



City of Wimberley

221 Stillwater, P.O. Box 2027, Wimberley, Texas, 78676

Phone: (512) 847-0025 - Fax: (512) 847-0422

Steve Thurber, Mayor - Cindy Anderson, Mayor Pro-Tem

Council Members - Bob Dussler, Mac McCullough, Pam Showalter, John White
Don Ferguson, City Administrator

October 22, 2015

T. Clay Schultz, Ph.D.
Team Manager, Central Region
Regional Water Planning & Development
Texas Water Development Board
P.O. Box 13231
Austin, TX 78711

RE: City of Wimberley CWSRF Application (Construction)

Dear Mr. Schultz:

The purpose of this letter is to amend the City of Wimberley's (the "City") application for a *Texas Water Development Board Clean Water State Revolving Fund* (the "CWSRF Application") loan for the construction of a wastewater system to serve central Wimberley.

The City's original CWSRF Application submitted in September 2014 outlined a funding plan whereby the City will issue System Revenue Bonds, with a pledge of utility revenues from the system to repay the debt. On Monday, September 14, 2015, the City was advised by Texas Water Development Board (the "TWDB") staff that the funding plan, as proposed, was not acceptable and that a tax pledge would need to accompany a pledge of system revenues for the subject funding plan to be acceptable. Subsequent discussions between with TWDB staff explored other funding options available to the City.

As a result of the above-mentioned discussions, the City is amending its CWSRF Application to reflect the issuance of Tax Notes, with a pledge of ad valorem taxes, rather than System Revenue Bonds, with a pledge of utility revenues, as originally proposed. It is anticipated that adequate general and utility fund revenues will exist, over the term of the loan, to make the required debt service payments without having to impose the referenced City ad valorem tax.

Enclosed please find amended copies of the *Legal* and *Financial* parts of the City's CWSRF Application and the first page of the *General Information* part reflecting the new funding approach. In addition, I am enclosing requested information relating to projected rates and charges and commercial businesses in the proposed service area.

Your timely consideration of the requested amendment to the City's CWSRF loan application is greatly appreciated. Please let me know if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Ferguson". The signature is fluid and cursive, with a large initial "D" and "F".

Don Ferguson
City Administrator

Please label each attachment with the number of the pertinent application section (i.e. "A5")

Part A. General Information

- A1 Legal name of applicant along with physical and mailing addresses.
City of Wimberley
P.O. Box 2027 / 221 Stillwater
Wimberley, Texas 78676
- A2 Brief description of project. Currently, the City of Wimberley (the "City") owns and operates a 15,000 gallon per day (the "GPD") wastewater treatment plant located on the site of the City-owned Blue Hole Regional Park in Wimberley. This plant provides wastewater service for two (2) customers – Deer Creek of Wimberley Nursing Home and Rehabilitation Center and the Regional Park. The treatment plant is an extended aeration activated sludge package plant which has an interim operating permit of 15,000 GPD and a final permit of 50,000 GPD. It produces effluent which is disposed of on the Park site via subsurface irrigation. The City is proposing to relocate, upgrade and expand the treatment plant at the Park to provide wastewater service to approximately 170 properties in the adjacent central Wimberley area. Plans call for increasing the plant capacity to 75,000 GPD to meet projected service demands. The plant will utilize a tertiary treatment process that will produce a higher quality effluent (Type I) than is currently being produced (Type II). While the City would have the ability to discharge treated effluent into a local stream, the City intends to minimize the need for discharges by beneficially reusing the treated effluent at the Park and potentially in other parts of the service area. In addition to the above-mentioned plant expansion, plans call for the construction of a collection system in the service area, along with the infrastructure needed to deliver treated effluent to the Park and service area for reuse. The design phase of the wastewater project is about to begin. The City has applied for the major amendment to the City's existing wastewater permit required for the wastewater project. The preliminary cost estimate for the project is \$5.5 million. To fund the project, the City intends to issue Tax Notes, with a pledge of ad valorem taxes. It is anticipated that adequate general and utility fund revenues will exist, over the term of the loan, to make the required debt service payments without having to impose the referenced City ad valorem tax.
- A3 List service area county(ies). Hays County
- A4 Population of Applicant's total service area. 90
- A5 Name, title, address, phone, and email address(es) of official representative(s).
Don Ferguson
City Administrator
P.O. Box 2027 / 221 Stillwater
Wimberley, Texas 78676
512.847.0025 (Office)
512.847.0422 (Fax)
dferguson@cityofwimberley.com
- A6 Names and titles of principal officers.
Steve Thurber
Mayor
City of Wimberley
- A7 Name, address, phone, e-mail address and contact person for:
a) Project Engineer
Steve Coonan, PE

Please label each attachment with the number of the pertinent application section (i.e. "Part B5")

Part B. Financial Information

B1 List top ten customers of the water and wastewater system by annual revenue and with corresponding usage and percentage of total use, including whether any are in bankruptcy.

Water

Customer Name	Annual Billings (\$)	Annual Usage (gal)	Percent of Total Water Revenue	Bankruptcy (Y/N)
N/A	N/A	N/A	N/A	N/A

Comments: Public water service in Wimberley is not provided by the City of Wimberley but rather by the Wimberley Water Supply Corporation (the "WWSC"), a non-profit water supply corporation.

Wastewater

Customer Name	Annual Billings (\$)	Annual Usage (gal)	Percent of Total Wastewater Revenue	Bankruptcy (Y/N)
Deer Creek of Wimberley	\$230,588.16	6,622,431	97%	N
Blue Hole Regional Park – City of Wimberley	\$7,416	170,340	3%	N

Please label each attachment with the number of the pertinent application section (i.e. "Part B5")

Comments: The City of Wimberley acquired and assumed operation of its wastewater treatment plant in January 2012. The volumetric wastewater rates have not been adjusted since acquisition of the plant.

B2 **Attach** a five-year comparative system operating statement (not condensed) including audited prior years and an unaudited year-to-date statement, with number of customers for each year. Unaudited year-to-date statement must reflect the financial status for a period not exceeding the latest 6 months.

Item attached Yes No

B3 Current average Residential Usage and Rate Information

Service	No. of Connections	Avg. Monthly Usage (gallons)	Avg. Monthly Bill (\$)	Projected Monthly Increase Necessary (\$)
Water	N/A			
Wastewater	N/A			

B4 Provide the date of the last water and wastewater rate increase and the average amount of increase per customer.

Service	Date of Increase	Avg. Monthly Increase (\$)
Water	N/A	
Wastewater	N/A	

B5 Describe procedures for collecting monthly customer bills (include procedures for collection of delinquent accounts)
Wastewater customers are billed by the City of Wimberley on a monthly basis. In addition to a base service fee, each customer pays a volumetric fee based on a customer's average water usage. All charges billed are due and payable on or before sixteen (16) days after the date of billing. A penalty in the amount of five percent (5%) of the existing unpaid balance is accessed on each delinquent account on the thirtieth (30) day after the date of billing. Failure to pay all charges when due shall authorize the City, at its discretion, to discontinue and/or disconnect all sewer service with such notice as may be provided by law. If the City discontinues sewer service for any reason, there will be a reconnection charge.

B6 **Attach ONE** copy of an annual audit of financial statements, including the management letter, for the preceding fiscal year, prepared by a certified public accountant or firm of accountants and, if the last annual audit was more than 6 months ago, then, provide interim financial information.

Item attached Yes No

B7 If financial assistance is in the form of a loan, all bonds are book-entry only. The applicant acknowledges that they are aware of, and will abide by, the Depository Trust Company participant requirements.

Yes No

Please label each attachment with the number of the pertinent application section (i.e. "Part B5")

B8 Disclose all issues that may affect the project or the applicant's ability to issue and/or repay debt. The City of Wimberley issued \$650,000 in Tax Notes in 2013 to secure a loan from the Texas Water Development Board for the planning and design loan of the proposed wastewater system. As part of the debt issuance, the City pledged ad valorem tax revenues to repay the debt, if existing funds were not available. To date, the City has not had to levy and collect ad valorem taxes, as existing funds have been available to make the required debt payments. As structured, the referenced Tax Notes would not limit, reduce or attach to the expected revenue pledge required for the loan being sought in this application to construct the subject wastewater system. No other known issues exist which would limit the City's ability to issue debt for construction of the wastewater system. Funding for repayment of the construction loan will come from connection fees and system revenues collected by the City from users of the wastewater system, along with revenue from the sale of treated effluent for beneficial reuse.

B9 Has the applicant ever defaulted on any debt? Yes No X

If yes, disclose all circumstances surrounding prior default(s). N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part B5")

B10 **Attach** a listing of total outstanding debt. Segregate by type (General Obligation or Revenue) and present a consolidated schedule for each, showing total annual requirements. Note any authorized but unissued debt.

Item attached Yes No

B11 **Attach** the direct and overlapping tax rate table (regardless of pledge);

Item attached Yes No

B12 Provide the last five-years of data showing total taxable assessed valuation including net ad valorem taxes levied and corresponding tax rate (detailing debt service and general purposes), and tax collection rate. **If applicant does not have taxing authority, provide the assessed values of the county.**

Fiscal Year Ending	Net Taxable Assessed Value (\$)	Tax Rate	General Fund	Interest & Sinking Fund	Tax Levy \$	Percentage Current Collections	Percentage Total Collections
2011	\$429,515,195	N/A	N/A	N/A	N/A	N/A	N/A
2012	\$435,216,811						
2013	\$439,002,587						
2014	\$452,664,298						
2015	\$468,437,184						
2016	\$383,466,463						

Comments: The net taxable assessed values listed above represent the value of all property within the City. The requested tax rate information is not available as the City does not currently levy an ad valorem tax. FY 2016 Assessed Value decrease due to protests and one-time reappraisals from 2015 Memorial day floods.

B13 **Attach** the last five-years of tax assessed values delineated by Classification (Residential, Commercial and Industrial). **If applicant does not have taxing authority, provide the assessed values of the county.**

Items attached Yes No

B14 If the Applicant collects sales tax, provide the sales tax collection history for the past five years (regardless of pledge).

Fiscal Year Ending	Total Collections
2010	\$561,113
2011	\$594,429
2012	\$628,460
2013	\$650,914
2014	\$685,129
2015	\$782,353

Comments: The sales tax collection data reported above reflects collections for the entire City of Wimberley.

Please label each attachment with the number of the pertinent application section (i.e. "Part B5")

B15 Pro forma:

- a) If system revenues are anticipated to be used to repay the proposed debt, provide a pro forma indicating, for each year debt is outstanding:
 - 1. projected gross revenues;
 - 2. operating and maintenance expenditures;
 - 3. outstanding and proposed debt service requirements; and
 - 4. net revenues available for debt service and coverage of current and proposed debt paid from revenues.

- b) If taxes are anticipated to be used to repay the proposed debt, provide a pro forma indicating, for each year debt is outstanding:
 - 1. the tax rate necessary to repay current and proposed debt paid from taxes; and
 - 2. list the assumed collection rate and tax base used to prepare the schedule.

- c) If a combination of system revenues and taxes are anticipated to be used to repay the proposed debt, provide a pro forma indicating, for each year debt is outstanding:
 - 1. projected gross revenues, operating and maintenance expenditures, net revenues available for debt service;
 - 2. the tax rate necessary to pay the current and proposed debt; and
 - 3. list the assumed collection rate and tax base used to prepare the schedule

Item(s) attached Yes No

B16 If you have taxing authority, provide the current top ten taxpayers showing percentage of ownership to total assessed valuation. State if any are in bankruptcy and explain anticipated prospective impacts in comments below. If any of these have changed in the past three years, please provide information on the changes to the top ten.

Taxpayer Name	Assessed Value	Percent of Total	Bankruptcy (Y/N)
Brookshire Investments Co.	3,187,820	0.83%	NA
Carson Diversified Land 2 LLC	2,370,361	0.62%	
Mark D. & Lisa A Clarke	1,767,900	0.46%	
Jack & Alice Williams JR.	1,735,260	0.45%	
SMV Wimberley LLC	1,732,240	0.45%	
Brookshire Bros Inc. #67	1,716,406	0.45%	
Raymond Lewandowski JR	1,565,670	0.41%	
Richard Dale Griffin	1,555,643	0.41%	
Wimberley Shade Ranch LLC	1,542,720	0.40%	
Wimberley Point LTD	1,538,217	0.40%	

Comments: The City of Wimberley does not currently levy and collect ad valorem taxes.

Please label each attachment with the number of the pertinent application section (i.e. "Part B5")

B17 Provide the maximum tax rate permitted by law per \$100 of property value \$1.50

B18 Provide any current bond ratings with date received.

	Standard & Poor's	Moody's	Fitch
G.O.	NR	NR	NR
Revenue			

B19 Provide the following Community Information from the most current Census. This information may be found at: <http://factfinder2.census.gov/>

- a) Median Household income (MHI) \$48,971
- b) Unemployment rate 3.5%
- c) Percentage of area below poverty level 24.1%
- d) Median age of work force 55.7
- e) Population 2,626
- f) List 10 largest employers

Name	Number of Employees
Educational Services, Healthcare and Social Assistance	340
Professional, Scientific, Management, Administrative and Waste Management Services	156
Retail/Trade	137
Finance, Insurance, Real Estate, Rental and Leasing	107
Manufacturing	71
Public Administration	68
Construction	64
Transportation, Warehousing and Utilities	32
Arts, Entertainment, Recreation, Accommodation and Food Services	21
Other Services, except Public Administration	16

Comments (example, any anticipated changes to the tax base, employers etc.) N/A

B2

	For Fiscal Year Ended September 30,		
	2014 ⁽¹⁾	2013	2012 ⁽²⁾
OPERATING REVENUES:			
Charges for services	\$ 137,308	\$ 171,441	\$ 124,155
Capital grants	-	-	-
Miscellaneous Income	-	-	-
Total Operating Revenues	<u>\$ 137,308</u>	<u>\$ 171,441</u>	<u>\$ 124,155</u>
OPERATING EXPENSES:			
Purchased Professional & Technical Services	\$ 85,605	\$ 66,054	\$ 45,940
Repair and Maintenance Services	9,589	-	7,167
Other Operating Costs	128,280	8,902	202
Total Operating Expenses	<u>\$ 223,475</u>	<u>\$ 74,956</u>	<u>\$ 53,309</u>
OPERATING INCOME:	\$ (86,166)	\$ 96,485	\$ 70,846
TRANSFERS AND OTHER:			
Transfers In	\$ 93,873	\$ -	\$ 31,250
Transfers Out	(6,384)	-	-
Investment Income	83	(22,004)	(8,196)
NET INCOME	<u>\$ 1,406</u>	<u>\$ 74,481</u>	<u>\$ 93,900</u>
Water Customers	0	0	0
Sewer Customers	2	2	2

(1) YTD figures through July 31, 2014.

(2) The City acquired and assumed operation of its wastewater treatment plant in January, 2012.
Excludes Depreciation.

Fiscal Year Ending 9/30	Guadalupe-Blanco River Authority Note, Series 2012			Combination Tax & Surplus Revenue Anticipation Notes, Series 2013			Combination Tax & Surplus Revenue Tax Anticipation Notes, Series 2016			Total Outstanding Debt		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 23,066	\$ 8,184	\$ 31,250	\$ 90,000	\$ 7,774	\$ 97,774	\$ -	\$ -	\$ -	\$ 113,066	\$ 15,958	\$ 129,024
2016	24,547	6,703	31,250	90,000	7,378	97,378	-	-	-	114,547	14,081	128,628
2017	26,102	5,148	31,250	95,000	6,622	101,622	135,000	125,632	260,632	256,102	137,401	393,503
2018	27,735	3,515	31,250	95,000	5,510	100,510	135,000	104,690	239,690	257,735	113,715	371,450
2019	29,451	1,800	31,251	95,000	4,066	99,066	140,000	101,844	241,844	264,451	107,710	372,161
2020				95,000	2,242	97,242	140,000	98,946	238,946	235,000	101,188	336,188
2021							145,000	95,996	240,996	145,000	95,996	240,996
2022							300,000	91,391	391,391	300,000	91,391	391,391
2023							4,265,000	44,143	4,309,143	4,265,000	44,143	4,309,143
	<u>\$ 130,901</u>	<u>\$ 25,550</u>	<u>\$ 156,251</u>	<u>\$ 560,000</u>	<u>\$ 33,591</u>	<u>\$ 593,591</u>	<u>\$ 5,260,000</u>	<u>\$ 662,642</u>	<u>\$ 5,922,642</u>	<u>\$ 5,950,901</u>	<u>\$ 721,582</u>	<u>\$ 6,672,483</u>

Series 2016 includes a TWDB grant in the amount of \$243,005.

B11

<u>Taxing Jurisdiction</u>	<u>Tax Year</u>
City of Wimberly	2014
Wimberly ISD	\$ -
Hays County	1.2977
	<u>0.4690</u>

Taxable Appraised Value for Fiscal Year Ended September 30,

Category	2016		2015		2014	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 279,225,739	69.04%	\$ 356,395,768	72.85%	\$ 336,499,314	71.15%
Real, Residential, Multi-Family	2,797,016	0.69%	2,746,348	0.56%	2,958,980	0.63%
Real, Vacant Platted Lots	24,633,130	6.09%	30,310,770	6.20%	31,831,520	6.73%
Real, Acreage (Land Only)	16,074,470	3.97%	17,031,160	3.48%	24,011,871	5.08%
Real, Farm and Ranch Improvements	20,775,810	5.14%	21,495,430	4.39%	14,495,240	3.07%
Real, Commercial and Industrial & Oil & Gas	46,703,732	11.55%	49,910,125	10.20%	48,156,360	10.18%
Real & Intangible Personal, Utilities	431,350	0.11%	744,579	0.15%	3,531,232	0.75%
Tangible Personal, Business	13,517,245	3.34%	10,304,575	2.11%	11,042,317	2.33%
Tangible Personal, Other	268,390	0.07%	286,280	0.06%	260,880	0.06%
Residential Inventory	-	0.00%	-	0.00%	122,930	0.03%
Special Inventory	19,760	0.00%	15,512	0.00%	5,260	0.00%
Total Appraised Value Before Exemptions	\$ 404,446,642	100.00%	\$ 489,240,547	100.00%	\$ 472,915,904	100.00%
Less: Total Exemptions/Reductions	20,980,179		20,803,363		20,251,606	
Taxable Assessed Value	<u>\$ 383,466,463</u>		<u>\$ 468,437,184</u>		<u>\$ 452,664,298</u>	

Category	2013		2012	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 327,422,794	71.61%	\$ 322,895,634	71.06%
Real, Residential, Multi-Family	2,403,510	0.53%	2,149,060	0.47%
Real, Vacant Platted Lots	33,650,410	7.36%	34,012,510	7.49%
Real, Acreage (Land Only)	22,477,891	4.92%	23,748,701	5.23%
Real, Farm and Ranch Improvements	11,834,030	2.59%	11,761,240	2.59%
Real, Commercial and Industrial & Oil & Gas	44,789,790	9.80%	45,158,560	9.94%
Real & Intangible Personal, Utilities	3,277,472	0.72%	3,291,089	0.72%
Tangible Personal, Business	10,918,107	2.39%	10,874,447	2.39%
Tangible Personal, Other	319,990	0.07%	321,390	0.07%
Residential Inventory	122,930	0.03%	179,270	0.04%
Special Inventory	-	0.00%	-	0.00%
Total Appraised Value Before Exemptions	\$ 457,216,924	100.00%	\$ 454,391,901	100.00%
Less: Total Exemptions/Reductions	18,214,337		19,175,090	
Taxable Assessed Value	<u>\$ 439,002,587</u>		<u>\$ 435,216,811</u>	

**City of Wimberley, Texas
Tax Note Proforma
Preliminary as of October 22, 2015**

Fiscal Year Ending 9/30	Impact Fee Revenues	Utility Base Rate Revenues	Utility Volumetric Rate Revenues	Gray Water Re-Use Rate	Total Combined Utility Revenues	Net Taxable Assessed Valuation (City of Wimberley)	City I&S Tax Rate per \$100	Ad Valorem Tax Revenue @ 90% Collection	City Contribution	Minus: Projected Maintenance & Operations Expenses	Total Revenue Available for Debt Service	Existing Debt Service - Wimberley portion of GBRA loan	Plus: \$650,000 TWDB Series 2013 PAD loan Tax Note	Plus: \$5,500,000 TWDB Series 2016 Tax Notes	Total Debt Service	Projected Coverage
2016	\$ 40,762	\$ 80,901	\$ 130,080	\$ 150,000	\$ 251,744	\$ 383,466,463	\$ -	\$ -	\$ 100,000	\$ (146,521)	\$ 205,222	\$ 31,250	\$ 97,278	\$ -	\$ 138,628	159.55%
2017	\$ 37,057	\$ 80,901	\$ 130,080	\$ 200,000	\$ 448,038	\$ 391,135,792	-	-	100,000	(146,521)	401,517	31,250	100,622	260,632	393,503	102.04%
2018	\$ 43,426	\$ 82,191	\$ 130,122	\$ 200,000	\$ 457,738	\$ 398,955,508	-	-	100,000	(146,737)	409,001	31,250	100,610	239,690	371,550	110.08%
2019	\$ 43,426	\$ 83,480	\$ 130,163	\$ 200,000	\$ 457,069	\$ 406,937,678	-	-	100,000	(146,953)	410,117	31,250	99,066	241,844	372,160	110.20%
2020	\$ 43,426	\$ 84,769	\$ 130,204	\$ 200,000	\$ 458,400	\$ 415,076,432	-	-	100,000	(147,168)	411,232	-	97,242	238,946	336,188	122.32%
2021	\$ 46,497	\$ 86,520	\$ 130,261	\$ 200,000	\$ 463,277	\$ 423,377,960	-	-	100,000	(147,483)	415,795	-	-	240,996	240,996	172.53%
2022	\$ 46,497	\$ 88,271	\$ 130,317	\$ 200,000	\$ 465,085	\$ 431,845,520	-	-	100,000	(147,797)	417,287	-	-	391,391	391,391	106.62%
2023	\$ 46,497	\$ 90,022	\$ 130,373	\$ 200,000	\$ 466,892	\$ 440,482,430	0.9900	\$ 3,924,698	100,000	(148,112)	418,175	-	-	4,309,143	4,309,143	100.80%
2024	\$ 9,440	\$ 91,773	\$ 130,430	\$ 200,000	\$ 431,642	\$ 449,292,079	-	-	100,000	(148,427)	383,216	-	-	-	-	-
2025	\$ 9,440	\$ 93,523	\$ 130,486	\$ 200,000	\$ 433,450	\$ 449,292,079	-	-	100,000	(148,741)	384,708	-	-	-	-	-
2026	\$ 15,581	\$ 96,197	\$ 130,573	\$ 200,000	\$ 442,351	\$ 449,292,079	-	-	100,000	(149,254)	393,096	-	-	-	-	-
2027	\$ 15,581	\$ 98,871	\$ 130,659	\$ 200,000	\$ 445,111	\$ 449,292,079	-	-	100,000	(149,767)	395,344	-	-	-	-	-
2028	\$ 15,581	\$ 101,544	\$ 130,746	\$ 200,000	\$ 447,871	\$ 449,292,079	-	-	100,000	(150,280)	397,591	-	-	-	-	-
2029	\$ 15,581	\$ 104,218	\$ 130,833	\$ 200,000	\$ 450,632	\$ 449,292,079	-	-	100,000	(150,793)	399,839	-	-	-	-	-
2030	\$ 15,581	\$ 106,892	\$ 130,919	\$ 200,000	\$ 453,392	\$ 449,292,079	-	-	100,000	(151,306)	402,086	-	-	-	-	-
2031	\$ 15,581	\$ 109,566	\$ 131,006	\$ 200,000	\$ 456,152	\$ 449,292,079	-	-	100,000	(151,819)	404,334	-	-	-	-	-
2032	\$ 18,651	\$ 112,701	\$ 131,108	\$ 200,000	\$ 462,459	\$ 449,292,079	-	-	100,000	(152,431)	410,029	-	-	-	-	-
2033	\$ 18,651	\$ 115,836	\$ 131,209	\$ 200,000	\$ 465,696	\$ 449,292,079	-	-	100,000	(153,043)	412,653	-	-	-	-	-
2034	\$ 18,651	\$ 115,836	\$ 133,834	\$ 200,000	\$ 468,320	\$ 449,292,079	-	-	100,000	(153,043)	415,277	-	-	-	-	-
2035	\$ 18,651	\$ 115,836	\$ 136,510	\$ 200,000	\$ 470,997	\$ 449,292,079	-	-	100,000	(153,043)	417,954	-	-	-	-	-
2036	\$ 18,651	\$ 115,836	\$ 139,240	\$ 200,000	\$ 473,727	\$ 449,292,079	-	-	100,000	(153,043)	420,684	-	-	-	-	-
2037	\$ 18,651	\$ 115,836	\$ 142,025	\$ 200,000	\$ 476,512	\$ 449,292,079	-	-	100,000	(153,043)	423,469	-	-	-	-	-
2038	\$ 18,651	\$ 115,836	\$ 144,866	\$ 200,000	\$ 479,353	\$ 449,292,079	-	-	100,000	(153,043)	426,310	-	-	-	-	-
2039	\$ 18,651	\$ 115,836	\$ 147,763	\$ 200,000	\$ 482,250	\$ 449,292,079	-	-	100,000	(153,043)	429,207	-	-	-	-	-
2040	\$ 18,651	\$ 115,836	\$ 150,718	\$ 200,000	\$ 485,205	\$ 449,292,079	-	-	100,000	(153,043)	432,162	-	-	-	-	-
2041	\$ 18,651	\$ 115,836	\$ 153,733	\$ 200,000	\$ 488,220	\$ 449,292,079	-	-	100,000	(153,043)	435,177	-	-	-	-	-
2042	\$ 18,651	\$ 115,836	\$ 156,807	\$ 200,000	\$ 491,294	\$ 449,292,079	-	-	100,000	(153,043)	438,251	-	-	-	-	#DIV/0!
2043	\$ 18,651	\$ 115,836	\$ 159,943	\$ 200,000	\$ 494,430	\$ 449,292,079	-	-	100,000	(153,043)	441,367	-	-	-	-	#DIV/0!
2044	\$ 18,651	\$ 115,836	\$ 163,142	\$ 200,000	\$ 497,629	\$ 449,292,079	-	-	100,000	(153,043)	444,566	-	-	-	-	#DIV/0!
2045	\$ 18,651	\$ 115,836	\$ 166,405	\$ 200,000	\$ 500,892	\$ 449,292,079	-	-	100,000	(153,043)	447,849	-	-	-	-	#DIV/0!
	\$ 721,066	\$ 3,098,205	\$ 4,144,558		\$ 13,763,829			\$ 3,924,698	\$ 3,000,000	\$ (4,519,669)	\$ 16,168,859	\$ 125,000	\$ 495,917	\$ 5,922,642		

Assessed Value projected growth at 2% per year.
City will refinance note prior to year 6 to lengthen amortization. While legally pledged, City's intent is to only use revenues to repay notes.
2016 issue includes TWDB Grant of \$243,005.

Please label each attachment with the number of the pertinent application section (i.e. "Part C5")

Part C. Legal

- C1 Citation to the specific legal authority in the Texas Constitution or statutes pursuant to which the applicant is authorized to provide the service for which the applicant is requesting financial assistance. The City is a General Law City (Section 5.001, Texas Local Government Code) which has a Certificate of Convenience and Necessity and owns and operates a wastewater system. Section 552.001, Texas Local Government Code)
- C2 Citation to legal authority under which debt is proposed to be issued including authority to make proposed pledge of revenues. The Tax Note is issued pursuant to Article XI, Section 4, Texas Constitution and Chapter 1431 Texas Local Government Code. In particular, Texas Government Code Section 1431.004(a)(1) authorizes the financing of a public work of the nature proposed in the application.
- C3 Full legal name of the security for the proposed debt issue(s). Provide a full explanation of pledge being offered and existing rate covenants as well as relevant additional bonds requirements, reserve fund requirements or other requirements needed to ensure parity with other outstanding creditors.
City of Wimberley, Texas Tax Note, Series 2015. The City proposes a pledge of the ad valorem taxes to be levied by the City as authorized under Chapter 1431 of the Texas Local Government Code to pay principle and interest on the notes as they become due. Wimberley, Texas is a Type A General Law City and authorized to levy taxes under Texas Constitution Article XI, Section 4, at a rate up to \$1.50 per \$100 valuation, with not more than \$1.00 per \$100 valuation available to pay for debt service. The City has previously issued a Tax and Surplus Revenue Anticipation Note, Series 2013, with a current outstanding balance of \$348,158.66 and which is paid annually with the final maturity being 2020. Rate information is included with this application but does not constitute a pledged amount to the payment of the notes under Texas Government Code Chapter 1431.
- C4 For proposed revenue bonds, **attach** copies of the most recent resolution/ordinance(s) authorizing any outstanding parity debt. This is essential to insure outstanding bond covenants are consistent with covenants that might be required for TWDB financing.
Item(s) attached Yes No NA X
- C5 **Attach** the resolution from the governing body requesting Financial Assistance.
TWDB-0201A (<http://www.twdb.texas.gov/financial/instructions/index.aspindex.asp>)
Item attached Yes X No
- C6 **Attach** the Application Affidavit
TWDB-0201 (<http://www.twdb.texas.gov/financial/instructions/index.aspindex.asp>)
Item attached Yes X No
- C7 **Attach** the Certificate of Secretary
TWDB-201B (<http://www.twdb.texas.gov/financial/instructions/index.aspindex.asp>)
Item attached Yes X No

Please label each attachment with the number of the pertinent application section (i.e. "Part C5")

C8 List and attach copies of all draft and/or executed contracts for consultant services included in the total project costs and if applicable whether those contracts were awarded according to Disadvantaged Business Enterprises (DBE) rules.

For further explanation see Part H – Disadvantaged Business Enterprise Requirements

Consultant	Service Provided	Contract Attached (Y/N)	Awarded Using DBE rules (Y/N)	Contract Execution Date
Alan Plummer Associates Inc.	Project Engineering	Y	Y	September 9, 2013
Specialize Public Finance Inc.	Financial Advisor	Y	N	September 27, 2012
Bickerstaff Heath Delgado Acosta LLP	Bond Counsel	Y	N	October 12, 2012

C9 If the applicant is a Water Supply Corporation (WSC), attach copies of the following:

- a) Articles of Incorporation
- b) Certificate of Incorporation from the Texas Secretary of State evidencing that the current Articles of Incorporation are on file with the Secretary.
- c) By-laws and any amendments
- d) Certificate of Status (i.e. Certificate of Existence) from the Texas Secretary of State
- e) Certificate of Account Status from the Texas Comptroller of Public Accounts (certifies that the WSC is exempt from the franchise tax and that the WSC is in good standing)

Item a) attached Yes No X
 Item b) attached Yes No X
 Item c) attached Yes No X
 Item d) attached Yes No X
 Item e) attached Yes No X

C10 If this project will result in: (a) an increase by the applicant in the use of groundwater, (b) drilling a new water well, or (c) an increase by the applicant in use of surface water, then the applicant must demonstrate that it has acquired – by contract, ownership or lease – the necessary property rights, groundwater permits, and/or surface water rights sufficient for the project before funds can be released for construction.

a) Does the applicant currently own all the property rights, groundwater permits and surface water rights needed for this project?
 Yes No NA X

If yes, please attach the completed, appropriate form.

- a. WRD 208A (<http://www.twdb.texas.gov/financial/instructions/index.asp>) (Surface Water)
- b. WRD 208B (<http://www.twdb.texas.gov/financial/instructions/index.asp>) (Groundwater)

Item a) attached Yes No X

Please label each attachment with the number of the pertinent application section (i.e. "Part C5")

Item b) attached Yes No X

Please label each attachment with the number of the pertinent application section (i.e. "Part C5")

- b) If all property rights, groundwater permits, and surface water rights, needed for this project have not yet been acquired, identify the rights and/or permits that will need to be acquired and provide the anticipated date by which the applicant expects to have acquired such rights and/or permits.

Type of Permit Water Right	Entity from which the permit or right must be acquired	Acquired by lease or full ownership	Expected acquisition date	Permit / Water Right ID No.
N/A	N/A	N/A	N/A	N/A

- C11 Does the applicant possess a Certificate of Convenience and Necessity (CCN)? If yes, attach a copy of the CCN and a service area map showing the areas to which it is allowed to provide water or wastewater services.

Yes No NA

If yes, is item attached Yes No

If no, what is the status of the CCN? N/A

If the area to be served by the project, is within the service area of a municipality or other public utility, has the applicant obtained an affidavit stating that the utility does not object to the construction and operation of the services and facilities in its service area?

Yes No NA

If yes, is item attached Yes No

- C12 Has the applicant obtained all necessary land and easements for the project?
Yes No

If yes, the applicant must complete and attach a site certificate.
(ED-101 - <http://www.twdb.texas.gov/financial/instructions/index.asp>)

Item attached Yes No

If no, the applicant is required to describe the land or easements that will need to be acquired and provide the anticipated date by which the applicant expects to have the land or easements and if funding from TWDB is to be used for the acquisition.

Please label each attachment with the number of the pertinent application section (i.e. "Part C5")

Description of Land or Easement Permit	Entity from which the permit or right must be acquired	Acquired by lease or full ownership	Expected acquisition date	To Be Funded by TWDB (Yes/No)
Easements	Private	Full Ownership	5/1/2015	No
Lift Station Sites	Private	Full Ownership	5/1/2015	No

C13 If the applicant is applying for CWSRF or DWSRF, the applicant **must** complete form WRD 213 (<http://www.twdb.texas.gov/financial/instructions/index.asp> - Certification Regarding Lobbying)

Item attached Yes No NA

C14 Does the applicant currently contract for water or sewer services with another provider?

Yes No

Is the project intended to allow the applicant to provide or receive services to another entity?

Yes No

If yes, the applicant must provide, at minimum, the proposed agreement, contract, or other documentation establishing the service relationship, with the final and binding agreements provided prior to loan closing.

Item attached Yes No

C15 Has the applicant been the subject of any enforcement action by the Texas Commission on Environmental Quality, the Environmental Protection Agency, or any other entity within the past three years?

Yes No

If yes, **attach** a brief description of every enforcement action within the past three years and action(s) to address requirements.

Item attached Yes No

All Economically Distressed Programs (EDAP) applicants must complete C16 through C18.

In accordance with TWDB Rules (31 TAC §363), an application for EDAP will **not** be considered until the County has adopted and is enforcing the Model Subdivision Rules (MSRs) Tex. Water Code 16.343. If the proposed project is within a municipality or its extraterritorial jurisdiction (ETJ), or if the applicant is a municipality, the municipality must also have adopted and be enforcing MSRs.

C16. If financing is for a wastewater project, a copy of the resolution/ordinance establishing a mandatory hookup policy is required.

Item attached Yes No

If no, please explain: N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part C5")

- C17. Texas Water Code §16.356 states "A political subdivision that receives financial assistance from the economically distressed areas program under Subchapter K, Chapter 17, may not use any revenue received from fees collected from a water supply or sewer service constructed in whole or in part from funds from the economically distressed areas program account for purposes other than utility purposes. The applicant acknowledges that they are aware of and will abide by the statute.

Yes No

- C18. Unless the applicant is a water supply corporation, the applicant must attach a copy of the Texas Commission on Environmental Quality order granting the applicant a designation as an authorized agent for regulation of on-site septic sewage disposal systems or provide documentation that the applicant is seeking such authority under Tex. Health & Safety Code ch. 366, subch. C.

Item attached Yes No N/A

Projected System Rates and Charges

Attached are projected rates and charges for the proposed wastewater system for which the \$5.5 million CWSRF loan is being sought. Please be advised these rates and charges are merely a representation of the anticipated types and magnitude. It goes without stating, the rates and charges cannot be finalized until more is known about the final project cost and the system demand.

Revenue From Proforma from file: "TWDB_Application_Packet_Indexed" (2014)

Year	Gray Water Re-Use				Total Revenue
	Impact Fee Revenue	Base Revenue	Volumetric Revenue	Revenue	
2016	\$40,762	\$80,901	\$130,080	\$150,000	\$401,743
2017	\$37,057	\$80,901	\$130,080	\$200,000	\$448,038
2018	\$43,426	\$82,191	\$130,122	\$200,000	\$455,739
2019	\$43,426	\$83,480	\$130,163	\$200,000	\$457,069
2020	\$43,426	\$84,769	\$130,204	\$200,000	\$458,399
2021	\$46,497	\$86,520	\$130,261	\$200,000	\$463,278
2022	\$46,497	\$88,271	\$130,317	\$200,000	\$465,085
2023	\$46,497	\$90,022	\$130,373	\$200,000	\$466,892
2024	\$9,440	\$91,773	\$130,430	\$200,000	\$431,643
2025	\$9,440	\$93,523	\$130,486	\$200,000	\$433,449
2026	\$15,581	\$96,197	\$130,573	\$200,000	\$442,351

Rates and Charges are calculated below. Rates and Charges are representative of the types and relative anticipated magnitude of Rates and Charges that will likely be implemented, however these Rates and Charges should be reviewed and updated at a later time upon completion and implementation of the wastewater system when more accurate data on number of LUEs, customer flow, and operating and capital costs can be determined.

Base Charge

Year	Base Revenue	Total LUEs (1)	Annual Base Charge	
			per LUE	Monthly Base Charge per LUE
2016	\$80,901	198	\$409.00	\$34.08
2017	\$80,901	200	\$404.76	\$33.73
2018	\$82,191	202	\$406.99	\$33.92
2019	\$83,480	205	\$407.17	\$33.93
2020	\$84,769	208	\$407.35	\$33.95
2021	\$86,520	211	\$409.71	\$34.14
2022	\$88,271	214	\$412.00	\$34.33
2023	\$90,022	217	\$414.23	\$34.52
2024	\$91,773	222	\$412.65	\$34.39
2025	\$93,523	227	\$411.14	\$34.26
2026	\$96,197	233	\$413.67	\$34.47

(1) Incorporated modest growth; Total Commercial and Residential LUEs from WRM's Model "base rate revenues" tab

Volumetric Rate

	Volumetric Revenue	Total LUEs (1)	Wastewater Flow per LUE (gpd) (2)	Monthly Wastewater Flow per LUE (Gal) (3)	Annual Wastewater Flow (1,000 Gallons) (4)	Rate Per Kgal
2016	\$130,080	198	190	5,700	13,529,555	\$9.61
2017	\$130,080	200	190	5,700	13,671,456	\$9.51
2018	\$130,122	202	190	5,700	13,813,357	\$9.42
2019	\$130,163	205	190	5,700	14,023,658	\$9.28
2020	\$130,204	208	190	5,700	14,233,959	\$9.15
2021	\$130,261	211	190	5,700	14,444,260	\$9.02
2022	\$130,317	214	190	5,700	14,654,561	\$8.89
2023	\$130,373	217	190	5,700	14,864,861	\$8.77
2024	\$130,430	222	190	5,700	15,211,962	\$8.57
2025	\$130,486	227	190	5,700	15,559,063	\$8.39
2026	\$130,573	233	190	5,700	15,906,164	\$8.21

(1) Annual LUEs from Base Charge Analysis

(2) Revised gpd per LUE from WRM's model

(3) Monthly Wastewater Flow per LUE

(4) Annual Flow based on the Number of LUEs multiplied by the Monthly Flow per LUE by 12 months

City's Contribution and Gray Water Re-Use Rate

*Assumes City Contribution of \$100,000 and Re-Use Volumetric Revenue of \$100,000

Year	Re-Use Volumetric Revenue (1)	Annual Wastewater		Rate Per Kgal	City's Contribution in Total Revenue from Re-Use and City Contribution	
		Flow (1,000 Gallons)	Flow (1,000 Gallons)		additional to Re-Use Revenue	Re-Use and City Contribution
2016	\$100,000	13,529,555	13,529,555	\$7.39	\$50,000	\$150,000.00
2017	\$100,000	13,671,456	13,671,456	\$7.31	\$100,000	\$200,000.00
2018	\$100,000	13,813,357	13,813,357	\$7.24	\$100,000	\$200,000.00
2019	\$100,000	14,023,658	14,023,658	\$7.13	\$100,000	\$200,000.00
2020	\$100,000	14,233,959	14,233,959	\$7.03	\$100,000	\$200,000.00
2021	\$100,000	14,444,260	14,444,260	\$6.92	\$100,000	\$200,000.00
2022	\$100,000	14,654,561	14,654,561	\$6.82	\$100,000	\$200,000.00
2023	\$100,000	14,864,861	14,864,861	\$6.73	\$100,000	\$200,000.00
2024	\$100,000	15,211,962	15,211,962	\$6.57	\$100,000	\$200,000.00
2025	\$100,000	15,559,063	15,559,063	\$6.43	\$100,000	\$200,000.00
2026	\$100,000	15,906,164	15,906,164	\$6.29	\$100,000	\$200,000.00

(1) Annual revenue from Re-Use volumetric rates set by City Manager

(2) Annual Wastewater Flow from Volumetric Rate Analysis above; Assumes all wastewater flow will be for Re-Use sale

Impact Fees

Year	Revenue	Total LUEs (1)	Anticipated Cash Flow (2)	Difference in Cash Flow to Proforma Revenue	Balance of Acrued "Deferred Revenue" Fund (3)
2016	\$40,762	133	\$41,488	\$726	\$726
2017	\$37,057	0	\$41,488	\$4,431	\$5,157
2018	\$43,426	2	\$46,674	\$3,248	\$8,405
2019	\$43,426	2	\$46,674	\$3,248	\$11,653
2020	\$43,426	2	\$46,674	\$3,248	\$14,901
2021	\$46,497	3	\$49,174	\$2,677	\$17,578
2022	\$46,497	3	\$49,174	\$2,677	\$20,256
2023	\$46,497	3	\$49,174	\$2,677	\$22,933
2024	\$9,440	3	\$7,686	-\$1,754	\$21,179
2025	\$9,440	3	\$7,686	-\$1,754	\$19,426
2026	\$15,581	5	\$12,686	-\$2,895	\$16,531
	Fee		\$2,500.00		

(1) Total LUEs and Fee from WRM's Model "Impact fee revenues" tab

(2) Assumes 8 year Payment Plans for initial connections

(3) Shows cash positive position in first 10 years; No supplemental revenue required for Proforma Revenue Forecast

Proposed Service Area Profile

There are approximately 273 acres in the proposed service area. That acreage resides within approximately 171 separate tracts.

Currently, there are approximately 136 small commercial businesses (stores, galleries, restaurants, professional offices, etc.), most of which are locally owned and have been in operation in the proposed service area for several years. The commercial vacancy rate is low, with approximately seven (7) vacant storefronts visible. Most of the vacant commercial space is located in a downtown commercial complex whose limited capacity septic system has made it difficult to fully occupy the center.

In addition to the commercial businesses, there are approximately 35 single-family residences in the proposed service area.

In the 2015 Memorial Day Weekend Flood in Wimberley, approximately seven (7) commercial businesses and approximately ten (10) single-family residences located in the proposed service area sustained flood damage. With the exception of one (1) resort property, the affected commercial businesses are back in operation. The owners of the resort have expressed a desire to rebuild and resume operations. Meanwhile, efforts are underway to repair and/or reconstruct the single-family residences damaged by the flood.