

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT

MINUTES OF THE REGULAR MEETING OF BOARD OF DIRECTORS

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Monday August 8, 2022 at 4:30 p.m.  
745 Parker Rd., Wylie, Texas 75098

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2022  
Jimmy C. Beach

2023  
Ron Dawes  
Jason West

2024  
Clinton L. Davis  
Lance Ainsworth

REGULAR 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, Clint Davis, Lance Ainsworth and Jason West. Absent: Ron Dawes. Staff present: Amanda Horst, Business Manager and Chester Adams, General Manager. Absent: None. Consultant Staff Present: James Wilson, Attorney
2. **Determine if a quorum is present to conduct business.** A quorum was present to conduct business.
3. **Consent Items: Approved**  
(All matters listed as consent items are considered routine and shall be enacted without comment by one motion. Upon request by a director, any item may be removed from the Consent Agenda to be considered separately.)
  - Approval of June Financials.
  - Approval of the minutes of the Regular Meeting July 11, 2022.
4. **Staff Reports:**
  - **Legal update** – James Wilson said nothing new to report.
  - **General Manager Report** – Chester began with our water loss for last month and said that we were at 2%. Next, he informed the board that there would be upcoming changes from TCEQ on the Lead and Copper rule. He said that we are looking at a company called 120 Water to help us out with the extensive testing that it looks like will come down with the new rules, but we will see when they finalize things. He continued with an update on Park Boulevard; only lacking a small stretch of line to complete that. The board questioned the bid that was approved pending numbers being adjusted at the last meeting and Chester let them know that everything was good with number reallocation and the bottom line stayed the same.
  - **Business Manager Report** – Amanda stated that she had some good news when we received our employee health insurance renewal, there was no increase at all this year to keep the same plan. She continued that she has been working on rate forecasts and budget. Finally, she stated that the rest is on the agenda pertaining to the bond package, election and rate increase.
  - **President's Review** – Jimmy Beach stated that everything was in order and nothing was off or concerning; all good.

5. *Public Comment on non-agenda items.* None
6. *Old Business: None*

7. *New Business:*

- a. *Discussion / Action on Resolution No. 2022-07R authorizing the filing of an application to the State Infrastructure Bank to finance the installation of 3.5 miles of 8-inch and 12-inch water pipeline along Parker Road.*

Paul Jasin with Specialized Public Finance presented the information on the loan (see attached packet)

Motion made by Lance Ainsworth to adopt Resolution No. 2022-07R approving the filing of an application to the State Infrastructure Bank. Seconded by Jason West. All others in favor, motion carried.

- b. *Discussion / Action on water and sewer rate adjustments for the coming fiscal year.*

Chester explained that North Texas Municipal Water District would be increasing our rates by 13% this fiscal year. Amanda Horst stated that with no increase in rates the previous two years, we could not absorb this one.

Motion made by Jason West that increase our water gallonage rates by the same 13% that North Texas increased on the district. Seconded by Lance Ainsworth. All others in favor, motion carried.

- c. *Discussion / Action to consider Ordinance No. 2022-001 ordering a general election to be held on Tuesday, November 8, 2022, for the purpose of electing one candidate to the Board of Directors.*

No action.

8. *Future Agenda Items.*

- Rate Order
- Budget

9. *Adjournment.* 5:52 p.m.

Witness my hand this 12 day of Sept., 2022.

  
Jimmy C. Beach, President

  
Lance Ainsworth, Board Secretary



*Financing Overview*

# Wylie Northeast Special Utility District

*August 8, 2022*



**SPECIALIZED PUBLIC FINANCE INC.**  
FINANCIAL ADVISORY SERVICES

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 paul@spfmuni.com



- Wylie Northeast Special Utility District (the “District”) is considering funding capital improvements through 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.
- The SIB program does not reimburse for past expenses.
- Specialized Public Finance Inc. (“SPFI”) has analyzed a \$4,459,329 project fund deposit over a 20-year term. Current TIC estimate is 2.79%.
- Rates are based on current rates as of July 27, 2022. Estimated close is November 11, 2022.



# Proforma with Example SIB Debt Service

- Structured for level payments with existing debt, the subordinate lien SIB loan annual debt service payments would average \$315,000 for a \$4,459,329 project fund deposit.

FYE 12/31	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 Subordiante Debt Service Coverage Ratio	Subordiante Debt Service Coverage (\$)	Estimated Debt Service per Connection per Month
						Dated: Nov. '22 Principal	TIC: 2.79% 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	220,000	94,328	314,328	503,581	4.58 x	1,801,580	15.20
2024	2,760	4,958,169	2,653,008	2,305,161	187,184	195,000	120,294	315,294	502,478	4.59 x	1,802,683	15.17
2025	2,760	4,958,169	2,653,008	2,305,161	189,059	200,000	116,920	316,920	505,979	4.56 x	1,799,182	15.28
2026	2,760	4,958,169	2,653,008	2,305,161	186,696	205,000	113,220	318,220	504,916	4.57 x	1,800,245	15.25
2027	2,760	4,958,169	2,653,008	2,305,161	188,278	205,000	109,202	314,202	502,480	4.59 x	1,802,682	15.17
2028	2,760	4,958,169	2,653,008	2,305,161	189,021	210,000	105,082	315,082	504,102	4.57 x	1,801,059	15.22
2029	2,760	4,958,169	2,653,008	2,305,161	190,486	215,000	100,462	315,462	505,948	4.56 x	1,799,213	15.28
2030	2,760	4,958,169	2,653,008	2,305,161	186,646	220,000	95,495	315,495	502,141	4.59 x	1,803,020	15.16
2031	2,760	4,958,169	2,653,008	2,305,161	126,750	225,000	90,259	315,259	442,009	5.22 x	1,863,152	13.35
2032	2,760	4,958,169	2,653,008	2,305,161	127,250	230,000	84,724	314,724	441,974	5.22 x	1,863,187	13.34
2033	2,760	4,958,169	2,653,008	2,305,161	127,500	240,000	78,905	318,905	446,405	5.16 x	1,858,756	13.48
2034	2,760	4,958,169	2,653,008	2,305,161	127,500	245,000	72,569	317,569	445,069	5.18 x	1,860,092	13.44
2035	2,760	4,958,169	2,653,008	2,305,161	127,250	250,000	65,905	315,905	443,155	5.20 x	1,862,006	13.38
2036	2,760	4,958,169	2,653,008	2,305,161	126,750	255,000	58,930	313,930	440,680	5.23 x	1,864,481	13.31
2037	2,760	4,958,169	2,653,008	2,305,161	126,000	265,000	51,663	316,663	442,663	5.21 x	1,862,499	13.37
2038	2,760	4,958,169	2,653,008	2,305,161	-	270,000	43,978	313,978	313,978	7.34 x	1,991,184	9.48
2039	2,760	4,958,169	2,653,008	2,305,161	-	280,000	36,040	316,040	316,040	7.29 x	1,989,122	9.54
2040	2,760	4,958,169	2,653,008	2,305,161	-	290,000	27,696	317,696	317,696	7.26 x	1,987,466	9.59
2041	2,760	4,958,169	2,653,008	2,305,161	-	300,000	18,938	318,938	318,938	7.23 x	1,986,224	9.63
2042	2,760	4,958,169	2,653,008	2,305,161	-	305,000	9,608	314,608	314,608	7.33 x	1,990,554	9.50
					<u>\$ 2,582,708</u>	<u>\$ 4,825,000</u>	<u>\$ 1,494,213</u>	<u>\$ 6,319,213</u>	<u>\$ 8,901,921</u>			

## 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. Interest rates as of July 27, 2022. Rates are preliminary and subject to change.



## Sources and Uses of Funds

Sources	
Par Amount	\$ 4,825,000
<b>Total Sources</b>	<b>\$ 4,825,000</b>
Uses	
Costs of Issuance	\$ 45,000
Deposit to Debt Service Reserve Fund (DSRF)	318,938
Deposit to Project Construction Fund	4,459,329
Rounding	1,734
<b>Total Uses</b>	<b>\$ 4,825,000</b>

# Historical Rates – Bond Buyer Index

