

## SECRETARY'S CERTIFICATE

THE STATE OF TEXAS     §  
                                     §  
COUNTY OF HAYS         §

The undersigned Secretary of the Board of Directors of SOUTH BUDA WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1, hereby certifies as follows:

1. The Board of Directors of said District convened in REGULAR MEETING, on the 14<sup>th</sup> day of January, 2020, at 8834 North Capital of Texas Highway, Suite 140, Austin, Texas 78759; and the roll was called of the duly constituted officers and members of said Board, to-wit:

Marvin B. Morgan - President  
Sean M. Denton - Vice President  
Dante Angelini - Secretary  
Joe Priesnitz - Assistant Secretary  
Jeff Barton - Assistant Secretary

and all said persons were present, except Sean Denton, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting; a written

**RESOLUTION AUTHORIZING APPLICATION TO THE  
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY  
FOR APPROVAL OF ENGINEERING PROJECT AND  
\$8,200,000 SOUTH BUDA WATER CONTROL AND IMPROVEMENT  
DISTRICT NO. 1 BOND ISSUE**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that said Resolution be passed; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:


AYES:           4

NOES:           0

2. That a true, full, and correct copy of the aforesaid Resolution passed at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said Resolution has been duly recorded in said Board's minutes of said meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said meeting pertaining to the passage of said Resolution; that the persons named in the above and foregoing paragraphs are duly chosen, qualified, and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that said Resolution would be introduced and considered for passage at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose;

that said meeting was open to the public as required by law; and that public notice of the time, place, and subject of said meeting was given as required by Chapter 551, Government Code, and Sec. 49.063, Water Code.

**SIGNED AND SEALED** the 14<sup>th</sup> day of January, 2020.

By:   
Dante Angelini, Secretary  
South Buda WCID No. 1



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**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**  
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**DISTRICT NO. 1 BOND ISSUE**

STATE OF TEXAS           §  
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WHEREAS, South Buda Water Control and Improvement District No. 1 (the "District") has been legally created and its Board of Directors has met and organized; and

WHEREAS, the Board of Directors desires to issue \$8,200,000 in bonds to finance acquisition and construction of improvements to District's water, wastewater and drainage system; and

WHEREAS, Section 49.181, Texas Water Code, requires the District, when it desires to issue bonds, to submit in writing to the Texas Commission on Environmental Quality (the "Commission"), an application for investigation of the proposed project and of the issuance of the bonds to finance such project, together with a copy of the engineer's report and data, profiles, maps, plans and specifications and, if applicable, market information prepared in connection therewith; and

WHEREAS, the Board of Directors desires to secure the approval and consent of the Commission for the construction of the aforementioned facilities, which are more completely described in the engineer's report and supplemental information submitted in connection with this application, and for the issuance of the bonds described in Section 1(2) of this Resolution.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH BUDA WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 THAT:

Section 1.     The President and/or Vice President and Secretary and/or Assistant Secretary of the Board of Directors are authorized and directed as follows:

- (1)     to make an application to the Commission for an investigation and report of the feasibility of the District acquiring utility improvements as described in the engineering report entitled "South Buda WCID No. 1 \$8,200,000 Ninth Bond Issue Application," prepared by Gray Engineering, Inc., consulting engineers, in connection with this application and any supplemental information, for such projects to consist generally of Stonefield Section 11 Drainage Improvements, Stonefield Section 12 Water, Wastewater & Drainage Improvements, New Water Meter Assembly & Vault Improvements, Meadows at Buda Commercial Detention & Water Quality Pond Improvements, Meadows at Buda Phase II Lift Station & Force Main

Improvements, Harvest Meadows Phase 1 Water, Wastewater & Drainage Improvements, located within the District; and

- (2) to request the Commission to approve the bonds of the District in the principal amount of \$8,200,000 bearing interest at a net effective interest rate not to exceed the maximum allowed by law, and maturing in accordance with the schedule provided in the aforesaid engineering report; and
- (3) to request the Commission to waive the requirements of the developer's 30% contribution and a market study based on, as indicated in the attached letter, anticipated receipt of an acceptable credit rating (as such rating is defined in Commission Rule 293.47(b)(4)); and
- (4) to request the Commission to approve developer interest reimbursement for all projects for up to five (5) years pursuant to Commission Rule 293.50.

Section 2. By this application the District assures the Commission that it will abide by the terms and conditions prescribed by the Commission, and it will retain all amounts required by law due all construction contractors on the project to assure that the project is completed in accordance with the approved plans and specifications.

Section 3. The President and/or Vice President and the Secretary and/or Assistant Secretary of the Board of Directors, the District's attorney, Willatt & Flickinger, PLLC, the District's bond counsel, Orrick, Herrington & Sutcliffe LLP, the District's engineer, Gray Engineering, Inc., and the District's financial advisor, Specialized Public Finance Inc., are authorized and directed to do any and all things necessary and proper in connection with this application.

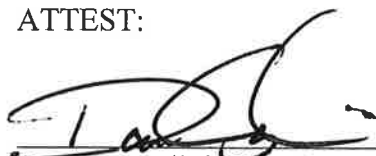
Section 4. A certified copy of this Resolution shall constitute an application and request on behalf of the District to the Commission pursuant to Section 49.181, Texas Water Code, for approval of the project described in Section 1(1), the bonds described in Section 1(2), and the matters set forth in Section 1(3)-(4).

**PASSED AND APPROVED** this 14<sup>th</sup> day of January, 2020.



Marvin B. Morgan, President  
South Buda Water Control and Improvement  
District No. 1

ATTEST:



Dante Angelini, Secretary  
South Buda Water Control and Improvement  
District No. 1

[DISTRICT SEAL]





**SPECIALIZED PUBLIC FINANCE INC.**  
FINANCIAL ADVISORY SERVICES

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www.spubfin.com

January 14, 2020

Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

Re: \$8,200,000 South Buda WCID No. 1 Unlimited Tax Bonds – Bond Issue #10

To Whom It May Concern,

The South Buda Water Control and Improvement District No. 1 is currently rated BBB and it is anticipated to receive an investment grade (IG) rating of at least BBB by Standard & Poor's on Bond Issue #10 based on the debt to assessed value ratio falling in line with the current IG rating criteria as well as the continued growth of the tax base of the District.

Please let me know if you have any questions regarding the District's anticipated rating.

Sincerely,

Dan Wegmiller  
Managing Director