Executive Administrator

for



| Rank | Applicant | Application Request | Nuisance Determination Date |
|-------------|---|----------------------------|------------------------------------|
| 1 | Brady, City of | \$28,664,000 | 3/27/2015 |
| 2 | El Paso Water Utilities Public Service Board | \$42,648,054 | 9/10/2015 |
| 3 | Beaver Creek Water Control and Improvement District No. 1 | \$6,486,462 | 2/25/2014 |
| 4 | Kerr County | \$13,400,000 | 6/11/2015 |
| 5 | Mission, City of | \$5,104,000 | |
| 6 | North Alamo Water Supply Corporation | \$15,854,000 | 8/17/2009 |
| 7 | Menard, City of | \$2,788,000 | |
| 8 | Iola, Town of | \$10,995,000 | 2/21/2011 |
| 9 | Alpine, City of | \$1,179,873 | |
| 10 | Rio Hondo, City of | \$2,800,025 | |

\$129,919,414

EDAP as of 09/28/2018

| Issuance Date | Series | Authority Used |
|---------------------------------|-------------------|--------------------|
| 4/19/2016 | 2016A | 49,559,367 |
| 6/8/2015 | 2015E | 49,676,811 |
| 9/5/2012 | 2012F | 33,744,309 |
| 2/7/2012 | 2012B | 15,809,905 |
| 11/2/2010 | 2010D | 34,567,747 |
| 12/15/2009 | 2009F | 25,159,170 |
| 8/7/2007 | 2007C | 24,997,846 |
| 7/8/2004 | 2004C | 24,560,372 |
| 8/22/2002 | 2002C | 25,003,382 |
| 6/26/2001 | 2001A | 25,000,000 |
| 8/24/1999 | 1999B | 24,995,000 |
| 5/28/1998 | 1998C | 24,998,711 |
| 8/1/1997 | 1997F | 10,000,000 |
| 8/1/1997 | 1997E | 15,000,000 |
| 8/1/1996 | 1996C | 13,000,000 |
| 8/1/1996 | 1996D | 12,000,000 |
| 5/1/1995 | 1995C | 11,000,000 |
| 12/1/1994 | 1994C | 5,000,000 |
| 12/1/1994 | 1994D | 5,000,000 |
| 2/1/1993 | 1993E | 10,000,000 |
| 2/1/1993 | 1993C | 2,000,000 |
| 1/15/1992 | 1992B | 2,735,000 |
| 1/15/1992 | 1992D | 2,700,000 |
| | | <hr/> |
| | | 446,507,620 |
| | Authority: | <u>500,000,000</u> |
| Authorized but unissued: | | 53,492,380 |