

## AGENDA ITEM MEMO

**BOARD MEETING DATE:** January 19, 2023

**TO:** Board Members

**THROUGH:** Jeff Walker, Executive Administrator  
Ashley Harden, General Counsel  
Jessica Peña, Deputy Executive Administrator, Water Supply and Infrastructure

**FROM:** T. Clay Schultz, Ph.D., Director, Regional Water Project Development  
Dain Larsen, Manager, Regional Water Project Development

**SUBJECT:** Amendment to the City of Bay City's Closing Schedule

### **ACTION REQUESTED**

Consider amending by resolution, the previously adopted Texas Water Development Board (TWDB) Resolution No. 21-033 to modify the City of Bay City's Drinking Water State Revolving Fund annual loan closing schedule.

### **BACKGROUND**

In February 2021, the TWDB approved a \$21,300,000 multi-year commitment to the City of Bay City's (City) from the Drinking Water State Revolving Fund (DWSRF) for a water treatment plant expansion project. The multi-year loan closing schedule included anticipated closings for 2021 through 2025.

### **KEY ISSUES**

In November 2022, the City requested changes to its annual loan closing schedules to reduce its exposure to potential price increases by constructing some components earlier than originally planned and consolidating the bids for two major project components.

The City has requested changes to the closing amounts in 2023, and 2024 for its water treatment plant expansion. In 2023, the City requests to close on an additional \$1,200,000. The increase would be offset by moving funds forward from 2024.

#### [Our Mission](#)

Leading the state's efforts in  
ensuring a secure water future  
for Texas and its citizens

#### [Board Members](#)

Brooke T. Paup, Chairwoman | George B. Peyton V, Board Member | L'Oreal Stepney, P.E., Board Member  
Jeff Walker, Executive Administrator

Year	Amount per Resolution No. 21-033	Changes	Proposed Revised Amount
2021	\$2,125,000	\$0	\$2,125,000
2022	\$5,645,000	\$0	\$5,645,000
2023	\$4,975,000	\$1,200,000	\$6,175,000
2024	\$4,820,000	-\$1,200,000	\$3,620,000
2025	\$3,735,000	\$0	\$3,735,000
<b>Total</b>	<b>\$21,300,000</b>		<b>\$21,300,000</b>

**RECOMMENDATION**

The requested amendment does not change the total amount of financing to the City and will better align the available financing with the City's project schedule. The Executive Administrator recommends that TWDB Resolution No. 21-033 be amended to reflect the annual loan closing schedule described above. The request will provide greater flexibility with the available financing for the City's project needs.

Attachments

1. Proposed Resolution (23- )
2. Resolution 21-033
3. Letter from the City of Bay City

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD  
AMENDING TEXAS WATER DEVELOPMENT BOARD RESOLUTION NO. 21-033  
PROVIDING FINANCIAL ASSISTANCE TO  
THE CITY OF BAY CITY

(23- )

WHEREAS, at its meeting on February 25, 2021, the Texas Water Development Board (TWDB), by TWDB Resolution No. 21-033, made a commitment to provide financial assistance to the City of Bay City (City) for the purpose of financing certain water system improvements in the amount of \$21,300,000, consisting of the TWDB's purchase of \$21,300,000 City of Bay City, Texas Tax and Surplus Revenue Certificates of Obligation, Proposed Series 2021B (DWSRF) through Proposed Series 2025, from the Drinking Water State Revolving Fund program, all as is more specifically set forth in the TWDB's Resolution and accompanying documentation, to which documents express reference is made; and

WHEREAS, in April 2021, the TWDB and the City mutually closed on \$2,125,000 City of Bay City, Texas Tax and Surplus Revenue Certificates of Obligation, Series 2021B; and

WHEREAS, in March 2022, the TWDB and the City mutually closed on \$5,645,000 City of Bay City, Texas Tax and Surplus Revenue Certificates of Obligation, Series 2022B; and

WHEREAS, by letter dated November 7, 2022, the City has requested that the TWDB amend TWDB Resolution No. 21-033, to reallocate a portion of the remaining funds from the proposed 2024B series to the proposed 2023B series; and

WHEREAS, the TWDB hereby finds that the amendment to the term of this financing is reasonable and that the request is in the public interest and will serve a public purpose; and

WHEREAS, in accordance with the Texas Water Code, the TWDB has carefully considered all matters required by law.

NOW, THEREFORE, based on these considerations and findings, the TWDB resolves as follows:

1. The commitment made through TWDB Resolution No. 21-033 to the City of Bay City is amended and shall be evidenced by the TWDB's proposed purchase of City of Bay City, Texas Tax and Surplus Revenue Certificates of Obligation as follows:
  - a. \$6,175,000 City of Bay City, Texas Tax and Surplus Revenue Certificates of Obligation, Proposed Series 2023B, to expire on February 28, 2024; and
  - b. \$3,620,000 City of Bay City, Texas Tax and Surplus Revenue Certificates of Obligation, Proposed Series 2024B, to expire on February 29, 2025.

- c. The Executive Administrator is delegated the authority to adjust the schedule of the proposed installments as approved through this commitment.
- 2. All other terms and conditions of TWDB Resolution No. 21-033 shall remain in full force and effect.

APPROVED and ordered of record this the 19th day of January 2023.

TEXAS WATER DEVELOPMENT BOARD

\_\_\_\_\_  
Brooke T. Paup, Chairwoman

DATE SIGNED: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Jeff Walker, Executive Administrator

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD  
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE TO  
THE CITY OF BAY CITY  
IN THE FORM OF A MULTI-YEAR COMMITMENT  
FROM THE DRINKING WATER STATE REVOLVING FUND  
THROUGH THE PROPOSED PURCHASE OF  
\$21,300,000 CITY OF BAY CITY, TEXAS  
TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION  
PROPOSED SERIES 2021B (DWSRF)  
THROUGH PROPOSED SERIES 2025

(21-033)

WHEREAS, the City of Bay City ( City ), located in Matagorda County, has filed an application for financial assistance in the amount of \$21,300,000 from the Drinking Water State Revolving Fund (DWSRF) to finance the planning, acquisition, design, and construction of certain water system improvements identified as project No. 62902; and

WHEREAS, the City seeks financial assistance from the Texas Water Development Board (TWDB) in the form of a multi-year commitment through the TWDB's proposed purchase of \$21,300,000 City of Bay City, Texas Tax and Surplus Revenue Certificates of Obligation, Proposed Series 2021B (DWSRF) through Proposed Series 2025 (together with all authorizing documents (Obligations)), all as is more specifically set forth in the application and in recommendations of the TWDB's staff; and

WHEREAS, the City has offered a pledge of ad valorem taxes and surplus revenues of the City's water and sewer system as sufficient security for the repayment of the Obligations; and

WHEREAS, the commitment is approved for funding under the TWDB's pre-design funding option, and initial and future releases of funds are subject to 31 TAC § 371.13; and

WHEREAS, the TWDB hereby finds:

1. that the revenue and taxes pledged by the City will be sufficient to meet all the Obligations assumed by the City, in accordance with Texas Water Code § 15.607;
2. that the application and assistance applied for meet the requirements of the Safe Drinking Water Act, 42 U.S.C. §§ 300f *et seq.* as well as state law, in accordance with Texas Water Code § 15.607;
3. that the City has adopted and implemented a water conservation program for the more efficient use of water that will meet reasonably anticipated local needs and conditions and that incorporates practices, techniques or technology prescribed by the Texas Water Code and TWDB's rules;

4. that the TWDB has approved a regional water plan for the region of the state that includes the area benefiting from the project and the needs to be addressed by the project will be addressed in a manner that is consistent with the approved regional and state water plans, as required by Texas Water Code § 16.053(j);
5. that a current water audit required by Texas Water Code § 16.0121 and 31 TAC § 358.6 has been completed by the City and filed with the TWDB in accordance with Texas Water Code § 16.053(j); and

NOW, THEREFORE, based on these findings, the TWDB resolves as follows:

A commitment is made by the TWDB to the City of Bay City, Texas for financial assistance in an aggregate principal amount of \$21,300,000 from the Drinking Water State Revolving Fund through the TWDB's proposed purchase of City of Bay City, Texas Tax and Surplus Revenue Certificates of Obligation as follows:

- a) \$2,125,000, City of Bay City, Texas Tax and Surplus Revenue Certificates of Obligation, Proposed Series 2021B (DWSRF), to expire on February 28, 2022;
- b) \$5,645,000 City of Bay City, Texas Tax and Surplus Revenue Certificates of Obligation, Proposed Series 2022B (DWSRF), to expire on February 28, 2023;
- c) \$4,975,000 City of Bay City, Texas Tax and Surplus Revenue Certificates of Obligation, Proposed Series 2023B (DWSRF), to expire on February 29, 2024;
- d) \$4,820,000 City of Bay City, Texas Tax and Surplus Revenue Certificates of Obligation, Proposed Series 2024B (DWSRF), to expire on February 28, 2025;
- e) \$3,735,000 City of Bay City, Texas Tax and Surplus Revenue Certificates of Obligation, Proposed Series 2025 (DWSRF), to expire on February 28, 2026;

Such commitment is conditioned as follows:

Standard Conditions

1. this commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand;
2. this commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that all of the requirements of the laws under which said Obligations were issued have been complied with; that said Obligations were issued in conformity with the Constitution and laws of the State of Texas; and that said Obligations are valid and binding obligations of the City;

3. this commitment is contingent upon the City's compliance with all applicable requirements contained in 31 TAC Chapter 371;
4. the Obligations must provide that the City agrees to comply with all of the conditions set forth in the TWDB Resolution, which conditions are incorporated herein;
5. the Obligations must provide that the Obligations can be called for early redemption on any date beginning on or after the first interest payment date which is 10 years from the dated date of the Obligations, at a redemption price of par, together with accrued interest to the date fixed for redemption;
6. the City, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the City's Obligations or obligated persons, will, at a minimum, regardless of the amount of the Obligations, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of such rule, such continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the City's Obligations, if the TWDB sells or otherwise transfers such Obligations, and the beneficial owners of the TWDB's bonds if the City is an obligated person with respect to such bonds under SEC Rule 15c2-12;
7. the Obligations must contain a provision requiring the City to levy a tax and/or maintain and collect sufficient rates and charges, as applicable, to produce system funds in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Obligations;
8. the Obligations must include a provision requiring the City to use any loan proceeds from the Obligations that are determined to be remaining unused funds, which are those funds unspent after the original approved project is completed, for enhancements to the original project that are explicitly approved by the Executive Administrator or if no enhancements are authorized by the Executive Administrator, requiring the City to submit a final accounting and disposition of any unused funds;
9. the Obligations must include a provision requiring the City to use any loan proceeds from the Obligations that are determined to be surplus funds remaining after completion of the project and completion of a final accounting in a manner as approved by the Executive Administrator;

10. the Obligations must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect;
11. loan proceeds are public funds and, as such, the Obligations must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257;
12. loan proceeds shall not be used by the City when sampling, testing, removing or disposing of contaminated soils and/or media at the project site. The Obligations shall include an environmental indemnification provision wherein the City agrees to indemnify, hold harmless and protect the TWDB from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials and employees as a result of activities relating to the project to the extent permitted by law;
13. prior to closing, the City shall submit documentation evidencing the adoption and implementation of sufficient system rates and charges and/or the levy of an interest and sinking tax rate (if applicable) sufficient for the repayment of all system debt service requirements;
14. prior to closing, and if not previously provided with the application, the City shall submit executed contracts for engineering and, if applicable, financial advisor and bond counsel contracts, for the project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed, reflected in the contract, and acceptable to the Executive Administrator;
15. prior to closing, when any portion of the financial assistance is to be held in escrow or in trust, the City shall execute an escrow or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB;
16. the Executive Administrator may require that the City execute a separate financing agreement in form and substance acceptable to the Executive Administrator;
17. the TWDB retains the option to purchase the Obligations in separate lots and/or on an installment basis, with delivery of the purchase price for each installment to be paid against delivery of the relevant installment of Obligations as approved by the Executive Administrator;

18. the Obligations must provide that the City will comply with all applicable TWDB laws and rules related to the use of the financial assistance;
19. the Obligations must provide that the City must comply with all conditions as specified in the final environmental finding of the Executive Administrator when issued, including the standard emergency discovery conditions for threatened and endangered species and cultural resources;
20. the Obligations must contain a provision requiring the City to maintain insurance coverage sufficient to protect the TWDB's interest in the project;

Conditions Related to Tax-Exempt Status

21. the City's bond counsel must prepare a written opinion that states that the interest on the Obligations is excludable from gross income or is exempt from federal income taxation. Bond counsel may rely on covenants and representations of the City when rendering this opinion;
22. the City's bond counsel opinion must also state that the Obligations are not "private activity bonds." Bond counsel may rely on covenants and representations of the City when rendering this opinion;
23. the Obligations must include a provision prohibiting the City from using the proceeds of this loan in a manner that would cause the Obligations to become "private activity bonds" within the meaning of section 141 of the Internal Revenue Code of 1986, as amended (Code) and the Treasury Regulations promulgated thereunder (Regulations);
24. the Obligations must provide that no portion of the proceeds of the loan will be used, directly or indirectly, in a manner that would cause the Obligations to be "arbitrage bonds" within the meaning of section 148(a) of the Code and Regulations, including to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments (as defined in the Code and Regulations) which produce a yield materially higher than the yield on the TWDB's bonds that are issued to provide financing for the loan (Source Series Bonds), other than Nonpurpose Investments acquired with:
  - a. proceeds of the TWDB's Source Series Bonds invested for a reasonable temporary period of up to three (3) years after the issue date of the Source Series Bonds until such proceeds are needed for the facilities to be financed;
  - b. amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Regulations; and
  - c. amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt

service on the Obligations, 125% of average annual debt service on the Obligations, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Obligations;

25. the Obligations must include a provision requiring the City take all necessary steps to comply with the requirement that certain amounts earned on the investment of gross proceeds of the Obligations be rebated to the federal government in order to satisfy the requirements of section 148 of the Code. The Obligations must provide that the City will:
  - a. account for all Gross Proceeds, as defined in the Code and Regulations, (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and retain all records of such accounting for at least six years after the final Computation Date. The City may, however, to the extent permitted by law, commingle Gross Proceeds of its Loan with other money of the City, provided that the City separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith;
  - b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to its Loan, not less frequently than each Computation Date, in accordance with rules set forth in section 148(f) of the Code, section 1.148-3 of the Regulations, and the rulings thereunder. The City shall maintain a copy of such calculations for at least six years after the final Computation Date;
  - c. as additional consideration for the making of the Loan, and in order to induce the making of the Loan by measures designed to ensure the excludability of the interest on the TWDB's Source Series Bonds from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (b) above within 30 days after each Computation Date;
  - d. exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (b) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations;
26. the Obligations must include a provision prohibiting the City from taking any action that would cause the interest on the Obligations to be includable in gross income for federal income tax purposes;
27. the Obligations must provide that the City will not cause or permit the Obligations to be treated as "federally guaranteed" obligations within the meaning of section 149(b) of the Code;

28. the transcript must include a No Arbitrage Certificate or similar Federal Tax Certificate setting forth the City's reasonable expectations regarding the use, expenditure and investment of the proceeds of the Obligations;
29. the Obligations must contain a provision that the City will refrain from using the proceeds provided by this TWDB commitment or the proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Obligations in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);
30. the transcript must include evidence that the information reporting requirements of section 149(e) of the Code will be satisfied. This requirement may be satisfied by filing an IRS Form 8038 with the Internal Revenue Service. In addition, the applicable completed IRS Form 8038 or other evidence that the information reporting requirements of section 149(e) have been satisfied must be provided to the Executive Administrator within fourteen (14) days of closing. The Executive Administrator may withhold the release of funds for failure to comply;
31. the Obligations must provide that neither the City nor a related party thereto will acquire any of the TWDB's Source Series Bonds in an amount related to the amount of the Obligations to be acquired from the City by the TWDB;

#### State Revolving Fund Conditions

32. the City shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines;
33. the Obligations must include a provision stating that all laborers and mechanics employed by contractors and subcontractors for projects shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations. The City, all contractors, and all sub-contractors shall ensure that all project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for the construction of the project carried out in whole or in part with financial assistance made available as provided herein shall insert in full in any contract in excess of \$2,000 the contracts clauses as provided by the TWDB;
34. the Obligations must include a provision stating that the City shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The City shall obtain a Data Universal Numbering System (DUNS) Number and shall register with System for Award Management (SAM), and

maintain current registration at all times during which the Obligations are outstanding;

35. the Obligations shall provide that all loan proceeds will be timely and expeditiously used, as required by 40 CFR § 35.3135(d), and also shall provide that the City will adhere to the approved project schedule;
36. the Obligations must contain a covenant that the City will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC § 371.4 and related State Revolving Fund Policy Guidelines;

#### Drinking Water State Revolving Fund Conditions

37. for each proposed bond series as described in the commitment of this Resolution, the City shall pay at closing an origination fee approved by the Executive Administrator of the TWDB pursuant to 31 TAC Chapter 371;
38. prior to closing, the Texas Commission on Environmental Quality, must make a determination, the form and substance of which is satisfactory to the Executive Administrator, that the City has demonstrated the necessary financial, managerial, and technical capabilities to proceed with the project or projects to be funded with the proceeds of these Obligations;

#### Pledge Conditions for the Loan

39. the Obligations must contain a provision that provides as follows:
  - a. if system revenues are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied and collected may be reduced to the extent and by the amount of revenues then on deposit in the Interest and Sinking Fund; or
  - b. if surplus revenues are based upon budgeted amounts:
    - i. the Obligations must include a requirement that the City transfer and deposit in the Interest and Sinking Fund each month an amount of not less than 1/12th of the annual debt service on the Obligations until the amount on deposit in the Interest and Sinking Fund equals the amount required for annual debt service on the Obligations; further, that the ordinance authorizing the issuance of the Obligations must include a requirement that the City shall not transfer any funds from the City's pledged system revenues to any fund other than the Interest and Sinking Fund until such time as an amount equal to the annual debt service on the Obligations for the then-current fiscal year has

been deposited in the Interest and Sinking Fund;

- ii. the Obligations must include a requirement that for each year the Obligations are outstanding, and prior to the time taxes are to be levied for such year, the City shall establish, adopt, and maintain an annual budget that provides for either the monthly deposit of sufficient surplus pledged revenues and/or tax revenues, the monthly deposit of any other legally available funds on hand at the time of the adoption of the annual budget, or a combination thereof, into the Interest and Sinking Fund for the repayment of the Obligations; and
- iii. the Obligations must include a requirement that the City shall at all times maintain and collect sufficient rates and charges in conjunction with any other legally available funds so that after payment of the costs of operating and maintaining the system, it produces revenues in an amount not less than 1.10 times debt service requirements of all outstanding Obligations of the City and other obligations of the City which are secured in whole or in part by the pledged revenues, for which the City is budgeting the repayment of such Obligations, or the City shall provide documentation which evidences the levy and collection of an ad valorem tax rate dedicated to the Interest and Sinking Fund, in conjunction with any other legally available funds, sufficient for the repayment of debt service requirements;

PROVIDED, however, the commitment is subject to the following special conditions:

Special Conditions:

40. prior to the release of funds, the City shall provide a schedule of the useful life of the project components prepared by an engineer as well as a certification by the applicant that the average weighted maturity of the obligations purchased by the TWDB does not exceed 120% of the average estimated useful life of the project, as determined by the schedule;
41. prior to the release of funds for the costs of planning, engineering, architectural, legal, title, fiscal, or economic investigation, studies, surveys, or designs for that portion of a project that proposes surface water or groundwater development, the Executive Administrator must either issue a written finding that the City has the right to use the water that the project financed by the TWDB will provide or a written determination that a reasonable expectation exists that such a finding will be made before the release of funds for construction; and
42. prior to the release of construction funds for that portion of a project that proposes surface water or groundwater development, the Executive Administrator must have issued a written finding that the City has the right to use the water that the project financed by the TWDB will provide.

APPROVED and ordered of record this 25th day of February, 2021.



TEXAS WATER DEVELOPMENT BOARD

A handwritten signature in blue ink, appearing to be "P. Lake", is written over a horizontal line.

Peter M. Lake, Chairman

DATE SIGNED: 2/25/21

ATTEST:

A handwritten signature in blue ink, appearing to be "J. Walker", is written over a horizontal line.

Jeff Walker, Executive Administrator

# CITY OF BAY CITY



**SHAWNA BURKHART**  
CITY MANAGER

**ROBERT K. NELSON**  
MAYOR

**CITY COUNCIL**

**JIM FOLSE**  
MAYOR PRO TEM

**ANNE MARIE ODEFEY**  
CITY ATTORNEY

**JEANNA THOMPSON**  
CITY SECRETARY

**BLAYNE FINLAY**  
**BRADELY WESTMORELAND**

**FLOYCE BROWN**  
**BECCA SITZ**

November 7, 2022

TO: The Texas Water Development Board  
ATTN: Shubham Aggarwal, TWDB Central Region Project Manager  
FROM: Barry Calhoun, City of Bay City, Director of Public Works  
RE: **TWDB DWSRF Project No. 62902 – Series 2023 and Series 2024 Requested Budget Revisions**

Mr. Aggarwal,

The City of Bay City (City) requests revisions to Series 2023 and Series 2024 of the City's existing DWSRF Loan (DWSRF Project No. 62902). The requested revisions are due to modified bidding and construction schedules for the City's two new water treatment plants (WTPs), the North and East WTPs (CID 02 and CID 03, respectively). The City originally planned to bid and construct the WTPs separately; however, due to increased demands on the east side of town and anticipated cost savings from economies of scale, mobilization, and materials for contractors, the City would now like to bid and construct the two new WTPs simultaneously.

The requested revisions include moving some design and construction funding from Series 2024 to Series 2023 and are as follows:

- Moving \$1M for Construction from Series 2024 to Series 2023
- Moving \$200K for Design from Series 2024 to Series 2023
- Total amount for Series 2023 changing from \$4,975,000 to \$6,175,000
- Total amount for Series 2024 changing from \$4,820,000 to \$3,620,000

Please feel free to contact me with any questions at [bcalhoun@cityofbaycity.org](mailto:bcalhoun@cityofbaycity.org) or (979) 245-7236. Our Project Engineer, Dan Olson, can be reached at [DNOlson@GarverUSA.com](mailto:DNOlson@GarverUSA.com) or (713) 395-4277.

Sincerely,

A handwritten signature in blue ink that reads "Barry Calhoun".

Barry Calhoun  
Director of Public Works  
City of Bay City, Texas

- c. The Executive Administrator is delegated the authority to adjust the schedule of the proposed installments as approved through this commitment.
- 2. All other terms and conditions of TWDB Resolution No. 21-033 shall remain in full force and effect.

APPROVED and ordered of record this the 19th day of January 2023.

TEXAS WATER DEVELOPMENT BOARD

\_\_\_\_\_  
Brooke T. Paup, Chairwoman

DATE SIGNED: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Jeff Walker, Executive Administrator