

East Sandoval County Arroyo Flood Control Authority (“ESCAFCA”)

Capital Improvement and Finance Plan Review

Date: January 12, 2010



ESCAFCA
Eastern Sandoval County Arroyo
Flood Control Authority



RBC Capital Markets

History of Plan Development

SECTION I



ESCAFCA
Eastern Sandoval County Arroyo
Flood Control Authority



RBC Capital Markets

East SCAFCA Overview

- ♣ New Mexico State Legislature created East Sandoval County Arroyo Flood Control Authority during the 2007 legislature in response to significant rainfall during the prior year which resulted in widespread flooding in the ESCAFCA district.

- ♣ The legislation provided for the following:
 - Formation of the Authority through a majority approval of voters within the proposed Authority
 - Authorizes the Authority to levy an operating mill levy of up to \$2.00 per \$1,000 of assessed value
 - Authority to issue general obligation bonds to be approved by voters for capital projects

- ♣ On November 4, 2008 an election was held which authorized the issuance of up to \$6 million in general obligation bonds
 - Election was approved by majority of voters within the Authority
 - Per State Statute voter approval of general obligation bonds also authorizes formation of Authority

Capital Needs Assessment

- ♣ During the initial formation stages the Authority in conjunction with Wilson & Co., the Authority's engineer, identified various capital needs
- ♣ Approximately \$40 million of capital needs were identified
- ♣ Capital needs were prioritized by need, size, scope and timing

Financial Resources Assessment

- ♣ After capital needs were identified several bond alternatives were presented at meetings on March 11, 2008, July 10, 2008 and July 15, 2009, to meet a portion of the Authority's capital needs.
- ♣ Finance plan considerations reviewed both a bond cycling program or upfront issuance.
- ♣ The following pages detail the analysis and options presented.

Financial Resources Assessment Continued – Bond Cycling Program

- ♣ General Obligation Bond elections every 4 years, bonds issued every other year beginning in 2009
 - \$2 mill levy tax rate
 - \$3.5 million bond elections every 4 years
 - \$1.75 million in bonds issued every other year
 - Total debt issued through 2023: \$14 million
 - \$2.5 mill levy tax rate
 - \$6 million bond election 2009 and \$3 million bond elections thereafter
 - Issue \$3 million bond in 2009 and 2011 and \$1.5 million every year thereafter
 - Total debt issued through 2023: \$15 million
 - \$5 mill levy tax rate
 - \$8 million bond elections every 4 years
 - \$4 million in bonds issued every other year
 - Total debt issued through 2023: \$32 million
 - \$10 mill levy tax rate
 - \$16 million bond elections every 4 years
 - \$8 million in bonds issued every other year
 - Total debt issued through 2023: \$64 million

Financial Resources Assessment Continued – Upfront Bond Program

- ♣ General Obligation Bond election once every 20 years, bonds issued in 2009
 - \$2 mill levy tax rate
 - \$9.25 million bond election with debt issued in 2009
 - Level tax rate for 20 years
 - \$5 mill levy tax rate
 - \$23 million bond election with debt issued in 2009
 - Level tax rate for 20 years
 - \$10 mill levy tax rate
 - \$46.5 million bond election with debt issued in 2009
 - Level tax rate for 20 years
 - Statutory Capacity
 - \$50 million bond election with debt issued in 2009
 - Level tax rate of \$11.1 mill for 20 years

Financial Resources Assessment Continued – Tax Impact Analysis

PROPOSED TAX INCREASE

Tax increase of \$2.00

<u>Market Value of Property</u>	<u>Assessors Value*</u>	<u>Net Taxable Value**</u>	<u>Annual Cost</u>	<u>Monthly Cost</u>
\$50,000	\$42,500	\$12,167	\$24.33	\$2.03
100,000	85,000	26,333	52.67	4.39
200,000	170,000	54,667	109.33	9.11
300,000	255,000	83,000	166.00	13.83
400,000	340,000	111,333	222.67	18.56
500,000	425,000	139,667	279.33	23.28

*Assessors Value 86% of Market Value

** Net taxable value is 1/3 Assessor Value less \$2,000 for head of household deduction.

PROPOSED TAX INCREASE

Tax increase of \$2.50

<u>Market Value of Property</u>	<u>Assessors Value*</u>	<u>Net Taxable Value**</u>	<u>Annual Cost</u>	<u>Monthly Cost</u>
\$50,000	\$42,500	\$12,167	\$30.42	\$2.53
100,000	85,000	26,333	65.83	5.49
200,000	170,000	54,667	136.67	11.39
300,000	255,000	83,000	207.50	17.29
400,000	340,000	111,333	278.33	23.19
500,000	425,000	139,667	349.17	29.10

*Assessors Value 86% of Market Value

** Net taxable value is 1/3 Assessor Value less \$2,000 for head of household deduction.

PROPOSED TAX INCREASE

Tax increase of \$5.00

<u>Market Value of Property</u>	<u>Assessors Value*</u>	<u>Net Taxable Value**</u>	<u>Annual Cost</u>	<u>Monthly Cost</u>
\$50,000	\$42,500	\$12,167	\$60.83	\$5.07
100,000	85,000	26,333	131.67	10.97
200,000	170,000	54,667	273.33	22.78
300,000	255,000	83,000	415.00	34.58
400,000	340,000	111,333	556.67	46.39
500,000	425,000	139,667	698.33	58.19

*Assessors Value 86% of Market Value

** Net taxable value is 1/3 Assessor Value less \$2,000 for head of household deduction.

PROPOSED TAX INCREASE

Tax increase of \$10.00

<u>Market Value of Property</u>	<u>Assessors Value*</u>	<u>Net Taxable Value**</u>	<u>Annual Cost</u>	<u>Monthly Cost</u>
\$50,000	\$42,500	\$12,167	\$121.67	\$10.14
100,000	85,000	26,333	263.33	21.94
200,000	170,000	54,667	546.67	45.56
300,000	255,000	83,000	830.00	69.17
400,000	340,000	111,333	1,113.33	92.78
500,000	425,000	139,667	1,396.67	116.39

*Assessors Value 86% of Market Value

** Net taxable value is 1/3 Assessor Value less \$2,000 for head of household deduction.

PROPOSED TAX INCREASE

Tax increase of \$11.30

<u>Market Value of Property</u>	<u>Assessors Value*</u>	<u>Net Taxable Value**</u>	<u>Annual Cost</u>	<u>Monthly Cost</u>
\$50,000	\$42,500	\$12,167	\$137.48	\$11.46
100,000	85,000	26,333	297.57	24.80
200,000	170,000	54,667	617.73	51.48
300,000	255,000	83,000	937.90	78.16
400,000	340,000	111,333	1,258.07	104.84
500,000	425,000	139,667	1,578.23	131.52

*Assessors Value 86% of Market Value

** Net taxable value is 1/3 Assessor Value less \$2,000 for head of household deduction.

Financial Resources Assessment Continued – Decision

- ♣ After Consideration of the different options the Authority approved moving forward with an election for \$6 million to be sold over a 2 year period with an estimated debt service tax rate of \$2.50 mill with no tax rate increase for future elections
- ♣ In addition, information was presented prior to the election with respect to the annual revenue to be generated from a \$1.00 or \$2.00 operating mill levy to fund the day to day operations of the Authority.
 - Enabling legislation allows the Authority to levy and cause to be collected general ad valorem taxes on all property within the Authority at a rate not to exceed \$2.00 / \$1,000.
 - \$1.00 operational mill levy would generate approximately \$388,000.
 - \$2.00 operational mill levy would generate approximately \$776,000.
- ♣ The amount of operational mill levy had not been determined by the Authority prior to the approval of the general obligation bonds by voters.

Implementation of Plan

SECTION II



ESCAFCA
Eastern Sandoval County Arroyo
Flood Control Authority



RBC Capital Markets

Election

- ♣ In August 2008 interim Authority Board approved an Election Resolution authorizing an election of General Obligation Bonds in an amount not to exceed \$6,000,000
- ♣ The election was passed by a majority of voters in the Authority
- ♣ Since the election was held after tax rates had been set for tax year 2008 (calendar year 2009), the Authority would have to wait a year before collecting tax revenues

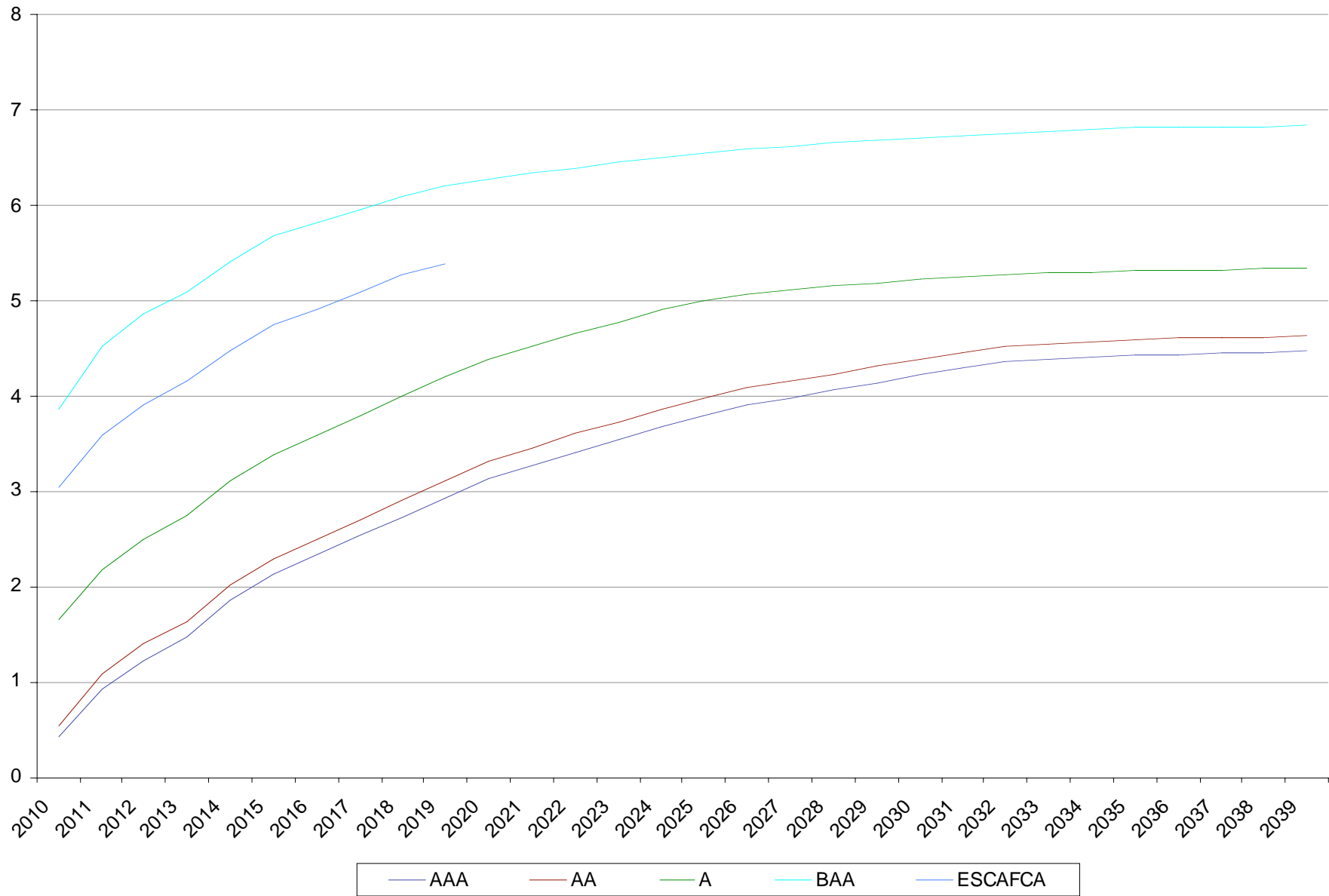
Bond Sale

- ♣ To jump start critical capital improvements the decision was made to issue bonds in March 2009
- ♣ Due to lack of financials, short operating history and no rating several financing alternatives were reviewed and discussed by the Board and a private placement was chosen as the best alternative
- ♣ A letter of interest was sent to local banks including Wells Fargo, Bank of America, New Mexico Bank and Trust and First Community Bank.
 - No interest or commitment was provided by any local bank
- ♣ Letters of interest also sent to regional and national banks
 - Zions Bank from Utah was the only bank interested in purchasing the Bonds
- ♣ After an underwriting process, Zions bank agreed to purchase the bonds at an all inclusive cost of 4.55%

Bond Sale Results

♣ Issue Size:	\$3,000,000
♣ Maturity Dates:	2010-2019
♣ True Interest Cost:	4.545%
♣ Average Life:	4.202 Years
♣ Average Coupon:	4.595%
♣ Call Date:	Non-Callable
♣ Interest Cost to Taxpayers:	\$579,290.04
♣ Total Repayment:	\$3,579,290.04
♣ Estimated Tax Rate:	\$2.5 mills

Credit Spreads at Time of Pricing



Results

SECTION III



ESCAFCA
Eastern Sandoval County Arroyo
Flood Control Authority



RBC Capital Markets

Result and Impact on Local Taxes

- Authority board approved operating mill levy of \$1.00 per \$1,000 of assessed value
- General Obligation Tax rate set by DFA at \$2.448, which was within the \$2.50 tax rate that had been anticipated since July 2008
- Tax Impact on residential property owners in the Town of Bernalillo and unincorporated portion of Sandoval County (i.e. Placitas and Algodones) is provided below:

	Tax Year 2008		Tax Year 2009	
	Bernalillo	Placitas / Algodones	Bernalillo	Placitas / Algodones
State of New Mexico	\$ 1.250	\$ 1.250	\$ 1.150	\$ 1.150
Sandoval County	5.368	5.368	5.809	5.809
Town of Bernalillo	2.561	-	2.630	-
Bernalillo Schools	11.590	11.590	11.614	11.614
East SCAFCA	-	-	3.448	3.448
UNM Hospital	-	-	4.250	4.250
Total	\$ 20.769	\$ 18.208	\$ 28.901	\$ 26.271

- The chart below details the surrounding communities property tax levels

	Albuquerque	Rio Rancho	Corrales	Bernalillo	Placitas	Algodones
Total Rate	\$40.252	\$34.524	\$31.742	\$28.901	\$26.271	\$26.271

Alternative Structures

♣ Alternatives to a level tax rate cycling program would be the up-front issuance of debt for capital needs or bond cycling debt with level debt service but fluctuating tax rate. Pros and cons are examined for each.

– **Bond Cycling Level Tax Rate**

- Pros:
 - Consistent tax rate
 - Lower borrowing cost
 - More net proceeds delivered over time
- Cons:
 - Higher upfront tax rate

– **Bond Cycling Level Debt Service**

- Pros:
 - Lower initial tax rate
 - Lower borrowing cost than upfront borrowing
- Cons:
 - Debt service tax rate fluctuates annually
 - Higher tax rates in future for same net capital for projects

– **Up-Front Borrowing**

- Pros:
 - Consistent tax rate if assessed value grows as expected
 - More net proceeds upfront
- Cons:
 - Limited future flexibility
 - Lower overall net proceeds
 - Increased difficulty in spending proceeds within years per IRS regulation

Finance Plan – Current Program

PROPOSED DEBT

TYE	Total Outstanding	2009 Election \$6,000,000						2013 Election \$4,000,000						TOTAL DEBT REQUIREMENTS			Estimated Tax Rate @ 96.50% Collect. Rate	Principal Outstanding after Aug 1
		SERIES 2009 \$3,000,000			SERIES 2011 \$3,000,000			SERIES 2013 \$2,000,000			SERIES 2015 \$2,000,000			PRIN	INT	TOTAL		
		Prin \$/1	Coupon	Interest	Prin \$/1	Coupon	Interest	Prin \$/1	Coupon	Interest	Prin \$/1	Coupon	Interest					
2009																		
2010		635,000	3.04%	133,673										635,000	133,673	768,673	2.448	2,365,000
2011		865,000	3.58%	101,911										865,000	101,911	966,911	2.430	4,500,000
2012		200,000	3.90%	70,944	600,000	4.50%	135,000							800,000	205,944	1,005,944	2.407	3,700,000
2013		200,000	4.16%	63,144	700,000	4.50%	108,000							900,000	171,144	1,071,144	2.441	4,800,000
2014		180,000	4.48%	54,824	100,000	4.50%	76,500	625,000	4.50%	90,000				905,000	221,324	1,126,324	2.445	3,895,000
2015		180,000	4.74%	46,760	100,000	4.50%	72,000	665,000	4.50%	61,875				945,000	180,635	1,125,635	2.443	4,950,000
2016		180,000	4.91%	38,228	150,000	4.50%	67,500	75,000	4.50%	31,950	485,000	4.50%	90,000	890,000	227,678	1,117,678	2.426	4,060,000
2017		180,000	5.09%	29,390	150,000	4.50%	60,750	75,000	4.50%	28,575	525,000	4.50%	68,175	930,000	186,890	1,116,890	2.424	5,130,000
2018		180,000	5.26%	20,228	150,000	4.50%	54,000	75,000	4.50%	25,200	100,000	4.50%	44,550	505,000	143,978	648,978	1.409	4,260,000
2019		200,000	5.38%	10,760	150,000	4.50%	47,250	75,000	4.50%	21,825	100,000	4.50%	40,050	525,000	119,885	644,885	1.400	5,350,000
2020					300,000	4.50%	40,500	75,000	4.50%	18,450	100,000	4.50%	35,550	475,000	94,500	569,500	1.236	4,495,000
2021					300,000	4.50%	27,000	75,000	4.50%	15,075	100,000	4.50%	31,050	475,000	73,125	548,125	1.190	5,600,000
2022					175,000	4.50%	13,500	75,000	4.50%	11,700	100,000	4.50%	26,550	350,000	51,750	401,750	0.872	4,770,000
2023					125,000	4.50%	5,625	75,000	4.50%	8,325	100,000	4.50%	22,050	300,000	36,000	336,000	0.729	5,885,000
2024								50,000	4.50%	4,950	100,000	4.50%	17,550	100,000	22,500	172,500	0.374	5,075,000
2025								60,000	4.50%	2,700	100,000	4.50%	13,050	160,000	15,750	175,750	0.382	4,225,000
2026											100,000	4.50%	8,550	100,000	8,550	108,550	0.236	3,600,000
2027											90,000	4.50%	4,050	90,000	4,050	94,050	0.204	2,985,000
2028														0	0	0	0.000	2,410,000
2029																		
2030																		
TOTAL		3,000,000		569,862	3,000,000		707,625	2,000,000		320,625	2,000,000		401,175	\$10,000,000	\$1,999,287	\$11,999,287		

TYE	Total Outstanding	2017 Election \$4,000,000						2021 Election \$4,000,000						TOTAL DEBT REQUIREMENTS			Estimated Tax Rate @ 96.50% Collect. Rate	Principal Outstanding after Aug 1
		SERIES 2017 \$2,000,000			SERIES 2019 \$2,000,000			SERIES 2021 \$2,000,000			SERIES 2023 \$2,000,000			PRIN	INT	TOTAL		
		Prin \$/1	Coupon	Interest	Prin \$/1	Coupon	Interest	Prin \$/1	Coupon	Interest	Prin \$/1	Coupon	Interest					
2017														930,000	186,890	1,116,890	2.424	5,130,000
2018		365,000	5.00%	100,000										870,000	243,978	1,113,978	2.418	4,260,000
2019		385,000	5.00%	81,750										910,000	201,635	1,111,635	2.413	5,350,000
2020		50,000	5.00%	62,500	330,000	5.00%	100,000							855,000	257,000	1,112,000	2.414	4,495,000
2021		50,000	5.00%	60,000	370,000	5.00%	83,500							895,000	216,625	1,111,625	2.413	5,600,000
2022		50,000	5.00%	57,500	100,000	5.00%	65,000	330,000	5.25%	105,000				830,000	279,250	1,109,250	2.408	4,770,000
2023		100,000	5.00%	55,000	100,000	5.00%	60,000	385,000	5.25%	87,675				885,000	238,675	1,123,675	2.439	5,885,000
2024		100,000	5.00%	50,000	100,000	5.00%	55,000	100,000	5.25%	67,463	360,000	5.25%	105,000	810,000	299,963	1,109,963	2.409	5,075,000
2025		150,000	5.00%	45,000	100,000	5.00%	50,000	100,000	5.25%	62,213	340,000	5.25%	86,100	850,000	259,063	1,109,063	2.407	4,225,000
2026		150,000	5.00%	37,500	100,000	5.00%	45,000	175,000	5.25%	56,963	100,000	5.25%	68,250	625,000	216,263	841,263	1.826	3,600,000
2027		150,000	5.00%	30,000	100,000	5.00%	40,000	175,000	5.25%	47,775	100,000	5.25%	63,000	615,000	184,825	799,825	1.736	2,985,000
2028		150,000	5.00%	22,500	150,000	5.00%	35,000	175,000	5.25%	38,588	100,000	5.25%	57,750	575,000	153,838	728,838	1.582	2,410,000
2029		300,000	5.00%	15,000	150,000	5.00%	27,500	125,000	5.25%	29,400	100,000	5.25%	52,500	675,000	124,400	799,400	1.735	1,735,000
2030					200,000	5.00%	20,000	125,000	5.25%	22,838	100,000	5.25%	47,250	425,000	90,088	515,088	1.718	1,310,000
2031					200,000	5.00%	10,000	100,000	5.25%	16,275	150,000	5.25%	42,000	450,000	68,275	518,275	1.125	860,000
2032								100,000	5.25%	11,025	150,000	5.25%	34,125	250,000	45,150	295,150	0.641	610,000
2033								110,000	5.25%	5,775	150,000	5.25%	26,250	260,000	32,025	292,025	0.634	350,000
2034											175,000	5.25%	18,375	175,000	18,375	193,375	0.420	175,000
2035											175,000	5.25%	9,188	175,000	9,188	184,188	0.400	-
2036														0	0	0	0.000	-
2037																		
TOTAL		2,000,000		616,750	2,000,000		591,000	2,000,000		550,988	2,000,000		609,788	\$12,060,000	\$3,125,503	\$15,185,503		



Finance Plan – Level Debt Service

TYE 10/31	Total Outstanding	2009 Election \$6,000,000			2013 Election \$4,000,000			TOTAL DEBT REQUIREMENTS			Estimated Tax Rate @ 96.50% Collect. Rate
		SERIES 2009 \$6,000,000			SERIES 2013 \$4,000,000			PRIN	INT	TOTAL	
		Prin \$1	Coupon	Interest	Prin \$1	Coupon	Interest				
2009											
2010		260,000	3.04%	337,728				260,000	337,728	597,728	1.504
2011		300,000	3.58%	298,348				300,000	298,348	598,348	1.504
2012		310,000	3.90%	287,608				310,000	287,608	597,608	1.430
2013		325,000	4.16%	275,518				325,000	275,518	600,518	1.369
2014		335,000	4.48%	261,998	195,000	4.50%	180,000	530,000	441,998	971,998	2.110
2015		350,000	4.74%	246,990	200,000	4.50%	171,225	550,000	418,215	968,215	2.102
2016		370,000	4.91%	230,400	210,000	4.50%	162,225	580,000	392,625	972,625	2.111
2017		385,000	5.09%	212,233	220,000	4.50%	152,775	605,000	365,008	970,008	2.106
2018		405,000	5.26%	192,637	230,000	4.50%	142,875	635,000	335,512	970,512	2.107
2019		430,000	5.38%	171,334	240,000	4.50%	132,525	670,000	303,859	973,859	2.114
2020		450,000	5.56%	148,200	250,000	4.50%	121,725	700,000	269,925	969,925	2.105
2021		475,000	5.71%	123,180	260,000	4.50%	110,475	735,000	233,655	968,655	2.103
2022		505,000	5.85%	96,057	275,000	4.50%	98,775	780,000	194,832	974,832	2.116
2023		535,000	5.98%	66,515	285,000	4.50%	86,400	820,000	152,915	972,915	2.112
2024		565,000	6.11%	34,522	300,000	4.50%	73,575	865,000	108,097	973,097	2.112
2025					315,000	4.50%	60,075	315,000	60,075	375,075	0.814
2026					325,000	4.50%	45,900	325,000	45,900	370,900	0.805
2027					340,000	4.50%	31,275	340,000	31,275	371,275	0.806
2028					355,000	4.50%	15,975	355,000	15,975	370,975	0.805
2029											
2030											
TOTAL		6,000,000		2,983,265	4,000,000		1,585,800	\$10,000,000	\$4,569,065	\$14,569,065	

TYE 10/31	Total Outstanding	2017 Election \$4,000,000			2021 Election \$4,000,000			TOTAL DEBT REQUIREMENTS			Estimated Tax Rate @ 96.50% Collect. Rate
		SERIES 2017 \$4,000,000			SERIES 2021 \$4,000,000			PRIN	INT	TOTAL	
		Prin \$1	Coupon	Interest	Prin \$1	Coupon	Interest				
2017								605,000	365,008	970,008	2.106
2018		195,000	4.50%	180,000				830,000	515,512	1,345,512	2.921
2019		200,000	4.50%	171,225				870,000	475,084	1,345,084	2.920
2020		210,000	4.50%	162,225				910,000	432,150	1,342,150	2.913
2021		220,000	4.50%	152,775				955,000	386,430	1,341,430	2.912
2022		230,000	4.50%	142,875	195,000	4.50%	180,000	1,205,000	517,707	1,722,707	3.739
2023		240,000	4.50%	132,525	200,000	4.50%	171,225	1,260,000	456,665	1,716,665	3.726
2024		250,000	4.50%	121,725	210,000	4.50%	162,225	1,325,000	392,047	1,717,047	3.727
2025		260,000	4.50%	110,475	220,000	4.50%	152,775	795,000	323,325	1,118,325	2.428
2026		275,000	4.50%	98,775	230,000	4.50%	142,875	830,000	287,550	1,117,550	2.426
2027		285,000	4.50%	86,400	240,000	4.50%	132,525	865,000	250,200	1,115,200	2.421
2028		300,000	4.50%	73,575	250,000	4.50%	121,725	905,000	211,275	1,116,275	2.423
2029		315,000	4.50%	60,075	260,000	4.50%	110,475	575,000	170,550	745,550	1.618
2030		325,000	4.50%	45,900	275,000	4.50%	98,775	600,000	144,675	744,675	1.616
2031		340,000	4.50%	31,275	285,000	4.50%	86,400	625,000	117,675	742,675	1.612
2032		355,000	4.50%	15,975	300,000	4.50%	73,575	655,000	89,550	744,550	1.616
2033					315,000	4.50%	60,075	315,000	60,075	375,075	0.814
2034					325,000	4.50%	45,900	325,000	45,900	370,900	0.805
2035					340,000	4.50%	31,275	340,000	31,275	371,275	0.806
2036					355,000	4.50%	15,975	355,000	15,975	370,975	0.805
2037											
TOTAL		4,000,000		1,585,800	4,000,000		1,585,800	\$15,145,000	\$5,288,625	\$20,433,625	

Finance Plan – Upfront Issuance

TYE	Total Outstanding	2009 Election \$18,000,000			TOTAL DEBT REQUIREMENTS			Estimated Tax Rate @ 96.50% Collect Rate	Principal Outstanding after Aug 1
		SERIES 2009 \$18,000,000			PRIN	INT	TOTAL		
1031		Prin 81	Coupon	Interest					
2009									
2010		245,000	5.00%	992,500	245,000	992,500	1,237,500	3.228	17,755,000
2011		345,000	5.00%	887,750	345,000	887,750	1,232,750	3.098	17,410,000
2012		365,000	5.00%	870,500	365,000	870,500	1,235,500	2.957	17,045,000
2013		385,000	5.00%	852,250	385,000	852,250	1,237,250	2.820	16,660,000
2014		400,000	5.00%	833,000	400,000	833,000	1,233,000	2.676	16,260,000
2015		420,000	5.00%	813,000	420,000	813,000	1,233,000	2.676	15,840,000
2016		445,000	5.00%	792,000	445,000	792,000	1,237,000	2.685	15,395,000
2017		465,000	5.00%	769,750	465,000	769,750	1,234,750	2.680	14,930,000
2018		490,000	5.00%	746,500	490,000	746,500	1,236,500	2.684	14,440,000
2019		515,000	5.00%	722,000	515,000	722,000	1,237,000	2.685	13,925,000
2020		540,000	5.00%	696,250	540,000	696,250	1,236,250	2.684	13,385,000
2021		565,000	5.00%	669,250	565,000	669,250	1,234,250	2.679	12,820,000
2022		595,000	5.00%	641,000	595,000	641,000	1,236,000	2.683	12,225,000
2023		625,000	5.00%	611,250	625,000	611,250	1,236,250	2.684	11,600,000
2024		655,000	5.00%	580,000	655,000	580,000	1,235,000	2.681	10,945,000
2025		690,000	5.00%	547,250	690,000	547,250	1,237,250	2.686	10,255,000
2026		720,000	5.00%	512,750	720,000	512,750	1,232,750	2.676	9,535,000
2027		760,000	5.00%	476,750	760,000	476,750	1,236,750	2.685	8,775,000
2028		795,000	5.00%	438,750	795,000	438,750	1,233,750	2.678	7,980,000
2029		835,000	5.00%	399,000	835,000	399,000	1,234,000	2.679	7,145,000
2030		880,000	5.00%	357,250	880,000	357,250	1,237,250	2.686	6,265,000
2031		920,000	5.00%	313,250	920,000	313,250	1,233,250	2.677	5,345,000
2032		970,000	5.00%	267,250	970,000	267,250	1,237,250	2.686	4,375,000
2033		1,015,000	5.00%	218,750	1,015,000	218,750	1,233,750	2.678	3,360,000
2034		1,065,000	5.00%	168,000	1,065,000	168,000	1,233,000	2.676	2,295,000
2035		1,120,000	5.00%	114,750	1,120,000	114,750	1,234,750	2.680	1,175,000
2036		1,175,000	5.00%	58,750	1,175,000	58,750	1,233,750		
TOTAL		18,000,000		15,349,500	\$11,735,000	\$14,208,750	\$25,943,750		

Future Considerations

East SCAFCA has several considerations for future bonds sales and elections:

- ♣ Current tax rate set for tax year 2009, with similar tax rate expected for tax year 2010
- ♣ Future Considerations
 - Do not sell remaining \$3 million authorized General Obligation Bonds
 - Tax rate decline from \$2.448 to approximately \$0.65 in 2011
 - Impact of Consideration
 - No capital funds for projects in 2011 and beyond without tax rate increase
 - Sell remaining existing \$3 million authorized General Obligation Bonds under original plan with no future bond elections
 - Tax rate would decline to from the \$2.50 level in 2013 to \$0.89
 - Impact of Consideration
 - Less capital funding for future projects
 - Negatively impacts future capacity
 - Additional bond issues would require tax rate increase
 - Sell remaining \$3 million authorized General Obligation Bonds but structure with lower tax rate
 - Reduces tax rate for tax year 2011
 - Impact of Consideration
 - Negatively impacts future capacity

Finance Plan – No Future Sales and No Future Elections

TYE 10/31	Total Outstanding	2009 Election \$6,000,000			TOTAL DEBT REQUIREMENTS			Estimated Tax Rate @ 96.50% Collect. Rate
		SERIES 2009 \$3,000,000			PRIN	INT	TOTAL	
		Prin 8/1	Coupon	Interest				
2009								
2010		635,000	3.04%	133,673	635,000	133,673	768,673	2.448
2011		865,000	3.58%	101,911	865,000	101,911	966,911	2.430
2012		200,000	3.90%	70,944	200,000	70,944	270,944	0.648
2013		200,000	4.16%	63,144	200,000	63,144	263,144	0.600
2014		180,000	4.48%	54,824	180,000	54,824	234,824	0.510
2015		180,000	4.74%	46,760	180,000	46,760	226,760	0.492
2016		180,000	4.91%	38,228	180,000	38,228	218,228	0.474
2017		180,000	5.09%	29,390	180,000	29,390	209,390	0.455
2018		180,000	5.26%	20,228	180,000	20,228	200,228	0.435
2019		200,000	5.38%	10,760	200,000	10,760	210,760	0.457
TOTAL		3,000,000		569,862	\$3,000,000	\$569,862	\$3,569,862	

TYE 10/31	Total Outstanding	2009 Election \$6,000,000						TOTAL DEBT REQUIREMENTS			Estimated Tax Rate @ 96.50% Collect. Rate
		SERIES 2009 \$3,000,000			SERIES 2011 \$3,000,000			PRIN	INT	TOTAL	
		Prin 8/1	Coupon	Interest	Prin 8/1	Coupon	Interest				
2009											
2010		635,000	3.04%	133,673				635,000	133,673	768,673	2.448
2011		865,000	3.58%	101,911				865,000	101,911	966,911	2.430
2012		200,000	3.90%	70,944	600,000	4.50%	135,000	800,000	205,944	1,005,944	2.407
2013		200,000	4.16%	63,144	700,000	4.50%	108,000	900,000	171,144	1,071,144	2.441
2014		180,000	4.48%	54,824	100,000	4.50%	76,500	280,000	131,324	411,324	0.893
2015		180,000	4.74%	46,760	100,000	4.50%	72,000	280,000	118,760	398,760	0.866
2016		180,000	4.91%	38,228	150,000	4.50%	67,500	330,000	105,728	435,728	0.946
2017		180,000	5.09%	29,390	150,000	4.50%	60,750	330,000	90,140	420,140	0.912
2018		180,000	5.26%	20,228	150,000	4.50%	54,000	330,000	74,228	404,228	0.877
2019		200,000	5.38%	10,760	150,000	4.50%	47,250	350,000	58,010	408,010	0.886
2020					300,000	4.50%	40,500	300,000	40,500	340,500	0.739
2021					300,000	4.50%	27,000	300,000	27,000	327,000	0.710
2022					175,000	4.50%	13,500	175,000	13,500	188,500	0.409
2023					125,000	4.50%	5,625	125,000	5,625	130,625	0.284
TOTAL		3,000,000		569,862	3,000,000		707,625	\$6,000,000	\$1,277,487	\$7,277,487	

Disclaimer

By acceptance of these materials, and notwithstanding any other express or implied agreement, arrangement, or understanding to the contrary, RBCCM, its affiliates and the recipient agree that the recipient (and its employees, representatives, and other agents) may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the tax treatment, structure or strategy of the transaction and any fact that may be relevant to understanding such treatment, structure or strategy, and all materials of any kind (including opinions or other tax analyses) that are provided to the recipient relating to such tax treatment, structure, or strategy.

The information and any analyses contained in this presentation are taken from, or based upon, information obtained from the recipient or from publicly available sources, the completeness and accuracy of which has not been independently verified, and cannot be assured by RBCCM. The information and any analyses in these materials reflect prevailing conditions and RBCCM's views as of this date, all of which are subject to change.

To the extent projections and financial analyses are set forth herein, they may be based on estimated financial performance prepared by or in consultation with the recipient and are intended only to suggest reasonable ranges of results. The printed presentation is incomplete without reference to the oral presentation or other written materials that supplement it.

Employees of RBCCM are expressly prohibited from directly or indirectly: (a) offering any company favorable research coverage as an inducement for the receipt of investment banking business; or (b) threatening to retaliate with adverse coverage or comments if such business is not awarded. All recommendations, ratings, price targets and opinions regarding a company are determined independently by RBCCM's Research Department.

IRS Circular 230 Disclosure: RBCCM and its affiliates do not provide tax advice and nothing contained herein should be construed as tax advice. Any discussion of U.S. tax matters contained herein (including any attachments) (i) was not intended or written to be used, and cannot be used, by you for the purpose of avoiding tax penalties; and (ii) was written in connection with the promotion or marketing of the matters addressed herein. Accordingly, you should seek advice based upon your particular circumstances from an independent tax advisor.



Tax Base and Finance Plan Alternatives March 11, 2008 Board Presentation

APPENDIX I



ESCAFCA
Eastern Sandoval County Arroyo
Flood Control Authority



RBC Capital Markets

Finance Plan Alternatives July 10, 2008 Board Presentation

APPENDIX II



ESCAFCA
Eastern Sandoval County Arroyo
Flood Control Authority



RBC Capital Markets

Finance Plan Alternatives July 15, 2008 Board Presentation

APPENDIX III



ESCAFCA
Eastern Sandoval County Arroyo
Flood Control Authority



RBC Capital Markets

Bond Sale Options and Time Schedule January 13, 2009 Board Presentation

APPENDIX IV



ESCAFCA
Eastern Sandoval County Arroyo
Flood Control Authority



RBC Capital Markets

Pricing Book and Bond Sale Result May 12, 2009 Board Presentation

APPENDIX V



ESCAFCA
Eastern Sandoval County Arroyo
Flood Control Authority



RBC Capital Markets