

TEXAS TRANSPORTATION COMMISSION

Ellis County

MINUTE ORDER

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Dallas District

Sardis Lone Elm Water Supply Corporation (WSC) has submitted an application for financial assistance in the form of a loan of up to \$10,793,000 from the State Infrastructure Bank (SIB) under Transportation Code, Chapter 222, Subchapter D, and Title 43 Texas Administrative Code (TAC), Chapter 6 (SIB Rules). The application satisfies all requirements of the rules, including passage by the WSC of a resolution authorizing submission of the application to the Texas Department of Transportation (department).

The intended use of the financial assistance conforms to the purposes of the SIB. The WSC intends to use the financial assistance to pay the WSC's costs of two utility relocations for non-tolled state highway improvement project to widen FM 664 in Ellis County, Texas (project).

The present and projected financial condition of the SIB is sufficient to cover the requested financial assistance for the project.

The WSC has proposed a pledge of contract and water revenues as security for repayment of the loan.

In accordance with the SIB Rules, the executive director has negotiated all the terms of an agreement as necessary to protect the public's safety and to prudently provide for the protection of public funds while furthering the purposes of the SIB, as contained in the terms attached hereto as exhibit A.

The SIB Rules provide for both preliminary and final approval by the Texas Transportation Commission (commission) of any SIB loan in the principal amount of more than \$10 million or in which the department does not have primary responsibility, unless the commission waives the preliminary approval requirement for that application.

The commission has considered the complexity and size of the project, the type of infrastructure or asset involved, the type and complexity of the financial assistance requested, the financial status of the applicant, the financial feasibility of the project, and the need to expedite the financing of the project and has determined to waive the preliminary approval requirement.

The executive director or his designee implemented actions authorized and required by the SIB Rules for final approval. The executive director affirms that the necessary social, economic, and environmental impact studies have been completed and approved by the department. The executive director recommends that the commission grant final approval of the WSC's application for financial assistance from the SIB, contingent on the execution of a utility agreement between the WSC and the department prior to entering into a financial assistance agreement for the SIB loan.

In accordance with the SIB Rules, the commission finds that:

1. the project is consistent with the Statewide Long-Range Transportation Plan and the metropolitan transportation plan developed by the applicable metropolitan planning organization;

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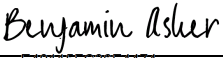
- 2. the project is in a Clean Air Act non-attainment area and is consistent with the Statewide Transportation Improvement Program, with the conforming plan and Transportation Improvement Program for the MPO in which the project is located, and with the State Implementation Plan;
- 3. the project will improve the efficiency of the state’s transportation systems;
- 4. the project will expand the availability of funding for transportation projects or reduce direct state costs;
- 5. the application shows that the WSC is likely to have sufficient revenues to assure repayment of the financial assistance;
- 6. providing financial assistance will protect the public’s safety and prudently provide for the protection of public funds, while furthering the purposes of the SIB; and
- 7. the project will provide for all reasonable and feasible measures to avoid, minimize, or mitigate for adverse environmental impacts.

IT IS THEREFORE DETERMINED AND ORDERED by the commission that the application submitted by the WSC for financial assistance in the form of a loan from the SIB meets the applicable requirements of the SIB Rules and, in accordance with those provisions, the commission waives the preliminary approval requirement and grants final approval of the WSC’s application for a SIB loan contingent on the execution of a utility agreement between the WSC and the department prior to entering into a financial assistance agreement for the SIB loan, under the terms attached hereto as exhibit A in an amount not to exceed \$10,793,000 to pay the WSC’s costs of two utility relocations necessary for the non-tolled projects.

IT IS FURTHER ORDERED by the commission that the executive director or his designee is directed and authorized to enter into a financial assistance agreement with the WSC, which complies with the SIB Rules and which contains the terms attached hereto as exhibit A.

Submitted and reviewed by:

Recommended by:

DocuSigned by:

 E40T15FC36E4474
 Director, Project Finance,
 Debt & Strategic Contracts Division

DocuSigned by:

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 Executive Director

116613 December 12, 2023

Minute
 Number

Date
 Passed

State Infrastructure Bank Loan Terms

Applicant	Loan Amount (up to)	Pledged Collateral	Term to Maturity (up to)	Initial Repayment Deferral	Interest Rate	Project Description
Sardis Lone Elm Water Supply Corporation (S2024-003-01)	\$10,793,000	Contract and Water revenues	5 years	2 years	3.63%	Two utility relocations for state highway improvement projects to widen FM 664 in Ellis County.