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**AGENDA ITEM MEMO**

**BOARD MEETING DATE:** December 16, 2025

**TO:** Board Members

**THROUGH:** Bryan McMath, Executive Administrator  
Ashley Harden, General Counsel  
Jessica Peña, Deputy Executive Administrator, Water Supply and Infrastructure  
T. Clay Schultz, Ph.D., Director, Regional Water Project Development  
David Firgens, Manager, Regional Water Project Development

**FROM:** Racquel McCoy, Loan Closing Manager, Regional Water Project Development  
Tyrone Alcorn, Credit Manager, Regional Water Project Development

**SUBJECT:** Amendment to the City of Del Rio Closing Schedule

**ACTION REQUESTED**

Consider amending by resolution the previously adopted Texas Water Development Board Resolution No. 25-103 to modify the City of Del Rio’s State Water Implementation Fund for Texas annual loan closing schedule.

**BACKGROUND**

In July 2025, the Texas Water Development Board (TWDB) approved a \$3,455,000 multi-year commitment to the City of Del Rio (City) from the State Water Implementation Fund for Texas for planning, design, and construction of a water system project for a new membrane filtration system for their San Felipe Springs Water Treatment Plant.

**KEY ISSUES**

The City is requesting an extension to the initial loan commitment for the Proposed Series 2025A, which was scheduled to close this year. The extension is needed to allow additional time to repost and publish a Notice of Intent to Issue Certificates of Obligation with the correct amortization schedule of no less than 20 years. The original notice was published with an incorrect amortization schedule of 10 years. To resolve this issue, the City is requesting an extension until March 31, 2026, to complete the required process.

The Del Rio City Council (Council) will meet on November 18, 2025, to consider a resolution authorizing the posting and publication of the corrected notice of intent, which will provide for a maximum maturity of at least 20 years. The Council is scheduled to meet again on January 13, 2026, to approve the issuance, sale, and delivery of the Certificates of Obligation to the TWDB.

[Our Mission](#) : [Board Members](#)

Leading the state’s efforts : L’Oreal Stepney, P.E., Chairwoman | W. Brady Franks, Board Member | Ashley Morgan, Board Member  
in ensuring a secure :  
water future for Texas : Bryan McMath, Executive Administrator

**RECOMMENDATION**

The requested amendment does not alter the total TWDB financing amount and will allow the City the time required to close on the initial loan commitment to complete the project. The Executive Administrator recommends that the TWDB Resolution No. 25-103 be amended to extend the commitment expiration to March 31, 2026.

Attachments:

1. Proposed Resolution (25- )
2. Resolution (25-103)
3. Extension Request Letter

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD  
AMENDING TWDB RESOLUTION NO. 25-103  
TO EXTEND THE LOAN COMMITMENT PERIOD FOR THE  
\$265,000 CITY OF DEL RIO, TEXAS COMBINATION TAX AND SURPLUS REVENUE  
CERTIFICATES OF OBLIGATION,  
PROPOSED SERIES 2025A TO BE ISSUED BY  
THE CITY OF DEL RIO

(25 - )

Recitals:

At its July 24, 2025 meeting, the Texas Water Development Board (TWDB), by TWDB Resolution No. 25-103, made a commitment to provide financial assistance in the amount of \$265,000 to the City of Del Rio, Texas (City) from the State Water Implementation Revenue Fund for Texas, to finance improvements to its water system, to be secured by the TWDB's purchase of \$3,455,000 City of Del Rio, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Proposed Series 2025A, for Project No. 51904, all as is more specifically set forth in the TWDB's Resolution and accompanying documentation, to which documents express reference is made.

Pursuant to TWDB Resolution No. 25-103, the commitment period for the proposed 2025 financial assistance will expire December 31, 2025.

The City has submitted a request to extend the TWDB's commitment for an additional three (3) months to allow for additional time to repost and publish a Notice of Intention to Issue Certificates of Obligation, all as is more specifically set forth in the recommendations of the TWDB's staff, to which documents express reference is made.

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

Findings:

1. The TWDB hereby finds that granting an extension of three (3) months is in the public interest.
2. The revenue or 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.
3. The term of the Obligations does not exceed the expected useful life of the project proposed by the City.

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

1. The commitment of the TWDB to provide financial assistance in the amount of \$265,000, as authorized in TWDB Resolution No. 25-103, is amended to extend the commitment to March 31, 2026.
2. Before closing, but no later than March 4, 2026, the City shall submit the penalty payment agreed to by the City through the Financing Agreement executed by the City dated September 5, 2025.
3. All other terms and conditions of TWDB Resolution No. 25-103 shall remain in full force and effect.

APPROVED and ordered of record this the 16th day of December 2025.

TEXAS WATER DEVELOPMENT BOARD

\_\_\_\_\_  
L'Oreal Stepney, P.E., Chairwoman

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

ATTEST:

\_\_\_\_\_  
Bryan McMath, Executive Administrator

**A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD  
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE TO  
THE CITY OF DEL RIO  
IN THE FORM OF A MULTI-YEAR COMMITMENT  
THROUGH THE PROPOSED PURCHASE OF  
\$3,455,000 CITY OF DEL RIO, TEXAS COMBINATION TAX AND SURPLUS REVENUE  
CERTIFICATES OF OBLIGATION,  
PROPOSED SERIES 2025A THROUGH PROPOSED SERIES 2027**

(25-103)

**Recitals:**

The City of Del Rio (City), located in Val Verde County, has filed an application for financial assistance in the amount of \$3,455,000 to finance the planning, design, and construction of a water supply project identified as Project No. 51094 (Project).

The City qualifies for financial assistance from the Texas Water Development Board (TWDB) in the form of a multi-year commitment through the TWDB's proposed purchase of \$3,455,000 City of Del Rio, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Proposed Series 2025A through Proposed Series 2027 (Obligations), together with all authorizing documents, all as is more specifically set forth in the application and in recommendations of the Executive Administrator's staff.

The City has offered a pledge of ad valorem taxes and surplus net revenue of the City's waterworks and sewer system as sufficient security for the repayment of the Obligations.

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 § 363.1307.

Subject to the City's use of an approved debt service structure, the interest rate subsidy applicable to each subsequent proposed series may be different than the interest rate subsidy available for State Fiscal Year 2025 and will be set through each financing agreement executed between the TWDB and the City.

The interest rate subsidies as approved by the Board at its April 10, 2025 meeting, are based on assumptions necessary to generate an optimum debt service structure for the anticipated TWDB SWIFT bond issuance and are subject to modification as necessary to preserve and maintain the integrity of the SWIFT Program. The subsidies will be available to the City without regard to the source of funds.

The City requests a waiver of the requirement that a portion of the financial assistance received from the TWDB be used to mitigate the City's system water loss because the City has developed and implemented a plan to address the loss.

In accordance with Texas Water Code § 17.124, the TWDB has considered all matters required by law and in particular the following:

1. The needs of the area to be served by the water supply project, the benefit of the water supply project to the area, the relationship of the water supply project to the overall, statewide water needs, and the relationship of the water supply project to the approved regional and state water plans.
2. And the availability of revenue to the City, from all sources, for the ultimate repayment of the cost of the water supply project, including interest.

Findings:

1. The application and assistance applied for meet the requirements of Texas Water Code, Chapter 15, Subchapters G and H and 31 TAC Chapter 363, Subchapters A and M; or the requirements of Chapter 17, Subchapters D, E, and L, and the TWDB's rules set forth in 31 TAC Chapter 363, Subchapter A.
2. The Project is a recommended water management strategy project in the State Water Plan adopted pursuant to Texas Water Code § 16.051, in accordance with Texas Water Code § 15.474(a).
3. The public interest requires state assistance in the financing of this project, in accordance with Texas Water Code § 17.125(a)(1).
4. The City has adopted and implemented a water conservation plan in accordance with Texas Water Code § 16.4021 and 31 TAC § 363.1309(b)(1).
5. The City has completed its current water audit and filed it with the TWDB in accordance with Texas Water Code §§ 16.0121 and 16.053(j) and 31 TAC § 358.6.
5. Based on the conditions described above, the City is satisfactorily addressing the City's system water loss, which supports a waiver of the requirement that a portion of the financial assistance received from the TWDB be used to mitigate the City's system water loss in accordance with Texas Water Code § 16.0121(g).
6. The City acknowledges its legal obligation to comply with any applicable requirements of federal law related to contracting with disadvantaged business enterprises and any applicable state law related to contracting with historically underutilized businesses, in accordance with Texas Water Code § 15.435(h) and 31 TAC § 363.1309(b)(3).

NOW THEREFORE, based on these findings, the TWDB commits to the following:

1. For the reasons stated above, the TWDB waives the requirements of Texas Water Code § 16.0121(g).
2. The TWDB will provide financial assistance to the City of Del Rio in the amount of \$3,455,000 from the State Water Implementation Revenue Fund for Texas to be evidenced by the TWDB's proposed purchase of one or more City of Del Rio, Texas Combination Tax and Surplus Revenue Certificates of Obligation as follows.

- a. \$265,000 Proposed Series 2025A, to expire on December 31, 2025;
  - b. \$2,500,000 Proposed Series 2026, to expire on December 31, 2026; and
  - c. \$690,000 Proposed Series 2027, to expire on December 31, 2027.
3. The Executive Administrator is authorized to determine the source account, whether the State Water Implementation Revenue Fund for Texas or the Financial Assistance Account of the Texas Water Development Fund II for each subsequent series.

The commitment is subject to the following:

**Standard Conditions:**

1. This commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand as determined by the TWDB.
2. This commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that the City has complied with all of the requirements of the laws under which the Obligations were issued; that the Obligations were issued in conformance with the Constitution and laws of the State of Texas; and that the Obligations are valid and binding obligations of the City.
3. This commitment is contingent upon the City's continued compliance with all applicable laws, rules, policies, and guidance as these may be amended from time to time to adapt to a change in law, in circumstances, or any other legal requirement.
4. This commitment is contingent upon the City executing a separate financing agreement, approved as to form and substance by the Executive Administrator, and submitting the executed agreement to the TWDB consistent with the terms and conditions described in it.
5. Interest rate subsidies for non-level debt service structure are subject to adjustment by the Executive Administrator.
6. The City shall use a paying agent/registrar in accordance with 31 TAC § 363.42(c)(2) and shall require the paying agent/registrar to provide a copy of all receipts documenting debt service payments to the TWDB and to the TWDB's designated Trustee.

**Required Obligation Conditions:**

7. 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 that 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.
8. The Obligations must provide that the City will comply with all applicable TWDB laws and rules related to the use of the financial assistance.

9. 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.
10. The Obligations must contain a provision requiring the City to maintain insurance coverage sufficient to protect the TWDB's interest in the project.
11. The Obligations must include a provision wherein 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 the 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 SEC rule 15c2-12, the 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 the Obligations, and the beneficial owners of the TWDB's bonds if the City is an obligated person with respect to the bonds under SEC Rule 15c2-12.
12. The Obligations must require the City to levy a tax or maintain and collect sufficient rates and charges to produce system revenues 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.
13. The Obligations must require the City to use any surplus financial assistance proceeds from the Obligations remaining after completion of the Project and completion of a final accounting in a manner approved by the Executive Administrator.
14. The Obligations must provide 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.
15. Financial assistance proceeds are public funds. Therefore, the Obligations must require that these proceeds 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.
16. Financial assistance proceeds shall not be used by the City when sampling, testing, removing, or disposing of contaminated soils or media at the Project site. The Obligations must provide that the City is solely responsible for liability resulting from acts or omissions of the City, its employees, contractors, or agents arising from the sampling, analysis, transport, storage, treatment, recycling, and disposition of any contaminated sewage sludge, contaminated sediments 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.

17. The Obligations must require the City to report to the TWDB the amounts of Project funds, if any, that were used to compensate historically underutilized businesses that worked on the Project, in accordance with 31 TAC § 363.1312.
18. The Obligations must contain a provision that the TWDB will purchase the Obligations, acting through the TWDB's designated Trustee, and the Obligations shall be registered in the name of Cede & Co. and closed in book-entry-only form in accordance with 31 TAC § 363.42(c)(1).
19. The City must abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter G and Texas Water Code § 17.183.
20. The City must immediately notify TWDB in writing of any suit against it by the Attorney General of Texas under Texas Government Code § 2.103 and Texas Penal Code § 1.10(f), related to federal laws regulating firearms, firearm accessories, and firearm ammunition.
21. The Obligations must require the City to submit annually an audit prepared by a certified public accountant in accordance with generally accepted auditing standards.
22. The Obligations must include a provision that, if the collateral or credit pledged by the City securing the Obligations is rated by a nationally-recognized statistical rating agency, the City, or other obligated person, will not discontinue the rating issued by a nationally-recognized statistical rating agency until the underlying Obligations are retired or no longer held by TWDB.

**Tax-Exempt Conditions:**

23. The Obligations must prohibit the City from using the proceeds of this financial assistance in a manner that would cause the Obligations to become "private activity bonds" within the meaning of section 141 of the Internal Revenue Code as amended (Code) and the Treasury Regulations promulgated under it (Regulations).
24. The Obligations must provide that no portion of the proceeds of the financial assistance 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 that were used, directly or indirectly, to acquire Nonpurpose Investments, as defined in the Code and Regulations, that produce a yield materially higher than the yield on the TWDB's bonds issued to provide the financial assistance (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 the 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 the amounts do not exceed the lesser 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 require the City to take all necessary steps to comply with the requirement that 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 the 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 financial assistance with other money of the City, provided that the City separately accounts for each receipt and expenditure of the Gross Proceeds and the obligations acquired with the Gross Proceeds;
  - b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to its financial assistance, 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 associated rulings. The City shall maintain a copy of the calculations for at least six years after the final Computation Date;
  - c. pay to the United States the amount described in paragraph (b) above within 30 days after each Computation Date as additional consideration for providing financial assistance and in order to induce providing financial assistance by measures designed to ensure the excludability of the interest on the TWDB's Source Series Bonds from the gross income of the owners of TWDB's Bonds for federal income tax purposes;
  - d. exercise reasonable diligence to ensure that no errors are made in the calculations required by paragraph (b) and, if an error is made, to discover and promptly correct the error within a reasonable amount of time, 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 Obligations must contain a covenant that the City will refrain from using the proceeds of the Obligations to pay debt service on another issue of the borrower’s obligations in contravention of section 149(d) of the Code (related to “advance refundings”).
29. The Obligations must provide that neither the City nor a party related to it 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.

Pledge Conditions:

30. 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 that 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 shall 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 before the time taxes are to be levied for that year, the City shall establish, adopt, and maintain an annual budget that provides for either the monthly deposit of sufficient surplus pledged revenues 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 of the above 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 that are secured in whole or in part by the pledged revenues, for which the City is budgeting the repayment of the Obligations, or the City shall provide documentation that 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.

Conditions To Close or for Release of Funds:

31. Before closing, the City must submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements.
32. Before closing, if not previously provided with the application, the City shall submit executed contracts for engineering and, if applicable, financial advisor and bond counsel 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.
33. Before closing, when any portion of financial assistance is to be held in escrow or in trust, the City shall execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB.
34. Before closing, the City shall provide certification that the average weighted maturity of the Obligations purchased by the TWDB does not exceed 120% of the average reasonably expected economic life of the Project.
35. Before closing, 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.
36. Before closing, the City's bond counsel must prepare a written opinion that states that the Obligations are not "private activity bonds." Bond counsel may rely on covenants and representations of the City when rendering this opinion.

37. 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.
38. The transcript must include evidence that the information reporting requirements of section 149(e) of the Internal Revenue 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.
39. Before closing, the City shall submit to the escrow agent a closing memo signed by the executive administrator.

Special Conditions:

40. Before the release of funds for the costs of planning, engineering, architectural, legal, title, fiscal, economic investigation, studies, surveys, or designs for that portion of the Project that proposes surface water or groundwater development, the Executive Administrator must have either issued 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.
41. Before 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 the 24th day of July 2025.

TEXAS WATER DEVELOPMENT BOARD

  
L'Oreal Stepney  
L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED: 7/24/25

ATTEST:

Bryan McMath  
Bryan McMath, Executive Administrator



## OFFICE OF THE CITY MANAGER

Shawna D. Burkhart

November 6, 2025

Dear Texas Water Development Board Members and Staff:

The City of Del Rio (the "City") is respectfully requesting an extension for closing on the initial tranche of \$265,000 for Project No. 51094 (Loan LM 2502220), to **March 31, 2026**.

Regarding Project No. 51094, the City of Del Rio posted and published a Notice of Intention to Issue Certificates of Obligation ("Certificates") in the maximum amount of \$265,000 to acquire, construct, and install additions, extensions, and improvements to the City's water system, including the City's water treatment plant.

In accordance with Section 271.049 of the Certificate of Obligation Act (the "CO Act"), the City was required to post and publish notice of intent to issue the Certificates at least 46 days before the City Council took formal action to approve the Certificates. As required by Section 271.049(b)(6), the notice is required to state "the maximum maturity date of the certificates to be authorized." Given the relatively small transaction amount of \$265,000, the City's financial advisor assumed an amortization schedule of ten years would be in the best interest of the City, and acceptable to TWDB. Based on said assumption, the notice provided for a maximum maturity date of June 1, 2035.

After the notice was posted and published, TWDB informed the financial advisor that the amortization scheduled could be no less than twenty (20) years. As such, the City's Ordinance authorizing the issuance, sale, and delivery of the COs, provided for an amortization schedule with a final maturity of June 1, 2045.

In reviewing the transcript of proceedings submitted by the City's Bond Counsel, the Attorney General's Public Finance Division flagged the discrepancy between the maximum maturity date stated in the notice provided to the voters, and in the actual amortization schedule approved by City Council, and informed the City that they could not move forward with an amortization schedule that exceeds the notice provided to residents. This effectively made closing on November 17<sup>th</sup> an impossibility, and the only way the City could proceed with closing on the \$265,000 initial tranche is if it reposts/republishes the notice to comply with the CO Act.

The City Council will be considering a resolution authorizing the posting and publication of a new notice of intention (providing for a maximum maturity of at least 20 years), on **November 18, 2025**. The City will then post and publish the new notice, as required by the CO Act, and City Council will meet on **January 13, 2026** to approve the issuance, sale, and delivery of Certificates (in the principal amount of



## OFFICE OF THE CITY MANAGER

Shawna D. Burkhart

\$265,000) to TWDB. The City would ask TWDB which day during the second week in February, if any, would work to close on this transaction.

As provided in the application, this project “is crucial and necessary to continue supplying the City of Del Rio and nearby Laughlin Air Force Base with drinking water from the existing system.” We appreciate everything TWDB does for our community, and hope you are able to work with us to secure financing, and preserve our commitment, for this very important project.

*Shawna D. Burkhart*

Shawna D. Burkhart

City Manager

City of Del Rio, Texas