



CITY OF FAIR OAKS RANCH
BOND ADVISORY COMMITTEE

Wednesday, May 08, 2024 at 6:00 PM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

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 Council Chambers. 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 three (3) 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 April 17, 2024 Bond Advisory Committee meeting minutes.

Amanda Valdez, TRMC, Deputy City Secretary

PRESENTATIONS

4. Recap of the April 17, 2024 Bond Advisory Committee meeting.

Grant Watanabe, P.E., Director of Public Works & Engineering Services

CONSIDERATION / DISCUSSION ITEMS

5. Updated Funding Schedule.

Summer Fleming, Director of Finance

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

Seth Mitchell, Committee Chair

7. 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

FUTURE MEETINGS

8. Consideration and possible action to schedule future meeting dates.

Amanda Valdez, TRMC, Deputy City Secretary

ADJOURNMENT

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

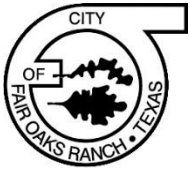
Signature of Agenda Approval: s/Seth Mitchell

Seth Mitchell, 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 6:00 PM, May 05, 2024 and remained so posted continuously for at least 72 hours before said meeting was convened. A quorum of City Council, various boards, committees, and commissions may attend the City Council meeting.

The Fair Oaks Ranch Police Station 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

Wednesday, April 17, 2024 at 9:00 AM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

MINUTES

OPEN MEETING

1. **Roll Call** - Declaration of a Quorum

Present: Chairman Seth Mitchell, Vice Chairman Marcus Garcia, and Committee Members: John Guidry, Paul Mebane, and Jamin Kazarian

Absent: Joe DeCola, Dana Green, Ben Koerner, and Chris Weigand.

Council Liaison, Emily Stroup, was also in attendance.

With a quorum present, the meeting was called to order at 9:07 AM

CITIZENS and GUEST FORUM

2. **Citizens to be heard** – None.

CONSENT AGENDA

3. **Approval of the January 3, 2024 Regular Bond Advisory Committee meeting minutes.**

4. **Approval of the April 3, 2024 Regular Bond Advisory Committee meeting minutes.**

MOTION: Made by John Guidry, seconded by Jamin Kazarian, to approve the Consent Agenda.

VOTE: 5-0, Motion Passed.

CONSIDERATION / DISCUSSION ITEMS

5. **Recap of the April 3, 2024 Bond Advisory Committee meeting.**

Summer Fleming, Director of Finance, provided to the Committee a recap of the April 3, 2024 Bond Advisory Committee meeting.

6. **Updated Funding Schedule.**

Summer Fleming, Director of Finance, presented an updated funding schedule and answered questions of the committee.

7. **Introduction of Water Projects.**

Grant Watanabe, P.E., Director of Public Works & Engineering Services, introduced each of the water projects and answered questions of the members. In response to an inquiry for alternative options to an elevated storage tank, Interim Assistant Director of Public Works, Steve Fried, informed the Committee that TCEQ requires the City to plan for 100 gallons of elevated storage per connection once Fair Oaks Ranch reached 2,500 connections and that other options may be more costly.

FUTURE MEETINGS

8. Consideration and possible action to schedule future meeting dates.

Amanda Valdez, TRMC, Deputy City Secretary, reminded everyone of the following scheduled meetings:

- May 8, 2024 at 6:00 PM in the Public Safety Training Room of the Fair Oaks Ranch Police Station
- May 29, 2024 at 9:00 AM in the Fellowship Building of Spring Creek United Methodist Church

The committee also scheduled a site tour for May 10, 2024 at 9:00 AM that would depart from the City campus.

ADJOURNMENT

Chairman Mitchell adjourned the meeting at 10:54 AM.

ATTEST:

Seth Mitchell, Chairman

Amanda Valdez, TRMC
Deputy City Secretary



Bond Advisory Committee April 17, 2024 Meeting Recap



Quick Recap

- Reviewed funding schedule and proforma
- Presented and discussed Water projects
- Scheduled future meetings
 - May 10th – Project site visits (depart from PD Training Rm at 9:00am)
 - May 29th – Regular meeting (Spring Creek Church, 9:00am)



Water Projects

**Approved 5-year CIP
includes 11 projects
(\$16.1 million)**

- Willow Wind/Red Bud Hill Water Line Replacement (29R)
- Rolling Acres Trail Water Line Replacement (28R)
- Elevated Storage Tank (2W)
- Expand Plant No.5 Ground Storage Tank (5W)
- Old Fredericksburg Rd. Water Line Replacement (21W)
- Elmo Davis GST #1 & #2 Rehab (1R, 2R)
- Upgrade Electrical at Plant No.3 Pump Station(5R)
- Upgrade Electrical at Elmo Davis Pump Station(3R)
- Well K6 Electrical (11R)
- Well CR1 Electrical (16R)
- Expand Elmo Davis Water Plant Zone C (6W)

**Other projects for
consideration
(\$600,000)**

- SAWS Emergency Interconnect
- Ground Storage Tank at Plant No.4



Water Projects Recommendations

- Remove the following projects from consideration:
 - Elmo Davis GST #1 & #2 Rehab (1R, 2R) - \$400,400*
 - Upgrade Electrical at Elmo Davis Pump Station(3R) - \$482,620**
 - Well K6 Electrical (11R) - \$60,000*
 - Well CR1 Electrical (16R) - \$60,000*
 - Expand Elmo Davis Water Plant Zone C (6W) - \$1,588,363**
 - Add the following projects to the draft funding schedule:
 - SAWS Emergency Interconnect - \$200,000
 - Ground Storage Tank at Plant No.4 - \$400,000
- * Staff recommended funding through operational budget under normal maintenance and long-term Tank Maintenance Plan
- ** Staff recommended not needed at this time due to other recent upgrades



Follow-up Items

- Breakout water and wastewater separately in proforma

	Prior	2024	2025	2026	2027	2028	2029	Total
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - WATER								
3.1.5 Willow Wind Drive/Red Bud Hill Water Line (29R)	35,836	34,869	879,807	-	-	-	-	950,512
3.1.6 Elevated Storage Tank (2W)	335,117	161,833	603,933	3,763,968	3,914,527	-	-	8,779,378
3.1.10 Rolling Acres Trail Water Line Rehabilitation (28R)	30,011	36,783	610,941	-	-	-	-	677,735
3.1.11 Expand Plant No. 5 (impact fee) (5W)	5,856	223,643	1,320,800	-	-	-	-	1,550,299
3.1.24 Old Fredericksburg Waterline (21W)	25,857	266,063	270,400	-	-	-	-	562,320
3.1.13 Upgrade Electrical at Plant No. 3 Pump Station (5R)	-	-	74,419	318,519	-	-	-	392,939
NEW SAWS Emergency Interconnect	-	-	200,000	-	-	-	-	200,000
NEW Ground Storage Tank at Plant No. 4	-	-	400,000	-	-	-	-	400,000
Water Total	432,677	723,191	4,360,300	4,082,487	3,914,527	-	-	13,513,182
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - WASTEWATER								
3.2.11 Wastewater Treatment Plant Phase 1 Expansion (2S)	293,996	917,253	1,714,987	2,737,530	-	-	-	5,663,766
3.2.3 Install Sewer Line and Decommission Falls Lift Station (1S)	-	-	-	113,521	811,763	-	-	925,284
NEW Cojak Circle Manhole and Sewer Upgrade	-	-	-	650,000	-	-	-	650,000
Wastewater Total	293,996	917,253	1,714,987	3,501,051	811,763	-	-	7,239,050
Total Needed to Fund Projects	726,673	1,640,444	6,075,287	7,583,538	4,726,289	-	-	20,752,232
Potential Water Cash Funding - Capital Fees	432,677	723,191	74,419	-	-	-	-	1,230,287
Potential Wastewater Cash Funding - Capital Fees	293,996	917,253	-	113,521	-	-	-	1,324,770
Water Debt Funding	-	-	4,285,881	4,082,487	3,914,527	-	-	12,282,895
Wastewater Debt Funding	-	-	1,714,987	3,387,530	811,763	-	-	5,914,280

	2023	2024	2025	2026	2027	2028	2029
Water Connections	3,197	3,213	3,229	3,245	3,261	3,278	3,294
Water Debt Service Fee	7.43	7.33	24.17	24.41	24.58	24.49	24.50
Water Capital Fee	6.72	7.36	1.92	-	-	-	-
Combined Water Debt & Capital Fees	14.15	14.69	26.09	24.41	24.58	24.49	24.50
Wastewater Connections	1,977	1,989	1,999	2,009	2,019	2,029	2,039
Wastewater Debt Service Fee	2.29	2.26	22.79	23.29	22.97	23.01	22.55
Wastewater Capital Fee	4.12	4.51	-	4.71	-	-	-
Combined Wastewater Debt & Capital Fees	6.41	6.77	22.79	28.00	22.97	23.01	22.55

NOT RECOMMENDED FOR FUNDING		2023	2024	2025	2026	2027	2028	2029	Total
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - WATER									
3.1.3b	Upgrade Electrical at Elmo Davis Pump Station (3R)	-	-	70,348	320,530	91,743	-	-	482,620
3.1.12	Expand Elmo Davis Water Plant Zone C (impact Fee) (6W)	-	-	-	193,240	1,094,715	300,408	-	1,588,363
3.1.3a	Upgrade Elmo Davis Pump Station (1R, 2R)	-	-	400,400	-	-	-	-	400,400
3.1.25	Well K6 Electrical (11R)	-	-	60,000	-	-	-	-	60,000
3.1.26	Well CR1 Electrical (16R)	-	-	60,000	-	-	-	-	60,000
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - WASTEWATER									
3.2.6	Improvements at School Lift Station (8R)	-	-	-	303,470	-	-	-	303,470
3.2.7a	Improvements at Deer Meadows Lift Stations No 1 (10R)	-	-	-	-	179,487	-	-	179,487
3.2.7b	Improvements at Deer Meadows Lift Stations No 2 (9R)	-	-	-	-	179,487	-	-	179,487

City of Fair Oaks Ranch Water Utility Proforma May 8, 2024											
FYE (9/30)	(1) # of Water Connections	(2) Revenues	(2) Expenditures	Available for Debt Service	Existing Debt Service	(3) Series 2024 \$4,290,000	(3) Series 2025 \$4,085,000	(3) Series 2027 \$3,920,000	Total \$12,295,000	Revenue Surplus/(Deficit)	(4) Monthly Debt Rate Increase
2023	3197	\$ 4,986,667	\$ 3,579,460	\$ 1,407,207	\$ 285,386				\$ 285,386	\$ 1,121,821	\$ -
2024	3213	4,986,667	3,579,460	1,407,207	282,671				282,671	1,124,536	(0.11)
2025	3229	4,986,667	3,579,460	1,407,207	284,135	\$ 652,475			936,610	470,597	16.73
2026	3245	4,986,667	3,579,460	1,407,207	281,378	333,188	\$ 335,875		950,441	456,766	16.97
2027	3261	4,986,667	3,579,460	1,407,207	282,799	325,763	353,500		962,062	445,145	17.15
2028	3278	4,986,667	3,579,460	1,407,207	284,179	157,050	204,125	\$ 317,781	963,135	444,072	17.05
2029	3294	4,986,667	3,579,460	1,407,207	135,079	254,800	261,875	316,613	968,367	438,840	17.06
2030	3294	4,986,667	3,579,460	1,407,207	-	308,950	336,125	315,181	960,256	446,951	16.85
2031	3294	4,986,667	3,579,460	1,407,207	-	311,525	338,125	318,356	968,006	439,201	17.05
2032	3294	4,986,667	3,579,460	1,407,207	-	308,763	334,750	316,138	959,651	447,556	16.84
2033	3294	4,986,667	3,579,460	1,407,207	-	310,663	336,000	318,525	965,188	442,019	16.98
2034	3294	4,986,667	3,579,460	1,407,207	-	312,113	336,750	315,519	964,382	442,825	16.96
2035	3294	4,986,667	3,579,460	1,407,207	-	313,113	337,000	317,119	967,232	439,975	17.03
2036	3294	4,986,667	3,579,460	1,407,207	-	308,775	336,750	318,194	963,719	443,488	16.94
2037	3294	4,986,667	3,579,460	1,407,207	-	309,100	336,000	318,744	963,844	443,363	16.94
2038	3294	4,986,667	3,579,460	1,407,207	-	308,975	334,750	313,900	957,625	449,582	16.79
2039	3294	4,986,667	3,579,460	1,407,207	-	313,288	337,875	313,663	964,826	442,381	16.97
2040	3294	4,986,667	3,579,460	1,407,207	-	312,038	335,375	317,769	965,182	442,025	16.98
2041	3294	4,986,667	3,579,460	1,407,207	-	310,338	337,250	316,219	963,807	443,400	16.94
2042	3294	4,986,667	3,579,460	1,407,207	-	313,075	333,500	314,144	960,719	446,488	16.87
2043	3294	4,986,667	3,579,460	1,407,207	-	310,250	334,125	316,413	960,788	446,419	16.87
2044	3294	4,986,667	3,579,460	1,407,207	-	311,863	334,000	317,894	963,757	443,450	16.94
2045	3294	4,986,667	3,579,460	1,407,207	-	-	333,125	313,719	646,844	760,363	8.93
2046	3294	4,986,667	3,579,460	1,407,207	-	-	-	313,888	313,888	1,093,319	0.50
2047	3294	4,986,667	3,579,460	1,407,207	-	-	-	318,138	318,138	1,089,069	0.61
Total						\$ 1,835,627	\$ 6,386,105	\$ 6,526,875	\$ 6,327,917	\$ 21,076,524	

(1) Assumes a 5% increase in first five years, then constant in future years.
(2) Based on FY2023 audited financial statements. Revenues exclude interest income and grant income. Expenditures exclude depreciation and debt service
(3) Preliminary, subject to change. Interest calculated to be 4.50% for Series 2024, 5.00% for Series 2025 and 5.25% for Series 2027 for illustrative purposes
(4) Maximum projected shortfall would require a \$17.15 per connection per month increase for water services to support financed projects. Rate increase is calculated from FY2023 rate

City of Fair Oaks Ranch Wastewater Utility Proforma May 8, 2024											
FYE (9/30)	(1) # of Water Connections	(2) Revenues	(2) Expenditures	Available for Debt Service	Existing Debt Service	(3) Series 2024 \$1,715,000	(3) Series 2025 \$3,390,000	(3) Series 2027 \$810,000	Total \$5,915,000	Revenue Surplus/(Deficit)	(4) Monthly Debt Rate Increase
2023	1977	\$ 1,178,578	\$ 1,637,092	\$ (458,514)	\$ 54,359				\$ 54,359	\$ (512,873)	\$ -
2024	1989	1,964,652	1,663,408	301,244	53,842				53,842	247,402	(0.04)
2025	1999	1,964,652	1,663,408	301,244	54,121	\$ 492,613			546,734	(245,490)	20.50
2026	2009	1,964,652	1,663,408	301,244	53,596	102,038	\$ 405,750		561,384	(260,140)	20.99
2027	2019	1,964,652	1,663,408	301,244	53,867	100,013	402,625		556,505	(255,261)	20.68
2028	2029	1,964,652	1,663,408	301,244	54,129	102,875	350,500	\$ 52,813	560,317	(259,073)	20.72
2029	2039	1,964,652	1,663,408	301,244	25,729	100,625	373,750	51,763	551,867	(250,623)	20.26
2030	2039	1,964,652	1,663,408	301,244	-	103,263	400,375	50,713	554,351	(253,107)	20.36
2031	2039	1,964,652	1,663,408	301,244	-	100,788	400,875	49,663	551,326	(250,082)	20.24
2032	2039	1,964,652	1,663,408	301,244	-	98,313	400,875	53,481	552,669	(251,425)	20.30
2033	2039	1,964,652	1,663,408	301,244	-	100,725	400,375	52,169	553,269	(252,025)	20.32
2034	2039	1,964,652	1,663,408	301,244	-	102,913	399,375	50,856	553,144	(251,900)	20.32
2035	2039	1,964,652	1,663,408	301,244	-	99,988	397,875	49,544	547,407	(246,163)	20.08
2036	2039	1,964,652	1,663,408	301,244	-	101,950	400,750	53,100	555,800	(254,556)	20.42
2037	2039	1,964,652	1,663,408	301,244	-	98,800	398,000	51,525	548,325	(247,081)	20.12
2038	2039	1,964,652	1,663,408	301,244	-	100,538	399,625	49,950	550,113	(248,869)	20.19
2039	2039	1,964,652	1,663,408	301,244	-	102,050	400,500	53,244	555,794	(254,550)	20.42
2040	2039	1,964,652	1,663,408	301,244	-	98,450	395,750	51,406	545,606	(244,362)	20.01
2041	2039	1,964,652	1,663,408	301,244	-	99,738	400,250	49,569	549,557	(248,313)	20.17
2042	2039	1,964,652	1,663,408	301,244	-	100,800	398,875	52,600	552,275	(251,031)	20.28
2043	2039	1,964,652	1,663,408	301,244	-	101,638	396,750	50,500	548,888	(247,644)	20.14
2044	2039	1,964,652	1,663,408	301,244	-	102,250	398,750	48,400	549,400	(248,156)	20.16
2045	2039	1,964,652	1,663,408	301,244	-	-	399,750	51,169	450,919	(149,675)	16.14
2046	2039	1,964,652	1,663,408	301,244	-	-	-	48,806	48,806	252,438	(0.30)
2047	2039	1,964,652	1,663,408	301,244	-	-	-	51,313	51,313	249,931	(0.19)
Total					\$ 349,643	\$ 2,410,368	\$ 7,921,375	\$ 1,022,584	\$ 11,703,970		

(1) Assumes a 5% increase in first five years, then constant in future years.

(2) FY2023 figures are from audited financial statements. FY2024 and beyond are based on FY2024 projected revenue and expenditures from new wastewater rates. Revenues exclude interest income and grant income. Expenditures exclude depreciation and debt service.

(3) Preliminary, subject to change. Interest calculated to be 4.50% for Series 2024, 5.00% for Series 2025 and 5.25% for Series 2027 for illustrative purposes.

(4) Maximum projected shortfall would require a \$20.99 per connection per month increase for wastewater services to support financed projects. Rate increase is calculated from FY2023 rate.

Projected Net Position

	<u>9/30/2023</u>	FY 2024 <u>Projected</u>	<u>9/30/2024</u>
Net Investment in Capital Assets	9,550,921	3,200,656	12,751,577
Unrestricted Net Position			
Water Capital Fund	1,397,919	(669,154)	728,765
Wastewater Capital Fund	1,250,609	(720,494)	530,115
Equipment Replacement Fund	876,126	(345,885)	530,241
Debt Service Reserve	336,514	(3,232)	333,282
Operating Expense Reserve	<u>4,337,118</u>	<u>(1,040,687)</u>	<u>3,296,431</u> *
Total Unrestricted	8,198,286	(2,779,452)	5,418,834 **
Total Net Position	17,749,207	421,204	18,170,411

* Equals 7.5 months of operating expenses.

** Equals 12 months of operating expenses

Maintenance of Plant & Lines

The Water Utility historically spends \$120,000 - \$150,000 annually for maintenance and repairs to wells, water lines, and plants. The Sewer Utility historically spends \$50,000 - \$100,000 annually for maintenance and repairs to lift stations, lines, and plants.

Tank Maintenance Program

The Water Utility is requesting to fund a 10-Year Tank Maintenance Program that includes annual inspections as required by TCEQ, chemical cleaning of the inside and outside, painting each tank, correcting compliance issues, and covers any damage to the tanks.