



## Legislation Text

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File #: 2021-048, Version: 2

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### **Resolution - Approval of Defeasance of the Cooperative's Series 2002 Bonds - R Kruger**

**Submitted By: Robyn Miller on behalf Randy Kruger**

**Department: Chief Financial Officer**

**Financial Impact and Cost/Benefit Considerations: As discussed in Executive Session.**

The Cooperative has outstanding its Pedernales Electric Cooperative, Inc. First Mortgage Bonds, 2002 Series A Bonds due in 2022 and 2032 (the "Series 2002 Bonds"), secured under the Indenture by the assets of the Cooperative.

The Cooperative has obtained or expects to obtain consents from holders of the Series 2002 Bonds to waive a condition precedent to the defeasance of the Series 2002 Bonds.

The Cooperative wishes to consider the defeasance of its Series 2002 Bonds.

**WHEREAS**, the Cooperative evaluates the financial health of the organization and interest rates and its costs of capital on an ongoing basis; and

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, in the best interests of the Cooperative, that the Cooperative authorizes the defeasance of all or any portion of the Series 2002 Bonds; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Authorized Officers are hereby authorized to engage The Bank of New York Mellon and/or one or more affiliates ("BNY") to serve as escrow agent for such defeasance and to engage an independent certified accounting firm for escrow verification purposes and to engage any other firms or entities as may be necessary or desirable in connection with such defeasance;

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Authorized Officers are hereby authorized to solicit bids for and to purchase (or direct the escrow agent to purchase) such securities as may be required for deposit into an escrow account held by BNY for the defeasance of the Series 2002 Bonds;

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the form, terms, and provisions of one or more escrow agreements, directions, notices and other agreements providing for (or necessary in connection with) the defeasance of the Series 2002 Bonds, are hereby approved in all respects, and any one or more Authorized Officers of the Cooperative are hereby authorized to negotiate the final terms of such agreements, directions, and notices, and to execute and deliver such agreements, directions and notices on behalf of the Cooperative; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Chief Executive Officer and the Chief Financial Officer of the Cooperative or any person designated in writing for such purpose by either of such officers (the "Authorized Officers"), are each hereby authorized (whether acting together or alone) as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to negotiate, execute and deliver or acknowledge the aforementioned documents and any

other agreements that may be required with a trustee, escrow agent, or depository institution, and any other agreements, certificates, consents, affidavits, opinions, and other instruments of any nature necessary or appropriate to give effect to such documents or agreements or the defeasance described in this resolution, in each case in such form and containing such terms and conditions as such officer or agent may in her or his reasonable discretion deem necessary, appropriate, or desirable; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Authorized Officers (whether acting together or alone) shall be authorized from time to time to negotiate, execute and deliver extensions and/or amendments to any of the aforementioned documents, in each case as such officer or agent may in her or his reasonable discretion deem necessary, appropriate, or desirable; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Authorized Officers are each hereby authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to do any and all acts deemed by such officer in such officer's judgment to be necessary or appropriate in the best interests of the Cooperative to give effect to the foregoing resolutions; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that all actions taken prior to the effective date hereof by the officers and duly authorized agents of the Cooperative in connection with the subject of the foregoing resolutions (including but not limited to the delivery of the Consent Solicitation Statement to Holders of the Series 2002 Bonds required in connection with the proposed defeasance) and are hereby ratified, confirmed, and approved.