

PRIVATE PLACEMENT MEMORANDUM DATED MAY 19, 2015

NEW ISSUE BOOK-ENTRY-ONLY

On the date of initial delivery of the Bonds (defined below), Co-Bond Counsel (defined on page 2) will render its opinion substantially in the form attached in APPENDIX C - FORM OF OPINION OF CO-BOND COUNSEL.

\$39,000,000

CITY OF FORT WORTH, TEXAS

WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2015 (the "Bonds")

Dated: June 1, 2015

Due: February 15

Interest Date: Interest on the Bonds will be payable on August 15, 2015, and on each August 15 and February 15 each year thereafter until maturity or prior redemption (each an "Interest Payment Date"). The Bonds will bear interest at the rates per annum set forth in "APPENDIX A - MATURITY SCHEDULE."

Record Date: The close of business on the last business day of the calendar month immediately preceding the applicable Interest Payment Date.

Date Interest Accrues: Each Bond shall bear interest from the Delivery Date thereof or the most recent Interest Payment Date to which interest has been paid or provided for at the rate set forth for such maturity.

Redemption: The Bonds are subject to redemption prior to maturity as provided herein. See "THE BONDS - Redemption Provisions" herein.

Authorized Denominations: The Bonds are being issued as fully registered obligations in denominations of \$5,000, or any integral multiple thereof within a maturity.

Paying Agent/Registrar/Registrar: The paying agent ("Paying Agent/Registrar/Registrar") for the Bonds is BOKF, NA, d/b/a Bank of Texas, Austin, Texas.

Book-Entry-Only System Upon initial issuance, the ownership of the Bonds will be registered in the registration books of the City of Fort Worth, Texas (the "Issuer") kept by the Paying Agent/Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") to which principal, redemption premium, if any, and interest payments on the Bonds will be made. The purchasers of the Bonds will not receive physical delivery of bond certificates. Principal of, interest, and premium if any, on the Bonds will be payable at the designated office of the Paying Agent/Registrar in Austin, Texas as the same become due and payable.

Issuer: City of Fort Worth, Texas

Official Action: Twenty-Fifth Supplemental Ordinance, adopted May 19, 2015. See "APPENDIX B".

Purpose: The Bonds are being issued for the purpose of (i) extending and improving the City's combined water and sewer system, to-wit, extending and improving the sewer system, (ii) funding a debt service reserve fund, and (iii) paying the costs of issuance of the Bonds.

Security for the Bonds: See "SECTION 8. PLEDGE" OF "APPENDIX B - FORM OF OFFICIAL ACTION."

Ratings: See "OTHER INFORMATION - Ratings"

Delivery Date: June 18, 2015.

**See "APPENDIX A - MATURITY SCHEDULE" for Principal Amounts,
Maturities, Interest Rates, Prices or Yields, and CUSIP Numbers**

CITY OF FORT WORTH, TEXAS

ELECTED OFFICIALS

<u>City Council</u>	<u>Term Expires</u>	<u>Occupation</u>
Betsy Price Mayor, Place 1	May 2015	Mayor
Salvador Espino Councilmember, Place 2	May 2015	Attorney
W.B. 'Zim' Zimmerman Councilmember, Place 3	May 2015	Aircraft Industry Consultant
Danny Scarth Councilmember, Place 4	May 2015	Executive Director of Hope Media
Gyna Bivens Councilmember, Place 5	May 2015	President and Executive Director of North Texas LEAD
Jungus Jordan Councilmember, Place 6	May 2015	Retired Air Force/Economist/Cook Children's
Dennis Shingleton Councilmember, Place 7	May 2015	Sr. Associate Dean of Finance and Administration at UNTHSC
Kelly Allen Gray Councilmember, Place 8	May 2015	Councilmember
Ann Zadeh Councilmember, Place 9	May 2015	Councilmember

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>	<u>Length of Service in Present Position</u>	<u>Length of Service With City</u>
David Cooke	City Manager	8 Months	8 Months
Susan Alanis	Assistant City Manager	4 Years	15 Years
Fernando Costa	Assistant City Manager	6 Years	15 Years
Rudy Jackson	Acting Assistant City Manager	2 1/2 Months	33 Years
Aaron J. Bovos	Chief Financial Officer	1 Year	1 Year
Sarah Fullenwider	City Attorney	4 Years	17 Years
Mary J. Kayser	City Secretary	3 Years	3 Years
John Carman	Director of Water Department	1 Month	1 Month

CONSULTANTS AND ADVISORS

Co-Bond Counsel..... McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

Kelly Hart & Hallman LLP
Fort Worth, Texas

Co-Financial Advisors First Southwest Company LLC
Fort Worth, Texas

Estrada Hinojosa & Company, Inc.
Dallas, Texas

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**Private Placement Memorandum
relating to**

\$39,000,000

**CITY OF FORT WORTH, TEXAS
WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2015
(the "Bonds")**

INTRODUCTION

This Private Placement Memorandum, including the cover page and appendices, contains brief descriptions of the Issuer, provides certain information with respect to the issuance by the Issuer, and summaries of certain provisions of the Bonds pursuant to the Official Action. Except as otherwise set forth herein, capitalized terms used but not defined in this Private Placement Memorandum have the meanings assigned to them in the Official Action. See "APPENDIX B – FORM OF OFFICIAL ACTION" attached hereto.

APPENDIX A contains the maturity schedule for the Bonds. APPENDIX B contains the Official Action and a description of the purpose for the proceeds of the Bonds. APPENDIX C contains a copy of the proposed opinion of Co-Bond Counsel with respect to the Bonds. The summaries of the documents contained in the body of this Private Placement Memorandum are not complete or definitive, and every statement made in this Private Placement Memorandum concerning any provision of any document is qualified by reference to such document in its entirety.

THE BONDS

General Description

The Bonds are being issued in the aggregate principal amount set forth in APPENDIX A of this Private Placement Memorandum and will mature and be subject to redemption prior to maturity as described in APPENDIX A. The Bonds are being issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof within a maturity. The Bonds will be dated June 1, 2015 and will mature on the dates referenced thereon, and will bear interest at the rates per annum set forth in "APPENDIX A - MATURITY SCHEDULE."

Interest on the Bonds is payable semiannually on each Interest Payment Date, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of and the redemption price with respect to the Bonds will be payable to the Owners upon presentation and surrender at the designated office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "THE BONDS - Book-Entry-Only System" herein.

Purpose

See "APPENDIX B - FORM OF OFFICIAL ACTION."

Authority for Issuance

The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapter 1502, Texas Government Code, and the terms of the Master Ordinance and the Twenty-Fifth Supplemental Ordinance (collectively, the "Ordinance").

Security for the Bonds

See "APPENDIX B - FORM OF OFFICIAL ACTION."

Redemption Provisions

On August 15, 2025, or on any date thereafter, the Bonds maturing on and after February 15, 2026 may be redeemed prior to their scheduled maturities, upon the written direction of the Issuer, with funds provided by the

Issuer, at par plus accrued interest to the date fixed for redemption as a whole, or in part in inverse order of maturity, and if less than all of the Bonds of a stated maturity are to be redeemed the Paying Agent/Registrar will determine by lot the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in Authorized Denominations).

Notice of Redemption; Selection of Bonds to Be Redeemed

See "APPENDIX B - FORM OF OFFICIAL ACTION."

The Paying Agent/Registrar, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption of the Bonds, notice of any proposed amendment to the Official Action or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC Participant (defined below), or of any DTC participant to notify the beneficial owner, shall not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the Issuer will reduce the outstanding principal amount of such Bonds held by DTC.

Book-Entry-Only System

The information in this caption concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book entry system has been obtained from DTC and the Issuer makes no representation or warranty nor takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds and deposited with DTC. See APPENDIX B - "FORM OF OFFICIAL ACTION."

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearance Corporation, and Fixed Income Clearance Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are referred to herein collectively as "Participants". DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction.

Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Issuer or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

With the consent of the Texas Water Development Board, the Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC or successor securities depository.

TAX MATTERS

Opinion

Co-Bond Counsel will deliver its opinion on the date of delivery of the Bonds substantially in the form as attached in "APPENDIX C - FORM OF OPINION OF CO-BOND COUNSEL."

OTHER INFORMATION

Forward-Looking Statements

The statements contained in this Private Placement Memorandum, including the cover page, appendices, and any other information or documents provided by the Issuer, that are not purely historical, are forward-looking statements, including statements regarding the Issuer's assumptions, expectations, hopes, intentions, or strategies regarding the future. Any of such assumptions, expectations or hopes could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included herein will prove to be accurate. Holders of the Bonds should not place undue reliance on forward-looking statements. All forward-looking statements included in this Private Placement Memorandum are based on information available to the Issuer on the date hereof, and the Issuer assumes no obligation to update any such forward-looking statements. It is important to note that the Issuer's actual results could differ materially from those in such forward-looking statements.

Ratings

The existing outstanding water and sewer senior lien revenue bonds of the City are rated "AA" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, "AA" by Fitch Ratings and "Aa1" by Moody's Investors Service, Inc. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such rating companies, and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time, or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, by either of them, may have an adverse effect on the market price of the Bonds. **No application has been made to any rating agency or municipal bond insurance company for qualification of the Bonds for ratings or municipal bond insurance, respectively.**

LITIGATION

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Issuer, threatened) that adversely affects the power, authority or obligation of the Issuer to deliver the Bonds, the security for, or the validity of, the Bonds or the financial condition of the Issuer. On the date of initial delivery of Bonds, the Issuer will execute and deliver a certificate of like effect to the purchaser of the Bonds.

CONTINUING DISCLOSURE OF INFORMATION

In the Official Action, the Issuer has made a continuing disclosure agreement for the benefit of the holders of the Bonds. The Issuer is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Issuer will be obligated to provide certain updated financial information and operating data, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board as further described in the Official Action attached hereto as APPENDIX B.

Compliance with Prior Undertakings

During the last five years, the Issuer has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule. During the time when the City was unable to timely prepare its audited financial statements, in order to comply with the Rule, the City filed unaudited financial information for the fiscal years in question, and promptly filed audited financial statements once available.

MISCELLANEOUS

Any statements made in this Private Placement Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Private Placement Memorandum nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The information contained above is neither guaranteed as to accuracy or completeness nor shall be construed as a representation by the Issuer. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Private Placement Memorandum nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the affairs of the Issuer or the Issuer from the date hereof.

The Private Placement Memorandum is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

ADDITIONAL INFORMATION

The Private Placement Memorandum speaks only as of its date and the information contained herein is subject to change. Descriptions of the Bonds and the Official Action and any other agreements and documents contained herein constitute summaries of certain provisions thereof and do not purport to be complete.

[THE FOLLOWING APPENDICES ARE OMITTED

APPENDIX A MATURITY SCHEDULE

APPENDIX B FORM OF OFFICIAL ACTION

APPENDIX C FORM OF OPINION OF CO-BOND COUNSEL]