



CITY OF FAIR OAKS RANCH
BOND ADVISORY COMMITTEE

Wednesday, December 13, 2023 at 9:00 AM
Spring Creek United Methodist Church (Fellowship Building), 9200 Dietz
Elkhorn, Fair Oaks Ranch, TX

AGENDA

OPEN MEETING

1. Roll Call - Declaration of a Quorum.

CITIZENS and GUEST FORUM

To address the Committee, please sign the Attendance Roster located on the table at the entrance of the meeting room in the Fellowship Building. In accordance with the Open Meetings Act, the Bond Advisory Committee may not discuss or take action on any item which has not been posted on the agenda. Speakers shall limit their comments to five (5) minutes each.

2. Citizens to be heard.

CONSENT AGENDA

The following items are considered routine by the Bond Advisory Committee, there will be no separate discussion on these items and will be enacted with one motion. Items may be removed by any Committee Member by making such request prior to a motion and vote.

3. Approval of the November 30, 2023 Bond Advisory Committee meeting minutes.

Amanda Valdez, TRMC, Deputy City Secretary

PRESENTATIONS

4. Recap of previous Bond Advisory Committee meetings and site tour.

Summer Fleming, Finance Director
Grant Watanabe, Director of Public Works & Engineering Services

5. Updated Financial Model.

Summer Fleming, Finance Director
Andrew T. Friedman, Senior Managing Director, SAMCO Capital

CONSIDERATION / DISCUSSION ITEMS

6. Consideration and possible action on the final project recommendations related to Roadway, Drainage, and Other Projects.

Seth Mitchell, Committee Chairman

7. Consideration and possible action on the final funding recommendations related to Roadway, Drainage, and Other Projects.

Seth Mitchell, Committee Chairman

- 8. Recommendations concerning development of the Bond Advisory Committee final report to Council to include:
 - Elements
 - Timing
 - Committee Assignments
 - Public Engagement Process

Seth Mitchell, Committee Chairman

- 9. Consideration and possible action on scheduling future meetings.

Seth Mitchell, Committee Chairman
Amanda Valdez, TRMC, Deputy City Secretary

ADJOURNMENT

Requests for Committee topic needing additional information/research; or, potential consideration for a future agenda

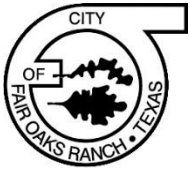
Signature of Agenda Approval: s/Seth Mitchell

Seth Mitchell, Committee Chairman

I, Amanda Valdez, TRMC, Deputy City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the City’s website www.fairoaksranchtx.org, both places being convenient and readily accessible to the general public at all times.

As per Texas Government Code 551.045, said Notice was posted by 9:00 AM, December 10, 2023 and remained so posted continuously for at least 72 hours before said meeting was convened.

The Spring Creek united Methodist Church Fellowship Building is wheelchair accessible at the front main entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary’s office at (210) 698-0900. Braille is not available.



CITY OF FAIR OAKS RANCH
BOND ADVISORY COMMITTEE

Thursday, November 30, 2023 at 9:00 AM
 Spring Creek United Methodist Church (Fellowship Building), 9200 Dietz
 Elkhorn, Fair Oaks Ranch, TX

MINUTES

OPEN MEETING

1. Roll Call - Declaration of a Quorum.

Present: Chairman Seth Mitchell, Vice Chairman Marcus Garcia, and Committee Members: Joe DeCola, John Guidry, Dana Green, Paul Mebane, Jamin Kazarian, and Chris Weigand

Absent: Ben Koerner

Council Liaison, Emily Stroup, was also in attendance.

With a quorum present, the meeting was called to order at 9:00 AM

CITIZENS and GUEST FORUM

2. **Citizens to be heard** – Chairman, Seth Michell, read a message from resident, Al Schmidt, stating his opposition to the Battle Intense Bridge and Arbors Preserve Access Road projects being considered by the Committee.

CONSENT AGENDA

3. **Approval of the November 9, 2023 Bond Advisory Committee meeting minutes.**

MOTION: Made by Paul Mebane, seconded by Jamin Kazarian, to approve the Consent Agenda.

VOTE: 8-0, Motion Passed.

PRESENTATIONS

4. **Recap of the November 9, 2023 Bond Advisory Committee meeting.**

Grant Watanabe, Director of Public Works & Engineering Services, provided a recap of the November 9, 2023 Bond Advisory Committee meeting and provided answers to questions raised during the presentations.

CONSIDERATION / DISCUSSION ITEMS

5. **Demonstration, consideration, and possible action related to the Bond Advisory Committee website.**

Summer Fleming, Finance Director, displayed the website and showed the Committee the webpage that shows details on both the Committee and the projects they are considering.

6. Consideration and possible action on an updated financial model.

Summer Fleming, Finance Director, provided an updated financial model to the Committee and answered questions from the members.

7. Consideration and possible action to schedule a tour of bond projects in the City.

Seth Mitchell, Committee Chair, led a discussion amongst the Committee about scheduling an in-person tour of the proposed project sites. A quorum of the group expressed interest in joining the tour, so the Committee scheduled a tour to begin at 9:00 AM on December 6, 2023.

8. Consideration and possible action concerning recommendations for projects to be included as part of the 2024 bond package to City Council.

The Committee discussed each of the projects on the list and marked each for inclusion or exclusion in the recommendation to City Council. Committee member, Jamin Kazarian, announced he created a draft report outline and would provide it to the City Secretary for distribution to the entire committee.

Joe DeCola left the meeting at 10:52 AM.

9. Request by committee members to add an item to a future bond committee agenda.

None.

FUTURE MEETINGS

10. Bond Advisory Committee Meetings:

- Project Site Tour, December 6, 2023 at 9:00 AM, leaving from the Fair Oaks Ranch PD Training Room. (scheduled during this meeting)
- December 13, 2023 at 9:00 AM, Fellowship Building of Spring Creek United Methodist Church.

ADJOURNMENT

Chairman, Seth Mitchell, adjourned the meeting at 11:03 AM.

ATTEST:

Seth Mitchell, Chairman

Amanda Valdez, TRMC
Deputy City Secretary



Bond Advisory Committee November 30, 2023 Meeting Recap



Reviewed the Updated Financial Model

- Removed two drainage and two roadway projects that are fully funded
- Updated inflation based on engineer's recommendation to 4% cumulative each year from 2025-2029
- Removed cost of drainage project at 7420 Rolling Acres as this is included in the Rolling Acres Roadway Reconstruction project cost
- Removed cost of Ammann Rd. LWC project as this cost is included in the Ammann Rd. Reconstruction project



Drainage Project Recommendations

- Adjust 8622 Delta Dawn (\$122,500 - split cost with the utility)
- Add Drainage 31988 Scarteen (\$100,000)
- Add Drainage 7644 Pimlico Drive (\$100,000)
- Add Drainage 8045 Flagstone Hill (\$100,000)
- Add HALT System at 8402 Battle Intense LWC (\$200,000)
- Do not include Drainage 29314 Sumpter Drive (TxDOT)



Roadway Project Recommendations

- Add Ammann Rd. maintenance (\$2,000,000)
- Do not include Ammann Rd. Reconstruction
- Do not include Arbors Preserve Access Road (condition adequate)



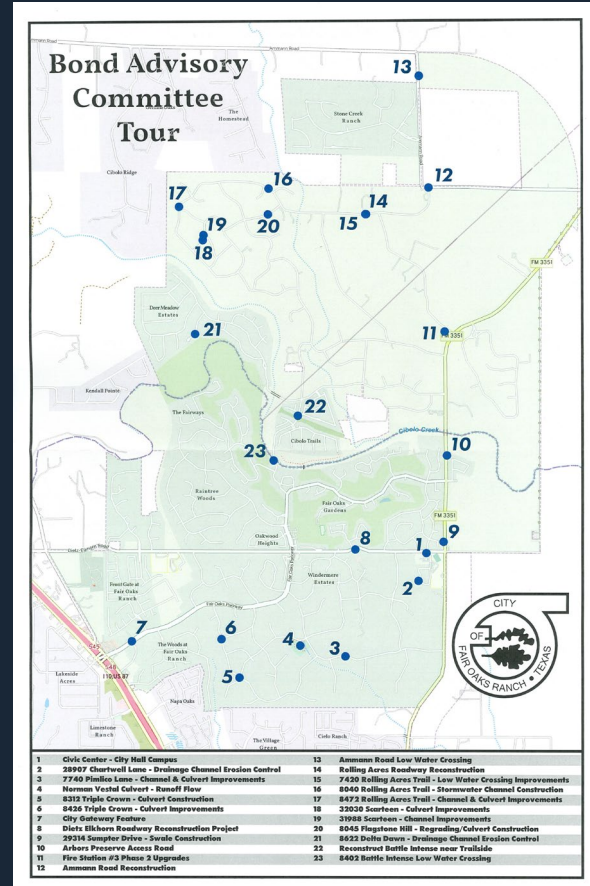
Other Projects Recommendation

- Do not include Civic Center (MDD grant)
- Do not include City Gateway Feature (MDD grant)
- Do not include Fire Station #3 Upgrades (need undetermined)



Project Tour

- Conducted a tour of 23 projects on December 6th
- Included all recommended and not recommended projects discussed to date
- Highlights include:
 - Increased understanding regarding need for projects in the FY2024-29 timeframe
 - Insight regarding proper fund source for the 8622 Delta Dawn drainage project
 - Importance of routine inspection and maintenance to maximize infrastructure lifespan



Recommended projects in bond package

RELIABLE AND SUSTAINABLE INFRASTRUCTURE - DRAINAGE PROJECTS						Include in	Alternative
SAP #	Description/Location	Criticality Score	Category		Total Cost	Bond Package	Funding Source
3.3.22	Drainage 28907 Chartwell Lane (CIP# 35)	29.5	Must Do		335,229	Yes	
3.3.23	Drainage 8622 Delta Dawn (CIP# 15)	29.5	Must Do		122,500	Yes	Split with Utility
3.3.14	Drainage 8472 Rolling Acres Trail (CIP# 2)	29	Must Do		229,840	Yes	
3.3.17	Drainage 8040 Rolling Acres Trail (CIP# 4)	28	Must Do		229,840	Yes	
3.3.18	Drainage 7740 Pimlico Lane (CIP# 42)	27.5	Must Do		113,844	Yes	
3.3.13	Drainage 7420 Rolling Acres Trail (CIP# 6)	17	Must Do		Included in Rdwy CIP# 7	Yes	
3.3.12	Drainage 8426 Triple Crown (CIP# 41)	22	Should Do		253,094	Yes	
3.3.20	Drainage 8312 Triple Crown (CIP# 43)	22	Should Do		269,967	Yes	
3.3.19	Drainage 32030 Scarteen (CIP# 53)	24.5	Should Do		266,184	Yes	
	Drainage 31988 Scarteen (CIP# 44)	28.5	Should Do		100,000	Yes	
	Drainage 7644 Pimlico Lane (CIP# 46)	28.5	Should Do		100,000	Yes	
	Drainage 8045 Flagstone Hill (CIP# 63)	21	Should Do		100,000	Yes	
	Drainage 8402 Battle Intense LWC HALT system	17	Must Do		200,000	Yes	
Total Drainage					2,320,498		

RELIABLE AND SUSTAINABLE INFRASTRUCTURE - ROADWAY PROJECTS						Include in	Alternative
SAP #	Description/Location	OCI Score	Category	ADT (vehicles/day)	Total Cost	Bond Package	Funding Source
3.4.10	Dietz Elkhorn Roadway Reconstruction (CIP# 5)	< 40	Must Do	2,731	4,941,593	Yes	
3.4.16	Reconstruct Battle Intense near Trailside (NEW)	< 40	Should Do	1,603	312,000	Yes	
3.4.12	Rolling Acres Roadway Reconstruction (CIP# 7) (Includes drainage CIP# 6)	33	Should Do	825	6,773,793	Yes	
3.4.11	Ammann Road Maintenance	< 40	Must Do	1,906	2,000,000	Yes	
Total Roadway					14,027,386		

Not recommended to be included in bond package

RELIABLE AND SUSTAINABLE INFRASTRUCTURE - DRAINAGE						Include in	Alternative
SAP #	Description/Location	Criticality Score	Category		Total Cost	Bond Package	Funding Source
3.3.11	Drainage Ammann Road Low Water Cross (CIP# 1)	26	Must Do		Included in Rdwy CIP# 6	No	
	Drainage 8402 Battle Intense LWC (CIP# 23)	17	Must Do		3,768,171	No	add \$200k to bond
3.3.6	Drainage 29314 Sumpter Drive (CIP# 32)	40.5	Should Do		266,184	No	

RELIABLE AND SUSTAINABLE INFRASTRUCTURE - ROADWAY						Include in	Alternative
SAP #	Description/Location	OCI Score	Category	ADT (vehicles/day)	Total Cost	Bond Package	Funding Source
3.4.11	Ammann Road Reconstruction (CIP# 6) (Includes Drainage CIP# 1)	< 40	Must Do	1,906	6,700,085	No	add \$2M to bond
	Arbors Preserve Access Road	N/A	N/A		500,000	No	

RELIABLE AND SUSTAINABLE INFRASTRUCTURE - BUILDINGS						Include in	Alternative
SAP #	Description/Location				Total Cost	Bond Package	Funding Source
3.5.5	Plan and construct a civic/community center				2,549,441	No	MDD Grant

PUBLIC HEALTH, SAFETY, AND WELFARE						Include in	Alternative
SAP #	Description/Location				Total Cost	Bond Package	Funding Source
4.2.4	Fire Station #3 Phase 2 Upgrades				492,720	No	

OPERATIONAL EXCELLENCE						Include in	Alternative
SAP #	Description/Location				Total Cost	Bond Package	Funding Source
5.2.6	Design and Construct a City Gateway Feature				500,000	No	MDD Grant

* Several options for Ammann Road are listed below, all include the addition of paved shoulders to improve safety.

- 1) Reconstruct and soften both curves only (\$2,097,724)
- 2) Reconstruct North-South leg, soften both curves and LWC improvement (\$4,761,920)
- 3) Reconstruct entire roadway and LWC improvement (\$6,700,085)

Note project is also a potential candidate for TxDOT HSIP grant funding (covers 90% of construction cost up to \$3M).

Recommended for bond package

	2023	2024	2025	2026	2027	2028	2029	Total
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - DRAINAGE PROJECTS								
3.3.22 Drainage 28907 Chartwell Lane (CIP #35)	-	64,829	270,400	-	-	-	-	335,229
3.3.23 Drainage 8622 Delta Dawn (CIP# 15)	-	122,500	-	-	-	-	-	122,500
3.3.14 Drainage 8472 Rolling Acres Trail (CIP# 2)	-	-	67,600	162,240	-	-	-	229,840
3.3.17 Drainage 8040 Rolling Acres Trail (CIP# 4)	-	-	67,600	162,240	-	-	-	229,840
3.3.18 Drainage 7740 Pimlico Lane (CIP# 42)	-	-	113,844	-	-	-	-	113,844
3.3.13 Drainage 7420 Rolling Acres Trail (CIP#6)	-	-	-	-	-	-	-	-
3.3.12 Drainage 8426 Triple Crown (CIP# 41)	-	-	-	-	253,094	-	-	253,094
3.3.20 Drainage 8312 Triple Crown (CIP #43)	-	-	-	-	269,967	-	-	269,967
3.3.19 Drainage 32030 Scarteen (CIP# 53)	-	-	-	-	-	72,331	193,853	266,184
Drainage 31988 Scarteen (CIP# 44)	-	-	-	-	-	100,000	-	100,000
Drainage 7644 Pimlico Lane (CIP# 46)	-	-	-	-	-	100,000	-	100,000
Drainage 8045 Flagstone Hill (CIP# 63)	-	-	-	-	-	-	100,000	100,000
Drainage 8402 Battle Intense LWC (CIP# 23)	-	-	-	-	-	-	200,000	200,000
Total Drainage	-	187,329	519,444	324,480	523,062	272,331	493,853	2,320,499
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - ROADWAY PROJECTS								
3.4.10 Dietz Elkhorn Roadway Reconstruction	100,721	509,429	263,253	1,994,211	2,073,979	-	-	4,941,593
3.4.16 Reconstruct Battle Intense near Trailside	-	-	312,000	-	-	-	-	312,000
3.4.12 Rolling Acres Roadway Reconstruction	-	-	-	404,411	420,588	2,916,075	3,032,718	6,773,793
3.4.11 Ammann Road Maintenance	-	-	500,000	500,000	500,000	500,000	-	2,000,000
Total Roadway	100,721	509,429	1,075,253	2,898,622	2,994,568	3,416,075	3,032,718	14,027,386
Total Needed to Fund All Projects	100,721	696,758	1,594,697	3,223,102	3,517,629	3,688,406	3,526,571	16,347,884
Potential City Cash Funding	100,721	696,758	249,044	324,480	367,405	272,331	393,854	2,404,593
Debt Funding Needed		-	1,345,653	2,898,622	3,150,224	3,416,075	3,132,717	13,943,291

Not recommended for bond package

	2023	2024	2025	2026	2027	2028	2029	Total
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - DRAINAGE								
3.3.11 Drainage Ammann Road Low Water Cross (CIP# 1)	-	-	-	-	-	-	-	-
Drainage 8402 Battle Intense LWC (CIP# 23)	-	-	-	-	-	-	3,768,171	3,768,171
3.3.6 Drainage 29314 Sumpter Drive (CIP# 32)	-	-	-	-	-	72,331	193,853	266,184
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - ROADWAY								
3.4.11 Ammann Road Reconstruction	-	418,761	414,773	2,875,760	2,990,791	-	-	6,700,085
Arbors Preserve Access Road	-	-	500,000	-	-	-	-	500,000
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - BUILDINGS								
3.5.5 Plan and construct a civic/community center	299,441	800,000	1,450,000	-	-	-	-	2,549,441
PUBLIC HEALTH, SAFETY, AND WELFARE								
4.2.4 Fire Station #3 Phase 2 Upgrades	-	150,000	342,720	-	-	-	-	492,720
OPERATIONAL EXCELLENCE								
5.2.6 Design and Construct a City Gateway Feature	-	500,000	-	-	-	-	-	500,000
Total Needed to Fund Projects	299,441	1,868,761	2,707,493	2,875,760	2,990,791	72,331	3,962,024	14,776,601
City Cash Funding	299,441	150,000	250,000	-	-	-	-	699,441
Potential Grant Funding	-	1,300,000	1,200,000	-	-	-	-	2,500,000
Debt Funding Needed	-	418,761	1,257,493	2,875,760	2,990,791	72,331	3,962,024	11,577,160

Combined Debt Proposal (Adjusted for Inflation by City) (CIP as of 12-6-23)

	2024	2025	2026	2027	2028	2029	Total
Roadways	\$ 509,429	\$ 1,075,253	\$ 2,898,622	\$ 2,994,568	\$ 3,416,075	\$ 3,032,718	\$ 14,027,386
Drainage	187,329	519,444	324,480	523,062	272,331	493,853	2,320,499
	\$ 696,758	\$ 1,594,697	\$ 3,223,102	\$ 3,517,629	\$ 3,688,406	\$ 3,526,571	\$ 16,347,884
							-
Less: Cash/Grant Funding	696,758	249,044	324,480	367,405	272,331	393,854	2,404,593
General Obligation Debt Funding	\$ -	\$ 1,345,653	\$ 2,898,622	\$ 3,150,224	\$ 3,416,075	\$ 3,132,717	\$ 13,943,291
Water System Improvements	\$ 3,051,547	\$ 1,701,332	\$ 4,596,257	\$ 5,100,985	\$ 300,408	\$ -	\$ 14,750,530
Less: Cash Funding	240,000	264,767	193,240	91,743	300,408	-	1,090,157
Debt Funding	\$ 2,811,547	\$ 1,436,566	\$ 4,403,017	\$ 5,009,242	\$ -	\$ -	\$ 13,660,372
Wastewater System Improvements	\$ -	\$ 2,632,240	\$ 3,154,521	\$ 1,170,736	\$ -	\$ -	\$ 6,957,497
Less: Cash Funding	-	107,626	113,521	179,487	-	-	400,634
Debt Funding	\$ -	\$ 2,524,614	\$ 3,041,000	\$ 991,249	\$ -	\$ -	\$ 6,556,863
Combined Utility Debt Funding	\$ 2,811,547	\$ 3,961,180	\$ 7,444,017	\$ 6,000,491	\$ -	\$ -	\$ 20,217,235

General Obligation Bonds Propositions:

Proposition A: Streets and Drainage	\$ -	\$ 1,345,653	\$ 2,898,622	\$ 3,150,224	\$ 3,416,075	\$ 3,132,717	\$ 13,943,291
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General Obligation Bonds

Civic Center, Streets and Drainage Projects	\$ 1,345,653	\$ -	\$ 6,048,846	\$ -	\$ 6,548,792	\$ -	\$ 13,943,291
<i>Bond Par Amount (Rounded to \$5,000 Increment)</i>	<i>\$ 1,350,000</i>	<i>\$ -</i>	<i>\$ 6,050,000</i>	<i>\$ -</i>	<i>\$ 6,550,000</i>	<i>\$ -</i>	<i>\$ 13,950,000</i>

Certificates of Obligation

Water System Projects	\$ 4,248,113	\$ 4,403,017	\$ -	\$ 5,009,242	\$ -	\$ -	\$ 13,660,372
Wastewater System Projects	2,524,614	4,032,249	-	-	-	-	6,556,863
Combined Utility System Projects	\$ 6,772,727	\$ 8,435,266	\$ -	\$ 5,009,242	\$ -	\$ -	\$ 20,217,235
<i>CO Par Amount (Rounded to \$5,000 Increment)</i>	<i>\$ 6,775,000</i>	<i>\$ 8,440,000</i>	<i>\$ -</i>	<i>\$ 5,010,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 20,225,000</i>

Total Debt (Bonds and COs)

All Projects	\$ 8,118,380	\$ 8,435,266	\$ 6,048,846	\$ 5,009,242	\$ 6,548,792	\$ -	\$ 34,160,527
<i>Bonds and COs Par Amount (Rounded to \$5,000 Increment)</i>	<i>\$ 8,120,000</i>	<i>\$ 8,440,000</i>	<i>\$ 6,050,000</i>	<i>\$ 5,010,000</i>	<i>\$ 6,550,000</i>	<i>\$ -</i>	<i>\$ 34,170,000</i>

Fair Oaks Ranch, City of Tax Rate Impact Analysis December 7, 2023								
		\$1,350,000			\$6,050,000		\$6,550,000	
FYE (9/30)	TAV ⁽¹⁾	Existing Debt					Projected Debt	
		Service	I&S ⁽³⁾	GO's, Series 2024 ⁽²⁾	GO's, Series 2026 ⁽²⁾	GO's, Series 2028 ⁽²⁾	Service	I&S ⁽³⁾
2023	\$ 2,046,397,330	\$ 552,130	\$ 0.0268				\$ 552,130	\$ 0.0268
2024	2,388,156,944	553,163	0.0229				553,163	0.0229
2025	2,626,972,638	552,475	0.0210	\$ 541,050			1,093,525	0.0425
2026	2,758,321,270	550,950	0.0200	592,450			1,143,400	0.0423
2027	2,896,237,334	548,575	0.0189	17,050	\$ 639,450		1,205,075	0.0425
2028	3,041,049,201	550,888	0.0181	17,050	695,100		1,263,038	0.0424
2029	3,193,101,661	552,825	0.0173	17,050	324,300	\$ 425,750	1,319,925	0.0422
2030	3,193,101,661	548,100	0.0172	17,050	324,300	425,750	1,315,200	0.0420
2031	3,193,101,661	-	-	31,638	523,150	619,250	1,174,038	0.0375
2032	3,193,101,661	-	-	30,813	525,400	615,925	1,172,138	0.0375
2033	3,193,101,661	-	-	29,988	526,750	616,788	1,173,525	0.0375
2034	3,193,101,661	-	-	34,025	527,200	616,675	1,177,900	0.0376
2035	3,193,101,661	-	-	32,925	526,750	615,588	1,175,263	0.0376
2036	3,193,101,661	-	-	31,825	525,400	618,363	1,175,588	0.0376
2037	3,193,101,661	-	-	30,725	528,000	619,838	1,178,563	0.0377
2038	3,193,101,661	-	-	29,625	524,550	615,175	1,169,350	0.0374
2039	3,193,101,661	-	-	33,388	525,050	619,213	1,177,650	0.0376
2040	3,193,101,661	-	-	32,013	524,350	616,788	1,173,150	0.0375
2041	3,193,101,661	-	-	30,638	527,300	617,900	1,175,838	0.0376
2042	3,193,101,661	-	-	34,125	523,900	617,388	1,175,413	0.0376
2043	3,193,101,661	-	-	32,475	524,150	615,250	1,171,875	0.0374
2044	3,193,101,661	-	-	30,825	522,900	616,325	1,170,050	0.0374
2045	3,193,101,661	-	-	-	525,000	615,450	1,140,450	0.0364
2046	3,193,101,661	-	-	-	525,300	617,463	1,142,763	0.0365
2047	3,193,101,661	-	-	-	-	617,200	617,200	0.0197
2048	3,193,101,661	-	-	-	-	619,500	619,500	0.0198
Total		\$ 4,409,105		\$ 1,646,725	\$ 10,388,300	\$ 11,961,575	\$ 28,405,705	

⁽¹⁾ Assumes 10% growth for 1 year and 5% for 4 years and no growth thereafter.

⁽²⁾ Preliminary, subject to change. Interest calculated to be 5.50% for Series 2024, 6.00% for Series 2026 and 6.5% for Series 2028 for illustrative purposes only.

⁽³⁾ FYE 2025 and beyond assume 100% tax collections.

Homeowner Impact Analysis (I&S Rate Only)				
Taxable Home Value (Net of Exemptions)	I&S Tax Rate Increase from Current (FYE 2024)		Monthly Tax Increase	Annual Tax Increase
	\$			
400,000	0.0196	\$	6.53	\$ 78.31
500,000	0.0196		8.16	97.88
650,000	0.0196		10.60	127.25
800,000	0.0196		13.05	156.61
1,000,000	0.0196		16.31	195.76
1,250,000	0.0196		20.39	244.70
1,500,000	0.0196		24.47	293.65

City of Fair Oaks Ranch, Texas
Water and Sewer Fund Proforma
December 7, 2023

FYE (9/30)	# of Water Connections (1)	# of Wastewater Connections (1)	Revenues (2)	Expenditures (2)	Available for Debt Service	Existing Debt				Rate Increase Calculations (4)						
						Service	Series 2024 (3)	Series 2025 (3)	Series 2027 (3)	Total	Total Water Debt Service	Revenue Surplus/ (Deficit)	Monthly Water Increase	Total Wastewater Debt Service	Monthly Wastewater Increase	
2023	3197	1977	\$ 6,552,783	\$ 5,121,832	\$ 1,430,951	\$ 339,746					\$ 339,746	\$ 285,386	\$ 1,091,206	\$ -	\$ 45,662	\$ -
2024	3213	1989	6,552,783	5,121,832	1,430,951	336,514					336,514	282,671	1,094,438	(0.07)	45,227	(0.02)
2025	3229	1999	6,552,783	5,121,832	1,430,951	338,256	\$ 603,238				941,494	662,509	489,457	9.73	270,326	9.37
2026	3245	2009	6,552,783	5,121,832	1,430,951	334,974	600,300	\$ 438,125			1,373,399	886,600	57,552	15.44	478,223	17.94
2027	3261	2019	6,552,783	5,121,832	1,430,951	336,666	383,113	440,106			1,159,885	752,828	271,066	11.95	398,438	14.56
2028	3278	2029	6,552,783	5,121,832	1,430,951	338,308	372,250	383,525	\$ 313,125		1,407,208	1,030,984	23,743	18.95	367,563	13.22
2029	3294	2039	6,552,783	5,121,832	1,430,951	160,808	599,919	383,525	342,188		1,486,439	1,053,750	(55,488)	19.44	428,573	15.65
2030	3294	2039	6,552,783	5,121,832	1,430,951	-	600,400	636,050	480,781		1,717,231	1,189,379	(286,280)	22.87	527,853	19.71
2031	3294	2039	6,552,783	5,121,832	1,430,951	-	600,019	635,669	460,156		1,695,844	1,168,316	(264,893)	22.34	527,528	19.69
2032	3294	2039	6,552,783	5,121,832	1,430,951	-	603,631	639,281	459,531		1,702,444	1,171,842	(271,493)	22.43	530,602	19.82
2033	3294	2039	6,552,783	5,121,832	1,430,951	-	601,238	636,888	458,281		1,696,406	1,167,841	(265,455)	22.32	528,565	19.74
2034	3294	2039	6,552,783	5,121,832	1,430,951	-	602,838	638,488	456,406		1,697,731	1,167,805	(266,780)	22.32	529,926	19.79
2035	3294	2039	6,552,783	5,121,832	1,430,951	-	603,288	638,938	458,750		1,700,975	1,170,666	(270,024)	22.40	530,309	19.81
2036	3294	2039	6,552,783	5,121,832	1,430,951	-	602,588	638,238	460,156		1,700,981	1,171,268	(270,030)	22.41	529,714	19.78
2037	3294	2039	6,552,783	5,121,832	1,430,951	-	600,738	636,388	460,625		1,697,750	1,169,610	(266,799)	22.37	528,140	19.72
2038	3294	2039	6,552,783	5,121,832	1,430,951	-	602,594	638,244	460,156		1,700,994	1,171,275	(270,043)	22.41	529,719	19.78
2039	3294	2039	6,552,783	5,121,832	1,430,951	-	603,013	638,663	458,750		1,700,425	1,170,350	(269,474)	22.39	530,075	19.80
2040	3294	2039	6,552,783	5,121,832	1,430,951	-	601,994	637,644	456,406		1,696,044	1,166,835	(265,093)	22.30	529,208	19.76
2041	3294	2039	6,552,783	5,121,832	1,430,951	-	604,394	640,044	457,969		1,702,406	1,171,156	(271,455)	22.41	531,250	19.85
2042	3294	2039	6,552,783	5,121,832	1,430,951	-	600,213	635,863	458,281		1,694,356	1,166,663	(263,405)	22.30	527,693	19.70
2043	3294	2039	6,552,783	5,121,832	1,430,951	-	599,450	635,100	457,344		1,691,894	1,164,849	(260,943)	22.25	527,044	19.67
2044	3294	2039	6,552,783	5,121,832	1,430,951	-	601,819	637,469	460,000		1,699,288	1,170,228	(268,337)	22.39	529,060	19.76
2045	3294	2039	6,552,783	5,121,832	1,430,951	-	-	637,825	456,250		1,094,075	789,180	336,876	12.75	304,895	10.59
2046	3294	2039	6,552,783	5,121,832	1,430,951	-	-	-	460,938		460,938	460,938	970,014	4.44	-	(1.87)
2047	3294	2039	6,552,783	5,121,832	1,430,951	-	-	-	458,906		458,906	458,906	972,045	4.39	-	(1.87)
Total							\$ 2,185,271	\$ 11,587,031	\$ 11,846,069	\$ 8,935,000	\$ 34,553,371	\$ 24,221,835			\$ 10,275,593	

(1) Provided by the City.

(2) Based on FYE 2022 audited results. Revenues include Interest Income and exclude Grant Income. Expenditures exclude depreciation and debt service.

(3) Preliminary, subject to change. Interest calculated to be 5.50% for Series 2024, 5.75% for Series 2025 and 6.25% for Series 2027 for illustrative purposes only.

(4) Maximum projected shortfall would require a \$22.87 and \$19.85 per connection per month increase for water and wastewater services, respectively, to support financed projects. Calculated by subtracting FYE2023 debt service payment from total debt service payment in future years and dividing by the number of customers in that year and then by 12 months.

Costs of Issuance Analysis

Costs of Issuance (Assuming General Obligation Bonds and Certificates of Obligation - as contemplated above) ⁽¹⁾

City Cost of Conducting an Election ⁽²⁾	\$	30,000
General Obligation Bonds, Series 2024		79,775
General Obligation Bonds, Series 2026		93,850
General Obligation Bonds, Series 2028		95,850
Certificates of Obligation, Series 2024		105,700
Certificates of Obligation, Series 2025		113,195
Certificates of Obligation, Series 2027		97,760
Total	\$	616,130

⁽¹⁾ Costs of issuance includes financial advisor fee, bond counsel fee, rating agency fee, Texas Attorney General review fee, and paying agent fee.

⁽²⁾ Pertains to the cost to the City to conduct a bond election (ballot machines, etc.) as provided by City Staff.

Costs of Issuance (Assuming All Certificates of Obligation) ⁽¹⁾⁽²⁾

Certificates of Obligation, Series 2024	\$	111,800
Certificates of Obligation, Series 2025		113,195
Certificates of Obligation, Series 2026		93,850
Certificates of Obligation, Series 2027		97,760
Certificates of Obligation, Series 2028		104,690
Total	\$	521,295

⁽¹⁾ Costs of issuance includes financial advisor fee, bond counsel fee, rating agency fee, Texas Attorney General review fee, and paying agent fee.

⁽²⁾ It may be feasible, depending upon timing of projects to further reduce the number of financings by one series to achieve greater efficiency.

Comparison of Costs of Issuance Based Between General Obligation Bonds & Certificates of Obligation versus Certificates of Obligation

Total Cost of GO and CO Issuance Program	\$	616,130
Total Cost of All CO Issuance Program		521,295
Potential Economic Benefit to City	\$	94,835