

# Attachment B



# Monterey County

**Budget Committee Meeting**  
**November 30, 2022**

10-Year Local Road Rehabilitation Program  
Financing Alternatives and Debt Capacity



2054 University Avenue | Suite 300 | Berkeley, CA 94704

A Limited Liability Company

# Recommendations

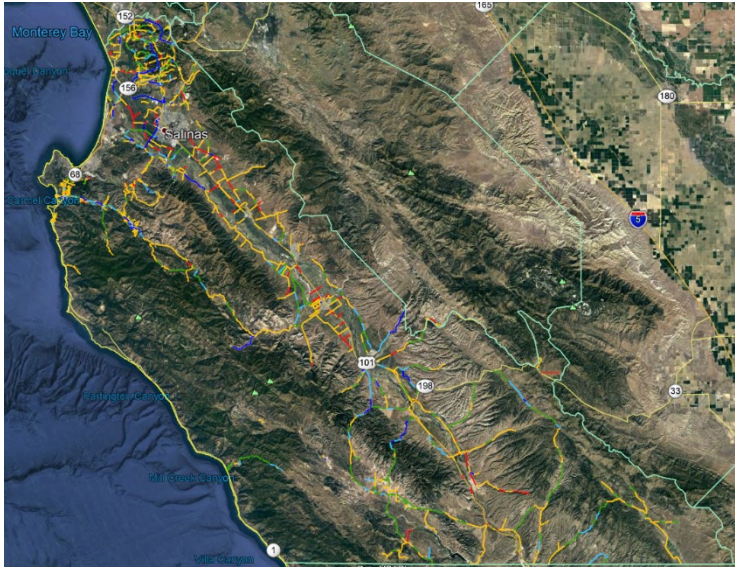
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- a. Receive a status report on the Board Referral 2020.12 “Consider funding options to increase the Pavement Condition Index of County roads to at least a ‘Fair’ standard over the next ten years”;
- b. Support implementation of a bond-funded local road repair pilot program;
- c. Approve the initial local road repair plan; and
- d. Provide appropriate direction to staff.

# County Transportation Infrastructure

- 1,257 +/- miles of County maintained roads
- 175 County maintained bridges
- Deferred Maintenance (est. \$1.2 billion)
  - \$700 million in roads
  - \$300 million in bridges
  - \$500 million in road appurtenances

**Board Referral 2020.12**



PCI Rating		
Red	0-25	Very Poor/Failed
Yellow	26-50	Poor
Blue	51-70	Fair
Green	71-100	Good/Very Good

# Background: Committee and Board Coordination

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- September 13, 2021 CIC
  - Clearest path: leverage Measure X via revenue bond or General Fund COP
  - Could generate \$87 to \$257 million
- November 8, 2021 CIC
  - Reviewed implementation options, CIC supported a hybrid approach (measured increase of staffing and increased use of consultants)
- November 18, 2021 BC
  - Presented financing options and implementation plan
  - BC supported a bond financing approach to repair local roads using hybrid implementation
- February 8, 2022 BOS
  - Presented information discussed at CIC and BC
  - Supported a pilot program for local road repair in CSAs and communities, supported by bond financing at lower end of the range discussed with BC and CIC

# Background: Implementation Plan Options

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1. Increase County staffing
  - Staff up to support increased workload
  - Range of new FTE, could be approx. 12 to 20
  - Accounts, engineers, analysts, HR, County Counsel
2. Increase contracted support
  - Use additional consultant contracts to address workload
  - Leverage Design & Construction Management Consultants
3. Design-Build
  - Not available for road construction projects

BC and BOS supported Hybrid Approach –  
Combination of #1 and #2

# Local Road Rehabilitation Program Development

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- Following the Board's direction, staff consulted with various outside advisors and developed a 10 Year Local Road Rehabilitation Program:
  - Harris & Associates – Project Consultant
    - Prepared report to provide the basis for and outline of the proposed accelerated road repair program for communities and identified projected costs to improve local County roads
  - KNN Public Finance – Municipal Advisor
    - Identified available revenue streams for debt repayment, evaluated financing alternatives, and prepared cash flow analysis to project the timing and amount of potential bonding needs
  - Jones Hall – Bond Counsel
    - Provided legal guidance on the financing alternatives and conducted a tax analysis of the proposed Local Road Rehabilitation projects to ensure the issuance of bond could be done on a tax-exempt basis

# Local Road Rehabilitation Program Overview

- Focused on local roads that service primarily residential areas and communities
- Aimed to improve pavement quality on local County roads for which grants or other State and Federal supplemental road funding sources are typically not available

District	Neighborhood	Estimated Costs
2	2-1 Aromas	\$2,515,629
5	5-1 CSA 66	535,890
5	5-3 CSA 25	5,785,567
<b>Total FY 2023:</b>		<b>\$8,837,086</b>
3	3-1 San Ardo	\$6,058,460
5	5-7 Tierra Grande	4,342,287
<b>Total FY 2024:</b>		<b>\$10,400,747</b>
2	2-2 Moss Landing Residential	\$1,867,464
3	3-4 Spreckels	5,115,192
5	5-6 Carmel Hills Dr. Area	2,591,797
<b>Total FY 2025:</b>		<b>\$9,574,453</b>
3	3-3 Bradley	\$2,289,845
5	5-12 Carmel Knolls (CSA 34)	2,478,452
5	5-13 Rio Vista (CSA 34)	5,156,482
5	5-5 Part CSA 51	1,103,836
<b>Total FY 2026:</b>		<b>\$11,028,615</b>
2	2-16 Oak Tree Hills	\$9,387,375
5	5-20 Brookdale	3,001,877
<b>Total FY 2027:</b>		<b>\$12,389,252</b>
5	5-19 Ribera Rd Carmel	\$1,283,962
5	5-8 Carmel Valley Village	11,182,376
<b>Total FY 2028:</b>		<b>\$12,466,338</b>
2	2-3 CSA 37	\$633,093
2	2-4 Portion CSA 32	406,377
3	3-5.2 Bryson Hesperia Rd.	7,397,345
<b>Total FY 2029:</b>		<b>\$8,436,815</b>
2	2-12.1 Portion of CSA 9	\$7,571,007
2	2-17 Portion of CSA 9	1,645,533
<b>Total FY 2030:</b>		<b>\$9,216,540</b>
2	2-12.2 Portion of CSA 9	\$4,975,394
3	3-6 CSA 20	3,614,253
<b>Total FY 2031:</b>		<b>\$8,589,647</b>
5	5-11 Viejo & Valenzuela Roads	\$1,736,766
5	5-16 CSA 58 and Portion of CSA 44	5,768,797
<b>Total FY 2032:</b>		<b>\$7,505,563</b>
<b>GRAND TOTAL ROAD PROGRAM:</b>		<b>\$98,445,056</b>

Source: Monterey County 10 Year Local Road Rehabilitation Program; Summary Report; September 16, 2022; Harris & Associates.

# Road Fund Projected Revenues and Expenditures

Road Fund Proforma Revenues and Expenditures	->> Projections									
	1	2	3	4	5	6	7	8	9	10
	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	<b>2030-31</b>	<b>2031-32</b>
<b>Revenue Sources</b>										
TOT (Transfer from GF)	5,809,574	5,983,861	6,163,377	6,348,278	6,538,727	6,734,889	6,936,935	7,145,043	7,359,395	7,580,176
State Aid: HUTA & RSTP	13,474,615	13,878,853	14,295,219	14,724,076	15,165,798	15,620,772	16,089,395	16,572,077	17,069,239	17,581,316
Other State and Federal Aid	38,663,717	35,033,600	4,081,988	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Charges for Services	604,181	610,223	616,325	622,488	628,713	635,000	641,350	647,764	654,241	660,784
Measure X	9,713,922	10,005,340	10,305,500	10,614,665	10,933,105	11,261,098	11,598,931	11,946,899	12,305,306	12,674,465
State Aid: SB1	9,972,532	10,271,708	10,579,859	10,897,255	11,224,173	11,560,898	11,907,725	12,264,956	12,632,905	13,011,892
Traffic Impact Fees & TAMC	522,684									
Misc & Other Revenues	90,930	90,930	90,930	90,930	90,930	90,930	90,930	90,930	90,930	90,930
<b>Total Road Fund Revenue:</b>	<b>\$78,852,155</b>	<b>\$75,874,515</b>	<b>\$46,133,198</b>	<b>\$44,497,692</b>	<b>\$45,781,445</b>	<b>\$47,103,586</b>	<b>\$48,465,266</b>	<b>\$49,867,669</b>	<b>\$51,312,016</b>	<b>\$52,799,564</b>
<b>Expenditures</b>										
Capital Projects (TOT)	5,809,574	5,983,861	6,163,377	6,348,278	6,538,727	6,734,889	6,936,935	7,145,043	7,359,395	7,580,176
Ongoing Maintenance (HUTA & RSTP)	13,474,615	13,878,853	14,295,219	14,724,076	15,165,798	15,620,772	16,089,395	16,572,077	17,069,239	17,581,316
State and Federal Projects	38,663,717	35,033,600	4,081,988	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Charges for Support Services	604,181	610,223	616,325	622,488	628,713	635,000	641,350	647,764	654,241	660,784
Capital Projects (Measure X)	9,744,023	11,420,126	14,566,500	10,900,000	5,375,000	5,375,000	5,375,000	5,375,000	5,375,000	5,375,000
Capital Projects (SB-1)	5,444,167	8,372,650	9,987,500	11,350,000	5,045,000	5,045,000	5,045,000	5,045,000	5,045,000	5,045,000
Local Match (Road Maintenance)		-	2,355,142	2,780,773	4,014,243	3,981,453	4,440,750	4,322,210	4,371,715	4,475,311
Local Match (Road Bridge)		1,524,000	924,000	132,000	1,320,000	1,452,000	600,000	600,000	600,000	600,000
Traffic Projects	522,684									
<b>10-YR Road Rehab Program CIP</b>	<b>8,837,086</b>	<b>10,400,747</b>	<b>9,574,453</b>	<b>11,028,615</b>	<b>12,389,252</b>	<b>12,466,338</b>	<b>8,436,815</b>	<b>9,216,540</b>	<b>8,589,647</b>	<b>7,505,563</b>
<b>Total Road Fund Expenditures:</b>	<b>\$83,100,047</b>	<b>\$87,224,060</b>	<b>\$62,564,504</b>	<b>\$59,086,230</b>	<b>\$51,676,732</b>	<b>\$52,510,451</b>	<b>\$48,765,245</b>	<b>\$50,123,634</b>	<b>\$50,264,237</b>	<b>\$50,023,151</b>
<b>Fiscal Year Surplus/(Deficit):</b>	<b>(\$4,247,892)</b>	<b>(\$11,349,545)</b>	<b>(\$16,431,306)</b>	<b>(\$14,588,538)</b>	<b>(\$5,895,287)</b>	<b>(\$5,406,865)</b>	<b>(\$299,979)</b>	<b>(\$255,965)</b>	<b>\$1,047,779</b>	<b>\$2,776,413</b>

- Reflects revenue sources that have approximately equivalent annual expenditure requirements.
- Reflects revenue sources that have annual expenditure requirements that may be greater or less than available revenues.
- Reflects additional accelerated Local Road Rehabilitation project expenditures.

# Financing Plan Tailored to Meet Funding Deficits

- **Objective**

- Ensure sufficient resources for delivery of: (i) “status quo” maintenance and capital project costs; AND (ii) delivery of additional annual costs of Local Road Rehabilitation Program

- **Use of Available Fund Balance (Road Fund)**

- Used to meet projected deficits in FY 2022-23 and FY 2023-24 and downsize borrowing need
- Target minimum annual ending cash balance based on County operating reserve policy

- **Use of Bonds**

- Used to meet cash flow deficits beginning in FY 2024-25
- Size and timing of projected bond issuances satisfy IRS expenditure requirements for tax-exempt bonds (i.e., cover three years of accumulated deficit) while also achieving target minimum ending cash balance

# Road Fund Cash Flow Analysis

Road Fund Cash Flow	--> Projections									
	1	2	3	4	5	6	7	8	9	10
	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>	<u>2029-30</u>	<u>2030-31</u>	<u>2031-32</u>
<b>Without Borrowing</b>										
Beginning Balance:	22,834,671	18,586,779	7,237,234	(9,194,072)	(23,782,610)	(29,677,897)	(35,084,762)	(35,384,741)	(35,640,706)	(34,592,927)
Fiscal Year Surplus/(Deficit):	(4,247,892)	(11,349,545)	(16,431,306)	(14,588,538)	(5,895,287)	(5,406,865)	(299,979)	(255,965)	1,047,779	2,776,413
<b>Ending Balance:</b>	<b>18,586,779</b>	<b>7,237,234</b>	<b>(9,194,072)</b>	<b>(23,782,610)</b>	<b>(29,677,897)</b>	<b>(35,084,762)</b>	<b>(35,384,741)</b>	<b>(35,640,706)</b>	<b>(34,592,927)</b>	<b>(31,816,514)</b>
<i>Fund Balance Requirement Surplus/(Deficit)</i>	14,939,062	3,480,085	(13,063,936)	(27,768,569)	(33,783,435)	(39,313,467)	(39,740,307)	(40,126,939)	(39,213,747)	(36,575,958)
<b>With Borrowing</b>										
Beginning Balance:	22,834,671	18,586,779	7,237,234	31,419,822	13,638,821	4,549,822	17,569,107	12,227,890	6,924,188	2,927,979
Fiscal Year Surplus/(Deficit):	(4,247,892)	(11,349,545)	(16,431,306)	(14,588,538)	(5,895,287)	(5,406,865)	(299,979)	(255,965)	1,047,779	2,776,413
Plus Bond Proceeds			43,000,000			23,000,000				
Less Debt Service (Bond #1):			(2,386,106)	(3,192,463)	(3,193,713)	(3,192,213)	(3,192,963)	(3,195,713)	(3,195,213)	(3,191,463)
Less Debt Service (Bond #2):						(1,381,638)	(1,848,275)	(1,852,025)	(1,848,775)	(1,848,775)
Less Debt Service (Bond #3):										
<b>Ending Balance:</b>	<b>18,586,779</b>	<b>7,237,234</b>	<b>31,419,822</b>	<b>13,638,821</b>	<b>4,549,822</b>	<b>17,569,107</b>	<b>12,227,890</b>	<b>6,924,188</b>	<b>2,927,979</b>	<b>664,154</b>
<i>Fund Balance Requirement Surplus/(Deficit)</i>	14,939,062	3,480,085	27,549,958	9,652,862	444,283	13,340,402	7,872,324	2,437,955	(1,692,841)	(4,095,290)
<b>Available Fund Balance Policy</b>										
Revenues (Measure X, SB-1, HUTA)	33,161,069	34,155,901	35,180,578	36,235,995	37,323,075	38,442,768	39,596,051	40,783,932	42,007,450	43,267,674
Operating Contingency Policy (1%)	331,611	341,559	351,806	362,360	373,231	384,428	395,961	407,839	420,075	432,677
Strategic Reserve Policy (10%)	3,316,107	3,415,590	3,518,058	3,623,600	3,732,308	3,844,277	3,959,605	4,078,393	4,200,745	4,326,767
<b>Total Required</b>										
<b>Available Fund Balance</b>	<b>3,647,718</b>	<b>3,757,149</b>	<b>3,869,864</b>	<b>3,985,959</b>	<b>4,105,538</b>	<b>4,228,704</b>	<b>4,355,566</b>	<b>4,486,233</b>	<b>4,620,820</b>	<b>4,759,444</b>

# Road Fund Revenue Sources and Bond Repayment

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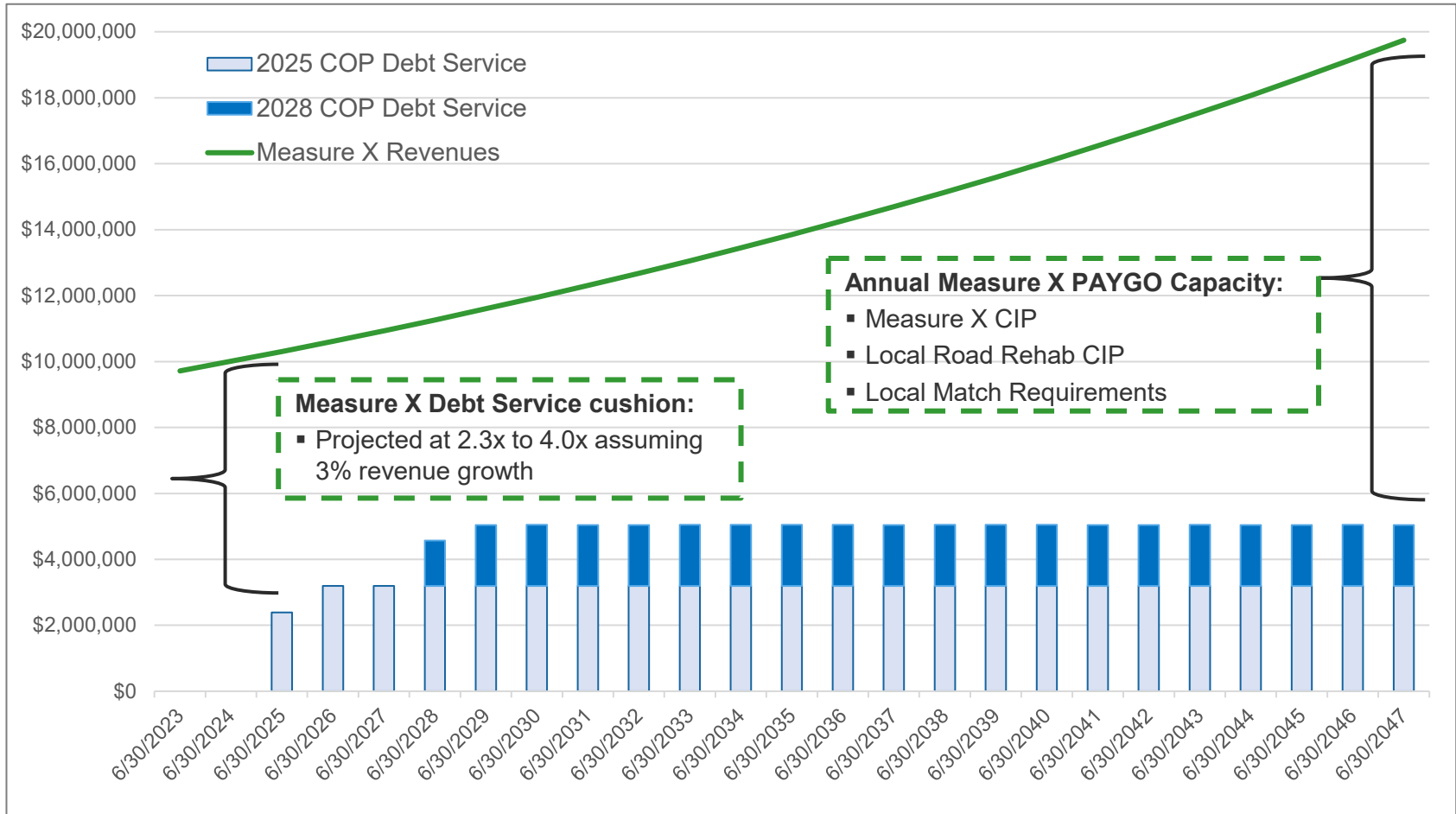
- Not all Road Fund revenues are available to repay bonds issued for road improvements:
  - **HUTA, SB-1, and RMRA** (gas tax revenues) cannot be used to secure or pay debt service on bonds
  - **TOT** (general tax revenues) cannot be used to secure bonds but can be used to pay debt service on bonds
  - **Measure X** (special sales tax revenues) can be used to secure or pay debt service on bonds
  
- A bond program supported by Measure X revenues can be implemented in two ways:
  - i. **General Fund COP:** Bonds secured by the County General Fund utilizing the County's annual Measure X direct allocation to pay debt service
  
  - ii. **Installment Sale Revenue COP:** Bonds secured solely by the Measure X annual direct allocation so long as they are subordinate in payment priority to sales tax revenue bonds issued by the TAMC

# Rationale for the Issuance of General Fund COPs

Pros	Cons	Mitigating Factors
<ul style="list-style-type: none"> <li>▪ Maximizes proceeds for roads projects over the 10-year period</li> <li>▪ Minimizes bond debt service costs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Requires County's General Fund to serve as security source</li> </ul>	<ul style="list-style-type: none"> <li>▪ FY 2022 Measure X sales tax revenues provide 3.0x coverage for bond issuance #1, eliminating repayment risk to the General Fund</li> <li>▪ Measure X revenues will be maintained as PAYGO (not leveraged) – providing additional cushion against revenue volatility</li> </ul>
<ul style="list-style-type: none"> <li>▪ Debt issuance advantages:               <ul style="list-style-type: none"> <li>▪ Established credit</li> <li>▪ High credit ratings (AA+/AA)/lower interest costs</li> <li>▪ No DSRF or DS coverage requirement</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Impact to GF debt burden and GF debt capacity (although minimal)</li> </ul>	<ul style="list-style-type: none"> <li>▪ General Fund debt ratios are estimated to remain “strong” and score at the highest level of S&amp;P's scoring framework</li> </ul>
<ul style="list-style-type: none"> <li>▪ Legal analysis supports the issuance of General Fund COPs</li> <li>▪ Revenue COPs present legal limitations which may be challenging to overcome</li> </ul>	<ul style="list-style-type: none"> <li>▪ Requires pledge of leased asset in roughly equivalent value to issuance amount</li> </ul>	<ul style="list-style-type: none"> <li>▪ Possibility to release asset(s) pledged to the 2015 COPs and redeploy to future COPs issued for Road Fund</li> <li>▪ Flexibility to issue COPs in the future utilizing other assets or a project backed lease structure</li> </ul>

# General Fund COP Structure and Available Measure X Revenues

## Measure X Revenues and Projected Annual General Fund COP Debt Service



Note: Assumed Measure X revenues reflect FY 2022 actual, unaudited amounts and a 3% annual growth factor.

# County Pledged and Available Assets

- Roads are generally not attractive leased assets from an investor perspective and would not be an optimal pledge for the Local Road Rehabilitation bond program

COP Series	Original Par Amount	Outstanding Par Amount	Final Maturity	Pledged Assets	Estimated/Insured Building Values
<b>2015 COPs</b>	\$48,440,000	\$43,435,000	10/1/2045	Schilling Place Complex	\$ 80,006,507
				Courthouse Complex	\$ 18,151,710
				Behavioral Health Building.	\$ 5,482,122
				Probation Headquarters and Adult Services	\$ 7,060,251
				Agriculture Complex	\$ 10,807,887
				Information Technology Building	\$ 6,736,714
				<b>Total 2015 COPs:</b>	<b>\$ 128,245,191</b>
<b>2017 COPs</b>	\$78,565,000	\$62,350,000	10/1/2036	County Administration Building	\$ 39,755,613
				Salinas Courthouse North Wing Building	\$ 25,541,480
				County Jail Complex	\$ 88,900,000
				County Health Admin Building	\$ 17,539,483
				Sheriff Public Safety Building	TBD
				<b>Total 2017 COPs:</b>	<b>\$ 171,736,576</b>
<b>2019 COPs</b>	\$29,005,000	\$22,350,000	10/1/2027	Natividad Medical Center - New Complex	\$ 198,615,000
				Natividad Medical Center - Old Complex	

Note: Based on values provided by the County; Natividad estimated values based on insured value at the time of issuing 2019 COPs.

# Recommended Financial Approach

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- The issuance of bonds, in tandem with Road Fund available fund balance and PAYGO revenues, best advances the objectives of the Local Road Rehabilitation Program
  - Meets projected Local Road Rehabilitation Program costs over the targeted 10-year horizon while also ensuring the ongoing delivery of “status quo” projects
- Requested DAC approval is to support the General Fund COP approach for the Local Road Rehabilitation bond program
  - The amount and timing of actual bond issuances will be driven by actual Measure X revenues and the timing and cost of remaining local road projects
  - Adverse impact of the issuance of General Fund COPs on the General Fund is mitigated by Measure X revenues dedicated to pay debt service on the bonds

# Debt Advisory Committee Discussion

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- Debt service difference between GF COP and Revenue bond
- Asset capacity if the BOS wanted to bond for other projects and pursue releases of pledged assets wherever applicable
- Clarify that bonds have terms not exceeding the Measure X sunset date, and that the road improvement shelf life is 20 years
- Recognize that the Measure X's county allocation is set by ordinance (by TAMC) and could technically change in the future
- Acknowledge concerns about future SB1/HUTA revenues/trends due to changes in fuel use

# Recommendations

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- a. Receive a status report on the Board Referral 2020.12 “Consider funding options to increase the Pavement Condition Index of County roads to at least a ‘Fair’ standard over the next ten years”;
- b. Support implementation of a bond-funded local road repair pilot program;
- c. Approve the initial local road repair plan; and
- d. Provide appropriate direction to staff.

# Appendix: Bonding Program Supporting Analysis

# Primary Bonding Assumptions

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- County General Fund Certificates of Participation
  - AA+/AA credit ratings (actual)
  - No Debt Service Reserve Fund required
- Installment Sale Revenue Bonds
  - A-category credit ratings (estimated)
  - Debt Service Reserve Fund required
- Issuances sized based on cash flow needs and ending cash flow balance targets
  - Currently projected in FY 2024-25 and FY 2027-28
- Final term of each issuance of April 1, 2047 consistent with the Measure X sales tax expiration
- Level debt service structure resulting in equal annual debt payments by issue
- Current market interest rates with additional interest rate cushion of 1.0% in both FY 2024-25 and FY 2027-28
- Cost of issuance of \$400,000 per issuance and underwriter's fee of \$5/bond

# Estimated Sources and Uses (GF COPs)

<b>Sources of Funds:</b>		<b>2025 COP</b>	<b>2028 COP</b>	<b>Total</b>
Par Amount:		\$42,840,000	\$23,015,000	<b>\$65,855,000</b>
Premium:		776,119	501,351	<b>1,277,470</b>
		<b>\$43,616,119</b>	<b>\$23,516,351</b>	<b>\$67,132,470</b>
<b>Uses of Funds:</b>				
Project Fund:		\$43,000,000	\$23,000,000	<b>\$66,000,000</b>
Cost of Issuance:		401,919	401,276	<b>803,195</b>
Underwriter's Discount:		214,200	115,075	<b>329,275</b>
		<b>\$43,616,119</b>	<b>\$23,516,351</b>	<b>\$67,132,470</b>
<b>Summary of Financing Results:</b>				
True Interest Cost (TIC):		4.986%	4.877%	
Total Debt Service Payments:		\$72,651,494	\$36,535,013	<b>\$109,186,506</b>
Average Annual Debt Service:		\$3,228,955	\$1,873,590	<b>\$4,747,239</b>
Maximum Annual Debt Service:		\$3,196,088	\$1,852,525	<b>\$5,048,238</b>

Note: Based on market conditions as of November 15, 2022, plus 100 basis points. Results preliminary and subject to change.

# Estimated Annual Debt Service (GF COPs)

	2025 COP			2028 COP			Total Debt Service	Projected Measure X	Debt Service Coverage	FY 2022 Measure X	Debt Service Coverage
	Principal	Interest	Debt Service	Principal	Interest	Debt Service					
4/1/2025	1,295,000	1,091,106	2,386,106	4/1/2025	-	-	2,386,106	10,305,500	4.32 x	9,713,922	4.07 x
4/1/2026	1,075,000	2,117,463	3,192,463	4/1/2026	-	-	3,192,463	10,614,665	3.32 x	9,713,922	3.04 x
4/1/2027	1,130,000	2,063,713	3,193,713	4/1/2027	-	-	3,193,713	10,933,105	3.42 x	9,713,922	3.04 x
4/1/2028	1,185,000	2,007,213	3,192,213	4/1/2028	800,000	581,638	1,381,638	4,573,850	2.46 x	9,713,922	2.12 x
4/1/2029	1,245,000	1,947,963	3,192,963	4/1/2029	725,000	1,123,275	1,848,275	5,041,238	2.30 x	9,713,922	1.93 x
4/1/2030	1,310,000	1,885,713	3,195,713	4/1/2030	765,000	1,087,025	1,852,025	5,047,738	2.37 x	9,713,922	1.92 x
4/1/2031	1,375,000	1,820,213	3,195,213	4/1/2031	800,000	1,048,775	1,848,775	5,043,988	2.44 x	9,713,922	1.93 x
4/1/2032	1,440,000	1,751,463	3,191,463	4/1/2032	840,000	1,008,775	1,848,775	5,040,238	2.51 x	9,713,922	1.93 x
4/1/2033	1,515,000	1,679,463	3,194,463	4/1/2033	885,000	966,775	1,851,775	5,046,238	2.59 x	9,713,922	1.92 x
4/1/2034	1,590,000	1,603,713	3,193,713	4/1/2034	930,000	922,525	1,852,525	5,046,238	2.66 x	9,713,922	1.92 x
4/1/2035	1,670,000	1,524,213	3,194,213	4/1/2035	975,000	876,025	1,851,025	5,045,238	2.75 x	9,713,922	1.93 x
4/1/2036	1,755,000	1,440,713	3,195,713	4/1/2036	1,025,000	827,275	1,852,275	5,047,988	2.83 x	9,713,922	1.92 x
4/1/2037	1,840,000	1,352,963	3,192,963	4/1/2037	1,075,000	776,025	1,851,025	5,043,988	2.91 x	9,713,922	1.93 x
4/1/2038	1,935,000	1,260,963	3,195,963	4/1/2038	1,130,000	722,275	1,852,275	5,048,238	3.00 x	9,713,922	1.92 x
4/1/2039	2,030,000	1,164,213	3,194,213	4/1/2039	1,185,000	665,775	1,850,775	5,044,988	3.09 x	9,713,922	1.93 x
4/1/2040	2,130,000	1,062,713	3,192,713	4/1/2040	1,245,000	606,525	1,851,525	5,044,238	3.18 x	9,713,922	1.93 x
4/1/2041	2,235,000	956,213	3,191,213	4/1/2041	1,305,000	544,275	1,849,275	5,040,488	3.28 x	9,713,922	1.93 x
4/1/2042	2,350,000	844,463	3,194,463	4/1/2042	1,370,000	479,025	1,849,025	5,043,488	3.38 x	9,713,922	1.93 x
4/1/2043	2,475,000	721,088	3,196,088	4/1/2043	1,440,000	410,525	1,850,525	5,046,613	3.48 x	9,713,922	1.92 x
4/1/2044	2,600,000	591,150	3,191,150	4/1/2044	1,510,000	338,525	1,848,525	5,039,675	3.59 x	9,713,922	1.93 x
4/1/2045	2,740,000	454,650	3,194,650	4/1/2045	1,585,000	263,025	1,848,025	5,042,675	3.69 x	9,713,922	1.93 x
4/1/2046	2,885,000	310,800	3,195,800	4/1/2046	1,670,000	179,813	1,849,813	5,045,613	3.80 x	9,713,922	1.93 x
4/1/2047	3,035,000	159,338	3,194,338	4/1/2047	1,755,000	92,138	1,847,138	5,041,475	3.92 x	9,713,922	1.93 x
<b>Total</b>	<b>42,840,000</b>	<b>29,811,494</b>	<b>72,651,494</b>	<b>Total</b>	<b>23,015,000</b>	<b>13,520,013</b>	<b>36,535,013</b>	<b>109,186,506</b>	<b>334,443,188</b>	<b>223,420,206</b>	

Note: Projected Measure X revenues assume FY 2022 actual, unaudited results grown at 3% annually thereafter.

Based on market conditions as of November 15, 2022, plus 100 basis points. Results preliminary and subject to change.

# Estimated Sources and Uses (Revenue COPs)

Sources of Funds:	2025 Revenue Bond	2028 Revenue Bond	Total	Difference from General Fund COP
Par Amount:	\$46,260,000	\$25,070,000	<b>\$71,330,000</b>	<b>\$5,475,000</b>
Premium:	869,728	492,599	<b>1,362,327</b>	<b>84,857</b>
	<b>\$47,129,728</b>	<b>\$25,562,599</b>	<b>\$72,692,327</b>	<b>\$5,559,857</b>
Uses of Funds:				
Project Fund:	\$43,000,000	\$23,000,000	<b>\$66,000,000</b>	<b>\$0</b>
DSRF:	\$3,494,238	\$2,032,813	<b>5,527,050</b>	<b>5,527,050</b>
Cost of Issuance:	404,191	404,436	<b>808,627</b>	<b>5,432</b>
Underwriter's Discount:	231,300	125,350	<b>356,650</b>	<b>27,375</b>
	<b>\$47,129,728</b>	<b>\$25,562,599</b>	<b>\$72,692,327</b>	<b>\$5,559,857</b>
Summary of Financing Results:				
True Interest Cost (TIC):	5.114%	4.992%		
Total Debt Service Payments:	\$79,420,644	\$40,091,644	<b>\$119,512,288</b>	<b>\$10,325,781</b>
Average Annual Debt Service:	\$3,529,806	\$2,055,982	<b>\$5,196,186</b>	<b>\$448,947</b>
Maximum Annual Debt Service:	\$3,494,238	\$2,032,813	<b>\$5,525,988</b>	<b>\$477,750</b>

Note: Based on market conditions as of November 15, 2022, plus 100 basis points. Results preliminary and subject to change.

# Estimated Annual Debt Service (Revenue COPs)

	2025 Revenue Bonds			2028 Revenue Bonds			Total Debt Service	Projected Measure X	Debt Service Coverage	FY 2022 Measure X	Debt Service Coverage
	Principal	Interest	Debt Service	Principal	Interest	Debt Service					
4/1/2025	1,405,000	1,202,244	2,607,244	4/1/2025		-	2,607,244	10,305,500	3.95 x	9,713,922	3.73 x
4/1/2026	1,160,000	2,334,238	3,494,238	4/1/2026		-	3,494,238	10,614,665	3.04 x	9,713,922	2.78 x
4/1/2027	1,215,000	2,276,238	3,491,238	4/1/2027		-	3,491,238	10,933,105	3.13 x	9,713,922	2.78 x
4/1/2028	1,275,000	2,215,488	3,490,488	4/1/2028	875,000	641,906	1,516,906	11,261,098	2.25 x	9,713,922	1.94 x
4/1/2029	1,340,000	2,151,738	3,491,738	4/1/2029	790,000	1,240,063	2,030,063	11,598,931	2.10 x	9,713,922	1.76 x
4/1/2030	1,405,000	2,084,738	3,489,738	4/1/2030	830,000	1,200,563	2,030,563	11,946,899	2.16 x	9,713,922	1.76 x
4/1/2031	1,475,000	2,014,488	3,489,488	4/1/2031	870,000	1,159,063	2,029,063	12,305,306	2.23 x	9,713,922	1.76 x
4/1/2032	1,550,000	1,940,738	3,490,738	4/1/2032	915,000	1,115,563	2,030,563	12,674,465	2.30 x	9,713,922	1.76 x
4/1/2033	1,630,000	1,863,238	3,493,238	4/1/2033	960,000	1,069,813	2,029,813	13,054,699	2.36 x	9,713,922	1.76 x
4/1/2034	1,710,000	1,781,738	3,491,738	4/1/2034	1,010,000	1,021,813	2,031,813	13,446,340	2.43 x	9,713,922	1.76 x
4/1/2035	1,795,000	1,696,238	3,491,238	4/1/2035	1,060,000	971,313	2,031,313	13,849,730	2.51 x	9,713,922	1.76 x
4/1/2036	1,885,000	1,606,488	3,491,488	4/1/2036	1,110,000	918,313	2,028,313	14,265,222	2.58 x	9,713,922	1.76 x
4/1/2037	1,980,000	1,512,238	3,492,238	4/1/2037	1,170,000	862,813	2,032,813	14,693,179	2.66 x	9,713,922	1.76 x
4/1/2038	2,080,000	1,413,238	3,493,238	4/1/2038	1,225,000	804,313	2,029,313	15,133,974	2.74 x	9,713,922	1.76 x
4/1/2039	2,180,000	1,309,238	3,489,238	4/1/2039	1,285,000	743,063	2,028,063	15,587,993	2.83 x	9,713,922	1.76 x
4/1/2040	2,295,000	1,194,788	3,489,788	4/1/2040	1,350,000	678,813	2,028,813	16,055,633	2.91 x	9,713,922	1.76 x
4/1/2041	2,415,000	1,074,300	3,489,300	4/1/2041	1,420,000	611,313	2,031,313	16,537,302	3.00 x	9,713,922	1.76 x
4/1/2042	2,545,000	947,513	3,492,513	4/1/2042	1,490,000	540,313	2,030,313	17,033,421	3.08 x	9,713,922	1.76 x
4/1/2043	2,680,000	813,900	3,493,900	4/1/2043	1,570,000	462,088	2,032,088	17,544,424	3.17 x	9,713,922	1.76 x
4/1/2044	2,820,000	673,200	3,493,200	4/1/2044	1,650,000	379,663	2,029,663	18,070,756	3.27 x	9,713,922	1.76 x
4/1/2045	2,975,000	518,100	3,493,100	4/1/2045	1,735,000	293,038	2,028,038	18,612,879	3.37 x	9,713,922	1.76 x
4/1/2046	3,135,000	354,475	3,489,475	4/1/2046	1,830,000	201,950	2,031,950	19,171,265	3.47 x	9,713,922	1.76 x
4/1/2047	3,310,000	182,050	3,492,050	4/1/2047	1,925,000	105,875	2,030,875	19,746,403	3.58 x	9,713,922	1.76 x
<b>Total</b>	<b>46,260,000</b>	<b>33,160,644</b>	<b>79,420,644</b>	<b>Total</b>	<b>25,070,000</b>	<b>15,021,644</b>	<b>40,091,644</b>	<b>119,512,288</b>	<b>334,443,188</b>	<b>223,420,206</b>	

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