

**WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY
NOTICE OF SPECIAL MEETING**

TO: THE BOARD OF DIRECTORS OF THE WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of the West Travis County Public Utility Agency (“WTCPUA”) will hold a special meeting at 3:00 p.m. on Monday, November 20, 2017 at the WTCPUA Administrative Offices, 12117 Bee Cave Road, Suite 120, Bee Cave, Texas. The following matters will be considered and may be acted upon at the meeting:

I. CALL TO ORDER

II. ESTABLISH QUORUM

III. NEW BUSINESS

A. Discuss and consider proposal and possibly take action to adopt a resolution authorizing the issuance of WTCPUA Revenue Refunding Bonds to refund the WTCPUA’s previously issued Series 2013 Bonds, and other related matters (G. Kimball/J. Smith/R. Pugh).

B. Discuss, consider, and take action regarding Agreement for Release of Capacity and Reimbursement Between West Travis County Public Utility Agency and Travis County Municipal Utility District No. 12.

This item may be taken into Executive Session under the Consultation with Attorney exception.

IV. ADJOURNMENT

Dated: November 16, 2017



Robert Pugh
WTCPUA General Manager

The Board of Directors may go into Executive Session, if necessary, pursuant to the applicable section of Subchapter D, Chapter 551, Texas Government Code, of the Texas Open Meetings Act, on any of the above matters under the following sections: Texas Government Code Ann. 551.071 – Consultation with Attorney; Texas Government Code Ann. 551.072 – Real and Personal Property; Texas Government Code Ann. 551.074 – Personnel Matters. No final action, decision, or vote will be taken on any subject or matter in Executive Session.

The West Travis County Public Utility Agency is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call Robert Pugh, General Manager at (512) 263-0100 for information.

III. NEW BUSINESS

ITEM A

Jennifer Riechers

From: Robert Pugh
Sent: Wednesday, November 15, 2017 8:16 AM
To: Jennifer Riechers
Subject: FW: pua
Attachments: WTC PUA s17 ref update (11-10).pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Backup for special Board meeting.

From: Garry Kimball [mailto:garry@spfmuni.com]
Sent: Wednesday, November 15, 2017 8:11 AM
To: Robert Pugh <4163177.4708683@NETORGFT2295197.onmicrosoft.com>
Subject: FW: pua

I noticed a typo, which only improves the story, corrected below (in red). Fyi.

One other important note related to Jerry Kyle's email yesterday, I have highlighted (in yellow) the need to hold off on formal consolidation action until 12/21 related to WTC MUD 5. If I need to call David Klein to elaborate, just let me know (although I believe Jerry has spoken directly with Stefanie about this).

Thanks,

Garry



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

From: Garry Kimball
Sent: Friday, November 10, 2017 4:02 PM
To: Robert Pugh <rpugh@wtcpua.org>; Jennifer Smith <jsmith@wtcpua.org>; Stefanie Albright <salbright@lglawfirm.com>; Kyle, Jerry <JerryKyle@andrewskurth.com>
Subject: FW: pua

Robert,

The U.S. Senate just released their proposed tax bill which, like the House version of tax reform, would eliminate the ability for political subdivisions to do advance refundings on a tax exempt basis after 12/31/17. We had hoped to be able to wait a bit before triggering a refinancing of the PUA's previously issued Series 2013 bonds, but this legislation presents a risk that we could lose an existing opportunity to lock-in debt service savings.

I have attached an analysis which shows (on page 2) that the PUA could lock-in over \$9.25 million in debt service reduction (net of all related costs) by triggering a refinancing before the rules potentially change at the end of this year. This savings would be realized by taking the rate on bonds originally issued at approximately 4.95% down to a new rate of approximately 3.7%. The debt service reduction would be realized over a 28 year period with a net present value (npv) of over \$5.6 million (or 3.9% of the face amount of the bonds being refinanced). Recall that the industry benchmark for an "in the money" deal is anything over 3% npv savings.

I have consulted with both Jerry Kyle and Stefanie Albright about the legal issues involved in getting such a deal done and closed before year end, and we believe we have enough time, assuming no complicating factors are introduced. One such factor would be the possible consolidation of any of the participant members of the PUA. **If you decide to proceed with this refinancing, we would ask that no formal action be taken on consolidation until this deal is closed on 12/21.** Board action on the refinancing would need to occur at a special meeting before Thanksgiving in order to be able to position the deal for pricing on 12/14.

I understand you are out of the office today and Monday. If possible, we should discuss this when you return to the office so that I can address any questions or concerns you might have. Thanks,

Garry



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Garry R. Kimball
Managing Director
Specialized Public Finance, Inc.
Garry@spfmuni.com
512 275-7300

From: Jeff Garland
Sent: Friday, November 10, 2017 12:09 PM
To: Garry Kimball <garry@spfmuni.com>
Subject: pua

Jeffrey D. Garland | Managing Director
Specialized Public Finance Inc.
248 Addie Roy Road, Suite B-103 | Austin, TX | 78746
512.275.7303 | jeff@spfmuni.com

Preliminary - November 10, 2017

West Travis County Public Utility Agency



Refunded (old) Bonds:

	<u>Maturities</u>	<u>Amount</u>	<u>Callable</u>
Revenue and Refunding Bonds, Series 2013	8/15/2022-45	145,760,000	8/15/21 @ par
		\$ 145,760,000	

Rate on Refunded (old) Bonds 4.95%

Transaction Goals:

- Reduce Interest Rate
- Produce Debt Service Savings
- No Extension of Original Term

Refunding (new) Bonds:

	Budget
True Interest Cost	3.68%
Par Amount of Refunding Bonds (net of I&S fund cash contribution)	\$ 158,400,000
Estimated Issuance Costs (@ 1.07% of par)	\$ 1,700,000
Maturing	8/15/18-45
Net Debt Service Reduction (FY 2018-2045)(Net of all issuance costs)	\$ 9,250,563
Net Present Value Savings \$(net of all issuance costs)	\$ 5,679,812
Net Present Value Savings (% of Refunded Par) (Policy Target: +3.0%)	3.90%

Preliminary

West Travis County Public Utility Agency

\$158,400,000 Revenue Refunding Bonds, Series 2017

For Purposes of Illustration Only

Sources & Uses

Dated 12/28/2017 | Delivered 12/28/2017

Sources Of Funds

Par Amount of Bonds	\$158,400,000.00
Reoffering Premium	8,869,078.90
Transfers from Prior Issue DSR Funds	196,151.60
Total Sources	\$167,465,230.50

Uses Of Funds

Total Underwriter's Discount (0.606%)	959,864.37
Costs of Issuance	1,700,000.00
Gross Bond Insurance Premium (20.0 bp)	544,000.26
Deposit to Net Cash Escrow Fund	164,259,109.95
Deposit to Debt Service Fund (Rounding)	2,255.92
Total Uses	\$167,465,230.50

Preliminary

West Travis County Public Utility Agency

\$158,400,000 Revenue Refunding Bonds, Series 2017

For Purposes of Illustration Only

Debt Service Comparison

Date	Total P+	Existing D/S	Net New D/S	Old Net D/S	Savings
09/30/2018	6,885,930.14	4,976,687.50	11,860,361.72	12,192,537.50	332,175.78
09/30/2019	6,885,300.00	5,055,837.50	11,941,137.50	12,271,687.50	330,550.00
09/30/2020	6,885,800.00	5,120,737.50	12,006,537.50	12,336,587.50	330,050.00
09/30/2021	6,885,300.00	5,201,412.50	12,086,712.50	12,417,262.50	330,550.00
09/30/2022	10,183,800.00	1,979,662.50	12,163,462.50	12,495,512.50	332,050.00
09/30/2023	10,186,300.00	2,055,862.50	12,242,162.50	12,571,712.50	329,550.00
09/30/2024	10,189,300.00	2,141,112.50	12,330,412.50	12,658,712.50	328,300.00
09/30/2025	10,187,300.00	2,195,362.50	12,382,662.50	12,712,762.50	330,100.00
09/30/2026	10,185,050.00	2,243,962.50	12,429,012.50	12,759,362.50	330,350.00
09/30/2027	10,182,050.00	2,309,162.50	12,491,212.50	12,822,912.50	331,700.00
09/30/2028	10,187,800.00	2,316,162.50	12,503,962.50	12,834,287.50	330,325.00
09/30/2029	10,186,600.00	2,319,112.50	12,505,712.50	12,835,487.50	329,775.00
09/30/2030	10,187,400.00	2,321,012.50	12,508,412.50	12,839,637.50	331,225.00
09/30/2031	10,184,800.00	2,334,331.26	12,519,131.26	12,849,018.76	329,887.50
09/30/2032	10,183,600.00	2,339,181.26	12,522,781.26	12,854,368.76	331,587.50
09/30/2033	10,183,400.00	2,347,281.26	12,530,681.26	12,860,968.76	330,287.50
09/30/2034	10,188,800.00	2,351,756.26	12,540,556.26	12,869,681.26	329,125.00
09/30/2035	10,184,200.00	2,348,756.26	12,532,956.26	12,864,993.76	332,037.50
09/30/2036	10,184,600.00	2,349,200.00	12,533,800.00	12,864,325.00	330,525.00
09/30/2037	10,184,400.00	2,346,800.00	12,531,200.00	12,860,637.50	329,437.50
09/30/2038	10,188,200.00	2,352,000.00	12,540,200.00	12,868,625.00	328,425.00
09/30/2039	10,185,400.00	2,349,400.00	12,534,800.00	12,866,900.00	332,100.00
09/30/2040	10,185,800.00	2,349,200.00	12,535,000.00	12,862,950.00	327,950.00
09/30/2041	10,183,800.00	2,351,200.00	12,535,000.00	12,867,700.00	332,700.00
09/30/2042	10,184,000.00	2,350,200.00	12,534,200.00	12,864,700.00	330,500.00
09/30/2043	10,185,800.00	2,351,200.00	12,537,000.00	12,868,200.00	331,200.00
09/30/2044	10,188,600.00	2,354,000.00	12,542,600.00	12,871,750.00	329,150.00
09/30/2045	10,186,800.00	2,353,400.00	12,540,200.00	12,869,150.00	328,950.00
09/30/2046	-	1,024,400.00	1,024,400.00	1,024,400.00	-
Total	\$272,000,130.14	\$76,488,393.80	\$348,486,268.02	\$357,736,831.30	\$9,250,563.28

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	5,873,707.46
Net PV Cashflow Savings @ 3.792%(AIC)	5,873,707.46
Contingency or Rounding Amount	2,255.92
Other Costs	(196,151.60)
Net Present Value Benefit	\$5,679,811.78
Net PV Benefit /\$145,760,000 Refunded Principal	3.897%

Refunding Bond Information

Refunding Dated Date	12/28/2017
Refunding Delivery Date	12/28/2017

2017 rev refunding (11/10 | SINGLE PURPOSE | 11/10/2017 | 12:06 PM

Preliminary

West Travis County Public Utility Agency

\$158,400,000 Revenue Refunding Bonds, Series 2017

For Purposes of Illustration Only

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
08/15/2018	Serial Coupon	5.000%	1.700%	2,705,000.00	102.058%	-	-	-	2,760,668.90
08/15/2019	Serial Coupon	5.000%	1.840%	390,000.00	105.050%	-	-	-	409,695.00
08/15/2020	Serial Coupon	5.000%	1.940%	410,000.00	107.808%	-	-	-	442,012.80
08/15/2021	Serial Coupon	5.000%	2.050%	430,000.00	110.268%	-	-	-	474,152.40
08/15/2022	Serial Coupon	5.000%	2.170%	3,750,000.00	112.401%	-	-	-	4,215,037.50
08/15/2023	Serial Coupon	5.000%	2.370%	3,940,000.00	113.783%	-	-	-	4,483,050.20
08/15/2024	Serial Coupon	5.000%	2.470%	4,140,000.00	115.383%	-	-	-	4,776,856.20
08/15/2025	Serial Coupon	5.000%	2.570%	4,345,000.00	116.737%	-	-	-	5,072,222.65
08/15/2026	Serial Coupon	5.000%	2.690%	4,560,000.00	117.682%	-	-	-	5,366,299.20
08/15/2027	Serial Coupon	5.000%	2.790%	4,785,000.00	116.843%	c 2.975%	08/15/2026	100.000%	5,590,937.55
08/15/2028	Serial Coupon	4.000%	2.940%	5,030,000.00	108.025%	c 3.107%	08/15/2026	100.000%	5,433,657.50
08/15/2029	Serial Coupon	4.000%	3.010%	5,230,000.00	107.472%	c 3.224%	08/15/2026	100.000%	5,620,785.60
08/15/2030	Serial Coupon	4.000%	3.150%	5,440,000.00	106.376%	c 3.375%	08/15/2026	100.000%	5,786,854.40
08/15/2031	Serial Coupon	4.000%	3.210%	5,655,000.00	105.911%	c 3.452%	08/15/2026	100.000%	5,989,267.05
08/15/2032	Serial Coupon	4.000%	3.280%	5,880,000.00	105.370%	c 3.527%	08/15/2026	100.000%	6,195,756.00
08/15/2033	Serial Coupon	4.000%	3.390%	6,115,000.00	104.528%	c 3.618%	08/15/2026	100.000%	6,391,887.20
08/15/2034	Serial Coupon	4.000%	3.440%	6,365,000.00	104.147%	c 3.664%	08/15/2026	100.000%	6,628,956.55
08/15/2035	Serial Coupon	4.000%	3.490%	6,615,000.00	103.769%	c 3.707%	08/15/2026	100.000%	6,864,319.35
08/15/2036	Serial Coupon	4.000%	3.530%	6,880,000.00	103.467%	c 3.740%	08/15/2026	100.000%	7,118,529.60
08/15/2037	Serial Coupon	4.000%	3.560%	7,155,000.00	103.241%	c 3.765%	08/15/2026	100.000%	7,386,893.55
08/15/2038	Serial Coupon	4.000%	3.580%	7,445,000.00	103.091%	c 3.783%	08/15/2026	100.000%	7,675,124.95
08/15/2039	Serial Coupon	4.000%	3.600%	7,740,000.00	102.941%	c 3.799%	08/15/2026	100.000%	7,967,633.40
08/15/2040	Serial Coupon	4.000%	3.610%	8,050,000.00	102.866%	c 3.810%	08/15/2026	100.000%	8,280,713.00
08/15/2041	Serial Coupon	4.000%	3.680%	8,370,000.00	102.344%	c 3.848%	08/15/2026	100.000%	8,566,192.80
08/15/2042	Serial Coupon	4.000%	3.690%	8,705,000.00	102.269%	c 3.856%	08/15/2026	100.000%	8,902,516.45
08/15/2043	Serial Coupon	4.000%	3.700%	9,055,000.00	102.195%	c 3.864%	08/15/2026	100.000%	9,253,757.25
08/15/2044	Serial Coupon	4.000%	3.710%	9,420,000.00	102.121%	c 3.871%	08/15/2026	100.000%	9,619,798.20
08/15/2045	Serial Coupon	4.000%	3.720%	9,795,000.00	102.047%	c 3.878%	08/15/2026	100.000%	9,995,503.65
Total	-	-	-	\$158,400,000.00	-	-	-	-	\$167,269,078.90

Bid Information

Par Amount of Bonds	\$158,400,000.00
Reoffering Premium or (Discount)	8,869,078.90
Gross Production	\$167,269,078.90
Total Underwriter's Discount (0.606%)	\$(959,864.37)
Bid (104.993%)	166,309,214.53
Total Purchase Price	\$166,309,214.53
Bond Year Dollars	\$2,792,360.00
Average Life	17.629 Years
Average Coupon	4.0682480%
Net Interest Cost (NIC)	3.7850032%
True Interest Cost (TIC)	3.6803472%

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West Travis County Public Utility Agency

\$158,400,000 Revenue Refunding Bonds, Series 2017

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Summary Of Bonds Refunded

Issue	Maturity	Type	of Bond	Coupon	Maturity Value	Call Date	Call Price
Dated 8/01/2013 Delivered 8/01/2013							
2013 rev & ref bonds	08/15/2022	Serial	Coupon	5.000%	3,300,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2023	Serial	Coupon	5.000%	3,465,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2024	Serial	Coupon	5.500%	3,640,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2025	Serial	Coupon	5.000%	3,840,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2026	Serial	Coupon	5.500%	4,030,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2027	Serial	Coupon	4.250%	4,250,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2028	Serial	Coupon	5.000%	4,435,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2029	Serial	Coupon	5.000%	4,655,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2030	Serial	Coupon	4.375%	4,890,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2031	Serial	Coupon	4.500%	5,100,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2032	Serial	Coupon	5.000%	5,330,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2033	Serial	Coupon	4.750%	5,595,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2034	Term 1	Coupon	4.750%	625,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2035	Term 1	Coupon	4.750%	655,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2036	Term 1	Coupon	4.750%	685,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2037	Term 1	Coupon	4.750%	715,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2038	Term 1	Coupon	4.750%	750,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2039	Term 2	Coupon	5.000%	7,475,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2040	Term 2	Coupon	5.000%	7,845,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2041	Term 2	Coupon	5.000%	8,240,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2042	Term 2	Coupon	5.000%	8,650,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2043	Term 2	Coupon	5.000%	9,085,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2044	Term 2	Coupon	5.000%	9,540,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2045	Term 2	Coupon	5.000%	10,015,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2034	Term 3	Coupon	5.000%	5,240,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2035	Term 3	Coupon	5.000%	5,500,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2036	Term 3	Coupon	5.000%	5,775,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2037	Term 3	Coupon	5.000%	6,065,000	08/15/2021	100.000%
2013 rev & ref bonds	08/15/2038	Term 3	Coupon	5.000%	6,370,000	08/15/2021	100.000%
Subtotal	-			-	\$145,760,000	-	-
Total	-			-	\$145,760,000	-	-