

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

MINUTES OF THE SPECIAL MEETING OF BOARD OF DIRECTORS

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Monday November 21, 2022 at 4:30 p.m.  
745 Parker Rd., Wylie, Texas 75098

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2025  
Jimmy C. Beach

2023  
Ron Dawes  
Jason West

2024  
Clinton L. Davis  
Lance Ainsworth

SPECIAL MINUTES

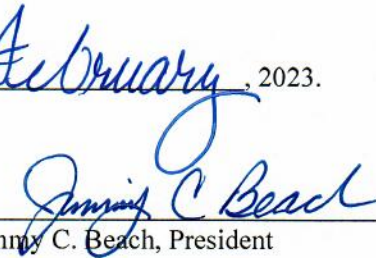
1. **Call Meeting to order.** President Jimmy Beach called the meeting to order at 4:30 p.m. and determined that a quorum was present to conduct business. Directors present: Jimmy Beach, Lance Ainsworth, Jason West and Ron Dawes. Absent: Clint Davis. Staff present: Amanda Horst, Business Manager and Chester Adams, General Manager. Absent: None. Consultant Staff Present: None
2. **Determine if a quorum is present to conduct business.** A quorum was present to conduct business.
3. **Public Comment on non-agenda items. - None**  
*(Any person may address the board regarding matters not listed on this agenda. Citizens must provide their name, address, telephone number or email on Public Comment Sign Up Sheet before the meeting is called to order. Comments shall be limited to 3 minutes per speaker. Board members are prohibited from discussing, deliberating, or taking action on matters presented during the non-agenda public comment.)*
4. **Let the record show that the Officer Statement was certified and sent prior to this meeting.**
5. **Administer the Oath of Office to Jimmy Beach for the 2022 Election.**  
Amanda Horst administered the oath to Jimmy Beach.
6. **Discussion / Action to consider Director positions.**  
Motion made by Lance Ainsworth that they remain unchanged. Seconded by Ron Dawes. All others in favor, motion carried.
7. **Discussion / Action on Resolution No. 2022-10R, approving the SIB loan agreement and authorizing General Manager, Chester Adams, to execute the loan agreement and all related documents on behalf of Wylie Northeast Special Utility District.**  
Paul Jasin with Specialized Public Finance presented the SIB load terms and answered questions. See attached presentation.  
Motion made by Lance Ainsworth to adopt Resolution No. 2022-10R approving the SIB loan agreement and authorizing Chester Adams to execute the loan agreement and all other related document. Seconded by Ron Dawes. All others in favor, motion carried.
8. **Discussion / Action on backflow testing process, fees, and administration.**  
Chester Adams presented a plan to basically allow all backflow testers to submit a current pricing and we would maintain a list and pricing on our website for customers to utilize. This way, it

remains a free and fair market, but we do some of the leg work for the customers so they don't have to call around.

Motion made by Ron Dawes to accept the proposal for backflow testers made by Chester Adams. Seconded by Lance Ainsworth. All others in favor, motion carried.

9. *Adjournment.* 5:15p.m.

Witness my hand this 13<sup>th</sup> day of February, 2023.

  
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Jimmy C. Beach, President

  
\_\_\_\_\_  
Lance Ainsworth, Board Secretary



*SIB Loan Overview*

# Wylie Northeast Special Utility District

*November 21, 2022*



Steven Adams | Managing Director

Office 214.373.3911 | Cell 214.608.2293  
steven@spfmuni.com

Paul Jasin | Managing Director

Office 214.373.3911 | Cell 214.288.7898  
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**SPECIALIZED PUBLIC FINANCE INC.**  
FINANCIAL ADVISORY SERVICES



## Overview of Financing

- Wylie Northeast Special Utility District (the “District”) has been approved for a loan from the Texas Department of Transportation (“TxDOT”) State Infrastructure Bank (“SIB”) program.
- The proceeds will be used for the relocation of a waterline on FM 2514 (Parker Road).
- The security for the loan is a pledge of subordinate lien net revenues.
- TxDOT has assigned the interest rate on the loan which results in a true interest cost of 3.16% over a 20-year term.
- Since the August 8<sup>th</sup> Board Meeting, municipal interest rates have risen 76 basis points. At that meeting, SPFI presented to the District an estimated rate of 2.79%. The final interest rate of 3.16% from TxDOT represents a 37 basis point increase.
- The loan is expected to close in mid-December. Final date has not been set by TxDOT.
- Today, the District will consider the Resolution authorizing the District’s General Manager to act on behalf of the District regarding the loan to the Texas Department of Transportation.



Annual Debt Service Schedule				
Water System Revenue Bonds, Series 2022 (Sub Lien)				
Date	Principal	Rate <sup>1</sup>	Interest	P+I
9/30/2023	\$ 225,000	3.16%	\$ 103,131	\$ 328,131
9/30/2024	180,000	3.16%	145,676	325,676
9/30/2025	185,000	3.16%	139,988	324,988
9/30/2026	195,000	3.16%	134,142	329,142
9/30/2027	200,000	3.16%	127,980	327,980
9/30/2028	205,000	3.16%	121,660	326,660
9/30/2029	210,000	3.16%	115,182	325,182
9/30/2030	220,000	3.16%	108,546	328,546
9/30/2031	225,000	3.16%	101,594	326,594
9/30/2032	230,000	3.16%	94,484	324,484
9/30/2033	240,000	3.16%	87,216	327,216
9/30/2034	245,000	3.16%	79,632	324,632
9/30/2035	255,000	3.16%	71,890	326,890
9/30/2036	265,000	3.16%	63,832	328,832
9/30/2037	270,000	3.16%	55,458	325,458
9/30/2038	280,000	3.16%	46,926	326,926
9/30/2039	290,000	3.16%	38,078	328,078
9/30/2040	295,000	3.16%	28,914	323,914
9/30/2041	305,000	3.16%	19,592	324,592
9/30/2042	315,000	3.16%	9,954	324,954
<b>Total</b>	<b>4,835,000</b>		<b>1,693,875</b>	<b>6,528,875</b>

1. Final interest rate as provided in the loan agreement. Closing date of December 12, 2022 is preliminary and subject to change.



# Proforma with SIB Debt Service

➤ Structured for level payments with existing debt, the subordinate lien SIB loan annual debt service payments would average \$326,000.

FYE 9/30	Number of Connections <sup>(1)</sup>	Operating Revenues (FY21 Audit) <sup>(2)</sup>	Operating Expenses (FY21 Audit) <sup>(2)</sup>	Revenues Available for Debt Service	Existing Outstanding Debt	Subordinate Lien - Series 2022 SIB Loan <sup>(3)</sup>			Exiting and Proposed Total Debt Service	Estimated Subordinate Debt Service Coverage Ratio	Subordinate Debt Service Coverage (\$)	Estimated Debt Service per Connection per Month
						Dated: Dec '22 Principal	TIC: 3.16% Interest	Total D/S				
2022	2,760	\$4,958,169	\$2,653,008	\$ 2,305,161	\$ 187,085	\$ -	\$ -	\$ -	\$ 187,085	12.32 x	\$ 2,118,076	\$ 5.65
2023	2,760	4,958,169	2,653,008	2,305,161	189,253	225,000	103,131	328,131	517,384	4.46 x	1,787,777	15.62
2024	2,760	4,958,169	2,653,008	2,305,161	187,184	180,000	145,676	325,676	512,860	4.49 x	1,792,301	15.48
2025	2,760	4,958,169	2,653,008	2,305,161	189,059	185,000	139,988	324,988	514,047	4.48 x	1,791,114	15.52
2026	2,760	4,958,169	2,653,008	2,305,161	186,696	195,000	134,142	329,142	515,838	4.47 x	1,789,323	15.57
2027	2,760	4,958,169	2,653,008	2,305,161	188,278	200,000	127,980	327,980	516,258	4.47 x	1,788,904	15.59
2028	2,760	4,958,169	2,653,008	2,305,161	189,021	205,000	121,660	326,660	515,681	4.47 x	1,789,480	15.57
2029	2,760	4,958,169	2,653,008	2,305,161	190,486	210,000	115,182	325,182	515,668	4.47 x	1,789,493	15.57
2030	2,760	4,958,169	2,653,008	2,305,161	186,646	220,000	108,546	328,546	515,192	4.47 x	1,789,969	15.56
2031	2,760	4,958,169	2,653,008	2,305,161	126,750	225,000	101,594	326,594	453,344	5.08 x	1,851,817	13.69
2032	2,760	4,958,169	2,653,008	2,305,161	127,250	230,000	94,484	324,484	451,734	5.10 x	1,853,427	13.64
2033	2,760	4,958,169	2,653,008	2,305,161	127,500	240,000	87,216	327,216	454,716	5.07 x	1,850,445	13.73
2034	2,760	4,958,169	2,653,008	2,305,161	127,500	245,000	79,632	324,632	452,132	5.10 x	1,853,029	13.65
2035	2,760	4,958,169	2,653,008	2,305,161	127,250	255,000	71,890	326,890	454,140	5.08 x	1,851,021	13.71
2036	2,760	4,958,169	2,653,008	2,305,161	126,750	265,000	63,832	328,832	455,582	5.06 x	1,849,579	13.76
2037	2,760	4,958,169	2,653,008	2,305,161	126,000	270,000	55,458	325,458	451,458	5.11 x	1,853,703	13.63
2038	2,760	4,958,169	2,653,008	2,305,161	-	280,000	46,926	326,926	326,926	7.05 x	1,978,235	9.87
2039	2,760	4,958,169	2,653,008	2,305,161	-	290,000	38,078	328,078	328,078	7.03 x	1,977,083	9.91
2040	2,760	4,958,169	2,653,008	2,305,161	-	295,000	28,914	323,914	323,914	7.12 x	1,981,247	9.78
2041	2,760	4,958,169	2,653,008	2,305,161	-	305,000	19,592	324,592	324,592	7.10 x	1,980,569	9.80
2042	2,760	4,958,169	2,653,008	2,305,161	-	315,000	9,954	324,954	324,954	7.09 x	1,980,207	9.81
					<b>\$ 2,582,708</b>	<b>\$ 4,835,000</b>	<b>\$ 1,693,875</b>	<b>\$ 6,528,875</b>	<b>\$ 9,111,583</b>			

## Notes

1. Estimated number of connections as provided the District.
2. Revenues and Expenses include results as of September 30, 2021. Expenses excludes depreciation and amortization.
3. Final interest rate as provided in the loan agreement. Closing date of December 12, 2022 is preliminary and subject to change.



## Sources and Uses of Funds

<b>Sources</b>	
Par Amount	\$ 4,835,000
<b>Total Sources</b>	<b>\$ 4,835,000</b>
<b>Uses</b>	
Costs of Issuance	\$ 45,000
Deposit to Debt Service Reserve Fund (DSRF)	329,142
Deposit to Project Construction Fund	4,460,858
<b>Total Uses</b>	<b>\$ 4,835,000</b>



Specialized Public Finance Inc.,

recommends Wylie Northeast Special Utility District authorize the District's General Manager to act on behalf of the District regarding

the loan of \$4,835,000 from the State Infrastructure Bank (Subordinate Lien)

to

Texas Department of Transportation



# History of Municipal Interest Rates



## History of Bond Buyer Bond Index Since 1961

