

TO: Board Members

THROUGH: Jeff Walker, Executive Administrator
Amanda Lavin, Assistant Executive Administrator
Les Trobman, General Counsel
Jessica Zuba, Deputy Executive Administrator, Water Supply Infrastructure

FROM: T. Clay Schultz, Director, Regional Water Project Development
Luis Farias, Team Manager, Northeast Region
Annette Mass, Assistant General Counsel

DATE: September 30, 2016

SUBJECT: Request by the City of Weatherford to change the type of Debt Instrument and Pledge for its Commitment (Project No. 73726)

ACTION REQUESTED

Consider approving by resolution, a request from the City of Weatherford (Parker County) to amend TWDB Resolution No. 16-056 and to change the type of debt instrument and pledge for the approved commitment.

BACKGROUND

On June 1, 2016, the City of Weatherford (City) received a \$12,770,443 commitment consisting of an \$11,220,000 loan (L1000511) and \$1,550,433 in principal forgiveness (LF1000522) from the Clean Water State Revolving Fund (CWSRF) to finance the acquisition, design, and construction for wastewater reuse system improvements.¹ The proposed project will create a more sustainable water supply for its residents.

At the time of the commitment, the City contemplated the issuance of Utility System Revenue Bonds with a first lien pledge of the system's revenues. The City is requesting that the type of debt and pledge be converted to Tax and Utility System Revenue Certificates of Obligation secured by a pledge of ad valorem taxes and utility system surplus revenues. It is still the intent of the City to pay with utility system revenues. This proposed change will eliminate the cash reserve, but will provide the Texas Water Development Board with a double barrel pledge of

¹ Subsequent to the commitment provided in TWDB Resolution No. 16-056, the TWDB rules related to the Clean Water State Revolving Fund changed, see 31 TAC § 375.18. The TWDB no longer provides Loan Forgiveness, but rather provides Principal Forgiveness.

taxes and revenues which provides better security for the debt. This change will also allow the City to use its cash for the project, rather than putting in a reserve fund.

The City's loan commitment expires on December 31, 2016. The City has prolonged its closing until the Texas Commission on Environmental Quality approved the required permits for the proposed project.

KEY ISSUES

The City proposes to pledge ad valorem taxes and surplus revenues of the water and sewer system for repayment of the proposed loan. The City's current combined average water and sewer monthly rate is \$101.17. Based on staff's analysis of financial documentation received, current pledged revenues are sufficient to meet the debt service requirements.

RECOMMENDATION

The Executive Administrator recommends amending TWDB Resolution No. 16-056 to change the City's existing commitment to Tax and Utility System Revenue Certificates of Obligation with a combined security pledge of ad valorem taxes and utility system surplus revenues.

- Attachment(s):
1. Debt service schedule
 2. Resolution (16-)
 3. Resolution (16-056)
 4. Letter requesting change in pledge and extension

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
AMENDING TWDB RESOLUTION NO. 16-056 TO CHANGE THE PLEDGE AND DEBT
INSTRUMENT OFFERED BY THE CITY OF WEATHERFORD FOR FINANCIAL
ASSISTANCE FROM THE CLEAN WATER STATE REVOLVING FUND

(16-)

WHEREAS, at its June 1, 2016, meeting, the Texas Water Development Board (TWDB), by TWDB Resolution No. 16-056, made a commitment to provide financial assistance to the City of Weatherford (City), for the purpose of financing the acquisition, design, and construction of improvements to the wastewater reuse system. The \$12,770,433 in financial assistance approved in TWDB Resolution 16-056 consists of the TWDB's purchase of \$11,220,000 City of Weatherford Utility System Revenue Bonds, Proposed Series 2016 and \$1,550,433 in Principal Forgiveness (formerly "Loan Forgiveness") from the Clean Water State Revolving Fund Program, all as is more specifically set forth in TWDB Resolution No. 16-056 and accompanying documentation, to which documents, express reference is made; and

WHEREAS, by letter dated September 1, 2016, the City has requested that the TWDB amend Resolution 16-056, to change the City's debt instrument from bonds to certificates of obligation and to change the pledge from utility system revenue to tax and utility system surplus revenues; and

WHEREAS, the TWDB hereby finds that the amendments to the commitment for this loan are reasonable and that the request is in the public interest and will serve a public purpose; and

WHEREAS, in accordance with the Texas Water Code, the TWDB has carefully considered all matters required by law;

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

1. The commitment made by the TWDB to the City of Weatherford for financial assistance in the amount of \$12,770,433 from the Clean Water State Revolving Fund in part through the TWDB's proposed purchase of \$11,220,000 City of Weatherford Utility System Revenue Bonds, Proposed Series 2016 be amended to reflect the TWDB's proposed purchase of \$11,220,000 City of Weatherford, Texas Tax and Utility System Surplus Revenue Certificates of Obligation, Proposed Series 2016;
2. TWDB Resolution 16-056 Condition Nos. 34, 35, and 36 be deleted;
3. All other terms and conditions of TWDB Resolution No. 16-056 shall remain in full force and effect;
4. TWDB Resolution No. 16-056 is further amended by adding new Condition No. 34, and renumbering the remaining conditions accordingly;

34. the Obligations must contain a provision that provides as follows:
- a. if system revenues are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied and collected may be reduced to the extent and by the amount of revenues then on deposit in the Interest and Sinking Fund; or
 - b. if surplus revenues are based upon budgeted amounts:
 - i. the Obligations must include a requirement that the City transfer and deposit in the Interest and Sinking Fund each month an amount of not less than 1/12th of the annual debt service on the Obligations until the amount on deposit in the Interest and Sinking Fund equals the amount required for annual debt service on the Obligations; further, that the ordinance authorizing the issuance of the Obligations must include a requirement that the City shall not transfer any funds from the City's pledged system revenues to any fund other than the Interest and Sinking Fund until such time as an amount equal to the annual debt service on the Obligations for the then-current fiscal year has been deposited in the Interest and Sinking Fund;
 - ii. the Obligations must include a requirement that for each year the Obligations are outstanding, and prior to the time taxes are to be levied for such year, the City shall establish, adopt, and maintain an annual budget that provides for either the monthly deposit of sufficient surplus pledged revenues and/or tax revenues, the monthly deposit of any other legally available funds on hand at the time of the adoption of the annual budget, or a combination thereof, into the Interest and Sinking Fund for the repayment of the Obligations; and
 - iii. the Obligations must include a requirement that the City shall at all times maintain and collect sufficient rates and charges in conjunction with any other legally available funds so that after payment of the costs of operating and maintaining the system, it produces revenues in an amount not less than **1.10** times debt service requirements of all outstanding Obligations of the City and other obligations of the City which are secured in whole or in part by the pledged revenues, for which the City is budgeting the repayment of such Obligations, or the City shall provide documentation which evidences the levy and collection of an ad valorem tax rate dedicated to the Interest and Sinking Fund, in conjunction with any other legally available funds, sufficient for the repayment of debt service requirements.

APPROVED and ordered of record this 20th day of October, 2016.

TEXAS WATER DEVELOPMENT BOARD

Bech K. Bruun, Chairman

DATE SIGNED: _____

ATTEST:

Jeff Walker
Executive Administrator

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
\$12,770,433 TO THE CITY OF WEATHERFORD
FROM THE CLEAN WATER STATE REVOLVING FUND
THROUGH THE PROPOSED PURCHASE OF
\$11,220,000 CITY OF WEATHERFORD UTILITY SYSTEM REVENUE BONDS,
PROPOSED SERIES 2016
AND
\$1,550,433 IN LOAN FORGIVENESS

(16-056)

WHEREAS, the City of Weatherford (City) has filed an application for financial assistance in the amount of \$12,770,433 from the Clean Water State Revolving Fund (CWSRF) to finance the design, acquisition, and construction of certain wastewater system improvements identified as Project No. 73726; and

WHEREAS, the City seeks financial assistance from the Texas Water Development Board (TWDB) through the TWDB's proposed purchase of \$11,220,000 City of Weatherford Utility System Revenue Bonds, Proposed Series 2016 (together with all authorizing documents, "Obligations"), and the execution of a Loan Forgiveness Agreement in an amount of \$1,550,433, all as is more specifically set forth in the application and in recommendations of the TWDB's staff; and

WHEREAS, the City has offered a pledge of utility revenue as sufficient security for the repayment of the Obligations; and

WHEREAS, the loan is approved for funding under the TWDB's pre-design funding option, and initial and future releases of funds are subject to 31 TAC Chapter 375;

WHEREAS, the TWDB hereby finds:

1. that the revenue and/or taxes pledged by the City will be sufficient to meet all the Obligations assumed by the City, in accordance with Texas Water Code § 15.607;
2. that the application and assistance applied for meet the requirements of the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 *et seq.*, as well as state law, in accordance with Texas Water Code § 15.607;
3. that the City has adopted and implemented a water conservation program for the more efficient use of water that will meet reasonably anticipated local needs and conditions and that incorporates practices, techniques or technology prescribed by the Texas Water Code and TWDB's rules;
4. that the City has considered cost-effective, innovative, and nonconventional methods of treatment, in accordance with Texas Water Code § 15.007;

5. that the TWDB has made a timely and concerted effort to solicit projects that address green infrastructure, water, or energy efficiency improvements and other environmentally innovative activities and has determined that the entire Project, or a portion of the Project, satisfies the EPA's criteria for Green Projects; and
6. that on January 20, 2016, the Executive Administrator issued a Categorical Exclusion for the portion of the Project that includes the improvements at the wastewater treatment plant and the pump station that are to be constructed on the existing wastewater treatment plant site. Such findings being subject to the standard emergency discovery conditions for threatened and endangered species and cultural resources in the Project contract documents. The TWDB concurs with the environmental finding issued by the Executive Administrator.

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

A commitment is made by the TWDB to the City of Weatherford for financial assistance in the amount of \$12,770,433 from the Clean Water State Revolving Fund through the TWDB's proposed purchase of \$11,220,000 City of Weatherford Utility System Revenue Bonds, Proposed Series 2016 and the execution of a Loan Forgiveness Agreement in the amount of \$1,550,433. 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 compliance with all applicable requirements contained in 31 TAC Chapter 375;
4. 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;
5. 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;

6. 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;
7. the Obligations must include a provision requiring the City to use any loan proceeds from the Obligations that are determined to be surplus funds remaining after completion of the project for the following purposes as approved by the Executive Administrator: (1) to redeem, in inverse annual order, the Obligations owned by the TWDB; (2) 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 (3) eligible project costs as authorized by the Executive Administrator;
8. 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;
9. 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;
10. 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 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;
11. 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;
12. 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;

13. prior to closing, when any portion of the financial assistance is to be held in escrow or in trust, the City shall execute an escrow or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB;
14. the Executive Administrator may require that the City execute a separate financing agreement in form and substance acceptable to the Executive Administrator;

Conditions Related To Tax-Exempt Status

15. 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;
16. the City's bond counsel opinion must also state that the Obligations are not "private activity bonds." Bond counsel may rely on covenants and representations of the City when rendering this opinion;
17. 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 of 1986, as amended (Code) and the Treasury Regulations promulgated thereunder (Regulations);
18. 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;

19. 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;
20. 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;
21. 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;
22. 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;

23. 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;
24. 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;

State Revolving Fund Conditions

25. the City shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines;
26. the Obligations must include a provision stating that all laborers and mechanics employed by contractors and subcontractors for projects shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations. The City, all contractors, and all sub-contractors shall ensure that all project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for the construction of the project carried out in whole or in part with financial assistance made available as provided herein shall insert in full in any contract in excess of \$2,000 the contracts clauses as provided by the TWDB;
27. the Obligations must include a provision stating that the City shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The City shall obtain a Data Universal Numbering System (DUNS) Number and shall register with System for Award Management (SAM), and maintain current registration at all times during which the Obligations are outstanding;
28. the Obligations shall provide that all loan proceeds will be timely and expeditiously used, as required by 40 CFR § 35.3135(d), and also shall provide that the City will adhere to the approved project schedule;
29. the Obligations and Loan Forgiveness Agreement must contain a covenant that the City will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by the 2014 Federal Appropriations Act and related State Revolving Fund Policy Guidelines;
30. the Obligations must contain language detailing compliance with the requirements set forth in 33 U.S.C. § 1382 *et seq.* related to maintaining project accounts containing

financial assistance for planning, design, acquisition, or construction, as applicable, in accordance with generally accepted accounting principles (GAAP). These standards and principles also apply to the reporting of underlying infrastructure assets;

31. the City shall submit, prior to the release of funds, a schedule of the useful life of the project components prepared by an engineer as well as a certification by the applicant that the average weighted maturity of the obligations purchased by the TWDB does not exceed 120% of the average estimated useful life of the project, as determined by the schedule;

Clean Water State Revolving Fund Conditions

32. prior to or at closing, the City shall pay a 1.85% origination fee to the TWDB calculated pursuant 31 TAC Chapter 375;
33. at the TWDB's option, the TWDB may fund the financial assistance under this Resolution with either available cash-on-hand or from bond proceeds. If the financial assistance is funded with available cash-on-hand, the TWDB reserves the right to change the designated source of funds to bond proceeds issued for the purpose of reimbursing funds used to provide the financial assistance approved in this Resolution;

Pledge Conditions For The Loan

34. the Obligations must require the accumulation of a reserve fund of no less than average annual debt service requirements, to be accumulated in equal monthly installments over the initial sixty (60) months following the issuance of the Obligations;
35. if the City has existing revenue obligations with the same pledge of security as the proposed Obligations that will remain outstanding after any loan(s) made by the TWDB pursuant to this commitment, the lien or liens securing the Obligations issued to the TWDB shall be at least on a parity with lien or liens securing such outstanding obligations;
36. the Obligations must contain a provision providing that additional revenue obligations may only be incurred if net system revenues are at least 1.25 times the average annual debt service requirements after giving effect to the additional obligations when net revenues are determined from the last completed fiscal year or a 12 consecutive calendar month period ending not more than ninety (90) days preceding the adoption of the additional obligations as certified by a certified public accountant;

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

Special Conditions:

37. prior to closing, the City shall execute a Loan Forgiveness Agreement in a form and substance acceptable to the Executive Administrator;

38. the Loan Forgiveness Agreement must include a provision stating that the City shall return any loan forgiveness funds that are determined to be surplus funds in a manner determined by the Executive Administrator;
39. prior to final disbursement, the City shall submit to the TWDB certification that it has developed and is currently implementing a fiscal sustainability plan for critical assets part of the treatment works receiving financial assistance as outlined in 33 U.S.C. §1383; and
40. the City must comply with the standard emergency discovery conditions for threatened and endangered species and cultural resources, as more fully specified in the final environmental finding of the Executive Administrator.

APPROVED and ordered of record this 1st day of June, 2016.

TEXAS WATER DEVELOPMENT BOARD



Bech K. Bruun, Chairman

DATE SIGNED: 6-1-16

ATTEST:



Jeff Walker
Executive Administrator



Marti Shew

Director
Public Finance

September 1, 2016

Luis Farias
Team Manager- Project No. 73726
Texas Water Development Board
1700 North Congress Ave.
P.O. Box 13231
Austin, TX 78711

Dear Mr. Farias:

The City of Weatherford, TX received approval for funding and loan forgiveness from the Clean Water State Revolving Fund to finance the design, acquisition, and construction of wastewater reuse system improvements (Project No. 73726) at the June 1, 2016 Texas Water Development Board meeting. The original application from the City and Board approval contemplated the issuance of Utility System Revenue Bonds with a sole security pledge of utility revenue. On behalf of the City and financing team, I am writing to formally request permission from the Board to convert this structure to Tax & Utility System Revenue Certificates of Obligation with a combination security pledge of ad valorem taxes and utility revenue. It is still the intent of the City to pay for the transaction entirely from utility system revenue, and no other material changes are being proposed with respect to project cost or structure. The purpose of this request is solely designed to allow the City to remove the necessary reserve fund deposit in connection with the issuance of utility revenue bonds. The City would prefer to transfer those funds to available project proceeds. The Board's consideration of this request would be greatly appreciated.

Sincerely yours,

Marti Shew
Director

City of Weatherford, TX
Series 2016 TWDB Bond Issuance
Debt Service Pro Forma & Coverage

	Current Outstanding Utility Total P&I	Combination Tax & Revenue Certificates of Obligation, Series 2016 ⁽¹⁾			Estimated Net New Total P&I	FYE 2015 Net Revenue Available For Debt Service		Coverage
		Principal	Interest	Total P&I				
2017	\$ 5,654,236	\$ 560,000	\$ 58,985	\$ 618,985	\$ 6,273,221	\$ 19,854,257	3.16X	
2018	5,656,908	540,000	80,741	620,741	6,277,648	19,854,257	3.16X	
2019	4,221,438	540,000	80,741	620,741	4,842,178	19,854,257	4.10X	
2020	4,217,688	540,000	80,741	620,741	4,838,428	19,854,257	4.10X	
2021	4,222,438	540,000	80,741	620,741	4,843,178	19,854,257	4.10X	
2022	4,214,938	540,000	80,471	620,471	4,835,408	19,854,257	4.11X	
2023	3,425,438	540,000	79,229	619,229	4,044,666	19,854,257	4.91X	
2024	3,417,688	540,000	77,177	617,177	4,034,864	19,854,257	4.92X	
2025	3,419,188	545,000	74,207	619,207	4,038,394	19,854,257	4.92X	
2026	3,419,188	550,000	70,555	620,555	4,039,743	19,854,257	4.91X	
2027	1,362,438	550,000	66,320	616,320	1,978,758	19,854,257	10.03X	
2028	1,362,538	555,000	61,370	616,370	1,978,908	19,854,257	10.03X	
2029	1,365,475	560,000	55,931	615,931	1,981,406	19,854,257	10.02X	
2030	1,361,000	570,000	50,163	620,163	1,981,163	19,854,257	10.02X	
2031	1,365,250	575,000	44,007	619,007	1,984,257	19,854,257	10.01X	
2032	1,361,750	580,000	37,510	617,510	1,979,260	19,854,257	10.03X	
2033	1,365,750	590,000	30,666	620,666	1,986,416	19,854,257	10.0X	
2034	1,361,750	595,000	23,409	618,409	1,980,159	19,854,257	10.03X	
2035	1,365,000	600,000	15,852	615,852	1,980,852	19,854,257	10.02X	
2036		610,000	8,052	618,052	618,052	19,854,257	32.12X	
Total	\$ 54,140,093	\$ 11,220,000	\$ 1,156,863	\$ 12,376,863	\$ 66,516,956			
		Project Fund Bond Proceeds		10,935,650				
		Loan Forgiveness		1,550,433				
		Total Cash Received by City		<u>\$ 12,486,083</u>				
		Cost of Issuance						
		TWDB Loan Origination Fee		\$ 207,570				
		All Other Cost of Issuance		76,780				
				<u>\$ 284,350</u>				

(1) Preliminary Non-equivalency Tax-Exempt Interest Rates provided by the TWDB; Subject to Change