

Root Creek Water District



Community Facilities District
No. 2016-1, Improvement
Area No. 3, Series 2025
Special Tax Bonds

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Summary of Market Conditions

- **Municipal Market Data (MMD):** 'AAA' rated yield curve published daily by Thomsen Reuters. All tax-exempt municipal bonds price based on a spread to MMD
- On March 19, 2025, the Federal Reserve unanimously voted to hold interest rates steady at 4.5% for a second consecutive meeting, a move that was forecasted by a majority of economists.

**Historic Change in 'AAA' MMD Yields
(December 1, 2014 through March 21, 2025)**



Overview

- Community Facilities District No. 2016-1 (“CFD No. 2016-1” or “CFD”) was formed in 2016
- In June 2022, the Root Creek Water District (“Water District”) approved the annexation of certain property to the CFD No. 2016-1 as Improvement Area No. 3 (“IA No. 3”) and further approved the levy of special taxes within the CFD
 - ✓ *Authorized to issue a par amount not to exceed of \$48 million in bonds for CFD No. 2016-1, IA No. 3*
- The Water District intends to issue the first series of bonds within CFD No. 2016-1, IA No. 3 (“2025 Bonds”), to provide funds to finance certain public facilities owned and operated by the Water District in a par amount of not to exceed \$8,000,000
 - ✓ *2025 Bonds will be tax-exempt bonds with an estimated aggregate par amount of \$5,420,000**

* Preliminary, subject to change.

Series 2025 Bonds Overview*

Sources and Uses of Funds

SOURCES

Bond Proceeds	
Par Amount	\$5,420,000.00
Net Premium	128,830.00

Totals: \$5,548,830.00

USES

Project Fund Deposits:	
Project Fund	\$4,806,566.11

Other Fund Deposits:	
Debt Service Reserve Fund	440,563.89

Delivery Date Expenses	
Cost of Issuance	205,000.00
Underwriter's Discount	96,700.00
	<u>\$301,700.00</u>

Totals: \$5,548,830.00

CFD No. 2016-1, IA No. 3 2025 Bonds Debt Service

Period Ending	2025 Bonds Proposed Principal	2025 Bonds Proposed Debt Service	Total Debt Service	Revenue Contraints	Coverage
9/1/2025		\$85,064	\$85,064		
9/1/2026	\$80,000	351,000	351,000	\$391,106	111.43%
9/1/2027	85,000	352,000	352,000	391,106	111.11%
9/1/2028	90,000	352,750	352,750	391,106	110.87%
9/1/2029	95,000	353,250	353,250	391,106	110.72%
9/1/2030	100,000	353,500	353,500	391,106	110.64%
9/1/2031	105,000	353,500	353,500	391,106	110.64%
9/1/2032	110,000	353,250	353,250	391,106	110.72%
9/1/2033	115,000	352,750	352,750	391,106	110.87%
9/1/2034	120,000	352,000	352,000	391,106	111.11%
9/1/2035	125,000	351,000	351,000	391,106	111.43%
9/1/2036	135,000	354,750	354,750	391,106	110.25%
9/1/2037	140,000	353,000	353,000	391,106	110.79%
9/1/2038	145,000	351,000	351,000	391,106	111.43%
9/1/2039	155,000	353,750	353,750	391,106	110.56%
9/1/2040	160,000	351,000	351,000	391,106	111.43%
9/1/2041	170,000	353,000	353,000	391,106	110.79%
9/1/2042	180,000	354,500	354,500	391,106	110.33%
9/1/2043	185,000	350,500	350,500	391,106	111.59%
9/1/2044	195,000	351,250	351,250	391,106	111.35%
9/1/2045	205,000	351,500	351,500	391,106	111.27%
9/1/2046	215,000	351,250	351,250	391,106	111.35%
9/1/2047	230,000	355,500	355,500	391,106	110.02%
9/1/2048	240,000	354,000	354,000	391,106	110.48%
9/1/2049	250,000	352,000	352,000	391,106	111.11%
9/1/2050	265,000	354,500	354,500	391,106	110.33%
9/1/2051	275,000	351,250	351,250	391,106	111.35%
9/1/2052	290,000	352,500	352,500	391,106	110.95%
9/1/2053	305,000	353,000	353,000	391,106	110.79%
9/1/2054	320,000	352,750	352,750	391,106	110.87%
9/1/2055	335,000	351,750	351,750	391,106	111.19%
Total	\$5,420,000	\$10,662,814	\$10,662,814	\$11,733,180	

Financing Documents

- First Supplemental to Bond Indenture. Agreement between the Water District and Trustee that includes the terms of the 2025 Bonds, provides for the funds and accounts to be held by the Trustee, the bond redemption provisions and the certain covenants of the Water District
- Bond Purchase Agreement. Agreement between the Water District and Underwriter whereby the Water District agrees to sell the 2025 Bonds to the Underwriter and the Underwriter agrees to buy the 2025 Bonds from the Water District and sell them to the public
- Preliminary Official Statement. Disclosure document used by the Underwriter to inform investors about the upcoming bond sale and provide all material information for the potential investors to make a decision whether or not to buy the 2025 Bonds
- Continuing Disclosure Agreement. Specifies the Water District's obligation to provide annual disclosure to the municipal bond market related to the 2025 Bonds by preparing and filing annual disclosure reports, and provides for the Water District to give notices of certain material events related to the CFD and the 2025 Bonds, if they occur

Financing Schedule*

