

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE is hereby given that it is the intention of the City Council (the “City Council”) of the Town of Pecos City, Texas (the “City”) to adopt an Ordinance providing for the issuance of interest-bearing obligations of the City presently contemplated to be designated and known as the “TOWN OF PECOS CITY, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2021” (the “Certificates of Obligation”) for the purpose of providing for the payment of contractual obligations to be incurred in connection with the design, planning, purchasing, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property, including (1) wastewater system improvements including the wastewater treatment plant and related system components; and (2) payment of contractual obligations for professional services in connection therewith (to wit: consulting, engineering, financial advisory, and legal). The City Council tentatively proposes to authorize the issuance of the Certificates of Obligation at its regular meeting place at City Hall, 106 East 6th Street, Pecos, Texas, at a meeting of the City Council to be commenced at 5:30 p.m. on May 27, 2021, in an amount expected not to exceed \$11,115,000. The City Council proposes to provide for payment of the Certificates of Obligation from the levy and collection of ad valorem taxes in the City as provided by law and from a lien on and pledge of “Surplus Revenues”, if any, received by the City from the ownership and operation of the City’s municipal waterworks and sanitary sewer system.

In accordance with the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended (“Chapter 271”), the following information has been provided by the City (excludes \$7,595,000.00 principal amount of outstanding debt obligations the City has designated as self-supporting and which the City reasonably expects to pay from revenue sources other than ad valorem taxes; provided, however, that in the event such self-supporting revenues sources are insufficient to pay debt service, the City is obligated to levy ad valorem taxes to pay such debt obligations): The current principal of all outstanding debt obligations of the City is \$13,880,000.00, the combined principal and interest required to pay all currently outstanding debt obligations of the City on time and in full is \$16,534,108.25, the estimated combined principal and interest required to pay the Certificates of Obligation on time and in full is \$14,088,512.66, the estimated interest rate for the Certificates of Obligation is 2.00%, and the maximum maturity date of the Certificates of Obligation will not exceed the maximum allowed by law. Market conditions affecting interest rates vary based on a number of factors beyond the control of the City, and the City cannot and does not guarantee a particular interest rate associated with one or more series of the Certificates of Obligation. The resolution designating certain outstanding debt obligations of the City as self-supporting for purposes of Chapter 271 is available upon request sent to the City at the address noted above.

/s/ David Flores
Mayor, Town of Pecos City, Texas