

El Paso County Water Control and Improvement District No. 4
Notes to the Financial Statements
December 31, 2017

Note 7: Summary of Changes in Capital Assets and Intangible Assets

	Balance 01/01/2017	Increases	Decreases	Balance 12/31/2017
Capital assets not depreciated:				
Land	\$ 217,650			217,650
Engineering Fees	40,175			40,175
Total capital assets not being depreciated	<u>257,825</u>			<u>257,825</u>
Depreciable capital assets:				
Water distribution system	8,560,711	3,400,855		11,961,566
Vehicles & maintenance equipment	380,188	39,166		419,354
Buildings & improvements	185,666			185,666
Office equipment	166,887	24,378		191,265
Treatment facilities & equipment	11,297,030	123,479		11,420,509
Total historical cost	<u>20,590,482</u>	<u>3,587,878</u>		<u>24,178,360</u>
Less accumulated depreciation:				
Water distribution system	3,574,064	327,401		3,901,465
Vehicles & maintenance equipment	273,738	27,133		300,871
Buildings & improvements	94,703	7,163		101,866
Office equipment	134,412	12,965		147,377
Treatment facilities & equipment	4,871,025	397,616		5,268,641
Total accumulated depreciation	<u>8,947,942</u>	<u>772,278</u>		<u>9,720,220</u>
Depreciable capital assets, net	<u>11,642,540</u>	<u>2,815,600</u>		<u>14,458,140</u>
Capital assets, net	<u>\$ 11,900,365</u>	<u>2,815,600</u>		<u>14,715,965</u>

El Paso County Water Control and Improvement District No. 4
Notes to the Financial Statements
December 31, 2017

Note 8: Operating Lease Commitments

The District leases a copier, a postal machine, a mailing machine, and land under non-cancelable operating leases. Total costs for such leases were \$6,900 for the year ended December 31, 2017. Future minimum lease payments follow:

	Amount
2018	\$ 4,695
2019	2,348
Total	\$ 7,043

Note 9: Revenue Bonds Payable

The District issues revenue bonds to provide funds for construction, repair and maintenance of existing facilities, acquire new systems, and to pay the issuance costs. These bonds constitute special obligations of the District and are secured by revenues from the District's operation.

Revenue bonds payable as of December 31, 2017 consist of the following:

	Bond Issues				
	Series 2003-A	Series 2008-A	Series 2010	Series 2017	
Original bond	\$ 930,000	4,694,000	628,000	2,261,000	
Interest rate	4.25%	4.375%	4.0%	2.75%	
Dates interest payable	2/15; 8/15	2/15; 8/15	2/15; 8/15	2/15; 8/15	
Maturity dates	8/15/42	8/15/48	8/15/49	2/15/57	
Beginning bonds outstanding	\$ 773,000	4,312,000	582,000		5,667,000
Bonds sold during the fiscal year				1,512,000	1,512,000
Bonds retired during the fiscal year	(16,000)	(64,000)	(9,000)		(89,000)
Ending bonds outstanding	\$ 757,000	4,248,000	573,000	1,512,000	7,090,000

El Paso County Water Control and Improvement District No. 4
Notes to the Financial Statements
December 31, 2017

Note 9: Revenue Bonds Payable (continued)

The annual debt service requirements for the revenue bonds as of December 31, 2017 are as follows:

Year Ending December 31,	Principal	Interest	Total
2018	\$ 106,000	323,149	429,149
2019	130,000	298,295	428,295
2020	136,000	293,186	429,186
2021	139,000	287,851	426,851
2022	146,000	282,369	428,369
2023 - 2027	822,000	1,320,598	2,142,598
2028 - 2032	1,000,000	1,143,839	2,143,839
2033 - 2037	1,218,000	927,813	2,145,813
2038 - 2042	1,487,000	663,045	2,150,045
2043 - 2047	1,531,000	361,465	1,892,465
2048 - 2049	685,000	101,526	786,526
2056 - 2057	439,000	30,869	469,869
	<u>\$ 7,839,000</u>	<u>6,034,005</u>	<u>13,873,005</u>

Note 10: Contingencies and Commitments

Grants

The District participates in federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grant; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Effluent Fees Contract

The District signed a contract with El Paso County Water Improvement District No. 1 in 2001 which permits the discharge of sewer effluent into drainage ditches maintained by El Paso County Water Improvement District No. 1. The District has no financial interest in any shared facilities. Based on the contract, the District will pay an annual drain maintenance fee of \$2,505 and an annual fee of \$68 per acre foot of effluent discharged into the drainage system.

El Paso County Water Control and Improvement District No. 4
Notes to the Financial Statements
December 31, 2017

Note 11: Subsequent Events

In 2018 and years beyond, the District is seeking to secure funding for its future capital improvement water and wastewater projects.

In 2018 the District will complete construction at the end of May of the I-10 Tank, Booster Pump Station and 8 inch Water Main, the Nano-Filtration System at the 10th Street Water Distribution Site is scheduled to be completed by mid-June and the drilling of 2 new wells was completed on April 2018.

Future water projects include: Construction of an additional .5 MG ground storage tank with CAP funds provided from the North American Development Bank.

Future sewer projects include: replacement of the thirty-five year old 10 inch sewer force main, replacement of Ikard & Hampton lift stations and refurbishing of all manholes District wide.

The District's 2018 Water and Wastewater Rate Plan and its Tax Rate will be reviewed and adjusted as further indebtedness occurs.

Subsequent events have been evaluated through May 1, 2018 which is the date the financial statements were available to be issued.

Note 12: Financial Statement Presentation

Certain reclassifications have been made to the financial statement presentation to correspond to the current year's format. Total net position and changes in net position are unchanged due to these reclassifications.

El Paso County Water Control and Improvement District No. 4
 TSI-1. Services and Rates
 December 31, 2017

1. Services provided by the District:

<input checked="" type="checkbox"/> Retail water	<input type="checkbox"/> Wholesale water	<input type="checkbox"/> Drainage
<input checked="" type="checkbox"/> Retail wastewater	<input type="checkbox"/> Wholesale wastewater	<input type="checkbox"/> Irrigation
<input checked="" type="checkbox"/> Parks/recreation	<input checked="" type="checkbox"/> Fire protection	<input type="checkbox"/> Security
<input type="checkbox"/> Solid waste/garbage	<input type="checkbox"/> Flood control	<input type="checkbox"/> Roads
<input type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)		
<input type="checkbox"/> Other (specify) _____		

2. Retail service providers

a. Retail rates for a 5/8 meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum	Usage Levels
Water	\$ <u>20.20</u>	<u>3,000</u>	N	\$ <u>2.03</u> <u>3.18</u> <u>3.88</u> <u>5.06</u>	3,001 to 15,000 15,001 to 34,000 34,001 to 1,000,000 1,000,001 to No limit
Wastewater	\$ <u>29.20</u>	<u>3,000</u>	N	\$ <u>2.01</u>	3,001 to No limit
Surcharge	\$ <u>2.50</u>	_____	Y	\$ _____	_____

District employs winter averaging for wastewater usage? Yes _____ No X

Total water and wastewater charges per 10,000 gallons usage (including surcharges) Water \$ 34.41 Wastewater \$ 43.27

El Paso County Water Control and Improvement District No. 4
 TSI-1. Services and Rates
 December 31, 2017

2. Retail service providers (continued)

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
3/4"	2,933	2,224	x 1.0	2,224
1"	74	64	x 2.5	160
1-1/2"	13	10	x 2.5	25
2"	47	44	x 5.0	220
3"	12	11	x 8.0	88
4"	9	5	x 15.0	75
6"	13	6	x 25.0	150
8"	1	1	x 80.0	80
10"	-	-	x 115.0	-
Total water	3,102	2,365	-	3,022
Total wastewater	2,217	2,210	x 1.0	2,210

3. Water consumption during the fiscal year (rounded to the nearest 1,000):

Gallons pumped into system:	<u>247,364,121</u>
Gallons billed to customers:	<u>224,011,125</u>
Water accountability ratio:	<u>91%</u>

4. Standby fees

The District does not levy standby fees.

5. Location of district:

County in which district is located.	<u>El Paso</u>
Is the District located entirely within one county?	<u>X</u> Yes ___ No
Is the District located within a city?	Entirely ___ Partly ___ Not at all <u>X</u>
City in which district is located.	<u>N/A</u>
Is the District located within a city's extra territorial jurisdiction (ETJ)?	Entirely ___ Partly ___ Not at all <u>X</u>
ETJ's in which district is located.	<u>N/A</u>
Are board members appointed by an office outside the District?	___ Yes <u>X</u> No

El Paso County Water Control and Improvement District No. 4
 TSI-2. Enterprise Fund Expenses
 December 31, 2017

Personnel (including payroll taxes)	\$	568,381
Health insurance and retirement		177,613
Professional fees:		
Legal and professional		632,316
Utilities and telephone		150,379
Maintenance, repairs and rent		398,957
Administrative expenses:		
Bad debt expense		606
Billing, office, and computer		79,496
Insurance		32,320
Depreciation		772,278
Amortization		
Taxes, permits, and licenses		119,041
Other expenses		<u>53,752</u>
Total expenses	\$	<u>2,985,139</u>
Number of persons employed by the District	<u>15</u> Full-time	<u>0</u> Part-time

El Paso County Water Control and Improvement District No. 4
 TSI-3. Temporary Investments
 December 31, 2017

	C.D. #	Interest Rate	Maturity Date	Bank Balance	Accrued Interest Receivable at Year end
Certificate of deposit	300012640	.41%	09/26/17	\$ <u>373,980</u>	-

El Paso County Water Control and Improvement District No. 4
 TSI-4. Taxes Levied and Receivable
 December 31, 2017

Taxes receivable, beginning of year	\$	133,579
2017 Tax levy		<u>190,861</u>
Total		<u>324,440</u>
Collections:		
Current year		51,811
Prior years		<u>114,164</u>
Total collections		<u>165,975</u>
Taxes receivable, end of year	\$	<u>158,465</u>
Taxes receivable by years:		
2007	\$	255
2008		249
2009		1,232
2014		2,584
2015		3,364
2016		6,109
2017		<u>144,672</u>
Taxes receivable, end of year	\$	<u>158,465</u>

		<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Property valuations	\$	142,577,666	126,061,017	124,963,617	122,858,968
Tax rate per \$100 valuation		<u>.00137808</u>	<u>.00132882</u>	<u>.00134155</u>	<u>.00137586</u>
Original tax levy	\$	<u>196,483</u>	<u>167,512</u>	<u>167,645</u>	<u>169,037</u>
Percent of taxes collected to taxes levied		<u>26%</u>	<u>27%</u>	<u>28%</u>	<u>28%</u>

El Paso County Water Control and Improvement District No. 4
 TSI-5. Long Term Debt Service Requirements by Years
 December 31, 2017

Year	Series 2003-A		Total
	Principal	Interest	
2018	\$ 17,000	32,173	49,173
2019	18,000	31,450	49,450
2020	19,000	30,685	49,685
2021	19,000	29,878	48,878
2022	20,000	29,070	49,070
2023	21,000	28,220	49,220
2024	22,000	27,328	49,328
2025	23,000	26,393	49,393
2026	24,000	25,415	49,415
2027	25,000	24,395	49,395
2028	26,000	23,333	49,333
2029	28,000	22,228	50,228
2030	29,000	21,038	50,038
2031	30,000	19,805	49,805
2032	31,000	18,530	49,530
2033	33,000	17,213	50,213
2034	34,000	15,810	49,810
2035	36,000	14,365	50,365
2036	38,000	12,835	50,835
2037	39,000	11,220	50,220
2038	41,000	9,563	50,563
2039	43,000	7,820	50,820
2040	45,000	5,993	50,993
2041	47,000	4,080	51,080
2042	49,000	2,083	51,083
	<u>\$ 757,000</u>	<u>490,923</u>	<u>1,247,923</u>

El Paso County Water Control and Improvement District No. 4
 TSI-5. Long Term Debt Service Requirements by Years
 December 31, 2017

Year	Series 2008-A		
	Principal	Interest	Total
2018	\$ 67,000	185,850	252,850
2019	70,000	182,919	252,919
2020	73,000	179,856	252,856
2021	76,000	176,663	252,663
2022	80,000	173,338	253,338
2023	83,000	169,838	252,838
2024	87,000	166,206	253,206
2025	91,000	162,400	253,400
2026	94,000	158,419	252,419
2027	99,000	154,306	253,306
2028	103,000	149,975	252,975
2029	107,000	145,469	252,469
2030	112,000	140,788	252,788
2031	117,000	135,888	252,888
2032	122,000	130,769	252,769
2033	128,000	125,431	253,431
2034	133,000	119,831	252,831
2035	139,000	114,013	253,013
2036	145,000	107,931	252,931
2037	151,000	101,588	252,588
2038	158,000	94,981	252,981
2039	165,000	88,069	253,069
2040	172,000	80,850	252,850
2041	180,000	73,325	253,325
2042	187,000	65,450	252,450
2043	196,000	57,269	253,269
2044	204,000	48,694	252,694
2045	213,000	39,769	252,769
2046	222,000	30,450	252,450
2047	232,000	20,738	252,738
2048	242,000	10,588	252,588
	<u>\$ 4,248,000</u>	<u>3,591,661</u>	<u>7,839,661</u>

El Paso County Water Control and Improvement District No. 4
 TSI-5. Long-Term Debt Service Requirements - by Years
 December 31, 2017

Year	Series 2010		
	Principal	Interest	Total
2018	\$ 9,000	22,920	31,920
2019	9,000	22,560	31,560
2020	10,000	22,200	32,200
2021	10,000	21,800	31,800
2022	11,000	21,400	32,400
2023	11,000	20,960	31,960
2024	12,000	20,520	32,520
2025	12,000	20,040	32,040
2026	13,000	19,560	32,560
2027	13,000	19,040	32,040
2028	14,000	18,520	32,520
2029	14,000	17,960	31,960
2030	15,000	17,400	32,400
2031	15,000	16,800	31,800
2032	16,000	16,200	32,200
2033	16,000	15,560	31,560
2034	17,000	14,920	31,920
2035	18,000	14,240	32,240
2036	19,000	13,520	32,520
2037	19,000	12,760	31,760
2038	20,000	12,000	32,000
2039	21,000	11,200	32,200
2040	22,000	10,360	32,360
2041	23,000	9,480	32,480
2042	23,000	8,560	31,560
2043	24,000	7,640	31,640
2044	25,000	6,680	31,680
2045	26,000	5,680	31,680
2046	27,000	4,640	31,640
2047	28,000	3,560	31,560
2048	30,000	2,440	32,440
2049	31,000	1,240	32,240
	\$ 573,000	452,360	1,025,360

El Paso County Water Control and Improvement District No. 4
 TSI-5. Long-Term Debt Service Requirements - by Years
 December 31, 2017

Year	Series 2017		
	Principal	Interest	Total
2018	\$ 13,000	82,206	95,206
2019	33,000	61,366	94,366
2020	34,000	60,445	94,445
2021	34,000	59,510	93,510
2022	35,000	58,561	93,561
2023	36,000	57,585	93,585
2024	37,000	56,581	93,581
2025	38,000	55,550	93,550
2026	40,000	54,478	94,478
2027	41,000	53,364	94,364
2028	42,000	52,223	94,223
2029	43,000	51,054	94,054
2030	44,000	49,858	93,858
2031	45,000	48,634	93,634
2032	47,000	47,369	94,369
2033	48,000	46,063	94,063
2034	49,000	44,729	93,729
2035	51,000	43,354	94,354
2036	52,000	41,938	93,938
2037	53,000	40,494	93,494
2038	55,000	39,009	94,009
2039	57,000	37,469	94,469
2040	58,000	35,888	93,888
2041	60,000	34,265	94,265
2042	61,000	32,601	93,601
2043	63,000	30,896	93,896
2044	65,000	29,136	94,136
2045	67,000	27,321	94,321
2046	69,000	25,451	94,451
2047	70,000	23,540	93,540
2048	72,000	21,588	93,588
2049	74,000	19,580	93,580
2050	76,000	17,518	93,518
2051	79,000	15,386	94,386
2052	81,000	13,186	94,186
2053	83,000	10,931	93,931
2054	85,000	8,621	93,621
2055	88,000	6,243	94,243
2056	90,000	3,795	93,795
2057	93,000	1,279	94,279
	<u>\$ 2,261,000</u>	<u>1,499,065</u>	<u>3,760,065</u>

El Paso County Water Control and Improvement District No. 4
 TSI-5. Long-Term Debt Service Requirements - by Years
 December 31, 2017

Year	Annual Requirements for All Series		
	Principal	Interest	Total
2018	\$ 106,000	323,149	429,149
2019	130,000	298,295	428,295
2020	136,000	293,186	429,186
2021	139,000	287,851	426,851
2022	146,000	282,369	428,369
2023	151,000	276,603	427,603
2024	158,000	270,635	428,635
2025	164,000	264,383	428,383
2026	171,000	257,872	428,872
2027	178,000	251,105	429,105
2028	185,000	244,051	429,051
2029	192,000	236,711	428,711
2030	200,000	229,084	429,084
2031	207,000	221,127	428,127
2032	216,000	212,868	428,868
2033	225,000	204,267	429,267
2034	233,000	195,290	428,290
2035	244,000	185,972	429,972
2036	254,000	176,224	430,224
2037	262,000	166,062	428,062
2038	274,000	155,553	429,553
2039	286,000	144,558	430,558
2040	297,000	133,091	430,091
2041	310,000	121,150	431,150
2042	320,000	108,694	428,694
2043	283,000	95,805	378,805
2044	294,000	84,510	378,510
2045	306,000	72,770	378,770
2046	318,000	60,541	378,541
2047	330,000	47,838	377,838
2048	344,000	34,616	378,616
2049	105,000	20,820	125,820
2050	76,000	17,518	93,518
2051	79,000	15,386	94,386
2052	81,000	13,186	94,186
2053	83,000	10,931	93,931
2054	85,000	8,621	93,621
2055	88,000	6,243	94,243
2056	90,000	3,795	93,795
2057	93,000	1,279	94,279
	<u>\$ 7,839,000</u>	<u>6,034,009</u>	<u>13,873,009</u>

El Paso County Water Control and Improvement District No. 4
 TSI-6. Change in Long-Term Bonded Debt
 December 31, 2017

	Bond Issues				Total
	Series 2003-A	Series 2008-A	Series 2010	Series 2017	
Original bond	\$ 930,000	4,694,000	628,000	2,261,000	
Interest rate	4.25%	4.375%	4.0%	2.75%	
Dates interest payable	2/15; 8/15	2/15; 8/15	2/15; 8/15	2/15; 8/15	
Maturity dates	8/15/42	8/15/48	8/15/49	2/15/57	
Beginning bonds outstanding	\$ 773,000	4,312,000	582,000		5,667,000
Bonds sold during the fiscal year				1,512,000	1,512,000
Bonds retired during the fiscal year	(16,000)	(64,000)	(9,000)		(89,000)
Ending bonds outstanding	\$ 757,000	4,248,000	573,000	1,512,000	7,090,000
Interest paid during the fiscal year	\$ 32,853	188,650	23,280		244,783

Paying agent's name and city

Series 2003-A J P Morgan Chase Bank, Dallas, Texas
 Series 2008-A J P Morgan Chase Bank, Dallas, Texas
 Series 2010 US Bank, Dallas, Texas
 Series 2017 US Bank, Dallas, Texas

Bond authority:	Tax Bonds*	Other Bonds	Refunding Bonds
Amount authorized by voters	N/A	\$ 17,540,000	N/A
Amount issued	N/A	8,513,000	N/A
Remaining to be issued	N/A	9,027,000	N/A

* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and temporary investments balances as of December 31, 2017:	\$ <u>66,405</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:	\$ <u>346,825</u>

El Paso County Water Control and Improvement District No. 4
TSI-7c. Comparative Statements of Revenues and Expense
December 31, 2017

TSI-7c. Comparative Statements of Revenues and Expenses

2015 WCID No 4 TSI-7.xlsx

El Paso County Water Control and Improvement District No. 4
 TSI-8. Board Members, Key Personnel, and Consultants
 December 31, 2017

Complete district mailing address: P.O. Box 3880, Fabens, Texas 79838-3880
 District business telephone number: (915) 764-2212
 Submission date of the most recent district registration form
 (TWC Sections 36.054 and 49.054): January 9, 2017
 Limit on fees of office that a Director may receive during a fiscal year: -
 (Set by Board Resolution - TWC Section 49.060)

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid * 12/31/17	Expense Reimbursements 12/31/17	Title at Year-End
Board members:				
Magda Flores	Appointed 11/14-11/18			President
Juana Gutierrez	Elected 11/16-11/20			Vice President
Thelma Quinonez	Elected 11/16-11/20			Director
Jose Ramirez	Appointed 11/14-11/18			Director
Barbara Telas	Appointed 11/14-11/18			Secretary
Key Administrative Personnel:				
Mike Terrazas, Jr.	04/22/13	\$ 64,080		General Manager
Hilaria Garcia	08/24/98	\$ 45,028		Office Manager
Martin Madrid	09/03/97	\$ 49,807		Field Manager
Consultants:				
Kemp Smith L.L.P.		\$ 97,041		Attorney
CDM Smith		\$ 391,553		Engineer
Bixler & Company, L.L.P.		\$ 17,500		Auditor

* Fees of Office are the amounts actually paid to a board member during the District's fiscal year.

Andrew A. Haddad, CPA
Michael K. O'Donnell, CPA*

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INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
El Paso County Water Control and Improvement District No. 4
Fabens, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the El Paso County Water Control and Improvement District No. 4 (the District) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 1, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bidler + Co., L.L.P.

El Paso, Texas
May 1, 2018

El Paso County Water Control & Improvement District No. 4
Combination Tax and Revenue Improvement Bonds, Series 2003A

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El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds, Series 2003A

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/21/2003	-	-	-	-	-
02/15/2004	-	-	19,103.75	19,103.75	-
08/15/2004	8,000.00	4.250%	19,762.50	27,762.50	-
12/31/2004	-	-	-	-	46,866.25
02/15/2005	-	-	19,592.50	19,592.50	-
08/15/2005	10,000.00	4.250%	19,592.50	29,592.50	-
12/31/2005	-	-	-	-	49,185.00
02/15/2006	-	-	19,380.00	19,380.00	-
08/15/2006	10,000.00	4.250%	19,380.00	29,380.00	-
12/31/2006	-	-	-	-	48,760.00
02/15/2007	-	-	19,167.50	19,167.50	-
08/15/2007	10,000.00	4.250%	19,167.50	29,167.50	-
12/31/2007	-	-	-	-	48,335.00
02/15/2008	-	-	18,955.00	18,955.00	-
08/15/2008	11,000.00	4.250%	18,955.00	29,955.00	-
12/31/2008	-	-	-	-	48,910.00
02/15/2009	-	-	18,721.25	18,721.25	-
08/15/2009	11,000.00	4.250%	18,721.25	29,721.25	-
12/31/2009	-	-	-	-	48,442.50
02/15/2010	-	-	18,487.50	18,487.50	-
08/15/2010	12,000.00	4.250%	18,487.50	30,487.50	-
12/31/2010	-	-	-	-	48,975.00
02/15/2011	-	-	18,232.50	18,232.50	-
08/15/2011	13,000.00	4.250%	18,232.50	31,232.50	-
12/31/2011	-	-	-	-	49,465.00
02/15/2012	-	-	17,956.25	17,956.25	-
08/15/2012	13,000.00	4.250%	17,956.25	30,956.25	-
12/31/2012	-	-	-	-	48,912.50
02/15/2013	-	-	17,680.00	17,680.00	-
08/15/2013	14,000.00	4.250%	17,680.00	31,680.00	-
12/31/2013	-	-	-	-	49,360.00
02/15/2014	-	-	17,382.50	17,382.50	-
08/15/2014	14,000.00	4.250%	17,382.50	31,382.50	-
12/31/2014	-	-	-	-	48,765.00
02/15/2015	-	-	17,085.00	17,085.00	-
08/15/2015	15,000.00	4.250%	17,085.00	32,085.00	-
12/31/2015	-	-	-	-	49,170.00
02/15/2016	-	-	16,766.25	16,766.25	-
08/15/2016	16,000.00	4.250%	16,766.25	32,766.25	-
12/31/2016	-	-	-	-	49,532.50
02/15/2017	-	-	16,426.25	16,426.25	-
08/15/2017	16,000.00	4.250%	16,426.25	32,426.25	-
12/31/2017	-	-	-	-	48,852.50

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El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds, Series 2003A

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/15/2018	-	-	16,086.25	16,086.25	-
08/15/2018	17,000.00	4.250%	16,086.25	33,086.25	-
12/31/2018	-	-	-	-	49,172.50
02/15/2019	-	-	15,725.00	15,725.00	-
08/15/2019	18,000.00	4.250%	15,725.00	33,725.00	-
12/31/2019	-	-	-	-	49,450.00
02/15/2020	-	-	15,342.50	15,342.50	-
08/15/2020	19,000.00	4.250%	15,342.50	34,342.50	-
12/31/2020	-	-	-	-	49,685.00
02/15/2021	-	-	14,938.75	14,938.75	-
08/15/2021	19,000.00	4.250%	14,938.75	33,938.75	-
12/31/2021	-	-	-	-	48,877.50
02/15/2022	-	-	14,535.00	14,535.00	-
08/15/2022	20,000.00	4.250%	14,535.00	34,535.00	-
12/31/2022	-	-	-	-	49,070.00
02/15/2023	-	-	14,110.00	14,110.00	-
08/15/2023	21,000.00	4.250%	14,110.00	35,110.00	-
12/31/2023	-	-	-	-	49,220.00
02/15/2024	-	-	13,663.75	13,663.75	-
08/15/2024	22,000.00	4.250%	13,663.75	35,663.75	-
12/31/2024	-	-	-	-	49,327.50
02/15/2025	-	-	13,196.25	13,196.25	-
08/15/2025	23,000.00	4.250%	13,196.25	36,196.25	-
12/31/2025	-	-	-	-	49,392.50
02/15/2026	-	-	12,707.50	12,707.50	-
08/15/2026	24,000.00	4.250%	12,707.50	36,707.50	-
12/31/2026	-	-	-	-	49,415.00
02/15/2027	-	-	12,197.50	12,197.50	-
08/15/2027	25,000.00	4.250%	12,197.50	37,197.50	-
12/31/2027	-	-	-	-	49,395.00
02/15/2028	-	-	11,666.25	11,666.25	-
08/15/2028	26,000.00	4.250%	11,666.25	37,666.25	-
12/31/2028	-	-	-	-	49,332.50
02/15/2029	-	-	11,113.75	11,113.75	-
08/15/2029	28,000.00	4.250%	11,113.75	39,113.75	-
12/31/2029	-	-	-	-	50,227.50
02/15/2030	-	-	10,518.75	10,518.75	-
08/15/2030	29,000.00	4.250%	10,518.75	39,518.75	-
12/31/2030	-	-	-	-	50,037.50
02/15/2031	-	-	9,902.50	9,902.50	-
08/15/2031	30,000.00	4.250%	9,902.50	39,902.50	-
12/31/2031	-	-	-	-	49,805.00
02/15/2032	-	-	9,265.00	9,265.00	-

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El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds, Series 2003A

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/15/2032	31,000.00	4.250%	9,265.00	40,265.00	-
12/31/2032	-	-	-	-	49,530.00
02/15/2033	-	-	8,606.25	8,606.25	-
08/15/2033	33,000.00	4.250%	8,606.25	41,606.25	-
12/31/2033	-	-	-	-	50,212.50
02/15/2034	-	-	7,905.00	7,905.00	-
08/15/2034	34,000.00	4.250%	7,905.00	41,905.00	-
12/31/2034	-	-	-	-	49,810.00
02/15/2035	-	-	7,182.50	7,182.50	-
08/15/2035	36,000.00	4.250%	7,182.50	43,182.50	-
12/31/2035	-	-	-	-	50,365.00
02/15/2036	-	-	6,417.50	6,417.50	-
08/15/2036	38,000.00	4.250%	6,417.50	44,417.50	-
12/31/2036	-	-	-	-	50,835.00
02/15/2037	-	-	5,610.00	5,610.00	-
08/15/2037	39,000.00	4.250%	5,610.00	44,610.00	-
12/31/2037	-	-	-	-	50,220.00
02/15/2038	-	-	4,781.25	4,781.25	-
08/15/2038	41,000.00	4.250%	4,781.25	45,781.25	-
12/31/2038	-	-	-	-	50,562.50
02/15/2039	-	-	3,910.00	3,910.00	-
08/15/2039	43,000.00	4.250%	3,910.00	46,910.00	-
12/31/2039	-	-	-	-	50,820.00
02/15/2040	-	-	2,996.25	2,996.25	-
08/15/2040	45,000.00	4.250%	2,996.25	47,996.25	-
12/31/2040	-	-	-	-	50,992.50
02/15/2041	-	-	2,040.00	2,040.00	-
08/15/2041	47,000.00	4.250%	2,040.00	49,040.00	-
12/31/2041	-	-	-	-	51,080.00
02/15/2042	-	-	1,041.25	1,041.25	-
08/15/2042	49,000.00	4.250%	1,041.25	50,041.25	-
12/31/2042	-	-	-	-	51,082.50
Total	\$930,000.00	-	\$1,001,448.75	\$1,931,448.75	-

El Paso County Water Control & Improvement District No. 4
Combination Tax and Revenue Improvement Bonds, Series 2003A

Debt Service Schedule

Part 4 of 4

Yield Statistics

Bond Year Dollars	\$23,563.50
Average Life	25.337 Years
Average Coupon	4.2500000%
Net Interest Cost (NIC)	4.2500000%
True Interest Cost (TIC)	4.2500487%
Bond Yield for Arbitrage Purposes	4.2500487%
All Inclusive Cost (AIC)	4.2500487%

IRS Form 8038

Net Interest Cost	4.2500000%
Weighted Average Maturity	25.337 Years

El Paso County Water Control & Improvement District No. 4
Combination Tax and Revenue Improvement Bonds, Series 2008A
(Wastewater Project)

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El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds, Series 2008A

(Wastewater Project)

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/26/2009	-	-	-	-	-
08/15/2009	-	-	96,406.28	96,406.28	-
12/31/2009	-	-	-	-	96,406.28
02/15/2010	-	-	102,681.25	102,681.25	-
08/15/2010	48,000.00	4.375%	102,681.25	150,681.25	-
12/31/2010	-	-	-	-	253,362.50
02/15/2011	-	-	101,631.25	101,631.25	-
08/15/2011	50,000.00	4.375%	101,631.25	151,631.25	-
12/31/2011	-	-	-	-	253,262.50
02/15/2012	-	-	100,537.50	100,537.50	-
08/15/2012	52,000.00	4.375%	100,537.50	152,537.50	-
12/31/2012	-	-	-	-	253,075.00
02/15/2013	-	-	99,400.00	99,400.00	-
08/15/2013	54,000.00	4.375%	99,400.00	153,400.00	-
12/31/2013	-	-	-	-	252,800.00
02/15/2014	-	-	98,218.75	98,218.75	-
08/15/2014	57,000.00	4.375%	98,218.75	155,218.75	-
12/31/2014	-	-	-	-	253,437.50
02/15/2015	-	-	96,971.88	96,971.88	-
08/15/2015	59,000.00	4.375%	96,971.88	155,971.88	-
12/31/2015	-	-	-	-	252,943.76
02/15/2016	-	-	95,681.25	95,681.25	-
08/15/2016	62,000.00	4.375%	95,681.25	157,681.25	-
12/31/2016	-	-	-	-	253,362.50
02/15/2017	-	-	94,325.00	94,325.00	-
08/15/2017	64,000.00	4.375%	94,325.00	158,325.00	-
12/31/2017	-	-	-	-	252,650.00
02/15/2018	-	-	92,925.00	92,925.00	-
08/15/2018	67,000.00	4.375%	92,925.00	159,925.00	-
12/31/2018	-	-	-	-	252,850.00
02/15/2019	-	-	91,459.38	91,459.38	-
08/15/2019	70,000.00	4.375%	91,459.38	161,459.38	-
12/31/2019	-	-	-	-	252,918.76
02/15/2020	-	-	89,928.13	89,928.13	-
08/15/2020	73,000.00	4.375%	89,928.13	162,928.13	-
12/31/2020	-	-	-	-	252,856.26
02/15/2021	-	-	88,331.25	88,331.25	-
08/15/2021	76,000.00	4.375%	88,331.25	164,331.25	-
12/31/2021	-	-	-	-	252,662.50
02/15/2022	-	-	86,668.75	86,668.75	-
08/15/2022	80,000.00	4.375%	86,668.75	166,668.75	-
12/31/2022	-	-	-	-	253,337.50
02/15/2023	-	-	84,918.75	84,918.75	-

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El Paso County Water Control & Improvement District No. 4
 Combination Tax and Revenue Improvement Bonds, Series 2008A
 (Wastewater Project)

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/15/2023	83,000.00	4.375%	84,918.75	167,918.75	-
12/31/2023	-	-	-	-	252,837.50
02/15/2024	-	-	83,103.13	83,103.13	-
08/15/2024	87,000.00	4.375%	83,103.13	170,103.13	-
12/31/2024	-	-	-	-	253,206.26
02/15/2025	-	-	81,200.00	81,200.00	-
08/15/2025	91,000.00	4.375%	81,200.00	172,200.00	-
12/31/2025	-	-	-	-	253,400.00
02/15/2026	-	-	79,209.38	79,209.38	-
08/15/2026	94,000.00	4.375%	79,209.38	173,209.38	-
12/31/2026	-	-	-	-	252,418.76
02/15/2027	-	-	77,153.13	77,153.13	-
08/15/2027	99,000.00	4.375%	77,153.13	176,153.13	-
12/31/2027	-	-	-	-	253,306.26
02/15/2028	-	-	74,987.50	74,987.50	-
08/15/2028	103,000.00	4.375%	74,987.50	177,987.50	-
12/31/2028	-	-	-	-	252,975.00
02/15/2029	-	-	72,734.38	72,734.38	-
08/15/2029	107,000.00	4.375%	72,734.38	179,734.38	-
12/31/2029	-	-	-	-	252,468.76
02/15/2030	-	-	70,393.75	70,393.75	-
08/15/2030	112,000.00	4.375%	70,393.75	182,393.75	-
12/31/2030	-	-	-	-	252,787.50
02/15/2031	-	-	67,943.75	67,943.75	-
08/15/2031	117,000.00	4.375%	67,943.75	184,943.75	-
12/31/2031	-	-	-	-	252,887.50
02/15/2032	-	-	65,384.38	65,384.38	-
08/15/2032	122,000.00	4.375%	65,384.38	187,384.38	-
12/31/2032	-	-	-	-	252,768.76
02/15/2033	-	-	62,715.63	62,715.63	-
08/15/2033	128,000.00	4.375%	62,715.63	190,715.63	-
12/31/2033	-	-	-	-	253,431.26
02/15/2034	-	-	59,915.63	59,915.63	-
08/15/2034	133,000.00	4.375%	59,915.63	192,915.63	-
12/31/2034	-	-	-	-	252,831.26
02/15/2035	-	-	57,006.25	57,006.25	-
08/15/2035	139,000.00	4.375%	57,006.25	196,006.25	-
12/31/2035	-	-	-	-	253,012.50
02/15/2036	-	-	53,965.63	53,965.63	-
08/15/2036	145,000.00	4.375%	53,965.63	198,965.63	-
12/31/2036	-	-	-	-	252,931.26
02/15/2037	-	-	50,793.75	50,793.75	-
08/15/2037	151,000.00	4.375%	50,793.75	201,793.75	-

El Paso County Water Control & Improvement District No. 4
 Combination Tax and Revenue Improvement Bonds, Series 2008A
 (Wastewater Project)

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/31/2037	-	-	-	-	252,587.50
02/15/2038	-	-	47,490.63	47,490.63	-
08/15/2038	158,000.00	4.375%	47,490.63	205,490.63	-
12/31/2038	-	-	-	-	252,981.26
02/15/2039	-	-	44,034.38	44,034.38	-
08/15/2039	165,000.00	4.375%	44,034.38	209,034.38	-
12/31/2039	-	-	-	-	253,068.76
02/15/2040	-	-	40,425.00	40,425.00	-
08/15/2040	172,000.00	4.375%	40,425.00	212,425.00	-
12/31/2040	-	-	-	-	252,850.00
02/15/2041	-	-	36,662.50	36,662.50	-
08/15/2041	180,000.00	4.375%	36,662.50	216,662.50	-
12/31/2041	-	-	-	-	253,325.00
02/15/2042	-	-	32,725.00	32,725.00	-
08/15/2042	187,000.00	4.375%	32,725.00	219,725.00	-
12/31/2042	-	-	-	-	252,450.00
02/15/2043	-	-	28,634.38	28,634.38	-
08/15/2043	196,000.00	4.375%	28,634.38	224,634.38	-
12/31/2043	-	-	-	-	253,268.76
02/15/2044	-	-	24,346.88	24,346.88	-
08/15/2044	204,000.00	4.375%	24,346.88	228,346.88	-
12/31/2044	-	-	-	-	252,693.76
02/15/2045	-	-	19,884.38	19,884.38	-
08/15/2045	213,000.00	4.375%	19,884.38	232,884.38	-
12/31/2045	-	-	-	-	252,768.76
02/15/2046	-	-	15,225.00	15,225.00	-
08/15/2046	222,000.00	4.375%	15,225.00	237,225.00	-
12/31/2046	-	-	-	-	252,450.00
02/15/2047	-	-	10,368.75	10,368.75	-
08/15/2047	232,000.00	4.375%	10,368.75	242,368.75	-
12/31/2047	-	-	-	-	252,737.50
02/15/2048	-	-	5,293.75	5,293.75	-
08/15/2048	242,000.00	4.375%	5,293.75	247,293.75	-
12/31/2048	-	-	-	-	252,587.50
Total	\$4,694,000.00	-	\$5,266,956.44	\$9,960,956.44	-

El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds, Series 2008A

(Wastewater Project)

Debt Service Schedule

Part 4 of 4

Yield Statistics

Bond Year Dollars	\$120,387.57
Average Life	25.647 Years
Average Coupon	4.3750001%
Net Interest Cost (NIC)	4.3750001%
True Interest Cost (TIC)	4.3750925%
Bond Yield for Arbitrage Purposes	4.3750925%
All Inclusive Cost (AIC)	4.4786223%

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Net Interest Cost	4.3750001%
Weighted Average Maturity	25.647 Years

El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds, Series 2010
(Water Project)

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El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds, Series 2010

(Water Project)

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/01/2010	-	-	-	-	-
08/15/2010	-	-	3,070.22	3,070.22	-
12/31/2010	-	-	-	-	3,070.22
02/15/2011	-	-	12,560.00	12,560.00	-
08/15/2011	7,000.00	4.000%	12,560.00	19,560.00	-
12/31/2011	-	-	-	-	32,120.00
02/15/2012	-	-	12,420.00	12,420.00	-
08/15/2012	7,000.00	4.000%	12,420.00	19,420.00	-
12/31/2012	-	-	-	-	31,840.00
02/15/2013	-	-	12,280.00	12,280.00	-
08/15/2013	8,000.00	4.000%	12,280.00	20,280.00	-
12/31/2013	-	-	-	-	32,560.00
02/15/2014	-	-	12,120.00	12,120.00	-
08/15/2014	8,000.00	4.000%	12,120.00	20,120.00	-
12/31/2014	-	-	-	-	32,240.00
02/15/2015	-	-	11,960.00	11,960.00	-
08/15/2015	8,000.00	4.000%	11,960.00	19,960.00	-
12/31/2015	-	-	-	-	31,920.00
02/15/2016	-	-	11,800.00	11,800.00	-
08/15/2016	8,000.00	4.000%	11,800.00	19,800.00	-
12/31/2016	-	-	-	-	31,600.00
02/15/2017	-	-	11,640.00	11,640.00	-
08/15/2017	9,000.00	4.000%	11,640.00	20,640.00	-
12/31/2017	-	-	-	-	32,280.00
02/15/2018	-	-	11,460.00	11,460.00	-
08/15/2018	9,000.00	4.000%	11,460.00	20,460.00	-
12/31/2018	-	-	-	-	31,920.00
02/15/2019	-	-	11,280.00	11,280.00	-
08/15/2019	9,000.00	4.000%	11,280.00	20,280.00	-
12/31/2019	-	-	-	-	31,560.00
02/15/2020	-	-	11,100.00	11,100.00	-
08/15/2020	10,000.00	4.000%	11,100.00	21,100.00	-
12/31/2020	-	-	-	-	32,200.00
02/15/2021	-	-	10,900.00	10,900.00	-
08/15/2021	10,000.00	4.000%	10,900.00	20,900.00	-
12/31/2021	-	-	-	-	31,800.00
02/15/2022	-	-	10,700.00	10,700.00	-
08/15/2022	11,000.00	4.000%	10,700.00	21,700.00	-
12/31/2022	-	-	-	-	32,400.00
02/15/2023	-	-	10,480.00	10,480.00	-
08/15/2023	11,000.00	4.000%	10,480.00	21,480.00	-
12/31/2023	-	-	-	-	31,960.00
02/15/2024	-	-	10,260.00	10,260.00	-

2010 | SINGLE PURPOSE | 4/23/2014 | 11:38 AM

El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds, Series 2010

(Water Project)

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/15/2024	12,000.00	4.000%	10,260.00	22,260.00	-
12/31/2024	-	-	-	-	32,520.00
02/15/2025	-	-	10,020.00	10,020.00	-
08/15/2025	12,000.00	4.000%	10,020.00	22,020.00	-
12/31/2025	-	-	-	-	32,040.00
02/15/2026	-	-	9,780.00	9,780.00	-
08/15/2026	13,000.00	4.000%	9,780.00	22,780.00	-
12/31/2026	-	-	-	-	32,560.00
02/15/2027	-	-	9,520.00	9,520.00	-
08/15/2027	13,000.00	4.000%	9,520.00	22,520.00	-
12/31/2027	-	-	-	-	32,040.00
02/15/2028	-	-	9,260.00	9,260.00	-
08/15/2028	14,000.00	4.000%	9,260.00	23,260.00	-
12/31/2028	-	-	-	-	32,520.00
02/15/2029	-	-	8,980.00	8,980.00	-
08/15/2029	14,000.00	4.000%	8,980.00	22,980.00	-
12/31/2029	-	-	-	-	31,960.00
02/15/2030	-	-	8,700.00	8,700.00	-
08/15/2030	15,000.00	4.000%	8,700.00	23,700.00	-
12/31/2030	-	-	-	-	32,400.00
02/15/2031	-	-	8,400.00	8,400.00	-
08/15/2031	15,000.00	4.000%	8,400.00	23,400.00	-
12/31/2031	-	-	-	-	31,800.00
02/15/2032	-	-	8,100.00	8,100.00	-
08/15/2032	16,000.00	4.000%	8,100.00	24,100.00	-
12/31/2032	-	-	-	-	32,200.00
02/15/2033	-	-	7,780.00	7,780.00	-
08/15/2033	16,000.00	4.000%	7,780.00	23,780.00	-
12/31/2033	-	-	-	-	31,560.00
02/15/2034	-	-	7,460.00	7,460.00	-
08/15/2034	17,000.00	4.000%	7,460.00	24,460.00	-
12/31/2034	-	-	-	-	31,920.00
02/15/2035	-	-	7,120.00	7,120.00	-
08/15/2035	18,000.00	4.000%	7,120.00	25,120.00	-
12/31/2035	-	-	-	-	32,240.00
02/15/2036	-	-	6,760.00	6,760.00	-
08/15/2036	19,000.00	4.000%	6,760.00	25,760.00	-
12/31/2036	-	-	-	-	32,520.00
02/15/2037	-	-	6,380.00	6,380.00	-
08/15/2037	19,000.00	4.000%	6,380.00	25,380.00	-
12/31/2037	-	-	-	-	31,760.00
02/15/2038	-	-	6,000.00	6,000.00	-
08/15/2038	20,000.00	4.000%	6,000.00	26,000.00	-

2010 | SINGLE PURPOSE | 4/23/2014 | 11:38 AM

El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds, Series 2010

(Water Project)

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/31/2038	-	-	-	-	32,000.00
02/15/2039	-	-	5,600.00	5,600.00	-
08/15/2039	21,000.00	4.000%	5,600.00	26,600.00	-
12/31/2039	-	-	-	-	32,200.00
02/15/2040	-	-	5,180.00	5,180.00	-
08/15/2040	22,000.00	4.000%	5,180.00	27,180.00	-
12/31/2040	-	-	-	-	32,360.00
02/15/2041	-	-	4,740.00	4,740.00	-
08/15/2041	23,000.00	4.000%	4,740.00	27,740.00	-
12/31/2041	-	-	-	-	32,480.00
02/15/2042	-	-	4,280.00	4,280.00	-
08/15/2042	23,000.00	4.000%	4,280.00	27,280.00	-
12/31/2042	-	-	-	-	31,560.00
02/15/2043	-	-	3,820.00	3,820.00	-
08/15/2043	24,000.00	4.000%	3,820.00	27,820.00	-
12/31/2043	-	-	-	-	31,640.00
02/15/2044	-	-	3,340.00	3,340.00	-
08/15/2044	25,000.00	4.000%	3,340.00	28,340.00	-
12/31/2044	-	-	-	-	31,680.00
02/15/2045	-	-	2,840.00	2,840.00	-
08/15/2045	26,000.00	4.000%	2,840.00	28,840.00	-
12/31/2045	-	-	-	-	31,680.00
02/15/2046	-	-	2,320.00	2,320.00	-
08/15/2046	27,000.00	4.000%	2,320.00	29,320.00	-
12/31/2046	-	-	-	-	31,640.00
02/15/2047	-	-	1,780.00	1,780.00	-
08/15/2047	28,000.00	4.000%	1,780.00	29,780.00	-
12/31/2047	-	-	-	-	31,560.00
02/15/2048	-	-	1,220.00	1,220.00	-
08/15/2048	30,000.00	4.000%	1,220.00	31,220.00	-
12/31/2048	-	-	-	-	32,440.00
02/15/2049	-	-	620.00	620.00	-
08/15/2049	31,000.00	4.000%	620.00	31,620.00	-
12/31/2049	-	-	-	-	32,240.00
Total	\$628,000.00	-	\$624,990.22	\$1,252,990.22	-

El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds, Series 2010

(Water Project)

Debt Service Schedule

Part 4 of 4

Yield Statistics

Bond Year Dollars	\$15,624.76
Average Life	24.880 Years
Average Coupon	4.0000000%
Net Interest Cost (NIC)	4.0000000%
True Interest Cost (TIC)	4.0002463%
Bond Yield for Arbitrage Purposes	4.0002463%
All Inclusive Cost (AIC)	4.2827581%

IRS Form 8038

Net Interest Cost	4.0000000%
Weighted Average Maturity	24.880 Years

El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds

All Series

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Aggregate Debt Service

1

El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds

All Series

Aggregate Debt Service

Part 1 of 2

<u>DATE</u>	<u>2003A</u>	<u>2008A</u>	<u>2010</u>	<u>TOTAL</u>
12/31/2013	49,360.00	252,800.00	32,560.00	334,720.00
12/31/2014	48,765.00	253,437.50	32,240.00	334,442.50
12/31/2015	49,170.00	252,943.76	31,920.00	334,033.76
12/31/2016	49,532.50	253,362.50	31,600.00	334,495.00
12/31/2017	48,852.50	252,650.00	32,280.00	333,782.50
12/31/2018	49,172.50	252,850.00	31,920.00	333,942.50
12/31/2019	49,450.00	252,918.76	31,560.00	333,928.76
12/31/2020	49,685.00	252,856.26	32,200.00	334,741.26
12/31/2021	48,877.50	252,662.50	31,800.00	333,340.00
12/31/2022	49,070.00	253,337.50	32,400.00	334,807.50
12/31/2023	49,220.00	252,837.50	31,960.00	334,017.50
12/31/2024	49,327.50	253,206.26	32,520.00	335,053.76
12/31/2025	49,392.50	253,400.00	32,040.00	334,832.50
12/31/2026	49,415.00	252,418.76	32,560.00	334,393.76
12/31/2027	49,395.00	253,306.26	32,040.00	334,741.26
12/31/2028	49,332.50	252,975.00	32,520.00	334,827.50
12/31/2029	50,227.50	252,468.76	31,960.00	334,656.26
12/31/2030	50,037.50	252,787.50	32,400.00	335,225.00
12/31/2031	49,805.00	252,887.50	31,800.00	334,492.50
12/31/2032	49,530.00	252,768.76	32,200.00	334,498.76
12/31/2033	50,212.50	253,431.26	31,560.00	335,203.76
12/31/2034	49,810.00	252,831.26	31,920.00	334,561.26
12/31/2035	50,365.00	253,012.50	32,240.00	335,617.50
12/31/2036	50,835.00	252,931.26	32,520.00	336,286.26
12/31/2037	50,220.00	252,587.50	31,760.00	334,567.50
12/31/2038	50,562.50	252,981.26	32,000.00	335,543.76
12/31/2039	50,820.00	253,068.76	32,200.00	336,088.76
12/31/2040	50,992.50	252,850.00	32,360.00	336,202.50
12/31/2041	51,080.00	253,325.00	32,480.00	336,885.00
12/31/2042	51,082.50	252,450.00	31,560.00	335,092.50
12/31/2043	-	253,268.76	31,640.00	284,908.76
12/31/2044	-	252,693.76	31,680.00	284,373.76
12/31/2045	-	252,768.76	31,680.00	284,448.76
12/31/2046	-	252,450.00	31,640.00	284,090.00
12/31/2047	-	252,737.50	31,560.00	284,297.50
12/31/2048	-	252,587.50	32,440.00	285,027.50
12/31/2049	-	-	32,240.00	32,240.00
Total	\$1,493,597.50	\$9,104,850.16	\$1,185,960.00	\$11,784,407.66

El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds

All Series

Aggregate Debt Service

Part 2 of 2

Par Amounts Of Selected Issues

2003A	832,000.00
2008A	4,544,000.00
2010	614,000.00
TOTAL	5,990,000.00

El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds

All Series

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Aggregate Debt Service

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El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds

All Series

Aggregate Debt Service

Part 1 of 2

Date	Principal	Interest	Total P+I
12/31/2013	76,000 00	258,720 00	334,720 00
12/31/2014	79,000 00	255,442 50	334,442 50
12/31/2015	82,000 00	252,033 76	334,033 76
12/31/2016	86,000 00	248,495 00	334,495 00
12/31/2017	89,000 00	244,782 50	333,782 50
12/31/2018	93,000 00	240,942 50	333,942 50
12/31/2019	97,000 00	236,928 76	333,928 76
12/31/2020	102,000 00	232,741 26	334,741 26
12/31/2021	105,000 00	228,340 00	333,340 00
12/31/2022	111,000 00	223,807 50	334,807 50
12/31/2023	115,000 00	219,017 50	334,017 50
12/31/2024	121,000 00	214,053 76	335,053 76
12/31/2025	126,000 00	208,832 50	334,832 50
12/31/2026	131,000 00	203,393 76	334,393 76
12/31/2027	137,000 00	197,741 26	334,741 26
12/31/2028	143,000 00	191,827 50	334,827 50
12/31/2029	149,000 00	185,656 26	334,656 26
12/31/2030	156,000 00	179,225 00	335,225 00
12/31/2031	162,000 00	172,492 50	334,492 50
12/31/2032	169,000 00	165,498 76	334,498 76
12/31/2033	177,000 00	158,203 76	335,203 76
12/31/2034	184,000 00	150,561 26	334,561 26
12/31/2035	193,000 00	142,617 50	335,617 50
12/31/2036	202,000 00	134,286 26	336,286 26
12/31/2037	209,000 00	125,567 50	334,567 50
12/31/2038	219,000 00	116,543 76	335,543 76
12/31/2039	229,000 00	107,088 76	336,088 76
12/31/2040	239,000 00	97,202 50	336,202 50
12/31/2041	250,000 00	86,885 00	336,885 00
12/31/2042	259,000 00	76,092 50	335,092 50
12/31/2043	220,000 00	64,908 76	284,908 76
12/31/2044	229,000 00	55,373 76	284,373 76
12/31/2045	239,000 00	45,448 76	284,448 76
12/31/2046	249,000 00	35,090 00	284,090 00
12/31/2047	260,000 00	24,297 50	284,297 50
12/31/2048	272,000 00	13,027 50	285,027 50
12/31/2049	31,000 00	1,240 00	32,240 00
Total	\$5,990,000.00	\$5,794,407.66	\$11,784,407.66

El Paso County Water Control & Improvement District No. 4

Combination Tax and Revenue Improvement Bonds

All Series

Aggregate Debt Service

Part 2 of 2

Par Amounts Of Selected Issues

2003A	832,000.00
2008A	4,544,000.00
2010	614,000.00
TOTAL	5,990,000.00

2015 RATE STUDY INFORMATION

September 22,2015

- 1) A current list of anticipated capital improvement for the next 5 to 10 years. More specifically, I will need:
- a. The list of water projects and year the projects will be initiated;
 - b. The list of wastewater projects and year the projects will be initiated;
 - c. How the utility will finance the projects (TWDB, USDA, Revenue Bonds, cash on hand,etc.), when and % applicable to water and wastewater.

<u>WATER</u>				
Project Name	Estimated Cost	Project Initiation Year	Financing	Debt Issuance Date
<i>I-10 Tank, Booster and Collection Line</i>	<i>\$1,675,000</i>	<i>2016</i>	<i>USDA-RD Loan</i>	<i>2016</i>
<i>Nano Filtration System</i>	<i>\$1,664,000</i>	<i>2016</i>	<i>USDA-RD Loan</i>	<i>2016</i>
<i>CC Camp to 10th Street Well Collection Line</i>	<i>\$50,000</i>	<i>2019</i>	<i>BECC Grant</i>	<i>2019</i>
<u>WASTEWATER</u>				
Project Name	Estimated Cost	Project Initiation Year	Financing	Debt Issuance Date
<i>Sewer Force Main</i>	<i>\$1,400,000</i>	<i>2020</i>	<i>NADBank Loan</i>	<i>2020</i>
<i>Ikard Lift Station(Replacement)</i>	<i>\$2,500,000</i>	<i>2020</i>	<i>NADBank Loan</i>	<i>2021</i>

USDA-RD

LOAN



Date of Loan

7/1/2010

Loan Amount

628,000.00

Interest Rate

4.0

WATER

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
ANNUAL STATEMENT OF LOAN ACCOUNT

SAVE THIS INFORMATION
FOR INCOME TAX PURPOSES

PAGE 003
DATE 123118

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		8,634.60	573,000.00	581,634.60			010118
PAYMENT		11,460.00	0.00	11,460.00	R	04.0000	021518
PAYMENT		11,460.00	9,000.00	20,460.00	R	04.0000	081518
TOTAL LOAN PMTS		22,920.00	9,000.00	31,920.00			
LOAN ACTIVITY	0.00	22,920.00	9,000.00	31,920.00			
LOAN BALANCE	UNPD INTEREST	8,498.50 **	UNPD PRIN	564,000.00 **			
NXT AMT DUE	11,280.00		DATE DUE	021519			
PAYMENT STATUS	ON SCHEDULE						
TAXES PAID							

**These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no

USDA RURAL DEVELOPMENT
PHONE#(833)797-3726
4300 GOODFELLOW BLVD FC-1332
ST. LOUIS, MO 63120

CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.

OMB NO. 1545-0901

2018

(Rev. June 2018)

Form 1098

CORRECTED (if checked)

Mortgage Interest Statement

COPY B FOR PAYER/BORROWER

The information in boxes 1 through 9 is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points, reported in boxes 1 and 8, or because you didn't report the refund of interest (box 4), or because you claimed a nondeductible item.

RECIPIENT'S/LENDERS TIN

PAYER'S/BORROWER'S TIN

PAYER'S/BORROWER'S name, Street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code

EL PASO COUNTY 49-727
W.C.I.D. NO. 4
P O BOX 3880
FABENS TX 79838

1 Mortgage interest received from payer(s)/borrower(s)**

\$ 0.00

2 Outstanding mortgage principal as of 1/1/2018

\$

3 Mortgage origination data

4 Refund of overpaid interest

\$

5 Mortgage insurance premiums

\$

6 Points paid on purchase of principal residence

\$

7 If address of property securing mortgage is the same as PAYER'S/BORROWER'S address, the box is checked, or the address or description is entered in box 8.

8 Address or description of property securing mortgage (see instructions)

9 Number of properties securing the mortgage

10 Other

IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN

Account number (see instructions)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
ANNUAL STATEMENT OF LOAN ACCOUNT

#N000169902 LPLSINST

PAGE 003
DATE 123117

ATION
PURPOSES

NUMBER [REDACTED] FINAL YEAR OF LOAN 2050
CODE [REDACTED] LOAN NUMBER [REDACTED] DATE OF LOAN 070110 INTEREST RATE 04.0000 AMOUNT OF LOAN 628,000.00

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		8,770.71	582,000.00	590,770.71			010117
PAYMENT		11,640.00	0.00	11,640.00	R	04.0000	021517
PAYMENT		11,640.00	9,000.00	20,640.00	R	04.0000	081517
TOTAL LOAN PMTS		23,280.00	9,000.00	32,280.00			
LOAN ACTIVITY	0.00	23,280.00	9,000.00	32,280.00			
LOAN BALANCE	UNPD INTEREST	8,634.60 **	UNPD PRIN	573,000.00 **			
NXT AMT DUE	11,460.00		DATE DUE	021518			
PAYMENT STATUS	ON SCHEDULE						
TAXES PAID							

**These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901 2017 (Rev. June 2017) Form 1098	<input type="checkbox"/> CORRECTED (if checked) Mortgage Interest Statement
RECIPIENT'S/LENDERS Federal identification number [REDACTED]	PAYER'S/BORROWER'S taxpayer identification no. [REDACTED]	1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00	2 Outstanding mortgage principal as of 1/1/2017 \$	3 Mortgage origination date \$
PAYER'S/BORROWER'S name, Street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY 49-727 W.C.I.D. NO. 4 P O BOX 3880 FABENS TX 79838		4 Refund of overpaid interest \$	5 Mortgage insurance premiums \$	The information in boxes 1 through 10 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points, reported in boxes 1 and 2; or because you didn't report the refund of interest (box 4); or because you claimed a non-deductible item.
10 Number of mortgaged properties	11 Other IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN	6 Points paid on purchase of principal residence \$	7 Is address of property securing mortgage same as PAYER'S/BORROWER'S address? If "Yes", box is checked..... <input checked="" type="checkbox"/> If "No", see box 8 or 9, below	
Account number (see instructions)		8 Address of property securing mortgage	9 If property securing mortgage has no address, below is the description of the property	

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
ANNUAL STATEMENT OF LOAN ACCOUNT

SAVE THIS INFORMATION
FOR INCOME TAX PURPOSES

PAGE 003
DATE 123116

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		8,891.69	590,000.00	598,891.69			010116
PAYMENT		11,800.00	0.00	11,800.00	R	04.0000	021516
PAYMENT		11,800.00	8,000.00	19,800.00	R	04.0000	081516
TOTAL LOAN PMTS		23,600.00	8,000.00	31,600.00			
TOTAL PAID ON ALL LOANS THIS YEAR		248,495.00	86,000.00	334,495.00			
LOAN ACTIVITY	0.00	23,600.00	8,000.00	31,600.00			
LOAN BALANCE	UNPD INTEREST	8,770.71 **	UNPD PRIN	582,000.00 **			
NXT AMT DUE	11,640.00	DATE DUE	021517				
PAYMENT STATUS	ON SCHEDULE						
ALL LOAN ACTIVITY	0.00	248,495.00	86,000.00	334,495.00			
BORR BAL	UNPD INTEREST	92,321.47	UNPD PRIN	5,667,000.00			
<small>**These unpaid balances may not reflect the total amount due to the Agency at payoff!</small>							

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120	CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901 2016 (Rev. June 2016) Form 1098	CORRECTED (if checked) Mortgage Interest Statement
RECIPIENT'S/LENDERS federal identification number PAYER'S/BORROWER'S taxpayer identification no.	1 Mortgage interest received from payer(s)/borrower(s)* \$ 0.00	2 Outstanding mortgage principal as of 17/7/2016 \$	3 Mortgage origination date
PAYER'S/BORROWER'S name, Street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY W.C.I.D. NO. 4 P O BOX 3880 FABENS TX	4 Refund of overpaid interest \$	5 Mortgage insurance premiums \$	COPY B FOR PAYER/BORROWER The information in boxes 1 through 9 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points, reported in boxes 1 and 5; or because you didn't report the refund of interest (box 4); or because you claimed a non-deductible item.
10 Other IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN Account number (see instructions)	6 Points paid on purchase of principal residence \$	7 Is address of property securing mortgage same as PAYER'S/BORROWER'S address? If Yes, box is checked <input checked="" type="checkbox"/> If No, see box 8 or 9, below	
	9 If property securing mortgage has no address, below is the description of the property		



UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
ANNUAL STATEMENT OF LOAN ACCOUNT

INFORMATION
FOR TAX PURPOSES

LOAN NUMBER [REDACTED] FINAL YEAR OF LOAN 2050
FUND CODE [REDACTED] LOAN NUMBER [REDACTED] DATE OF LOAN 07/01/10 INTEREST RATE 04.0000 AMOUNT OF LOAN 628,000.00

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		9,012.68	598,000.00	607,012.68			010115
PAYMENT		11,960.00	0.00	11,960.00	R	04.0000	021515
PAYMENT		11,960.00	8,000.00	19,960.00	R	04.0000	081515
TOTAL LOAN PMTS		23,920.00	8,000.00	31,920.00			
TOTAL PAID ON ALL LOANS THIS YEAR		252,033.74	82,000.00	334,033.74			

LOAN ACTIVITY	0.00	23,920.00	8,000.00	31,920.00			
LOAN BALANCE	UNPD INTEREST	8,891.69 **	UNPD PRIN	590,000.00 **			
NXT AMT DUE	11,800.00		DATE DUE	021516			
PAYMENT STATUS	ON SCHEDULE						
TAXES PAID							
ALL LOAN ACTIVITY	0.00	252,033.74	82,000.00	334,033.74			
BORR BAL	UNPD INTEREST	93,725.08	UNPD PRIN	5,753,000.00			

**These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901 2015 Form 1098	<input type="checkbox"/> CORRECTED (if checked) Mortgage Interest Statement
RECIPIENT'S federal identification no. [REDACTED]	PAYER'S social security number [REDACTED]	1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00		COPY B FOR PAYER/BORROWER The information in boxes 1, 2, 3, and 4 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
PAYER'S/BORROWER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY W.C.I.D. NO. 4 P O BOX 3880 FABENS TX 79838		2 Points paid on purchase of principal residence \$		
		3 Refund of overpaid interest \$		
		4		
		5 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.		
Account number (see instructions) [REDACTED]				

UNITED STATES DEPARTMENT OF AGRICULTURE
 RURAL DEVELOPMENT
 ANNUAL STATEMENT OF LOAN ACCOUNT

SAVE THIS INFORMATION
 FOR INCOME TAX PURPOSES

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		9,133.66	606,000.00	615,133.66			010114
PAYMENT		12,120.00	0.00	12,120.00	R	04.0000	021514
PAYMENT		12,120.00	8,000.00	20,120.00	R	04.0000	081514
TOTAL LOAN PMTS		24,240.00	8,000.00	32,240.00			
TOTAL PAID ON ALL LOANS THIS YEAR		255,442.50	79,000.00	334,442.50			

LOAN ACTIVITY	0.00	24,240.00	8,000.00	32,240.00			
LOAN BALANCE	UNPD INTEREST	9,012.68 **	UNPD PRIN	598,000.00 **			
NXT AMT DUE	11,960.00		DATE DUE	021515			
PAYMENT STATUS	ON SCHEDULE						
ALL LOAN ACTIVITY	0.00	255,442.50	79,000.00	334,442.50			
BORR BAL	UNPD INTEREST	95,063.00	UNPD PRIN	5,835,000.00			

**These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number USDA RURAL DEVELOPMENT PHONE# (314)457-4310 4300 GODDFELLOW BLVD FC-1332 ST. LOUIS, MO 63120		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901 2014 Form 1098	<input type="checkbox"/> CORRECTED (if checked) Mortgage Interest Statement
RECIPIENT'S federal identification no. [REDACTED]	PAYER'S social security number [REDACTED]	1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00	COPY B FOR PAYER/BORROWER The information in boxes 1, 2, 3, and 4 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.	
PAYER'S/BORROWER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY W.C.I.D. NO. 4 P O BOX 3880 FABENS TX 79838		2 Points paid on purchase of principal residence \$		
		3 Refund of overpaid interest \$		
		4		
Account number (see instructions) [REDACTED]		5 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.		

DIST002923

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
ANNUAL STATEMENT OF LOAN ACCOUNT

INFORMATION
FOR TAX PURPOSES

ACCOUNT NUMBER [REDACTED] FINAL YEAR OF LOAN 2050
 AND CODE [REDACTED] LOAN NUMBER [REDACTED] DATE OF LOAN 07/01/10 INTEREST RATE 04.0000 AMOUNT OF LOAN 628,000.00

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		9,254.64	614,000.00	623,254.64			010113
PAYMENT		12,280.00	0.00	12,280.00	R	04.0000	021513
PAYMENT		12,280.00	8,000.00	20,280.00	R	04.0000	081513
TOTAL LOAN PMTS		24,560.00	8,000.00	32,560.00			
TOTAL PAID ON ALL LOANS THIS YEAR		258,720.00	76,000.00	334,720.00			

LOAN ACTIVITY	0.00	24,560.00	8,000.00	32,560.00			
LOAN BALANCE	UNPD INTEREST	9,133.66 **	UNPD PRIN	606,000.00 **			
NXT AMT DUE	12,120.00		DATE DUE	021514			
PAYMENT STATUS	ON SCHEDULE		INT PAID	24,560.00			
TAXES PAID							
ALL LOAN ACTIVITY	0.00	258,720.00	76,000.00	334,720.00			
BORR BAL	UNPD INTEREST	96,351.76	UNPD PRIN	5,914,000.00			

**These unpaid balances may not reflect the total amount due to the Agency at payoff

RECIPIENT'S/LENDER'S name, street address, city or town, province or state, country, ZIP or foreign postal code, and telephone number USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703	CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901 2013 Form 1098	<input type="checkbox"/> CORRECTED (if checked) Mortgage Interest Statement
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RECIPIENT'S federal identification no [REDACTED]	PAYER'S social security number [REDACTED]	1 Mortgage interest received from payer(s)/borrower(s)* \$ 0.00	COPY B FOR PAYER/BORROWER The information in boxes 1, 2, 3, and 4 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
PAYER'S/BORROWER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code EL PASO COUNTY W.C.I.D. NO. 4 P O BOX 3880 FABENS TX		2 Points paid on purchase of principal residence \$	
		3 Refund of overpaid interest \$	
		4 Mortgage insurance premiums \$	
		5 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.	

USDA-RD

LOAN 

DATE OF LOAN

05/18/2017

LOAN AMOUNT

2,261,000

INTEREST RATE

2.75

WATER

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
ANNUAL STATEMENT OF LOAN ACCOUNT

SAVE THIS INFORMATION
FOR INCOME TAX PURPOSES

CASE NUMBER [REDACTED]		FINAL YEAR OF LOAN 2057					
FUND CODE [REDACTED]		LOAN NUMBER [REDACTED]		DATE OF LOAN 051817		INTEREST RATE 02.7500 AMOUNT OF LOAN 2,261,000.00	
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		3,352.90	1,512,000.00	1,515,352.90			010118
CASH ADVANCE	229,000.00						
PAYMENT		8,832.14	12,758.45	21,590.59	R	02.7500	020118
PAYMENT		0.00	241.55	241.55	R	02.7500	021518
CASH ADVANCE	520,000.00						
PAYMENT		30,263.56	0.00	30,263.56	R	02.7500	030218
							081518
TOTAL LOAN PMTS		39,095.70	13,000.00	52,095.70			
TOTAL PAID ON ALL LOANS THIS YEAR		280,038.20	106,000.00	386,038.20			
LOAN ACTIVITY	749,000.00	39,095.70	13,000.00	52,095.70			
LOAN BALANCE	UNPD INTEREST	23,180.28 **	UNPD PRIN	2,248,000.00 **			
NXT AMT DUE	63,910.00	DATE DUE 021519					
PAYMENT STATUS		ON SCHEDULE					
TAXES PAID							
ALL LOAN ACTIVITY	749,000.00	280,038.20	106,000.00	386,038.20			
BORR BAL	UNPD INTEREST	112,532.43	UNPD PRIN	7,733,000.00			
<small>**These unpaid balances may not reflect the total amount due to the Agency at payoff.</small>							
RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. USDA RURAL DEVELOPMENT PHONE#(833)797-3726 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120				CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO. 1545-0901 2018 (Rev. June 2018) Form 1098	
RECIPIENT'S/LENDERS TIN [REDACTED]				PAYER'S/BORROWER'S TIN [REDACTED]		CORRECTED if checked Mortgage Interest Statement	
PAYER'S/BORROWER'S name, Street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY 49-727 W.C.I.D. NO. 4 P O BOX 3880 FABENS TX 79838				1 Mortgage interest received from payer(s)/borrower(s)** \$ 0.00		2 Outstanding mortgage principal as of 1/17/2018 \$	
9 Number of properties securing the mortgage				10 Other		3 Mortgage origination date	
IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN				4 Refund of overpaid interest \$		5 Mortgage insurance premiums \$	
Account number (see instructions)				6 Points paid on purchase of principal residence \$		7 If address of property securing mortgage is the same as PAYER'S/BORROWER'S address, the box is checked, or the address or description is entered in box 8. <input checked="" type="checkbox"/>	
				8 Address or description of property securing mortgage (see instructions)		The information in boxes 1 through 9 is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points, reported in boxes 1 and 6; or because you didn't report the refund of interest (box 4); or because you claimed a nondeductible item.	

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
ANNUAL STATEMENT OF LOAN ACCOUNT

SAVE THIS INFORMATION
FOR INCOME TAX PURPOSES

CASE NUMBER [REDACTED]		FINAL YEAR OF LOAN 2057					
FUND CODE [REDACTED]	LOAN NUMBER [REDACTED]	DATE OF LOAN 051817	INTEREST RATE 02.7500 AMOUNT OF LOAN 1,512,000.00				
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		0.00	0.00	0.00			010117
CASH ADVANCE	46,000.00					02.7500	051817
CASH ADVANCE	424,000.00					02.7500	110217
CASH ADVANCE	240,000.00					02.7500	113017
CASH ADVANCE	802,000.00					02.7500	122917
TOTAL LOAN PMTS		0.00	0.00	0.00			
TOTAL PAID ON ALL LOANS THIS YEAR		244,782.50	89,000.00	333,782.50			
LOAN ACTIVITY	1,512,000.00	0.00	0.00	0.00			
LOAN BALANCE	UNPD INTEREST	3,352.90 **	UNPD PRIN	1,512,000.00 **			
NXT AMT DUE	21,590.59		DATE DUE	021518			
PAYMENT STATUS		ON SCHEDULE					
TAXES PAID							
ALL LOAN ACTIVITY	1,512,000.00	244,782.50	89,000.00	333,782.50			
BORR BAL	UNPD INTEREST	94,222.55	UNPD PRIN	7,090,000.00			
**These unpaid balances may not reflect the total amount due to the Agency at payoff.							
RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO. 1545-0901 2017 (Rev. June 2017) Form 1098		<input type="checkbox"/> CORRECTED (if checked) Mortgage Interest Statement	
RECIPIENT'S/LENDERS federal identification number [REDACTED]		PAYER'S/BORROWER'S taxpayer identification no. [REDACTED]		1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00		3 Mortgage origination date	
PAYER'S/BORROWER'S name, Street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY W.C.I.D. NO. 4 P O BOX 3880 FABENS TX 79838		2 Outstanding mortgage principal as of 1/1/2017 \$		4 Refund of overpaid interest \$		5 Mortgage insurance premiums \$	
10 Number of mortgaged properties		11 Other IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN		6 Points paid on purchase of principal residence \$		7 Is address of property securing mortgage same as PAYER'S/BORROWER'S address? If "Yes", box is checked <input checked="" type="checkbox"/> If "No", see box 8 or 9, below	
Account number (see instructions) [REDACTED]		8 Address of property securing mortgage		9 If property securing mortgage has no address, below is the description of the property		The information in boxes 1 through 10 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points, reported in boxes 4 and 5, or because you didn't report the refund of interest (box 4), or because you claimed a non-deductible item.	

USDA-RD

LOAN 

Date of Loan

8/21/2003

Loan Amount

930,000.00

Interest Rate

4.25

SEWER

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
ANNUAL STATEMENT OF LOAN ACCOUNT

SAVE THIS INFORMATION
FOR INCOME TAX PURPOSES

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DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		12,118.52	757,000.00	769,118.52			010118
PAYMENT		16,086.25	0.00	16,086.25	R	04.2500	021518
PAYMENT		16,086.25	17,000.00	33,086.25	R	04.2500	081518
TOTAL LOAN PMTS		32,172.50	17,000.00	49,172.50			
LOAN ACTIVITY	0.00	32,172.50	17,000.00	49,172.50			
LOAN BALANCE	UNPD INTEREST	11,845.36 **	UNPD PRIN	740,000.00 **			
NXT AMT DUE	15,725.00		DATE DUE	021519			
PAYMENT STATUS	ON SCHEDULE						
TAXES PAID							



**These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

USDA RURAL DEVELOPMENT
PHONE#(833)797-3726
4300 GOODFELLOW BLVD FC-1332
ST. LOUIS, MO 63120

CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.

OMB NO. 1545-0901
2018
(Rev. June 2018)
Form 1098

CORRECTED (if checked)
Mortgage Interest Statement

RECIPIENT'S/LENDERS TIN
[REDACTED]

PAYER'S/BORROWER'S TIN
[REDACTED]

1 Mortgage interest received from payer(s)/borrower(s)
\$ 0.00

2 Outstanding mortgage principal as of 1/1/2018
\$

3 Mortgage origination date

PAYER'S/BORROWER'S name, Street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code

EL PASO COUNTY 49-727
W.C.I.D. NO. 4
P O BOX 3880
FABENS TX 79838

4 Refund of overpaid interest
\$

5 Mortgage insurance premiums
\$

6 Points paid on purchase of principal residence
\$

7 If address of property securing mortgage is the same as PAYER'S/BORROWER'S address, the box is checked, or the address or description is entered

9 Number of properties securing the mortgage 10 Other
IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN

8 Address or description of property securing mortgage (see instructions)

COPY B FOR PAYER/BORROWER

The information in boxes 1 through 9 is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points reported in boxes 1 and 5; or because you didn't report the refund of interest (box 4); or because you claimed a nondeductible item.

Account number (see instructions)
[REDACTED]

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
ANNUAL STATEMENT OF LOAN ACCOUNT

SAVE THIS INFORMATION
FOR INCOME TAX PURPOSES

PAGE 001
DATE 123117

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		12,375.61	773,000.00	785,375.61			010117
PAYMENT		16,426.25	0.00	16,426.25	R	04.2500	021517
PAYMENT		16,426.25	16,000.00	32,426.25	R	04.2500	081517
TOTAL LOAN PMTS		32,852.50	16,000.00	48,852.50			
LOAN ACTIVITY	0.00	32,852.50	16,000.00	48,852.50			
LOAN BALANCE	UNPD INTEREST	12,118.52 **	UNPD PRIN	757,000.00 **			
NXT AMT DUE	16,086.25		DATE DUE	021518			
PAYMENT STATUS	ON SCHEDULE						
TAXES PAID							

**These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901 2017 (Rev. June 2017) Form 1098	CORRECTED (if checked) Mortgage Interest Statement
RECIPIENT'S/LENDERS federal identification number [REDACTED]	PAYER'S/BORROWER'S taxpayer identification no. [REDACTED]	1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00	2 Outstanding mortgage principal as of 1/17/2017 \$ [REDACTED]	3 Mortgage origination date [REDACTED]
PAYER'S/BORROWER'S name, Street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY 49-727 W.C.I.D. NO. 4 P O BOX 3880 FABENS TX 79838		4 Refund of overpaid interest \$ [REDACTED]	5 Mortgage insurance premiums \$ [REDACTED]	The information in boxes 1 through 10 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points, reported in boxes 1 and 5, or because you didn't report the refund of interest (box 4), or because you claimed a non-deductible item.
10 Number of mortgaged properties	11 Other IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN	6 Points paid on purchase of principal residence \$ [REDACTED]	7 Is address of property securing mortgage same as PAYER'S/BORROWER'S address? If "Yes", box is checked. <input checked="" type="checkbox"/> If "No", see box 8 or 9, below	
Account number (see instructions) [REDACTED]		8 Address of property securing mortgage [REDACTED]	9 If property securing mortgage has no address, below is the description of the property [REDACTED]	

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DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		12,632.70	789,000.00	801,632.70			010116
PAYMENT		16,766.25	0.00	16,766.25	R	04.2500	021516
PAYMENT		16,766.25	16,000.00	32,766.25	R	04.2500	081516
TOTAL LOAN PMTS		33,532.50	16,000.00	49,532.50			
LOAN ACTIVITY	0.00	33,532.50	16,000.00	49,532.50			
LOAN BALANCE	UNPD INTEREST	12,375.61 **	UNPD PRIN	773,000.00 **			
NXT AMT DUE	16,426.25	DATE DUE	021517				
PAYMENT STATUS	ON SCHEDULE						
TAXES PAID							

****These unpaid balances may not reflect the total amount due to the Agency at payoff**

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901 2016 (Rev. June 2016) Form 1098	CORRECTED (if checked) Mortgage Interest Statement
RECIPIENT'S/LENDERS federal identification number [REDACTED]	PAYER'S/BORROWER'S taxpayer identification no [REDACTED]	1 Mortgage interest received from payer(s)/borrower(s) # \$ 0.00	2 Outstanding mortgage principal as of 1/17/2016 \$	3 Mortgage origination date
PAYER'S/BORROWER'S name, Street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY W.C.I.D. NO. 4 P O BOX 3880 FABENS TX 79838		4 Refund of overpaid interest \$	5 Mortgage insurance premiums \$	The information in boxes 1 through 9 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points, reported in boxes 1 and 5; or because you didn't report the refund of interest (box 4); or because you claimed a non-deductible item.
10 Other IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN Account number (see instructions) [REDACTED]		6 Points paid on purchase of principal residence \$	7 Is address of property securing mortgage same as PAYER'S/BORROWER'S address? If Yes, box is checked <input checked="" type="checkbox"/> If No, see box 8 or 9, below	
		8 Address of property securing mortgage	9 If property securing mortgage has no address, below is the description of the property	

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CASE NUMBER [REDACTED] FINAL YEAR OF LOAN 2043
 FUND CODE [REDACTED] LOAN NUMBER [REDACTED] DATE OF LOAN 08/21/03 INTEREST RATE 04.2500 AMOUNT OF LOAN 930,000.00

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		12,873.72	804,000.00	816,873.72			010115
PAYMENT		17,085.00	0.00	17,085.00	R	04.2500	021515
PAYMENT		17,085.00	15,000.00	32,085.00	R	04.2500	081515
TOTAL LOAN PMTS		34,170.00	15,000.00	49,170.00			

LOAN ACTIVITY 0.00 34,170.00 15,000.00 49,170.00
 LOAN BALANCE UNPD INTEREST 12,632.70 ** UNPD PRIN 789,000.00 **
 NXT AMT DUE 16,766.25 DATE DUE 021516
 PAYMENT STATUS ON SCHEDULE
 TAXES PAID

**These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120	CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO.1545-0901 2015 Form 1098	<input type="checkbox"/> CORRECTED (if checked) Mortgage Interest Statement
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RECIPIENT'S Federal Identification no. [REDACTED]	PAYER'S social security number [REDACTED]	1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00	COPY B FOR PAYER/BORROWER The information in boxes 1, 2, 3, and 4 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
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PAYER'S/BORROWER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY W.C.I.D. NO. 4 P O BOX 3880 FABENS TX	49-727	2 Points paid on purchase of principal residence \$
	79838	3 Refund of overpaid interest \$
		4
		5 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.

Account number (see instructions) [REDACTED]

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DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		13,098.67	818,000.00	831,098.67			010114
PAYMENT		17,382.50	0.00	17,382.50	R	04.2500	021514
PAYMENT		17,382.50	14,000.00	31,382.50	R	04.2500	081514
TOTAL LOAN PMTS		34,765.00	14,000.00	48,765.00			

LOAN ACTIVITY	0.00	34,765.00	14,000.00	48,765.00			
LOAN BALANCE	UNPD INTEREST	12,873.72 **	UNPD PRIN	804,000.00 **			
NXT AMT DUE	17,085.00		DATE DUE	021515			
PAYMENT STATUS	ON SCHEDULE	INT PAID	34,765.00				

TAXES PAID

**These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120	CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901 2014 Form 1098	<input type="checkbox"/> CORRECTED (if checked) Mortgage Interest Statement
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RECIPIENT'S federal identification no. PAYER'S social security number	1 Mortgage interest received from payer(s)/borrower(s)* \$ 0.00	COPY B FOR PAYER/BORROWER The information in boxes 1, 2, 3, and 4 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
PAYER'S/BORROWER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY W.C.I.D. NO. 4 P O BOX 3880 FABENS TX 79838	2 Points paid on purchase of principal residence \$	
	3 Refund of overpaid interest \$	
	4	
Account number (see instructions)	5 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.	

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UNITED STATES DEPARTMENT OF AGRICULTURE
 RURAL DEVELOPMENT
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DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		13,323.62	832,000.00	845,323.62			010113
PAYMENT		17,680.00	0.00	17,680.00	R	04.2500	021513
PAYMENT		17,680.00	14,000.00	31,680.00	R	04.2500	081513
TOTAL LOAN PMTS		35,360.00	14,000.00	49,360.00			
LOAN ACTIVITY	0.00	35,360.00	14,000.00	49,360.00			
LOAN BALANCE	UNPD INTEREST	13,098.67 **	UNPD PRIN	818,000.00 **			
NXT AMT DUE	17,382.50		DATE DUE	021514			
PAYMENT STATUS	ON SCHEDULE	INT PAID	35,360.00				
TAXES PAID							

**These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, street address, city or town, province or state, country, ZIP or foreign postal code, and telephone number USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901 <h1 style="text-align: center;">2013</h1> Form 1098	<input type="checkbox"/> CORRECTED (if checked) <h2 style="text-align: center;">Mortgage Interest Statement</h2>
RECIPIENT'S federal identification no. [REDACTED]	PAYER'S social security number [REDACTED]	1 Mortgage interest received from payer(s)/borrower(s)* \$ 0.00		COPY B FOR PAYER/BORROWER The information in boxes 1, 2, 3, and 4 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
PAYER'S/BORROWER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code EL PASO COUNTY 49-727 W.C.I.D. NO. 4 P O BOX 3880 FABENS TX 79838		2 Points paid on purchase of principal residence \$		
		3 Refund of overpaid interest \$		
		4 Mortgage insurance premiums \$		
Account number (see instructions) [REDACTED]		5 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.		

USDA-RD

LOAN 

Date of Loan

2/26/2009

Loan Amount

4,694,000.00

Interest Rate

4.375

SEWER - WWT P

UNITED STATES DEPARTMENT OF AGRICULTURE
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DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		70,116.53	4,248,000.00	4,318,116.53			010118
PAYMENT		92,925.00	0.00	92,925.00	R	04.3750	021518
PAYMENT		92,925.00	7,074.99	99,999.99	R	04.3750	081518
PAYMENT		0.00	59,925.01	59,925.01	R	04.3750	081518
TOTAL LOAN PMTS		185,850.00	67,000.00	252,850.00			
LOAN ACTIVITY	0.00	185,850.00	67,000.00	252,850.00			
LOAN BALANCE	UNPD INTEREST	69,008.29 **	UNPD PRIN	4,181,000.00 **			
NXT AMT DUE	91,459.37		DATE DUE	021519			
PAYMENT STATUS	ON SCHEDULE						
TAXES PAID							

*These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. USDA RURAL DEVELOPMENT PHONE#(833)797-3726 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901 2018 (Rev. June 2018) Form 1098	CORRECTED (if checked) Mortgage Interest Statement
RECIPIENT'S/LENDERS TIN [REDACTED]	PAYER'S/BORROWER'S TIN [REDACTED]	1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00	2 Outstanding mortgage principal as of 1/17/2018 \$	3 Mortgage origination date
PAYER'S/BORROWER'S name, Street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY 49-727 W.C.I.D. NO. 4 P O BOX 3880 FABENS TX 79838		4 Refund of overpaid interest \$	5 Mortgage insurance premiums \$	The information in boxes 1 through 5 is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty, negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points reported in boxes 1 and 5, or because you didn't report the refund of interest (box 4); or because you claimed a nondeductible item.
9 Number of properties securing the mortgage	10 Other IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN	6 Points paid on purchase of principal residence \$	7 If address of property securing mortgage is the same as PAYER'S/BORROWER'S address, the box is checked, or the address or description is entered in box 8. <input checked="" type="checkbox"/>	
Account number (see instructions) [REDACTED]		8 Address or description of property securing mortgage (see instructions)		

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PAGE 002
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DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		71,175.15	4,312,000.00	4,383,175.15			010117
PAYMENT		94,325.00	0.00	94,325.00	R	04.3750	021517
PAYMENT		94,325.00	5,674.99	99,999.99	R	04.3750	081517
PAYMENT		0.00	58,325.01	58,325.01	R	04.3750	081517
TOTAL LOAN PMTS		188,650.00	64,000.00	252,650.00			
LOAN ACTIVITY	0.00	188,650.00	64,000.00	252,650.00			
LOAN BALANCE	UNPD INTEREST	70,116.53 **	UNPD PRIN	4,248,000.00 **			
NXT AMT DUE	92,925.00		DATE DUE	021518			
PAYMENT STATUS	ON SCHEDULE						
TAXES PAID							
***These unpaid balances may not reflect the total amount due to the Agency at payoff.							
RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120		CAUTION: The amount shown may not be fully deductible by you. Limit is based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO. 1545-0901 2017 (Rev. June 2017) Form 1098		<input type="checkbox"/> CORRECTED (if checked) Mortgage Interest Statement	
RECIPIENT'S/LENDERS federal identification number [REDACTED]		PAYER'S/BORROWER'S taxpayer identification no. [REDACTED]		1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00		3 Mortgage origination date	
PAYER'S/BORROWER'S name, Street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY W.C.I.D. ND. 4 P O BOX 3880 FABENS TX 49-727 79838		2 Outstanding mortgage principal as of 1/1/2017 \$		5 Mortgage insurance premiums \$		The information in boxes 1 through 10 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points, reported in boxes 1 and 8, or because you didn't report the refund of interest (box 4), or because you claimed a non-deductible item.	
10 Number of mortgaged properties 11 Other		IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN		4 Refund of overpaid interest \$		6 Points paid on purchase of principal residence \$	
Account number (see instructions) [REDACTED]		7 Is address of property securing mortgage same as PAYER'S/BORROWER'S address? If "Yes", box is checked..... <input checked="" type="checkbox"/> If "No", see box 8 or 9, below		8 Address of property securing mortgage		9 If property securing mortgage has no address, below is the description of the property	

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DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		72,200.69	4,374,000.00	4,446,200.69			010116
PAYMENT		95,681.25	0.00	95,681.25	R	04.3750	021516
PAYMENT		95,681.25	4,318.74	99,999.99	R	04.3750	081516
PAYMENT		0.00	57,681.26	57,681.26	R	04.3750	081516
TOTAL LOAN PMTS		191,362.50	62,000.00	253,362.50			
LOAN ACTIVITY	0.00	191,362.50	62,000.00	253,362.50			
LOAN BALANCE	UNPD INTEREST	71,175.15 **	UNPD PRIN	4,312,000.00 **			
NXT AMT DUE	94,325.00		DATE DUE	021517			
PAYMENT STATUS	ON SCHEDULE						
TAXES PAID							

**These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901 2016 (Rev. June 2016) Form 1098	<input type="checkbox"/> CORRECTED (if checked) Mortgage Interest Statement
RECIPIENT'S/LENDERS federal identification number [REDACTED]	PAYER'S/BORROWER'S taxpayer identification no. [REDACTED]	1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00	2 Outstanding mortgage principal as of 1/1/2016 \$	3 Mortgage origination date
PAYER'S/BORROWER'S name, Street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY W.C.I.D. NO. 4 P O BOX 3880 FABENS TX 79838		4 Refund of overpaid interest \$	5 Mortgage insurance premiums \$	COPY B FOR PAYER/BORROWER The information in boxes 1 through 9 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest over these points, reported in boxes 1 and 6; or because you didn't report the refund of interest (box 4); or because you claimed a non-deductible item.
10 Other IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN Account number (see instructions) [REDACTED]		6 Points paid on purchase of principal residence \$	7 Is address of property securing mortgage same as PAYER'S/BORROWER'S address? If Yes, box is checked <input checked="" type="checkbox"/> If No, see box 8 or 9, below	
		8 Address of property securing mortgage	9 If property securing mortgage has no address, below is the description of the property	

UNITED STATES DEPARTMENT OF AGRICULTURE
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SAVE THIS INFORMATION
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DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		74,119.43	4,490,000.00	4,564,119.43			010114
PAYMENT		98,218.75	0.00	98,218.75	R	04.3750	021514
PAYMENT		98,218.75	1,781.24	99,999.99	R	04.3750	081514
PAYMENT		0.00	55,218.76	55,218.76	R	04.3750	081514
TOTAL LOAN PMTS		196,437.50	57,000.00	253,437.50			
LOAN ACTIVITY	0.00	196,437.50	57,000.00	253,437.50			
LOAN BALANCE	UNPD INTEREST	73,176.60 **	UNPD PRIN	4,433,000.00 **			
NXT AMT DUE	96,971.87		DATE DUE	021515			
PAYMENT STATUS	ON SCHEDULE	INT PAID	196,437.50				
TAXES PAID							
**These unpaid balances may not reflect the total amount due to the Agency at payoff.							
RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO.1545-0901 <h1 style="font-size: 2em;">2014</h1> Form 1098		<input type="checkbox"/> CORRECTED (if checked) <h2 style="text-align: center;">Mortgage Interest Statement</h2>	
RECIPIENT'S federal identification no. [REDACTED]	PAYER'S social security number [REDACTED]	1 Mortgage interest received from payer(s)/borrower(s)* \$ 0.00		COPY B FOR PAYER/BORROWER The information in boxes 1, 2, 3, and 4 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.			
PAYER'S/BORROWER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code EL PASO COUNTY 49-727 W.C.I.D. NO. 4 P O BOX 3880 FABENS TX 79838		2 Points paid on purchase of principal residence \$					
		3 Refund of overpaid interest \$					
		4					
Account number (see instructions) [REDACTED]		5 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.					

UNITED STATES DEPARTMENT OF AGRICULTURE
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CASE NUMBER [REDACTED]		FINAL YEAR OF LOAN 2049		AMOUNT OF LOAN 4,694,000.00		
FUND CODE [REDACTED]		LOAN NUMBER [REDACTED]	DATE OF LOAN 02/26/09	INTEREST RATE 04.3750		
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		75,012.64	4,544,000.00	4,619,012.64		010113
PAYMENT		99,400.00	0.00	99,400.00	R 04.3750	021513
PAYMENT		99,400.00	599.99	99,999.99	R 04.3750	081513
PAYMENT		0.00	53,400.01	53,400.01	R 04.3750	081513
TOTAL LOAN PMTS		198,800.00	54,000.00	252,800.00		
LOAN ACTIVITY	0.00	198,800.00	54,000.00	252,800.00		
LOAN BALANCE	UNPD INTEREST	74,119.43 **	UNPD PRIN	4,490,000.00 **		
NXT AMT DUE	98,218.75		DATE DUE	021514		
PAYMENT STATUS	ON SCHEDULE	INT PAID	198,800.00			
TAXES PAID						
**These unpaid balances may not reflect the total amount due to the Agency at payoff.						
RECIPIENT'S/LENDER'S name, street address, city or town, province or state, country, ZIP or foreign postal code, and telephone number			CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO. 1545-0901	<input type="checkbox"/> CORRECTED (if checked)
USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703					2013	Mortgage Interest Statement
RECIPIENT'S federal identification no. [REDACTED]			PAYER'S social security number [REDACTED]		Form 1098	
PAYER'S/BORROWER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code			1 Mortgage interest received from payer(s)/borrower(s)*		COPY B FOR PAYER/BORROWER The information in boxes 1, 2, 3, and 4 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.	
EL PASO COUNTY 49-727			\$ 0.00			
W.C.I.D. NO. 4			2 Points paid on purchase of principal residence			
P O BOX 3880			\$			
FABENS TX 79838			3 Refund of overpaid interest			
Account number (see instructions)			4 Mortgage insurance premiums			
[REDACTED]			\$			
			5 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.			

*Rick
Giardina
& Associates, Inc.*

**Water and Wastewater
Rate Study**

Prepared for:

**El Paso County Water
Control & Improvement
District #4**

(Draft-Final)

October 12, 2001


2000-2010



■ *Memorandum*

October 12, 2001

To: Veronique Laurents, North American Development Bank
Steve Rodriguez, Manager, Fabens Water District

From: Rick Giardina, RGA Project Manager 

Re: Rate Study – Draft Report

We have completed our preliminary and prepared the attached draft report. Per our conversations I will present these results at the District's October 22, 2001 Board meeting. However, please call me before the meeting if you have any questions or concerns.



Utility Rate and
Financial Consultants



*The
North American
Development Bank*

*Water and Wastewater Rate
Study for the
El Paso County Water
Control & Improvement
District #4*

*IDP Project
No. IDP 107-02/1*

Draft
Final Report

October 15, 2001



Utility Rate and
Financial Consultants



Specializing in:

- Cost of Service Studies
- Impact Fee Studies
- Financial Feasibility Analysis
- Litigation Support
- Privatization Studies
- Mergers and Acquisitions
- Management and Organizational Reviews

October 12, 2001

Ms. Veronique Laurents
Project Manager
North American Development Bank
203 S. St. Mary's, Suite 300
San Antonio, TX 78205

Dear Ms. Laurents:

On behalf of Rick Giardina & Associates, Inc. I am pleased to submit this draft final report on the *Water and Wastewater Rate Study* completed for the El Paso County Water Control & Improvement District #4 (the District) (IDP 107-02/1). The attached report contains our analysis, findings, and recommendations regarding the financial performance (cashflow projections) of the District's water and wastewater utility systems.

Thank you for the opportunity to be of service to the North American Development Bank and the District on this important project. Questions regarding our report should be directed to me at (303) 699-2690.

Sincerely,

Richard D. Giardina
President

11 East Rice Place
Suite 100
Aurora, Colorado 80015
Phone 303 699-2690
Fax 303 699-2666

DIST002945

The North American Development Bank

**Water and Wastewater Rate Study for
the El Paso County Water Control & Improvement District #4
No. IDP#107-02/01**

Draft Final Report

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The North American Development Bank

Water and Wastewater Rate Study for the El Paso County Water Control & Improvement District #4 No. IDP#107-02/01

Draft Final Report

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The North American Development Bank

**Water and Wastewater Rate Study for
the El Paso County Water Control & Improvement District #4
No. IDP#107-02/01**

Draft Final Report

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- A Financial Plan
- B Water Rate Summary

EXECUTIVE SUMMARY

A. Overview and Purpose

This *Water and Wastewater Rate Study* for the El Paso County Water Control & Improvement District #4 (the District), was sponsored and funded by the North American Development Bank (Project No. IDP 107-02/01) and prepared by the firm of Rick Giardina & Associates, Inc. (RGA).

Components of this project include:

- Identification of all costs associated with the operation of the District's water and wastewater system.
- Projection of future costs.
- Definition of customer classifications.
- Compilation of demographic data related to customer base.
- Analysis of existing rate structure for appropriateness and sufficiency of revenue generated.
- Creation of a financial planning model based on information gathered in the course of the study.
- Determination of the ability of the system to support debt for planned projects.

B. Summary of Findings and Recommendations

The most significant findings and recommendations resulting from the rate and financial planning study are listed below:

1. NADB transition assistance is only available for residential customers; rates for non-residential accounts are based on the full, indicated cost of service. Transition assistance is intended to mitigate the rate impact associated with the construction and acquisition of water and wastewater facilities needed for the community and at least in part funded by NADB and/or other governmental agencies. NADB assistance is not intended to lessen the impact of future rate adjustments for non-residential accounts.

2. The NADB has determined that transition assistance will be provided in the amounts and timeframe indicated in table ES-1. Total assistance is \$256,105 for water and \$1,099,142 is for wastewater.

<u>Water</u>		<u>Wastewater</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
02	\$86,100	02	\$192,274
03	\$69,478	03	\$182,509
04	\$51,016	04	\$171,751
05	\$30,031	05	\$159,737
06	\$8,890	06	\$146,449
07	\$6,365	07	\$131,561
08	\$4,225	08	\$114,861

3. The Bank is also providing construction assistance for both water and wastewater facilities. This assistance \$2.03 million for water and \$2.02 for wastewater, is assumed to provide to the District in 2002; the same year as the planned capital improvements.

4. As a condition of receiving transition assistance the District must establish rates for service (residential and non-residential) that meet the

following requirements for the period over which transition assistance is provided:

- Establish an operating and maintenance (O&M) expense reserve equal to at least 60 days or approximately 17% of annual cash O&M costs.
- Set rates so as to generate net revenues before debt service, equal to 1.25 times the current year's debt service amount – debt service coverage ratio.

The recommended plan achieves these goals for the water operations for each year of the 10-year study period. However, for debt service coverage wastewater operations falls short of the 1.25 times requirement in one of the seven years during which NADB provides transitions assistance. During all years the total utility fund (water and wastewater) of the District exceeds the 1.25 times coverage requirement.

5. The District is not required to (at this time), adopt the increases noted on Table ES-2. Each year as part of the budget process the District should carefully evaluate the performance of the water and wastewater operations in light of projected O&M and capital needs. Based on this assessment, the District would then establish rates for the next year.

Based on the current projected financial results and the rate increases as noted in Table ES-2, detailed rate schedules have been prepared – see Appendix B. Rates in 2002 reflect uniform or across-the-board increases based on the revenue increases noted on Table ES-1. Rates

for all subsequent years as illustrated in Appendix B, are computed based on the previous years rate multiplied by the indicated residential or non-residential revenue increase (Table ES-2). For financial planning purposes the increases noted in Table ES-2 were assumed to be effective at the start of the District's year – January 1.

As noted on Table ES-2 residential water rate increases are not projected over the 10-year study period. However, an increase in residential rates (12%) will be needed in 2002 to achieve the cash reserve and debt service coverage requirements established by NADB. Both residential (59%) and non-residential (140%) rates will be increased in order to move wastewater operations in the direction of achieving established financial targets.

Table ES-2 Revenues Increases					
Water			Wastewater		
<u>Year</u>	<u>Residential</u>	<u>Non-Residential</u>	<u>Year</u>	<u>Residential</u>	<u>Non-Residential</u>
01	0%	0%	01	0%	0%
02	0%	12%	02	59%	140%
03	0%	0%	03	38%	38%
04	0%	0%	04	2%	2%
05	0%	0%	05	0%	0%
06	2%	2%	06	0%	0%
07	0%	0%	07	2%	2%
08	1%	2%	08	0%	0%
09	0%	0%	09	0%	0%
10	0%	1%	10	43%	43%

Table ES-3 illustrates current and proposed wastewater rates while Table ES-4 compares current and proposed combined bills for different residential customers. For example, a customer using 6,000 gallons of water in a monthly billing period currently pays \$18.90 for both water and wastewater service. Based upon a 59% increase in residential wastewater rates effective January 1, 2002, this same customer would pay \$23.18 – an increase of \$4.28 or approximately 23%. Similarly, a residential customer using 12,000 gallons of water in a monthly billing period would currently pay \$26.05 for both water and wastewater service. Under the recommended rate structure, this same customer would pay \$31.38 – an increase of \$5.33 or approximately 20%.

Table ES-3				
Current and Proposed 2002 Wastewater Rates				
Monthly Charge (per account)	Current	Proposed	Difference	
			\$	%
Residential	\$ 7.25	\$11.53	\$4.28	59%
Residential/Commercial	9.95	23.88	13.93	140%
Large User	68.40	164.16	95.76	140%
Commodity Charge (on usage over 8,500)				
Residential	\$0.50	\$0.80	\$0.30	60%
Residential/Commercial	\$0.50	\$1.20	\$0.70	140%
Large User	\$0.50	\$1.20	\$0.70	140%

Table ES-4					
Water and Wastewater Bill Comparison					
Customer Type	Monthly Use (1,000 gals.)	Current	Proposed	Difference	
				\$	(%)
Residential					
In District					
Low	6.00	\$ 18.90	\$ 23.18	\$ 4.28	23%
Average	12.00	26.05	31.38	5.33	20%
High	34.00	74.00	86.53	12.53	17%
Very High	80.00	179.60	205.33	25.73	14%

(1) Rates effective January 1, 2002.

I. INTRODUCTION

A. Overview and Purpose

The firm of Rick Giardina & Associates, Inc. (RGA) was retained by the North American Development Bank (NADB) to complete a *Water and Wastewater Rate Study* for the El Paso County Water Control & Improvement District #4 (the District) (IDP 107-02/01). Financing for this study was provided by the NADB through its Institutional Development Cooperation Program (IDP). In general, the purpose of the study was to develop a rate and financial plan that may be used in determining future NADB participation in capital funding projects for Fabens.

Components of this project include:

- Identification of all costs associated with the operation of the District's water and wastewater system.
- Projection of future costs.
- Definition of customer classifications.
- Compilation of demographic data related to customer base.
- Analysis of existing rate structure for appropriateness and sufficiency of revenue generated.
- Creation of a financial planning model based on information gathered in the course of the study.
- Determination of the ability of the system to support debt for planned projects.

B. Report Organization

Our report to the NADB contains an executive summary, four detailed sections, and two appendices. Sections I and II provide an introduction and overview of the methodology employed in the completion of this project. Sections III and IV address financial planning and rate design issues for each of the two separate utilities. The appendices contain copies of the complete financial plan, the water and wastewater rate design schedules and schedules illustrating the customer impacts associated with the rate increases.

C. Acknowledgments

On behalf of the project team, we would like to acknowledge the commitment and contributions provided by District and Bank personnel in completing this project. In particular, we would like to recognize Steve Rodriguez, the District Manager, Fernando Escarcega and Veronique Laurents of the NADB.

D. Reliance on District-Provided Data

During the course of this project the District (and/or its representatives) provided RGA with a variety of technical information, including cost and revenue data. RGA did not independently assess or test for the accuracy of such data – historic or projected. We have relied on this data in the formulation of our findings and subsequent recommendations, as well as in the preparation of this report. As is often the case, there will be differences between actual and projected data, and these differences may be significant. Therefore, we take no responsibility for the accuracy of data or projections provided by or prepared on behalf of the District, nor do we have any responsibility for updating this report for events occurring after the date of this report.

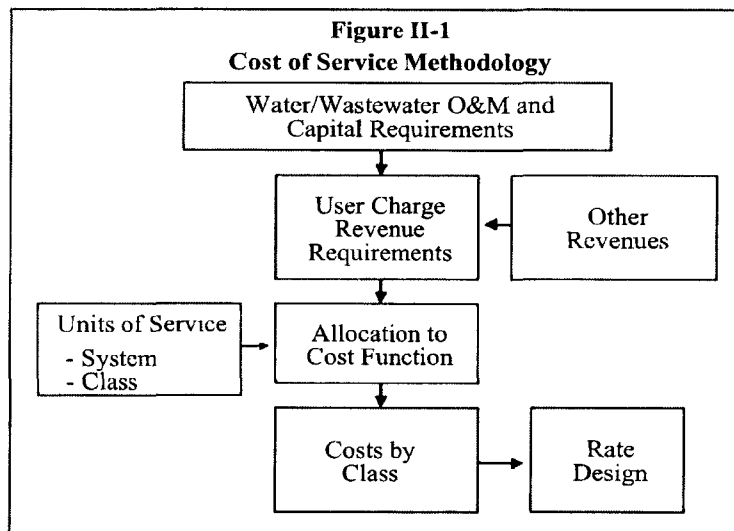
II. METHODOLOGY

A. Introduction

This section contains an overview and general description of the methodologies used in determining user charges for the District's water and wastewater utilities. The general approach involves the following:

- Identification of revenue requirements – O&M and capital costs
- Consideration of other revenue sources and determination of net user charge revenue requirements
- Determination of customer demands and usage
- Allocation of revenue requirements to customer categories
- Determination of costs by customer class
- Design of user charges or rates

Figure II-1 illustrates this general process. One of the objectives of this



study is to ensure that the water and wastewater operations achieve and maintain financial independence from one another. Recognizing this objective, it was necessary to categorize costs between water and wastewater operations in order to complete separate cost of service analyses.

The study period for this project includes the 10-year period ending in 2010, where the District operates under a calendar year. The “base” or starting year for the analysis is 2000.

B. Projection of Revenue Requirements

For determining water and wastewater rates, the total costs of providing the respective services were projected through the end of the study period. These projections were based primarily on the District's FY 2000 budget,

as well as similar historical data. Revenue requirements provide the basis for the development of a financial plan that reflects decisions regarding, the issuance of debt, rate changes, etc. These types of decisions are heavily influenced by a number of financial considerations including:

- The amount of “cash” reserves that can be used to moderate otherwise needed rate increases; and
- Debt service coverage requirements established for general obligation and revenue bond issues.¹

Revenue requirements include operation and maintenance (O&M) expenses, capital (non-operating) expenditures, and debt service.

Operation and maintenance expenses are typically defined as expenses that are ongoing and recurring and are generally incurred during a utility’s operating cycle. Examples of operating expenses would include salaries and wages, contracted services, and materials and supplies, etc. A general inflation factor of 4% was applied to base year O&M to control for the effect of changes in the general price level over the planning period.

Conversely, capital expenditures generally are not recurring, and result in the creation (by construction or purchase) of assets which typically have a useful life longer than one year. Additionally, a minimum cost threshold typically further defines capital expenditures. Examples of utility-related capital expenses would include treatment plants, pumping stations, interceptors, etc.

Debt service represents the utility’s annual repayment of principal and interest on borrowed funds.

The District has received and is projected to receive grant monies from the State to construct both water and wastewater facilities. This source of capital funding is reflected in the financial and rate plan based upon discussions with NADB, the District and the District’s outside financial advisor.

¹ For purposes of this study current and future debt will require that rates be sufficient to achieve a 1.25 debt service coverage ratio as of FY 2002.

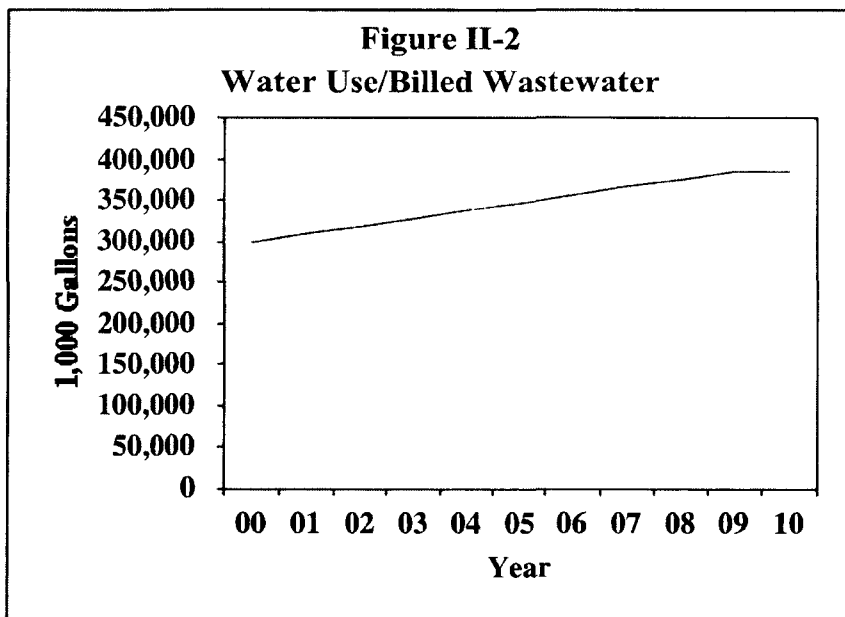
C. Projection of Service Demands

Factors affecting future service demands for utility service (e.g., water use and wastewater flows) typically include forecasts of account growth.

Using the number of accounts as of September 2000, as a starting point, the percentage change in accounts as projected by the District was used to estimate residential and non-residential accounts over the 10-year study period. The growth rate or percentage change was applied uniformly to all customer classifications. Table II-1 is a summary of accounts over the 10-year study period.

Water				Wastewater			
2000	2,201	2006	2,408	2000	2,201	2006	2,408
2001	2,234	2007	2,444	2001	2,234	2007	2,444
2002	2,268	2008	2,2481	2002	2,268	2008	2,481
20 03	2,302	2009	2,2518	2003	2,302	2009	2,518
2004	2,337	2010	2,556	2004	2,337	2010	2,556
20 05	2,372			2005	2,372		

Billed water use was estimated based on the database of accounts and projections of accounts provided by the District. For 2000 annual residential water use per account was 103,410 gallons and for non-residential customers 64,528 gallons per year per account. For the study



period, annual billed water use was based on the projected number of accounts multiplied by the respective use per account. Water use per account (and billed wastewater flows) was held constant over the study period.

Figure II-2 illustrates current and projected water use and wastewater flows. Wastewater flow and billable units, are estimated at 100% of water use.

Table II-2 is a summary of account, usage and current revenue information for 2000.

Table II-2 Account / Usage Summary 2000						
Class	Water			Wastewater		
	Accounts	Usage (1)	Revenue (2)	Accounts	Flow (1)	Revenue (2)
Residential	2,242	232.57	\$419,138	2,242	232.57	\$239,620
Non-Residential	165	66.51	153,561	165	66.51	93,686
Total	2,407	299.08	\$572,699	2,407	299.08	\$333,306

(1) Usage/flow reported in millions of gallons.
(2) Projected revenue at current rates.

Customer classes as used in the rate analysis included both residential and non-residential (commercial) classifications.

D. Financial Planning

Because transition and construction assistance is provided by the NADB only for the benefit of residential accounts it was necessary to use an iterative process in preparing the recommended financial plan and projection of rate increases. This process involved the development of a financial plan without any NADB financial assistance. This plan is illustrated in Table II-3. This table contains as inputs the percentage increase in rates, construction assistance amounts, bond proceeds, and transition assistance amounts. Without any NADB assistance a plan was developed using a combination of rate increases and bond issues. This plan (see Table II-3) meets the 60-day O&M reserve requirement and the 1.25 times debt service coverage threshold. All rate increases are equal for both residential and non-residential accounts.

The next step in the process was to then input the construction and transition assistance provided by the NADB. This alternative or the recommended financial plan is shown on Table II-4. Once the NADB assistance is considered the bond issues and residential rate increases are adjusted to achieve the 60-day reserve and 1.25 times coverage requirements. By only adjusting the residential rate increases the plan reflects the "benefit" of NADB assistance going directly to the residential accounts. For example, without NADB assistance the 2002 water rate increase for all accounts is 50%. With NADB assistance the 50% increase for residential accounts can be eliminated. In similar fashion the 2002 residential wastewater increase of 140% (see Table II-3) is reduced to 59% with NADB assistance (see Table II-4).

**Table II-3
Financial Plan
Without NADB Assistance**

	CURRENT YEAR										
	2000	Projected									
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenue Adjustments											
Water [1]											
Residential		0%	50%	100%	0%	0%	0%	0%	0%	0%	0%
Non-Residential		0%	50%	100%	0%	0%	0%	0%	0%	0%	0%
Effective Month of Adjustment (1=Jan)		11	1	1	1	1	1	1	1	1	1
Wastewater [1]											
Residential		0%	140%	38%	5%	0%	0%	0%	0%	0%	37%
Non-Residential		0%	140%	38%	5%	0%	0%	0%	0%	0%	37%
Effective Month of Adjustment (1=Jan)		11	1	1	1	1	1	1	1	1	1
Construction Assistance											
Water	-	-	-	-	-	-	-	-	-	-	-
Wastewater	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Bond Proceeds [2]											
Water	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wastewater	0	0	6,016,877	0	0	0	0	0	0	0	2,300,000
Total	\$0	\$0	\$7,016,877	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,300,000
Transition Assistance											
Water			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wastewater			0	0	0	0	0	0	0	0	0
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
End of Year Cash Balance											
Water	\$1,267,713	\$1,522,345	\$1,942,943	\$71,319	\$1,382,713	\$2,756,580	\$4,195,126	\$5,700,621	\$7,291,645	\$8,955,013	\$8,748,733
Wastewater	(140,781)	(329,018)	3,812,748	97,246	155,145	211,037	264,215	313,917	457,049	598,893	127,384
Total	\$1,126,933	\$1,193,326	\$5,755,691	\$168,565	\$1,537,858	\$2,967,617	\$4,459,341	\$6,014,537	\$7,748,694	\$9,553,906	\$8,876,116
O&M Reserve Ratio days [3]											
Water	1,163	1,407	1,726	61	1,136	2,177	3,186	4,163	5,120	6,046	5,679
Wastewater	(108)	(227)	2,537	62	96	125	151	173	242	306	63
Total	471	472	2,190	62	542	1,006	1,455	1,888	2,340	2,777	2,482
Debt Service Coverage Ratio											
Water	NA	NA	NA	18.18	17.38	18.15	18.95	19.77	20.62	21.51	22.44
Wastewater	NA	NA	NA	1.52	1.32	1.32	1.31	1.31	1.30	1.30	2.31
Total [4]	NA	NA	NA	3.89	3.61	3.72	3.83	3.94	4.05	4.18	5.18

[1] Input percentage increase in revenues

[2] Input bond / loan amounts

[3] Ending cash balance as a percent of O&M expenditures - target 60 days or (16.44%)

[4] Required Coverage 1.25

**Table II-4
Financial Plan
With NADB Assistance**

	CURRENT YEAR										
	2000	Projected									
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenue Adjustments											
Water [1]											
Residential		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Non-Residential		0%	25%	0%	0%	0%	0%	0%	0%	0%	0%
Effective Month of Adjustment (1=Jan)		11	1	1	1	1	1	1	1	1	1
Wastewater [1]											
Residential		0%	52%	38%	5%	0%	0%	0%	0%	0%	34%
Non-Residential		0%	140%	38%	5%	0%	0%	0%	0%	0%	34%
Effective Month of Adjustment (1=Jan)		11	1	1	1	1	1	1	1	1	1
Construction Assistance											
Water	-	-	\$2,032,621	-	-	-	-	-	-	-	-
Wastewater	-	-	2,016,877	-	-	-	-	-	-	-	-
Total	-	-	4,049,498	-	-	-	-	-	-	-	-
Bond Proceeds [2]											
Water	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$315,000
Wastewater	0	0	4,016,877	0	0	0	0	0	0	0	2,750,000
Total	\$0	\$0	\$5,016,877	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,065,000
Transition Assistance											
Water			\$86,100	\$69,478	\$51,016	\$30,031	\$8,890	\$6,365	\$4,225		
Wastewater			192,274	182,509	171,751	159,737	146,449	131,561	114,861		
Total	\$0	\$0	\$278,374	\$251,987	\$222,767	\$189,768	\$155,339	\$137,926	\$119,086	\$0	\$0
End of Year Cash Balance											
Water	\$1,267,713	\$1,522,345	\$3,804,211	\$910,830	\$1,123,648	\$1,316,264	\$1,487,154	\$1,653,477	\$1,831,064	\$2,001,398	\$538,241
Wastewater	(140,781)	(329,018)	3,804,661	161,950	264,787	350,536	416,540	459,681	541,723	500,007	121,437
Total	\$1,126,933	\$1,193,326	\$7,608,872	\$1,072,780	\$1,388,435	\$1,666,800	\$1,903,694	\$2,113,158	\$2,372,787	\$2,501,405	\$659,678
O&M Reserve Ratio - days [3]											
Water	1,163	1,407	3,380	778	923	1,040	1,129	1,207	1,286	1,351	349
Wastewater	(108)	(227)	2,532	104	163	208	238	253	287	255	60
Total	471	472	2,895	393	489	565	621	663	717	727	184
Debt Service Coverage Ratio											
Water	NA	NA	NA	5.59	3.85	3.60	3.34	3.28	3.22	3.13	3.08
Wastewater	NA	NA	NA	1.90	1.52	1.47	1.41	1.34	1.26	0.88	1.87
Total [4]	NA	NA	NA	2.63	1.99	1.90	1.79	1.73	1.65	1.33	2.11

[1] Input percentage increase in revenues
 [2] Input bond / loan amounts
 [3] Ending cash balance as a percent of O&M expenditures - target 60 days or (16.44%)
 [4] Required Coverage 1.25

APPENDIX A

Financial Plan

III. WATER RATES AND FINANCIAL PLAN

A. Current Rates

Table III-1 Current Water Service Charges		
Monthly Charge (per account)	Inside District	Outside District
Residential	\$8.95	\$13.43
Residential/Commercial	11.05	16.58
Large User	36.05	54.08
Commodity Charge (1)		
3,000 – 15,000	\$0.90	\$1.35
15,001 – 34,000	1.55	2.23
34,001 – 1,000,000	1.90	2.85
> 1,000,000	2.47	2.96
(1) All 3 customer classes are subject to the same commodity charges.		

The District's current water rate structure is composed of two parts, a volume rate per 1,000 gallons of metered water use and a monthly charge, which varies by customer class as well as for accounts located in the District and those located out of the District. Table III-1 illustrates the current rate structure.

Commodity charges also vary by customer class. The first 3,000 gallons are included in the monthly charge. Beyond 3,000 gallons in District residential customers pay \$.90 per 1,000 gallons of water use for up to 15,000. From 15,000 to 34,000 the charge is \$1.55 per thousand gallons.

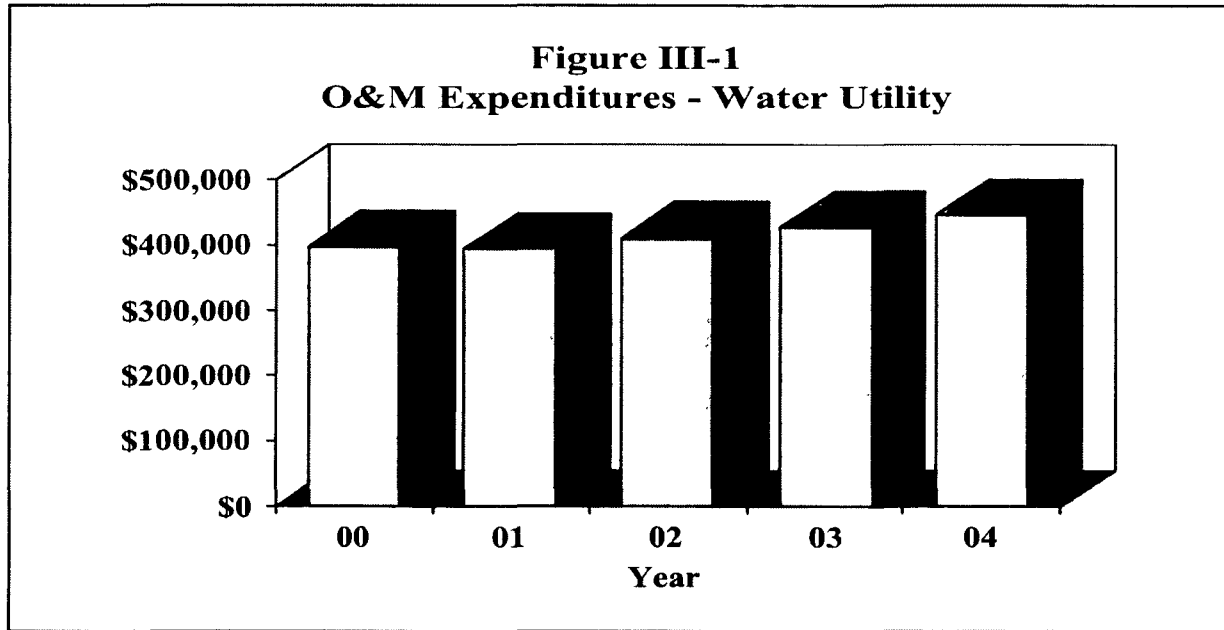
\$1.90 is charged per thousand gallons used between 34,000 and 1 million gallons. Customers using more than 1 million gallons per month are charged the highest rate at \$2.47 per thousand gallons used beyond the million gallon level. In district non-residential customers also receive the first 3,000 gallon inclusion in the monthly rate. Once the 3,000 gallon limit has been reached, a commodity charge structure that mirrors the residential rates come into effect.

B. Revenue Requirements / Financial Plan

As previously noted, revenue requirements include both O&M and capital related costs.

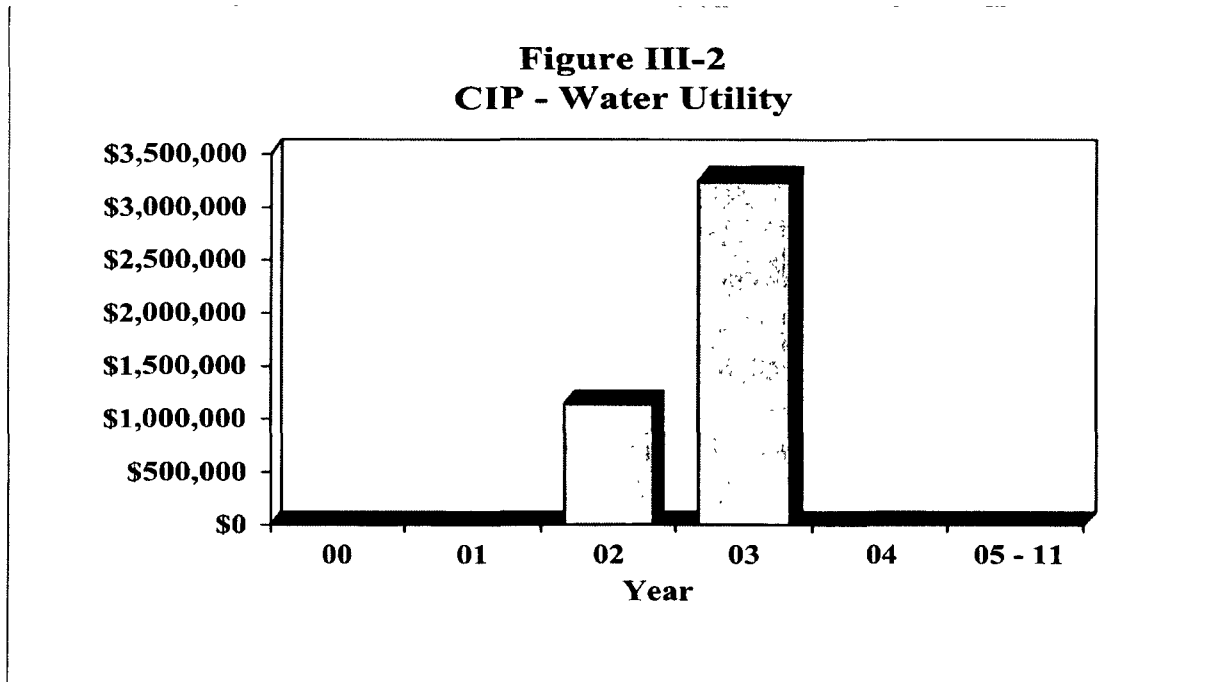
O&M

Figure III-1 illustrates the operation and maintenance expenditures for the water utility over the first five years of the 10-year study period. O&M expenditures are estimated to increase at an inflation rate of 4% per year. The budget for 2000 is \$397,936 and projected to increase to \$462,146 in 2005 and nearly \$562,272 in 2010.



CIP

Capital improvements for the water system are derived from the District's multi-year plan and are presented in Figure III-2².



² Capital improvements for the District's water and wastewater utility were provided by the District. The timing and amounts of individual projects have been reviewed and accepted by District management. A copy of the capital improvement plan is contained in Appendix A of this report.

In 2002 the District has programmed CIP projects associated with water improvements at a cost of \$1.1 million; followed by \$3.2 million in improvements in 2003. Further improvements at a cost of \$2 million are projected for 2010. No capital project expenditures have been identified in 2004-2009. Identified projects include:

- Water supply: Installation of a pump and chemical treatment units.
- Storage Capacity: Furnish and install an altitude valve at the I-10 storage tank and addition of 0.5 MG tank at well site # 4.
- Pumping Capacity: Additional 500 gallon per minute (gpm) pump boost to well # 4.
- Pumping Capacity: New 1,000 gpm booster pump station at well site # 4.
- Mains: Replacement of water mains.

Debt Service

The District currently does not have any outstanding debt. There will, however, be debt issues within the 10-year study period, \$1 million in 2002. The annual debt service on this issue will be approximately \$82,000 in 2003, and remain constant throughout the study period.

As required by the NADB, a debt service reserve must be established equal to the annual debt service payment. The reserve is funded over five years via equal installments or transfers from the water operations to a separate debt service fund.

Cashflow

Cash-on-hand or the beginning-of-year fund balance for the water utility was estimated at \$1.0 million in 2000 (January 1, 2000). The water operating fund is projected to receive a \$1 million bond issue in 2002. However, with estimated combined capital outlays of \$4.3 million in 2002, and 2003, this fund balance is eroded to just over \$900,000 at the end of 2003. A combination of bond issues, and NADB transition and construction assistance will allow the water utility to meet financial criteria as established by the NADB, without any rate increases (see Table III-2).

In general terms, the financial criteria or conditions of the transition assistance relate to the maintenance of certain reserve requirements as well as debt service coverage ratios. Based on an independent analysis the NADB has determined or estimated that water transition assistance in the

amount of approximately \$256,000 is warranted in order to mitigate the impact of rate increases that would otherwise be necessary over the 7-year period ending 2008 (see Table III-3). It should be noted that transition assistance from the NADB is only available to residential customers.

Table III-2						
Cashflow Projection – Water Fund						
	Last Year	Current Year				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Rate Increases						
Residential	-	-	-	-	-	-
Non-Residential	-	-	12%	-	-	-
Beginning of Year Cash Balance:	\$1,075,570	\$1,267,713	\$1,522,345	\$3,804,211	\$ 910,830	\$1,123,648
Operating Revenues:						
Service Revenues:						
Single Family Residential	418,425	424,701	431,072	437,538	444,101	450,763
Multi Family Residential	4,593	4,662	4,732	4,803	4,875	4,948
Churches	3,880	3,938	4,996	5,071	5,147	5,224
Non-Residential	149,681	151,926	192,756	195,647	198,582	201,561
Transition Assistance	-	-	86,100	69,478	51,016	30,031
Connection Revenues	16,000	16,240	16,484	16,731	16,982	17,237
Total Operating Revenues	<u>592,579</u>	<u>601,468</u>	<u>736,139</u>	<u>729,268</u>	<u>720,703</u>	<u>709,703</u>
Other Revenues:						
Construction Assistance	-	-	2,032,621	-	-	-
Bond/Loan Proceeds	-	-	1,000,000	-	-	-
Interest Income	-	50,709	60,894	152,168	336,433	44,946
Total Operating/Other Revenue	<u>592,579</u>	<u>652,176</u>	<u>3,829,654</u>	<u>881,437</u>	<u>757,136</u>	<u>754,709</u>
Expenditures:						
Operating Expenditures	397,936	395,045	410,8476	427,280	444,372	462,146
Capital Outlays	0	0	1,134,441	3,247,591	0	0
Deposit to R & R Reserve	2,500	2,500	2,500	2,500	2,500	2,500
Debt Service – Existing	0	0	0	0	0	0
Debt Service – Proposed	0	0	0	81,205	81,205	81,205
Deposit to Debt Service Reserve	-	-	-	16,241	16,241	16,241
Total Expenditures	<u>400,436</u>	<u>397,545</u>	<u>1,547,788</u>	<u>3,774,818</u>	<u>544,318</u>	<u>562,093</u>
Increase / (Decrease) in Cash	192,143	254,631	2,281,867	(2,893,381)	212,818	192,616
End of Year Cash Balance	<u>\$1,267,713</u>	<u>\$1,522,345</u>	<u>\$3,804,211</u>	<u>\$ 910,830</u>	<u>\$1,123,648</u>	<u>\$1,316,264</u>
O&M Reserve Ratio – Days	1,163	1,407	3,380	778	923	1,040
Debt Service Coverage Ratio	NA	NA	NA	5.59	3.85	3.60

<u>FY</u>	<u>Amount</u>
2002	\$86,100
2003	69,478
2004	51,016
2005	30,031
2006	8,890
2007	6,365
2008	4,225
Total	\$256,105

Table III-4 is a summary of projected residential and non-residential water rate increases. Four increases are deemed necessary throughout the study period. A 12% rate increase for non-residential customers in 2002 and a 2% increase to both residential and non-residential customers in 2006. Residential customers have one more 1% increase in 2008, while a 2% and a 1% increase is deemed necessary for non-residential customers in 2008 and 2010, respectively.

Due to the transition and construction assistance smaller revenue (rate) increases (2% and 1%) are needed (non initially for residential accounts and a 12% increase for non-residential in 2002 followed by smaller increases in later years). These conditions are two-fold. First, the District must establish cash or operating reserves in an amount equal to approximately 60 days or 17% of annual cash O&M expenditures.

<u>FY</u>	<u>Residential</u>	<u>Non-Residential</u>
2001	0%	0%
2002	0%	12%
2003	0%	0%
2004	0%	0%
2005	0%	0%
2006	2%	2%
2007	0%	0%
2008	1%	2%
2009	0%	0%
2010	0%	1%

The second financial requirement set forth by the NADB is associated with the annual calculation of debt service coverage. Debt service coverage is a measure of the utility's ability to repay its debt obligations. The NADB has indicated that by 2002 the District's utilities must be generating revenues sufficient to achieve a 1.25 times debt service coverage. The recommended financial plan is designed to meet not only debt service coverage, but also the cash reserve requirement as specified by the NADB.

NADB transition assistance is provided on an annual basis. Accordingly, it is incumbent upon the District to carefully monitor the financial performance of the water operation. While revenue increases over the next several years are not warranted, increases may be necessary depending on the level of future CIP expenditures and a variety of other factors. Annual reviews, as part of the budget process, should be used to periodically assess the condition of the water operation.

C. Rate Structure Recommendations

Rate Increase

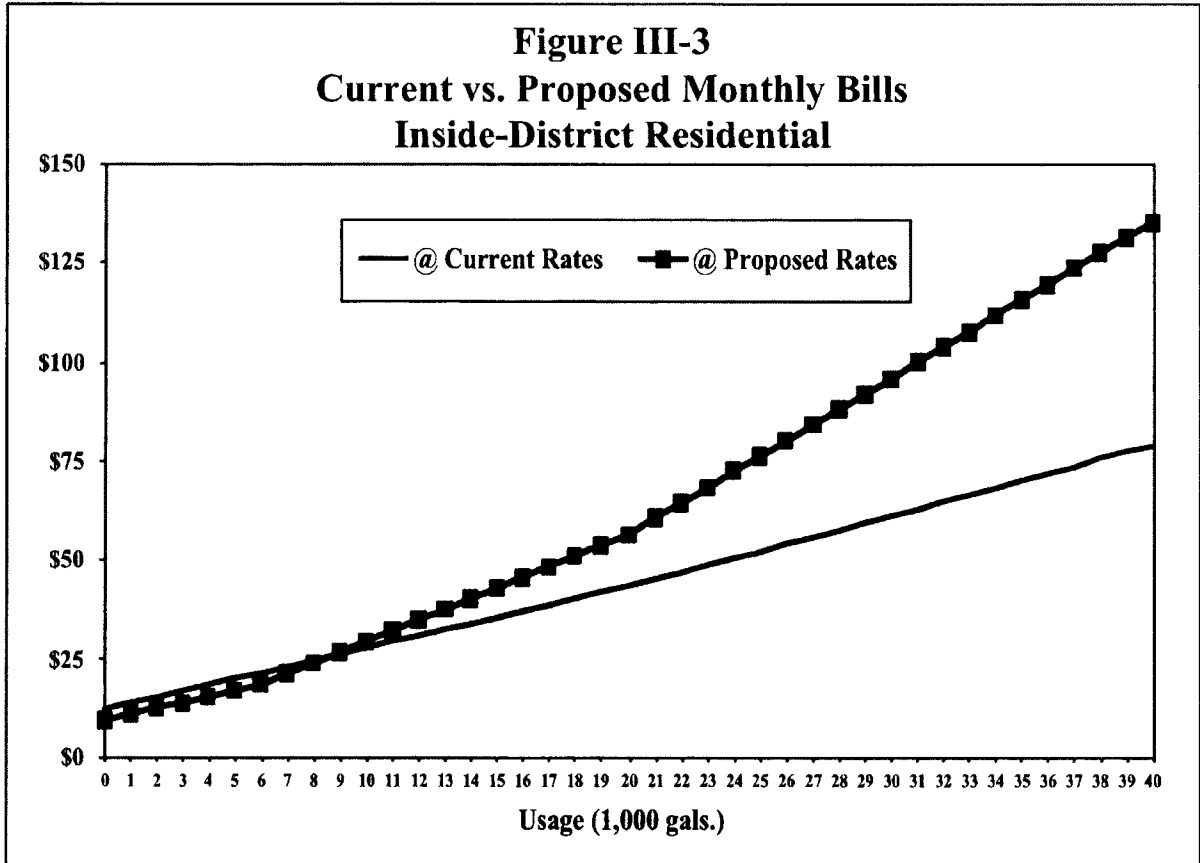
Transition assistance is only available to residential customers. As such rate increases for non-residential customers will be higher than for the residential customers. This is evident in 2002 where residential rates are

not increased and a 12% increase for non-residential customers is proposed. This increase is illustrated in Table III-5 which compares current and proposed inside-District water rates for 2002. As illustrated all non-residential accounts will experience a uniform increase in bills based on the across-the-board application of the 12% increase. (See Appendix B for a complete listing of projected water rates monthly bill for the 10-year study period.)

Table III-5 Current vs. Proposed (2002) Rates Inside District					
		Current	Proposed	Difference	
				\$	%
Monthly Charge					
Residential		\$ 8.95	\$ 8.95	\$0.00	0%
Residential/Commercial		11.05	12.38	1.33	12%
Large User		36.05	40.38	4.33	12%
Commodity Charge					
Residential	3,000 – 15,000	\$0.90	\$0.90	\$0.00	0%
	15,001 – 34,000	\$1.55	\$1.55	\$0.00	0%
	34,001 – 1,000,000	\$1.90	\$1.90	\$0.00	0%
	> 1,000,000	\$2.47	\$2.47	\$0.00	0%
Residential/Commercial & Large User	3,000 – 15,000	\$0.90	\$1.01	\$0.11	12%
	15,001 – 34,000	\$1.55	\$1.74	\$0.19	12%
	34,001 – 1,000,000	\$1.90	\$2.13	\$0.23	12%
	> 1,000,000	\$2.47	\$2.77	\$0.30	12%

Table III-6 and Figure III-3 is a comparison of current and proposed monthly water bills at different water usage levels.

Table III-6 Water Current vs. Proposed Monthly Bills					
Customer Type	Monthly Use (1,000 gals.)	Current	Proposed	Difference	
				\$	(%)
Residential					
Low	6	\$ 11.65	\$ 11.65	\$0	0%
Average	12	17.05	17.05	0	0%
High	36	53.00	53.00	0	0%
Very High	80	136.60	136.60	0	0%



IV. WASTEWATER RATES

A. Current Rates

Monthly Charge (per account)	Inside District	Outside District
Residential	\$7.25	\$10.88
Residential/Commercial	9.95	\$14.95
Large User	68.40	\$102.60
Commodity Charge (on usage over 8,500)		
Residential	\$0.50	\$0.75
Residential/Commercial	\$0.50	\$0.75
Large User	\$0.50	\$0.75

The District's current wastewater rate structure is composed of two parts, a volume rate per 1,000 gallons based on 100% of metered water use and a monthly charge. Table IV-1 illustrates the current rate structure. The monthly or fixed charge varies by customer class. The in-district residential accounts are charged at the rate of \$7.25 per month. In-district residential/commercial accounts are charged \$9.95 a month, and the large users accounts that are within the district are charged \$68.40. The monthly charge includes an 8,500 gallon usage allowance.

The commodity charge is constant by customer class, but again varies between in-District and out-of-District accounts. The in-Districts residential, residential/commercial, and large users classes are all charged \$0.50 per 1,000 gallons for usage above 8,500. Wastewater volumes are estimated based on 100% of actual water use.

B. Revenue Requirements / Financial Plan

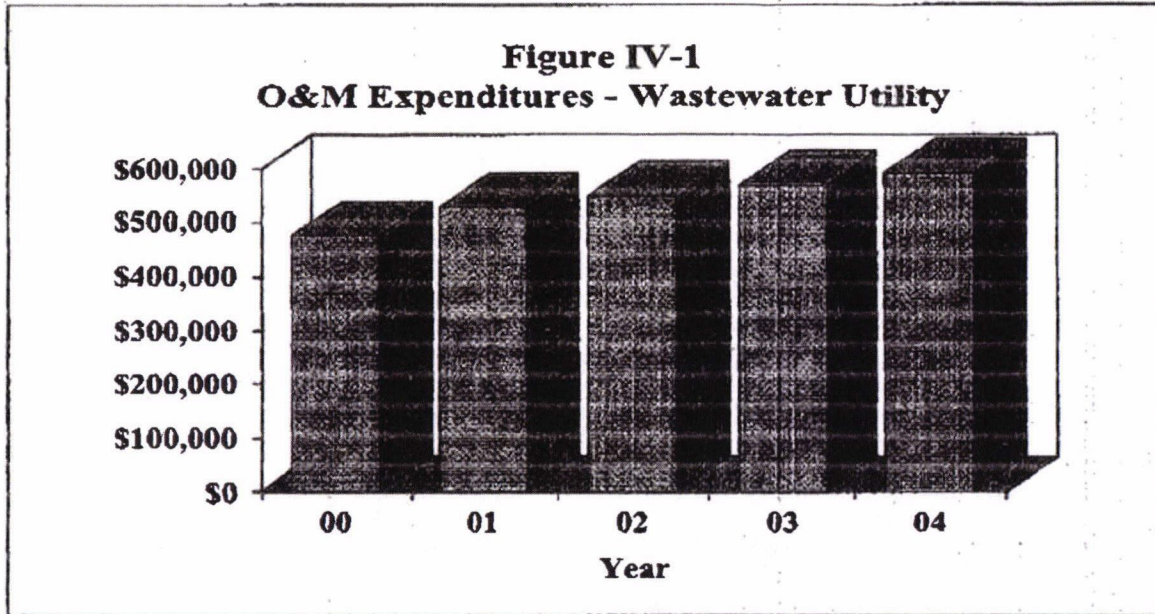
As previously noted, revenue requirements include both O&M and capital related costs.

O&M

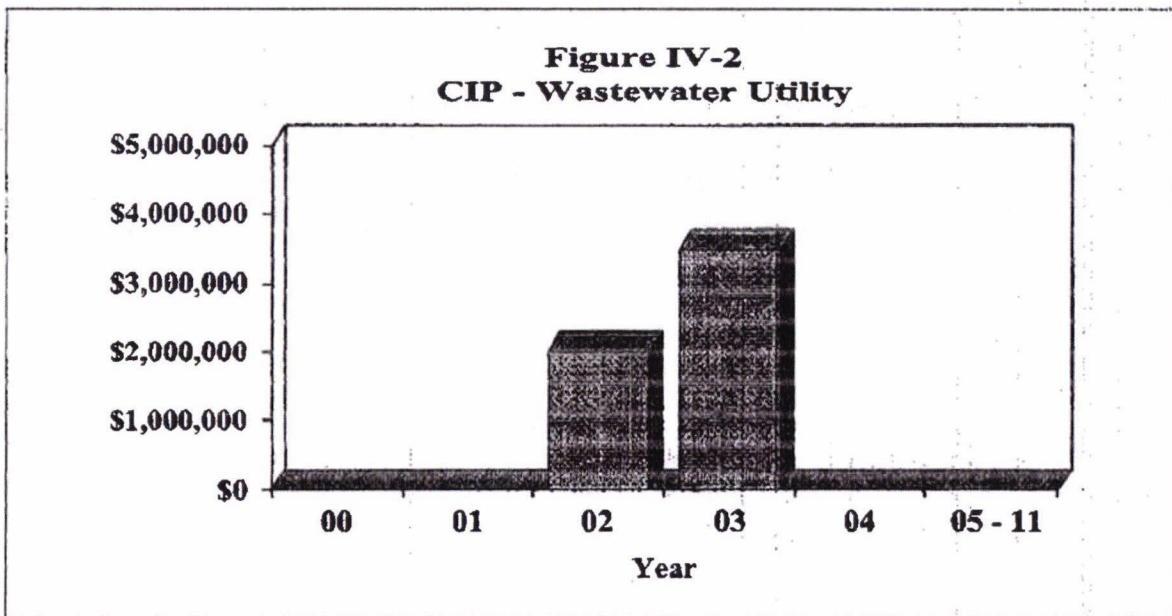
Figure IV-1 illustrates the operation and maintenance expenditures for the wastewater utility over the first five years of the 10-year study period. O&M expenditures are estimated to increase at an inflation rate of 4% per year. The budget for 2000 is \$475,687 and projected to increase to \$614,509 in 2005; escalating to \$742,985 in 2010.

CIP

Capital improvements for the wastewater system are derived from the District's multi-year plan and are presented in Figure IV-2.



In 2002 the District has programmed almost \$2 million for wastewater improvement projects, and another \$3.6 million in 2003. \$2.4 million of similar system improvements are projected in 2010. These capital improvement projects include:



- Additional rotor and baffle walls to existing oxidation ditch.
- Modification of existing chlorine basin.
- Expansion of wastewater treatment plant to meet future flows River street relief interceptor.

Debt Service

There are currently no existing debt obligations for the wastewater utility.

The previously mentioned CIP funding is expected to be accomplished via a balance of new borrowings, transition assistance from the NADB and grants. On new borrowings of \$4.25 million in 2002, debt service payments in 2003 are estimated at approximately \$345,123 per year, remaining constant over the course of the study period.

As required by the NADB, a debt service reserve must be established equal to the annual debt service payment. The reserve is funded over five years via equal installments or transfers from the wastewater operations to a separate debt service reserve fund.

Cashflow

A comprehensive statement of cashflows for the wastewater utility is provided in Table IV-2 based on the recommended rate and financial plan. The full financial plan for the wastewater (and water) utility is contained in Appendix A to this report. The beginning of year fund balance was \$0 for 2000 (January 1, 2000). This was based on the allocation of 100% of the total District fund balance to the water utility. District personnel indicated that the wastewater operations have not generated sufficient revenues for several years. Accordingly, 100% of District cash was assigned to the water fund. With the issuance of bonds and construction assistance by the end of 2003 this balance is estimated at \$425,000.

A combination of bonds, NADB transition and construction assistance and rate increases, are necessary in order to meet financial criteria set forth by NADB as a condition of various funding of the project including the transition assistance. In general terms, the conditions of the transition assistance relate to the maintenance of certain reserve requirements (debt and O&M reserves) as well as debt service coverage ratios. Based on an independent analysis the NADB has determined or estimated the wastewater transition assistance in the amount of approximately \$1.1 million is warranted in order to mitigate the impact of rate increases that would otherwise be necessary over the 7 year period to 2008. It should be noted that transition assistance from the NADB is only available to residential customers. Accordingly, non-residential accounts do not

benefit from the transition assistance and based on the cost of service study, must bear their proportionate share of the necessary rate increases as noted on Table IV-3.

Table IV-2 Cashflow Projection – Wastewater Fund With Rate Increases						
	Current Year					
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Rate Increases						
Residential	-	-	36%	35%	-	20%
Non-Residential	-	-	140%	35%	-	20%
Beginning of Year Cash Balance:	\$ 0	(\$140,781)	(\$329,018)	\$3,804,661	\$ 161,950	\$ 264,787
Operating Revenues:						
Service Revenues:						
Single Family Residential	237,088	240,644	371,266	520,032	554,224	562,537
Multi Family Residential	2,532	2,570	3,965	5,554	5,919	6,008
Churches	2,177	2,210	5,384	7,541	8,037	8,158
Non-Residential	91,509	92,882	226,261	316,924	337,762	342,828
Transition Assistance	-	-	192,274	182,509	171,751	159,737
Connection Revenues	4,100	4,162	4,224	4,287	4,352	4,417
Total Operating Revenues	<u>337,406</u>	<u>342,467</u>	<u>803,373</u>	<u>1,036,847</u>	<u>1,082,044</u>	<u>1,083,685</u>
Other Revenues:						
Construction Assistance	-	-	2,016,877	-	-	-
Bond/Loan Proceeds	-	-	4,016,877	-	-	-
Interest Income	-	-	-	152,186	6,478	10,591
Total Operating/Other Revenue	<u>337,406</u>	<u>342,467</u>	<u>6,837,127</u>	<u>1,189,034</u>	<u>1,088,522</u>	<u>1,094,276</u>
Expenditures:						
Operating Expenditures	475,687	528,205	548,546	569,689	591,665	614,509
Capital Outlays	0	0	2,152,402	3,868,036	0	0
Deposit to R & R Reserve	2,500	2,500	2,500	2,500	2,500	2,500
Debt Service – Existing	0	0	0	0	0	0
Debt Service – Proposed	0	0	0	326,266	326,266	326,266
Deposit to Debt Service Reserve	-	-	0	65,253	65,253	65,253
Total Expenditures	<u>478,187</u>	<u>530,705</u>	<u>2,703,448</u>	<u>4,831,745</u>	<u>985,685</u>	<u>1,008,528</u>
Increase / (Decrease) in Cash	(140,781)	(188,238)	4,133,679	(3,642,711)	102,838	85,748
End of Year Cash Balance	<u>(\$140,781)</u>	<u>(\$329,018)</u>	<u>\$3,804,661</u>	<u>\$ 161,950</u>	<u>\$ 264,787</u>	<u>\$ 350,536</u>
O&M Reserve Ratio - Days	(108)	(227)	2,532	104	163	208
Debt Service Coverage Ratio	NA	NA	NA	1.90	1.52	1.47

As can be seen in Table IV-3, significant rate increases are projected for the wastewater fund in years 2002, and 2003. Beyond 2003 additional rate increases are necessary in 2004, 2007 and 2009 in order to achieve the financial performance criteria or conditions established by the NADB.

FY	Residential	Non-Residential
2000	0%	0%
2001	0%	0%
2002	59%	140%
2003	38%	38%
2004	2%	2%
2005	0%	0%
2006	0%	0%
2007	2%	2%
2008	0%	0%
2009	43%	43%

These conditions are two-fold. First, the District must establish cash or operating reserves in an amount equal to 60 days or 17% of annual cash O&M expenditures.

The second financial requirement set forth by the NADB is associated with the annual calculation of debt service coverage. Debt service coverage is a measure of the utility's ability to repay its debt obligations. The District's utilities must be

generating revenues sufficient to achieve a 1.25 times debt service coverage. The recommended financial plan is designed to meet not only debt service coverage, but also the cash reserve requirement as specified by the NADB.

NADB transition assistance is provided on an annual basis. Accordingly, it is incumbent upon the District to carefully monitor the financial performance of the wastewater operation. Even with the revenue increases already discussed, other increases may be necessary depending on the level of future CIP expenditures and a variety of other factors. Annual reviews, as part of the budget process, should be used to periodically assess the condition of the wastewater operation.

C. Rate Structure Recommendations

Rate Increase

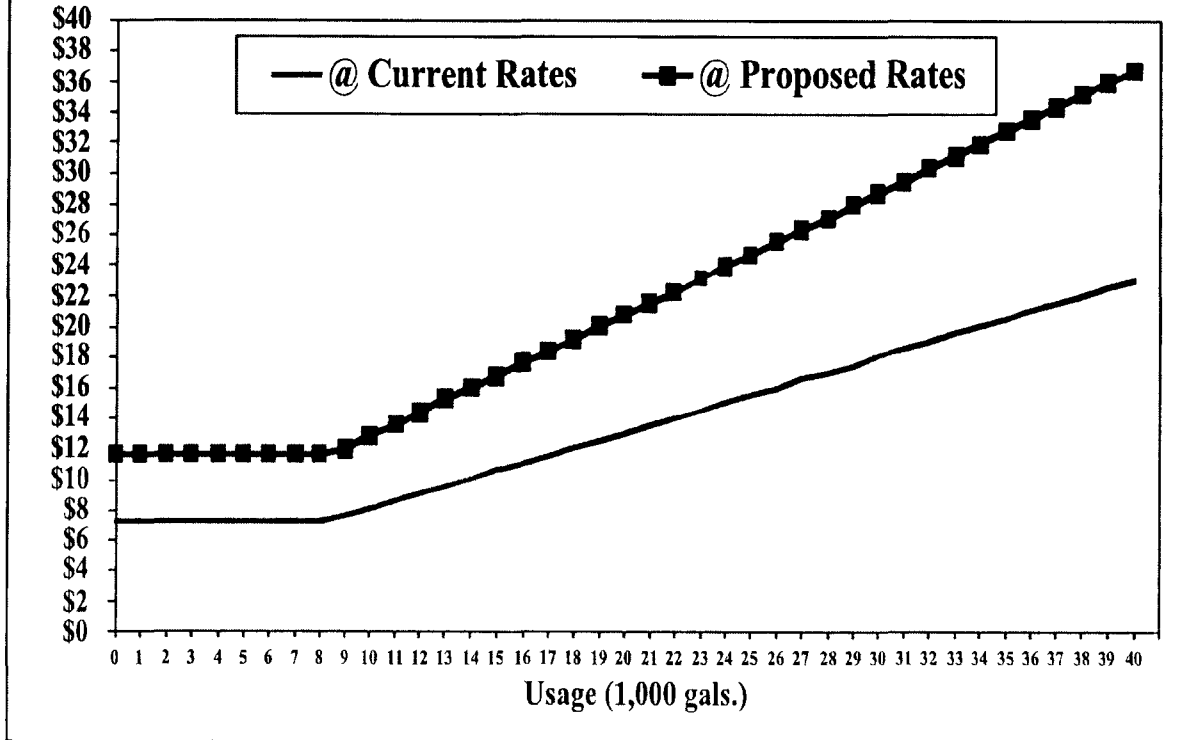
Rates associated with the 2002 indicated increases are illustrated in Table IV-4. As applied in a uniform or across-the-board fashion rates to all residential accounts will increase 59% and for non-residential accounts 140%. Table IV-4 illustrates in-District rates. Out-of-District rates will increase as well. Projected rates for all accounts are shown in Appendix B. Table IV-5 illustrates this customer impact based on the proposed 59% revenue increase on residential wastewater users.

Table IV-4 Current vs. Proposed (2002) Rates Inside-District				
	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	
			<u>\$</u>	<u>%</u>
<u>Monthly Charge</u>				
Residential	\$7.25	\$11.53	\$4.28	59%
Residential/Commercial	9.95	23.88	13.93	140%
Large User	68.40	164.16	95.76	140%
<u>Commodity Charge (on usage over 8,500)</u>				
Residential	\$0.50	\$0.80	\$0.30	60%
Residential/Commercial	\$0.50	\$1.20	\$0.70	140%
Large User	\$0.50	\$1.20	\$0.70	140%

Table IV-5 Wastewater Current vs. Proposed Monthly Bills Inside-District Residential					
<u>Customer Type</u>	<u>Monthly Use (1,000 gals.)</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	
				<u>\$</u>	<u>(%)</u>
Residential					
Low	6	\$ 7.25	\$ 11.53	\$ 4.28	59%
Average	12	9.00	14.33	5.33	59%
High	36	21.00	33.53	12.53	59%
Very High	80	43.00	68.73	25.73	59%

Figure IV-3 is a comparison of current and proposed monthly wastewater bills at different service or flow levels.

Figure IV-3
Current vs. Proposed Monthly Wastewater Bills



EL PASO COUNTY WCID #4
 WATER & SEWER RATE STUDY
 DECISION CRITERIA

WITHOUT NADB ASSISTANCE

FILE: Fabens.xls
 SCHEDULE: DEC CRIT
 DATE: 10/15/01
 RANGE: DECCRIT

CURRENT YEAR	Projected										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenue Adjustments											
Water [1]											
Residential		0%	50%	100%	0%	0%	0%	0%	0%	0%	0%
Non-Residential		0%	50%	100%	0%	0%	0%	0%	0%	0%	0%
Effective Month of Adjustment (1=Jan)		11	1	1	1	1	1	1	1	1	1
Wastewater [1]											
Residential		0%	140%	38%	5%	0%	0%	0%	0%	0%	37%
Non-Residential		0%	140%	38%	5%	0%	0%	0%	0%	0%	37%
Effective Month of Adjustment (1=Jan)		11	1	1	1	1	1	1	1	1	1
Construction Assistance											
Water	-	-	-	-	-	-	-	-	-	-	-
Wastewater	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Bond Proceeds [2]											
Water	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wastewater	0	0	6,016,877	0	0	0	0	0	0	0	2,300,000
Total	\$0	\$0	\$7,016,877	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,300,000
Transition Assistance											
Water			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wastewater			0	0	0	0	0	0	0	0	0
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
End of Year Cash Balance											
Water	\$1,267,713	\$1,522,345	\$1,942,943	\$71,319	\$1,382,713	\$2,756,580	\$4,195,126	\$5,700,621	\$7,291,645	\$8,955,013	\$8,748,733
Wastewater	(140,781)	(329,018)	3,812,748	97,246	155,145	211,037	264,215	313,917	457,049	598,893	127,384
Total	\$1,126,933	\$1,193,326	\$5,755,691	\$168,565	\$1,537,858	\$2,967,617	\$4,459,341	\$6,014,537	\$7,748,694	\$9,553,906	\$8,876,116
O&M Reserve Ratio: days [3]											
Water	1,163	1,407	1,726	61	1,136	2,177	3,186	4,163	5,120	6,046	5,679
Wastewater	(108)	(227)	2,537	62	96	125	151	173	242	306	63
Total	471	472	2,190	62	542	1,006	1,455	1,888	2,340	2,777	2,482
Debt Service Coverage Ratio											
Water	NA	NA	NA	18.18	17.38	18.15	18.95	19.77	20.62	21.51	22.44
Wastewater	NA	NA	NA	1.52	1.32	1.32	1.31	1.31	1.30	1.30	2.31
Total [4]	NA	NA	N/A	3.89	3.61	3.72	3.83	3.94	4.05	4.18	5.18

[1] Input percentage increase in revenues.
 [2] Input bond / loan amounts
 [3] Ending cash balance as a percent of
 O&M expenditures - target 60 days or (16.44%).
 [4] Required Coverage 1.25.

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