



AGENDA
DRAINAGE DISTRICT
BOARD OF DIRECTORS
July 25, 2017
9:00 A.M.

NOTICE is hereby given in accordance with Chapter 551, Texas Government Code, that a REGULAR MEETING of the Drainage District #1 Board of Directors will be held in the Commissioners Courtroom of the Administration Building, 100 E. Cano, 1st floor, Edinburg, Hidalgo County, Texas. Discussion and possible action relating to the following business will be transacted:

1. **Roll Call**
2. **Prayer**
3. **Open Forum**
4. **Approval of Consent Agenda**
5. **AI -60656** Requesting Approval of Right of Entry request from R.O.W. Surveying Services, L.L.C. and authorization for Drainage District General Manager to execute as it relates to surveys along Whalen Rd Property ID # 842215
6. **AI -60814** Acceptance and approval of Supplemental agreement No. 4 to the Contract of S & B Infrastructure, LTD for professional engineering services related to the design and expansion of the Raymondville Drain Outfall System. This agreement request an extension of the termination date for one (1) year pursuant and as allowed under Article 8 of the contract.
7. **AI -60813** Consider and approve a Resolution authorizing issuance, sale and delivery of Hidalgo County Drainage District No. 1 Unlimited tax Refunding Bonds, Series 2017; payable from the levy of a direct and continuing unlimited annual ad valorem tax pursuant to the provisions of Chapter 56, Texas Water Code; authorizing the refunding of certain outstanding obligations; authorizing the execution of a bond purchase contract; execution of an escrow and trust agreement, and making other provisions regarding such bonds and matters incident thereto.

- 8. Closed Session:**
Board of Directors may go into Closed Session pursuant to Chapter 551, Texas Government Code, Sections 551.071 & 551.072 to discuss the following:

 - A. Real Estate Acquisition**
 - B. Pending and/or Potential Litigation**
- 9. Open Session:**

 - A. Real Estate Acquisition**
 - B. Pending and/or Potential Litigation**
- 10. Closed Session:**
Board of Directors may reconvene into Closed Session for the discussion regarding the agenda items listed
- 11. Open Session:**
Board of Directors may reconvene into Open Session for the discussion regarding the agenda items listed
- 12. Adjourn**

AI -60656

5.

DRAINAGE DISTRICT

Meeting Date: 07/25/2017

Submitted For: Jaime Salazar

Submitted By: Jaime Salazar, DRAINAGE
DISTRICT

Department: DRAINAGE DISTRICT

Information

CAPTION

Requesting Approval of Right of Entry request from R.O.W. Surveying Services, L.L.C. and authorization for Drainage District General Manager to execute as it relates to surveys along Whalen Rd Property ID # 842215

BACKGROUND

Fiscal Impact

Attachments

ROW Surveying ROE

Form Review

Inbox	Reviewed By	Date
Final Approval	Monica Salinas	07/21/2017 05:07 PM
Form Started By: Jaime Salazar		Started On: 07/07/2017 03:09 PM
Final Approval Date: 07/21/2017		



LETTER FOR RIGHT OF ENTRY

June 28, 2017

Hidalgo County Drainage District #1
902 N. Doolittle Road
Edinburg, Texas 78542-7470

Reference: Request for Right-of-Entry
(Property ID#: 842215)

Dear Landowner:

R.O.W. Surveying Services, L.L.C. (ROW), representing the County of Hidalgo, will be performing topographic surveys along Whalen Road, from Jackson Road to SH 336 (S. 10th St.), in McAllen, Texas for future engineering design. The purpose of this survey is to provide the design engineer with survey data for drainage analysis and to establish existing street Right of Ways. The required survey will encompass approximately 30 feet from the proposed Whalen Road Right of Way within your property. The survey will also require ROW field crews to access the rear boundary lines to help establish any existing Whalen Road Right of Way lines. Therefore, we are requesting your permission to allow the survey crews to access your property to perform these surveys. In the course of these surveys, it may be necessary for minor trimming of tree limbs to provide a clear line of sight. Every effort will be made to meet your special requirements. If granting permission for right of entry, please sign enclosed attachment and mail in the enclosed self-addressed stamped envelope.

If you have any questions or concerns, my contact information is listed below:

Kurt Schumacher, R.P.L.S.
R.O.W. Surveying Services, L.L.C.
900 South Stewart, Suite 13, Mission, Texas 78572
Phone Number: (956) 424-3335
Email: kurt@rowsurveying.com

Thank you for your cooperation.

Sincerely,

Kurt Schumacher
Registered Professional Land Surveyor

Whalen Road 4 - Property ID# 842215

PERMISSION FOR RIGHT OF ENTRY

TO WHOM IT MAY CONCERN:

This is to certify that permission is hereby granted to the County of Hidalgo and its agents to enter upon lands owned by **Hidalgo County Drainage District #1**, in Hidalgo County, Texas, off of Whalen Road, Jackson Road, and/or SH 336 (S. 10th Street), McAllen, Texas, for the purpose of conducting topographic surveys. In the course of these surveys, it may be necessary for minor trimming of tree limbs to provide a clear line of sight. Every effort will be made to meet your special requirements.

OWNER:

_____	Signed this ____ of _____, 2017.
Signature	
_____	_____
Print Name	Address
_____	_____
Telephone Number	City, State, & Zip Code

Note to Owners:

If you have any questions or concerns, my contact information is listed below:

Kurt Schumacher, R.P.L.S.
R.O.W. Surveying Services, L.L.C.
900 South Stewart, Suite 13, Mission, Texas 78572
Phone Number: (956) 424-3335
Email: kurt@rowsurveying.com

Special comments, instructions, Lessor or tenants name, address and phone number:

AI -60814

6.

DRAINAGE DISTRICT

Meeting Date: 07/25/2017

Submitted For: Raul Sesin

Submitted By: Lora Briones, DRAINAGE
DISTRICT

Department: DRAINAGE DISTRICT

Information

CAPTION

Acceptance and approval of Supplemental agreement No. 4 to the Contract of S & B Infrastructure, LTD for professional engineering services related to the design and expansion of the Raymondville Drain Outfall System. This agreement request an extension of the termination date for one (1) year pursuant and as allowed under Article 8 of the contract.

BACKGROUND

Fiscal Impact

Attachments

S & B Supplemental No 4

Form Review

Inbox	Reviewed By	Date
Final Approval	Monica Salinas	07/21/2017 05:07 PM
Form Started By: Lora Briones		Started On: 07/20/2017 05:56 PM
Final Approval Date: 07/21/2017		

IN WITNESS WHEREOF, the **Engineer** and the **Owner** have caused this Supplemental Agreement to the Agreement for Professional Services to be executed as of the **25th** day of **July 2017**.

**THE ENGINEER:
S&B INFRASTRUCTURE, LTD.**

BY: _____
Daniel O. Rios, PE, Senior Vice-President
S&B Infrastructure, Ltd.

**THE OWNER:
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

BY: _____
Ramon Garcia, Chairman of the Board

LIST OF ATTACHMENTS
None

Approved by the Board of Directors on: _____, 2017.

APPROVED AS TO FORM:
Atlas, Hall & Rodriguez, L.L.P.

By: _____
Stephen L. Crain

AI -60813

7.

DRAINAGE DISTRICT

Meeting Date: 07/25/2017

Submitted For: Lora Briones

Submitted By: Lora Briones, DRAINAGE DISTRICT

Department: DRAINAGE DISTRICT

Information

CAPTION

Consider and approve a Resolution authorizing issuance, sale and delivery of Hidalgo County Drainage District No. 1 Unlimited tax Refunding Bonds, Series 2017; payable from the levy of a direct and continuing unlimited annual ad valorem tax pursuant to the provisions of Chapter 56, Texas Water Code; authorizing the refunding of certain outstanding obligations; authorizing the execution of a bond purchase contract; execution of an escrow and trust agreement, and making other provisions regarding such bonds and matters incident thereto.

BACKGROUND

Fiscal Impact

Attachments

REPORT

Form Review

Inbox	Reviewed By	Date
Final Approval	Monica Salinas	07/21/2017 05:07 PM
Form Started By: Lora Briones		Started On: 07/20/2017 05:45 PM
Final Approval Date: 07/21/2017		

July 25, 2017



Hidalgo County Drainage District No. 1

2017 Refunding Bid Results Presentation



ESTRADA • HINOJOSA
INVESTMENT BANKERS

Dallas • Austin • Chicago • Houston • Los Angeles • Miami • New York City • San Antonio

Discussion Item

- ❑ Consider and approve a Resolution authorizing issuance, sale and delivery of Hidalgo County Drainage District No. 1 Unlimited tax Refunding Bonds, Series 2017; payable from the levy of a direct and continuing unlimited annual ad valorem tax pursuant to the provisions of Chapter 56, Texas Water Code; authorizing the refunding of certain outstanding obligations; authorizing the execution of a bond purchase contract; execution of an escrow and trust agreement, and making other provisions regarding such bonds and matters incident thereto.

Bid Results for Unlimited Tax Refunding Bonds, Series 2017

Firm	Generates Premium?	True Interest Cost
Lone Star Bank	Yes	1.396%
Amegy Bank	Yes	1.471%
Regions Bank	No (bank to pay COI)	1.472%
Bank of Texas	Yes	1.491%
Frost Bank	No	1.638%
Bank of Texas	No	1.919%
Regions Bank	No	2.259%

- Based on the bids produced by the placement agent, Estrada Hinojosa recommends that the District select Lone Star Bank

Financing Participants

Issuer	Hidalgo County Drainage District #1
Financial Advisor	Estrada Hinojosa & Co., Inc.
Bond Counsel	The J. Ramirez Law Firm
Approving Legal Opinion	Texas AG
Placement Agent	William Blair
Purchaser	Lone Star Bank

2017 Restructuring to Maintain I&S Tax Rate

Hidalgo County Drainage District #1 Debt Service (with restructuring)

Fiscal Year	(A)		(B)	(C)	(D) = (B+C)	(E)	(F) = (D+E)	(G)=(F)/(A)/100* 100% Collection Rate ⁽¹⁾		Fiscal Year
	HCDD1 Taxable Assessed Value	AV Growth	Existing GO Debt DS	2017 Refunding ⁽²⁾	Total GO Debt DS	% of Principal Payout	Less: Issuer Contribution	Total Net Payment	Calculated I&S Tax Rate	
			PAR AMOUNT	\$1,960,000						
			TIC	1.396%						
			DELIVERY DATE	8/16/2017						
			INT. RATES	7/24/2017						
			REFUNDED PAR	\$1,960,000						
			PV SAVINGS \$	-\$113,917						
2017	\$31,092,225,431		\$14,499,431	(\$4,083)	\$14,495,348		(\$352,468)	\$14,142,880	0.04550	
2018	(3) 32,211,545,547	3.6%	13,074,681	1,944,688	15,019,369		(360,000)	14,659,369	0.04551	-
2019	(3) 33,177,891,913	3.0%	13,078,681	(2,058,000)	11,020,681			11,020,681	0.03322	-
2020	(3) 34,007,339,211	2.5%	13,080,181		13,080,181			13,080,181	0.03846	-
2021	(3) 34,857,522,691	2.5%	13,077,031		13,077,031			13,077,031	0.03752	-
2022	(3) 35,554,673,145	2.0%	13,075,781		13,075,781	36%		13,075,781	0.03678	-
2023	(3) 36,087,993,242	1.5%	13,078,031		13,078,031			13,078,031	0.03624	-
2024	(3) 36,629,313,141	1.5%	13,012,531		13,012,531			13,012,531	0.03552	-
2025	(3) 36,995,606,272	1.0%	13,014,219		13,014,219			13,014,219	0.03518	-
2026	(3) 36,995,606,272		13,007,969		13,007,969			13,007,969	0.03516	-
2027	(3) 36,995,606,272		13,014,544		13,014,544	74%		13,014,544	0.03518	-
2028	(3) 36,995,606,272		11,600,644		11,600,644			11,600,644	0.03136	-
2029	(3) 36,995,606,272		5,625,675		5,625,675			5,625,675	0.01521	-
2030	(3) 36,995,606,272		5,625,675		5,625,675			5,625,675	0.01521	-
2031	(3) 36,995,606,272		5,624,800		5,624,800			5,624,800	0.01520	-
2032	(3) 36,995,606,272		5,628,725		5,628,725	96%		5,628,725	0.01521	-
2033	(3) 36,995,606,272		5,627,125		5,627,125	100%		5,627,125	0.01521	-
2034	(3) 36,995,606,272								-	-
2035	(3) 36,995,606,272								-	-
2036	(3) 36,995,606,272								-	-
2037	(3) 36,995,606,272								-	-
TOTAL			\$184,745,725	(\$117,396)	\$184,628,329		(\$712,468)	\$183,915,861		

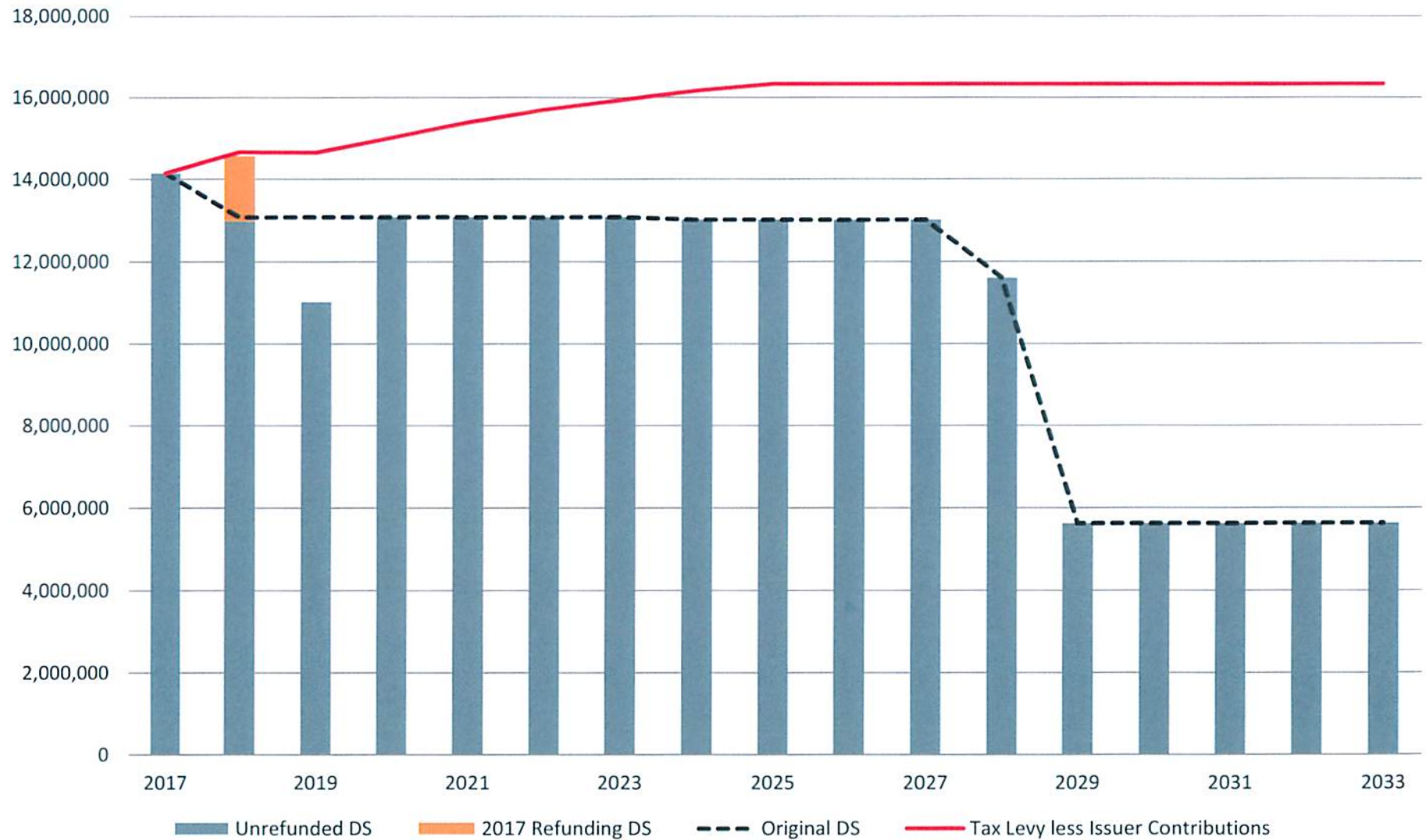
(1) - Assumes 100% collection rate since Tax Appraiser assumes delinquencies and I&S account contributions will make up any difference in collection rate.

(2) - Preliminary and subject to change.

(3) - Projected.

2017 Restructuring to Maintain I&S Tax Rate

Hidalgo County Drainage District No. 1 Debt Service Requirements



Financing Timetable

ACTIVITY

DATE

-
- | | |
|--|-----------------------------|
| • Present Finance Plan to Drainage District | June 13 th |
| • Develop Private Placement Memo (“PPM”) | Mid to late June |
| • Finalize PPM | Early July |
| • Release PPM to potential banks | July 10 th |
| • Receive bids for the Bonds | July 24 th |
| • Present Results of bids and select Purchaser at Drainage District Meeting | July 25th |
| • Submit documents to Texas AG | July 26 th |
| • Obtain Texas AG approval | August 15 th |
| • Close Bonds | August 16 th |

Disclaimer

This document is intended for discussion purposes only and, in conjunction with oral presentations and further negotiations, is subject to the final terms of definitive transaction related written agreements, if appropriate, and is not a commitment to lend money, underwrite or purchase securities or commit capital, nor does it obligate this firm to enter into written agreements. Terms and conditions described herein are an indicative summary which may be amended or replaced by subsequent summaries.

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