

May 13, 2020

**WHEREAS**, the adopted Capital Improvement Program, currently underway and scheduled, requires issuance of an amount not to exceed \$726,000,000 of Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2020C and Taxable Series 2020D (collectively, the “Series 2020CD Bonds”) for the purposes of refunding a portion of outstanding bonds and for the retirement of commercial paper notes issued for interim financing of improvements to the water and wastewater system; and

**WHEREAS**, the Waterworks and Sewer System Revenue Bonds anticipated to be refunded were issued in 2009, 2010, 2011, 2012 and 2013 for various water and wastewater improvement purposes; and

**WHEREAS**, the Waterworks and Sewer System Revenue Bonds anticipated to be issued to refinance outstanding bonds is expected not to exceed \$464,000,000; and

**WHEREAS**, this retirement of outstanding commercial paper notes is expected to require bond proceeds in an amount not to exceed \$262,000,000; and

**WHEREAS**, the City Council hereby finds and determines that in order to accomplish such issuance in a timely and cost efficient manner, the City Manager, the City's co-financial advisors, the City's co-bond counsel, and the City's co-disclosure counsel should be authorized and directed to take such action and prepare documents as necessary in order to accomplish such issuance; and

**WHEREAS**, it is desired to proceed with the preparatory work necessary to issue these refunding and improvement bonds through a negotiated sale on or about June 10, 2020;

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager is hereby authorized to proceed with the necessary preparations for the sale of Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 2020C and Waterworks and Sewer System Refunding Bonds, Taxable Series 2020D (collectively, the “Series 2020CD Bonds”), in an aggregate principal amount not to exceed \$726,000,000 with such sale scheduled to occur no later than June 10, 2020, and delivery to occur after July 1, 2020.

**SECTION 2.** That the City Manager, the City's Co-Financial Advisors, the City's Co-Bond Counsel, and the City's Disclosure Counsel are hereby authorized and directed to prepare an Official Statement with respect to such bonds and to take such other action and prepare such other documents as are necessary and incidental to the issuance, sale and delivery of the Series 2020CD Bonds.

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**SECTION 3.** That the City Manager is hereby authorized to use the previously contracted professional services of Hilltop Securities, Inc. and Estrada Hinojosa & Company, Inc., co-financial advisors, for the proposed refunding bond sale. If the bonds are issued, payment for such services shall not exceed \$289,883 for Hilltop Securities, Inc. (Vendor VS0000052889) and shall not exceed \$171,255 for Estrada Hinojosa & Company Inc. (Vendor 259910) and shall be made from Water Utilities Debt Service Fund, Fund 0100, Department DWU, Unit 7017, Object 3803.

**SECTION 4.** That the City Manager is hereby authorized to use the previously contracted professional services of McCall, Parkhurst & Horton LLP and Escamilla & Poneck, LLP as co-bond counsel in connection with the sale and delivery of the Series 2020CD Bonds. If bonds are issued, payment for the opinion, and the hourly rate of McCall, Parkhurst & Horton LLP (Vendor 193173), shall be at the rate of \$0.30 per \$1,000 increment of bonds issued plus hourly rate of \$90.00 to \$475.00 for services rendered by individual attorneys and paralegals (estimated not to exceed \$244,003). If bonds are issued, payment for the opinion, and the hourly rate of Escamilla & Poneck LLP, (Vendor 518903) shall be at the rate of \$0.15 per \$1,000 increment of bonds issued plus an hourly rate of \$90.00 to \$300.00 for services rendered by individual attorneys and paralegals (estimated not to exceed \$114,501) and shall be made from Water Utilities Debt Service Fund, Fund 0100, Department DWU, Unit 7017, Object 3033.

**SECTION 5.** That the City Manager is hereby authorized to use the previously contracted professional services of Norton Rose Fulbright US LLP (VC0000006239) as disclosure counsel in connection with the sale and delivery of the Series 2020CD Bonds. If bonds are issued, payment for the opinion, and the hourly rate of Norton Rose Fulbright US LLP shall be at the rate of \$0.20 per \$1,000 increment of bonds issued plus hourly rate of \$475 and lower for services rendered by individual attorneys and paralegals (estimated not to exceed \$301,025), and shall be made from Water Utilities Debt Service Fund, Fund 0100, Department DWU, Unit 7017, Object 3033.

**SECTION 6.** That the City Manager is hereby authorized to obtain bond ratings from FitchRatings (Vendor VC14720) and from Standard & Poor's Inc. (Vendor 954974) in connection with the sale of the bonds. Payments for the bond ratings are not to exceed \$268,000 and will be made from Water Utilities Debt Service Fund, Fund 0100, Department DWU, Unit 7017, Object 3803.

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**SECTION 7.** That the City Manager is hereby authorized to use the previously contracted professional services of Grant Thornton LLP to obtain an independent auditors consent letter in connection with the sale and delivery of the bonds. If the bonds are issued, payment for the services of Grant Thornton LLP (Vendor VS0000007921) shall not exceed \$14,000 and will be made from Water Utilities Debt Service Fund, Fund 0100, Department DWU, Unit 7017, Object 3803.

**SECTION 8.** That the City Controller is hereby authorized to make payments for printing services to print and mail official statements. If the bonds are issued, payment for the services of shall not exceed \$10,000 and will be made from Water Utilities Debt Service Fund, Fund 0100, Department DWU, Unit 7017, Object 3803.

**SECTION 9.** That the City Controller is hereby authorized to use contracted services provided as paying agent/registrar with respect to the Series 2020CD Bonds at an annual cost of \$5,000 for escrow agent fees plus payment processing expenses from Water Utilities Debt Service Fund, Fund 0100, Department DWU, Unit 7017, Object 3803.

**SECTION 10.** That the City Controller is hereby authorized and directed to file an Official Statement with respect to such bonds and prepare such other documents as are necessary and incidental to the issuance, sale and delivery of the bonds for review by the Attorney General of Texas (Vendor 344989). If the bonds are issued, payment for the filing fee is estimated not to exceed \$19,000 and shall be made from Water Utilities Debt Service Fund, Fund 0100, Department DWU, Unit 7017, Object 3803.

**SECTION 11.** That the amount of bond sale applicable to commercial paper refunding shall be remitted directly to the commercial paper issuing and paying agent U.S. Bank Trust National Association (Vendor VS0000047523). Any variation in proceeds arising from this issue of bonds shall be deposited in Water Utilities Operating Fund, Fund 0100, Department DWU, Unit 7017, Revenue Source 8438.

**SECTION 12.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.