

Overview of Potential Defeasance of the Outstanding Generation Debt

City of Bryan (Electric Utility System)

June 8, 2026



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Overview of the Refinancing Opportunity

- The City of Bryan Electric Utility System (the “System”) is considering the defeasance of outstanding generation bonds.
- The System currently has approximately \$12.9 million in Fuel Over-recovered funds.
- Based on the System’s allocation of existing bonds, the following amounts are outstanding and allocated to generation:
 - At FYE 2025, the outstanding generation par amount was \$12,125,000.
 - After the System’s July 1, 2026 principal payment, the System will have \$10,845,000 of outstanding Bonds allocated to generation.
- The following slides review the possibility of defeasing the remaining \$10,845,000 generation allocated bonds. It **does not include** a defeasance of the July 1, 2026 maturity.
- Today, the BTU Board will consider a Resolution Recommending to the City Council for the Defeasance and Redemption of the Bonds allocated to generation.
- The following analysis assumes a defeasance date of June 25, 2026.

Defeasance Summary of the Generation Allocated Bonds

- If the System were to prepay \$10,845,000 of the Series 2017 Bonds (the Generation Allocation ONLY) on June 25, 2026, the System would save approximately \$1.54 million in avoided net interest payments (subject to change).
- The prepayment would be placed in an irrevocable escrow, with the Escrow Agent, until the optional redemption date of July 1, 2027.

<i>Defeased Bonds</i>					<i>Projected Annual Savings</i>			
Issue	Maturities	Interest Rate	Amount	Callable	FYE 9/30	Existing D/S	Prepayment Amount	Avoided Interest
Elec Sys Rev Ref, 2017 Bonds	2027 - 2033	3.00% - 5.00%	\$ 10,845,000	July 1, 2027 @ Par	2026	\$ 228,575	\$ 11,267,223	\$ (11,038,648)
					2027	1,797,150	-	1,797,150
					2028	1,795,150	-	1,795,150
					2029	1,794,900	-	1,794,900
					2030	1,801,150	-	1,801,150
					2031	1,798,400	-	1,798,400
					2032	1,798,200	-	1,798,200
					2033	1,797,350	-	1,797,350
						\$ 12,810,875	\$ 11,267,223	\$ 1,543,652

Estimated Sources and Uses of Funds	
Planned Issuer Prepayment	\$11,267,223
Costs of Issuance	\$15,000
Deposit to the Defeasance Escrow	11,252,223
Total Uses	\$11,267,223
Preliminary, subject to change.	

Example Financing Timeline

June						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

- Denotes BTU Board Meeting Date
- Denotes City Council Meeting Date
- Denotes Closing Date

Date	Task
Monday, June 8, 2026	<u>BTU Board Meeting</u> – The Board will consider a Resolution authorizing the redemption of a portion of the Series 2017 Bonds.
Tuesday, June 9, 2026	<u>City Council Meeting</u> – The Council will consider a Resolution authorizing the redemption of a portion of the Series 2017 Bonds.
Thursday, June 25, 2026	<u>Prepayment Date</u> – The BTU wires the payoff amount to the Escrow Agent, and the proceeds are placed into escrow until July 1, 2027.