

# Paying for repairs/maintenance/improvements to our facilities

- BOARD OF DIRECTORS AS STEWARDS OF YOUR MONEY.
  - Review of audit and other reports
  - The District is in excellent financial condition – rated “A3” by Moody’s
  - Balanced budget with excellent rainy day reserve
  - The District will only issue bonds as necessary and only with the approval of TCEQ and the Texas Attorney General
  - The District’s bonds are limited to the provision of water, sewer and drainage services and recreational facilities if authorized by the voters
  - The District has two sources of revenue – property taxes and water and sewer revenue

# Paying for repairs/maintenance/improvements to our facilities (cont.)

- SOURCES OF REVENUE FOR LESSER COSTS – GENERAL FUND.
  - Water and Sewer Rates
  - Maintenance Tax – Maximum Authorized Maintenance Tax Rate - \$0.50
- SOURCES OF PAYMENT FOR MAJOR COSTS.
  - Bonds
    - Bond authorization
    - Bond application to TCEQ
    - Advantages – long term financing at low interest rates and repayment schedule can be structured to minimize tax rate impact.
  - Paid with debt tax proceeds

# Historical Tax Information

Year	Taxable Value	Tax Rate
2018	\$336,638,397	\$0.56
2017	\$312,898,621	\$0.56
2016	\$287,488,486	\$0.59
2015	\$261,567,147	\$0.66
2014	\$229,443,502	\$0.68
2013	\$214,546,978	\$0.65
2012	\$209,746,418	\$0.63
2011	\$193,710,123	\$0.65
2010	\$233,316,830	\$.54
2009	\$237,509,410	\$0.50

- The total tax rate is comprised of two components – debt service, which is used to pay the principal of and interest on outstanding bonds, and maintenance, which is used to pay operating and maintenance expenses of the District. The 2018 tax rate is \$0.56 per \$100 of Assessed Valuation, \$0.29 of which is debt service and \$0.27 of which is maintenance.

# “Pay As You Go” vs. Bond Financing for Major Repairs and Rehabilitation

Assumptions:				
	2318	Connections		
	2018	Certified Assessed Valuation		\$336,638,397
		Average Home Value		\$138,820
Amount Needed		Water/Sewer Bill		
Per Year for Capital		Impact		
Improvements		Annual	Monthly	
\$1,000,000		\$431.44	\$35.95	
\$3,000,000		\$1,294.22	\$107.85	
\$5,000,000		\$2,157.03	\$179.75	
Bond Issue Assumptions				
5% Interest Rate				
25 year maturity schedule				
Non-Construction costs equal 15% of bond issue				
		Debt Service Tax Impact		
		Tax Bill		
Bond Issue Size	Annual Debt Service	Debt Service Tax Rate	Annual	Monthly
\$1,180,000	\$33,724	\$0.03	\$4.65	\$3.47
\$3,530,000	\$250,462	\$0.08	\$11.06	\$9.25
\$5,885,000	\$477,555	\$0.13	\$180.47	\$15.04