

**A RESOLUTION DECLARING EXPECTATION TO REIMBURSE
EXPENDITURES WITH PROCEEDS OF FUTURE DEBT**

WHEREAS, the Board of Trustees (the "Board") of New Braunfels Utilities ("NBU") intends to request the City Council of the City of New Braunfels, Texas to issue debt for improvements, extensions and repairs to the waterworks, sewer and electric light and power systems and facilities (the "Projects"); and

WHEREAS, prior to the issuance of such obligations, NBU will make expenditures for the Projects from existing funds on hand, and it is the intent of the Board for NBU to reimburse itself with funds from the proceeds from the sale of such future tax-exempt obligations; and

WHEREAS, under Treas. Reg. §1.150-2 (the "Regulations"), an official intent to reimburse certain expenditures with the proceeds of future tax exempt obligations must be declared by the governing body of the issuer of the obligations for those certain expenditures made up to 60 days prior to the date of this reimbursement resolution; and

WHEREAS, the Board desires to preserve NBU's ability to reimburse itself for those certain capital expenditures with proceeds of future tax-exempt obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE NEW BRAUNFELS UTILITIES THAT the Board reasonably expects to reimburse capital expenditures with respect to the Projects paid with funds on hand from the proceeds of sale of tax exempt obligations hereafter to be issued, and this resolution shall constitute a declaration of official intent under the Regulations. The maximum principal amount of tax exempt obligations expected to be issued for the Projects is \$50,000,000.

PASSED AND ADOPTED this February 22, 2018.



President, Board of Trustees
New Braunfels Utilities

ATTEST:



Secretary, Board of Trustees
New Braunfels Utilities