

ORDINANCE NO. 25-_____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS APPROVING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT WITH THE TEXAS WATER DEVELOPMENT BOARD REGARDING THE ISSUANCE OF UTILITY SYSTEM REVENUE BONDS BY THE CITY FOR WATERWORKS SYSTEM IMPROVEMENTS AND RELATED ISSUANCE COSTS, AND APPROVING THE OBLIGATIONS OF THE CITY WITH RESPECT TO SUCH AGREEMENT; AUTHORIZING THE CITY MANAGER, CITY SECRETARY AND CHIEF FINANCIAL OFFICER TO TAKE THE ACTIONS NECESSARY TO ACCOMPLISH THE PURPOSES OF THE ORDINANCE AND RESOLVING OTHER MATTERS RELATING TO THE SUBJECT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton, Texas (the “City”) has received a multi-year commitment from the Texas Water Development Board (“TWDB”) pursuant to which TWDB agrees to loan \$195,845,000 to the City (the “Loan”), as evidenced by the issuance of the City's Utility System Revenue Bonds to be sold to TWDB, to fund costs related to acquiring, constructing, installing and equipping improvements to the City's waterworks system, including the renovation and expansion of the Lake Ray Roberts Water Treatment Plant; and

WHEREAS, the Issuer issued its City of Denton, Texas Utility System Revenue Bonds, Series 2024 in December of 2024 in the amount of \$10,135,000 (the “Series 2024 Bonds”) to sell to the TWDB as evidence of the first installment of the Loan for the Project; and

WHEREAS, the City intends to issue its \$11,235,000 Utility System Revenue Bonds, Series 2025 (“Series 2025 Bonds”), in November of 2025 as the first of the five installments of Utility System Revenue Bonds to be sold to TWDB; and

WHEREAS, TWDB has presented to the City a financing agreement (the “Financing Agreement”) in connection with the Series 2025 Bonds, in which the City agrees to certain conditions with respect to the Series 2025 Bonds, including the payment by the City to TWDB of termination fees and expenses if certain specified events occur or do not occur; and

WHEREAS, this City Council hereby finds and determines that it is a public benefit to and in the best interests of the City and its residents to enter into the Financing Agreement in order to obtain the installment of the Loan evidenced by the Series 2025 Bonds to fund needed improvements and additions to the City's waterworks system; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed, was open to the public and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated into the body of this ordinance as if they were fully set out herein.

SECTION 2. The Financing Agreement, in substantially the form presented at this meeting, is hereby approved and the City Manager is hereby authorized and directed to execute and deliver the Financing Agreement with such changes as such authorized officer determines to be necessary or acceptable in connection therewith.

SECTION 3. The City hereby designates the Water System Fund for payment of the amounts set forth in the Financing Agreement that may become due as described in the Financing Agreement. Until such time as the obligations of the City under the Financing Agreement have terminated, such funds are hereby appropriated, budgeted and reserved for such purposes.

SECTION 4. The City Manager, Chief Financial Officer and City Secretary, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to take such actions and to execute and deliver in the name and on behalf of the City all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance.

SECTION 5. This Ordinance shall become effective immediately upon adoption.

The motion to approve this Ordinance was made by [_____] and seconded by [_____].

This Ordinance was passed and approved by the following vote [__ - __ - __]:

| | Aye | Nay | Abstain | Absent |
|--|------------|------------|----------------|---------------|
| Mayor Gerard Hudspeth: | _____ | _____ | _____ | _____ |
| Vicki Byrd, District 1: | _____ | _____ | _____ | _____ |
| Brian Beck, District 2: | _____ | _____ | _____ | _____ |
| Suzi Rumohr, District 3: | _____ | _____ | _____ | _____ |
| Joe Holland, District 4: | _____ | _____ | _____ | _____ |
| Brandon Chase McGee, At Large Place 5: | _____ | _____ | _____ | _____ |
| Jill Jester, At Large Place 6: | _____ | _____ | _____ | _____ |

PASSED AND APPROVED this the _____ day of _____, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____