



June 2006
RG-178

Developer's Bond Application Report Format

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Water Supply Division

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Developer's Bond Application Report Format

Prepared by
Water Supply Division

RG-178
June 2006



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BOND APPLICATION REPORT FORMAT
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INTRODUCTION

Use this application format when preparing a bond application as referenced in Commission Rule 293.43(5). In this document, “Commission Rules” refers to Title 30, Texas Administrative Code. For example, “Commission Rule 293.41” is the same as “30 TAC 293.41.” File the information requested in the form of an engineering report with a registered engineer’s seal and signature affixed. The format of the engineering report must conform to that shown herein, with all titles, subtitles, and references copied. Information in **boldface** is required to be copied unless exempted. If the applicant prefers, certain copies of the attachments (maps, etc.) may be reduced and bound in the report as long as full-size documents are available if the agency subsequently requests them. The report has been structured in such a manner as to provide some guidance in the preparation of a complete application. Supply all information and documents requested if they are applicable to your project.

For Districts that are not projecting growth to substantiate the feasibility of their bonds, certain sections, as noted in the captions under those sections, may not be applicable.

If the District anticipates selling bonds to the Texas Water Development Board or Farmers Home Administration (or its successors) and has prepared an engineering report for that purpose, submit the application directly to that purchasing entity, pursuant to Texas Water Code 49.181.

Submit a **complete** copy of this report for approval by the Commission to ensure efficient processing. If the Commission determines that items are missing, it will send a Notice of Deficiency to the applicant, which will delay application review. Failure to provide a complete response to the Notice of Deficiency letter within 30 days will cause the Commission to return the application. *Sections and attachments in the bond application report are to be (1) separated by dividers or colored paper, (2) tabbed, and (3) labeled. The sections of the engineering report should be bound separately from the labeled Attachments. If the separately bound attachments will not fit in one three--inch three- ring binder, then submit more than one volume.*

ABBREVIATIONS

The following abbreviations are used in the report:

ac – acres

Amt. – amount

AV – assessed valuation

BIR – bond-issue requirement

ESFC—equivalent single-family connection. One ESFC is defined as equaling a typical detached single-family house. Unless a local governmental authority requires otherwise, or unless otherwise established, an ESFC is defined as 360 gallons per day for average water usage and 300 gpd for average wastewater return flow. All non-residential connections and all multi-family residential connections must be expressed in ESFCs using actual metered average water usage or, if not yet available, projected water usages. For example, an ESFC as defined above will use an average of 10,800 gallons per month of wastewater. A commercial building using an average of 108,000 gallons per month of wastewater would be rated at 10 ESFCs. A district may use an average wastewater return flow of greater than 300 gpd if, in the opinion of its district engineer, such a higher design criteria is warranted, or if required by the city in whose ETJ or limit the district is located. A district may use a wastewater return flow of less than 300 gpd/ESFC under either of the following criteria: (1) the district's engineer has requested, and received written approval from the TCEQ's Water Quality Division, to use a lower wastewater return flow per ESFC or (2) the district submits with the bond application a table for the previous three years showing average monthly wastewater return flow, the number of ESFCs, wastewater return flow per ESFC, and monthly rainfall totals with the district engineer's justification for a reduced flow factor. The information submitted under criterion (2) will be reviewed by staff and, if considered appropriate, will be reflected in the staff memorandum.

ETJ – extraterritorial jurisdiction

et.seq. – and the following ones

fps – feet per second

gpd – gallons per day

gpm – gallons per minute

mgd – million gallons per day

MUD – municipal utility district

TAC – Texas Administrative Code

TCEQ – Texas Commission on Environmental Quality

(NAME OF DISTRICT)
(COUNTY)
(AMOUNT OF BOND APPLICATION)
(NUMBER OF BOND ISSUE)

SECTION 1 — GENERAL INFORMATION

(A) Laws, Elections, and Acreage:

- (i) **Authority Creating District:** State the name of the authority that created the District, together with a full reference to the official action. Examples:

Created by Order of the Texas Water Rights Commission, dated January 1, 1971.

Created pursuant to Chapter 775, Acts of the 69th Legislature, Regular Session, 1985.

If the District has been converted, renamed, or otherwise reorganized during its existence, provide all details, including full reference to any official actions relating to such conversion, renaming, or reorganization.

- (ii) **Governing Law:** State which chapter(s) of the Water Code the District operates under, and reference the applicable law providing for Commission jurisdiction over the District.
- (iii) **Confirmation Election:** State the date and results of the District's confirmation election. If this is the District's first bond issue, provide certified copies of the order calling the election with the proposition attached and the order canvassing the results of the election as a *labeled Attachment*.
- (iv) **Acreage:** State the total acreage of the District at the time of creation, and list in chronological order all annexations and exclusions, including the date and acreage of all such annexations and exclusions. Provide, as a *labeled Attachment*, copies of official District action for all annexations and exclusions since creation or since the last bond issue, including metes and bounds for any annexed or excluded areas, as applicable. State the current official District acreage and compare it to the sum of the creation acreage and all annexation and exclusion acreage. If there is a discrepancy, please explain.
- (v) **Boundary Map:** Provide, as a *labeled Attachment*, a current District boundary map. Submit a map on 22"-24" × 36" paper or other reproducible material. If available, provide a boundary description in a digital form tied to the Texas State Plane Coordinate System or any standard map projection and corresponding metadata. The boundary map shall clearly show the original District area and each annexed or excluded area.

(B) Location:

Describe the District location with reference by distance and direction to nearby cities, highways and other prominent features. Detail the access pattern from a city or major highway expected to be used by most District residents. Detail any municipality's ETJ or corporate limits existing within the District. Provide a location map showing the District in relation to a city or major highway as a *labeled Attachment*.

SECTION 2 — PROPOSED BOND ISSUE

(A) Purpose:

Briefly state the general purpose of the bond issue, categorizing the proposed improvements.

(B) Bond and Maintenance Tax Authorization:

(i) Bond Authorization:

State the date and results of the District’s bond authorization election(s). For each election indicate if the bonds are for water, wastewater and/or drainage facilities; fire fighting facilities; recreational facilities; or roads. For any election since the last bond application, provide certified copies of the order calling the election and the order canvassing the results of the election as *labeled Attachments*. If this is the District’s first bond issue, and if the District has excluded territory since the bonds were originally approved by the voters, provide a certified copy of the order calling the election and the order canvassing the results of the election as a *labeled Attachment* to verify that the District revoted the bonds in accordance with Section 49.303(d) of the Water Code.

Date of Election	Purpose	Amount Approved	Amount Canceled
	Water, Wastewater, Drainage Recreational Roads Firefighting		

(ii) Maintenance Tax:

State the date and results of the District’s maintenance tax elections, the maximum (cap) of the tax authorized, and if applicable any canceled authorization. State the type of facilities for which the maintenance tax is authorized. Provide certified copies of the order calling the election and order canvassing the results of maintenance tax elections as *labeled Attachments*, for all elections since the last bond issue.

Date of Election	Purpose	Maximum Tax Approved (per each \$100 of AV)	Cancelled Prior Authorization
	General Operating/Recreational Recreational General Operating		

(C) **Prior Bond Issues:**

List all previous bond issues, stating the amount and the date approved by the Commission and the amount sold. Calculate the amount of remaining voter authorized but unissued bonds, assuming sale of the proposed bond issue. State whether, in the opinion of the District's engineer, all remaining voter authorized but unissued bonds will be sufficient to complete development in the District. If not, explain why and explain the District's future plans in this regard. The list of bonds authorized, approved, issued and remaining shall identify bonds for water, wastewater and/or drainage; firefighting facilities; recreational facilities; and roads. Below is an example of a table for water, wastewater and drainage bonds. Use similar tables for other bonds if necessary.

Type of Bonds—Water, Wastewater and Drainage			
Total Amount Authorized:			
Bond Issue No.	TCEQ Amount Approved	TCEQ Order Date Approved	Amount Sold⁽¹⁾
1			
2			
3			
4 (proposed)			
Total Bonds Sold:			
Remaining Authorized Bonds:			

Note: (1) If the amount of bonds sold is lower than the amount approved by the Commission provide as a *labeled Attachment* a cost comparison of the Commission approved cost summary versus the amounts expended.

(D) **Type:**

State the type of bonds approved by the voters and the type requested for approval by the Commission. Examples: *Voters approved unlimited tax and revenue bonds. District seeks approval of unlimited tax and revenue bonds.*

(E) **Interest Rate:**

State the projected interest rate of the proposed bonds which the District requests the Commission to approve. This rate will be used to determine the feasibility and the recommended tax rate.

(F) **Land-Use Plan:**

As a *labeled Attachment*, provide a land-use plan showing all previous and proposed bond projects. If necessary, a second plan can be provided to identify offsite projects. The land-use plan shall also identify areas used in the feasibility of the bond issue (i.e. shown in the build-out schedule or used in the current assessed valuation) that have not been included for funding in previous or the proposed bond issue. Describe how proposed facilities tie into existing or other proposed or future facilities.

(G) Recreational Facilities:

If the bond issue includes funding for recreational facilities, then provide the following:

1. As a *labeled Attachment*, a copy of the signed and sealed park plan in accordance with Commission Rule 293.41(e)(1).
2. As a *labeled Attachment*, a certified copy of the order calling the election and order canvassing the results of the election.
3. Evidence that the projects are in accordance with Commission Rule 293.41(e)(2).
4. Evidence of compliance with Commission Rule 293.41(e)(4).
5. Evidence of compliance with Commission Rule 293.41(e)(5).
6. As a *labeled Attachment*, a detailed breakdown of the proposed recreational facilities and all associated costs to be financed by this bond issue.

(H) Roads:

Does the District have authority to fund roads? Yes No. If yes, provide as a *labeled Attachment* either an order of the Commission granting road powers, or other evidence of road authority.

SECTION 3 — FACILITIES PROPOSED FOR FUNDING

(A) Purchase of Existing Facilities and/or Assumption of Existing Contracts:

Provide a detailed list of contracts for projects proposed for funding in accordance with the example table below.

The column denoted “Amount Subject to District Contribution” represents the amount under the “Contract Amount” column minus adjustments due to cost sharing of shared facilities and minus costs for ineligible developer items. It represents the amount applied to the Cost Summary (Section 4) *before* the developer’s 30% contribution has been deleted. The column denoted “% Complete (Date)” reflects information from the final or most recent pay estimates.

Footnotes are required with the table to further clarify amounts and reasons for change orders, cost share issues, ineligible costs, quantity adjustments, partial funding, economic incentives or disincentives, and any other reasons necessary to support the amount subject to District contribution. If a project includes more than one of the following—water, wastewater, and drainage facilities; firefighting facilities; recreational facilities; or road facilities—use footnotes to identify amounts for each.

In addition to the table, clarify in detail the footnoted change orders and cost reductions for cost sharing and ineligible items by providing the final or most recent pay estimate, bid or detailed estimate if future facilities, with each cost share and ineligible item *highlighted*. Furthermore, show calculations for each line item where shared facilities or ineligible items are split with the District.

Example Table: Purchase of Facilities / Assumption of Contracts

Project	Contractor	% Complete (Date)	Contract Amount	Amt. Subject to District Contribution
Royal Estate, Sect. 1 —W, WW & D	Construction, Inc.	100% (05/01/1985)	\$456,631 ⁽¹⁾	\$292,037 ⁽²⁾
Royal Estate, Sect. 3 —W, WW & D	Utilities, Inc.	92% (06/24/1985)	\$150,522 ⁽³⁾	\$84,192 ⁽⁴⁾
Royal Estate, Sect. 5 —W, WW & D	John Doe Const. Co.	5% (07/30/1985)	\$508,160 ⁽⁵⁾	\$508,160
Royal Estate, Sect. 5 —Clearing & Grubbing	Contractors, Inc.	90% (05/30/1985)	\$11,655 ⁽⁶⁾	\$5,833 ⁽⁷⁾
Royal Estate, Sect. 2 —Water Main	Grey Co.	100% (01/01/1985)	\$819,900 ⁽⁸⁾	\$233,920 ⁽⁹⁾

Notes:

1. Original contract (\$444,301) plus Change Order No. 1 (+\$10,000) which changed the water services from single family to duplexes plus final quantity adjustments (+\$2,330). Also includes costs in the amount of \$134,637 for the 36" water approach main which was previously funded under the District's first bond issue.
2. Costs for a culvert under Aftonshire Drive have been deleted as follows:

Item	Cost
48" pipe (175.88 feet @ \$60.85/LF)	\$10,702
Headwall "A"	12,000
Headwall "B" (Road's pro rata share @ 65.95%)	<u>7,255</u>
TOTAL	\$29,957

The type "B" headwall serves as an outlet for two 48" culverts which are part of the developer's road system and one 54" culvert which is part of the District's storm sewer system. The costs for the type "B" headwall were prorated based on total flow discharged.

The District's share of the total cost of \$29,957 for the developer road crossing is 50% of 40% (based on District drainage area upstream of the crossing divided by total drainage area upstream of crossing) or \$5,991. The balance of \$23,966 is the developer's share.

Amount shown represents contract amount of \$456,631 less \$134,637 previously funded, and less \$23,966 for the developer costs.

3. Original contract amount (\$133,989) plus Change Order No. 1 (+\$20,000) to add a pay time for riprap called for on plans but inadvertently omitted from the proposal; and Change Order No. 2 (-\$3,467) to delete three manholes.

4. Costs of \$66,330 for a wastewater interceptor serving Austin Oaks subdivision were excluded since the interceptor is not considered an eligible District expense. The subdivision is part of another municipal utility district (MUD No. 2) being developed by the District's developer.
5. Original contract amount (\$498,067) plus Change Order No. 1 (+\$10,093) to add a pay item for wet sand construction.
6. Original contract amount. No change orders have been issued to date.
7. Represents clearing and grubbing costs for utility construction, which are 50% of \$11,665 since clearing and grubbing of 5.875 acres of total 11.75 acres is related to utility construction.
8. Original contract amount (\$810,000) plus \$9,900 for final quantity adjustments.
9. Capacity in the water main "B" is shared with two neighboring districts in accordance with the cost sharing agreement titled "Joint Use Facilities Contract" dated April 26, 1982. Costs are shared on the basis of benefits received. A detailed calculation of the cost proration with accompanying diagram indicating flow locations is included as *labeled Attachments* to the agreement. See Section 9, Shared Facilities.

(B) Facilities to be Constructed:

Provide an itemized cost summary of all facilities proposed to be constructed with the proposed bond funds which are not currently under contract. Indicate status of plans and specifications approvals and whether the project has been bid. If plans are approved, provide a copy of approved plans and specifications and other available items shown in the construction contract documents checklist (include documents related to bid process, if available) to avoid possible escrow of funds. Likewise, provide the information related to the bid, as applicable.

Project	Status	Estimated Cost	Amt. Subject to District Share
Drainage Channel	Waiting for Plan Approval	\$200,000	\$200,000
Detention Pond	Approved Plans, Bid	\$100,000	\$100,000
Wastewater Treatment Plant	Approved Plans, not yet bid	\$500,000	\$285,000 ⁽¹⁾
Water Plant	Design Phase	\$250,000	\$250,000

Note:

1. Construction costs for the 0.625 MGD plant are shared with MUD 2. Pro rata shares based on needed capacity (0.356 MGD/0.625 MGD = 57%).

SECTION 4 — SUMMARY OF COSTS

Use the table in (C) as an example in preparing the cost summary for projects to be funded from the proceeds of the proposed bond issue. If recreational facilities are included in a bond application that also proposes to fund water, wastewater, and/or drainage facilities, then provide a third column labeled “Recreation Costs” to the right of the “District’s Share” column to show the bond amount (Construction and Nonconstruction Costs) related to recreational facilities. Include line items for each contract and for each subdivision proposed for service. Furnish additional information as requested in the footnotes. Column by column instructions are as follows.

(A) Category of Cost Column:

- (i) **Construction vs. Nonconstruction Costs:** *Construction* costs include all actual construction contract costs; engineering costs related to construction plus any engineering studies related to facilities, or needed prior to construction; land acquisition costs; and any other cost which is directly related to the purchase, construction, or maintenance of any facility.

Nonconstruction costs are costs related to the issuance of bonds, operations of the District, developer interest, lease costs, and any costs related to the creation of the District. The creation cost shall be broken down into legal, engineering reports or special studies and other cost categories. The percentage of the total Bond Issue Requirement for legal fees, fiscal agent fees, capitalized interest and bond discount shall be noted as shown.

(ii) **Construction Costs**

- (a) **General**—Construction costs shall be itemized by contract, where possible, and each contract subdivided into water, wastewater, drainage and a category for other items (specify, if used). Any items subject to special considerations (Commission Rule 293.44(a)) (See also Section 12) shall be broken out as a separate line item. Examples: clearing and grubbing, spreading and compacting, engineering studies such as topographic surveys, soil studies, fault studies, boundary surveys, combined lake and detention facilities, etc.

- (b) **Developer Contribution Items vs. District Items**—Commission rules shall be carefully examined to determine the distinction between projects requiring a 30% contribution by the developer, and those which do not. If a construction contract includes both developer contribution and 100% District items, the contract shall appear in both sections, with the costs allocated accordingly.

Make a distinction between developer-contribution items and District Items in all cases except when there is no developer reimbursement associated with the bond application. If the cost summary includes 100% reimbursement on items normally requiring a 30% contribution, then a board resolution requesting approval of a bond issue needs to include a request to reimburse 100% along with justification.

(B) Amount Column:

The “Amount” column shall reflect only the amount subject to the District’s share of the itemized cost estimate, the net contract amount, the final construction cost, or the purchase price, as applicable. The amount in this column shall correspond to the amount in the “Amount Subject to District Contribution” column in the table Purchase of Facilities / Assumption of Contracts in Section 3. Each item in the “Amount” column shall be supported by an itemized cost breakdown in *labeled Attachments*.

(C) District’s Share:

For developer contribution items, this figure should normally be 70% of the figure in the “Amount” column. Any variance from this 70% shall be noted and fully justified.

Example Cost Summary

Construction Costs	Amount	District’s Share
A. Developer Contribution Items		
1. Royal Estate, Section 1		
a. Water	\$95,292	\$66,704
b. Wastewater	97,342	68,139
c. Drainage	99,403	69,582
Subtotal	<u>\$292,037</u>	<u>\$204,425</u>
2. Royal Estate, Section 3		
a. Water	\$29,000	\$20,300
b. Wastewater	27,100	18,970
c. Drainage	28,092	19,664
Subtotal	<u>\$84,192</u>	<u>\$58,934</u>
3. Royal Estate, Section 5		
a. Water	\$170,000	\$119,000
b. Wastewater	165,100	115,570
c. Drainage	173,060	121,142
d. Clearing and Grubbing	5,833	4,083
Subtotal	<u>\$513,993</u>	<u>\$359,795</u>
4. Drainage Channel	\$200,000	\$140,000
5. Detention Pond	100,000	70,000
6. Contingencies (__% of Items 1–5)	51,227	35,859 ⁽¹⁾
7. Engineering (__% of Item Nos. 1–6)	124,145	86,901 ⁽²⁾
8. Special Engineering Report (specify)	5,000	3,500 ⁽²⁾
9. Land Acquisition	20,000	14,000 ⁽³⁾
Total Developer Contribution Items	<u>\$1,390,594</u>	<u>\$973,414</u>

B. District Items		
1. Royal Estate, Section 2 Water Main	233,920	100,000 ⁽⁴⁾
2. Wastewater Treatment Plant	500,000	285,000 ⁽⁵⁾
3. Water Plant	250,000	250,000
4. Contingencies (__% of Item Nos. 1-3)	55,000	55,000 ⁽¹⁾
5. Engineering (__% of Item Nos. 1-4)	83,891	83,891 ⁽²⁾
6. Land Acquisition	<u>20,000</u>	<u>20,000</u> ⁽³⁾
Total District Contribution Items	<u>\$1,142,811</u>	<u>\$793,891</u>
TOTAL CONSTRUCTION COST	\$2,533,405	\$1,767,305
Less Surplus Funds Applied	<u>(\$100,000)</u>	<u>(\$100,000)</u> ⁽⁶⁾
NET CONSTRUCTION COSTS (__% of BIR)	\$2,433,405	\$1,667,305
 <u>Non Construction Costs</u>		
A. Legal Fees (__ %)		\$62,200 ⁽⁷⁾
B. Fiscal Agent Fees (__ %)		52,200 ⁽⁸⁾
C. Interest Costs ⁽⁹⁾		
1. Capitalized Interest (__ years @ __ %)		252,000
2. Bond Anticipation Note Interest		8,000 ⁽¹⁰⁾
3. Developer Interest		65,000 ⁽¹¹⁾
D. Bond Discount (__ %)		66,600
E. Bond Issuance Expenses		53,510 ⁽¹²⁾
F. Bond Anticipation Note Issuance		20,000 ⁽¹³⁾
G. Operating Cost		20,000 ⁽¹⁴⁾
H. Lease of Interim Wastewater Treatment Plant		15,000 ⁽¹⁴⁾
I. Creation Engineering Cost		30,000 ⁽¹⁵⁾
J. Creation Legal Cost		60,000 ⁽¹⁶⁾
K. Bond Application Report		30,000
L. Attorney General's Fee (0.10%)		2,410 ⁽¹⁷⁾
M. TCEQ Bond Issuance Fee (0.25%)		<u>5,775</u> ⁽¹⁸⁾
TOTAL NON CONSTRUCTION COSTS (__% of BIR)		<u>\$742,695</u>
TOTAL BOND ISSUE REQUIREMENT (BIR)		\$2,410,000

Notes:

1. Represents 1% of item no. 2, 4% of items 3a to 3c, 1% of item 3d, and 10% of items 4 and 5. Generally accepted contingencies are 10% on estimates and 5% on bid items, declining linearly to 0% on complete construction contracts. Justify any additional contingencies.
2. As a *labeled Attachment*, provide a breakdown of the engineering by basic services, surveying, full- and part-time inspection, and special reports or services such as soil studies, topographic surveys, or drainage studies (which are not otherwise itemized in the cost summary). Include a copy of each special report as *labeled Attachments* and indicate the District benefit for any special report costs which are included.

3. Provide documentation such as closing statements, warranty deeds, canceled checks, promissory notes, and tax statements if the land is being acquired at the developer's cost plus carrying charges, or an independent appraisal if the land is being purchased at fair market value or some other negotiated price, or a copy of the condemnation settlement if the land was condemned, all as *labeled Attachments*, for each acquired tract along with a boundary description and a map of each tract. If the facility is a detention pond/amenity facility then a final construction pay estimate is to be provided to support the cost proration for each use.
4. The District's share is \$233,920 of which only \$100,000 will be reimbursed to the developer from the proceeds of this bond issue. The remaining \$133,920 amount will be deferred until a future bond issue.
5. For shared facilities to be constructed, include the other entity's share in a footnote. Provide detailed information on cost sharing in Section 9, Shared Facilities.
6. The District's resolution for issuance of bonds must include a request for the use of surplus funds. As a *labeled Attachment*, provide a bookkeeper's statement on the availability of surplus funds.
7. As a *labeled Attachment*, provide a breakdown of the legal fees. Explain any fees which are not for bond counsel, market opinion, administration, and bond-application costs. Include legal fees for issuance and creation of bond anticipation note issuance and creation separately as shown in the example cost summary.
8. As a *labeled Attachment*, provide a breakdown of the fiscal agent fees. Explain any fees which are not for administration or bond application costs. Include fiscal agent fees for bond anticipation note issuance and creation separately as shown in the example cost summary.
9. This section should include all interest costs related to or included in the bond issue.
10. As a *labeled Attachment*, provide a breakdown of the bond anticipation note interest calculation.
11. As a *labeled Attachment*, submit a tabular breakdown, itemized by contract, invoice amount and date of payment, the number of days of interest accumulated, the interest rate [not to exceed the interest rate stated in Section 2(E)] and the total actual or estimated amount reimbursable. The preferred table format is as follows:

Section Name and Invoice No.	Invoice Amount	Date Paid	Projected Funding Date	No. of Days	Total Developer Interest

12. Provide a breakdown of bond issuance expenses proposed to be funded in the bond issue.
13. As a *labeled Attachment*, provide a cost summary, including a detailed breakdown of legal, financial, and miscellaneous costs for a proposed bond anticipation note. A copy of the bond anticipation note shall be provided as soon as practicable after the issuance, with an amended “Summary of Costs” section, as necessary.
14. As a *labeled Attachment*, clearly indicate with a detailed breakdown (i.e. operating budgets satisfying the requested time period for reimbursement) that the calculation of these operating expenses are in compliance with Commission Rule 293.44(a)(16) and with Water Code Section 49.155 (or other similar references). If applicable, provide as a *labeled Attachment* a copy of the lease agreement for an interim plant. Operating advances/expenses should be based on the District’s fiscal year with each year requested for reimbursement shown separately in the attachment.
15. As a footnote, itemize these costs and provide a copy of the contract under which the costs were paid as a *labeled Attachment*. Supply copies of any studies not previously submitted (reference the submission) for which the costs are included as *labeled Attachments*. If any fees relating to obtaining information for cities or governmental agencies are to be paid, then submit copies of such information with *labeled Attachments*, if the documents have not been previously submitted (reference the submission).
16. As a footnote, itemize these costs and provide a copy of the contract under which the costs were paid as a *labeled Attachment*. If the legal fees pertain to any special agreements between a city or other governmental agency and the developer (for the proposed district), supply copies of such agreements as *labeled Attachments*, if they have not been previously submitted (reference the submission).
17. The attorney general’s fee is calculated as follows: 0.10% of the total bond-issue requirement, but not less than \$750 nor more than \$9,500.
18. All bond issues approved by the Commission are subject to a 0.25% bond-issuance fee [Commission Rule 293.45(b)].

SECTION 5 — DEVELOPMENT STATUS AND LAND USE

Provide a completed copy of each of the following tables in the engineering report. Describe by footnote any unusual conditions, circumstances or land uses that cannot be fairly or fully illustrated in the tables. Unless otherwise justified by usage data or required by applicable rule, law or regulatory requirement, an ESFC is equivalent to a single-family residence with 3.0 persons (300 gpd of return wastewater flows or approximately 360 gpd of water supply). See also the definition of “EFSC” in the Abbreviations section.

The following information represents development as of _____ (Date)_____.

(A) **Land-Use Table:**

LAND USES	ACREAGE*	EQUIVALENT CONNECTIONS	
		EXISTING	PROJECTED
Developable Acreage: Developed from prior bond issues (see table B below): To be developed from the bonds (see Table C below): Currently developed with facilities to be funded in future bonds (see Table D below): Remaining developable acreage: Subtotal Developable Acreage:			
Undevelopable Acreage: Streets: Drainage easements: Permanent floodplain: Parks and recreational and open spaces: Other (specify): Subtotal Undevelopable Acreage:			
Total Acreage			

* Provide from approved plat, if available.

(B) **Development from Prior Bonds:**

**STATUS OF DEVELOPMENT
(Prior Bond Issues)**

SECTION	TYPE OF DEVELOPMENT	NO. OF LOTS	ACREAGE	EQUIVALENT CONNECTIONS	
				EXISTING	AT FULL DEVELOPMENT
TOTALS					

(C) **Development from Proposed Bonds:**

**PROPOSED DEVELOPMENT
(Proposed Bonds)**

SECTION	TYPE OF DEVELOPMENT	NO. OF LOTS	ACREAGE	EQUIVALENT CONNECTIONS	
				EXISTING	AT FULL DEVELOPMENT
TOTALS					

(D) Development from Future Bonds (by Section if Available):

**DEVELOPMENT TO BE FUNDED
(Future Bonds)**

SECTION	TYPE OF DEVELOPMENT	NO. OF LOTS	ACREAGE	EQUIVALENT CONNECTIONS	
				EXISTING	AT FULL DEVELOPMENT
TOTALS					

(E) Historical Build-Out:

Complete the following table showing the cumulative historical District build-out for the last three years or from the time the first improvements were built on developed property, whichever is less.

YEAR	TYPE OF DEVELOPMENT	NO. OF UNITS	ACREAGE/ RESERVES	SQUARE FOOTAGE	EQUIV. CONNECTIONS	
					EXISTING	ULTIMATE
	Single Family Multi-Family Commercial Office Other (Specify)					
TOTALS						

Repeat for each year.

(F) Floodplain Information:

Provide a current map of the official (for flood insurance purposes) floodplain covering the areas in the District as a *labeled Attachment*, and copy and answer the following questions.

- (i) **What is being done (if anything) to remove the areas of the District, if any, currently in the official floodplain?**
- (ii) **Are any of the improvements proposed for purchase or construction funding through the proceeds of this bond issue currently in the official floodplain? Yes No.** If yes, will the areas be removed from the floodplain?
- (iii) **Are areas currently in the official floodplain used in the build-out projections used to support this bond issue? Yes No.** If yes, list.
- (iv) **Who is charged with maintaining minimum floor slab elevations in the District area?**
- (v) **Are any sites or easements to be funded in the bond issue currently in the floodplain? Yes No.** If yes, indicate the location on the copy of the floodplain map provided.

SECTION 6 — SOURCE OF WATER SUPPLY, WASTEWATER TREATMENT FACILITIES, AND STORM-WATER DRAINAGE FACILITIES

(A) Water Supply:

(i) **Water Supply Source:** Describe the existing and proposed (to be funded in this bond issue) water supply sources. If services are received from sources other than the District’s own supply provide as a *labeled Attachment* a copy of each executed contract with such entity. Provide copies of all current water well permits as a *labeled Attachment*. Describe the source and capacity of water supply and the District’s, as well as the sharing entity’s, capacity of shared facilities.

If groundwater is used, provide the capacity of each well. If surface water is used, state the source, peak supply and average daily flow available and provide a copy of available permits as *labeled Attachments*.

(ii) **Water Supply Facilities Inventory:** Provide a detailed inventory of existing and proposed (to be funded by this bond issue) water supply facilities, as applicable, in accordance with the Example Water Supply Table below. The detailed summary should be provided regardless of whether the facilities are the District’s own, shared with another entity or from a city. If water supply is from a city where the details are not readily available, provide documentation from the city verifying available capacity to serve existing and projected needs. ESFC capacity is based on the TCEQ’s minimum criteria or the District’s criteria, whichever are more stringent, to determine capacity.

Example Water Supply Table

Facility	Existing Capacity	Proposed Capacity	Total Capacity	Criteria	District’s % Share (ESFC Capacity)
Wells	1,600 gpm	0 gpm	1,600 gpm	0.6 gpm/ESFC	2,667 ESFCs
Pressure Tank	40,000 gal	0 gal	40,000 gal	20 gal/ESFC	2,500 ESFCs
Ground Storage	638,000 gal	100,000 gal	738,000 gal	200 gal/ESFC	3,690 ESFCs
Elevated Storage	200,000 gal	100,000 gal	300,000 gal	100 gal/ESFC	3,000 ESFCs
Booster Pump	3,500 gpm	2,000 gpm	5,500 gpm	2.0 gpm/ESFC	2,750 ESFCs

(iii) **Interconnects:** State the name of interconnecting entity and location of interconnect. Provide a copy of the interconnect contract as a *labeled Attachment*.

(iv) Provide a copy of executed contracts for capacity being being leased to or from, sold to, or purchased from another entity, if not otherwise provided, as a *labeled Attachment*.

(v) If special considerations or circumstances exist, provide an explanation narrative.

(vi) **The District’s water supply is capable of serving (number) ESFCs, which is (sufficient/insufficient) to serve the (number) ESFCs necessary to support the feasibility of this proposed bond issue.** If the District’s water supply is insufficient to serve the number of ESFCs necessary to support the feasibility of this proposed bond issue then provide additional

documentation including any necessary financial guarantees as allowed by applicable rules [such as Commission Rule 293.59(k)(6)(D)].

(B) Wastewater Treatment:

- (i) **Wastewater Treatment Facilities:** Describe existing and proposed (funded in this bond issue) package, interim, and/or permanent wastewater treatment plants. If services are received from other than the District's own wastewater treatment facilities or if the plant is leased, provide as a *labeled Attachment* a copy of each executed contract with such entity. Provide copies of all current wastewater treatment permits as a *labeled Attachment*. Describe the source and capacity in ESFCs of wastewater treatment facilities and the District's, as well as the sharing entity's, capacity share of shared facilities, based on 300 gpd/ESFC or the District's criteria, whichever are greater.
- (ii) If the District proposes to base the number of ESFCs served on criteria less than 300 gpd/ESFC, see discussion about ESFCs in the Abbreviations section. Approval of a lower flow factor is subject to review during the bonds application process unless a prior approval letter was obtained.
- (iii) Provide a copy of executed contracts for capacity being leased to or from, sold to, or purchased from another entity, if not otherwise provided, as a *labeled Attachment*.
- (iv) If special conditions or circumstances exist, provide an explanation narrative.
- (v) **The District's wastewater capacity is capable of serving (number) ESFCs, which is (sufficient/insufficient) to serve the (number) ESFCs necessary to support the feasibility of this proposed bond issue.** If the District's wastewater capacity is insufficient to serve the number of ESFCs necessary to support the feasibility of this proposed bond issue then provide additional documentation including any necessary financial guarantees as allowed by applicable rules (such as Commission Rule 293.59(k)(6)(D)).

(C) Storm-Water Drainage Facilities:

- (i) Describe in general the natural drainage patterns of the land in the District, including how rainfall runoff flows from the District to major drainage outfalls which are either natural named streams or manmade channels maintained by a local agency. Such description should extend beyond the District's boundaries if needed to clarify the outfall location.
- (ii) Describe in general the drainage-system improvements to serve the District's development, including the type of road drainage (open ditch or storm sewer), new or improved drainage channels, storm-water detention basins, offsite facilities, etc.
- (iii) Describe the specific storm-water drainage facilities that are proposed to be funded in this bond issue.
- (iv) If local, state, or federal regulations require storm-water quality facilities, state the name of the entity requiring such facilities and describe the district storm-water quality treatment facilities, if any, to be funded by the proposed bond issue.

SECTION 7 — BASIS OF DESIGN

(A) Conformity with Regulatory Requirements:

State whether or not the facilities proposed for funding in this application are designed in accordance with the applicable criteria established by regulatory authorities, by filling out the following table. If checking “N/A” on any line, explain briefly. If checking “no” on any of the lines, explain in full.

(i) **Texas Commission on Environmental Quality:** Yes ___ No ___ N/A ___

(ii) **City of _____:** Yes ___ No ___ N/A ___

(iii) **County of _____:** Yes ___ No ___ N/A ___

(iv) **_____ County Flood Control District:** Yes ___ No ___ N/A ___

(v) **Commission Permit Required by Water Code 16.236:**
Yes ___ No ___ N/A ___

(vi) **Others:** List in the same format.

(B) Oversizing:

Is the District constructing any facility with capacity in excess of that reasonably anticipated for future in-district uses? ___ Yes ___ No. If yes, is the additional capacity required by local government or other regulatory agency? ___ Yes ___ No. If yes, then address in Section 9(D) of this report; if no, please list and justify each oversized facility.

SECTION 8 — FINANCIAL INFORMATION

If any of the following information is being provided by a person other than the District’s engineer, please specify. A disclaimer by the engineer may be added since the Commission is requiring that the information be bound into the engineering report; however, please indicate who is responsible for the information and who shall be contacted for questions.

(A) Growth / No Growth

The economic feasibility of this bond issue is based on _____ (growth or no growth).

The highest projected taxable value shown in the cash flow schedule is \$_____.

(B) Latest Certified Assessed Valuation: \$_____ as of January 1, _____. Include as a *labeled Attachment* a certificate indicating such valuation from the Chief Appraiser of the County Appraisal District.

Latest Certified Estimate of Assessed Valuation (if available): \$_____ as of January 1, _____.

Do not include the rendering of property at a value higher than actually assessed. Include as a *labeled Attachment* a certificate from the Chief Appraiser of the County Appraisal District showing such valuation.

(C) **Historical Tax Data:** Fill in the following table for the previous 5 years:

The following information is as of (Date) .

YEAR COLLECTED	ASSESSED VALUATION	DEBT SERVICE TAX RATE	MAINTENANCE TAX RATE	AMOUNT COLLECTED	TOTAL

(D) **Cash and Investment:** Fill in the following table—

CASH AND INVESTMENT BALANCES	
As of <u>(date)</u>	
General Operating	\$ _____
Debt Service Fund	\$ _____
Capital Projects Fund	\$ _____
Debt Service Tax Fund (if applicable)	\$ _____
Maintenance Tax Fund (if applicable)	\$ _____
Meter Deposit Fund (if applicable)	\$ _____
Other Fund(s) (specify)	\$ _____
_____	\$ _____
_____	\$ _____

(E) **Outstanding Indebtedness:**

For the District’s previous bond issue(s), list the total outstanding bond debt related to each of the following categories: utilities, roads, firefighting, and/or parks (based on original breakdown by percentage).

Calculate the District’s ratios of total outstanding utility, road, firefighting, and park debt (including this bond issue) to the latest certified estimated assessed valuation and show the values used to calculate these ratios.

(i) **Bond Issues:**

Category	Outstanding Debt	Proposed Debt	Combined Debt	Debt Ratio based on Current Certified or Estimated Value
Water, Wastewater, and Drainage				
Roads				
Firefighting				
Recreational				
Totals				

(ii) **Bond-Anticipation Notes:** Fill in the table below for any outstanding bond-anticipation notes.

Original Principal Amount	\$ _____
Remaining Principal Amount	\$ _____
Original Issue Date:	_____
Maturity Date:	_____
Interest Rate:	_____

Provide a cost summary of how the funds from the bond-anticipation note were disbursed.

If after filing the application, the District issues a bond-anticipation note associated with this proposed bond issue, then provide a supplement to the engineering report to address the items in the above table.

(iii) **Were the provisions of Commission Rule 293.54 followed in the issuance of all Bond-Anticipation Notes?** ___ Yes ___ No. If no, explain. If yes, provide as a *labeled Attachment* copies of the following documentation:

- Letter from the financial adviser [Commission Rule 293.54(2)]
- Required letter of credit [Commission Rule 293.54(12)]
- Required street and road construction agreements [Commission Rule 293.54(13)]

(iv) **Tax-Anticipation Notes:**

Original Principal Amount:	\$ _____
Remaining Principal Amount:	\$ _____
Original Issue Date:	_____
Maturity Date:	_____
Interest Rate:	_____
Disbursed as Follows:	_____

Provide a cost summary of how the funds from the tax anticipation note were disbursed.

Will all tax-anticipation notes be retired out of the proceeds of taxes currently in the process of collection? ___ Yes ___ No. If no, state the amount of tax-anticipation notes to remain outstanding and the anticipated time and method of this repayment.

(v) **Other Obligations:** Explain.

(F) **Financial Feasibility (to Be Completed by All Districts):**

Provide the following data to support the feasibility of the proposed bond issue as required by Commission Rule 293.59.

(i) Build-Out Projections: Is the feasibility of this bond issue based on growth? __Yes __No.

If yes, provide a build-out schedule that incorporates the following:

- (a) The build-out schedule should include the projected value and the number of ESFCs associated with various types of vertical improvements (homes, apartments, retail, warehouses, etc.).
- (b) The build-out schedule should reflect values for vertical improvements in the year that the improvement is projected to be complete. Partially completed values should not be used unless to show completion of improvements where partial values are shown on the AV certificate value, as reflected in the no-growth cash-flow analysis.
- (c) The projected assessed valuation for each year as shown in the build-out schedule should be consistent with the projected assessed valuation for each year as shown in the growth cash-flow table, if applicable.
- (d) The ESFC projections in the build-out schedule should be consistent with available lots, commercial ESFCs, etc. as reflected in the Section 5 land-use tables. The build-out for the first year should reflect projections from the date of the latest AV certificate to the end of the calendar year. If the date of the latest AV certificate is different from the date used in the Section 5 land-use tables then a separate column should be used to indicate the number of ESFCs added from the date of the land-use tables to the end of the year.

It is not necessary that all available lots, commercial acreage, etc. be used in the build-out projections.

- (e) If the feasibility of a bond issue is based on no-growth and a build-out schedule is provided for informational purposes (i.e. to support value needed to meet the 10:1 ratio) then clearly state such on the build-out schedule.

(ii) Debt-Service Schedule: Provide as a *labeled Attachment* a projected debt-service requirement schedule for the bonds and any outstanding bonds. The schedule of proposed bonds shall distinguish between the principal amount of debt associated with water, wastewater, and drainage facilities; with road facilities; with recreational facilities; and/or firefighting facilities. The schedule of outstanding bonds shall distinguish between water, wastewater, and drainage debt; road debt; firefighting debt; and recreational facility debt. *See Appendix 5 for an example.*

(iii) Revenue Projections:

- (a) **Does the District intend to use net revenues from operations for debt service payments? __Yes __No.** If yes, provide as a *labeled Attachment* a year-by-year projection showing the number of connections, gross revenues, expenses, net income available for debt service, and net income percentage of gross revenues. Net revenues shall only be projected for use if historical operations justify these projections and supporting information shall also be provided for the past five years of operations. Also, if yes, provide a table of revenues and expenses for the previous fiscal year and as budgeted for the coming fiscal year. *See Appendix 6 for an example pro forma statement.*

(b) Does the District intend to use revenues received from a municipality through either a consent agreement or strategic partnership agreement for debt service payments? ___ Yes ___ No. If yes, provide as a *labeled Attachment* a year-by-year projection of revenues through the life of the proposed bonds, and a copy of the consent agreement or strategic partnership agreement. Additionally, if the consent agreement or strategic partnership agreement does not state the revenue amount to be conveyed to the District each year, then provide an explanation as to how the revenue amount is determined for each year.

(iv) Operating Budget: Summarize how the proposed project will affect operating costs based on the current level of development. Include the effects of cost sharing agreements and any costs resulting from the purchase or sale of water or sewer services. If applicable, provide as a *labeled Attachment* a copy of the lease agreement for an interim plant. Operating advances and expenses should be based on the District's fiscal year with each year requested for reimbursement shown separately in the attachment.

(v) Projected Cash-Flow Analysis for Proposed and Existing Debt of District: Provide as a *labeled Attachment* a projection over the life of the proposed bond issue showing as separate columns assessed valuations, tax rates, tax revenues, net operating revenues to be applied to debt service, other revenues to be applied to debt service, total debt-service requirements and remaining fund balance. Assume the following:

(a) The assessed valuations shall be the appraised value after considering exemptions and special valuations, and shall be the amount to which the tax rate is applied to determine the total tax levy.

(b) The ending debt-service balance for each year shown in the cash flow analysis will not be less than 25% of the following year's debt-service requirement.

(c) Interest income will only be shown on the ending debt-service balance from the first two years.

(d) A 90% tax collection rate shall be used for the first bond issue. For a second and any subsequent bond issues a 90% tax collection rate shall be used unless documentation is provided supporting a higher rate.

(e) The projected tax rate shall be level or decreasing for the life of the bonds.

See Appendix 7a for an example pro forma statement considering growth. See Appendix 7b for an example pro forma statement assuming revenue bonds only.

(vi) No-Growth Cash-Flow Analysis for Proposed and Existing Debt of District:

Provide as a *labeled Attachment* a projection over the life of the proposed bond issue showing assessed valuations fixed at the most recent certified assessed valuation as defined by Commission Rule 293.47(b)(3). Supply certificates, as *labeled Attachments*, to support the assessed valuation used in the table. Use the same pro forma statement and assumptions listed in (F)(v) of this section except that a 100% collection rate may be assumed. *See Appendix 7c for an example pro forma statement considering no growth.*

(vii) Cash-Flow Analysis for All Overlapping Taxing Entities Specifically Attributable to Water, Wastewater, Drainage, Firefighting, Recreation, or Roads:

Provide as *labeled Attachments* projected and no-growth cash-flow analysis over the life of the District’s proposed bond issue for all entities which have an overlapping tax rate specifically attributable to water, wastewater, drainage, recreation, and firefighting, if the entity is contained within a single county, and roads if the entity is a road district or road utility contained within a single county commissioner’s precinct, but comprising less than the entirety of the precinct. If a projected cash-flow analysis includes build-out above what is provided under (F)(i) of this section, then provide a detailed build-out schedule supporting the projections. Use the same pro forma statement and assumptions listed in (F)(v) and (F)(vii) of this section.

(viii) Combined Tax Rate: Complete the following table:

	Projected Tax Rate	No-Growth Tax Rate
District tax rate		
a. Debt service as shown in cash-flow analysis	\$	\$
b. Maintenance Tax⁽¹⁾	\$	\$
Tax rate for overlapping entities as defined in Commission Rules 293.59(f)(2) and (f)(6) and (e)(2) and (e)(6)		
a. Debt service as shown in cash-flow analysis⁽²⁾		
1. Entity No. 1:	\$	\$
2. Entity No. 2:	\$	\$
b. Maintenance Tax		
1. Entity No. 1:	\$	\$
2. Entity No. 2:	\$	\$
Equivalent surcharge for water and wastewater, if any:	\$	\$
If District is within a city, then indicate the portion of the city’s tax rate specifically attributable to water, wastewater, drainage, or recreation:	\$	\$
Less any equivalent tax rebate⁽³⁾:	(\$ _____)	(\$ _____)
TOTAL COMBINED TAX RATE	\$	\$

Notes:

1. If the District is relying on developer advances to meet its operating budget, provide as a *labeled Attachment* a copy of the current operating budget and provide calculations showing a necessary maintenance tax assuming no growth (based on the value shown in the no-growth cash-flow analysis) and assuming no developer advances. *See Appendix 6b for a format of a no-growth, no-advance operating budget.*
2. List each overlapping entity and the corresponding debt service and maintenance taxes.
3. List separately unless already accounted for in the District’s cash-flow schedules.

(ix) Total Taxable Value of Area to be Taxed: \$ _____ as of _____. Explain the basis for this value if different from the certified value.

- (x) **Waiver of Special Appraisal:** Provide as a *labeled Attachment* a recorded copy of a written agreement executed between the District and the developer and any other landowner and their respective lenders receiving proceeds of the bonds which permanently waives the right to claim agricultural, open-space, timberland or inventory valuation for any land, homes or buildings with respect to taxation by the District as required by Commission Rule 293.59(k)(8).
- (xi) **Overlapping Tax Rates:** Provide a table (example below) indicating direct and overlapping taxes by the District and all overlapping taxing jurisdictions for the most current tax year and projected for the coming tax year if known to be different.

TAXING JURISDICTIONS	TAX YEAR	CURRENT TAX RATE PER \$100 VALUATION	PROJECTED TAX RATE PER \$100 VALUATION
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(G) **Development Status:**

Does the District have a developer as defined by Water Code Section 49.052(d)? ___ Yes ___ No. If no, the following paragraphs under this Section G will not apply.

(i) **Status of Construction**

Does the District meet the conditions of Commission Rule 293.59(k)(6) regarding completion of facilities prior to Commission approval necessary to serve the projected development?

- 1. Compliance with 293.59(k)(6)(A):** At the time of Commission approval, all underground water, wastewater, and drainage facilities to be financed with proceeds from the proposed bond issue or necessary to serve the projected build-out used to support the feasibility of the bond issue, shall be at least 95% complete as certified by the district’s engineer. ___ Yes ___ No ___ Exempt. If no, provide justification to proceed with the bond sale. If exempt, explain the basis.
- 2. Compliance with 293.59(k)(6)(B):** At the time of Commission approval, all permits for groundwater, surface water, waste discharge, or other permits needed to secure capacity to support the build-out shall have been obtained. ___ Yes ___ No ___ Exempt. If no, provide justification to proceed with the bond sale. If exempt, explain the basis.
- 3. Compliance with 293.59(k)(6)(C):** At the time of Commission approval, sufficient lift station, water plant, and wastewater treatment plant capacity, as applicable depending on the type of district, to serve the connections projected for a period of not less than 18 months shall either be 95% complete as certified by the district’s engineer or available in existing plants in accordance with executed contracts for capacity in plant(s) owned by other entities (but in no event less than 50,000 gallons per day water plant and wastewater plant capacity) ___ Yes ___ No ___ Exempt. If no, provide justification to proceed with the bond sale. If exempt, explain the basis.

4. **Compliance with 293.59(k)(6)(D):** At the time of Commission approval, water supply, lift station and wastewater treatment capacity needed to support the projected build-out used to support the feasibility of the subject bond application must be existing or funds for that capacity must be included in the bond issue or secured by a letter of credit or other acceptable guarantee approved by the executive director. ___ **Yes** ___ **No** ___ **Exempt**. If no, provide justification to proceed with the bond sale. If exempt, explain the basis.
5. **Compliance with 293.59(k)(6)(E):** At the time of Commission approval, all street and road construction to provide access to the areas provided with utilities to be financed with proceeds from the proposed bond issue, or necessary to serve the projected build-out used to support the feasibility of the subject bond issue, must be 95% complete as certified by the district's engineer. All streets and roads shall be constructed in accordance with city or county standards, as appropriate. ___ **Yes** ___ **No** ___ **Exempt**. If no, provide justification to proceed with the bond sale. If exempt, explain the basis.

Provide as *labeled Attachments* any necessary street and road construction agreements, letters of credit, etc.

- (ii) **Status of Growth Projected in Previous Bond Issue, if Applicable:** The following paragraphs are to be completed by all Districts which have had previous bond issues and do not meet any of the exemption criteria listed under Commission Rule 293.59(k)(11). If the following paragraphs are not completed due to meeting an exemption criteria listed in Commission Rule 293.59(k)(11), then explain the specific criteria met.

(a) **Does the District meet the conditions of Commission Rule 293.59(l)(2) and 293.59(l)(3) regarding completion of water and wastewater facilities necessary to serve the connections projected in the previous bond application?** ___ **Yes** ___ **No**. If yes, provide certificates of completion (*See Appendix 3b for an example*) for each project as a *labeled Attachment*. If no, explain what conditions are not met and provide justification for proceeding with the bond application.

(b) **Does the District meet the condition of Commission Rule 293.59(l)(4) regarding 75% completion of all prior bond issues?** ___ **Yes** ___ **No**. If yes, provide supporting information. If no, explain what conditions are not met and provide justification to proceed with the bond application.

- (H) **Market Information:** If a market study is provided, copy and fill out Paragraph I below; otherwise, copy and comply with Paragraph II.

Paragraph I: A market study dated not more than six months prior to the submission date of this application, prepared by _____ in accordance with the form prescribed in Appendix 1 is provided as a labeled Attachment.

Paragraph II: A market study is not provided for one of the reasons checked below: Respond as required. *The District must request such a waiver in its resolution (except in no-growth situation) and cite the applicable exemption in the Commission Rules.*

___ No growth is projected in determining the feasibility of this bond issue.

___ The District anticipates obtaining an acceptable credit rating (as such rating is defined in Commission Rule 293.47(b)(4)) prior to the sale of the proposed bond issue. A letter from the District’s financial adviser addressing the District’s ability to obtain such a rating is included as a *labeled Attachment*.

___ The District anticipates obtaining a credit enhanced rating (as such rating is defined in Commission Rule 293.47(b)(5)) prior to the sale of the proposed bond issue. A letter from the District’s financial adviser addressing the District’s ability to obtain such a rating is included as a *labeled Attachment*.

___ The District has a level of debt (existing and proposed) of _____, and a certified assessed valuation of _____, the ratio of debt to assessed value being 10% or less.

___ The value of houses and/or buildings within the areas to be served by the proposed bond issue is 50% of the proposed value of houses and/or buildings shown in the projected tax rate calculations. The District must complete the following table:

Type of Improvement by Section	Projected ⁽¹⁾		Existing	
	Units ⁽²⁾	AV ⁽³⁾	Units ⁽²⁾	AV ⁽³⁾

Notes:

- (1) Values projected as indicated in the build-out schedule provided in a *labeled Attachment*.
- (2) Use single-family equivalents, square feet, apartment units or other standard form of determining the aggregate.
- (3) Total assessed value based on existing values.

SECTION 9 — SHARED FACILITIES

(A) Inventory:

List, by construction or purchase contract, any facilities to be financed by the bond issue that were or will be designed for entities or areas outside the boundaries of the District, whether or not it is anticipated that such entity or area intends to participate in the financing of the facilities.

(B) Calculated Pro Rata Shares:

For each shared facility, as *labeled Attachments*, provide an itemized breakdown by construction item and price, of the pro rata shares for all entities. Calculate the shares in accordance with the instructions contained in *Appendix 2*. Provide, as a *labeled Attachment*, a color-coded map clearly identifying the facilities to be shared. The details of cost-sharing arrangements requested for Commission approval appear in the next section of this report.

(C) Cost-Sharing Arrangements Requested for Commission Approval:

If a participating entity other than the District is making an initial capital contribution or otherwise intending to pay a direct capital share, describe that contribution in detail for each construction project in *labeled Attachments*, and include with the attachment copies of contracts providing for the joint ownership, operation, and maintenance of the facility. If the actual cost sharing arrangement is different from the one calculated in the preceding section of this report, justify the cost-sharing arrangement being used.

If the share attributable to offsite facilities is to be paid through utility rates, provide a detailed analysis demonstrating that the proposed rates will meet the requirements of Water Code Section 49.215.

(D) Oversizing Required by a Local Government or Other Regulatory Agency:

If oversizing of a facility to serve areas outside the District is required by a governmental or other regulatory body which does not intend to contribute for such oversizing, provide as a *labeled Attachment* evidence of the requirement. Additionally, provide, as a *labeled Attachment*, a copy of a District resolution committing the District to use its best efforts to recover such costs if a future user outside the District desires to use such capacity.

SECTION 10 — PLANS, SPECIFICATIONS, OTHER CONSTRUCTION DOCUMENTS

Pursuant to Water Code Section 26.034(G) and Health and Safety Code Chapter 341, Subchapter C, and the Commission Rules Chapters 290 and 317, plans and specifications for construction projects which are to be funded as District projects require certain approvals. Plans and specifications shall be submitted prior to construction to:

Water Plans

Utility Technical Review Team, MC 153
Water Supply Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

Wastewater Plans (as necessary)

Wastewater Permits Section, MC 148
Water Quality Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

As-built plans may be requested upon completion of a project.

(A) **Plans:**

- (i) **Construction Plans:** Provide a complete copy of the 24" × 36" plans appropriately signed and sealed by all entities with jurisdiction for each proposed project. Letter approvals will be addressed in the construction documents subsection below. If plans are not available for any project, so indicate. The funds allocated to the project will be recommended for escrow pending satisfaction of escrow requirements.
- (ii) **Plat:** Include a copy of the approved and recorded plat for all subdivision projects. For trunk lines or other facilities located outside of dedicated rights-of-way, provide a copy of an approved and recorded plat, recorded deed, or recorded easement.

(B) **Contract Documents:**

Provide contract documents and technical specifications (appropriately sealed) for each proposed project. Contract documents should be bound together with technical specifications, including the bid proposal, and performance and payment bonds. All of these items together will be considered the contract document. A District should not execute any construction contract prior to approval of funding by the Commission unless a provision is included in the contract absolving the District of all responsibility for payment until funding has been approved.

Contracts including any trench excavation that exceeds a depth of five feet must include a separate bid item for trench safety as required by statute (Health and Safety Code 756.022).

(C) **Construction Documents:**

The following construction documents should be sent to the appropriate Commission's *field office* (regional office) as contract award and administration proceeds, whether or not an application for funding has been filed with the Commission. It is *not* necessary to send these documents to the Commission's *Central office* (Austin) until an application for funding has been filed with the Commission. The documents accumulated prior to application for funding should be sent to the Commission's Central office along with the application, and additional documents generated after the application filing should be sent to both the appropriate Commission field office and the Commission's Central office. Some of the following items may not be applicable, depending on the circumstances of the individual project. For all projects for which complete construction documents are not available, provide available documents. If no documents are available or if a project was not competitively bid, provide either an appraisal of the form described in Section 11(B)(i) of this report, or a list of recent low bids for similar projects in the area of the District.

- a. Agreement between developer and district for funding, reimbursement, contract award and administration, and for use of facilities prior to Commission approval.
- b. Plans approved by all entities with jurisdiction.
- c. Specifications, including proposed contract documents, bid proposal, and bonds. If executed copies are available, proposed copies are not necessary.
- d. Letter approvals by other relevant review agencies.
- e. Publisher's affidavit or bid solicitations reflecting proper notification of bidding.
- f. Letter notifying Commission field office of bidding time and date.
- g. All addenda to the specifications.

- h. Bid summary and itemized bid tabulation.
- i. Engineer's recommendation of contract award with justification if low bidder not recommended.
- j. Specifications, including executed contract documents, bid proposal, and payment and performance bonds.
- k. Notice to proceed.
- l. All pay estimates.
- m. All change orders with revised plan sheets and approvals, if necessary.
- n. Water and wastewater line pressure test results and wastewater line deflection test results.
- o. Notice to Commission field office of final inspection.
- p. Final inspection report.
- q. Engineer's certificate of completion (*See Appendix 3b for an example of an approved form.*)
- r. Contractor's affidavit of bills paid.
- s. District acceptance of facilities.

(D) Checklist:

Fill out the Construction Contract Checklist (in accordance with *Appendix 3a*) for each construction contract and attached to the construction documents and specifications for that contract. It is preferable that none of the construction documents or specifications be included with the body of the bond application report or the attachments. Instead, the items shall be separated by contract. The checklist shall be filled out according to the following instructions, and the loose material submitted with the checklist shall be arranged in reverse order—that is, the first items in the checklist should be at the bottom of the stack of material for easy reference. The final or most recent pay estimate shall be in its entirety; however, all previous pay estimates shall include only a summary sheet.

Instructions for filling out the Checklist: Most of the items on the list are self explanatory. The spaces to the left of each item should be checked, or filled in with the date of dated material. Instructions for filling in the items that may not be self explanatory are as follows:

<u>ITEM</u>	<u>EXPLANATION</u>
Prefinanced by: _____	Fill in the name of the developer who is prefinancing the construction of facilities (if applicable).
___ Plans (___ Sheets) with Engineer's Seal ___	Fill in the number of sheets included in the plans, and check if each page of the plans is appropriately sealed.
___ Specifications (Add. # ___) Seal ___	Fill in the number of addenda that have been issued on the specifications, and check if the specifications have been sealed.
___ No. 1 _____	For each pay estimate, fill in the date of the pay estimate and the amount of the pay estimate to date (without reducing it for retainage) and make any comments. Include comments when retainage is reduced, and when the pay estimate is the last one.
___ Performance Bond ___ Payment Bond	Check if the performance bond is included in the specification documents.
___ No. _____	Fill in the date of the change order and the amount. The "TCEQ Approval" column is for internal use.

SECTION 11 — SPECIAL CONSIDERATIONS

(A) Developer Projects:

Are any of the projects in the proposed bond issue developer projects as defined in Commission Rule 293.44(a)(1)? ___ Yes ___ No. If not, all provisions of this Section (A) can be disregarded.

- (i) Clearing and Grubbing:** For all utility contracts in which clearing and grubbing was not a separate bid item or there was not a separate clearing and grubbing contract, fill out the following table. Provide as a *labeled Attachment*, a representative sampling (minimum of three) of clearing and grubbing contracts for cost comparison. It is preferable that clearing and grubbing costs be bid separately in the contracts.

CONTRACT NAME	TOTAL ACRES CLEARED & GRUBBED	ESTIMATED COST/ACRE	TOTAL VALUE

- (ii) Spreading and Compacting of Fill:** Include this as a separate bid item for all contracts if the District is a participant. For all utility contracts in which spreading and compacting of excess excavation material in areas requiring fill was not a separate bid item provide a detailed cost estimate of the value of spreading and compacting based on other bids in the area, as a *labeled Attachment*. Further, provide an estimate of the cost of disposal of the excess material offsite based on other bids in the area, as a *labeled Attachment*. It is preferred that the disposal costs be bid as alternate items in the contract.

- (iii) Change in Development Plan: Do any of the projects in the proposed bond issue include the replacement or relocation of existing or designed facilities?** ___ Yes ___ No. If yes, list all such replaced, relocated, or redesigned facilities, and explain the cause of each replacement, relocation, or redesign. For any of these items which were caused by the developer changing its plan of development, itemize all applicable engineering, construction, and developer-interest costs. Indicate which facility or design is to be funded, in accordance with Commission Rules 293.44(a)(6–7).

- (iv) Railroad, Pipeline, or Underground-Utility Relocations:** List all relocations of railroads, pipelines, or underground utilities included in the proposed bond issue. For each item, copy and answer the following questions:

1. **Would the project have been required if the District’s utilities did not exist?** ___ Yes ___ No.
2. **Would the project have been required if the road did not exist?** ___ Yes ___ No.

If the relocation is required due to District utilities and a developer road, allocate 50% of the costs to each, further subject to the 30% developer-contribution requirement of Commission Rule 293.47.

- (v) **Joint-Use Engineering Studies:** List all engineering studies for which funding is requested, such as topographic surveys, soil studies, fault studies, boundary surveys, etc., together with the cost. For each study, state what information it contains that will be used for District purposes and that will be used for other purposes such as roadway design, foundation design, land purchases, etc.
- (vi) **Bridges and Culverts:** List all bridges and culverts in construction contracts for each project included in the proposed bond issue. If the costs for these items are included in the proposed cost summary, itemize, give the location, and provide full justification in accordance with Commission Rule 293.44(a)(13).
- (vii) **Proration of Dual Lake–Detention Pond: Does the project include funds for the purchase or construction of detention pond facilities which will hold water continuously for aesthetic or recreational purposes?** ___ Yes ___ No. If yes, prorate the cost of the District’s and developer’s shares on the basis of total volume. Provide calculations to support the District detention vs. developer’s amenity lake prorations. If part of the developer’s amenity lake portion is to be funded as a recreational facility, then provide calculations to support that the recreational portion is in accordance with Commission Rule 293.44(a)(24).
- (viii) **Floodplain Mitigation: Does the project include funds for costs associated with the mitigation of floodplain areas?** ___ Yes ___ No. If yes, provide calculations to support that the costs allocated to the District are in accordance with Commission Rule 293.44(a)(21).

(B) All Projects:

- (i) **Appraisals:** List all facilities that will be purchased on the basis of an appraisal as prescribed by Commission Rule 293.44(b)(1). For each facility, explain why it is being bought on the basis of an appraisal, and provide a copy of the appraisal as a *labeled Attachment*. The appraisal should be prepared by an independent engineer, not associated with the District or seller. It should include an itemization of the facilities, detail the estimated age and condition of facilities based on an on-site inspection, estimate the cost of repairs, and detail the methodology of the actual appraisal, such as replacement value less depreciation. The costs assigned to the facilities should be supported by contracts with similar items or valid documentation. The cost summary should reflect the appraisal amount and *no* associated engineering fees or developer interest.
- (ii) **Contract Revenue bonds: Are the proposed bonds contract revenue bonds?** ___ Yes ___ No. If yes and the bonds are issued on behalf of a city, demonstrate that the city’s pro rata share of debt service will be sufficient to pay for the cost of the water, sewer, or drainage facilities proposed to serve areas located outside the boundaries of the service area of the District.

If yes and the bonds are issued on behalf of the District, demonstrate that each participant’s share of debt service is consistent with benefits received.

- (iii) **Impact Fees and Capital-Recovery Fees: Does the proposed bond issue include funding for fees calculated and collected under the provisions of Local Government Code 395?** ___ Yes ___ No. If yes, provide a copy of the engineering report used to calculate the fee, a copy of a contract between the District and the political subdivision levying the fee which includes all the provisions of the referenced bill, and any other documentation to evidence that the levying of the

fee complies with the provisions of Chapter 395, all as *labeled Attachments*. See Commission Rule 293.44(b)(4)(C).

SECTION 12 — MISCELLANEOUS CONSIDERATIONS

(A) **Preconstruction Documents:**

List the preconstruction agreements executed to comply with Commission Rule 293.46(1), and provide a copy of each preconstruction agreement referenced as a *labeled Attachment*.

(B) **Bid Advertisement:**

Were the competitive bidding statutes complied with in each of the construction contracts executed? ___ Yes ___ No. If no, indicate noncompliant contracts and why there was noncompliance. If any of the contracts were valued between \$15,000 and \$25,000, supply evidence of the required solicitation as a *labeled Attachment*.

(C) **Developer's 30% Contribution Exemption Request:**

Copy the applicable paragraph if the District is requesting an exemption from the requirement of obtaining a 30% contribution from the developer. *The District must request such a waiver in its resolution and cite the applicable exemption in the Commission Rules.*

(i) **The District is requesting an *exemption* from the requirement to obtain a 30% contribution from the developer on certain construction contracts for the following reason:**

___ The District does not have any developers, as defined in Water Code 49.052(d).

___ The District has a ratio of debt [(amount) existing debt as of (date) plus the proposed bond issue (amount) for a total debt of (amount)] to certified assessed valuation [(amount) as of (date)] of 10% or less. If a build-out schedule is provided to support that the 10% ratio will be obtained and the feasibility is based on no growth, then clearly indicate such in the build-out schedule.

___ The District is in the city limits of the City of (name) and:

- a. ___ The facilities were completed or under construction as of December 1, 1986, and the District is operating in an alter ego relationship with the City. (Provide documentation to certify such alter ego relationship as a *labeled Attachment* if such has not been previously provided.)
- b. ___ The District was created, or had a petition for creation submitted to the Commission, before December 1, 1986, and the District is operating in an alter ego relationship with the City. (Provide documentation to certify such alter ego relationship as a *labeled Attachment* if such has not been previously provided.)

c. _____ The District is providing the services on behalf of, or in place of the City and has contracted with the City to receive rebates of 65% or more of the city taxes actually collected on property located within the District. Such contract is enclosed as a *labeled Attachment*.

d. _____ Other (explain).

(ii) The District is requesting a *conditional exemption* from the requirement to obtain a 30% contribution from the developer on certain construction contracts on the anticipation of one of the following conditions being met:

_____ The District will have a ratio of debt [(amount) existing debt as of (date) plus the proposed bond issue (amount) for a total debt of (amount)] to certified assessed valuation [(amount) as of (date)] of 10% or less prior to the sale of the proposed bond issue. If a build-out schedule is provided to support that the 10% ratio will be obtained and the feasibility is based on no growth, then clearly indicate such in the build-out schedule.

_____ The District anticipates obtaining an acceptable credit rating [as such rating is defined in Commission Rule 293.47(b)(4)] prior to the sale of the proposed bond issue. A letter from the District's financial adviser addressing the District's ability to obtain such a rating is included as a *labeled Attachment*.

_____ The District anticipates obtaining a credit enhanced rating [as such rating is defined in Commission Rule 293.47(b)(5)] prior to the sale of the proposed bond issue. A letter from the District's financial adviser addressing the District's ability to obtain such a rating is included as a *labeled Attachment*.

(D) Letters of Credit, Deferment of Bond Proceeds, Other Acceptable Financial Guarantees:

List all of the utilities and streets, by section, that are currently less than 95% complete in the District, but which are required to serve the development assumed in determining the feasibility of the bond issue, or for which utilities are included in the bond issue. Also list all projects included in the bond issue in which the developer has not yet made its 30% contribution. If the District chooses a deferred reimbursement of bond proceeds as the financial guarantee, the deferred reimbursement amount shall not exceed the amount of funds available upon funding (escrow funds are not considered available). As applicable, provide as *labeled Attachments* letters of credit, utility and paving agreements pursuant to Commission Rules 293.56 and 293.57.

(E) Developer Interest Reimbursement:

If any developer interest is requested for reimbursement, provide as a *labeled Attachment* a tabular breakdown of developer interest (See Section 4, Example Cost Summary, Footnote 9). State whether or not the District is requesting approval to reimburse the developer for more than two years of interest on any construction contract. If so, provide as a *labeled Attachment*, a Board Resolution indicating the Board's desire to reimburse more than two years of developer interest and provide calculations to demonstrate that all the requirements of Commission Rules 293.50(b-e) have been satisfied.

(F) Land and Easement Acquisition:

- (i) **Storm-Water Detention Facilities: Does the District intend to purchase easements or sites for storm-water detention facilities?** ___ Yes ___ No. If yes, provide a recorded plat or other recorded instrument clearly defining acreage. If the site or easement is for dual lake–detention facilities then the District’s share of the site or easement shall be the same as determined under Section 11(A)(vii), including distinguishing the portion attributable to drainage and recreational purposes. If the site or easement is for dual detention-recreation facilities then the costs shall be consistent with Commission Rule 293.51(j).
- (ii) **Easements Outside the District’s Boundaries: Does the District intend to purchase easements outside the District’s boundaries?** ___ Yes ___ No. If yes, answer the following questions:
- (a) **Is the easement currently owned by a developer in the District?** ___ Yes ___ No.
- (b) **Is the easement being used for other facilities, such as a road, electricity cable, etc.?** ___ Yes ___ No. If yes, are the costs of the easement being appropriately split? ___ Yes ___ No. If no, explain.
- (c) **Are the facilities being installed in conjunction with the easement exempt from developer contribution?** ___ Yes ___ No. If yes, on what basis are they exempt? If no, does the cost summary reflect the developer contribution for the easement acquisition? ___ Yes ___ No. If no, explain.
- (iii) **Downstream Drainage Channels: Does the District intend to purchase easements to improve drainage channels downstream of the District that pass through other Districts?** ___ Yes ___ No. If yes, justify that the District’s portion of the costs to purchase the site/easement is consistent with benefits received and is in accordance with Commission Rule 293.51(c).
- (iv) **Recreational-Facility Sites: Does the District intend to purchase sites for recreational facilities?** ___ Yes ___ No. If yes, document (with a color-coded map) that the site is located outside of the right-of-way required by governmental jurisdictions to be dedicated for streets and roads.

(G) District Participation in Regional Drainage Systems:

Does the proposed bond issue include funds to be paid to a regional drainage authority for capacity in a regional storm-water detention system? ___ Yes ___ No. If yes, provide the following. Failure to provide all of the items may cause the funds for the payment to be escrowed or deleted from the bond issue.

- (i) **Adoption of System by Public Entity:** Provide evidence that the regional storm-water drainage system has been adopted by the applicable public drainage entity as a *labeled Attachment*.
- (ii) **Participation Required by Public Entity:** Provide evidence, in a *labeled Attachment*, that participation in the regional storm-water drainage system is required by that public agency.

- (iii) **Cost of Participation Uniform:** Demonstrate that the cost of participation in the regional system is uniform over a given watershed, and that the cost has been determined by engineering studies of the regional facilities required. Provide a copy of the study as a *labeled Attachment*. (It is likely that the Commission has a copy of the study on file. If the District can verify such, there is no need to submit another copy.)
- (iv) **Contract with Public Entity:** Provide a copy of the contract required by Commission Rule 293.53(4) as a *labeled Attachment*.

SECTION 13 — MISCELLANEOUS INFORMATION

(A) Contracts with Professional Consultants:

Provide as *labeled Attachments* an executed copy of all current contracts with professional consultants whose fees are included in the bond issue. If work is being accomplished in accordance with a contract of a previously affiliated company or the company's name has changed, provide either a copy of a contract with the current company or evidence of District concurrence with the assignment to the current company.

(B) Compliance with Commission Rule 293.111(a)(6):

Submit documentation as a *labeled Attachment* evidencing compliance with Commission Rule 293.111(a)(6) regarding wastewater connections.

(C) Key Personnel:

	<u>Name</u>	<u>Address</u>	<u>Phone No.</u>	<u>Fax No.</u>
(i)	President, Board of Directors			
(ii)	Attorney			
(iii)	Fiscal Agent			
(iv)	Operator			
(v)	General Manager			
(vi)	Tax Assessor-Collector			
(vii)	Chief Appraiser, ___ County			
(viii)	Principal Developer(s)			
(ix)	Engineer			
(x)	Bookkeeper			

(D) Reporting Requirements:

Has the District submitted a current Directors' Registration Form? ___ Yes ___ No. If no, please provide.

Has the District submitted a current District Information Form as required by Water Code Section 49.455? ___ Yes ___ No. If no, please provide.

Has the District submitted a current Audit Report or Financial Dormancy Affidavit? ___ Yes ___ No. If no, what is the current status of such report?

(E) **Name Signs:**

Has the District posted at least two name signs, at two or more principal entrances to the District? ___ Yes ___ No. If yes, specify the street location of the District's name signs. If no, explain.

(F) **Other Information:**

Provide any other information necessary to adequately describe or support the application. Provide *labeled Attachments* as necessary.

Note:

Contact the TCEQ for examples of specific forms, text, district name sign detail, or any other information.

APPENDIX 1
SUGGESTED OUTLINE FOR MARKET STUDY REPORT

SECTION 1 - TABLE OF CONTENTS

SECTION 2 - INTRODUCTION

(A) Description:

Identify and give a general description of the proposed project.

SECTION 3 - GENERAL AREA ANALYSIS

(A) History:

Provide a brief historic summary of the general area that is covered by relevant statistics, e.g., Tarrant County, Houston SMSA, Galveston Island, etc. Provide a map delineating the area selected.

(B) Population:

- (i) Historic Growth;**
- (ii) 1-, 5-, and 10-year projection;**
- (iii) Basis for projections;**
- (iv) Source of projections.**

(C) Housing:

- (i) General description of housing market including household size trends and low-, medium-, and high-density ratio trends;**
- (ii) Nature and Volume of recent construction;**
 - (a) Starts over past 5 years**
 - (I) Total**
 - (II) Single residential**
- (iii) Housing demand projections (1, 5, and 10 years);**
- (iv) Description of growth patterns and identification of natural barriers or stimuli to these patterns.**

SECTION 4 - MARKET-AREA ANALYSIS

(A) **Market Area:**

Map delineating market area (indicate census tracts).

(B) **Competitive Market Area Justification:**

Substantive explanation for establishment of boundaries of competitive market area.

(C) **Description of Area:**

General description of area including present land use and trends.

(D) **Employment:**

(i) **Current and Future Employment Centers:**

General description of current and future employment centers. Examples: manufacturing assembly plant, research center, petrochemical complex, steel mill, resort area, etc.

(ii) **Current and Future Employment Climate:**

Current employment climate with comments on possible future changes. Examples: military bases, construction industry, research park, assembly plants, university complex, etc.

(E) **Available Community Services and Recreation:**

- (i) **Medical facilities;**
- (ii) **Schools and colleges and universities;**
- (iii) **Churches;**
- (iv) **Shopping facilities;**
- (v) **Police and fire protection;**
- (vi) **Recreation and other services.**

(F) **Population:**

- (i) **Historic growth**
 - (a) **Percentage of general area**
- (ii) **1-, 5-, and 10-year projections**
 - (a) **Percentage of general area**

(G) **Housing Demand Projections:**

For 1, 5, and 10 years.

(H) Annual Housing Absorption:

Sales data for past 5 years.

- (i) Types**
- (ii) Price Ranges**

(I) Platting Activity:

Lots platted annually for past 5 years.

(J) Active Housing Projects:

Tabulation of *active* housing projects with detailed information on each as follows:

- (i) District and/or subdivision name (also builder and developer names if available);**
- (ii) Date development began;**
- (iii) Total housing units sold by type and price range;**
- (iv) Inventory of unsold housing units by type and price range;**
- (v) Inventory of vacant developed lots;**
- (vi) Previous year sales and current year sales estimate; and**
- (vii) Location of all projects indicated on the Market Analysis Area map (Re: 4A)**

(K) Planned Housing Projects:

Tabulation of planned housing projects including the following information:

- (i) District and/or subdivision name (also builder and developer names if available);**
- (ii) Housing units planned by type and price range;**
- (iii) Projected date of first sales;**
- (iv) Whether plat has been recorded or actual construction has begun; and**
- (v) Location of all planned projects indicated on the Market Analysis Area map (Re: 4A)**

SECTION 5 - PROPOSED PROJECT ANALYSIS

(A) Locational Factors:

Discuss this project's location with respect to the geographic growth patterns established in the area.

(B) Serviceability Evaluation:

- (i) Transportation access to the project.**
- (ii) Availability of electricity, natural gas, and telephone service.**

(C) Proposed Lot and Housing Sales:

- (i) Percent:**
 - (a) To individuals**
 - (b) To builders**
 - (c) For primary housing**
 - (d) For secondary or vacation type housing**

(D) Amenities:

List any amenities to be provided, i.e. golf course, swimming pool, tennis courts, etc.

(E) Post-Construction Schedule:

- (i) Date of filed subdivision plat;**
- (ii) Date of beginning utility construction;**
- (iii) Construction date of any associated commercial facilities;**
- (iv) Construction date of housing units.**

(F) Projected Growth Rate:

- (i) Units annually by type and price range;**
- (ii) Percent of the total market sales;**
- (iii) Estimated development period (years).**

(G) Projected Tax Rates:

Evaluate the effect of projected tax rates in this District when compared to tax rates in competing subdivisions.

SECTION 6 - ASSUMPTIONS AND CONCLUSIONS

SECTION 7 - DATA SOURCE

All statistical data shall be cited as to its source—U.S. Census, Houston-Galveston Area Council, Texas Highway Department, Chamber of Commerce, utility records, telephone connections, field surveys, transportation studies, building permits, etc. Literature such as *Building Construction in Texas*, the *Texas Business Review*, *Texas Industrial Expansion*, or the *Houston Business Journal* shall also be identified as information sources if used.

SECTION 8 - QUALIFICATIONS OF THE ANALYST AND A LIST OF SIMILAR ASSIGNMENTS

APPENDIX 2 CALCULATING PRO RATA SHARES

The theoretical basis for the calculation of pro rata shares is to share the costs on a usage basis per segment and showing item by item detail for all shared facilities. The following provides a practical guide for applying this theoretical basis in specific situations.

(A) **Water Supply Plants, Facilities, and Distribution Lines:**

Provide a color-coded map showing joint lines of the shared project.

Reference appropriate attachments. Provide a service-area map showing the equivalent connections in each area of service (with information and calculations adequate to show how the number of connections was calculated). Generally, since water systems are pressure facilities, water supply systems are to be prorated on the basis of the projected number of connections to be served. However, calculate the determinations of pro rata share for water lines that loop within a particular service area based on the amount serving that area only. Calculate pro rata shares on non-looped mains accounting for outflow locations (which may be estimated or averaged for simplicity) for each main. The main must be broken down into sections based on the outflow locations; itemize the cost of each section, and demonstrate the relationship of the number of connections from each area of service provided capacity in the section to the capacity of the section.

In the calculation of pro rata shares on any expansions to distribution systems or plants, account for the existing system. For example, an out-of-District area may be able to be served by an existing water plant with the simple addition of a hydropneumatic tank or ground storage tank. In the calculation of pro rata shares, account for existing facilities such as the well, pump, treatment unit, etc., that will be used to serve the new area. Similarly, a simple line extension may serve an out-of-District area. In the calculation of pro rata shares, account for the existing plant and transportation and distribution facilities.

Explain any unusual circumstances that may justify calculation of pro rata shares on a basis different from that described.

(B) **Wastewater Treatment Plants, Lift Stations, and Force Mains:**

Provide a color-coded map showing joint lines of the shared project.

Reference appropriate attachments. Provide a service-area map showing the equivalent connections in each area of service (with information and calculations adequate to show how the number of connections was calculated). For wastewater treatment plants, lift stations and force mains (along segments without additional inflow), the calculation of pro rata shares involves simply splitting the cost of the components on a volumetric basis between the entities that will be sharing the system. In the calculation of pro rata shares on any expansions to collection systems or plants, account for the existing system. For example, an out-of-District area may be able to be served by a simple line extension. In the calculation of pro rata shares, account for the existing plant and transportation facilities.

Explain any unusual circumstances that may justify a calculation of pro rata shares on a basis different from that described.

(C) Wastewater Collection Lines:

Provide a color-coded map showing joint lines of the shared project.

Reference appropriate attachments. Provide a service-area map showing the equivalent connections in each area of service (with information and calculations adequate to show how the number of connections was calculated). In calculating the pro rata shares for a wastewater line, account for the inflow locations (which may be estimated or averaged for simplicity). The cost of the lines shall be broken down into sections based on the inflow locations; itemize the cost of each section, and demonstrate the relationship of the number of connections and the design flows from each area providing capacity in the section to the capacity of the section.

(D) Drainage Conveyance Facilities:

Provide a color-coded map showing joint lines of the shared project.

For drainage conveyance facilities, including pipes, box conduits, and channels, provide a drainage-area map showing the flow and acreage for each drainage area (with information and calculations adequate to show how the flows were calculated), the existing state of development, the design state of development, and the inflow locations (which may be estimated or averaged for simplicity). The conveyance facility shall be broken down into sections based on the inflow locations; itemize the cost of each section, and demonstrate the relationship of the design flow from each area providing capacity in the section to the capacity of the sections. If a drainage study was performed, provide a copy as a *labeled Attachment*.

(E) Detention Facilities:

Provide a color-coded map showing joint lines of the shared project.

For detention facilities, provide a drainage-area map showing the flow, acreage, and detention volume required for each drainage area (with information and calculations adequate to show how the flows and volumes were calculated), the existing state of development, and the design state of development. Demonstrate the relationship of the detention volume required for each drainage area to the total detention volume. If a drainage study was performed, provide a copy.

APPENDIX 3a
CONSTRUCTION CONTRACT CHECKLIST

District: _____
 Bond Issue: _____
 Engineer: _____
 Construction Contract: Job No. _____ Contract No. _____ Date (of execution) _____
 For: _____

Contractor: _____ Contract Amount: _____ Prefinanced by: _____

1. CONSTRUCTION PLANS

- ___ Plans (___ Sheets) w/ Engr. Seal ___
- ___ Specifications (Add. # ___) Seal ___
- ___ TCEQ Approval
 - ___ Water
 - ___ Wastewater (for treatment plant)
 - ___ Wastewater (for collection system if no City review)
- ___ County Engr. Approval (Drainage)
- ___ Flood Control District Approval (Drainage)
- ___ City Approvals (if in City or ETJ)
- ___ Recorded Plat
- ___ Other: _____

2. CONTRACT DOCUMENTS

- ___ Bid Advertising Affidavits
- ___ Bid Tabulation
- ___ Engr. Recommendation
- ___ Exec. Contract w/ Proposal
 - ___ Performance Bond ___ Payment Bond
- ___ Notice to Proceed

COMMENTS & NOTES:

3. CONSTRUCTION PAY ESTIMATES

<u>Date</u>	<u>Est. No.</u>	<u>Amt. to Date</u>	<u>Comments</u>
_____	1	_____	_____
_____	2	_____	_____
_____	3	_____	_____
_____	4	_____	_____
_____	5	_____	_____
_____	6	_____	_____
_____	7	_____	_____
_____	8	_____	_____
_____	9	_____	_____
_____	10	_____	_____
_____	11	_____	_____
_____	12	_____	_____
_____	13	_____	_____
_____	14	_____	_____
_____	15	_____	_____
Chg. Ord.			TCEQ
<u>Date</u>	<u>No.</u>	<u>Amount</u>	<u>Approval</u>
_____	1	_____	_____
_____	2	_____	_____
_____	3	_____	_____
_____	4	_____	_____
_____	5	_____	_____

4. CONTRACT COMPLETION DOCUMENTS

- ___ W & S Test Results
- ___ Notice of Final Inspection
- ___ TCEQ Inspection (Dist. No. ___)
- ___ Engr. Certificate of Completion (see App. 3b)
- ___ Contractor's Affidavit of Bills Paid
- ___ Letter of Acceptance

APPENDIX 3b
EXAMPLE FORM FOR ENGINEER'S CERTIFICATE OF COMPLETION

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
ENGINEER'S CERTIFICATE OF COMPLETION OF WATER DISTRICT PROJECT

Name of District:

Owner of property if other than District:

Kind of project, contract identification:

Name of contractor: _____

Name of consulting engineer: _____

Address of consulting engineer: _____

I certify that this project was at least 95% complete on ____ (Date) ____; that the project was under continual observation; that all observation of the work was performed by or under the supervision of ____ (Name) ____, Registered Professional Engineer; that to the best of my knowledge the project was in accordance with and includes all items in plans and specifications approved by all authorities having jurisdiction; and "record drawings" will be furnished to the District.

Professional Engineer's Seal

Signed

**APPENDIX 4
BUILD-OUT PROJECTIONS**

Include build-out projections for up to 4 years of residential growth and up to 2 years of commercial growth.

Category of Development	District Development as of _____ ⁽¹⁾	District Development as of 2006 ⁽²⁾	District Development as of 2007 ⁽²⁾	District Development as of 2008 ⁽²⁾	District Development as of 2009 ⁽²⁾
Royal Estates Section 1					
a. Raw Land (acres) (@ \$2,000/acre) (Less)	50 \$100,000	25 \$50,000	5 \$10,000	— —	— —
b. Single Family Lots (@ \$20,000)	— —	80 \$1,600,000	160 \$3,200,000	160 \$3,200,000	160 \$3,200,000
c. Single Family Homes (@ \$80,000)	— —	— —	40 \$3,200,000	100 \$8,000,000	160 \$12,800,000
Royal Estates Section 3					
a. Raw Land (acres) (@ \$1,500/acre) (Less)	90 \$135,000	45 \$67,500	— —	— —	— —
b. Single Family Lots (@ \$16,000)	— —	75 \$1,200,000	150 \$2,400,000	150 \$2,400,000	150 \$2,400,000
c. Single Family Homes (@ \$65,000)	— —	— —	45 \$2,925,000	105 \$6,825,000	150 \$9,750,000
Apartment Grove					
a. Raw Land (acres) (Less) (@ \$1,250/acre)	50 \$62,500	35 \$43,750	15 \$18,750	— —	— —
b. Developed Acreage (@ \$100,000/acre)	— —	15 \$1,500,000	35 \$3,500,000	50 \$5,000,000	50 \$5,000,000
c. Units (@ \$3,000/acre)	— —	— —	180 \$540,000	330 \$990,000	330 \$990,000
Commercial/Office/Retail					
a. Raw Land (acres) (Less) (@ \$3,000/acre)	40 \$120,000	25 \$75,000	5 \$15,000	— —	— —
b. Developed Acreage (@ \$250,000/acre)	— —	15 \$3,750,000	35 \$8,750,000	40 \$10,000,000	40 \$10,000,000
c. Improved Acreage (cumulative ESFCs) (@ \$750,000/improvement) (@ \$1,025,000/improvement) (@ \$500,000/improvement)	— — — —	10 \$750,000 — —	25 \$750,000 \$1,025,000 —	30 \$750,000 \$1,025,000 \$500,000	30 \$750,000 \$1,025,000 \$500,000
Cumulative Total					

Notes:

1. This column indicates the current/existing status of the District's build-out. The existing number of ESFCs shall correspond to the number included in the Land Use Table (Section 5). The cumulative total for this column shall correspond to the central appraisal district's certificate provided in the application.
2. This column indicates the District's cumulative projected build-out as of January 1, _____.

**APPENDIX 5
EXAMPLE PRO FORMA**

Clear Water Municipal Utility District
Tax Rate Study—Debt-Service Schedule
\$2,200,000 Unlimited Tax and Revenue Bond Issue
Series 2001

Due Date: May 1, 200_

Delivery Date: May 1, 2001

<u>Year</u>	<u>Current Debt Service</u>	<u>Principal Payment</u>	<u>Interest Rate</u>	<u>Interest Payment</u>	<u>Total Payment</u>	<u>Total Debt Service</u>
2001	\$129,475			\$80,475	\$80,475	\$209,950
2002	\$129,475			\$160,950	\$160,950	\$290,425
2003	\$129,475			\$160,950	\$160,950	\$290,425
2004	\$159,575			\$160,950	\$160,950	\$320,525
2005	\$157,775	\$45,000	0.0725	\$159,319	\$204,319	\$362,094
2006	\$160,825	\$45,000	0.0725	\$156,056	\$201,056	\$361,881
2007	\$158,725	\$45,000	0.0725	\$152,794	\$197,794	\$356,519
2008	\$161,475	\$45,000	0.0725	\$149,531	\$194,531	\$356,006
2009	\$163,880	\$45,000	0.0725	\$146,269	\$191,269	\$355,149
2010	\$161,000	\$65,000	0.0725	\$142,371	\$207,371	\$368,371
2011	\$163,120	\$65,000	0.0725	\$137,569	\$202,569	\$365,689
2012	\$165,823	\$65,000	0.0725	\$132,856	\$197,856	\$363,679
2013	\$163,880	\$65,000	0.0725	\$128,144	\$193,144	\$357,024
2014	\$158,029	\$65,000	0.0725	\$123,431	\$188,431	\$346,460
2015	\$162,941	\$65,000	0.0725	\$118,719	\$183,719	\$346,660
2016	\$161,455	\$90,000	0.0725	\$113,100	\$203,100	\$364,555
2017	\$159,093	\$90,000	0.0725	\$106,575	\$196,575	\$355,668
2018	\$160,715	\$90,000	0.0725	\$100,050	\$190,050	\$350,765
2019	\$162,540	\$90,000	0.0725	\$93,525	\$183,525	\$346,065
2020	\$156,435	\$110,000	0.0725	\$86,275	\$196,275	\$352,710
2021	\$161,202	\$110,000	0.0725	\$78,300	\$188,300	\$349,502
2022	\$160,917	\$110,000	0.0725	\$70,325	\$180,325	\$341,242
2023	\$157,270	\$135,000	0.0725	\$61,444	\$196,444	\$353,714
2024	\$161,707	\$135,000	0.0725	\$51,656	\$186,656	\$348,363
2025	\$164,320	\$155,000	0.0725	\$41,144	\$196,144	\$360,464
2026	\$160,555	\$155,000	0.0725	\$29,906	\$184,906	\$345,461
2027	\$161,200	\$155,000	0.0725	\$18,689	\$173,689	\$334,889
2028	<u>\$0</u>	<u>\$180,000</u>	0.0725	<u>\$6,525</u>	<u>\$186,525</u>	<u>\$186,525</u>
	\$4,252,992	\$2,220,000		\$2,967,898	\$5,187,898	\$9,440,890

APPENDIX 6a
EXAMPLE OPERATING BUDGET

Clear Water Municipal Utility District
Table of Revenues & Expenditures
\$2,200,000 Unlimited Tax and Revenue Bond Issue
Series 2001

<u>Revenues</u>	Prior Year's General Fund <u>Actual</u>	Proposed General Fund <u>Budget</u>
Water Service	\$ 12,400	\$ 25,000
Sewer Service	\$ 10,985	\$ 20,000
Property Taxes	\$ 16,168	\$ 18,000
Tap Connection Fees	\$ 13,600	\$ 10,000
Interest from Investment	<u>\$ 6,248</u>	<u>\$ 10,000</u>
Total Revenues	\$ 59,401	\$ 83,000
 <u>Expenditures</u>		
Current		
Purchased Water & Sewer Services	\$ 13,262	\$ 15,000
Professional Fees	\$ 18,032	\$ 20,000
Contract Services	\$ 12,268	\$ 12,000
Recurring Expenses	\$ 14,170	\$ 15,000
Capital Outlay	\$ 17,959	\$ 18,000
Total Expenditures	<u>\$ 75,691</u>	<u>\$ 80,000</u>
Excess of Revenues over (under) Expenditures	\$ (16,290)	\$ 3,000
Other Financing Sources		
Operating Transfers	\$ —	\$ —
Bond Proceeds	<u>\$ —</u>	<u>\$ —</u>
Total Other Financing Sources	\$ —	\$ —
Increase (Decrease) in Fund Balance		
Fund Balance— Beginning of Year	\$ (16,290)	\$ 3,000
Fund Balance— End of Year	\$ 20,000	\$ 20,000
	\$ 3,710	\$ 23,000

APPENDIX 6b – NO-GROWTH BUDGET

INCOME ⁽¹⁾	Actual <u>Jan 04 - Dec 04</u>	2005 <u>Budget</u>
Water—Customer-Service Revenue		
Surface-Water Reserve		
Bulk Water Sales		
Reconnection Fee		
Connection Fees		0
Sewer—Customer-Service Fee		
Penalties and Interest		
Maintenance Tax Collections ⁽²⁾		
Grease Trap		
Interest Earned on Investments		0
Other Income		
Total Income		
EXPENSE ⁽¹⁾		
Operator Fees		
Grease Trap Inspection		
Connection Expenses		0
Maintenance and Repairs		
Chemicals		
Laboratory Expense		
Utilities		
Reconnections		
Disconnect Expense		
Mowing		
Purchase Water/Sewer		
Legal Fees		
Auditing Fees		
Engineering Fees		
Election Expense		
Permit Expense		
Telephone Expense		
Service Account Collection		
Bookkeeping Fees		
Legal Notice and Other Publishing		
Printing and Office Supplies		
Filing Fees		
Delivery Expense		
Postage		
Insurance and Surety Bond		
Miscellaneous Expense		
Surface Water Assessment Fee		
Payroll Expense		
Total Expense		

Notes:

1. Income and expense items should be based on the assumption that there will be no further growth. For example: "Income: Connection Fees" would be zero.
2. Should be based on the latest appraisal district's assessed valuation certificate for the District.

APPENDIX 7a
EXAMPLE PRO FORMA

Clear Water Municipal Utility District										Bond Issue Amount		\$2,200,000
Tax Rate Study - Projected Growth Analysis										Coupon		
2001 Series Unlimited Tax and Revenue Bond Issue										Rate:		7.25%
										Collection Rate:		90%
										Debt Service Balance		\$200,000
Year	Assessed	Tax	Tax	90% Tax	Total	Debt	Capitalized		Ending	%		
31-Dec	Valuation ⁽¹⁾	Year	Rate ⁽³⁾	Revenue	Available	Service	& Earned	Transfers ⁽²⁾	Balance	Coverage ⁽⁵⁾		
	2001	\$13,676,750	2000	\$1.00	\$123,091	\$323,091	\$209,950	\$160,950	\$0	\$274,091	94.38%	
	2002	\$28,013,000	2001	\$1.00	\$252,117	\$526,208	\$290,425	\$10,964		\$246,746	84.96%	
	2003	\$44,490,500	2002	\$1.00	\$400,415	\$647,161	\$290,425	\$9,870		\$366,606	114.38%	
	2004	\$44,490,500	2003	\$1.00	\$400,415	\$767,020	\$320,525			\$446,495	123.31%	
	2005	\$44,490,500	2004	\$1.00	\$400,415	\$846,910	\$362,094			\$484,816	133.97%	
	2006	\$44,490,500	2005	\$1.00	\$400,415	\$885,230	\$361,881			\$523,349	146.79%	
	2007	\$44,490,500	2006	\$1.00	\$400,415	\$923,764	\$356,519			\$567,245	159.34%	
	2008	\$44,490,500	2007	\$1.00	\$400,415	\$967,659	\$356,006			\$611,653	172.22%	
	2009	\$44,490,500	2008	\$1.00	\$400,415	\$1,012,068	\$355,149			\$656,919	178.33%	
	2010	\$44,490,500	2009	\$1.00	\$400,415	\$1,057,333	\$368,371			\$688,962	188.40%	
	2011	\$44,490,500	2010	\$1.00	\$400,415	\$1,089,377	\$365,689			\$723,688	198.99%	
	2012	\$44,490,500	2011	\$1.00	\$400,415	\$1,124,102	\$363,679			\$760,423	212.99%	
	2013	\$44,490,500	2012	\$1.00	\$400,415	\$1,160,838	\$357,024			\$803,814	232.01%	
	2014	\$44,490,500	2013	\$1.00	\$400,415	\$1,204,228	\$346,460			\$857,768	247.44%	
	2015	\$44,490,500	2014	\$1.00	\$400,415	\$1,258,183	\$346,660			\$911,523	250.04%	
	2016	\$44,490,500	2015	\$1.00	\$400,415	\$1,311,937	\$364,555			\$947,382	266.37%	
	2017	\$44,490,500	2016	\$1.00	\$400,415	\$1,347,797	\$355,668			\$992,129	282.85%	
	2018	\$44,490,500	2017	\$1.00	\$400,415	\$1,392,543	\$350,765		\$1,041,778	301.04%		
	2019	\$44,490,500	2018	\$1.00	\$400,415	\$1,442,193	\$346,065		\$1,096,128	310.77%		
	2020	\$44,490,500	2019	\$1.00	\$400,415	\$1,496,542	\$352,710		\$1,143,832	327.27%		
	2021	\$44,490,500	2020	\$1.00	\$400,415	\$1,544,247	\$349,502		\$1,194,745	350.12%		
	2022	\$44,490,500	2021	\$1.00	\$400,415	\$1,595,159	\$341,242		\$1,253,917	354.50%		
	2023	\$44,490,500	2022	\$1.00	\$400,415	\$1,654,332	\$353,714		\$1,300,618	373.35%		
	2024	\$44,490,500	2023	\$1.00	\$400,415	\$1,701,032	\$348,363		\$1,352,669	375.26%		
	2025	\$44,490,500	2024	\$1.00	\$400,415	\$1,753,084	\$360,464		\$1,392,620	403.12%		
	2026	\$44,490,500	2025	\$1.00	\$400,415	\$1,793,034	\$345,461		\$1,447,573	432.25%		
	2027	\$44,490,500	2026	\$1.00	\$400,415	\$1,847,988	\$334,889		\$1,513,099	811.20%		
	2028	\$44,490,500	2027	\$1.00	\$400,415	\$1,913,513	<u>\$186,525</u>		\$1,726,988	18.29%		
Total							\$9,440,780					
Average							\$337,171					

Notes:

1. Previous Year's assessed valuation.
2. Net Revenues should be zero unless documented by net revenues in prior years.
3. Assume a 90% collection rate unless collections are historically higher or lower.
4. Up to two years of capitalized income (if included in the bond issue) plus up to two years of interest income. This example uses one year of capitalized interest.
5. The District should on a yearly basis maintain a debt-service balance sufficient to meet 25% of the next year's debt-service requirements.

**APPENDIX 7b
EXAMPLE PRO FORMA**

Clear Water Municipal Utility District										
Projected Cash-Flow Analysis										
2001 Series Revenue Bond Issue										
						Bond Issue Amount		\$2,200,000		
						Coupon Rate:		7.25%		
						Collection Rate:		100%		
						Debt Service Balance		\$200,000		
Year	Water	Avg.	Sewer	Avg.	Gross	O & M	Operating	Debt	Accum	%
Ending	Connections ⁽¹⁾	Rates	Connections	Rates	Revenue	Expenses	Revenue	Service	Balance ⁽²⁾	Coverage
31-							Available			
Dec										
2001	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$209,950	\$801,000	275.80%
2002	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$290,425	\$1,160,575	399.61%
2003	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$290,425	\$1,520,150	474.27%
2004	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$320,525	\$1,849,625	510.81%
2005	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$362,094	\$2,137,531	590.67%
2006	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$361,881	\$2,425,650	680.37%
2007	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$356,519	\$2,719,131	763.79%
2008	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$356,006	\$3,013,125	848.41%
2009	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$355,149	\$3,307,976	898.00%
2010	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$368,371	\$3,589,605	981.60%
2011	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$365,689	\$3,873,916	1065.20%
2012	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$363,679	\$4,160,237	1165.25%
2013	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$357,024	\$4,453,213	1285.35%
2014	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$346,460	\$4,756,753	1372.17%
2015	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$346,660	\$5,060,093	1388.02%
2016	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$364,555	\$5,345,538	1502.96%
2017	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$355,668	\$5,639,870	1607.88%
2018	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$350,765	\$5,939,105	1716.18%
2019	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$346,065	\$6,243,040	1770.02%
2020	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$352,710	\$6,540,330	1871.33%
2021	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$349,502	\$6,840,828	2004.69%
2022	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$341,242	\$7,149,586	2021.29%
2023	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$353,714	\$7,445,872	2137.39%
2024	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$348,363	\$7,747,509	2149.32%
2025	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$360,464	\$8,037,045	2326.47%
2026	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$345,461	\$8,341,584	2490.85%
2027	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$334,889	\$8,656,695	4641.04%
2028	2,000	\$25.00	1,500	\$25.00	\$1,050,000	\$400,000	\$650,000	\$186,525	\$9,120,170	
Total					\$29,400,000	\$11,200,000		\$9,440,780		
Average					\$1,050,000	\$400,000		\$337,171		

Notes:

1. This example assumes that Clear Water Municipal Utility District has considerably more revenue than what is shown in Appendix 6.
2. Includes capitalized interest of \$160,950 for the first year plus net revenue for each year.

APPENDIX 7c
EXAMPLE PRO FORMA

Clear Water Municipal Utility District
Tax Rate Study - No Growth Analysis
2001 Series Unlimited Tax and Revenue Bond Issue

Bond Issue Amount	\$2,200,000
Coupon Rate:	7.25%
Collection Rate:	100%
Debt Service Balance	\$200,000

Year Ending 31-Dec	Assessed Valuation ⁽¹⁾	Tax Year	Tax Rate ⁽³⁾	100% Tax Revenue	Total Available Debt Service	Debt Service	Capitalized & Earned Interest ⁽⁴⁾	Transfers ⁽²⁾	Ending Balance	% Coverage ⁽⁵⁾
2001	\$13,676,750	2000	\$2.419	\$330,841	\$530,841	\$209,950	\$16,050	\$0	\$481,841	165.91%
2002	\$13,676,750	2001	\$2.419	\$330,841	\$812,681	\$290,425	\$19,274		541530	186.46%
2003	\$13,676,750	2002	\$2.419	\$330,841	\$872,370	\$290,425	\$21,661		603607	188.32%
2004	\$13,676,750	2003	\$2.419	\$330,841	\$934,447	\$320,525			613922	169.55%
2005	\$13,676,750	2004	\$2.419	\$330,841	\$944,763	\$362,094			582669	161.01%
2006	\$13,676,750	2005	\$2.419	\$330,841	\$913,509	\$361,881			551628	154.73%
2007	\$13,676,750	2006	\$2.419	\$330,841	\$882,469	\$356,519			525950	147.74%
2008	\$13,676,750	2007	\$2.419	\$330,841	\$856,790	\$356,006			500784	141.01%
2009	\$13,676,750	2008	\$2.419	\$330,841	\$831,625	\$355,149			476476	129.35%
2010	\$13,676,750	2009	\$2.419	\$330,841	\$807,317	\$368,371			438946	120.03%
2011	\$13,676,750	2010	\$2.419	\$330,841	\$769,786	\$365,689			404097	111.11%
2012	\$13,676,750	2011	\$2.419	\$330,841	\$734,938	\$363,679			371259	103.99%
2013	\$13,676,750	2012	\$2.419	\$330,841	\$702,099	\$357,024			345075	99.60%
2014	\$13,676,750	2013	\$2.419	\$330,841	\$675,916	\$346,460			329456	95.04%
2015	\$13,676,750	2014	\$2.419	\$330,841	\$660,297	\$346,660			313637	86.03%
2016	\$13,676,750	2015	\$2.419	\$330,841	\$644,477	\$364,555			279922	78.70%
2017	\$13,676,750	2016	\$2.419	\$330,841	\$610,763	\$355,668			255095	72.73%
2018	\$13,676,750	2017	\$2.419	\$330,841	\$585,938	\$350,765			235170	67.96%
2019	\$13,676,750	2018	\$2.419	\$330,841	\$566,011	\$346,065			219946	62.36%
2020	\$13,676,750	2019	\$2.419	\$330,841	\$550,786	\$352,710			198076	56.67%
2021	\$13,676,750	2020	\$2.419	\$330,841	\$528,917	\$349,502			179415	52.58%
2022	\$13,676,750	2021	\$2.419	\$330,841	\$510,256	\$341,242			169014	47.78%
2023	\$13,676,750	2022	\$2.419	\$330,841	\$499,854	\$353,714			146140	41.95%
2024	\$13,676,750	2023	\$2.419	\$330,841	\$476,981	\$348,363			128618	35.68%
2025	\$13,676,750	2024	\$2.419	\$330,841	\$459,458	\$360,464			98994	28.66%
2026	\$13,676,750	2025	\$2.419	\$330,841	\$429,835	\$345,461			84374	25.19%
2027	\$13,676,750	2026	\$2.419	\$330,841	\$415,215	\$334,889			80326	43.06%
2028	\$13,676,750	2027	\$2.419	\$330,841	\$411,166	\$186,525			224641	2.38%
Total						\$9,440,780				
Average						\$337,171				

Notes:

1. Previous year's assessed valuation.
2. Net revenues should be zero unless documented by net revenues in prior years.
3. Assume a 100% collection rate.
4. Up to two years of capitalized income (if included in the bond issue) plus up to two years of interest income. This example uses one year of capitalized interest.
5. The District should on a yearly basis maintain a debt-service balance sufficient to meet 25% of the next year's debt-service requirements.