

THE STATE OF TEXAS :

COUNTY OF DENTON :

CITY OF DENTON :

NOTICE OF INTENTION
TO ISSUE CERTIFICATES OF OBLIGATION
OF THE CITY OF DENTON
(WASTEWATER SYSTEM AND ELECTRIC SYSTEM PROJECTS)

THE CITY OF DENTON, in Denton County, Texas, hereby gives notice of its intention to issue CITY OF DENTON CERTIFICATES OF OBLIGATION, in accordance with the Certificate of Obligation Act of 1971, as amended and codified, and other applicable laws, in the maximum principal amount of \$37,120,000 for the purpose of paying all or a portion of the City's contractual obligations incurred pursuant to contracts for the purchase, construction and acquisition of certain real and personal property, to wit: (a) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's wastewater system; and (b) acquisition of equipment for, and acquiring, constructing, installing and equipping additions, extensions, renovations and improvements to, the City's electric light and power system; and also for the purpose of paying all or a portion of the City's contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, in connection with said projects and said Certificates of Obligation. The City proposes to provide for the payment of such Certificates of Obligation from the levy and collection of ad valorem taxes in the City as provided by law, and from certain surplus revenues (not to exceed \$1,000 in aggregate amount) derived by the City from the ownership and operation of the City's Utility System (consisting of the City's combined waterworks system, wastewater system and electric light and power system). The City Council of the City tentatively proposes to authorize the issuance of such Certificates of Obligation, in one or more series, at a meeting commencing at 6:30 p.m. on August 4, 2020, in the City Council room at the Municipal Building (City Hall), 215 E. McKinney, Denton, Texas. In the event that the City Council will be unable to meet at the Municipal Building (City Hall) on August 4, 2020, the City will post on its website, www.cityofdenton.com, information for persons to attend the meeting by telephone, teleconference or other electronic means.

The maximum interest rate for such Certificates of Obligation will not exceed the maximum legal interest rate, the maximum maturity date for such Certificates of Obligation is February 15, 2050, and the estimated combined principal and interest required to pay such Certificates of Obligation to be authorized on time and in full is \$55,058,845.

The City has separately provided notice of its intention to also issue additional Certificates of Obligation in the maximum principal amount of \$27,250,000 for general government projects (the "General Government Certificates of Obligation"). The maximum interest rate for the General Government Certificates of Obligation will not exceed the maximum legal interest rate, the maximum maturity date for the General Government Certificates of Obligation is February 15, 2050, and the estimated combined principal and interest required to pay the General Government Certificates of Obligation to be authorized on time and in full is \$34,529,635.

The City currently has outstanding debt obligations secured by and payable from ad valorem taxes (not including \$490,012,468 principal amount of outstanding debt obligations the City has designated as self-supporting debt) equal to \$200,752,532 in principal amount and \$261,398,297 in combined principal and interest required to pay such outstanding debt obligations on time and in full. The City reasonably

expects to pay self-supporting debt obligations from revenue sources other than ad valorem taxes, provided, however, that in the event such self-supporting revenue sources are insufficient to pay debt service, the City is obligated to levy ad valorem taxes to pay such debt obligations. Additional information regarding self-supporting debt obligations is available upon request to the City at the address noted above.

CITY OF DENTON, TEXAS

By: Rosa Rios, City Secretary