

HCWCID 99 PATH FOR FINANCING OF CAPITAL EXPENDITURES

IF THE NOVEMBER 5th ELECTION PASSES (no more elections):

DreamLab, LLC, (“DreamLab”) is annexed into the District, the debt service tax rate is estimated at \$0.33/\$100 of taxable valuation. The DreamLab project will add approximately \$261,000 of water, sewer, and security revenue per year to the District’s operating budget.

The additional revenue from DreamLab can be used to offset future District operating costs, pay for projects on a “pay-as-you-go” basis, (thereby reducing the number of bonds to be sold), or to pay down the bond principal; whichever is in the best interests of the residents of the District.

IF THE NOVEMBER 5th ELECTION FAILS (another election will be held):

3-year loans will be used to fund the District’s capital improvement projects until another Bond Election can be held in May, 2020. The first capital project to be implemented will be the “critical” Lemm Gully Crossing project. The implementation of this project will necessitate a \$23 per month increase in each homeowner’s water bill beginning in December, 2019. Additional loans will be made as needed to fund “critical” capital improvement projects. It is cost prohibitive to use 3-year loans to replace or repair the wastewater treatment plant, so this project must wait until bond funds are available.

IF THE MAY, 2020 ELECTION PASSES:

The District loses DreamLab as a partner, has to bear the costs of an additional election, and the debt service tax rate is projected to be \$0.37/\$100 taxable value (as opposed to the \$0.33 figure referenced above). Funds from these bonds will be used to pay off the Lemm Gully Crossing loan and fund other “critical” capital projects started prior to the availability of funds from the May, 2020, Bond Election.

IF THE MAY, 2020 ELECTION FAILS:

The District continues to borrow 3-year loans to band-aid existing facilities and infrastructure and will be forced to raise the water rates exorbitantly in order to meet the note payments.