

TWDB staff has reviewed the City's fiscal year 2018 audited financial information and believes the City continues to have the ability to manage its existing and proposed obligations.

KEY ISSUES

The TWDB did not authorize the commitment as a multi-year commitment. The City requests to amend Resolution No. 18-100 to allow for a multi-year commitment with two closings and to extend the commitment expiration date. To accommodate the City's request, TWDB staff recommends extending the expiration dates as noted in the table below.

Proposed Closing Amounts	Proposed Closing Date	Proposed Expiration
\$2,795,000	February 2020	April 30,2020
\$19,205,000	February 2023	August 31,2023
\$22,000,000		

RECOMMENDATION

The Executive Administrator recommends amending TWDB Resolution No. 18-100 to convert the CWSRF commitment to a multi-year commitment and extend the expiration period. The requested amendment does not change the total amount of funding and will better align the available financing with the City's needs.

Attachments:

1. Proposed TWDB Resolution (19-)
2. TWDB Resolution (18-100)
3. Request from the City of Ingleside

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
AMENDING TWDB RESOLUTION NO. 18-100
TO MAKE THE ONE-YEAR COMMITMENT MULTI-YEAR AND EXTEND THE EXPIRATION
PERIOD FOR THE \$22,000,000 CITY OF INGLESIDE, TEXAS, COMBINATION TAX AND
SUBORDINATE REVENUE CERTIFICATES OF OBLIGATION, PROPOSED SERIES 2018

(19-)

WHEREAS, at its August 14, 2018 meeting, the Texas Water Development Board (TWDB), by TWDB Resolution No. 18-100, made a commitment to provide financial assistance to the City of Ingleside (City) for the purpose of financing improvements to the City's wastewater system in the amount of \$22,000,000, consisting of the TWDB's purchase of \$22,000,000 City of Ingleside, Texas Combination Tax and Subordinate Revenue Certificates of Obligation, Proposed Series 2018, from the Clean Water State Revolving Fund program, all as is more specifically set forth in the TWDB's Resolution and accompanying documentation, to which documents express reference is made; and

WHEREAS, by letter dated June 20, 2019, the City requested that the TWDB amend TWDB Resolution No. 18-100, to convert the one-time commitment to a multi-year commitment with the first planned issue on or around February 2020 and the second issue on or around February 2023. In addition, the City asked to extend the expiration date in accordance with the amended closings; and

WHEREAS, the TWDB hereby finds that the amendments to the term of 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. TWDB Resolution No. 18-100 is amended to provide for a multi-year financing structure to the City of Ingleside for financial assistance in the amount of \$22,000,000 from the Clean Water State Revolving Fund through the TWDB's proposed purchase of \$22,000,000 City of Ingleside, Texas Combination Tax and Subordinate Revenue Certificates of Obligation, Proposed Series 2020 through Proposed Series 2023 as follows:
 - a. \$2,795,000 Proposed Series 2020, to expire on April 30, 2020; and
 - b. \$19,205,000 Proposed Series 2023, to expire on August 31, 2023.
2. All other terms and conditions of TWDB Resolution No. 18-100 shall remain in full force and effect.

APPROVED and ordered of record this the 13th day of August, 2019.

TEXAS WATER DEVELOPMENT BOARD

Peter M. Lake, 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
\$22,000,000 TO CITY OF INGLESIDE
FROM THE CLEAN WATER STATE REVOLVING FUND
THROUGH THE PROPOSED PURCHASE OF
\$22,000,000 CITY OF INGLESIDE, TEXAS COMBINATION TAX AND SUBORDINATE
REVENUE CERTIFICATES OF OBLIGATION,
PROPOSED SERIES 2018

(18-100)

WHEREAS, the City of Ingleside (City), located in San Patricio County, has filed an application for financial assistance in the amount of \$22,000,000 from the Clean Water State Revolving Fund (CWSRF) to finance the planning, acquisition, design, and construction of certain wastewater system improvements identified as Project No. 73782; and

WHEREAS, the City seeks financial assistance from the Texas Water Development Board (TWDB) through the TWDB's proposed purchase of \$22,000,000 City of Ingleside, Texas Combination Tax and Subordinate Revenue Certificates of Obligation, Proposed Series 2018 (together with all authorizing documents, (Obligations)), 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 ad valorem taxes and a subordinate lien on utility system revenues 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 § 375.14; and

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 submitted a proposed program of water conservation 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; and

4. that the City has considered cost-effective, innovative, and nonconventional methods of treatment, in accordance with Texas Water Code § 15.007.

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

A commitment is made by the TWDB to the City of Ingleside for financial assistance in the amount of \$22,000,000 from the Clean Water State Revolving Fund through the TWDB's proposed purchase of \$22,000,000 City of Ingleside, Texas Combination Tax and Subordinate Revenue Certificates of Obligation, Proposed Series 2018. This commitment will expire on August 31, 2019.

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 remaining unused funds, which are those funds unspent after the original approved project is completed, for enhancements to the original project that are explicitly approved by the Executive Administrator or if no enhancements are authorized by the Executive Administrator, requiring the City to submit a final accounting and disposition of any unused funds;
8. 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 and completion of a final accounting 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) deposit into a reserve fund;
9. 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;
10. 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;
11. 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;

12. 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;
13. 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;
14. 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;
15. 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:

16. 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;
17. 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;
18. 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);
19. 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;
20. 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;
21. 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;
22. 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;
23. 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;
24. 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;
25. 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:

26. the City shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines;
27. 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;

28. 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;
29. 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;
30. the Obligations 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 31 TAC § 375.3, 33 U.S.C. § 1388, and related State Revolving Fund Policy Guidelines;
31. 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;
32. 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 projected useful life of the project, as determined by the schedule;

Clean Water State Revolving Fund Conditions:

33. prior to or at closing, the City shall pay a 1.75% origination fee to the TWDB calculated pursuant 31 TAC Chapter 375 and the applicable Intended Use Plan;
34. 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;

35. prior to release of funds for professional consultants including, but not limited to, the engineer, financial advisor, and bond counsel, as appropriate, the City must provide documentation that it has met all applicable state procurement requirements as well as all federal procurement requirements under the Disadvantaged Business Enterprises program;
36. prior to release of funds for professional services related to architecture or engineering, including but not limited to contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or other architectural and engineering services as defined in 40 U.S.C. § 1102(2)(A)(C), the City must provide documentation that it has met all applicable federal procurement requirements as more specifically set forth in 40 U.S.C. § 1101 *et seq* and 33 U.S.C. § 1382(b)(14);

APPROVED and ordered of record this 14th day of August 2018.

TEXAS WATER DEVELOPMENT BOARD

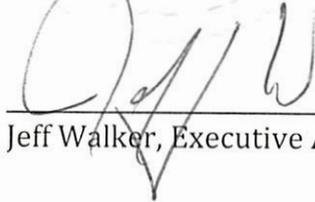


Peter Lake, Chairman

DATE SIGNED: _____

8/14/18

ATTEST:



Jeff Walker, Executive Administrator



DAVID L. HUSEMAN
City Manager
2671 San Angelo Street
P.O. Box 400
Ingleside, Texas 78362

361.776.2517 Ofc.
361.218.3385 Cel.

June 20, 2019

Mireya Loewe
Manager, South Region
Regional Water Project Development
Texas Water Development Board
P.O. Box 13231
Austin, Texas 78711

Re: City of Ingleside
TWDB Project No. 73782
L1000699 Financial Commitment

Dear Ms. Loewe:

As you are aware the City of Ingleside received a one-time \$22,000,000 financial commitment from the Texas Water Development Board (Board) to build a New Wastewater Treatment Plant, which is set to expire on August 31, 2019.

At this time the City of Ingleside is seeking the Board's consideration to extend the City's commitment, by converting the one-time commitment into a multi-year commitment with the first planned sale on or around February 2020 and the second sale on or around February 2023.

When the City originally submitted an application to the TWDB for a new wastewater treatment plant, it was in response to concerns regarding capacity and aging infrastructure. While those concerns have not changed, the City of Ingleside has experienced significant leadership changes including three City Managers and new/incoming elected officials, resulting in a new perspective on project approach.

This new perspective has prompted city leadership to explore the requested two phase approach;

- closing on the initial commitment for planning, land acquisition, and design on or around February 2020 to enable the project to move forward, and
- closing on the second commitment for construction, on or around February 2023.

This approach allows the planning and design process to vet the conclusions outlined in the previously submitted feasibility study, finalize the overall project scope, prepare and finalize the design, and provide updated project cost estimates, while also engaging in financial planning to mitigate financial overburden to the community, prior to proceeding with construction.

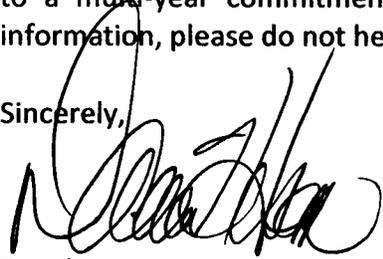
To allow the Board to fully consider the City's request, also enclosed please find the following:

- Updated Budget outlining separate closing amounts
- Updated Project schedule
- Updated Pro-Forma
- City Council Resolution requesting funding commitment change to multi-year

The City of Ingleside remains fully committed to the project, recognizes that the improvements are needed and must be implemented in a timely manner. The city has not in any way deviated from its recognition and commitment that it will be fully capable of supporting this new debt service. However, the city recognizes that requesting a multi-year drawdown will allow it to advance the project while also exercising prudent debt issuance for its customers.

The City appreciates the Boards consideration of the request to covert the current commitment to a multi-year commitment. Should you have any questions, or require any additional information, please do not hesitate to call on us.

Sincerely,



David Huseman
City Mangaer

Cc: Melanie Gavlik, P.E., Hanson Professional Services

PROJECT BUDGET - Entity Name <u>City of Ingleside</u>						
Uses	TWDB Funds Series 1	Phase 2		Total TWDB Cost	Other Funds	Total Cost
Construction						
Construction	\$0	\$16,000,000	\$0	\$16,000,000	\$0	\$16,000,000
Subtotal Construction	\$0	\$16,000,000	\$0	\$16,000,000	\$0	\$16,000,000
Basic Engineering Fees						
Planning +	\$175,000	\$0	\$0	\$175,000	\$0	\$175,000
Design	\$1,300,000	\$0	\$0	\$1,300,000	\$0	\$1,300,000
Construction Engineering	\$0	\$375,000	\$0	\$375,000	\$0	\$375,000
Basic Engineering Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Basic Engineering Fees	\$1,475,000	\$375,000	\$0	\$1,850,000	\$0	\$1,850,000
Special Services						
Application	\$50,000	\$0	\$0	\$50,000	\$0	\$50,000
Environmental	\$50,000	\$0	\$0	\$50,000	\$0	\$50,000
Water Conservation Plan	\$0	\$0	\$0	\$0	\$0	\$0
I/I Studies/Sewer	\$0	\$0	\$0	\$0	\$0	\$0
Surveying	\$25,000	\$0	\$0	\$25,000	\$0	\$25,000
Geotechnical	\$30,000	\$0	\$0	\$30,000	\$0	\$30,000
Testing	\$0	\$50,000	\$0	\$50,000	\$0	\$50,000
Permits	\$75,000	\$0	\$0	\$75,000	\$0	\$75,000
Inspection	\$0	\$270,000	\$0	\$270,000	\$0	\$270,000
O&M Manual	\$0	\$40,000	\$0	\$40,000	\$0	\$40,000
Project Management (by engineer)	\$50,000	\$60,000	\$0	\$110,000	\$0	\$110,000
Pilot Testing	\$0	\$0	\$0	\$0	\$0	\$0
Water Distribution	\$0	\$0	\$0	\$0	\$0	\$0
Special Services Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Special Services	\$280,000	\$420,000	\$0	\$700,000	\$0	\$700,000
Other						
Administration	\$50,000	\$0	\$0	\$50,000	\$0	\$50,000
Land/Easements	\$400,000	\$0	\$0	\$400,000	\$0	\$400,000
Water Rights Purchase (If Applicable)	\$0	\$0	\$0	\$0	\$0	\$0
Capacity Buy-In (If Applicable)	\$0	\$0	\$0	\$0	\$0	\$0
Project Legal Expenses	\$50,000	\$0	\$0	\$50,000	\$0	\$50,000
Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Other Services	\$500,000	\$0	\$0	\$500,000	\$0	\$500,000
Fiscal Services						
Financial Advisor	\$60,000	\$140,000	\$0	\$200,000	\$0	\$200,000
Bond Counsel	\$50,000	\$130,000	\$0	\$180,000	\$0	\$180,000
Issuance Cost	\$0	\$0	\$0	\$0	\$0	\$0
Bond Insurance/Surety	\$0	\$0	\$0	\$0	\$0	\$0
Fiscal/Legal	\$17,500	\$32,500	\$0	\$50,000	\$0	\$50,000
Capitalized Interest	\$0	\$0	\$0	\$0	\$0	\$0
Bond Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0
Loan Origination Fee	\$58,000	\$349,000	\$0	\$407,000	\$0	\$407,000
Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Fiscal Services	\$185,500	\$651,500	\$0	\$837,000	\$0	\$837,000
Contingency						
Contingency	\$354,500	\$1,758,500	\$0	\$2,113,000	\$0	\$2,113,000
Subtotal Contingency	\$354,500	\$1,758,500	\$0	\$2,113,000	\$0	\$2,113,000
TOTAL COSTS	\$2,795,000	\$19,205,000	\$0	\$22,000,000	\$0	\$22,000,000
Other ** description must be entered						
+ For Planning applications under the EDAP Program, please break down Planning costs as follows:						
Category A						0
Category B						0
Category C						0
Category D						0
Total Planning Costs					0	0

**Ingleside TWDB CWSRF Proposed Schedule
Revised June 2019**

- Request Extension to original commitment and conversion to multi-year commitment June 20, 2019
- Estimated Date to Publish RFQ for Engineering Services: September 4, 2019 &
September 11, 2019
 - Land Acquisition
 - Preliminary Design
 - Environmental Assessment
 - Final Engineering Report
 - Design
 - Permit Preparation
 - Construction
- Estimated Award of Engineering Contract: October 2019
- Executed Engineering Contract: November 2019
- Estimated Loan Closing (Planning, Design, & Land Acquisition): February 2020
- Estimated Date to Acquire Property: on or before October 2020
- Preparation of draft EID
 - Submit Draft to TWDB: June 2020
 - Agency Coordination Complete: October 2020
 - Preliminary Review by TWDB: November 2020
 - Submission of Completed EID: January 2021
 - TWDB approval of EID and issuance of FNSI: March 2021
 - 30 day comment period: April 2021
- Estimated date to submit Environmental Planning Documents: April 2021
- Estimated Date to submit Engineering Planning Documents: April 2021
- Estimated Date for Completion of Design January 2023
- Estimated Loan Closing (Construction): February 2023
- Estimated Construction Start Date for first contract April 2023
- Estimated Construction end Date for last contract July 2025

City of Ingleside Utility System Proforma

FYE (9/30)	Combined Customers	Utility System Revenues ⁽²⁾	Plus: Monthly Rate Increase ⁽³⁾	Less: Expenditures ⁽⁴⁾	Less: Annual Transfers Out ⁽⁵⁾	Available for Debt Service	Utility System Supported Debt ⁽⁶⁾		\$2,795,000 Certificates of Obligation, Series 2019			\$19,205,000 Certificates of Obligation, Series 2022			Total Debt Service	Coverage
							Service	Service ⁽⁶⁾	Principal	Interest ⁽⁷⁾	Total	Principal	Interest ⁽⁸⁾	Total		
2018 ⁽¹⁾	3169	\$ 4,283,357		\$ 2,514,360	\$ 440,000	\$ 1,328,997	\$ 602,480									
2019	3169	4,283,357		2,514,360	440,000	1,328,997	462,993							\$ 602,480	2.21X	
2020	3169	4,283,357	\$ -	2,514,360	440,000	1,328,997	459,270	\$ 65,000	\$ 25,832	\$ 90,832				462,993	2.87X	
2021	3169	4,283,357	-	2,514,360	440,000	1,328,997	328,644	75,000	40,388	115,388				550,102	2.42X	
2022	3169	4,283,357	-	2,514,360	440,000	1,328,997	306,482	75,000	39,263	114,263				444,032	2.99X	
2023	3169	4,283,357	-	2,514,360	440,000	1,328,997	131,006	75,000	38,138	113,138	\$ 400,000	\$ 570,150	\$ 970,150	1,214,294	1.09X	
2024	3169	4,283,357	-	2,514,360	440,000	1,328,997	132,028	75,000	37,013	112,013	415,000	557,925	972,925	1,216,966	1.09X	
2025	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	80,000	35,888	110,888	425,000	545,325	970,325	1,081,213	1.23X	
2026	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	80,000	34,725	114,725	440,000	532,350	972,350	1,087,075	1.22X	
2027	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	80,000	33,525	113,525	450,000	519,000	969,000	1,082,525	1.23X	
2028	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	80,000	32,325	112,325	465,000	505,275	970,275	1,082,600	1.23X	
2029	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	80,000	31,125	111,125	480,000	491,100	971,100	1,082,225	1.23X	
2030	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	85,000	29,888	114,888	495,000	476,475	971,475	1,086,363	1.22X	
2031	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	85,000	28,613	113,613	510,000	461,400	971,400	1,085,013	1.22X	
2032	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	85,000	27,338	112,338	525,000	445,875	970,875	1,083,213	1.23X	
2033	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	85,000	26,063	111,063	540,000	429,900	969,900	1,080,963	1.23X	
2034	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	90,000	24,750	114,750	555,000	413,475	968,475	1,083,225	1.23X	
2035	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	90,000	23,400	113,400	575,000	396,525	971,525	1,084,925	1.22X	
2036	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	90,000	22,050	112,050	590,000	379,050	969,050	1,081,100	1.23X	
2037	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	90,000	20,700	110,700	610,000	361,050	971,050	1,081,750	1.23X	
2038	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	95,000	19,313	114,313	630,000	342,450	972,450	1,086,763	1.22X	
2039	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	95,000	17,888	112,888	650,000	323,250	973,250	1,086,138	1.22X	
2040	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	95,000	16,463	111,463	665,000	303,525	968,525	1,079,988	1.23X	
2041	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	100,000	15,000	115,000	685,000	283,275	968,275	1,083,275	1.23X	
2042	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	100,000	13,500	113,500	710,000	262,350	972,350	1,085,850	1.22X	
2043	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	100,000	12,000	112,000	730,000	240,750	970,750	1,082,750	1.23X	
2044	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	105,000	10,463	115,463	750,000	218,550	968,550	1,084,013	1.23X	
2045	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	105,000	8,888	113,888	775,000	195,675	970,675	1,084,563	1.23X	
2046	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	105,000	7,313	112,313	800,000	172,050	972,050	1,084,363	1.23X	
2047	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	105,000	5,738	110,738	825,000	147,675	972,675	1,083,413	1.23X	
2048	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	110,000	4,125	114,125	850,000	122,550	972,550	1,086,675	1.22X	
2049	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	110,000	2,475	112,475	875,000	96,675	971,675	1,084,150	1.23X	
2050	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	110,000	825	110,825	900,000	70,050	970,050	1,080,875	1.23X	
2051	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	-	-	-	930,000	42,600	972,600	972,600	1.37X	
2052	3169	4,283,357	-	2,514,360	440,000	1,328,997	-	-	-	-	955,000	14,325	969,325	969,325	1.37X	
Total								\$ 2,795,000	\$ 685,007	\$ 3,480,007	\$ 19,205,000	\$ 9,920,625	\$ 29,125,625	\$ 33,963,062		

⁽¹⁾ Based on City's 2018 audited financial statements.

⁽²⁾ Revenues exclude impact fees

⁽³⁾ Represents the gross impact of \$0 per connection, per month increase to the base charge of a system user.

⁽⁴⁾ Expenditures exclude depreciation.

⁽⁵⁾ Estimate provided by the City and includes PILOT funds and chargebacks for administration as calculated by City Staff.

⁽⁶⁾ Represents debt service for Series 2007, Series 2011 and Series 2012 obligations paid by utility system.

⁽⁷⁾ Interest calculated at an assumed rate of 1.50% for illustrative purposes only.

⁽⁸⁾ Interest calculated at an assumed rate of 3.00% for illustrative purposes only.

RESOLUTION NO. 2019-25

A RESOLUTION REQUESTING FINANCIAL ASSISTANCE FROM THE TEXAS WATER DEVELOPMENT BOARD FOR CONSTRUCTING VARIOUS PUBLIC IMPROVEMENTS TO THE CITY'S UTILITY SYSTEM; AUTHORIZING THE CITY'S FINANCIAL ADVISORS, BOND COUNSEL, AND ENGINEERS TO COORDINATE THE SUBMISSION OF THE APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City of Ingleside, Texas (the *City*) deems it necessary to apply to the Texas Water Development Board (the *Board*) for financial assistance; and

WHEREAS, in accordance with the rules and regulations of the Board, which govern the procedures in making such an application, the governing body of the City is required to pass a resolution to accompany such application; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF INGLESIDE, TEXAS THAT:

1. It is hereby found and determined that the City cannot reasonably finance the proposed project without the financial assistance of the Board in the amount requested.

2. The City hereby requests that the Board grant financial assistance to the City in the amount not to exceed \$22,000,000 (as a loan or by the purchase of obligations of the City and the receipt of the largest amount of grant funds lawfully available from the Board) for constructing improvements to the City's utility system, as designed by the City's consulting engineer, and the purchase of the necessary land and rights-of-way relating to this project. These obligations may be issued by the City in one or more series.

3. The City Council previously adopted a resolution seeking financial assistance from the Board. The Board approved that application at its August 14, 2018 meeting with an expiration date of August 31, 2019. The City respectfully requests that the Board extend its current closing date from August 31, 2019 to December 31, 2023. In addition, the City respectfully requests that the Board recognize and approve the City issuing two series of debt, pursuant to a Board multi-year commitment, in the approximate amounts of \$3,000,000 to fund on or about February, 2020 and \$19,000,000 to fund on or about February, 2023. The City anticipates the sale of two series of the City's Combination Tax and Subordinate Lien Revenue Certificates of Obligation (the *Obligations*) to the Board.

4. The Mayor of the City is hereby authorized to execute and submit to the Board the application for such financial assistance, and the Mayor of the City, together with the bond counsel, financial advisors and consulting engineers named in such application, are authorized to appear before the Board in support of such application.

5. The Mayor of the City is further specifically authorized to make the required assurances to the Board in accordance with the rules, regulations, and policies of the Board.

6. A certified copy of this resolution (the *Resolution*) shall be attached to the application for financial assistance herein authorized to be prepared and submitted to the Board,

and the City Secretary of the City is authorized and directed to prepare and certify such number of copies of this Resolution as may be required for purposes of supporting the submission of such application to the Board.

7. The City Council authorizes the Mayor or Mayor Pro Tem of the City Council or the City Manager or the City Secretary of the City, or the designee of any of the foregoing, to take all actions necessary to execute any necessary financial advisory contract with SAMCO Capital Markets, Inc., San Antonio, Texas, as the financial advisor to the City (the *Financial Advisor*) and Hanson Inc., Austin, Texas, as the engineer to the City (the *Engineer*). The City Council understands that under applicable federal securities laws and regulations that the City must have a contractual agreement with its Financial Advisor relating to the sale, issuance, and delivery of the Obligations. In addition, the City Council also authorizes the Mayor or Mayor Pro Tem of the City Council or the City Secretary of the City, or the designee of any of the foregoing, to take all actions necessary to execute any necessary engagement agreement with the Engineer and with Norton Rose Fulbright US LLP, as the bond counsel to the City (*Bond Counsel*). Execution of such engagement agreements also constitute a prerequisite to the City's filing of its application with the Board.

8. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City.

9. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

10. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

11. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Resolution would have been enacted without such invalid provision.

12. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

13. This Resolution shall be in force and effect from and after its passage on the date shown below.

[The remainder of this page intentionally left blank]

PASSED, ADOPTED AND APPROVED on the 20th day of June, 2019.

CITY OF INGLESIDE, TEXAS

A handwritten signature in black ink, appearing to read "Rash", is written over a horizontal line.

Mayor

Attest:

A handwritten signature in black ink, appearing to read "Kimberty Janice Henry", is written over a horizontal line.
City Secretary

(CITY SEAL)

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS §
 §
COUNTY OF SAN PATRICIO §
 §
CITY OF INGLESIDE §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 20th day of June, 2019, the City Council (the *Council*) of the City of Ingleside, Texas (the *City*) convened in special session at its regular meeting place in the City Hall (the *Meeting*), the duly constituted members of the Council being as follows:

Ronnie Parker	Mayor
Kody Fahrenthold	Mayor Pro Tem, Place 2
Dennis Knippa	Councilmember, Place 1
Stewart Wilson	Councilmember, Place 3
Ben Tucker	Councilmember, Place 4
Steve Diehl	Councilmember, Place 5
John F. Schack	Councilmember, Place 6

and all of such persons were present at the Meeting, except the following: Kody Fahrenthold, Ben Tucker, John F. Schack, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

A RESOLUTION REQUESTING FINANCIAL ASSISTANCE FROM THE TEXAS WATER DEVELOPMENT BOARD FOR CONSTRUCTING VARIOUS PUBLIC IMPROVEMENTS TO THE CITY'S UTILITY SYSTEM; AUTHORIZING THE CITY'S FINANCIAL ADVISORS, BOND COUNSEL, AND ENGINEERS TO COORDINATE THE SUBMISSION OF THE APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced and submitted to the Council for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Councilmember Mayor Ronnie Parker that the Resolution be finally passed and adopted in accordance with the City's Home Rule Charter. The motion was seconded by Councilmember Steve Diehl and carried by the following vote:

4 voted "For" 0 voted "Against" 0 abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council of the City on the date of the Meeting are those persons shown above, and, according to the records of my office,

each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 20th day of June, 2019.



City Secretary,
City of Ingleside, Texas

(CITY SEAL)