

NDLC
no call #

Non-Developer's Bond Application Report Format

HD
1649
T4
T449
1995

Prepared by
Water Utilities Division



Barry R. McBee, Chairman
R. B. "Ralph" Marquez, Commissioner
John M. Baker, Commissioner

Dan Pearson, Executive Director

Authorization for use or reproduction of any original material contained in this publication, i.e., not obtained from other sources, is freely granted. The Commission would appreciate acknowledgement.

Published and distributed
by the
Texas Natural Resource Conservation Commission
Post Office Box 13087
Austin, Texas 78711-3087

The TNRCC is an equal opportunity/affirmative action employer. The agency does not allow discrimination on the basis of race, color, religion, national origin, sex, disability, age, sexual orientation or veteran status. In compliance with the Americans with Disabilities Act, this document may be requested in alternate formats by contacting the TNRCC at (512)239-0010, Fax 239-0055, or 1-800-RELAY-TX (TDD), or by writing P.O. Box 13087, Austin, TX 78711-3087.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



AN ORDER approving two application forms for district applications to issue bonds; Docket No. 95-1491-DIS

On October 18, 1995, the Texas Natural Resource Conservation Commission (Commission) met in regular session at its offices in Austin, Texas, notice of the meeting having been distributed in compliance with the Open Meetings Act, TEX. GOV'T CODE Title 5, Section 551 (Vernon Pamph. 1994) and the Administrative Procedure Act, TEX. GOV'T CODE Title 10, Chapter 2001 (Vernon Pamph. 1995), to consider approval of revised bond application report formats for (1) district applications where there is no developer reimbursement, no developer subdivision water, wastewater, and drainage projects, and where feasibility is not based on growth, and (2) all other district applications.

The Commission considered all the arguments presented at agenda and the related information on this matter and has reviewed the proposed bond application reports, and finds that the revised bond application report formats should be approved.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS NATURAL RESOURCE CONSERVATION COMMISSION that the bond application report formats attached to this Order are hereby approved.

Issue date: **OCT 26 1995**

TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION

A handwritten signature in black ink, appearing to read "Barry R. McBee", written over a horizontal line.

Barry R. McBee, Chairman

ATTEST:

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

Gloria A. Vasquez, Chief Clerk

NON- DEVELOPER'S BOND APPLICATION REPORT FORMAT

TABLE OF CONTENTS

INTRODUCTION 1

ABBREVIATIONS 1

SECTION 1 - GENERAL INFORMATION 3

 (A) Applicability of this Format for Application: 3

 (B) District's Purpose 3

 (C) Laws, Elections and Acreage: 3

 (1) Authority Creating District: 3

 (2) Governing Law: 4

 (3) Acreage: 4

 (4) Boundary Map: 4

 (D) Location: 4

SECTION 2 - PROPOSED BOND ISSUE 4

 (A) Purpose: 4

 (B) Justification: 4

 (C) Bond Election: 4

 (D) Bond and Maintenance Tax Authorization: 4

 (E) Type: 5

 (F) Interest Rate: 5

 (G) Grants or Other Gifts: 5

SECTION 3 - FACILITIES PROPOSED FOR FUNDING 5

SECTION 4 - SUMMARY OF COSTS 5

 (A) Category of Cost Column: 6

 (1) Construction vs. Nonconstruction Costs: 6

 (2) Construction Costs: 6

 (B) Amount Column: 6

SECTION 5 - DEVELOPMENT STATUS AND LAND USE 8

Land Use Table:	8
Floodplain Information:	8
SECTION 6 - SOURCE OF WATER SUPPLY & WASTEWATER TREATMENT FACILITIES ...	8
(A) Existing Water Supply Facilities:	9
(1) Ground Water:	9
(2) Surface Water:	9
(B) Proposed Water Supply Facilities to Be Funded in This Bond Issue:	9
(1) Ground Water:	9
(2) Surface Water:	9
(C) Inventory of Water Supply Facilities:	9
(1) Table of Capacity:	9
(2) Facilities Owned by Entities Supplying Water to the District:	10
(3) Interconnects:	10
(4) Analysis of Adequacy of Water Supply Facilities:	10
(D) Permitted Capacity of Groundwater Source:	11
(E) Requirements to Convert from Groundwater to Surface Water:	11
(F) Special Conditions:	11
(G) Existing Wastewater Treatment Facilities (Describe and State Capacities):	11
(H) Proposed Wastewater Treatment Facilities to be Funded in This Bond Issue:	11
(1) Interim Capacity:	11
(2) Permanent Capacity:	12
(I) Capacity of Wastewater Treatment Plant Facilities:	12
(1) Facilities Owned Wholly or Jointly by the District:	12
(2) Facilities Owned by Entities Providing Wastewater Treatment Capacity to the District:	12
(3) Analysis of Adequacy of Wastewater Treatment Facilities:	13
(J) Permits:	13
(K) Special Conditions:	13
SECTION 7 - BASIS OF DESIGN FOR FACILITIES PROPOSED	13
(A) Conformity with Regulatory Requirements:	13
(1) Texas Natural Resource Conservation Commission:	13
(2) City	13
(3) County	13
(4) Flood Control District:	13
(5) Commission Permit	13

(6) Others:	13
(B) Design Criteria:	14
(1) Sanitary Sewer Collection Lines:	14
(2) Trunk Storm Sewer System:	14
(3) Outfall Drainage System:	14
(4) Water Distribution System:	14
(5) Water Supply Facilities:	14
(6) Wastewater Treatment Facilities:	14
(C) Special Design Criteria:	15
(D) Oversizing:	15
SECTION 8 - FINANCIAL INFORMATION	15
(A) Historical Tax Data:	15
(B) Cash and Investment Balances:	15
(1) Debt Service Schedule:	16
(2) Revenue Projections:	16
(3) Operating Budget:	16
(4) No-Growth Cash Flow Analysis For Proposed and Existing Debt of District:	16
(5) Latest Certified Assessed Valuation:	17
(6) Total Taxable Value of Area to be Taxed:	18
(7) Overlapping Tax Rates:	18
SECTION 9 - SHARED FACILITIES	18
(A) Inventory:	18
(B) Calculated Pro Rata Shares:	18
(C) Cost Sharing Arrangements Requested for Commission Approval:	18
(E) Management and Oversight:	19
SECTION 10 - PLANS, SPECIFICATIONS, OTHER CONSTRUCTION DOCUMENTS	19
(A) Construction Plans:	20
(B) Construction Documents:	20
(C) Check List:	21
SECTION 11 - SPECIAL CONSIDERATIONS	22
(A) Appraisals:	22
(B) Contract Revenue Bonds:	22
(C) Impact Fees and/or Capital Recovery Fees:	23

SECTION 12 - MISCELLANEOUS CONSIDERATIONS	23
(A) Land and Easement Acquisition:	23
(1) Storm Water Detention Facilities:	23
(2) Easements Outside the District's Boundaries:	23
(3) Downstream Drainage Channels:	23
(B) District Participation In Regional Drainage Systems:	24
(1) Adoption of System by Public Entity:	24
(2) Participation Required by Public Entity:	24
(3) Cost of Participation Uniform:	24
(4) Contract With Public Entity:	24
 SECTION 13 - MISCELLANEOUS INFORMATION	 24
(A) Contracts With Professional Consultants:	24
(B) Current Rate Resolution:	24
(C) Compliance With Commission Rule Section 293.111(a)(6):	24
(D) Key Personnel:	25
(E) Reporting Requirements:	25
(F) Name Signs:	25
(G) Other Information:	25
 Appendix No. 1 - Example Pro Forma- Debt Service Schedule	 27
 Appendix No. 2 - Example Pro Forma - Table of Revenues & Expenditures	 28
 Appendix No. 3a - Example Pro Forma - Projected Cash Flow Analysis	 29
 Appendix No. 3b - Example Pro Forma - Tax Rate Study - No Growth Analysis	 30
 Appendix No. 4 - Calculating Pro Rata Shares	 31
 Appendix No.5 - Construction Contract Check List	 34

INTRODUCTION

This Bond Application Report Format was approved by the Texas Natural Resource Conservation Commission on October 26, 1995, pursuant to the provisions of 30 TAC Section 293.43(5) and is designed specifically for Districts which do not have a developer(s) as a primary land owner, as defined by V.T.C.A., Texas Water Code, Section 49.052(d), no developer reimbursements, no developer subdivision water, wastewater, and drainage projects and the feasibility is based on no-growth. The information requested herein shall be filed with the bond application in the form of an engineering report with a registered engineer's seal and signature affixed. The format of the engineering report shall conform to that shown herein, with all titles, subtitles and references copied. Information in **bold face** is required to be copied. If it is preferred, certain copies of the attachments (maps, etc.) may be reduced and bound in the report as long as the full size documents are available. The report has been structured in such a manner to provide some guidance in the preparation of a complete application. All information and documents requested should be provided if it is applicable to your project.

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, the application should be submitted directly to that purchasing entity, pursuant to Texas Water Code, Section 49.181.

A complete copy of this report shall be submitted for approval by the Commission. Failure to provide all necessary information could delay the application and may cause the application to be unacceptable for filing. A complete application will help ensure efficient processing.

ABBREVIATIONS

The following abbreviations are used in the report:

ac - acres

Amt. - Amount

BI - Bond Issue

ESFC - equivalent single-family connection, unless otherwise defined, should be equivalent to a service connection for a single family home with 3.0 persons.

ETJ - extraterritorial jurisdiction

et. seq. - and the following ones

fps - feet per second

gpm - gallons per minute

gpd - gallons per day

TAC - Texas Administrative Code

TNRCC - Texas Natural Resource Conservation Commission

VTCA - Vernon's Texas Codes Annotated

VTCS - Vernon's Texas Civil Statutes

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

SECTION 1 - GENERAL INFORMATION

(A) Applicability of this Format for Application:

(1) Does the proposed bond issue include funds to reimburse a developer for facilities installed pursuant to a reimbursement agreement?

Yes No.

(2) Does the proposed bond issue include funds for a developer's subdivision water, wastewater or drainage project?

Yes No.

(3) Is the feasibility of the bond issue dependant on future increases in assessed valuation to maintain its current and projected debt service TX rate? Yes No.

If the answer to any of the above questions is 'yes,' this report format is not applicable, and the Bond Application Report Format for developer projects should be used.

(B) District's Purpose

Give a general overview of what the District's purposes are and what it is doing to accomplish these purposes.

(C) Laws, Elections and Acreage:

(1) 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, obtained additional powers, or otherwise reorganized during its existence, provide all details, including full reference to any official actions relating to such conversion, renaming or reorganization.

(2) **Governing Law:** State which chapter of the water code the District operates under, and reference the applicable law providing for Commission jurisdiction over the District.

(3) **Acreage:** State the acreage currently in the District.

(4) **Boundary Map:** Provide, as **labeled Attachment**, a current District boundary map. Unless a current reproducible boundary map is known to be on file with the Commission, also submit a map on 22"-24" x 36" Mylar or other reproducible material.

(D) **Location:**

Provide a location map showing the District in relation to a city or major highway as **labeled Attachments**.

SECTION 2 - PROPOSED BOND ISSUE

(A) **Purpose:**

Provide a brief statement of the general purpose of the bond issue which categorizes improvements.

(B) **Justification:**

Provide justification for the proposed facilities.

(C) **Bond Election:**

State the date and results of the subject bond authorization election(s). For any elections 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 Attachment**.

(D) **Bond and Maintenance Tax Authorization:**

List the total amount of bonds and maintenance tax (and maintenance tax cap) authorized in all elections of the District. List all previous bond issues, showing amount and date approved by the Commission and amount sold. Calculate the amount of remaining voter authorized but unissued bonds, assuming sale of the proposed bond issue.

(E) Type:

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

(F) Interest Rate:

State the projected coupon interest rate of the proposed bonds which the District would like approved by the Commission. This rate will be used to determine feasibility and recommended tax rate, if any.

(G) Grants or Other Gifts:

Explain the nature and status of any grants or gifts which the District may receive to offset its share of the costs for the proposed projects.

SECTION 3 - FACILITIES PROPOSED FOR FUNDING

Provide an itemized cost summary of all facilities proposed to be purchased or constructed with the proposed bond funds as a **labeled Attachment**. All available contract documentation should be provided as discussed in Section 10 of this report.

SECTION 4 - SUMMARY OF COSTS

Use the following table as an example in preparing the cost summary for projects to be funded from the proceeds of the proposed bond issue. Line items for each proposed contract should be included. Additional information should be furnished as requested in the footnotes. The cost and their percentages are shown

as examples only and the District's Board of Directors should review the reasonableness of their individual costs. Column by column instructions are as follows:

(A) Category of Cost Column:

(1) Construction vs. Nonconstruction Costs:

Construction costs include all actual construction 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 and lease costs. The percentage of the total Bond Issue Requirement for legal fees, fiscal agent fees, capitalized interest and bond discount should be noted as shown.

(2) Construction Costs:

(a) General - Construction costs should be itemized by proposed contract, where possible, and each contract should be subdivided into water, wastewater, drainage, and a category for other items (specify, if used).

(B) Amount Column:

The amount column should reflect only the amount subject to the District's share of the itemized cost estimate, the contract amount or the purchase price, as applicable. Each item in the amount column should be supported by an itemized cost breakdown provided as a **labeled Attachment**.

Example Cost Summary

<u>Construction Costs</u>	<u>District Share</u>
1. Water or Wastewater Mains	\$ 200,000 ⁽¹⁾
2. Wastewater Treatment Plant or Purchase of Capacity	800,000
3. Water Plant or Purchase of Capacity	550,000
4. Contingencies (___ % of Item Nos.1,2&3)	155,000 ⁽²⁾

5. Engineering (___% of Item Nos. 1-4)	120,000 ⁽³⁾
6. Land Acquisition	<u>35,000</u> ⁽⁴⁾
TOTAL CONSTRUCTION COSTS (83.8% of BIR)	\$1,860,000

Nonconstruction Costs

A. Legal Fees (___%)	\$ 10,000
B. Fiscal Agent Fees (___%)	10,000
C. Interest Costs ⁽⁵⁾	
1. Capitalized Interest (1.0 yr. @ 10%)	222,000
2. Bond Anticipation Note Interest	5,000
D. Bond Discount (3.0%)	66,600
E. Administration & Printing Bonds	19,360
F. Bond Anticipation Note Issuance	3,000
G. Lease Of Interim Wastewater Treatment Plant	15,000 ⁽⁶⁾
H. TNRCC Bond Issuance Fee (0.25%)	4,040 ⁽⁷⁾
I. Bond Application Report Costs (%)	<u>5,000</u>
TOTAL NONCONSTRUCTION COSTS	\$ 360,000

TOTAL BOND ISSUE REQUIREMENT **\$2,220,000**

Notes:

- (1) For projects shared with another entity, include the other entity's share in a footnote. Provide detailed cost sharing information in the Shared Facilities Section (Section 9) of this manual.
- (2) Represents 10% of Item 1. Generally accepted contingencies are 10% on estimates, 5% on bid items, declining linearly to 0% on completed construction contracts. Any additional contingencies should be justified. It may be necessary to itemize contingencies by project in footnote.
- (3) Include a copy of each special report as a **labeled Attachment**.
- (4) Provide documentation such as closing statements, warranty deeds, canceled checks, promissory notes, 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 plot of each tract.
- (5) This section should include all interest costs related to or included in the bond issue.

- (6) As a footnote to the cost summary, show the calculation of this amount, and submit documentation to verify compliance with V.T.C.A., Water Code Section 49.155 (or other similar references).
- (7) Effective September 1, 1987, all bond issues approved by the Commission are subject to a 0.25% bond issuance fee (30 TAC Section 293.45(b)).

SECTION 5 - DEVELOPMENT STATUS AND LAND USE

Provide a completed copy of the following table. Describe by footnote any unusual conditions, circumstances or land uses which cannot be fairly or fully illustrated. Unless otherwise justified by usage data or required by applicable rule, law or regulatory requirement, a single family equivalent connection (equiv. conn.) is equivalent to single family residence with 3.0 persons. Active connections are those connections which the District is billing for service.

Land Use Table:

<u>LAND USES</u>	<u>ACREAGE</u>	<u>ACTIVE</u>	<u>EQUIV. CONN. PROJECTED</u>
Acreage with service available:			
Acreage for which service is being financed this bond issue:			
Remaining Acreage:			
Totals			

Floodplain Information:

- (1) Are any of the improvements proposed for purchase or construction funding through the proceeds of this bond issue currently in the 100 year floodplain? ___Yes ___No. If yes, when will the areas be removed from the flood plain?
- (2) Who is charged with maintaining minimum floor slab elevations in the District area?
- (3) Describe the District's internal stormwater drainage facilities and outfall locations.

SECTION 6 - SOURCE OF WATER SUPPLY & WASTEWATER TREATMENT FACILITIES

(A) **Existing Water Supply Facilities:**

- (1) **Ground Water:** State whether or not the District is obtaining any water from ground water, either directly or under contract. Indicate appropriate permit number(s) and issuing agency, if applicable. Provide a copy of the permit as a **labeled Attachment**. List all wells by Permit Number used by the District, indicating the capacity of each well.
- (2) **Surface Water:** State whether or not the District is obtaining any water from surface water supplies, either directly or under contract. If it is, state the source of the water, the peak supply and average daily flow available from the source in terms of gallons per minute and gallons per day. Provide a copy of any surface water permits or contracts as a **labeled Attachment**.

(B) **Proposed Water Supply Facilities to Be Funded in This Bond Issue:**

- (1) **Ground Water:** State whether or not the District plans to construct any new wells or otherwise obtain new sources of water from ground water, either directly, or under contract. Indicate appropriate permit number(s) and issuing agency, if applicable. Provide a copy of the permits as a **labeled Attachment**. List all wells proposed for use by the District, indicating the capacity of each well.
- (2) **Surface Water:** State whether or not the District plans to construct any new facilities or otherwise obtain new sources of water from surface water supplies, either directly or under contract. If constructing new facilities, state the proposed source of water, the planned peak supply and average daily flow available from the source in terms of gallons per minute and gallons per day. As a **labeled Attachment**, provide copies of the permits allowing the District to draw upon a raw water source, or copies of the contracts for the provision of raw or treated water, as applicable. If the District will be obtaining raw water under contract, a copy of the contractual permit must be supplied with as a **labeled Attachment**. If the District will be obtaining treated water under contract, reference the supplying entity's raw water permits and provide information regarding the source of the water for the supplying entity, the peak supply, and average daily flow available from the source in terms of gallons per minute and gallons per day.

(C) **Inventory of Water Supply Facilities:**

- (1) **Table of Capacity:**

Capacity of Water Plant Facilities: Specify the capacity of the Districts facilities as requested in the following table. If the District is obtaining its water supply from a city which does not have this detailed information readily available, provide documentation from the city substantiating its available capacity and ability to serve its current demands plus the projected needs of the District.

<u>Facility</u>	<u>Currently Owned By District</u>	<u>To Be Purchased/ Constructed with This Bond Issue</u>	<u>Total</u>
Pressure Tank (gal.)			
Ground Storage (gal.)			
Elevated Storage (gal.)			
Booster Pump Cap. (gpm)			
Interconnects (number)			

(2) Facilities Owned by Entities Supplying Water to the District: State, in terms of numbers of connections, the capacity available to the entity which supplies water to the District. Use Texas Natural Resource Conservation Commission's minimum criteria to determine capacity. State the current commitments of the supplying entity, and provide estimates of the rate of growth of demand on the supplying entity's system, indicating at what point the demand will equal current supply. Indicate what types of improvements are planned by the supplying entity to provide for long term demand growth, and indicate when demand will match the capacity of all improvements currently planned by the supplying entity. Explain how the supplying entity plans to finance needed improvements, and indicate if voter or other necessary approvals for the planned method of financing have been obtained. If available, provide as a **labeled Attachment** a copy of any engineering studies or other documentation prepared by the supplying entity describing demand projections and planned improvements.

(3) Interconnects: List and state whether they are normally open or closed, with what entity the interconnect is made, and where the interconnect is located. Provide copies of current interconnect agreements as a **labeled Attachments** if not already on file.

(4) Analysis of Adequacy of Water Supply Facilities: Indicate whether or not the existing and proposed water supply facilities provide sufficient capacity for serving the existing and proposed development within the District. If not, explain.

(D) Permitted Capacity of Groundwater Source:

Indicate whether or not the permitted withdrawal of ground water (whether directly obtained or obtained under contract) is sufficient in volume to serve the existing and proposed development within the District. If not, explain how any inadequacy will be dealt with.

(E) Requirements to Convert from Groundwater to Surface Water:

Is the District under any requirements to convert to surface water? ___ Yes ___ No If yes, explain the source and nature of the requirement and how the District intends to implement such a conversion.

(F) Special Conditions:

Provide a narrative if necessary to explain special conditions or circumstances.

(G) Existing Wastewater Treatment Facilities (Describe and State Capacities):

(H) Proposed Wastewater Treatment Facilities to be Funded in This Bond Issue:

(1) Interim Capacity: Under each category, describe and state capacity.

(a) Constructed and Owned by the District: State whether or not the District intends to construct and own interim wastewater treatment facilities. If so, provide full justification of the construction, indicating the anticipated period of usage and explaining why initial phase permanent facilities cannot be built. Indicate the District's authorization to use the interim plant site.

(b) Package Plants Leased by the District: State whether or not the District intends to lease a package plant. If so, provide as a **labeled Attachment:** executed contract documents, signed and sealed plans and specifications, with all necessary approvals and authorization to use the plant site. If the District is funding initial lease costs through the bond issue, provide detailed calculations showing how lease costs will be paid thereafter.

(c) Capacity Leased in Another Entity's Plant: State whether or not the District intends to lease capacity in another entity's plant. If so, provide as a **labeled Attachment** a copy of the contract. If the term of the lease is shorter than the term on the District's bonds, indicate how the District intends to provide for treatment of its wastewater after the lease expires. If the District is

funding initial lease costs through the bond issue, provide detailed calculations showing how lease costs will be paid thereafter.

(2) Permanent Capacity: Under each category, describe and state capacities.

(a) District Owned or Jointly Owned Plant: State whether or not the District intends to construct permanent capacity in its own or a shared plant. If the District plans to own or construct capacity in a shared plant, provide as a **labeled Attachment** a copy of the contract providing for the joint ownership of the plant, including documents specifying financing and operating arrangements.

(b) Capacity Leased From Another Entity: If the District intends to have wastewater treatment accomplished on a permanent basis by a contractual arrangement, provide, as a **labeled Attachment**, a copy of the contract, and state the contractual capacity irrevocably committed to the District for the term of the contract. If the District does not have an irrevocable commitment for wastewater treatment under the terms of the contract, explain in detail the qualifying factors included in the contract.

(I) Capacity of Wastewater Treatment Plant Facilities:

(1) Facilities Owned Wholly or Jointly by the District: State in terms of numbers of connections (with a connection defined as in Section 6), the capacity available to the District.

(2) Facilities Owned by Entities Providing Wastewater Treatment Capacity to the District: State in terms of numbers of connections (with a connection defined as in Section 6), the capacity available to the entity which provides wastewater treatment to the District. If contractual capacity is inadequate to serve the existing and proposed development, indicate how the inadequacy will be dealt with. State the current commitments of the providing entity, and provide estimates of the rate of growth of demand on the providing entity's system indicating at what point the demand will equal current capacity. Indicate what types of improvements are planned by the providing entity to provide for long term demand growth and indicate when demand will match the capacity of all improvements currently planned by the providing entity. Explain how the providing entity plans to finance needed improvements, and indicate if voter or other necessary approvals for the planned method of financing have been obtained. If available, provide a copy of any engineering studies or other documentation prepared by the providing entity describing demand projections and planned improvements as **labeled Attachment**.

(3) Analysis of Adequacy of Wastewater Treatment Facilities: Indicate whether or not the existing and proposed wastewater treatment facilities provide sufficient capacity for serving the existing and proposed development within the serving District. If not, explain.

(J) Permits:

State the Texas Natural Resource Conservation Commission Permit No. (and the NPDES Permit No., if available) of all plants that are currently treating or will be treating wastewater from the District, together with the permitted average daily flow limitations for the plant(s).

(K) Special Conditions:

Provide narrative only if necessary to explain special conditions or circumstances.

SECTION 7 - BASIS OF DESIGN FOR FACILITIES PROPOSED

(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 N/A is checked on any of the lines, provide a brief explanation. If no is checked on any of the lines, provide a complete explanation.

(1) Texas Natural Resource Conservation

Commission: Yes _____ No _____ N/A _____

(2) City of _____: Yes _____ No _____ N/A _____

(3) County of _____: Yes _____ No _____ N/A _____

(4) _____ County Flood Control District: Yes _____ No _____ N/A _____

(5) Commission Permit Required by V.T.C.A., Water Code Section 16.236: Yes _____ No _____ N/A _____

(6) Others: list in same table form

(B) Design Criteria:

Fill in the following table, indicating design criteria for:

(1) Sanitary Sewer Collection Lines:

- (a) Residential: _____ gal/ac/day
- (b) Commercial: _____ gal/ac/day
- (c) Multi-family: _____ gal/ac/day
- (d) Other flow criteria: (list in the same form as this table)

(2) Trunk Storm Sewer System:

- (a) Rainfall Design: _____ frequency
- (b) Runoff Design: _____
- (c) Line Velocity: _____ fps to _____ fps

(3) Outfall Drainage System: (channels, ponds, etc.)

- (a) Rainfall Design: _____ frequency
- (b) Runoff Design: _____
- (c) Line Velocity: _____ fps to _____ fps

(4) Water Distribution System:

- (a) Average Daily Flow: _____ gal/capita/day
- (b) Peak Hourly Flow: _____ x average daily flow
- (c) Minimum Pressure: _____ psi
- (d) Maximum Pressure: _____ psi

(5) Water Supply Facilities:

- (a) Surface Water Treatment Facility @ _____ gpm/equiv. conn.
- (b) Wells @ _____ gpm/equiv. conn.
- (c) Storage @ _____ gal/equiv. conn.
- (d) Pressure @ _____ gal/equiv. conn.
- (e) Service Pumps @ _____ gpm/equiv. conn.
- (f) Elevated Storage @ _____ gal/equiv. conn.

(6) Wastewater Treatment Facilities:

- (a) Average Daily Flow: _____ gal/equiv. conn/day
- (b) Peak Design Flow: _____ x average daily flow

(C) **Special Design Criteria:** Explain

(D) **Oversizing:**

List and justify all oversizing, other than oversizing required by local government or other regulatory agencies (which is dealt with in Section 10(D) of this report), where the basis of design exceeds the minimum design criteria of the applicable governmental body or the general specification criteria of a professional engineering association, where facilities are sized to provide for future anticipated but indefinite flows, either from in-District sources or out-of-District sources, or where a system may be designed to superior standards for other reasons.

SECTION 8 - FINANCIAL INFORMATION

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

(A) **Historical Tax Data:** Fill in the following table for the previous five years.

<u>YEAR</u>	<u>ASSESSED VALUATION</u>	<u>DEBT SERVICE TAX RATE</u>	<u>MAINTENANCE TAX RATE</u>	<u>AMOUNT COLLECTED</u>	<u>TOTAL% COLLECTED</u>
-------------	---------------------------	------------------------------	-----------------------------	-------------------------	-------------------------

(B) **Cash and Investment Balances:** Fill in the following table.

CASH AND INVESTMENT BALANCES

As of (date)

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:

_____ \$ _____

_____ \$ _____

(C) Financial Feasibility

Provide the following data to support the feasibility of the proposed bond issue as required by Rule 30 TAC Section 293.59.

(1) Debt Service Schedule: Provide as labeled Attachment a projected debt service requirement schedule for the bonds and any outstanding bonds. See Appendix 1 for an example pro forma.

(2) Revenue Projections: Does the District intend to use net revenues for debt service payments? ___ Yes ___ No If yes, provide as labeled Attachment year-by-year projection showing number of connections, gross revenues, expenses, net income available for debt service, and net income as a percentage of gross revenues. Net revenues should only be projected for use if historical operations justify these projections, and the information requested for the projections should 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 2 for an example pro forma.

(3) Operating Budget: Provide a summary of 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 in the purchase or sale of water or sewer services.

(4) No-Growth Cash Flow Analysis For Proposed and Existing Debt of District: Provide as labeled Attachment a projection over the life of the proposed bond issue showing as separate

columns assessed valuation, 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. The following assumptions should be made:

- (a) The assessed valuation 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 subsequent bond issues a 90% tax collection rate should 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 3a for an example pro forma assuming revenue bonds. See Appendix 3b for an example pro forma assuming the bonds are tax bonds.

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

(If available) **The Latest Certified Estimate of Assessed Valuation:** \$ _____ as of _____ **(date)** _____. Do not include the rendering of property at a value higher than actually assessed. Include as **labeled Attachment** a certificate from the Chief Appraiser of the County Appraisal District showing such valuation.

Are the valuations contained in the certificate of certified assessed valuation 25% higher than those contained in the previous year's certified valuation? ___ Yes ___ No If yes, provide a written explanation of such increase and a detailed calculation demonstrating how the value was derived.

(6) **Total Taxable Value of Area to be Taxed:** \$ _____ as of January 1, _____. Explain the bases for this value if different from the certified value.

(7) **Overlapping Tax Rates:** Provide below a table showing 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.

<u>TAXING</u> <u>JURISDICTIONS</u>	<u>TAX</u> <u>YEAR</u>	<u>CURRENT</u> <u>TAX RATE PER</u> <u>\$100 VALUATION</u>	<u>PROJECTED</u> <u>TAX RATE PER</u> <u>\$100 VALUATION</u>
---------------------------------------	---------------------------	---	---

SECTION 9 - SHARED FACILITIES

(A) Inventory:

List, by construction or purchase contract, any facilities to be financed by the bond issue that include facilities which were or will be designed for entities or areas that are outside the boundaries of the District, whether or not it is anticipated that the entity or area outside the District is intending 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. The shares should be calculated in accordance with the instructions contained in Appendix 4. The details of cost sharing arrangements requested for Commission approval are detailed 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 as **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 requirements of V.T.C.A., Water Code Section 49.215 will be met by the proposed rates.

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

If oversizing of some facility to serve areas outside the District is required by some governmental or other regulatory body which does not intend to help pay for such oversizing, provide as a **labeled Attachment** evidence of the requirement, and provide 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 as a **labeled Attachment**.

(E) Management and Oversight:

Describe the management plan of the shared facilities in terms of (1) how the governing body is selected; (2) accountability of management and ability to exercise control over operations; and (3) budgetary authority and fiscal responsibility.

SECTION 10 - PLANS, SPECIFICATIONS, OTHER CONSTRUCTION DOCUMENTS

Pursuant to V.T.C.A. Water Code Section 26.034(G) and V.T.C.A. Health and Safety Code Chapter 341, plans and specifications for construction projects which are to be funded as District projects require certain approvals. Plans and Specs should be submitted prior to construction for such approval to:

Water Plans

Texas Natural Resource Conservation Commission

Water Utilities Division

Plans Review and Rate Design Team

P. O. Box 13087 (MC 153)

Austin, Texas 78711-3087

Wastewater Plans

Texas Natural Resource Conservation Commission
Watershed Management Division
Plan Review Team
P.O. Box 13087 (MC 148)
Austin, Texas 78711-3087

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

(A) Construction Plans:

Provide a copy of the plans (appropriately sealed) for each proposed project with relevant signature approvals by all other agencies with review authority. 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 plans and specifications approval.

(B) Construction Documents:

The following construction documents should be sent to the appropriate Commission's field 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 Austin office 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 Austin 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 Austin office. Some of the following items may not be applicable, depending on the circumstances of the individual project. For any projects for which construction documents are not available, or which were not competitively bid, provide either an appraisal of the form described in Section 12(B)(I) of this report, or a list of recent low bids for similar projects in the area of the District. (See Appendix No. 5.)

- (a) Plans with all relevant signature approvals.
- (b) Specifications, including proposed contract documents, bid proposal, and bonds. If executed copies are available, proposed copies are not necessary.
- (c) Letter approvals by other relevant review agencies.
- (d) Publisher's affidavit or bid solicitations reflecting proper notification of bidding.
- (e) Letter notifying Commission field office of bidding time and date.
- (f) All addenda to the specifications.

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

(C) **Check List:**

The Construction Contract Check List (Appendix No. 5) should be filled out for each construction contract and attached to the construction documents and specifications for that contract. It is preferred that none of the construction documents or specifications are included with the body of the bond application report or the attachments. Instead, the items should be separated by contract. The check list should be filled out according to the instructions, and the loose material submitted with the check list should be arranged in reverse order, that is, the first items in the check list should be at the bottom of the stack of material for easy reference.

Instructions for Filling Out the Check List - Most of the items on the check 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 the facilities (if applicable).
___ Plans (___ Sheets) w/Engr.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, 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.

___ Invitation to TNRCC:

Dist. No. _____

Fill in the number of the district office to which the invitation letter was sent.

___ Perf. Bond ___ Paymt. Bond

Check if the performance and payment bonds are included in the specification documents.

___ No. 1 _____

Fill in the date of the change order and the amount. The "TNRCC Approval" column is for internal use.

___ TNRCC Inspection (Dist. No. ___)

Fill in the number of the field office performing the final inspection.

SECTION 11 - SPECIAL CONSIDERATIONS

(A) **Appraisals:** List all facilities that will be purchased on the basis of an appraisal as prescribed by Commission Rule 30 Section TAC 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 other valid documentation.

(B) **Contract Revenue Bonds:** Are the proposed bonds contract revenue bonds? ___ Yes ___
No If yes, demonstrate that the contracting entity'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.

- (C) **Impact Fees and/or Capital Recovery Fees: Does the proposed bond issue include funding for fees calculated and collected under the provisions of V.T.C.A., Local Government Code Chapter 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 needed to evidence that the provisions of the referenced bill were complied with in the levy of the fee, all as a **labeled Attachment**. See Commission Rule 30 TAC Section 293.44(b)(4)(C)).

SECTION 12 - MISCELLANEOUS CONSIDERATIONS

(A) **Land and Easement Acquisition:**

- (1) **Storm Water Detention Facilities: Does the District intend to purchase easements for storm water detention facilities.** ___ Yes ___ No If yes, state the acreage that the District intends to purchase, and provide calculations showing the acreage that would have been required if drainage ditches or channel improvements had been utilized in lieu of detention facilities even if detention is the only option allowed by the jurisdictional drainage entity. The difference between these two acreages is the amount permitted for payment by the District by Commission Rule 30 TAC Section 293.51(a).
- (2) **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 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 Explain if no.
- (3) **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 the District's purchase of the easement rather than the dedication of the easement by the downstream district's developer in accordance with Commission Rule 30 TAC Section 293.51(c).

(B) 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 stormwater 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.

- (1) Adoption of System by Public Entity:** Provide evidence that the regional stormwater drainage system has been adopted by the applicable public drainage entity as a **labeled Attachment**.
- (2) Participation Required by Public Entity:** Provide evidence that participation in the regional stormwater drainage system is required by that public agency as a **labeled Attachment**.
- (3) 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 required regional facilities. Provide a copy of the study as a **labeled Attachment**. (It is likely that we have a copy of the study on file. If you can verify that we do, there will be no need to submit another copy.)
- (4) Contract With Public Entity:** Provide a copy of the contract required by Commission Rule 30 TAC Section 293.53(4) as a **labeled Attachment**.

SECTION 13 - MISCELLANEOUS INFORMATION

(A) Contracts With Professional Consultants:

Provide an executed copy of all contracts with professional consultants whose fees are included in the bond issue as a **labeled Attachment**.

(B) Current Rate Resolution:

Send a copy of the current water and sewer rate resolution a **labeled Attachment**.

(C) Compliance With Commission Rule Section 293.111(a)(6):

Submit documentation showing compliance with Commission Rule 30 TAC Section 293.111(a)(6) regarding sanitary sewer connections as a **labeled Attachment**.

(D) Key Personnel:

Name

Address

- (1) President, Board of Directors
- (2) Attorney
- (3) Fiscal Agent
- (4) Operator
- (5) General Manager
- (6) Tax Assessor-Collector
- (7) Chief Appraiser, _____ County
- (8) Engineer

(E) 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 V.T.C.A. 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?

(F) Name Signs:

Has the District posted two name signs, at two or more principal entrances to the District? Yes No If yes, where are the signs located?

(G) Other Information:

Provide any other information necessary to adequately describe or support the project: (Use labeled Attachments as necessary)

Note: Contact the TNRCC District Administration Section for examples of specific forms, text, district name sign detail, or any other information.

Appendix 1 - 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

Date Dated: May 1, 2001

Delivery Date: May 1, 2001

|-- --- --- --- --- This Series- --- --- --- -- --- ---|

<u>Fiscal 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	\$45,000.00	0.0725	\$159,319	\$204,319	\$362,094
2006	\$160,825	\$45,000.00	0.0725	\$156,056	\$201,056	\$361,881
2007	\$158,725	\$45,000.00	0.0725	\$152,794	\$197,794	\$356,519
2008	\$161,475	\$45,000.00	0.0725	\$149,531	\$194,531	\$356,006
2009	\$163,880	\$45,000.00	0.0725	\$146,269	\$191,269	\$355,149
2010	\$161,000	\$65,000.00	0.0725	\$142,281	\$207,281	\$368,371
2011	\$163,120	\$65,000.00	0.0725	\$137,569	\$202,569	\$365,689
2012	\$165,823	\$65,000.00	0.0725	\$132,856	\$197,856	\$363,679
2013	\$163,880	\$65,000.00	0.0725	\$128,144	\$193,144	\$357,024
2014	\$158,029	\$65,000.00	0.0725	\$123,431	\$188,431	\$346,460
2015	\$162,941	\$65,000.00	0.0725	\$118,719	\$183,719	\$346,660
2016	\$161,455	\$90,000.00	0.0725	\$113,100	\$203,100	\$364,555
2017	\$159,093	\$90,000.00	0.0725	\$106,575	\$196,575	\$355,668
2018	\$160,715	\$90,000.00	0.0725	\$100,050	\$190,050	\$350,765
2019	\$162,540	\$90,000.00	0.0725	\$93,525	\$183,525	\$346,065
2020	\$156,435	\$110,000.00	0.0725	\$86,275	\$196,275	\$352,710
2021	\$161,202	\$110,000.00	0.0725	\$78,300	\$188,300	\$349,502
2022	\$160,917	\$110,000.00	0.0725	\$70,325	\$180,325	\$341,242
2023	\$157,270	\$135,000.00	0.0725	\$61,444	\$196,444	\$353,714
2024	\$161,707	\$135,000.00	0.0725	\$51,656	\$186,656	\$348,363
2025	\$164,320	\$155,000.00	0.0725	\$41,144	\$196,144	\$360,464
2026	\$160,555	\$155,000.00	0.0725	\$59,906	\$184,906	\$345,461
2027	\$161,220	\$155,000.00	0.0725	\$18,669	\$173,669	\$334,889
2028	<u>\$0</u>	<u>\$180,000.00</u>	0.0725	<u>\$6,525</u>	<u>\$186,525</u>	<u>\$186,525</u>
	\$4,252,992	\$2,220,000.00		\$2,967,788	\$5,187,788	\$9,440,780

Appendix 2 - Example Pro Forma
Clear Water Municipal Utility District

Table of Revenues & Expenditures

\$2,200,000 Unlimited Tax and Revenue Bond Issue,
Series 2001

	Prior Year's General Fund <u>Actual</u>	Proposed General Fund <u>Budget</u>
Revenues		
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	<u>\$ 6,248</u>	<u>\$10,000</u>
Total Revenues	\$59,401	\$83,000
Expenditures		
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	<u>\$17,959</u>	<u>\$18,000</u>
Total Expenditures	\$75,691	\$80,000
Excess of Revenues over (under) Expenditures	(\$16,200)	\$ 3,000
Other Financing Sources		
Operating Transfers	\$ 0	\$ 0
Bond Proceeds	<u>\$ 0</u>	<u>\$ 0</u>
Total Other Financing Sources	\$ 0	\$ 0
Increase (Decrease) in Fund Balance		
Fund Balance - Beginning of Year	\$ 20,000	\$20,000
Fund Balance - End of Year	\$ 3,710	\$23,000
Total	(\$16,290)	\$ 3,000

APPENDIX 3a - EXAMPLE PRO FORMA

Clear Water Municipal Utility District

Projected Cash-Flow Analysis								Bond Issue Amount:	\$2,220,000
2001 Series Revenue Bond Issue								Coupon Rate:	7.25%
								Collection Rate:	100.00%
								Debt Service Balance:	\$200,000

Yr Ending	Water	Avg. Water	Sewer	Avg. Sewer	Gross	O & M	Operating		Accum	%
31-Dec	Connections	Rates	Connections	Rates	Revenue	Expenses	Revenue	Debt Service	Balance	Coverage
	(1)						Available		(2)	
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 no. 2.
 (2) Includes capitalized interest of \$160,950 for the first year plus net revenue for each year.

APPENDIX 3b - EXAMPLE PRO FORMA

Clear Water Municipal Utility District

Tax Rate Study - No Growth Analysis								Bond Issue Amount:	\$2,220,000
2001 Series Unlimited Tax Bond Issue								Coupon Rate:	7.25%
								Collection Rate:	90.00%
								Debt Service Balance:	\$200,000

Yr. Ending	Assessed	Tax	Tax	90%	Total	Capitalized	Ending	%
31-Dec	Valuation	Year	Rate	Revenue	Debt Service	Debt Service	Interest	Coverage
	(1)		(3)				(4)	(5)
2001	\$44,490,500	2002	\$1.000	\$400,415	\$600,415	\$209,950	\$160,950	189.86%
2002	\$44,490,500	2003	\$1.000	\$400,415	\$951,829	\$290,425	\$22,057	235.33%
2003	\$44,490,500	2004	\$1.000	\$400,415	\$1,083,875	\$290,425	\$27,338	256.08%
2004	\$44,490,500	2005	\$1.000	\$400,415	\$1,221,203	\$320,525		248.74%
2005	\$44,490,500	2006	\$1.000	\$400,415	\$1,301,093	\$362,094		259.48%
2006	\$44,490,500	2007	\$1.000	\$400,415	\$1,339,413	\$361,881		274.19%
2007	\$44,490,500	2008	\$1.000	\$400,415	\$1,377,947	\$356,519		286.91%
2008	\$44,490,500	2009	\$1.000	\$400,415	\$1,421,842	\$356,006		300.11%
2009	\$44,490,500	2010	\$1.000	\$400,415	\$1,466,251	\$355,149		301.63%
2010	\$44,490,500	2011	\$1.000	\$400,415	\$1,511,516	\$368,371		312.60%
2011	\$44,490,500	2012	\$1.000	\$400,415	\$1,543,560	\$365,689		323.88%
2012	\$44,490,500	2013	\$1.000	\$400,415	\$1,578,285	\$363,679		340.20%
2013	\$44,490,500	2014	\$1.000	\$400,415	\$1,615,021	\$357,024		363.10%
2014	\$44,490,500	2015	\$1.000	\$400,415	\$1,658,411	\$346,460		378.45%
2015	\$44,490,500	2016	\$1.000	\$400,415	\$1,712,366	\$346,660		374.62%
2016	\$44,490,500	2017	\$1.000	\$400,415	\$1,766,120	\$364,555		394.07%
2017	\$44,490,500	2018	\$1.000	\$400,415	\$1,801,980	\$355,668		412.33%
2018	\$44,490,500	2019	\$1.000	\$400,415	\$1,846,726	\$350,765		432.28%
2019	\$44,490,500	2020	\$1.000	\$400,415	\$1,896,376	\$346,065		439.54%
2020	\$44,490,500	2021	\$1.000	\$400,415	\$1,950,725	\$352,710		457.23%
2021	\$44,490,500	2022	\$1.000	\$400,415	\$1,998,430	\$349,502		483.21%
2022	\$44,490,500	2023	\$1.000	\$400,415	\$2,049,342	\$341,242		482.90%
2023	\$44,490,500	2024	\$1.000	\$400,415	\$2,108,515	\$353,714		503.73%
2024	\$44,490,500	2025	\$1.000	\$400,415	\$2,155,215	\$348,363		501.26%
2025	\$44,490,500	2026	\$1.000	\$400,415	\$2,207,267	\$360,464		534.59%
2026	\$44,490,500	2027	\$1.000	\$400,415	\$2,247,217	\$345,461		567.88%
2027	\$44,490,500	2028	\$1.000	\$400,415	\$2,302,171	\$334,889		1054.70%
2028	\$44,490,500	2029	\$1.000	\$400,415	\$2,367,696	\$186,525		23.10%
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 interest (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 years debt service requirements.

APPENDIX NO. 4 TO THE BOND APPLICATION REPORT FORMAT
CALCULATING PRO RATA SHARES

The theoretical basis for the calculation of pro rata shares is to share costs on a use basis on a segment by segment or 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 and Facilities:

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 should be prorated on the basis of the projected number of connections to be served. However, the determinations of pro rata shares for water lines that loop within a particular service area should be calculated on the basis of the amount serving that area only. Calculated pro rata shares on non-looped mains should account for outflow locations (which may be estimated or averaged for simplicity) for each main. The main should be broken down into sections based on the outflow locations, the cost of each section should be itemized, and the relationship of the number of connections from each area of service provided capacity in the section to the capacity of the section should be demonstrated.

The calculation of pro rata shares on any expansions to distribution systems or plants should 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. The calculation of pro rata shares should account for the 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. The calculation of pro rata shares should account for the existing plant and transportation/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:

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.

The calculation of pro rata shares on any expansions to collection systems or plants should account for the existing system. For example, an out-of-District area may be able to be served by a simple line extension. The calculation of pro rata shares should 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:

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). The calculation of the pro rata shares for a wastewater line should account for the inflow locations (which may be estimated or averaged for simplicity). The cost of the lines should be broken down into sections based on the inflow locations, the cost of each section should be itemized, and the relationship of the number of connections and the design flows from each area provided capacity in the section to the capacity of the section should be demonstrated.

(D) Drainage Conveyance Facilities:

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 should be broken down into sections based on the inflow locations, the cost of each section should be itemized, and the relationship of the design flow from each area provided capacity in the section to the capacity of the sections should be demonstrated. If a drainage study was performed, provide a copy as a **labeled Attachment**.

(E) Detention Facilities:

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. The relationship of the detention volume required for each drainage area to the total detention volume should be demonstrated. If a drainage study was performed, provide a copy.

Appendix 5 - Construction Contract Check List

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 ___
 ___ TDH or TNRCC Approvals
 ___ Water ___ Sewer
 ___ County Engr. Approval (Drainage)
 ___ Flood Contr. Dist. Approval
 (Drainage)
 ___ City Approvals
 (if in City or ETJ)
 ___ Other: _____

3. CONSTRUCTION PAY ESTIMATES

	Est.	Amount	
	Date	No.	to Date
			Comments
___	___	No. 1	___
___	___	No. 2	___
___	___	No. 3	___
___	___	No. 4	___
___	___	No. 5	___
___	___	No. 6	___
___	___	No. 7	___
___	___	No. 8	___
___	___	No. 9	___
___	___	No. 10	___
___	___	No. 11	___
___	___	No. 12	___
___	___	No. 13	___
___	___	No. 14	___
___	___	No. 15	___
___	Chg.		TNRCC
___	Ord.	Amount	Approval
___	___	No. 1	___
___	___	No. 2	___
___	___	No. 3	___
___	___	No. 4	___
___	___	No. 5	___
___	___	No. 6	___

2. CONTRACT DOCUMENTS

___ Invitation to TNRCC:
 Dist. No. _____
 ___ Bid Adv. Affidavits
 ___ Bid Tabulation (No. bidders)
 ___ Engr. Recommendation
 ___ Exec. Contract W/Proposal
 ___ Perf. Bond ___ Paymt. Bond
 ___ Notice to Proceed (Work Order)

COMMENTS & NOTES:

4. CONTRACT COMPLETION DOCUMENTS

___ W & S Test Results
 ___ TNRCC Inspection (Dist. No. ___)
 ___ Contractor's Affidavit of Bills Paid
 ___ Notice of Final Inspection
 ___ Engr. Cert. of Completion
 ___ Letter of Acceptance

Notes :Contact the TNRCC District Administration Section, for examples of specific forms, text, district name sign detail, or any other information.