

Texas Water Development Board

PROJECT FUNDING REQUEST

BOARD DATE: July 21, 2016

TEAM MANAGER: Mireya Loewe

APPLICANT	City of Beeville
TYPE OF ASSISTANCE	\$4,500,000 Loan-Proposed Series 2016
LEGAL PLEDGE	Ad Valorem Tax

STAFF RECOMMENDATION

Approve No Action

ACTION REQUESTED

Approve by resolution, a request from the City of Beeville (Bee County) for a \$4,500,000 low interest loan from the State Water Implementation Revenue Fund for Texas to finance the construction of a new well field at Chase Field.

PROJECT

The Chase Field Project
Project Number 51038

BACKGROUND

Passed by the 83rd Legislature and approved by Texas voters through a constitutional amendment, the State Water Implementation Fund for Texas (SWIFT) and the State Water Implementation Revenue Fund for Texas (SWIRFT) were created to provide affordable, alternative financing options to develop projects that are recommended water management strategies in the State Water Plan. The program, referred to as SWIFT, provides financing through low interest loans, deferral of loan repayments, and incremental repurchase terms for projects with state ownership aspects. SWIFT projects presented for consideration have been scored and ranked utilizing a prioritization criteria outlined in Texas Administrative Code Title 31 §363.1304 and are included on the prioritized list of projects approved by the Board on April 11, 2016.

The City of Beeville’s (City) only source of raw water is Lake Corpus Christi. It relies on a single, 18-mile transmission pipeline to transport potable water from the City’s water treatment plant to the water distribution system. Thus, the City seeks to diversify its water sources as well as augment its drinking water supplies, especially for times of drought or during emergencies. To achieve this, the City plans to construct a well field in Chase Field, a former Naval air base, which is currently owned by the Bee Development Authority (BDA). Due to the high quality of groundwater in that area, treatment needs beyond disinfection are not expected. The City has entered into a long term lease with the BDA for the water rights and intends to buy land at Chase Field to locate the water wells.

In May 2016, voters authorized the issuance of \$4.5 million of tax-backed bonds for this project.

COMMITMENT PERIOD: TO EXPIRE DECEMBER 31, 2016

FINANCIAL

Key Issues

None.

Pledge and Repayment

The City is pledging ad valorem taxes for the repayment of the proposed loan. The City has a debt service tax rate of \$0.10 and based on the proposed debt service, it will need to increase to \$0.15 per \$100 of taxable value.

Cost Savings

Based on a 20-year maturity and current interest rates, the City could save approximately \$466,563 over the life of the loan.

Internal Risk Score

Staff assigns a 2B to the City and the proposed project to be funded by the Texas Water Development Board. This means that the City's repayment capacity is adequate.

The financial sustainability indicators for the City are adequate. These indicators show the City's ability to meet short-term and long-term liability requirements. With the proposed tax rate increase to \$0.15 per \$100 of taxable value, the City will produce tax revenues of 1.0 times the annual debt service requirements throughout the life of the loan. This indicates that the City will have sufficient tax revenues to meet current and proposed debt service requirements.

Additionally, the long-term condition of the system is sound with an asset condition ratio of 19 years. This shows a high level of reinvestment in the City's long-term assets to generate future revenues.

City also scored high on other indicators showing the overall health of the City. Overall, the City has been able to retain its revenues, as evidenced by the increase in the fund balance over the last five years relative to revenues. In addition, taxable property in the City has been stable over the last five years. This has resulted in an adequate net taxable assessed valuation per capita of \$32,975.

The City's socioeconomic indicators are below the state's overall. The median household income of \$37,989 is below the state's median of \$52,576. The 6.5% unemployment rate is above the state's rate of 4.2%. The City's population has been stable with a 3.32% growth rate over the past five years.

The City maintains good liquidity with cash and short-term investments equal to 1,373 days of operating expenses. An amount over 250 days is considered to be a very high level of liquidity. Adequate liquidity provides greater stability to a utility system by providing the resources needed to cover short-term, unplanned needs.

The City's total outstanding per capita debt of \$684 with the proposed financing is considered to be a low level of debt.

The City's financial sustainability indicators are positive, operating trends are positive, the liquidity is high, and debt per capita is low. The City is assigned a risk score of 2B.

LEGAL

Key Issues

None.

Conditions

Standard SWIFT, tax-exempt, and tax conditions and further conditioned as follows:

- Water Rights Certification.

Attachments: 1. Project Data Summary
2. Debt Service Schedule
3. Engineering/Environmental Review
4. Project Budget
5. Resolution (16-)
6. Water Conservation Review
7. Location Map

Project Data Summary

Responsible Authority	City of Beeville
Program (Spell Out)	State Water Implementation Fund for Texas
Commitment Codes	L16061
Project Number	51038
Intended Use Plan First Year	2016
Fund Number	361
Type of Pledge	1-Tax
Revenue Pledge Level	N/A
Legal Description	\$4,500,000 City of Beeville General Obligation Bonds, Proposed Series 2016
Tax-Exempt or Taxable	Tax-Exempt
Refinance	No
Outlay Requirement	No
Disbursement Method	Escrow
Outlay Type	N/A
Population	13,255
Rural	No
Water Connections	4,583
Wastewater Connections	4,415
Qualifies as Disadvantaged	N/A
Disadvantaged Level	9
Clean Water State Revolving Fund Type	N/A
SWIFT Financing Type	Low-Interest Loan
SWIFT Project Type	None
Financial, Managerial and Technical Review Complete?	N/A
Phase Committing	Planning, Acquisition, Design and Construction
Pre-Design	Yes
Project Consistent with Water Plan	Yes
Water Conservation Plan	N/A
Water Rights Certification Required	Yes
Internal Risk Score	2B
External Ratings	
Standard and Poor's	A
Moody's	Non-Rated
Fitch	Non-Rated
Special Issues	None

Project Team

Team Manager	Mireya Loewe
Financial Analyst	Javier Pena
Engineering Reviewer	Nicki Hise
Environmental Reviewer	Lauren Dill
Attorney	Joe Reynolds

ISSUE BEING EVALUATED
FOR ILLUSTRATION PURPOSES ONLY
City of Beeville
General Obligation Bonds, Proposed Series 2016

Dated Date: 11/1/2016
Delivery Date: 11/1/2016
First Interest: 2/15/2017
First Principal: 8/15/2017
Last Principal: 8/15/2036
Fiscal Year End: 09/30
Required Coverage: 1.0

Source: SWIFT-LOW-20YR
Rate: 1.88%
Insurance: No
Case: Tax
Admin.Fee: \$ -
Admin. Fee Payment Date: N/A
Total Assessed Valuation: \$ 438,243,210

FISCAL YEAR	REQUIRED TAX RATE	TAX REVENUES WITH COLL. @ 90%	PROJECTED NET SYSTEM REVENUES	PROJECTED TOTAL REVENUES	CURRENT DEBT SERVICE	PRINCIPAL PAYMENT	INTEREST RATE	\$4,500,000 ISSUE		TOTAL DEBT SERVICE	COVERAGE					
								INTEREST PAYMENT	TOTAL PAYMENT							
2017	0.145	572,744	-	572,744	331,156	185,000	0.65%	56,588	241,588	572,744	1.00					
2018	0.150	590,707	-	590,707	330,178	190,000	0.73%	70,529	260,529	590,707	1.00					
2019	0.149	589,171	-	589,171	330,029	190,000	0.82%	69,142	259,142	589,171	1.00					
2020	0.151	594,061	-	594,061	331,477	195,000	0.91%	67,584	262,584	594,061	1.00					
2021	0.150	593,362	-	593,362	332,553	195,000	0.99%	65,809	260,809	593,362	1.00					
2022	0.152	598,221	-	598,221	334,342	200,000	1.08%	63,879	263,879	598,221	1.00					
2023	0.153	602,611	-	602,611	335,892	205,000	1.16%	61,719	266,719	602,611	1.00					
2024	0.153	602,562	-	602,562	338,221	205,000	1.23%	59,341	264,341	602,562	1.00					
2025	0.154	608,141	-	608,141	341,322	210,000	1.30%	56,819	266,819	608,141	1.00					
2026	0.155	613,297	-	613,297	344,208	215,000	1.36%	54,089	269,089	613,297	1.00					
2027	0.157	618,053	-	618,053	346,888	220,000	1.56%	51,165	271,165	618,053	1.00					
2028	0.158	623,071	-	623,071	350,338	225,000	1.70%	47,733	272,733	623,071	1.00					
2029	0.159	628,461	-	628,461	354,553	230,000	1.82%	43,908	273,908	628,461	1.00					
2030	0.161	633,274	-	633,274	358,552	235,000	1.93%	39,722	274,722	633,274	1.00					
2031	0.163	642,530	-	642,530	362,343	245,000	2.03%	35,187	280,187	642,530	1.00					
2032	0.165	652,153	-	652,153	366,940	255,000	2.10%	30,213	285,213	652,153	1.00					
2033	0.166	656,200	-	656,200	371,342	260,000	2.18%	24,858	284,858	656,200	1.00					
2034	0.169	665,730	-	665,730	376,540	270,000	2.23%	19,190	289,190	665,730	1.00					
2035	0.171	673,713	-	673,713	380,544	280,000	2.29%	13,169	293,169	673,713	1.00					
2036	0.125	494,757	-	494,757	198,000	290,000	2.33%	6,757	296,757	494,757	1.00					
					\$	12,252,815	\$	6,815,418	\$	4,500,000	\$	937,397	\$	5,437,397	\$	12,252,815

AVERAGE (MATURITY) LIFE	11.07 YEARS
NET INTEREST RATE	1.882%
COST SAVINGS	\$ 466,563
AVERAGE ANNUAL REQUIREMENT	\$612,641

Disclaimer: This is a working document and is provided as a courtesy. All information contained herein, including the proposed interest rate, is subject to change upon further review of the TWDB in accordance with 31 Texas Administrative Code Chapters 363, 371, 375, or 384, as applicable.

City of Beeville
51038 Chase Field Project
Engineering and Environmental Review

Engineering:

Key Issues:

None

Project Need/Description

Need: Currently, the City of Beeville’s (City) sole source of raw water is Lake Corpus Christi. The City needs to diversify and augment its water supplies, particularly during times of drought. The City also wishes to improve resiliency and provide redundancy to its potable water system in the case of an emergency by implementing another source of drinking water.

Description: The City of Beeville is proposing to construct a well field at Chase Field, a former Naval air station, located southeast of the City. The well field is anticipated to produce an average of 1.3 million gallons per day. The project will also include a 500,000 gallon ground storage tank, booster pump station, electrical equipment, disinfection treatment facilities, and necessary piping within Chase Field. The water will be transported from Chase Field to the City’s water distribution system using an existing pipeline, where it will blend with the potable water from the City’s surface water treatment plant.

Project Schedule:

Project Task	Schedule Date
Closing	11/1/2016
Engineering Feasibility Report Completion (End of Planning Phase)	5/21/2017
Design Phase Complete	2/5/2018
Start of Construction	3/23/2018
Construction Completion	3/22/2019

Environmental Section:

Key Issues:

None known at this time.

Environmental Summary:

Pursuant to the requirements of 31 Texas Administrative Code (TAC) §363.14, all financial assistance shall be conditioned to read that funding for design, acquisition, and construction costs for specific project elements will not be released until the environmental review has been completed and a favorable Environmental Determination (ED) has been issued.



Project Budget Summary
Beeville
51038 - Chase Field Project

Budget Items	This Commitment	Other Funds	Total
Construction			
Construction	\$1,546,000.00		\$1,546,000.00
Subtotal for Construction	\$1,546,000.00		\$1,546,000.00
Basic Engineering Services			
Construction Engineering	\$76,000.00		\$76,000.00
Design	\$290,000.00		\$290,000.00
Planning	\$200,000.00		\$200,000.00
Subtotal for Basic Engineering Services	\$566,000.00		\$566,000.00
Special Services			
Environmental	\$40,000.00		\$40,000.00
Geotechnical	\$40,000.00		\$40,000.00
Inspection	\$200,000.00		\$200,000.00
Project Management (by engineer)	\$30,000.00		\$30,000.00
Special Service Other (Describe)	\$900,000.00		\$900,000.00
Surveying	\$60,000.00		\$60,000.00
Subtotal for Special Services	\$1,270,000.00		\$1,270,000.00
Fiscal Services			
Bond Counsel	\$32,000.00		\$32,000.00
Financial Advisor	\$51,000.00		\$51,000.00
Fiscal/Legal	\$5,000.00		\$5,000.00
Subtotal for Fiscal Services	\$88,000.00		\$88,000.00
Other			
Land/Easements Acquisition	\$30,000.00		\$30,000.00
Subtotal for Other	\$30,000.00		\$30,000.00
Contingency			
Contingency	\$1,000,000.00		\$1,000,000.00
Subtotal for Contingency	\$1,000,000.00		\$1,000,000.00
Total	\$4,500,000.00		\$4,500,000.00

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
 APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
 \$4,500,000 TO CITY OF BEEVILLE
 FROM THE STATE WATER IMPLEMENTATION REVENUE FUND FOR TEXAS
 THROUGH THE PROPOSED PURCHASE OF
 \$4,500,000 CITY OF BEEVILLE TEXAS, GENERAL OBLIGATION BONDS,
 PROPOSED SERIES 2016

(16-)

WHEREAS, the City of Beeville (City) has filed an application for financial assistance in the amount of \$4,500,000 from the State Water Implementation Revenue Fund for Texas (SWIRFT) to finance the planning, acquisition, design and construction of certain water supply project(s) identified as Project No. 51038; and

WHEREAS, the City seeks financial assistance from the Texas Water Development Board (TWDB) through the TWDB's proposed purchase of \$4,500,000 City of Beeville Texas, General Obligation Bonds, Proposed Series 2016 (together with all authorizing documents (Obligations)), all as is more specifically set forth in the application and in recommendations of the Executive Administrator's staff; and

WHEREAS, the City has offered a pledge of ad valorem taxes as sufficient security for the repayment of the Obligations; and

WHEREAS, the commitment is approved for funding under the TWDB's pre-design funding option, and initial and future releases of funds are subject to 31 TAC § 363.1307; and

WHEREAS, interest rate subsidies are available to the City at the following levels: 35.0% for a loan of a term of 20 years, 25.0% for a loan of a term of 21 to 25 years, and 20.0% for a loan of a term of 26 to 30 years. The interest rate subsidy applicable to each proposed series will be set through each financing agreement executed between the TWDB and the City, pursuant to this Resolution; and

WHEREAS, the TWDB hereby finds:

1. that the application and assistance applied for meet the requirements of Texas Water Code, Chapter 15, Subchapters G and H and 31 TAC Chapter 363, Subchapters A and M;
2. that the project is a recommended water management strategy in the State Water Plan adopted pursuant to Texas Water Code § 16.051, in accordance with Texas Water Code § 15.474(a);
3. that the City satisfactorily completed any request by the Executive Administrator or a regional planning group for information relevant to the project, including a water infrastructure financing survey under Texas Water Code § 16.053(q), in accordance with 31 TAC § 363.1309(b)(2);

4. that the current water audit, if required by Texas Water Code § 16.0121, has been completed by the City and filed with the TWDB in accordance with 31 TAC § 358.6;
5. that the City has acknowledged its legal obligation to comply with any applicable requirements of federal law relating to contracting with disadvantaged business enterprises, and any applicable state law relating to contracting with historically underutilized businesses, in accordance with Texas Water Code § 15.435(h) and 31 TAC § 363.1309(b)(3).

NOW THEREFORE, based on these findings, the TWDB resolves as follows:

A commitment is made by the TWDB to the City of Beeville for financial assistance in the amount of \$4,500,000 from the State Water Implementation Revenue Fund for Texas, to be evidenced by the TWDB's proposed purchase of \$4,500,000 City of Beeville, Texas, General Obligation Bonds, Proposed Series 2016. This commitment will expire on December 31, 2016.

Such commitment is conditioned as follows:

Standard Conditions:

1. this commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand;
2. this commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that all of the requirements of the laws under which said Obligations were issued have been complied with; that said Obligations were issued in conformity with the Constitution and laws of the State of Texas; and that said Obligations are valid and binding obligations of the City;
3. this commitment is contingent upon the City's continued compliance with all applicable laws, rules, policies and guidance as these may be amended from time to time to adapt to a change in law, in circumstances, or any other legal requirement;
4. this commitment is contingent upon the City executing a separate financing agreement, approved as to form and substance by the Executive Administrator, and submitting that executed agreement to the TWDB consistent with the terms and conditions described in the financing agreement;
5. the City shall use a paying agent/registrar in accordance with 31 TAC § 363.42(c)(2), and shall require the paying agent/registrar to provide a copy, to the TWDB and to the TWDB's designated Trustee, of all receipts documenting debt service payments;

The Following Conditions Must Be Included in the Obligations:

6. the Obligations must provide that the Obligations can be called for early redemption only in inverse order of maturity, and on any date beginning on or after the first interest payment date which is 10 years from the dated date of the Obligations, at a redemption price of par, together with accrued interest to the date fixed for redemption;
7. the Obligations must include a provision wherein the City, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the City's Obligations or obligated persons, will, at a minimum, regardless of the amount of the Obligations, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of such rule, such continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the City's Obligations, if the TWDB sells or otherwise transfers such Obligations, and the beneficial owners of the TWDB's bonds if the City is an obligated person with respect to such bonds under SEC Rule 15c2-12;
8. the Obligations must contain a provision requiring the City to levy a tax and/or maintain and collect sufficient rates and charges to produce system revenues in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Obligations;
9. the Obligations must include a provision requiring the City to use any loan proceeds from the Obligations that are determined to be surplus proceeds remaining after completion of the project for the following purposes as approved by the Executive Administrator: (1) deposit into the Interest and Sinking Fund or other debt service account for the payment of interest or principal on the Obligations owned by the TWDB; or (2) eligible costs for the project as authorized by the Executive Administrator;
10. the Obligations must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect;
11. loan proceeds are public funds and, as such, the Obligations must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257;
12. loan proceeds shall not be used by the City when sampling, testing, removing or disposing of contaminated soils and/or media at the project site. The Obligations shall include an environmental indemnification provision wherein the City agrees to indemnify, hold harmless and protect the TWDB from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling,

analysis, transport, storage, treatment, recycling and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials and employees as a result of activities relating to the project to the extent permitted by law;

13. the Obligations must include a provision stating that the City shall report to the TWDB the amounts of project funds, if any, that were used to compensate historically underutilized businesses that worked on the project, in accordance with 31 TAC § 363.1312;
14. the Obligations must contain a provision that the TWDB will purchase the Obligations, acting through the TWDB's designated Trustee, and the Obligations shall be registered in the name of Cede & Co. and closed in book-entry form in accordance with 31 TAC § 363.42(c)(1);
15. the Obligations must include a provision prohibiting the City from using the proceeds of this loan in a manner that would cause the Obligations to become "private activity bonds" within the meaning of § 141 of the Internal Revenue Code as amended (Code) and the Treasury Regulations promulgated thereunder (Regulations);
16. the Obligations must provide that no portion of the proceeds of the loan will be used, directly or indirectly, in a manner that would cause the Obligations to be "arbitrage bonds" within the meaning of § 148(a) of the Code and Regulations, including to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments (as defined in the Code and Regulations) which produce a yield materially higher than the yield on the TWDB's bonds that are issued to provide financing for the loan (Source Series Bonds), other than Nonpurpose Investments acquired with:
 - a. proceeds of the TWDB's Source Series Bonds invested for a reasonable temporary period of up to three (3) years after the issue date of the Source Series Bonds until such proceeds are needed for the facilities to be financed;
 - b. amounts invested in a bona fide debt service fund, within the meaning of § 1.148-1(b) of the Regulations; and
 - c. amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt service on the Obligations, 125% of average annual debt service on the Obligations, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Obligations;
17. the Obligations must include a provision requiring the City take all necessary steps to comply with the requirement that certain amounts earned on the investment of gross proceeds of the Obligations be rebated to the federal government in order to satisfy the requirements of § 148 of the Code. The Obligations must provide that the City will:

- a. account for all Gross Proceeds, as defined in the Code and Regulations, (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and retain all records of such accounting for at least six years after the final Computation Date. The City may, however, to the extent permitted by law, commingle Gross Proceeds of its loan with other money of the City, provided that the City separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith;
 - b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to its loan, not less frequently than each Computation Date, in accordance with rules set forth in § 148(f) of the Code, § 1.148-3 of the Regulations, and the rulings thereunder. The City shall maintain a copy of such calculations for at least six years after the final Computation Date;
 - c. as additional consideration for the making of the loan, and in order to induce the making of the loan by measures designed to ensure the excludability of the interest on the TWDB's Source Series Bonds from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (b) above within 30 days after each Computation Date;
 - d. exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (b) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations;
18. the Obligations must include a provision prohibiting the City from taking any action that would cause the interest on the Obligations to be includable in gross income for federal income tax purposes;
 19. the Obligations must provide that the City will not cause or permit the Obligations to be treated as "federally guaranteed" obligations within the meaning of § 149(b) of the Code;
 20. the Obligations must provide that neither the City nor a related party thereto will acquire any of the TWDB's Source Series Bonds in an amount related to the amount of the Obligations to be acquired from the City by the TWDB;

Pledge Conditions For The Loan

21. the Obligations must contain a provision that for each year the Bonds are outstanding, the City will levy a debt service tax rate, and collect taxes sufficient for the repayment of annual principal and interest requirements on the Obligations;

Conditions to Close or for Release of Funds:

22. prior to closing, the City shall submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements;
23. prior to closing, and if not previously provided with the application, the City shall submit executed contracts for engineering, and, if applicable, financial advisor and bond counsel contracts, for the project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed, reflected in the contract, and acceptable to the Executive Administrator;
24. prior to closing, when any portion of financial assistance is to be held in escrow or in trust, the City shall execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB;
25. prior to closing, the City's bond counsel must prepare a written opinion that states that the interest on the Obligations is excludable from gross income or is exempt from federal income taxation. Bond counsel may rely on covenants and representations of the City when rendering this opinion;
26. prior to closing, the City's bond counsel must prepare a written opinion that also states that the Obligations are not "private activity bonds." Bond counsel may rely on covenants and representations of the City when rendering this opinion;
27. the transcript must include a No Arbitrage Certificate or similar Federal Tax Certificate setting forth the City's reasonable expectations regarding the use, expenditure and investment of the proceeds of the Obligations;
28. the transcript must include evidence that the information reporting requirements of § 149(e) of the Code will be satisfied. This requirement may be satisfied by filing an IRS Form 8038 with the Internal Revenue Service. In addition, the applicable completed IRS Form 8038 or other evidence that the information reporting requirements of § 149(e) have been satisfied must be provided to the Executive Administrator within fourteen (14) days of closing. The Executive Administrator may withhold the release of funds for failure to comply;

PROVIDED, however, the commitment is subject to the following special conditions:

29. prior to the release of construction funds for that portion of a project that proposes surface water or groundwater development, the Executive Administrator must have issued a written finding that the City has the right to use the water that the project financed by the TWDB will provide.

APPROVED and ordered of record this, the 21st day of July, 2016.

TEXAS WATER DEVELOPMENT BOARD

Bech K. Bruun, Chairman

DATE SIGNED: _____

ATTEST:

Jeff Walker
Executive Administrator

WATER CONSERVATION REVIEW

Entity: _____

Review date: _____

WATER CONSERVATION PLAN DATE: **Approvable** **Adopted**

	Total GPCD	Residential GPCD	Water Loss GPCD	Water Loss Percent
Baseline				
5-year Goal				
10-year Goal				

WATER LOSS AUDIT YEAR:

Total water loss (GPCD): _____ Total water loss (percent): _____ Wholesale Water
 Total no. of connections: _____ Length of mains (miles): _____ Connections per mile: _____
 If > 16 connections per mile and > 3,000 connections, Infrastructure Leakage Index (ILI): _____

WATER LOSS THRESHOLDS:

	Apparent Loss Gallons per connection per day	Real Loss Gallons per mile per day	Real Loss Gallons per connection per day	Apparent Threshold Gallons per connection per day	Real Threshold Gallons per mile per day	Real Threshold Gallons per connection per day
If population ≤ 10K, connections/mile < 32 :						
If population ≤ 10K, connections/mile ≥ 32 :						
If population > 10K :						

Does the applicant meet Water Loss Threshold requirements? Yes No NA

ADDITIONAL INFORMATION:

STAFF NOTES AND RECOMMENDATIONS:

DEFINITIONS

Adopted refers to a water conservation plan that meets the minimum requirements of the water conservation plan rules and has been formally approved and adopted by the applicant's governing body.

Apparent loss refers to unauthorized consumption, meter inaccuracy, billing adjustments, and waivers.

Approvable refers to a water conservation plan that substantially meets the minimum requirements of the water conservation plan rules but has not yet been adopted by the applicant's governing body.

Best Management Practices are voluntary efficiency measures that save a quantifiable amount of water, either directly or indirectly, and that can be implemented within a specific time frame.

GPCD means gallons per capita per day.

Infrastructure Leakage Index (ILI) is the current annual real loss divided by the unavoidable annual real loss (theoretical minimum real loss) and only applies to utilities with more than 5,000 connections, average pressure greater than 35 psi, and a connection density of more than 32 connections per mile. The **ILI** is recommended to be less than 3 if water resources are greatly limited and difficult to develop, between 3 and 5 if water resources are adequate to meet long-term needs but water conservation is included in long-term water planning, and between 5 and 8 if water resources are plentiful, reliable, and easily extracted. The **ILI** is recommended as a benchmarking tool, but until there is increased data validity of the variables used in the calculation, the **ILI** should be viewed with care.

NA means not applicable.

Produced water is the total amount of water purchased or produced by the utility.

Real loss comes from main breaks and leaks, storage tank overflows, customer service line breaks, and leaks.

Residential GPCD is the amount of water per capita used solely for residential use and ideally includes both single and multi-family customer use.

Total baseline GPCD is the amount of all water purchased or produced by the utility divided by the service area population and then divided by 365.

Total water loss is the sum of the apparent and real water losses.

Water loss is the difference between the input volume and the authorized consumption within a water system. Water Loss consists of real losses and apparent losses.

Water Loss Thresholds are levels of real and apparent water loss determined by the size and connection density of a retail public utility, at or above which a utility receiving financial assistance from the Texas Water Development Board must use a portion of that financial assistance to mitigate the utility's system water loss.

City of Beeville, Bee County

