



Administrator to report the amounts of bonds paid, redeemed or defeased under the authority granted.

In April of 2018, the TWDB issued State Revolving Fund Revenue Bonds pursuant to a new Master Resolution allowing for bonds to be issued for the benefit of both the CWSRF and Drinking Water State Revolving Fund (DWSRF). Most recently in July of 2018, the TWDB redeemed the remaining bonds outstanding under the prior Master Resolution authorizing the issuance of CWSRF bonds.

The TWDB may, in the future, use prepayments from the CWSRF and DWSRF to redeem bonds pursuant to the authority provided by the new Master Resolution, however currently the earliest call date for such bonds is August 1, 2027.

### **KEY ISSUES**

This report is provided as a summary of prepayments received and actions taken in FY 2018 under the delegated authority. The delegation provided flexibility to address the use of prepayment proceeds in a timely manner, maintain appropriate program debt service coverage ratios, and comply with IRS regulations related to prepayments originally funded with tax-exempt bond proceeds. The actions taken also resulted in significant debt service savings for the agency.

Table 1 of Attachment 1 provides a summary by program of prepayments received during FY 2018 and the disposition of those prepayments. Within the fiscal year, the TWDB received approximately \$212 million in prepayments, of which approximately \$172 million were from CWSRF loans.

Table 2 of Attachment 1 provides a summary of five actions taken during FY 2019 that reduced the TWDB's debt outstanding, excluding bond refundings. \$153 million of CWSRF bonds were redeemed using program equity, representing the full amount of bonds outstanding under the prior CWSRF Master Resolution. This not only resulted in significant debt service savings, but also a substantial reduction in administrative complexity, as the TWDB will no longer have to manage CWSRF assets between two distinct bond resolutions. Note that Table 2 does not include redemptions that resulted from regularly-scheduled debt service payments, nor does it include redemptions that resulted from refunding transactions. Redemptions that resulted from refunding transactions were done by authority granted in separate board action (bond resolutions).

### **RECOMMENDATION**

There is no action requested. This is solely a report on prepayments received and bonds redeemed or defeased during FY 2018 by the authority granted by the board.

Attachment:           1 –     Table 1: FY 2018 TWDB Prepayments  
  Table 2: FY 2018 TWDB Bond Redemptions and Defeasances

**Table 1**  
**FY 2018 TWDB Prepayments**

<b>Program</b>	<b>Principal Prepaid</b>	<b>Amount Used to Redeem/Defeas Bonds</b>
DFUND	\$ 21,599,155	\$ 4,139,155
EDAP	408,000	-
RWAF	2,030,577	-
CWSRF	172,065,000	-
DWSRF	15,700,000	-
<b>Total</b>	<b>\$ 211,802,732</b>	<b>\$ 4,139,155</b>

**Table 2**  
**FY 2018 TWDB Bond Redemptions and Defeasances\***

<b>Date</b>	<b>Program</b>	<b>Debt</b>	<b>Par</b>
10/30/2017	DFUND	2015B-2	\$ 9,980,000
10/30/2017	DFUND	2016B-2	375,000
4/9/2018	DFUND	2016B-2	250,000
6/18/2018	DFUND	2016B-2	2,885,000
7/18/2018	CWSRF	2009A-1	153,510,000
	<b>Total</b>		<b>\$ 167,000,000</b>

<b>Program Totals</b>	
CWSRF	\$ 153,510,000
DFUND	13,490,000
<b>Total</b>	<b>\$ 167,000,000</b>

*\*Does not include regularly scheduled debt service payments, nor redemptions that resulted from refunding bond transactions.*