

**A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
ESTABLISHING PARAMETERS REGARDING FUTURE MANAGEMENT OF
THE STATE WATER IMPLEMENTATION FUND FOR TEXAS PROGRAM**

(20-055)

WHEREAS, on March 11, 2020, COVID-19 was declared a pandemic by the World Health Organization; and

WHEREAS, a continued spread of the COVID-19, and measures taken to prevent or reduce it, are adversely affecting state, national and global economic activities; and

WHEREAS, the State Water Implementation Fund for Texas (SWIFT) Program has successfully financed and built the water infrastructure today that Texas will need tomorrow; and

WHEREAS, the SWIFT Program's investment portfolio is managed by the Texas Treasury Safekeeping Trust and is therefore subject to market risk; and

WHEREAS, the Texas Water Development Board (TWDB) desires to proactively manage risk while also maintaining subsidized and payment deferral financing options for SWIFT Program participants; and

WHEREAS, the TWDB is a fiduciary of the SWIFT Program and has an obligation to manage the program in a manner consistent with current obligations and representations to all current and future stakeholders; and

WHEREAS, the TWDB's active management of the SWIFT Program to date has resulted in the financing of 24% of targeted capital expenditures in only 10% of the anticipated timeframe, and the TWDB desires to continue said active management of the SWIFT Program to maintain financing capacity for current and future State Water Plan projects; and

WHEREAS, in conjunction with setting 2020 SWIFT subsidies and financing terms at the same level as the 2019 cycle, the TWDB wishes to concurrently issue this resolution regarding future program adjustments.

NOW THEREFORE, the Texas Water Development Board resolves as follows:

1. that in order to enhance the long-term financial stability of the SWIFT Program and to optimize the SWIFT Program's capacity to finance future State Water Plan projects, adjustments to the subsidies and financing terms of the SWIFT program are necessary;

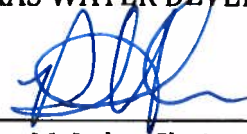
2. that these adjustments may expand the corpus of the SWIFT Fund by several billion dollars over time while, in general, incurring no more than a 3% increase in total debt service to each individual customer of the SWIFT Program;
3. that these adjustments will result in the following subsidies and financing terms for Low-Interest Obligations to be finalized in Dec. 2020:

Term	Tax-Exempt	Taxable
20 Year	25%	20%
21 - 25 Year	18%	14%
26 - 30 Year	14%	10%

4. that at this time no changes are anticipated to the Deferred Loan and Board Participation offerings;
5. that these changes will take effect for the 2021 SWIFT funding cycle and remain in place indefinitely, subject to periodic review and reassessment by the Board.

APPROVED and ordered of record this 4th day of June, 2020.


TEXAS WATER DEVELOPMENT BOARD



Peter M. Lake, Chairman

DATE SIGNED: 6/4/20

ATTEST:



Jeff Walker, Executive Administrator