



P.O. Box 13231, Austin, Texas 78711-3231

**APPLICATION FOR FINANCIAL ASSISTANCE – SWIFT
GREATER TEXOMA UTILITY AUTHORITY/TOM BEAN WATER
WELL PROJECT
FOR WATER AND WASTEWATER INFRASTRUCTURE PROJECTS**

NOTICE TO ALL APPLICANTS

This application is comprehensive, covering all loan and grant assistance applications for water and wastewater infrastructure financing through the various Texas Water Development Board (TWDB) programs. The format of the application is intended to expedite the review process for both the applicant and TWDB staff. This application is intended for political subdivisions, including Water Supply Corporations.

Each applicant must submit **ONE** double-sided **ORIGINAL** and **ONE** indexed, electronic copy, via electronic storage media such as CD or flash drive using MS Word, Excel and/or Adobe Acrobat. The application must be submitted to:

Texas Water Development Board
Water Supply and Infrastructure-Regional Water Planning and Development
P O Box 13231
1700 N. Congress Avenue, 5th Floor
Austin, Texas 78711-3231
(78701 for courier deliveries)

Only **COMPLETE APPLICATIONS** for projects will be considered for funding. A **COMPLETE APPLICATION** consists of all of the applicable information and forms requested in this document.

IMPORTANT NOTICE

Applicants **MUST** use this form for application to ensure all requested information is included for review.

When preparing this application please review the Application and all Guidance and Forms, listed at the end.

TWDB Use Only

Name of Applicant: _____

Date application received: _____

Date administratively complete: _____

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

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- Attachment 21 – Draft Bond Resolution
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Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part A: General Information

1. The legal authority under which the applicant was created and operates.
 - a) TYPE A GENERAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. S.001)
 - b) TYPE B GENERAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.002)
 - c) TYPE C GENERAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.003)
 - d) HOME-RULE MUNICIPALITY (Texas Local Gov't Code Sec. S.004)
 - e) SPECIAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. S.005)
 - f) NONPROFIT ORGANIZATION (Business Organization Code Chapter 22)
 - g) NONPROFIT WATER SUPPLY OR SEWER SERVICE CORP. (Texas Water Code Chapter 67)
 - h) ALL DISTRICTS (Texas Water Code Chapter 49)
 - i) OTHER (attach)

2. Applicant Name and Contact Information:

| | |
|--------------------------|---|
| Name: | Greater Texoma Utility Authority/City of Tom Bean Project |
| County: | Grayson |
| Physical Address: | 5100 Airport Drive, Denison TX 75020 |
| Mailing Address: | 5100 Airport Drive, Denison TX 75020 |
| Phone: | 903-786-4433 |
| Fax: | 903-786-8211 |
| Website: | gtua@gtua.org |

3. Brief description of the project: City of Tom Bean is in need of drilling a supplemental water well, construction a ground storage tank for the well, and appurtenances as necessary for project.

4. Applicant's Officers and Members:

| <u>Name</u> | <u>Office Held</u> |
|------------------|---------------------|
| Don Skelton | President |
| Jeannie Anderson | Vice President |
| George Rowland | Secretary-Treasurer |
| Everett Grantham | Member |
| Bill Johnson | Member |
| Mark Kuneman | Member |
| Brad Morgan | Member |
| Dave Stump | Member |
| Clyde Yeatts | Member |

5. Applicant's **primary contact person** for day-to-day project implementation.

| | |
|-----------------|--------------------------------------|
| Name: | Carolyn Bennett |
| Title: | Project Coordinator |
| Address: | 5100 Airport Drive, Denison TX 75020 |
| Phone: | 903-786-4433 |
| Fax: | 903-786-8211 |

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

| | |
|---------------|--------------------------|
| Email: | <u>carolynb@gtua.org</u> |
|---------------|--------------------------|

6. Applicant's Consultants (Attach copies of all draft and/or executed contracts for consultant services to be used by the Applicant in applying for financial assistance or constructing the proposed project.):

a) Applicant Engineer N/A

| | |
|-------------------|--|
| Firm Name: | Cobb, Fendley & Associates, Inc. |
| Contact: | J. Don Wortham, PhD |
| Address: | 6801 Gaylord Parkway, Ste 301, Frisco TX 75034 |
| Phone: | 972-335-2214 |
| Fax: | |
| Email: | <u>dwortham@cobfen.com</u> |

b) Bond Counsel N/A

| | |
|-------------------|--|
| Firm Name: | Norton Rose Fulbright |
| Contact: | Kristen Savant |
| Address: | 2200 Ross Avenue, Ste 3600, Dallas TX 75201-7932 |
| Phone: | 214-855-8072 |
| Fax: | 214-855-8200 |
| Email: | <u>kristen.savant@nortonrosefulbright.com</u> |

c) Financial Advisor N/A

| | |
|-------------------|--|
| Firm Name: | Specilized Public Finance |
| Contact: | Garry Kimball |
| Address: | 248 Addie Roy Road, Ste B-103, Austin TX 78746 |
| Phone: | 512-275-7300 |
| Fax: | |
| Email: | <u>garry@spubfin.com</u> |

d) Certified Public Accountant (or other appropriate rep) N/A

| | |
|-------------------|--------------------------------------|
| Firm Name: | Greater Texoma Utility Authority |
| Contact: | Debi Atkins, Finance Officer |
| Address: | 5100 Airport Drive, Denison TX 75020 |
| Phone: | 903-786-4433 |
| Fax: | 903-786-8211 |
| Email: | <u>debia@gtua.org</u> |

e) Legal Counsel (if other than Bond Counsel) N/A

| | |
|-------------------|-------------------------------------|
| Firm Name: | Wynne & Smith Law Firm |
| Contact: | Mike Wynne |
| Address: | 707 W. Washington, Sherman TX 75090 |
| Phone: | 903-893-8177 |
| Fax: | 903-892-0916 |

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Email: mwyne@wynnesmithlaw.com

f) Any other consultant representing the Applicant before the Board N/A x

| | |
|-------------------|--|
| Firm Name: | |
| Contact: | |
| Address: | |
| Phone: | |
| Fax: | |
| Email: | |

7. List the counties within the Applicant's service area. Grayson

8. Identify the Applicant's total service area population: 1,045

9. Applicant is requesting funding from which programs? Check all that apply.

| | PROGRAM | AMOUNT REQUESTED |
|--|---|---------------------|
| a) <input type="checkbox"/> | Drinking Water State Revolving Fund (DWSRF) | \$ _____ |
| b) <input type="checkbox"/> | Clean Water State Revolving Fund (CWSRF) | \$ _____ |
| c) <input type="checkbox"/> | Texas Water Development Fund (DFund) | \$ _____ |
| d) <input type="checkbox"/> | State Participation | \$ _____ |
| e) <input type="checkbox"/> | Rural Water Assistance Fund (RWAf) | \$ _____ |
| f) <input checked="" type="checkbox"/> | State Water Implementation Fund for Texas (SWIFT) | \$ <u>1,210,000</u> |
| g) <input type="checkbox"/> | Economically Distressed Areas Program (EDAP) | \$ _____ |
| h) <input type="checkbox"/> | If other please explain: _____ | \$ _____ |

10. Other Funding Sources: Provide a list of any other funding source(s) being utilized to complete the project, including Applicant's local contribution, if any, or commitments applied for and/or received from any other funding agency for this project or any aspect of this project. **Provide commitment letters if available. Additional funding sources must be included within the Project Budget (TWDB-1201).**

| Funding Source | Type of Funds (Loan/Grant) | Amount (\$) | Date Applied for Funding | Anticipated or Funding Secured Date |
|---------------------------------------|----------------------------|-------------|--------------------------|-------------------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total Funding from All Sources | | \$ | | |

Comments: _____

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

11. Applicant is requesting funding for which phase(s)? Check all that apply.

- x Planning
- x Acquisition
- x Design
- x Construction

12. Is Applicant requesting funding to refinance existing debt?

- Yes If yes, attach a copy of the document securing the debt to be refinanced.
- Attached document**
- x No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part B: Legal Information

13. Cite the legal authority under which the Applicant can issue the proposed debt including the authority to make a proposed pledge of revenues. Greater Texoma Utility Authority was created by a special act of the legislature under provisions of Article XVI, Section 59 of the Texas Constitution on May 2, 1979. The enabling legislation was amended by Senate Bill 1270, passed by the 68th Legislature in 1983 to amend the name of the Authority and make certain other changes to its enabling legislation. House Bill 1120, effective September 20, 2003, removed the competitive bidding procedures specific to the Authority, which placed the Authority's competitive bidding requirements under Chapter 49 of the Texas Water Code, and House Bill 2809, effective June 2011, which increased the amount contracts may be increased by change order to 25% for Authority projects. Bonds are being issued pursuant to Contract for Water Supply and Sewer Service between Greater Texoma Utility Authority and the City of Tom Bean – pledge of system revenues.
14. What type of pledge will be used to repay the proposed debt?
- Systems Revenue
 - Taxes
 - Combination of systems revenues and taxes
 - x Other (Contract Revenue, etc.)
15. Provide the full legal name of the security for the proposed debt issue(s). \$1,210,000 Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015 (City of Tom Bean Project).
16. Describe the pledge being offered and any existing rate covenants. Contract between Greater Texoma Utility Authority and the City of Tom Bean will pledge gross system revenues of the City of Tom Bean. See Attachment 1.
17. Attach the resolution from the governing body requesting financial assistance.
TWDB-0201A (<http://www.twdb.texas.gov/financial/instructions/>)
x **Attached Resolution**
18. Attach the Application Affidavit
TWDB-0201 (<http://www.twdb.texas.gov/financial/instructions/>)
x **Attached Applicant Affidavit**
19. Attach the Certificate of Secretary
TWDB-201B (<http://www.twdb.texas.gov/financial/instructions/>)
x **Attached Certificate of Secretary**
20. Is the applicant a Water Supply Corporation (WSC)?
- Yes
 - No
- If yes, attach each of the following:
- Articles of Incorporation**
 - Certificate of Incorporation from the Texas Secretary of State evidencing that the current Articles of Incorporation are on file with the Secretary**
 - By-laws and any amendments**
 - Certificate of Status from the Texas Secretary of State (i.e. Certificate of Existence)**

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Certificate of Account Status from the Texas Comptroller of Public Accounts (certifies that the WSC is exempt from the franchise tax and that the WSC is in good standing).

x No

21. Is the applicant proposing to issue revenue bonds?

x Yes If yes, attach copies of the most recent resolution/ordinance(s) authorizing any outstanding parity debt. This is essential to insure outstanding bond covenants are consistent with covenants that might be required for TWDB financing.

x **Attached resolution/ordinance(s)**

No

22. Does the applicant possess a Certificate of Convenience and Necessity (CCN)?

x Yes If yes, attach a copy of the CCN and service area map showing the areas the applicant is allowed to provide water or wastewater services.

x **Attached CCN and service area map**

No
 N/A

If no, indicate the status of the CCN. _____

23. Has the applicant been the subject of any enforcement action by the Texas Commission on Environmental Quality (TCEQ), the Environmental Protection Agency (EPA), or any other entity within the past three years?

Yes If yes, attach a brief description of every enforcement action within the past three years and action(s) to address requirements.

Attached

x No

24. Are any facilities to be constructed or the area to be served within the service area of a municipality or other public utility?

Yes If yes, has the applicant obtained an affidavit stating that the utility does not object to the construction and operation of the services and facilities in its service area?

If yes, attach a copy of the affidavit.

Attached affidavit

If no, provide an explanation as to why not. _____

x No

25. If the assistance requested is more than \$500,000 a Water Conservation Plan (WCP) is required. The WCP cannot be more than **FIVE** years old and must have been adopted by the applicant. Has the applicant adopted a Board-approved WCP? (Check one and attach requested information, if any.)

x Yes Enter date of Applicant's WCP adoption: GTUA August 2014

No If no, attach a copy of a draft Water Conservation Plan and Drought Contingency Plan prepared in accordance with the TWDB WCP Checklist (<http://www.twdb.state.tx.us/financial/instructions/doc/TWDB-1968.pdf>)

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- Attached Draft WCP and Drought Contingency Plan for City of Tom Bean
- Attached Utility Profile TWDB-1965
<http://www.twdb.state.tx.us/financial/instructions/doc/TWDB-1965.pdf>
- N/A (Request is \$500,000 or less per Water Code §§ 15.106(c), 17.125(c), 17.277(c), and 17.857(c))

Note: If the applicant will utilize the project financed by the TWDB to furnish services to another entity that in turn will furnish services to the ultimate consumer, the requirements for the WCP may be met through contractual agreements between the applicant and the other entity providing for establishment of a water conservation plan. The provision requiring a WCP shall be included in the contract at the earliest of: the original execution, renewal or substantial amendment of that contract, or by other appropriate measures.

26. Does the applicant provide retail water services?
- Yes If yes, has the applicant already submitted to the TWDB the annual water use survey of groundwater and surface water for the last **THREE** years?
 - Yes
 - No If no, please download survey forms and attach a copy of the completed water use surveys to the application.
<http://www.twdb.texas.gov/waterplanning/waterusesurvey/index.asp>
 Attached Water Use Survey
 - No
27. Is the applicant a retail public utility that provides potable water?
- Yes If yes, has the applicant already submitted the most recently required water loss audit to the TWDB?
 - Yes
 - No If no, and if applying for a water supply project, please complete the online TWDB Water Audit worksheet found at <http://www.twdb.texas.gov/conservation/resources/waterloss-resources.asp> and attach a copy to the application.
 Attached TWDB Water Audit worksheet
 - No
28. Does the Applicant provide wastewater services?
- Yes
 - No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

31. Provide a summary of the wholesale contracts with customers

| Contract Type | Minimum annual amount | Usage fee per 1,000 gallons | Annual Operations and Maintenance | Annual Capital Costs | Annual Debt Service | Other |
|---------------|-----------------------|-----------------------------|-----------------------------------|----------------------|---------------------|-------|
| N/A | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

All applicants complete questions 32-51 of the financial section, as applicable.

32. List top **TEN** customers of the water system by annual revenue with corresponding usage and percentage of total use, including whether any are in bankruptcy.

WATER

| Customer Name | Annual Usage (gal) | Percent of Total Water Revenue | Bankruptcy (Y/N) |
|------------------------|--------------------|--------------------------------|------------------|
| Housing Authority | 655,395 | 2.23 | N |
| Tom Bean Middle School | 349,500 | 1.19 | N |
| Shield | 261,210 | .89 | N |
| One Star | 253,900 | .87 | N |
| Starbuck | 195,100 | .66 | N |
| Tom Cat Car Wash | 194,050 | .66 | N |
| Housing Authority (2) | 173,100 | .59 | N |
| Dickison | 138,340 | .47 | N |
| Dudley | 121,220 | .41 | N |
| Vincent | 113,100 | .39 | N |

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

List top **TEN** customers of the wastewater system by annual revenue with corresponding usage and percentage of total use, including whether any are in bankruptcy.

WASTEWATER

| Customer Name | Annual Usage (gal) | Percent of Total Wastewater Revenue | Bankruptcy (Y/N) |
|------------------------|--------------------|-------------------------------------|------------------|
| Housing Authority | 665,395 | 2.18 | N |
| Tom Bean Middle School | 349,500 | 1.45 | N |
| Tom Bean High School | 345,200 | 1.06 | N |
| One Star | 253,900 | .80 | N |
| Starbuck | 195,100 | .66 | N |
| Tom Cat Car Wash | 194,050 | .66 | N |
| Housing Authority | 173,100 | .91 | N |
| Dickison | 138,340 | .52 | N |
| Dudley | 121,220 | .47 | N |
| Vincent | 113,100 | .76 | N |

33. Current Average Residential Usage and Rate Information

| Service | Date of Last Rate Increase | Avg. Monthly Usage (gallons) | Avg. Monthly Bill (\$) | Avg. Monthly Increase Per Customer(\$) | Projected Monthly Increase Necessary (\$) |
|------------|----------------------------|------------------------------|------------------------|--|---|
| Water | 10/15/2014 | 5,000 | 41.98 | 1.71 | \$2.09 2015 |
| | | | | | \$2.19 2016 |
| Wastewater | 10/15/2014 | 5,000 | 30.50 | 1.53 | \$1.50 2015 |
| | | | | | \$1.60 2016 |

34. Provide the number of customers for each of the past five years.

| Year | Number of Customers |
|------|---------------------|
| 2014 | 454 |
| 2013 | 448 |
| 2012 | 447 |
| 2011 | 446 |
| 2010 | 446 |

35. Disclose all issues that may affect the project or the applicant's ability to issue and/or repay debt (such as anticipated lawsuits, judgments, bankruptcies, major customer closings, etc.).

None

36. Has the applicant ever defaulted on any debt?

Yes If yes, disclose all circumstances surrounding prior default(s). _____
 No

37. Does the applicant have taxing authority?

Yes
 No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

38. Provide the last five-years of data showing total taxable assessed valuation including net ad valorem taxes levied, corresponding tax rate (detailing debt service and general purposes), and tax collection rate.

| Fiscal Year Ending | Net Taxable Assessed Value (\$) | Tax Rate | General Fund | Interest & Sinking Fund | Tax Levy \$ | Percentage Current Collections | Percentage Total Collections |
|--------------------|---------------------------------|----------|--------------|-------------------------|-------------|--------------------------------|------------------------------|
| 2014 | 33,886,951 | 0.535100 | 0.4997220 | 0.0353780 | 194660.20 | 87.27 | 12.73 |
| 2013 | 33,495,623 | 0.535100 | 0.4997220 | 0.033780 | 179235.08 | 95.77 | 4.23 |
| 2012 | 33,151,468 | 0.535100 | 0.4997220 | 0.0353780 | 177,393.51 | 97.32 | 2.68 |
| 2011 | 32,644,449 | 0.535100 | 0.4991920 | 0.0359080 | 174,680.45 | 96.89 | 3.11 |
| 2010 | 32,491,321 | 0.499980 | 0.4641120 | 0.0358680 | 162,455.11 | 97.57 | 2.42 |

Comments: _____

39. Attach the last five-years of tax assessed values delineated by Classification (Residential, Commercial and Industrial). **If applicant does not have taxing authority, provide the assessed values of the county.**

- a) x 2014 attached
- b) x 2013 attached
- c) x 2012 attached
- d) x 2011 attached
- e) x 2010 attached

40. Attach the direct and overlapping tax rate table:
x **Attached tax rate table**

41. Provide the current top **TEN** taxpayers showing percentage of ownership to total assessed valuation. State if any are in bankruptcy and explain anticipated prospective impacts in the Comments blank, below. If any of these have changed in the past three years, please provide information on the changes to the top ten.

| Taxpayer Name | Assessed Value | Percent of Total | Bankruptcy (Y/N) |
|------------------------------------|----------------|------------------|------------------|
| First National Bank of Tom Bean | \$1,346,702 | 0.04 | N |
| Ellis Tool & Machine | \$1,264,297 | 0.04 | N |
| Texas-New Mexico Power Company | \$541,686 | 0.02 | N |
| Angel Ridge Properties | \$458,568 | 0.01 | N |
| Ellis, David | \$427,985 | 0.01 | N |
| Krisna Investment, Inc. | \$337,681 | 0.01 | N |
| Taylor-Smartt LLC | \$328,768 | 0.01 | N |
| Acihmon, Donnita | \$274,155 | 0.01 | N |
| Villanueva, Maria Gualalupe | \$257,832 | 0.01 | N |
| Wilthers, George T., Sr and Sherry | \$249,228 | 0.01 | N |

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Comments: _____

42. Provide the maximum tax rate permitted by law per \$100 of property value. \$1.50

43. Does the applicant collect sales tax?

Yes Provide the sales tax collection history for the past five years.

| Fiscal Year Ending | Total Collections |
|--------------------|-------------------|
| 2014 | \$75,199.16 |
| 2013 | \$67,457.26 |
| 2012 | \$64,807.61 |
| 2011 | \$70,023.52 |
| 2010 | \$37,665.03 |

No

44. Indicate the tax status of the proposed loan?

Tax-Exempt

Taxable

45. Proforma (Select one of the four listed below) Please be sure the proforma reflects the schedule requested, including multi-phased funding options.

a. System revenues are anticipated to be used to repay the proposed debt. Attach a proforma indicating the following information for each year the debt is outstanding:

projected gross revenues

operating and maintenance expenditures

outstanding and proposed debt service requirements

net revenues available for debt service and coverage of current and proposed debt paid from revenues

b. Taxes are anticipated to be used to repay the proposed debt. Attach a pro forma indicating the following information for each year the debt is outstanding:

outstanding and proposed debt service requirements

the tax rate necessary to repay current and proposed debt paid from taxes

list the assumed collection rate and tax base used to prepare the schedule

c. Combination of system revenues and taxes to be used to repay the proposed debt. Attach a pro forma indicating the following information for each year the debt is outstanding:

projected gross revenues, operating and maintenance expenditures, net revenues available for debt service

outstanding and proposed debt service requirements

the tax rate necessary to pay the current and proposed debt

list the assumed collection rate and tax base used to prepare the schedule

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- d. Another type of pledge will be used to repay the proposed debt. Attach a pro forma with information for each year the debt is outstanding, which includes projected revenues, annual expenditures, outstanding debt requirements, and revenues available for debt service.
 Attached
46. Attach a **FIVE** year comparative system operating statement (not condensed) including audited prior years and an unaudited year-to-date statement. Unaudited year-to-date statement must reflect the financial status for a period not exceeding the latest six months.
x **Attached Operating Statement.**
47. Attach **ONE** copy of an annual audit of financial statements, including the management letter, for the preceding fiscal year prepared by a certified public accountant or firm of accountants and, if the last annual audit was more than 6 months ago, then, provide interim financial information.
x **Attached Annual Audit**
x **Attached Management Letter**
x **If applicable, attached interim financial information**
48. Does the applicant have any outstanding debt? (Check all that apply)
x Yes, General obligation debt
x Yes, Revenue debt
 Yes, Authorized but unissued debt
 No
49. Attach a listing of total outstanding debt and identify the debt holder. Segregate by type (General Obligation or Revenue) and present a consolidated schedule for each, showing total annual requirements. Note any authorized but unissued debt.
- a. General Obligation Debt:
x Yes
x **Attached schedule. The schedule should also identify the debt holder.**
 No
- b. Revenue:
x Yes
x **Attached schedule. The schedule should also identify the debt holder.**
 No
- c. Authorized by Unissued Debt: N/A
 Yes
 Attached schedule. The schedule should also identify the debt holder.
x No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

50. List the ten largest employers of the Applicant's service area:

| Name | Number of Employees |
|---------------------------------|---------------------|
| Ellis Tool | 17 |
| KC Foods | 15 |
| City of Tom Bean | 15 |
| First National Bank of Tom Bean | 12 |
| Papianos | 10 |
| Dollar General | 7 |
| LaFollett & Company | 7 |
| One Star Foods | 4 |
| Texas Star Bank | 4 |
| Kentucky Town Water | 3 |

Comments (example, any anticipated changes to the tax base, employers etc.) _____

51. Provide any current bond ratings with date received.

| | Standard & Poor's | Date Received | Moody's | Date Received | Fitch | Date Received |
|---------|-------------------|---------------|---------|---------------|-------|---------------|
| G.O. | None | | None | | None | |
| Revenue | None | | None | | None | |

52. Is the project intended to allow the applicant to provide or receive water or sewer services to or from another entity?

Yes. If yes, the applicant must attach, at a minimum, the proposed agreement, contract, or other documentation establishing the service relationship, with the final and binding agreements provided prior to loan closing.

Attached

x No.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part D: Project Information

53. Description of Project Need (for example, is the project needed to address a current compliance issue, avoid potential compliance issues, extend service, expand capacity, etc.):
The City of Tom Bean water supply consists of two wells completed in the deep *Woodbine* formation. Well No. 1 produces 120 gallons per minute, and Well No. 3 produces 210 gallons per minute. The problem facing the City is that if the water production from either well was lost, the City would not be able to meet the needs of its residents, and would be in violation of TCEQ rules regarding water supply. Due to these circumstances, the City is in need of another 200 gpm *Woodbine* formation water supply well, with associated equipment such as ground storage tank, chlorination, fencing, metering, piping, SCADA, and a standby generator.
54. Description of Project, including a bulleted list of project elements/components, and alternatives considered (including existing facilities):
Project includes construction of 200 gpm *Woodbine* formation water well including:
- Test Well
 - Woodbine Well – 200 gpm
 - 125,000 gallon Ground Storage Tank
 - Horizontal Pumps
 - Chlorination Equipment and Building
 - Electrical
 - Fencing
 - Gravel Driveway and Parking Lot
 - Land Purchase
 - Yard Piping
 - Engineering Design
 - Survey for Engineering
 - SCADA
 - Electrical Engineering for SCADA
 - Electrical Engineering for Well
 - Generator
 - Meters
 - Contingencies

See Attached Preliminary Engineering Feasibility Report

A complete preliminary engineering feasibility report must include:

- a. A description and purpose of the project, including existing facilities.
 - Note: CWSRF and DWSRF must address issues scored in Intended Use Plan submittal
- x **Attached**
- b. **If project is for Construction only, then attach** the appropriate Engineering Feasibility Report:
 - a) **Water** (TWDB-0555 at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0555.pdf>)
 - Attached**

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

b) **Wastewater** (TWDB-0556 at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0556.pdf>)
 Attached

c. DWSRF applicants must complete a Projected Draw Schedule (TWDB-1202 at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-1202.xls>)

55. Water Made Available (For projects requesting a construction component):

a. *New supply* 325 (acre-feet/year) \$1,210,000 (\$) capital cost

- o The **increase** in the total annual volume of water supply that will be made available to the recipient(s) by the proposed project.
- o Water Plan project examples: new groundwater wells, reservoir development, pipelines to sources.

b. *New Conservation savings* _____ (acre-feet/year) _____ (\$) capital cost

- o Annual volume of anticipated water savings resulting from implementation of the proposed conservation project including water loss) and other conservation activities,
- o Water Plan project examples: municipal conservation, advanced Water Conservation, on-farm conservation, brush control, irrigation conservation.

c. *New Reuse supply* _____ (acre-feet/year) _____ (\$) capital cost

- o Increase in the annual volume of (direct or indirect) reuse water supply that will be made available to the recipient(s) by the proposed project.
- o Water Plan project examples: direct reuse, non-potable reuse, recycled water programs.

d. *Maintenance of Current Supply* _____ (acre-feet/year) _____ (\$) capital cost

- o Volume of recipients' current supplies that will be maintained by implementing the proposed project
- o Water Plan project examples: None. Not a water plan project. (Examples of these type projects: treatment rehabilitation, system storage facilities, system upgrades).

56. Project Location:

See Attachment 14 - Preliminary Engineering Feasibility Report – Exhibit 1 – Project Location Map

Attach a map of the service area and drawings as necessary to locate and describe the project. The map should show the project footprint and major project components.

x **Attached (Contained in Attachment 14 - Preliminary Engineering Feasibility Report, Exhibit 1)**

57. Attach the Census tract numbers in which the applicant's service area is within. The Census tracts within your area may be found at:

<http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Please follow these steps:

- Select Advanced Search.
- Select the Geographies button located below Topics (left side of page).
- On the top of the window select the Name tab.
- In the text box, type "All Census Tracts within____" (Fill in the blank with the name of a County Subdivision or a Place.) Select "Go".
- If your town is a County Subdivision, select the geography labeled "All Census Tracts (or parts) within City, County, State" from the Geography Results. If your town is a place select the geography labeled "All Census Tracts (or parts) full-or-partially within City, State" from the Geography Results.
- Close the Geographies Search window.
- Use the Topics on the left side of the page to further refine your search or to select a table(s) from your search results.

- x **Attached Census tracts**
58. Project Schedule:
- a) Requested loan closing date.
December 2015
 - b) Estimated date to submit environmental planning documents.
December 2015
 - c) Estimated date to submit engineering planning documents.
March 2016
 - d) Estimated date for completion of design.
May 2016
 - e) Estimated Construction start date for first contract.
September 2016
 - f) Estimated Construction end date for last contract.
September 2017
59. **Attach** a copy of current and future populations and projected water use or wastewater flows. Include entities to be served.
x **Attached**
60. **Attach** the most current itemized project cost estimate (include all costs and funding sources). Utilize the budget format provided (TWDB-1201 at <http://www.twdb.texas.gov/financial/instructions/>). If applying for pre-construction costs only (i.e., P, A, D) then itemize only the relevant portions in the attached budget template
x **Attached**
61. Attach the appropriate Project Information Form:
 Wastewater: Attached a completed Wastewater Project Information Form WRD-253a <http://www.twdb.texas.gov/financial/instructions/index.asp>
x **Water:** Attached a completed Water Project Information Form WRD-253d <http://www.twdb.texas.gov/financial/instructions/index.asp>
62. If the project is for Construction only, wastewater projects that involve the construction of a new plant or the expansion of an existing plant and/or associated facilities, attach evidence that an

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

application for a new Texas Pollution Discharge Elimination System Permit or amendment to an existing permit related to the proposed project has been filed with the Texas Commission on Environmental Quality (TCEQ). Final permit authorization must be obtained from the TCEQ before funds can be released for construction activities.

- Attached
x No. Provide explanation: N/A

63. All Wastewater applicants must be a Designated Management Agency (DMA) for wastewater collection and treatment. Please complete and attach DMA resolutions. WRD-210 (<http://www.twdb.texas.gov/financial/instructions/index.asp>) is an example of this type of resolution.

- Attached
x N/A

64. If this project will result in: (a) an increase by the applicant in the use of groundwater, (b) drilling a new water well, or (c) an increase by the applicant in use of surface water, then the applicant must demonstrate that it has acquired – by contract, ownership or lease – the necessary property rights, groundwater permits, and/or surface water rights sufficient for the project before funds can be released for construction.

a) Does the applicant currently own all the property rights, groundwater permits and surface water rights needed for this project?

- Yes If yes, please attach the completed, appropriate form.
 1. WRD 208A (<http://www.twdb.texas.gov/financial/instructions/index.asp>) (Surface Water)
 Attached
 2. WRD 208B (<http://www.twdb.texas.gov/financial/instructions/index.asp>) (Groundwater)
 Attached
 x No WRD-208B will be provided when property is purchased, after funding is received

N/A

b) If all property rights, groundwater permits, and surface water rights, needed for this project have not yet been acquired, identify the rights and/or permits that will need to be acquired and provide the anticipated date by which the applicant expects to have acquired such rights and/or permits.

| Type of Permit Water Right | Entity from which the permit or right must be acquired | Acquired by lease or full ownership | Expected acquisition date | Permit / Water Right ID No. |
|----------------------------|--|-------------------------------------|---------------------------|-----------------------------|
| Property Rights | Private Property Owner | To be acquired by full ownership | January 2016 | N/A |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

c) List any major permits not identified elsewhere that are necessary for completion of project. Also, list any more necessary minor permits that may involve particular difficulty due to the

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

nature of the proposed project.

| Permit | Issuing Entity | Permit Acquired (Y/N) |
|-------------------------|----------------|-----------------------|
| Groundwater well permit | Red River GCD | N |
| | | |
| | | |
| | | |

65. Has the applicant obtained all necessary land and easements for the project?

Yes. If yes, attach the site certificate (ED-101 at <http://www.twdb.texas.gov/financial/instructions/index.asp>)
 Attached

x No. If no, **fill out the table below** and describe the land or easements that will need to be acquired, provide the anticipated date by which the applicant expects to have the land or easements, and indicate if funding from TWDB is to be used for the acquisition.

| Description of Land or Easement Permit | Entity from which the permit or right must be acquired | Acquired by lease or full ownership | Expected acquisition date | To Be Funded by TWDB (Yes/No) |
|--|--|-------------------------------------|---------------------------|-------------------------------|
| 7-acre tract | Private property owner | Full ownership | January 2016 | Y |
| | | | | |
| | | | | |

66. Has a Categorical Exclusion (CE), Determination of No Effect (DNE), Finding of No Significant Impact (FONSI), Record of Decision (ROD), or any other environmental determination been issued for this project?

Yes
 Attach a copy of the finding.
x No

67. Is the project potentially eligible for a Categorical Exclusion (CE)/ Determination of No Effect (DNE) because it involves only minor rehabilitation or the functional replacement of existing equipment?

Yes
x No

68. Are there potentially adverse environmental or social impacts that may require mitigation or extensive regulatory agency or public coordination (e.g. known impacts to properties eligible for listing on the National Register of Historic Places; potentially significant public controversy; need for an individual permit from the U.S. Army Corps of Engineers)?

Yes
 If yes, attach additional information

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

x No

Part E: State Water Implementation Fund for Texas (SWIFT) Applicants Only:

69. Identify the type of SWIFT funding (If more than one funding option is being requested indicate the amount of funding for each):

- | | | |
|--------------------------|---------------------|-------------|
| <input type="checkbox"/> | Deferred | \$ |
| x | Low Interest Loan | \$1,210,000 |
| <input type="checkbox"/> | Board Participation | \$ |

70. For multi-year funding request or phased commitments, provide a schedule reflecting the closing dates for each loan requested.

Attached

71. **Notice to SWIFT Applicants:** Texas Water Code Sec. 15.435(h) requires all recipients of financial assistance from the State Water Implementation Fund for Texas (SWIFT) to acknowledge any applicable legal obligations in federal law, related to contracting with disadvantaged business enterprises, and state law, related to contracting with historically underutilized businesses. Checking the box below serves as this acknowledgement.

X As an applicant for financial assistance from the State Water for Implementation Fund for Texas (SWIFT), I acknowledge that that this project must with any applicable legal obligations in federal law related to contracting with disadvantaged business enterprises and state law (Texas Government Code Chapter 2161 and Texas Administrative Code Chapter 20, Subchapter B) related to contracting with historically underutilized businesses.

72. Provide drafts of the following documents:

a. Proposed Bond Ordinance

x **Attached**

b. Private Placement Memorandum

x **Attached**

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part F: Economically Distressed Programs (EDAP) Applicants Only:

In accordance with TWDB Rules (31 TAC Chapter 363), an application for EDAP will **not** be considered until the County has adopted and is enforcing the Model Subdivision Rules (MSRs) Texas Water Code § 16.343. If the proposed project is within a municipality or its extraterritorial jurisdiction (ETJ), or if the applicant is a municipality, the municipality must also have adopted and be enforcing MSRs.

73. Describe procedures for collecting monthly customer bills (include procedures for collection of delinquent accounts)

74. Is financing being requested for a **wastewater** project?
 Yes If yes, does the applicant have the required resolution/ordinance establishing a mandatory hookup policy?
 Yes. If yes, attach a copy of the resolution/ordinance.
 Attached
 No. If no, explain_____
- No
75. Required documentation for the project area for Preliminary EDAP Eligibility (31 TAC Chapter 363)
 Attached documentation of inadequacy of water and/or wastewater services.
 Attached documentation regarding the financial resources of the residential users in the EDAP area. Census data or documentation regarding median household income should be provided.
 Attached documentation demonstrating existence of a residence in the project area prior to **June 1, 2005**. This could include tax records of residence, dated aerial maps, or, other documentation demonstrating existence of a residence.
76. Has the Department of State Health Services issued a determination stating a public health nuisance exists in the project area?
 Yes If yes, attach a copy of the determination.
 Attached
 No If no determination exists, attach documentation demonstrating a public health nuisance exists in the project area. (*Photographs may be submitted, but they **must** be labeled with location and date when taken. If the soil types are mentioned in the project area as an issue, include soil profile maps*) This documentation will be used by TWDB staff to request a determination from the Department of State Health Services
 Attached
77. Is this project providing new service?
 Yes If yes, attach plats of the affected subdivisions.
 Attached
 No
78. Attach an EDAP Facility Engineering Plan/Scope of Services report that complies with the requirements of WRD-023A. <http://www.twdb.texas.gov/financial/instructions/index.asp>
 Attached

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part G: CWSRF/DWSRF Applicants Only

Only applicants applying for funding from the CWSRF and DWSRF Programs must complete this section.

Pursuant to Federal Funding Accountability and Transparency Act (FFATA) the applicant is required to obtain a DUNS number that will represent a universal identifier for all federal funding assistance. DUNS numbers can be obtained from Dun and Bradstreet at <http://fedgov.dnb.com/webform/>

79. Applicant's Data Universal Number System (DUNS) Number:
DUNS _____

Pursuant to Federal Funding Accountability and Transparency Act (FFATA) the applicant is required to register with System for Award Management (SAM) and maintain current registration at all times during which the Board loan agreement is active or under consideration by the Board. Register at: <https://sam.gov>.

80. The applicant has registered and will maintain current SAM registration at all times during which a federal subaward is active or under consideration by the Board.
 Yes
 No

81. Federal Awards information:

1. Did applicant receive over 80% of their revenue from Federal Awards last year?

Yes
 No

2. Did applicant receive over \$25 million in Federal Awards last year?

Yes
 No

3. Public does not have access to executive compensation information via SEC or IRS reports?

Yes
 No

82. If applicant checked **YES** to **ALL** three boxes in 3 above, applicant is required to disclose the name and compensation of the five most highly compensated officers.

| Officer's Name | Officer's Compensation (\$) |
|----------------|-----------------------------|
| | |
| | |
| | |
| | |

83. Complete form WRD 213 (<http://www.twdb.texas.gov/financial/instructions/index.asp>) - Certification Regarding Lobbying

Attached Yes
 No
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

84. If applying for CWSRF Equivalency or DWSRF, **attach** the Certification Regarding Debarment, Suspension and Other Responsibility. SRF-404
(<http://www.twdb.texas.gov/financial/instructions/index.asp>)

Attached Yes
 No
 N/A

85. If applying for CWSRF Equivalency or DWSRF, **attach** the Assurances – Construction Programs. EPA-424D (<http://www.twdb.texas.gov/financial/instructions/index.asp>)

Attached Yes
 No
 N/A

86. The applicant must comply with the Davis-Bacon Act regarding prevailing wage rates. The applicant acknowledges that they are aware of, and will abide by, the Davis-Bacon Act requirements.

Yes
 No

Further information on the Davis-Bacon requirement is available through the TWDB Guidance document, DB-0156 (<http://www.twdb.texas.gov/financial/instructions/index.asp>)

All project costs funded by the TWDB through CWSRF Equivalency or DWSRF must comply with the federal Disadvantaged Business Enterprise (DBE) program rules and requirements. The federal DBE program requires a good faith effort to contract with DBE's for all procurements including: professional and non-professional consulting services, equipment, supplies and construction to be funded by federal equivalency dollars. Guidance and forms are found at:
TWDB-0210 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0210.pdf>)

87. **At a minimum, you must complete and attach** the Applicant Affirmative Steps Certification and Goals. This form is required to obtain a financial assistance commitment.
TWDB-0215 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0215.pdf>)

Attached Yes
 No

88. If you have already solicited contractors, complete and attach the Affirmative Steps Solicitation Report. This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.
TWDB-216 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0216.pdf>)

Attached Yes
 No
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

89. If you have awarded contracts to contractors, complete and attach the Loan/Grant Participation Summary. This form must be submitted for review prior to loan closing and release of funds. This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.

TWDB-0373 (<http://www.twdb.texas.gov/financial/instructions/index.asp>)

Attached Yes
 No
 N/A

90. All Contractors that have been awarded will need to complete and attach the Prime Contractor Affirmative Steps Certification and Goals This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.

TWDB-217 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0217.pdf>)

Attached Yes
 No
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part H: Documentation of "Green" Projects and Project Components CWSRF and DWSRF Applicants Only

All SRF applicants must complete this section if green benefits are all or part of the project (more than an incidental benefit). Project is defined as the entire project or a stand-alone component of the project. This section is required so that the TWDB may determine whether the project qualifies as "green" pursuant to Environmental Protection Agency (EPA) Guidance.

A project (or project component) is "green" if the primary purpose qualifies under EPA Guidance as one of the following:

- a. Green Infrastructure,
- b. Water Efficiency-related,
- c. Energy Efficiency-related, or
- d. Environmentally Innovative.

You must use the Green Project Reserve guidance to complete this section. Current guidance may be found at: **Green Project Reserve: Guidance for determining project eligibility**
TWDB-0161 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0161.pdf>)

91. Does your project or a component of your project qualify as Green, per EPA guidance?
- Yes
 No

If Yes, Please complete the remainder of Section G.

92. Type of Green Project
- Water Efficiency Energy Efficiency Green Infrastructure Environmentally Innovative

93. The correct worksheets must be completed.
Green Project Reserve: CWSRF Green Project Worksheets
TWDB-0162 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0162.pdf>)
- Attached Yes
 No
 N/A

- Green Project Reserve: DWSRF Green Project Worksheets**
TWDB-0163 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0163.pdf>)
- Attached Yes
 No
 N/A

TWDB will make the final determination whether your project (or project component) meets federal criteria as "green". You may be required to submit a **business case, utilizing the Green guidance**

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part I: Summary of attachments to application

Following is a list of the documents that may be necessary in order to process this application. While not all of the listed information below may be required for all projects, an applicant should review the application carefully because incomplete applications will not be processed until all of this information has been provided. In addition, please make sure your entity system name appears on every attachment. **Label each attachment with the number of the pertinent application section (i.e. "Part B5").**

Check list for your convenience

Part A

- No. 6
- No. 12

General Information

- Draft or executed consulting contracts (engineering, financial advisor, bond counsel)
- Existing security document for refinancing

Part B

- No. 17
- No. 18
- No. 19
- No. 20

Legal

- Resolution (TWDB-0201A)
- Application Affidavit (TWDB-0201)
- Certificate of Secretary (TWDB-201B)
- Water Supply Corporations
 - Articles of Incorporation
 - Certificate of incorporation from the Texas Secretary of State
 - By-laws and any amendments
 - Certificate of status from the Texas Secretary of State
 - Certificate of account status from Texas Comptroller
- Resolution/ordinance authorizing the issuance of parity debt
- Certificate of Convenience & Necessity
- Enforcement Actions
- Affidavit of No Objection
- Two copies of the Water Conservation Plan (TWDB-1968 and TWDB-1965)
- Water use surveys
 - <http://www.twdb.texas.gov/waterplanning/waterusesurvey/index.asp>
- Water Loss Audit
 - <http://www.twdb.texas.gov/conservation/resources/waterloss-resources.asp>

- No. 21
- No. 22
- No. 23
- No. 24
- No. 25
- No. 26

- No. 27

Part C

- No. 39
- No. 40
- No. 45
- No. 46
- No. 47
- No. 49
- No. 52

Financial

- Assessed Values by Classifications
- Direct and Overlapping Tax Table
- Proforma for each year of debt outstanding
- Five year comparative system operating statement.
- Annual audit and management letter
- Outstanding debt schedule
- Service provider contracts

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- Part D Engineering**
- No. 54a Preliminary Engineering Feasibility Report (PEFR)
- No. 54b Engineering Feasibility Report
Water (TWDB-0555)
Wastewater (TWDB-0556)
- No. 54c Project Draw Schedule (TWDB-1202)
- No. 56 Project Map
- No. 57 Census Tract(s)
- No. 59 Current and future populations and projected water use or wastewater flows
- No. 60 Project Cost Estimate Budget (TWDB-1201)
- No. 61 Wastewater Project Information Form (WRD-253a)
Water Project Information Form (WRD-253d)
- No. 62 Texas Pollution Discharge Elimination System Permit
- No. 63 Designated Management Agency (WRD-210)
- No. 64 If applicant has property rights and permits
a. WRD-208A (Surface Water)
b. WRD-208B (Groundwater)
- No. 64c Additional Permits
- No. 65 Site certificate, evidencing land ownership for the project. (ED-101)
- No. 66 Categorical Exclusion (CE), Finding of No Significant Impact (FONSI), Record of Decision or any other supporting document
- No. 68 Social or environmental issues
- Part E State Water Implementation Fund for Texas**
- No. 72a Draft Bond Ordinance
- No. 72b Private Placement Memorandum
- Part F Economically Distressed Areas Program**
- No. 74 Resolution/ordinance establishing a mandatory hookup policy
- No. 75 EDAP applicants
 Inadequacy documentation
 Financial resources documentation
 Existence of residences prior to 06/01/2005
- No. 76 Public health nuisance
- No. 77 Plats
- No. 78 EDAP Planning Phase – Facility Engineering Plan/Scope of Services (WRD-023A)
- Part G CWSRF/DWSRF Questions**
- No. 83 Lobbying Activities (WRD-213)
- No. 84 Certification Regarding Debarment, Suspension and Other Responsibility Requirements. (SRF-404)
- No. 85 Assurances – Construction Programs (EPA-424D)
Disadvantaged Business Requirements Guidance (TWDB-0210)
- No. 87 Affirmative Steps Certification and Goals (TWDB-0215)
- No. 88 Affirmative Steps Solicitation Report (TWDB-218)
- No. 89 Loan/ Grant Participation Summary (TWDB-0373)
- No. 90 Prime Contractor Affirmative Steps Certification and Goals (TWDB-217)
- Part H Green Projects**
- No. 93 Guidance (TWDB-0161)
CWSRF Green Project Worksheets (TWDB-0162)
DWSRF Green Project Worksheets (TWDB-0163)

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part J: Guidance and Forms

- Part A. General Information**
CWSRF – 31 TAC 375
DWSRF – 31 TAC 371
EDAP and SWIFT - 31 TAC 363
For more information visit, <http://www.twdb.texas.gov/about/rules/index.asp>.
- Part E. Environmental**
State Programs - 31 TAC 363
Drinking Water State Revolving Fund - 31 TAC 371
Clean Water State Revolving Fund / Equivalency - 31 TAC 375
Clean Water State Revolving Fund / Non-Equivalency - 31 TAC 375
- Guidelines for Environmental Assessment, Clean Water Non-Equivalency (ED-001A)
Clean Water EID Instructions (SRF-099)
Guidelines for Environmental Assessment, State Participation, DFund, RWAF and WIF.
(ED-001B)
Guidelines for Environmental Assessment, EDAP (ED-001C)
Drinking Water EID Instructions (DW-001)
- Part G Green Projects and Project Components**
Green Project Reserve: Guidance for determining project eligibility
(TWDB-0161)

ATTACHMENT 1

Contracts for Consulting Services

Bond Counsel Contract

Fulbright & Jaworski LLP
2200 Ross Avenue, Suite 2800
Dallas, Texas 75201-2784
United States

August 14, 2014

Kristen Savant
Partner
Direct line +1 214 855 8072
kristen.savant@nortonrosefulbright.com

The Board of Directors
Greater Texoma Utility Authority
5100 Airport Drive
Denison, Texas 75020

Tel +1 214 855 8000
Fax +1 214 855 8200
nortonrosefulbright.com

Re: Services as Bond Counsel

Ladies and Gentlemen:

This letter confirms that Fulbright & Jaworski LLP will represent the Greater Texoma Utility Authority as bond counsel in connection with the authorization, sale, and issuance of obligations (the "Obligations"). Our acceptance of that representation (the "Representation") becomes effective upon the execution and return of the enclosed copy of this letter.

Terms of Engagement

This letter sets out the terms of our engagement in the Representation. Certain of those terms are included in the body of this letter, and additional terms are contained in the attached document, entitled *Additional Terms of Engagement*. That document is expressly incorporated into this letter, and it should be read carefully. The execution and return of the enclosed copy of this letter constitutes an unqualified agreement to all the terms set forth in this letter and in the attached *Additional Terms of Engagement*.

It is understood and agreed that our engagement is limited to the Representation. We are not being retained as general counsel, and our acceptance of this engagement does not imply any undertaking to provide legal services other than those set forth in this letter.

As bond counsel, we expect to perform the following duties:

- (1) subject to completion of proceedings to our satisfaction, render our legal opinion (the "Bond Opinion") regarding the validity and binding effect of the Obligations, the source of payment and security for the Obligations, and the federal income tax treatment of interest on the Obligations;
- (2) prepare and review documents necessary or appropriate to the authorization, issuance, sale, and delivery of the Obligations, and coordinate the authorization and execution of such documents, and review;
- (3) assist you in seeking from other governmental authorities such approvals, permissions, and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance, sale, and delivery of the Obligations;

- (4) review legal issues relating to the structure of the Obligations; and
- (5) assist you in reviewing those sections of the official statement, private placement memorandum, or other form of offering or disclosure document which describe the terms of the Obligations and the opinion described in paragraph (1) above to be disseminated in connection with the sale of the Obligations;

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation.

Our engagement is to advise you with respect to legal issues only; we understand that you have engaged Specialized Public Finance, Inc. as your financial advisor, and unless otherwise instructed by you we will consult with and take direction from your financial advisor in the issuance of the Obligations. Our duties as bond counsel specifically do not include:

- (1) except as described in paragraph (5) above, or except as specifically engaged for such purpose, assisting in the preparation or review of an official statement or any other disclosure document with respect to the Bonds, or performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document or rendering advice that the official statement or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading;
- (2) preparing requests for tax rulings from the Internal Revenue Service;
- (3) preparing blue sky or investment surveys with respect to the Bonds;
- (4) drafting of state constitutional amendments or preparation of authorizing legislation;
- (5) making an investigation or expressing any view of the creditworthiness of you or of the Obligations or any obligor therefor;
- (6) except if specifically engaged for such purpose, assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the Obligations and, after initial delivery of the Obligations, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking;
- (7) responding to Internal Revenue Service audits or Securities and Exchange Commission investigations; or
- (8) any other matter not specifically set forth above that is not required to render the Bond Opinion.

Our Personnel Who Will Be Working on the Obligations

I will be working on the Obligations, and you may call, write, or e-mail me whenever you have any questions about the Representation. Other firm personnel, including firm lawyers and legal assistants, will participate in the Representation if, in our judgment, their participation is necessary or appropriate.

Our Legal Fees and Costs

Our fees for this engagement in the Representation will be: 1% of the principal amount of the Obligations issued up to \$500,000; 3/4 of 1% of the principal amount from \$500,001 to \$7,000,000; and 1/2 of 1% of the principal amount exceeding \$7,000,000. Our minimum fee would be \$2,500 if a water or sewer project is involved and \$3,000 if solid waste disposal is involved. In addition to the foregoing, we would expect reimbursement for actual out-of-pocket expenses incurred in the authorization, issuance and delivery of bonds, such as telephone, travel, copying, delivery, etc.

The fees and expenses due to this firm would be paid out of the proceeds of the particular bond issue upon which work is done and performed. If expenses are incurred that would ordinarily be payable out of the proceeds of more than one issue of bonds, then such information would be communicated to the General Manager of the Authority and such expense would be allocated to the next three issues which relate to the purpose for which the expense was incurred.

Conflicts of Interest

Before accepting the Representation, we have undertaken reasonable and customary efforts to determine whether there are any potential conflicts of interest that would bar our firm from representing you in connection with the issuance of the Obligations. Based on the information available to us, we are not aware of any potential disqualification. We reviewed that issue in accordance with the rules of professional responsibility adopted in Texas. We believe that those rules, rather than the rules of any other jurisdiction, are applicable to the Representation; and the execution and return of the enclosed copy of this letter by you represents an express agreement to the applicability of those rules.

Conclusion

This letter and the attached *Additional Terms of Engagement* constitute the entire terms of the engagement of Fulbright & Jaworski LLP in the Representation. These written terms of engagement are not subject to any oral agreements or understandings, and they can be modified only by further written agreement signed both by you and Fulbright & Jaworski LLP. Unless expressly stated in these terms of engagement, no obligation or undertaking shall be implied on the part of either Greater Texoma Utility Authority or Fulbright & Jaworski LLP.

The Board of Directors
August 14, 2014
Page 4

NORTON ROSE FULBRIGHT

Please carefully review this letter and the attached Additional Terms of Engagement. If both documents are acceptable, please sign and return the enclosed copy of this letter so that we may commence the Representation.

Very truly yours,


Kristen Savant

KIS:dfc
Enclosures

Greater Texoma Utility Authority agrees to and accepts this letter and the attached terms of engagement:

GREATER TEXOMA UTILITY AUTHORITY

By: Bill Johnson
Title: Vice President
Date: 8/18/14

FULBRIGHT & JAWORSKI L.L.P.

Additional Terms of Engagement

This is a supplement to our engagement letter, dated August 14, 2014. The purpose of this document is to set out additional terms of our agreement to provide the representation described in our engagement letter (the "Representation") concerning representation of you in connection with the issuance of the Obligations described in the engagement letter. Because these additional terms of engagement are a part of our agreement to provide legal services, you should review them carefully and should promptly communicate to us any questions concerning this document. We suggest that you retain this statement of additional terms along with our engagement letter and any related documents.

The Scope of the Representation

As lawyers, we undertake to provide representation and advice on the legal matters for which we are engaged. It is important for our clients to have a clear understanding of the legal services that we have agreed to provide. Thus, if there are any questions about the scope of the Representation that we are to provide in connection with issuance of the Obligations, please raise those questions promptly, so that we may resolve them at the outset of the Representation. Any expressions on our part concerning the outcome of the Representation, or any other legal matters, are based on our professional judgment and are not guarantees. Such expressions, even when described as opinions, are necessarily limited by our knowledge of the facts and are based on our views of the state of the law at the time they are expressed.

Upon accepting this engagement on your behalf, Fulbright & Jaworski L.L.P. agrees to do the following: (1) provide legal counsel in accordance with these terms of engagement and the related engagement letter, and in reliance upon information and guidance provided by you; and (2) keep you reasonably informed about the status and progress of the Representation.

To enable us to provide effective representation, you agree to do the following: (1) disclose to us, fully and accurately and on a timely basis, all facts and documents that are or might be material or that we may request, (2) keep us apprised on a timely basis of all developments relating to the Representation that are or might be material, (3) attend meetings, conferences, and other proceedings when it is reasonable to do so, and (4) otherwise cooperate fully with us.

Our firm has been engaged to provide legal services as Bond Counsel in connection with the Representation, as specifically defined in our engagement letter. After completion of the Representation, changes may occur in the applicable laws or regulations that could affect your future rights and liabilities in regard to the Obligations. Unless we are actually engaged after the completion of the Representation to provide additional advice on such issues, the firm has no continuing obligation to give advice with respect to any future legal developments that may pertain to the Obligations, as specifically defined in our engagement letter. After completion of the Representation, changes may occur in the applicable laws or regulations that could affect your future rights and liabilities in regard to the Obligations.

It is further agreed that the attorney-client relationship terminates upon initial issuance of the Obligations.

Who Will Provide the Legal Services

Customarily, each client of the firm has a relationship principally with one attorney, or perhaps a few attorneys. At the same time, however, the work required in the Representation, or parts of it, may be performed by other firm personnel, including lawyers and legal assistants. Such delegation may be for the purpose of involving other firm personnel with special expertise in a given area or for the purpose of providing services on an efficient and timely basis.

Our Relationships With Others

Our law firm represents many companies and individuals. In some instances, the applicable rules of professional conduct may limit our ability to represent clients with conflicting or potentially conflicting interests. Those rules of conduct often allow us to exercise our independent judgment in determining whether our relationship with one client prevents us from representing another. In other situations, we may be permitted to represent a client only if the other clients consent to that representation.

Rules concerning conflicts of interest vary with the jurisdiction. In order to avoid any uncertainty, it is our policy that the governing rules will be those applicable to the particular office of our firm that prepares the engagement letter for a particular matter. The acceptance by you of our engagement letter constitutes an express agreement with that policy, unless the engagement letter specifically states that some other rules of professional responsibility will govern our attorney-client relationship.

If a controversy unrelated to the Obligations develops between you and any other client of the firm, we will follow the applicable rules of professional responsibility to determine whether we may represent either you or the other client in the unrelated controversy.

You understand that we represent many investment banking firms, commercial banks, and other parties to public finance transactions from time to time in connection with other issues, including your financial advisor and potential underwriters for your securities, and you do not object to our continued representation (in connection with other issues) of any such firm with respect to which you choose to do business in connection with issuance of the Obligations, since doing so is how we are able to gain the experience we need to represent you effectively.

In addition to our representation of other companies and individuals, we also regularly represent lawyers and law firms. As a result, opposing counsel to any party in connection with the issuance of the Obligations may be a lawyer or law firm that we may represent now or in the future. Likewise, opposing counsel to any party in connection with the issuance of the Obligations may represent our firm now or in the future. Further, we have professional and personal relationships with many other attorneys, often because of our participation in bar associations and other professional organizations. It is our professional judgment that such relationships with other attorneys do not adversely affect our ability to represent any client. The acceptance of these terms of engagement represents an unqualified consent to any such relationships between our firm and other lawyers or law firms, even counsel who is representing a party that is adverse to you in connection with the issuance of the Obligations that is the subject of this engagement or in some other matter.

Disclaimer

Fulbright & Jaworski L.L.P. has made no promises or guarantees to you about the outcome of the Representation or the issuance of the Obligations, and nothing in these terms of engagement shall be construed as such a promise or guarantee. Our representation of you will not affect our responsibility to render an objective bond counsel Bond Opinion.

Termination

At any time, you may, with or without cause, terminate the Representation by notifying us of your intention to do so. Any such termination of services will not affect the obligation to pay legal services rendered and expenses incurred before termination, as well as additional services and charges incurred in connection with an orderly transition of the matters relating to issuance of the Obligations.

We are subject to the codes or rules of professional responsibility for the jurisdictions in which we practice. There are several types of conduct or circumstances that could result in our withdrawing from representing a client, including, for example, the following: non-payment of fees or costs; misrepresentation or failure to disclose material facts; fraudulent or criminal conduct; action contrary to our advice; and conflict of interest with another client. We try to identify in advance and discuss with our clients any situation that may lead to our withdrawal.

A failure by you to meet any obligations under these terms of engagement shall entitle Fulbright & Jaworski L.L.P. to terminate the Representation. In that event, you will take all steps necessary to release Fulbright & Jaworski L.L.P. of any further obligations in the Representation or the issuance of the Obligations, including without limitation the execution of any documents necessary to effectuate our withdrawal from the Representation or the issuance of the Obligations. The right of Fulbright & Jaworski L.L.P. to withdraw in such circumstances is in addition to any rights created by statute or recognized by the governing rules of professional conduct.

Billing Arrangements and Terms of Payment

Our engagement letter specifically explains our fees for services in connection with issuance of the Obligations. It is agreed that you will make full payment within 30 days of receiving our statement. We will give notice if an account becomes delinquent, and it is further agreed that any delinquent account must be paid upon the giving of such notice. If the delinquency continues and you do not arrange satisfactory payment terms, we may withdraw from the Representation and pursue collection of our account.

Document Retention

At the close of any matter, we send our files in that matter to a storage facility for storage at our expense. The attorney closing the file determines how long we will maintain the files in storage. After that time, we will destroy the documents in the stored files.

At the conclusion of the Representation, we return to the client any documents that are specifically requested to be returned. As to any documents so returned, we may elect to keep a copy of the documents in our stored files.

Charges for Other Expenses and Services

Typically, our invoices will include amounts, not only for legal services rendered, but also for other expenses and services. Examples include charges for photocopying, long-distance telephone calls, travel and conference expenses, messenger deliveries, computerized research, and facsimile and other electronic transmissions. In addition, we reserve the right to send to you for direct payment any invoices delivered to us by others, including experts and any vendors.

It is not our policy to make any profit on any of these other expenses and services. Our invoices will reflect the cost to us of the products and services. In some situations, the actual cost of providing the product or service is difficult to establish, in which case we will use our professional judgment on the charges to be made. In some situations, we can arrange for ancillary services to be provided by third parties with direct billing to the client. Attached is a copy of our current recharge schedule for other expenses and services, which is subject to change from time to time.

Standards of Professionalism and Attorney Complaint Information

Pursuant to rules promulgated by the Texas Supreme Court and the State Bar of Texas, we are to advise our clients of the contents of the Texas Lawyer's Creed, a copy of which is attached. In addition, we are to advise clients that the State Bar of Texas investigates and prosecutes complaints of professional misconduct against attorneys licensed in Texas. A brochure entitled *Attorney Complaint Information* is available at all of our Texas offices and is likewise available upon request. A client that has any questions about State Bar's disciplinary process should call the Office of the General Counsel of the State Bar of Texas at 1-800-932-1900 toll free.

THE TEXAS LAWYER'S CREED — A MANDATE FOR PROFESSIONALISM

The Texas Supreme Court and the Texas Court of Criminal Appeals adopted this Creed, with the requirement that lawyers advise their clients of its contents when undertaking representation.

I am a lawyer, I am entrusted by the People of Texas to preserve and improve our legal system. I am licensed by the Supreme Court of Texas. I must therefore abide by the Texas Disciplinary Rules of Professional Conduct, but I know that Professionalism requires more than merely avoiding the violation of laws and rules. I am committed to this Creed for no other reason than it is right.

I. OUR LEGAL SYSTEM. A lawyer owes to the administration of justice personal dignity, integrity, and independence. A lawyer should always adhere to the highest principles of professionalism. I am passionately proud of my profession. Therefore, "My word is my bond." I am responsible to assure that all persons have access to competent representation regardless of wealth or position in life. I commit myself to an adequate and effective pro bono program. I am obligated to educate my clients, the public, and other lawyers regarding the spirit and letter of this Creed. I will always be conscious of my duty to the judicial system.

II. LAWYER TO CLIENT. A lawyer owes to a client allegiance, learning, skill, and industry. A lawyer shall employ all appropriate means to protect and advance the client's legitimate rights, claims, and objectives. A lawyer shall not be deterred by any real or imagined fear of judicial disfavor or public unpopularity, nor be influenced by mere self-interest. I will advise my client of the contents of this Creed when undertaking representation. I will endeavor to achieve my client's lawful objectives in legal transactions and in litigation as quickly and economically as possible. I will be loyal and committed to my client's lawful objectives, but I will not permit that loyalty and commitment to interfere with my duty to provide objective and independent advice. I will advise my client that civility and courtesy are expected and are not a sign of weakness. I will advise my client of proper and expected behavior. I will treat adverse parties and witnesses with fairness and due consideration. A client has no right to demand that I abuse anyone or indulge in any offensive conduct. I will advise my client that we will not pursue conduct which is intended primarily to harass or drain the financial resources of the opposing party. I will advise my client that we will not pursue tactics which are intended primarily for delay. I will advise my client that we will not pursue any course of action which is without merit. I will advise my client that I reserve the right to determine whether to grant accommodations to opposing counsel in all matters that do not adversely affect my client's lawful objectives. A client has no right to instruct me to refuse reasonable requests made by other counsel. I will advise my client regarding the availability of mediation, arbitration, and other alternative methods of resolving and settling disputes.

III. LAWYER TO LAWYER. A lawyer owes to opposing counsel, in the conduct of legal transactions and the pursuit of litigation, courtesy, candor, cooperation, and scrupulous observance of all agreements and mutual understandings. Ill feelings between clients shall not influence a lawyer's conduct, attitude, or demeanor toward opposing counsel. A lawyer shall not engage in unprofessional conduct in retaliation against other unprofessional conduct. I will be courteous, civil, and prompt in oral and written communications. I will not quarrel over matters of form or style, but I will concentrate on matters of substance. I will identify for other counsel or parties all changes I have made in documents submitted for review. I will attempt to prepare documents which correctly reflect the agreement of the parties. I will not include provisions which have not been agreed upon or omit provisions which are necessary to reflect the agreement of the parties. I will notify opposing counsel, and, if appropriate, the Court or other persons, as soon as practicable, when

hearings, depositions, meetings, conferences or closings are canceled. I will agree to reasonable requests for extensions of time and for waiver of procedural formalities, provided legitimate objectives of my client will not be adversely affected. I will not serve motions or pleadings in any manner that unfairly limits another party's opportunity to respond. I will attempt to resolve by agreement my objections to matters contained in pleadings and discovery requests and responses. I can disagree without being disagreeable. I recognize that effective representation does not require antagonistic or obnoxious behavior. I will neither encourage nor knowingly permit my client or anyone under my control to do anything which would be unethical or improper if done by me. I will not, without good cause, attribute bad motives or unethical conduct to opposing counsel nor bring the profession into disrepute by unfounded accusations of impropriety. I will avoid disparaging personal remarks or acrimony towards opposing counsel, parties and witnesses. I will not be influenced by any ill feeling between clients. I will abstain from any allusion to personal peculiarities or idiosyncrasies of opposing counsel. I will not take advantage, by causing any default or dismissal to be rendered, when I know the identity of an opposing counsel, without first inquiring about that counsel's intention to proceed. I will promptly submit orders to the Court. I will deliver copies to opposing counsel before or contemporaneously with submission to the court. I will promptly approve the form of orders which accurately reflect the substance of the rulings of the Court. I will not attempt to gain an unfair advantage by sending the Court or its staff correspondence or copies of correspondence. I will not arbitrarily schedule a deposition, Court appearance, or hearing until a good faith effort has been made to schedule it by agreement. I will readily stipulate to undisputed facts in order to avoid needless costs or inconvenience for any party. I will refrain from excessive and abusive discovery. I will comply with all reasonable discovery requests. I will not resist discovery requests which are not objectionable. I will not make objections nor give instructions to a witness for the purpose of delaying or obstructing the discovery process. I will encourage witnesses to respond to all deposition questions which are reasonably understandable. I will neither encourage nor permit my witness to quibble about words where their meaning is reasonably clear. I will not seek Court intervention to obtain discovery which is clearly improper and not discoverable. I will not seek sanctions or disqualification unless it is necessary for protection of my client's lawful objectives or is fully justified by the circumstances.

IV. LAWYER AND JUDGE. Lawyers and judges owe each other respect, diligence, candor, punctuality, and protection against unjust and improper criticism and attack. Lawyers and judges are equally responsible to protect the dignity and independence of the Court and the profession. I will always recognize that the position of judge is the symbol of both the judicial system and administration of justice. I will refrain from conduct that degrades this symbol. I will conduct myself in court in a professional manner and demonstrate my respect for the Court and the law. I will treat counsel, opposing parties, the Court, and members of the Court staff with courtesy and civility. I will be punctual. I will not engage in any conduct which offends the dignity and decorum of proceedings. I will not knowingly misrepresent, mischaracterize, misquote or miscite facts or authorities to gain an advantage. I will respect the rulings of the Court. I will give the issues in controversy deliberate, impartial and studied analysis and consideration. I will be considerate of the time constraints and pressures imposed upon the Court, Court staff and counsel in efforts to administer justice and resolve disputes.

FULBRIGHT & JAWORSKI LLP
(Dallas)

Expenses and Services Summary

| <u>EXPENSE/SERVICE</u> | <u>CHARGE</u> |
|---|--|
| Binding | \$2.00 per book (Pricing varies in other office locations) |
| Data Base Research Lexis, Westlaw, Information America | Costs allocated by the firm |
| Deliveries | |
| Overnight/Express | Direct cost |
| Outside Courier | Direct cost |
| In-House | N/A (Pricing varies in other office locations) |
| Courthouse Messengers | \$25.00/hour plus transportation - Bankruptcy filings @ \$10.00 per filing (Pricing varies in other office locations) |
| Document Scanning | \$.12 per page – Direct cost |
| Duplicating | |
| Photocopy | \$0.15 per page |
| Color photocopy | \$0.85 per page |
| Microfilm/Microfiche | \$0.50 per page |
| Videography (duplication) | \$5.00/tape plus \$20.00/duplication |
| Electronic Mail (via Internet) | No Charge |
| Library Research by Library Staff | \$130.00 per hour |
| Weekend & Late Evening Air Conditioning | N/A (Pricing varies in other office locations) |
| Postage | Direct cost on any item or group of items which cost \$1.00 or more |
| Secretarial Overtime | \$28.00 per hour (Pricing varies in other office locations) |
| Facsimile (Outgoing) | No charge |
| Telephone | |
| Long Distance (Domestic) | No charge |
| Long Distance (International) | No charge |
| Telephone Conference | Direct cost (Third-party provider's charge -\$0.05 per participant per minute) |

| <i>EXPENSE/SERVICE</i> | <i>CHARGE</i> |
|---|---|
| File Storage Retrieval | N/A (Pricing varies in other office locations) |
| Transportation | |
| Mileage (personal automobile) | Applicable IRS allowable rate per mile |
| Lodging | Direct cost |
| Meals | Direct cost |
| Car Rental/Airline/Rail/Etc. | Direct cost |
| CD-ROM Research | \$30.00 - \$50.00 per search (rate varies based on length of search) |
| Graphic Arts | \$150.00 - \$175.00 per hour, plus direct cost of supplies |
| Practice Support | \$200.00 per gigabyte per month |
| E-Discovery | Direct cost |
| Firm hosting of on-site document review performed by outside contract attorneys | \$10.00 per hour |

Engineering Consultant Contract

May 7, 2015

AUTHORIZATION FOR PROFESSIONAL SERVICES

Ms. Sherry Howard, Mayor
City of Tom Bean
P.O. Box 659
201 S. Britton Street
Tom Bean, Texas 75489-0659

Re: 2015 Water System Improvements
Proposed Water Supply Well, Ground Storage Tank & Appurtenances
Proposal for Professional Engineering Services

Dear Mayor Howard:

Cobb, Fendley & Associates, Inc. ("CobbFendley") is pleased to propose professional surveying and engineering services to you in connection with your 2015 Water System Improvements project. The project consists of a water well capable of producing up to 200 gallons per minute, discharge piping with gate valves, check valves, metering, chlorination facilities and connections, electrical interconnections, back-up generator, horizontal pumps, site grading, parking area, analysis of the well water, 125,000 gallon ground storage tank, design of a SCADA system, approved fencing of the well site area, and connection to an existing water main.

CobbFendley's services are to be performed for the sole benefit of the City of Tom Bean, Texas ("Client"), who shall be responsible for payment of those services. When accepted, the signature of the Client's authorized representative, the Authorization and the Contract Documents, as defined herein, shall constitute the entire agreement (hereinafter the "Agreement") between Client and Cobb, Fendley & Associates, Inc. ("Engineer" or "CobbFendley") with respect to this project.

The specific tasks to be performed by CobbFendley in conjunction with this project are limited to the following:

SCOPE OF SERVICES: WATER SUPPLY WELL, GROUND STORAGE TANK and APPURTENANCES

PRELIMINARY PHASE

1. Attend a preliminary design conference with the City of Tom Bean. Review the scope of design for the project, status of existing plans and wells, establish design review dates, and discuss any possible alternatives.
2. Review electric logs of water supply wells in the immediate vicinity for depth, water bearing sands, and water production.
3. Perform a walk-thru over the project area, observe and discuss any data that will affect the overall design and construction.

COBBFENDLEY _____ CLIENT _____

DESIGN PHASE

1. Submit proposed well information to the Red River Groundwater Conservation District.
2. Prepare plans and Specifications:
 - a) The Engineer will provide field survey as may be necessary to obtain field data for use in preparing a sanitary control easement for the well and also the plans for construction.
 - b) Prepare design drawings and construction specifications for the project that will be sufficient and basic for Texas Commission on Environmental Quality (TCEQ) submittal. This will include a cover sheet, site plan, well section details, ground storage Tank, horizontal pump details, chlorination details, SCADA, electrical drawings, generator details, discharge piping details, and a signed/recorded sanitary control easement.
 - c) Submit drawings, specifications, reports, check lists, forms, and easements to TCEQ for anticipated approval.
 - d) Submit well completion data, logs, and water samples to TCEQ after the well is drilled for anticipated approval.
3. Prepare a detailed proposal form for construction with deductive alternates where feasible. In the event the lowest responsive bid for construction exceed the funds available, deductive alternates can be taken to reduce the price.
4. Use forms for instructions to bidders, general conditions, bid bond, performance bond, payment bond, and maintenance bond.
5. Furnish the City with copies of approved Contract Documents and drawings, specifications, notice to proceed, proposal form, well completion data and well log.

CONSTRUCTION PHASE

1. Prepare the advertisement for bid of the project. The City of Tom Bean shall be responsible for publishing the advertisement in the newspaper.
2. Conduct a bid opening, tabulate the bids and review bids for completeness and accuracy.
3. Perform contractor eligibility verification.
4. Conduct a preconstruction conference.
5. Issue the Start of Construction Notice to the funding agency (if required) and the Notice to Proceed to the construction contractor.
6. Make periodic visits to the site (as distinguished from the continuous services of a resident project inspector) to observe the progress and quality of the executed work and to determine in general if the work is proceeding in accordance with the Contract Documents. In performing these services, the Engineer will endeavor to protect the City of Tom Bean against defects and deficiencies in the work of the Contractor, but he cannot guarantee the

performance of the Contractor, nor be responsible for the actual supervision of construction operations or for the safety measures that the Contractor takes or should take.

7. Consult and advise with the City of Tom Bean; issue all instructions to the Contractor requested by the City; and prepare and issue routine change orders with the City of Tom Bean's approval.
8. Review samples, catalog data, schedules, shop drawings, laboratory, shop, and mill tests of material and equipment and other data which the Contractor submits. This review is for the benefit of the City of Tom Bean and covers only general conformance with the information given by the Contract Documents. The Contractor is to review and stamp his approval on submittals prior to submitting to Engineer, and review by Engineer does not relieve the Contractor of any responsibility such as dimensions to be confirmed and correlated at the job site, appropriate safety measures to protect workers and the public, or the necessity to construct a complete and workable facility in accordance with the Contract Documents. Engineer is not responsible for any errors in the review.
9. Obtain and review monthly and final estimates for payments to contractors and assemble written guarantees which are required by the Contract Documents.
10. Prepare record drawings from contractor mark ups and furnish the City of Tom Bean with one (1) vellum copy and a PDF file of plans.

EXCLUSIONS FROM THE SCOPE OF SERVICES

Specific items excluded from this proposal are as follows:

1. Responsibility for bringing three-phase electricity to the well site.
2. Application or review fees.
3. Boundary surveying, construction staking, or lot platting.
4. Abstracting the property, obtaining a title report or obtaining adjoiner deeds.
5. Research of commercial deed restrictions and legal issues.
6. Wetlands determination or assessment.
7. Soil, water or other environmental testing or environmental assessment of any kind.
8. Assessment of electrical power and gas needs.
9. Obtaining a driveway or other permits from TxDOT.
10. Any other services not specifically included within the description of the Basic Services or Other Services as described above.

ADDITIONAL SERVICES

Services not included in the description of Scope of Services in this Agreement may be provided by CobbFendley.

BASIS OF COMPENSATION

We propose to complete the following Phases on a Lump Sum Basis for the following fees:

Basic Services:

| | |
|--|---------------------|
| Preliminary Phase | \$5,500.00 |
| Perform Topographic Survey of Well Site and water main for Design..... | \$15,280.00 |
| Prepare Sanitary Control Easement around Well | \$4,720.00 |
| Civil Engineering Design | \$72,500.00 |
| Electrical & SCADA Engineering Design | \$14,500.00 |
| Project Bidding | \$5,000.00 |
| Construction Administration..... | \$6,000.00 |
| Record Drawings..... | \$1,000.00 |
| TOTAL FEES | \$124,500.00 |

SCHEDULE OF SERVICES

CobbFendley is authorized to begin work on this project immediately upon receipt of Client's signature on this Authorization and any additional authorizations that may be required from the property owner.

CobbFendley will use reasonable efforts to complete its Basic Services - Preliminary and Design Phase services within 12 weeks of its receipt of written authorization to begin design services after recommendations have been reviewed based on the TCEQ correspondence. Any delay by Owner or Client in providing proper and sufficient documents may delay CobbFendley's performance of its services, in which case CobbFendley shall be entitled to an extension of time to complete those services.

PROPOSAL ACCEPTANCE

If this proposal is agreeable to you, please indicate your acceptance by signing in the space provided below and return one copy to us for our file. This proposal is void if not accepted within thirty days of the date hereon. The opportunity to propose professional engineering services to your firm is appreciated and we look forward to working on this project with you.

Sincerely,

COBB, FENDLEY & ASSOCIATES, INC.

This proposal accepted by:

CITY OF TOM BEAN

Ted Sugg, P.E.
Principal

Sherry Howard
Mayor

Attachments

Date of Authorization

Financial Advisor Contract

FINANCIAL ADVISORY SERVICES AGREEMENT

This Financial Advisory Services Agreement (the "Agreement") is made and entered into by and between the Greater Texoma Utility Authority ("Issuer") and Specialized Public Finance Inc. ("SPFI") effective as of the date executed by the Issuer as set forth on the signature page hereof.

WITNESSETH:

WHEREAS, the Issuer will have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot presently be determined and, in connection with the authorization, sale, issuance and delivery of such indebtedness, Issuer desires to retain an independent financial advisor; and

WHEREAS, the Issuer desires to obtain the professional services of SPFI to advise the Issuer regarding the issuance and sale of certain evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereafter referred to collectively as "Debt") from time to time during the period in which this Agreement shall be effective; and

WHEREAS, SPFI is willing to provide its professional services and its facilities as financial advisor in connection with all programs of financing as may be considered and authorized by Issuer during the period in which this Agreement shall be effective.

NOW, THEREFORE, the Issuer and SPFI, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

SECTION I DESCRIPTION OF SERVICES

Upon the request of the Issuer, SPFI agrees to perform the financial advisory services stated in the following provisions of this Section I; and for having rendered such services, the Issuer agrees to pay to SPFI the compensation as provided in Section VI hereof.

1. Financial Planning. Provide financial planning services related to Debt plans and programs.
2. Debt Elements. Provide recommendations regarding Debt under consideration, including such elements as timing, structure, security provisions, and such other provisions as may be appropriate.
3. Method of Sale. Make a recommendation as to an appropriate method of sale, including but not limited to competitive sale, negotiated sale or private/limited offering.
4. Price Fairness. Advise the Issuer as to the fairness of the price offered by the underwriters.

5. Offering Documents. Participate in and direct, as appropriate, the preparation of the offering documents and/or assist bond counsel with same.
6. Auditors. Coordinate verification by an independent auditor of any calculations incident to the Debt, as required.
7. Printing. Coordinate all work incident to printing of the offering documents and other documents required by Issuer.
8. Closing. Provide the Issuer a post sale/closing booklet or update for the Debt and other outstanding debt, as needed.

SECTION II OTHER AVAILABLE SERVICES

In addition to the services set forth and described in Section I herein above, SPFI agrees to make available to the Issuer the following services, when so requested by the Issuer and subject to the agreement by Issuer and SPFI regarding the compensation, if any, to be paid for such services, it being understood and agreed that the services set forth in this Section II may require further agreement as to the compensation to be received by SPFI for such services:

1. Call Defeasance and Refunding. Evaluate and advise on exercising any call defeasance and/or refunding of any outstanding Debt.
2. Capital Program Modeling. Evaluate and advise on the development of any capital improvements programs.

SECTION III CONTINUING DISCLOSURE

It is understood and agreed that the Issuer, in connection with the sale and delivery of Debt, will be required to comply with certain continuing disclosure undertakings, including preparation and submission of annual reports (the "annual reports") and reporting of certain specified material events (the "material events") pursuant written undertakings of the Issuer and in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule"). SPFI shall provide continuing disclosure services on the terms and conditions, for the time period and for the compensation set forth herein.

1. This Agreement shall apply to all Debt delivered subsequent to the effective date of the continuing disclosure undertakings of Issuer and as specified in the Rule, to the extent that any particular issue of Debt does not qualify for exceptions to the continuing disclosure requirements of the Rule.
2. SPFI agrees to perform annual reporting and material event notification duties required by the undertakings of Issuer and the Rule.
3. The fees of SPFI for providing the foregoing continuing disclosure services shall be negotiated annually (not to exceed \$1,000 per similarly-secured type of Debt). The fees of SPFI for providing material event notification services shall be negotiated separately at the time such notifications may be required.

SECTION IV TERM OF AGREEMENT

This Agreement shall become effective as of the date executed by the Issuer as set forth on the signature page hereof and, unless terminated by either party pursuant to Section IV of this Agreement, shall remain in effect thereafter for a period of three (3) years from such date. Unless SPFI or Issuer shall notify the other party in writing at least thirty (30) days in advance of the applicable anniversary date that this Agreement will not be renewed, this Agreement will automatically renew on the third anniversary of the date hereof for an additional one (1) year period and thereafter will automatically renew on each anniversary date for successive one (1) year periods under the same terms as the initial 3 year period.

SECTION V TERMINATION

This Agreement may be terminated with or without cause by the Issuer or SPFI upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate. In the event of such termination, it is understood and agreed that only the amounts due SPFI for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

SECTION VI COMPENSATION AND EXPENSE REIMBURSEMENT

The fees due to SPFI for the services set forth and described in Section I of this Agreement with respect to each issuance of Debt during the term of this Agreement shall be calculated in accordance with the schedule set forth on Appendix A attached hereto. Unless specifically provided otherwise on Appendix A or in a separate written agreement between Issuer and SPFI, such fees, together with any other fees as may have been mutually agreed upon and all expenses for which SPFI is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Debt to the purchaser.

**SECTION VII
MISCELLANEOUS**

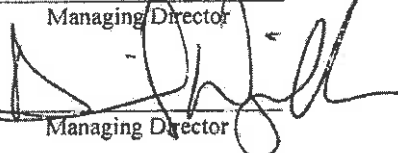
1. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas. Proper venue for any legal action arising out of this Agreement shall be Travis County, Texas.

2. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Issuer and SPFI, their respective heirs, executors, personal representatives, successors and assigns; provided however, neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

3. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto.

Specialized Public Finance, Inc.

By: 
Managing Director

By: 
Managing Director


GREATER TEXOMA UTILITY AUTHORITY

By: 

Title: PRESIDENT

Date: 11/17/2008

ATTEST:


Title SECRETARY/TREASURER

APPENDIX A

Fee Schedule:

| | |
|-------------------------|---------------------|
| First \$ 500,000 | \$10.00 per \$1,000 |
| (Minimum Fee - \$5,000) | |
| Next \$ 500,000 | \$ 7.50 per \$1,000 |
| Next \$ 4,000,000 | \$ 5.00 per \$1,000 |
| Next \$ 5,000,000 | \$ 3.50 per \$1,000 |
| Next \$10,000,000 | \$ 1.95 per \$1,000 |
| Next \$10,000,000 | \$ 1.35 per \$1,000 |
| Next \$20,000,000 | \$ 1.30 per \$1,000 |
| Next \$50,000,000 | \$ 1.25 per \$1,000 |

Fees for any Refunding Issues shall be the amount shown plus 10% additional charge.

The charges for ancillary services, including computer structuring and official statement printing, shall be levied only for those services which are reasonably necessary in completing the transaction and which are reasonable in amount, unless such charges were incurred at the specified direction of the Issuer.

The payment of charges for financial advisory services in Section I of the foregoing Agreement shall be contingent upon the delivery of bonds and shall be due at the time that bonds are delivered. The payment of charges for services described in Section II of the foregoing Agreement shall be due and payable in accordance with the mutual agreement therefor between SPFI and Issuer.

The Issuer shall be responsible for the following expenses, if and when applicable:

- Bond counsel
- Bond ratings
- Computer structuring
- Continuing Disclosure, as per Section III
- Credit enhancement
- Verification agent
- Official statement preparation
- Official statement printing
- Paying agent/registrar/trustee
- Travel related expenses related to ratings or credit enhancement, with prior approval
- Underwriter and underwriters' counsel
- Delivery, copy, conference call charges and other miscellaneous charges

The payment of reimbursable expenses that SPFI has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of bonds and shall be due at the time that services are rendered and payable upon receipt of an invoice therefor submitted by SPFI.

ATTACHMENT 2

Contract for Water Supply and Sewer Service

CONTRACT FOR WATER SUPPLY AND SEWER SERVICE

THE STATE OF TEXAS §
 §
THE COUNTY OF GRAYSON §

THIS AGREEMENT is made and entered into as of OCTOBER 7, 1987, between the GREATER TEXOMA UTILITY AUTHORITY (hereinafter referred to as the "Authority"), a conservation and reclamation authority, a governmental agency, a political subdivision of the State of Texas, and a body politic corporate, duly created, existing and acting by virtue of Chapter 97, Acts of the 66th Legislature of Texas, Regular Session, 1979, as amended, (the "Act") and the CITY OF TOM BEAN, TEXAS, a municipal corporation in the County of Grayson, Texas (hereinafter referred to as the "City"), duly created and existing under the laws of the State of Texas:

W I T N E S S E T H:

WHEREAS, the Authority, acting pursuant to the Act, proposes to issue its bonds for the purpose of providing (i) certain sanitary sewer collection and treatment facilities for use by the City, and (ii) an additional supply of water to the City and certain water supply facilities in order to store and transport such water to the City; and

WHEREAS, certain revenues to be received by the Authority from the City under this Agreement are to be pledged to the payment and security of the bonds to be issued by the Authority and will constitute the basis for the Authority's credit in financing such facilities; and

WHEREAS, the Authority and the City, acting through their duly constituted governing bodies, have mutually agreed upon the terms and conditions of this Agreement; now, therefore

IN CONSIDERATION of the mutual covenants, agreements and undertakings herein set forth, the parties hereto hereby agree and Contract as follows:

ARTICLE I

Definitions

SECTION 1.01: Unless the context shall indicate a contrary meaning of intent, the terms below defined, for all purposes of this Contract and any Contract amendatory or

supplemental to this Contract, shall be construed or used and are intended to have meanings as follows:

- (a) "Authority" shall mean the Greater Texoma Utility Authority, or its successor.
- (b) "Board" and "Board of Directors" shall mean the Board of Directors of the Authority.
- (c) "Bond Resolution" shall mean any resolution of the Board of Directors authorizing the issuance of the Bonds and providing for their security and payment, as such resolution(s) may be amended from time to time as therein permitted, where the proceeds from the sale of the Bonds will be used to discharge the cost of the Project.
- (d) "Bonds" shall mean any bonds to be issued by the Authority for the purpose of providing funds to pay the necessary costs of the Project, whether in one or more series or issues, or any bonds issued to refund same.
- (e) "City" shall mean the City of Tom Bean, Texas.
- (f) "Cost of the Project" shall mean, with respect to the Water Project or the Sewer Project, all cost and expense incurred in connection with the acquisition, construction, improvements, enlargement, extension and repair of the Project, including, without limiting the generality of the foregoing, the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests, the cost of all machinery and equipment, financing charges, interest and administrative expenses expected to accrue during the period of construction, the funding of any reserve funds created by the Bond Resolution(s), cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, improving, enlarging, extending, or repairing the project, and such other expense as may be necessary or incident to the acquisition, construction, improvement, enlargement, extension or repair of the Project and all legal fees, printing and other cost, fees and expenses necessary for or incident to the issuance of the Bonds.

- (g) "Engineer" shall mean a registered, professional engineer (who may be the City Engineer or the Authority's Engineer). The City and Authority agree that the Engineer may be a different firm on different aspects of the Project; that the Engineers (and the scope of their work) are set forth in Exhibit A; and that the Project will be acquired, constructed, improved, enlarged, extended and repaired in accordance with the plans and specifications prepared under the supervision of the Engineer. It is further agreed that an Engineer may be changed or added and the scope of duties adjusted by the Authority, subject to the consent of the City.
- (h) "Fiscal Year" shall mean the twelve month operating period (under this Agreement) commencing October 1st of each year, provided such twelve month period may be changed one time in any three calendar year period by agreement of the Authority and the City (which agreement, if made, shall be attached hereto as an exhibit).
- (i) "Maintenance and Operation Expense of the Project" shall mean the expense of maintenance and operation of the Project including all salaries, labor, materials, interest, repairs, and replacements necessary to render efficient service, or which might be necessary to meet some physical accident or condition which would otherwise impair the security of the Bonds. Such term shall not include depreciation.
- (j) "Operator" shall mean the party to this Contract who is designated (in Exhibit B) as the party responsible for the act to be performed.
- (k) "Project" shall mean, collectively, the Water Project and the Sewer Project.
- (l) "Sewer Project" shall mean the sanitary sewer facilities which are to be (i) constructed or acquired in order to meet the contractual obligations hereunder, and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the City under this Agreement, or obtained as grant funds, from any source, for the purpose of paying all or part of the Cost of the Project described in Exhibit C (as now or hereafter amended).

- (m) "Water Project" shall mean the water supply, storage and transmission facilities which are to be (i) constructed or acquired in order to meet the contractual obligations hereunder and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the City under this Agreement or obtained as grant funds, from any source, for the purpose of paying all or part of the Cost of the Project described in Exhibit D (as now or hereafter amended).

ARTICLE II

Representations and Agreements

SECTION 2.01: The City's Representations and Agreements. In connection with its undertakings hereunder, the City represents to the Authority and agrees with the Authority as follows:

- (a) In its capacity as a duly incorporated City of Texas, it is empowered under applicable laws of Texas, particularly under the Interlocal Cooperation Act, to enter into the engagements prescribed for it under this agreement and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this Contract.
- (b) It will timely pay to the Authority the full amount it is required to pay under the provisions of this Contract for the services supplied by the Project.
- (c) That it will plan, construct, maintain, operate and finance its own utility system and set retail rates to individual customers for water and sanitary sewer service adequate to pay all City obligations secured by and made payable from the revenues derived from the operation of the City's combined Water and Sanitary Sewer System.
- (c) That it will cooperate with the Authority in the performance of the duties and responsibilities assigned to the Authority by this Contract.

SECTION 2.02: Representations and Agreements of Authority. In connection with its undertakings hereunder, the Authority represents to the City and agrees with the City as follows:

- (a) In its capacity as a conservation and reclamation Authority created by the Act, pursuant to Article XIV, Section 59 of the Texas Constitution, it is empowered under applicable laws of the State of Texas, particularly under the Interlocal Cooperation Act and the Texas Water Code, to enter into the engagements prescribed for it under this agreement and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this Contract.
- (b) That it will finance all costs of the Project not provided by the City and any grant secured for the construction of the Project.

SECTION 2.03: Construction. The Operator agrees to assume responsibility for the construction of the Project and the Authority will enter into such Contracts as are necessary to provide the Project. To this end, the Authority and the City agree that:

- (a) Unless otherwise agreed by the parties, the Operator shall be responsible for the preparation of final plans and specifications for the Project.
- (b) Final plans and specifications for the Project shall be subject to the approval of the Authority and the City.
- (c) All construction Contracts shall be let and awarded pursuant to the laws applicable to the Authority.
- (d) The Authority shall let and award all construction Contracts, subject to the approval of each Contract by the City.
- (e) The Authority shall deposit from the proceeds from the sale of its Bonds in a special Construction Fund to be created and established by the Bond Resolution(s), an amount of money which shall be specified in said Bond Resolution(s). The Authority shall draw on and

use said Construction Fund to pay the cost of acquiring, constructing, improving, extending, enlarging and repairing the Project.

- (f) Unless otherwise agreed by the parties, the Operator shall be responsible for the acquisition of all land, rights-of-way, property rights, easements and interest required to provide the Project, subject to the approval of the City and the Authority.

ARTICLE III

Fiscal Matters

SECTION 3.01: Payment for Service. The Authority will provide from the proceeds received through the issuance and sale of its Bonds such funds as are necessary, when coupled with any funds or property provided by the City and any grant received for the purpose of providing all or part of the Project. It is agreed that the City and its customers shall have the exclusive use of the entire Project for the useful life of the Project. In consideration for the Authority's obligation hereunder, the City recognizes and agrees that the Authority will acquire an undivided interest in the Project equivalent to the percentage of the total cost of the Project provided by the Authority through the issuance and sale of its Bonds. It is further agreed that the City's obligations to make any and all payments specified in this Article and the ownership interest of the Authority in the Project will terminate when all of the Authority's Bonds issued in connection with the Project have been paid in full and retired and are no longer outstanding. It is further understood and agreed that the Authority's only source of funds to pay the principal of and interest on its Bonds is from the payments to be made by the City to the Authority under this Contract, and the City agrees that it will make to the Authority the following payments:

- (a) Monthly amortization payment -- Such amounts, payable monthly on or before the 15th day of each month, in approximately equal installments, as are necessary to pay (i) the principal coming due on the Authority's Bonds on the next succeeding principal payment date; (ii) the interest coming due on the Authority's Bonds on the next succeeding interest payment date; and, (iii) the fees and charges of the Paying Agent(s) for paying or redeeming the Bonds and interest thereon coming due on each applicable date.

- (b) Reserve Fund Payment -- Such amount as is required to be paid into the Reserve Fund from the Revenue Fund (out of payments to be made by the City) under the Bond Resolution in order to establish, maintain or replenish the Reserve for the security and payment of Bonds similarly secured.
- (c) Administrative Payment -- An amount sufficient to pay the administrative and overhead expenses of the Authority, directly attributable and chargeable to the Bonds and the Project, including the cost of routine annual accounting reports.
- (d) Extraordinary Expense Payment -- Such amounts, as are necessary to pay or reimburse the Authority for any extraordinary or unexpected expenses or costs reasonably and necessarily incurred by the Authority in connection with the Bonds and the Project, such as expenses of litigation, if any, and costs of special studies and special professional services, if and when required by any governmental directive or regulation or as may be agreed between City and Authority.
- (e) The cost of Maintenance and Operation of the Project (for which provision is made in Section 3.03) if the Authority is the Operator under that Section.

SECTION 3.02: Time for Making of Payments. The City agrees to make the payments required by Section 3.01 at the times hereafter specified:

- (a) Monthly Amortization Payments -- the City shall commence making monthly amortization payments at such time as any amount required by the Bond Resolution(s) to be deposited into an escrow account for the payment of interest on the Bonds during the Project construction period has been fully exhausted; provided that such payments shall commence in no event later than the earlier of (i) twelve months prior to the first principal payment date specified in the Bond Resolution(s), or (ii) six months prior to the first interest payment date for which monies are not set aside for the payment of the interest coming due on such date from the proceeds of the Bonds. Monthly amortization payments shall continue to be made throughout the term of the Contract and

shall be adjusted by the City so as to provide for the accumulation of the full amount of debt service requirements (principal, interest and paying agent fees due on any given payment date) on or before the first day of the month such debt service requirements become due.

- (b) Reserve Fund Payment -- the City shall commence making these payments on the 15th day of a month, as may be provided in the Bond Resolution, after the delivery of the initial series of Bonds to provide the Project, and upon the issuance of additional Bonds, shall increase the payments in accordance with the Resolution authorizing such Bonds.
- (c) Administrative Payment -- the City shall commence making the administrative payment on the 15th day following the effective date of this Contract, and thereafter such payment shall be made on the 15th day of each month thereafter throughout the term of this Contract.
- (d) Extraordinary Expense Payment -- the City shall make any extraordinary expense payment immediately upon receipt of the statement therefor.
- (e) Maintenance and Operating Expenses: (i) if the City is designated as the Operator under Section 3.03, such expenses shall be paid by the City as the same becomes due; or (ii) if the Authority is designated as the Operator under Section 3.03, the City shall pay (up to the amount annually budgeted for such expenses) the amount which the Authority determines shall be required in such months, such payments to be made on or before the 15th day of each month after the Project becomes operational. The annual budget shall be prepared by the Authority at least thirty (30) days prior to the date the Project is to become operational, or, thereafter prior to the beginning of each fiscal year; the budget shall then be submitted to the City which may indicate exceptions or suggestions, which shall then be considered by the Board. If an annual budget is found to be insufficient or excessive, the parties agree the same shall be taken into consideration by an amendment as well as the budget for the following year, with the view that

additional payments shall be made or credit shall be given so that expenditures match receipts over the fiscal year or an adjustment is made in the following month.

SECTION 3.03: Maintenance and Operation of the Project. Unless otherwise agreed by the parties, it is agreed that the Operator will be responsible for maintaining and operating the Project for the entire term of this Contract, and shall pay all costs and expenses incurred in regard to the maintenance and operation of the Project. The Operator hereby agrees and covenants to operate and maintain the Project in accordance with accepted good business and engineering practices and in accordance with all applicable federal and state laws, including any rules and regulations issued by appropriate agencies in the administration of said laws. If the City is the Operator under this Section, the City agrees to indemnify and to save and hold harmless the Authority from any and all claims, damages, losses, costs and expenses, including reasonable attorney fees, arising at any time from the acquisition, existence, ownership, operation and maintenance of the Project.

SECTION 3.04: Insurance. The Operator specifically agrees to carry fire, casualty, public liability, or other insurance on the Project for purposes and in amounts which would ordinarily be carried by a municipal corporation owning and operating such facilities. Such insurance will provide, to the extent feasible and practicable, for the restoration of damages or destroyed properties and equipment so as to minimize the interruption of services of such facilities. All premiums for such insurance shall constitute a maintenance and operation expense of the Project.

SECTION 3.05: Covenant of Timely Payment. The City covenants that it will timely make (i) the monthly amortization payments and (ii) the additional payments specified hereunder in accordance with the provisions of this Contract as the same shall become due and payable, irrespective of whether service of the Project has been abandoned or discontinued, or if the Project has been rendered wholly or partially unuseful by reason for "force majeure". The City recognizes the fact that the Authority will use the payment received from the City hereunder to pay, secure and finance the issuance of the Bonds, and the holders of the Bonds shall be entitled to rely on the foregoing covenant of payment regardless of any other agreement that may exist between the Authority and the City.

SECTION 3.06: Late Payment Penalty. Should the City fail to make any payment at the time herein specified, interest on such amounts shall accrue at the rate of ten percent (10%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, the Authority may institute a proceeding for a mandatory injunction requiring the payment of the amount due and interest thereon, such action to be instituted in a court of competent jurisdiction.

SECTION 3.07: Priority of Charges - City to Fix Adequate Rates.

- (a) The City represents and covenants that all payments to be made by it hereunder shall constitute "operating expenses" of the City's combined Water and Sanitary Sewer System.
- (b) The City further agrees to fix and collect such rates and charges for water and sanitary sewer services to its customers as will make possible the prompt payment of all expenses of operating and maintaining its combined Water and Sewer System, including all payments, obligations and indemnities contracted hereunder.

SECTION 3.08: Nature of Obligation of City. The payments required to be made by the City under the terms of this Contract shall be due and payable in any and all events regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the Project and regardless of whether the Project shall have been wholly or partially destroyed or damaged. The agreements of the City shall be and are separate and independent covenants and the City shall have no rights of setoff, recoupment, or counterclaim. The Authority shall never have the right to demand payment of any amounts due hereunder by the City out of funds raised or to be raised by taxation. Any obligations assumed or imposed on either party hereto shall never be construed to be a debt of such party of a kind that would require it to levy and collect taxes to discharge any such obligation, it being expressly understood by the parties hereto that the funds required for all payments due from the City pursuant to this Contract are to be collected from the sources referenced herein, and by no other.

ARTICLE IV

Miscellaneous Provisions

SECTION 4.01: Contract Term. The obligation of the City to promptly make all prescribed payments shall commence with the delivery of the first series of Bonds issued to fund the cost of the Project and continue for the period during which the Bonds are outstanding and unpaid.

SECTION 4.02: Useful Life of Project. The City and Authority agree and mutually find that the anticipated useful life of the Project equals or exceeds the period specified in the Bond Resolution(s) for the maturity of all Bonds authorized to be issued.

SECTION 4.03: Abandonment of Use of Project. It is specifically recognized by the parties hereto that the City, during the term of this Contract, may acquire other sewer facilities so as to make the continued operation of the Project uneconomical so it will be to the best interest of the parties to discontinue the operation of the Project.

Should the City choose to discontinue the operation of all or part of the Project, the City shall have the exclusive right to the salvage of all of the properties and improvements constituting the Project so discontinued. Any cost of salvage will be a maintenance and operating expense of the City, and any money realized from such salvage will serve as a reduction of such expense. The City shall retain the use of the land where the Project is situated and all remaining improvements thereon for its corporate purposes.

The abandonment of the use of the Project shall have no effect upon the obligations of the City to the Authority provided for by this Contract and all payments provided for by this Contract shall remain obligations of the City of the same nature as provided for by this Contract.

SECTION 4.04: Modification of Provisions. This Contract may be changed and modified only with the consent of the governing bodies of all parties signatory. Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representative shall be held not less than thirty (30) days after the giving of such notice. At such joint meeting, the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will effect adversely the payment when due of all monies required to be paid by the City

under the terms of this Contract and no such change will be effective which effects adversely or causes a violation of any covenants contained in the Bond Resolution(s).

If for any reason the City may desire the construction of additional facilities over and above those now contemplated, and provided the same are within the legal and economic capabilities of the Authority, provision therefor shall be made by means of a supplement hereto, the terms of which are to be negotiated between the City and the Authority.

SECTION 4.05: Regulatory Provisions. This Contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 4.06: Taxes. In the event any sales or use taxes, or taxes of any nature, are hereafter imposed upon the Project or the Authority on account of the acquisition, existence, ownership, operation and maintenance of the Project, the amount of such taxes shall be treated as operating expenses of the Project.

SECTION 4.07: Title to Water and Sewage. Title to all water and sewage put into the Project under this agreement shall be in the City.

SECTION 4.08. Notices. Any notice, request, demand, statement or bill provided for in this agreement shall be in writing and shall be considered to have been fully delivered when sent by registered mail, addressed as follows:

To the Authority: 5100 Airport Drive
Denison, Texas 75020
Attention: President, Board of
Directors

To the City: City Hall
P. O. Box 312
Tom Bean, Texas 75489
Attention: Mayor, City of Tom Bean

as the case may be, except that routine communications may be sent by ordinary mail and except that either party, by the filing of an appropriate written notice to the other, may specify some other individual to whom communications thereafter are to be addressed.

SECTION 4.09: Covenant to Enforce Contractual Obligations. The Authority covenants that it will enforce the obligations of the City hereunder as may be required to accomplish the purpose of this Contract. Either party may enforce any obligations hereunder owed to it by the other party.

SECTION 4.10: Consequences of City Default. The Authority and the City agree that in the event of default or threatened default, in the payment of principal of or interest on the Bonds, any court of competent jurisdiction upon petition of the holders of twenty-five percent (25%) of the principal amount of the then outstanding Bonds of the Authority shall appoint a receiver with authority to collect and receive all resources pledged to the payment of the Bonds, enforce all rights arising from default, if any, by the City in making payment under this Contract, and take charge of the pledged funds on hand and manage the proprietary affairs of the Authority insofar as such affairs relate to the Project. The court may further vest the receiver with such powers and duties as the court may find necessary for the protection of the holders of the Bonds.

SECTION 4.11: Further Agreements of the Parties. The parties hereto specifically recognize that the City has heretofore issued, sold and delivered revenue bonds that are payable from and secured by a lien on and pledge of the net revenue of its combined Water and Sanitary Sewer System; that the bonds so issued and delivered (which remain outstanding) are fully described in Exhibit E.

The City represents to the Authority:

- (a) There is no provision in the ordinances authorizing the issuance of such revenue bonds which prohibits the City from entering into and executing this Contract.
- (b) The execution of this Contract and the operation thereunder will not in any way impair the obligation of Contract by and between the City and the owners of its outstanding bonds payable from revenues of its Water and Sanitary Sewer System since the Project is in furtherance of governmental policy, not inconsistent with the existing contractual obligations of the City.

SECTION 4.12: Control of Project by Operator. The parties hereto recognize and it is specifically agreed that after completion of the Project and during the term of this Contract, the Operator shall have the exclusive right to the

use and utilization of the Project, for the benefit of the City; that the Operator without hindrance from the Authority or the City, or the employees or other agents of either of them, may operate, maintain, repair, enlarge, improve, extend, provide for additions to or otherwise control, manage and keep up the said Project.

Except as specified in this Article, the abandonment of the use of all or part of such Project has no effect upon the obligations of the parties.

SECTION 4.13: Force Majeure.

- (a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this Agreement, other than the obligation of City to make the payments required under the terms of Section 3.01 hereof, then if such party shall give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied on, the obligation of the party giving such notice, so far as it is affected by such "force majeure" shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of a public enemy, orders or actions of any kind of the Government of the United States of America or of the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakages or accident to dams, machinery, partial or entire failure of water supply and inability on the part of the Authority to deliver water hereunder or to provide sewage treatment or of the City to receive water or to deliver sewage treatment, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lock-outs shall be entirely within the discretion of the party

having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch, shall not require the settlement of strikes and lock-outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of Authority to meet any obligation by reason for force majeure shall relieve the City from its obligations to make the payments required under the terms of Section 3.01 hereof.

- (b) No damage shall be recoverable from Authority by reason of the suspension of the operation of the Project due to any of the causes above mentioned. If Operator's ability to operate the Project is affected by any of such causes, the Operator shall promptly notify the other party in writing giving the particulars as soon as possible after the occurrence of the cause or causes for such interruption.
- (c) It is expressly recognized by City that the Operator may be compelled to make necessary alterations, repairs or extensions of new or additional facilities from time to time during the life of this Agreement and any suspensions of the operation of the Project due to such operation shall not be cause for claim of damage on part of the Operator provided all reasonable effort is used by the Operator to provide City with the service afforded by the Project in accordance with this Agreement. In such case, the Operator shall give the other party as much advance notice as may be practicable of the suspension of operation and of the estimated duration thereof.

SECTION 4.14: Easements. City agrees that Authority may have such easements over any easements, right of way or property held by City so that the facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 4.15: Bond Approval by the City.

- (a) Prior to the issuance and delivery of any bonds which are (i) payable as to principal, interest or redemption premium out of the debt service

payments, or (ii) to provide facilities or service or any item which is to be maintained by the Authority utilizing any part of the base monthly payments, the City shall approve the issuance thereof as provided in this Section.

- (b) If the bonds are to be sold at a public sale, the governing body of the City shall, by resolution, approve (i) the "Notice of Sale" issued or proposed to be issued by the Authority prior to their delivery; and, (ii) the facilities to be constructed or acquired; if the bonds are refunding bonds, the governing body of the City shall, by resolution approve either (i) the form of purchase Contract or (ii) the resolution authorizing the issuance of the refunding bonds.
- (c) If the bonds are to be exchanged for property or services, the governing body of the City shall, by resolution, approve (i) the resolution adopted by the governing body of the Authority which authorizes the issuance of such bonds; and (ii) the facilities to be constructed or acquired, or the services to be provided.

SECTION 4.16: Severability. The parties hereto agree that if any of the provisions of this Agreement contravene or be held invalid under the laws of the State, same shall not invalidate the whole Agreement but it shall be construed as though not containing that particular provision and the rights and obligations of the parties shall be construed and in force accordingly.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Agreement to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

GREATER TEXOMA UTILITY AUTHORITY

By: 
President, Board of Directors

ATTEST:

[Signature]
Secretary, Board of Directors
(Authority Seal)

CITY OF TOM BEAN, TEXAS

By: *Billy W. Barnes*
Mayor, City of Tom Bean

ATTEST:

Annette Alufandis
City Secretary, City of Tom Bean

APPROVED AS TO LEGAL FORM:

Thomas C. Alins
City Attorney, City of Tom Bean

(City Seal)

The Development Fund Manager of
the Texas Water Development Board
has consented to the execution of
this Contract as authorized by the
Texas Water Development Board on
September 7, 1988.

[Signature]
Development Fund Manager

EXHIBIT A

Wortham & Associates, Inc.
Sherman, TX 75090

EXHIBIT A

SUPPLEMENTAL PROJECT

ENGINEER

Water Well Project

Cobb Fendley & Associates
6801 Gaylord Parkway, Ste 302
Frisco, TX 75034
(972) 335-3214

EXHIBIT C

No Sewer Projects are being financed.

EXHIBIT D

COST ESTIMATE

A. TOM BEAN PROJECT (Alternative No. 4)

a. Woodbine Well No. 1:

| | | |
|---|------|--------------|
| 1. Test Hole: 1500 ft. @ \$16.00 | = \$ | 24,000 |
| 2. Well Complete: | = | 77,500 |
| 3. Pump: | = | 18,500 |
| 4. Electrical, Controls & Altitude Valve: | = | 11,000 |
| 5. Road: | = | 2,500 |
| 6. Meter, Yard Piping & Off-site Pipe: | = | 10,000 |
| 7. Chlorination Facilities: | = | 6,500 |
| 8. Fencing: | = | <u>5,000</u> |
| Subtotal | = | \$155,000 |

b. STANDPIPE (16 X 110' HIGH)

| | | |
|----------------|------|--------------|
| 1. Foundation: | = \$ | 10,000 |
| 2. Standpipe: | = | 54,000 |
| 3. Painting: | = | <u>9,000</u> |
| Subtotal | = | \$ 73,000 |

c. Engineering & Surveying

= 20,000

Subtotal

= \$248,000

d. WOODBINE WELL NO. 2

| | | |
|-----------------------------------|------|--------|
| 1. Test Hole: 1400 ft. @ \$16.00: | = \$ | 22,400 |
| 2. Well Complete: | = | 76,000 |
| 3. Pump: | = | 20,600 |
| 4. Electrical & Controls: | = | 10,000 |

EXHIBIT D

(Continued)

| | | | |
|--------------------------------------|---|---------------|-----------|
| 5. Road: | = | 2,000 | |
| 6. Meter & Yard Piping: | = | 6,000 | |
| 7. Chlorination Facilities: | = | 6,000 | |
| 8. Fencing: | = | <u>3,500</u> | |
| Subtotal | = | | \$146,500 |
| e. <u>WELL COLLECTOR MAIN</u> | | | |
| 1. 5000 L.f. 6" PVC @ \$4.50: | = | \$ 22,500 | |
| 2. 5000 L.F. Control Cable @ \$1.00: | = | 5,000 | |
| 3. Creek Crossings & Bores | = | <u>4,500</u> | |
| Subtotal | = | | \$ 32,000 |
| f. Engineering & Surveying | = | <u>16,500</u> | |
| Total Woodbine Well No. 2 | = | | \$195,000 |
| Land | = | 6,000 | |
| Bond Counsel & Fiscal Agents | = | 10,000 | |
| Administrative | = | 3,000 | |
| Contingency | = | <u>18,000</u> | |
| Subtotal Tom Bean | = | | \$480,000 |

EXHIBIT D

SUPPLEMENTAL PROJECT

WATER PROJECT DESCRIPTIONS

Project involves construction of Woodbine formation water well including:

- Test Well
Woodbine Well – 200 gpm
- 125,000-gallon Ground Storage Tank
- Horizontal Pumps
- Chlorination Equipment and Building
- Electrical
- Fencing
- Gravel Driveway and Parking Lot
- Land Purchase
- Yard Piping
- Engineering Design
- Survey for Engineering
- SCADA
- Electrical Engineering for SCADA
- Electrical Engineering for Well
- Generator
- Meters
- Contingencies
- All other appurtenances as necessary for project

EXHIBIT E

1. "Town of Tom Bean Waterworks and Sewer System Junior Lien Revenue Bonds, Series 1968" dated April 1, 1968, originally issued in the aggregate principal amount of \$62,000;
2. "Town of Tom Bean, Texas, Combination Tax and Waterworks and Sewer System Junior Lien Revenue Certificates of Obligation, Series 1980" dated August 1, 1980, originally issued in the aggregate principal amount of \$155,000.

ATTACHMENT 3

Resolution Requesting Financial Assistance

Application Filing and Authorized Representative Resolution (WRD-201a)

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority requesting financial assistance from the Texas Water Development Board; authorizing the filing of an application for assistance; and making certain findings in connection therewith.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY:

SECTION 1: That an application is hereby approved and authorized to be filed with the Texas Water Development Board seeking financial assistance in an amount not to exceed \$1,235,000 to provide for the costs of construction of the City of Tom Bean Water Well Project.

SECTION 2: That Drew Satterwhite, P.E., be and is hereby designated the authorized representative of the Greater Texoma Utility Authority for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the Texas Water Development Board.

SECTION 3: That the following firms and individuals are hereby authorized and directed to aid and assist in the preparation and submission of such application and appear on behalf of and represent the Greater Texoma Utility Authority before any hearing held by the Texas Water Development Board on such application, to wit:

Financial Advisor: Specialized Public Finance, Inc.
248 Addie Roy Road, Ste B-103
Austin TX 78746
Attn: Garry Kimball
(512) 275-7300
garry@spubfin.com

Engineer: Don Wortham, PhD
Cobb, Fendley & Associates, Inc.
6801 Gaylord Parkway, Suite 302
Frisco TX 75034
(972) 335-3214
dwortham@cobbfeldley.com

Bond Counsel: Norton Rose Fulbright
2200 Ross Avenue, Ste 2800
Dallas TX 75201
(214) 855-8072
Attn: Kristen Savant

PASSED AND APPROVED, this the 18th day of May 2015.

ATTEST: *Debra S. Trapp*
Secretary/Treasurer
Board of Directors

(Seal)

By: *Don Wortham*
President
Board of Directors

ATTACHMENT 4

Application Affidavit

Application Affidavit (WRD-201)

THE STATE OF TEXAS §
COUNTY OF GRAYSON §
APPLICANT GREATER TEXOMA UTILITY §
 AUTHORITY/CITY OF TOM BEAN

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Drew Satterwhite, P.E. as the Authorized Representative of the Greater Texoma Utility Authority, who being by me duly sworn, upon oath says that:

1. the decision by the Board of Directors of the Greater Texoma Utility Authority ("Authority") to request financial assistance from the Texas Water Development Board ("Board") was made in a public meeting held in accordance with the Open Meetings Act (Government Code, §551.001, et seq.) and after providing all such notice as required by such Act as is applicable to the Authority;

2. the information submitted in the application is true and correct according to my best knowledge and belief;

3. the Authority has no pending, threatened, or outstanding judgments, orders, fines, penalties, taxes, assessment or other enforcement or compliance issue of any kind or nature by the Environmental Protection Agency, Texas Commission on Environmental Quality, Texas Comptroller, Texas Secretary of State, or any other federal, state or local government, except for the following (if no such outstanding compliance issues, write in "none"):

None.

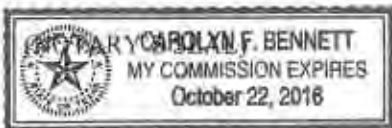
4. the Authority warrants compliance with the representations made in the application in the event that the Board provides the financial assistance; and

5. the Authority will comply with all applicable federal laws, rules, and regulations as well as the laws of this state and the rules and regulations of the Board.

Official Representative

Title: General Manager

SWORN TO AND SUBSCRIBED BEFORE ME, by Drew SATIERWHITE,
this 18th day of May 2015.



Notary Public, State of Texas

ATTACHMENT 5

Certificate of Secretary

Application Resolution - Certificate of Secretary (WRD-201b)

THE STATE OF TEXAS §
COUNTY OF GRAYSON §
APPLICANT GREATER TEXOMA UTILITY §
AUTHORITY/CITY OF TOM BEAN

I, the undersigned, Secretary of the Greater Texoma Utility Authority, Denison, Texas, DO HEREBY CERTIFY as follows:

1. That on the 18th day of May 2015, a regular meeting of the Board of Directors of the Greater Texoma Utility Authority was held at its regular meeting place; the duly constituted members of the Board of Directors of the Greater Texoma Utility Authority being as follows:

Donald Skelton, President
Jeannie Anderson, Vice President
George Rowland, Secretary/Treasurer
Bill Johnson, Member
Dave Stump, Member
Everett Grantham, Member
Mark Kuneman, Member
Clyde Yeatts, Member
Brad Morgan, Member

and all of said persons were present at said meeting, except the following:

Among other business considered at said meeting, the attached resolution entitled:

"A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority requesting financial participation from the Texas Water Development Board; authorizing the filing of an application for financial participation; and making certain findings in connection therewith."

was introduced and submitted to the Board of Directors for passage and adoption. After presentation and due consideration of the resolution, and upon a motion made by Board Member Rowland and seconded by Board Member Yeatts, the resolution was duly passed and adopted by the Board of Directors of the Greater Texoma Utility Authority by the following vote:

voted "For"

voted "Against"

abstained

all as shown in the official Minutes of the Greater Texoma Utility Authority for the meeting held on the aforesaid date.

2. That the attached resolution is a true and correct copy of the original on file in the official records of the Greater Texoma Utility Authority; the duly qualified and acting members of the Board of Directors on the date of the aforesaid meeting are those persons shown above and, according to the records of my office, advance notice of the time, place and purpose of said meeting was given to each member of the Board of Directors of the Greater Texoma Utility Authority; and that said meeting, and deliberation of the aforesaid public business, was open

to the public and written notice of said meeting, including the subject of the above entitled resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551 of the Texas Government Code.

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of said Greater Texoma Utility Authority, this the 18th day of May 2015.

(SEAL)


Secretary

ATTACHMENT 6

Resolution Issuing Parity Debt

CERTIFICATE OF ASSISTANT SECRETARY RES. NO. 587

THE STATE OF TEXAS
COUNTY OF GRAYSON

§
§
§

I, the undersigned, Assistant Secretary of the Board of Directors of the Greater Texoma Utility Authority, DO HEREBY CERTIFY as follows:

1. That on the 21st day of August, 2000, the Board of Directors of the Greater Texoma Utility Authority, convened in regular session at its regular meeting place; the duly constituted members of the Board being as follows:

| | |
|-------------------|---------------------|
| DAVID WRIGHT | PRESIDENT |
| JACK WINDLOW | VICE-PRESIDENT |
| GEORGE ROWLAND | SECRETARY/TREASURER |
| JOHN ATWELL | MEMBER |
| JIM GEBHART | MEMBER |
| BILL JOHNSON | MEMBER |
| DONALD SKELTON | MEMBER |
| HERSCHEL HOGENSON | MEMBER |

All of said persons were present at said meeting, except the following: Johnson and Rowland. Among other business considered at said meeting, the attached resolution entitled:

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2000 (City of Tom Bean Project)" for the construction, acquisition, or improvement of wastewater system facilities and necessary appurtenances for use by the City of Tom Bean and the payment of all costs incident and related to the construction and financing thereof; prescribing the form, terms, conditions, and resolving other matters incident and related to the issuance, sale, and delivery of said bonds; including the pledge of certain revenues to pay the principal of and interest on such bonds; and resolving provisions incident and related to the subject and purpose of this resolution.

was submitted to the Board for passage and adoption. After presentation and due consideration of the resolution, and a motion being made by Atwell and seconded by Windlow, the resolution was finally passed to be effective immediately upon its adoption by the following vote:

6 voted "For" 0 voted "Against" 0 abstained

all as shown in the official Minutes of the Board for the meeting held on the aforesaid date.

2. That the attached resolution is a true and correct copy of the original on file in the official records of the Board; the duly qualified and acting members of the Board of Directors of said Authority on the date of the aforesaid meeting are those persons shown above and, according to the records of my office, each member of the Board was given actual notice that the matter would be considered; and that said meeting, and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the entitled resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551 of the Texas Government Code.

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of said Authority, this the 21st day of August, 2000.

(Authority Seal)


Assistant Secretary, Board of Directors
Greater Texas Utility Authority

A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2000 (City of Tom Bean Project)" for the construction, acquisition, or improvement of wastewater system facilities and necessary appurtenances for use by the City of Tom Bean and the payment of all costs incident and related to the construction and financing thereof; prescribing the form, terms, conditions, and resolving other matters incident and related to the issuance, sale, and delivery of said bonds; including the pledge of certain revenues to pay the principal of and interest on such bonds; and resolving provisions incident and related to the subject and purpose of this resolution.

WHEREAS, the Board of Directors of the Greater Texoma Utility Authority (the "Authority") has determined that \$500,000 in principal amount of bonds should be issued at this time to provide funding for the Project more fully described in Exhibit A attached hereto and incorporated herein by this reference as though set out in full;

WHEREAS, the Board of Directors of the Authority has determined that the bonds herein authorized may and shall be issued as additional bonds on a parity with the Outstanding Previously Issued Bonds (herein defined) in that:

- (a) The Authority is not now in default as to any covenant, condition, or obligation prescribed in a resolution authorizing the issuance of the Outstanding Bonds Similarly Secured or the Contract (including any amendment or supplement thereto).
- (b) A consulting engineer has certified to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement, or improvement of the Project.
- (c) The City of Tom Bean, Texas, has approved this resolution authorizing the issuance of the Bonds as to form and content and acknowledged that the payment of principal of and interest on such Bonds is payable, in whole or in part, from payments to be made by the City of Tom Bean, Texas, under and pursuant to the Contract.
- (d) The Bonds mature on July 1 in each of the years in which they are scheduled to mature.
- (e) This resolution authorizing the issuance of the Bonds provides for deposits to be made to the Bond Fund in amounts sufficient to pay the principal of and interest on such Bonds as the same become due.
- (f) This resolution authorizing the issuance of the Bonds provides that the amount to be accumulated and maintained in the Reserve Fund shall be in an amount equal to not less than the average annual requirement (calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Bonds) for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenue, and provides that any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than sixty (60) months from the date of the passage of the resolution authorizing the issuance of the proposed Bonds; now, therefore:

BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Revenue bonds of the Authority shall be and are hereby authorized to be issued as a series in the aggregate principal amount of \$500,000 to be designated and bear the title "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2000 (City of Tom Bean Project)," (hereinafter referred to as the "Bonds"), for the construction, acquisition, or improvement of wastewater system facilities and necessary appurtenances for use by the City of Tom Bean, Texas, and the payment of all costs incident and related to the construction and financing thereof, pursuant to authority conferred by and in conformity with the Constitution and the Laws of the State of Texas, including Chapter 97, Acts of the 66th Legislature, Regular Session, 1979 as amended by Chapter 398, Acts of the 68th Legislature, Regular Session, 1983.

SECTION 2: Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities - Interest Rates. The Bonds shall be issued as fully registered obligations only, shall be dated September 1, 2000, (the "Bond Date"), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on July 1 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at per annum rates in accordance with the following schedule:

| <u>MATURITY</u> | <u>AMOUNT</u> | <u>INTEREST RATE</u> |
|-----------------|---------------|----------------------|
| 2001 | \$5,000 | 3.65% |
| 2002 | 5,000 | 3.80% |
| 2003 | 5,000 | 3.85% |
| 2004 | 5,000 | 3.95% |
| 2005 | 5,000 | 4.00% |
| 2006 | 5,000 | 4.05% |
| 2007 | 5,000 | 4.10% |
| 2008 | 5,000 | 4.15% |
| 2009 | 5,000 | 4.20% |
| 2010 | 5,000 | 4.25% |
| 2011 | 5,000 | 4.35% |
| 2012 | 5,000 | 4.45% |
| 2013 | 45,000 | 4.55% |
| 2014 | 50,000 | 4.60% |
| 2015 | 50,000 | 4.65% |
| 2016 | 55,000 | 4.75% |
| 2017 | 55,000 | 4.80% |
| 2018 | 60,000 | 4.85% |
| 2019 | 60,000 | 4.85% |
| 2020 | 65,000 | 4.90% |

The Bonds shall bear interest on the unpaid principal amount thereof from their date of delivery to the initial Holders (which date shall be the registration date noted on the Bonds in the "Registration Certificate of Paying Agent/Registrar" to appear thereon) at the per annum rates

described above (computed on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable semiannually on January 1 and July 1 in each year, commencing January 1, 2001.

SECTION 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books (the "Security Register") maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of Bank of Texas, N.A. as Paying Agent/Registrar for the Bonds is hereby approved and confirmed, and the Authority agrees and covenants to cause to be kept and maintained at the principal office of the Paying Agent/Registrar books and records (the "Security Register") for the registration, payment and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached hereto as Exhibit B, and such reasonable rules and regulations as the Paying Agent/Registrar and Authority may prescribe; and the President, Secretary, and/or Assistant Secretary of the Board are authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The Authority covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the Authority agrees to promptly cause a written notice thereof to be sent to each Holder by United States mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or the redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its principal office in Tulsa, Oklahoma (the "Designated Payment/Transfer Office"). Interest on each Bond shall be paid to the Holder whose name appears in the Security Register at the close of business on the Record Date (the fifteenth day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by federal funds wire transfer to a bank account to be designated by the Holder, such wire transfer to be at the expense of the Authority or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/ Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment

date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption. (a) Optional Redemption. The Bonds having Stated Maturities on and after July 1, 2011, shall be subject to redemption prior to maturity, at the option of the Authority, in whole or in part, in inverse order of maturity if less than all, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar), on January 1, 2011 or on any interest payment date thereafter at the redemption price of par plus accrued interest to the date of redemption.

(b) Exercise of Redemption Option. At least forty-five (45) days prior to a redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the Authority shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the Authority to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the Authority.

(c) Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding, which is obtained by dividing the principal amount of such Bonds by \$5,000, and shall select the Bonds to be redeemed within such Stated Maturity by lot.

(d) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States mail, first class postage prepaid, in the name of the Authority and at the Authority's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds; (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed; (iii) state the redemption price; (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date; and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption, and has been called for redemption, and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the Authority at the Designated Payment/Transfer Office of the Paying Agent/Registrar, as provided herein and in accordance with rules and regulations as the Paying Agent/Registrar and the Authority may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Resolution, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the Initial Bonds authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of like series and authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bonds authorized in Section 8 hereof) may be exchanged for other Bonds of like series and authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/ Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the Authority, evidencing the same obligation to pay, and entitled to the same benefits under this Resolution, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered, and delivered in lieu thereof pursuant to the provisions of Section 29 hereof, and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the Authority nor the Paying Agent/ Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book Entry Only Transfers and Transactions. Notwithstanding the provisions contained in this Resolution relating to the payment and transfer/exchange of the Bonds, the Authority hereby approves and authorizes the use of "Book-Entry Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the DTC Operational Arrangements memorandum dated December 12, 1994, as amended, the Blanket Issuer Letter of Representation, by and between the Authority and DTC, and the Letter of Representation from the Paying Agent/Registrar to DTC (collectively, the "Depository Agreement") relating to the Bonds.

The Initial Bond shall be delivered against payment to the Board. The Board shall be required to promptly surrender the Initial Bond to the Paying/Agent Registrar for exchange. Bonds issued in exchange shall be registered in the name of Cede & Co., as nominee of DTC, as registered owner of the Bonds, and held in the custody of DTC. Unless otherwise requested by DTC, a single certificate will be issued and delivered to DTC for each maturity of the Bonds. Beneficial owners of Bonds will not receive physical delivery of Bond certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling, or otherwise transferring beneficial ownership of Bonds is to receive, hold, or deliver any Bond certificate.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Authority and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on whose behalf a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Authority and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Bonds; (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption; and (iii) the payment to any DTC Participant or any other person, other than a registered owner of the Bonds, as shown in the Registration Books, of any amount with respect to principal of or premium, if any, or interest on the Bonds.

Replacement Bonds may be issued directly to beneficial owners of Bonds other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Bonds (which determination shall become effective no less than ninety (90) days after written notice to such effect to the Authority and the Paying Agent/Registrar); or (ii) the Authority has advised DTC of its determination (which determination is conclusive as to DTC and the beneficial owners of the Bonds) that the interests of the beneficial owners of the Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any of the foregoing events, the Authority shall use its best efforts to attempt to locate another qualified securities depository. If the Authority fails to locate another qualified securities depository to replace DTC, the Authority shall cause to be authenticated and delivered replacement Bonds,

in certificate form, to the beneficial owners of the Bonds. In the event that the Authority makes the determination noted in (ii) or (iii) above (provided that the Authority undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Authority to make any such determination), and has made provisions to notify the beneficial owners of Bonds of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Bonds in certificate form to beneficial owners of the Bonds as shown on the records of DTC provided to the Authority.

Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Resolution of holding, delivering, or transferring Bonds shall be deemed modified to require the appropriate person or entity to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

If at any time, DTC ceases to hold the Bonds as securities depository, all references herein to DTC shall be of no further force or effect.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the Authority by the President of the Board of Directors under its seal reproduced or impressed thereon and attested by the Secretary or Assistant Secretary of the Board of Directors. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Authority on the Bond Date shall be deemed to be duly executed on behalf of the Authority, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial Holders and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in the Bond Procedures Act of 1981, as amended.

No Definitive Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of registration substantially in the form provided in 9D, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered, and delivered.

No Initial Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Initial Bond a certificate of registration substantially in the form provided in Section 9C, manually executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent.

SECTION 8: Initial Bonds. The Bonds herein authorized shall be initially issued either (i) as a single fully registered Bond in the total principal amount of \$500,000 with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as twenty (20) fully registered Bonds, being one bond for each year of maturity in the applicable principal amount and numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond") and, in either case, the Initial Bond shall be registered in the name of the initial purchaser(s) or designee thereof. The Initial Bond shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond delivered hereunder and

exchange therefor definitive Bonds of authorized denominations, Stated Maturities, and principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms. A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to appear on the Initial Bond, the Registration Certificate of Paying Agent/Registrar to appear on the definitive Bonds, and the form of Assignment to appear on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution, and the Bonds may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association), and such legends and endorsements (including insurance legends in the event the Bonds are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the Authority or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds, and the Initial Bond, shall be printed, lithographed, engraved, typewritten, photocopied, or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

B. Form of Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

United States of America
State of Texas
Counties of Grayson and Cooke
Greater Texoma Utility Authority
Contract Revenue Bonds, Series 2000
(City of Tom Bean Project)

Bond Date:
September 1, 2000

Interest Rate:
_____%

Stated Maturity:

CUSIP NO.

Registered Owner:

Principal Amount: DOLLARS

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value received, hereby promises to pay to the Registered Owner named above (the "Holder") or the registered assigns thereof, solely from the revenues hereinafter identified, on the Stated Maturity date specified above, the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof

from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is the delivery date of this Bond (or its Predecessor Bond) to the initial Holder, in which case it shall bear interest from such date of delivery to the initial Holder) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on January 1 and July 1 of each year, commencing January 1, 2001. Principal of this Bond is payable at its Stated Maturity or redemption to the Holder hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of Bank of Texas, N.A., Tulsa, Oklahoma, the Paying Agent/Registrar, or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the fifteenth day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by federal funds wire transfer at the expense of the Authority or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

If the date for payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$500,000 (herein referred to as the "Bonds") pursuant to a Resolution adopted by the governing body of the Authority (herein referred to as the "Resolution"), for the construction, acquisition and improvement of wastewater system facilities and necessary appurtenances for use by the City of Tom Bean, Texas, and the payment of all costs incident and related to the construction and financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas.

The Bonds maturing on and after July 1, 2011, may be redeemed prior to their Stated Maturities, at the option of the Authority, in whole or in part, in inverse order of maturity if less than all, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar) on January 1, 2011, or on any interest payment date thereafter, at the redemption price of par, together with accrued interest to the date of redemption and upon thirty (30) days prior written notice being sent by United States mail, first class postage

prepaid, to the Holders of the Bonds to be redeemed and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed.

In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the Holder only upon presentation and surrender of this Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office and there shall be issued, without charge therefor to the Holder hereof, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Resolution for the then unredeemed balance of the principal sum hereof. If this Bond is selected for redemption, in whole or in part, the Authority and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the Holder within thirty (30) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Bonds constitute special obligations of the Authority, and, together with the Outstanding Previously Issued Bonds any Additional Bonds, if issued, are payable as to principal and interest solely from and equally secured by a first lien on the Pledged Revenue of the Authority (identified and defined in the Resolution, and including revenues to be received under and pursuant to a Contract For Water Supply and Sewer Service by and between the Authority and the City of Tom Bean, Texas, dated as of October 7, 1987, together with all amendments thereto). Reference is hereby made to the Resolution, copies of which are on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the revenues pledged for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Authority and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the same meanings assigned in the Resolution.

The Authority expressly reserves the right to issue further and additional revenue bond obligations in all things on a parity with the Bonds, payable solely from and equally secured by a first lien on the Pledged Revenue described above; provided, however, that any and all such additional bonds may be so issued only in accordance with and subject to the covenants, conditions, limitations, and restrictions relating thereto, which are set out and contained in the Resolution, to which reference is hereby made for more complete and full particulars.

The Holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer

Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by, a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Holder hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The Authority and the Paying Agent/Registrar, and any agent of either, shall treat the Holder whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon; (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption, in whole or in part; and (iii) on any other date as the owner for all other purposes, and neither the Authority nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond in order to render the same a legal, valid, and binding obligation of the Authority have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the issuance of the Bonds does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Directors of the Authority has caused this Bond to be duly executed under the official seal of the Authority as of the Bond Date.

GREATER TEXOMA UTILITY AUTHORITY

ATTEST:

President, Board of Directors

Assistant Secretary, Board of Directors

(SEAL)

- C. *Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bonds only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER (
OF PUBLIC ACCOUNTS (
THE STATE OF TEXAS (REGISTER NO. _____
(

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____ .

Comptroller of Public Accounts
of the State of Texas

(SEAL)

[*NOTE TO PRINTER: Do not print on Definitive Bonds.]

- D. Form of Certificate of Paying Agent/Registrar to appear on the definitive Bonds.

CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Resolution; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The principal office of the Paying Agent/Registrar in Tulsa, Oklahoma is the "Designated Payment/Transfer Office" for this Bond.

BANK OF TEXAS, N.A.
as Paying Agent/Registrar

Registration Date:

By: _____
Authorized Signature

- E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:) _____

(Social Security or other identifying number: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

- F. The Initial Bond shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Bond shall be modified as follows:
- (i) immediately under the name of the bond the headings "Interest Rate", "Stated Maturity" and "CUSIP NO" shall be omitted;
 - (ii) paragraph one shall read as follows:

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value received, hereby promises to pay to the Registered Owner named above (the "Holder") or the registered assigns thereof, solely from the revenues hereinafter identified, on July 1 in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

| YEAR | PRINCIPAL INSTALLMENTS | INTEREST RATE |
|------|---------------------------|------------------|
|------|---------------------------|------------------|

(Information to be inserted from schedule in Section 2 hereof.)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is the delivery date of this Bond (or its Predecessor Bond) to the initial Holder, in which case it shall bear interest from such date of delivery to the initial Holder) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on January 1 and July 1 of each year, commencing January 1, 2001. Principal of this Bond is payable at its Stated Maturity or redemption to the Holder hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of Bank of Texas, N.A., Tulsa, Oklahoma, the Paying Agent/Registrar, or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution hereinafter

referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the fifteenth day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by Federal Funds wire transfer at the expense of the Authority or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Certain Definitions. In addition to terms defined elsewhere in this Resolution, for all purposes of this Resolution and in particular for clarity with respect to the issuance of the Bonds and the pledge and appropriation of the Pledged Revenues therefor, the following definitions are provided:

(a) The term "Additional Bonds" shall mean parity revenue bonds issued in accordance with the terms and conditions prescribed in Section 19 hereof.

(b) The term "Authorized Investments" shall mean the obligations identified in the "Public Funds Investment act" (V.T.C.A., Government Code, Chapter 2256), as amended.

(c) The term "Bonds Similarly Secured" shall mean the Previously Issued Bonds, the Bonds and Additional Bonds.

(d) The term "Contract" or "Contract For Water Supply and Sewer Service" shall mean that certain contract, dated as of the 7th day of October, 1987, by and between the Authority and the City of Tom Bean, Texas, together with amendments and supplements thereto (which by the term of such instrument is designated as a supplement to such Contract), a conformed copy of such Contract being attached hereto as Exhibit C for the purposes of identification.

(e) The term "Cost of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

(f) The term "Fiscal Year" shall mean the twelve month operational period of the Authority commencing October 1 of each year; provided, however, the Authority may change the fiscal year to another period of not less than twelve (12) calendar months, but in no event may the fiscal year be changed more than one time in any three calendar year period.

(g) The term "Government Obligations" shall mean direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, and United States Treasury obligations such as its State and Local Government Series in book-entry form.

(h) The term "Maintenance and Operation Expense of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

(i) The term "Outstanding" shall mean when used in this Resolution with respect to Bonds or Bonds Similarly Secured, as of the date of determination, all Bonds theretofore issued and delivered, except:

(1) those Bonds or Bonds Similarly Secured canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Bonds or Bonds Similarly Secured paid or deemed to be paid in accordance with the provisions of Section 34 hereof, or substantially similar provisions with respect to Bonds Similarly Secured, by the irrevocable deposit with the Paying Agent/Registrar, or an authorized escrow agent, of money or Government Obligations, or both, in the amount necessary to fully pay the principal of, premium, if any, and interest thereon to maturity or redemption, as the case may be, provided that, if such Bonds or Bonds Similarly Secured are to be redeemed, notice of redemption thereof shall have been duly given in accordance with the provisions therefor or irrevocably provided to be given to the satisfaction of the Paying Agent/Registrar, or waived; and

(3) those Bonds or Bonds Similarly Secured that have been mutilated, destroyed, lost, or stolen, and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 29 hereof or similar provisions with respect to Bonds Similarly Secured.

(j) The term "Previously Issued Bonds" shall mean the "Greater Texoma Utility Authority Contract Revenue Bonds, Series 1988 (City of Tom Bean Project)."

(k) The term "Pledged Revenue" shall mean (i) the amount received by the Authority as monthly amortization payments by reason of Section 3.01 (a) of the Contract, less the fees and charges of the Paying Agent/Registrar with respect to Bonds Similarly Secured; plus (ii) the amounts deposited into the Bond Fund referred to in Section 12(b) of this Resolution, and the Reserve Fund referred to in Section 12(c) of this Resolution; plus (iii) any amounts on deposit in the Construction Fund, created and established by Section 26 of this Resolution, pending the application of such money for the payment of the Cost of the Project.

(l) The term "Project" shall mean, collectively, the Projects described as such in the exhibits attached to the Contract.

SECTION 11: Pledge. The Authority hereby covenants and agrees that all of the Pledged Revenue is hereby irrevocably pledged for the payment of the Bonds Similarly Secured, and the interest thereon, and it is hereby declared and resolved that the Bonds Similarly Secured and the interest thereon shall constitute a first lien upon said Pledged Revenue.

SECTION 12: Fund Designations. The Authority hereby covenants and agrees with the Holders of the Bonds Similarly Secured that all income, receipts, and revenues derived from the operation and ownership of the Project shall be kept separate from other funds or accounts of the Authority. To that end the following special Funds (herein so called) created and established by the resolution authorizing the Previously Issued Bonds shall exist and govern the application of the Pledged Revenue while the Bonds Similarly Secured are Outstanding, to wit:

(a) Greater Texoma Utility Authority Revenue Fund, hereinafter called "Revenue Fund". The Revenue Fund shall be kept in the Authority's depository bank.

- (b) Greater Texoma Utility Authority Bond Interest and Sinking Fund, hereinafter called "Bond Fund". The Bond Fund shall be deposited with the depository bank of the Authority as trustee of the Pledged Revenue, and moneys deposited therein shall be used to pay principal of and interest on Bonds Similarly Secured when and as the same shall become due and payable.
- (c) Greater Texoma Utility Authority Bond Reserve Fund, hereinafter called "Reserve Fund". The Reserve Fund shall be deposited with the depository bank of the Authority and money deposited therein shall be used to pay the principal of and interest on Bonds Similarly Secured falling due at any time where there is insufficient money available in the Bond Fund.

SECTION 13: Revenue Fund. All revenues and income of any kind or character received by the Authority by reason of (i) its ownership of all or a part of the Project, (ii) the operation of the Project, or (iii) the Contract, shall be deposited in the Revenue Fund.

In the event money is deposited in the Revenue Fund from sources other than those specified in Section 3.01 of the Contract, then such money may be invested or reinvested or placed on time deposit in the same manner as the Reserve Fund pending its application to the reduction of payments that would otherwise be required to be made by the City under Section 3.01 of the Contract. Investment income and profits from the investment of the Revenue Fund shall be retained therein until used as provided in this Section 13.

Money in the Revenue Fund shall be used in the following order of priority:

- (1) Payments into the Bond Fund, as provided by Section 14;
- (2) Payments into the Reserve Fund, as provided by Section 15;
- (3) The curing of any deficiencies, as provided by Section 16;
- (4) The payment of other costs of the Project including maintenance and operation expenses not paid by the Authority and those purposes for which provision is made by Section 3.01(c) through 3.01(e) of the Contract; and
- (5) Applied as provided in Section 17.

SECTION 14: Bond Fund. The Authority hereby covenants and agrees to deposit into the Bond Fund amounts sufficient to pay the principal of and interest on the Outstanding Bonds Similarly Secured as the same become due. There shall be deposited in the Bond Fund, by reason of the issuance of the Bonds, the following amounts:

From the Pledged Revenue on deposit in the Revenue Fund there shall be deposited in the Bond Fund (i) beginning on or before the fifteenth day of the month next following delivery of the Bonds and on or before the fifteenth day of each following month until and including December 15, 2000, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of interest on deposit by December 15, 2000, and thereafter on the fifteenth day of each following month, an amount equal to not less than one-sixth (1/6) of the next installment of interest; beginning on or before the fifteenth day of the month next following delivery of the Bonds

and on or before the fifteenth day of each following month until and including June 15, 2001, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of principal on deposit by June 15, 2000; and thereafter on or before the fifteenth day of each month, an amount equal to one-twelfth (1/12) of the next annual principal payment to become due on the Bonds.

No bond proceeds will be deposited to the Bond Fund.

The monthly deposits to the Bond Fund for the payment of principal and interest on the Bonds shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in the Bond Fund is equal to the amount required to pay all Outstanding obligations (principal and interest) for which said Fund was created and established or (ii) the obligations payable therefrom are no longer Outstanding.

Moneys on deposit in the Bond Fund may be invested, to the extent such investments are Authorized Investments, in United States Treasury bills, similar direct obligations of the United States of America, or in certificates of deposit of any bank that is a member of the Federal Deposit Insurance Corporation (which are fully secured by a pledge of direct obligations of, or obligations of which the principal and interest are guaranteed by the United States of America to the extent such certificates are not insured) maturing at such dates and in such manner as will provide cash to discharge interest and/or principal payments on Bonds Similarly Secured when and as the same becomes due.

Investment income and profits realized from the investment of the Bond Fund shall be retained therein until used as provided in this Section 14.

SECTION 15: Reserve Fund. The Authority hereby covenants and agrees with the Holders of the Bonds Similarly Secured that it will provide for the accumulation of, and when accumulated, will thereafter continuously maintain in the Reserve Fund an amount equal to the average annual principal and interest requirement of all Bonds Similarly Secured (the Required Reserve Fund Amount). The average annual requirement shall be calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured on the date of the last series of Bonds Similarly Secured (after giving effect to the issuance of such last series). If any Bonds Similarly Secured are subject to mandatory redemption, the amount required to be redeemed in any Fiscal Year shall be treated as if it matured in that Fiscal Year. Any amounts on deposit in the Reserve Fund in excess of such requirement shall be transferred to the Revenue Fund.

In addition, beginning on or before the fifteenth day of the first month following the passage of the resolution authorizing the issuance of the Bonds, and on or before the fifteenth day of each month thereafter, there shall be deposited in the Reserve Fund an amount equal to not less than one-sixtieth (1/60) of the Required Reserve Fund Amount, and such monthly deposits shall take into account the amounts already on deposit in said Reserve Fund.

When the Required Reserve Fund Amount has been fully accumulated, said monthly payments to said Fund may be terminated; provided, however, should the amount in such fund be reduced, after the Required Reserve Fund Amount has been accumulated, monthly deposits shall be resumed and continued to be made in an amount not less than one-twelfth (1/12) of the amount of the deficiency, on or before the fifteenth day of each month until the Required Reserve Fund Amount has been fully restored.

Money in the Reserve Fund may be, at the option of the Authority, invested or reinvested from time to time in Government Obligations or of direct obligations the principal and interest of which are guaranteed by the United States of America or invested in direct obligations of or participation certificates guaranteed by the Federal Intermediate Credit Banks, Federal Land Banks, in certificates of deposit of any bank that is a member of the Federal Deposit Insurance Corporation and such certificates of deposit are fully insured and/or secured by a pledge of the securities of any of the kind hereinabove specified, such obligations or securities to mature in not more than ten years from the date of such investment or not later than the final maturity of the Bonds Similarly Secured Outstanding for which the Reserve Fund is established, whichever is shorter. Any obligations in which money is so invested shall be kept in escrow with the custodian of said Fund, and shall be promptly sold when notified by the Authority that moneys on deposit in the Bond Fund are insufficient to make a current interest and/or principal payment on Bonds Similarly Secured, and the proceeds of sale of such investments and/or moneys on deposit in the Reserve Fund in an amount sufficient to meet the deficiency in the Bond Fund shall be immediately transferred to the Bond Fund, without further notice or authorization. The Authority shall direct the investment or moneys on deposit in the Reserve Fund.

Investment income and profits realized from the investment of the Reserve Fund shall be retained therein as may be necessary to fully fund or restore the Required Reserve Fund Amount and thereafter shall be transferred to the Revenue Fund.

SECTION 16: Deficiencies in Funds. If in any month the Authority shall, for any reason, fail to pay into the Bond Fund and Reserve Fund the full amounts above stipulated, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available and unallocated Pledged Revenue of the following month or months, and such payments shall be in addition to the amount hereinabove provided to be otherwise paid into said Funds during such month or months.

SECTION 17: Remainder of Revenues. Money remaining in the Revenue Fund; after making the payments required in items (1) through (4) of the last paragraph of Section 13, shall be transferred to any other fund created by this Resolution and used as a credit to the amount that would otherwise be required to be paid by the City under Section 3.01 of the Contract.

SECTION 18: Security of Funds and Their Transfer. All moneys on deposit in the special Funds for which this Resolution makes provision (except any portions thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys in such special Funds shall be used only for the purposes permitted by this Resolution.

While any of the Bonds are Outstanding, the Board of Directors shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Bond Fund and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as such installment of interest or principal of the Bonds accrues or matures or becomes due by reason of redemption prior to maturity, such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date of payment for the Bonds.

SECTION 19: Issuance of Additional Parity Bonds. In addition to the right to issue bonds of inferior lien as authorized by the laws of this State, the Authority reserves the right hereafter to issue Additional Bonds. The Additional Bonds, when issued, shall be payable from and secured by a first lien on and pledge of the Pledged Revenue in the same manner and to the same extent as are the Bonds, and the Bonds and Additional Bonds shall in all respects be of equal dignity. The Additional Bonds may be issued in one or more installments provided, however, that no Additional Bonds shall be issued unless and until the following conditions have been met:

- (a) The Authority is not then in default as to any covenant, condition, or obligation prescribed in a resolution authorizing the issuance of the Outstanding Bonds Similarly Secured or the Contract (including any amendment or supplement thereto).
- (b) A consulting engineer certifies to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement, or improvement of the Project.
- (c) The City of Tom Bean, Texas, shall have approved the resolution(s) authorizing the issuance of the Additional Bonds as to form and content and acknowledged that the payment of principal of and interest on such Additional Bonds is payable, in whole or in part, from payments to be made by the City of Tom Bean, Texas, under and pursuant to the Contract.
- (d) The Additional Bonds are made to mature on January 1 or July 1 or both in each of the years in which they are scheduled to mature.
- (e) The resolution authorizing the issuance of the Additional Bonds provides for deposits to be made to the Bond Fund in amounts sufficient to pay the principal of and interest on such Additional Bonds as the same become due.
- (f) The resolution authorizing the issuance of the Additional Bonds provides that the amount to be accumulated and maintained in the Reserve Fund shall be in an amount equal to not less than the average annual requirement (calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Additional Bonds) for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenue, and provides that any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than sixty (60) months from the date of the passage of the resolution authorizing the issuance of the proposed Additional Bonds.

Bonds Similarly Secured may be refunded (pursuant to any law then available) upon such terms and conditions as the governing body of the Authority may deem to the best interest of the Authority, and if less than all such Outstanding Bonds Similarly Secured are refunded the proposed refunding bonds shall be considered as "Additional Bonds" under the provisions of this section but the certificate required in subdivision (b) shall not be required or be applicable to the issuance of such refunding bonds.

SECTION 20: Insurance. The Authority covenants that it will at all times keep insured such of its plants, structures, buildings, stations, machinery, equipment, apparatus, distribution pipelines

and equipment, as are usually insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents, or casualties against which and to the extent insurance is usually carried by corporations operating like properties, and will also at all times maintain worker's compensation insurance and insurance against public liability and property damages to the extent permitted by law, in a reasonable amount with a responsible insurance company or companies; provided, however, that any time while any contractor engaged in construction work shall be fully responsible therefor, or the Authority has assumed such responsibility, the Authority shall not be required to carry such insurance.

SECTION 21: Records - Accounts - Accounting Reports. The Authority hereby covenants and agrees that so long as any of the Bonds Similarly Secured or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts on a Fiscal Year basis pertaining to the operation of the Project separate and apart from all other records and accounts of the Authority in accordance with accepted accounting practices and complete and correct entries shall be made of all transactions relating to said Project. The Holder or Holders of any Bonds Similarly Secured, or any duly authorized agent or agents of such Holders, shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto and to inspect the Project and all properties comprising same. The Authority further agrees that within ninety (90) days following the close of each Fiscal Year, or as soon thereafter as possible, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants or Licensed Public Accountants. Each such audit, in addition to whatever other matters may be thought proper by the Accountant, shall particularly include the following:

- (a) A detailed statement of the receipts and disbursements from the Revenue Fund.
- (b) A balance sheet as of the end of such Fiscal Year.
- (c) The Accountant's comments regarding the manner in which the Authority and the City have complied with the covenants and requirements of this Resolution and the Contract and his recommendations for any changes or improvements in the operation, records, and accounts of the Authority.
- (d) A list of the insurance policies in force (if obtained by the Authority) at the end of the Fiscal Year on the Project properties, setting out as to each policy the amount thereof, the risk covered, the name of the insurer, and the policy's expiration date.
- (e) A list of the securities that have been on deposit as security for money in the Bond Fund and Reserve Fund throughout the Fiscal Year, a list of the securities, if any, in which money in the Bond Fund and Reserve Fund has been invested, and a statement of the manner in which money in the Revenue Fund has been secured in such Fiscal Year.

Expenses incurred in making the audits referred to above are to be regarded as Maintenance and Operating Expenses of the Project and paid as such. Copies of the aforesaid annual audit shall be immediately furnished to the Executive Director of the Municipal Advisory Council of Texas at his office in Austin, Texas, the Texas Water Development Board, Attention: Development Fund Manager, and, upon written request, to the initial Holder and any subsequent Holder of the Bonds Similarly Secured.

By its approval of this Resolution, evidenced by ordinance, the City of Tom Bean, Texas, agrees and by the approval of this Resolution the Authority agrees (a) to provide the Texas Water Development Board with (i) monthly financial statements, to be submitted within ten (10) days after the close of the each month until the requirement is waived in writing by the Development Fund Manager or the Board's bonds are paid in full, whichever comes first, and (ii) annual audit reports, to be submitted without charge, within 120 days of the close of each fiscal year and (b) in order to secure the City's obligations under the Contract, the City will maintain rates and charges for its waterworks and sewer system sufficient to pay all its obligations secured by and made payable from the revenues derived from the operation of its waterworks and sewer system.

SECTION 22: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the Authority covenants and agrees particularly that in the event the Authority (a) defaults in payments to be made to the Bond Fund or Reserve Fund as required by this Resolution, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Resolution, any Holder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board of Directors and other officers of the Authority to observe and perform any covenant, condition, or obligation prescribed in this Resolution.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 23: Special Covenants. The Authority hereby further covenants as follows:

- (a) That it has the lawful power to pledge the revenues supporting this issue of Bonds and has lawfully exercised said power under the Constitution and laws of the State of Texas; that the Bonds and the Additional Bonds, when issued, shall be ratably secured under said pledge of the Pledged Revenue in such manner that one bond shall have no preference over any other bond of said issues.
- (b) That other than for the Bonds and the Previously Issued Bonds, the Pledged Revenue has in no manner been committed or pledged to the payment of any debt or obligation of the Authority.
- (c) That, so long as any of the Bonds or any interest thereon remain Outstanding, the Authority will not sell or encumber the Project or any substantial part thereof; provided, however, this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment that has become obsolete or otherwise unsuited to the efficient operation of the Project, and, also, with the exception of the Additional Bonds expressly permitted by this Resolution to be issued, it will not encumber the Pledged Revenue unless such encumbrance is made junior and subordinate to all of the provisions of this Resolution.
- (d) That the Authority will maintain rates and charges to the City sufficient to meet the debt service requirements on the outstanding obligations of the Authority that are supported by such revenues.

None of the special covenants herein appearing shall be construed in any manner that would deprive the Authority of its right to pledge any revenues produced by modification of the Contract and specifically designated to meet obligations incurred in providing the Authority with enlarged or additional facilities; further, that none of said covenants shall be construed in any manner that would deprive the Authority of its right to pledge that part of any revenue or income derived by it from other future contracts with other cities, towns, or villages or the Authority or others and required to satisfy conditions for payment of other bonds or obligations issued by the Authority and such right is especially reserved.

SECTION 24: Bonds are Special Obligations. The Bonds are special obligations of the Authority payable from the Pledged Revenue, and the Holders thereof shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

SECTION 25: Bonds are Negotiable Instruments. Each of the Bonds herein authorized shall be deemed and construed to be a "Security" and as such a negotiable instrument, within the meaning of Chapter 8 of the Texas Business and Commerce Code.

SECTION 26: Construction Fund. The Authority hereby creates a construction fund account in the Authority's depository bank, which is known as the "Construction Fund", into which shall be deposited all remaining proceeds derived from the sale of the Bonds in accordance with Section 33 of this Resolution and this Section. To the extent of conflict between this Section and Section 33, Section 33 controls.

Moneys on deposit in the Construction Fund shall be disbursed only for payment of the respective Costs of the Project financed. All expenditures for construction, labor, and materials shall be disbursed only upon receipt of a certificate of the engineer (as defined in the Contract) based upon estimates of work and material furnished as approved by them and submitted to the Authority and the City's Engineer for approval prior to payment. The Authority shall keep records of the nature and amount of all Construction Fund expenditures and make the same available to the City and the engineers at all reasonable times. Should there be any balance in the Construction Fund after all such Costs of the Project have been paid, such balance shall be placed in the Bond Fund.

Moneys in the Construction Fund may be invested, to the extent such investments are Authorized Investments, in one or more of the following: (a) Government Obligations, (b) certificates of deposit of any bank or trust company that are fully secured by a pledge of direct obligations of, or obligations of which the principal and interest are guaranteed by, the United States of America to the extent such certificates are not insured, which obligations shall mature on dates that coincide as closely as practicable to the dates when money will be needed to pay construction costs as such dates are estimated in schedules prepared by the engineer and furnished the Authority. All earnings realized from these investments shall be retained in the Construction Fund until completion of the Project and shall be treated in the same manner as other moneys in the Construction Fund are treated as pursuant to this Resolution.

SECTION 27: Notices to Holders-Waiver. Wherever this Resolution provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case in which notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Resolution provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 28: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Authority, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Authority may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered that the Authority may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Authority.

SECTION 29: Mutilated - Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost, or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost, or stolen Bond, only upon the approval of the Authority and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the Authority and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost, or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Resolution equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

SECTION 30: Sale of the Bonds. The sale of the Bonds to the Texas Water Development Board (herein referred to as the "Purchaser" and the "initial Holder") pursuant to a loan commitment received from said Board, at the price of par, to provide for the Bonds to bear interest at an effective interest rate equivalent to the Purchaser's lending rate therefor, is hereby confirmed. Delivery of the Bonds to said Purchaser shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale.

SECTION 31: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

"Closing Date" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (i) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (ii) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The Authority shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Authority receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Authority shall comply with each of the specific covenants in this Section.

(c) **No Private Use or Private Payments.** Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the Authority shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Obligations), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations), other than taxes of general application within the Authority or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) **No Private Loan.** Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the Authority shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) **Not to Invest at Higher Yield.** Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the Authority shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) **Not Federally Guaranteed.** Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the Authority shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) **Information Report.** The Authority shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) **Rebate of Arbitrage Profits.** Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The Authority shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the Authority may commingle Gross Proceeds of the Bonds with other money of the Authority, provided that the Authority separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the Authority shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The Authority shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Authority shall pay to the United States out of the Bond Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The Authority shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) **Elections.** The Authority hereby directs and authorizes the President, Secretary and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 32: Control and Custody of Bonds. The President of the Board of Directors of the Authority shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bonds pending approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the Purchaser.

Furthermore, the President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, are hereby authorized and directed to furnish and execute such documents relating to the Authority and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the Authority's financial advisor, bond counsel, and the Paying Agent/Registrar, make the necessary arrangements for printing of the definitive Bonds and the delivery of the Initial Bonds to the initial Purchaser(s) and the exchange thereof for definitive Bonds.

SECTION 33: Rules and Regulations of Texas Water Development Board. That in compliance with the published rules and regulations of the Texas Water Development Board (the "Board"), the Authority agrees and covenants that upon completion of the project to be financed with the proceeds of the Bonds, the proper officials of the Authority shall cause to be prepared and submitted to the Board (i) a final accounting of the total costs of the project and the expenditure of funds therefor and (ii) a copy of the construction plans for the project as built and completed. In addition to other information required by the Board, said final accounting shall identify (i) all funds utilized or represented to be available in the Authority's application, from whatever source derived and (ii) all project costs contained and approved in the Authority's application to the Board, or approved in subsequent change orders. If the total cost of the project is less than the amount of the project funds available, then the Authority shall return to the Board from the appropriate series the amount of such excess to the nearest multiple of the authorized denomination for the Bonds of such series and the Board shall return to the Authority a like principal amount of Bonds, in inverse order of their Stated Maturities of such series. Any surplus proceeds from the sale of the Bonds, remaining after completion of the project and the cancellation of the Bonds by the Board, shall be deposited into the Bond Fund. Execution and delivery of a Construction Escrow Agreement, substantially in the form attached hereto as Exhibit D, by the President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority is hereby approved. The Construction Fund shall be held subject to the Construction Escrow Agreement. The Authority further covenants and agrees (i) that certain proceeds of sale of the Bonds shall be deposited in the Construction Fund created by Section 26 of this Resolution and established with the City's depository bank and (ii) all funds deposited in such Fund shall be disbursed only for the project the Bonds are being issued to finance and, as is appropriate, in accordance with the provisions of Chapter 15 or 17 of the Texas Water Code.

The Authority further agrees and covenants to comply with all applicable laws of the State of Texas and all applicable rules and policies of the Board with respect to the acquisition and construction of the project and the loan of funds to the Authority by the Board evidenced by the Bonds.

SECTION 34: Satisfaction of Obligation of Authority. If the Authority shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge

of the Pledged Revenue under this Resolution and all other obligations of the Authority to the Holders shall thereupon cease, terminate, and become void and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The Authority covenants that no deposit of moneys or Government Obligations will be made under this Section and no use made of any such deposit that would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/ Registrar, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent/Registrar or an authorized escrow agent, pursuant to this Section, that is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the Authority or deposited as directed by the Authority. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of four (4) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the Authority, be remitted to the Authority against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the Authority shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 35: Legal Opinion. The Purchaser's obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Fulbright & Jaworski L.L.P., Attorneys, approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds by the initial purchasers. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds, or an executed counterpart thereof shall accompany the global Bonds deposited with the Depository Trust Company.

SECTION 36: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Authority nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

SECTION 37: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 38: Resolution a Contract - Amendments. This Resolution shall constitute a contract with the Holders from time to time, be binding on the Authority, and shall not be amended or repealed by the Authority so long as any Bond remains Outstanding except as permitted in this Section. The Authority may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein.

(a) In addition, the Authority may, with the written consent of Holders of Bonds Similarly Secured aggregating in principal amount fifty-one percent (51%) of the aggregate principal amount of then Outstanding Bonds Similarly Secured, from time to time approve any amendment to this Resolution that may be deemed necessary or desirable by the Authority, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions of this Resolution or in the Bonds or Bonds Similarly Secured so as to:

- (1) Make any change in the maturity of the Outstanding Bonds;
 - (2) Reduce the rate of interest borne by any of the Outstanding Bonds;
 - (3) Reduce the amount of the principal payable on the Outstanding Bonds;
 - (4) Modify the terms of payment of principal of or interest on the Outstanding Bonds;
 - (5) Affect the rights of the Holders of less than all of the Bonds then Outstanding;
- or
- (6) Change the minimum percentage of the principal amount of Bonds Similarly Secured necessary for consent to such amendment.

(b) If at any time the Authority shall desire to amend this Resolution under this Section, the Authority shall cause notice of the proposed amendment (i) to be published in a financial newspaper or journal published in the State of Texas, and in a newspaper of general circulation in the Authority once during each calendar week for at least two successive calendar weeks and (ii) sent by United States mail, first class postage prepaid, to the Holders of Bonds at the address appearing in the Security Register. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all Holders of Bonds Similarly Secured.

(c) Whenever, at any time, the Authority shall receive an instrument or instruments executed by the Holders of at least fifty-one percent (51%) in aggregate principal amount of all Bonds Similarly Secured then Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice, and in which instrument or instruments such Holders specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, then the governing body of the Authority may pass an amendatory resolution in substantially the same form.

(d) Upon the passage of any amendatory resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties, and obligations under this Resolution of the Authority

and the Holders of then Outstanding Bonds Similarly Secured shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such amendments.

(e) Any consent given by the Holder of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the first publication of the notice provided for in this Section or the date of such consent, whichever is later, and shall be conclusive and binding upon all future Holders of the same Bond during such period. After the applicable period of time a consent is irrevocable has expired, the Holder who gave consent, or a successor in title, may revoke such consent by filing notice thereof with the Paying Agent/Registrar and the Authority, but such revocation shall not be effective if the Holders of fifty-one percent (51%) in aggregate principal amount of the then Outstanding Bonds Similarly Secured have, prior to the attempted revocation, consented to and approved the amendment.

(f) For the purpose of this Section, the fact of the holding of Bonds by any Holder and the amount and numbers of such bonds and the date of their holding same, may be proved by the Security Register maintained by the Paying Agent/Registrar or by affidavit of the person claiming to be such Holder, or by a certificate executed by any trust company, bank, banker, or any other depository wherever situated showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker, or other depository, the Bonds described in such certificate. The Authority may conclusively assume that such ownership continues until written notice to the contrary is served upon the Authority.

Section 39: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

"NRMSIR" means each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"SID" means any person designated by the State of Texas or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.

(b) Annual Reports. The Authority shall provide annually to each NRMSIR and any SID, within six months after the end of each fiscal year, financial information and operating data with respect to the Authority of the general type included in the final Application for Financial Assistance and described in **Exhibit E** hereto. Financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in **Exhibit E** hereto and (ii) audited, if the Authority commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available at the time the financial information and operating data must be provided, then the Authority shall provide

unaudited financial statements for the applicable fiscal year to each NRMSIR and any SID with the financial information and operating data and will file the annual audit report when and if the same becomes available.

If the Authority changes its fiscal year, it will notify each NRMSIR and any SID of the change (and of the date of the new fiscal year end) prior to the next date by which the Authority otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to each NRMSIR and any SID or filed with the SEC.

(c) **Material Event Notices.** The Authority shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of holders of the Bonds;
8. Certificate calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds;
and
11. Rating changes.

The Authority shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any failure by the Authority to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.

(d) **Limitations, Disclaimers, and Amendments.** The Authority shall be obligated to observe and perform the covenants specified in this Section while, but only while, the Authority remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Authority in any event will give the notice required by subsection (c) hereof of any Bond calls and defeasance that cause the Authority to be no longer such an "obligated person."

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority undertakes to provide only the financial information, operating data, financial statements, and notices that it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Authority's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Authority

does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE AUTHORITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Authority in observing or performing its obligations under this Section shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Authority under federal and state securities laws.

The provisions of this Section may be amended by the Authority from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (i) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the Authority if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the Authority's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the Authority so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 40: Amendment of Contract. The Contract is amended to include the definition of Project attached hereto as Exhibit A. A copy of Exhibit A shall be attached to the Contract as Exhibit C. In all other respects the Contract is reapproved and shall be and remain in full force as the agreement of the parties.

SECTION 41: Benefits of Resolution. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person other than the Authority, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to

be and being for the sole and exclusive benefit of the Authority, the Paying Agent/Registrar and the Holders.

SECTION 42: Inconsistent Provisions. All orders or resolutions, or parts thereof, that are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters contained herein. Specifically, that certain Resolution of the Board of Directors of the Authority authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 1999 (City of Tom Bean Project)" is hereby repealed and no longer of any force or effect.

SECTION 43: Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 44: Severability. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 45. Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

PASSED AND ADOPTED, this August 21, 2000.

GREATER TEXOMA UTILITY
AUTHORITY



President, Board of Directors

ATTEST:



Assistant Secretary, Board of Directors

(Seal)

EXHIBIT A

Description of the Project

The project consists of improvements to the City of Tom Bean's wastewater treatment plant. These improvements include expansion of the wastewater treatment plant to accommodate excess flows (the City has been instructed by the TNRCC to correct excessive flows).

EXHIBIT B

Paying Agent/Registrar Agreement

EXHIBIT C

Contract For Water Supply and Sewer Service

EXHIBIT D

Construction Escrow Agreement

EXHIBIT E

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 39 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Authority to be provided annually in accordance with such Section are the financial statements of the Authority.

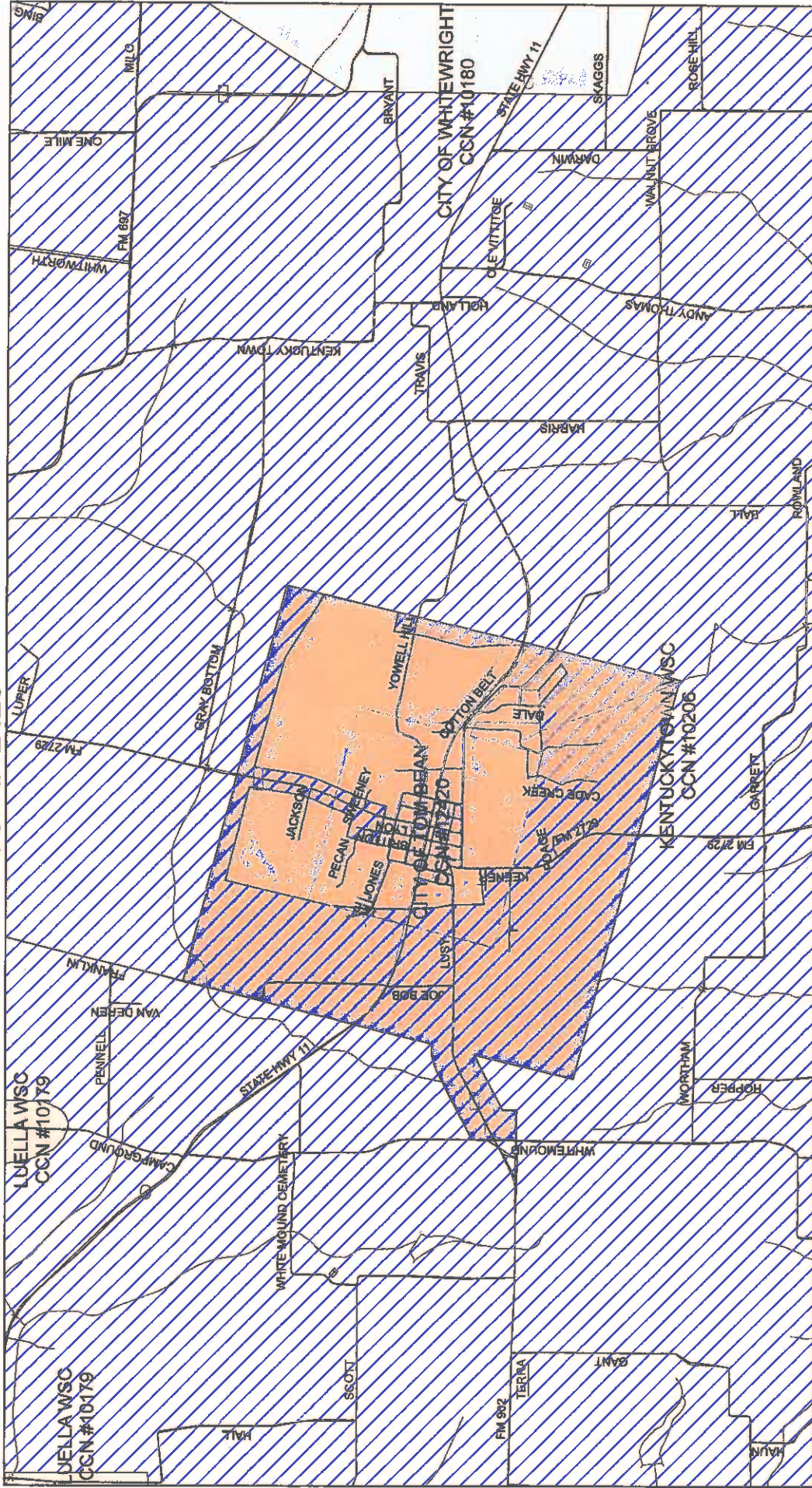
Accounting Principles

The accounting principles referred to in such Section are generally those described in the Application for Financial Assistance, as such principles may be changed from time to time to comply with state law or regulation.

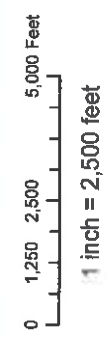
ATTACHMENT 7

CCN Map

Tom Bean Water CCN CCN #12420



Map Created by GTUA
January 2015
Data Sources Include:
TCEQ, TNRIS and GCAD



ATTACHMENT 8

**Water Conservation and Water Resource and Emergency Management Plan- GTUA
Water Conservation and Drought Contingency Plan- City of Tom Bean**

Greater Texoma Utility Authority

Water Conservation and Water Resource and Emergency Management Plan

**WATER CONSERVATION AND
WATER RESOURCE AND EMERGENCY
MANAGEMENT PLAN**

Greater Texoma Utility Authority

August 2014

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Greater Texoma Utility Authority

Water Conservation and Water Resource and Emergency Management Plan

August 2014

1. INTRODUCTION AND OBJECTIVES

Water supply has always been a key issue in the development of Texas. In recent years, the increasing population and economic development of North Central Texas have led to growing demands for water supplies. At the same time, local and less expensive sources of water supply are largely developed. Additional supplies to meet higher demands will be expensive and difficult to develop. It is therefore important that we make efficient use of our existing supplies and make them last as long as possible. This will delay the need for new supplies, minimize the environmental impacts associated with developing new supplies, and delay the high cost of additional water supply development.

Recognizing the need for efficient use of existing water supplies, the Texas Commission on Environmental Quality (“TCEQ”) has developed guidelines and requirements governing the development of water conservation and drought contingency plans for wholesale water suppliers¹. The TCEQ guidelines and requirements for wholesale suppliers are included in Appendix B. Greater Texoma Utility Authority (“GTUA”) has developed this water conservation and drought contingency plan and water emergency response plan pursuant to TCEQ guidelines and requirements, as well as the North Texas Municipal Water District (“NTMWD”) model plan². This plan replaces the GTUA plan dated April 2009.

GTUA is a wholesale water supplier, and currently provides wholesale raw water to the City of Sherman. GTUA also provides wholesale treated water, currently providing treated water to the Collin-Grayson Municipal Alliance (“CGMA”), which is comprised of the Cities of Anna, Howe, Melissa and Van Alstyne. Treated water for CGMA Cities is obtained from the NTMWD.

The water conservation sections of this plan include measures that are intended to result in ongoing, long-term water savings. The water resource and emergency management sections of this plan address strategies designed to temporarily reduce water use in response to specific conditions.

The objectives of this water conservation and water resource and emergency management plan are as follows:

- To reduce water consumption from the levels that would prevail without conservation efforts
- To reduce the loss and waste of water
- To improve efficiency in the use of water

¹Superscripted numbers match references listed in Appendix A.

- To extend the life of current water supplies by reducing the rate of growth in demand
- To preserve supplies for essential uses under drought or water emergency conditions
- Encourage efficient outdoor water use

2. TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES

2.1 Conservation Plans

The TCEQ rules governing development of water conservation plans for wholesale water suppliers are contained in Title 30, Part 1, Chapter 288, Subchapter A, Rule 288.5 of the Texas Administrative Code, which is included in Appendix B. For the purpose of these rules, a water conservation plan is defined as “A strategy or combination of strategies for reducing the volume of water withdrawn from a water supply source, for reducing the loss or waste of water, for maintaining or improving the efficiency in the use of water, for increasing the recycling and reuse of water, and for preventing the pollution of water.”¹ The elements in the TCEQ water conservation rules covered in this water conservation and drought contingency plan are listed below.

Minimum Conservation Plan Requirements for Wholesale Water Suppliers

GTUA is a wholesale water supplier to customers in North Central Texas. GTUA’s customers include member cities and customers. The minimum requirements in the Texas Administrative Code for water conservation plans for wholesale water suppliers are covered in this report as follows:

- 288.5(1)(A) – Description of Service Area – Section 3 and Appendix C
- 288.5(1)(B) – Specification of Goals – Section 4
- 288.5(1)(C) – Specific, Quantified Goals – Section 4
- 288.5(1)(D) – Measure and Account Water Diverted – Section 5.1
- 288.5(1)(E) – Monitoring and Record Management System – Section 5.2 and 7.2
- 288.5(1)(F) – Program of Metering and Leak Detection and Repair – Section 5.3
- 288.5(1)(G) – Requirement for Water Conservation Plans by Wholesale Customers – Section 6.1
- 288.5(1)(H) – Reservoir System Operation Plan – Section 6.2
- 288.5(1)(I) – Means of Implementation and Enforcement – Section 9
- 288.5(1)(J) – Documentation of Coordination with Regional Water Planning Group – Section 6.4
- 288.5(3) – Review and Update of Plan – Section 10

Additional Conservation Strategies

The Texas Administrative Code lists additional water conservation strategies that can be adopted by a wholesale supplier but are not required. Additional strategies adopted by GTUA include the following:

- 288.5(2)(D) – Other Measures

- Section 7.1 (model water conservation and drought contingency and water emergency response plans)
- Section 8.1 (public education program)
- Section 8.2 (in-house conservation measures)
- Section 8.3 (landscape water management measures)

2.2 Guidance and Methodology for Reporting on Water Conservation and Water Use

In addition to TCEQ rules regarding water conservation, this plan also incorporates elements of the Guidance and Methodology for Reporting on Water Conservation and Water Use developed by TWDB and TCEQ, in consultation with the Water Conservation Advisory Council (the “Guidance”). The Guidance was developed in response to a charge by the 82nd Texas Legislature to develop water use and calculation methodology and guidance for preparation of water use reports and water conservation plans in accordance with TCEQ Rules.

2.3 Drought Contingency Measures

The TCEQ rules governing development of drought contingency plans for wholesale water suppliers are contained in Title 30, Part 1, Chapter 288, Subchapter B, Rule 288.22 of the Texas Administrative Code, which is included in Appendix B.

For the purpose of these rules, a drought contingency plan is defined as “a strategy or combination of strategies for temporary supply and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies.”¹ The drought contingency measures for GTUA, as a wholesale water provider, are contained in Section 11 of this water conservation and water resource emergency plan.

3. DESCRIPTION OF THE GTUA SERVICE AREA

GTUA’s service area is located in Collin and Grayson Counties. GTUA provides wholesale surface water to the City of Sherman. Sherman’s Certificate of Convenience and Necessity covers approximately 70 square miles and is estimated to serve a population of 43,745. This area includes two rural water supply corporations, which are outside the city limits and the City of Knollwood as well as the Town of Dorchester.

GTUA provides wholesale treated water obtained from NTMWD to the Collin-Grayson Municipal Alliance, which presently includes the cities of Anna, Howe, Melissa and Van Alstyne. Anna’s Certificate of Convenience and Necessity covers approximately 39.7 square miles and is estimated to serve a population of 9,300. Howe’s Certificate of Convenience and Necessity covers approximately 12 square miles and serves an estimated population of 2,478. Melissa’s Certificate of Convenience and Necessity covers approximately 7 square miles and is estimated to serve a population of 7,290. Van Alstyne’s Certificate of Convenience and Necessity covers approximately 10 square miles and serves an estimated population of 3,800.

GTUA obtains its raw water supplies from Lake Texoma. GTUA purchases treated water supplies from NTMWD. GTUA does not provide wastewater services.

Appendix C to this water conservation and water resource and emergency management plan is the water utility profile for GTUA, based on the format recommended by the TCEQ.

4. SPECIFICATION OF WATER CONSERVATION GOALS

As a wholesale water supplier, GTUA does not control the water use of its customers and does not have a direct relationship with the retail customers whom are the ultimate consumers of the water. Some GTUA customers could be expected to have increasing municipal per capita demands in the future. The reasons for these projected increases could include the following:

- Some GTUA customers have a trend of increasing historical per capita use which is projected to continue for a time in the future, as the GTUA service area continues to transform from a historically rural to a primarily suburban population
- Some GTUA customers are expected to see rapid population growth, which historically has been associated with increasing municipal per capita water use in this part of Texas
- Some GTUA customers currently have very low municipal per capita water use, which is projected to increase over time, as development continues

The municipal per capita use for GTUA's system can be affected by changes in per capita use for its customers. It can also be affected by how much water GTUA is asked to supply to high per capita use customers or low per capita use customers. These factors cannot be controlled by GTUA.

A commonly accepted definition of residential per capita water use has yet to be defined in the Texas Administrative Code. For the purposes of this plan, residential per capita water use is the total residential water use divided by the population. Residential water use includes single and multi-family housing. Hotels and motels are considered establishments and should not be included as residential water use.

GTUA does control the operation of its water supply and delivery system and can take direct action to maximize the efficiency of that system. In areas under its direct control, GTUA adopts the following goals for water conservation and efficiency:

- Maintain the level of unaccounted water in the system below 5 percent in 2019 and subsequent years, as discussed in Section 5.2
- Maintain universal metering of customers, meter calibrations and meter replacement and repair as described in Section 5.2
- Maintain a program of leak detection and repair, as discussed in Section 5.3
- Continue to implement other in-house water conservation efforts, as discussed in Section 8.2

- Raise public awareness of water conservation and encourage responsible public behavior by a public education program, as discussed in Section 8.1

As a wholesale provider, GTUA will continue to assist its customers in the development of water conservation programs. GTUA has developed *Model Water Conservation and Water Resource and Emergency Management Plans for GTUA Customers*³, which its customers can use to develop their own water conservation and water resource and emergency management plans. As part of the model water conservation plan, GTUA requires customers to provide annual water conservation reports. GTUA will review these reports and compile the information as part of its own annual conservation report, which will be used to manage GTUA's water conservation program.

As previously mentioned, GTUA is a wholesale water provider, does not control the water use of its customers, and does not have a direct relationship with the retail customers whom are the ultimate consumers of the water. Municipal per capita water use goals for GTUA:

- The target for the five-year (2019) municipal per capita water use for GTUA customers is 140 gpcpd, by encouraging customers to set a per capita water use at this number
- The target for the ten-year (2024) municipal per capita water use for GTUA customers is 135 gpcpd, by encouraging customers to set a per capita water use at this number

5. METERING, WATER USE RECORDS, CONTROL OF WATER LOSS, AND LEAK DETECTION AND REPAIR

One of the key elements in water conservation is careful tracking of water use and control of losses. Accurate metering of water deliveries, detection and repair of leaks in the raw water delivery and treated water distribution systems and regular monitoring of unaccounted water are important elements of GTUA's program to control losses.

5.1 Practices to Measure and Account for the Amount of Water Diverted

Raw water diversions from Lake Texoma are metered by GTUA using meters with accuracy of $\pm 2\%$. These meters are calibrated on an annual basis and are repaired and/or replaced as needed.

5.2 Monitoring and Record Management Program for Determining Deliveries, Sales, and Losses

As a wholesale water supplier, GTUA has instituted a program of careful monitoring and record management to assure that its customers are charged appropriately for their water use. The program includes the following elements:

- Deliveries to wholesale customers are metered by meters with accuracy of $\pm 2\%$, which are read monthly. These readings are used to bill customers.

- Meters used to measure deliveries to wholesale customers are calibrated annually, and tested, as necessary
- Treated drinking water is metered at the point of delivery from NTMWD and at each customer's delivery vault, metered by meters with accuracy of $\pm 2\%$.
- Treated water meters are calibrated at least annually, and more frequent, if necessary.
- All meter readings are shared with customers so they can compare the readings against the operations of their system
- GTUA monitors unaccounted water in its delivery system. (For GTUA, unaccounted water is defined as raw water diverted from Lake Texoma less metered sales to customers, or treated water received from NTMWD less metered sales to customers.)

One of the goals of GTUA's water conservation program is to maintain unaccounted water below 5% in every year.

5.3 Metering and Leak Detection and Repair

GTUA's metering program for raw water is described in Sections 5.1 and 5.2.

- All GTUA water transmission pipelines are reinforced concrete cylinder pipe or ductile iron pipe with an internal protective liner and external protective coating. Because of the multiple layers of material, these pipelines have very long service lives and are not subject to frequent development of leaks
- Most joints in GTUA's pipeline are designed with bell and spigot joint construction including a rubber gasket. Some joints are welded. For larger lines, each joint is also sealed with concrete.
- All GTUA water pipelines are constructed in legally defined and identified rights-of-way, properly registered with authorities in each county
- GTUA personnel routinely inspect GTUA facilities and pipelines for leaks or mechanical problems. Repairs are undertaken as soon as practicable in order to minimize waste
- GTUA operates a program for right-of-way identification for construction projects adjacent to GTUA facilities and pipelines in order to minimize leaks caused by pipeline damage during construction
- GTUA's metering program allows comparison of measured flows in the system and metered deliveries to customers, which can be used to identify leaks.
- GTUA's regular monitoring of unaccounted water (monthly basis) provides a further check for problems in the distribution system
- GTUA personnel make regular inspections of its system to detect unauthorized connections

5.4 RECORD MANAGEMENT SYSTEM

As required by TAC Title 30, Part 1, Chapter 288.5(D) a record management system should allow for the separation of water sales and uses into residential, commercial,

public/institutional, and industrial categories. This information shall be included in an annual water conservation report, as described in Section 7.2 below.

6. OTHER REQUIRED MEASURES

6.1 Requirement for Water Conservation Plans by Wholesale Customers

Every contract for the wholesale of water by GTUA entered into, renewed, or extended after the adoption of this water conservation and water resource and emergency management plan will include a requirement that the wholesale customer and any wholesale customers of that wholesale customer develop and implement a water conservation plan meeting the requirements of Title 30, Part 1, Chapter 288, Subchapter A, Rule 288.5 of the Texas Administrative Code. This requirement will extend to each successive customer in the resale of the water. GTUA will provide the model water conservation and water resource and emergency management plans described in Section 7.1 to all customers to assist them in developing their own water conservation and water resource and emergency response plans.

6.2 Reservoir System Operating Plan

GTUA currently has a total permitted water supply of about 83,200 acre-feet per year from Lake Texoma. GTUA does not own a reservoir, and is not required to have a Reservoir System Operating Plan.

6.3 Water Conservation Implementation Report

Appendix E includes the TCEQ-required water conservation implementation report. The report is due to the TCEQ by May 1 of every year. This report lists the various water conservation strategies that have been implemented, including the date the strategy was implemented. The report also calls for the five-year and ten-year per capita water use goals from the previous water conservation plan. The reporting entity must answer whether or not these goals have been met, and if not, why not. The amount of water saved is also reported.

6.4 Coordination with Regional Water Planning Groups

Appendix F includes a copy of a letter sent to the Chair of the Region C Water Planning Group with this water conservation and drought contingency and water emergency response plan.

7. ADDITIONAL GTUA WATER CONSERVATION MEASURES TO ASSIST CUSTOMERS

GTUA has implemented water conservation measures intended to help customers with their water conservation planning, including:

- Providing model water conservation and water resource and emergency management plans for use by customers in developing their own plans.
- Requiring an annual report on water conservation efforts from customers and developing a water conservation report for all GTUA customers

7.1 GTUA Model Water Conservation and Water Resource and Emergency Management Plan for GTUA Customers

In order to assist its customers in the development of their own water conservation and water resource and emergency management plans, GTUA has developed a *Model Water Conservation and Water Resource and Emergency Management Plans for GTUA Water Customers*³. The model water conservation plans address the TCEQ requirements for water conservation plans for municipal use by public water suppliers¹ and includes several provisions that go beyond TCEQ requirements. The model plan follows the NTMWD model plan for customers. GTUA will work with its customers to develop plans using the model plan as a guide.

Model Water Conservation Plan for Treated Water Customers

The model water conservation plan includes the following elements addressing TCEQ requirements for water conservation plans for public water suppliers:

- 288.2(a)(1)(A) – Utility Profile
- 288.2(a)(1)(B) – Specification of Goals
- 288.2(a)(1)(C) – Specific, Quantified Goals
- 288.2(a)(1)(D) – Accurate Metering
- 288.2(a)(1)(E) – Universal Metering
- 288.2(a)(1)(F) – Determination and Control of Unaccounted Water
- 288.2(a)(1)(G) – Public Education and Information Program
- 288.2(a)(1)(H) – Non-Promotional Water Rate Structure
- 288.2(a)(1)(I) – Reservoir System Operation Plan
- 288.2(a)(1)(J) – Means of Implementation and Enforcement
- 288.2(a)(1)(K) – Coordination with Regional Water Planning Group
- 288.2(c) – Review and Update of Plan

Conservation Additional Requirements (Population over 5,000)

The Texas Administrative Code includes additional requirements for water conservation plans for drinking water suppliers servicing a population over 5,000

- 288.2(a)(2)(A) – Leak Detection, Repair and Water Loss Accounting
- 288.2(a)(2)(B) – Record Management System
- 288.2(a)(2)(C) – Requirement for Water Conservation Plans by Wholesale Customers

Additional Conservation Strategies

- A water utility profile to be completed and submitted with the update to the water conservation plan. This is included as Appendix C in the model plan.
- The TCEQ requires that a water conservation implementation report be completed and submitted to them on an annual basis. This is included in Appendix I of the model plan.

In addition to the TCEQ requirements, the GTUA model plan for customers receiving treated water from NTMWD through the GTUA Collin-Grayson Municipal Alliance water transmission line also requires the following strategy be included in the customer plans, pursuant to the NTMWD requirements:

- 288.2(a)(3)(F) – Considerations for Landscape Water Management Regulations (as outlined in Section 8.3)

GTUA requires a water conservation report to be submitted to the GTUA on an annual basis. This report is included as Appendix D in the model water conservation plan.

TCEQ rules also include optional, but not required, conservation methods that may be adopted by suppliers. GTUA recommends the following strategies be included in customer plans:

- 288.2(a)(3)(A) – Conservation Oriented Water Rates
- 288.2(a)(3)(B) – Ordinances, Plumbing Codes or Rules on Water-Conserving Fixtures
- 288.2(a)(3)(D) – Reuse and Recycling of Wastewater
- 288.2(a)(3)(F) – Additional Considerations for Landscape Water Management Regulations
- 288.2(a)(3)(G) – Monitoring Method
- 288.2(a)(3)(H) – Additional Conservation Ordinance Provisions

The TCEQ lists the following optional strategy that GTUA also suggests as an optional strategy in the model water conservation plan:

- 288.2(a)(3)(C) – Replacement or Retrofit of Water-Conserving Plumbing Fixtures

Model Water Resource and Emergency Management Plan for Treated Water Customers

GTUA's model plan is consistent with Texas Commission on Environmental Quality ("TCEQ") guidelines and requirements for development of drought contingency measures and water resource and emergency management plans by public drinking water suppliers, contained in Title 30, Part 1, Chapter 288, Subchapter B, Rule 288.20 of the Texas Administrative Code¹. The model plan includes the following elements addressing TCEQ minimum requirements for drought contingency measures for public water suppliers:

- 288.20(a)(1)(A) – Provisions to Inform the Public and Provide Opportunity for Public Input
- 288.20(a)(1)(B) – Provisions for Continuing Public Education and Information
- 288.20(a)(1)(C) – Coordination with Regional Water Planning Group
- 288.20(a)(1)(D) – Criteria for Initiation and Termination of Drought Stages
- 288.20(a)(1)(E) – Drought and Emergency Response Stages
- 288.20(a)(1)(F) – Specific, Quantified Targets for Water Use Reductions

- 288.20(a)(1)(G) – Water Supply and Demand Management Measures for Each Stage
- 288.20(a)(1)(H) – Procedures for Initiation and Termination of Drought Stages
- 288.20(a)(1)(I) – Procedures for Granting Variances
- 288.20(a)(1)(J) – Procedures for Enforcement of Mandatory Restrictions
- 288.20(a)(3) – Consultation with Wholesale Supplier
- 288.20(b) – Notification of Implementation of Mandatory Measures
- 288.20(c) – Review and Update of Plan

7.2 Annual Reports

One element of the GTUA *Model Water Conservation and Water Resource and Emergency Management Plans for GTUA Customers*³ is a requirement that customers complete the Annual Water Conservation Report (Appendix D).

8. ADDITIONAL GTUA WATER CONSERVATION MEASURES

8.1 Public Education Program

As a regional wholesale water supplier, GTUA does not interact directly with the retail customers at whom public education is aimed. GTUA’s public education program is intended to assist and supplement the public education efforts of its customers. GTUA’s public education efforts include the following elements:

- Since 2004, GTUA has provided the “Learning to Be Water Wise” curriculum to area school districts at no cost. The “Learning to Be Water Wise” curriculum includes individual kits and activities to educate 5th grade students on the importance of water and the need for water conservation in their homes and communities.
- GTUA provides conservation brochures and information to interested civic groups and schools. Information includes brochures on water-saving measures and xeriscape landscaping.
- GTUA promotes the Texas Smartscape website (www.txsmartscape.com)

8.2 In-House Water Conservation Efforts

GTUA has implemented an in-house water conservation program, including the following elements:

- Wherever possible, landscapes will use native or adapted drought tolerant plants, trees and shrubs
- Irrigation at GTUA facilities will occur between 8:00PM and 10:00AM in the peak consumption months (April 1 through October 31) in order to lower evaporation losses
- Irrigation will be limited to the amount needed to promote survival and health of plants and lawns

- Irrigation will be avoided Saturday and Sunday if possible, since these are periods of high water use by the public

8.3 Compulsory Landscape and Water Management Measures

The following landscape management measures are included in the GTUA model water conservation plan for treated water customers. The minimum measures for treated water customers that should be implemented and enforced in order to irrigate the landscape appropriately are as follows:

A. Landscape Water Management Measures

- Limit landscape watering with sprinklers or irrigations systems at each service address to no more than two days per week (April 1 – October 31), with education that less than twice per week is usually adequate. Additional watering of landscape may be provided by hand-held hose with shutoff nozzle, use of dedicated irrigation drip zones, and/or soaker hose provided no runoff occurs.
- Limit landscape watering with sprinklers or irrigation systems at each service address to no more than one day per week beginning November 1 and ending March 31 of each year, with education that less than once per week is usually adequate
- Prohibit lawn irrigation watering from 10am to 6pm (April 1 – October 31)
- Prohibit the use of irrigation systems that water impervious surfaces. (Wind driven water drift will be taken into consideration.)
- Prohibit outdoor watering during precipitation or freeze events.
- Prohibition of use of poorly maintained sprinkler systems that waste water.
- Prohibit excess water runoff or other obvious waste
- Require rain and freeze sensors and/or ET or Smart controllers on all new irrigation systems. Rain and freeze sensors and/or ET or Smart controllers must be maintained to function properly.
- Prohibit overseeding, sodding, springing, broadcasting or plugging with cool season grasses or watering cool season grasses, except for golf courses and athletic fields.

- Require that irrigation systems be inspected at the same time as initial backflow preventer inspection.
- Requirement that all new irrigation systems be in compliance with state design and installation regulations (TAC Title 30, Part 1, Chapter 344).
- Require the owner of a regulated irrigation property to obtain an evaluation of any permanently installed system on a periodic basis. The irrigation evaluation shall be conducted by a licensed irrigator in the State of Texas and be submitted to your local water provider (i.e., city, water supply corporation).
- Prohibit the use of potable water to fill or refill residential, amenity, and other natural or manmade ponds. A pond is considered to be a still body of water with a surface area of 500 square feet or more.
- Non-commercial car washing can be done only when using a water hose with a shut-off nozzle.
- Hotels and motels shall offer a linen reuse water conservation option to customers.
- Restaurants, bars, and other commercial food or beverage establishments may not provide drinking water to customers unless a specific request is made by the customer for drinking water.

Member Cities and Customers are responsible for developing regulations, ordinances, policies, or procedures for enforcement of water conservation guidelines.

Appendix E is a summary of considerations for landscape water management regulations adopted as part of the development of this water conservation plan. These regulations are intended to minimize waste in landscape irrigation. Appendix E includes the required landscape water measures in this section.

8.4 Additional Water Conservation Measures (Not Required in Model Water Conservation Plan)

The following water conservation measures are included in the model water conservation plan as options to be considered by GTUA customers:

- Consideration for additional landscape water management regulations
- Water audits
- Rebates

Appendix E of the model water conservation plan for treated water customers is a summary of considerations for landscape water management regulations adopted as part of the development of this water conservation and drought contingency and water emergency response plan. These regulations are intended to minimize waste in landscape irrigation. Appendix E of the model plan includes the required landscape water measures mentioned above, as well as the ones discussed below. GTUA recommends the following measures be included in customer water conservation plans, but they are not required:

- Requirement that all existing irrigation systems be retrofitted with rain and freeze sensors and/or ET or Smart controllers capable of multiple programming. Rain and freeze sensors and/or ET or Smart controllers must be maintained to function properly
- Prohibition of use of poorly maintained sprinkler systems that waste water
- Prohibition of planting cool season grasses (such as rye grass or other similar grasses) that intensify cool season water requirements, exception allowed for golf courses or public athletic fields*
- Requirement that all new athletic fields be irrigated by a separate irrigation system from surrounding areas
- Implementation of other measures to encourage off-peak water use

Landscape ordinances are developed by customers to guide developers in landscaping requirements for the customer. GTUA recommends that the following measures be included in the entity's landscape ordinance:

- Requirement that all new irrigation systems be in compliance with state design and installation regulations (TAC Title 30, Part 1, Chapter 344)
- Native, drought tolerant, or adaptive plants should be encouraged.
- Drip irrigation systems should be promoted
- ET/Smart controllers that only allow sprinkler systems to irrigate when necessary should be promoted

Water audits are useful in finding ways in which water can be used more efficiently at a specific location. GTUA recommends customers offer water audits to customers. This measure is recommended but not required.

In addition to the conservation measures described above, GTUA considers the following water conservation incentive programs as options to consider:

- Low-flow toilet replacement and rebate programs,
- Rebates for rain/freeze sensors and/or ET or Smart controllers,
- Low-flow showerhead and sink aerators replacement programs or rebates,
- ET/Smart irrigation controller rebates,

- Water efficient clothes washer rebates,
- Pressure reducing valve installation programs or rebates,
- Rain barrel rebates,
- On-demand hot water heater rebates, or
- Other water conservation incentive programs.

9. IMPLEMENTATION AND ENFORCEMENT OF THE WATER CONSERVATION AND WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN

Appendix G contains a copy the Resolution approved by the GTUA Board of Directors at the meeting at which this water conservation and water resource and emergency management plan was adopted. The President of the Board of Directors of GTUA is authorized to implement and enforce the water conservation and water resource and emergency management plan. A water conservation report will be prepared by GTUA staff every year, incorporating reports required from customers.

9.1 Schedule for Implementing the Plan to Achieve Targets and Goals

Following is a schedule, to achieve the targets and goals for water conservation:

- Calibrations of meters for all water deliveries are conducted annually
- Meter replacement program:
 - Meters will continue to be monitored for accuracy annually and replaced on a fifteen-year cycle if necessary
- Water audits conducted annually
 - Real water losses are identified and corrected
 - Real water losses are minimized by replacement of deteriorating water mains and appurtenances, conducted on an on-going basis
- Materials developed to encourage water conservation measures, materials obtained from the Texas Water Development Board, Texas Commission on Environmental Quality or other sources will be mailed out semi-annually (once in the spring and once in the summer) to all customers
- Leak detection program to reduce real water losses
 - Inspections of water main fittings and connections to be conducted monthly
 - System is continuously monitored by SCADA for flow abnormalities
 - Pressure controlled to provide service by use of SCADA system
 - Pressure zones operated based on the topography
 - Surges in pressure limited by control valves

9.2 Tracking of Targets and Goals

GTUA staff shall track targets and goals by utilizing the following procedures:

- Records shall be maintained for meter calibration, meter testing, and meter replacement programs

- Annual water audits shall be documented and kept in the files
- Staff shall keep a record of the number of mail-outs distributed semi-annually
- Records shall be maintained for the GTUA Leak Detection Program, including but not limited to the following:
 - Annual inspections of water main fittings and connections
 - SCADA system is used to monitor water systems
 - Records shall be kept on the amount of water used for line flushing

10. REVIEW AND UPDATE OF WATER CONSERVATION PLAN

TCEQ requires that water conservation plans be updated prior to May 1, 2014. Water conservation plans are required to be updated every five years. The GTUA Water Conservation and Water Resource and Emergency Management Plan will be updated as required and as appropriate based on new or updated information.

11. WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN

11.1 Introduction

The purpose of this water resource and emergency management plan is as follows:

- To conserve the available water supply in times of drought and emergency
- To maintain supplies for domestic water use, sanitation, and fire protection
- To protect and preserve public health, welfare, and safety
- To minimize the adverse impacts of water supply shortages
- To minimize the adverse impacts of emergency water supply conditions

A drought is defined as an extended period of time when an area receives insufficient amounts of rainfall to replenish the water supply, causing water supply sources to be depleted. In the absence of drought response measures, demand tends to increase during a drought due to the need for additional lawn irrigation. The severity of a drought depends on the degree of depletion of supplies and on the relationship of demand to available supplies. GTUA considers a drought to end for raw water customers when the conditions that initiated the drought have ceased. GTUA considers a drought to end for treated water customers when the North Texas Municipal Water District has determined water supplies are sufficient.

11.2 State Requirements for Drought Contingency Plans

This water resource and emergency management plan is consistent with Texas Commission on Environmental Quality (TCEQ) guidelines and requirements for the development of drought contingency plans by wholesale water suppliers, contained in Title 30, Part 1, Chapter 288, Subchapter B, Rule 288.22 of the Texas Administrative Code. This rule is included in Appendix B.

Minimum Requirements

TCEQ's minimum requirements for drought contingency plans are addressed in the following subsections of this report:

- 288.22(a)(1) – Provisions to Inform the Public and Provide Opportunity for Public Input – Section 11.3
- 288.22(a)(2) – Coordination with the Regional Water Planning Group – Section 11.9
- 288.22(a)(3) – Criteria for Initiation and Termination of Drought Stages – Section 11.4
- 288.22(a)(4) – Drought and Emergency Response Stages – Section 11.5
- 288.22(a)(5) – Procedures for Initiation and Termination of Drought Stages – Section 11.5
- 288.22(a)(6) – Specific, Quantifiable Targets for Water Use Reduction – Section 11.5
- 288.22(a)(7) – Specific Measures to Be Implemented during Each Drought Stage – Section 11.5
- 288.22(a)(8) – Provision for Wholesale Contracts to Require Water Distribution According to Texas Water Code §11.039 – Sections 11.5 and 11.6
- 288.22(a)(9) – Provision for Granting Variances to the Plan - Section 11.7
- 288.22(a)(10) - Procedures for Enforcement of Mandatory Restrictions – Section 11.8
- 288.22(b) – Notification of Implementation of Mandatory Measures – Section 11.4
- 288.22(c) – Review and Update of Plan – Section 11.10

11.3 Provisions to Inform the Public and Opportunity for Public Input

GTUA provided opportunity for public input in the development of this drought contingency plan by the following means:

- Providing written notice of the proposed plan and the opportunity to comment on the plan by newspaper and posted notice
- Providing the draft plan to anyone requesting a copy
- Providing the draft plan on the GTUA website for review and comment
- Holding a public meeting to discuss the proposed plan at the Greater Texoma Utility Authority offices in Denison at 12:30 p.m., on Monday, April 21, 2014 (Appendix I)

11.4 Initiation and Termination of Drought or Water Emergency Response Stages

Initiation of a Water Resource Management Stage

The President or designee may order the implementation of a water resource management stage when one or more of the trigger conditions for that stage has been met. The following actions will be taken when a drought or water emergency stage is initiated:

- The public will be notified through local media.
- GTUA customers will be notified by e-mail with a follow-up letter or fax that provides the details of the reasons for initiation of the water resource management stage.

- If any mandatory provisions of the water resource and emergency management plan are activated, GTUA will notify the Executive Director of the TCEQ within 5 business days.
- Water Resource and Emergency Management Plan Stages imposed by NTMWD action must be initiated by GTUA and GTUA Treated Water Customers

The President or designee may decide not to order the implementation of a water resource management stage even though one or more of the trigger criteria for the stage are met. Factors that could influence such a decision include, but are not limited to, the time of the year, weather conditions, the anticipation of replenished water supplies, or the anticipation that additional facilities will become available to meet needs. The reason for this decision should be documented.

Termination of a Water Resource Management Stage

The President or designee may order the termination of a water resource management stage when the conditions for termination are met or at their discretion. The following actions will be taken when a water resource management stage is terminated:

- The public will be notified through local media.
- Customers will be notified by e-mail with a follow-up letter or fax.
- When any mandatory provisions of the water resource and emergency management plan that have been activated are terminated, GTUA will notify the Executive Director of the TCEQ and the Executive Director of the NTMWD within 5 business days.

The President or designee may decide not to order the termination of a water resource management stage even though the conditions for termination of the stage are met. Factors which could influence such a decision include, but are not limited to, the time of the year, weather conditions, or the anticipation of potential changed conditions that warrant the continuation of the water resource management stage. The reason for this decision should be documented.

11.5 Water Resource and Emergency Management Plan Stages and Measures

Stage 1

Initiation and Termination Conditions for Stage 1

- The GTUA President or designee, with concurrence of the GTUA Board of Directors, finds that conditions warrant the declaration of Stage 1
- Water demand is projected to approach the limit of the permitted supply
- Water demand exceeds 90 percent of the amount that can be delivered to customers for three consecutive days
- Water demand for all or part of the delivery system approaches delivery capacity because delivery capacity is inadequate
- Supply source becomes contaminated

- Water supply system is unable to deliver water due to the failure or damage of major water system components.
- The NTMWD has initiated Stage 1 (applies to treated water customers only)

Stage 1 may terminate when the circumstances that caused the initiation of Stage 1 no longer prevail.

Goal for Use Reduction and Actions Available under Stage 1

The goal for water use reduction under Stage 1 is a five percent (5%) reduction in the amount of water use that would have occurred prior to drought restrictions. **If circumstances warrant or if required by GTUA, the President or official designee can set a goal for greater or lesser water use reduction.** The President or official designee may order the implementation of any or all of the actions listed below, as deemed necessary to achieve a five percent reduction. Measures described as “requires notification to TCEQ” impose mandatory requirements. GTUA must notify TCEQ and NTMWD within five business days if the measures requiring notification are implemented:

- Continue actions in the water conservation plan.
- Notify wholesale customers of actions being taken and request them to implement similar procedures.
- Further accelerate public education efforts on ways to reduce water use.
- Encourage the public to wait until the current drought or emergency situation has passed before establishing new landscaping.
- All users are encouraged to reduce the frequency of draining and refilling swimming pools.
- **Requires Notification to TCEQ** – (Applies to Treated Water Customers only) Limit landscape watering with sprinklers or irrigation systems at each service address to no more than two days per week on designated days between April 1 – October 31. Limit landscape watering with sprinklers or irrigation systems at each service address to once every week on designated days between November 1 – March 31. Exceptions are as follows:
 - An exception is allowed for landscape associated with new construction that may be watered as necessary for 30 days from the installation of new landscape features.

- An exemption is also allowed for registered and properly functioning ET/Smart irrigation systems and drip irrigation systems from the designated outdoor water use days limited to no more than two days per week. ET/Smart irrigation and drip irrigation systems are however subject to all other restrictions applicable under this stage.
- An exception for additional watering of landscape may be provided by hand held hose with shutoff nozzle, use of dedicated irrigation drip zones, and/or soaker hose provided no runoff occurs.
- Foundations, new landscaping, new plantings (first year) of shrubs, and trees (within a ten foot radius of its trunk) may be watered by a hand-held hose, a soaker hose, or a dedicated zone using a drip irrigation system provided no runoff occurs.
- **Requires Notification to TCEQ** – (Applies to Treated Water Customers only) Initiate a surcharge for all water use over a certain level.
- **Requires Notification to TCEQ** – (Applies to Treated Water Customers only) Landscape watering of parks, golf courses and athletic fields using potable water are required to meet the same reduction goals and measures outlined in this stage. Exception for golf course greens and tee boxes which may be hand watered as needed.

Stage 2

Initiation and Termination Conditions for Stage 2

- Stage 2 may be initiated due to one or more of the following:
 - The GTUA President or designee, with the concurrence of the GTUA Board of Directors, finds that conditions warrant the declaration of Stage 2.
 - Water demand is projected to approach or exceed the limit of the permitted supply. (Applies to Raw Water Customers only)
 - Raw Water Customers have used more than 50% of GTUA's authorized storage. (Applies to Raw Water Customers only)
 - Water demand exceeds 95 percent of the amount that can be delivered to customers for three consecutive days.

- Water demand for all or part of the delivery system exceeds delivery capacity because delivery capacity is inadequate.
- Supply source becomes contaminated.
- Water supply system is unable to deliver water due to the failure or damage of major water system components.
- The NTMWD has initiated Stage 2 (applies to treated water customers only)

Stage 2 may terminate when GTUA terminates its Stage 2 condition or when the circumstances that caused the initiation of Stage 2 no longer prevail.

Goals for Use Reduction and Actions Available under Stage 2

The goal for water use reduction under Stage 2 is a reduction of ten percent (10%) in the amount of water use that would have occurred prior to drought restrictions. **If circumstances warrant the President or official designee can set a goal for greater or lesser water use reduction.** The President or official designee may order the implementation of any or all of the actions listed below, as deemed necessary to achieve a ten percent reduction. Measures described as “requires notification to TCEQ” impose mandatory requirements on customers. GTUA must notify TCEQ and NTMWD within five business days if the measures requiring notification are implemented:

- Continue or initiate any actions available under Stage 1.
- Notify wholesale customers of actions being taken and request them to implement similar procedures.
- Implement viable alternative water supply strategies.

The following actions apply to Treated Water Customers only:

- All users are encouraged to reduce the frequency of draining and refilling swimming pools.
- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems at each service address to once per week on designated days between April 1 – October 31. Limit landscape watering with sprinklers

or irrigation systems at each service address to once every other week on designated days between November 1 – March 31. Exceptions are as follows:

- New construction may be watered as necessary for 30 days from the date of the installation of new landscape features. .
- Foundations, new plantings (first year) of shrubs, and trees (within a ten foot radius of its trunk) may be watered for up to two hours on any day by a hand-held hose, a dedicated zone using a drip irrigation system and/or soaker hose provided no runoff occurs.
- Public athletic fields used for competition may be watered twice per week.
- Locations using alternative sources of water supply only for irrigation may irrigate without day of the week restrictions provided proper signage is employed. However, irrigation using alternative sources of supply is subject all other restrictions applicable to this stage. If the alternative supply source is a well, proper proof of well registration with the North Texas Groundwater Conservation District or Red River Ground Water Conservation District is required. Other sources of water supply may not include imported treated water.
- An exemption is allowed for registered and properly functioning ET/Smart irrigation systems and drip irrigation systems from the designated outdoor water use day limited to no more than one day per week. ET/Smart irrigation and drip irrigation systems are however subject to all other restrictions applicable under this stage.
- Hand watering with shutoff nozzle, drip lines, and soaker hoses is allowed before 10 am and after 6 pm provided no runoff occurs.
- **Requires Notification to TCEQ** – Prohibit hydro seeding, hydro mulching, and sprigging.
- **Requires Notification to TCEQ** – Landscape watering of parks and golf courses using potable water are required to meet the same reduction goals and measures outlined in this stage. Exception for golf course greens and tee boxes which may be hand watered as needed.

Stage 3

Initiation and Termination Conditions for Stage 3

- Stage 3 may be initiated due to one or more of the following:
 - The President or their designee, with the concurrence of the GTUA Board of Directors, finds that conditions warrant the declaration of Stage 3.
 - Water demand is projected to approach or exceed the limit of the permitted supply.
 - Source has become severely limited in availability.
 - Water demand exceeds 98 percent of the amount that can be delivered to customers for three consecutive days.
 - Water demand for all or part of the delivery system seriously exceeds delivery capacity because the delivery capacity is inadequate.
 - Supply source becomes contaminated.
 - Water supply system is unable to deliver water due to the failure or damage of major water system components.
 - The NTMWD has initiated Stage 3 (applies to Treated Water Customers only).
- Stage 3 may terminate the circumstances that caused the initiation of Stage 3 no longer prevail.

Goals for Use Reduction and Actions Available under Stage 3

The goal for water use reduction under Stage 3 is a reduction of whatever amount is necessary in the amount of water use prior to drought restrictions. **If circumstances warrant President or official designee can set a goal for greater or lesser water use reduction.**

The GTUA President or official designee, with concurrence of the GTUA Board of Directors, may order the implementation of any or all of the actions listed below, as deemed necessary. Measures described as “requires notification to TCEQ” impose mandatory requirements on member cities and customers. GTUA must notify TCEQ and NTMWD within five business days if the measures requiring notification are implemented.

- Continue or initiate any actions available under Stages 1, and 2.

- Notify wholesale customers of actions being taken and request them to implement similar procedures.
- Implement viable alternative water supply strategies.
- Request wholesale customers increase conservation measures and education practices and procedures.

The following actions apply only to Treated Water Customers:

- **Requires Notification to TCEQ** – Initiate mandatory water use restrictions as follows:
 - Hosing and washing of paved areas, buildings, structures, windows or other surfaces is prohibited except by variance and performed by a professional service using high efficiency equipment.
 - Prohibit operation of ornamental fountains or ponds that use potable water except where supporting aquatic life or water quality.
- **Requires Notification to TCEQ** – Prohibit new sod, hydro seeding, hydro mulching, and sprigging.
- **Requires Notification to TCEQ** – Prohibit the use of potable water for the irrigation of new landscaping.
- **Requires Notification to TCEQ** – Prohibit all commercial and residential landscape watering, except that foundations and trees (within a ten foot radius of its trunk) may be watered for two hours one day per week with a hand-held hose, a dedicated zone using a drip irrigation system and/or soaker hose provided no runoff occurs. ET/Smart irrigation systems and drip irrigation systems are not exempt from this requirement.
- **Requires Notification to TCEQ** – Prohibit washing of vehicles except at commercial vehicle wash facilities.
- **Requires Notification to TCEQ** – Landscape watering of parks, golf courses, and athletic fields with potable water is prohibited. Exception for golf course greens and tee boxes which may be hand watered as needed. Variances may be granted by the water provider under special circumstances.

- **Requires Notification to TCEQ** – Prohibit the filling, draining and refilling of existing swimming pools, wading pools, Jacuzzi and hot tubs except to maintain structural integrity, proper operation and maintenance or to alleviate a public safety risk. Existing pools may add water to replace losses from normal use and evaporation. Permitting of new swimming pools, wading pools, Jacuzzi and hot tubs is prohibited.
- **Requires Notification to TCEQ** – Prohibit the operation of interactive water features such as water sprays, dancing water jets, waterfalls, dumping buckets, shooting water cannons, or splash pads that are maintained for public recreation.
- **Requires Notification to TCEQ** – Require all commercial water users to reduce water use by a percentage established by the President or official designee.

11.6 Texas Water Code §11.039 – Distribution of Water During Shortage

- In the event of an identified water shortage declaration, the Authority will distribute water to wholesale customers according to the Texas Water Code §11.039.
- The Greater Texoma Utility Authority will include a provision in every wholesale water contract entered into or renewed after adoption of the plan, including contract extensions, that in case of a shortage of water resulting from drought, the water to be distributed shall be divided in accordance with Texas Water Code §11.039.

11.7 Procedures for Granting Variances to the Plan

GTUA President or official designee may grant temporary variances for existing water uses otherwise prohibited under this Water Resource and Emergency Management Plan if one or more of the following conditions are met:

- Failure to grant such a variance would cause an emergency condition adversely affecting health, sanitation, or fire safety for the public or the person or entity requesting the variance.
- Compliance with this plan cannot be accomplished due to technical or other limitations.

- Alternative methods that achieve the same level of reduction in water use can be implemented.
- Variances shall be granted or denied at the discretion of the GTUA President or official designee. All petitions for variances should be in writing and should include the following information:
 - Name and address of the petitioners
 - Purpose of water use
 - Specific provisions from which relief is requested
 - Detailed statement of the adverse effect of the provision from which relief is requested
 - Description of the relief requested
 - Period of time for which the variance is sought
 - Alternative measures that will be taken to reduce water use
 - Other pertinent information.

11.8 Procedures for Enforcing Mandatory Water Use Restrictions

Mandatory water use restrictions may be imposed in Stage 1, Stage 2 and Stage 3 Water Resource and Emergency Management Plan stages. The penalties associated with the mandatory water use restrictions will be determined by each entity. Potential ordinances, resolutions, and orders that may be adopted by city councils, boards, or governing bodies approving the respective Water Resource and Emergency Management Plan and Water Response Plan, including enforcement of the same, are provided in Appendix D of the model Plan.

11.9 Coordination with the Regional Water Planning Group and NTMWD

Appendix C includes a copy of a letter sent to the Chair of the Region C Water Planning Group and NTMWD with this Water Resource and Emergency Management Plan.

11.10 Review and Update of Water Resource and Emergency Management Plan

As required by TCEQ rules, Greater Texoma Utility Authority must review the Water Resource and Emergency Management Plan every five years. The plan will be updated as appropriate based on new or updated information.

APPENDIX A

List of References

Appendix A
List of References

- (1) Title 30 of the Texas Administrative Code, Part 1, Chapter 288, Subchapter A, Rules 288.1, 288.2, 288.5, and Subchapter B, Rule 288.20, and 228.22
- (2) Freese and Nichols, Inc.: *Model Water Conservation Plan and Model Water Resource and Emergency Management Plan for NTMWD Member Cities and Customers, February 2014*
- (3) *Model Water Conservation and Water Resource and Emergency Management Plan for GTUA Customers, August 2014*

APPENDIX B

Texas Commission on Environmental Quality Rules on Water Conservation and Drought Contingency Plans for Municipal Uses by Wholesale Water Suppliers

[<<Prev Rule](#)[Next Rule>>](#)**TITLE 30****PART 1****CHAPTER 288****SUBCHAPTER A****RULE §288.5****Texas Administrative Code****ENVIRONMENTAL QUALITY****TEXAS COMMISSION ON ENVIRONMENTAL QUALITY****WATER CONSERVATION PLANS, DROUGHT****CONTINGENCY PLANS, GUIDELINES AND****REQUIREMENTS****WATER CONSERVATION PLANS****Water Conservation Plans for Wholesale Water Suppliers**

A water conservation plan for a wholesale water supplier must provide information in response to each of the following paragraphs. If the plan does not provide information for each requirement, the wholesale water supplier shall include in the plan an explanation of why the requirement is not applicable.

(1) Minimum requirements. All water conservation plans for wholesale water suppliers must include the following elements:

(A) a description of the wholesaler's service area, including population and customer data, water use data, water supply system data, and wastewater data;

(B) specific, quantified five-year and ten-year targets for water savings including, where appropriate, target goals for municipal use in gallons per capita per day for the wholesaler's service area, maximum acceptable water loss, and the basis for the development of these goals. The goals established by wholesale water suppliers under this subparagraph are not enforceable;

(C) a description as to which practice(s) and/or device(s) will be utilized to measure and account for the amount of water diverted from the source(s) of supply;

(D) a monitoring and record management program for determining water deliveries, sales, and losses;

(E) a program of metering and leak detection and repair for the wholesaler's water storage, delivery, and distribution system;

(F) a requirement in every water supply contract entered into or renewed after official adoption of the water conservation plan, and including any contract extension, that each successive wholesale customer develop and implement a water conservation plan or water conservation measures using the applicable elements of this chapter. If the customer intends to resell the water, then the contract between the initial supplier and customer must provide that the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures in accordance with applicable provisions of this chapter;

(G) a reservoir systems operations plan, if applicable, providing for the coordinated operation of

reservoirs owned by the applicant within a common watershed or river basin. The reservoir systems operations plans shall include optimization of water supplies as one of the significant goals of the plan;

(H) a means for implementation and enforcement, which shall be evidenced by a copy of the ordinance, rule, resolution, or tariff, indicating official adoption of the water conservation plan by the water supplier; and a description of the authority by which the water supplier will implement and enforce the conservation plan; and

(I) documentation of coordination with the regional water planning groups for the service area of the wholesale water supplier in order to ensure consistency with the appropriate approved regional water plans.

(2) Additional conservation strategies. Any combination of the following strategies shall be selected by the water wholesaler, in addition to the minimum requirements of paragraph (1) of this section, if they are necessary in order to achieve the stated water conservation goals of the plan. The commission may require by commission order that any of the following strategies be implemented by the water supplier if the commission determines that the strategies are necessary in order for the conservation plan to be achieved:

(A) conservation-oriented water rates and water rate structures such as uniform or increasing block rate schedules, and/or seasonal rates, but not flat rate or decreasing block rates;

(B) a program to assist agricultural customers in the development of conservation pollution prevention and abatement plans;

(C) a program for reuse and/or recycling of wastewater and/or graywater; and

(D) any other water conservation practice, method, or technique which the wholesaler shows to be appropriate for achieving the stated goal or goals of the water conservation plan.

(3) Review and update requirements. The wholesale water supplier shall review and update its water conservation plan, as appropriate, based on an assessment of previous five-year and ten-year targets and any other new or updated information. A wholesale water supplier shall review and update the next revision of its water conservation plan every five years to coincide with the regional water planning group.

Source Note: The provisions of this §288.5 adopted to be effective May 3, 1993, 18 TexReg 2558; amended to be effective February 21, 1999, 24 TexReg 949; amended to be effective April 27, 2000, 25 TexReg 3544; amended to be effective October 7, 2004, 29 TexReg 9384; amended to be effective December 6, 2012, 37 TexReg 9515

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Texas Administrative Code

[Next Rule>>](#)TITLE 30

ENVIRONMENTAL QUALITY

PART 1

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CHAPTER 288WATER CONSERVATION PLANS, DROUGHT
CONTINGENCY PLANS, GUIDELINES AND
REQUIREMENTSSUBCHAPTER B

DROUGHT CONTINGENCY PLANS

RULE §288.22**Drought Contingency Plans for Wholesale Water Suppliers**

(a) A drought contingency plan for a wholesale water supplier must include the following minimum elements.

(1) Preparation of the plan shall include provisions to actively inform the public and to affirmatively provide opportunity for user input in the preparation of the plan and for informing wholesale customers about the plan. Such acts may include, but are not limited to, having a public meeting at a time and location convenient to the public and providing written notice to the public concerning the proposed plan and meeting.

(2) The drought contingency plan must document coordination with the regional water planning groups for the service area of the wholesale public water supplier to ensure consistency with the appropriate approved regional water plans.

(3) The drought contingency plan must include a description of the information to be monitored by the water supplier and specific criteria for the initiation and termination of drought response stages, accompanied by an explanation of the rationale or basis for such triggering criteria.

(4) The drought contingency plan must include a minimum of three drought or emergency response stages providing for the implementation of measures in response to water supply conditions during a repeat of the drought-of-record.

(5) The drought contingency plan must include the procedures to be followed for the initiation or termination of drought response stages, including procedures for notification of wholesale customers regarding the initiation or termination of drought response stages.

(6) The drought contingency plan must include specific, quantified targets for water use reductions to be achieved during periods of water shortage and drought. The entity preparing the plan shall establish the targets. The goals established by the entity under this paragraph are not enforceable.

(7) The drought contingency plan must include the specific water supply or water demand management measures to be implemented during each stage of the plan including, but not limited to, the following:

(A) pro rata curtailment of water deliveries to or diversions by wholesale water customers as provided in Texas Water Code, §11.039; and

(B) utilization of alternative water sources with the prior approval of the executive director as appropriate (e.g., interconnection with another water system, temporary use of a non-municipal water supply, use of reclaimed water for non-potable purposes, etc.).

(8) The drought contingency plan must include a provision in every wholesale water contract entered into or renewed after adoption of the plan, including contract extensions, that in case of a shortage of water resulting from drought, the water to be distributed shall be divided in accordance with Texas Water Code, §11.039.

(9) The drought contingency plan must include procedures for granting variances to the plan.

(10) The drought contingency plan must include procedures for the enforcement of any mandatory water use restrictions including specification of penalties (e.g., liquidated damages, water rate surcharges, discontinuation of service) for violations of such restrictions.

(b) The wholesale public water supplier shall notify the executive director within five business days of the implementation of any mandatory provisions of the drought contingency plan.

(c) The wholesale public water supplier shall review and update, as appropriate, the drought contingency plan, at least every five years, based on new or updated information, such as adoption or revision of the regional water plan.

Source Note: The provisions of this §288.22 adopted to be effective February 21, 1999, 24 TexReg 949; amended to be effective April 27, 2000, 25 TexReg 3544; amended to be effective October 7, 2004, 29 TexReg 9384

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APPENDIX C

Water Utility Profile Based on TCEQ Format



Texas Commission on Environmental Quality

PROFILE AND WATER CONSERVATION PLAN REQUIREMENTS FOR WHOLESALE PUBLIC WATER SUPPLIERS

This form is provided to assist wholesale public water suppliers in water conservation plan development. If you need assistance in completing this form or in developing your plan, please contact the conservation staff of the Resource Protection Team in the Water Availability Division at (512) 239-4691.

Name: Greater Texoma Utility Authority

Address: 5100 Airport Drive, Denison TX 75020

Telephone Number: (903) -7864433 Fax: (903) -7868211


Water Right No.(s): 4301

Regional Water Planning Group: C

Form Completed by: Drew Satterwhite, P.E.

Title: General Manager

Person responsible for implementing conservation program: Drew Satterwhite, P.E. Phone: (903) -7864433

Signature:  Date: 4/11/14

NOTE: If the plan does not provide information for each requirement, include an explanation of why the requirement is not applicable.

PROFILE

I. WHOLESALE SERVICE AREA POPULATION AND CUSTOMER DATA

A. Population and Service Area Data

1. Service area size (in square miles): 138.7
(Please attach a copy of service-area map)
2. Current population of service area: 65,438

3. Current population served for:

- a. Water 65,438
- b. Wastewater N/A

4. Population served for previous five years:

| Year | Population |
|------|------------|
| 2013 | 65,438 |
| 2012 | 61,748 |
| 2011 | 57,942 |
| 2010 | 57,105 |
| 2009 | 56,584 |

5. Projected population for service area in the following decades:

| Year | Population |
|------|------------|
| 2020 | 93,400 |
| 2030 | 126,600 |
| 2040 | 161,200 |
| 2050 | 201,272 |
| 2060 | 247,025 |

6. List source or method for the calculation of current and projected population size.
 Region C 2011 Water Plan and Census Data

B. Customers Data

List (or attach) the names of all wholesale customers, amount of annual contract, and amount of annual use for each customer for the previous year:

| | Wholesale Customer | Contracted Amount (acre-feet) | Previous Year Amount of Water Delivered (acre-feet) |
|----|--------------------|-------------------------------|---|
| 1. | Melissa | 182 | 285 |
| 2. | Anna | 182 | 58 |
| 3. | Van Alstyne | 182 | 0 |
| 4. | Howe | 182 | 0 |
| 5. | Sherman | 33,400 | 5,162.18 |

II. WATER USE DATA FOR SERVICE AREA

A. Water Delivery

Indicate if the water provided under wholesale contracts is treated or raw water and the annual amounts for the previous five years (in acre feet):

| Year | Treated Water | Raw Water |
|---------------|---------------|------------------|
| 2013 | 359 | 5,162.18 |
| 2012 | 248 | 4,166.60 |
| 2011 | 220 | 4,642.86 |
| 2010 | 204 | 3,954.59 |
| 2009 | 155 | 4,327.39 |
| Totals | 1186 | 22,253.62 |

B. Water Accounting Data

- Total amount of water diverted at the point of diversion(s) for the previous five years (in acre-feet) for all water uses:

| Year | 2013 | 2012 | 2011 | 2010 | 2009 |
|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <i>Month</i> | | | | | |
| January | 406.35 | 0 | 339.93 | 320.28 | 296.28 |
| February | 350.99 | 0 | 362.05 | 284.50 | 187.73 |
| March | 309.58 | 0 | 381.04 | 307.04 | 350.28 |
| April | 344.95 | 0 | 380.72 | 308.31 | 346.49 |
| May | 413.36 | 391.26 | 355.56 | 382.28 | 355.5 |
| June | 438.65 | 491.77 | 480.93 | 486.74 | 418.06 |
| July | 541.80 | 563.29 | 634.68 | 468.20 | 456.55 |
| August | 576.17 | 597.77 | 697.30 | 543.69 | 455.01 |
| September | 534.00 | 589.86 | 563.97 | 430.42 | 427.77 |
| October | 436.23 | 533.38 | 446.67 | 422.13 | 386.94 |
| November | 378.76 | 555.08 | 0 | 0 | 342.11 |
| December | 431.35 | 444.19 | 0 | 0 | 307.78 |
| Totals | 5,162.18 | 4,166.60 | 4,642.86 | 3,954.59 | 4,327.39 |

2. Wholesale population served and total amount of water diverted for **municipal use** for the previous five years (in acre-feet):

| Year | Total Population Served | Total Annual Water Diverted for Municipal Use |
|------|-------------------------|---|
| 2013 | 43,745 | 5,162.18 |
| 2012 | 43,203 | 4,166.60 |
| 2011 | 42,505 | 4,642.86 |
| 2010 | 42,250 | 3,954.59 |
| 2009 | 41,055 | 4,327.39 |

C. *Projected Water Demands*

If applicable, project and attach water supply demands for the next ten years using information such as population trends, historical water use, and economic growth in the service area over the next ten years and any additional water supply requirements from such growth.

III. **WATER SUPPLY SYSTEM DATA**

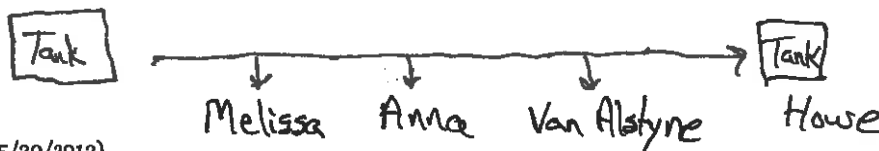
A. *Projected Water Demands*

List all current water supply sources and the amounts authorized (in acre feet) with each.

| Water Type | Source | Amount Authorized |
|---------------|---|-------------------|
| Surface Water | Lake Texoma | 83,200 |
| Groundwater | None | |
| Other | North Texas Municipal Water District Supply - Potable Water | 728 |

B. *Treatment and Distribution System (if providing treated water)*

- Design daily capacity of system (MGD): Up to 728 acre feet per year
- Storage capacity (MGD):
 - Elevated 0
 - Ground 0.75 MG
- Please attach a description of the water system. Include the number of treatment plants, wells, and storage tanks.



IV. WASTEWATER SYSTEM DATA

A. Wastewater System Data (if applicable)

1. Design capacity of wastewater treatment plant(s) (MGD): N/A
2. Briefly describe the wastewater system(s) of the area serviced by the wholesale public water supplier. Describe how treated wastewater is disposed. Where applicable, identify treatment plant(s) with the TCEQ name and number, the operator, owner, and the receiving stream if wastewater is discharged.

B. Wastewater Data for Service Area (if applicable)

1. Percent of water service area served by wastewater system: _____ %
2. Monthly volume treated for previous five years (in 1,000 gallons):

| <i>Year</i> | _____ | _____ | _____ | _____ | _____ |
|---------------|-------|-------|-------|-------|-------|
| <i>Month</i> | _____ | _____ | _____ | _____ | _____ |
| January | _____ | _____ | _____ | _____ | _____ |
| February | _____ | _____ | _____ | _____ | _____ |
| March | _____ | _____ | _____ | _____ | _____ |
| April | _____ | _____ | _____ | _____ | _____ |
| May | _____ | _____ | _____ | _____ | _____ |
| June | _____ | _____ | _____ | _____ | _____ |
| July | _____ | _____ | _____ | _____ | _____ |
| August | _____ | _____ | _____ | _____ | _____ |
| September | _____ | _____ | _____ | _____ | _____ |
| October | _____ | _____ | _____ | _____ | _____ |
| November | _____ | _____ | _____ | _____ | _____ |
| December | _____ | _____ | _____ | _____ | _____ |
| Totals | _____ | _____ | _____ | _____ | _____ |

V. ADDITIONAL REQUIRED INFORMATION

In addition to the description of the wholesaler's service area (profile from above), a water conservation plan for a wholesale public water supplier must include, at a minimum, additional information as required by Title 30, Texas Administrative Code, Chapter 288.5. Note: If the water conservation plan does not provide information for each requirement an explanation must be included as to why the requirement is not applicable.

A. Specific, Quantified 5 & 10-Year Targets

The water conservation plan must include specific, quantified five-year and ten-year targets for water savings including, where appropriate, target goals for municipal use in gallons per capita per day for the wholesaler's service area, maximum acceptable unaccounted-for water, and the basis for the development of these goals. Note that the goals established by wholesale water suppliers under this subparagraph are not enforceable.

B. Metering Devices

The water conservation plan must include a description as to which practice(s) and/or device(s) will be utilized to measure and account for the amount of water diverted from the source(s) of supply.

C. Record Management Program

The water conservation plan must include a monitoring and record management program for determining water deliveries, sales, and losses.

D. Metering/Leak-Detection and Repair Program

The water conservation plan must include a program of metering and leak detection and repair for the wholesaler's water storage, delivery, and distribution system.

E. Reservoir Systems Operations Plan

The water conservation plan must include a reservoir systems operations plan, if applicable, providing for the coordinated operation of reservoirs owned by the applicant within a common watershed or river basin. The reservoir systems operations plan shall include optimization of water supplies as one of the significant goals of the plan.

F. Contract Requirements for Successive Customer Conservation

The water conservation plan must include a requirement in every water supply contract entered into or renewed after official adoption of the water conservation plan, and including any contract extension, that each successive wholesale customer develop and implement a water conservation plan or water conservation measures using the applicable elements of Title 30 TAC Chapter 288. If the customer intends to resell the water, then the contract between the initial supplier and customer must provide that the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures in accordance with the provisions of this chapter.

G. Enforcement Procedure and Official Adoption

The water conservation plan must include a means for implementation and enforcement, which shall be evidenced by a copy of the ordinance, rule, resolution, or tariff, indicating official adoption of the water conservation plan by the water supplier; and a description of the authority by which the water supplier will implement and enforce the conservation plan.

H. Coordination with the Regional Water Planning Group(s)

The water conservation plan must include documentation of coordination with the regional water planning groups for the service area of the wholesale water supplier in order to ensure consistency with the appropriate approved regional water plans.

Example statement to be included within the water conservation plan:

The service area of the _____ (name of water supplier) is located within the _____ (name of regional water planning area or areas) and _____ (name of water supplier) has provided a copy of this water conservation plan to the _____ (name of regional water planning group or groups).

I. Plan Review and Update

A wholesale water supplier shall review and update its water conservation plan, as appropriate based on an assessment of previous five-year and ten-year targets and any other new or updated information. A wholesale water supplier shall review and update the next revision of its water conservation plan no later than May 1, 2009, and every five years after that date to coincide with the regional water planning group. The revised plan must also include an implementation report.

J. Additional Conservation Strategies

Any combination of the following strategies shall be selected by the water wholesaler, in addition to the minimum requirements of this chapter, if they are necessary in order to achieve the stated water conservation goals of the plan. The commission may require by commission order that any of the following strategies be implemented by the water supplier if the commission determines that the strategies are necessary in order for the conservation plan to be achieved:

1. Conservation-oriented water rates and water rate structures such as uniform or increasing block rate schedules, and/or seasonal rates, but not flat rate or decreasing block rates;
2. A program to assist agricultural customers in the development of conservation, pollution prevention and abatement plans;
3. A program for reuse and/or recycling of wastewater and/or graywater;
4. A cost-share program;
5. A technical assistance and outreach program;
6. A program for purchase and direct distribution of water conservation equipment; and
7. Any other water conservation practice, method, or technique which the wholesaler shows to be appropriate for achieving the stated goal or goals of the water conservation plan.

Best Management Practices

The Texas Water Developmental Board's (TWDB) Report 362 is the Water Conservation Best Management Practices (BMP) guide. The BMP Guide is a voluntary list of management practices that water users may implement in addition to the required components of Title 30, Texas Administrative Code, Chapter 288. The Best Management Practices Guide broken out by sector, including Agriculture, Commercial, and Institutional, Industrial, Municipal and Wholesale along with any new or revised BMP's can be found at the following link on the Texas Water Developments Board's website: <http://www.twdb.state.tx.us/conservation/bmps/index.asp>

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact 512-239-3282.

APPENDIX D

Annual Water Conservation Report

APPENDIX D
NTMWD MEMBER CITY AND CUSTOMER WATER CONSERVATION REPORT
 Due: March 31 of every year

Entity Reporting: Greater Texoma Utility Authority
 Filled Out By: Alan Moore
 Date Completed: 2/19/2014
 Year Covered: 2013
 # of Connections 2

Recorded Deliveries and Sales by Month (in Million Gallons):

| Month | Deliveries from NTMWD | Other Supplies | Sales by Category | | | | | Total |
|--------------|-----------------------|----------------|-------------------|------------|----------------------|------------|----------------|------------------|
| | | | Residential | Commercial | Public/Institutional | Industrial | Wholesale | |
| January | 0.024 | | | | | | 0 | 0 |
| February | 0.021 | | | | | | 0 | 0 |
| March | 1,506 | | | | | | 6 | 0 |
| April | 10.96 | | | | | | | |
| May | 17,745 | | | | | | 10,06 | 10,06 |
| June | 18,885 | | | | | | 16,443 | 16,445 |
| July | 16,024 | | | | | | 17,464 | 17,464 |
| August | 18,269 | | | | | | 16,186 | 16,186 |
| September | 20,742 | | | | | | 18,515 | 18,515 |
| October | 14,217 | | | | | | 19,411 | 19,411 |
| November | 0 | | | | | | 13,658 | 13,658 |
| December | 0 | | | | | | 0 | 0 |
| TOTAL | 118,393 | 0 | 0 | 0 | 0 | 0 | 111,739 | 0 111,739 |

Peak Day Usage

Peak Day (MG) 1.276 Total peak day use (Peak day delivery from NTMWD + other supplies)
 Average Day (MG) 0.324 Average day use (Annual deliveries from NTMWD + other supplies / 365 days)
 Peak/Average Day Ratio: 3.934 Total peak day use/average day use

Unaccounted Water (Million Gallons):

NTMWD Deliveries 118,393 from Table above
 Other Supplies 0 from Table above
 Total Supplies 118,393 from Table above
 Total Sales 111,739 from Table above
 Estimated Fire Use 0 estimated from best available data
 Estimated Line Flushing Use 6,878 estimated from best available data
 Unaccounted Water -0.224
 % Unaccounted 0.00%
 Goal for % Unaccounted 5.00%

Per Capita Use (Gallons per person per day) 6.654 from Table above (NTMWD deliveries+ other supplies - wholesale)
Total Use (MG) 6.654 from Table above (NTMWD deliveries+ other supplies - industrial sales - municipal sales - wholesale - municipal use (MG))
Municipal Use (MG) 6.654 other sales
 from Table above (NTMWD deliveries+ other supplies - commercial sales - public/institutional sales - residential use (MG))
Residential Use (MG) 6.654 industrial sales - municipal sales - wholesale - other sales
Estimated Population 14,099 Source: Google, for Melissa and Anna, Texas
Total Per Capita Use (gpcd) 1.29
Municipal Per Capita Use (gpcd) 1.29
Residential Per Capita Use (gpcd) 1.29
5-year Per Capita Goal ()
10-year Per Capita Goal ()

Recorded Wholesale Sales by Month (in Million Gallons):

| Month | Sales to City of Melissa | Sales to Anna | Sales to | Sales to | Sales to | Sales to | Sales to | Sales to | Total Wholesale Sales |
|--------------|--------------------------|---------------|----------|----------|----------|----------|----------|----------|-----------------------|
| January | 0 | 0 | | | | | | | 0 |
| February | 0 | 0 | | | | | | | 0 |
| March | 0 | 0 | | | | | | | 0 |
| April | 10.06 | 0 | | | | | | | 10.06 |
| May | 16.445 | 0 | | | | | | | 16.445 |
| June | 17.464 | 0 | | | | | | | 17.464 |
| July | 16.186 | 0 | | | | | | | 16.186 |
| August | 12.708 | 5.807 | | | | | | | 18.515 |
| September | 11.116 | 8.295 | | | | | | | 19.411 |
| October | 8.961 | 4.697 | | | | | | | 13.658 |
| November | 0 | 0 | | | | | | | 0 |
| December | 0 | 0 | | | | | | | 0 |
| TOTAL | 92.94 | 18.799 | 0 | 0 | 0 | 0 | 0 | 0 | 111.739 |

Information on Wholesale Customers:

| Customer | Estimated Population |
|----------|----------------------|
| Melissa | 8,544 |
| Anna | 8,555 |

APPENDIX E

TCEQ Conservation Implementation Report



Texas Commission on Environmental Quality

Water Conservation Implementation Report

This report must be completed by entities that are required to submit a water conservation plan to the TCEQ in accordance with Title 30 Texas Administrative Code, Chapter 288. Please complete this report and submit it to the TCEQ. If you need assistance in completing this form, please contact the Resource Protection Team in the Water Supply Division at (512) 239-4691.

Name: Greater Texoma Utility Authority

Address: 5100 Airport Drive, Denison TX 75020

Telephone Number: (903) 786-4433 **Fax:** (903) 786-8211

Form Completed By: Carolyn Bennett **Title:** Project Coordinator

Signature: Carolyn Bennett **Date:** 4/11/2014

I. WATER USES

Indicate the type(s) of water uses (example: municipal, industrial, or agricultural).

Municipal Use

_____ Use

_____ Use

II. WATER CONSERVATION MEASURES IMPLEMENTED

Provide the water conservation measures and the dates the measures were implemented.

Description of Water Conservation Measure: Public education program – water Conservation course “Learn to be Water Wise” for 4th grader classes (Major Rivers)

Date Implemented: Implemented in 2004, on-going – curriculum provided to area school districts annually.

Description of Water Conservation Measure: Developed model water conservation and drought contingency and water emergency response plans for customers, with their input

Date Implemented: April 2009, Revisions to model plans April 2014

Description of Water Conservation Measure: Placement of bumper stickers on GTUA vehicles

Date Implemented: April 2009

II. TARGETS

- A. Provide the **specific and quantified five and ten-year targets** as listed in water conservation plan for previous planning period.

5-Year Specific/Quantified Target:

- (1) Keep level of unaccounted water below 5%
- (2) Achieve 2019 per capita use of 140 gpcd or less

Date to achieve targets: 2019

10-Year Specific/Quantified Target:

- (1) Keep level of unaccounted water below 5%
- (2) Achieve per capita municipal water use of 135 gpcd or less

Date to achieve target: 2024

- B. State if these targets in the water conservation plan are being met.

Unaccounted water level below 5% in 2013.

Unable to control water use of customers, therefore do not have a direct relationship with the retail customers whom are the ultimate consumers of the water. Per capita municipal water use goals are set and implemented by encouraging customers to set a per capita water use at this number.

- C. List the actual amount of water saved.

Unknown

- D. If the targets are not being met, provide an explanation as to why, including any progress on the targets.

Targets and goals are anticipated to be met.

If you have any questions on how to fill out this form or about the Water Conservation program, please contact us at 512/239-4691.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact us at 512-239-3282.

APPENDIX F

Letter to Region C Water Planning Group



GREATER TEXOMA UTILITY AUTHORITY

5100 AIRPORT DRIVE
DENISON, TEXAS 75020-8448
903/786-4433
FAX: 903/786-8211
www.gtua.org

August 18, 2014

Region C Water Planning Group
North Texas Municipal Water District
P.O. Box 2408
Wylie, TX 75098

Re: Greater Texoma Utility Authority Amended Water Conservation and Water
Resource and Emergency Management Plan

Dear Sir or Madam:

Enclosed please find a copy of the recently amended Water Conservation and Water Resource and Emergency Management Plan. The plan was amended subsequent to Texas Commission on Environmental Quality review to address the Texas Water Code §11.039 – Distribution of Water During Shortage. I am submitting a copy of this plan to the Region C Water Planning Group in accordance with the Texas Water Development Board and Texas Commission on Environmental Quality rules. The Board of Directors of the Greater Texoma Utility Authority adopted the amended Water Conservation and Water Resource and Emergency Management Plan on August 18, 2014.

Sincerely,

Drew Satterwhite, P.E.
General Manager

DS:cb

APPENDIX G

**Resolution Adopting Water Conservation and Water Resource and
Emergency Management Plan**

RESOLUTION NO. 1222

A RESOLUTION BY THE BOARD OF DIRECTORS OF GREATER TEXOMA UTILITY AUTHORITY ADOPTING THE AMENDED GREATER TEXOMA UTILITY AUTHORITY WATER CONSERVATION AND WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN TO PROMOTE THE RESPONSIBLE USE OF WATER AND TO PROVIDE FOR PENALITIES AND/OR THE DISCONNECTION OF WATER SERVICE FOR NONCOMPLIANCE WITH THE PROVISIONS OF THE WATER CONSERVATION AND WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN

WHEREAS, the Greater Texoma Utility Authority ("GTUA") has previously adopted a Water Conservation and Water Resource and Emergency Management Plan; and

WHEREAS, GTUA recognizes that the amount of water available to its water customers is limited; and

WHEREAS, GTUA recognizes that due to natural limitations, drought conditions, system failures, and other acts of God that may occur, GTUA cannot guarantee an uninterrupted water supply for all purposes at all times; and

WHEREAS, the Water Code and the regulations of the Texas Commission on Environmental Quality ("TCEQ") require that GTUA adopt a Water Conservation and Water Resource and Emergency Management Plan; and

WHEREAS, the GTUA has determined an urgent need in the best interest of the public to adopt a Water Conservation and Water Response and Emergency Management Plan; and

WHEREAS, pursuant to Chapter 49 of the Water Code, GTUA is authorized to adopt such policies necessary to preserve and conserve its water resources; and

WHEREAS, the Plan adopted in April 2014 has been amended to address the Texas Water Code §11.039 regarding distribution of water during shortage;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF GREATER TEXOMA UTILITY AUTHORITY THAT:

SECTION 1: The Board of Directors hereby approves and adopts the amended Water Conservation and Water Resource and Emergency Management Plan for GTUA dated August 18, 2014 attached hereto as Appendix A, as if recited verbatim herein. The GTUA commits to implement the requirements and procedures set forth in the adopted Plan.

SECTION 2: All resolutions that are in conflict with the provisions of this resolution be, and the same are hereby, repealed and all other resolutions of the GTUA not in conflict with the provisions of this resolution shall remain in full force and effect.


SECTION 3: It is hereby declared to be the intention of the Board of Directors of GTUA that the sections, paragraphs, sentences, clauses, and phrases of this resolution are severable and, if any phrase, clause, sentence, paragraph, or section of this resolution shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of the resolution, since the same would have been enacted by the Board of Directors without the incorporation of this resolution of such unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION 4: This resolution shall take effect immediately from and after its passage.

SECTION 5: The Board of Directors does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting adopting this Resolution was posted at a designated place convenient to the public for the time required by law preceding the meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the posting thereof.


SECTION 6: The General Manager or their designee is hereby directed to file a copy of the Plan and this Resolution with the TCEQ in accordance with Title 30, Chapter 288 of the Texas Administrative Code.

PASSED AND APPROVED this the 18th day of August 2014.



Vice President
Board of Directors
Greater Texoma Utility Authority

ATTEST:



Secretary-Treasurer
Board of Directors
Greater Texoma Utility Authority

APPENDIX H

Public Notice

PUBLIC NOTICE

The Greater Texoma Utility Authority will conduct a public meeting at 12:30 p.m. on Monday, August 18, 2014 for the purpose of receiving input from the public in preparation of the Amended Greater Texoma Utility Authority Water Conservation and Water Resource and Emergency Management Plan. The public meeting will take place in the Boardroom, located at 5100 Airport Drive, Denison, Texas 75020.

APPENDIX I

Model Plans for Customer Cities

**MODEL WATER RESOURCE AND EMERGENCY
MANAGEMENT PLAN
GREATER TEXOMA UTILITY AUTHORITY
MEMBER CITIES AND CUSTOMERS
RECEIVING TREATED WATER**

AUGUST 2014

Prepared by:

**GREATER TEXOMA UTILITY AUTHORITY
5100 Airport Drive
Denison TX 75020
903-786-4433**

FORWARD

This Model Water Resource and Emergency Management Plan (which is an update to the previous Drought Contingency and Water Emergency Response Plan) was drafted utilizing the Model Water Resource and Emergency Management Plan prepared by Freese and Nichols for the North Texas Municipal Water District (NTMWD). Greater Texoma Utility Authority (GTUA) is a customer of the NTMWD and receives treated water from the NTMWD for delivery to several GTUA Member Cities and Customers. This Model Plan is intended to be used by GTUA Member Cities and Customers receiving treated water from the GTUA via NTMWD as a guide as they develop their own Water Resource and Emergency Management Plans. This plan was prepared pursuant to Texas Commission on Environmental Quality rules. Some material is based on the existing drought contingency plans listed in Appendix A.

This Water Resource and Emergency Management plan is based on the Texas Administrative Code in effect on June 25, 2013.

**WATER RESOURCE AND EMERGENCY
MANAGEMENT PLAN
INSERT ENTITY NAME**

AUGUST 2014

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APPENDICES

APPENDIX A List of References

APPENDIX B Texas Commission on Environmental Quality Rules on Drought Contingency Plans

- Texas Administrative Code Title 30, Part 1, Chapter 288, Subchapter B, Rule §288.20 – Drought Contingency Plans for Municipal Uses by Public Water Suppliers

APPENDIX C Letter to Region C Water Planning Groups and GTUA

APPENDIX D Adoption of Water Resource and Emergency Management Plan

- Municipal Ordinance Adopting Water Resource and Emergency Management Plan
- Municipal Utility District Order Adopting Water Resource and Emergency Management Plan
- Special Utility District Order Adopting Water Resource and Emergency Management Plan
- Water Supply Corporation Resolution Adopting Water Resource and Emergency Management Plan

1. INTRODUCTION AND OBJECTIVES

This document has been prepared as a Model Water Resource and Emergency Management Plan, intended to be available for use by Greater Texoma Utility Authority (GTUA) Member Cities and Customers. GTUA is making the model plan available to Member Cities and Customers receiving treated water from GTUA, which is received by GTUA from NTMWD. This model plan addresses all of the current TCEQ requirements for a drought contingency plan¹.

The measures included in this Model Water Resource and Emergency Management Plan are intended to provide short-term water savings during drought or emergency conditions. Water savings associated with ongoing, long-term strategies are discussed in the *Model Water Conservation Plan for Greater Texoma Utility Authority Member Cities and Customers*.²

The purpose of this model Water Resource and Emergency Management plan is as follows:

- To conserve the available water supply in times of drought and emergency
- To maintain supplies for domestic water use, sanitation, and fire protection
- To protect and preserve public health, welfare, and safety
- To minimize the adverse impacts of water supply shortages
- To minimize the adverse impacts of emergency water supply conditions.

The GTUA supplies treated potable water to GTUA Member Cities and Customers with treated water received from NTMWD. In order to adopt this model plan, each GTUA Member City and Customer will need to adopt ordinance(s) or regulation(s) implementing the plan, including the determination of fines and enforcement procedures. The model plan calls for Member Cities and Customers to adopt water resource management stages initiated by GTUA during a drought or water supply emergency. Member Cities and Customers may also adopt more stringent water resource management stages than GTUA if conditions warrant.

In the absence of drought response measures, water demands tend to increase during a drought due to increased outdoor irrigation. The severity of a drought depends on the degree of depletion of supplies and on the relationship of demand to available supplies.

¹ Superscripted numbers match references listed in Appendix A.

2. DEFINITIONS

1. **AQUATIC LIFE** means a vertebrate organism dependent upon an aquatic environment to sustain its lifeⁱ.
2. **ATHLETIC FIELD** means a public sports competition field, the essential feature of which is turf grass, used primarily for organized sports practice, competition or exhibition events for schools, professional sports, or sanctioned league playⁱⁱ.
3. **COMMERCIAL FACILITY** business or industrial buildings and the associated landscaping, but does not include the fairways, greens, or tees of a golf courseⁱ.
4. **COMMERCIAL VEHICLE WASH FACILITY** means a permanently-located business that washes vehicles or other mobile equipment with water or water-based products, including but not limited to self-service car washes, full service car washes, roll-over/in-bay style car washes, and facilities managing vehicle fleets or vehicle inventoryⁱ.
5. **COOL SEASON GRASSES** are varieties of turf grass that grow best in cool climates primarily in northern and central regions of the U.S. Cool season grasses include perennial and annual rye grass, Kentucky blue grass and fescuesⁱⁱⁱ.
6. **CUSTOMERS** include those entities to whom GTUA provides water on a customer basis that are not members of GTUA.
7. **DESIGNATED OUTDOOR WATER USE DAY** means a day prescribed by rule on which a person is permitted to irrigate outdoorsⁱ.

ⁱ Definitions from City of Austin Water Conservation and Drought Contingency Ordinance adopted August 16, 2012.
http://www.austintexas.gov/sites/default/files/files/Water/Conservation/Planning_and_Policy/ProposedCodeRevision_DRAFT_with_watering_schedule-8-15-2012.pdf

ⁱⁱ Definition from City of San Antonio Water Conservation Ordinance adopted 2005.
http://saws.org/conservation/ordinance/docs/Ch34_Ordinance_2009.pdf

ⁱⁱⁱ Definition developed by Freese and Nichols, Inc.

8. DRIP IRRIGATION is a type of micro-irrigation system that operates at low pressure and delivers water in slow, small drips to individual plants or groups of plants through a network of plastic conduits and emitters; also called trickle irrigation.^{iv}
9. DROUGHT, for the purposes of this report, means an extended period of time when an area receives insufficient amounts of rainfall to replenish the water supply, causing water supply sources (in this case reservoirs) to be depleted^v.
10. EVAPOTRANSPIRATION abbreviated as ET represents the amount of water lost from plant material to evaporation and transpiration. The amount of ET can be estimated based on the temperature, wind, and relative humidityⁱⁱⁱ.
11. ET/SMART CONTROLLERS are irrigation controllers that adjust their schedule and run times based on weather (ET) data. These controllers are designed to replace the amount of water lost to evapotranspirationⁱⁱⁱ.
12. PRESIDENT means the President of the Greater Texoma Utility Authority Board of Directorsⁱⁱⁱ.
13. FOUNDATION WATERING means an application of water to the soils directly abutting the foundation of a building structureⁱ.
14. MEMBER CITIES include the cities of Anna, Howe and Van Alstyne Texas.
15. NEW LANDSCAPE means vegetation: installed at the time of the construction of a residential or commercial facility; installed as part of a governmental entity's capital improvement project; installed to stabilize an area disturbed by constructionⁱ.
16. ORNAMENTAL FOUNTAIN means an artificially created structure (up to six feet in diameter) from which a jet, stream, valves and emission devices or flow of water emanates and is not typically utilized for the preservation of aquatic lifeⁱ.

^{iv} Amy Vickers: Handbook of Water Use and Conservation, Amherst Massachusetts, June 2002

^v Freese and Nichols, Inc.: Water Conservation and Drought Contingency and Water Emergency Response Plan, prepared for North Texas Municipal Water District, Fort Worth, March 2008.

17. PERMANENTLY INSTALLED IRRIGATION SYSTEM means a custom-made, site-specific system of delivering water generally for landscape irrigation via a system of pipes or other conduits installed below groundⁱ.
18. RAIN/FREEZE SENSOR means a device designed to stop the flow of water to an automatic irrigation system when rainfall or freeze event has been detectedⁱⁱ.
19. RECLAIMED WATER means reclaimed municipal wastewater that has been treated to a quality that meets or exceeds the minimum standards of the 30 Texas Administrative Code, Chapter 210 and is used for lawn irrigation, industry, or other non-potable purposesⁱ.
20. SOAKER HOSE means a perforated or permeable garden-type hose or pipe that is laid above ground that provides irrigation at a slow and constant rateⁱ.
21. SPRINKLER means an above-ground water distribution device that may be attached to a garden hoseⁱ.
22. SWIMMING POOL means any structure, basin, chamber, or tank including hot tubs, containing an artificial body of water for swimming, diving, or recreational bathing, and having a depth of two (2) feet or more at any pointⁱⁱ.
23. WATER RESOURCE MANAGEMENT PLAN means a strategy or combination of strategies for temporary supply management and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies required by Texas Administrative Code Title 30, Chapter 288, Subchapter B. This is sometimes called a drought contingency planⁱ

3. TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES

The TCEQ rules governing development of drought contingency plans for public water suppliers are contained in Title 30, Part 1, Chapter 288, Subchapter B, Rule 288.20 of the Texas Administrative Code, a current copy of which is included in Appendix B. For the purpose of these rules, a drought contingency plan is defined as “a strategy or combination of strategies for temporary supply and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies.”¹

Minimum Requirements

TCEQ’s minimum requirements for drought contingency plans are addressed in the following subsections of this report:

- 288.20(a)(1)(A) – Provisions to Inform the Public and Provide Opportunity for Public Input – Section 4.1
- 288.20(a)(1)(B) – Provisions for Continuing Public Education and Information – Section 4.2
- 288.20(a)(1)(C) – Coordination with the Regional Water Planning Group – Section 4.6
- 288.20(a)(1)(D) – Criteria for Initiation and Termination of Water Resource Management Stages – Section 4.3
- 288.20(a)(1)(E) – Water Resource Management Stages – Section 4.3
- 288.20(a)(1)(F) – Specific, Quantified Targets for Water Use Reductions – Section 4.3
- 288.20(a)(1)(G) – Water Supply and Demand Management Measures for Each Stage – Section 4.3
- 288.20(a)(1)(H) – Procedures for Initiation and Termination of Water Resource Management Stages – Section 4.3
- 288.20(a)(1)(I) - Procedures for Granting Variances – Section 4.4
- 288.20(a)(1)(J) - Procedures for Enforcement of Mandatory Restrictions – Section 4.5
- 288.20(a)(3) – Consultation with Wholesale Supplier – Sections 1, 4.2, and 4.3
- 288.20(b) – Notification of Implementation of Mandatory Measures – Section 4.3
- 288.20(c) – Review and Update of Plan – Section 4.7

4. WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN

4.1 PROVISIONS TO INFORM THE PUBLIC AND OPPORTUNITY FOR PUBLIC INPUT

Member Cities and Customers will provide opportunity for public input in the development of this Water Resource and Emergency Management Plan by the following means:

- Providing written notice of the proposed plan and the opportunity to comment on the plan by newspaper, posted notice, and notice on the supplier's web site (if available).
- Making the draft plan available on the supplier's web site (if available).
- Providing the draft plan to anyone requesting a copy.
- Holding a public meeting.

4.2 PROVISIONS FOR CONTINUING PUBLIC EDUCATION AND INFORMATION

Member Cities and Customers will inform and educate the public about the Water Resource and Emergency Management Plan by the following means:

- Preparing a bulletin describing the plan and making it available at city hall and other appropriate locations.
- Making the plan available to the public through the supplier's web site (if available).
- Including information about the Water Resource and Emergency Management Plan on the supplier's web site (if available).
- Notifying local organizations, schools, and civic groups that staff are available to make presentations on the Water Resource and Emergency Management Plan (usually in conjunction with presentations on water conservation programs).
- At any time that the Water Resource and Emergency Management Plan is activated or the Water Resource and Emergency Management Plan changes, Member Cities and Customers will notify local media of the issues, the water resource management stage (if applicable), and the specific actions required of the public. The information will also be publicized on the supplier's web site (if available). Billing inserts will also be used as appropriate.

4.3 INITIATION AND TERMINATION OF WATER RESOURCE AND EMERGENCY MANAGEMENT STAGES

Initiation of a Water Resource Management Stage

The City Manager, General Manager, Mayor, Chief Executive, or official designee may order the implementation of a water resource management stage when one or more of the trigger conditions for that stage is met. The following actions will be taken when a water resource management stage is initiated:

- The public will be notified through local media and the supplier's web site (if available) as described in Section 4.2.
- Wholesale customers (if any) and the GTUA will be notified by e-mail with a follow-up letter or fax that provides details of the reasons for initiation of the water resource management stage.
- If any mandatory provisions of the Water Resource and Emergency Management Plan are activated, Member Cities and Customers will notify the Executive Director of the TCEQ and the President of the GTUA within 5 business days.
- Water Resource and Emergency Management Plan stages imposed by GTUA action must be initiated by Member Cities and Customers.
- For other trigger conditions internal to a city or water supply entity, the City Manager, General Manager, Mayor, Chief Executive, or official designee may decide not to order the implementation of a water resource management stage or water emergency even though one or more of the trigger criteria for the stage are met. Factors which could influence such a decision include, but are not limited to, the time of the year, weather conditions, the anticipation of replenished water supplies, or the anticipation that additional facilities will become available to meet needs. The reason for this decision should be documented.

Termination of a Water Resource Management Stage

The City Manager, General Manager, Mayor, Chief Executive, or official designee may order the termination of a water resource management stage when the conditions for termination are met or at

their discretion. The following actions will be taken when a water resource management stage is terminated:

- The public will be notified through local media and the supplier's web site (if available) as described in Section 4.2.
- Wholesale customers (if any) and the GTUA will be notified by e-mail with a follow-up letter or fax.
- If any mandatory provisions of the Water Resource and Emergency Management plan that have been activated are terminated, Member Cities and Customers will notify the Executive Director of the TCEQ and the President of the GTUA within 5 business days.

The City Manager, General Manager, Mayor, Chief Executive, or official designee may decide not to order the termination of a water resource management stage even though the conditions for termination of the stage are met. Factors which could influence such a decision include, but are not limited to, the time of the year, weather conditions, or the anticipation of potential changed conditions that warrant the continuation of the water resource management stage. The reason for this decision should be documented.

Water Resource and Emergency Management Plan Stages and Measures

Stage 1

Initiation and Termination Conditions for Stage 1

- The GTUA has initiated Stage 1, which may be initiated due to one or more of the following:
 - The GTUA President, with the concurrence of the GTUA Board of Directors, finds that conditions warrant the declaration of Stage 1.
 - NTMWD has initiated Stage 1.
 - GTUA water demand exceeds 95 percent of the amount that can be delivered to customers for three consecutive days
 - GTUA water demand for all or part of the delivery system equals delivery capacity because delivery capacity is inadequate.
 - GTUA's supply source becomes contaminated.

- Supply source is interrupted or unavailable due to invasive species.
- GTUA's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Member City or Customer's water demand exceeds 95 percent of the amount that can be delivered to customers for three consecutive days.
- Member City or Customer's water demand for all or part of the delivery system equals delivery capacity because delivery capacity is inadequate.
- Member City or Customer's source becomes contaminated.
- Member City or Customer's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Member City or Customer's individual plan may be implemented if other criteria dictate.

Stage 1 may terminate when GTUA terminates its Stage 1 condition or when the circumstances that caused the initiation of Stage 1 no longer prevail.

Goal for Use Reduction and Actions Available under Stage 1

The goal for water use reduction under Stage 1 is a five percent (5%) reduction in the amount of water produced by GTUA from the previous annual payment period prior to drought restrictions. **If circumstances warrant or if required by GTUA, the City Manager, General Manager, Mayor, Chief Executive, or official designee can set a goal for greater or lesser water use reduction.** The City Manager, General Manager, Mayor, Chief Executive, or official designee may order the implementation of any or all of the actions listed below, as deemed necessary to achieve a five percent reduction. Measures described as "requires notification to TCEQ" impose mandatory requirements on customers. The supplier must notify TCEQ and GTUA within five business days if these measures are implemented:

- Continue actions in the water conservation plan.
- Notify wholesale customers of actions being taken and request them to implement similar procedures.
- Initiate engineering studies to evaluate alternatives should conditions worsen.
- Further accelerate public education efforts on ways to reduce water use.

- Halt non-essential city government water use. (Examples include street cleaning, vehicle washing, operation of ornamental fountains, etc.)
- Encourage the public to wait until the current drought or emergency situation has passed before establishing new landscaping.
- All users are encouraged to reduce the frequency of draining and refilling swimming pools.
- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems at each service address to no more than two days per week on designated days between April 1 – October 31. Limit landscape watering with sprinklers or irrigation systems at each service address to once every week on designated days between November 1 – March 31. Exceptions are as follows:
 - An exception is allowed for landscape associated with new construction that may be watered as necessary for 30 days from the installation of new landscape features.
 - An exemption is also allowed for registered and properly functioning ET/Smart irrigation systems and drip irrigation systems from the designated outdoor water use days limited to no more than two days per week. ET/Smart irrigation and drip irrigation systems are however subject to all other restrictions applicable under this stage.
 - An exception for additional watering of landscape may be provided by hand held hose with shutoff nozzle, use of dedicated irrigation drip zones, and/or soaker hose provided no runoff occurs.
 - Foundations, new landscaping, new plantings (first year) of shrubs, and trees (within a ten foot radius of its trunk) may be watered by a hand-held hose, a soaker hose, or a dedicated zone using a drip irrigation system provided no runoff occurs.
- **Requires Notification to TCEQ** - Initiate a rate surcharge for all water use over a certain level.
- **Requires Notification to TCEQ** – Landscape watering of parks, golf courses and athletic fields using potable water are required to meet the same reduction goals and measures outlined in this stage. Exception for golf course greens and tee boxes which may be hand watered as needed.

Stage 2

Initiation and Termination Conditions for Stage 2

- The GTUA has initiated Stage 2, which may be initiated due to one or more of the following:
 - The GTUA President, with the concurrence of the GTUA Board of Directors, finds that conditions warrant the declaration of Stage 2.
 - NTMWD has initiated Stage 2.
 - GTUA water demand exceeds 98 percent of the amount that can be delivered to customers for three consecutive days.
 - GTUA water demand for all or part of the delivery system exceeds delivery capacity because delivery capacity is inadequate.
 - GTUA's supply source becomes contaminated.
 - GTUA's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Member City or Customer's water demand exceeds 98 percent of the amount that can be delivered to customers for three consecutive days.
- Member City or Customer's water demand for all or part of the delivery system exceeds delivery capacity because delivery capacity is inadequate.
- Supply source becomes contaminated.
- Supply source is interrupted or unavailable due to invasive species.
- Member City or Customer's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Member City or Customer's individual plan may be implemented if other criteria dictate.
- Stage 2 may terminate when GTUA terminates its Stage 2 condition or when the circumstances that caused the initiation of Stage 2 no longer prevail.

Goals for Use Reduction and Actions Available under Stage 2

The goal for water use reduction under Stage 2 is a reduction of ten percent (10%) in the amount of water obtained from GTUA from the previous annual payment period prior to drought restrictions. **If**

circumstances warrant or if required by GTUA, the City Manager, General Manager, Mayor, Chief Executive, or official designee can set a goal for greater or lesser water use reduction. The City Manager, General Manager, Mayor, Chief Executive, or official designee may order the implementation of any or all of the actions listed below, as deemed necessary to achieve a ten percent reduction. Measures described as “requires notification to TCEQ” impose mandatory requirements on customers. The supplier must notify TCEQ and GTUA within five business days if these measures are implemented:

- Continue or initiate any actions available under Stage 1.
- Notify wholesale customers of actions being taken and request them to implement similar procedures.
- Implement viable alternative water supply strategies.
- All users are encouraged to reduce the frequency of draining and refilling swimming pools.
- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems at each service address to once per week on designated days between April 1 – October 31. Limit landscape watering with sprinklers or irrigation systems at each service address to once every other week on designated days between November 1 – March 31. Exceptions are as follows:
 - New construction may be watered as necessary for 30 days from the date of the installation of new landscape features. .
 - Foundations, new plantings (first year) of shrubs, and trees (within a ten foot radius of its trunk) may be watered for up to two hours on any day by a hand-held hose, a dedicated zone using a drip irrigation system and/or soaker hose provided no runoff occurs.
 - Public athletic fields used for competition may be watered twice per week.
 - Locations using alternative sources of water supply only for irrigation may irrigate without day of the week restrictions provided proper signage is employed. However, irrigation using alternative sources of supply is subject all other restrictions applicable to this stage. If the alternative supply source is a well, proper proof of well registration with the North Texas Groundwater Conservation District or Red River Ground Water

Conservation District is required. Other sources of water supply may not include imported treated water.

- An exemption is allowed for registered and properly functioning ET/Smart irrigation systems and drip irrigation systems from the designated outdoor water use day limited to no more than one day per week. ET/Smart irrigation and drip irrigation systems are however subject to all other restrictions applicable under this stage.
- Hand watering with shutoff nozzle, drip lines, and soaker hoses is allowed before 10 am and after 6 pm provided no runoff occurs.
- **Requires Notification to TCEQ** – Prohibit hydro seeding, hydro mulching, and sprigging.
- **Requires Notification to TCEQ** - Initiate a rate surcharge as requested by GTUA.
- **Requires Notification to TCEQ** - Initiate a rate surcharge for all water use over a certain level.
- **Requires Notification to TCEQ** – If GTUA has imposed a reduction in water available to Member Cities and Customers, impose the same percent reduction on wholesale customers.
- **Requires Notification to TCEQ** – Landscape watering of parks and golf courses using potable water are required to meet the same reduction goals and measures outlined in this stage. Exception for golf course greens and tee boxes which may be hand watered as needed.

Stage 3

Initiation and Termination Conditions for Stage 3

- The GTUA has initiated Stage 3, which may be initiated due to one or more of the following:
 - The GTUA President, with the concurrence of the GTUA Board of Directors, finds that conditions warrant the declaration of Stage 3.
 - NTMWD has initiated Stage 3.
 - GTUA water demand exceeds the amount that can be delivered to customers.
 - GTUA water demand for all or part of the delivery system seriously exceeds delivery capacity because the delivery capacity is inadequate.
 - GTUA's supply source becomes contaminated.

- GTUA's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Member City or Customer's water demand exceeds the amount that can be delivered to customers.
- Member City or Customer's water demand for all or part of the delivery system seriously exceeds delivery capacity because the delivery capacity is inadequate.
- Supply source becomes contaminated.
- Member City or Customer's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Member City or Customer's individual plan may be implemented if other criteria dictate.
- Stage 3 may terminate when GTUA terminates its Stage 3 condition or when the circumstances that caused the initiation of Stage 3 no longer prevail.

Goals for Use Reduction and Actions Available under Stage 3

The goal for water use reduction under Stage 3 is a reduction of whatever amount is necessary in the amount of water obtained from GTUA from the previous annual payment period prior to drought restrictions. **If circumstances warrant or if required by GTUA, the City Manager, General Manager, Mayor, Chief Executive, or official designee can set a goal for greater or lesser water use reduction.**

The City Manager, General Manager, Mayor, Chief Executive, or official designee may order the implementation of any or all of the actions listed below, as deemed necessary. Measures described as "requires notification to TCEQ" impose mandatory requirements on member cities and customers. The supplier must notify TCEQ and GTUA within five business days if these measures are implemented.

- Continue or initiate any actions available under Stages 1, and 2.
- Notify wholesale customers of actions being taken and request them to implement similar procedures.
- Implement viable alternative water supply strategies.
- **Requires Notification to TCEQ** – Initiate mandatory water use restrictions as follows:

- Hosing and washing of paved areas, buildings, structures, windows or other surfaces is prohibited except by variance and performed by a professional service using high efficiency equipment.
- Prohibit operation of ornamental fountains or ponds that use potable water except where supporting aquatic life or water quality.
- **Requires Notification to TCEQ – Prohibit new sod, hydro seeding, hydro mulching, and sprigging.**
- **Requires Notification to TCEQ – Prohibit the use of potable water for the irrigation of new landscaping.**
- **Requires Notification to TCEQ – Prohibit all commercial and residential landscape watering, except that foundations and trees (within a ten foot radius of its trunk) may be watered for two hours one day per week with a hand-held hose, a dedicated zone using a drip irrigation system and/or soaker hose provided no runoff occurs. ET/Smart irrigation systems and drip irrigation systems are not exempt from this requirement.**
- **Requires Notification to TCEQ – Prohibit washing of vehicles except at commercial vehicle wash facilities.**
- **Requires Notification to TCEQ – Landscape watering of parks, golf courses, and athletic fields with potable water is prohibited. Exception for golf course greens and tee boxes which may be hand watered as needed. Variances may be granted by the water provider under special circumstances.**
- **Requires Notification to TCEQ – Prohibit the filling, draining and refilling of existing swimming pools, wading pools, Jacuzzi and hot tubs except to maintain structural integrity, proper operation and maintenance or to alleviate a public safety risk. Existing pools may add water to replace losses from normal use and evaporation. Permitting of new swimming pools, wading pools, Jacuzzi and hot tubs is prohibited.**
- **Requires Notification to TCEQ – Prohibit the operation of interactive water features such as water sprays, dancing water jets, waterfalls, dumping buckets, shooting water cannons, or splash pads that are maintained for public recreation.**

- **Requires Notification to TCEQ** – Require all commercial water users to reduce water use by a percentage established by the City Manager, General Manager, Mayor, Chief Executive, or official designee.
- **Requires Notification to TCEQ** – If GTUA has imposed a reduction in water available to Member Cities and Customers, impose the same percent reduction on wholesale customers.
- **Requires Notification to TCEQ** - Initiate a rate surcharge for all water use over normal rates for all water use.

4.4 TEXAS WATER CODE §11.039 – DISTRIBUTION OF WATER DURING SHORTAGE

- In the event of an identified water shortage declaration, the City Manager, General Manager, Mayor, Chief Executive or official designee will distribute water to wholesale customers according to the Texas Water Code §11.039.
- The City Manager, General Manager, Mayor, Chief Executive or official designee will require a provision in every wholesale water contract entered into or renewed after adoption of the plan, including contract extensions, that in case of a shortage of water resulting from drought, the water to be distributed shall be divided in accordance with Texas Water Code §11.039.

4.5 PROCEDURES FOR GRANTING VARIANCES TO THE PLAN

The City Manager, General Manager, Mayor, Chief Executive, or official designee may grant temporary variances for existing water uses otherwise prohibited under this Water Resource and Emergency Management Plan if one or more of the following conditions are met:

- Failure to grant such a variance would cause an emergency condition adversely affecting health, sanitation, or fire safety for the public or the person or entity requesting the variance.
- Compliance with this plan cannot be accomplished due to technical or other limitations.
- Alternative methods that achieve the same level of reduction in water use can be implemented.
- Variances shall be granted or denied at the discretion of the City Manager, General Manager, Mayor, Chief Executive, or official designee. All petitions for variances should be in writing and should include the following information:

- Name and address of the petitioners
- Purpose of water use
- Specific provisions from which relief is requested
- Detailed statement of the adverse effect of the provision from which relief is requested
- Description of the relief requested
- Period of time for which the variance is sought
- Alternative measures that will be taken to reduce water use
- Other pertinent information.

4.6 PROCEDURES FOR ENFORCING MANDATORY WATER USE RESTRICTIONS

Mandatory water use restrictions may be imposed in Stage 1, Stage 2 and Stage 3 Water Resource and Emergency Management Plan stages. The penalties associated with the mandatory water use restrictions will be determined by each entity.

Appendix D contains potential ordinances, resolutions, and orders that may be adopted by the city council, board, or governing body approving the Water Resource and Emergency Management plan and water response plan, including enforcement of same.

4.7 COORDINATION WITH THE REGIONAL WATER PLANNING GROUP AND GTUA

Appendix C includes a copy of a letter sent to the Chair of the Region C Water Planning Group with this Water Resource and Emergency Management Plan.

The Member City or Customer will send a draft of its ordinance(s) or other regulation(s) implementing this plan to GTUA for their review and comment. The Member City or Customer will also send the final ordinance(s) or other regulation(s) to GTUA.

4.8 REVIEW AND UPDATE OF WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN

As required by TCEQ rules, Member Cities and Customers must review the Water Resource and Emergency Management plan every five years. The plan will be updated as appropriate based on new or updated information.

APPENDIX A
LIST OF REFERENCES

APPENDIX A

LIST OF REFERENCES

1. Texas Commission on Environmental Quality Annual Report.
http://www.tceq.texas.gov/permitting/water_rights/conserve.html#imple
2. Title 30 of the Texas Administrative Code, Part 1, Chapter 288, Subchapter A, Rules 288.1 and 288.5, and Subchapter 8, Rule 288.22, downloaded from
[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac_view=4&ti=30&pt=1&ch=288](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=30&pt=1&ch=288),
June 2013.
3. Water Conservation Implementation Task Force: "Texas Water Development Board Report 362, Water Conservation Best Management Practices Guide," prepared for the Texas Water Development Board, Austin, November 2004.
4. Water Conservation Advisory Council: Guidance and Methodology for Reporting on Water Conservation and Water Use, December 2012
5. Freese and Nichols, INC.: Model Water Conservation Plan for NTMWD Members Cities and Customers, prepared for the North Texas Municipal Water District, Fort Worth, November 2013.
6. Texas Water Development Board, Texas Commission on Environmental Quality, Water Conservation Advisory Council. "DRAFT Guidance and Methodology for Water Conservation Reporting."
7. Freese and Nichols Inc., Alan Plummer and Associates, CP & Y Inc. and Cooksey Communications. "2011 Region C Regional Water Plan"

APPENDIX B

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES ON
MUNICIPAL WATER CONSERVATION PLANS**

APPENDIX B

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULESON MUNICIPAL WATER CONSERVATION PLANS

| | |
|----------------------------|---|
| | Texas Administrative Code |
| <u>TITLE 30</u> | ENVIRONMENTAL QUALITY |
| <u>PART 1</u> | TEXAS COMMISSION ON ENVIRONMENTAL QUALITY |
| <u>CHAPTER 288</u> | WATER CONSERVATION PLANS, DROUGHT CONTINGENCY PLANS, GUIDELINES AND REQUIREMENTS |
| <u>SUBCHAPTER A</u> | WATER CONSERVATION PLANS |
| <u>RULE §288.1</u> | Definitions |

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Agricultural or Agriculture--Any of the following activities:

(A) cultivating the soil to produce crops for human food, animal feed, or planting seed or for the production of fibers;

(B) the practice of floriculture, viticulture, silviculture, and horticulture, including the cultivation of plants in containers or non-soil media by a nursery grower;

(C) raising, feeding, or keeping animals for breeding purposes or for the production of food or fiber, leather, pelts, or other tangible products having a commercial value;

(D) raising or keeping equine animals;

(E) wildlife management; and

(F) planting cover crops, including cover crops cultivated for transplantation, or leaving land idle for the purpose of participating in any governmental program or normal crop or livestock rotation procedure.

- (2) Agricultural use--Any use or activity involving agriculture, including irrigation.
- (3) Best management practices--Voluntary efficiency measures that save a quantifiable amount of water, either directly or indirectly, and that can be implemented within a specific time frame.
- (4) Conservation--Those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water, or increase the recycling and reuse of water so that a water supply is made available for future or alternative uses.
- (5) Commercial use--The use of water by a place of business, such as a hotel, restaurant, or office building. This does not include multi-family residences or agricultural, industrial, or institutional users.
- (6) Drought contingency plan--A strategy or combination of strategies for temporary supply and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies. A drought contingency plan may be a separate document identified as such or may be contained within another water management document(s).
- (7) Industrial use--The use of water in processes designed to convert materials of a lower order of value into forms having greater usability and commercial value, and the development of power by means other than hydroelectric, but does not include agricultural use.
- (8) Institutional use--The use of water by an establishment dedicated to public service, such as a school, university, church, hospital, nursing home, prison or government facility. All facilities dedicated to public service are considered institutional regardless of ownership.
- (9) Irrigation--The agricultural use of water for the irrigation of crops, trees, and pastureland, including, but not limited to, golf courses and parks which do not receive water from a public water supplier.
- (10) Irrigation water use efficiency--The percentage of that amount of irrigation water which is beneficially used by agriculture crops or other vegetation relative to the amount of water diverted from the source(s) of supply. Beneficial uses of water for irrigation purposes include, but are not limited to, evapotranspiration needs for vegetative maintenance and growth, salinity management, and leaching requirements associated with irrigation.
- (11) Mining use--The use of water for mining processes including hydraulic use, drilling, washing sand and gravel, and oil field re-pressuring.

(12) Municipal use--The use of potable water provided by a public water supplier as well as the use of sewage effluent for residential, commercial, industrial, agricultural, institutional, and wholesale uses.

(13) Nursery grower--A person engaged in the practice of floriculture, viticulture, silviculture, and horticulture, including the cultivation of plants in containers or nonsoil media, who grows more than 50% of the products that the person either sells or leases, regardless of the variety sold, leased, or grown. For the purpose of this definition, grow means the actual cultivation or propagation of the product beyond the mere holding or maintaining of the item prior to sale or lease, and typically includes activities associated with the production or multiplying of stock such as the development of new plants from cuttings, grafts, plugs, or seedlings.

(14) Pollution--The alteration of the physical, thermal, chemical, or biological quality of, or the contamination of, any water in the state that renders the water harmful, detrimental, or injurious to humans, animal life, vegetation, or property, or to the public health, safety, or welfare, or impairs the usefulness or the public enjoyment of the water for any lawful or reasonable purpose.

(15) Public water supplier--An individual or entity that supplies water to the public for human consumption.

(16) Residential use--The use of water that is billed to single and multi-family residences, which applies to indoor and outdoor uses.

(17) Residential gallons per capita per day--The total gallons sold for residential use by a public water supplier divided by the residential population served and then divided by the number of days in the year.

(18) Regional water planning group--A group established by the Texas Water Development Board to prepare a regional water plan under Texas Water Code, §16.053.

(19) Retail public water supplier--An individual or entity that for compensation supplies water to the public for human consumption. The term does not include an individual or entity that supplies water to itself or its employees or tenants when that water is not resold to or used by others.

(20) Reuse--The authorized use for one or more beneficial purposes of use of water that remains unconsumed after the water is used for the original purpose of use and before that water is either

disposed of or discharged or otherwise allowed to flow into a watercourse, lake, or other body of state-owned water.

(21) Total use--The volume of raw or potable water provided by a public water supplier to billed customer sectors or nonrevenue uses and the volume lost during conveyance, treatment, or transmission of that water.

(22) Total gallons per capita per day (GPCD)--The total amount of water diverted and/or pumped for potable use divided by the total permanent population divided by the days of the year. Diversion volumes of reuse as defined in this chapter shall be credited against total diversion volumes for the purposes of calculating GPCD for targets and goals.

(23) Water conservation plan--A strategy or combination of strategies for reducing the volume of water withdrawn from a water supply source, for reducing the loss or waste of water, for maintaining or improving the efficiency in the use of water, for increasing the recycling and reuse of water, and for preventing the pollution of water. A water conservation plan may be a separate document identified as such or may be contained within another water management document(s).

(24) Wholesale public water supplier--An individual or entity that for compensation supplies water to another for resale to the public for human consumption. The term does not include an individual or entity that supplies water to itself or its employees or tenants as an incident of that employee service or tenancy when that water is not resold to or used by others, or an individual or entity that conveys water to another individual or entity, but does not own the right to the water which is conveyed, whether or not for a delivery fee.

(25) Wholesale use--Water sold from one entity or public water supplier to other retail water purveyors for resale to individual customers.

Source Note: The provisions of this §288.1 adopted to be effective May 3, 1993, 18 TexReg 2558; amended to be effective February 21, 1999, 24 TexReg 949; amended to be effective April 27, 2000, 25 TexReg 3544; amended to be effective August 15, 2002, 27 TexReg 7146; amended to be effective October 7, 2004, 29 TexReg 9384; amended to be effective January 10, 2008, 33 TexReg 193; amended to be effective December 6, 2012, 37 TexReg 9515

Texas Administrative Code

TITLE 30

ENVIRONMENTAL QUALITY

PART 1

**TEXAS COMMISSION ON ENVIRONMENTAL
QUALITY**

CHAPTER 288

**WATER CONSERVATION PLANS, DROUGHT
CONTINGENCY PLANS, GUIDELINES AND
REQUIREMENTS**

SUBCHAPTER A

WATER CONSERVATION PLANS

RULE §288.2

**Water Conservation Plans for Municipal Uses by Public
Water Suppliers**

(a) A water conservation plan for municipal water use by public water suppliers must provide information in response to the following. If the plan does not provide information for each requirement, the public water supplier shall include in the plan an explanation of why the requirement is not applicable.

(1) Minimum requirements. All water conservation plans for municipal uses by public water suppliers must include the following elements:

(A) a utility profile in accordance with the Texas Water Use Methodology, including, but not limited to, information regarding population and customer data, water use data (including total gallons per capita per day (GPCD) and residential GPCD), water supply system data, and wastewater system data;

(B) a record management system which allows for the classification of water sales and uses into the most detailed level of water use data currently available to it, including, if possible, the sectors listed in clauses (i) - (vi) of this subparagraph. Any new billing system purchased by a public water supplier must be capable of reporting detailed water use data as described in clauses (i) - (vi) of this subparagraph:

(i) residential;

(I) single family;

(II) multi-family;

(ii) commercial;

(iii) institutional;

(iv) industrial;

(v) agricultural; and,

(vi) wholesale.

(C) specific, quantified five-year and ten-year targets for water savings to include goals for water loss programs and goals for municipal use in total GPCD and residential GPCD. The goals established by a public water supplier under this subparagraph are not enforceable;

(D) metering device(s), within an accuracy of plus or minus 5.0% in order to measure and account for the amount of water diverted from the source of supply;

(E) a program for universal metering of both customer and public uses of water, for meter testing and repair, and for periodic meter replacement;

(F) measures to determine and control water loss (for example, periodic visual inspections along distribution lines; annual or monthly audit of the water system to determine illegal connections; abandoned services; etc.);

(G) a program of continuing public education and information regarding water conservation;

(H) a water rate structure which is not "promotional," i.e., a rate structure which is cost-based and which does not encourage the excessive use of water;

(I) a reservoir systems operations plan, if applicable, providing for the coordinated operation of reservoirs owned by the applicant within a common watershed or river basin in order to optimize available water supplies; and

(J) a means of implementation and enforcement which shall be evidenced by:

(i) a copy of the ordinance, resolution, or tariff indicating official adoption of the water conservation plan by the water supplier; and

(ii) a description of the authority by which the water supplier will implement and enforce the conservation plan; and

(K) documentation of coordination with the regional water planning groups for the service area of the public water supplier in order to ensure consistency with the appropriate approved regional water plans.

(2) Additional content requirements. Water conservation plans for municipal uses by public drinking water suppliers serving a current population of 5,000 or more and/or a projected population of 5,000 or more within the next ten years subsequent to the effective date of the plan must include the following elements:

(A) a program of leak detection, repair, and water loss accounting for the water transmission, delivery, and distribution system;

(B) a requirement in every wholesale water supply contract entered into or renewed after official adoption of the plan (by either ordinance, resolution, or tariff), and including any contract extension, that each successive wholesale customer develop and implement a water conservation plan or water conservation measures using the applicable elements in this chapter. If the customer intends to resell the water, the contract between the initial supplier and customer must provide that the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures in accordance with the provisions of this chapter.

(3) Additional conservation strategies. Any combination of the following strategies shall be selected by the water supplier, in addition to the minimum requirements in paragraphs (1) and (2) of this subsection, if they are necessary to achieve the stated water conservation goals of the plan. The commission may require that any of the following strategies be implemented by the water supplier if the commission determines that the strategy is necessary to achieve the goals of the water conservation plan:

(A) conservation-oriented water rates and water rate structures such as uniform or increasing block rate schedules, and/or seasonal rates, but not flat rate or decreasing block rates;

(B) adoption of ordinances, plumbing codes, and/or rules requiring water-conserving plumbing fixtures to be installed in new structures and existing structures undergoing substantial modification or addition;

(C) a program for the replacement or retrofit of water-conserving plumbing fixtures in existing structures;

(D) reuse and/or recycling of wastewater and/or graywater;

(E) a program for pressure control and/or reduction in the distribution system and/or for customer connections;

(F) a program and/or ordinance(s) for landscape water management;

(G) a method for monitoring the effectiveness and efficiency of the water conservation plan; and

(H) any other water conservation practice, method, or technique which the water supplier shows to be appropriate for achieving the stated goal or goals of the water conservation plan.

(b) A water conservation plan prepared in accordance with 31 TAC §363.15 (relating to Required Water Conservation Plan) of the Texas Water Development Board and substantially meeting the requirements of this section and other applicable commission rules may be submitted to meet application requirements in accordance with a memorandum of understanding between the commission and the Texas Water Development Board.

(c) A public water supplier for municipal use shall review and update its water conservation plan, as appropriate, based on an assessment of previous five-year and ten-year targets and any other new or updated information. The public water supplier for municipal use shall review and update the next revision of its water conservation plan every five years to coincide with the regional water planning group.

Source Note: The provisions of this §288.2 adopted to be effective May 3, 1993, 18 TexReg 2558; amended to be effective February 21, 1999, 24 TexReg 949; amended to be effective April 27, 2000, 25 TexReg 3544; amended to be effective October 7, 2004, 29 TexReg 9384; amended to be effective December 6, 2012, 37 TexReg 9515

APPENDIX C
TCEQ WATER UTILITY PROFILE



Texas Commission on Environmental Quality

UTILITY PROFILE AND WATER CONSERVATION PLAN REQUIREMENTS FOR MUNICIPAL WATER USE BY RETAIL PUBLIC WATER SUPPLIERS

This form is provided to assist retail public water suppliers in water conservation plan development. If you need assistance in completing this form or in developing your plan, please contact the conservation staff of the Resource Protection Team in the Water Availability Division at (512) 239-4691.

Name: Click to add text

Address: _____

Telephone Number: () Fax: ()

Water Right No.(s): _____

Regional Water Planning Group: _____

Form Completed by: _____

Title: _____

Person responsible for implementing conservation program: _____ Phone: ()

Signature: _____ Date: / /

NOTE: If the plan does not provide information for each requirement, include an explanation of why the requirement is not applicable.

UTILITY PROFILE

I. POPULATION AND CUSTOMER DATA

A. Population and Service Area Data

1. Attach a copy of your service-area map and, if applicable, a copy of your Certificate of Convenience and Necessity (CCN).
2. Service area size (in square miles):
(Please attach a copy of service-area map)
3. Current population of service area:
4. Current population served for:
 - a. Water _____
 - b. Wastewater _____

5. Population served for previous five years:

| <i>Year</i> | <i>Population</i> |
|-------------|-------------------|
| | |
| | |
| | |
| | |
| | |

6. Projected population for service area in the following decades:

| <i>Year</i> | <i>Population</i> |
|-------------|-------------------|
| 2020 | |
| 2030 | |
| 2040 | |
| 2050 | |
| 2060 | |

7. List source or method for the calculation of current and projected population size.

B. Customers Data

Senate Bill 181 requires that uniform consistent methodologies for calculating water use and conservation be developed and available to retail water providers and certain other water use sectors as a guide for preparation of water use reports, water conservation plans, and reports on water conservation efforts. A water system must provide the most detailed level of customer and water use data available to it, however, any new billing system purchased must be capable of reporting data for each of the sectors listed below. http://www.tceq.texas.gov/assets/public/permitting/watersupply/water_rights/sb181_guidance.pdf

1. Current number of active connections. Check whether multi-family service is counted as Residential or Commercial?

| <i>Treated Water Users</i> | <i>Metered</i> | <i>Non-Metered</i> | Totals |
|----------------------------|----------------|--------------------|---------------|
| Residential | | | |
| Single-Family | | | |
| Multi-Family | | | |
| Commercial | | | |
| Industrial/Mining | | | |
| Institutional | | | |
| Agriculture | | | |
| Other/Wholesale | | | |

2. List the number of new connections per year for most recent three years.

| <i>Year</i> | | | |
|----------------------------|--|--|--|
| | | | |
| <i>Treated Water Users</i> | | | |
| Residential | | | |
| Single-Family | | | |
| Multi-Family | | | |
| Commercial | | | |
| Industrial/Mining | | | |
| Institutional | | | |
| Agriculture | | | |
| Other/Wholesale | | | |

3. List of annual water use for the five highest volume customers.

| | <i>Customer</i> | <i>Use (1,000 gal/year)</i> | <i>Treated or Raw Water</i> |
|----|-----------------|-----------------------------|-----------------------------|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |

II. WATER USE DATA FOR SERVICE AREA

A. Water Accounting Data

1. List the amount of water use for the previous five years (in 1,000 gallons). Indicate whether this is diverted or treated water.

| <i>Year</i> | _____ | _____ | _____ | _____ | _____ |
|---------------|-------|-------|-------|-------|-------|
| <i>Month</i> | _____ | _____ | _____ | _____ | _____ |
| January | _____ | _____ | _____ | _____ | _____ |
| February | _____ | _____ | _____ | _____ | _____ |
| March | _____ | _____ | _____ | _____ | _____ |
| April | _____ | _____ | _____ | _____ | _____ |
| May | _____ | _____ | _____ | _____ | _____ |
| June | _____ | _____ | _____ | _____ | _____ |
| July | _____ | _____ | _____ | _____ | _____ |
| August | _____ | _____ | _____ | _____ | _____ |
| September | _____ | _____ | _____ | _____ | _____ |
| October | _____ | _____ | _____ | _____ | _____ |
| November | _____ | _____ | _____ | _____ | _____ |
| December | _____ | _____ | _____ | _____ | _____ |
| Totals | _____ | _____ | _____ | _____ | _____ |

Describe how the above figures were determine (e.g, from a master meter located at the point of a diversion from the source, or located at a point where raw water enters the treatment plant, or from water sales).

2. Amount of water (in 1,000 gallons) delivered/sold as recorded by the following account types for the past five years.

| <i>Year</i> | _____ | _____ | _____ | _____ | _____ |
|----------------------|-------|-------|-------|-------|-------|
| <i>Account Types</i> | _____ | _____ | _____ | _____ | _____ |
| Residential | _____ | _____ | _____ | _____ | _____ |
| Single-Family | _____ | _____ | _____ | _____ | _____ |
| Multi-Family | _____ | _____ | _____ | _____ | _____ |
| Commercial | _____ | _____ | _____ | _____ | _____ |
| Industrial/Mining | _____ | _____ | _____ | _____ | _____ |
| Institutional | _____ | _____ | _____ | _____ | _____ |
| Agriculture | _____ | _____ | _____ | _____ | _____ |
| Other/Wholesale | _____ | _____ | _____ | _____ | _____ |

3. List the previous records for water loss for the past five years (the difference between water diverted or treated and water delivered or sold).

| <i>Year</i> | <i>Amount (gallons)</i> | <i>Percent %</i> |
|-------------|-------------------------|------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

B. Projected Water Demands

If applicable, attach or cite projected water supply demands from the applicable Regional Water Planning Group for the next ten years using information such as population trends, historical water use, and economic growth in the service area over the next ten years and any additional water supply requirements from such growth.

III. WATER SUPPLY SYSTEM DATA

A. Water Supply Sources

List all current water supply sources and the amounts authorized (in acre feet) with each.

| <i>Water Type</i> | <i>Source</i> | <i>Amount Authorized</i> |
|-------------------|---------------|--------------------------|
| Surface Water | _____ | _____ |
| Groundwater | _____ | _____ |
| Contracts | _____ | _____ |
| Other | _____ | _____ |

B. Treatment and Distribution System

1. Design daily capacity of system (MGD):
2. Storage capacity (MGD):
 - a. Elevated _____
 - b. Ground _____
3. If surface water, do you recycle filter backwash to the head of the plant?
 Yes No If yes, approximate amount (MGD):

IV. WASTEWATER SYSTEM DATA

A. Wastewater System Data (if applicable)

1. Design capacity of wastewater treatment plant(s) (MGD):
2. Treated effluent is used for on-site irrigation, off-site irrigation, for plant wash-down, and/or for chlorination/dechlorination.

If yes, approximate amount (in gallons per month):

3. Briefly describe the wastewater system(s) of the area serviced by the water utility. Describe how treated wastewater is disposed. Where applicable, identify treatment plant(s) with the TCEQ name and number, the operator, owner, and the receiving stream if wastewater is discharged.

B. Wastewater Data for Service Area (if applicable)

1. Percent of water service area served by wastewater system: _____ %
2. Monthly volume treated for previous five years (in 1,000 gallons):

| <i>Year</i> | _____ | _____ | _____ | _____ | _____ |
|---------------|-------|-------|-------|-------|-------|
| <i>Month</i> | _____ | _____ | _____ | _____ | _____ |
| January | _____ | _____ | _____ | _____ | _____ |
| February | _____ | _____ | _____ | _____ | _____ |
| March | _____ | _____ | _____ | _____ | _____ |
| April | _____ | _____ | _____ | _____ | _____ |
| May | _____ | _____ | _____ | _____ | _____ |
| June | _____ | _____ | _____ | _____ | _____ |
| July | _____ | _____ | _____ | _____ | _____ |
| August | _____ | _____ | _____ | _____ | _____ |
| September | _____ | _____ | _____ | _____ | _____ |
| October | _____ | _____ | _____ | _____ | _____ |
| November | _____ | _____ | _____ | _____ | _____ |
| December | _____ | _____ | _____ | _____ | _____ |
| Totals | _____ | _____ | _____ | _____ | _____ |

V. ADDITIONAL REQUIRED INFORMATION

In addition to the utility profile, please attach the following as required by Title 30, Texas Administrative Code, §288.2. Note: If the water conservation plan does not provide information for each requirement, an explanation must be included as to why the requirement is not applicable.

A. *Specific, Quantified 5 & 10-Year Targets*

The water conservation plan must include specific, quantified five-year and ten-year targets for water savings to include goals for water loss programs and goals for municipal use in gallons per capita per day. Note that the goals established by a public water supplier under this subparagraph are not enforceable

B. *Metering Devices*

The water conservation plan must include a statement about the water suppliers metering device(s), within an accuracy of plus or minus 5.0% in order to measure and account for the amount of water diverted from the source of supply.

C. *Universal Metering*

The water conservation plan must include and a program for universal metering of both customer and public uses of water, for meter testing and repair, and for periodic meter replacement.

D. *Unaccounted- For Water Use*

The water conservation plan must include measures to determine and control unaccounted-for uses of water (for example, periodic visual inspections along distribution lines; annual or monthly audit of the water system to determine illegal connections; abandoned services; etc.).

E. *Continuing Public Education & Information*

The water conservation plan must include a description of the program of continuing public education and information regarding water conservation by the water supplier.

F. *Non-Promotional Water Rate Structure*

The water supplier must have a water rate structure which is not “promotional,” i.e., a rate structure which is cost-based and which does not encourage the excessive use of water. This rate structure must be listed in the water conservation plan.

G. *Reservoir Systems Operations Plan*

The water conservation plan must include a reservoir systems operations plan, if applicable, providing for the coordinated operation of reservoirs owned by the applicant within a common watershed or river basin. The reservoir systems operations plan shall include optimization of water supplies as one of the significant goals of the plan.

H. *Enforcement Procedure and Plan Adoption*

The water conservation plan must include a means for implementation and enforcement, which shall be evidenced by a copy of the ordinance, rule, resolution, or tariff, indicating official adoption of the water conservation plan by the water supplier; and a description of the authority by which the water supplier will implement and enforce the conservation plan.

I. Coordination with the Regional Water Planning Group(s)

The water conservation plan must include documentation of coordination with the regional water planning groups for the service area of the wholesale water supplier in order to ensure consistency with the appropriate approved regional water plans.

J. Plan Review and Update

A public water supplier for municipal use shall review and update its water conservation plan, as appropriate, based on an assessment of previous five-year and ten-year targets and any other new or updated information. The public water supplier for municipal use shall review and update the next revision of its water conservation plan not later than May 1, 2009, and every five years after that date to coincide with the regional water planning group. The revised plan must also include an implementation report.

VI. ADDITIONAL REQUIREMENTS FOR LARGE SUPPLIERS

Required of suppliers serving population of 5,000 or more or a projected population of 5,000 or more within ten years

A. Leak Detection and Repair

The plan must include a description of the program of leak detection, repair, and water loss accounting for the water transmission, delivery, and distribution system in order to control unaccounted for uses of water.

B. Contract Requirements

A requirement in every wholesale water supply contract entered into or renewed after official adoption of the plan (by either ordinance, resolution, or tariff), and including any contract extension, that each successive wholesale customer develop and implement a water conservation plan or water conservation measures using the applicable elements in this chapter. If the customer intends to resell the water, the contract between the initial supplier and customer must provide that the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures in accordance with the provisions of this chapter.

VII. ADDITIONAL CONSERVATION STRATEGIES

A. Conservation Strategies

Any combination of the following strategies shall be selected by the water supplier, in addition to the minimum requirements of this chapter, if they are necessary in order to achieve the stated water conservation goals of the plan. The commission may require by commission order that any of the following strategies be implemented by the water supplier if the commission determines that the strategies are necessary in order for the conservation plan to be achieved:

1. Conservation-oriented water rates and water rate structures such as uniform or increasing block rate schedules, and/or seasonal rates, but not flat rate or decreasing block rates;

2. Adoption of ordinances, plumbing codes, and/or rules requiring water conserving plumbing fixtures to be installed in new structures and existing structures undergoing substantial modification or addition;
3. A program for the replacement or retrofit of water-conserving plumbing fixtures in existing structures;
4. A program for reuse and/or recycling of wastewater and/or graywater;
5. A program for pressure control and/or reduction in the distribution system and/or for customer connections;
6. A program and/or ordinance(s) for landscape water management;
7. A method for monitoring the effectiveness and efficiency of the water conservation plan; and
8. Any other water conservation practice, method, or technique which the water supplier shows to be appropriate for achieving the stated goal or goals of the water conservation plan.

Best Management Practices

The Texas Water Developmental Board's (TWDB) Report 362 is the Water Conservation Best Management Practices (BMP) guide. The BMP Guide is a voluntary list of management practices that water users may implement in addition to the required components of Title 30, Texas Administrative Code, Chapter 288. The Best Management Practices Guide broken out by sector, including Agriculture, Commercial, and Institutional, Industrial, Municipal and Wholesale along with any new or revised BMP's can be found at the following link on the Texas Water Developments Board's website: <http://www.twdb.state.tx.us/conservation/bmps/index.asp>

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact 512-239-3282.

APPENDIX J
TCEQ WATER CONSERVATION IMPLEMENTATION REPORT



Texas Commission on Environmental Quality

Water Conservation Implementation Report Public Water Supplier

This five year report must be completed by entities that are required to submit a water conservation plan to the TCEQ in accordance with Title 30 Texas Administrative Code, Chapter 288. Please complete this report and submit it to the TCEQ. If you need assistance in completing this form, please contact the Resource Protection Team in the Water Availability Division at (512) 239-4691.

CONTACT INFORMATION

Name of Entity:

Public Water Supply Identification Number (PWS ID): [Click here to enter text.](#)

CCN numbers: [Click here to enter text.](#)

Water Right Permit numbers: [Click here to enter text.](#)

Wastewater ID numbers: [Click here to enter text.](#)

Check all that apply:

- Retail Public Water Supplier
- Wholesale Public Water Supplier

Address: [Click here to enter text.](#) City: [Click here to enter text.](#) Zip Code: [Click here to enter text.](#)

Email: [Click here to enter text.](#) Telephone Number: [Click here to enter text.](#)

Regional Water Planning Group: [Click here to enter text.](#) [Map](#)

Groundwater Conservation District: [Click here to enter text.](#) [Map](#)

Form Completed By: [Click here to enter text.](#) Title: [Click here to enter text.](#)

Signature: _____ Date: [Click here to enter a date.](#)

Contact information for the person or department responsible for implementing the water conservation plan:

Name: [Click here to enter text.](#) Phone: [Click here to enter text.](#) Email: [Click here to enter text.](#)

Report Completed on Date: [Click here to enter a date.](#)

Reporting Period (check only one):

Fiscal Period Begin: [Click here to enter a date.](#) Period End: [Click here to enter a date.](#)

Calendar Period Begin: [Click here to enter a date.](#) Period End: [Click here to enter a date.](#)

Please check all of the following that apply to your entity:

- A surface water right holder of 1,000 acre-feet/year or more for non-irrigation uses
- A surface water right holder of 10,000 acre-feet/year or more for irrigation uses

Important

If your entity meets the following description, please skip page 3 and go directly to page 4.

Your entity is a Wholesale Public Water Supplier that ONLY provides wholesale water services for public consumption. For example, you only provide wholesale water to other municipalities or water districts.

Water Use Accounting

Retail Water Sold: *All retail water sold for public use and human consumption.*

Helpful Hints: There are two options available for you to provide the requested information. Both options ask the same information; however, the level of detail and break down of information differs between the two options. Please select just one option that works best for your entity and fill in the fields as completely as possible.

Fields that are gray are entered by the user.
Select fields that are white and press F9 to updated fields.

For the five-year reporting period, enter the gallons of **RETAIL water sold** in each major water use category. Use **only one** of the following options.

Option 1

| Water Use Category* | Gallons Sold |
|--|--------------|
| Single Family Residential | |
| Multi-Family Residential | |
| TOTAL Residential Use¹ | 0 |
| Industrial | |
| Commercial | |
| Institutional | |
| TOTAL Retail Water Sold² | 0 |

1. [SF Res +MF Res = Residential Use]
2. [Res +Ind +Com +Ins = Retail Water Sold]

Option 2

| Water Use Category * | Gallons Sold |
|--|--------------|
| Residential Select all of the sectors that your account for as "Residential". <input type="checkbox"/> Single Family <input type="checkbox"/> Multi-Family | |
| Commercial Please select all of the sectors that your account for as "Commercial". <input type="checkbox"/> Commercial <input type="checkbox"/> Multi-Family <input type="checkbox"/> Industrial <input type="checkbox"/> Institutional | |
| Industrial Please select all of the sectors that your account for as "Industrial". <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Institutional | |
| Other Please select all of the sectors that your account for as "Other". <input type="checkbox"/> Commercial <input type="checkbox"/> Multi-Family <input type="checkbox"/> Industrial <input type="checkbox"/> Institutional | |
| TOTAL Retail Water Sold¹ | 0.00 |

1. [Res +Com +Ind + Other = Retail Water Sold]

Wholesale Water Exported: *Wholesale water sold or transferred out of the distribution system.*

For the five-year reporting period, enter the gallons of **WHOLESALE water exported** to each major water use category.

| Water Use Category* | Gallons of Exported Wholesale Water |
|--|--|
| Municipal Customers | |
| Agricultural Customers | |
| Industrial Customers | |
| Commercial Customers | |
| Institutional Customers | |
| TOTAL Wholesale Water Exported ¹ | 0.00 |

1. [Mun +Agr +Ind +Com +Ins = Wholesale Water Exported]

System Data

Fields that are gray are entered by the user.
Select fields that are white and hit F9 to
updated fields.

| | Total Gallons During the Five-Year Reporting Period |
|--|---|
| Water Produced: Volume produced from own sources | |
| Wholesale Water Imported : Purchased wholesale water imported from other sources into the distribution system | |
| Wholesale Water Exported: Wholesale water sold or transferred out of the distribution system (Insert Total Volume calculated on Page 4) | |
| TOTAL System Input : Total water supplied to the infrastructure | 0.00 <small>[Produced + Imported – Exported = System Input]</small> |
| Retail Water Sold : All retail water sold for public use and human consumption (Insert Total Residential Use from Option 1 or Option 2 calculated on Page 3) | |
| Other Consumption Authorized for Use but not Sold: <ul style="list-style-type: none"> - back flushing water - line flushing - storage tank cleaning - golf courses - fire department use - parks - municipal government offices | |
| TOTAL Authorized Water Use: All water that has been authorized for use or consumption. | 0.00 <small>[Retail Water Sold + Other Consumption = Total Authorized]</small> |
| Apparent Losses – Water that has been consumed but not properly measured (Includes customer meter accuracy, systematic data discrepancy, un- authorized consumption such as theft) | |
| Real Losses – Physical losses from the distribution system prior to reaching the customer destination (Includes physical losses from system or mains, reported breaks and leaks, storage overflow) | |
| Unidentified Water Losses | 0.00 <small>[System Input- Total Authorized - Apparent Losses - Real Losses = Unidentified Water Losses]</small> |
| TOTAL Water Loss | 0.00 <small>[Apparent + Real + Unidentified = Total Water Loss]</small> |

Targets and Goals

In the table below, please provide the **specific and quantified five and ten-year targets for water savings** listed in your water conservation plan.

Fields that are gray are entered by the user.
Select fields that are white and hit F9 to update fields.

| Date | Target for: Total GPCD | Target for: Water Loss (expressed in GPCD) | Target for: Water Loss Percentage (expressed in Percentage) |
|--------------------------------------|---------------------------|--|---|
| Five-year target date: dd/mm/yyyy | | | % |
| Ten-year target date: dd/mm/yyyy | | | % |

Are targets in the water conservation plan being met? Yes No

If these targets are not being met, provide an explanation as to why, including any progress on these targets: [Click here to enter text.](#)

Gallons per Capita per Day (GPCD) and Water Loss

Compare your current gpcd and water loss to the above targets and goals set in your previous water conservation plan.

| Total System Input in Gallons | Permanent Population | Current GPCD |
|---|----------------------|---|
| [Produced + Imported - Exported = System Input] | | [(System Input ÷ Permanent Population) / 5 / 365] |

Permanent Population is the total permanent population of the service area. This includes single family, multi-family, and group quarter populations.

| Total Residential Use | Permanent Population | Residential GPCD |
|-----------------------|----------------------|--|
| | | [(Residential Use ÷ Residential Population) / 5 / 365] |

Residential Population is the total residential population of the service area including single & multi-family population.

| Total Water Loss | Total System Input in Gallons | Permanent Population | Water Loss calculated in | |
|---|--|----------------------|--------------------------|----------------------|
| | | | GPCD ¹ | Percent ² |
| [Apparent + Real + Unidentified = Total Water Loss] | [Water Produced + Wholesale Imported - Wholesale Exported] | | | |

1. $[\text{Total Water Loss} \div \text{Permanent Population}] / 5 / 365 = \text{Water Loss GPCD}$
2. $[\text{Total Water Loss} \div \text{Total System Input}] \times 100 = \text{Water Loss Percentage}$

Water Conservation Programs and Activities

As you complete this section, please review your water conservation plan to see if you are making progress towards meeting your stated goals.

Fields that are gray are entered by the user. Select fields that are white and hit F9 to update fields.

1. Water Conservation Plan

What year did your entity adopt, or revise, their most recent water conservation plan: [Click here to enter text.](#)

Does the plan incorporate Best Management Practices? Yes No

2. Water Conservation Programs

For the reporting period, please select the types of activities and programs that have been actively administered, and estimate the expense and savings that incurred in implementing the conservation activities and programs for the past five years. Leave the field blank if unknown:

| Program or Activity | Estimated Expenses | Estimated Gallons Saved |
|--|--------------------|-------------------------|
| Conservation Analysis & Planning | | |
| <input type="checkbox"/> Conservation Coordinator | | |
| <input type="checkbox"/> Water Survey for Single-Family and Multi-Family Customers | | |
| Financial | | |
| <input type="checkbox"/> Wholesale Agency Assistance Programs | | |
| <input type="checkbox"/> Water Conservation Pricing/ Rate Structures | | |
| System Operations | | |
| <input type="checkbox"/> Water Loss Audits | | |
| <input type="checkbox"/> Leak Detection | | |
| <input type="checkbox"/> Universal Metering and Metering Repair | | |
| Landscaping | | |
| <input type="checkbox"/> Landscape Irrigation Conservation and | | |

| | | |
|--|----------------|----------|
| Incentives | | |
| <input type="checkbox"/> Athletic Fields Conservation | | |
| <input type="checkbox"/> Golf Course Conservation | | |
| <input type="checkbox"/> Park Conservation | | |
| Education & Public Awareness | | |
| <input type="checkbox"/> School Education | | |
| <input type="checkbox"/> Public Information | | |
| Rebate, Retrofit, and Incentive Programs | | |
| <input type="checkbox"/> Conservation Programs for ICI Accounts | | |
| <input type="checkbox"/> Residential Clothes Washer Incentive Program | | |
| <input type="checkbox"/> Water Wise Landscape Design and Conversion Programs | | |
| <input type="checkbox"/> Showerhead, Aerator, and Toilet Flapper Retrofit | | |
| <input type="checkbox"/> Residential Toilet Replacement Programs | | |
| <input type="checkbox"/> Rainwater Harvesting Incentive Program | | |
| <input type="checkbox"/> ICI Incentive Programs | | |
| Conservation Technology | | |
| <input type="checkbox"/> Recycling and Reuse Programs (Water or Wastewater Effluent) | | |
| <input checked="" type="checkbox"/> Rainwater Harvesting and Condensate Reuse Programs | | |
| Regulatory and Enforcement | | |
| <input type="checkbox"/> Prohibition on Wasting Water | | |
| TOTAL | \$ 0.00 | 0 |

3. Reuse (Water or Wastewater Effluent)

For the reporting period, please provide the following data regarding the types of direct and indirect reuse activities that were administered for the past five years:

| Reuse Activity | Estimated Volume (in gallons) |
|--|-------------------------------|
| On-site irrigation | |
| Plant wash down | |
| Chlorination/de-chlorination | |
| Industrial | |
| Landscape irrigation (parks, golf courses) | |
| Agricultural | |
| Other, please describe: | |
| Estimated Volume of Recycled or Reuse | 0 |

4. Water Savings

For the five-year reporting period, estimate the total savings that resulted from your overall water conservation activities and programs?

| Estimated Gallons Saved (Total from Conservation Programs Table) | Estimated Gallons Recycled or Reused (Total from Reuse Table) | Total Volume of Water Saved ¹ | Dollar Value of Water Saved ² |
|---|--|--|--|
| | | 0 | |

1. [Estimated Gallons Saved + Estimated Gallons Recycled or Reused = Total Volume Saved]

2. Estimate this value by taking into account water savings, the cost of treatment or purchase of your water, and any deferred capital costs due to conservation.

5. Conservation Pricing / Conservation Rate Structures

During the five-year reporting period, have your rates or rate structure changed? Yes No

Please indicate the type of rate pricing structures that you use:

| | | |
|--|---|---|
| <input type="checkbox"/> Uniform rates | <input type="checkbox"/> Water Budget Based rates | <input type="checkbox"/> Surcharge - seasonal |
| <input type="checkbox"/> Flat rates | <input type="checkbox"/> Excess Use Rates | <input type="checkbox"/> Surcharge - drought |
| <input type="checkbox"/> Inclining/ Inverted Block | <input type="checkbox"/> Drought Demand rates | <input type="checkbox"/> Surcharge - usage demand |
| <input type="checkbox"/> Declining Block rates | <input type="checkbox"/> Tailored rates | |
| <input type="checkbox"/> Seasonal rates | | |

6. Public Awareness and Education Program

For the five-year reporting period, please check the appropriate boxes regarding any public awareness and educational activities that your entity has provided:

| | Implemented | Number/Unit |
|---|--------------------------|--------------------------|
| <i>Example: Brochures Distributed</i> | <input type="checkbox"/> | <i>10,000/year</i> |
| <i>Example: Educational School Programs</i> | <input type="checkbox"/> | <i>50 students/month</i> |
| Brochures Distributed | <input type="checkbox"/> | |
| Messages Provided on Utility Bills | <input type="checkbox"/> | |
| Press Releases | <input type="checkbox"/> | |
| TV Public Service Announcements | <input type="checkbox"/> | |
| Radio Public Service Announcements | <input type="checkbox"/> | |
| Educational School Programs | <input type="checkbox"/> | |
| Displays, Exhibits, and Presentations | <input type="checkbox"/> | |
| Community Events | <input type="checkbox"/> | |

| | | |
|------------------------|--------------------------|--|
| Social Media campaigns | <input type="checkbox"/> | |
| Facility Tours | <input type="checkbox"/> | |
| Other : | <input type="checkbox"/> | |

7. Leak Detection

During the five-year reporting period, how many leaks were repaired in the system or at service connections: [Click here to enter text.](#)

Please check the appropriate boxes regarding the main cause of water loss in your system during the reporting period:

- Leaks and breaks
- Un-metered utility or city uses
- Master meter problems
- Customer meter problems
- Record and data problems
- Other: [Click here to enter text.](#)
- Other: [Click here to enter text.](#)

8. Universal Metering and Meter Repair

For the five-year reporting period, please provide the following information regarding meter repair:

| | Total Number | Total Tested | Total Repaired | Total |
|---------------------------|--------------|--------------|----------------|-------|
| Production Meters | | | | |
| Meters larger than 1 1/2" | | | | |
| Meters 1 1/2 or smaller | | | | |

Does your system have automated meter reading? Yes No

9. Conservation Communication Effectiveness

In your opinion, how would you rank the effectiveness of your conservation activities in reaching the following types of customers for the past five years?

| | Do not have activities or programs that target this type customer. | Less Than Effective | Somewhat Effective | Highly Effective |
|-------------------------|--|--------------------------|--------------------------|--------------------------|
| Residential Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Industrial Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Institutional Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Commercial Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Agricultural Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

10. Drought Contingency and Emergency Water Demand Management

During the five-year reporting period, did you implement your Drought Contingency Plan?

Yes No

If yes, indicate the number of days that your water use restrictions were in effect: [Click here to enter text.](#)

If yes, please check all the appropriate reasons for your drought contingency efforts going into effect.

| | |
|--|--|
| <input type="checkbox"/> Water Supply Shortage | <input type="checkbox"/> Equipment Failure |
| <input type="checkbox"/> High Seasonal Demand | <input type="checkbox"/> Impaired Infrastructure |
| <input type="checkbox"/> Capacity Issues | <input type="checkbox"/> Other: |

If you have any questions on how to fill out this form or about the Water Conservation program, please contact us at 512/239-4691.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact us at 512-239-3282.

APPENDIX D

Annual Water Conservation Report

APPENDIX D
GTUA Water Conservation Report
Due March 31 of Every Year

Entity Reporting: _____
 Filled Out By: _____
 Date Completed: _____
 Year Covered: _____
 # of Connections _____

Recorded Deliveries and Sales by Month (in Million Gallons):

| Month | Treated Water Deliveries | Other Supplies | Sales by Category | | | | | Total |
|--------------|--------------------------|----------------|-------------------|------------|----------------------|------------|-----------|----------|
| | | | Residential | Commercial | Public/Institutional | Industrial | Wholesale | |
| January | | | | | | | | 0 |
| February | | | | | | | | 0 |
| March | | | | | | | | 0 |
| April | | | | | | | | 0 |
| May | | | | | | | | 0 |
| June | | | | | | | | 0 |
| July | | | | | | | | 0 |
| August | | | | | | | | 0 |
| September | | | | | | | | 0 |
| October | | | | | | | | 0 |
| November | | | | | | | | 0 |
| December | | | | | | | | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Unaccounted Water (Million Gallons):

GTUA Deliveries from Table above
 Other Supplies 0 from Table above
 Total Sales from Table above
 Estimated Fire Use estimated from best available data
 Estimated line flushing estimated from best available data
 Unaccounted Water 0
 % Unaccounted #DIV/0!
 Goal for % Unaccounted 5.00%

Per Capita Municipal Use (Gallons per person per day) 0 from Table above (Deliveries - industrial sales - municipal sales - other sales)
 Municipal Use (MG) please describe source of population estimate
 Estimated Population #DIV/0!
 Per Capita Use (gpcd)
 5-year Per Capita Goal ()
 10-year Per Capita Goal ()

Recorded Wholesale Sales by Month (in Million Gallons):

| Month | Sales to | Sales to | Sales to | Sales to | Sales to | Sales to | Sales to | Sales to | Total Wholesale Sales |
|--------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------------|
| January | | | | | | | | | |
| February | | | | | | | | | |
| March | | | | | | | | | |
| April | | | | | | | | | |
| May | | | | | | | | | |
| June | | | | | | | | | |
| July | | | | | | | | | |
| August | | | | | | | | | |
| September | | | | | | | | | |
| October | | | | | | | | | |
| November | | | | | | | | | |
| December | | | | | | | | | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Information on Wholesale Customers:

Estimated
 Population

Unusual Circumstances (use additional sheets if necessary):

APPENDIX E
CONSIDERATIONS FOR LANDSCAPE WATER MANAGEMENT
REGULATIONS

APPENDIX E
CONSIDERATIONS FOR LANDSCAPE WATER MANAGEMENT
REGULATIONS

A. Purpose

The purpose of these proposed landscape water management regulations is to provide a consistent mechanism for preventing the waste of water resources. To enact these provisions, entities must verify legal authority to adopt such provisions, and must promulgate valid rules, orders, or ordinances.

B. Required Measures

The following landscape water conservation measures are required to be included in the landscape management regulations adopted and enforced in this plan.

1. **Lawn and Landscape Irrigation Restrictions**
 - a. A person commits an offense if the person irrigates, waters, or knowingly or recklessly causes or allows the irrigation or watering of any lawn or landscape located on any property owned, leased, or managed by the person between the hours of 10:00 a.m. and 6:00 p.m. from April 1 through October 31 of any year.
 - b. A person commits an offense if the person knowingly or recklessly irrigates, waters, or causes or allows the irrigation or watering of lawn or landscape located on any property owned, leased, or managed by that person in such a manner that causes:
 - 1) over-watering lawn or landscape, such that a constant stream of water overflows from the lawn or landscape onto a street or other drainage area; or
 - 2) irrigating lawn or landscape during any form of precipitation or freezing conditions. This restriction applies to all forms of irrigation, including automatic sprinkler systems; or
 - 3) the irrigation of impervious surfaces or other non-irrigated areas, wind driven water drift taken into consideration.
 - c. A person commits an offense if the person knowingly or recklessly allows the irrigation or watering of any lawn or landscape located on any property owned, leased, or managed by the person more than two days per week.
2. **Rain and Freeze Sensors and/or ET or Smart Controllers**

Any new irrigation system installed on or after November 4, 2004, must be equipped with rain and freeze sensing devices and/or ET or Smart controllers in compliance with state design and installation regulations.

- a. A person commits an offense on property owned, leased or managed if the person:
 - 1) knowingly or recklessly installs or allows the installation of new irrigation systems in violation of Subsection B.2.a; or
 - 2) knowingly or recklessly operates or allows the operation of an irrigation system that does not comply with Subsection B.2.a.

3. Filling or Refilling of Ponds

A person commits an offense if the person knowingly or recklessly fills or refills any natural or manmade pond located on any property owned, leased, or managed by the person by introducing any treated water to fill or refill the pond. This does not restrict the filling or maintenance of pond levels by the effect of natural water runoff or the introduction of well water into the pond. A pond is considered to be a still body of water with a surface area of 500 square feet or more.

4. Washing of Vehicles

A person commits an offense if the person knowingly or recklessly washes a vehicle without using a water hose with a shut-off nozzle on any property owned, leased, or managed by the person.

5. Enforcement

Each entity will develop its own set of penalties for violations of the ordinance, order, or resolution. The ordinance, order, or resolution will designate the responsible official(s) to implement and enforce the landscape water conservation measures.

C. Recommended Measures

1. Lawn and Landscape Irrigation Restrictions

- a. A person commits an offense if the person knowingly or recklessly operates a lawn or irrigation system or device on property that the person owns, leases, or manages that:
 - 1) has broken or missing sprinkler head(s); or
 - 2) has not been properly maintained to prevent the waste of water.

- b. A person commits an offense if the person knowingly or recklessly overseeds a lawn with rye or winter grass on property that the person owns, leases, or manages. Golf courses and public athletic fields are exempt from this restriction.
- c. All new athletic fields must have separate irrigation systems that are capable of irrigating the playing fields separately from other open spaces.

2. Rain and Freeze Sensors

- a. Existing irrigation systems must be retrofitted with similar rain and freeze sensors and be capable of multiprogramming within 5 years.

D. Variances

- 1. In special cases, variances may be granted to persons demonstrating extreme hardship or need. Variances may be granted under the following circumstances:
 - a. the applicant must sign a compliance agreement agreeing to irrigate or water the lawn and/or landscape only in the amount and manner permitted by the variance; and
 - b. the variance must not cause an immediate significant reduction to the water supply; and
 - c. the extreme hardship or need requiring the variance must relate to the health, safety, or welfare of the person making the request; and
 - d. the health, safety, and welfare of the public and the person making the request must not be adversely affected by the requested variance.
- 2. A variance will be revoked upon a finding that:
 - a. the applicant can no longer demonstrate extreme hardship or need; or
 - b. the terms of the compliance agreement are violated; or
 - c. the health, safety, or welfare of the public or other persons requires revocation.

APPENDIX F

LETTER TO REGION C WATER PLANNING GROUP

APPENDIX F
LETTER TO REGION C WATER PLANNING GROUP

Date

Region C Water Planning Group
North Texas Municipal Water District
P.O. Box 2408
Wylie, TX 75098

Dear Sir:

Enclosed please find a copy of the recently updated Water Conservation Plan for _____ . I am submitting a copy of this plan to the Region C Water Planning Group in accordance with the Texas Water Development Board and Texas Commission on Environmental Quality rules. The Board/Council of the _____ adopted the updated plan on _____, 20__.

Sincerely,

APPENDIX G
ADOPTION OF WATER CONSERVATION PLAN

APPENDIX G

ADOPTION OF WATER CONSERVATION PLAN

**Municipal Ordinance
Adopting Water Conservation Plan**

Ordinance No. _____

AN ORDINANCE ADOPTING A WATER CONSERVATION PLAN FOR THE CITY OF _____ TO PROMOTE RESPONSIBLE USE OF WATER AND TO PROVIDE FOR PENALTIES AND/OR THE DISCONNECTION OF WATER SERVICE FOR NONCOMPLIANCE WITH THE PROVISIONS OF THE WATER CONSERVATION PLAN.

WHEREAS, the City of _____, Texas (the "City"), recognizes that the amount of water available to its water customers is limited; and

WHEREAS, the City recognizes that due to natural limitations, drought conditions, system failures and other acts of God which may occur, the City cannot guarantee an uninterrupted water supply for all purposes at all times; and

WHEREAS, the Water Code and the regulations of the Texas Commission on Environmental Quality (the "Commission") require that the City adopt a Water Conservation Plan; and

WHEREAS, the City has determined an urgent need in the best interest of the public to adopt a Water Conservation Plan; and

WHEREAS, pursuant to Chapter 54 of the Local Government Code, the City is authorized to adopt such Ordinances necessary to preserve and conserve its water resources; and

WHEREAS, the City Council of the City of _____ desires to adopt the Greater Texoma Utility Authority (the "GTUA") Model Water Conservation Plan as official City policy for the conservation of water.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF _____ THAT:

Section 1. The City Council hereby approves and adopts the GTUA Model Water Conservation Plan (the "Plan"), attached hereto as Addendum A, as if recited verbatim herein. The City commits to implement the requirements and procedures set forth in the adopted Plan.

Section 2. Any customer, defined pursuant to 30 Tex. Admin. Code Chapter 291, failing to comply with the provisions of the Plan shall be subject to a fine of up to two thousand dollars (\$2,000.00) and/or discontinuance of water service by the City. Proof of a culpable mental state is not required for a conviction of an offense under this section. Each day a customer fails to comply with the Plan is a

separate violation. The City's authority to seek injunctive or other civil relief available under the law is not limited by this section.

Section 3. The City Council does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting adopting this Ordinance was posted at a designated place convenient to the public for the time required by law preceding the meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the posting thereof.

Section 4. Should any paragraph, sentence, clause, phrase or word of this Ordinance be declared unconstitutional or invalid for any reason, the remainder of this Ordinance shall not be affected.

Section 5. The City Manager or his designee is hereby directed to file a copy of the Plan and this Ordinance with the Commission in accordance with Title 30, Chapter 288 of the Texas Administrative Code.

Section 6. The City Secretary is hereby authorized and directed to cause publication of the descriptive caption of this ordinance as an alternative method of publication provided by law.

Section 7. {If Applicable} Ordinance No. _____, adopted on _____, is hereby repealed.

Passed by the City Council on this ___ day of _____, _____.

Mayor

Attest:

City Secretary

**Municipal Utility District Order
Adopting Water Conservation Plan**

Order No. _____

AN ORDER ADOPTING A WATER CONSERVATION PLAN FOR THE _____ MUNICIPAL UTILITY DISTRICT TO PROMOTE THE RESPONSIBLE USE OF WATER AND TO PROVIDE FOR PENALTIES AND/OR THE DISCONNECTION OF WATER SERVICE FOR NONCOMPLIANCE WITH THE PROVISIONS OF THE WATER CONSERVATION PLAN.

WHEREAS, the _____ Municipal Utility District (the "District"), recognizes that the amount of water available to its water customers is limited; and

WHEREAS, the District recognizes that due to natural limitations, drought conditions, system failures and other acts of God which may occur, the District cannot guarantee an uninterrupted water supply for all purposes at all times; and

WHEREAS, the Water Code and the regulations of the Texas Commission on Environmental Quality (the "Commission") require that the District adopt a Water Conservation Plan; and

WHEREAS, the District has determined an urgent need in the best interest of the public to adopt a Water Conservation Plan; and

WHEREAS, pursuant to Chapter 49 of the Water Code, the District is authorized to adopt such policies necessary to accomplish the purposes for which it was created, including but not limited to the preservation and conservation of water resources; and

WHEREAS, the Board of Directors of the District desires to adopt the Greater Texoma Utility Authority (the "GTUA") Model Water Conservation Plan as official District policy for the conservation of water.

NOW THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE _____ MUNICIPAL UTILITY DISTRICT THAT:

Section 1. The Board of Directors hereby approves and adopts the GTUA Model Water Conservation Plan (the "Plan"), attached hereto as Addendum A, as if recited verbatim herein. The District commits to implement the requirements and procedures set forth in the adopted Plan.

Section 2. Any customer, defined pursuant to 30 Tex. Admin. Code Chapter 291, failing to comply with the provisions of the Plan shall be subject to a monetary fine as allowed by law, and/or discontinuance of water service by the District. Proof of a culpable mental state is not required for a conviction of an

offense under this section. Each day a customer fails to comply with the Plan is a separate violation. The District's authority to seek injunctive or other civil relief available under the law is not limited by this section.

Section 3. The Board of Directors does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting adopting this Order was posted at a designated place convenient to the public for the time required by law preceding the meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Order and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the posting thereof.

Section 4. The General Manager or his designee is hereby directed to file a copy of the Plan and this Ordinance with the Commission in accordance with Title 30, Chapter 288 of the Texas Administrative Code.

Section 5. Should any paragraph, sentence, clause, phrase or word of this Order be declared unconstitutional or invalid for any reason, the remainder of this Order shall not be affected.

Section 6. {If Applicable} Order No. _____, adopted on _____, is hereby repealed.

Approved and adopted by the Board of Directors on this ____ day of _____, ____.

President, Board of Directors

Attest:

Secretary

**Special Utility District Order
Adopting Water Conservation Plan**

Order No. _____

AN ORDER ADOPTING A WATER CONSERVATION PLAN FOR THE _____ SPECIAL UTILITY DISTRICT TO PROMOTE THE RESPONSIBLE USE OF WATER AND TO PROVIDE FOR PENALTIES AND/OR THE DISCONNECTION OF WATER SERVICE FOR NONCOMPLIANCE WITH THE PROVISIONS OF THE WATER CONSERVATION PLAN.

WHEREAS, the _____ Special Utility District (the "District"), recognizes that the amount of water available to its water customers is limited; and

WHEREAS, the District recognizes that due to natural limitations, drought conditions, system failures and other acts of God which may occur, the District cannot guarantee an uninterrupted water supply for all purposes at all times; and

WHEREAS, the Water Code and the regulations of the Texas Commission on Environmental Quality (the "Commission") require that the District adopt a Water Conservation Plan; and

WHEREAS, the District has determined an urgent need in the best interest of the public to adopt a Water Conservation Plan; and

WHEREAS, pursuant to Chapter 65 of the Water Code, the District is authorized to adopt such policies necessary to accomplish the purposes for which it was created, including but not limited to the preservation and conservation of water resources; and

WHEREAS, the Board of Directors of the District desires to adopt the Greater Texoma Utility Authority (the "GTUA") Model Water Conservation Plan as official District policy for the conservation of water.

NOW THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE _____ SPECIAL UTILITY DISTRICT THAT:

Section 1. The Board of Directors hereby approves and adopts the GTUA Model Water Conservation Plan (the "Plan"), attached hereto as Addendum A, as if recited verbatim herein. The District commits to implement the requirements and procedures set forth in the adopted Plan.

Section 2. Any customer, defined pursuant to 30 Tex. Admin. Code Chapter 291, failing to comply with the provisions of the Plan shall be subject to a monetary fine as allowed by law, and/or discontinuance of water service by the District. Proof of a culpable mental state is not required for a conviction of an offense under this section. Each day a customer fails to comply with the Plan is a separate violation. The District's authority to seek injunctive or other civil relief available under the law is not limited by this section.

Section 3. The Board of Directors does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting adopting this Order was posted at a designated place convenient to the public for the time required by law preceding the meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Order and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the posting thereof.

Section 4. The General Manager or his designee is hereby directed to file a copy of the Plan and this Ordinance with the Commission in accordance with Title 30, Chapter 288 of the Texas Administrative Code.

Section 5. Should any paragraph, sentence, clause, phrase or word of this Order be declared unconstitutional or invalid for any reason, the remainder of this Order shall not be affected.

Section 6. {If Applicable} Order No. _____, adopted on _____, is hereby repealed.

Approved and adopted by the Board of Directors on this ___ day of _____, ____.

President, Board of Directors

Attest:

Secretary

**Water Supply Corporation Resolution
Adopting Water Conservation Plan**

Resolution No. _____

A RESOLUTION ADOPTING A WATER CONSERVATION PLAN FOR THE _____ WATER SUPPLY CORPORATION TO PROMOTE THE RESPONSIBLE USE OF WATER AND TO PROVIDE FOR PENALTIES AND/OR THE DISCONNECTION OF WATER SERVICE FOR NONCOMPLIANCE WITH THE PROVISIONS OF THE WATER CONSERVATION PLAN.

WHEREAS, the _____ Water Supply Corporation (the "WSC"), recognizes that the amount of water available to its water customers is limited; and

WHEREAS, the WSC recognizes that due to natural limitations, drought conditions, system failures and other acts of God which may occur, the WSC cannot guarantee an uninterrupted water supply for all purposes at all times; and

WHEREAS, the Water Code and the regulations of the Texas Commission on Environmental Quality (the "Commission") require that the WSC adopt a Water Conservation Plan; and

WHEREAS, the WSC has determined an urgent need in the best interest of the public to adopt a Water Conservation Plan; and

WHEREAS, pursuant to Chapter 67 of the Water Code, the WSC is authorized to adopt such policies necessary to preserve and conserve its water resources; and

WHEREAS, the Board of Directors of the WSC desires to adopt the Greater Texoma Utility Authority (the "GTUA") Model Water Conservation Plan as official WSC policy for the conservation of water.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE _____ WATER SUPPLY CORPORATION THAT:

Section 1. The Board of Directors hereby approves and adopts the GTUA Model Water Conservation Plan (the "Plan"), attached hereto as Addendum A, as if recited verbatim herein. The WSC commits to implement the requirements and procedures set forth in the adopted Plan.

Section 2. Any customer, defined pursuant to 30 Tex. Admin. Code Chapter 291, failing to comply with the provisions of the Plan shall be subject to a monetary fine as allowed by law, and/or discontinuance of water service by the WSC. Proof of a culpable mental state is not required for a conviction of an offense under this section. Each day a customer fails to comply with the Plan is a separate violation. The WSC's authority to seek injunctive or other civil relief available under the law is not limited by this section.

Section 3. The Board of Directors does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting adopting this Resolution was posted at a designated place convenient to the public for the time required by law preceding the meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the posting thereof.

Section 4. The General Manager or his designee is hereby directed to file a copy of the Plan and this Ordinance with the Commission in accordance with Title 30, Chapter 288 of the Texas Administrative Code. Further, the Board of Directors hereby authorizes the General Manager or his designee to file an amendment to the WSC's tariff to incorporate the Plan therein.

Section 5. Should any paragraph, sentence, clause, phrase or word of this Resolution be declared unconstitutional or invalid for any reason, the remainder of this Resolution shall not be affected.

Section 6. {If Applicable} Resolution No. _____, adopted on _____, is hereby repealed.

Approved and adopted by the _____ on this ____ day of _____, _____.

President, Board of Directors

Attest:

Secretary

APPENDIX H
ILLEGAL WATER CONNECTIONS AND THEFT OF WATER

APPENDIX H

ILLEGAL WATER CONNECTIONS AND THEFT OF WATER

MUNICIPAL ORDINANCE

PERTAINING TO ILLEGAL WATER CONNECTIONS AND THEFT OF WATER

Ordinance No. _____

AN ORDINANCE PERTAINING TO ILLEGAL WATER CONNECTIONS AND/OR THE THEFT OF WATER RELATED TO THE WATER SUPPLY FOR THE CITY OF _____.

WHEREAS, the City of _____, Texas (the "City") recognizes that the amount of water available to its water customers is limited; and

WHEREAS, pursuant to Chapter 54 of the Local Government Code, the City is authorized to adopt such policies necessary to preserve and conserve available water supplies; and

WHEREAS, the City seeks to adopt an ordinance pertaining to illegal water connections and theft of water.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF _____ THAT:

Section 1. The City Council hereby approves and adopts this Ordinance as described herein.

Section 2. A person commits an offense of theft of water by any of the following actions:

(a) A person may not knowingly tamper, connect to, or alter any component of the City's water system including valves, meters, meter boxes, lids, hydrants, lines, pump stations, ground storage tanks, and elevated storage tanks. This shall include direct or indirect efforts to initiate or restore water service without the approval of the City.

(b) If, without the written consent of the City Manager or the City Manager's designee, the person knowingly causes, suffers or allows the initiation or restoration of water service to the property after termination of service(s). For purposes of this section, it shall be assumed that the owner, occupant, or person in control of the property caused, suffered, or allowed the unlawful initiation or restoration of service(s).

(c) A person may not knowingly make or cause a false report to be made to the City of a reading of a water meter installed for metered billing.

(d) A person commits a separate offense each day that the person performs an act prohibited by this section or fails to perform an act required by this section.

Section 3. An offense under this Ordinance is a Class C misdemeanor punishable by a fine of up to two thousand dollars (\$2,000.00) and/or discontinuance of water service by the City.

Section 4. The City Council does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting considering this Ordinance was posted at a designated place convenient to the public for the time required by law preceding the meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Ordinance, and the subject matter thereof, has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the posting thereof.

Section 5. Should any paragraph, sentence, clause, phrase or word of this Ordinance be declared unconstitutional or invalid for any reason, the remainder of this Ordinance shall not be affected.

Section 6. The City Secretary is hereby authorized and directed to cause publication of the descriptive caption of this ordinance as an alternative method of publication provided by law.

Section 7. {If Applicable} Ordinance No. _____, adopted on _____, is hereby repealed.

Passed by the City Council on this ___ day of _____, _____.

Mayor

Attest:

City Secretary

**Municipal Utility District Order
Pertaining to Illegal Water Connections and Theft of Water**

Order No. _____

AN ORDER PERTAINING TO ILLEGAL WATER CONNECTIONS AND/OR THE THEFT OF WATER RELATED TO THE WATER SUPPLY FOR THE _____ MUNICIPAL UTILITY DISTRICT.

WHEREAS, the _____ Municipal Utility District (the "District"), recognizes that the amount of water available to its water customers is limited; and

WHEREAS, pursuant to Chapter 49 of the Water Code, the District is authorized to adopt such policies necessary to accomplish the purposes for which it was created, including but not limited to the preservation and conservation of available water supplies; and

WHEREAS, the District seeks to adopt an order pertaining to illegal water connections and theft of water.

NOW THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE _____ MUNICIPAL UTILITY DISTRICT THAT:

Section 1. The Board of Directors hereby approves and adopts this Order as described herein.

Section 2. A person commits an offense of theft of water by any of the following actions:

- (a) A person may not knowingly tamper, connect to, or alter any component of the District's water system including valves, meters, meter boxes, lids, hydrants, lines, pump stations, ground storage tanks, and elevated storage tanks. This shall include direct or indirect efforts to initiate or restore water service without the approval of the District.
- (b) If, without the written consent of the District, the person knowingly causes, suffers or allows the initiation or restoration of water service to the property after termination of service(s). For purposes of this section, it shall be assumed that the owner, occupant, or person in control of the property caused, suffered, or allowed the unlawful initiation or restoration of service(s).
- (c) A person may not knowingly make or cause a false report to be made to the District of a reading of a water meter installed for metered billing.

(d) A person commits a separate offense each day that the person performs an act prohibited by this section or fails to perform an act required by this section.

Section 3. An offense under this Order is punishable in accordance with the District's rules and policies regarding rates and may result in disconnection of service.

Section 4. The Board of Directors does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting considering this Order was posted at a designated place convenient to the public for the time required by law preceding this meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Order, and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the posting thereof.

Section 5. Should any paragraph, sentence, clause, phrase or word of this Order be declared unconstitutional or invalid for any reason, the remainder of this Order shall not be affected.

Section 6. {If Applicable} Order No. _____, adopted on _____, is hereby repealed.

Approved and adopted by the Board of Directors on this ___ day of _____, ____.

President, Board of Directors

Attest:

Secretary

**Special Utility District Order
Pertaining to Illegal Water Connections and Theft of Water**

Order No. _____

AN ORDER PERTAINING TO ILLEGAL WATER CONNECTIONS AND/OR THE THEFT OF WATER RELATED TO THE WATER SUPPLY FOR THE _____ SPECIAL UTILITY DISTRICT.

WHEREAS, the _____ Special Utility District (the "District"), recognizes that the amount of water available to its water customers is limited; and

WHEREAS, pursuant to Chapter 65 of the Water Code, the District is authorized to adopt such policies necessary to preserve and conserve available water supplies; and

WHEREAS, the District seeks to adopt an order pertaining to illegal water connections and theft of water.

NOW THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE _____ SPECIAL UTILITY DISTRICT THAT:

Section 1. The Board of Directors hereby approves and adopts this Order as described herein.

Section 2. A person commits an offense of theft of water by any of the following actions:

(a) A person may not knowingly tamper, connect to, or alter any component of the District's water system including valves, meters, meter boxes, lids, hydrants, lines, pump stations, ground storage tanks, and elevated storage tanks. This shall include direct or indirect efforts to initiate or restore water service without the approval of the District.

(b) If, without the written consent of the District, the person knowingly causes, suffers or allows the initiation or restoration of water service to the property after termination of service(s). For purposes of this section, it shall be assumed that the owner, occupant, or person in control of the property caused, suffered, or allowed the unlawful initiation or restoration of service(s).

(c) A person may not knowingly make or cause a false report to be made to the District of a reading of a water meter installed for metered billing.

(d) A person commits a separate offense each day that the person performs an act prohibited by this section or fails to perform an act required by this section.

Section 3. An offense under this Order is punishable in accordance with the District's rules and policies regarding rates and may result in disconnection of service.

Section 4. The Board of Directors does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting considering this Order was posted at a designated place convenient to the public for the time required by law preceding this meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Order, and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the posting thereof.

Section 5. Should any paragraph, sentence, clause, phrase or word of this Order be declared unconstitutional or invalid for any reason, the remainder of this Order shall not be affected.

Section 6. {If Applicable} Order No. _____, adopted on _____, is hereby repealed.

Approved and adopted by the Board of Directors on this ___ day of _____, _____.

President, Board of Directors

Attest:

Secretary

**Water Supply Corporation Resolution
Pertaining to Illegal Water Connections and Theft of Water**

Resolution No. _____

**A RESOLUTION PERTAINING TO ILLEGAL WATER CONNECTIONS AND/OR THE THEFT OF WATER
RELATED TO THE WATER SUPPLY FOR THE _____ WATER SUPPLY CORPORATION.**

WHEREAS, the _____ Water Supply Corporation (the "WSC"), recognizes that the amount of water available to its water customers is limited; and

WHEREAS, pursuant to Chapter 67 of the Water Code, the WSC is authorized to adopt such policies necessary to preserve and conserve available water supplies; and

WHEREAS, the WSC seeks to adopt an order pertaining to illegal water connections and theft of water.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE _____ WATER SUPPLY CORPORATION THAT:

Section 1. The Board of Directors hereby approves and adopts this Resolution as described herein.

Section 2. A person commits an offense of theft of water by any of the following actions:

(a) A person may not knowingly tamper, connect to, or alter any component of the WSC's water system including valves, meters, meter boxes, lids, hydrants, lines, pump stations, ground storage tanks, and elevated storage tanks. This shall include direct or indirect efforts to initiate or restore water service without the approval of the WSC.

(b) If, without the written consent of the WSC, the person knowingly causes, suffers or allows the initiation or restoration of water service to the property after termination of service(s). For purposes of this section, it shall be assumed that the owner, occupant, or person in control of the property caused, suffered, or allowed the unlawful initiation or restoration of service(s).

(c) A person may not knowingly make or cause a false report to be made to the WSC of a reading of a water meter installed for metered billing.

(d) A person commits a separate offense each day that the person performs an act prohibited by this section or fails to perform an act required by this section.

Section 3. An offense under this Resolution is punishable in accordance with the WSC's rules and policies regarding rates, including its approved tariff, and may result in disconnection of service.

Section 4. The Board of Directors does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting considering this Resolution was posted at a designated place convenient to the public for the time required by law preceding this meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Resolution, and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the posting thereof.

Section 5. Should any paragraph, sentence, clause, phrase or word of this Resolution be declared unconstitutional or invalid for any reason, the remainder of this Resolution shall not be affected.

Section 6. {If Applicable} Resolution No. _____, adopted on _____, is hereby repealed.

Approved and adopted by the Board of Directors on this ___ day of _____, _____.

President, Board of Directors

Attest:

Secretary

APPENDIX I
SAMPLE LANDSCAPE ORDINANCE

APPENDIX I

SAMPLE LANDSCAPE ORDINANCE

This is an example of a basic landscape ordinance which can be adopted or modified for adoption by municipalities or other jurisdictions.

1. PURPOSE

Landscaping is accepted as adding value to property and is in the interest of the general welfare of the City. The provision of landscaped areas also serves to increase the amount of a property that is devoted to pervious surface area which, in turn, helps to reduce the amount of impervious surface area, storm water runoff, and consequent nonpoint pollution in local waterways. Therefore, landscaping is hereafter required of new development, including single and two family uses. Single and two family use requirements are less in scope than those for other uses such as multi family, commercial, institutional, and industrial development. Landscape requirements for these uses are set forth herein.

2. SCOPE AND ENFORCEMENT

The standards and criteria contained within this Section are deemed to be minimum standards and shall apply to all new or altered construction occurring within the City exceeding thirty percent (30%) of the original floor and/or site area. Additionally, any use requiring a Conditional Use Provision (CUP) zoning designation must comply with these landscape standards unless special landscaping standards are otherwise provided for in the ordinance establishing the CUP district. The provisions of this Section shall be administered and enforced by the City Manager or his/her designee. If at any time after the issuance of a certificate of occupancy, the approved landscaping is found to be not in conformance with the standards and criteria of this Section, the City Manager (or his/her designee) shall issue notice to the owner, citing the violation and describing what action is required to comply with this Section. The owner, tenant or agent shall have thirty (30) calendar days from date of said notice to establish/restore the landscaping, as required. If the landscaping is not established/restored within the allotted time, then such person shall be in violation of this Ordinance.

3. PERMITS

No permits shall be issued for building, paving, grading or construction until a detailed landscape plan is submitted and approved by the City Manager or his/her designee, along with the site plan and engineering/construction plans. A landscape plan shall be required as part of the site plan submission, as

required in Section __. The landscape plan may be shown on the site plan (provided the site plan remains clear and legible) or may be drawn on a separate sheet. Prior to the issuance of a certificate of occupancy for any building or structure, all screening and landscaping shall be in place in accordance with the landscape plan. In any case in which a certificate of occupancy is sought at a season of the year in which the City Manager, or his/her designee, determines that it would be impractical to plant trees, shrubs or groundcover, or to successfully establish turf areas, a temporary certificate of occupancy may be issued provided a letter of agreement from the property owner is submitted that states when the installation shall occur. All landscaping required by the landscaping plan shall be installed within six (6) months of the date of the issuance of the certificate of occupancy.

4. LANDSCAPE PLAN

Prior to the issuance of a building, paving, grading or construction permit for any use other than single family detached or two family dwellings, a landscape plan shall be submitted to the City Manager, or his/her designee. The City Manager, or his/her designee, shall review such plans and shall approve same if the plans are in accordance with the criteria of these regulations. If the plans are not in conformance, they shall be disapproved and shall be accompanied by a written statement setting forth the changes necessary for compliance. The landscape plan shall be prepared and by a person knowledgeable in plant material usage and landscape design (e.g., landscape architect, landscape contractor, landscape designer, etc.). For all uses other than single and two family uses, the landscape plan shall be sealed by a registered landscape architect and shall contain the following minimum information:

- A. Minimum scale of one inch (1") equals fifty feet (50'); show scale in both written and graphic form.
- B. Trunk location and caliper size, dripline location, and species of all trees to be preserved. Tree stamps or standard symbols shall not be used unless they indicate true size and location of trees and driplines.
- C. Location of all plant and landscaping material to be used, including plants, paving, benches, screens, fountains, statues, earthen berms, ponds (to include depth of water), topography of site, or other landscape features.
- D. Species and common names of all plant materials to be used.
- E. Size of all plant material to be used (container size, planted height, etc.)
- F. Spacing of plant material where appropriate.

- G. Layout and description of irrigation, sprinkler, or water systems including location of water sources.
- H. Name and address of the person(s) responsible for the preparation of the landscape plan.
- I. North arrow/symbol, and a small map indicating location of the property.
- K. Date of the landscape plan.

5. GENERAL STANDARDS

The following criteria and standards shall apply to landscape materials and installation:

- A. All required landscaped open areas shall be completely covered with living plant material or landscape mulch materials such as shredded hardwood mulch or decomposed granite
- B. Plant materials shall conform to the standards of the approved plant list for the City and the current edition of the "American Standard for Nursery Stock" (as amended), published by the American Association of Nurserymen. Grass seed, sod and other material shall be clean and free of weeds and noxious pests and insects.
- C. Large trees shall have an average spread of crown of greater than fifteen feet (15') at maturity. Trees having a lesser average mature crown of fifteen feet (15') may be substituted by grouping the same so as to create the equivalent of fifteen feet (15') of crown spread. Large trees shall be a minimum of three inches (3") in caliper measured six inches (6") above the ground and ten feet (10') in height at time of planting. Small trees shall be a minimum of two inches (2") in caliper measured six inches (6") above the ground and eight feet (8') in height at time of planting.
- D. Shrubs not of a dwarf variety shall be a minimum of two feet (2') in height when measured immediately after planting. Hedges, where installed for screening purposes, shall be planted and maintained so as to form a continuous, unbroken, solid visual screen which will be six feet (6') high within three (3) years after time of planting (except for parking lot/headlight screens, which shall form a continuous, solid visual screen three feet high within two years after planting).
- E. Vines not intended as ground cover shall be a minimum of two feet (2') in height immediately after planting and may be used in conjunction with fences, screens, or walls to meet landscape screening requirements as set forth.

F. Grass areas shall be sodded, plugged, sprigged, hydro mulched and/or seeded, except that solid sod shall be used in swales, earthen berms or other areas subject to erosion.

G. Ground covers used in lieu of grass in whole and in part shall be planted in such a manner as to present a finished appearance and complete coverage within one (1) year of planting.

H. All automatic, underground irrigation system shall have freeze and rain sensors to prevent watering at inappropriate times. Landscaped areas having less than four (4) feet in width shall be irrigated by underground tubing or other capillary system but not by aboveground spray. All required landscape planting shall be required to be maintained in a healthy, living and growing condition. Irrigation equipment (except for controllers and weather stations) shall not be visible from public streets or walkways.

I. Earthen berms shall have side slopes not to exceed 33.3 percent (three feet (3') of horizontal distance for each one foot (1') of vertical height). All berms shall contain necessary drainage provisions as may be required by the City's Engineer.

6. MINIMUM LANDSCAPING REQUIREMENTS FOR ALL USES OTHER THAN SINGLE- AND TWO-FAMILY RESIDENTIAL DEVELOPMENTS

A. For all uses other than single and two-family uses, at least twenty percent (20%) of the street yard shall be permanently landscaped area. The street yard shall be defined as the area between the building front and the front property line. For gasoline service stations, the requirement is a minimum of fifteen percent (15%) landscaped area for the entire site, including a six hundred (600) square foot landscaped area at the street intersection corner (if any), which can be counted toward the fifteen percent (15%) requirement.

B. A minimum fifteen foot (15') landscape buffer adjacent to the right-of-way of any major thoroughfare is required. Corner lots fronting two (2) major thoroughfares shall provide the appropriate required landscape buffer on both street frontages. All other street frontages shall observe a minimum ten foot (10') landscape buffer. One (1) large shade tree shall be required per forty (40) linear feet (or portion thereof) of street frontage. Trees may be grouped or clustered to facilitate site design and to provide an aesthetically pleasing, natural looking planting arrangement. The landscaped buffer area may be included in the required street yard landscape area percentage.

C. Landscape areas within parking lots should generally be at least one parking space in size, with no landscape area less than fifty (50) square feet in area. Landscape areas shall be no less than five feet (5') wide and shall equal a total of at least sixteen (16) square feet per parking space. There shall be a landscaped area with at least one (1) large tree within sixty feet (60') of every parking space. There shall be a minimum of one (1) large tree planted in the parking area for every ten (10) parking spaces for parking lots having more than twenty (20) spaces. Within parking lots, landscape areas should be located to define parking areas and to assist in clarifying appropriate circulation patterns. A landscape island shall be located at the terminus of all parking rows, and shall contain at least one tree. All landscape areas shall be protected by a monolithic concrete curb or wheel stops, and shall remain free of trash, litter, and car bumper overhangs. The area of parking lot landscaping islands shall be in addition to the required street yard landscape area percentage.

D. All existing trees which are to be preserved shall be provided with undisturbed, permeable surface area under and extending outward to the existing dripline of the tree. All new trees shall be provided with a permeable surface under the dripline a minimum of five feet (5') by five feet (5').

E. A minimum of fifty percent (50%) of the total trees required for the property shall be large shade trees as specified on the City's approved plant list. Large trees shall not be used under existing or proposed overhead utility lines.

F. Necessary driveways from the public right-of-way shall be permitted through all required landscaping in accordance with City regulations.

7. MINIMUM LANDSCAPING REQUIREMENTS FOR SINGLE-FAMILY AND TWO-FAMILY DEVELOPMENTS

A. For all single family and two family developments, each residential lot shall be planted with at least one (1) large tree having a minimum caliper of three inches (3") in the front yard; and one (1) large tree having a minimum caliper of three inches (3") in the back yard; and one (1) small tree having a minimum caliper of two inches (2") in the front yard; and two (2) small trees having a minimum caliper of two inches (2") in the back yard. Trees shall be from the city's approved plant list.

B. Only small trees from the city's approved plant list shall be allowed to be planted between the street curb and the right-of-way, unless otherwise specifically approved as part of a Planned Development (PD).

8. SIGHT DISTANCE AND VISIBILITY

Rigid compliance with these landscaping requirements shall not be such as to cause visibility obstructions and/or blind corners at intersections. Whenever an intersection of two (2) or more public right-of-way occurs, a triangular visibility area, as described below, shall be created. Landscape planting within the triangular visibility area shall be designed to provide unobstructed cross visibility at a level between thirty inches (30") and seven feet (7') measured above top of curb. Trees may be permitted in this area provided they are trimmed in such that lateral limbs or foliage extend into the cross visibility area. The triangular areas are:

- A. The areas of property on both sides of the intersection of an alley access way and public right-of-way shall have a triangular visibility area with two (2) sides of each triangle being a minimum of ten feet (10') in length from the point of intersection and the third side being a line connecting the ends of the other two (2) sides.
- B. The areas of property located at a corner formed by the intersection of two (2) or more public right-of-ways (or a private driveway onto a public road) shall have a triangular visibility area with two (2) sides of each triangle being a minimum of twenty five feet (25') in length along the right-of-way lines (or along the driveway curb line and the road right-of-way line) from the point of the intersection and the third side being a line connecting the ends of the other two (2) sides. In the event other visibility obstructions are apparent in the proposed landscape plan, as determined by the City Manager or his/her designee, the requirements set forth herein may be reduced to the extent to remove the conflict.

APPENDIX J
TCEQ WATER CONSERVATION IMPLEMENTATION REPORT



Texas Commission on Environmental Quality

Water Conservation Implementation Report Public Water Supplier

This five year report must be completed by entities that are required to submit a water conservation plan to the TCEQ in accordance with Title 30 Texas Administrative Code, Chapter 288. Please complete this report and submit it to the TCEQ. If you need assistance in completing this form, please contact the Resource Protection Team in the Water Availability Division at (512) 239-4691.

CONTACT INFORMATION

Name of Entity:

Public Water Supply Identification Number (PWS ID): [Click here to enter text.](#)

CCN numbers: [Click here to enter text.](#)

Water Right Permit numbers: [Click here to enter text.](#)

Wastewater ID numbers: [Click here to enter text.](#)

Check all that apply:

- Retail Public Water Supplier
- Wholesale Public Water Supplier

Address: [Click here to enter text.](#) City: [Click here to enter text.](#) Zip Code: [Click here to enter text.](#)

Email: [Click here to enter text.](#) Telephone Number: [Click here to enter text.](#)

Regional Water Planning Group: [Click here to enter text.](#) [Map](#)

Groundwater Conservation District: [Click here to enter text.](#) [Map](#)

Form Completed By: [Click here to enter text.](#) Title: [Click here to enter text.](#)

Signature: _____ Date: [Click here to enter a date.](#)

Contact information for the person or department responsible for implementing the water conservation plan:

Name: [Click here to enter text.](#) Phone: [Click here to enter text.](#) Email: [Click here to enter text.](#)

Report Completed on Date: [Click here to enter a date.](#)

Reporting Period (check only one):

Fiscal Period Begin: [Click here to enter a date.](#) Period End: [Click here to enter a date.](#)

Calendar Period Begin: [Click here to enter a date.](#) Period End: [Click here to enter a date.](#)

Please check all of the following that apply to your entity:

- A surface water right holder of 1,000 acre-feet/year or more for non-irrigation uses
- A surface water right holder of 10,000 acre-feet/year or more for irrigation uses

Important

If your entity meets the following description, please skip page 3 and go directly to page 4.

Your entity is a Wholesale Public Water Supplier that ONLY provides wholesale water services for public consumption. For example, you only provide wholesale water to other municipalities or water districts.

Water Use Accounting

Retail Water Sold: *All retail water sold for public use and human consumption.*

Helpful Hints: There are two options available for you to provide the requested information. Both options ask the same information; however, the level of detail and break down of information differs between the two options. Please select just one option that works best for your entity and fill in the fields as completely as possible.

Fields that are gray are entered by the user. Select fields that are white and press F9 to updated fields.

For the five-year reporting period, enter the gallons of **RETAIL** water sold in each major water use category. Use only one of the following options.

Option 1

| Water Use Category* | Gallons Sold |
|--|--------------|
| Single Family Residential | |
| Multi-Family Residential | |
| TOTAL Residential Use¹ | 0 |
| Industrial | |
| Commercial | |
| Institutional | |
| TOTAL Retail Water Sold² | 0 |

1. [SF Res +MF Res = Residential Use]
2. [Res +Ind +Com +Ins = Retail Water Sold]

Option 2

| Water Use Category * | Gallons Sold |
|--|--------------|
| Residential Select all of the sectors that your account for as "Residential". <input type="checkbox"/> Single Family <input type="checkbox"/> Multi-Family | |
| Commercial Please select all of the sectors that your account for as "Commercial". <input type="checkbox"/> Commercial <input type="checkbox"/> Multi-Family <input type="checkbox"/> Industrial <input type="checkbox"/> Institutional | |
| Industrial Please select all of the sectors that your account for as "Industrial". <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Institutional | |
| Other Please select all of the sectors that your account for as "Other". <input type="checkbox"/> Commercial <input type="checkbox"/> Multi-Family <input type="checkbox"/> Industrial <input type="checkbox"/> Institutional | |
| TOTAL Retail Water Sold¹ | 0.00 |

1. [Res +Com +Ind + Other = Retail Water Sold]

Wholesale Water Exported: *Wholesale water sold or transferred out of the distribution system.*

For the five-year reporting period, enter the gallons of **WHOLESALE** water exported to each major water use category.

| Water Use Category* | Gallons of Exported Wholesale Water |
|--|-------------------------------------|
| Municipal Customers | |
| Agricultural Customers | |
| Industrial Customers | |
| Commercial Customers | |
| Institutional Customers | |
| TOTAL Wholesale Water Exported ¹ | 0.00 |

1. [Mun +Agr +Ind +Com +Ins = Wholesale Water Exported]

System Data

Fields that are gray are entered by the user.
Select fields that are white and hit F9 to
updated fields.

| | Total Gallons During the Five-Year Reporting Period |
|--|--|
| Water Produced: Volume produced from own sources | |
| Wholesale Water Imported : Purchased wholesale water imported from other sources into the distribution system | |
| Wholesale Water Exported: Wholesale water sold or transferred out of the distribution system (Insert Total Volume calculated on Page 4) | |
| TOTAL System Input : Total water supplied to the infrastructure | 0.00 [Produced + Imported - Exported = System Input] |
| Retail Water Sold : All retail water sold for public use and human consumption (Insert Total Residential Use from Option 1 or Option 2 calculated on Page 3) | |
| Other Consumption Authorized for Use but not Sold: <ul style="list-style-type: none"> - back flushing water - line flushing - storage tank cleaning - golf courses - fire department use - parks - municipal government offices | |
| TOTAL Authorized Water Use: All water that has been authorized for use or consumption. | 0.00 [Retail Water Sold + Other Consumption = Total Authorized] |
| Apparent Losses – Water that has been consumed but not properly measured (Includes customer meter accuracy, systematic data discrepancy, un- authorized consumption such as theft) | |
| Real Losses – Physical losses from the distribution system prior to reaching the customer destination (Includes physical losses from system or mains, reported breaks and leaks, storage overflow) | |
| Unidentified Water Losses | 0.00 [System Input- Total Authorized - Apparent Losses - Real Losses = Unidentified Water Losses] |
| TOTAL Water Loss | 0.00 [Apparent + Real + Unidentified = Total Water Loss] |

Targets and Goals

In the table below, please provide the specific and quantified five and ten-year targets for water savings listed in your water conservation plan.

Fields that are gray are entered by the user. Select fields that are white and hit F9 to update fields.

| Date | Target for: Total GPCD | Target for: Water Loss (expressed in GPCD) | Target for: Water Loss Percentage (expressed in Percentage) |
|--------------------------------------|---------------------------|--|---|
| Five-year target date: dd/mm/yyyy | | | % |
| Ten-year target date: dd/mm/yyyy | | | % |

Are targets in the water conservation plan being met? Yes No

If these targets are not being met, provide an explanation as to why, including any progress on these targets: [Click here to enter text.](#)

Gallons per Capita per Day (GPCD) and Water Loss

Compare your current gpcd and water loss to the above targets and goals set in your previous water conservation plan.

| Total System Input in Gallons | Permanent Population | Current GPCD |
|---|----------------------|---|
| [Produced + Imported - Exported = System Input] | | [(System Input ÷ Permanent Population) / 5 / 365] |

Permanent Population is the total permanent population of the service area. This includes single family, multi-family, and group quarter populations.

| Total Residential Use | Permanent Population | Residential GPCD |
|-----------------------|----------------------|--|
| | | [(Residential Use ÷ Residential Population) / 5 / 365] |

Residential Population is the total residential population of the service area including single & multi-family population.

| Total Water Loss | Total System Input in Gallons | Permanent Population | Water Loss calculated in | |
|---|--|----------------------|--------------------------|----------------------|
| | | | GPCD ¹ | Percent ² |
| [Apparent + Real + Unidentified = Total Water Loss] | [Water Produced + Wholesale Imported - Wholesale Exported] | | | |

1. $[\text{Total Water Loss} \div \text{Permanent Population}] / 5 / 365 = \text{Water Loss GPCD}$
2. $[\text{Total Water Loss} \div \text{Total System Input}] \times 100 = \text{Water Loss Percentage}$

Water Conservation Programs and Activities

As you complete this section, please review your water conservation plan to see if you are making progress towards meeting your stated goals.

Fields that are gray are entered by the user. Select fields that are white and hit F9 to update fields.

1. Water Conservation Plan

What year did your entity adopt, or revise, their most recent water conservation plan: [Click here](#) to enter text.

Does the plan incorporate Best Management Practices? Yes No

2. Water Conservation Programs

For the reporting period, please select the types of activities and programs that have been actively administered, and estimate the expense and savings that incurred in implementing the conservation activities and programs for the past five years. Leave the field blank if unknown:

| Program or Activity | Estimated Expenses | Estimated Gallons Saved |
|--|--------------------|-------------------------|
| Conservation Analysis & Planning | | |
| <input type="checkbox"/> Conservation Coordinator | | |
| <input type="checkbox"/> Survey for Single-Family and Multi-Family Customers | | |
| Financial | | |
| <input type="checkbox"/> Wholesale Agency Assistance Programs | | |
| <input type="checkbox"/> Water Conservation Pricing/Rate Structures | | |
| System Operations | | |
| <input type="checkbox"/> Water Loss Audits | | |
| <input type="checkbox"/> Leak Detection | | |
| <input type="checkbox"/> Universal Metering and Metering Repair | | |
| Landscaping | | |
| <input type="checkbox"/> Landscape Irrigation Conservation and | | |

| | | |
|--|---------|---|
| Incentives | | |
| <input type="checkbox"/> Athletic Fields Conservation | | |
| <input type="checkbox"/> Golf Course Conservation | | |
| <input type="checkbox"/> Park Conservation | | |
| Education & Public Awareness | | |
| <input type="checkbox"/> School Education | | |
| <input type="checkbox"/> Public Information | | |
| Rebate, Retrofit, and Incentive Programs | | |
| <input type="checkbox"/> Conservation Programs for ICI Accounts | | |
| <input type="checkbox"/> Residential Clothes Washer Incentive Program | | |
| <input type="checkbox"/> Water Wise Landscape Design and Conversion Programs | | |
| <input type="checkbox"/> Showerhead, Aerator, and Toilet Flapper Retrofit | | |
| <input type="checkbox"/> Residential Toilet Replacement Programs | | |
| <input type="checkbox"/> Rainwater Harvesting Incentive Program | | |
| <input type="checkbox"/> ICI Incentive Programs | | |
| Conservation Technology | | |
| <input type="checkbox"/> Recycling and Reuse Programs (Water or Wastewater Effluent) | | |
| <input type="checkbox"/> Rainwater Harvesting and Condensate Reuse Programs | | |
| Regulatory and Enforcement | | |
| <input type="checkbox"/> Prohibition on Wasting Water | | |
| TOTAL | \$ 0.00 | 0 |

3. Reuse (Water or Wastewater Effluent)

For the reporting period, please provide the following data regarding the types of direct and indirect reuse activities that were administered for the past five years:

| Reuse Activity | Estimated Volume (in gallons) |
|--|-------------------------------|
| On-site irrigation | |
| Plant wash down | |
| Chlorination/de-chlorination | |
| Industrial | |
| Landscape irrigation (parks, golf courses) | |
| Agricultural | |
| Other, please describe: | |
| Estimated Volume of Recycled or Reuse | 0 |

4. Water Savings

For the five-year reporting period, estimate the total savings that resulted from your overall water conservation activities and programs?

| Estimated Gallons Saved (Total from Conservation Programs Table) | Estimated Gallons Recycled or Reused (Total from Reuse Table) | Total Volume of Water Saved ¹ | Dollar Value of Water Saved ² |
|---|--|--|--|
| | | 0 | |

1. [Estimated Gallons Saved + Estimated Gallons Recycled or Reused = Total Volume Saved]

2. Estimate this value by taking into account water savings, the cost of treatment or purchase of your water, and any deferred capital costs due to conservation.

5. Conservation Pricing / Conservation Rate Structures

During the five-year reporting period, have your rates or rate structure changed? Yes No

Please indicate the type of rate pricing structures that you use:

| | | |
|--|---|---|
| <input type="checkbox"/> Uniform rates | <input type="checkbox"/> Water Budget Based rates | <input type="checkbox"/> Surcharge - seasonal |
| <input type="checkbox"/> Flat rates | <input type="checkbox"/> Excess Use Rates | <input type="checkbox"/> Surcharge - drought |
| <input type="checkbox"/> Inclining/ Inverted Block | <input type="checkbox"/> Drought Demand rates | <input type="checkbox"/> Surcharge - usage demand |
| <input type="checkbox"/> Declining Block rates | <input type="checkbox"/> Tailored rates | |
| <input type="checkbox"/> Seasonal rates | | |

6. Public Awareness and Education Program

For the five-year reporting period, please check the appropriate boxes regarding any public awareness and educational activities that your entity has provided:

| | Implemented | Number/Unit |
|---|--------------------------|--------------------------|
| <i>Example: Brochures Distributed</i> | <input type="checkbox"/> | <i>10,000/year</i> |
| <i>Example: Educational School Programs</i> | <input type="checkbox"/> | <i>50 students/month</i> |
| Brochures Distributed | <input type="checkbox"/> | |
| Messages Provided on Utility Bills | <input type="checkbox"/> | |
| Press Releases | <input type="checkbox"/> | |
| TV Public Service Announcements | <input type="checkbox"/> | |
| Radio Public Service Announcements | <input type="checkbox"/> | |
| Educational School Programs | <input type="checkbox"/> | |
| Displays, Exhibits, and Presentations | <input type="checkbox"/> | |
| Community Events | <input type="checkbox"/> | |

| | | |
|------------------------|--------------------------|--|
| Social Media campaigns | <input type="checkbox"/> | |
| Facility Tours | <input type="checkbox"/> | |
| Other: | <input type="checkbox"/> | |

7. Leak Detection

During the five-year reporting period, how many leaks were repaired in the system or at service connections: [Click here to enter text.](#)

Please check the appropriate boxes regarding the main cause of water loss in your system during the reporting period:

- Leaks and breaks
- Un-metered utility or city uses
- Master meter problems
- Customer meter problems
- Record and data problems
- Other: [Click here to enter text.](#)
- Other: [Click here to enter text.](#)

8. Universal Metering and Meter Repair

For the five-year reporting period, please provide the following information regarding meter repair:

| | Total Number | Total Tested | Total Repaired | Total |
|---------------------------|--------------|--------------|----------------|-------|
| Production Meters | | | | |
| Meters larger than 1 1/2" | | | | |
| Meters 1 1/2 or smaller | | | | |

Does your system have automated meter reading? Yes No

9. Conservation Communication Effectiveness

In your opinion, how would you rank the effectiveness of your conservation activities in reaching the following types of customers for the past five years?

| | Do not have activities or programs that target this type customer. | Less Than Effective | Somewhat Effective | Highly Effective |
|-------------------------|--|--------------------------|--------------------------|--------------------------|
| Residential Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Industrial Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Institutional Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Commercial Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Agricultural Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

10. Drought Contingency and Emergency Water Demand Management

During the five-year reporting period, did you implement your Drought Contingency Plan?

Yes No

If yes, indicate the number of days that your water use restrictions were in effect: Click here to enter text.

If yes, please check all the appropriate reasons for your drought contingency efforts going into effect.

| | |
|--|--|
| <input type="checkbox"/> Water Supply Shortage | <input type="checkbox"/> Equipment Failure |
| <input type="checkbox"/> High Seasonal Demand | <input type="checkbox"/> Impaired Infrastructure |
| <input type="checkbox"/> Capacity Issues | <input type="checkbox"/> Other |

If you have any questions on how to fill out this form or about the Water Conservation program, please contact us at 512/239-4691.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact us at 512-239-3282.

**MODEL WATER RESOURCE AND EMERGENCY
MANAGEMENT PLAN
GREATER TEXOMA UTILITY AUTHORITY
MEMBER CITIES AND CUSTOMERS
RECEIVING TREATED WATER**

APRIL 2014

Prepared by:

GREATER TEXOMA UTILITY AUTHORITY
5100 Airport Drive
Denison TX 75020
903-786-4433

FORWARD

This Model Water Resource and Emergency Management Plan (which is an update to the previous Drought Contingency and Water Emergency Response Plan) was drafted utilizing the Model Water Resource and Emergency Management Plan prepared by Freese and Nichols for the North Texas Municipal Water District (NTMWD). Greater Texoma Utility Authority (GTUA) is a customer of the NTMWD and receives treated water from the NTMWD for delivery to several GTUA Member Cities and Customers. This Model Plan is intended to be used by GTUA Member Cities and Customers receiving treated water from the GTUA via NTMWD as a guide as they develop their own Water Resource and Emergency Management Plans. This plan was prepared pursuant to Texas Commission on Environmental Quality rules. Some material is based on the existing drought contingency plans listed in Appendix A.

This Water Resource and Emergency Management plan is based on the Texas Administrative Code in effect on June 25, 2013.

**WATER RESOURCE AND EMERGENCY
MANAGEMENT PLAN
INSERT ENTITY NAME**

APRIL 2014

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APPENDICES

APPENDIX A

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APPENDIX B

Texas Commission on Environmental Quality Rules on Drought Contingency Plans

- Texas Administrative Code Title 30, Part 1, Chapter 288, Subchapter B, Rule §288.20 – Drought Contingency Plans for Municipal Uses by Public Water Suppliers

APPENDIX C

Letter to Region C Water Planning Groups

APPENDIX D

Adoption of Water Resource and Emergency Management Plan

- Municipal Ordinance Adopting Water Resource and Emergency Management Plan
- Municipal Utility District Order Adopting Water Resource and Emergency Management Plan
- Special Utility District Order Adopting Water Resource and Emergency Management Plan
- Water Supply Corporation Resolution Adopting Water Resource and Emergency Management Plan

1. INTRODUCTION AND OBJECTIVES

This document has been prepared as a Model Water Resource and Emergency Management Plan, intended to be available for use by Greater Texoma Utility Authority (GTUA) Member Cities and Customers. GTUA is making the model plan available to Member Cities and Customers receiving treated water from GTUA, which is received by GTUA from NTMWD. This model plan addresses all of the current TCEQ requirements for a drought contingency plan¹.

The measures included in this Model Water Resource and Emergency Management Plan are intended to provide short-term water savings during drought or emergency conditions. Water savings associated with ongoing, long-term strategies are discussed in the *Model Water Conservation Plan for Greater Texoma Utility Authority Member Cities and Customers*.²

The purpose of this model Water Resource and Emergency Management plan is as follows:

- To conserve the available water supply in times of drought and emergency
- To maintain supplies for domestic water use, sanitation, and fire protection
- To protect and preserve public health, welfare, and safety
- To minimize the adverse impacts of water supply shortages
- To minimize the adverse impacts of emergency water supply conditions.

The GTUA supplies treated potable water to GTUA Member Cities and Customers with treated water received from NTMWD. In order to adopt this model plan, each GTUA Member City and Customer will need to adopt ordinance(s) or regulation(s) implementing the plan, including the determination of fines and enforcement procedures. The model plan calls for Member Cities and Customers to adopt water resource management stages initiated by GTUA during a drought or water supply emergency. Member Cities and Customers may also adopt more stringent water resource management stages than GTUA if conditions warrant.

In the absence of drought response measures, water demands tend to increase during a drought due to increased outdoor irrigation. The severity of a drought depends on the degree of depletion of supplies and on the relationship of demand to available supplies.

¹ Superscripted numbers match references listed in Appendix A.

2. DEFINITIONS

1. AQUATIC LIFE means a vertebrate organism dependent upon an aquatic environment to sustain its lifeⁱ.
2. ATHLETIC FIELD means a public sports competition field, the essential feature of which is turf grass, used primarily for organized sports practice, competition or exhibition events for schools, professional sports, or sanctioned league playⁱⁱ.
3. COMMERCIAL FACILITY business or industrial buildings and the associated landscaping, but does not include the fairways, greens, or tees of a golf courseⁱ.
4. COMMERCIAL VEHICLE WASH FACILITY means a permanently-located business that washes vehicles or other mobile equipment with water or water-based products, including but not limited to self-service car washes, full service car washes, roll-over/in-bay style car washes, and facilities managing vehicle fleets or vehicle inventoryⁱ.
5. COOL SEASON GRASSES are varieties of turf grass that grow best in cool climates primarily in northern and central regions of the U.S. Cool season grasses include perennial and annual rye grass, Kentucky blue grass and fescuesⁱⁱⁱ.
6. CUSTOMERS include those entities to whom GTUA provides water on a customer basis that are not members of GTUA.
7. DESIGNATED OUTDOOR WATER USE DAY means a day prescribed by rule on which a person is permitted to irrigate outdoorsⁱ.

ⁱ Definitions from City of Austin Water Conservation and Drought Contingency Ordinance adopted August 16, 2012.
http://www.austintexas.gov/sites/default/files/files/Water/Conservation/Planning_and_Policy/ProposedCodeRevision_DRAFT_with_watering_schedule-8-15-2012.pdf

ⁱⁱ Definition from City of San Antonio Water Conservation Ordinance adopted 2005.
http://saws.org/conservation/ordinance/docs/Ch34_Ordinance_2009.pdf

ⁱⁱⁱ Definition developed by Freese and Nichols, Inc.

8. DRIP IRRIGATION is a type of micro-irrigation system that operates at low pressure and delivers water in slow, small drips to individual plants or groups of plants through a network of plastic conduits and emitters; also called trickle irrigation.^{iv}
9. DROUGHT, for the purposes of this report, means an extended period of time when an area receives insufficient amounts of rainfall to replenish the water supply, causing water supply sources (in this case reservoirs) to be depleted^v.
10. EVAPOTRANSPIRATION abbreviated as ET represents the amount of water lost from plant material to evaporation and transpiration. The amount of ET can be estimated based on the temperature, wind, and relative humidityⁱⁱⁱ.
11. ET/SMART CONTROLLERS are irrigation controllers that adjust their schedule and run times based on weather (ET) data. These controllers are designed to replace the amount of water lost to evapotranspirationⁱⁱⁱ.
12. PRESIDENT means the President of the Greater Texoma Utility Authority Board of Directorsⁱⁱⁱ.
13. FOUNDATION WATERING means an application of water to the soils directly abutting the foundation of a building structureⁱ.
14. MEMBER CITIES include the cities of Anna, Howe and Van Alstyne Texas.
15. NEW LANDSCAPE means vegetation: installed at the time of the construction of a residential or commercial facility; installed as part of a governmental entity's capital improvement project; installed to stabilize an area disturbed by constructionⁱ.
16. ORNAMENTAL FOUNTAIN means an artificially created structure (up to six feet in diameter) from which a jet, stream, valves and emission devices or flow of water emanates and is not typically utilized for the preservation of aquatic lifeⁱ.

^{iv} Amy Vickers: Handbook of Water Use and Conservation, Amherst Massachusetts, June 2002

^v Freese and Nichols, Inc.: Water Conservation and Drought Contingency and Water Emergency Response Plan, prepared for North Texas Municipal Water District, Fort Worth, March 2008.

17. PERMANANTLY INSTALLED IRRIGATION SYSTEM means a custom-made, site-specific system of delivering water generally for landscape irrigation via a system of pipes or other conduits installed below groundⁱ.
18. RAIN/FREEZE SENSOR means a device designed to stop the flow of water to an automatic irrigation system when rainfall or freeze event has been detectedⁱⁱ.
19. RECLAIMED WATER means reclaimed municipal wastewater that has been treated to a quality that meets or exceeds the minimum standards of the 30 Texas Administrative Code, Chapter 210 and is used for lawn irrigation, industry, or other non-potable purposesⁱ.
20. SOAKER HOSE means a perforated or permeable garden-type hose or pipe that is laid above ground that provides irrigation at a slow and constant rateⁱ.
21. SPRINKLER means an above-ground water distributionⁱⁱ device that may be attached to a garden hoseⁱ.
22. SWIMMING POOL means any structure, basin, chamber, or tank including hot tubs, containing an artificial body of water for swimming, diving, or recreational bathing, and having a depth of two (2) feet or more at any pointⁱⁱ.
23. WATER RESOURCE MANAGEMENT PLAN means a strategy or combination of strategies for temporary supply management and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies required by Texas Administrative Code Title 30, Chapter 288, Subchapter B. This is sometimes called a drought contingency planⁱ

3. TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES

The TCEQ rules governing development of drought contingency plans for public water suppliers are contained in Title 30, Part 1, Chapter 288, Subchapter B, Rule 288.20 of the Texas Administrative Code, a current copy of which is included in Appendix B. For the purpose of these rules, a drought contingency plan is defined as “a strategy or combination of strategies for temporary supply and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies.”¹

Minimum Requirements

TCEQ’s minimum requirements for drought contingency plans are addressed in the following subsections of this report:

- 288.20(a)(1)(A) – Provisions to Inform the Public and Provide Opportunity for Public Input – Section 4.1
- 288.20(a)(1)(B) – Provisions for Continuing Public Education and Information – Section 4.2
- 288.20(a)(1)(C) – Coordination with the Regional Water Planning Group – Section 4.6
- 288.20(a)(1)(D) – Criteria for Initiation and Termination of Water Resource Management Stages – Section 4.3
- 288.20(a)(1)(E) – Water Resource Management Stages – Section 4.3
- 288.20(a)(1)(F) – Specific, Quantified Targets for Water Use Reductions – Section 4.3
- 288.20(a)(1)(G) – Water Supply and Demand Management Measures for Each Stage – Section 4.3
- 288.20(a)(1)(H) – Procedures for Initiation and Termination of Water Resource Management Stages – Section 4.3
- 288.20(a)(1)(I) - Procedures for Granting Variances – Section 4.4
- 288.20(a)(1)(J) - Procedures for Enforcement of Mandatory Restrictions – Section 4.5
- 288.20(a)(3) – Consultation with Wholesale Supplier – Sections 1, 4.2, and 4.3
- 288.20(b) – Notification of Implementation of Mandatory Measures – Section 4.3
- 288.20(c) – Review and Update of Plan – Section 4.7

4. WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN

4.1 PROVISIONS TO INFORM THE PUBLIC AND OPPORTUNITY FOR PUBLIC INPUT

Member Cities and Customers will provide opportunity for public input in the development of this Water Resource and Emergency Management Plan by the following means:

- Providing written notice of the proposed plan and the opportunity to comment on the plan by newspaper, posted notice, and notice on the supplier's web site (if available).
- Making the draft plan available on the supplier's web site (if available).
- Providing the draft plan to anyone requesting a copy.
- Holding a public meeting.

4.2 PROVISIONS FOR CONTINUING PUBLIC EDUCATION AND INFORMATION

Member Cities and Customers will inform and educate the public about the Water Resource and Emergency Management Plan by the following means:

- Preparing a bulletin describing the plan and making it available at city hall and other appropriate locations.
- Making the plan available to the public through the supplier's web site (if available).
- Including information about the Water Resource and Emergency Management Plan on the supplier's web site (if available).
- Notifying local organizations, schools, and civic groups that staff are available to make presentations on the Water Resource and Emergency Management Plan (usually in conjunction with presentations on water conservation programs).
- At any time that the Water Resource and Emergency Management Plan is activated or the Water Resource and Emergency Management Plan changes, Member Cities and Customers will notify local media of the issues, the water resource management stage (if applicable), and the specific actions required of the public. The information will also be publicized on the supplier's web site (if available). Billing inserts will also be used as appropriate.

4.3 INITIATION AND TERMINATION OF WATER RESOURCE AND EMERGENCY MANAGEMENT STAGES

Initiation of a Water Resource Management Stage

The City Manager, General Manager, Mayor, Chief Executive, or official designee may order the implementation of a water resource management stage when one or more of the trigger conditions for that stage is met. The following actions will be taken when a water resource management stage is initiated:

- The public will be notified through local media and the supplier's web site (if available) as described in Section 4.2.
- Wholesale customers (if any) and the GTUA will be notified by e-mail with a follow-up letter or fax that provides details of the reasons for initiation of the water resource management stage.
- If any mandatory provisions of the Water Resource and Emergency Management Plan are activated, Member Cities and Customers will notify the Executive Director of the TCEQ and the President of the GTUA within 5 business days.
- Water Resource and Emergency Management Plan stages imposed by GTUA action must be initiated by Member Cities and Customers.
- For other trigger conditions internal to a city or water supply entity, the City Manager, General Manager, Mayor, Chief Executive, or official designee may decide not to order the implementation of a water resource management stage or water emergency even though one or more of the trigger criteria for the stage are met. Factors which could influence such a decision include, but are not limited to, the time of the year, weather conditions, the anticipation of replenished water supplies, or the anticipation that additional facilities will become available to meet needs. The reason for this decision should be documented.

Termination of a Water Resource Management Stage

The City Manager, General Manager, Mayor, Chief Executive, or official designee may order the termination of a water resource management stage when the conditions for termination are met or at

their discretion. The following actions will be taken when a water resource management stage is terminated:

- The public will be notified through local media and the supplier's web site (if available) as described in Section 4.2.
- Wholesale customers (if any) and the GTUA will be notified by e-mail with a follow-up letter or fax.
- If any mandatory provisions of the Water Resource and Emergency Management plan that have been activated are terminated, Member Cities and Customers will notify the Executive Director of the TCEQ and the President of the GTUA within 5 business days.

The City Manager, General Manager, Mayor, Chief Executive, or official designee may decide not to order the termination of a water resource management stage even though the conditions for termination of the stage are met. Factors which could influence such a decision include, but are not limited to, the time of the year, weather conditions, or the anticipation of potential changed conditions that warrant the continuation of the water resource management stage. The reason for this decision should be documented.

Water Resource and Emergency Management Plan Stages and Measures

Stage 1

Initiation and Termination Conditions for Stage 1

- The GTUA has initiated Stage 1, which may be initiated due to one or more of the following:
 - The GTUA President, with the concurrence of the GTUA Board of Directors, finds that conditions warrant the declaration of Stage 1.
 - NTMWD has initiated Stage 1.
 - GTUA water demand exceeds 95 percent of the amount that can be delivered to customers for three consecutive days
 - GTUA water demand for all or part of the delivery system equals delivery capacity because delivery capacity is inadequate.
 - GTUA's supply source becomes contaminated.

- Supply source is interrupted or unavailable due to invasive species.
- GTUA's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Member City or Customer's water demand exceeds 95 percent of the amount that can be delivered to customers for three consecutive days.
- Member City or Customer's water demand for all or part of the delivery system equals delivery capacity because delivery capacity is inadequate.
- Member City or Customer's source becomes contaminated.
- Member City or Customer's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Member City or Customer's individual plan may be implemented if other criteria dictate.

Stage 1 may terminate when GTUA terminates its Stage 1 condition or when the circumstances that caused the initiation of Stage 1 no longer prevail.

Goal for Use Reduction and Actions Available under Stage 1

The goal for water use reduction under Stage 1 is a five percent (5%) reduction in the amount of water produced by GTUA from the previous annual payment period prior to drought restrictions. If circumstances warrant or if required by GTUA, the City Manager, General Manager, Mayor, Chief Executive, or official designee can set a goal for greater or lesser water use reduction. The City Manager, General Manager, Mayor, Chief Executive, or official designee may order the implementation of any or all of the actions listed below, as deemed necessary to achieve a five percent reduction. Measures described as "requires notification to TCEQ" impose mandatory requirements on customers. The supplier must notify TCEQ and GTUA within five business days if these measures are implemented:

- Continue actions in the water conservation plan.
- Notify wholesale customers of actions being taken and request them to implement similar procedures.
- Initiate engineering studies to evaluate alternatives should conditions worsen.
- Further accelerate public education efforts on ways to reduce water use.

- Halt non-essential city government water use. (Examples include street cleaning, vehicle washing, operation of ornamental fountains, etc.)
- Encourage the public to wait until the current drought or emergency situation has passed before establishing new landscaping.
- All users are encouraged to reduce the frequency of draining and refilling swimming pools.
- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems at each service address to no more than two days per week on designated days between April 1 – October 31. Limit landscape watering with sprinklers or irrigation systems at each service address to once every week on designated days between November 1 – March 31. Exceptions are as follows:
 - An exception is allowed for landscape associated with new construction that may be watered as necessary for 30 days from the installation of new landscape features.
 - An exemption is also allowed for registered and properly functioning ET/Smart irrigation systems and drip irrigation systems from the designated outdoor water use days limited to no more than two days per week. ET/Smart irrigation and drip irrigation systems are however subject to all other restrictions applicable under this stage.
 - An exception for additional watering of landscape may be provided by hand held hose with shutoff nozzle, use of dedicated irrigation drip zones, and/or soaker hose provided no runoff occurs.
 - Foundations, new landscaping, new plantings (first year) of shrubs, and trees (within a ten foot radius of its trunk) may be watered by a hand-held hose, a soaker hose, or a dedicated zone using a drip irrigation system provided no runoff occurs.
- **Requires Notification to TCEQ** - Initiate a rate surcharge for all water use over a certain level.
- **Requires Notification to TCEQ** – Landscape watering of parks, golf courses and athletic fields using potable water are required to meet the same reduction goals and measures outlined in this stage. Exception for golf course greens and tee boxes which may be hand watered as needed.

Stage 2

Initiation and Termination Conditions for Stage 2

- The GTUA has initiated Stage 2, which may be initiated due to one or more of the following:
 - The GTUA President, with the concurrence of the GTUA Board of Directors, finds that conditions warrant the declaration of Stage 2.
 - NTMWD has initiated Stage 2.
 - GTUA water demand exceeds 98 percent of the amount that can be delivered to customers for three consecutive days.
 - GTUA water demand for all or part of the delivery system exceeds delivery capacity because delivery capacity is inadequate.
 - GTUA's supply source becomes contaminated.
 - GTUA's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Member City or Customer's water demand exceeds 98 percent of the amount that can be delivered to customers for three consecutive days.
- Member City or Customer's water demand for all or part of the delivery system exceeds delivery capacity because delivery capacity is inadequate.
- Supply source becomes contaminated.
- Supply source is interrupted or unavailable due to invasive species.
- Member City or Customer's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Member City or Customer's individual plan may be implemented if other criteria dictate.
- Stage 2 may terminate when GTUA terminates its Stage 2 condition or when the circumstances that caused the initiation of Stage 2 no longer prevail.

Goals for Use Reduction and Actions Available under Stage 2

The goal for water use reduction under Stage 2 is a reduction of ten percent (10%) in the amount of water obtained from GTUA from the previous annual payment period prior to drought restrictions. If

circumstances warrant or if required by GTUA, the City Manager, General Manager, Mayor, Chief Executive, or official designee can set a goal for greater or lesser water use reduction. The City Manager, General Manager, Mayor, Chief Executive, or official designee may order the implementation of any or all of the actions listed below, as deemed necessary to achieve a ten percent reduction. Measures described as “requires notification to TCEQ” impose mandatory requirements on customers. The supplier must notify TCEQ and GTUA within five business days if these measures are implemented:

- Continue or initiate any actions available under Stage 1.
- Notify wholesale customers of actions being taken and request them to implement similar procedures.
- Implement viable alternative water supply strategies.
- All users are encouraged to reduce the frequency of draining and refilling swimming pools.
- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems at each service address to once per week on designated days between April 1 – October 31. Limit landscape watering with sprinklers or irrigation systems at each service address to once every other week on designated days between November 1 – March 31. Exceptions are as follows:
 - New construction may be watered as necessary for 30 days from the date of the installation of new landscape features. .
 - Foundations, new plantings (first year) of shrubs, and trees (within a ten foot radius of its trunk) may be watered for up to two hours on any day by a hand-held hose, a dedicated zone using a drip irrigation system and/or soaker hose provided no runoff occurs.
 - Public athletic fields used for competition may be watered twice per week.
 - Locations using alternative sources of water supply only for irrigation may irrigate without day of the week restrictions provided proper signage is employed. However, irrigation using alternative sources of supply is subject all other restrictions applicable to this stage. If the alternative supply source is a well, proper proof of well registration with the North Texas Groundwater Conservation District or Red River Ground Water

Conservation District is required. Other sources of water supply may not include imported treated water.

- An exemption is allowed for registered and properly functioning ET/Smart irrigation systems and drip irrigation systems from the designated outdoor water use day limited to no more than one day per week. ET/Smart irrigation and drip irrigation systems are however subject to all other restrictions applicable under this stage.
- Hand watering with shutoff nozzle, drip lines, and soaker hoses is allowed before 10 am and after 6 pm provided no runoff occurs.
- **Requires Notification to TCEQ – Prohibit hydro seeding, hydro mulching, and sprigging.**
- **Requires Notification to TCEQ - Initiate a rate surcharge as requested by GTUA.**
- **Requires Notification to TCEQ - Initiate a rate surcharge for all water use over a certain level.**
- **Requires Notification to TCEQ – If GTUA has imposed a reduction in water available to Member Cities and Customers, impose the same percent reduction on wholesale customers.**
- **Requires Notification to TCEQ – Landscape watering of parks and golf courses using potable water are required to meet the same reduction goals and measures outlined in this stage. Exception for golf course greens and tee boxes which may be hand watered as needed.**

Stage 3

Initiation and Termination Conditions for Stage 3

- The GTUA has initiated Stage 3, which may be initiated due to one or more of the following:
 - The GTUA President, with the concurrence of the GTUA Board of Directors, finds that conditions warrant the declaration of Stage 3.
 - NTMWD has initiated Stage 3.
 - GTUA water demand exceeds the amount that can be delivered to customers.
 - GTUA water demand for all or part of the delivery system seriously exceeds delivery capacity because the delivery capacity is inadequate.
 - GTUA's supply source becomes contaminated.

- GTUA's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Member City or Customer's water demand exceeds the amount that can be delivered to customers.
- Member City or Customer's water demand for all or part of the delivery system seriously exceeds delivery capacity because the delivery capacity is inadequate.
- Supply source becomes contaminated.
- Member City or Customer's water supply system is unable to deliver water due to the failure or damage of major water system components.
- Member City or Customer's individual plan may be implemented if other criteria dictate.
- Stage 3 may terminate when GTUA terminates its Stage 3 condition or when the circumstances that caused the initiation of Stage 3 no longer prevail.

Goals for Use Reduction and Actions Available under Stage 3

The goal for water use reduction under Stage 3 is a reduction of whatever amount is necessary in the amount of water obtained from GTUA from the previous annual payment period prior to drought restrictions. If circumstances warrant or if required by GTUA, the City Manager, General Manager, Mayor, Chief Executive, or official designee can set a goal for greater or lesser water use reduction.

The City Manager, General Manager, Mayor, Chief Executive, or official designee may order the implementation of any or all of the actions listed below, as deemed necessary. Measures described as "requires notification to TCEQ" impose mandatory requirements on member cities and customers. The supplier must notify TCEQ and GTUA within five business days if these measures are implemented.

- Continue or initiate any actions available under Stages 1, and 2.
- Notify wholesale customers of actions being taken and request them to implement similar procedures.
- Implement viable alternative water supply strategies.
- **Requires Notification to TCEQ** – Initiate mandatory water use restrictions as follows:

- Hosing and washing of paved areas, buildings, structures, windows or other surfaces is prohibited except by variance and performed by a professional service using high efficiency equipment.
- Prohibit operation of ornamental fountains or ponds that use potable water except where supporting aquatic life or water quality.
- **Requires Notification to TCEQ** – Prohibit new sod, hydro seeding, hydro mulching, and sprigging.
- **Requires Notification to TCEQ** – Prohibit the use of potable water for the irrigation of new landscaping.
- **Requires Notification to TCEQ** – Prohibit all commercial and residential landscape watering, except that foundations and trees (within a ten foot radius of its trunk) may be watered for two hours one day per week with a hand-held hose, a dedicated zone using a drip irrigation system and/or soaker hose provided no runoff occurs. ET/Smart irrigation systems and drip irrigation systems are not exempt from this requirement.
- **Requires Notification to TCEQ** – Prohibit washing of vehicles except at commercial vehicle wash facilities.
- **Requires Notification to TCEQ** – Landscape watering of parks, golf courses, and athletic fields with potable water is prohibited. Exception for golf course greens and tee boxes which may be hand watered as needed. Variances may be granted by the water provider under special circumstances.
- **Requires Notification to TCEQ** – Prohibit the filling, draining and refilling of existing swimming pools, wading pools, Jacuzzi and hot tubs except to maintain structural integrity, proper operation and maintenance or to alleviate a public safety risk. Existing pools may add water to replace losses from normal use and evaporation. Permitting of new swimming pools, wading pools, Jacuzzi and hot tubs is prohibited.
- **Requires Notification to TCEQ** – Prohibit the operation of interactive water features such as water sprays, dancing water jets, waterfalls, dumping buckets, shooting water cannons, or splash pads that are maintained for public recreation.

- **Requires Notification to TCEQ** – Require all commercial water users to reduce water use by a percentage established by the City Manager, General Manager, Mayor, Chief Executive, or official designee.
- **Requires Notification to TCEQ** – If GTUA has imposed a reduction in water available to Member Cities and Customers, impose the same percent reduction on wholesale customers.
- **Requires Notification to TCEQ** - Initiate a rate surcharge for all water use over normal rates for all water use.

4.4 PROCEDURES FOR GRANTING VARIANCES TO THE PLAN

The City Manager, General Manager, Mayor, Chief Executive, or official designee may grant temporary variances for existing water uses otherwise prohibited under this Water Resource and Emergency Management Plan if one or more of the following conditions are met:

- Failure to grant such a variance would cause an emergency condition adversely affecting health, sanitation, or fire safety for the public or the person or entity requesting the variance.
- Compliance with this plan cannot be accomplished due to technical or other limitations.
- Alternative methods that achieve the same level of reduction in water use can be implemented.
- Variances shall be granted or denied at the discretion of the City Manager, General Manager, Mayor, Chief Executive, or official designee. All petitions for variances should be in writing and should include the following information:
 - Name and address of the petitioners
 - Purpose of water use
 - Specific provisions from which relief is requested
 - Detailed statement of the adverse effect of the provision from which relief is requested
 - Description of the relief requested
 - Period of time for which the variance is sought
 - Alternative measures that will be taken to reduce water use

- Other pertinent information.

4.5 PROCEDURES FOR ENFORCING MANDATORY WATER USE RESTRICTIONS

Mandatory water use restrictions may be imposed in Stage 1, Stage 2 and Stage 3 Water Resource and Emergency Management Plan stages. The penalties associated with the mandatory water use restrictions will be determined by each entity.

Appendix D contains potential ordinances, resolutions, and orders that may be adopted by the city council, board, or governing body approving the Water Resource and Emergency Management plan and water response plan, including enforcement of same.

4.6 COORDINATION WITH THE REGIONAL WATER PLANNING GROUP AND GTUA

Appendix C includes a copy of a letter sent to the Chair of the Region C Water Planning Group with this Water Resource and Emergency Management Plan.

The Member City or Customer will send a draft of its ordinance(s) or other regulation(s) implementing this plan to GTUA for their review and comment. The Member City or Customer will also send the final ordinance(s) or other regulation(s) to GTUA.

4.7 REVIEW AND UPDATE OF WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN

As required by TCEQ rules, Member Cities and Customers must review the Water Resource and Emergency Management plan every five years. The plan will be updated as appropriate based on new or updated information.

APPENDIX A
LIST OF REFERENCES

APPENDIX A
LIST OF REFERENCES

1. Title 30 of the Texas Administrative Code, Part 1, Chapter 288, Subchapter B, Rules 288.20 and 288.22, downloaded from [http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac_view=4&ti=30&pt=1&ch=288](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=30&pt=1&ch=288), June 2013
2. Model Water Conservation Plan for GTUA Members Cities and Customers, April 2014
3. Freese and Nichols, Inc.: Water Conservation Plan, prepared for North Texas Municipal Water District, Fort Worth, February 2014.
4. Texas Water Development Board, Texas Commission on Environmental Quality, Water Conservation Advisory Council. "Guidance and Methodology for Water Conservation Reporting.", December 2012.
5. Freese and Nichols, Inc., Alan Plummer and Associates, CP &Y Inc., Cooksey Communications, "2011 Region C Water Plan".

APPENDIX B

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES ON
DROUGHT CONTINGENCY PLANS**

APPENDIX B

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES ON DROUGHT CONTINGENCY PLANS

| | |
|---------------------|---|
| <u>TITLE 30</u> | ENVIRONMENTAL QUALITY |
| <u>PART 1</u> | TEXAS COMMISSION ON ENVIRONMENTAL QUALITY |
| <u>CHAPTER 288</u> | WATER CONSERVATION PLANS, DROUGHT CONTINGENCY PLANS, GUIDELINES AND REQUIREMENTS |
| <u>SUBCHAPTER B</u> | DROUGHT CONTINGENCY PLANS |
| RULE §288.20 | Drought Contingency Plans for Municipal Uses by Public Water Suppliers |

(a) A drought contingency plan for a retail public water supplier, where applicable, must include the following minimum elements.

(1) Minimum requirements. Drought contingency plans must include the following minimum elements.

(A) Preparation of the plan shall include provisions to actively inform the public and affirmatively provide opportunity for public input. Such acts may include, but are not limited to, having a public meeting at a time and location convenient to the public and providing written notice to the public concerning the proposed plan and meeting.

(B) Provisions shall be made for a program of continuing public education and information regarding the drought contingency plan.

(C) The drought contingency plan must document coordination with the regional water planning groups for the service area of the retail public water supplier to ensure consistency with the appropriate approved regional water plans.

(D) The drought contingency plan must include a description of the information to be monitored by the water supplier, and specific criteria for the initiation and termination of drought response stages, accompanied by an explanation of the rationale or basis for such triggering criteria.

(E) The drought contingency plan must include drought or emergency response stages providing for

the implementation of measures in response to at least the following situations:

- (i) reduction in available water supply up to a repeat of the drought of record;
- (ii) water production or distribution system limitations;
- (iii) supply source contamination; or
- (iv) system outage due to the failure or damage of major water system components (e.g., pumps).

(F) The drought contingency plan must include specific, quantified targets for water use reductions to be achieved during periods of water shortage and drought. The entity preparing the plan shall establish the targets. The goals established by the entity under this subparagraph are not enforceable.

(G) The drought contingency plan must include the specific water supply or water demand management measures to be implemented during each stage of the plan including, but not limited to, the following:

(i) curtailment of non-essential water uses; and

(ii) utilization of alternative water sources and/or alternative delivery mechanisms with the prior approval of the executive director as appropriate (e.g., interconnection with another water system, temporary use of a non-municipal water supply, use of reclaimed water for non-potable purposes, etc.).

(H) The drought contingency plan must include the procedures to be followed for the initiation or termination of each drought response stage, including procedures for notification of the public.

(I) The drought contingency plan must include procedures for granting variances to the plan.

(J) The drought contingency plan must include procedures for the enforcement of mandatory water use restrictions, including specification of penalties (e.g., fines, water rate surcharges, discontinuation of service) for violations of such restrictions.

(2) Privately-owned water utilities. Privately-owned water utilities shall prepare a drought contingency plan in accordance with this section and incorporate such plan into their tariff.

(3) Wholesale water customers. Any water supplier that receives all or a portion of its water supply from another water supplier shall consult with that supplier and shall include in the drought contingency

plan appropriate provisions for responding to reductions in that water supply.

(b) A wholesale or retail water supplier shall notify the executive director within five business days of the implementation of any mandatory provisions of the drought contingency plan.

(c) The retail public water supplier shall review and update, as appropriate, the drought contingency plan, at least every five years, based on new or updated information, such as the adoption or revision of the regional water plan.

Source Note: The provisions of this §288.20 adopted to be effective February 21, 1999, 24 TexReg 949; amended to be effective April 27, 2000, 25 TexReg 3544; amended to be effective October 7, 2004, 29 TexReg 9384

APPENDIX C
LETTERS TO REGION C WATER PLANNING GROUP

APPENDIX C

LETTERS TO REGION C WATER PLANNING GROUPS

Date

Region C Water Planning Group
c/o North Texas Municipal Water District
P.O. Box 2408
Wylie, TX 75098

Dear Sir:

Enclosed please find a copy of the Water Resource and Emergency Management Plan. I am submitting a copy of this plan to the Region C Water Planning Group in accordance with the Texas Water Development Board and Texas Commission on Environmental Quality rules. The Board/Council of the _____ adopted the updated model plan on _____, 2014.

Sincerely,

APPENDIX D

ADOPTION OF WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN

APPENDIX D
**ADOPTION OF WATER RESOURCE AND EMERGENCY MANAGEMENT
PLAN**

Municipal Ordinance

Adopting Water Resource and Emergency Management Plan

Ordinance No. _____

AN ORDINANCE ADOPTING A WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN FOR THE CITY OF _____ TO PROMOTE RESPONSIBLE USE OF WATER AND TO PROVIDE FOR PENALTIES AND/OR THE DISCONNECTION OF WATER SERVICE FOR NONCOMPLIANCE WITH THE PROVISIONS OF THE WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN.

WHEREAS, the City of _____, Texas (the "City"), recognizes that the amount of water available to its water customers is limited; and

WHEREAS, the City recognizes that due to natural limitations, drought conditions, system failures and other acts of God which may occur, the City cannot guarantee an uninterrupted water supply for all purposes at all times; and

WHEREAS, the Water Code and the regulations of the Texas Commission on Environmental Quality (the "Commission") require that the City adopt a Water Resource and Emergency Management Plan; and

WHEREAS, the City has determined an urgent need in the best interest of the public to adopt a Water Resource and Emergency Management Plan; and

WHEREAS, pursuant to Chapter 54 of the Local Government Code, the City is authorized to adopt such Ordinances necessary to preserve and conserve its water resources; and

WHEREAS, the City Council of the City of ____ desires to adopt the Greater Texoma Utility Authority (the "GTUA") Model Water Resource and Emergency Management Plan as official City policy for the conservation of water.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF _____ THAT:

Section 1. The City Council hereby approves and adopts the GTUA Model Water Resource and Emergency Management Plan (the "Plan"), attached hereto as Addendum A, as if recited verbatim herein. The City commits to implement the requirements and procedures set forth in the adopted Plan.

Section 2. Any customer, defined pursuant to 30 Tex. Admin. Code Chapter 291, failing to comply with the provisions of the Plan shall be subject to a fine of up to two thousand dollars (\$2,000.00) and/or discontinuance of water service by the City. Proof of a culpable mental state is not required for a conviction of an offense under this section. Each day a customer fails to comply with the Plan is a separate violation. The City's authority to seek injunctive or other civil relief available under the law is not limited by this section.

Section 3. The City Council does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting adopting this Ordinance was posted at a designated place convenient to the public for the time required by law preceding the meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the posting thereof.

Section 4. Should any paragraph, sentence, clause, phrase or word of this Ordinance be declared unconstitutional or invalid for any reason, the remainder of this Ordinance shall not be affected.

Section 5. The City Manager or his designee is hereby directed to file a copy of the Plan and this Ordinance with the Commission in accordance with Title 30, Chapter 288 of the Texas Administrative Code.

Section 6. The City Secretary is hereby authorized and directed to cause publication of the descriptive caption of this ordinance as an alternative method of publication provided by law.

Section 7. {If Applicable} Ordinance No. _____, adopted on _____, is hereby repealed.

Passed by the City Council on this ___ day of _____, _____.

Mayor

Attest:

City Secretary

Municipal Utility District Order

Adopting Water Resource and Emergency Management Plan

Order No. _____

AN ORDER ADOPTING A WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN FOR THE _____ MUNICIPAL UTILITY DISTRICT TO PROMOTE THE RESPONSIBLE USE OF WATER AND TO PROVIDE FOR PENALTIES AND/OR THE DISCONNECTION OF WATER SERVICE FOR NONCOMPLIANCE WITH THE PROVISIONS OF THE WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN.

WHEREAS, the _____ Municipal Utility District (the "District"), recognizes that the amount of water available to its water customers is limited; and

WHEREAS, the District recognizes that due to natural limitations, drought conditions, system failures and other acts of God which may occur, the District cannot guarantee an uninterrupted water supply for all purposes at all times; and

WHEREAS, the Water Code and the regulations of the Texas Commission on Environmental Quality (the "Commission") require that the District adopt a Water Resource and Emergency Management Plan; and

WHEREAS, the District has determined an urgent need in the best interest of the public to adopt a Water Resource and Emergency Management Plan; and

WHEREAS, pursuant to Chapter 49 of the Water Code, the District is authorized to adopt such policies necessary to accomplish the purposes for which it was created, including but not limited to the preservation and conservation of water resources; and

WHEREAS, the Board of Directors of the District desires to adopt the Greater Texoma Utility Authority (the "GTUA") Model Water Resource and Emergency Management Plan as official District policy for the conservation of water.

NOW THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE _____ MUNICIPAL UTILITY DISTRICT THAT:

Section 1. The Board of Directors hereby approves and adopts the GTUA Model Water Resource and Emergency Management Plan (the "Plan"), attached hereto as Addendum A, as if recited verbatim herein. The District commits to implement the requirements and procedures set forth in the adopted Plan.

Section 2. Any customer, defined pursuant to 30 Tex. Admin. Code Chapter 291, failing to comply with the provisions of the Plan shall be subject to a monetary fine as allowed by law, and/or discontinuance of water service by the District. Proof of a culpable mental state is not required for a conviction of an offense under this section. Each day a customer fails to comply with the Plan is a separate violation. The District's authority to seek injunctive or other civil relief available under the law is not limited by this section.

Section 3. The Board of Directors does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting adopting this Order was posted at a designated place convenient to the public for the time required by law preceding the meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Order and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the posting thereof.

Section 4. The General Manager or his designee is hereby directed to file a copy of the Plan and this Ordinance with the Commission in accordance with Title 30, Chapter 288 of the Texas Administrative Code.

Section 5. Should any paragraph, sentence, clause, phrase or word of this Order be declared unconstitutional or invalid for any reason, the remainder of this Order shall not be affected.

Section 6. {If Applicable} Order No. _____ adopted on _____, is hereby repealed.

Approved and adopted by the Board of Directors on this ____ day of _____, _____.

President, Board of Directors

Attest:

Secretary

Special Utility District Order

Adopting Water Resource and Emergency Management Plan

Order No. _____

AN ORDER ADOPTING A WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN FOR THE _____ SPECIAL UTILITY DISTRICT TO PROMOTE THE RESPONSIBLE USE OF WATER AND TO PROVIDE FOR PENALTIES AND/OR THE DISCONNECTION OF WATER SERVICE FOR NONCOMPLIANCE WITH THE PROVISIONS OF THE WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN.

WHEREAS, the _____ Special Utility District (the "District"), recognizes that the amount of water available to its water customers is limited; and

WHEREAS, the District recognizes that due to natural limitations, drought conditions, system failures and other acts of God which may occur, the District cannot guarantee an uninterrupted water supply for all purposes at all times; and

WHEREAS, the Water Code and the regulations of the Texas Commission on Environmental Quality (the "Commission") require that the District adopt a Water Resource and Emergency Management Plan; and

WHEREAS, the District has determined an urgent need in the best interest of the public to adopt a Water Resource and Emergency Management Plan; and

WHEREAS, pursuant to Chapter 65 of the Water Code, the District is authorized to adopt such policies necessary to accomplish the purposes for which it was created, including but not limited to the preservation and conservation of water resources; and

WHEREAS, the Board of Directors of the District desires to adopt the Greater Texoma Utility Authority (the "GTUA") Model Water Resource and Emergency Management Plan as official District policy for the conservation of water.

NOW THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE _____ SPECIAL UTILITY DISTRICT THAT:

Section 1. The Board of Directors hereby approves and adopts the GTUA Model Water Resource and Emergency Management Plan (the "Plan"), attached hereto as Addendum A, as if recited verbatim herein. The District commits to implement the requirements and procedures set forth in the adopted Plan.

Section 2. Any customer, defined pursuant to 30 Tex. Admin. Code Chapter 291, failing to comply with the provisions of the Plan shall be subject to a monetary fine as allowed by law, and/or discontinuance of water service by the District. Proof of a culpable mental state is not required for a conviction of an offense under this section. Each day a customer fails to comply with the Plan is a separate violation. The District's authority to seek injunctive or other civil relief available under the law is not limited by this section.

Section 3. The Board of Directors does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting adopting this Order was posted at a designated place convenient to the public for the time required by law preceding the meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Order and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the posting thereof.

Section 4. The General Manager or his designee is hereby directed to file a copy of the Plan and this Ordinance with the Commission in accordance with Title 30, Chapter 288 of the Texas Administrative Code.

Section 5. Should any paragraph, sentence, clause, phrase or word of this Order be declared unconstitutional or invalid for any reason, the remainder of this Order shall not be affected.

Section 6. {If Applicable} Order No. _____, adopted on _____, is hereby repealed.

Approved and adopted by the Board of Directors on this ___ day of ____, ____.

President, Board of Directors

Attest:

Secretary

Water Supply Corporation Resolution

Adopting Water Resource and Emergency Management Plan

Resolution No. _____

A RESOLUTION ADOPTING A WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN FOR THE _____ WATER SUPPLY CORPORATION TO PROMOTE THE RESPONSIBLE USE OF WATER AND TO PROVIDE FOR PENALTIES AND/OR THE DISCONNECTION OF WATER SERVICE FOR NONCOMPLIANCE WITH THE PROVISIONS OF THE WATER RESOURCE AND EMERGENCY MANAGEMENT PLAN.

WHEREAS, the _____ Water Supply Corporation (the "WSC"), recognizes that the amount of water available to its water customers is limited; and

WHEREAS, the WSC recognizes that due to natural limitations, drought conditions, system failures and other acts of God which may occur, the WSC cannot guarantee an uninterrupted water supply for all purposes at all times; and

WHEREAS, the Water Code and the regulations of the Texas Commission on Environmental Quality (the "Commission") require that the WSC adopt a Water Resource and Emergency Management Plan; and

WHEREAS, the WSC has determined an urgent need in the best interest of the public to adopt a Water Resource and Emergency Management Plan; and

WHEREAS, pursuant to Chapter 67 of the Water Code, the WSC is authorized to adopt such policies necessary to preserve and conserve its water resources; and

WHEREAS, the Board of Directors of the WSC desires to adopt the Greater Texoma Utility Authority (the "GTUA") Model Water Resource and Emergency Management Plan as official WSC policy for the conservation of water.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE _____ WATER SUPPLY CORPORATION THAT:

Section 1. The Board of Directors hereby approves and adopts the GTUA Model Water Resource and Emergency Management Plan (the "Plan"), attached hereto as Addendum A, as if recited verbatim herein. The WSC commits to implement the requirements and procedures set forth in the adopted Plan.

Section 2. Any customer, defined pursuant to 30 Tex. Admin. Code Chapter 291, failing to comply with the provisions of the Plan shall be subject to a monetary fine as allowed by law, and/or discontinuance of water service by the WSC. Proof of a culpable mental state is not required for a conviction of an offense under this section. Each day a customer fails to comply with the Plan is a separate violation. The WSC's authority to seek injunctive or other civil relief available under the law is not limited by this section.

Section 3. The Board of Directors does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting adopting this Resolution was posted at a designated place convenient to the public for the time required by law preceding the meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the posting thereof.

Section 4. The General Manager or his designee is hereby directed to file a copy of the Plan and this Ordinance with the Commission in accordance with Title 30, Chapter 288 of the Texas Administrative Code. Further, the Board of Directors hereby authorizes the General Manager or his designee to file an amendment to the WSC's tariff to incorporate the Plan therein.

Section 5. Should any paragraph, sentence, clause, phrase or word of this Resolution be declared unconstitutional or invalid for any reason, the remainder of this Resolution shall not be affected.

Section 6. {If Applicable} Resolution No. _____, adopted on _____, is hereby repealed.

Approved and adopted by the _____ on this ____ day of _____, _____.

President, Board of Directors

Attest:

Secretary

APPENDIX J

**Excerpt from the Texas Water Code §11.039
Distribution of Water During Shortage**

EXCERPT FROM TEXAS WATER CODE

§11.039 DISTRIBUTION OF WATER DURING SHORTAGE

Sec. 11.039. DISTRIBUTION OF WATER DURING SHORTAGE. (a) If a shortage of water in a water supply not covered by a water conservation plan prepared in compliance with Texas Natural Resource Conservation Commission or Texas Water Development Board rules results from drought, accident, or other cause, the water to be distributed shall be divided among all customers pro rata, according to the amount each may be entitled to, so that preference is given to no one and everyone suffers alike.

(b) If a shortage of water in a water supply covered by a water conservation plan prepared in compliance with Texas Natural Resource Conservation Commission or Texas Water Development Board rules results from drought, accident, or other cause, the person, association of persons, or corporation owning or controlling the water shall divide the water to be distributed among all customers pro rata, according to:

(1) the amount of water to which each customer may be entitled;
or

(2) the amount of water to which each customer may be entitled, less the amount of water the customer would have saved if the customer had operated its water system in compliance with the water conservation plan.

(c) Nothing in Subsection (a) or (b) precludes the person, association of persons, or corporation owning or controlling the water from supplying water to a person who has a prior vested right to the water under the laws of this state.

Amended by Acts 1977, 65th Leg., p. 2207, ch. 870, Sec. 1, eff. Sept. 1, 1977; Acts 2001, 77th Leg., ch. 1126, Sec. 1, eff. June 15, 2001.

Greater Texoma Utility Authority

Water Conservation and Water Resource and Emergency Management Plan

**WATER CONSERVATION AND DROUGHT
CONTINENCY PLAN**

City of Tom Bean

June 22, 2015

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| Appendix D | Texas Water Development Board Water Conservation Program Annual Report |
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WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN CITY OF TOM BEAN, TEXAS

Date: June 22, 2015

WATER CONSERVATION PLAN

1. INTRODUCTION AND OBJECTIVES

Water supply has always been a key issue in the development of Texas. In recent years, the growing population and economic development of North Central Texas has led to increasing demands for water supplies. At the same time, local and less expensive sources of water supply are largely developed. Additional supplies to meet higher demands will be expensive and difficult to develop. It is therefore important that the City of Tom Bean ("City") and its customers make the most efficient use of existing supplies. This will delay the need for new supplies, minimize the environmental impacts associated with developing new supplies, and delay the high cost of additional water supply development.

Recognizing the need for efficient use of existing water supplies, the Texas Commission on Environmental Quality ("TCEQ") has developed guidelines and requirements governing the development of water conservation and drought contingency plans for public water suppliers¹. TCEQ guidelines and requirements are included in Appendix B. The City has developed this water conservation plan following TCEQ guidelines and requirements. The water conservation plan includes measures that are intended to result in ongoing, long-term water savings.

The objectives of this water conservation plan are as follows:

- To reduce water consumption from the levels that would prevail without conservation efforts
- To reduce the loss and waste of water
- To improve efficiency in the use of water
- To document the level of recycling and reuse in the water supply
- To extend the life of current water supplies by reducing the rate of growth in demand

This plan includes all of the elements required by TCEQ. This plan also is intended to include requirements of the Texas Water Development Board ("TWDB") for financial assistance programs of greater than \$500,000 offered by the TWDB.

2. TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES

2.1 Conservation Plans

The TCEQ rules governing development of water conservation plans for public water suppliers are

contained in Title 30, Part 1, Chapter 288, Subchapter A, Rule 288.2 of the Texas Administrative Code, which is included in Appendix B. For the purpose of these rules, a water conservation plan is defined as: "A strategy or combination of strategies for reducing the volume of water withdrawn from a water supply source, for reducing the loss or waste of water, for maintaining or improving the efficiency in the use of water, for increasing the recycling and reuse of water, and for preventing the pollution of water." The elements in the TCEQ water conservation rules covered in this conservation plan are listed below.

Minimum Conservation Plan Requirements

The minimum requirements in the Texas Administrative Code for water conservation plans for public water suppliers are covered in this report as follows:

- §288.2(a)(1)(A) – Utility Profile – Section 3 and Appendix C
- §288.2(a)(1)(B) – Records Management System – Section 5.3
- §288.2(a)(1)(C) – Specific, Quantified Targets and Goals for Water Savings – Section 4
- §288.2(a)(1)(D) – Accurate Metering – Sections 5.1 and 5.2
- §288.2(a)(1)(E) – Universal Metering – Section 5.2
- §288.2(a)(1)(F) – Determination and Control of Water Loss – Section 5.4
- §288.2(a)(1)(G) – Public Education and Information Program – Section 6
- §288.2(a)(1)(H) – Non-Promotional Water Rate Structure – Section 7
- §288.2(a)(1)(J) – Means of Implementing and Enforcement – Section 9
- §288.2(a)(1)(K) – Coordination with Regional Water Planning Group – Section 8.5 and Appendix H
- §288.2(c) – Review and Update of the Plan – Section 10

Conservation Additional Requirements

- §288.2(a)(2)(A) – Leak Detection, Repair, and Water Loss Accounting – Sections 5.4 and 5.5
- §288.2(a)(2)(B) – Requirement for Water Conservation Plans by Wholesale Customers – Section 8.4

Additional Conservation Strategies

The TWDB requires a water conservation program annual report. This report is included in Appendix D. The TCEQ requires that a water conservation implementation report be completed and submitted every five (5) years. This report is included in Appendix E.

TCEQ rules also include optional, but not required, conservation strategies, which may be adopted by suppliers. The City has adopted the following optional strategies:

- §288.2(a)(3)(A) – Conservation Oriented Water Rates – Section 7
- §288.2(a)(3)(B) – Ordinances, Plumbing Codes or Rules on Water-Conserving Fixtures – Section 8.3
- §288.2(a)(3)(G) – Monitoring Method – Section 5.6

3. WATER UTILITY PROFILE

Appendix C to this Water conservation plan is a water utility profile based on the format recommended by the TCEQ.

4. SPECIFICATION OF WATER CONSERVATION TARGETS AND GOALS

TCEQ rules require the adoption of specific water conservation targets and goals for a water conservation plan. The targets and goals for this water conservation plan include the following:

- Maintain per capita municipal and residential water use below 135 gpcpd in 2020 and 130 gpcpd in 2025
- Maintain per capita residential water use below 45 gpcpd in 2020 and 40 gpcpd in 2025
- Maintain the level of water loss in the system below 45 percent or 20 gpcpd in 2020, and 40 percent or 15 gpcpd in 2025 and subsequent years, as discussed in Section 5.4.
- Implement and maintain a program of universal metering and meter replacement and repair, as discussed in Section 5.2.
- Increase efficient water usage as discussed in Section 8
- Raise public awareness of water conservation and encourage responsible public behavior by a public education and information program, as discussed in Section 6.
- Develop a system specific strategy to conserve water during peak demands, thereby reducing the peak use.
- Maintain meter replacement program

Table 1

| Water Conservation Plan 5-Year and 10-Year Goals for Water Savings | | | | |
|---|---------------------------|-----------------|---------------------------|----------------------------|
| | Historic 5-yr Avg. | Baseline | 5-yr Goal for 2020 | 10-yr Goal for 2025 |
| Total GPCD | 146 | 146 | 135 | 130 |
| Residential GPCD | 48 | 48 | 45 | 40 |
| Water Loss (GPCD) | 25 | 25 | 20 | 15 |
| Water Loss (Percentage) | 58 | 58 | 45 | 40 |

These goals will be reviewed and updated as necessary when the plan is reviewed every five (5) years.

5. METERING, WATER USE RECORDS, CONTROL OF UNACCOUNTED WATER, AND LEAK DETECTION AND REPAIR

One of the key elements of water conservation is tracking water use and controlling losses through illegal diversions and leaks. The City of Tom Bean carefully meters water use, to detect and repair leaks in the distribution system and provide regular monitoring of unaccounted water.

5.1 Accurate Metering

The City of Tom Bean meters all treated water deliveries to the distribution system from the water treatment plant master meter. Each meter has an accuracy of plus or minus ten percent. The meters are replaced when reaching 1 million gallons usage or discrepancies when reading meters on a monthly basis.

5.2 Metering of Customer and Public Uses and Meter Testing, Repair and Replacement

Water usage for all customers of the City, including public and government users, is metered. As part of this water conservation plan, the City maintains a meter replacement program that will replace every meter on a 15-year cycle. The City is currently replacing 30 meters annually.

5.3 Record Management System

A record management system which allows for classification of water sales and uses into the most detailed level of water use data currently available shall be utilized, as required by TAC, Title 30, Part 1, Chapter 288, Subchapter A, Rule 288.2(a)(1)(B). This information will be included in an annual report, as described in Section 5.6.

5.4 Determination and Control of Unaccounted Water

Unaccounted water is the difference between water delivered to customers from the City and metered water sales to customers plus authorized but unmetered uses. (Authorized but unmetered uses include use for fire fighting, releases for flushing of lines, uses associated with new construction, etc.) Unaccounted water can include several categories:

- Inaccuracies in customer meters (customer meters tend to run more slowly as they age and under-report actual use)
- Accounts that are being used but have not yet been added to the billing system
- Losses due to water main breaks and leaks in the water distribution system
- Losses due to illegal connections and theft (Included in Appendix F)
- Other

Measures to control unaccounted water are part of the routine operations of the City and its customers. Maintenance crews and personnel look for and report evidence of leaks in the water

distribution system with periodic visual inspections along distribution lines. A leak detection and repair program is described in Section 5.5 below. Meter readers watch for and report signs of illegal connections, so they can be quickly addressed.

Unaccounted water is calculated in accordance with the provisions of Appendix C. With the measures described in this plan, the City's target and goal is to maintain unaccounted water at or below 45 percent (20 gpcpd) in 2020 and below 40 percent (15 gpcpd) in 2025. If unaccounted water exceeds this goal, the City shall implement a more intensive audit to determine the source(s) of and reduce the unaccounted water. The annual conservation report described below is the primary tool that shall be used to monitor unaccounted water.

5.5 Leak Detection and Repair

As described above, city/utility crews and personnel look for and report evidence of leaks in the water distribution system. Areas of the water distribution system in which numerous leaks and line breaks occur are targeted for replacement as funds are available.

City of Tom Bean utility staff adheres to the following steps for leak detection in the City's distribution system:

- City Staff is cognizant of the need for visual inspections of water lines and detecting leaks in the City's distribution system on an on-going basis
 - Areas with a history of excessive leak and break rates are noted and leaks and breaks repaired as the City's Annual Budget will allow
 - Leak repair report forms are prepared and kept for reference
- Leak-detection equipment is used to identify leaks in the City's distribution system
- Hydrants and valves in the distribution system are inspected on a yearly basis
- City staff inspects pipes, cleaning, lining and adheres to other maintenance efforts to improve the distribution system and prevent leaks and ruptures from occurring
- City conducts meter testing and repair/replacement as necessary
- 452 meters are inspected on a monthly basis for leak detection. Meters are replaced as the City's Annual Budget will allow. \$1000 is set aside annually to replace old and debilitated meters.

5.6 Monitoring of Effectiveness and Efficiency – Annual Water Conservation Report

Appendix C (Water Utility Profile based on TCEQ format) is the form that shall be completed annually and used in the development of an annual water conservation report, as well as identifying water conservation opportunities and potential targets and goals.

5.7 Water Conservation Implementation Report

Appendix D includes the TWDB-required Water Conservation Program Annual Report, which

shall be filed annually with the TWDB. The Texas Water code requires that each entity that is required to submit a water conservation plan to the TWDB or the TCEQ shall file an annual report to the TWDB on the entity's progress in implementing each of the minimum requirements in their water conservation plan. This requirement applies to those entities receiving financial assistance of \$500,000 or more from the TWDB; entities with 3,300 connections or more; and those entities that have a water right through TCEQ. Entities receiving financial assistance from the TWDB are to maintain an approved water conservation plan in effect until all financial obligations to the state have been discharged and file a report with the TWDB on the progress in implementing each of the minimum requirements in its water conservation plan and the status of any of its customers' water conservation plans required by contract, within one year after closing on the financial assistance and annually thereafter until all financial obligations to the state have been discharged. Appendix E includes the TCEQ-required water conservation implementation report, which shall be filed annually with the TCEQ.

6. CONTINUING PUBLIC EDUCATION AND INFORMATION CAMPAIGN

The continuing public education and information campaign on water conservation includes the following elements:

- Include inserts on water conservation with water bills or mail outs at least twice per year. Inserts will include material developed by City staff and material obtained from the Texas Water Development Board ("TWDB"), the TCEQ, and other sources.
- Encourage local media coverage of water conservation issues and the importance of water conservation
- Promote the *Texas Smartscape* website (www.txsmartscape.com) and provide water conservation brochures and other water conservation materials available to the public at city hall and other public places
- Make information on water conservation available online on the City website, www.TomBean.com including links to the *Texas Smartscape* website and to information on water conservation on the TWDB and TCEQ websites and other resources
- Through the Greater Texoma Utility Authority, implement the Major Rivers Program for 4th grade school curriculum into the Tom Bean ISD

7. WATER RATE STRUCTURE

With the intent of encouraging water conservation and discouraging waste and excessive use of water, the City of Tom Bean has adopted a non-promotional water rate structure designed so the price of water increases with increasing water use.

Table 2

**Table 2
Volume Unit Charges**

| Water User | Type/Volume (gallons) | Volume Unit Charge (1,000 gallons) |
|-------------------|----------------------------------|---|
| Residential | 2,001 – 6,000 | \$4.76 |
| | 6,001 – 10,000 | \$5.36 |
| | 10,001 – 20,000 | \$5.66 |
| | 20,001 – 50,000 | \$5.96 |
| | 50,001 – 100,000 | \$6.26 |
| | 100,001 and above | \$6.54 |

8. OTHER WATER CONSERVATION MEASURES

8.1 Ordinances, Plumbing Codes, or Rules on Water-Conserving Fixtures

The City of Tom Bean adopted the 2009 International Plumbing Code. Similar standards are now required nationally under federal law. These state and federal standards assure that all new construction and renovations in the City will use water-conserving fixtures.

8.2 Additional Water Conservation Measures

The following water conservation measures are also included in the Plan:

- **Water audits**
 - The City of Tom Bean currently conducts water audits every five (5) years as required by the TWDB.

8.3 Requirement for Water Conservation Plans by Wholesale Customers

The City of Tom Bean does not currently have wholesale water customers. However, every contract for the wholesale of water by customers that is entered into, renewed, or extended after the adoption of this water conservation plan will include a requirement that the wholesale customer and any wholesale customers of that wholesale customer develop and implement a water conservation plan meeting the requirements of Title 30, Part 1, Chapter 288, Subchapter A, Rule 288.2 of the Texas Administrative Code.¹ The requirement will also extend to each successive wholesale

customer in the resale of water.

8.4 Coordination with Regional Water Planning Group

Appendix H includes a letter to the Chair of the Region C Water Planning Group transmitting this water conservation plan. The adopted ordinance and the adopted water utility profile will be sent to the Chair of the Region C Water Planning Group, with a copy of the water conservation plan.

9. IMPLEMENTATION AND ENFORCEMENT OF THE WATER CONSERVATION PLAN

Appendix G contains a copy of the ordinance adopted by the City Council regarding the water conservation plan.

Schedule for Implementing the Plan to Achieve Targets and Goals

Following is a schedule, to achieve the targets and goals for water conservation:

- **Meters**
 - Meter replacement program:
 - Meters will continue to be monitored for accuracy annually and replaced on a fifteen-year cycle, or when accuracy cannot be maintained within $\pm 10\%$
- **Water audits**
 - Real water losses are identified and corrected
 - Real water losses are minimized by replacement of deteriorating water mains and appurtenances, conducted on an on-going basis
- **Materials developed to encourage water conservation measures, materials obtained from the Texas Water Development Board, Texas Commission on Environmental Quality or other sources will be mailed out semi-annually (once in the spring and once in the summer) to all customers**
- **Water conserving pricing**
 - Rates shall continue to be reviewed annually to insure water revenues exceed expenses and replacement costs and to discourage excessive and wasteful use
- **The leak detection program to reduce real water losses**
 - Inspections and soundings of all water main fittings and connections to be conducted semi-annually
 - Intermittent night-flow measurements to be conducted daily using SCADA
 - Pressure controlled to just above the standard-of-service level by use of pressure zones
 - Pressure zones operated based on the topography
 - Surges in pressure limited by coordination with Fire Department
 - Nighttime pressure reduced by pressure regulation when feasible
- **The City of Tom Bean adopted the 2009 International Plumbing Code, and all new construction or renovations required to use water conserving fixtures**

9.1 Tracking of Targets and Goals

City staff shall track targets and goals by utilizing the following procedures:

- Records shall be maintained for meter calibration, meter testing, and meter replacement programs
- Water audits shall be documented and kept in the files
- City staff shall keep a record of the number of mail-outs distributed semi-annually
- Records shall be maintained for the Leak Detection Program, including but not limited to the following:
 - Annual inspections and soundings of all water main fittings and connections
 - Annual intermittent night-flow measurements
 - SCADA system is used to monitor water systems

10. REVIEW AND UPDATE OF WATER CONSERVATION PLAN

The plan will be reviewed and restructured as required and as appropriate based on new or updated information.

DROUGHT CONTINGENCY PLAN

11. DECLARATION OF POLICY, PURPOSE AND INTENT

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the City of Tom Bean hereby adopts the following regulations and restrictions on the delivery and consumption of water through Ordinance (see Appendix G).

This drought contingency plan is consistent with TCEQ guidelines and requirements for development of drought contingency measures by public drinking water suppliers, contained in Title 30, Part 1, Chapter 288, Subchapter B, Rule 288.20 of the Texas Administrative Code. This rule is included in Appendix B.

Minimum Requirements

TCEQ's minimum requirements for drought contingency measures are addressed in the following subsections of this report:

- 288.20(a)(1)(A) – Provisions to Inform the Public and Provide Opportunity for Public Input - Section 12
- 288.20(a)(1)(B) – Provisions for Continuing Public Education and Information – Section 13
- 288.20(a)(1)(C) – Coordination with Regional Water Planning Group(s) – Section 14
- 288.20(a)(1)(D) – Criteria for Initiation and Termination of Drought Stages – Section 17
- 288.20(a)(1)(E) – Drought and Emergency Response Stages – Section 17
- 288.20(a)(1)(F) – Specific, Quantified Targets for Water Use Reductions – Section 17
- 288.20(a)(1)(G) – Water Supply and Demand Management Measures for Each Stage – Section 17
- 288.20(a)(1)(H) – Procedures for Initiation and Termination of Drought Stages – Section 17
- 288.20(a)(1)(I) – Procedures for Granting Variances – Section 19
- 288.20(a)(1)(J) – Procedures for Enforcement of Mandatory Restrictions – Section 20
- 288.20(a)(3) – Consultation with Wholesale Supplier – Section 17
- 288.20(b) – Notification of Implementation of Mandatory Measures – Section 20
- 288.20(c) – Review and Update of Plan – Section 22

12. PUBLIC INVOLVEMENT

Opportunity for the public to provide input into the preparation of the Plan was provided by the City of Tom Bean by notice of a public meeting to accept input on the Plan. (See Appendix I)

13. PUBLIC EDUCATION

The City of Tom Bean will periodically provide the public with information about the Plan by means of press releases and utility bill inserts.

14. COORDINATION WITH REGIONAL WATER PLANNING GROUPS

The service area of the City of Tom Bean is located within the Region C Water Planning Group and a copy of this Plan has been provided to Region C Water Planning Group. (See Appendix H)

15. AUTHORIZATION

The Mayor is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Mayor shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

16. APPLICATION

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the City of Tom Bean. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

17. CRITERIA FOR INITIATION AND TERMINATION OF DROUGHT RESPONSE STAGES

Mayor shall monitor water supply and/or demand conditions on a monthly basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified triggers are reached.

The triggering criteria described below are based on known system capacity limits.

Stage 1 Triggers -- MILD Water Shortage Conditions

Initiation and Termination Conditions for Stage 1

- The Mayor finds that conditions warrant the declaration of Stage 1
- Ground water level reaches 100' above current pump settings
- City's water demand exceeds 90 percent of the amount that can be delivered to customers for three consecutive days.
- City's water demand for all or part of the delivery system approaches delivery capacity because delivery capacity is inadequate.
- Water demand is approaching the limit of the permitted supply

Stage 1 may be terminated when the circumstances that caused the initiation of Stage 1 no longer prevail.

Goal for Use Reductions and Actions Available Under Stage 1

Stage 1 is intended to raise public awareness of potential drought or water emergency problems. The goal for water use reduction under Stage 1 is a two percent reduction in the amount of water produced. The Mayor or his/her designee may order the implementation of any of the actions listed below, as deemed necessary:

- Request voluntary reductions in water use by the public and by wholesale customers (if any)
- Notify wholesale customers (if any) of actions being taken and request implementation of similar procedures
- Increase public education efforts on ways to reduce water use
- Review the problems that caused the initiation of Stage 1
- Intensify efforts on leak detection and repair
- Reduce non-essential city government use. (Examples include street cleaning, vehicle washing, operation of ornamental fountains, etc.)
- Notify major water users and work with them to achieve voluntary water use reductions
- Reduce city government water use for landscape irrigation
- Ask the public to follow voluntary landscape watering schedules

Stage 2 Moderate Water Shortage Conditions

Initiation and Termination Conditions for Stage 2

- The Mayor finds that conditions warrant the declaration of Stage 1
- Ground water level reaches 75' above current pump settings
- City's water demand exceeds 95 percent of the amount that can be delivered to customers for three consecutive days
- City's water demand for all or part of the delivery system equals delivery capacity because delivery capacity is inadequate
- Water demand is approaching the limit of the permitted supply.

Stage 2 may terminate when the circumstances that caused the initiation of Stage 2 no longer prevail. Stage 1 becomes operative upon termination of Stage 2.

Goal for Use Reduction and Actions Available Under Stage 2

The goal for water use reduction under Stage 2 is a five percent reduction in the amount of water produced. If circumstances warrant, the Mayor may set a goal for greater water use reduction. The Mayor may order the implementation of any of the actions listed below, as deemed necessary:

- Continue or initiate any actions available under Stage 1
- Notify wholesale customers and suppliers (if any) of actions being taken and request them to

- implement similar procedures
- Initiate engineering studies to evaluate alternatives should conditions worsen
- Further accelerate public education efforts on ways to reduce water use
- Halt non-essential city government water use. (Examples include street cleaning, vehicle washing, and operations of ornamental fountains, etc.)
- Encourage the public to wait until the current drought or emergency situation has passed before establishing new landscaping

Stage 3 Severe Water Shortage Conditions

Initiation and Termination Conditions for Stage 3

- The Mayor finds that conditions warrant the declaration of Stage 3
- The Ground water level reaches 50' above current pump settings
- City's water demand exceeds 98 percent of the amount that can be delivered to customers for three consecutive days
- City's water demand for all or part of the delivery system exceeds delivery capacity because delivery capacity is inadequate
- Water demand is approaching the limit of the permitted supply.

Stage 3 may terminate when the circumstances that caused the initiation of Stage 3 no longer prevail. Stage 2 becomes operative upon termination of Stage 3.

Goal for Use Reduction and Actions Available Under Stage 3

The goal for water use reduction under Stage 3 is a reduction of ten percent in the amount of water produced. If circumstances warrant, the Mayor or his/her designee may set a goal for greater water use reduction.

The Mayor may order the implementation of any of the actions listed below, as deemed necessary. Measures described as "requires notification to TCEQ" impose mandatory requirements on customers. City must notify the Executive Director of the TCEQ within five business days if these measures are implemented.

- Continue or initiate any actions available under Stage 1 and 2
- Notify wholesale customers and providers (if any) of actions being taken and request them to implement similar procedures
- Implement viable alternative water supply strategies
- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems to no more than two days per week. An exception is allowed for landscape associated with new construction that may be watered as necessary for 30 days from the date of certificate of occupancy. An exemption is also allowed for registered and properly functioning ET/Smart irrigation systems and drip irrigation systems, which do not have restrictions to the number of

- days per week of operation
- **Requires Notification to TCEQ** – Restrict landscape and lawn irrigation from 10:00AM to 6:00PM

Stage 4 Critical Water Shortage Conditions

Initiation and Termination Conditions for Stage 4

- The Mayor finds that conditions warrant the declaration of Stage 4
- Ground water level reaches 40' above current pump settings
- City's water demand exceeds the amount that can be delivered to customers
- City's water demand for all or part of the delivery system seriously exceeds delivery capacity because the delivery capacity is inadequate
- Water demand is approaching the limit of the permitted supply.

Stage 4 may terminate when the circumstances that caused the initiation of Stage 4 no longer prevail. Stage 3 becomes operative upon termination of Stage 4.

Goal for Use Reduction and Actions Available Under Stage 4

The goal for water use reduction under Stage 4 is a reduction whatever amount/percentage is necessary in the amount of water produced.

The Mayor may order the implementation of any of the actions listed below, as deemed necessary. Measures described as "requires notification to TCEQ" impose mandatory requirements on retail and wholesale customers (if any). The City must notify the Executive Director of the TCEQ within five business days if these measures are implemented.

- Continue or initiate any actions available under Stages 1, 2 and 3
- Notify wholesale customers (if any) of actions being taken and request them to implement similar procedures
- **Requires Notification to TCEQ** – Initiate mandatory water use restrictions as follows:
 - Prohibit hosing of paved areas, buildings, or windows. (Pressure washing of impervious surfaces is allowed.)
 - Prohibit operation of all ornamental fountains or other amenity impoundments to the extent they use treated water
 - Prohibit washing or rinsing of vehicles by hose except with a hose end cutoff nozzle
 - Prohibit using water in such a manner as to allow runoff or other waste
- **Requires Notification to TCEQ** – Limit landscape watering at each service address to once every seven days. Exceptions are as follows:
 - Foundations, new landscaping, new plantings (first year) of trees and shrubs may be watered for up to two hours on any day by a hand-held hose, a soaker hose, or a

- o dedicated zone using a drip irrigation system.
- o Golf courses may water greens and tee boxes without restrictions.
- o Public athletic fields used for competition may be watered twice per week.
- o Locations using other sources of water supply for irrigation may irrigate without restrictions.
- o Properly functioning ET/Smart irrigation systems and drip irrigation systems may irrigate without restrictions.
- **Requires Notification to TCEQ** – Prohibit hydroseeding, hydromulching, and sprigging.
- **Requires Notification to TCEQ** – Existing swimming pools may not be drained and refilled (except refilling to replace normal water loss).
- **Requires Notification to TCEQ** – Initiate a rate surcharge for all water use over a certain level.
- **Requires notification to TCEQ** – Require all commercial water users to reduce water use by a percentage established by the Mayor.

Stage 5 Emergency Water Shortage Conditions

Initiation and Termination Conditions for Stage 5

- The Mayor finds that conditions warrant the declaration of Stage 5
- Major water line breaks, or pump or system failure occur, which cause unprecedented loss of capability to provide water service or
- National or manmade contamination of the water supply sources occurs

Stage 5 may terminate when the circumstances that caused the initiation of Stage 5 no longer prevail. Stage 4 becomes operative upon termination of Stage 5.

Goal for Use Reduction and Actions Available Under Stage 5

Stage 5 is intended for emergency water shortage conditions. The goal for water use reduction under Stage 5 is a reduction whatever amount/percentage is necessary in the amount of water produced.

The Mayor may order the implementation of any of the actions listed below, as deemed necessary. Measures described as “requires notification to TCEQ” impose mandatory requirements on retail and wholesale customers (if any). The City must notify the Executive Director of the TCEQ within five business days if these measures are implemented.

- Continue or initiate any actions available under Stages 1, 2, 3 and 4
- Notify wholesale customers (if any) of actions being taken and request them to implement similar procedures
- **Requires Notification to TCEQ** – Irrigation of landscaped areas is absolutely prohibited
- **Requires Notification to TCEQ** – Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited

18. ENFORCEMENT

Appendix G contains the Ordinance adopting the Water Conservation and Drought Contingency Plan for the City of Tom Bean.

19. VARIANCES

The Mayor may grant, in writing, temporary variances for existing water uses otherwise prohibited under this water resource and emergency management plan if one or more of the following conditions are met:

- Failure to grant such a variance would cause an emergency condition adversely affecting health, sanitation, or fire safety for the public or the person or entity requesting the variance
- Compliance with this plan cannot be accomplished due to technical or other limitations
- Alternative methods that achieve the same level of reduction in water use can be implemented

Variances shall be granted or denied at the discretion of the Mayor. All petitions for variances should be in writing and should include the following information:

- Name and address of the petitioner(s)
- Purpose of water use
- Specific provisions from which relief is requested
- Detailed statement of the adverse effect of the provision from which relief is requested
- Description of relief requested
- Period of time for which the variance is sought
- Alternative measures that will be taken to reduce water use
- Other pertinent information

20. PROCEDURE FOR ENFORCING MANDATORY WATER USE RESTRICTIONS

Mandatory water use restrictions may be imposed in Stage 3, Stage 4 and Stage 5 drought contingency and water emergency response stages. These mandatory water use restrictions will be enforced by warnings and penalties as follows:

- No person shall knowingly or intentionally allow the use of water from the City of Tom Bean for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response state in effect at the time pursuant to action taken by the Mayor or his/her designee, in accordance with the provisions of this Plan.
- On the first violation, customers will be given a written warning that they have violated the mandatory water use restriction.

- On the second and subsequent violations, citations may be issued to customers, with fines of not less than \$1 per incident and not to exceed \$200 per incident.
- After two violations have occurred, the City of Tom Bean may install a flow restrictor in the line to limit the amount of water that may pass through the meter in a 24-hour period.
- After three violations have occurred, the City of Tom Bean may cut off water service to the customer.

Appendix G contains City of Tom Bean ordinance adopted by the City Council approving the Water Conservation and Drought Contingency Plan, including enforcement of same.

21. Review and Update of Water Conservation and Drought Contingency Plan

City of Tom Bean staff shall review the Water Conservation and Drought Contingency Plan every five years. The plan will be reviewed and restructured as appropriate based on new or updated information.

APPENDIX A

List of References

Appendix A
List of References

- (1) Title 30 of the Texas Administrative Code, Part 1, Chapter 288, Subchapter A, Rules 288.1 and 288.2
- (2) Title 30 of the Texas Administrative Code, Part 1, Chapter 288, Subchapter B, Rule 288.20

APPENDIX B

**Texas Commission on Environmental Quality Rules on
Water Conservation Plans and Drought Contingency Plans for
Municipal Uses by Public Water Suppliers**

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Texas Administrative Code

TITLE 30

ENVIRONMENTAL QUALITY

PART 1

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CHAPTER 288WATER CONSERVATION PLANS, DROUGHT CONTINGENCY PLANS,
GUIDELINES AND REQUIREMENTSSUBCHAPTER A

WATER CONSERVATION PLANS

RULE §288.1

Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Agricultural or Agriculture--Any of the following activities:

(A) cultivating the soil to produce crops for human food, animal feed, or planting seed or for the production of fibers;

(B) the practice of floriculture, viticulture, silviculture, and horticulture, including the cultivation of plants in containers or non-soil media by a nursery grower;

(C) raising, feeding, or keeping animals for breeding purposes or for the production of food or fiber, leather, pelts, or other tangible products having a commercial value;

(D) raising or keeping equine animals;

(E) wildlife management; and

(F) planting cover crops, including cover crops cultivated for transplantation, or leaving land idle for the purpose of participating in any governmental program or normal crop or livestock rotation procedure.

(2) Agricultural use--Any use or activity involving agriculture, including irrigation.

(3) Best management practices--Voluntary efficiency measures that save a quantifiable amount of water, either directly or indirectly, and that can be implemented within a specific time frame.

(4) Conservation--Those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water, or increase the recycling and reuse of water so that a water supply is made available for future or alternative uses.

(5) Commercial use--The use of water by a place of business, such as a hotel, restaurant, or office building. This does not include multi-family residences or agricultural, industrial, or institutional users.

(6) Drought contingency plan--A strategy or combination of strategies for temporary supply and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies. A drought contingency plan may be a separate document identified as such or may be contained within another water management document(s).

(7) Industrial use--The use of water in processes designed to convert materials of a lower order of value into forms having greater usability and commercial value, and the development of power by means other than hydroelectric, but does not include agricultural use.

(8) Institutional use--The use of water by an establishment dedicated to public service, such as a school, university, church, hospital, nursing home, prison or government facility. All facilities dedicated to public service are considered institutional regardless of ownership.

(9) Irrigation--The agricultural use of water for the irrigation of crops, trees, and pastureland, including, but not limited to, golf courses and parks which do not receive water from a public water supplier.

(10) Irrigation water use efficiency--The percentage of that amount of irrigation water which is beneficially used by agriculture crops or other vegetation relative to the amount of water diverted from the source(s) of supply. Beneficial uses of water for irrigation purposes include, but are not limited to, evapotranspiration needs for vegetative maintenance and growth, salinity management, and leaching requirements associated with irrigation.

(11) Mining use--The use of water for mining processes including hydraulic use, drilling, washing sand and gravel, and oil field re-pressuring.

(12) Municipal use--The use of potable water provided by a public water supplier as well as the use of sewage effluent for residential, commercial, industrial, agricultural, institutional, and wholesale uses.

(13) Nursery grower--A person engaged in the practice of floriculture, viticulture, silviculture, and horticulture, including the cultivation of plants in containers or nonsoil media, who grows more than 50% of the products that the person either sells or leases, regardless of the variety sold, leased, or grown. For the purpose of this definition, grow means the actual cultivation or propagation of the product beyond the mere holding or maintaining of the item prior to sale or lease, and typically includes activities associated with the production or multiplying of stock such as the development of new plants from cuttings, grafts, plugs, or seedlings.

(14) Pollution--The alteration of the physical, thermal, chemical, or biological quality of, or the contamination of, any water in the state that renders the water harmful, detrimental, or injurious to humans, animal life, vegetation, or property, or to the public health, safety, or welfare, or impairs the usefulness or the public enjoyment of the water for any lawful or reasonable purpose.

(15) Public water supplier--An individual or entity that supplies water to the public for human consumption.

(16) Residential use--The use of water that is billed to single and multi-family residences, which applies to indoor and outdoor uses.

(17) Residential gallons per capita per day--The total gallons sold for residential use by a public water supplier divided by the residential population served and then divided by the number of days in the year.

(18) Regional water planning group--A group established by the Texas Water Development Board to prepare a regional water plan under Texas Water Code, §16.053.

(19) Retail public water supplier--An individual or entity that for compensation supplies water to the public for human consumption. The term does not include an individual or entity that supplies water to itself or its employees or tenants when that water is not resold to or used by others.

(20) Reuse--The authorized use for one or more beneficial purposes of use of water that remains unconsumed after the water is used for the original purpose of use and before that water is either disposed of or discharged or otherwise allowed to flow into a watercourse, lake, or other body of state-owned water.

(21) Total use--The volume of raw or potable water provided by a public water supplier to billed customer sectors or nonrevenue uses and the volume lost during conveyance, treatment, or transmission of that water.

(22) Total gallons per capita per day (GPCD)--The total amount of water diverted and/or pumped for potable use divided by the total permanent population divided by the days of the year. Diversion volumes of reuse as defined in this chapter shall be credited against total diversion volumes for the purposes of calculating GPCD for targets and goals.

(23) Water conservation plan--A strategy or combination of strategies for reducing the volume of water withdrawn from a water supply source, for reducing the loss or waste of water, for maintaining or improving the efficiency in the use of water, for increasing the recycling and reuse of water, and for preventing the pollution of water. A water conservation plan may be a separate document identified as such or may be contained within another water management document(s).

(24) Wholesale public water supplier--An individual or entity that for compensation supplies water to another for resale to the public for human consumption. The term does not include an individual or entity that supplies water to itself or its employees or tenants as an incident of that employee service or tenancy when that water is not resold to or used by others, or an individual or entity that conveys water to another individual or entity, but does not own the right to the water which is conveyed, whether or not for a delivery fee.

(25) Wholesale use--Water sold from one entity or public water supplier to other retail water purveyors for resale to individual customers.

Source Note: The provisions of this §288.1 adopted to be effective May 3, 1993, 18 TexReg 2558; amended to be effective February 21, 1999, 24 TexReg 949; amended to be effective April 27, 2000, 25 TexReg 3544; amended to be effective August 15, 2002, 27 TexReg 7146; amended to be effective October 7, 2004, 29 TexReg 9384; amended to be effective January 10, 2008, 33 TexReg 193; amended to be effective December 6, 2012, 37 TexReg 9515

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Texas Administrative Code

TITLE 30

ENVIRONMENTAL QUALITY

PART 1

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CHAPTER 288

WATER CONSERVATION PLANS, DROUGHT CONTINGENCY PLANS,
GUIDELINES AND REQUIREMENTS

SUBCHAPTER B

DROUGHT CONTINGENCY PLANS

RULE §288.20

Drought Contingency Plans for Municipal Uses by Public Water Suppliers

(a) A drought contingency plan for a retail public water supplier, where applicable, must include the following minimum elements.

(1) Minimum requirements. Drought contingency plans must include the following minimum elements.

(A) Preparation of the plan shall include provisions to actively inform the public and affirmatively provide opportunity for public input. Such acts may include, but are not limited to, having a public meeting at a time and location convenient to the public and providing written notice to the public concerning the proposed plan and meeting.

(B) Provisions shall be made for a program of continuing public education and information regarding the drought contingency plan.

(C) The drought contingency plan must document coordination with the regional water planning groups for the service area of the retail public water supplier to ensure consistency with the appropriate approved regional water plans.

(D) The drought contingency plan must include a description of the information to be monitored by the water supplier, and specific criteria for the initiation and termination of drought response stages, accompanied by an explanation of the rationale or basis for such triggering criteria.

(E) The drought contingency plan must include drought or emergency response stages providing for the implementation of measures in response to at least the following situations:

(i) reduction in available water supply up to a repeat of the drought of record;

(ii) water production or distribution system limitations;

(iii) supply source contamination; or

(iv) system outage due to the failure or damage of major water system components (e.g., pumps).

(F) The drought contingency plan must include specific, quantified targets for water use reductions to be achieved during periods of water shortage and drought. The entity preparing the plan shall establish the targets. The goals established by the entity under this subparagraph are not enforceable.

(G) The drought contingency plan must include the specific water supply or water demand management measures to be implemented during each stage of the plan including, but not limited to, the following:

(i) curtailment of non-essential water uses; and

(ii) utilization of alternative water sources and/or alternative delivery mechanisms with the prior approval of the executive director as appropriate (e.g., interconnection with another water system, temporary use of a non-municipal water supply, use of reclaimed water for non-potable purposes, etc.).

(H) The drought contingency plan must include the procedures to be followed for the initiation or termination of each drought response stage, including procedures for notification of the public.

(I) The drought contingency plan must include procedures for granting variances to the plan.

(J) The drought contingency plan must include procedures for the enforcement of mandatory water use restrictions, including specification of penalties (e.g., fines, water rate surcharges, discontinuation of service) for violations of such restrictions.

(2) Privately-owned water utilities. Privately-owned water utilities shall prepare a drought contingency plan in accordance with this section and incorporate such plan into their tariff.

(3) Wholesale water customers. Any water supplier that receives all or a portion of its water supply from another water supplier shall consult with that supplier and shall include in the drought contingency plan appropriate provisions for responding to reductions in that water supply.

(b) A wholesale or retail water supplier shall notify the executive director within five business days of the implementation of any mandatory provisions of the drought contingency plan.

(c) The retail public water supplier shall review and update, as appropriate, the drought contingency plan, at least every five years, based on new or updated information, such as the adoption or revision of the regional water plan.

Source Note: The provisions of this §288.20 adopted to be effective February 21, 1999, 24 TexReg 949; amended to be effective April 27, 2000, 25 TexReg 3544; amended to be effective October 7, 2004, 29 TexReg 9384

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APPENDIX C

Water Utility Profile

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

Fill out this form as completely as possible.
If a field does not apply to your entity, leave it blank.

CONTACT INFORMATION

Name of Utility: City of Tom Bean

Public Water Supply Identification Number (PWS ID): 0910008

Certificate of Convenience and Necessity (CCN) Number: 12420

Surface Water Right ID Number: N/A

Wastewater ID Number: WQ0010057001

Completed By: Sherry E. Howard Title: Mayor

Address: PO Box 659 201 S. Britton City: Tom Bean Zip Code: 75489

Email: sherryhoward@cableone.net Telephone Number: 903-546-3010

Date: 04/27/2015

Regional Water Planning Group: C Map

Groundwater Conservation District: Red Riva Map

Check all that apply:

- Received financial assistance of \$500,000 or more from TWDB
- Have 3,300 or more retail connections
- Have a surface water right with TCEQ

Section I: Utility Data

A. Population and Service Area Data

1. Current service area size in square miles: 1
 (Attach or email a copy of the service area map.)
2. Provide historical service area population for the previous five years, starting with the most current year.

| Year | Historical Population Served By Retail Water Service | Historical Population Served By Wholesale Water Service | Historical Population Served By Wastewater Service |
|------|--|---|--|
| 2014 | 1,045 | | 1,045 |
| 2013 | 1,045 | | 1,045 |
| 2012 | 1,045 | | 1,045 |
| 2011 | 1,045 | | 1,045 |
| 2010 | 1,045 | | 1,045 |

3. Provide the projected service area population for the following decades.

| Year | Projected Population Served By Retail Water Service | Projected Population Served By Wholesale Water Service | Projected Population Served By Wastewater Service |
|------|---|--|---|
| 2020 | 1,300 | | 1,300 |
| 2030 | 1,500 | | 1,500 |
| 2040 | 1,700 | | 1,700 |
| 2050 | 1,900 | | 1,900 |
| 2060 | 2,000 | | 2,000 |

4. Describe the source(s)/method(s) for estimating current and projected populations.

Current populations reflected are derived from Census data. Projected populations from Region C Water Planning website.

B. System Input

Provide system input data for the previous five years.

Total System input = Self-supplied + Imported – Exported

| Year | Self-supplied Water In Gallons | Purchased/Imported Water In Gallons | Exported Water In Gallons | Total System Input | Total GPCD |
|-------------------------|--------------------------------|-------------------------------------|---------------------------|--------------------|------------|
| 2014 | 61,357,200 | 0 | 0 | 61,357,200 | 161 |
| 2013 | 58,552,300 | 0 | 0 | 58,552,300 | 154 |
| 2012 | 51,474,200 | 0 | 0 | 51,474,200 | 135 |
| 2011 | 63,741,200 | 0 | 0 | 63,741,200 | 167 |
| 2010 | 69,455,100 | 0 | 0 | 69,455,100 | 182 |
| Historic 5-year Average | 60,916,000 | 0 | 0 | 60,916,000 | 160 |

C. Water Supply System (Attach description of water system)

1. Designed daily capacity of system _____ 475,200 gallons per day.
2. Storage Capacity:
 Elevated _____ 80,000 gallons
 Ground _____ 182,000 gallons

3. List all current water supply sources in gallons.

| Water Supply Source | Source Type* | Total Gallons |
|---------------------|--------------|---------------|
| #3 | Ground | 302,400 |
| #2 | Ground | 172,800 |
| | Choose One | |
| | Choose One | |
| | Choose One | |
| | Choose One | |

*Select one of the following source types: Surface water, Groundwater, or Contract

4. If surface water is a source type, do you recycle backwash to the head of the plant?
 Yes _____ estimated gallons per day
 No

D. Projected Demands

1. Estimate the water supply requirements for the next ten years using population trends, historical water use, economic growth, etc.

| Year | Population | Water Demands (gallons) |
|------|------------|-------------------------|
| 2015 | 1,045 | 63,187,487 |
| 2016 | 1,096 | 65,017,774 |
| 2017 | 1,147 | 66,848,061 |
| 2018 | 1,198 | 68,678,348 |
| 2019 | 1,249 | 70,508,635 |
| 2020 | 1,300 | 72,338,922 |
| 2021 | 1,320 | 72,436,677 |
| 2022 | 1,340 | 72,534,433 |
| 2023 | 1,360 | 72,632,188 |
| 2024 | 1,380 | 72,729,943 |

2. Describe sources of data and how projected water demands were determined. Attach additional sheets if necessary.

Region C Water Planning Documents
<http://www.regioncwater.org/>

E. High Volume Customers

1. List the annual water use, in gallons, for the five highest volume **RETAIL** customers. Select one of the following water use categories to describe the customer; choose Residential, Industrial, Commercial, Institutional, or Agricultural.

| Retail Customer | Water Use Category* | Annual Water Use | Treated or Raw |
|------------------------|---------------------|------------------|----------------|
| Housing Authority | Residential | 655,395 | Treated |
| Tom Bean Middle School | institutional | 349,500 | Treated |
| Shield | Commercial | 261,210 | Treated |
| One Star | Commercial | 253,900 | Treated |
| Starbuck | Commercial | 195,110 | Treated |

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

2. If applicable, list the annual water use for the five highest volume **WHOLESALE** customers. Select one of the following water use categories to describe the customer; choose Municipal, Industrial, Commercial, Institutional, or Agricultural.

| Wholesale Customer | Water Use Category* | Annual Water Use | Treated or Raw |
|--------------------|---------------------|------------------|----------------|
| N/A | Choose One | | Choose One |
| | Choose One | | Choose One |
| | Choose One | | Choose One |
| | Choose One | | Choose One |
| | Choose One | | Choose One |

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

F. Utility Data Comment Section

Provide additional comments about utility data below.

Section II: System Data

A. Retail Connections

1. List the active retail connections by major water use category.

| Water Use Category* | Active Retail Connections | | | |
|------------------------------------|---------------------------|-----------|-------------------|------------------------------|
| | Metered | Unmetered | Total Connections | Percent of Total Connections |
| Residential – Single Family | 423 | | 423 | 94% |
| Residential – Multi-family (units) | 6 | | 6 | 1% |
| Industrial | 0 | | 0 | 0% |
| Commercial | 12 | | 12 | 3% |
| Institutional | 11 | | 11 | 2% |
| Agricultural | 0 | | 0 | 0% |
| TOTAL | 452 | 0 | 452 | |

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

2. List the net number of new retail connections by water use category for the previous five years.

| Water Use Category* | Net Number of New Retail Connections | | | | |
|------------------------------------|--------------------------------------|------------|------------|------------|------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| Residential – Single Family | 423 | 379 | 381 | 437 | 438 |
| Residential – Multi-family (units) | 6 | 6 | 6 | 6 | 6 |
| Industrial | 0 | 0 | 0 | 0 | 0 |
| Commercial | 12 | 16 | 14 | 13 | 21 |
| Institutional | 11 | 14 | 12 | 12 | 0 |
| Agricultural | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 452 | 415 | 413 | 468 | 466 |

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

B. Accounting Data

For the previous five years, enter the number of gallons of RETAIL water provided in each major water use category.

| Water Use Category* | Total Gallons of Retail Water | | | | |
|-----------------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| Residential - Single Family | 18,248,810 | 19,965,355 | 20,808,040 | 22,202,485 | 18,682,710 |
| Residential - Multi-family | 3,858,800 | 2,107,780 | 1,883,410 | 2,075,150 | 1,800,801 |
| Industrial | 0 | 0 | 0 | 0 | 0 |
| Commercial | 1,034,520 | 1,053,960 | 1,227,550 | 6,955,285 | 9,254,139 |
| Institutional | 5,418,760 | 4,973,280 | 4,872,840 | 0 | 0 |
| Agricultural | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 28,580,890 | 28,100,355 | 28,789,640 | 31,232,920 | 29,537,650 |

*For definitions on recommended customer categories for classifying customer water use, refer to the online [Guidance and Methodology for Reporting on Water Conservation and Water Use](#).

C. Residential Water Use

For the previous five years, enter the residential GPCD for single family and multi-family units.

| Water Use Category* | Residential GPCD | | | | |
|-----------------------------|------------------|------|------|------|------|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| Residential - Single Family | 48 | 52 | 55 | 58 | 49 |
| Residential - Multi-family | 10 | 8 | 5 | 5 | 4 |

D. Annual and Seasonal Water Use

1. For the previous five years, enter the gallons of treated water provided to RETAIL customers.

| Month | Total Gallons of Treated Retail Water | | | | |
|--------------|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| January | 5,838,900 | 5,425,700 | 4,459,700 | 5,975,800 | 5,725,000 |
| February | 5,201,300 | 4,235,900 | 3,937,000 | 5,899,200 | 5,110,000 |
| March | 5,747,700 | 5,055,000 | 3,923,400 | 5,924,900 | 4,789,200 |
| April | 5,831,200 | 4,820,300 | 3,927,200 | 5,813,700 | 4,942,100 |
| May | 5,689,500 | 5,417,200 | 4,463,700 | 4,935,000 | 5,482,500 |
| June | 5,636,900 | 5,403,500 | 4,136,000 | 4,576,800 | 5,780,700 |
| July | 5,526,200 | 5,028,200 | 4,508,100 | 5,002,400 | 6,030,100 |
| August | 5,453,700 | 4,954,800 | 4,430,300 | 5,178,900 | 8,398,400 |
| September | 4,269,500 | 4,573,700 | 4,178,500 | 4,203,000 | 8,212,400 |
| October | 4,008,100 | 3,837,300 | 4,236,100 | 3,771,500 | 5,808,200 |
| November | 4,495,800 | 4,281,300 | 4,488,200 | 3,893,300 | 5,447,900 |
| December | 3,668,400 | 5,519,400 | 4,796,000 | 4,121,800 | 5,728,600 |
| TOTAL | 61,357,200 | 58,552,300 | 51,482,200 | 59,096,100 | 89,455,100 |

Utility Profile
TWDB Form No. 1965 - R
Revised on: 4/1/14

2. For the previous five years, enter the gallons of raw water provided to RETAIL customers.

| Month | Total Gallons of Raw Retail Water | | | | |
|--------------|-----------------------------------|------|------|------|------|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| January | | | | | |
| February | | | | | |
| March | | | | | |
| April | | | | | |
| May | | | | | |
| June | | | | | |
| July | | | | | |
| August | | | | | |
| September | | | | | |
| October | | | | | |
| November | | | | | |
| December | | | | | |
| TOTAL | 0 | 0 | 0 | 0 | 0 |

3. Summary of seasonal and annual water use.

| Water Use | Seasonal and Annual Water Use | | | | | Average In Gallons |
|-------------------------------|-------------------------------|------------|------------|------------|------------|---------------------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 | |
| Summer Retail (Treated + Raw) | 16,616,800 | 15,386,500 | 13,078,400 | 14,758,100 | 20,209,200 | 16,009,400 5yr Average |
| TOTAL Retail (Treated + Raw) | 81,357,200 | 58,552,300 | 51,482,200 | 59,096,100 | 88,455,100 | 59,988,580 5yr Average |

E. Water Loss

Provide Water Loss data for the previous five years.

Water Loss GPCD = [Total Water Loss in Gallons ÷ Permanent Population Served] ÷ 365

Water Loss Percentage = [Total Water Loss ÷ Total System Input] x 100

| Year | Total Water Loss In Gallons | Water Loss In GPCD | Water Loss as a Percentage |
|----------------|-----------------------------|--------------------|----------------------------|
| 2014 | 23,075,528 | 60 | 38% |
| 2013 | 25,976,306 | 68 | 44% |
| 2012 | 21,818,538 | 57 | 42% |
| 2011 | 27,988,484 | 73 | 44% |
| 2010 | 38,300,246 | 95 | 52% |
| 5-year average | 27,031,820 | 71 | 44% |

F. Peak Water Use

Provide the Average Daily Water Use and Peak Day Water Use for the previous five years.

| Year | Average Daily Use (gal) | Peak Day Use (gal) | Ratio (peak/avg) |
|------|-------------------------|--------------------|------------------|
| 2014 | 5,113,100 | 5,538,933 | 1.08 |
| 2013 | 4,879,358 | 5,128,833 | 1.05 |
| 2012 | 4,290,183 | 4,358,800 | 1.02 |
| 2011 | 4,924,675 | 4,919,387 | 1.00 |
| 2010 | 5,787,925 | 6,736,400 | 1.16 |

G. Summary of Historic Water Use

| Water Use Category | Historic 5-year Average | Percent of Connections | Percent of Water Use |
|--------------------|-------------------------|------------------------|----------------------|
| Residential SF | 19,961,040 | 94% | 0% |
| Residential MF | 2,305,184 | 1% | 0% |
| Industrial | 0 | 0% | 0% |
| Commercial | 3,905,091 | 3% | 0% |
| Institutional | 3,052,936 | 2% | 0% |
| Agricultural | 0 | 0% | 0% |

H. System Data Comment Section

Provide additional comments about system data below.

Section III: Wastewater System Data

If you do not provide wastewater system services then you have completed the Utility Profile. Save and Print this form to submit with your Plan. Continue with the Water Conservation Plan Checklist to complete your Water Conservation Plan.

A. Wastewater System Data (Attach a description of your wastewater system.)

- Design capacity of wastewater treatment plant(s): 230,500
gallons per day.
- List the active wastewater connections by major water use category.

| Water Use Category* | Active Wastewater Connections | | | |
|---------------------|-------------------------------|-----------|-------------------|------------------------------|
| | Metered | Unmetered | Total Connections | Percent of Total Connections |
| Municipal | 273 | | 273 | 91% |
| Industrial | 0 | | 0 | 0% |
| Commercial | 14 | | 14 | 5% |
| Institutional | 12 | | 12 | 4% |
| Agricultural | 0 | | 0 | 0% |
| TOTAL | 299 | 0 | 299 | |

- What percent of water is serviced by the wastewater system? %
- For the previous five years, enter the number of gallons of wastewater that was treated by the utility.

| Month | Total Gallons of Treated Wastewater | | | | |
|--------------|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 |
| January | 2,131,000 | 1,504,000 | 1,814,000 | 3,128,000 | 2,971,000 |
| February | 1,686,000 | 1,436,000 | 2,085,000 | 2,831,000 | 4,507,000 |
| March | 1,440,000 | 1,654,000 | 2,204,000 | 2,321,000 | 3,691,000 |
| April | 1,502,000 | 1,810,000 | 1,426,000 | 2,521,000 | 2,651,000 |
| May | 1,564,000 | 1,484,000 | 1,176,000 | 2,645,000 | 2,056,000 |
| June | 1,429,000 | 1,469,000 | 1,144,000 | 1,241,000 | 2,019,000 |
| July | 1,747,000 | 1,366,000 | 1,075,000 | 1,120,000 | 2,205,000 |
| August | 1,782,000 | 1,547,000 | 1,041,000 | 1,960,000 | 2,495,000 |
| September | 1,521,000 | 1,676,000 | 1,245,000 | 1,299,000 | 2,980,000 |
| October | 1,421,000 | 1,656,000 | 1,082,000 | 1,041,000 | 2,107,000 |
| November | 1,343,000 | 1,700,000 | 1,002,000 | 999,000 | 2,267,000 |
| December | 1,526,000 | 2,212,000 | 1,263,000 | 1,021,000 | 2,181,000 |
| TOTAL | 18,952,000 | 19,436,000 | 18,537,000 | 21,945,000 | 32,330,000 |

4. Can treated wastewater be substituted for potable water?
 Yes No

B. Reuse Data

1. Provide data on the types of recycling and reuse activities implemented during the current reporting period.

| Type of Reuse | Total Annual Volume (in gallons) |
|--|----------------------------------|
| On-site irrigation | |
| Plant wash down | |
| Chlorination/de-chlorination | |
| Industrial | |
| Landscape irrigation (parks, golf courses) | |
| Agricultural | |
| Discharge to surface water | |
| Evaporation pond | |
| Other | |
| TOTAL | 0 |

C. Wastewater System Data Comment

Provide additional comments about wastewater system data below.

You have completed the Utility Profile. Save and Print this form to submit with your Plan. Continue with the Water Conservation Plan Checklist to complete your Water Conservation Plan.

APPENDIX D

**Texas Water Development Board
Water Conservation Program Annual Report**

Water Conservation Plan Annual Report Retail Water Supplier

CONTACT INFORMATION

Name of Entity: _____

Public Water Supply Identification Number (PWSID): _____

Certificate of Convenience and Necessity (CON) Number: _____

Surface Water Rights ID Number: _____

Wastewater ID Number: _____

Check all that apply:

- Retail Water Supplier
- Wholesale Water Supplier
- Wastewater Treatment Utility

Address: _____ City: _____ Zip Code: _____

Email: _____ Telephone Number: _____

Regional Water Planning Group: _____ [Map](#)

Groundwater Conservation District: _____ [Map](#)

Form Completed By: _____ Title: _____

Date: _____

Reporting Period (calendar year):

Period Begin (mm/yyyy) _____ Period End (mm/yyyy) _____

Check all of the following that apply to your entity:

- Receive financial assistance of \$500,000 or more from TWDB
- Have 3,300 or more retail connections
- Have a water right with TCEQ

SYSTEM DATA

Retail Customer Categories*

Residential Single Family
 Residential Multi-family
 Industrial
 Commercial
 Institutional
 Agricultural

* Recommended Customer Categories for classifying your customer water use. For definitions, refer to [Guidance and Methodology on Water Conservation and Water Use](#).

1. For this reporting period, select the category(s) used to classify customer water use:
- | | |
|--|--|
| <input type="checkbox"/> Residential Single Family <input type="checkbox"/> Residential Multi-family <input type="checkbox"/> Industrial | <input type="checkbox"/> Commercial <input type="checkbox"/> Institutional <input type="checkbox"/> Agricultural |
|--|--|

2. For this reporting period, enter the gallons of metered retail water used by each customer category. If the Customer Category does not apply, enter zero or leave blank.

| Retail Customer Category | Number of Connections | Gallons Metered |
|---|-----------------------|-----------------|
| Residential Single Family | | |
| Residential Multi-family | | |
| Industrial | | |
| Commercial | | |
| Institutional | | |
| Agricultural | | |
| Total Retail Water Metered¹ | 0 | 0 |

1. Residential + Industrial + Commercial + Institutional + Agricultural = Total Retail Water Metered

Water Use Accounting

| | Total Gallons During the Reporting Period |
|---|---|
| Water Produced: Water from permitted sources such as rivers, lakes, streams, and wells. Same as line 14 of the water loss audit. | |
| Wholesale Water Imported: Purchased wholesale water transferred into the system. Same as line 15 of the water loss audit. | |
| Wholesale Water Exported: Wholesale water sold or transferred out of the system. Same as line 16 of the water loss audit. | |
| System Input: Total water supplied to system and available for retail use. | 0 |
| | Produced + Imported – Exported = System Input |
| Total Retail Water Metered | 0 |
| Other Authorized Consumption: Water that is authorized for other uses such as the following: This water may be metered or unmetered. Same as the total of lines 19, 20, and 21 of the water loss audit. <ul style="list-style-type: none"> - back flushing - line flushing - storage tank cleaning - municipal golf courses/parks - fire department use - municipal government offices | |
| Total Authorized Use: All water that has been authorized for use. | 0 |
| | Total Retail Water + Other Authorized Consumption = Total Authorized Use |
| Apparent Losses: Water that has been consumed but not properly measured or billed. Same as line 28 of the water loss audit. (Includes losses due to customer meter accuracy, systematic data discrepancy, unauthorized consumption such as theft) | |
| Real Losses: Physical losses from the distribution system prior to reaching the customer destination. Same as line 29 of the water loss audit. (Includes physical losses from system or mains, reported breaks and leaks, or storage overflow) | |
| Unidentified Water Losses: Unreported losses not known or quantified. | 0 |
| | System Input – Total Authorized Use – Apparent Losses – Real Losses = Unidentified Water Losses |
| Total Water Loss | 0 |
| | Apparent + Real + Unidentified = Total Water Loss |

Targets and Goals

Provide the specific and quantified five and ten-year targets as listed in your current Water Conservation Plan. Target dates and numbers should match your current Water Conservation Plan.

| Achieve Date | Target for Total GPCD | Target for Residential GPCD | Target for Water Loss (expressed in GPCD) | Target for Water Loss Percentage (expressed in percentage) |
|------------------------|-----------------------|-----------------------------|---|--|
| Five-year target date: | | | | |
| Ten-year target date: | | | | |

Gallons per Capita per Day (GPCD) and Water Loss

Provide current GPCD and water loss totals. To see if you are making progress towards your stated goals, compare these totals to the above targets and goals. Provide the population and residential water use of your service area.

| Total System Input in Gallons | Permanent Population ¹ | Total GPCD |
|--|-----------------------------------|---|
| 0 | | |
| Water Produced + Wholesale Imported - Wholesale Exported | | (System Input + Permanent Population) ÷ 365 |

1. Permanent Population is the total permanent population of the service area, including single family, multi-family, and group quarter populations.

| Residential Use in Gallons (Single Family + Multi-family) | Residential Population ² | Residential GPCD |
|---|-------------------------------------|--|
| 0 | | |
| | | (Residential Use + Residential Population) ÷ 365 |

2. Residential Population is the total residential population of the service area, including only single family and multi-family populations.

| Total Water Loss | Permanent Population | Water Loss | |
|---|----------------------|-------------------|----------------------|
| | | GPCD ³ | Percent ⁴ |
| 0 | | | 0% |
| Apparent + Real + Unidentified = Total Water Loss | | | |

3. (Total Water Loss + Permanent Population) ÷ 365 = Water Loss GPCD
 4. (Total Water Loss + Total System Input) x 100 = Water Loss Percentage

Water Conservation Programs and Activities

As you complete this section, review your utility's water conservation plan to see if you are making progress towards meeting your stated goals.

1. What year did your entity adopt or revise the most recent Water Conservation Plan? _____
2. Does The Plan incorporate Best Management Practices? Yes No
3. Using the table below select the types of Best Management Practices or water conservation strategies actively administered during this reporting period and estimate the savings incurred in implementing water conservation activities and programs. Leave fields blank if unknown.

Methods and techniques for determining gallons saved are unique to each utility as they conduct internal effective cost analyses and long-term financial planning. Texas Best Management Practices can be found at TWDB's Water Conservation Best Management Practices webpage. The Alliance for Water Efficiency Water Conservation Tracking Tool may offer guidance on determining and calculating savings for individual BMPs.

| Best Management Practice | Check if Implemented | Estimated Gallons Saved |
|--|--------------------------|-------------------------|
| Conservation Analysis and Planning | | |
| Conservation Coordinator | <input type="checkbox"/> | |
| Cost Effective Analysis | <input type="checkbox"/> | |
| Water Survey for Single Family and Multi-family Customers | <input type="checkbox"/> | |
| Financial | | |
| Wholesale Agency Assistance Programs | <input type="checkbox"/> | |
| Water Conservation Pricing | <input type="checkbox"/> | |
| System Operations | | |
| Metering New Connections and Retrofitting Existing Connections | <input type="checkbox"/> | |
| System Water Audit and Loss Control | <input type="checkbox"/> | |
| Landscaping | | |
| Landscape Irrigation Conservation and Incentives | <input type="checkbox"/> | |
| Athletic Fields Conservation | <input type="checkbox"/> | |
| Golf Course Conservation | <input type="checkbox"/> | |
| Park Conservation | <input type="checkbox"/> | |
| Education and Public Awareness | | |
| School Education | <input type="checkbox"/> | |
| Public Information | <input type="checkbox"/> | |
| Rebate, Retrofit, and Incentive Programs | | |
| Conservation Programs for ICI Accounts | <input type="checkbox"/> | |
| Residential Clothes Washer Incentive Program | <input type="checkbox"/> | |
| Water Wise Landscape Design and Conversion Programs | <input type="checkbox"/> | |

| | | |
|--|--------------------------|---|
| Showerhead, Aerator, and Toilet Flapper Retrofit | <input type="checkbox"/> | |
| Residential Toilet Replacement Programs | <input type="checkbox"/> | |
| ICI Incentive Programs | <input type="checkbox"/> | |
| Conservation Technology | | |
| Water Reuse | <input type="checkbox"/> | |
| New Construction Graywater | <input type="checkbox"/> | |
| Rainwater Harvesting and Condensate Reuse | <input type="checkbox"/> | |
| Regulatory and Enforcement | | |
| Prohibition on Wasting Water | <input type="checkbox"/> | |
| Other, please describe: | | |
| Total Gallons of Water Saved | | 0 |

4. For this reporting period, provide the estimated gallons of direct or indirect reuse activities.

| Reuse Activity | Estimated Volume (In gallons) |
|--|-------------------------------|
| On-site Irrigation | |
| Plant wash down | |
| Chlorination/de-chlorination | |
| Industrial | |
| Landscape Irrigation (parks, golf courses) | |
| Agricultural | |
| Other, please describe: | |
| Total Volume of Reuse | 0 |

5. For this reporting period, estimate the savings from water conservation activities and programs.

| Gallons Saved/ Conserved | Gallons Recycled/ Reused | Total Volume of Water Saved ⁵ | Dollar Value of Water Saved ⁶ |
|--------------------------|--------------------------|--|--|
| | | 0 | |

5. Estimated Gallons Saved/ Conserved + Estimated Gallons Recycled/ Reused = Total Volume Saved

6. Estimate this value by taking into account water savings, the cost of treatment or purchase of water, and deferred capital costs due to conservation.

6. During this reporting period, did your rates or rate structure change? Yes No

Select the type of rate pricing structures used. Check all that apply.

| | | |
|---|---|--|
| <input type="checkbox"/> Uniform Rates | <input type="checkbox"/> Water Budget Based Rates | <input type="checkbox"/> Surcharge - seasonal |
| <input type="checkbox"/> Flat Rates | <input type="checkbox"/> Excess Use Rates | <input type="checkbox"/> Surcharge - drought |
| <input type="checkbox"/> Inclinig/ Inverted Block Rates | <input type="checkbox"/> Drought Demand Rates | <input type="checkbox"/> Other, please describe: |
| <input type="checkbox"/> Declining Block Rates | <input type="checkbox"/> Tailored Rates | |
| <input type="checkbox"/> Seasonal Rates | <input type="checkbox"/> Surcharge - usage demand | |

7. For this reporting period, select the public awareness or educational activities used.

| | Implemented | Number/Unit |
|---------------------------------------|--------------------------|-------------------|
| Example: Brochures Distributed | √ | 10,000/year |
| Example: Educational School Programs | √ | 50 students/month |
| Brochures Distributed | <input type="checkbox"/> | _____ |
| Messages Provided on Utility Bills | <input type="checkbox"/> | _____ |
| Press Releases | <input type="checkbox"/> | _____ |
| TV Public Service Announcements | <input type="checkbox"/> | _____ |
| Radio Public Service Announcements | <input type="checkbox"/> | _____ |
| Educational School Programs | <input type="checkbox"/> | _____ |
| Displays, Exhibits, and Presentations | <input type="checkbox"/> | _____ |
| Community Events | <input type="checkbox"/> | _____ |
| Social Media campaigns | <input type="checkbox"/> | _____ |
| Facility Tours | <input type="checkbox"/> | _____ |
| Other : | <input type="checkbox"/> | _____ |

Leak Detection and Water Loss

1. During this reporting period, how many leaks were repaired in the system or at service connections? _____

Select the main cause(s) of water loss in your system.

- Leaks and breaks
- Un-metered utility or city uses
- Master meter problems
- Customer meter problems
- Record and data problems
- Other: _____
- Other: _____

2. For this reporting period, provide the following information regarding meter repair:

| Type of Meter | Total Number | Total Tested | Total Repaired | Total Replaced |
|---------------------------|--------------|--------------|----------------|----------------|
| Production Meters | | | | |
| Meters larger than 1 1/2" | | | | |
| Meters 1 1/2" or smaller | | | | |

3. Does your system have automated meter reading? Yes No

Program Effectiveness and Drought

1. In your opinion, how would you rank the effectiveness of your conservation activities?

| Customer Classification | Less Than Effective | Somewhat Effective | Highly Effective | Does Not Apply |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Residential Customers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Industrial Customers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Institutional Customers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Commercial Customers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Agricultural Customers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

2. During the reporting period, did you implement your Drought Contingency Plan?

- Yes No

If yes, how many days were water use restrictions in effect? _____

If yes, check the reason(s) for implementing your Drought Contingency Plan.

- | | |
|---|---|
| <input type="checkbox"/> Water Supply Shortage <input type="checkbox"/> High Seasonal Demand <input type="checkbox"/> Capacity Issues | <input type="checkbox"/> Equipment Failure <input type="checkbox"/> Impaired Infrastructure <input type="checkbox"/> Other: |
|---|---|

3. Select the areas for which you would like to receive more technical assistance:

- | | |
|---|---|
| <input type="checkbox"/> Best Management Practices <input type="checkbox"/> Drought Contingency Plans <input type="checkbox"/> Landscape Irrigation <input type="checkbox"/> Leak Detection and Equipment <input type="checkbox"/> Rainwater Harvesting <input type="checkbox"/> Rate Structures | <input type="checkbox"/> Educational Resources <input type="checkbox"/> Water Conservation Annual Reports <input type="checkbox"/> Water Conservation Plans <input type="checkbox"/> Water IQ: Know Your Water <input type="checkbox"/> Water Loss Audits <input type="checkbox"/> Recycling and Reuse |
|---|---|

SUBMIT

APPENDIX E

**Texas Commission on Environmental Quality Water Conservation
Implementation Report**



Texas Commission on Environmental Quality

Water Conservation Implementation Report Public Water Supplier

This five year report must be completed by entities that are required to submit a water conservation plan to the TCEQ in accordance with Title 30 Texas Administrative Code, Chapter 288. Please complete this report and submit it to the TCEQ. If you need assistance in completing this form, please contact the Resource Protection Team in the Water Availability Division at (512) 239-4691.

CONTACT INFORMATION

Name of Entity:

Public Water Supply Identification Number (PWS ID): [Click here to enter text.](#)

CCN numbers: [Click here to enter text.](#)

Water Right Permit numbers: [Click here to enter text.](#)

Wastewater ID numbers: [Click here to enter text.](#)

Check all that apply:

- Retail Public Water Supplier
 Wholesale Public Water Supplier

Address: [Click here to enter text.](#) City: [Click here to enter text.](#) Zip Code: [Click here to enter text.](#)

Email: [Click here to enter text.](#) Telephone Number: [Click here to enter text.](#)

Regional Water Planning Group: [Click here to enter text.](#) [Map](#)

Groundwater Conservation District: [Click here to enter text.](#) [Map](#)

Form Completed By: [Click here to enter text.](#) Title: [Click here to enter text.](#)

Signature: _____ Date: [Click here to enter a date.](#)

Contact information for the person or department responsible for implementing the water conservation plan:

Name: [Click here to enter text.](#) Phone: [Click here to enter text.](#) Email: [Click here to enter text.](#)

Report Completed on Date: [Click here to enter a date.](#)

Reporting Period (check only one):

- Fiscal Period Begin: [Click here to enter a date.](#) Period End: [Click here to enter a date.](#)
 Calendar Period Begin: [Click here to enter a date.](#) Period End: [Click here to enter a date.](#)

Please check all of the following that apply to your entity:

- A surface water right holder of 1,000 acre-feet/year or more for non-irrigation uses
- A surface water right holder of 10,000 acre-feet/year or more for irrigation uses

Important

If your entity meets the following description, please skip page 3 and go directly to page 4.

Your entity is a Wholesale Public Water Supplier that ONLY provides wholesale water services for public consumption. For example, you only provide wholesale water to other municipalities or water districts.

Water Use Accounting

Retail Water Sold: *All retail water sold for public use and human consumption.*

Helpful Hints: There are two options available for you to provide the requested information. Both options ask the same information; however, the level of detail and break down of information differs between the two options. Please select just one option that works best for your entity and fill in the fields as completely as possible.

Fields that are gray are entered by the user. Select fields that are white and press F9 to updated fields.

For the five-year reporting period, enter the gallons of **RETAIL** water sold in each major water use category. Use only one of the following options.

Option 1

| Water Use Category* | Gallons Sold |
|--|--------------|
| Single Family Residential | |
| Multi-Family Residential | |
| TOTAL Residential Use¹ | 0 |
| Industrial | |
| Commercial | |
| Institutional | |
| TOTAL Retail Water Sold² | 0 |

1. [SF Res +MF Res = Residential Use]
2. [Res +Ind +Com +Ins = Retail Water Sold]

Option 2

| Water Use Category * | Gallons Sold |
|--|--------------|
| Residential Select all of the sectors that your account for as "Residential". <input type="checkbox"/> Single Family <input type="checkbox"/> Multi-Family | |
| Commercial Please select all of the sectors that your account for as "Commercial". <input type="checkbox"/> Commercial <input type="checkbox"/> Multi-Family <input type="checkbox"/> Industrial <input type="checkbox"/> Institutional | |
| Industrial Please select all of the sectors that your account for as "Industrial". <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Institutional | |
| Other Please select all of the sectors that your account for as "Other". <input type="checkbox"/> Commercial <input type="checkbox"/> Multi-Family <input type="checkbox"/> Industrial <input type="checkbox"/> Institutional | |
| TOTAL Retail Water Sold¹ | 0.00 |

1. [Res +Com +Ind + Other = Retail Water Sold]

Wholesale Water Exported: *Wholesale water sold or transferred out of the distribution system.*

For the five-year reporting period, enter the gallons of **WHOLESALE** water exported to each major water use category.

| Water Use Category* | Gallons of Exported Wholesale Water |
|---|--|
| Municipal Customers | |
| Agricultural Customers | |
| Industrial Customers | |
| Commercial Customers | |
| Institutional Customers | |
| TOTAL Wholesale Water Exported¹ | 0.00 |

1. [Mun + Agr + Ind + Com + Ins = Wholesale Water Exported]

System Data

Fields that are gray are entered by the user.
Select fields that are white and hit F9 to updated fields.

| | Total Gallons During the Five-Year Reporting Period |
|--|---|
| Water Produced: Volume produced from own sources | |
| Wholesale Water Imported : Purchased wholesale water imported from other sources into the distribution system | |
| Wholesale Water Exported: Wholesale water sold or transferred out of the distribution system (Insert Total Volume calculated on Page 4) | |
| TOTAL System Input : Total water supplied to the infrastructure | 0.00 <small>[Produced + Imported - Exported = System Input]</small> |
| Retail Water Sold : All retail water sold for public use and human consumption (Insert Total Residential Use from Option 1 or Option 2 calculated on Page 3) | |
| Other Consumption Authorized for Use but not Sold: <ul style="list-style-type: none"> - back flushing water - line flushing - storage tank cleaning - golf courses - fire department use - parks - municipal government offices | |
| TOTAL Authorized Water Use: All water that has been authorized for use or consumption. | 0.00 <small>[Retail Water Sold + Other Consumption = Total Authorized]</small> |
| Apparent Losses – Water that has been consumed but not properly measured (Includes customer meter accuracy, systematic data discrepancy, un- authorized consumption such as theft) | |
| Real Losses – Physical losses from the distribution system prior to reaching the customer destination (Includes physical losses from system or mains, reported breaks and leaks, storage overflow) | |
| Unidentified Water Losses | 0.00 <small>[System Input- Total Authorized - Apparent Losses - Real Losses = Unidentified Water Losses]</small> |
| TOTAL Water Loss | 0.00 <small>[Apparent + Real + Unidentified = Total Water Loss]</small> |

Targets and Goals

In the table below, please provide the specific and quantified five and ten-year targets for water savings listed in your water conservation plan.

Fields that are gray are entered by the user.
Select fields that are white and hit F9 to update fields.

| Date | Target for: Total GPCD | Target for: Water Loss (expressed in GPCD) | Target for: Water Loss Percentage (expressed in Percentage) |
|--------------------------------------|---------------------------|--|---|
| Five-year target date: dd/mm/yyyy | | | % |
| Ten-year target date: dd/mm/yyyy | | | % |

Are targets in the water conservation plan being met? Yes No

If these targets are not being met, provide an explanation as to why, including any progress on these targets: [Click here to enter text.](#)

Gallons per Capita per Day (GPCD) and Water Loss

Compare your current gpcd and water loss to the above targets and goals set in your previous water conservation plan.

| Total System Input in Gallons | Permanent Population | Current GPCD |
|--|----------------------|---|
| [Produced + Imported -- Exported = System Input] | | [(System Input + Permanent Population) / 365] |

Permanent Population is the total permanent population of the service area. This includes single family, multi-family, and group quarter populations.

| Total Residential Use | Permanent Population | Residential GPCD |
|-----------------------|----------------------|--|
| | | [(Residential Use + Residential Population) / 365] |

Residential Population is the total residential population of the service area including single & multi-family population.

| Total Water Loss | Total System Input in Gallons | Permanent Population | Water Loss calculated in | |
|---|--|----------------------|--------------------------|----------------------|
| | | | GPCD ¹ | Percent ² |
| [Apparent + Real + Unidentified = Total Water Loss] | [Water Produced + Wholesale Imported - Wholesale Exported] | | | |

1. [Total Water Loss + Permanent Population] / 5/365 = Water Loss GPCD]
2. [Total Water Loss + Total System Input] x 100 = Water Loss Percentage]

Water Conservation Programs and Activities

As you complete this section, please review your water conservation plan to see if you are making progress towards meeting your stated goals.

Fields that are gray are entered by the user. Select fields that are white and hit F9 to update fields.

1. Water Conservation Plan

What year did your entity adopt, or revise, their most recent water conservation plan: [Click here](#) to enter text.

Does the plan incorporate Best Management Practices? Yes No

2. Water Conservation Programs

For the reporting period, please select the types of activities and programs that have been actively administered, and estimate the expense and savings that incurred in implementing the conservation activities and programs for the past five years. Leave the field blank if unknown:

| Program or Activity | Estimated Expenses | Estimated Gallons Saved |
|--|--------------------|-------------------------|
| Conservation Analysis & Planning | | |
| <input type="checkbox"/> Conservation Coordinator | | |
| <input type="checkbox"/> Water Survey for Single-Family and Multi-Family Customers | | |
| Financial | | |
| <input type="checkbox"/> Wholesale Agency Assistance Programs | | |
| <input type="checkbox"/> Water Conservation Pricing/ Rate Structures | | |
| System Operations | | |
| <input type="checkbox"/> Water Loss Audits | | |
| <input type="checkbox"/> Leak Detection | | |
| <input type="checkbox"/> Universal Metering and Metering Repair | | |
| Landscaping | | |
| <input type="checkbox"/> Landscape Irrigation Conservation and | | |

| | | |
|--|----------------|----------|
| Incentives | | |
| <input type="checkbox"/> Athletic Fields Conservation | | |
| <input type="checkbox"/> Golf Course Conservation | | |
| <input type="checkbox"/> Park Conservation | | |
| Education & Public Awareness | | |
| <input type="checkbox"/> School Education | | |
| <input type="checkbox"/> Public Information | | |
| Rebate, Retrofit, and Incentive Programs | | |
| <input type="checkbox"/> Conservation Programs for ICI Accounts | | |
| <input type="checkbox"/> Residential Clothes Washer Incentive Program | | |
| <input type="checkbox"/> Water Wise Landscape Design and Conversion Programs | | |
| <input type="checkbox"/> Showerhead, Aerator, and Toilet Flapper Retrofit | | |
| <input type="checkbox"/> Residential Toilet Replacement Programs | | |
| <input type="checkbox"/> Rainwater Harvesting Incentive Program | | |
| <input type="checkbox"/> ICI Incentive Programs | | |
| Conservation Technology | | |
| <input type="checkbox"/> Recycling and Reuse Programs (Water or Wastewater Effluent) | | |
| <input type="checkbox"/> Rainwater Harvesting and Condensate Reuse Programs | | |
| Regulatory and Enforcement | | |
| <input type="checkbox"/> Prohibition on Wasting Water | | |
| TOTAL | \$ 0.00 | 0 |

3. Reuse (Water or Wastewater Effluent)

For the reporting period, please provide the following data regarding the types of direct and indirect reuse activities that were administered for the past five years:

| Reuse Activity | Estimated Volume (in gallons) |
|--|--------------------------------------|
| On-site irrigation | |
| Plant wash down | |
| Chlorination/de-chlorination | |
| Industrial | |
| Landscape irrigation (parks, golf courses) | |
| Agricultural | |
| Other, please describe: | |
| Estimated Volume of Recycled or Reuse | 0 |

4. Water Savings

For the five-year reporting period, estimate the total savings that resulted from your overall water conservation activities and programs?

| Estimated Gallons Saved (Total from Conservation Programs Table) | Estimated Gallons Recycled or Reused (Total from Reuse Table) | Total Volume of Water Saved ¹ | Dollar Value of Water Saved ² |
|---|--|--|--|
| | | 0 | |

1. [Estimated Gallons Saved + Estimated Gallons Recycled or Reused = Total Volume Saved]

2. Estimate this value by taking into account water savings, the cost of treatment or purchase of your water, and any deferred capital costs due to conservation.

5. Conservation Pricing / Conservation Rate Structures

During the five-year reporting period, have your rates or rate structure changed? Yes No

Please indicate the type of rate pricing structures that you use:

| | | |
|--|---|---|
| <input type="checkbox"/> Uniform rates | <input type="checkbox"/> Water Budget Based rates | <input type="checkbox"/> Surcharge - seasonal |
| <input type="checkbox"/> Flat rates | <input type="checkbox"/> Excess Use Rates | <input type="checkbox"/> Surcharge - drought |
| <input type="checkbox"/> Inclining/ Inverted Block | <input type="checkbox"/> Drought Demand rates | <input type="checkbox"/> Surcharge - usage demand |
| <input type="checkbox"/> Declining Block rates | <input type="checkbox"/> Tailored rates | |
| <input type="checkbox"/> Seasonal rates | | |

6. Public Awareness and Education Program

For the five-year reporting period, please check the appropriate boxes regarding any public awareness and educational activities that your entity has provided:

| | Implemented | Number/Unit |
|---|--------------------------|--------------------------|
| <i>Example: Brochures Distributed</i> | <input type="checkbox"/> | <i>10,000/year</i> |
| <i>Example: Educational School Programs</i> | <input type="checkbox"/> | <i>50 students/month</i> |
| Brochures Distributed | <input type="checkbox"/> | |
| Messages Provided on Utility Bills | <input type="checkbox"/> | |
| Press Releases | <input type="checkbox"/> | |
| TV Public Service Announcements | <input type="checkbox"/> | |
| Radio Public Service Announcements | <input type="checkbox"/> | |
| Educational School Programs | <input type="checkbox"/> | |
| Displays, Exhibits, and Presentations | <input type="checkbox"/> | |
| Community Events | <input type="checkbox"/> | |

| | | |
|------------------------|--------------------------|--|
| Social Media campaigns | <input type="checkbox"/> | |
| Facility Tours | <input type="checkbox"/> | |
| Other : | <input type="checkbox"/> | |

7. Leak Detection

During the five-year reporting period, how many leaks were repaired in the system or at service connections: [Click here to enter text.](#)

Please check the appropriate boxes regarding the main cause of water loss in your system during the reporting period:

- Leaks and breaks
- Un-metered utility or city uses
- Master meter problems
- Customer meter problems
- Record and data problems
- Other: [Click here to enter text.](#)
- Other: [Click here to enter text.](#)

8. Universal Metering and Meter Repair

For the five-year reporting period, please provide the following information regarding meter repair:

| | Total Number | Total Tested | Total Repaired |
|---------------------------|--------------|--------------|----------------|
| Production Meters | | | |
| Meters larger than 1 1/2" | | | |
| Meters 1 1/2 or smaller | | | |

Does your system have automated meter reading? Yes No

9. Conservation Communication Effectiveness

In your opinion, how would you rank the effectiveness of your conservation activities in reaching the following types of customers for the past five years?

| | Do not have activities or programs that target this type customer. | Less Than Effective | Somewhat Effective | Highly Effective |
|-------------------------|--|--------------------------|--------------------------|--------------------------|
| Residential Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Industrial Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Institutional Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Commercial Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Agricultural Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

10. Drought Contingency and Emergency Water Demand Management

During the five-year reporting period, did you implement your Drought Contingency Plan?

Yes No

If yes, indicate the number of days that your water use restrictions were in effect: [Click here to enter text.](#)

If yes, please check all the appropriate reasons for your drought contingency efforts going into effect.

| | |
|--|--|
| <input type="checkbox"/> Water Supply Shortage | <input type="checkbox"/> Equipment Failure |
| <input type="checkbox"/> High Seasonal Demand | <input type="checkbox"/> Impaired Infrastructure |
| <input type="checkbox"/> Capacity Issues | <input type="checkbox"/> Other: |

If you have any questions on how to fill out this form or about the Water Conservation program, please contact us at 512/239-4691.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact us at 512-239-3282.

APPENDIX F

Ordinance Regarding Illegal Water Connections and/or Theft of Water



ORDINANCE 2015-03

AN ORDINANCE PERTAINING TO ILLEGAL WATER CONNECTIONS AND/OR THE THEFT OF WATER RELATED TO THE WATER SUPPLY FOR THE CITY OF CITY OF TOM BEAN

WHEREAS, the City Council of the City of Tom Bean has adopted a Water Conservation and Drought Contingency and Water Emergency Response Plan; and

WHEREAS, the City Council recognizes that the amount of water available to its water customers is limited; and

WHEREAS, pursuant to Chapter 54 of the Local Government Code, the City Council of the City of Tom Bean is authorized to adopt such policies necessary to preserve and conserve available water supplies; and

WHEREAS, the City Council of the City of Tom Bean seeks to adopt an Ordinance pertaining to illegal water connections and theft of water;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TOM BEAN THAT:

SECTION 1: The Tom Bean City Council hereby approves and adopts this Ordinance as described herein.

SECTION 2: That all ordinances that are in conflict with the provisions of this ordinance are hereby repealed and all other ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 3: A person commits an offense of theft of water by any of the following actions:

(a) A person may not knowingly tamper, connect to, or alter any component of the City's water system including valves, meters, meter boxes, lids, hydrants, lines, pump stations, ground storage tanks, and elevated storage tanks. This shall include direct or indirect efforts to initiate or restore water service without the approval of the City.

(b) If, without the written consent of the Mayor, the person knowingly causes, suffers, or allows the initiation or restoration of water service to the property after termination of service(s). For purposes of this section, it shall be assumed that the owner, occupant, or person in control of the property caused, suffered, or allowed the unlawful initiation or restoration of service(s).

(c) A person may not knowingly make or cause a false report to be made to the City of a reading of a water meter installed for metered billing.

(d) A person commits a separate offense each day that the person performs an act prohibited by this section or fails to perform an act required by this section.

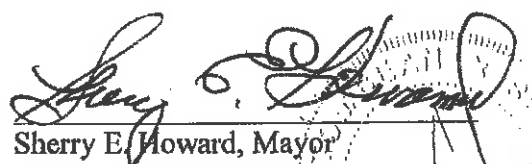
SECTION 4: An offense under this Ordinance is a Class C misdemeanor punishable by a monetary fine of up to two thousand dollars (\$2,000.00) and/or discontinuance of water service by the City.

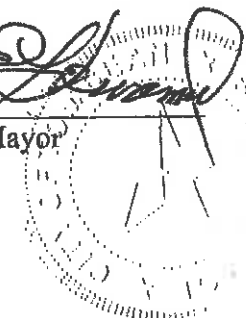
SECTION 5: The Tom Bean City Council does hereby find and declare that the meeting at which this Ordinance is passed is open to the public as required by law and sufficient written notice of the date, hour, place and subject of the meeting considering this Ordinance was posted at a designated place convenient to the public for the time required by law preceding this meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Ordinance, and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the posting thereof.

SECTION 6: Should any paragraph, sentence, clause, phrase or word of this Ordinance be declared unconstitutional or invalid for any reason, the remainder of this Ordinance shall not be affected.

SECTION 7: The City Secretary is hereby authorized and directed to cause publication of the descriptive caption of this Ordinance as an alternative method of publication provided by law.

PASSED AND APPROVED this the 8th day of June, 2015.


Sherry E. Howard, Mayor



ATTEST:


Cathy Pugh, City Secretary

APPENDIX G
Ordinance Adopting Plan



ORDINANCE 2015-04

AN ORDINANCE ADOPTING A WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN FOR THE CITY OF TOM BEAN, TEXAS TO PROMOTE THE RESPONSIBLE USE OF WATER AND TO PROVIDE FOR PENALITIES AND/OR THE DISCONNECTION OF WATER SERVICE FOR NONCOMPLIANCE WITH THE PROVISIONS OF THE WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN

WHEREAS, the City of Tom Bean, Texas ("City") recognizes that the amount of water available to its water customers is limited; and

WHEREAS, the City recognizes that due to natural limitations, drought conditions, system failures, and other acts of God that may occur, the City cannot guarantee an uninterrupted water supply for all purposes at all times; and

WHEREAS, the Water Code and the regulations of the Texas Commission on Environmental Quality ("TCEQ") require that the City adopt a Water Conservation and Drought Contingency Plan; and

WHEREAS, the City has determined an urgent need in the best interest of the public to adopt a Water Conservation and Drought Contingency Plan; and

WHEREAS, pursuant to Chapter 54 of the Local Government Code, the City is authorized to adopt such policies necessary to preserve and conserve its water resources; and

WHEREAS, the City Council of the City of Tom Bean, Texas desires to adopt the attached Water Conservation and Drought Contingency Plan as official City policy for the conservation of water.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TOM BEAN, TEXAS THAT:

SECTION 1: The City Council hereby approves and adopts the Water Conservation and Drought Contingency Plan (the "Plan"), attached hereto as Appendix A, as if recited verbatim herein. The City commits to implement the requirements and procedures set forth in the adopted Plan.

SECTION 2: That all ordinances that are in conflict with the provisions of this ordinance are hereby repealed and all other ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 3: Any customer, defined pursuant to 30 Texas Administrative Code, Chapter 291, failing to comply with the provisions of the Plan shall be subject to a monetary fine of \$100 and not to exceed \$200 per incident, and/or discontinuance of water service by the City. Proof of a culpable mental state is not required for a conviction of an offense under this section. Each day a customer fails to comply with the Plan is a separate violation. The City's authority to seek injunctive or other civil relief available under the law is not limited by this section.

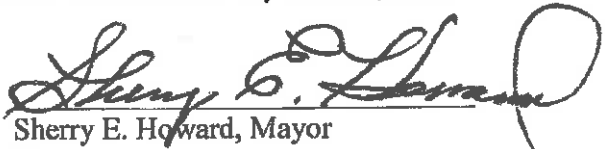
SECTION 4: The City Council does hereby find and declare that sufficient written notice of the date, hour, place and subject of the meeting adopting this Ordinance was posted at a designated place convenient to the public for the time required by law preceding the meeting, that such place of posting was readily accessible at all times to the general public, and that all of the foregoing was done as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the posting thereof.

SECTION 5: Should any paragraph, sentence, clause, phrase or word of this Ordinance be declared unconstitutional or invalid for any reason, the remainder of this Ordinance shall not be affected.

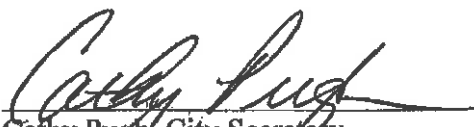
SECTION 6: The Mayor is hereby directed to file a copy of the Plan and this Ordinance with the TCEQ in accordance with Title 30, Chapter 288 of the Texas Administrative Code.

SECTION 7: The City Secretary is hereby authorized and directed to cause publication of the descriptive caption of this Ordinance as an alternative method of publication provided by law.

PASSED AND APPROVED by the City Council on this the 22nd day of June, 2015.


Sherry E. Howard, Mayor
City of Tom Bean, Texas

ATTEST:


Cathy Pugh, City Secretary
City of Tom Bean, Texas

APPENDIX H

Letter to Region C Water Planning Group



CITY OF TOM BEAN

June 26, 2015

Region C Water Planning Group
North Texas Municipal Water District
P.O. Box 2408
Wylie TX 75098-2408

Re: Water Conservation and Drought Contingency and Water Emergency Response Plan

Dear Sir or Madam:

Enclosed please find a copy of the recently approved Water Conservation and Drought Contingency Plan for the City of Tom Bean. This copy is being submitted in accordance with the Texas Water Development Board and the Texas Commission on Environmental Quality rules. The City Council of the City of Tom Bean approved this plan on June 22, 2015.

Sincerely,

Sherry E. Howard
Mayor, City of Tom Bean

Enclosure

PO BOX 659
TOM BEAN, TX 75489
(903) 546-6321
FAX (903) 546-4878

APPENDIX I

Public Meeting Notice

AFFIDAVIT OF PUBLICATION

I

STATE OF TEXAS)
COUNTY OF GRAYSON) SS:

**CITY OF TOM BEAN
P O BOX 659
TOM BEAN TX 75489**

**Account # 49519
Ad Number 0000533181**

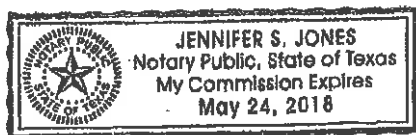
Michelle Henderson, being 1st duly sworn, deposes and says: That (s)he is the Legal Clerk for the Harald Democrat, a daily newspaper regularly issued, published and circulated in the City of Sherman, County of Grayson, State of Texas, and that the advertisement, a true copy attached for, was published in said Harald Democrat in 1 edition(a) of said newspaper issued from 06/19/2015 to 06/19/2015, on the following days:

06 / 19 / 15

ISI Michelle Henderson
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 19th day of June, 2015

Notary Jennifer S. Jones



**CLAUSE, PROVIDING A FIVE-YEAR
CLAUSE, AND PROVIDING FOR AN
EFFECTIVE DATE.**

PUBLIC NOTICE

The City Council of Tom Bean, Texas will conduct a public meeting at Tom Bean Community Center on Monday, June 22nd, 2015 at 6:00 p.m. for the purpose of receiving input from the public in preparation of the City of Tom Bean Water Conservation and Drought Contingency Plan. The public meeting will take place in the Council Chambers of the City of Tom Bean, 201 S. Britton, Tom Bean TX 75489.

Employment

Help Wanted

5 Full Time Entry Level Positions Available In Customer Service and Sales. Call Human Resources at 214-504-3847, www.Betancourtadvanedge.com

Aramark has a great opportunity available for Assistant Custodial Manager. Experience is required. Position will support manager in all phases of business; organizing and planning projects. Excellent benefit package. Please apply to 1205 Brockett St. on the Austin College Campus or apply on-line at aramark.com. For more information, please call 903-813-2553.

AVON

Why not you? Why not today? Increase your income. Free Training. Call 903-819-9637 or www.youravon.com/tlow

CKJ TRUCKING LP

Now hiring CDL Drivers. \$3,000 Hiring Bonus. Local driving, home daily, paid holidays, paid vacation. Health, dental, vision, & life insurance available. Must have 1 year of experience. Day & night shifts available. To apply, call 972-808-7660, ext. 127 or 903-327-2702

Medical Billing/Coding Assistant

Texas Vital Care seeking FT applicants with medical billing/coding experience. ICD-10 coding Scheduling/Confirming Appointments Bilingual preferred but not required Email Resume to texasvitalcare@verizon.net Fax Resume to 903-965-9354

Excellent Horse Caretaker & Property Management. Benefits. 972-562-3662

Experienced Mechanic needed for offroad equipment & plant maintenance. Top pay, Insurance, paid holidays, paid vacation Call (903)647-0396.

Experienced waitress/waiter. (903)463-3800 Devolli Italian Restaurant 220 W. Main, Denison, TX.

Experienced small engine mechanic needed. Apply at 520 W. Lamar, Sherman.

FEMALE SENIOR CARE GIVERS NEEDED 24 HOUR LIVE-IN CARE

IN-HOME CARE FOR FEMALE SENIORS
PHONE ANSWERED TUES-SAT.
8:00 am-6:30 pm
CALL (940)783-4240

FREE TO TRAVEL?

People needed for full time position. Travel, work hard, make money. Team environment. \$460/weekly plus bonus, per written agreement. 903-819-3637

FT Teller Position

9am-6pm
McKinney & Sherman Branch
Fax Resume:
(903)482-5239
Mail:
Texas Star Bank
PO Box 608
Van Alstyne, TX 75495
EOE

Full-time Medical Assistant (experience required) for a fast-paced, internal medicine practice. Must have knowledge of EMR (ECW a plus). Vitals, injections, EKG, and medication. Please fax resume to: 903-957-0009.



General Manager
Position Available in Sherman
Visit wingstopjobs.com

WANTED: HEAVY DUTY WRECKER DRIVER. CDL License Required and TDLR Certifiable. Must have good driving record and pass Background Check. Previous experience a plus but not required. Apply at 2902 Texoma Dr. Denison, TX.

Must have 3 years of Janitorial experience

✓ Must be able to pass criminal background check and Drug Screen

✓ Must be able to work 12 hour shifts

✓ Must have a High School Diploma or GED

Encore Offers Great Insurance Benefits, 401K, Holiday Pay, Vacation Pay & Onsite Clinic

Laborers needed for construction site in Durant, Oklahoma. To schedule an interview please contact our site supervisor, Henry Henson at 423-507-7699.

LEONARD MANOR NURSING HOME IS SEEKING APPLICANTS FOR POSITIONS OF FULL TIME AND PRN LVN'S AND CERTIFIED NURSE AIDES. MUST HAVE NURSING HOME EXPERIENCE. IF INTERESTED, PLEASE APPLY IN PERSON AT 902 E. HACKBERRY, LEONARD, TEXAS.

Live in sitter, over 18. up to \$925/month plus car. 713-647-0460 or lm11076@yahoo.com

LOOKING FOR AN OPPORTUNITY TO MAKE GREAT MONEY?
GREAT PAY RATES AND \$4000 SIGNING BONUS!
DRIVE A NEW 2013-2015 PETERBILT
WEEKLY CASH ADVANCES AVAILABLE!
BLUE CROSS BLUE SHIELD MEDICAL DENTAL AND VISION INSURANCE
2 YEARS DRIVING EXPERIENCE REQUIRED--WILL TRAIN ON PNEUMATICS.
DISPATCH AVAILABLE 24/7
CALL AARON FOR INTERVIEW
CELL: 580-665-9986
OFFICE: 580-310-1009
EXT 22

Looking for experienced mechanic helper with tools, Trenton area. 903-989-2465

Looking for RN Case Managers in our Medicare Skilled Division. Salary plus benefits, need excited individuals for growing company. Contact Deborah Bates (903)892-9281 or fax resume 903-870-0580

McKenzie's A Cut Above at Midway Mall, Now Hiring Stylists and one Nail Tech, (903)436-6976

Now hiring, all positions. Apply in person at Tokyo Restaurant 12pm-2pm or 4pm-6pm at 2916 HWY 75, Sherman.

ATTACHMENT 9

Five-Year Tax Assessed Values Delineated by Classification

2014 CERTIFIED TOTALS

Property Count: 566

CTB - City of Tom Bean
ARB Approved Totals

7/28/2014

9:20:02AM

State Category Breakdown

| State Code | Description | Count | Acres | New Value Market | Market Value |
|------------|------------------------------------|-------|-----------------|------------------|---------------------|
| A | SINGLE FAMILY RESIDENCE | 347 | | \$2,815 | \$25,338,760 |
| B | MULTIFAMILY RESIDENCE | 10 | | \$0 | \$1,392,012 |
| C1 | VACANT LOTS AND LAND TRACTS | 53 | | \$0 | \$504,715 |
| D1 | QUALIFIED OPEN-SPACE LAND | 20 | 270.3130 | \$0 | \$1,212,689 |
| D2 | IMPROVEMENTS ON QUALIFIED OPEN SP | 7 | | \$0 | \$27,367 |
| E | RURAL LAND, NON QUALIFIED OPEN SPA | 21 | 75.4410 | \$0 | \$811,759 |
| F1 | COMMERCIAL REAL PROPERTY | 21 | | \$128,927 | \$3,118,067 |
| F2 | INDUSTRIAL AND MANUFACTURING REAL | 1 | | \$0 | \$185,056 |
| J2 | GAS DISTRIBUTION SYSTEM | 1 | | \$0 | \$89,030 |
| J3 | ELECTRIC COMPANY (INCLUDING CO-OP) | 2 | | \$0 | \$603,852 |
| J4 | TELEPHONE COMPANY (INCLUDING CO-O | 2 | | \$0 | \$181,275 |
| J7 | CABLE TELEVISION COMPANY | 1 | | \$0 | \$80,705 |
| L1 | COMMERCIAL PERSONAL PROPERTY | 30 | | \$0 | \$629,827 |
| L2 | INDUSTRIAL AND MANUFACTURING PERS | 3 | | \$0 | \$1,264,297 |
| M1 | TANGIBLE OTHER PERSONAL, MOBILE H | 4 | | \$0 | \$46,909 |
| O | RESIDENTIAL INVENTORY | 29 | | \$0 | \$51,777 |
| X | TOTALLY EXEMPT PROPERTY | 36 | | \$0 | \$2,630,602 |
| | Totals | | 345.7540 | \$131,742 | \$38,148,699 |

2013 CERTIFIED TOTALS

Property Count: 568

CTB - City of Tom Bean
ARB Approved Totals

9/18/2013

12:37:21PM

State Category Breakdown

| State Code | Description | Count | Acres | New Value Market | Market Value |
|------------|------------------------------------|---------------|-----------------|------------------|---------------------|
| A | SINGLE FAMILY RESIDENCE | 348 | | \$317,771 | \$25,419,841 |
| B | MULTIFAMILY RESIDENCE | 10 | | \$1,491 | \$1,363,793 |
| C1 | VACANT LOTS AND LAND TRACTS | 54 | | \$0 | \$505,842 |
| D1 | QUALIFIED OPEN-SPACE LAND | 19 | 249.7130 | \$0 | \$1,105,072 |
| D2 | IMPROVEMENTS ON QUALIFIED OPEN SP | 7 | | \$10,824 | \$26,711 |
| E | RURAL LAND, NON QUALIFIED OPEN SPA | 20 | 90.6600 | \$8,178 | \$843,639 |
| F1 | COMMERCIAL REAL PROPERTY | 19 | | \$22,299 | \$2,643,381 |
| F2 | INDUSTRIAL AND MANUFACTURING REAL | 1 | | \$0 | \$194,241 |
| J2 | GAS DISTRIBUTION SYSTEM | 1 | | \$0 | \$78,752 |
| J3 | ELECTRIC COMPANY (INCLUDING CO-OP) | 2 | | \$0 | \$579,529 |
| J4 | TELEPHONE COMPANY (INCLUDING CO-O | 2 | | \$0 | \$189,386 |
| J7 | CABLE TELEVISION COMPANY | 1 | | \$0 | \$58,131 |
| L1 | COMMERCIAL PERSONAL PROPERTY | 29 | | \$0 | \$674,528 |
| L2 | INDUSTRIAL AND MANUFACTURING PERS | 3 | | \$0 | \$1,369,780 |
| M1 | TANGIBLE OTHER PERSONAL, MOBILE H | 4 | | \$2,027 | \$47,844 |
| O | RESIDENTIAL INVENTORY | 29 | | \$0 | \$51,777 |
| X | TOTALLY EXEMPT PROPERTY | 39 | | \$0 | \$2,479,086 |
| | | Totals | 340.3730 | \$362,590 | \$37,609,133 |

2012 CERTIFIED TOTALS

Property Count: 568

CTB - City of Tom Bean
Grand Totals

8/5/2013 11:22:34AM

State Category Breakdown

| State Code | Description | Count | Acres | New Value Market | Market Value |
|------------|------------------------------------|---------------|----------|------------------|--------------|
| A | SINGLE FAMILY RESIDENCE | 349 | | \$13,581 | \$25,545,534 |
| B | MULTIFAMILY RESIDENCE | 9 | | \$0 | \$1,319,777 |
| C | VACANT LOT | 52 | | \$0 | \$454,077 |
| D1 | QUALIFIED AG LAND | 17 | 227.1830 | \$0 | \$991,415 |
| D2 | NON-QUALIFIED LAND | 15 | 99.6100 | \$0 | \$439,299 |
| E | FARM OR RANCH IMPROVEMENT | 12 | | \$0 | \$692,768 |
| F1 | COMMERCIAL REAL PROPERTY | 19 | | \$0 | \$2,605,943 |
| F2 | INDUSTRIAL REAL PROPERTY | 1 | | \$0 | \$203,132 |
| J2 | GAS DISTRIBUTION SYSTEM | 1 | | \$0 | \$78,114 |
| J3 | ELECTRIC COMPANY (INCLUDING CO-OP) | 2 | | \$0 | \$516,175 |
| J4 | TELEPHONE COMPANY (INCLUDING CO-O | 2 | | \$0 | \$134,101 |
| J7 | CABLE TELEVISION COMPANY | 1 | | \$0 | \$34,403 |
| L1 | COMMERCIAL PERSONAL PROPERTY | 26 | | \$0 | \$722,377 |
| L2 | INDUSTRIAL PERSONAL PROPERTY | 4 | | \$0 | \$1,212,375 |
| M1 | TANGIBLE OTHER PERSONAL, MOBILE H | 4 | | \$0 | \$45,648 |
| O | RESIDENTIAL INVENTORY | 29 | | \$0 | \$62,462 |
| X | TOTALLY EXEMPT PROPERTY | 39 | | \$0 | \$2,279,614 |
| | | Totals | 326.7930 | \$13,581 | \$37,337,214 |

2011 CERTIFIED TOTALS

Property Count: 569

CTB - City of Tom Bean
ARB Approved Totals

8/5/2013

11:34:13AM

State Category Breakdown

| State Code | Description | Count | Acres | New Value Market | Market Value |
|------------|------------------------------------|---------------|-----------------|------------------|---------------------|
| A | SINGLE FAMILY RESIDENCE | 347 | | \$46,632 | \$24,673,994 |
| B | MULTIFAMILY RESIDENCE | 9 | | \$0 | \$1,322,326 |
| C | VACANT LOT | 53 | | \$0 | \$405,429 |
| D1 | QUALIFIED AG LAND | 18 | 247.7830 | \$0 | \$1,125,727 |
| D2 | NON-QUALIFIED LAND | 15 | 81.8000 | \$0 | \$343,161 |
| E | FARM OR RANCH IMPROVEMENT | 12 | | \$0 | \$621,515 |
| F1 | COMMERCIAL REAL PROPERTY | 19 | | \$0 | \$2,653,480 |
| F2 | INDUSTRIAL REAL PROPERTY | 1 | | \$0 | \$205,939 |
| J2 | GAS DISTRIBUTION SYSTEM | 1 | | \$0 | \$71,884 |
| J3 | ELECTRIC COMPANY (INCLUDING CO-OP) | 2 | | \$0 | \$462,120 |
| J4 | TELEPHONE COMPANY (INCLUDING CO-O | 2 | | \$0 | \$301,117 |
| J7 | CABLE TELEVISION COMPANY | 1 | | \$0 | \$36,131 |
| L1 | COMMERCIAL PERSONAL PROPERTY | 28 | | \$0 | \$785,025 |
| L2 | INDUSTRIAL PERSONAL PROPERTY | 4 | | \$0 | \$1,184,391 |
| M1 | TANGIBLE OTHER PERSONAL, MOBILE H | 4 | | \$0 | \$46,477 |
| O | RESIDENTIAL INVENTORY | 29 | | \$0 | \$62,462 |
| X | TOTALLY EXEMPT PROPERTY | 40 | | \$0 | \$2,217,994 |
| | | Totals | 329.5830 | \$46,632 | \$36,519,172 |

2010 CERTIFIED TOTALS

Property Count: 569

CTB - City of Tom Bean
ARB Approved Totals

8/5/2013 11:38:08AM

State Category Breakdown

| State Code | Description | Count | Acres | New Value Market | Market Value |
|------------|------------------------------------|---------------|-----------------|------------------|---------------------|
| A | SINGLE FAMILY RESIDENCE | 345 | | \$195,352 | \$24,689,735 |
| B | MULTIFAMILY RESIDENCE | 9 | | \$0 | \$1,395,898 |
| C | VACANT LOT | 52 | | \$0 | \$411,372 |
| D1 | QUALIFIED AG LAND | 18 | 246.7830 | \$0 | \$1,121,462 |
| D2 | NON-QUALIFIED LAND | 15 | 81.8000 | \$0 | \$343,161 |
| E | FARM OR RANCH IMPROVEMENT | 12 | | \$0 | \$607,185 |
| F1 | COMMERCIAL REAL PROPERTY | 20 | | \$1,630 | \$2,410,639 |
| F2 | INDUSTRIAL REAL PROPERTY | 1 | | \$0 | \$206,678 |
| J2 | GAS DISTRIBUTION SYSTEM | 1 | | \$0 | \$59,590 |
| J3 | ELECTRIC COMPANY (INCLUDING CO-OP) | 2 | | \$0 | \$411,280 |
| J4 | TELEPHONE COMPANY (INCLUDING CO-O | 2 | | \$0 | \$297,264 |
| J7 | CABLE TELEVISION COMPANY | 1 | | \$0 | \$38,250 |
| L1 | COMMERCIAL PERSONAL PROPERTY | 28 | | \$0 | \$878,770 |
| L2 | INDUSTRIAL PERSONAL PROPERTY | 3 | | \$0 | \$1,254,706 |
| M1 | TANGIBLE OTHER PERSONAL, MOBILE H | 4 | | \$0 | \$47,673 |
| O | RESIDENTIAL INVENTORY | 32 | | \$0 | \$68,305 |
| X | TOTALLY EXEMPT PROPERTY | 37 | | \$7,219 | \$2,247,570 |
| | | Totals | 328.5830 | \$204,201 | \$36,489,518 |

ATTACHMENT 10

Direct and Overlapping Tax Rate Table

DIRECT AND OVERLAPPING TAX DEBT TABLE
CITY OF TOM BEAN

| <u>Taxing Jurisdiction</u> | <u>Outstanding Debt</u> | <u>Estimated % Applicable</u> | <u>Overlapping Debt As of 4/1/2015</u> |
|----------------------------|-----------------------------|---------------------------------------|--|
| <u>Direct</u> | | | |
| City of Tom Bean | \$ 0 | 100.00% | \$ 0 |
| <u>Overlapping</u> | | | |
| Grayson County | \$ 47,330,000 | 0.48% | \$ 227,184 |
| Grayson County JCD | 37,455,000 | 0.44% | 164,802 |
| Tom Bean ISD | 9,650,000 | 19.06% | 1,839,290 |
| | <u>\$ 94,435,000</u> | | <u>\$ 2,231,276</u> |

Source: Texas Municipal Reports

ATTACHMENT 11

Pro Forma Operating Statement

PRO FORMA OPERATING STATEMENT **20 year amortization**
CITY OF TOM BEAN

| YEAR | NET REVENUES ⁽¹⁾ | INCREASE NECESSARY FOR NEW DEBT ⁽²⁾ | RATE | EXISTING | | EXISTING DEBT SERVICE CITY | PROPOSED | | REVENUES AFTER DEBT SERVICE | COVERAGE |
|------|-----------------------------|--|------|------------------------|--------------|----------------------------|--------------|--------------------------------|-----------------------------|----------|
| | | | | DEBT SERVICE WITH GTUA | DEBT SERVICE | | DEBT SERVICE | DEBT SERVICE \$1,210,000 SWIFT | | |
| 2016 | \$ 74,425 | \$ 30,000 | | \$ 69,258 | \$ 18,703 | \$ 18,703 | \$ 14,328 | \$ 2,136 | 1.02 | |
| 2017 | 74,425 | 55,500 | | 66,645 | 18,703 | 18,703 | 44,563 | 14 | 1.02 | |
| 2018 | 74,425 | 58,275 | | 69,005 | 18,703 | 18,703 | 44,157 | 835 | 1.01 | |
| 2019 | 74,425 | 61,189 | | 66,095 | 18,703 | 18,703 | 43,751 | 7,065 | 1.05 | |
| 2020 | 74,425 | 64,248 | | 68,185 | 18,703 | 18,703 | 43,345 | 8,440 | 1.06 | |
| 2021 | 74,425 | 67,461 | | | 18,703 | 18,703 | 87,939 | 35,244 | 1.33 | |
| 2022 | 74,425 | 70,834 | | | 18,703 | 18,703 | 86,620 | 39,936 | 1.38 | |
| 2023 | 74,425 | 74,375 | | | 18,703 | 18,703 | 90,300 | 39,797 | 1.37 | |
| 2024 | 74,425 | 78,094 | | - | 18,703 | 18,703 | 88,879 | 44,937 | 1.42 | |
| 2025 | 74,425 | 81,999 | | | 18,703 | 18,703 | 87,458 | 50,263 | 1.47 | |
| 2026 | 74,425 | 86,099 | | | | | 86,038 | 74,486 | 1.87 | |
| 2027 | 74,425 | 90,404 | | | | | 89,616 | 75,213 | 1.84 | |
| 2028 | 74,425 | 94,924 | | | | | 88,094 | 81,255 | 1.92 | |
| 2029 | 74,425 | 99,670 | | | | | 86,571 | 87,524 | 2.01 | |
| 2030 | 74,425 | 104,654 | | | | | 90,049 | 89,030 | 1.99 | |
| 2031 | 74,425 | 109,886 | | | | | 88,425 | 95,887 | 2.08 | |
| 2032 | 74,425 | 115,381 | | | | | 86,800 | 103,006 | 2.19 | |
| 2033 | 74,425 | 121,150 | | | | | 90,177 | 105,398 | 2.17 | |
| 2034 | 74,425 | 127,207 | | | | | 88,451 | 113,181 | 2.28 | |
| 2035 | 74,425 | 133,567 | | | | | 86,726 | 121,267 | 2.40 | |

Proforma provided for illustration purposes only

(1) Based on 2014 revenues. Does not include depreciation or GTUA contract payments.

(2) Tom Bean City Council will increase rates as necessary to provide for debt service.

Greater Texoma Utility Authority

(City of Tom Bean Project)

\$1,210,000 Contract Revenue Bonds, Series 2015 (TWDB - SWIFT)

Assumes December 2015 Closing - Indicative TWDB Subsidy (20 Yr)

Debt Service Schedule

Part 1 of 2

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|------------|-----------|--------|-----------|-----------|--------------|
| 12/01/2015 | - | - | - | - | - |
| 07/01/2016 | - | - | 14,328.42 | 14,328.42 | - |
| 09/30/2016 | - | - | - | - | 14,328.42 |
| 01/01/2017 | - | - | 12,281.50 | 12,281.50 | - |
| 07/01/2017 | 20,000.00 | 2.030% | 12,281.50 | 32,281.50 | - |
| 09/30/2017 | - | - | - | - | 44,563.00 |
| 01/01/2018 | - | - | 12,078.50 | 12,078.50 | - |
| 07/01/2018 | 20,000.00 | 2.030% | 12,078.50 | 32,078.50 | - |
| 09/30/2018 | - | - | - | - | 44,157.00 |
| 01/01/2019 | - | - | 11,875.50 | 11,875.50 | - |
| 07/01/2019 | 20,000.00 | 2.030% | 11,875.50 | 31,875.50 | - |
| 09/30/2019 | - | - | - | - | 43,751.00 |
| 01/01/2020 | - | - | 11,672.50 | 11,672.50 | - |
| 07/01/2020 | 20,000.00 | 2.030% | 11,672.50 | 31,672.50 | - |
| 09/30/2020 | - | - | - | - | 43,345.00 |
| 01/01/2021 | - | - | 11,469.50 | 11,469.50 | - |
| 07/01/2021 | 65,000.00 | 2.030% | 11,469.50 | 76,469.50 | - |
| 09/30/2021 | - | - | - | - | 87,939.00 |
| 01/01/2022 | - | - | 10,809.75 | 10,809.75 | - |
| 07/01/2022 | 65,000.00 | 2.030% | 10,809.75 | 75,809.75 | - |
| 09/30/2022 | - | - | - | - | 86,619.50 |
| 01/01/2023 | - | - | 10,150.00 | 10,150.00 | - |
| 07/01/2023 | 70,000.00 | 2.030% | 10,150.00 | 80,150.00 | - |
| 09/30/2023 | - | - | - | - | 90,300.00 |
| 01/01/2024 | - | - | 9,439.50 | 9,439.50 | - |
| 07/01/2024 | 70,000.00 | 2.030% | 9,439.50 | 79,439.50 | - |
| 09/30/2024 | - | - | - | - | 88,879.00 |
| 01/01/2025 | - | - | 8,729.00 | 8,729.00 | - |
| 07/01/2025 | 70,000.00 | 2.030% | 8,729.00 | 78,729.00 | - |
| 09/30/2025 | - | - | - | - | 87,458.00 |
| 01/01/2026 | - | - | 8,018.50 | 8,018.50 | - |
| 07/01/2026 | 70,000.00 | 2.030% | 8,018.50 | 78,018.50 | - |
| 09/30/2026 | - | - | - | - | 86,037.00 |
| 01/01/2027 | - | - | 7,308.00 | 7,308.00 | - |
| 07/01/2027 | 75,000.00 | 2.030% | 7,308.00 | 82,308.00 | - |
| 09/30/2027 | - | - | - | - | 89,616.00 |
| 01/01/2028 | - | - | 6,546.75 | 6,546.75 | - |
| 07/01/2028 | 75,000.00 | 2.030% | 6,546.75 | 81,546.75 | - |
| 09/30/2028 | - | - | - | - | 88,093.50 |
| 01/01/2029 | - | - | 5,785.50 | 5,785.50 | - |

Greater Texoma Utility Authority

(City of Tom Bean Project)

\$1,210,000 Contract Revenue Bonds, Series 2015 (TWDB - SWIFT)

Assumes December 2015 Closing - Indicative TWDB Subsidy (20 Yr)

Debt Service Schedule

Part 2 of 2

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|--------------|-----------------------|----------|---------------------|-----------------------|--------------|
| 07/01/2029 | 75,000.00 | 2.030% | 5,785.50 | 80,785.50 | - |
| 09/30/2029 | - | - | - | - | 86,571.00 |
| 01/01/2030 | - | - | 5,024.25 | 5,024.25 | - |
| 07/01/2030 | 80,000.00 | 2.030% | 5,024.25 | 85,024.25 | - |
| 09/30/2030 | - | - | - | - | 90,048.50 |
| 01/01/2031 | - | - | 4,212.25 | 4,212.25 | - |
| 07/01/2031 | 80,000.00 | 2.030% | 4,212.25 | 84,212.25 | - |
| 09/30/2031 | - | - | - | - | 88,424.50 |
| 01/01/2032 | - | - | 3,400.25 | 3,400.25 | - |
| 07/01/2032 | 80,000.00 | 2.030% | 3,400.25 | 83,400.25 | - |
| 09/30/2032 | - | - | - | - | 86,800.50 |
| 01/01/2033 | - | - | 2,588.25 | 2,588.25 | - |
| 07/01/2033 | 85,000.00 | 2.030% | 2,588.25 | 87,588.25 | - |
| 09/30/2033 | - | - | - | - | 90,176.50 |
| 01/01/2034 | - | - | 1,725.50 | 1,725.50 | - |
| 07/01/2034 | 85,000.00 | 2.030% | 1,725.50 | 86,725.50 | - |
| 09/30/2034 | - | - | - | - | 88,451.00 |
| 01/01/2035 | - | - | 862.75 | 862.75 | - |
| 07/01/2035 | 85,000.00 | 2.030% | 862.75 | 85,862.75 | - |
| 09/30/2035 | - | - | - | - | 86,725.50 |
| Total | \$1,210,000.00 | - | \$302,283.92 | \$1,512,283.92 | - |

Yield Statistics

| | |
|-----------------------------------|--------------|
| Bond Year Dollars | \$14,890.83 |
| Average Life | 12.306 Years |
| Average Coupon | 2.0300000% |
| Net Interest Cost (NIC) | 2.0300000% |
| True Interest Cost (TIC) | 2.0299074% |
| Bond Yield for Arbitrage Purposes | 2.0299074% |
| All Inclusive Cost (AIC) | 2.0299074% |

IRS Form 8038

| | |
|---------------------------|--------------|
| Net Interest Cost | 2.0300000% |
| Weighted Average Maturity | 12.306 Years |

Greater Texoma Utility Authority

(City of Tom Bean Project)

\$1,210,000 Contract Revenue Bonds, Series 2015 (TWDB - SWIFT)

Assumes December 2015 Closing - Indicative TWDB Subsidy (20 Yr)

Net Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+i | Existing D/S | Net New D/S |
|--------------|-----------------------|----------|---------------------|-----------------------|---------------------|-----------------------|
| 09/30/2016 | - | - | 14,328.42 | 14,328.42 | 69,257.50 | 83,585.92 |
| 09/30/2017 | 20,000.00 | 2.030% | 24,563.00 | 44,563.00 | 66,645.00 | 111,208.00 |
| 09/30/2018 | 20,000.00 | 2.030% | 24,157.00 | 44,157.00 | 69,005.00 | 113,162.00 |
| 09/30/2019 | 20,000.00 | 2.030% | 23,751.00 | 43,751.00 | 66,095.00 | 109,846.00 |
| 09/30/2020 | 20,000.00 | 2.030% | 23,345.00 | 43,345.00 | 68,185.00 | 111,530.00 |
| 09/30/2021 | 65,000.00 | 2.030% | 22,939.00 | 87,939.00 | - | 87,939.00 |
| 09/30/2022 | 65,000.00 | 2.030% | 21,619.50 | 86,619.50 | - | 86,619.50 |
| 09/30/2023 | 70,000.00 | 2.030% | 20,300.00 | 90,300.00 | - | 90,300.00 |
| 09/30/2024 | 70,000.00 | 2.030% | 18,879.00 | 88,879.00 | - | 88,879.00 |
| 09/30/2025 | 70,000.00 | 2.030% | 17,458.00 | 87,458.00 | - | 87,458.00 |
| 09/30/2026 | 70,000.00 | 2.030% | 16,037.00 | 86,037.00 | - | 86,037.00 |
| 09/30/2027 | 75,000.00 | 2.030% | 14,616.00 | 89,616.00 | - | 89,616.00 |
| 09/30/2028 | 75,000.00 | 2.030% | 13,093.50 | 88,093.50 | - | 88,093.50 |
| 09/30/2029 | 75,000.00 | 2.030% | 11,571.00 | 86,571.00 | - | 86,571.00 |
| 09/30/2030 | 80,000.00 | 2.030% | 10,048.50 | 90,048.50 | - | 90,048.50 |
| 09/30/2031 | 80,000.00 | 2.030% | 8,424.50 | 88,424.50 | - | 88,424.50 |
| 09/30/2032 | 80,000.00 | 2.030% | 6,800.50 | 86,800.50 | - | 86,800.50 |
| 09/30/2033 | 85,000.00 | 2.030% | 5,176.50 | 90,176.50 | - | 90,176.50 |
| 09/30/2034 | 85,000.00 | 2.030% | 3,451.00 | 88,451.00 | - | 88,451.00 |
| 09/30/2035 | 85,000.00 | 2.030% | 1,725.50 | 86,725.50 | - | 86,725.50 |
| Total | \$1,210,000.00 | - | \$302,283.92 | \$1,512,283.92 | \$339,187.50 | \$1,851,471.42 |

ATTACHMENT 12

Five-Year Operating History

CITY OF TOM BEAN
FIVE-YEAR COMPARATIVE OPERATING STATEMENT

Fiscal Year Ended September 30,

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>Operating Revenues</u> | | | | | |
| Water charges | \$ 223,017 | \$ 227,541 | \$ 241,208 | \$ 236,093 | \$ 222,353 |
| Sewer Charges | 117,026 | 114,193 | 123,799 | 114,877 | 113,602 |
| Other services | - | - | - | - | - |
| Late Charges, Connect fees and Other | \$ 34,464 | \$ 33,495 | \$ 25,881 | \$ 63,928 | \$ 18,819 |
| <u>Total Operating Revenues</u> | <u>\$ 374,507</u> | <u>\$ 375,229</u> | <u>\$ 390,888</u> | <u>\$ 414,898</u> | <u>\$ 354,774</u> |
| <u>Operating Expenses*</u> | | | | | |
| Salaries and benefits | \$ 142,016 | \$ 134,373 | \$ 129,208 | \$ 117,514 | \$ 111,150 |
| Supplies, maint & repairs | 42,519 | 55,216 | 58,900 | 87,141 | 24,884 |
| Utilities | 80,642 | 71,006 | 56,436 | 64,588 | 70,812 |
| Other Operating Expenses | \$ 34,905 | \$ 27,734 | \$ 26,197 | \$ 37,745 | \$ 28,354 |
| <u>Total Operating Expenses*</u> | <u>\$ 300,082</u> | <u>\$ 288,329</u> | <u>\$ 270,741</u> | <u>\$ 306,988</u> | <u>\$ 235,200</u> |
| <u>Operating Income</u> | <u>\$ 74,425</u> | <u>\$ 86,900</u> | <u>\$ 120,147</u> | <u>\$ 107,910</u> | <u>\$ 119,574</u> |

*Excludes depreciation and contract revenue payments

ATTACHMENT 13

Audits

Greater Texoma Utility Authority
Annual Financial Report FYE 9-30-2014

**GREATER TEXOMA
UTILITY AUTHORITY
DENISON, TEXAS
ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2014**

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**GREATER TEXOMA UTILITY AUTHORITY
DENISON, TEXAS
GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Greater Texoma Utility Authority,
5100 Airport Drive
Denison, TX 75020

Members of the Board:

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Greater Texoma Utility Authority (the Authority), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Greater Texoma Utility Authority, as of September 30, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted

in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Greater Texoma Utility Authority's basic financial statements. The combining nonmajor fund financial statements, supplemental schedules, and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Texas *Single Audit Circular*, and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplemental information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2015, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.



Schalk & Smith, P.C.
January 15, 2015

GREATER TEXOMA UTILITY AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Greater Texoma Utility Authority (the Authority), we offer readers of our financial statements this narrative and overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2014. Please read it in conjunction with the independent auditor's report on page 1 and the Authority's Basic Financial Statements that begin on page 10.

AUTHORITY PROFILE

The Greater Texoma Utility Authority was created pursuant its enabling legislation and the applicable provisions of Chapters 30, 49, and 54 of the Texas Water Code. The Greater Texoma Utility Authority is a political subdivision of the State of Texas. By legislative approval in 1983, the entity's name was changed from Greater Texoma Municipal Utility District to Greater Texoma Utility Authority. In the beginning, the Authority encompassed the entire territory within the boundaries of the cities of Sherman and Denison, Texas. Through an election held on August 11, 1979, both cities confirmed the Authority's legislative ability to issue revenue bonds, contract for services related to water, sewer, or solid waste activities and to implement any other activities that Member Cities might wish to contract for and finance. After creation of the Authority, the cities of Gunter, Howe, Pottsboro, Tioga, Tom Bean, Whitewright, Whitesboro, Gainesville, Muenster, Bailey, Valley View, Leonard, Van Alstyne, Collinsville, Ector and Anna each requested annexation to the Authority and were annexed through the actions of the Authority's Board of Directors.

The Authority's Board of Directors is comprised of nine members who were appointed by the City Councils of the Member Cities of the Authority. Three members of the Board each are appointed by the cities of Denison and Sherman, while the City of Gainesville and the City of Anna appoint one member each and one at-large member is chosen by the remaining Member Cities. The administrative offices of the Authority are located at the North Texas Regional Airport and provide operational and management control of the Authority's operations.

GREATER TEXOMA UTILITY AUTHORITY LIST OF PARTICIPATING ENTITIES

| CITIES | | | OTHER PARTICIPANTS |
|--------------|-----------|-------------|--|
| Sherman | Howe | Sadler | Argyle Water Supply Corp. |
| Denison | Krum | Savoy | Bolivar Water Supply Corp. |
| Gainesville | Leonard | Southmayd | Gober Municipal Utility District |
| Anna | Lindsay | Tioga | Lake Kiowa SUD |
| Bailey | Melissa | Tom Bean | Marilee SUD |
| Bells | Muenster | Valley View | North Texas Groundwater Conservation District |
| Collinsville | Paradise | Van Alstyne | Northwest Grayson Water Control & Improvement District |
| Ector | Pottsboro | Whitesboro | Red River Authority of Texas |
| Gunter | Princeton | Whitewright | Red River Groundwater Conservation District |
| | | | Town of Callisburg |
| | | | Town of Dorchester |
| | | | Town of Oak Ridge |
| | | | Two Way SUD |
| | | | Woodbine Water Supply Corp. |

FINANCIAL HIGHLIGHTS

- The Authority's combined net position was \$8,716,157 at September 30, 2014.
- During the year, the Authority's charges for services and nonoperating revenues exceeded the total operating and nonoperating expenses by \$2,194,960.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. Since the Authority is engaged only in business-type activities, its basic financial statements are comprised of only two components: 1) enterprise fund financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The Greater Texoma Utility Authority presents its financial statements using the economic resources measurement focus and accrual basis of accounting which is the same measurement focus and basis of accounting employed by private-sector business enterprises. The basic financial statements can be found on pages 10 through 15 of this report.

The *statement of net position* presents information on all of the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. All the Authority's assets are reported whether they serve the current year or future years.

The *statement of revenues, expenses and changes in net position* presents information showing how the Authority's net position changed during the most recent fiscal year. It provides the user information on the Authority's operating revenues and expenses, non-operating revenues and expenses, and whether the Authority's financial position has improved or deteriorated as a result of the year's operations. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows for future fiscal periods. Liabilities are considered regardless of whether they must be paid in the current or future years.

The *statement of cash flows* presents the Authority's cash and cash equivalents during the period reported on. This information can assist the user of the report in determining how the Authority financed its activities and how it met its cash requirements.

The *notes to financial statements* provide additional information that is essential to a full understanding of the data provided in the statements and can be found beginning on page 16 of this report.

FINANCIAL ANALYSIS

The Authority enters into contracts with its Participating Entities to provide certain water and sewer facilities. Revenues for the Authority are derived from Participating Entities for amortization of bonded debt, reserve fund payments, a pro-rata portion of the administrative and overhead costs of the Authority, extraordinary or unexpected expense payments, and the cost of maintenance and operation of the projects if the Authority is the operator.

Statement of Net Position

| | 2014 | 2013 |
|--|---------------------|---------------------|
| Current and other assets | \$ 38,275,485 | \$ 33,286,999 |
| Capital assets | 96,174,880 | 93,081,807 |
| Total assets | <u>134,450,365</u> | <u>126,368,806</u> |
| Deferred Outflows of Resources | 506,231 | 580,045 |
| Long-term liabilities | 114,935,108 | 111,569,430 |
| Other liabilities | 11,305,331 | 8,858,224 |
| Total liabilities | <u>126,240,439</u> | <u>120,427,654</u> |
| Net Position | | |
| Invested in capital assets net of related debt | 591,691 | (2,885,579) |
| Restricted | 11,456,538 | 6,702,294 |
| Unrestricted | (3,332,072) | 2,704,482 |
| Total net position | <u>\$ 8,716,157</u> | <u>\$ 6,521,197</u> |

Net position may serve over time as a useful indicator of an entity's financial position. In the case of the Authority, the total net position equaled \$8,716,157. A portion of the Authority's total net position in the amount of \$11,456,538 represents resources that are subject to external restrictions on how they may be used. These constraints are comprised of external restrictions imposed by creditors (such as bond covenants), laws or regulations of other governments, or restrictions imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements and totals \$(3,332,072) at September 30, 2014. This balance is not an indication that the Authority has insufficient resources available to meet financial obligations next year, but rather the result of having *long-term commitments* that are more than currently available resources.

Statement of Revenues, Expenses and Changes in Net Position

| | 2014 | 2013 |
|---|---------------------|---------------------|
| Revenues: | | |
| Program Revenues: | | |
| Charges for Services | \$ 12,975,749 | \$ 12,742,956 |
| Nonoperating Revenues: | | |
| Investment Income | 49,051 | 67,802 |
| Total Revenue | <u>13,024,800</u> | <u>12,810,758</u> |
| Expenses: | | |
| Operating Expenses- | | |
| General & Administrative | 2,031,983 | 1,696,338 |
| Operating | 35,851 | 16,600 |
| Maintenance & Repairs | 5,528 | 2,275 |
| Depreciation | 4,732,258 | 4,709,605 |
| Non-Operating Expenses- | | |
| Landfill Closure & Postclosure | 9,260 | 5,257 |
| (Gain) Loss on Disposal of Fixed Assets | (3,469) | - |
| Interest | 3,526,176 | 3,609,128 |
| Amortization | (841) | (2,237) |
| Bond Issuance Costs | 335,403 | 229,608 |
| Contributions to/from Project/City | 157,691 | 524,102 |
| Finalization of Study | - | 126,165 |
| Total Expenses | <u>10,829,840</u> | <u>10,916,841</u> |
| Increase (Decrease) in Net Position | 2,194,960 | 1,893,917 |
| Net Position-Beginning of Year | 6,521,197 | 4,627,280 |
| Net Position-End of Year | <u>\$ 8,716,157</u> | <u>\$ 6,521,197</u> |

The Authority's total revenue increased approximately 1.67% (\$214,042) and the change in net position

increased \$301,043 as compared to the previous year. The total of all operating and non-operating expense was \$10,829,840, a decrease of 0.80% from the previous year. The decrease in total expenses was due primarily to a decrease in the amount of contributions to Project/City.

The increase in revenues is due to several new contract revenue bonds that were issued during the current fiscal year. The decrease in investment income is due to lower Interest rates. Expenses decreased due to the transfer of the Gunter Project Fund as a result of the early payoff of their outstanding debt.

DEBT ADMINISTRATION AND CAPITAL ASSETS

Long-Term Debt

During the fiscal year ended September 30, 2014, the Authority issued additional debt as follows:

- City of Sherman Series 2013A for \$3,030,000
- City of Sherman Series 2014 for \$1,780,000
- City of Ector Series 2013 for \$340,000
- City of Krum Series 2014 for \$2,085,000
- Northwest Grayson Water Control & Improvement District Series 2014 for \$1,355,000
- City of Van Alstyne Series 2014 for \$485,000.
- City of Van Alstyne Series 2014 for \$1,730,000

The City of Gunter provided funds for the redemption of the outstanding balance for the five bonds that comprised the City of Gunter Project. The five bonds redeemed were as follows:

| | | |
|----------------------------|----|----------------|
| City of Gunter Series 1994 | \$ | 40,000 |
| City of Gunter Series 1996 | | 60,000 |
| City of Gunter Series 1999 | | 45,000 |
| City of Gunter Series 2001 | | 90,000 |
| City of Gunter Series 2004 | | 345,000 |
| Total Bonds Redeemed | \$ | <u>580,000</u> |

The Authority had \$114,598,482 in long-term debt outstanding as of September 30, 2014. More detailed information about the Authority's long-term liabilities is presented in the notes to the financial statements.

Outstanding Long-term Debt

| | <u>2014</u> | <u>2013</u> |
|------------------------------------|---------------|---------------|
| Sherman Projects | \$ 38,892,896 | \$ 36,746,113 |
| Collin-Grayson Municipal Alliance | 15,245,000 | 15,515,000 |
| Lake Texoma Allocation | 18,302,816 | 19,224,628 |
| Anna Projects | 7,125,000 | 7,365,000 |
| Anna-Melissa Projects | 5,320,000 | 5,635,000 |
| Argyle Water Supply Corp. Projects | 2,305,000 | 2,395,000 |
| Bells Projects | 695,000 | 725,000 |
| Bolivar Water Supply | 1,085,000 | 1,140,000 |
| Collinsville Projects | 40,000 | 50,000 |
| Dorchester Projects | 441,000 | 459,000 |

| | | |
|----------------------------|-----------------------|-----------------------|
| Ector Projects | 440,000 | 121,000 |
| Gainesville Projects | 9,173,643 | 9,689,847 |
| Gober MUD Projects | 85,000 | 95,000 |
| Gunter Projects | - | 580,000 |
| Howe Projects | 1,025,906 | 1,155,127 |
| Krum Projects | 4,865,000 | 2,815,000 |
| Leonard Projects | 515,000 | 570,000 |
| Melissa Projects | 2,180,000 | 2,280,000 |
| Northwest Grayson Projects | 1,355,000 | - |
| Paradise Projects | 125,000 | 145,000 |
| Pottsboro Projects | 2,461,755 | 2,677,767 |
| Princeton Projects | 4,340,000 | 4,540,000 |
| Sadler Projects | 45,000 | 70,000 |
| Savoy Projects | 40,000 | 50,000 |
| Southmayd Projects | 80,000 | 90,000 |
| Tom Bean Projects | 345,000 | 395,000 |
| Van Alstyne Projects | 2,215,000 | - |
| Whitewright Projects | 65,000 | 70,000 |
| Total | <u>\$ 118,808,016</u> | <u>\$ 114,598,482</u> |

Capital Assets

At the end of 2014, the Authority had \$96,174,880 in land, building and improvements, office furniture and equipment, landfill equipment and machinery, and construction in progress net of accumulated depreciation in the amount of \$37,218,145. During the current fiscal year, the Authority spent almost \$8,470,000 in capital assets related to projects for the Collin Grayson Municipal Alliance, City of Ector, City of Gainesville, City of Krum, City of Princeton, Northwest Grayson, City of Van Alstyne and City of Sherman. More detailed information about the Authority's capital assets is presented in notes to the financial statements.

Capital Assets (net of depreciation)

| | 2014 | 2013 |
|--------------------------|----------------------|----------------------|
| Land | \$ 1,069,146 | \$ 1,054,143 |
| Machinery & Equipment | 51,890 | 42,938 |
| Water Storage Rights | 20,021,383 | 20,021,383 |
| Projects in Service | 60,486,428 | 65,421,275 |
| Construction in Progress | 14,546,033 | 6,542,068 |
| Total Capital Assets | <u>\$ 96,174,880</u> | <u>\$ 93,081,807</u> |

FUTURE PLANS AND ACTIVITIES TO BE UNDERTAKEN IN THE FISCAL YEAR ENDING SEPTEMBER 30, 2015, AND BEYOND.

The Authority has several projects to be undertaken in the next fiscal year and beyond including the following:

City of Gainesville Projects

Water Projects: The Authority began construction of a surface water treatment plant expansion for the City of Gainesville in 2013. This project will double the capacity of the existing surface water treatment plant. This contract is underway and is expected to be completed in 2015.

City of Sherman Projects

The Authority expects to issue bonds for the engineering of a water treatment plant expansion for the city. The plant is currently has a capacity of 10 million gallons per day (mgd), and is planned to be expanded to 20 mgd. Construction of the water treatment plant expansion is likely to start in 2016. At the City's wastewater treatment plant, the Authority expects to complete a couple of projects, including the replacement of the UV disinfection system and replacement of headworks and pumping equipment. The Authority expects to initiate engineering studies for biosolids removal at the Sherman wastewater treatment plant. Actual contracts for implementation will most likely be in 2016 or thereafter.

A new sewer line from Sears Lift Station to the new lift station on FM 691 and a new sewer line on the east side of Sherman is expected to begin construction in 2015. A major sewer interceptor in the Blalock Industrial Park will be replaced and begin construction in 2015. The construction of a new sewer line along the perimeter of US 289 to serve the western portion of Sherman is underway and is expected to be completed in 2015.

City of Princeton Projects

The Authority expects to complete the construction of water distribution lines in the City of Princeton as well as rehabilitation of a waterline creek crossing on Tickey Creek in 2015.

City of Van Alstyne Projects

The Authority issued bonds in 2014 for the engineering and construction of some improvements to the City's wastewater system and treatment plant. The Authority also issued bonds in 2014 for the engineering of some improvements to the City's water system; including a connection to the surface water supply from the Coillin-Grayson Municipal Alliance Pipeline. The Authority expects to issue funds for the construction of the water system improvements in 2015. Both projects are expected to be completed in 2015.

City of Krum Project

In 2014, the Authority issued additional bonds and awarded a contract for construction of a new wastewater treatment plant for the City of Krum. This project will increase the capacity of the City's sewer system as well as treat the wastewater to a higher standard. This project is expected to be complete in 2015.

City of Ector Project

The Authority issued bonds in 2013 for a project that entails coating improvements to two water storage tanks for the City of Ector. The Authority completed the interior tank coatings in 2014. The exterior of the tanks is expected to be completed in 2015.

Lake Kiowa SUD Projects

The Authority issued bonds in 2014 for the engineering and construction of several water transmission lines and an elevated storage tank. The elevated storage tank project was bid and awarded in 2014. This project is expected to be complete in 2015. The water transmission lines are expected to be bid and begin construction in 2015.

Northwest Grayson Water Control Improvements District #1

The Authority issued bonds in 2014 for the engineering and construction of a new well and associated pump station facilities. The well portion of the project was bid and began construction in 2014. The pump station portion of the project is expected to begin construction in 2015. Both projects are expected to be complete in 2015.

Groundwater Activities

The Authority expects to continue to manage by contract the North Texas Groundwater Conservation District, which includes Collin, Cooke and Denton Counties, as well as the Red River Groundwater Conservation District, which encompasses Fannin and Grayson Counties.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, rate payers, customers, and investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional information, contact the Authority's business office, 5100 Airport Drive, Denison, Texas 75020.

GREATER TEXOMA UTILITY AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014

| <u>ASSETS</u> | <u>COLLIN-GRAYSON</u> | <u>LAKE TEXOMA</u> | <u>SHERMAN</u> |
|--|-----------------------|---------------------|---------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 9,180 | \$ 723 | \$ 620,338 |
| Temporary Investments | - | - | 544,467 |
| Interest Receivable | - | - | 978 |
| Restricted Cash, Cash Equivalents and Investments: | | | |
| Cash and Cash Equivalents | 709,951 | 248,503 | 15,226,117 |
| Temporary Investments | - | - | - |
| Accounts Receivable | 481,000 | - | - |
| Due from Other Funds | - | - | 211,260 |
| Prepaid Expenses | - | - | - |
| Total Current Assets | <u>1,200,131</u> | <u>249,226</u> | <u>16,603,160</u> |
| Noncurrent Assets: | | | |
| Restricted Assets | | | |
| Cash and Cash Equivalents | 93 | 263,726 | 51,043 |
| Temporary Investments | 511,195 | 1,040,998 | 2,371,569 |
| Interest Receivable | 1,234 | 1,343 | 3,837 |
| Capital Assets (Net) | 15,011,566 | 20,021,383 | 22,048,360 |
| Total Noncurrent Assets | <u>15,524,088</u> | <u>21,327,450</u> | <u>24,474,809</u> |
| TOTAL ASSETS | <u>16,724,219</u> | <u>21,576,676</u> | <u>41,077,969</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Loss on Refunding | - | - | 211,803 |
| | <u>-</u> | <u>-</u> | <u>211,803</u> |
| <u>LIABILITIES</u> | | | |
| Current Liabilities | | | |
| Accounts Payable | 10,655 | - | 337,441 |
| Due to Other Funds | 4,998 | 63,178 | - |
| Retainage Payable | - | - | 57,924 |
| Accrued Interest Payable | 751,474 | 38,959 | 642,670 |
| Unearned Revenue | - | 154,167 | - |
| Accrued Compensated Absences | - | - | - |
| Revenue Bonds Payable Current Portion | 285,000 | 936,606 | 2,780,000 |
| Total Current Liabilities | <u>1,052,127</u> | <u>1,192,910</u> | <u>3,818,035</u> |
| Noncurrent Liabilities | | | |
| Accrued Interest Payable | 2,586,700 | - | - |
| Revenue Bonds Payable | 6,285,000 | 17,366,209 | 36,112,896 |
| State Participation (TWDB Equity Interest) | 8,675,000 | - | - |
| Total Noncurrent Liabilities | <u>17,546,700</u> | <u>17,366,209</u> | <u>36,112,896</u> |
| TOTAL LIABILITIES | <u>18,598,827</u> | <u>18,559,119</u> | <u>39,930,931</u> |
| <u>NET POSITION</u> | | | |
| Net investment in Capital Assets | (420,870) | 1,718,567 | (4,630,775) |
| Restricted: | | | |
| Debt Service (Expendable) | - | 1,361,444 | 5,274,034 |
| Unrestricted | (1,453,738) | (62,454) | 715,582 |
| TOTAL NET POSITION | <u>\$ (1,874,608)</u> | <u>\$ 3,017,557</u> | <u>\$ 1,358,841</u> |

See accompanying notes and independent auditor's report.

| OTHER FUNDS | TOTALS |
|---------------------|---------------------|
| \$ 395,377 | \$ 1,025,618 |
| 44,783 | 589,250 |
| - | 978 |
| 11,659,206 | 27,843,777 |
| - | - |
| 81,438 | 562,438 |
| 130,495 | 341,755 |
| 23,160 | 23,160 |
| <u>12,334,459</u> | <u>30,386,976</u> |
| 507,606 | 822,468 |
| 3,129,740 | 7,053,502 |
| 6,125 | 12,539 |
| 39,093,571 | 96,174,880 |
| <u>42,737,042</u> | <u>104,063,389</u> |
| <u>55,071,501</u> | <u>134,450,365</u> |
| 294,428 | 506,231 |
| 1,109,133 | 1,457,229 |
| 273,579 | 341,755 |
| 243,464 | 301,388 |
| 565,083 | 1,998,186 |
| 561,166 | 715,333 |
| 31,834 | 31,834 |
| 2,458,000 | 6,459,606 |
| <u>5,242,259</u> | <u>11,305,331</u> |
| - | 2,586,700 |
| 43,909,303 | 103,673,408 |
| - | 8,675,000 |
| <u>43,909,303</u> | <u>114,935,108</u> |
| <u>49,151,562</u> | <u>126,240,439</u> |
| 3,924,769 | 591,691 |
| 4,821,060 | 11,456,538 |
| (2,531,462) | (3,332,072) |
| <u>\$ 6,214,367</u> | <u>\$ 8,716,157</u> |

See accompanying notes and independent auditor's report.

GREATER TEXOMA UTILITY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | <u>COLLIN- GRAYSON</u> | <u>LAKE TEXOMA</u> | <u>SHERMAN</u> |
|--|----------------------------|---------------------|---------------------|
| Operating Revenue | | | |
| Charges for Services | \$ 2,558,064 | \$ 1,351,942 | \$ 3,990,335 |
| Operating Expenses | | | |
| Operating Expense | - | - | - |
| General and Administrative | 660,354 | 104,742 | 502,726 |
| Maintenance and Repairs | - | - | - |
| Depreciation | 543,374 | - | 1,611,881 |
| Total Operating Expense | <u>1,203,728</u> | <u>104,742</u> | <u>2,114,607</u> |
| Operating Income (Loss) | <u>1,354,336</u> | <u>1,247,200</u> | <u>1,875,728</u> |
| Nonoperating Revenues | | | |
| (Expenses) | | | |
| Investment Income | 3,339 | 5,196 | 20,267 |
| Amortization of Bond Premium | - | - | 68,217 |
| Interest Expense | (853,772) | (333,821) | (1,049,416) |
| Bond Issuance Costs | - | - | (139,648) |
| Amortization of Loss on Early Retirement of Debt | - | - | (24,987) |
| Gain (Loss) on Disposal of Assets | - | - | - |
| Transfer to/from Project/City | - | - | - |
| Finalization of Study | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(850,433)</u> | <u>(328,625)</u> | <u>(1,125,567)</u> |
| Change in Net Position | 503,903 | 918,575 | 750,161 |
| Net Position, October 1 | (2,378,511) | 2,098,982 | 608,680 |
| Net Position, September 30 | <u>\$ (1,874,608)</u> | <u>\$ 3,017,557</u> | <u>\$ 1,358,841</u> |

See accompanying notes and independent auditor's report.

| <u>OTHER FUNDS</u> | <u>TOTALS</u> |
|------------------------|---------------------|
| \$ 5,075,408 | \$ 12,975,749 |
| 35,851 | 35,851 |
| 764,161 | 2,031,983 |
| 5,528 | 5,528 |
| <u>2,577,003</u> | <u>4,732,258</u> |
| <u>3,382,543</u> | <u>6,805,620</u> |
| <u>1,692,865</u> | <u>6,170,129</u> |
| 20,249 | 49,051 |
| 6,437 | 74,654 |
| (1,289,167) | (3,526,176) |
| (195,755) | (335,403) |
| (48,826) | (73,813) |
| 3,469 | 3,469 |
| (157,691) | (157,691) |
| - | - |
| <u>(9,260)</u> | <u>(9,260)</u> |
| (1,670,544) | (3,975,169) |
| 22,321 | 2,194,960 |
| 6,192,046 | 6,521,197 |
| <u>\$ 6,214,367</u> | <u>\$ 8,716,157</u> |

See accompanying notes and independent auditor's report.

GREATER TEXOMA UTILITY AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | COLLIN- GRAYSON | LAKE TEXOMA | SHERMAN | OTHER FUNDS | TOTALS |
|---|--------------------|--------------------|----------------------|----------------------|----------------------|
| Cash Flows from Operating Activities | | | | | |
| Cash Inflows: | | | | | |
| Payments Received from Customers | \$ 2,162,282 | \$ 1,356,109 | \$ 4,208,503 | \$ 5,092,807 | \$ 12,819,701 |
| Cash Outflows: | | | | | |
| Payments to Suppliers | (610,416) | (52,397) | (287,567) | (148,969) | (1,099,349) |
| Payments to Employees | (49,938) | (52,345) | (215,159) | (624,734) | (942,176) |
| Total Cash Used | <u>(660,354)</u> | <u>(104,742)</u> | <u>(502,726)</u> | <u>(773,703)</u> | <u>(2,041,525)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>1,501,928</u> | <u>1,251,367</u> | <u>3,705,777</u> | <u>4,319,104</u> | <u>10,778,176</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | | | | |
| Loans from Other Funds | - | 24,483 | - | 172,442 | 196,925 |
| Loans to Other Funds | - | - | - | (35,378) | (35,378) |
| Payments on Loans from Other Funds | (5,765) | - | 95,896 | (78,339) | 11,792 |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(5,765)</u> | <u>24,483</u> | <u>95,896</u> | <u>58,725</u> | <u>173,339</u> |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Purchase of Capital Assets | (556,448) | - | (593,295) | (5,710,943) | (6,860,686) |
| Principal Repayment on Debt | (270,000) | (921,813) | (2,595,000) | (2,154,000) | (5,940,813) |
| Interest Paid | (709,411) | (357,462) | (1,199,814) | (1,495,605) | (3,762,292) |
| Bond Proceeds | - | - | 4,810,000 | 5,995,000 | 10,805,000 |
| Transfer to Escrow Agent | - | - | - | - | - |
| Payment of Bond Issuance Costs | - | - | (139,648) | (314,015) | (453,663) |
| Sale of Assets | - | - | - | 3,469 | 3,469 |
| Landfill Closure and Postclosure Care Costs | - | - | - | (9,260) | (9,260) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(1,535,859)</u> | <u>(1,279,275)</u> | <u>282,243</u> | <u>(3,685,354)</u> | <u>(6,218,245)</u> |
| Cash Flows from Investing Activities | | | | | |
| Purchases of U.S. Government Securities | (220,000) | (795,018) | (1,257,250) | (2,930,876) | (5,203,144) |
| Maturities of U.S. Government Securities-Restricted | 220,450 | 790,000 | 860,338 | 2,624,992 | 4,495,780 |
| Interest Received | 4,561 | 13,864 | 27,435 | 32,630 | 78,490 |
| Net Cash Provided (Used) by Investing Activities | <u>5,011</u> | <u>8,846</u> | <u>(369,477)</u> | <u>(273,254)</u> | <u>(628,874)</u> |
| Net Cash Inflow from All Activities | <u>(34,685)</u> | <u>5,421</u> | <u>3,714,439</u> | <u>419,221</u> | <u>4,104,396</u> |
| Cash and Restricted Cash at Beginning of Year | <u>753,909</u> | <u>507,531</u> | <u>12,183,059</u> | <u>12,142,968</u> | <u>25,587,467</u> |
| Cash and Restricted Cash at End of Year | <u>\$ 719,224</u> | <u>\$ 512,952</u> | <u>\$ 15,897,498</u> | <u>\$ 12,562,189</u> | <u>\$ 29,691,863</u> |

See accompanying notes and independent auditor's report.

GREATER TEXOMA UTILITY AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | COLLIN-GRAYSON | TEXOMA | SHERMAN | OTHER FUNDS | TOTALS |
|--|-----------------------|---------------------|---------------------|---------------------|----------------------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | | |
| Operating Income | \$ 1,354,336 | \$ 1,247,200 | \$ 1,875,728 | \$ 1,692,865 | \$ 6,170,129 |
| Depreciation | 543,374 | - | 1,611,881 | 2,577,003 | 4,732,258 |
| (Increase) Decrease Due From Other Funds | - | - | - | (85,151) | (85,151) |
| Accounts Receivable | (395,782) | - | 218,168 | 7,060 | (170,554) |
| Prepaid Expenses | - | - | - | (11,092) | (11,092) |
| Increase (Decrease) Accounts Payable | - | - | - | 189,397 | 189,397 |
| Accrued Compensated Absences | - | - | - | 5,874 | 5,874 |
| Due to Other Funds | - | - | - | (88,185) | (88,185) |
| Unearned Revenue | - | 4,167 | - | 31,333 | 35,500 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 1,501,928</u> | <u>\$ 1,251,367</u> | <u>\$ 3,705,777</u> | <u>\$ 4,319,104</u> | <u>\$ 10,778,176</u> |

Cash Reconciliation:

| | | | | | |
|--|-------------------|-------------------|----------------------|----------------------|----------------------|
| Beginning of Period: | | | | | |
| Current Assets: | | | | | |
| Cash | \$ 47,809 | \$ 511 | \$ 930,155 | \$ 438,003 | \$ 1,416,478 |
| Restricted Cash | 706,007 | 244,154 | 10,931,937 | 10,718,794 | 22,600,892 |
| Noncurrent Assets: | | | | | |
| Restricted Cash | 93 | 262,866 | 320,967 | 986,171 | 1,570,097 |
| End of Period | <u>\$ 753,909</u> | <u>\$ 507,531</u> | <u>\$ 12,183,059</u> | <u>\$ 12,142,968</u> | <u>\$ 25,587,467</u> |
| Current Assets: | | | | | |
| Cash | \$ 9,180 | \$ 723 | \$ 620,338 | \$ 395,377 | \$ 1,025,618 |
| Restricted Cash | 709,951 | 248,503 | 15,226,117 | 11,659,206 | 27,843,777 |
| Noncurrent Assets: | | | | | |
| Restricted Cash | 93 | 263,726 | 51,043 | 507,506 | 822,468 |
| | <u>\$ 719,224</u> | <u>\$ 512,952</u> | <u>\$ 15,897,498</u> | <u>\$ 12,562,189</u> | <u>\$ 29,691,863</u> |
| Non-Cash Investing, Capital and Financing Activities: | | | | | |
| Increase (Decrease) in Debt from Refunding | \$ - | \$ - | \$ - | \$ - | \$ - |
| Change in Fair Value of Investments | (1,424) | (8,547) | (6,232) | (12,313) | (28,516) |

See accompanying notes and independent auditor's report.

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**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Greater Texoma Utility Authority (the Authority) is a political subdivision of the State of Texas. The Authority operates pursuant to its enabling legislation and the applicable provisions of Chapters 30, 49, and 54 of the Texas Water Code. The creation of the Authority was declared to be essential to assist incorporated cities, towns or villages to develop water, sewer, and solid waste facilities on a regional basis. In July 1983, by legislative approval, this entity's name was changed from Greater Texoma Municipal Utility District to its present name.

Initially, the Authority was comprised of all the territory that is contained within the corporate boundaries of the cities of Denison and Sherman, Texas. Both of these cities held an election on August 11, 1979, which confirmed the Authority's legislative ability to issue revenue bonds, contract for services related to water, sewer, or solid waste activities, and implement any other activities that Member Cities might wish to contract for and finance. Subsequent to the creation of the Authority, the Cities of Gunter, Howe, Pottsboro, Tioga, Tom Bean, Whitewright, Whitesboro, Gainesville, Muenster, Bailey, Valley View, Leonard, Van Alstyne, Collinsville, Ector, and Anna requested annexation to the Authority and have been annexed through actions of the Board of Directors.

The Authority is governed by a nine-member Board of Directors comprised of officials appointed by the City Councils of Member Cities of the Authority. The Cities of Denison and Sherman each appoint three members to the Board, the City of Gainesville appoints one member, the City of Anna appoints one member, and one at-large member is selected by the remaining Member Cities. None of the Member Cities appoints a majority of board members. For purposes of control and daily management, the Authority is centrally operated and administered. Administration of the Authority entails fiscal as well as management control of the Authority's respective operations.

The Authority is independent of and overlaps many formal political boundaries. Financial information for these entities is not included in the accompanying financial statements. Member governments and other participants (collectively Participating Entities) of the Authority are as follows:

| Member Cities: | | Other Participants: | |
|----------------|-------------|----------------------------------|--------------------------------------|
| Sherman | Leonard | Argyle Water Supply Corp. | City of Melissa |
| Denison | Muenster | City of Bells | Northwest Grayson Water Supply Corp. |
| Gainesville | Pottsboro | Bolivar Water Supply Corp. | Town of Oak Ridge |
| Anna | Tioga | Town of Callsburg | City of Paradise |
| Bailey | Tom Bean | Town of Dorchester | City of Sadler |
| Collinsville | Valley View | Gober Municipal Utility District | City of Savoy |
| Ector | Van Alstyne | City of Lindsay | City of Southmayd |
| Gunter | Whitesboro | City of Princeton | Marlee SUD |
| Howe | Whitewright | Red River Authority | Two Way SUD |
| | | North Texas Grndwater Dist. | Woodbine Water Supply |
| | | Red River Grndwater Dist. | Lake Kiowa SUD |
| | | City of Krum | |

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14). GASB 14 defines the reporting entity as (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A component unit is a

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

legally separate organization that a primary government must include as part of its financial reporting entity for fair presentation in conformity with generally accepted accounting principles. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide financial benefit to or impose a financial burden on the primary government.

Based on these representations, the Authority is not a component unit of any of its Participating Entities. Furthermore, none of the Participating Entities are a component unit of the Authority.

Basic Financial Statements

The Authority reports the following major funds at September 30, 2014:

Sherman Projects Fund: The Authority facilitates the issuance of bonds for the City of Sherman to finance acquisition and construction of water and sewer facilities. Revenues from the City of Sherman are pledged to secure the bond debt. This fund records these amounts from the City as revenues. The fund reports expenses related to administrative costs and interest associated with the bonds.

Collin-Grayson Municipal Alliance Fund: The Authority's bonds for the Collin-Grayson Municipal Alliance comprised of the cities of Anna, Howe, Melissa and Van Alstyne, were issued to finance acquisition and construction of water facilities. Revenues from the Alliance are pledged to secure the bond debt. This fund records these amounts from the Alliance as revenues. The fund reports expenses related to administrative costs and interest associated with the bonds. The Authority operates and maintains this regional wholesale water system for the benefit of the cities of Anna, Howe, Melissa and Van Alstyne.

Lake Texoma Reallocation Project Fund: The Authority facilitates the issuance of bonds for the Lake Texoma Allocation Project, comprised of the cities of Collinsville, Denison, Galnesville, Gunter, Lindsay, Pottsboro, Sherman, Southmayd, Whitesboro and the special utility districts of Marilee, Northwest Grayson County, Lake Kiowa SUD, Woodbine Water Supply, Two Way Water and Red River Authority to finance acquisition of water storage rights in Lake Texoma. Revenues from the various entities are pledged to secure the bond debt. This fund records these amounts from the entities as revenues. The fund reports expenses related to administrative costs and interest associated with the bonds.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Each project of the Authority is accounted for as a separate enterprise activity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenses. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Enterprise funds distinguish operating revenues and expense from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues for the enterprise funds are charges to the various projects based on the requirements needed to service the debt. Operating expense for the enterprise funds include administrative expenses and depreciation expense on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Budgets

The Authority's Board of Directors adopts an annual operating budget as a financial plan for the year, pursuant to the legal requirements of the Authority's bond documents and contracts with Participating Entities. Budgetary basis financial statements are not presented as part of the basic financial statements because there is no legal requirement to do so. Budget information is, however, presented as supplemental schedules. Expenditures exceeded appropriations in the following funds: Collinsville \$196, Ector \$4,772, Gober \$147, Lake Texoma \$6,418, Leonard \$17, Krum \$10,438, Northwest Grayson \$1,963, Paradise \$26, Sadler \$104, Savoy \$220, Solid Waste \$7,212, Southmayd \$128, Tom Bean \$409, and Whitewright \$597.

Cash and Cash Equivalents

Cash and Cash equivalents consist of cash on hand, cash held in demand deposit accounts at financial institutions, cash held with fiscal agents, and balances held by public funds investment pools. Accrued interest is shown separately on the balance sheet. Since the Authority does not maintain a pooled cash account for use by all funds, any cash overdrafts that may result are treated as current liabilities.

For the purpose of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents.

Pooled and Temporary Investments

Pooled and temporary investments consisting of U.S. Government Securities are carried at fair value with accrued interest being shown separately on the balance sheet. When short-term investments are purchased, they will be reported at amortized cost. The Authority's intent is to hold the U.S. Government securities to maturity. Funds are invested in accordance with applicable provisions of State Law.

Restricted Assets

Restricted assets of the Authority represent assets restricted for purposes specified by the Texas Natural Resources Conservation Commission (formerly the Texas Water Commission) and bond indentures for construction projects and related bond payments.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets

Capital assets are recorded at cost or, if donated, fair value at the date of donation. Expenditures that materially extend the useful life of existing assets are capitalized. Certain costs for professional services and interest associated with the acquisition and construction of capital assets have been capitalized. The cost of capital assets sold, retired, or transferred to Participating Entities is removed from the appropriate accounts and any resulting gain or loss is included in the increase in net position.

General Capital Assets – General capital assets are capital assets used by the general administration of the Authority. The Authority defines general capital assets as assets with an initial, individual cost of \$250 or more and an estimated useful life in excess of two years. Depreciation is computed using the straight-line method based upon the following estimated useful lives:

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

| | |
|--------------------------------|----------------|
| Leasehold Improvements | 17 to 35 Years |
| Office Equipment and Furniture | 3 to 11 Years |
| Vehicles | 5 Years |

Project Capital Assets – Direct and Indirect costs associated with construction or acquisition of projects are capitalized in the individual enterprise funds. During the period in which bonds are outstanding on project facilities, ownership of these assets is vested in the Authority in order to comply with State and Federal regulations. After all associated debt and claims have been extinguished; ownership is transferred to the appropriate Participating Entity. Assets financed with the proceeds of debt are depreciated over the life of the debt.

Constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisition of the assets or used to service the related debt) include capitalized interest only to the extent that interest cost exceeds interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing.

Long-Term Obligations

Long-Term Liabilities consist of revenue bonds payable, state participation loan, and non-current interest payable that are accounted for in the specific fund responsible for the repayment of debt.

Accumulated Unpaid Compensated Absences

Accumulated unpaid compensated absences represent the estimated liabilities for accumulated and unpaid absences for vacation leave of employees according to prescribed policies. Accumulated unpaid vacation pay is accrued when incurred. The Authority encourages employees to use their vacation each year to minimize amounts carried over. For this reason, accrued compensated absences are considered a current liability. At September 30, 2014, there were no amounts in excess of authorized accumulation.

Unearned Revenues

Prepayment of charges for services is recorded as unearned revenues.

Net Position

The financial statements utilize a net position presentation. Net position is categorized as:

Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of debt is included in the same net position component as the unspent proceeds.

Negative balances invested in capital assets, net of related debt is attributable to outstanding debt greater than capital assets net of accumulated depreciation. This is because project capital assets are depreciated on a straight-line basis over the life of the related debt, whereas debt principal payments are not necessarily equal amounts. The following funds have negative net position:

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| | |
|-----------------|----------------|
| Major Funds: | 2014 |
| Collin-Grayson | \$ (1,874,608) |
| Nonmajor Funds: | |
| Argyle | (110,034) |
| Dorchester | (115,100) |
| Howe | (117,611) |
| Krum | (52,769) |
| Lake Kiowa SUD | (9,781) |
| Pottsboro | (34,340) |
| Tom Bean | (122,640) |
| Van Alstyne | (89,789) |

Restricted Net Position – This component of net position consist of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants) or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component of net position consists of net position that do not meet the definition of Invested in Capital Assets, Net of Related Debt or Restricted Net Position. It is the Authority's policy to spend funds available from restricted sources prior to unrestricted sources.

Interfund Transactions

Interfund services provided or used are accounted for as revenues or expenses. Transactions that constitute reimbursements within individual funds for expenses initially made from it, which are properly applicable to another fund, are recorded as expenses in the reimbursing fund and as reductions of expenses in the fund that is reimbursed.

Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Authority's financial position and operations.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. During fiscal 2014, the Authority was covered under a general liability insurance policy plan with a combined single limit of \$1 million as a cost it considered being economically justifiable.

The Authority has commercial insurance for all other risks of loss, including employee health benefits, workers' compensation and employee life and accident insurance. There have been no settlements in excess of insurance coverage during the past three fiscal years.

NOTE B – DEPOSITS AND INVESTMENTS

The Authority's deposits and investments are invested pursuant to its investment policy guidelines as directed by the Texas Public Funds Investment Act. The depository bank deposits for safekeeping and trust with its agent approved pledged securities authorized by Chapter 2257 Collateral for Public

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Funds of the Government Code in an amount sufficient to protect Authority funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. The objectives primarily emphasize safety of principal and liquidity and address investment diversification, yield, and maturity and the quality and capability of investment management and a list of the types of investments.

At September 30, 2014, the carrying amount of the Authority's cash deposits was \$29,691,865 and the bank balance was \$25,147,334. The difference represents outstanding checks and other reconciling items. Cash with fiscal agents was \$4,835,428.

Reconciliation of the carrying value of cash and cash equivalents to the statement of net position:

| | |
|--|----------------------|
| Bank balance of deposits with financial institutions | \$ 25,147,334 |
| | |
| Carrying Value | |
| Deposits with financial Institutions | \$ 5,659,251 |
| Petty cash | 100 |
| Public funds investment pools | 19,197,086 |
| Cash with fiscal agent | 4,835,428 |
| | <u>\$ 29,691,865</u> |
| | |
| Reconcile Carrying Value to Statement of Net Assets | |
| Current Assets | |
| Cash and Cash Equivalents | \$ 1,025,618 |
| Restricted Cash and Cash Equivalents | 27,843,777 |
| Noncurrent/Restricted Assets | |
| Cash and Cash Equivalents | 822,468 |
| | <u>\$ 29,691,863</u> |

Custodial Credit Risk - Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of September 30, 2014, the Authority's deposits were covered by federal depository insurance or by collateral held by the Authority's agent or pledging financial institution's trust department or agent in the name of the Authority, and thus had no cash deposits that were exposed to custodial credit risk. Cash with fiscal agents in the amount of \$4,835,428 was exposed to custodial credit risk. The Authority does not have a deposit policy.

Cash equivalents include balances held by public funds investments pools as follows:

Texas Local Government Investment Pool (TexPool) – The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designations of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

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Texas Short Term Asset Reserve Program (TexSTAR) – TexSTAR is an investment pool created by the initial participants for the joint investment of the participants' public funds and funds under their control. TexSTAR was created under the authority of applicable Texas law, including the Cooperating Act and the Investment Act. A governing board manages the business and affairs of TexSTAR. The Governing Board has appointed an advisory board consisting of representatives of participants and other persons who do not have a business relationship with TexSTAR and are qualified to advise the Board.

Both public funds investment pool agencies operate in a manner consistent with SEC's Rule 2a7 of the Investment Company Act of 1940 and are rated AAAM by Standard and Poors. All investments are stated at amortized cost, and accordingly, the fair value of the position of the pool funds is the same as the value of shares. As a requirement to maintain the rating weekly portfolio, information must be submitted to Standard & Poors, as well as the Office of the Comptroller of Public Accounts for review. Deposits held in these public funds investment pools are not subject to custodial credit risk. The Authority had \$23,048 on deposit with TexPool and \$19,174,038 on deposit with TexStar.

Investments

The Authority is required by Government Code Chapter 2256, The Public Funds Investment Act (Act), to adopt, implement, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield and maturity and the quality and capability of investment management, and include a list of the types of authorized investments in which the investing entity's funds may be invested, and the maximum allowable stated maturity of any individual investment owned by the entity.

The Act requires an annual audit of investment practices. Audit procedures in this area, conducted as a part of the audit of the general purpose financial statements, disclosed that in the areas of investment practices, management has established appropriate policies and reports that adhere to the act. Additionally, investment practices of the Authority are in accordance with local policies.

As of September 30, 2014, the Authority had the following investments and maturities:

| Investment Type | Remaining Maturity (In Months) (Fair Value) | | | Total |
|-------------------------|--|--------------------|---------------------|---------------------|
| | 12 Months Or Less | 13 to 24 Months | 25 to 60 Months | |
| Certificates of Deposit | \$ 749,640 | \$ 495,000 | \$ - | \$ 1,244,640 |
| U. S. Agency Securities | \$ 2,008,524 | \$ - | \$ 4,389,588 | \$ 6,398,112 |
| Totals | \$ 2,758,164 | \$ 495,000 | \$ 4,389,588 | \$ 7,642,752 |

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment policy specifies that, in order to mitigate investment rate risk, the investment portfolio shall be structured so that securities mature to meet cash requirements, limiting the need to sell securities on the open market before maturity.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. According to the Authority's investment policy, to mitigate credit risk, funds shall be invested in, or collateralized by, U.S. Treasury Bonds, Notes, and Bills and "highly liquid" U.S. Agency securities. As of September 30, 2014, the Authority's investments are in federally insured certificates of deposit and U. S. Agency securities.

GREATER TEXOMA UTILITY AUTHORITY
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Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. On September 30, 2014, the Authority's investments are in certificates of deposit and U. S. Agency securities.

Foreign Currency Risk: Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. At September 30, 2014, the Authority was not exposed to foreign currency risk.

The Authority's Investments are presented at fair value on the balance sheet. Unrealized gains and losses are included in the statement of revenues, expenses and changes in net position.

The calculation of realized gains is independent of the calculation of the net increase in fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The accumulated unrealized gain or (loss) on investments held at September 30, 2014 was \$10,890.

Investment income consists of the following components:

| | |
|---------------------------|-----------|
| Investment Income: | 2014 |
| Interest Income | \$ 65,123 |
| Realized Gains (Losses) | - |
| Unrealized Gains (Losses) | (16,072) |
| Total Investment Income | \$ 49,051 |

NOTE C – INTERFUND RECEIVABLE AND PAYABLE BALANCES

During the course of normal operations, the Authority has numerous transactions between individual funds, including expenditures/expenses and transfers of resources primarily to provide services. All of the balances resulted from the time lag between the dates that reimbursable expenditures occur and payments between funds are made.

Interfund receivable and payable balances of the various funds at September 30, 2014, were as follows:

| | Fund | Interfund Receivables | Interfund Payables |
|------------|-----------------------------------|--------------------------|-----------------------|
| Major: | Collin/Grayson Municipal Alliance | \$ - | \$ 4,998 |
| | Lake Texoma Allocation Project | - | 63,178 |
| | Sherman | 211,260 | - |
| Non-Major: | General | 85,151 | - |
| | Anna | 22,229 | - |
| | Anna Melissa | 14,726 | - |
| | Argyle Water Supply Corp. | - | 2,345 |
| | Bells | 310 | - |
| | Bolivar Water Supply | 4,103 | - |
| | Collinsville | - | 397 |
| | Dorchester | - | 14,419 |
| | Ector | - | 18,415 |

GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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| | | |
|----------------------------------|-------------------|-------------------|
| Galnesville | - | 14,249 |
| Gober Municipal Utility District | 96 | - |
| Howe | 978 | - |
| Krum | - | 32,003 |
| Lake Kiowa | - | 58,275 |
| Leonard | - | 1,285 |
| Melissa | - | 4,084 |
| Northwest Grayson WSC | - | 7,490 |
| Paradise | - | 4,208 |
| Pottsboro | 2,788 | - |
| Princeton | - | 12,282 |
| Sadler | - | 2,787 |
| Savoy | - | 8,790 |
| Solid Waste | - | 6,152 |
| Southmayd | 114 | - |
| Tom Bean | - | 3,094 |
| Van Alstyne | - | 76,591 |
| Whitewright | - | 6,713 |
| | <u>\$ 341,755</u> | <u>\$ 341,755</u> |

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

| | Balance 10/1/2013 | Additions/ Completions | Retirements/ Adjustments | Balance 9/30/2014 |
|---|----------------------|---------------------------|-----------------------------|----------------------|
| <u>Capital Assets Not Being Depreciated</u> | | | | |
| Land | \$ 1,054,143 | \$ 28,320 | \$ (13,317) | \$ 1,069,146 |
| Water Storage Rights | 20,021,383 | - | - | 20,021,383 |
| Construction in Progress | 6,542,068 | 8,003,965 | - | 14,546,033 |
| | <u>27,617,594</u> | <u>8,032,285</u> | <u>(13,317)</u> | <u>35,636,562</u> |
| <u>Capital Assets Being Depreciated</u> | | | | |
| Buildings | 16,980 | - | - | 16,980 |
| Machinery & Equipment | 488,885 | 32,330 | (88,717) | 432,498 |
| Projects in Service | 99,117,018 | 395,610 | (2,205,643) | 97,306,985 |
| | <u>99,622,883</u> | <u>427,940</u> | <u>(2,294,360)</u> | <u>97,756,463</u> |
| <u>Less Accumulated Depreciation</u> | | | | |
| Buildings | (16,980) | - | - | (16,980) |
| Machinery & Equipment | (445,947) | (23,378) | 88,717 | (380,608) |
| Projects in Service | (33,695,743) | (4,708,880) | 1,584,066 | (36,820,557) |
| | <u>(34,158,670)</u> | <u>(4,732,258)</u> | <u>1,672,783</u> | <u>(37,218,145)</u> |
| Net Capital Assets Being Depreciated | <u>65,464,213</u> | <u>(4,304,318)</u> | <u>(621,577)</u> | <u>60,538,318</u> |
| Net Capital Assets | <u>\$ 93,081,807</u> | <u>\$ 3,727,967</u> | <u>\$ (634,894)</u> | <u>\$ 96,174,880</u> |

Depreciation expense for the year ended September 30, 2014 was \$4,732,258.

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing

**GREATER TEXOMA UTILITY AUTHORITY
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arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. Capitalized interest is as follows:

| | Total Interest Costs Incurred | Less Interest Revenue to Offset Interest Costs | Capitalized Interest |
|------------------------|----------------------------------|--|-------------------------|
| Ector 2013 | \$ 13,700 | \$ 40 | \$ 13,660 |
| Gainesville 2011 | 77,178 | 284 | 76,894 |
| Gainesville 2011-A | 41,420 | 610 | 40,810 |
| Gainesville 2012 | 10,896 | 139 | 10,757 |
| Krum 2012 | 49,312 | 314 | 48,998 |
| Krum 2014 | 28,863 | 79 | 28,784 |
| Northwest Grayson 2014 | 24,974 | 227 | 24,747 |
| Sherman 2013 | 95,120 | 3,275 | 91,845 |
| Sherman 2013A | 69,899 | 708 | 69,191 |
| Sherman 2014 | 2,553 | 117 | 2,436 |
| Total | \$ 413,915 | \$ 5,793 | \$ 408,122 |

NOTE E – COMMITMENTS AND CONTINGENT LIABILITIES

The Authority may be contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. Settlements, if any, of such contingencies under the budgetary process would require appropriation of revenues yet to be realized. Authority management and legal counsel believe any settlement would not materially affect the financial position of the Authority at September 30, 2014.

The Authority has projects in the construction phase in various cities. Construction commitments, amounts paid to date, and balances are as follows:

| | Construction Commitments | Costs Incurred To Date | Balance 9/30/2014 |
|---------------------|-----------------------------|---------------------------|----------------------|
| City of Sherman | \$ 2,219,814 | \$ 579,240 | \$ 1,640,574 |
| City of Gainesville | 2,489,931 | 2,437,970 | 51,961 |
| City of Krum | 3,761,000 | 767,896 | 2,993,104 |
| Northwest Grayson | 447,816 | - | 447,816 |

NOTE F – RETIREMENT PLAN

The Greater Texoma Utility Authority Retirement Plan (the Plan) is a single employer defined contribution plan that covers all full-time employees of the Authority. Greater Texoma Utility Authority administers the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). A copy of the pension plan financial statements may be obtained by contacting the Authority. The Authority is responsible for establishing or amending pension plan provisions and contribution requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

Full-time employees are eligible to participate in the Plan after 90 days of continuous employment. The Plan requires that the Authority contribute an amount equal to twelve percent (12%) of the participant's regular annual salary and participants contribute six percent (6%) of the annual salaries. The Authority's contributions for each employee (and interest allocated to the employee's account) are vested at a variable rate with full vesting within seven years.

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The Authority's total payroll in fiscal year 2014 was \$641,428; contributions made by the Authority were \$74,533; employee forfeitures for the year were \$-0-. Total contributions made by employees were \$37,266. Total contributions for the year ended September 30, 2014 were \$111,799. The fair market value of the Plan at September 30, 2014 was \$1,698,131.

The Authority had no liability to the Plan at September 30, 2014.

NOTE G – INTERGOVERNMENTAL REVENUES AND CONTRACTS

The Authority has entered into contracts with its Participating Entities to provide certain water and sewer facilities. The Participating Entities are required to make the following payments to the Authority: (a) monthly amortization payments – amounts equal to the annual debt service requirements on the outstanding bond issues; (b) reserve fund payments – if not at the required levels; (c) administrative payments – amounts sufficient to pay the administrative and overhead costs of the Authority; (d) extraordinary expense payments – amounts necessary to pay or reimburse the Authority for any extraordinary or unexpected expense or costs reasonably and necessarily incurred by the Authority in connection with the bonds and the projects; and (e) the cost of maintenance and operation of the projects if the Authority is the operator.

NOTE H – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the Authority conduct certain closure activities on the Dripping Springs landfill, when closed, and perform certain maintenance and monitoring functions at the landfill site for five years after closure or until all postclosure requirements are met. The landfill stopped accepting solid waste on October 8, 1993; however, the landfill was considered full at September 30, 1993, for financial reporting purposes and a liability was recognized based on the future landfill closure and postclosure care costs that will be incurred. The actual postclosure care costs incurred in the current year was \$5,257 and \$1,565,665 to date.

The financial obligation for landfill closure and postclosure care costs not recorded by the Authority will be the responsibility of the cities of Sherman and Denison per contractual agreement. Additional postclosure care costs are expected to be incurred and shared equally by the cities during the monitoring phase of the landfill. A gas well monitoring system is in place and operating at the site of the landfill. Based on the best available engineering estimates, costs related to gas and ground water monitoring are not expected to exceed approximately \$100,000 per year and should continue to decline in the future. There is a potential for changes in the estimated costs due to inflation or deflation, technology, or applicable laws or regulations.

NOTE I – DEFEASED DEBT

As of September 30, 2014, the following defeased bonds remain outstanding:

| | |
|-------------------------|------------|
| Argyle | \$ 710,000 |
| Anna Series 1997 | 70,000 |
| Anna Series 2000 | 365,000 |
| Anna Series 2002 | 1,425,000 |
| Anna Series 2004A | 645,000 |
| Anna Series 2004B | 450,000 |
| Anna Series 2005 | 1,505,000 |
| Gainesville Series 1995 | 175,000 |
| Gainesville Series 1997 | 435,000 |

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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| | |
|--------------------------|-----------|
| Gainesville Series 2003A | 820,000 |
| Gainesville Series 2003B | 610,000 |
| Howe Series 1999 | 65,000 |
| Howe Series 2001 | 580,000 |
| Pottsboro 1999 | 70,000 |
| Pottsboro 1999A | 135,000 |
| Pottsboro 2001 | 655,000 |
| Sherman 2002A | 1,980,000 |
| Sherman 2002B | 305,000 |
| Sherman 2003 | 7,535,000 |
| Van Alstyne 1999 | 775,000 |
| Van Alstyne 1999A | 365,000 |
| Van Alstyne 2002A | 825,000 |
| Van Alstyne 2002B | 505,000 |

NOTE J – SEGMENT INFORMATION

The Authority facilitates the issuance of bonds for many of its Participating Entities to finance acquisition and construction of water, sewer, and solid waste facilities. Revenues from those Participating Entities are pledged to secure bond debt. Segment funds are included in the column titled "Other Funds" in the basic financial statements. Summary financial information for segment funds is presented on the pages following.

GREATER TEXOMA UTILITY AUTHORITY
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SEGMENT INFORMATION:

CONDENSED STATEMENT OF NET POSITION

| | CITY OF ANNA | ANNA/ MELISSA | ARGYLE WSC | CITY OF BELLS | BOLIVAR WATER SUPPLY | CITY OF COLLINSVILLE |
|---|-----------------|------------------|---------------|------------------|-------------------------|-------------------------|
| Assets | | | | | | |
| Current assets | | | | | | |
| Noncurrent restricted assets | \$ 437,859 | \$ 201,223 | \$ 198,352 | \$ 79,988 | \$ 346,268 | \$ 12,435 |
| Capital assets, net | 930,583 | 559,166 | 169,108 | 71,328 | 136,593 | 9,590 |
| Total assets | 6,064,548 | 5,895,429 | 1,865,981 | 769,793 | 758,679 | 60,795 |
| Deferred Outflows of Resources | 7,432,990 | 6,655,818 | 2,233,441 | 921,109 | 1,241,540 | 82,820 |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Due to other funds | | | | | | |
| Other current liabilities | | | 2,345 | | | 397 |
| Noncurrent liabilities | 511,262 | 499,066 | 151,128 | 52,645 | 101,935 | 11,138 |
| Total liabilities | 6,870,000 | 4,995,000 | 2,210,000 | 665,000 | 1,025,000 | 30,000 |
| Net Position | 7,381,262 | 5,494,066 | 2,363,473 | 717,645 | 1,126,935 | 41,535 |
| Invested in capital assets, net of related debt | 946,768 | 575,429 | (439,019) | 124,430 | (35,434) | 20,795 |
| Restricted | 968,412 | 561,601 | 264,470 | 12,440 | 143,570 | 20,075 |
| Unrestricted | (1,810,252) | 24,722 | 64,515 | 66,594 | 6,469 | 415 |
| Total net position | \$ 104,928 | \$ 1,161,752 | \$ (110,034) | \$ 203,464 | \$ 114,605 | \$ 41,285 |

CONDENSED STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION

| | | | | | | |
|---|------------|--------------|--------------|------------|------------|-----------|
| Operating revenues (expenses): | | | | | | |
| Operating revenues, pledged against bonds | \$ 640,697 | \$ 545,829 | \$ 207,904 | \$ 49,053 | \$ 85,090 | \$ 12,526 |
| Depreciation expense | (401,350) | (431,056) | (147,505) | (49,633) | (56,159) | (20,247) |
| Other operating expenses | (26,474) | (20,582) | (8,509) | (2,848) | (4,351) | (385) |
| Net operating income | 212,873 | 94,191 | 51,890 | (3,428) | 24,580 | (8,106) |
| Nonoperating revenues (expenses): | | | | | | |
| Investment income | 4,973 | | | | | |
| Interest expense | (361,211) | 2,883 | 971 | 520 | 910 | 7 |
| Amortization expense | (3,914) | (203,063) | (112,257) | (15,620) | (24,475) | (2,276) |
| Other income (expense) | | | (3,330) | | | |
| Change in net position | (147,279) | (105,989) | (62,726) | (18,528) | 1,015 | (10,375) |
| Beginning net position | 252,207 | 1,267,741 | (47,308) | 221,992 | 113,590 | 51,660 |
| Ending net position | \$ 104,928 | \$ 1,161,752 | \$ (110,034) | \$ 203,464 | \$ 114,605 | \$ 41,285 |

CONDENSED STATEMENT OF CASH FLOWS

| | | | | | | |
|--|------------|------------|------------|------------|------------|-----------|
| Net cash provided (used) by: | | | | | | |
| Operating activities | | | | | | |
| Non capital & related financing activities | \$ 620,473 | \$ 528,580 | \$ 199,395 | \$ 50,284 | \$ 83,239 | \$ 12,141 |
| Capital and related financing activities | (32,016) | (10,304) | (5,031) | (1,141) | (1,859) | 135 |
| Investing activities | (605,691) | (522,435) | (204,191) | (45,950) | (80,080) | (12,558) |
| Net increase (decrease) | (119,042) | (119,870) | (37,064) | (65,666) | (35,290) | 6 |
| Beginning cash and cash equivalents | 621,736 | 115,711 | (46,891) | (62,473) | (33,990) | (276) |
| Ending cash and cash equivalents | \$ 502,694 | \$ 227,015 | \$ 250,479 | \$ 147,243 | \$ 376,453 | \$ 22,301 |
| | \$ 342,726 | \$ 203,588 | \$ 84,770 | \$ 84,770 | \$ 342,463 | \$ 22,025 |

GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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| SEGMENT INFORMATION | TOWN OF DORCHESTER | CITY OF ECTOR | GOBER MUD | CITY OF HOWE | CITY OF LEONARD | CITY OF KRUM |
|---|-----------------------|------------------|--------------|-----------------|--------------------|-----------------|
| CONDENSED STATEMENT OF NET POSITION | | | | | | |
| <i>Assets</i> | | | | | | |
| Current assets | \$ 12,506 | \$ 255,243 | \$ 5,463 | \$ 211,218 | \$ 80,701 | \$ 4,010,029 |
| Noncurrent restricted assets | 46,374 | 25,475 | 20,255 | 53,886 | 73,621 | - |
| Capital assets, net | 293,702 | 205,069 | 204,674 | 732,479 | 517,765 | 1,148,415 |
| Total assets | 352,582 | 485,787 | 230,392 | 997,583 | 672,087 | 5,158,444 |
| Deferred Outflows of Resources | | | | | | |
| Liabilities | - | - | - | 22,578 | - | - |
| <i>Current liabilities</i> | | | | | | |
| Due to other funds | 14,419 | 18,415 | - | - | 1,285 | 32,003 |
| Other current liabilities | 39,263 | 56,006 | 14,981 | 246,866 | 65,481 | 389,210 |
| Noncurrent liabilities | 414,000 | 409,000 | 75,000 | 890,906 | 460,000 | 4,790,000 |
| Total liabilities | 467,682 | 483,421 | 89,981 | 1,137,772 | 526,766 | 5,211,213 |
| Net Position | (147,298) | (4,016) | 119,674 | (297,520) | 2,764 | 272,037 |
| Invested in capital assets, net of related debt | 570 | 6,272 | 23,624 | 54,070 | 135,112 | - |
| Restricted | 31,628 | 110 | (2,887) | 125,839 | 7,445 | (324,806) |
| Unrestricted | \$(115,100) | \$ 2,366 | \$ 140,411 | \$(117,611) | \$ 145,321 | \$ (52,769) |
| Total net position | \$ | \$ | \$ | \$ | \$ | \$ |
| CONDENSED STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION | | | | | | |
| <i>Operating revenues (expenses):</i> | | | | | | |
| Operating revenues, pledged against bonds | \$ 30,234 | \$ 45,255 | \$ 16,039 | \$ 173,839 | \$ 76,713 | \$ 98,597 |
| Depreciation expense | (23,174) | (32,527) | (30,680) | (119,600) | (75,322) | - |
| Other operating expenses | (1,888) | (7,127) | (637) | (5,171) | (2,615) | (25,818) |
| Net operating income | 5,172 | 5,601 | (15,278) | 49,068 | (1,224) | 72,779 |
| Nonoperating revenues (expenses): | | | | | | |
| Investment income | 263 | 159 | (14) | 22 | 506 | 393 |
| Interest expense | (9,995) | (5,885) | (5,318) | (43,439) | (20,963) | (394) |
| Amortization expense | - | (11,030) | - | (5,076) | - | - |
| Other income (expense) | - | - | - | - | - | - |
| Change in net position | (4,560) | (11,155) | (20,610) | 575 | (21,681) | (73,715) |
| Beginning net position | (110,540) | 13,521 | 161,021 | (118,186) | 167,002 | (937) |
| Ending net position | \$(115,100) | \$ 2,366 | \$ 140,411 | \$(117,611) | \$ 145,321 | \$(52,769) |
| CONDENSED STATEMENT OF CASH FLOWS | | | | | | |
| <i>Net cash provided (used) by:</i> | | | | | | |
| Operating activities | \$ 31,346 | \$ 43,128 | \$ 15,449 | \$ 157,629 | \$ 67,893 | \$ 73,613 |
| Non capital & related financing activities | (531) | 5,052 | (167) | (218) | (360) | 16,166 |
| Capital and related financing activities | (28,098) | 191,118 | (15,505) | (174,413) | (76,980) | 1,406,093 |
| Investing activities | (45,816) | (19,876) | 140 | 249 | (38,382) | 393 |
| Net increase (decrease) | (43,099) | 219,422 | (83) | (16,753) | (47,829) | 1,496,265 |
| Beginning cash and cash equivalents | 55,847 | 41,239 | 4,561 | 221,199 | 131,676 | 2,513,761 |
| Ending cash and cash equivalents | 12,748 | \$ 260,661 | \$ 4,478 | \$ 204,446 | \$ 83,847 | \$ 4,010,026 |

GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2013

| SEGMENT INFORMATION | CITY OF MELISSA | NW GRAYSON WATER CONTR & IMPR DISTR | CITY OF PARADISE | CITY OF POTTSBORO | CITY OF PRINCETON | CITY OF SADLER |
|---|--------------------|--|---------------------|----------------------|----------------------|-------------------|
| CONDENSED STATEMENT OF NET POSITION | | | | | | |
| Assets | | | | | | |
| Current assets | \$ 63,597 | \$ 1,059,810 | \$ 23,408 | \$ 147,353 | \$ 502,836 | \$ 26,855 |
| Noncurrent restricted assets | 176,080 | 12,123 | 14,957 | 165,594 | 458,680 | 26,737 |
| Capital assets, net | 2,154,551 | 351,268 | 140,628 | 2,167,070 | 5,617,034 | 33,383 |
| Total assets | 2,394,228 | 1,423,201 | 178,993 | 2,480,017 | 6,578,550 | 86,975 |
| Deferred Outflows of Resources | | | | | | |
| Liabilities | - | - | - | 47,871 | - | - |
| Current liabilities | | | | | | |
| Due to other funds | 4,084 | 7,490 | 4,208 | - | 12,282 | 2,787 |
| Other current liabilities | 168,228 | 107,737 | 22,883 | 325,474 | 304,887 | 26,328 |
| Noncurrent liabilities | 2,075,000 | 1,305,000 | 105,000 | 2,236,754 | 4,135,000 | 20,000 |
| Total liabilities | 2,247,312 | 1,420,227 | 132,091 | 2,562,228 | 4,452,169 | 49,115 |
| Net Position | (25,449) | 10,705 | 15,629 | (287,930) | 1,743,075 | (11,617) |
| Invested in capital assets, net of related debt | 176,294 | 13,773 | 35,444 | 193,571 | 459,032 | 52,099 |
| Restricted | (3,929) | (21,504) | (4,171) | 60,019 | (75,726) | (2,622) |
| Unrestricted | \$ 146,916 | \$ 2,974 | \$ 46,902 | \$ (34,340) | \$ 2,126,381 | \$ 37,860 |
| Total net position | \$ 146,916 | \$ 2,974 | \$ 46,902 | \$ (34,340) | \$ 2,126,381 | \$ 37,860 |
| CONDENSED STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION | | | | | | |
| Operating revenues (expenses): | | | | | | |
| Operating revenues, pledged against bonds | \$ 235,638 | \$ 38,742 | \$ 26,594 | \$ 295,908 | \$ 516,055 | \$ 27,830 |
| Depreciation expense | (132,490) | - | (28,110) | (239,909) | (282,785) | (33,052) |
| Other operating expenses | (8,594) | (7,963) | (665) | (10,777) | (16,060) | (334) |
| Net operating income | 94,554 | 30,779 | (2,181) | 45,222 | 217,210 | (5,556) |
| Nonoperating revenues (expenses): | | | | | | |
| Investment income | 396 | 227 | (5) | 715 | 3,073 | 196 |
| Interest expense | (86,103) | (227) | (5,765) | (79,808) | (231,116) | (2,655) |
| Amortization expense | - | - | - | - | - | - |
| Other income (expense) | 8,847 | (27,805) | (7,951) | (40,035) | (10,833) | (8,015) |
| Change in net position | 138,069 | 2,974 | 54,853 | 5,695 | 2,137,214 | 45,875 |
| Beginning net position | \$ 146,916 | \$ 2,974 | \$ 46,902 | \$ (34,340) | \$ 2,126,381 | \$ 37,860 |
| Ending net position | \$ 146,916 | \$ 2,974 | \$ 46,902 | \$ (34,340) | \$ 2,126,381 | \$ 37,860 |
| CONDENSED STATEMENT OF CASH FLOWS | | | | | | |
| Net cash provided (used) by: | | | | | | |
| Operating activities | \$ 228,711 | \$ 49,529 | \$ 25,929 | \$ 288,464 | \$ 500,411 | \$ 27,496 |
| Non capital & related financing activities | (4,624) | 7,490 | (215) | (248) | (39,310) | (263) |
| Capital and related financing activities | (186,813) | 1,014,687 | (26,200) | (296,500) | (1,652,444) | (28,393) |
| Investing activities | (49,169) | 227 | 148 | 1,994 | 91,460 | 25,427 |
| Net increase (decrease) | (11,895) | 1,071,933 | (338) | (6,290) | (1,099,863) | 24,267 |
| Beginning cash and cash equivalents | 121,796 | - | 26,824 | 156,864 | 1,641,326 | 29,325 |
| Ending cash and cash equivalents | \$ 109,901 | \$ 1,071,933 | \$ 26,486 | \$ 150,574 | \$ 541,443 | \$ 53,592 |

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2013**

SEGMENT INFORMATION

| | CITY OF SAVOY | | CITY OF SOUTHMAYD | | CITY OF TOM BEAN | | CITY OF VAN ALSTYNE | | CITY OF WHITEWRIGHT | | CITY OF GAINESVILLE | | TOTALS | |
|---|---------------|-----------|-------------------|-----------|------------------|--------------|---------------------|-------------|---------------------|------------|---------------------|--------------|--------|--------------|
| | | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | | |
| CONDENSED STATEMENT OF NET POSITION | | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | | |
| Current assets | \$ | 6,138 | \$ | 20,440 | \$ | 17,220 | \$ | 2,083,588 | \$ | 4,245 | \$ | 2,262,237 | \$ | 12,069,012 |
| Noncurrent restricted assets | | 11,871 | | 13,288 | | 67,383 | | - | | 60,744 | | 540,083 | | 3,643,519 |
| Capital assets, net | | 74,326 | | 122,500 | | 157,497 | | 118,214 | | 173,084 | | 9,366,303 | | 38,993,187 |
| Total assets | | 92,335 | | 156,228 | | 242,100 | | 2,201,802 | | 238,073 | | 12,168,623 | | 54,705,718 |
| Deferred Outflows of Resources | | | | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | | | | |
| Due to other funds | | 8,790 | | - | | 3,094 | | 76,591 | | 6,713 | | 14,249 | | 209,152 |
| Other current liabilities | | 15,833 | | 12,424 | | 66,646 | | 125,000 | | 9,218 | | 1,418,812 | | 4,742,451 |
| Noncurrent liabilities | | 30,000 | | 70,000 | | 295,000 | | 2,090,000 | | 60,000 | | 8,653,643 | | 43,909,303 |
| Total liabilities | | 54,623 | | 82,424 | | 364,740 | | 2,291,591 | | 75,931 | | 10,086,704 | | 48,860,906 |
| Net Position | | | | | | | | | | | | | | |
| Invested in capital assets, net of related debt | | 34,326 | | 42,500 | | (187,503) | | (475,949) | | 108,084 | | 1,719,904 | | 3,824,385 |
| Restricted | | 12,099 | | 23,313 | | 67,906 | | 462,751 | | 60,761 | | 1,073,801 | | 4,821,060 |
| Unrestricted | | (8,713) | | 7,991 | | (3,043) | | (76,591) | | (6,703) | | (561,005) | | (2,506,205) |
| Total net position | | \$ 37,712 | | \$ 73,804 | | \$ (122,640) | | \$ (89,789) | | \$ 162,142 | | \$ 2,232,700 | | \$ 6,139,240 |

CONDENSED STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET POSITION

| | | | | | | | | | | | | | | |
|---|----|-----------|----|-----------|----|--------------|----|-------------|----|------------|----|--------------|----|--------------|
| Operating revenues (expenses): | \$ | 12,348 | \$ | 15,122 | \$ | 70,264 | \$ | - | \$ | 8,802 | \$ | 1,184,955 | \$ | 4,414,034 |
| Operating revenues, pledged against bonds | | (21,228) | | (20,398) | | (27,374) | | - | | (16,473) | | (364,553) | | (2,553,625) |
| Depreciation expense | | (442) | | (537) | | (2,427) | | (6,584) | | (980) | | (44,637) | | (206,405) |
| Other operating expenses | | (9,322) | | (5,813) | | 40,463 | | (6,584) | | (8,651) | | 775,765 | | 1,654,004 |
| Net operating income | | (5) | | (4,848) | | 332 | | - | | 394 | | 3,337 | | 20,253 |
| Investment income | | (1,868) | | - | | (18,308) | | - | | (3,552) | | (50,021) | | (1,289,167) |
| Interest expense | | | | | | | | | | | | | | (53,419) |
| Amortization expense | | | | | | | | | | | | | | (184,725) |
| Other income (expense) | | | | | | | | | | | | | | 146,946 |
| Change in net position | | (11,195) | | (10,661) | | 22,487 | | (83,205) | | (11,809) | | 705,176 | | 5,992,294 |
| Beginning net position | | 48,907 | | 84,465 | | (145,127) | | (89,789) | | 173,951 | | 1,527,524 | | 5,992,294 |
| Ending net position | | \$ 37,712 | | \$ 73,804 | | \$ (122,640) | | \$ (89,789) | | \$ 162,142 | | \$ 2,232,700 | | \$ 6,139,240 |

CONDENSED STATEMENT OF CASH FLOWS

| | | | | | | | | | | | | | | |
|--|----|----------|----|----------|----|----------|----|-----------|----|----------|----|-------------|----|-------------|
| Net cash provided (used) by: | \$ | 11,906 | \$ | 14,585 | \$ | 67,837 | \$ | (6,584) | \$ | 7,822 | \$ | 1,140,318 | \$ | 4,239,594 |
| Operating activities | | (81) | | (131) | | (78) | | 76,591 | | (425) | | 2,804 | | 11,236 |
| Non capital & related financing activities | | (12,070) | | (15,138) | | (68,883) | | 2,013,581 | | (8,668) | | (4,044,951) | | (3,480,482) |
| Capital and related financing activities | | 122 | | 127 | | (44,621) | | - | | (47,490) | | (53,279) | | (298,298) |
| Investing activities | | (123) | | (557) | | (45,745) | | 2,083,588 | | (48,761) | | (2,955,108) | | 472,050 |
| Net increase (decrease) | | 8,232 | | 24,271 | | 63,304 | | - | | 55,833 | | 5,250,789 | | 11,992,074 |
| Beginning cash and cash equivalents | | 8,109 | | 23,714 | | 17,559 | | 2,083,588 | | 7,072 | | 2,295,681 | | 12,464,124 |
| Ending cash and cash equivalents | | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | | \$ |

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

NOTE K – LONG-TERM DEBT

The Authority facilitates the issuance of bonds for its Participating Entities to finance the acquisition and construction of water, sewer, and solid waste facilities. Long-term debt activity for the year ended September 30, 2014, was as follows:

| Member | Balance 10/1/2013 | New Debt | Payments | Redeemed/ Refunded | Amortization | Balance 9/30/2014 | Due Within One Year |
|---------------------|----------------------|---------------------|-----------------------|-----------------------|--------------------|----------------------|------------------------|
| City of Sherman | | | | | | | |
| 2006 | \$ 1,790,000 | \$ - | \$ (95,000) | \$ - | \$ - | \$ 1,695,000 | \$ 100,000 |
| 2008 | 2,995,000 | - | (150,000) | - | - | 2,845,000 | 155,000 |
| 2008 | 3,255,000 | - | (570,000) | - | - | 2,685,000 | 595,000 |
| 2009 | 2,445,000 | - | (115,000) | - | - | 2,330,000 | 115,000 |
| 2009A | 3,785,000 | - | (160,000) | - | - | 3,625,000 | 165,000 |
| 2011 | 2,050,000 | - | (80,000) | - | - | 1,970,000 | 80,000 |
| 2012 | 5,505,000 | - | (175,000) | - | - | 5,330,000 | 180,000 |
| 2012 Ref | 10,655,000 | - | (1,170,000) | - | - | 9,485,000 | 1,195,000 |
| 2013 | 3,720,000 | - | (80,000) | - | - | 3,640,000 | 125,000 |
| 2013A | - | 3,030,000 | - | - | - | 3,030,000 | 70,000 |
| 2014 | - | 1,780,000 | - | - | - | 1,780,000 | - |
| Premium/Discount | 546,113 | - | - | - | (68,217) | 477,896 | - |
| | <u>\$ 36,746,113</u> | <u>\$ 4,810,000</u> | <u>\$ (2,595,000)</u> | <u>\$ -</u> | <u>\$ (68,217)</u> | <u>\$ 38,892,896</u> | <u>\$ 2,780,000</u> |
| City of Gainesville | | | | | | | |
| 2010 Ref | \$ 805,000 | \$ - | \$ (170,000) | \$ - | \$ - | \$ 635,000 | \$ 175,000 |
| 2011 WTF | 4,090,000 | - | (105,000) | - | - | 3,985,000 | 105,000 |
| 2011-A | 2,000,000 | - | (45,000) | - | - | 1,955,000 | 45,000 |
| 2012 | 1,135,000 | - | (45,000) | - | - | 1,090,000 | 45,000 |
| 2013 | 1,610,000 | - | (145,000) | - | - | 1,465,000 | 150,000 |
| Premium/Discount | 49,847 | - | - | - | (6,204) | 43,643 | - |
| | <u>\$ 9,689,847</u> | <u>\$ -</u> | <u>\$ (510,000)</u> | <u>\$ -</u> | <u>\$ (6,204)</u> | <u>\$ 9,173,643</u> | <u>\$ 520,000</u> |

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

| Member | Balance 10/1/2013 | New Debt | Payments | Redeemed/ Refunded | Amortization | Balance 9/30/2014 | Due Within One Year |
|--|----------------------|-------------------|---------------------|-----------------------|--------------|----------------------|------------------------|
| City of Anna | | | | | | | |
| 2005 Ref | \$ 2,180,000 | \$ - | \$ (95,000) | \$ - | \$ - | \$ 2,085,000 | \$ 95,000 |
| 2007A | 620,000 | - | (30,000) | - | - | 590,000 | 35,000 |
| 2007B | 915,000 | - | (45,000) | - | - | 870,000 | 50,000 |
| 2007C | 3,210,000 | - | (50,000) | - | - | 3,160,000 | 50,000 |
| 2008 | 440,000 | - | (20,000) | - | - | 420,000 | 25,000 |
| | <u>\$ 7,365,000</u> | <u>\$ -</u> | <u>\$ (240,000)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,125,000</u> | <u>\$ 255,000</u> |
| Anna-Melissa | | | | | | | |
| 2006 | \$ 2,825,000 | \$ - | \$ (175,000) | \$ - | \$ - | \$ 2,650,000 | \$ 180,000 |
| 2007 | 2,810,000 | - | (140,000) | - | - | 2,670,000 | 145,000 |
| | <u>\$ 5,635,000</u> | <u>\$ -</u> | <u>\$ (315,000)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,320,000</u> | <u>\$ 325,000</u> |
| Argyle Water Supply Corp. | | | | | | | |
| 2007 | 1,585,000 | - | (5,000) | - | - | 1,580,000 | 5,000 |
| 2010 | 810,000 | - | (85,000) | - | - | 725,000 | 90,000 |
| | <u>\$ 2,395,000</u> | <u>\$ -</u> | <u>\$ (90,000)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,305,000</u> | <u>\$ 95,000</u> |
| City of Bells | | | | | | | |
| 2005 | \$ 725,000 | \$ - | \$ (30,000) | \$ - | \$ - | \$ 695,000 | \$ 30,000 |
| Bolivar Water Supply Corp. | | | | | | | |
| 2005 | \$ 1,140,000 | \$ - | \$ (55,000) | \$ - | \$ - | \$ 1,085,000 | \$ 60,000 |
| Collin Grayson Municipal Alliance | | | | | | | |
| 2005 | \$ 2,240,000 | \$ - | \$ (90,000) | \$ - | \$ - | \$ 2,150,000 | \$ 95,000 |
| 2006 State Part. | 8,675,000 | - | - | - | - | 8,675,000 | - |
| 2007 | 4,600,000 | - | (180,000) | - | - | 4,420,000 | 190,000 |
| | <u>15,515,000</u> | <u>-</u> | <u>(270,000)</u> | <u>-</u> | <u>-</u> | <u>15,245,000</u> | <u>285,000</u> |
| City of Collinsville | | | | | | | |
| 1999 | \$ 50,000 | \$ - | \$ (10,000) | \$ - | \$ - | \$ 40,000 | \$ 10,000 |
| Town of Dorchester | | | | | | | |
| 2002 | \$ 459,000 | \$ - | \$ (18,000) | \$ - | \$ - | \$ 441,000 | \$ 27,000 |
| City of Ector | | | | | | | |
| 1997 | \$ 85,000 | \$ - | \$ (20,000) | \$ - | \$ - | \$ 65,000 | \$ 20,000 |
| 1999 | 36,000 | - | (1,000) | - | - | 35,000 | 1,000 |
| 2013 | - | 340,000 | - | - | - | 340,000 | 10,000 |
| | <u>\$ 121,000</u> | <u>\$ 340,000</u> | <u>\$ (21,000)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 440,000</u> | <u>\$ 31,000</u> |

GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014

| Member | Balance 10/1/2013 | New Debt | Payments | Redeemed/ Refunded | Amortization | Balance 9/30/2014 | Due Within One Year |
|---|----------------------|--------------|--------------|-----------------------|--------------|----------------------|------------------------|
| Gober Municipal Utility District | | | | | | | |
| 2001 | \$ 95,000 | \$ - | \$ (10,000) | \$ - | \$ - | \$ 85,000 | \$ 10,000 |
| City of Gunter | | | | | | | |
| 1994 | 40,000 | - | - | (40,000) | - | - | - |
| 1996 | 60,000 | - | - | (60,000) | - | - | - |
| 1999 | 45,000 | - | - | (45,000) | - | - | - |
| 2001 | 90,000 | - | - | (90,000) | - | - | - |
| 2004 | 345,000 | - | - | (345,000) | - | - | - |
| | \$ 580,000 | \$ - | \$ - | \$ (580,000) | \$ - | \$ - | \$ - |
| City of Howe | | | | | | | |
| 2003 | 385,000 | - | (30,000) | - | - | 355,000 | 35,000 |
| 2010 | 775,000 | - | (100,000) | - | - | 675,000 | 100,000 |
| Premium/Discount | (4,873) | - | - | - | 779 | (4,094) | - |
| | \$ 1,155,127 | \$ - | \$ (130,000) | \$ - | \$ 779 | \$ 1,025,906 | \$ 135,000 |
| City of Krum | | | | | | | |
| 2012 | 2,815,000 | - | (35,000) | - | - | 2,780,000 | 40,000 |
| 2014 | - | 2,085,000 | - | - | - | 2,085,000 | 35,000 |
| | \$ 2,815,000 | \$ 2,085,000 | \$ (35,000) | \$ - | \$ - | \$ 4,865,000 | \$ 75,000 |
| Lake Texoma | | | | | | | |
| Reallocation | \$ 18,670,000 | \$ - | \$ (900,000) | \$ - | \$ - | \$ 17,770,000 | \$ 925,000 |
| LT/Woodbine | 554,628 | - | (21,813) | - | - | 532,816 | 11,606 |
| | \$ 19,224,628 | \$ - | \$ (921,813) | \$ - | \$ - | \$ 18,302,816 | \$ 936,606 |
| City of Leonard | | | | | | | |
| 2000 | 80,000 | - | (10,000) | - | - | 70,000 | 10,000 |
| 2002 | 490,000 | - | (45,000) | - | - | 445,000 | 45,000 |
| | \$ 570,000 | \$ - | \$ (55,000) | \$ - | \$ - | \$ 515,000 | \$ 55,000 |
| City of Melissa | | | | | | | |
| 2009A | \$ 1,000,000 | \$ - | \$ (40,000) | \$ - | \$ - | \$ 960,000 | \$ 45,000 |
| 2009B | 1,280,000 | - | (60,000) | - | - | 1,220,000 | 60,000 |
| | \$ 2,280,000 | \$ - | \$ (100,000) | \$ - | \$ - | \$ 2,180,000 | \$ 105,000 |

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

| Member | Balance 10/1/2013 | New Debt Water Control & Improvement District | Payments | Redeemed/ Refunded | Amortization | Balance 9/30/2014 | Due Within One Year |
|-----------------------------------|----------------------|--|----------------|-----------------------|--------------|----------------------|------------------------|
| Northwest Grayson 2014 | \$ - | \$ 1,355,000 | \$ - | \$ - | \$ - | \$ 1,355,000 | \$ 50,000 |
| City of Paradise 1999 | \$ 145,000 | \$ - | \$ (20,000) | \$ - | \$ - | \$ 125,000 | \$ 20,000 |
| City of Pottsboro 2006 | 300,000 | - | (20,000) | - | - | 280,000 | 20,000 |
| 2007 | 1,325,000 | - | (75,000) | - | - | 1,250,000 | 80,000 |
| 2010 | 1,045,000 | - | (120,000) | - | - | 925,000 | 125,000 |
| Premium/Discount | 7,767 | - | - | - | (1,012) | 6,755 | - |
| City of Princeton 2009 | \$ 2,677,767 | \$ - | \$ (215,000) | \$ - | \$ (1,012) | \$ 2,461,755 | \$ 225,000 |
| City of Sadler 1994 | \$ 4,540,000 | \$ - | \$ (200,000) | \$ - | \$ - | \$ 4,340,000 | \$ 205,000 |
| City of Savoy 1998 | \$ 70,000 | \$ - | \$ (25,000) | \$ - | \$ - | \$ 45,000 | \$ 25,000 |
| City of Southmayd 2000 | \$ 50,000 | \$ - | \$ (10,000) | \$ - | \$ - | \$ 40,000 | \$ 10,000 |
| City of Tom Bean 1988 | \$ 90,000 | \$ - | \$ (10,000) | \$ - | \$ - | \$ 80,000 | \$ 10,000 |
| 2000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| City of Van Alstyne 2014 DWSRF | 395,000 | - | (50,000) | - | - | 345,000 | 50,000 |
| 2014 CWSRF | 395,000 | - | (50,000) | - | - | 345,000 | 50,000 |
| City of Whitewright 2004 | \$ - | \$ 485,000 | \$ - | \$ - | \$ - | \$ 485,000 | \$ 45,000 |
| | \$ - | 1,730,000 | - | - | - | 1,730,000 | 80,000 |
| Totals | \$ 114,598,482 | \$ 10,805,000 | \$ (5,940,813) | \$ (580,000) | \$ (74,654) | \$ 118,808,016 | \$ 6,459,606 |

Individual funds bond disclosures are on the pages following.

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

City of Sherman Projects:

Contractual revenues between the Authority and the City of Sherman are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

| | |
|--|----------------------|
| \$2,210,000 2006 Contract Revenue Refunding Bonds due in annual installments of \$25,000 to \$165,000 through October 2026; interest at 4.01%. | 1,695,000 |
| \$3,710,000 2008 Contract Revenue Bonds due in annual Installments of \$165,000 to \$255,000 through October 2027; interest at 1.2% to 3.35%. | 2,845,000 |
| \$4,180,000 2008 Contract Revenue Refunding Bonds due in annual installments of \$90,000 to \$155,000 through October 2027; Interest at 3.0% to 4.75%. | 2,685,000 |
| \$2,705,000 2009 Contract Revenue Bonds due in annual installments of \$50,000 to \$190,000 through October 2029; interest at .40% to 4.4%. | 2,330,000 |
| \$3,975,000 2009-A Contract Revenue Bonds due in annual installments of \$35,000 to \$300,000 through October 2029; interest at .75% to 4.25%. | 3,625,000 |
| \$2,130,000 2011 Contract Revenue Bonds due in annual installments of \$80,000 to \$150,000 through October 2031; interest at 4% to 5%. | 1,970,000 |
| \$5,505,000 2012 Contract Revenue Bonds due in annual installments of \$175,000 to \$410,000 through October 2032; Interest at 2% to 4.125%. | 5,330,000 |
| \$10,740,000 2012 Contract Revenue Refunding Bonds due in annual Installments of \$85,000 to \$1,470,000 through October 2021; interest at 2% to 4%. | 9,485,000 |
| \$3,720,000 Contract Revenue Bond due in annual Installments of \$80,000 to \$255,000 through October 2034; interest at 1% to 3.5%. | 3,640,000 |
| \$3,030,000 2013A Contract Revenue Bond due in annual installments of \$70,000 to \$205,000 through October 2034; Interest at 2% to 4%. | 3,030,000 |
| \$1,780,000 2014 Contract Revenue Bonds due in annual installments of \$80,000 to \$115,000 through October 2034; interest at 2%. | 1,780,000 |
| | <u>\$ 38,415,000</u> |

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|----------------------|----------------------|---------------------------------|
| 2015 | \$ 2,780,000 | \$ 1,237,606 | \$ 4,017,606 |
| 2016 | 2,985,000 | 1,144,279 | 4,129,279 |
| 2017 | 2,565,000 | 1,064,278 | 3,629,278 |
| 2018 | 2,640,000 | 989,964 | 3,629,964 |
| 2019 | 2,715,000 | 912,190 | 3,627,190 |
| 2020-2024 | 10,740,000 | 3,310,903 | 14,050,903 |
| 2025-2029 | 8,565,000 | 1,743,977 | 10,308,977 |
| 2030-2034 | 5,105,000 | 445,567 | 5,550,567 |
| 2035 | 320,000 | 5,250 | 325,250 |
| | <u>\$ 38,415,000</u> | <u>\$ 10,854,013</u> | <u>\$ 49,269,013</u> |

City of Gainesville Projects:

Contractual revenues between the Authority and the City of Gainesville are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

| | |
|--|---------------------|
| \$2,830,000 2010 Contract Revenue Refunding Bonds due in annual installments of \$660,000 to \$95,000 through October 2018; interest at 2.0% to 3.25%. | 635,000 |
| \$4,100,000 2011 Contract Revenue Bonds due in annual installments of \$10,000 to \$290,000 through October 2031; interest at .021% to 2.587%. | 3,985,000 |
| \$2,000,000 2011-A Contract Revenue Bonds due in annual installments of \$45,000 to \$145,000 through October 2031; interest at .174% to 2.822%. | 1,955,000 |
| \$1,135,000 2012 Contract Revenue Bonds due in annual installments of \$45,000 to \$70,000 through October 2032; interest at .140% to 1.860%. | 1,090,000 |
| \$1,610,000 2013 Contract Revenue Refunding Bonds due in annual installments of \$145,000 to \$175,000 through October 2022; interest at 2% to 3%. | 1,465,000 |
| | <u>\$ 9,130,000</u> |

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|---------------------|---------------------|---------------------------------|
| 2015 | \$ 520,000 | \$ 175,182 | \$ 695,182 |
| 2016 | 535,000 | 168,042 | 703,042 |
| 2017 | 535,000 | 160,482 | 695,482 |
| 2018 | 545,000 | 152,629 | 697,629 |
| 2019 | 550,000 | 143,937 | 693,937 |
| 2020-2024 | 2,685,000 | 575,881 | 3,260,881 |
| 2025-2029 | 2,225,000 | 326,158 | 2,551,158 |
| 2030-2033 | 1,535,000 | 61,142 | 1,596,142 |
| | <u>\$ 9,130,000</u> | <u>\$ 1,763,453</u> | <u>\$ 10,893,453</u> |

City of Anna Projects:

Contractual revenues between the Authority and the City of Anna are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

| | |
|---|---------------------|
| \$2,885,000 2005 City of Anna Contract Revenue Refunding Bonds due in annual installments of \$60,000 to \$245,000 through May 2028; interest at 4.20%. | \$ 2,085,000 |
| \$760,000 2007A City of Anna Contract Revenue Bonds due in annual installments of \$5,000 to \$60,000 through May 2027; Interest at 3.07% to 5.57%. | 590,000 |
| \$1,105,000 2007B City of Anna Contract Revenue Bonds due in annual installments of \$5,000 to \$90,000 through May 2027; interest at 3.07% to 5.57%. | 870,000 |
| \$3,365,000 2007C City of Anna Contract Revenue Bonds due in annual installments of \$5,000 to \$300,000 through May 2032; interest at 3.07% to 5.62%. | 3,160,000 |
| \$540,000 2008 City of Anna Contract Revenue Bonds due in annual installments of \$20,000 to \$45,000 through May 2027; interest at 5.14%. | 420,000 |
| | <u>\$ 7,125,000</u> |

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|---------------------|---------------------|---------------------------------|
| 2015 | \$ 255,000 | \$ 360,029 | \$ 615,029 |
| 2016 | 255,000 | 348,443 | 603,443 |
| 2017 | 265,000 | 336,654 | 601,654 |
| 2018 | 275,000 | 324,271 | 599,271 |
| 2019 | 295,000 | 311,284 | 606,284 |
| 2020-2024 | 2,610,000 | 1,251,140 | 3,861,140 |
| 2025-2029 | 2,315,000 | 553,528 | 2,868,528 |
| 2030-2032 | 855,000 | 97,788 | 952,788 |
| | <u>\$ 7,125,000</u> | <u>\$ 3,583,137</u> | <u>\$ 10,708,137</u> |

City of Anna-Melissa Projects:

Contractual revenues between the Authority and the Cities of Anna and Melissa are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

| | |
|--|---------------------|
| \$3,870,000 2006 Anna & Melissa Contract Revenue Bonds due in annual installments of \$135,000 to \$270,000 through June 2026; interest at 2.9% to 3.7%. | \$ 2,650,000 |
| \$3,430,000 2007 Anna & Melissa Contract Revenue Bonds due in annual installments of \$115,000 to \$245,000 through June 2028; interest at 2.9% to 4.1%. | 2,670,000 |
| | <u>\$ 5,320,000</u> |

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|---------------------|---------------------|---------------------------------|
| 2015 | \$ 325,000 | \$ 197,197 | \$ 522,197 |
| 2016 | 340,000 | 186,310 | 526,310 |
| 2017 | 345,000 | 174,751 | 519,751 |
| 2018 | 365,000 | 162,770 | 527,770 |
| 2019 | 380,000 | 149,830 | 529,830 |
| 2020-2024 | 2,115,000 | 529,999 | 2,644,999 |
| 2025-2028 | 1,450,000 | 125,542 | 1,575,542 |
| | <u>\$ 5,320,000</u> | <u>\$ 1,526,399</u> | <u>\$ 6,846,399</u> |

Argyle Water Supply Corp. Project:

Contractual revenues between the Authority and Argyle Water Supply Corporation are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

\$1,605,000 2007 Argyle Water Supply Corp. Contract Revenue
Bonds due in annual installments of \$5,000 to \$130,000
through October 2037; interest at 3.127% to 5.222%. \$ 1,580,000

\$970,000 2010 Argyle Water Supply Corp. Contract Refunding
Bonds due in annual installments of \$80,000 to \$115,000 through
October 2020; interest at 4.3%. 725,000
\$ 2,305,000

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|---------------------|---------------------|---------------------------------|
| 2015 | \$ 95,000 | \$ 110,216 | \$ 205,216 |
| 2016 | 100,000 | 106,021 | 206,021 |
| 2017 | 100,000 | 101,717 | 201,717 |
| 2018 | 110,000 | 97,190 | 207,190 |
| 2019 | 115,000 | 92,339 | 207,339 |
| 2020-2024 | 430,000 | 394,034 | 824,034 |
| 2025-2029 | 380,000 | 304,531 | 684,531 |
| 2030-2034 | 485,000 | 192,792 | 677,792 |
| 2035-2038 | 490,000 | 52,479 | 542,479 |
| | <u>\$ 2,305,000</u> | <u>\$ 1,451,319</u> | <u>\$ 3,756,319</u> |

City of Bells Project:

Contractual revenues between the Authority and the City of Bells are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

\$915,000 2005 City of Bells Contract Revenue
Bonds due in annual installments of \$25,000 to \$60,000
through April 2030; interest at 4.78%. \$ 695,000

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|-------------------|-------------------|---------------------------------|
| 2015 | \$ 30,000 | \$ 16,332 | \$ 46,332 |
| 2016 | 30,000 | 15,627 | 45,627 |
| 2017 | 35,000 | 14,922 | 49,922 |
| 2018 | 35,000 | 14,100 | 49,100 |
| 2019 | 35,000 | 13,277 | 48,277 |
| 2020-2024 | 210,000 | 52,757 | 262,757 |
| 2025-2029 | 260,000 | 25,732 | 285,732 |
| 2030 | 60,000 | 1,410 | 61,410 |
| | <u>\$ 695,000</u> | <u>\$ 154,157</u> | <u>\$ 849,157</u> |

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Bolivar Water Supply Corporation Project:

Contractual revenues between the Authority and Bolivar Water Supply Corporation are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

| | |
|---|--------------|
| \$1,500,000 2005 Bolivar Water Supply Corporation Contract Revenue Bonds due in annual installments of \$30,000 to \$100,000 through April 2028; interest at 4.25%. | \$ 1,085,000 |
|---|--------------|

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|--------------|------------|---------------------------------|
| 2015 | \$ 60,000 | \$ 25,497 | \$ 85,497 |
| 2016 | 60,000 | 24,087 | 84,087 |
| 2017 | 65,000 | 22,677 | 87,677 |
| 2018 | 65,000 | 21,150 | 86,150 |
| 2019 | 70,000 | 19,622 | 89,622 |
| 2019-2023 | 390,000 | 72,379 | 462,379 |
| 2024-2027 | 375,000 | 22,440 | 397,440 |
| | \$ 1,085,000 | \$ 207,852 | \$ 1,292,852 |

City of Collinsville Project:

Contractual revenues between the Authority and the City of Collinsville are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

| | |
|--|-----------|
| \$150,000 1999 City of Collinsville Contract Revenue Bonds due in annual installments of \$5,000 to \$10,000 through October 2018; interest at 4.79% to 5.69%. | \$ 40,000 |
|--|-----------|

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|-----------|----------|---------------------------------|
| 2015 | \$ 10,000 | \$ 1,992 | \$ 11,992 |
| 2016 | 10,000 | 1,422 | 11,422 |
| 2017 | 10,000 | 854 | 10,854 |
| 2018 | 10,000 | 284 | 10,284 |
| | \$ 40,000 | \$ 4,552 | \$ 44,552 |

Town of Dorchester Project:

Contractual revenues between the Authority and the Town of Dorchester are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

\$600,000 2002 Dorchester Contract Revenue Bonds
due in annual installments of \$10,000 to \$47,000 through
June 2027; interest at 4.65%. \$ 441,000

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|-------------------|------------------|---------------------------------|
| 2015 | \$ 27,000 | \$ 9,790 | \$ 36,790 |
| 2016 | 27,000 | 9,190 | 36,190 |
| 2017 | 30,000 | 8,592 | 38,592 |
| 2018 | 30,000 | 7,926 | 37,926 |
| 2019 | 30,000 | 7,260 | 37,260 |
| 2020-2024 | 170,000 | 26,085 | 196,085 |
| 2025-2027 | 127,000 | 5,793 | 132,793 |
| | <u>\$ 441,000</u> | <u>\$ 74,636</u> | <u>\$ 515,636</u> |

City of Ector Projects:

Contractual revenues between the Authority and the City of Ector are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

| | |
|--|-------------------|
| \$300,000 1997 City of Ector Contract Revenue Bonds due in annual installments of \$10,000 to \$25,000 through April 2017; interest at 3.40% to 5.10%. | \$ 65,000 |
| \$50,000 1999 City of Ector Contract Revenue Bonds due in annual installments of \$1,000 to \$16,000 through April 2019; interest at 4.69% to 5.74%. | 35,000 |
| \$340,000 2013 Contract Revenue Bonds due in annual installments of \$10,000 to \$25,000 through April 2038; interest at 1.08% to 4.76% | 340,000 |
| | <u>\$ 440,000</u> |

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|-------------------|-------------------|---------------------------------|
| 2014 | \$ 31,000 | \$ 19,012 | \$ 50,012 |
| 2015 | 31,000 | 17,836 | 48,836 |
| 2016 | 36,000 | 16,610 | 52,610 |
| 2017 | 26,000 | 15,093 | 41,093 |
| 2018 | 26,000 | 13,962 | 39,962 |
| 2019-2023 | 50,000 | 60,798 | 110,798 |
| 2024-2028 | 70,000 | 49,959 | 119,959 |
| 2029-2033 | 85,000 | 33,006 | 118,006 |
| 2034-2038 | 85,000 | 10,472 | 95,472 |
| | <u>\$ 440,000</u> | <u>\$ 236,748</u> | <u>\$ 676,748</u> |

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Gober Municipal Utility District Project:

Contractual revenues between the Authority and Gober MUD are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

| | |
|--|------------------|
| \$175,000 2001 Gober MUD Contract Revenue Bonds due in annual installments of \$5,000 to \$15,000 through June 2021; interest at 4.85% to 5.95%. | <u>\$ 85,000</u> |
|--|------------------|

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total Annual Requirements |
|-------------------------------------|------------------|------------------|------------------------------|
| 2015 | \$ 10,000 | \$ 4,945 | \$ 14,945 |
| 2016 | 10,000 | 4,380 | 14,380 |
| 2017 | 10,000 | 3,810 | 13,810 |
| 2018 | 10,000 | 3,235 | 13,235 |
| 2019 | 15,000 | 2,655 | 17,655 |
| 2020-2021 | 30,000 | 2,670 | 32,670 |
| | <u>\$ 85,000</u> | <u>\$ 21,695</u> | <u>\$ 106,695</u> |

Collin Grayson Municipal Alliance Project:

Contractual revenues between the Authority and the Collin Grayson Municipal Alliance are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. The Authority has received significant funding from Texas' State Participation Programs, which provides funding for equity participation in construction of extra capacity in regional systems to meet future growth needs. As future growth occurs and the projected need is realized, any portion of the State's equity interest can be reimbursed at original cost. The original cost amount will then be reimbursed with interest (with no compounding of interest). At year-end, the total amount of the State's equity interest and accrued interest (current and non-current) was \$11,461,082. Balances of bonds outstanding at September 30, 2014 were as follows:

| | |
|--|----------------------|
| \$2,800,000 2004 Collin Grayson Municipal Alliance Contract Revenue Bonds due in annual installments of \$55,000 to \$205,000 through October 2028; interest at 2.29% to 5.74%. | \$ 2,150,000 |
| \$8,675,000 Collin Grayson Municipal Alliance State Participation due in annual installments of \$380,000 to \$830,000 through September 2040; interest at 5.68% to 5.83%. | 8,675,000 |
| \$5,000,000 Collin Grayson Water transmission Project Contract Revenue Bonds due in annual installments of \$5,000 to \$415,000 through October 2036; interest at 2.6% to 5.62%. | 4,420,000 |
| | <u>\$ 15,245,000</u> |

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|--------------------------------------|----------------------|----------------------|------------------------------|
| 2015 | \$ 285,000 | \$ 772,245 | \$ 1,057,245 |
| 2016 | 300,000 | 834,052 | 1,134,052 |
| 2017 | 315,000 | 819,665 | 1,134,665 |
| 2018 | 330,000 | 804,203 | 1,134,203 |
| 2019 | 165,000 | 1,207,028 | 1,372,028 |
| 2020-2024 | 980,000 | 5,892,673 | 6,872,673 |
| 2025-2029 | 3,100,000 | 3,772,876 | 6,872,876 |
| 2030-2034 | 4,240,000 | 2,303,352 | 6,543,352 |
| 2035-2039 | 4,700,000 | 981,626 | 5,681,626 |
| 2040 | 830,000 | 48,389 | 878,389 |
| | <u>\$ 15,245,000</u> | <u>\$ 17,436,109</u> | <u>\$ 32,681,109</u> |

City of Howe Projects:

Contractual revenues between the Authority and the City of Howe are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

| | |
|--|---------------------|
| \$600,000 2003 Contract Revenue Bonds due in annual installments of \$20,000 to \$50,000 with a final payment of \$50,000 through January 2023; interest at 2.45% to 5.6%. | \$ 355,000 |
| \$870,000 2010 Contract Revenue Refunding Bonds due in annual installments of \$95,000 to \$125,000 through January 2020; interest at 2.25% to 4.0%. | 675,000 |
| | <u>\$ 1,030,000</u> |

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|---------------------|-------------------|---------------------------------|
| 2015 | \$ 135,000 | \$ 40,126 | \$ 175,126 |
| 2016 | 140,000 | 35,256 | 175,256 |
| 2017 | 145,000 | 29,907 | 174,907 |
| 2018 | 150,000 | 24,167 | 174,167 |
| 2019 | 155,000 | 18,068 | 173,068 |
| 2020-2023 | 305,000 | 23,290 | 328,290 |
| | <u>\$ 1,030,000</u> | <u>\$ 170,814</u> | <u>\$ 1,200,814</u> |

City of Krum Projects:

Contractual revenues between the Authority and the City of Krum are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

**GREATER TEXOMA UTILITY AUTHORITY
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\$2,825,000 2012 Contract Revenue Bonds due in annual installments of \$10,000 to \$170,000 through August 2041; interest at 0.26% to 2.31%. \$ 2,780,000

\$2,085,000 2014 Contract Revenue Bonds due in installments of \$35,000 to \$125,000 through August 2041; interest at 0.14% to 4.61% 2,085,000

\$ 4,865,000

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|---------------------|---------------------|---------------------------------|
| 2015 | \$ 75,000 | \$ 145,523 | \$ 220,523 |
| 2016 | 95,000 | 126,232 | 221,232 |
| 2017 | 120,000 | 125,973 | 245,973 |
| 2018 | 120,000 | 125,561 | 245,561 |
| 2019 | 125,000 | 124,782 | 249,782 |
| 2020-2024 | 680,000 | 594,746 | 1,274,746 |
| 2025-2029 | 825,000 | 511,764 | 1,336,764 |
| 2030-2034 | 1,010,000 | 386,119 | 1,396,119 |
| 2035-2039 | 1,240,000 | 217,509 | 1,457,509 |
| 2040-2041 | 575,000 | 28,530 | 603,530 |
| | <u>\$ 4,865,000</u> | <u>\$ 2,386,739</u> | <u>\$ 7,251,739</u> |

Lake Texoma Reallocation Project:

Contractual revenues between the Authority and the Cities of Collinsville, Denison, Gainesville, Gunter, Lindsay, Pottsboro, Sherman, Southmayd, Whitesboro and the special utility districts of Marilee Water Supply, Northwest Grayson Water Control & Improvement District, Two Way Water Supply, Woodbine Water Supply Corporation, Kiowa Homeowners SUD and Red River Authority are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

\$21,230,000 2010 Lake Texoma Water Storage Project Bonds due in annual installments of \$665,000 to \$1,340,000 through August 2030; interest at .0075% to 2.487%. \$ 17,770,000

\$599,123 2012 Lake Texoma/(Lake Kiowa -Woodbine) contract for 1500 acre feet due in annual installments of \$10,679.32 to \$44,494.95 through September 2040; interest rate at 4.25%. 532,816

\$ 18,302,816

Debt service requirements at September 30, 2014 were as follows:

**GREATER TEXOMA UTILITY AUTHORITY
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| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|----------------------|---------------------|---------------------------------|
| 2015 | \$ 936,606 | \$ 333,417 | \$ 1,270,023 |
| 2016 | 962,100 | 332,229 | 1,294,329 |
| 2017 | 982,614 | 327,107 | 1,309,721 |
| 2018 | 1,008,150 | 318,957 | 1,327,107 |
| 2019 | 1,033,709 | 308,498 | 1,342,207 |
| 2020-2024 | 5,577,794 | 1,295,319 | 6,873,113 |
| 2025-2029 | 6,320,793 | 678,629 | 6,999,422 |
| 2030-2034 | 1,302,954 | 82,689 | 1,385,643 |
| 2035-2039 | 145,241 | 26,014 | 171,255 |
| 2040 | 32,855 | 1,396 | 34,251 |
| | <u>\$ 18,302,816</u> | <u>\$ 3,704,255</u> | <u>\$ 22,007,071</u> |

City of Leonard Projects:

Contractual revenues between the Authority and the City of Leonard are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

| | |
|--|-------------------|
| \$150,000 2000 City of Leonard Contract Revenue Bonds due in annual installments of \$5,000 to \$10,000 through October 2020; interest at 4.5% to 6.35%. | \$ 70,000 |
| \$865,000 2002 Contract Revenue Bonds due in annual installments of \$35,000 to \$75,000 through October 2021; interest at .8% to 4.05%. | 445,000 |
| | <u>\$ 515,000</u> |

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|-------------------|------------------|---------------------------------|
| 2015 | \$ 55,000 | \$ 19,904 | \$ 74,904 |
| 2016 | 55,000 | 17,769 | 72,769 |
| 2017 | 60,000 | 15,493 | 75,493 |
| 2018 | 65,000 | 12,984 | 77,984 |
| 2019 | 65,000 | 10,326 | 75,326 |
| 2020-2022 | 215,000 | 13,571 | 228,571 |
| | <u>\$ 515,000</u> | <u>\$ 90,047</u> | <u>\$ 605,047</u> |

City of Melissa Project:

Contractual revenues between the Authority and the City of Melissa are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

| | | |
|--|----|--------------|
| \$1,085,000 2009A City of Melissa Contract Revenue Bonds due in annual installments of \$10,000 to \$90,000 through June 2029; interest at 1.55% to 5.45%. | \$ | 960,000 |
| \$1,400,000 2009B City of Melissa Contract Revenue Bonds due in annual installments of \$10,000 to \$105,000 through June 2029; interest at .6% to 4.45%. | | 1,220,000 |
| | | \$ 2,180,000 |

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|--------------|------------|---------------------------------|
| 2015 | \$ 105,000 | \$ 84,682 | \$ 189,682 |
| 2016 | 105,000 | 82,208 | 187,208 |
| 2017 | 115,000 | 79,680 | 194,680 |
| 2018 | 120,000 | 76,618 | 196,618 |
| 2019 | 125,000 | 73,143 | 198,143 |
| 2020-2024 | 710,000 | 297,164 | 1,007,164 |
| 2025-2029 | 900,000 | 132,431 | 1,032,431 |
| | \$ 2,180,000 | \$ 825,926 | \$ 3,005,926 |

Northwest Grayson Water Control & Improvement District Project:

Contractual revenues between the Authority and Northwest Grayson Water Control & Improvement District are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

| | | |
|---|----|-----------|
| \$1,355,000 2014 Contract Revenue Bonds due in annual installments of \$50,000 to \$115,000 through August 2029; interest at 3.72%. | \$ | 1,355,000 |
|---|----|-----------|

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|--------------|------------|---------------------------------|
| 2015 | \$ 50,000 | \$ 70,988 | \$ 120,988 |
| 2016 | 75,000 | 48,546 | 123,546 |
| 2017 | 75,000 | 45,756 | 120,756 |
| 2018 | 80,000 | 42,966 | 122,966 |
| 2019 | 80,000 | 39,990 | 119,990 |
| 2020-2024 | 450,000 | 152,706 | 602,706 |
| 2025-2029 | 545,000 | 62,310 | 607,310 |
| | \$ 1,355,000 | \$ 463,262 | \$ 1,818,262 |

City of Paradise Project:

Contractual revenues between the Authority and the City of Paradise are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

\$325,000 1999 City of Paradise Contract Revenue
Bonds due in annual installments of \$10,000 to \$25,000
through October 2019; interest at 2.7% to 4.7%. \$ 125,000

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|-------------------|------------------|---------------------------------|
| 2015 | \$ 20,000 | \$ 5,320 | \$ 25,320 |
| 2016 | 20,000 | 4,420 | 24,420 |
| 2017 | 20,000 | 3,505 | 23,505 |
| 2018 | 20,000 | 2,580 | 22,580 |
| 2019 | 20,000 | 1,645 | 21,645 |
| 2020 | 25,000 | 588 | 25,588 |
| | <u>\$ 125,000</u> | <u>\$ 18,058</u> | <u>\$ 143,058</u> |

City of Pottsboro Projects:

Contractual revenues between the Authority and the City of Pottsboro are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

\$400,000 2006 City of Pottsboro Contract Revenue
Bonds due in annual installments of \$10,000 to
\$30,000 through June 2026; interest at 3.00% to 4.05%. \$ 280,000

\$1,745,000 2007 City of Pottsboro Contract Revenue
Bonds due in annual installments of \$65,000 to
\$110,000 through June 2027; interest at 2.55% to 3.2%. 1,250,000

\$1,270,000 2010 City of Pottsboro Contract Revenue Refunding
Bonds due in annual installments of \$105,000 to \$145,000 through
June 2021; interest at 2.0% to 4.0%. 925,000
\$ 2,455,000

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|---------------------|-------------------|---------------------------------|
| 2015 | \$ 225,000 | \$ 76,424 | \$ 301,424 |
| 2016 | 225,000 | 70,750 | 295,750 |
| 2017 | 230,000 | 64,675 | 294,675 |
| 2018 | 235,000 | 58,128 | 293,128 |
| 2019 | 245,000 | 51,022 | 296,022 |
| 2020-2024 | 905,000 | 141,564 | 1,046,564 |
| 2025-2027 | 390,000 | 24,965 | 414,965 |
| | <u>\$ 2,455,000</u> | <u>\$ 487,527</u> | <u>\$ 2,942,527</u> |

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

City of Princeton Project:

Contractual revenues between the Authority and the City of Princeton are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

\$5,290,000 2009 Revenue Bonds due in annual installments of \$180,000 to \$405,000 through September 1, 2029; interest at 2.150% to 5.80%.

\$ 4,340,000

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|---------------------|---------------------|---------------------------------|
| 2015 | \$ 205,000 | \$ 223,765 | \$ 428,765 |
| 2016 | 215,000 | 216,077 | 431,077 |
| 2017 | 220,000 | 207,477 | 427,477 |
| 2018 | 230,000 | 198,237 | 428,237 |
| 2019 | 240,000 | 188,233 | 428,233 |
| 2020-2024 | 1,405,000 | 752,044 | 2,157,044 |
| 2025-2029 | 1,825,000 | 326,492 | 2,151,492 |
| | <u>\$ 4,340,000</u> | <u>\$ 2,112,325</u> | <u>\$ 6,452,325</u> |

City of Sadler Project:

Contractual revenues between the Authority and the City of Sadler are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

\$290,000 1994 City of Sadler Contract Revenue Bonds due in annual installments of \$10,000 to \$25,000 through October 2015; interest at 4.5% to 5.9%.

\$ 45,000

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|------------------|-----------------|---------------------------------|
| 2015 | \$ 25,000 | \$ 1,917 | \$ 26,917 |
| 2016 | 20,000 | 590 | 20,590 |
| | <u>\$ 45,000</u> | <u>\$ 2,507</u> | <u>\$ 47,507</u> |

City of Savoy Project:

Contractual revenues between the Authority and the City of Savoy are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

\$155,000 1998 City of Savoy Contract Revenue Bonds due in annual installments of \$5,000 to \$10,000 through April 2018; interest at 2.9% to 4.2%.

\$ 40,000

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|------------------|-----------------|---------------------------------|
| 2015 | \$ 10,000 | \$ 1,665 | \$ 11,665 |
| 2016 | 10,000 | 1,255 | 11,255 |
| 2017 | 10,000 | 840 | 10,840 |
| 2018 | 10,000 | 420 | 10,420 |
| | <u>\$ 40,000</u> | <u>\$ 4,180</u> | <u>\$ 44,180</u> |

City of Southmayd Project:

Contractual revenues between the Authority and the City of Southmayd are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

| | |
|---|------------------|
| \$150,000 2000 City of Southmayd Contract Revenue Bonds due in annual installments of \$5,000 to \$15,000 through October 2020; interest at 4.5% to 6.2%. | <u>\$ 80,000</u> |
|---|------------------|

Debt service requirements at September 30, 2014 were as follows:

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|------------------|------------------|---------------------------------|
| 2015 | \$ 10,000 | \$ 4,555 | \$ 14,555 |
| 2016 | 10,000 | 3,965 | 13,965 |
| 2017 | 10,000 | 3,367 | 13,367 |
| 2018 | 10,000 | 2,765 | 12,765 |
| 2019 | 10,000 | 2,157 | 12,157 |
| 2020-2021 | 30,000 | 1,856 | 31,856 |
| | <u>\$ 80,000</u> | <u>\$ 18,665</u> | <u>\$ 98,665</u> |

City of Tom Bean Projects:

Contractual revenues between the Authority and the City of Tom Bean are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

| | |
|--|-------------------|
| \$500,000 2000 City of Tom Bean Contract Revenue Bonds due in annual installments of \$5,000 to \$65,000 through July 2020; interest at 3.65% to 4.9%. | <u>\$ 345,000</u> |
|--|-------------------|

Debt service requirements at September 30, 2014 were as follows:

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

| Fiscal Years Ending September 30, | Princlpal | Interest | Total Annual Requirements |
|---|-------------------|------------------|---------------------------------|
| 2015 | \$ 50,000 | \$ 16,583 | \$ 66,583 |
| 2016 | 55,000 | 14,257 | 69,257 |
| 2017 | 55,000 | 11,645 | 66,645 |
| 2018 | 60,000 | 9,005 | 69,005 |
| 2019 | 60,000 | 6,095 | 66,095 |
| 2020 | 65,000 | 3,185 | 68,185 |
| | <u>\$ 345,000</u> | <u>\$ 60,770</u> | <u>\$ 405,770</u> |

City of Van Alstyne Projects:

Contractual revenues between the Authority and the City of Van Alstyne are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

Debt service requirements at September 30, 2014 were as follows:

\$485,000 2014 Contract Revenue Bonds due in annual installments
of \$45,000 to \$55,000 through June 2024; interest at 2.15%. \$ 485,000

\$1,730,000 2014 Contract Revenue Bonds due in annual installments
of \$60,000 to \$90,000 through June 2027; interest at 3.75%. 1,730,000

\$ 2,215,000

Debt service requirements at September 30, 2014 were as follows:

| Ending September 30, | Principal | Interest | Total Annual Requirements |
|-------------------------|---------------------|-------------------|---------------------------------|
| 2015 | \$ 125,000 | \$ 51,875 | \$ 176,875 |
| 2016 | 105,000 | 71,336 | 176,336 |
| 2017 | 110,000 | 68,118 | 178,118 |
| 2018 | 110,000 | 64,713 | 174,713 |
| 2019 | 120,000 | 61,307 | 181,307 |
| 2020-2024 | 635,000 | 249,723 | 884,723 |
| 2025-2029 | 460,000 | 156,186 | 616,186 |
| 2030-2034 | 550,000 | 63,749 | 613,749 |
| | <u>\$ 2,215,000</u> | <u>\$ 787,007</u> | <u>\$ 3,002,007</u> |

City of Whitewright Projects:

Contractual revenues between the Authority and the City of Whitewright are servicing these bonds. There are a number of limitations and restrictions contained in the various bond indentures. The Authority is in compliance with all significant limitations and restrictions. Balances of bonds outstanding at September 30, 2014 were as follows:

\$110,000 2004 City of Whitewright Contract Revenue Bonds
due in annual installments of \$5,000 to \$10,000 through
April 2025; interest at 2.79% to 5.64%. \$ 65,000

Debt service requirements at September 30, 2014 were as follows:

**GREATER TEXOMA UTILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2014**

| Fiscal Years Ending September 30, | Principal | Interest | Total Annual Requirements |
|---|------------------|------------------|---------------------------------|
| 2015 | \$ 5,000 | \$ 3,436 | \$ 8,436 |
| 2016 | 5,000 | 3,196 | 8,196 |
| 2017 | 5,000 | 2,952 | 7,952 |
| 2018 | 5,000 | 2,702 | 7,702 |
| 2019 | 5,000 | 2,448 | 7,448 |
| 2020-2024 | 30,000 | 8,292 | 38,292 |
| 2025 | 10,000 | 564 | 10,564 |
| | <u>\$ 65,000</u> | <u>\$ 23,590</u> | <u>\$ 88,590</u> |

NOTE L – SUBSEQUENT EVENTS

The Authority's management has evaluated subsequent events through January 15, 2015, the date which the financial statements were available for issue.

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COMBINING FINANCIAL STATEMENTS

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2014

| <u>ASSETS</u> | <u>ANNA</u> | <u>ANNA-MELISSA</u> | <u>ARGYLE WATER SUPPLY</u> |
|--|-------------------|---------------------|------------------------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 7,854 | \$ 9,997 | \$ 46,862 |
| Temporary Investments | - | - | - |
| Interest Receivable | - | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | | |
| Cash and Cash Equivalents | 407,776 | 176,500 | 151,490 |
| Temporary Investments | - | - | - |
| Accounts Receivable | - | - | - |
| Due from Other Funds | 22,229 | 14,726 | - |
| Prepaid Expenses | - | - | - |
| Total Current Assets | <u>437,859</u> | <u>201,223</u> | <u>198,352</u> |
| Noncurrent Assets: | | | |
| Restricted Assets | | | |
| Cash and Cash Equivalents | 87,064 | 156,229 | 5,236 |
| Temporary Investments | 841,574 | 402,321 | 163,611 |
| Interest Receivable | 1,945 | 616 | 261 |
| Capital Assets (Net) | 6,064,548 | 5,895,429 | 1,865,981 |
| Total Noncurrent Assets | <u>6,995,131</u> | <u>6,454,595</u> | <u>2,035,089</u> |
| TOTAL ASSETS | <u>7,432,990</u> | <u>6,655,818</u> | <u>2,233,441</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Loss on Refunding | 53,200 | - | 19,998 |
| | <u>53,200</u> | <u>-</u> | <u>19,998</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | - | - | - |
| Due to Other Funds | - | - | 2,345 |
| Retainage Payable | - | - | - |
| Accrued Interest Payable | 150,012 | 65,733 | 56,128 |
| Unearned Revenue | 106,250 | 108,333 | - |
| Accrued Compensated Absences | - | - | - |
| Revenue Bonds Payable Current Portion | 255,000 | 325,000 | 95,000 |
| Total Current Liabilities | <u>511,262</u> | <u>499,066</u> | <u>153,473</u> |
| Noncurrent Liabilities | | | |
| Revenue Bonds Payable | 6,870,000 | 4,995,000 | 2,210,000 |
| Total Noncurrent Liabilities | <u>6,870,000</u> | <u>4,995,000</u> | <u>2,210,000</u> |
| TOTAL LIABILITIES | <u>7,381,262</u> | <u>5,494,066</u> | <u>2,363,473</u> |
| NET POSITION | | | |
| Net investment in Capital Assets | 946,768 | 575,429 | (439,019) |
| Restricted: | | | |
| Debt Service (Expendable) | 968,412 | 561,601 | 264,470 |
| Unrestricted | (1,810,252) | 24,722 | 64,515 |
| TOTAL NET POSITION | <u>\$ 104,928</u> | <u>\$ 1,161,752</u> | <u>\$ (110,034)</u> |

| BELLS | BOLIVAR WATER SUPPLY | COLLINSVILLE | DORCHESTER | ECTOR | GENERAL | GOBER MUO |
|-------------------|----------------------------|------------------|---------------------|-----------------|------------------|-------------------|
| \$ 284 | \$ 2,366 | \$ 415 | \$ 46 | \$ 110 | \$ 49,539 | \$ 15 |
| - | - | - | - | - | - | - |
| 79,394 | 339,799 | 12,020 | 12,460 | 255,133 | - | 4,107 |
| - | - | - | - | - | 46,404 | 1,245 |
| 310 | 4,103 | - | - | - | 85,151 | 96 |
| - | - | - | - | - | 22,437 | - |
| <u>79,988</u> | <u>346,268</u> | <u>12,435</u> | <u>12,506</u> | <u>255,243</u> | <u>203,531</u> | <u>5,463</u> |
| 5,092 | 298 | 9,590 | 242 | 5,418 | - | 356 |
| 66,000 | 136,000 | - | 46,000 | 20,000 | - | 19,849 |
| 236 | 295 | - | 132 | 57 | - | 50 |
| 769,793 | 758,679 | 60,795 | 293,702 | 205,069 | 51,890 | 204,674 |
| <u>841,121</u> | <u>895,272</u> | <u>70,385</u> | <u>340,076</u> | <u>230,544</u> | <u>51,890</u> | <u>224,929</u> |
| <u>921,109</u> | <u>1,241,540</u> | <u>82,820</u> | <u>352,582</u> | <u>485,787</u> | <u>255,421</u> | <u>230,392</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 194,395 | - |
| - | - | 397 | 14,419 | 18,415 | - | - |
| 7,645 | 11,935 | 1,138 | 3,263 | 9,506 | - | 1,648 |
| 15,000 | 30,000 | - | 9,000 | 15,500 | - | 3,333 |
| - | - | - | - | - | 31,834 | - |
| <u>30,000</u> | <u>60,000</u> | <u>10,000</u> | <u>27,000</u> | <u>31,000</u> | <u>-</u> | <u>10,000</u> |
| <u>52,645</u> | <u>101,935</u> | <u>11,535</u> | <u>53,682</u> | <u>74,421</u> | <u>226,229</u> | <u>14,981</u> |
| 665,000 | 1,025,000 | 30,000 | 414,000 | 409,000 | - | 75,000 |
| 665,000 | 1,025,000 | 30,000 | 414,000 | 409,000 | - | 75,000 |
| <u>717,645</u> | <u>1,126,935</u> | <u>41,535</u> | <u>467,682</u> | <u>483,421</u> | <u>226,229</u> | <u>89,981</u> |
| 124,430 | (35,434) | 20,795 | (147,298) | (4,016) | 51,890 | 119,674 |
| 12,440 | 143,570 | 20,075 | 570 | 6,272 | - | 23,624 |
| 66,594 | 6,469 | 415 | 31,628 | 110 | (22,698) | (2,887) |
| <u>\$ 203,464</u> | <u>\$ 114,605</u> | <u>\$ 41,285</u> | <u>\$ (115,100)</u> | <u>\$ 2,366</u> | <u>\$ 29,192</u> | <u>\$ 140,411</u> |

(Continued)

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2014

| <u>ASSETS</u> | <u>GUNTER</u> | <u>HOWE</u> | <u>LEONARD</u> |
|--|---------------|---------------------|-------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | \$ - | \$ 98,189 | \$ 8,730 |
| Temporary Investments | - | - | - |
| Interest Receivable | - | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | | |
| Cash and Cash Equivalents | - | 97,262 | 65,641 |
| Temporary Investments | - | - | - |
| Accounts Receivable | - | 14,789 | 6,330 |
| Due from Other Funds | - | 978 | - |
| Prepaid Expenses | - | - | - |
| Total Current Assets | <u>-</u> | <u>211,218</u> | <u>80,701</u> |
| Noncurrent Assets: | | | |
| Restricted Assets | | | |
| Cash and Cash Equivalents | - | 8,995 | 9,476 |
| Temporary Investments | - | 44,783 | 63,970 |
| Interest Receivable | - | 108 | 175 |
| Capital Assets (Net) | - | 732,479 | 517,765 |
| Total Noncurrent Assets | <u>-</u> | <u>786,365</u> | <u>591,386</u> |
| TOTAL ASSETS | <u>-</u> | <u>997,583</u> | <u>672,087</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Loss on Refunding | - | 22,578 | - |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | - | - | - |
| Due to Other Funds | - | - | 1,285 |
| Retainage Payable | - | - | - |
| Accrued Interest Payable | - | 10,616 | 10,481 |
| Unearned Revenue | - | 101,250 | - |
| Accrued Compensated Absences | - | - | - |
| Revenue Bonds Payable Current Portion | - | 135,000 | 55,000 |
| Total Current Liabilities | <u>-</u> | <u>246,866</u> | <u>66,766</u> |
| Noncurrent Liabilities | | | |
| Revenue Bonds Payable | - | 890,906 | 460,000 |
| Total Noncurrent Liabilities | <u>-</u> | <u>890,906</u> | <u>460,000</u> |
| TOTAL LIABILITIES | <u>-</u> | <u>1,137,772</u> | <u>526,766</u> |
| NET POSITION | | | |
| Net investment in Capital Assets | - | (297,520) | 2,764 |
| Restricted: | | | |
| Debt Service (Expendable) | - | 54,070 | 135,112 |
| Unrestricted | - | 125,839 | 7,445 |
| TOTAL NET POSITION | <u>\$ -</u> | <u>\$ (117,611)</u> | <u>\$ 145,321</u> |

| KRUM | NORTHWEST GRAYSON | PARADISE | POTTSBORO | SADLER | SAVOY | SOLID WASTE |
|--------------------|----------------------|------------------|--------------------|------------------|------------------|------------------|
| \$ - | \$ - | \$ 39 | \$ 16,114 | \$ 165 | \$ 77 | \$ 48,523 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 4,010,029 | 1,059,810 | 23,369 | 128,451 | 26,690 | 6,061 | - |
| - | - | - | - | - | - | - |
| - | - | - | 2,788 | - | - | 12,670 |
| - | - | - | - | - | - | 723 |
| <u>4,010,029</u> | <u>1,059,810</u> | <u>23,408</u> | <u>147,353</u> | <u>26,855</u> | <u>6,138</u> | <u>61,916</u> |
| - | 12,123 | 3,078 | 6,009 | 26,737 | 1,971 | - |
| - | - | 11,850 | 159,437 | - | 9,875 | - |
| - | - | 29 | 148 | - | 25 | - |
| 1,148,415 | 351,268 | 140,628 | 2,167,070 | 33,383 | 74,326 | - |
| <u>1,148,415</u> | <u>363,391</u> | <u>155,585</u> | <u>2,332,664</u> | <u>60,120</u> | <u>86,197</u> | <u>-</u> |
| <u>5,158,444</u> | <u>1,423,201</u> | <u>178,993</u> | <u>2,480,017</u> | <u>86,975</u> | <u>92,335</u> | <u>61,916</u> |
| - | - | - | 47,871 | - | - | - |
| 232,066 | - | - | - | - | - | - |
| 32,003 | 7,490 | 4,208 | - | 2,787 | 8,790 | 6,152 |
| 38,395 | 14,013 | - | - | - | - | - |
| 37,082 | 24,974 | 2,883 | 25,474 | 1,328 | 833 | - |
| 6,667 | 18,750 | - | 75,000 | - | 5,000 | - |
| - | - | - | - | - | - | - |
| 75,000 | 50,000 | 20,000 | 225,000 | 25,000 | 10,000 | - |
| <u>421,213</u> | <u>115,227</u> | <u>27,091</u> | <u>325,474</u> | <u>29,115</u> | <u>24,623</u> | <u>6,152</u> |
| 4,790,000 | 1,305,000 | 105,000 | 2,236,754 | 20,000 | 30,000 | - |
| <u>4,790,000</u> | <u>1,305,000</u> | <u>105,000</u> | <u>2,236,754</u> | <u>20,000</u> | <u>30,000</u> | <u>-</u> |
| <u>5,211,213</u> | <u>1,420,227</u> | <u>132,091</u> | <u>2,562,228</u> | <u>49,115</u> | <u>54,623</u> | <u>6,152</u> |
| 272,037 | 10,705 | 15,629 | (287,930) | (11,617) | 34,326 | - |
| - | 13,773 | 35,444 | 193,571 | 52,099 | 12,099 | - |
| (324,806) | (21,504) | (4,171) | 60,019 | (2,622) | (8,713) | 55,764 |
| <u>\$ (52,769)</u> | <u>\$ 2,974</u> | <u>\$ 46,902</u> | <u>\$ (34,340)</u> | <u>\$ 37,860</u> | <u>\$ 37,712</u> | <u>\$ 55,764</u> |

(Continued)

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2014

| <u>ASSETS</u> | <u>SOUTHMAYD</u> | <u>TOM BEAN</u> | <u>VAN ALSTYNE</u> |
|--|------------------|---------------------|------------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 7,876 | \$ 50 | \$ - |
| Temporary Investments | - | - | - |
| Interest Receivable | - | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | | |
| Cash and Cash Equivalents | 12,450 | 17,170 | 2,083,588 |
| Temporary Investments | - | - | - |
| Accounts Receivable | - | - | - |
| Due from Other Funds | 114 | - | - |
| Prepaid Expenses | - | - | - |
| Total Current Assets | <u>20,440</u> | <u>17,220</u> | <u>2,083,588</u> |
| Noncurrent Assets: | | | |
| Restricted Assets | | | |
| Cash and Cash Equivalents | 3,388 | 339 | - |
| Temporary Investments | 9,875 | 66,824 | - |
| Interest Receivable | 25 | 220 | - |
| Capital Assets (Net) | 122,500 | 157,497 | 118,214 |
| Total Noncurrent Assets | <u>135,788</u> | <u>224,880</u> | <u>118,214</u> |
| TOTAL ASSETS | <u>156,228</u> | <u>242,100</u> | <u>2,201,802</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Loss on Refunding | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | |
| <u>LIABILITIES</u> | | | |
| Current Liabilities | | | |
| Accounts Payable | - | - | - |
| Due to Other Funds | - | 3,094 | 76,591 |
| Retainage Payable | - | - | - |
| Accrued Interest Payable | 2,424 | 4,146 | - |
| Unearned Revenue | - | 12,500 | - |
| Accrued Compensated Absences | - | - | - |
| Revenue Bonds Payable Current Portion | 10,000 | 50,000 | 125,000 |
| Total Current Liabilities | <u>12,424</u> | <u>69,740</u> | <u>201,591</u> |
| Noncurrent Liabilities | | | |
| Revenue Bonds Payable | 70,000 | 295,000 | 2,090,000 |
| Total Noncurrent Liabilities | <u>70,000</u> | <u>295,000</u> | <u>2,090,000</u> |
| TOTAL LIABILITIES | <u>82,424</u> | <u>364,740</u> | <u>2,291,591</u> |
| | | | |
| <u>NET POSITION</u> | | | |
| Net investment in Capital Assets | 42,500 | (187,503) | (475,949) |
| Restricted: | | | |
| Debt Service (Expendable) | 23,313 | 67,906 | 462,751 |
| Unrestricted | 7,991 | (3,043) | (76,591) |
| TOTAL NET POSITION | <u>\$ 73,804</u> | <u>\$ (122,640)</u> | <u>\$ (89,789)</u> |

| WHITEWRIGHT | PRINCETON | LAKE KIOWA SUD | GAINESVILLE | MELISSA | TOTALS |
|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|
| \$ 9 | \$ 713 | \$ - | \$ 97,249 | \$ 155 | \$ 395,377 |
| - | - | - | 44,783 | - | 44,783 |
| - | - | - | - | - | - |
| 4,236 | 502,123 | - | 2,120,205 | 63,442 | 11,659,206 |
| - | - | - | - | - | 81,438 |
| - | - | - | - | - | 130,495 |
| - | - | - | - | - | 23,160 |
| <u>4,245</u> | <u>502,836</u> | <u>-</u> | <u>2,262,237</u> | <u>63,597</u> | <u>12,334,459</u> |
| 2,827 | 38,607 | - | 78,227 | 46,304 | 507,606 |
| 57,821 | 419,668 | - | 460,775 | 129,507 | 3,129,740 |
| 96 | 405 | - | 1,033 | 269 | 6,125 |
| 173,084 | 5,617,034 | 48,494 | 9,366,303 | 2,154,551 | 39,093,571 |
| 233,828 | 6,075,714 | 48,494 | 9,906,338 | 2,330,631 | 42,737,042 |
| <u>\$ 238,073</u> | <u>6,578,550</u> | <u>48,494</u> | <u>12,168,575</u> | <u>2,394,228</u> | <u>55,071,501</u> |
| - | - | - | 150,781 | - | 294,428 |
| - | - | - | 682,672 | - | 1,109,133 |
| 6,713 | 12,282 | 58,275 | 14,249 | 4,084 | 273,579 |
| - | 64,157 | - | 126,899 | - | 243,464 |
| 1,718 | 18,647 | - | 89,241 | 28,228 | 565,083 |
| 2,500 | 17,083 | - | - | 35,000 | 561,166 |
| - | - | - | - | - | 31,834 |
| 5,000 | 205,000 | - | 520,000 | 105,000 | 2,458,000 |
| <u>15,931</u> | <u>317,169</u> | <u>58,275</u> | <u>1,433,061</u> | <u>172,312</u> | <u>5,242,259</u> |
| 60,000 | 4,135,000 | - | 8,653,643 | 2,075,000 | 43,909,303 |
| 60,000 | 4,135,000 | - | 8,653,643 | 2,075,000 | 43,909,303 |
| <u>75,931</u> | <u>4,452,169</u> | <u>58,275</u> | <u>10,086,704</u> | <u>2,247,312</u> | <u>49,151,562</u> |
| 108,084 | 1,743,075 | 48,494 | 1,719,904 | (25,449) | 3,924,769 |
| 60,761 | 459,032 | - | 1,073,801 | 176,294 | 4,821,060 |
| (6,703) | (75,726) | (58,275) | (561,053) | (3,929) | (2,531,462) |
| <u>\$ 162,142</u> | <u>\$ 2,126,381</u> | <u>\$ (9,781)</u> | <u>\$ 2,232,652</u> | <u>\$ 146,916</u> | <u>\$ 6,214,367</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | <u>ANNA</u> | <u>ANNA- MELISSA</u> | <u>ARGYLE</u> | <u>BELLS</u> | <u>BOLIVAR WATER SUPPLY</u> |
|--|-------------------|--------------------------|---------------------|-------------------|-------------------------------------|
| Operating Revenue | | | | | |
| Charges for Services | \$ 640,697 | \$ 545,829 | \$ 207,904 | \$ 49,053 | \$ 85,090 |
| Operating Expenses | | | | | |
| Operating Expense | - | - | - | - | - |
| General and Administrative | 26,474 | 20,582 | 8,509 | 2,848 | 4,351 |
| Maintenance and Repairs | - | - | - | - | - |
| Depreciation | 401,350 | 431,056 | 147,505 | 49,633 | 56,159 |
| Total Operating Expense | <u>427,824</u> | <u>451,638</u> | <u>156,014</u> | <u>52,481</u> | <u>60,510</u> |
| Operating Income (Loss) | <u>212,873</u> | <u>94,191</u> | <u>51,890</u> | <u>(3,428)</u> | <u>24,580</u> |
| Nonoperating Revenues | | | | | |
| (Expenses) | | | | | |
| Investment Income | 4,973 | 2,883 | 971 | 520 | 910 |
| Amortization of Bond Premium | - | - | - | - | - |
| Interest Expense | (361,211) | (203,063) | (112,257) | (15,620) | (24,475) |
| Bond Issuance Costs | - | - | - | - | - |
| Amortization of Loss on Early Retirement of Debt | (3,914) | - | (3,330) | - | - |
| Gain (Loss) on Disposal of Assets | - | - | - | - | - |
| Contribution to/from Project/City | - | - | - | - | - |
| Finalization of Study | - | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(360,152)</u> | <u>(200,180)</u> | <u>(114,616)</u> | <u>(15,100)</u> | <u>(23,565)</u> |
| Change In Net Position | (147,279) | (105,989) | (62,726) | (18,528) | 1,015 |
| Net Position, October 1 | 252,207 | 1,267,741 | (47,308) | 221,992 | 113,590 |
| Net Position, September 30 | <u>\$ 104,928</u> | <u>\$ 1,161,752</u> | <u>\$ (110,034)</u> | <u>\$ 203,464</u> | <u>\$ 114,605</u> |

| <u>COLLINSVILLE</u> | <u>DORCHESTER</u> | <u>ECTOR</u> | <u>GENERAL</u> | <u>GOBER MUD</u> | <u>GUNTER</u> | <u>HOWE</u> |
|---------------------|-------------------|--------------|----------------|----------------------|---------------|--------------|
| \$ 12,526 | \$ 30,234 | \$ 45,255 | \$ 562,944 | \$ 16,039 | \$ 30,927 | \$ 173,839 |
| - | - | - | - | - | - | - |
| 385 | 1,888 | 7,127 | 546,046 | 637 | 596 | 5,171 |
| - | - | - | - | - | - | - |
| 20,247 | 23,174 | 32,527 | 23,378 | 30,680 | - | 119,600 |
| 20,632 | 25,062 | 39,654 | 569,424 | 31,317 | 596 | 124,771 |
| (8,106) | 5,172 | 5,601 | (6,480) | (15,278) | 30,331 | 49,068 |
| 7 | 263 | 159 | 43 | (14) | - | 22 |
| - | - | - | - | - | - | (779) |
| (2,276) | (9,995) | (5,885) | - | (5,318) | - | (43,439) |
| - | - | (11,030) | - | - | - | - |
| - | - | - | - | - | - | (4,297) |
| - | - | - | 3,469 | - | - | - |
| - | - | - | - | - | (157,691) | - |
| - | - | - | - | - | - | - |
| (2,269) | (9,732) | (16,756) | 3,512 | (5,332) | (157,691) | (48,493) |
| (10,375) | (4,560) | (11,155) | (2,968) | (20,610) | (127,360) | 575 |
| 51,660 | (110,540) | 13,521 | 32,160 | 161,021 | 127,360 | (118,186) |
| \$ 41,285 | \$ (115,100) | \$ 2,366 | \$ 29,192 | \$ 140,411 | \$ - | \$ (117,611) |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | <u>LEONARD</u> | <u>KRUM</u> | <u>NORTHWEST GRAYSON</u> | <u>PARADISE</u> |
|---|-------------------|--------------------|------------------------------|------------------|
| Operating Revenue | | | | |
| Charges for Services | \$ 76,713 | \$ 98,597 | \$ 38,742 | \$ 26,594 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 2,615 | 25,818 | 7,963 | 665 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 75,322 | - | - | 28,110 |
| Total Operating Expense | <u>77,937</u> | <u>25,818</u> | <u>7,963</u> | <u>28,775</u> |
| Operating Income (Loss) | <u>(1,224)</u> | <u>72,779</u> | <u>30,779</u> | <u>(2,181)</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Investment Income | 506 | 393 | 227 | (5) |
| Amortization of Bond Premium | - | - | - | - |
| Interest Expense | (20,963) | (394) | (227) | (5,765) |
| Bond Issuance Costs | - | (73,715) | (27,805) | - |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Disposal of Assets | - | - | - | - |
| Transfer to/from Project/City | - | - | - | - |
| Finalization of Study | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(20,457)</u> | <u>(73,716)</u> | <u>(27,805)</u> | <u>(5,770)</u> |
| Change in Net Position | (21,681) | (937) | 2,974 | (7,951) |
| Net Position, October 1 | 167,002 | (51,832) | - | 54,853 |
| Net Position, September 30 | <u>\$ 145,321</u> | <u>\$ (52,769)</u> | <u>\$ 2,974</u> | <u>\$ 46,902</u> |

| <u>POTTSBORO</u> | <u>SADLER</u> | <u>SAVOY</u> | <u>SOLID WASTE</u> | <u>SOUTHMAYD</u> | <u>TOM BEAN</u> | <u>VAN ALSTYNE</u> |
|--------------------|------------------|------------------|------------------------|------------------|---------------------|------------------------|
| \$ 295,908 | \$ 27,830 | \$ 12,348 | \$ 67,503 | \$ 15,122 | \$ 70,264 | \$ - |
| - | - | - | 35,851 | - | - | - |
| 10,777 | 334 | 442 | 1,333 | 537 | 2,427 | 6,584 |
| - | - | - | 5,528 | - | - | - |
| 239,909 | 33,052 | 21,228 | - | 20,398 | 27,374 | - |
| <u>250,686</u> | <u>33,386</u> | <u>21,670</u> | <u>42,712</u> | <u>20,935</u> | <u>29,801</u> | <u>6,584</u> |
| 45,222 | (5,556) | (9,322) | 24,791 | (5,813) | 40,463 | (6,584) |
| 715 | 196 | (5) | 1 | - | 332 | - |
| 1,012 | - | - | - | - | - | - |
| (79,808) | (2,655) | (1,868) | - | (4,848) | (18,308) | - |
| - | - | - | - | - | - | (83,205) |
| (7,176) | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | (9,260) | - | - | - |
| <u>(85,257)</u> | <u>(2,459)</u> | <u>(1,873)</u> | <u>(9,259)</u> | <u>(4,848)</u> | <u>(17,976)</u> | <u>(83,205)</u> |
| (40,035) | (8,015) | (11,195) | 15,532 | (10,661) | 22,487 | (89,789) |
| 5,695 | 45,875 | 48,907 | 40,232 | 84,465 | (145,127) | - |
| <u>\$ (34,340)</u> | <u>\$ 37,860</u> | <u>\$ 37,712</u> | <u>\$ 55,764</u> | <u>\$ 73,804</u> | <u>\$ (122,640)</u> | <u>\$ (89,789)</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | <u>WHITEWRIGHT</u> | <u>PRINCETON</u> | <u>LAKE KIOWA SUD</u> | <u>GAINESVILLE</u> |
|--|--------------------|---------------------|---------------------------|---------------------|
| Operating Revenue | | | | |
| Charges for Services | \$ 8,802 | \$ 516,055 | \$ - | \$ 1,184,955 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 980 | 16,060 | 9,781 | 44,637 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 16,473 | 282,785 | - | 364,553 |
| Total Operating Expense | <u>17,453</u> | <u>298,845</u> | <u>9,781</u> | <u>409,190</u> |
| Operating Income (Loss) | <u>(8,651)</u> | <u>217,210</u> | <u>(9,781)</u> | <u>775,765</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 394 | 3,073 | - | 3,289 |
| Amortization of Bond Premium | - | - | - | 6,204 |
| Interest Expense | (3,552) | (231,116) | - | (50,021) |
| Bond Issuance Costs | - | - | - | - |
| Amortization of Loss on Early Retirement of Debt | - | - | - | (30,109) |
| Gain (Loss) on Disposal of Assets | - | - | - | - |
| Transfer to/from Project/City | - | - | - | - |
| Finalization of Study | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(3,158)</u> | <u>(228,043)</u> | <u>-</u> | <u>(70,637)</u> |
| Change in Net Position | (11,809) | (10,833) | (9,781) | 705,128 |
| Net Position, October 1 | 173,951 | 2,137,214 | - | 1,527,524 |
| Net Position, September 30 | <u>\$ 162,142</u> | <u>\$ 2,126,381</u> | <u>\$ (9,781)</u> | <u>\$ 2,232,652</u> |

| <u>MELISSA</u> | <u>TOTALS</u> |
|-------------------|---------------------|
| \$ 235,638 | \$ 5,075,408 |
| - | 35,851 |
| 8,594 | 764,161 |
| - | 5,528 |
| 132,490 | 2,577,003 |
| <u>141,084</u> | <u>3,382,543</u> |
| 94,554 | 1,692,865 |
| 396 | 20,249 |
| - | 6,437 |
| (86,103) | (1,289,167) |
| - | (195,755) |
| - | - |
| - | (48,826) |
| - | 3,469 |
| - | (157,691) |
| - | - |
| - | (9,260) |
| <u>(85,707)</u> | <u>(1,670,544)</u> |
| 8,847 | 22,321 |
| 138,069 | 6,192,046 |
| <u>\$ 146,916</u> | <u>\$ 6,214,367</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | <u>ANNA</u> | <u>ANNA- MELISSA</u> | <u>ARGYLE</u> | <u>BELLS</u> | <u>BOLIVAR WATER SUPPLY</u> | <u>COLLINSVILLE</u> |
|---|-------------------|--------------------------|-------------------|------------------|-------------------------------------|---------------------|
| Cash Flows from Operating Activities | | | | | | |
| Cash Inflows: | | | | | | |
| Payments Received from Customers | \$ 646,947 | \$ 549,162 | \$ 207,904 | \$ 53,132 | \$ 87,590 | \$ 12,526 |
| Cash Outflows: | | | | | | |
| Payments to Suppliers | (6,837) | (5,280) | (2,072) | (925) | (1,320) | (275) |
| Payments to Employees | (19,637) | (15,302) | (6,437) | (1,923) | (3,031) | (110) |
| Total Cash Used | <u>(26,474)</u> | <u>(20,582)</u> | <u>(8,509)</u> | <u>(2,848)</u> | <u>(4,351)</u> | <u>(385)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>620,473</u> | <u>528,580</u> | <u>199,395</u> | <u>50,284</u> | <u>83,239</u> | <u>12,141</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | | | | | |
| Loans from Other Funds | - | - | - | - | - | 135 |
| Loans to Other Funds | (22,229) | (10,304) | - | (310) | (1,859) | - |
| Payments on Loans From Other Funds | (9,787) | - | (5,031) | (831) | - | - |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(32,016)</u> | <u>(10,304)</u> | <u>(5,031)</u> | <u>(1,141)</u> | <u>(1,859)</u> | <u>135</u> |
| Cash Flows from Capital and Related Financing Activities | | | | | | |
| Purchase of Capital Assets | - | - | - | - | - | - |
| Principal Repayment on Debt | (240,000) | (315,000) | (90,000) | (30,000) | (55,000) | (10,000) |
| Interest Paid | (365,691) | (207,435) | (114,191) | (15,950) | (25,080) | (2,558) |
| Bond Proceeds | - | - | - | - | - | - |
| Transfer to Escrow Agent | - | - | - | - | - | - |
| Payment of Bond Issuance Costs | - | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(605,691)</u> | <u>(522,435)</u> | <u>(204,191)</u> | <u>(45,950)</u> | <u>(80,080)</u> | <u>(12,558)</u> |
| Cash Flows from Investing Activities | | | | | | |
| Purchases of U.S. Government Securities | (633,575) | (269,426) | (209,000) | (66,000) | (136,000) | - |
| Maturities of U.S. Government Securities-Restricted | 522,922 | 384,081 | 170,338 | - | 100,000 | - |
| Interest Received | 8,845 | 5,215 | 1,598 | 334 | 710 | 6 |
| Net Cash Provided (Used) by Investing Activities | <u>(101,808)</u> | <u>119,870</u> | <u>(37,064)</u> | <u>(65,666)</u> | <u>(35,290)</u> | <u>6</u> |
| Net Cash Inflow from All Activities | <u>(119,042)</u> | <u>115,711</u> | <u>(46,891)</u> | <u>(62,473)</u> | <u>(33,990)</u> | <u>(276)</u> |
| Cash and Restricted Cash at Beginning of Year | <u>621,736</u> | <u>227,015</u> | <u>250,479</u> | <u>147,243</u> | <u>376,453</u> | <u>22,301</u> |
| Cash and Restricted Cash at End of Year | <u>\$ 502,694</u> | <u>\$ 342,726</u> | <u>\$ 203,588</u> | <u>\$ 84,770</u> | <u>\$ 342,463</u> | <u>\$ 22,025</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF CASH FLOWS (Continued)
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:

| | ANNA | ANNA- MELISSA | ARGYLE | BELLS | BOLIVAR WATER SUPPLY | COLLINSVILLE |
|--|-------------------|-------------------|-------------------|------------------|----------------------------|------------------|
| Operating Income | \$ 212,873 | \$ 94,191 | \$ 51,890 | \$ (3,428) | \$ 24,580 | \$(8,106) |
| Depreciation | 401,350 | 431,056 | 147,505 | 49,633 | 56,159 | 20,247 |
| (Increase) Decrease | | | | | | |
| Due From Other Funds | - | - | - | - | - | - |
| Accounts Receivable | - | - | - | 4,079 | - | - |
| Prepaid Expenses | - | - | - | - | - | - |
| Increase (Decrease) | - | - | - | - | - | - |
| Accounts Payable | - | - | - | - | - | - |
| Accrued Compensated Absences | - | - | - | - | - | - |
| Due to Other Funds | - | - | - | - | - | - |
| Unearned Revenue | 6,250 | 3,333 | - | - | 2,500 | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 620,473</u> | <u>\$ 528,580</u> | <u>\$ 199,395</u> | <u>\$ 50,284</u> | <u>\$ 83,239</u> | <u>\$ 12,141</u> |

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Cash Reconciliation:

Beginning of Period:

| | | | | | | |
|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| Current Assets: | | | | | | |
| Cash | \$ 24,851 | \$ 11,494 | \$ 57,845 | \$ 284 | \$ 2,366 | \$ 415 |
| Restricted Cash | 400,797 | 175,014 | 148,399 | 75,868 | 337,789 | 12,300 |
| Noncurrent Assets: | | | | | | |
| Restricted Cash | 196,088 | 40,507 | 44,235 | 71,091 | 36,298 | 9,586 |
| End of Period | <u>\$ 621,736</u> | <u>\$ 227,015</u> | <u>\$ 250,479</u> | <u>\$ 147,243</u> | <u>\$ 376,453</u> | <u>\$ 22,301</u> |

Current Assets:

| | | | | | | |
|----------------------|-------------------|-------------------|-------------------|------------------|-------------------|------------------|
| Cash | \$ 7,854 | \$ 9,997 | \$ 46,862 | \$ 284 | \$ 2,366 | \$ 415 |
| Restricted Cash | 407,776 | 176,500 | 151,490 | 79,394 | 339,799 | 12,020 |
| Noncurrent Assets: | | | | | | |
| Restricted Cash | 87,064 | 156,229 | 5,236 | 5,092 | 298 | 9,590 |
| End of Period | <u>\$ 502,694</u> | <u>\$ 342,726</u> | <u>\$ 203,588</u> | <u>\$ 84,770</u> | <u>\$ 342,463</u> | <u>\$ 22,025</u> |

Non-Cash Investing, Capital and Financing Activities:

| | | | | | | |
|--|---------|---------|-------|------|------|------|
| Increase (Decrease) in Debt from Refunding | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Change in Fair Value of Investments | (4,009) | (1,687) | (389) | - | - | - |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | DORCHESTER | ECTOR | GENERAL | GOBER MUD | GUNTER |
|---|------------------|-------------------|------------------|-----------------|------------------|
| Cash Flows from Operating Activities | | | | | |
| Cash Inflows: | | | | | |
| Payments Received from Customers | \$ 33,234 | \$ 50,255 | \$ 570,810 | \$ 16,086 | \$ 13,427 |
| Cash Outflows: | | | | | |
| Payments to Suppliers | (669) | (2,539) | (86,014) | (382) | (108) |
| Payments to Employees | (1,219) | (4,588) | (428,237) | (255) | (488) |
| Total Cash Used | <u>(1,888)</u> | <u>(7,127)</u> | <u>(514,251)</u> | <u>(637)</u> | <u>(596)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>31,346</u> | <u>43,128</u> | <u>56,559</u> | <u>15,449</u> | <u>12,831</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | | | | |
| Loans from Other Funds | | 5,052 | | | |
| Payments on Loans from Other Funds | (531) | | | (96) | |
| Net Cash Provided (Used) by Non - Capital and Related Financing Activities | <u>(531)</u> | <u>5,052</u> | | <u>(167)</u> | <u>(16,715)</u> |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Purchase of Capital Assets | | (103,623) | (32,330) | | |
| Principal Repayment on Debt | (18,000) | (21,000) | | (10,000) | |
| Interest Paid | (10,098) | (13,229) | | (5,505) | |
| Bond Proceeds | | 340,000 | | | |
| Transfer to Escrow Agent | | | | | |
| Payment of Bond Issuance Costs | | (11,030) | | | (118,260) |
| Sale of Assets | | | 3,469 | | |
| Landfill Closure and Postclosure Care Costs | | | | | |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(28,098)</u> | <u>191,118</u> | <u>(28,861)</u> | <u>(15,505)</u> | <u>(118,260)</u> |
| Cash Flows from Investing Activities | | | | | |
| Purchases of U.S. Government Securities | (46,000) | (20,000) | | (20,100) | |
| Maturities of U.S. Government Securities-Restricted | | | | 20,000 | 25,000 |
| Interest Received | 184 | 124 | 43 | 240 | |
| Net Cash Provided (Used) by Investing Activities | <u>(45,816)</u> | <u>(19,876)</u> | <u>43</u> | <u>140</u> | <u>25,000</u> |
| Net Cash Inflow from All Activities | <u>(43,099)</u> | <u>219,422</u> | <u>27,741</u> | <u>(83)</u> | <u>(97,144)</u> |
| Cash and Restricted Cash at Beginning of Year | <u>55,847</u> | <u>41,239</u> | <u>21,798</u> | <u>4,561</u> | <u>97,144</u> |
| Cash and Restricted Cash at End of Year | <u>\$ 12,748</u> | <u>\$ 260,661</u> | <u>\$ 49,539</u> | <u>\$ 4,478</u> | <u>\$ -</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF CASH FLOWS (Continued)
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Reconciliation of Operating Income to Net Cash

Provided (Used) by Operating Activities:

| | DORCHESTER | ECTOR | GENERAL | GOBER MUD | GUNTER |
|--|------------------|------------------|------------------|------------------|--------------------|
| Operating Income | \$ 5,172 | \$ 5,601 | \$ (6,480) | \$ (15,278) | \$ 30,331 |
| Depreciation | 23,174 | 32,527 | 23,378 | 30,680 | - |
| (Increase) Decrease | - | - | (85,151) | - | - |
| Due From Other Funds | - | - | 7,866 | 47 | - |
| Accounts Receivable | - | - | 9,860 | - | - |
| Prepaid Expenses | - | - | - | - | - |
| Increase (Decrease) | - | - | 189,397 | - | - |
| Accounts Payable | - | - | 5,874 | - | - |
| Accrued Compensated Absences | - | - | (88,185) | - | - |
| Due to Other Funds | - | - | - | - | - |
| Unearned Revenue | 3,000 | 5,000 | - | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 31,346</u> | <u>\$ 43,128</u> | <u>\$ 56,559</u> | <u>\$ 15,449</u> | <u>\$ (17,500)</u> |

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Cash Reconciliation:

Beginning of Period:

| | | | | | |
|----------------------|------------------|------------------|------------------|-----------------|------------------|
| Current Assets: | | | | | |
| Cash | \$ 46 | \$ 110 | \$ 21,798 | \$ 15 | \$ 1,033 |
| Restricted Cash | 9,559 | 16,468 | - | 4,245 | 43,659 |
| Noncurrent Assets: | | | | | |
| Restricted Cash | 46,242 | 24,661 | - | 301 | 52,452 |
| End of Period | <u>\$ 55,847</u> | <u>\$ 41,239</u> | <u>\$ 21,798</u> | <u>\$ 4,561</u> | <u>\$ 97,144</u> |

Current Assets:

| | | | | | |
|----------------------|------------------|-------------------|------------------|-----------------|-------------|
| Cash | \$ 46 | \$ 110 | \$ 49,539 | \$ 15 | \$ - |
| Restricted Cash | 12,460 | 255,133 | - | 4,107 | - |
| Noncurrent Assets: | | | | | |
| Restricted Cash | 242 | 5,418 | - | 356 | - |
| End of Period | <u>\$ 12,748</u> | <u>\$ 260,661</u> | <u>\$ 49,539</u> | <u>\$ 4,478</u> | <u>\$ -</u> |

Non-Cash Investing, Capital and Financing Activities:

Increase (Decrease) in Debt from Refunding
Change in Fair Value of Investments

| | | | | | |
|--|------|------|------|-------|------|
| | \$ - | \$ - | \$ - | \$ - | \$ - |
| | - | - | - | (296) | - |

(Continued)

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | HOWE | LEONARD | KRUM | NORTHWEST GRAYSON | PARADISE |
|---|-------------------|------------------|---------------------|----------------------|------------------|
| Cash Flows from Operating Activities | | | | | |
| Cash Inflows: | | | | | |
| Payments Received from Customers | \$ 162,800 | \$ 70,508 | \$ 99,431 | \$ 57,492 | \$ 26,594 |
| Cash Outflows: | | | | | |
| Payments to Suppliers | (2,082) | (1,088) | (6,150) | (2,630) | (325) |
| Payments to Employees | (3,089) | (1,527) | (19,668) | (5,333) | (340) |
| Total Cash Used | <u>(5,171)</u> | <u>(2,615)</u> | <u>(25,818)</u> | <u>(7,963)</u> | <u>(665)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>157,629</u> | <u>67,893</u> | <u>73,613</u> | <u>49,529</u> | <u>25,929</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | | | | |
| Loans from Other Funds | - | - | 16,166 | 7,490 | - |
| Loans to Other Funds | (218) | - | - | - | - |
| Payments on Loans from Other Funds | - | (360) | - | - | (215) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(218)</u> | <u>(360)</u> | <u>16,166</u> | <u>7,490</u> | <u>(215)</u> |
| 50 Cash Flows from Capital and Related Financing Activities | | | | | |
| Purchase of Capital Assets | - | - | (520,876) | (312,508) | - |
| Principal Repayment on Debt | (130,000) | (55,000) | (35,000) | - | (20,000) |
| Interest Paid | (44,413) | (21,980) | (49,313) | - | (6,200) |
| Bond Proceeds | - | - | 2,085,000 | 1,355,000 | - |
| Transfer to Escrow Agent | - | - | - | - | - |
| Payment of Bond Issuance Costs | - | - | (73,715) | (27,805) | - |
| Sale of Assets | - | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(174,413)</u> | <u>(76,980)</u> | <u>1,406,096</u> | <u>1,014,687</u> | <u>(26,200)</u> |
| Cash Flows from Investing Activities | | | | | |
| Purchases of U.S. Government Securities | (45,350) | (89,000) | - | - | - |
| Maturities of U.S. Government Securities-Restricted | 45,000 | 50,188 | - | - | - |
| Interest Received | 599 | 430 | 393 | 227 | 148 |
| Net Cash Provided (Used) by Investing Activities | <u>249</u> | <u>(38,382)</u> | <u>393</u> | <u>227</u> | <u>148</u> |
| Net Cash Inflow from All Activities | <u>(16,753)</u> | <u>(47,829)</u> | <u>1,496,268</u> | <u>1,071,933</u> | <u>(338)</u> |
| Cash and Restricted Cash at Beginning of Year | <u>221,199</u> | <u>131,676</u> | <u>2,513,761</u> | <u>-</u> | <u>26,824</u> |
| Cash and Restricted Cash at End of Year | <u>\$ 204,446</u> | <u>\$ 83,847</u> | <u>\$ 4,010,029</u> | <u>\$ 1,071,933</u> | <u>\$ 26,486</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF CASH FLOWS (Continued)
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Reconciliation of Operating Income to Net Cash

Provided (Used) by Operating Activities:

| | HOWE | LEONARD | KRUM | NORTHWEST GRAYSON | PARADISE |
|--|-------------------|------------------|------------------|----------------------|------------------|
| Operating Income | \$ 49,068 | \$ (1,224) | \$ 72,779 | \$ 30,779 | \$ (2,181) |
| Depreciation | 119,600 | 75,322 | - | - | 28,110 |
| (Increase) Decrease Due From Other Funds | - | - | - | - | - |
| Accounts Receivable | - | - | - | - | - |
| Prepaid Expenses | - | - | - | - | - |
| Increase (Decrease) | (14,789) | (6,205) | - | - | - |
| Accounts Payable | - | - | - | - | - |
| Accrued Compensated Absences | - | - | - | - | - |
| Due to Other Funds | - | - | - | - | - |
| Unearned Revenue | 3,750 | - | - | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 157,629</u> | <u>\$ 67,893</u> | <u>\$ 73,613</u> | <u>\$ 49,529</u> | <u>\$ 25,929</u> |

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Cash Reconciliation:

Beginning of Period:

| | | | | | |
|----------------------|-------------------|-------------------|---------------------|-------------|------------------|
| Current Assets: | | | | | |
| Cash | \$ 102,955 | \$ 15,225 | \$ - | \$ - | \$ 39 |
| Restricted Cash | 109,251 | 67,883 | 2,513,761 | - | 23,800 |
| Noncurrent Assets: | | | | | |
| Restricted Cash | 8,993 | 48,568 | - | - | 2,985 |
| End of Period | <u>\$ 221,199</u> | <u>\$ 131,676</u> | <u>\$ 2,513,761</u> | <u>\$ -</u> | <u>\$ 26,824</u> |

Current Assets:

| | | | | | |
|----------------------|-------------------|------------------|---------------------|---------------------|------------------|
| Cash | \$ 98,189 | \$ 8,730 | \$ - | \$ - | \$ 39 |
| Restricted Cash | 97,262 | 65,641 | 4,010,029 | 1,059,810 | 23,369 |
| Noncurrent Assets: | | | | | |
| Restricted Cash | 8,995 | 9,476 | - | 12,123 | 3,078 |
| End of Period | <u>\$ 204,446</u> | <u>\$ 83,847</u> | <u>\$ 4,010,029</u> | <u>\$ 1,071,933</u> | <u>\$ 26,486</u> |

Non-Cash Investing, Capital and Financing Activities:

| | | | | | |
|--|-------|------|------|------|-------|
| Increase (Decrease) in Debt from Refunding | \$ - | \$ - | \$ - | \$ - | \$ - |
| Change in Fair Value of Investments | (669) | (30) | - | - | (177) |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | POTTSBORO | SADLER | SAVOY | SOLID WASTE | SOUTHMAYD |
|---|-------------------|------------------|-----------------|------------------|------------------|
| Cash Flows from Operating Activities | | | | | |
| Cash Inflows: | | | | | |
| Payments Received from Customers | \$ 299,241 | \$ 27,830 | \$ 12,348 | \$ 62,571 | \$ 15,122 |
| Cash Outflows: | | | | | |
| Payments to Suppliers | (3,669) | (204) | (305) | (5,727) | (322) |
| Payments to Employees | (7,108) | (130) | (137) | (36,943) | (215) |
| Total Cash Used | <u>(10,777)</u> | <u>(334)</u> | <u>(442)</u> | <u>(42,670)</u> | <u>(537)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>288,464</u> | <u>27,496</u> | <u>11,906</u> | <u>19,901</u> | <u>14,585</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | | | | |
| Loans from Other Funds | - | - | - | 5,929 | - |
| Loans to Other Funds | (248) | - | - | - | (114) |
| Payments on Loans From Other Funds | - | (263) | (81) | - | (17) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(248)</u> | <u>(263)</u> | <u>(81)</u> | <u>5,929</u> | <u>(131)</u> |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Purchase of Capital Assets | - | - | - | - | - |
| Principal Repayment on Debt | (215,000) | (25,000) | (10,000) | - | (10,000) |
| Interest Paid | (81,500) | (3,393) | (2,070) | - | (5,138) |
| Bond Proceeds | - | - | - | - | - |
| Transfer to Escrow Agent | - | - | - | - | - |
| Payment of Bond Issuance Costs | - | - | - | - | - |
| Sale of Assets | - | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | (9,260) | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(296,500)</u> | <u>(28,393)</u> | <u>(12,070)</u> | <u>(9,260)</u> | <u>(15,138)</u> |
| Cash Flows from Investing Activities | | | | | |
| Purchases of U.S. Government Securities | (205,225) | (50,000) | - | - | (10,000) |
| Maturities of U.S. Government Securities-Restricted | 205,338 | 75,188 | - | - | 10,000 |
| Interest Received | 1,881 | 239 | 122 | 1 | 127 |
| Net Cash Provided (Used) by Investing Activities | <u>1,994</u> | <u>25,427</u> | <u>122</u> | <u>1</u> | <u>127</u> |
| Net Cash Inflow from All Activities | <u>(6,290)</u> | <u>24,267</u> | <u>(123)</u> | <u>16,571</u> | <u>(557)</u> |
| Cash and Restricted Cash at Beginning of Year | <u>156,864</u> | <u>29,325</u> | <u>8,232</u> | <u>31,952</u> | <u>24,271</u> |
| Cash and Restricted Cash at End of Year | <u>\$ 150,574</u> | <u>\$ 53,592</u> | <u>\$ 8,109</u> | <u>\$ 48,523</u> | <u>\$ 23,714</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF CASH FLOWS (Continued)
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Reconciliation of Operating Income to Net Cash

Provided (Used) by Operating Activities:

| | POTTSBORO | SADLER | SAVOY | SOLID WASTE | SOUTHMAYD |
|--|-------------------|------------------|------------------|--------------------|------------------|
| Operating Income | \$ 45,222 | \$ (5,556) | \$ (9,322) | \$ 24,791 | \$ (5,813) |
| Depreciation | 239,909 | 33,052 | 21,228 | - | 20,398 |
| (Increase) Decrease | - | - | - | - | - |
| Due From Other Funds | - | - | - | - | - |
| Accounts Receivable | - | - | - | (4,932) | - |
| Prepaid Expenses | - | - | - | 42 | - |
| Increase (Decrease) | - | - | - | - | - |
| Accounts Payable | - | - | - | - | - |
| Accrued Compensated Absences | - | - | - | - | - |
| Due to Other Funds | - | - | - | - | - |
| Accounts Payable | - | - | - | - | - |
| Unearned Revenue | 3,333 | - | - | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 288,464</u> | <u>\$ 27,496</u> | <u>\$ 11,906</u> | <u>\$ 19,901</u> | <u>\$ 14,585</u> |

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Cash Reconciliation:

Beginning of Period:

| | | | | | |
|--------------------|-------------------|------------------|-----------------|------------------|------------------|
| Current Assets: | | | | | |
| Cash | \$ 24,108 | \$ 165 | \$ 77 | \$ 31,952 | \$ 8,223 |
| Restricted Cash | 126,756 | 27,423 | 6,261 | - | 12,738 |
| Noncurrent Assets: | | | | | |
| Restricted Cash | 6,000 | 1,737 | 1,894 | - | 3,310 |
| | <u>\$ 156,864</u> | <u>\$ 29,325</u> | <u>\$ 8,232</u> | <u>\$ 31,952</u> | <u>\$ 24,271</u> |

End of Period

| | | | | | |
|--------------------|-------------------|------------------|-----------------|------------------|------------------|
| Current Assets: | | | | | |
| Cash | \$ 16,114 | \$ 165 | \$ 77 | \$ 48,523 | \$ 7,876 |
| Restricted Cash | 128,451 | 26,690 | 6,061 | - | 12,450 |
| Noncurrent Assets: | | | | | |
| Restricted Cash | 6,009 | 26,737 | 1,971 | - | 3,388 |
| | <u>\$ 150,574</u> | <u>\$ 53,592</u> | <u>\$ 8,109</u> | <u>\$ 48,523</u> | <u>\$ 23,714</u> |

Non-Cash Investing, Capital and Financing Activities:

| | | | | | |
|--|-------|------|-------|------|-------|
| Increase (Decrease) in Debt from Refunding | \$ - | \$ - | \$ - | \$ - | \$ - |
| Change in Fair Value of Investments | (855) | - | (148) | - | (148) |

(Continued)

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | TOM BEAN | VAN ALSTYNE | WHITEWRIGHT PRINCETON | LAKE KIOWA SUD |
|---|------------------|---------------------|--------------------------|-------------------|
| Cash Flows from Operating Activities | | | | |
| Cash Inflows: | | | | |
| Payments Received from Customers | \$ 70,264 | - | \$ 8,802 | \$ - |
| Cash Outflows: | | | | |
| Payments to Suppliers | (1,053) | (1,471) | (792) | (3,151) |
| Payments to Employees | (1,374) | (5,113) | (188) | (12,909) |
| Total Cash Used | <u>(2,427)</u> | <u>(6,584)</u> | <u>(980)</u> | <u>(16,060)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>67,837</u> | <u>(6,584)</u> | <u>7,822</u> | <u>(9,781)</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | | | |
| Loans from Other Funds | | 76,591 | | 58,275 |
| Loans to Other Funds | | | | |
| Payments on Loans from Other Funds | (78) | | (425) | |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(78)</u> | <u>76,591</u> | <u>(425)</u> | <u>58,275</u> |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Purchase of Capital Assets | | (118,214) | | (48,494) |
| Principal Repayment on Debt | (50,000) | | (5,000) | |
| Interest Paid | (18,883) | | (3,668) | |
| Bond Proceeds | | 2,215,000 | | |
| Transfer to Escrow Agent | | | | |
| Payment of Bond Issuance Costs | | (83,205) | | |
| Sale of Assets | | | | |
| Landfill Closure and Postclosure Care Costs | | | | |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(68,883)</u> | <u>2,013,581</u> | <u>(8,668)</u> | <u>(48,494)</u> |
| Cash Flows from Investing Activities | | | | |
| Purchases of U.S. Government Securities | (67,100) | | (103,000) | |
| Maturities of U.S. Government Securities-Restricted | 22,000 | | 55,000 | |
| Interest Received | 479 | | 510 | |
| Net Cash Provided (Used) by Investing Activities | <u>(44,621)</u> | | <u>(47,490)</u> | |
| Net Cash Inflow from All Activities | <u>(45,745)</u> | <u>2,083,588</u> | <u>(48,761)</u> | |
| Cash and Restricted Cash at Beginning of Year | <u>63,304</u> | | <u>55,833</u> | |
| Cash and Restricted Cash at End of Year | <u>\$ 17,559</u> | <u>\$ 2,083,588</u> | <u>\$ 7,072</u> | <u>\$ 541,443</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF CASH FLOWS (Continued)
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | TOM BEAN | VAN ALSTYNE | WHITEWRIGHT PRINCETON | LAKE KIOWA SUD |
|--|------------------|-------------------|--------------------------|-------------------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | |
| Operating Income | \$ 40,463 | \$ (6,584) | \$ (8,651) | \$ (9,781) |
| Depreciation | 27,374 | - | 16,473 | - |
| (Increase) Decrease Due From Other Funds | - | - | - | - |
| Accounts Receivable | - | - | - | - |
| Prepaid Expenses | - | - | - | - |
| Increase (Decrease) Accounts Payable | - | - | - | - |
| Accrued Compensated Absences | - | - | - | - |
| Due to Other Funds | - | - | - | - |
| Unearned Revenue | - | - | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 67,837</u> | <u>\$ (6,584)</u> | <u>\$ 7,822</u> | <u>\$ 500,411</u> |
| | | | 416 | <u>\$ (9,781)</u> |

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Cash Reconciliation:

Beginning of Period:

| | | | | |
|----------------------|------------------|---------------------|------------------|---------------------|
| Current Assets: | | | | |
| Cash | \$ 300 | \$ - | \$ 734 | \$ 713 |
| Restricted Cash | 17,735 | - | 4,351 | 1,507,409 |
| Noncurrent Assets: | | | | |
| Restricted Cash | 45,269 | - | 50,748 | 133,204 |
| End of Period | <u>\$ 63,304</u> | <u>\$ -</u> | <u>\$ 55,833</u> | <u>\$ 1,641,326</u> |
| Current Assets: | | | | |
| Cash | \$ 50 | \$ - | \$ 9 | \$ 713 |
| Restricted Cash | 17,170 | 2,083,588 | 4,236 | 502,123 |
| Noncurrent Assets: | | | | |
| Restricted Cash | 339 | - | 2,827 | 38,607 |
| | <u>\$ 17,559</u> | <u>\$ 2,083,588</u> | <u>\$ 7,072</u> | <u>\$ 541,443</u> |

Non-Cash Investing, Capital and Financing Activities:

| | | | | |
|--|-------|------|-------|-------------|
| Increase (Decrease) in Debt from Refunding | \$ - | \$ - | \$ - | \$ - |
| Change in Fair Value of Investments | (326) | - | (201) | (926) |
| | | | | (continued) |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | <u>GAINESVILLE</u> | <u>MELISSA</u> | <u>TOTALS</u> |
|---|---------------------|-------------------|----------------------|
| Cash Flows from Operating Activities | | | |
| Cash Inflows: | | | |
| Payments Received from Customers | \$ 1,184,955 | \$ 237,305 | \$ 5,092,807 |
| Cash Outflows: | | | |
| Payments to Suppliers | (9,053) | (2,538) | (148,969) |
| Payments to Employees | (35,584) | (6,056) | (624,734) |
| Total Cash Used | <u>(44,637)</u> | <u>(8,594)</u> | <u>(773,703)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>1,140,318</u> | <u>228,711</u> | <u>4,319,104</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | | |
| Loans from Other Funds | 2,804 | - | 172,442 |
| Loans to Other Funds | - | - | (35,378) |
| Payments on Loans from Other Funds | - | (4,624) | (78,339) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>2,804</u> | <u>(4,624)</u> | <u>58,725</u> |
| Cash Flows from Capital and Related Financing Activities | | | |
| Purchase of Capital Assets | (3,353,319) | - | (5,710,943) |
| Principal Repayment on Debt | (510,000) | (100,000) | (2,154,000) |
| Interest Paid | (181,632) | (86,813) | (1,495,605) |
| Bond Proceeds | - | - | 5,995,000 |
| Transfer to Escrow Agent | - | - | - |
| Payment of Bond Issuance Costs | - | - | (314,015) |
| Sale of Assets | - | - | 3,469 |
| Landfill Closure and Postclosure Care Costs | - | - | (9,260) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(4,044,951)</u> | <u>(186,813)</u> | <u>(3,685,354)</u> |
| Cash Flows from Investing Activities | | | |
| Purchases of U.S. Government Securities | (345,525) | (180,575) | (2,930,876) |
| Maturities of U.S. Government Securities-Restricted | 287,836 | 130,000 | 2,624,992 |
| Interest Received | 4,410 | 1,406 | 32,630 |
| Net Cash Provided (Used) by Investing Activities | <u>(53,279)</u> | <u>(49,169)</u> | <u>(273,254)</u> |
| Net Cash Inflow from All Activities | <u>(2,955,108)</u> | <u>(11,895)</u> | <u>419,221</u> |
| Cash and Restricted Cash at Beginning of Year | <u>5,250,789</u> | <u>121,796</u> | <u>12,142,968</u> |
| Cash and Restricted Cash at End of Year | <u>\$ 2,295,681</u> | <u>\$ 109,901</u> | <u>\$ 12,562,189</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF CASH FLOWS (Continued)
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| | <u>GAINESVILLE</u> | <u>MELISSA</u> | <u>TOTALS</u> |
|--|---------------------|-------------------|---------------------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating Income | \$ 775,765 | \$ 94,554 | \$ 1,692,865 |
| Depreciation | 364,553 | 132,490 | 2,577,003 |
| (Increase) Decrease | - | - | (85,151) |
| Due From Other Funds | - | - | 7,060 |
| Accounts Receivable | - | - | (11,092) |
| Prepaid Expenses | - | - | 189,397 |
| Increase (Decrease) | - | - | 5,874 |
| Accounts Payable | - | - | (88,185) |
| Accrued Compensated Absences | - | - | 31,333 |
| Due to Other Funds | - | - | 1,667 |
| Unearned Revenue | - | 1,667 | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 1,140,318</u> | <u>\$ 228,711</u> | <u>\$ 4,319,104</u> |

| | | | |
|-----------------------------|---------------------|-------------------|----------------------|
| Cash Reconciliation: | | | |
| Beginning of Period: | | | |
| Current Assets: | | | |
| Cash | \$ 133,100 | \$ 155 | \$ 438,003 |
| Restricted Cash | 5,014,864 | 62,464 | 10,718,794 |
| Noncurrent Assets: | | | |
| Restricted Cash | <u>102,825</u> | <u>59,177</u> | <u>986,171</u> |
| End of Period | <u>\$ 5,250,789</u> | <u>\$ 121,796</u> | <u>\$ 12,142,968</u> |
| Current Assets: | | | |
| Cash | \$ 97,249 | \$ 155 | \$ 395,377 |
| Restricted Cash | 2,120,205 | 63,442 | 11,659,206 |
| Noncurrent Assets: | | | |
| Restricted Cash | <u>78,227</u> | <u>46,304</u> | <u>507,606</u> |
| | <u>\$ 2,295,681</u> | <u>\$ 109,901</u> | <u>\$ 12,562,189</u> |

| | | | |
|--|---------|---------|----------|
| Non-Cash Investing, Capital and Financing Activities: | | | |
| Increase (Decrease) in Debt from Refunding | \$ - | \$ - | \$ - |
| Change in Fair Value of Investments | (1,205) | (1,247) | (12,313) |

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SUPPLEMENTAL SCHEDULES

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
ANNA ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 7,854 | \$ 24,851 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 407,776 | 400,797 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | 22,229 | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>437,859</u> | <u>425,648</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 87,064 | 196,088 |
| Temporary Investments | 841,574 | 734,931 |
| Interest Receivable | 1,945 | 1,808 |
| Capital Assets (Net) | 6,064,548 | 6,465,897 |
| Total Noncurrent Assets | <u>6,995,131</u> | <u>7,398,724</u> |
| TOTAL ASSETS | <u>7,432,990</u> | <u>7,824,372</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | <u>53,200</u> | <u>57,114</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | - | 9,787 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 150,012 | 154,492 |
| Unearned Revenue | 106,250 | 100,000 |
| Revenue Bonds Payable Current Portion | 255,000 | 145,000 |
| Total Current Liabilities | <u>511,262</u> | <u>409,279</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 6,870,000 | 7,220,000 |
| TOTAL LIABILITIES | <u>7,381,262</u> | <u>7,629,279</u> |
| <u>NET POSITION</u> | | |
| Net Investment in Capital Assets | 946,768 | 793,171 |
| Restricted: | | |
| Debt Service | 968,412 | (965,486) |
| Unrestricted | (1,810,252) | 424,522 |
| TOTAL NET POSITION | <u>\$ 104,928</u> | <u>\$ 252,207</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
ANNA ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|---|------------------|-------------------|------------------------------------|-------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 647,032 | \$ 640,697 | \$ (6,335) | \$ 552,262 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 37,622 | 26,474 | 11,148 | 27,405 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 401,330 | 401,350 | (20) | 401,350 |
| Total Operating Expense | 438,952 | 427,824 | 11,128 | 428,755 |
| Operating Income (Loss) | 208,080 | 212,873 | 4,793 | 123,507 |
| Nonoperating Revenues (Expenses) | | | | |
| Investment Income | 4,500 | 4,973 | 473 | 4,706 |
| Amortization of Bond Premium | - | - | - | - |
| Interest Expense | (368,051) | (361,211) | 6,840 | (372,952) |
| Amortization of Loss on Early Retirement of Debt | (3,914) | (3,914) | - | (3,914) |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | (367,465) | (360,152) | 7,313 | (372,160) |
| Change in Net Position | (159,385) | (147,279) | 12,106 | (248,653) |
| Net Position, October 1 | 252,207 | 252,207 | - | 500,860 |
| Net Position, September 30 | <u>\$ 92,822</u> | <u>\$ 104,928</u> | <u>\$ 12,106</u> | <u>\$ 252,207</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
ANNA ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | <u>2014</u> | <u>2013</u> |
|---|-------------------|-------------------|
| Cash Flows from Operating Activities | | |
| Cash Inflows: | | |
| Payments Received from Customers | \$ 646,947 | \$ 591,845 |
| Cash Outflows: | | |
| Payments to Suppliers | (6,837) | (7,118) |
| Payments to Employees | (19,637) | (20,323) |
| Net Cash Provided (Used) by Operating Activities | <u>620,473</u> | <u>564,404</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | (22,229) | - |
| Transfer to Anna/Melissa Project | - | - |
| Payments on Loans from Other Funds | (9,787) | (15,990) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(32,016)</u> | <u>(15,990)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | (127,918) |
| Principal Repayment on Debt | (240,000) | (145,000) |
| Interest Paid | (365,691) | (375,604) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(605,691)</u> | <u>(648,522)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (633,575) | (200,940) |
| Maturities of U.S. Government Securities-Restricted | 522,922 | 192,000 |
| Interest Received | 8,845 | 6,823 |
| Net Cash Provided (Used) by Investing Activities | <u>(101,808)</u> | <u>(2,117)</u> |
| Net Cash Inflow from All Activities | (119,042) | (102,225) |
| Cash and Restricted Cash at Beginning of Year | 621,736 | 723,961 |
| Cash and Restricted Cash at End of Year | <u>\$ 502,694</u> | <u>\$ 621,736</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
ANNA ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

**Reconciliation of Operating Income to Net Cash
Provided (Used) by Operating Activities:**

| | 2014 | 2013 |
|--|-------------------|-------------------|
| Operating Income | \$ 212,873 | \$ 123,507 |
| Depreciation | 401,350 | 401,350 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | (36) |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned revenue | 6,250 | 39,583 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 620,473</u> | <u>\$ 564,404</u> |

Cash Reconciliation:

Beginning of Period:

Current Assets:

| | | |
|-----------------|-----------|-----------|
| Cash | \$ 24,851 | \$ 29,825 |
| Restricted Cash | 400,797 | 490,252 |

Noncurrent Assets:

| | | |
|-----------------|-------------------|-------------------|
| Restricted Cash | 196,088 | 203,884 |
| | <u>\$ 621,736</u> | <u>\$ 723,961</u> |

End of Period

Current Assets:

| | | |
|-----------------|----------|-----------|
| Cash | \$ 7,854 | \$ 24,851 |
| Restricted Cash | 407,776 | 400,797 |

Noncurrent Assets:

| | | |
|-----------------|-------------------|-------------------|
| Restricted Cash | 87,064 | 196,088 |
| | <u>\$ 502,694</u> | <u>\$ 621,736</u> |

Non-Cash Investing, Capital and Financing Activities:

| | | |
|-------------------------------------|-------------------|-------------------|
| Change in Fair Value of Investments | <u>\$ (4,009)</u> | <u>\$ (1,165)</u> |
|-------------------------------------|-------------------|-------------------|

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
ANNA MELISSA ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|---------------------|---------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 9,997 | \$ 11,494 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 176,500 | 175,014 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | 14,726 | 4,422 |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>201,223</u> | <u>190,930</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 156,229 | 40,507 |
| Temporary Investments | 402,321 | 518,664 |
| Interest Receivable | 616 | 1,260 |
| Capital Assets (Net) | 5,895,429 | 6,326,485 |
| Total Noncurrent Assets | <u>6,454,595</u> | <u>6,886,916</u> |
| TOTAL ASSETS | <u>6,655,818</u> | <u>7,077,846</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| | <u>-</u> | <u>-</u> |
| | | |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | - | - |
| Retainage Payable | - | - |
| Accrued Interest Payable | 65,733 | 70,105 |
| Unearned Revenue | 108,333 | 105,000 |
| Revenue Bonds Payable Current Portion | 325,000 | 315,000 |
| Total Current Liabilities | <u>499,066</u> | <u>490,105</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 4,995,000 | 5,320,000 |
| TOTAL LIABILITIES | <u>5,494,066</u> | <u>5,810,105</u> |
| | | |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | 575,429 | 691,485 |
| Restricted: | | |
| Debt Service | 561,601 | 560,340 |
| Unrestricted | 24,722 | 15,916 |
| TOTAL NET POSITION | <u>\$ 1,161,752</u> | <u>\$ 1,267,741</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
ANNA MELISSA ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|--------------|--------------|------------------------------------|----------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 543,141 | \$ 545,829 | \$ 2,688 | \$ 539,807 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 28,785 | 20,582 | 8,203 | 21,166 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 431,056 | 431,056 | - | 431,056 |
| Total Operating Expense | 459,841 | 451,638 | 8,203 | 452,222 |
| Operating Income (Loss) | 83,300 | 94,191 | 10,891 | 87,585 |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 3,000 | 2,883 | (117) | 3,717 |
| Amortization of Bond Premium | - | - | - | - |
| Interest Expense | (171,458) | (203,063) | (31,605) | (214,795) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | (168,458) | (200,180) | (31,722) | (211,078) |
| Change in Net Position | (85,158) | (105,989) | (20,831) | (123,493) |
| Net Position, October 1 | 1,267,741 | 1,267,741 | - | 1,391,234 |
| Net Position, September 30 | \$ 1,182,583 | \$ 1,161,752 | \$ (20,831) | \$ 1,267,741 |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
ANNA/MELISSA ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | <u>2014</u> | <u>2013</u> |
|---|-------------------|-------------------|
| Cash Flows from Operating Activities | | |
| Cash Inflows: | | |
| Payments Received from Customers | \$ 549,162 | \$ 544,807 |
| Cash Outflows: | | |
| Payments to Suppliers | (5,280) | (5,445) |
| Payments to Employees | (15,302) | (15,721) |
| Net Cash Provided (Used) by Operating Activities | <u>528,580</u> | <u>523,641</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | (10,304) | (4,422) |
| Transfer from Anna Project | - | - |
| Payments on Loans from Other Funds | - | (3,320) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(10,304)</u> | <u>(7,742)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (315,000) | (300,000) |
| Interest Paid | (207,435) | (217,035) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(522,435)</u> | <u>(517,035)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (269,426) | (232,386) |
| Maturities of U.S. Government Securities-Restricted | 384,081 | 269,000 |
| Interest Received | 5,215 | 4,534 |
| Net Cash Provided (Used) by Investing Activities | <u>119,870</u> | <u>41,148</u> |
| Net Cash Inflow from All Activities | 115,711 | 40,012 |
| Cash and Restricted Cash at Beginning of Year | 227,015 | 187,003 |
| Cash and Restricted Cash at End of Year | <u>\$ 342,726</u> | <u>\$ 227,015</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
ANNA/MELISSA ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

**Reconciliation of Operating Income to Net Cash
Provided (Used) by Operating Activities:**

| | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|
| Operating Income | \$ 94,191 | \$ 87,585 |
| Depreciation | 431,056 | 431,056 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned revenue | 3,333 | 5,000 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 528,580</u> | <u>\$ 523,641</u> |

Cash Reconciliation:

Beginning of Period:

| | | |
|--------------------|-------------------|-------------------|
| Current Assets: | | |
| Cash | \$ 11,494 | \$ 11,482 |
| Restricted Cash | 175,014 | 173,016 |
| Noncurrent Assets: | | |
| Restricted Cash | 40,507 | 2,505 |
| | <u>\$ 227,015</u> | <u>\$ 187,003</u> |

End of Period

| | | |
|--------------------|-------------------|-------------------|
| Current Assets: | | |
| Cash | \$ 9,997 | \$ 11,494 |
| Restricted Cash | 176,500 | 175,014 |
| Noncurrent Assets: | | |
| Restricted Cash | 156,229 | 40,507 |
| | <u>\$ 342,726</u> | <u>\$ 227,015</u> |

Non-Cash Investing, Capital and Financing Activities:

| | | |
|-------------------------------------|-------------------|-----------------|
| Change in Fair Value of Investments | <u>\$ (1,687)</u> | <u>\$ (269)</u> |
|-------------------------------------|-------------------|-----------------|

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
ARGYLE WATER SUPPLY CORP. ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|---------------------|--------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 46,862 | \$ 57,845 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 151,490 | 148,399 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>198,352</u> | <u>206,244</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 5,236 | 44,235 |
| Temporary Investments | 163,611 | 125,338 |
| Interest Receivable | 261 | 499 |
| Capital Assets (Net) | <u>1,865,981</u> | <u>2,013,486</u> |
| Total Noncurrent Assets | <u>2,035,089</u> | <u>2,183,558</u> |
| TOTAL ASSETS | <u>2,233,441</u> | <u>2,389,802</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | <u>19,998</u> | <u>23,328</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 2,345 | 7,376 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 56,128 | 58,062 |
| Unearned Revenue | - | - |
| Revenue Bonds Payable Current Portion | <u>95,000</u> | <u>90,000</u> |
| Total Current Liabilities | <u>153,473</u> | <u>155,438</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | <u>2,210,000</u> | <u>2,305,000</u> |
| TOTAL LIABILITIES | <u>2,363,473</u> | <u>2,460,438</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | (439,019) | (381,515) |
| Restricted: | | |
| Debt Service | 264,470 | 260,409 |
| Unrestricted | <u>64,515</u> | <u>73,798</u> |
| TOTAL NET POSITION | <u>\$ (110,034)</u> | <u>\$ (47,308)</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
ARGYLE WATER SUPPLY CORP. ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | Variance Positive (Negative) | 2013 Actual |
|--|---------------------|---------------------|------------------------------------|--------------------|
| | Budget | Actual | | |
| Operating Revenue | | | | |
| Charges for Services | \$ 218,081 | \$ 207,904 | \$ (10,177) | \$ 206,774 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 11,774 | 8,509 | 3,265 | 9,120 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 146,313 | 147,505 | (1,192) | 147,494 |
| Total Operating Expense | <u>158,087</u> | <u>156,014</u> | <u>2,073</u> | <u>156,614</u> |
| Operating Income (Loss) | <u>59,994</u> | <u>51,890</u> | <u>(8,104)</u> | <u>50,160</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 1,150 | 971 | (179) | 1,396 |
| Amortization of Bond Premium | - | - | - | - |
| Interest Expense | (112,257) | (112,257) | - | (116,124) |
| Amortization of Loss on Early Retirement of Debt | (3,330) | (3,330) | - | (3,330) |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues | | | | |
| (Expenses) | <u>(114,437)</u> | <u>(114,616)</u> | <u>(179)</u> | <u>(118,058)</u> |
| Change in Net Position | (54,443) | (62,726) | (8,283) | (67,898) |
| Net Position, October 1 | (47,308) | (47,308) | | 20,590 |
| Net Position, September 30 | <u>\$ (101,751)</u> | <u>\$ (110,034)</u> | <u>\$ (8,283)</u> | <u>\$ (47,308)</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
ARGYLE WATER SUPPLY CORP. ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | 2014 | 2013 |
|--|------------|------------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Cash Inflows: | | |
| Payments Received from Customers | \$ 207,904 | \$ 206,774 |
| Cash Outflows: | | |
| Payments to Suppliers | (2,072) | (2,208) |
| Payments to Employees | (6,437) | (6,912) |
| Net Cash Provided (Used) by Operating Activities | 199,395 | 197,654 |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | (5,031) | (2,562) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | (5,031) | (2,562) |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | (29,506) |
| Principal Repayment on Debt | (90,000) | (85,000) |
| Interest Paid | (114,191) | (117,948) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (204,191) | (232,454) |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (209,000) | (125,338) |
| Maturities of U.S. Government Securities-Restricted | 170,338 | 164,439 |
| Interest Received | 1,598 | 1,117 |
| Net Cash Provided (Used) by Investing Activities | (37,064) | 40,218 |
| Net Cash Inflow from All Activities | (46,891) | 2,856 |
| Cash and Restricted Cash at Beginning of Year | 250,479 | 247,623 |
| Cash and Restricted Cash at End of Year | \$ 203,588 | \$ 250,479 |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
ARGYLE WATER SUPPLY CORP. ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

Reconciliation of Operating Income to Net Cash

| Provided (Used) by Operating Activities: | 2014 | 2013 |
|---|-------------------|-------------------|
| Operating Income | \$ 51,890 | \$ 50,160 |
| Depreciation | 147,505 | 147,494 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | \$ 199,395 | \$ 197,654 |

Cash Reconciliation:

Beginning of Period:

| | | |
|--------------------|-------------------|-------------------|
| Current Assets: | | |
| Cash | \$ 57,845 | \$ 67,800 |
| Restricted Cash | 148,399 | 174,593 |
| Noncurrent Assets: | | |
| Restricted Cash | 44,235 | 5,230 |
| | <u>\$ 250,479</u> | <u>\$ 247,623</u> |

End of Period

| | | |
|--------------------|-------------------|-------------------|
| Current Assets: | | |
| Cash | \$ 46,862 | \$ 57,845 |
| Restricted Cash | 151,490 | 148,399 |
| Noncurrent Assets: | | |
| Restricted Cash | 5,236 | 44,235 |
| | <u>\$ 203,588</u> | <u>\$ 250,479</u> |

Non-Cash Investing, Capital and Financing Activities:

| | | |
|-------------------------------------|--------------|-----------|
| Change in Fair Value of Investments | <u>(389)</u> | <u>13</u> |
|-------------------------------------|--------------|-----------|

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
BELLS ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 284 | \$ 284 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 79,394 | 75,868 |
| Temporary Investments | - | - |
| Accounts Receivable | - | 4,079 |
| Due from Other Funds | 310 | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>79,988</u> | <u>80,231</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 5,092 | 71,091 |
| Temporary Investments | 66,000 | - |
| Interest Receivable | 236 | 50 |
| Capital Assets (Net) | 769,793 | 819,426 |
| Total Noncurrent Assets | <u>841,121</u> | <u>890,567</u> |
| TOTAL ASSETS | <u>921,109</u> | <u>970,798</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | - | 831 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 7,645 | 7,975 |
| Unearned Revenue | 15,000 | 15,000 |
| Revenue Bonds Payable Current Portion | 30,000 | 30,000 |
| Total Current Liabilities | <u>52,645</u> | <u>53,806</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 665,000 | 695,000 |
| TOTAL LIABILITIES | <u>717,645</u> | <u>748,806</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | 124,430 | 143,215 |
| Restricted: | | |
| Debt Service | 12,440 | 78,494 |
| Unrestricted | 66,594 | 283 |
| TOTAL NET POSITION | <u>\$ 203,464</u> | <u>\$ 221,992</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
BELLS ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | Variance Positive (Negative) | 2013 Actual |
|---|-------------------|-------------------|------------------------------------|-------------------|
| | Budget | Actual | | |
| Operating Revenue | | | | |
| Charges for Services | \$ 48,973 | \$ 49,053 | \$ 80 | \$ 43,937 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 3,703 | 2,848 | 855 | 3,007 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 49,633 | 49,633 | - | 49,633 |
| Total Operating Expense | <u>53,336</u> | <u>52,481</u> | <u>855</u> | <u>52,640</u> |
| Operating Income (Loss) | <u>(4,363)</u> | <u>(3,428)</u> | <u>935</u> | <u>(8,703)</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Investment Income | 350 | 520 | 170 | 785 |
| Amortization of Bond Premium | - | - | - | - |
| Interest Expense | (15,620) | (15,620) | - | (16,225) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(15,270)</u> | <u>(15,100)</u> | <u>170</u> | <u>(15,440)</u> |
| Change in Net Position | (19,633) | (18,528) | 1,105 | (24,143) |
| Net Position, October 1 | 221,992 | 221,992 | | 246,135 |
| Net Position, September 30 | <u>\$ 202,359</u> | <u>\$ 203,464</u> | <u>\$ 1,105</u> | <u>\$ 221,992</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
BELLS ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|------------------|-------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 53,132 | \$ 42,358 |
| Cash Outflows: | | |
| Payments to Suppliers | (925) | (961) |
| Payments to Employees | (1,923) | (2,046) |
| Net Cash Provided (Used) by Operating Activities | <u>50,284</u> | <u>39,351</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | (310) | - |
| Payments on Loans from Other Funds | (831) | (165) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(1,141)</u> | <u>(165)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (30,000) | (25,000) |
| Interest Paid | (15,950) | (16,500) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>-</u> | <u>-</u> |
| | <u>(45,950)</u> | <u>(41,500)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (66,000) | - |
| Maturities of U.S. Government Securities-Restricted | - | 70,000 |
| Interest Received | 334 | 735 |
| Net Cash Provided (Used) by Investing Activities | <u>(65,666)</u> | <u>70,735</u> |
| Net Cash Inflow from All Activities | (62,473) | 68,421 |
| Cash and Restricted Cash at Beginning of Year | 147,243 | 78,822 |
| Cash and Restricted Cash at End of Year | <u>\$ 84,770</u> | <u>\$ 147,243</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
BELLS ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

Reconciliation of Operating Income to Net Cash

| Provided (Used) by Operating Activities: | 2014 | 2013 |
|---|------------------|------------------|
| Operating Income | \$ (3,428) | \$ (8,703) |
| Depreciation | 49,633 | 49,633 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | 4,079 | (4,079) |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned revenue | - | 2,500 |
| Net Cash Provided (Used) by Operating Activities | \$ 50,284 | \$ 39,351 |

Cash Reconciliation:

Beginning of Period:

Current Assets:

| | | |
|-----------------|--------|--------|
| Cash | \$ 284 | \$ 283 |
| Restricted Cash | 75,868 | 77,449 |

Noncurrent Assets:

| | | |
|-----------------|-------------------|------------------|
| Restricted Cash | 71,091 | 1,090 |
| | <u>\$ 147,243</u> | <u>\$ 78,822</u> |

End of Period

Current Assets:

| | | |
|-----------------|--------|--------|
| Cash | \$ 284 | \$ 284 |
| Restricted Cash | 79,394 | 75,868 |

Noncurrent Assets:

| | | |
|-----------------|------------------|-------------------|
| Restricted Cash | 5,092 | 71,091 |
| | <u>\$ 84,770</u> | <u>\$ 147,243</u> |

Non-Cash Investing, Capital and Financing Activities:

| | | |
|-------------------------------------|-------------|-------------|
| Change in Fair Value of Investments | <u>\$ -</u> | <u>\$ -</u> |
|-------------------------------------|-------------|-------------|

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
BOLIVAR WATER SUPPLY ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|--------------------------|--------------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 2,366 | \$ 2,366 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 339,799 | 337,789 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | 4,103 | 2,244 |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>346,268</u> | <u>342,399</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 298 | 36,298 |
| Temporary Investments | 136,000 | 100,000 |
| Interest Receivable | 295 | 95 |
| Capital Assets (Net) | 758,679 | 814,838 |
| Total Noncurrent Assets | <u>895,272</u> | <u>951,231</u> |
| TOTAL ASSETS | <u>1,241,540</u> | <u>1,293,630</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| | <u>-</u> | <u>-</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | - | - |
| Retainage Payable | - | - |
| Accrued Interest Payable | 11,935 | 12,540 |
| Unearned Revenue | 30,000 | 27,500 |
| Revenue Bonds Payable Current Portion | 60,000 | 55,000 |
| Total Current Liabilities | <u>101,935</u> | <u>95,040</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 1,025,000 | 1,085,000 |
| TOTAL LIABILITIES | <u>1,126,935</u> | <u>1,180,040</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | (35,434) | (32,132) |
| Restricted: | | |
| Debt Service | 143,570 | 143,356 |
| Unrestricted | 6,469 | 2,366 |
| TOTAL NET POSITION | <u>\$ 114,605</u> | <u>\$ 113,590</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
BOLIVAR WATER SUPPLY ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|-------------------|-------------------|------------------------------------|-------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 84,548 | \$ 85,090 | \$ 542 | \$ 85,548 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 5,823 | 4,351 | 1,472 | 4,379 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 56,159 | 56,159 | - | 56,159 |
| Total Operating Expense | <u>61,982</u> | <u>60,510</u> | <u>1,472</u> | <u>60,538</u> |
| Operating Income (Loss) | <u>22,566</u> | <u>24,580</u> | <u>2,014</u> | <u>25,010</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 750 | 910 | 160 | 881 |
| Amortization of Bond Premium | - | - | - | - |
| Interest Expense | (24,475) | (24,475) | - | (25,685) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(23,725)</u> | <u>(23,565)</u> | <u>160</u> | <u>(24,804)</u> |
| Change in Net Position | (1,159) | 1,015 | 2,174 | 206 |
| Net Position, October 1 | 113,590 | 113,590 | - | 113,384 |
| Net Position, September 30 | <u>\$ 112,431</u> | <u>\$ 114,605</u> | <u>\$ 2,174</u> | <u>\$ 113,590</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
BOLIVAR WATER SUPPLY ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2013 | 2013 |
|--|-------------------|-------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 87,590 | \$ 85,548 |
| Cash Outflows: | | |
| Payments to Suppliers | (1,320) | (1,336) |
| Payments to Employees | (3,031) | (3,043) |
| Net Cash Provided (Used) by Operating Activities | <u>83,239</u> | <u>81,169</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | (1,859) | (2,244) |
| Payments on Loans from Other Funds | - | (1,343) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(1,859)</u> | <u>(3,587)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (55,000) | (55,000) |
| Interest Paid | (25,080) | (26,290) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(80,080)</u> | <u>(81,290)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (136,000) | (100,000) |
| Maturities of U.S. Government Securities-Restricted | 100,000 | 138,142 |
| Interest Received | 710 | 1,298 |
| Net Cash Provided (Used) by Investing Activities | <u>(35,290)</u> | <u>39,440</u> |
| Net Cash Inflow from All Activities | (33,990) | 35,732 |
| Cash and Restricted Cash at Beginning of Year | 376,453 | 340,721 |
| Cash and Restricted Cash at End of Year | <u>\$ 342,463</u> | <u>\$ 376,453</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
BOLIVAR WATER SUPPLY ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

**Reconciliation of Operating Income to Net Cash
Provided (Used) by Operating Activities:**

| | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| Operating Income | \$ 24,580 | \$ 25,010 |
| Depreciation | 56,159 | 56,159 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned revenue | 2,500 | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 83,239</u> | <u>\$ 81,169</u> |

Cash Reconciliation:

Beginning of Period:

| | | |
|--------------------|-------------------|-------------------|
| Current Assets: | | |
| Cash | \$ 2,366 | \$ 2,363 |
| Restricted Cash | 337,789 | 338,060 |
| Noncurrent Assets: | | |
| Restricted Cash | 36,298 | 298 |
| | <u>\$ 376,453</u> | <u>\$ 340,721</u> |

End of Period

| | | |
|--------------------|-------------------|-------------------|
| Current Assets: | | |
| Cash | \$ 2,366 | \$ 2,366 |
| Restricted Cash | 339,799 | 337,789 |
| Noncurrent Assets: | | |
| Restricted Cash | 298 | 36,298 |
| | <u>\$ 342,463</u> | <u>\$ 376,453</u> |

Non-Cash Investing, Capital and Financing Activities:

| | | |
|-------------------------------------|-------------|-------------|
| Change in Fair Value of Investments | <u>\$ -</u> | <u>\$ -</u> |
|-------------------------------------|-------------|-------------|

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
COLLIN GRAYSON MUNICIPAL ALLIANCE ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|-----------------------|-----------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 9,180 | \$ 47,809 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 709,951 | 706,007 |
| Temporary Investments | - | - |
| Accounts Receivable | 481,000 | 85,218 |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>1,200,131</u> | <u>839,034</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 93 | 93 |
| Temporary Investments | 511,195 | 512,422 |
| Interest Receivable | 1,234 | 1,678 |
| Capital Assets (Net) | <u>15,011,566</u> | <u>15,022,437</u> |
| Total Noncurrent Assets | <u>15,524,088</u> | <u>15,536,630</u> |
| TOTAL ASSETS | <u>16,724,219</u> | <u>16,375,664</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | <u>-</u> | <u>-</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | 10,655 | 34,599 |
| Due to Other Funds | 4,998 | 10,763 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 751,474 | 332,052 |
| Accrued Compensated Absences | - | - |
| Revenue Bonds Payable Current Portion | 285,000 | 270,000 |
| Total Current Liabilities | <u>1,052,127</u> | <u>647,414</u> |
| Noncurrent Liabilities | | |
| Accrued Interest Payable | 2,586,700 | 2,861,761 |
| Revenue Bonds Payable | 6,285,000 | 6,570,000 |
| State Participation (TWDB Equity Interest) | 8,675,000 | 8,675,000 |
| Total Noncurrent Liabilities | <u>17,546,700</u> | <u>18,106,761</u> |
| TOTAL LIABILITIES | <u>18,598,827</u> | <u>18,754,175</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | (420,870) | (420,870) |
| Restricted: | | |
| Debt Service | - | - |
| Unrestricted | (1,453,738) | (1,957,641) |
| TOTAL NET POSITION | <u>\$ (1,874,608)</u> | <u>\$ (2,378,511)</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
COLLIN GRAYSON MUNICIPAL ALLIANCE ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|-----------------------|-----------------------|---|------------------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 1,764,832 | \$ 2,558,064 | \$ 793,232 | \$ 1,569,666 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 728,725 | 660,354 | 68,371 | 596,717 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 543,405 | 543,374 | 31 | 543,374 |
| Total Operating Expense | <u>1,272,130</u> | <u>1,203,728</u> | <u>68,402</u> | <u>1,140,091</u> |
| Operating Income (Loss) | <u>492,702</u> | <u>1,354,336</u> | <u>861,634</u> | <u>429,575</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 2,500 | 3,339 | 839 | 2,610 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (987,324) | (853,772) | 133,552 | (865,543) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(984,824)</u> | <u>(850,433)</u> | <u>134,391</u> | <u>(862,933)</u> |
| Change in Net Position | (492,122) | 503,903 | 996,025 | (433,358) |
| Net Position, October 1 | (2,378,511) | (2,378,511) | | (1,945,153) |
| Net Position, September 30 | <u>\$ (2,870,633)</u> | <u>\$ (1,874,608)</u> | <u>\$ 996,025</u> | <u>\$ (2,378,511)</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
COLLIN GRAYSON MUNICIPAL ALLIANCE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|--------------------|-------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 2,162,282 | \$ 1,575,889 |
| Cash Outflows: | | |
| Payments to Suppliers | (610,416) | (550,178) |
| Payments to Employees | (49,938) | (42,387) |
| Net Cash Provided (Used) by Operating Activities | <u>1,501,928</u> | <u>983,324</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | (5,765) | (149) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(5,765)</u> | <u>(149)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | (556,448) | 852 |
| Principal Repayment on Debt | (270,000) | (250,000) |
| Interest Paid | (709,411) | (645,438) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(1,535,859)</u> | <u>(894,586)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (220,000) | (160,450) |
| Maturities of U.S. Government Securities-Restricted | 220,450 | 160,586 |
| Interest Received | 4,561 | 3,726 |
| Net Cash Provided (Used) by Investing Activities | <u>5,011</u> | <u>3,862</u> |
| Net Cash Inflow from All Activities | (34,685) | 92,451 |
| Cash and Restricted Cash at Beginning of Year | 753,909 | 661,458 |
| Cash and Restricted Cash at End of Year | <u>\$ 719,224</u> | <u>\$ 753,909</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
COLLIN GRAYSON MUNICIPAL ALLIANCE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash | 2014 | 2013 |
|--|----------------------------|--------------------------|
| Provided (Used) by Operating Activities: | | |
| Operating Income | \$ 1,354,336 | \$ 429,575 |
| Depreciation | 543,374 | 543,374 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | (395,782) | 6,223 |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | 4,152 |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 1,501,928</u> | <u>\$ 983,324</u> |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 47,809 | \$ 40,276 |
| Restricted Cash | 706,007 | 621,089 |
| Noncurrent Assets: | | |
| Restricted Cash | 93 | 93 |
| | <u>\$ 753,909</u> | <u>\$ 661,458</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 9,180 | \$ 47,809 |
| Restricted Cash | 709,951 | 706,007 |
| Noncurrent Assets: | | |
| Restricted Cash | 93 | 93 |
| | <u>\$ 719,224</u> | <u>\$ 753,909</u> |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | <u>\$ (1,424)</u> | <u>\$ (1,424)</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
COLLINSVILLE ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 415 | \$ 415 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 12,020 | 12,300 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>12,435</u> | <u>12,715</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 9,590 | 9,586 |
| Temporary Investments | - | - |
| Interest Receivable | - | - |
| Capital Assets (Net) | 60,795 | 81,041 |
| Total Noncurrent Assets | <u>70,385</u> | <u>90,627</u> |
| TOTAL ASSETS | <u>82,820</u> | <u>103,342</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 397 | 262 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 1,138 | 1,420 |
| Revenue Bonds Payable Current Portion | 10,000 | 10,000 |
| Total Current Liabilities | <u>11,535</u> | <u>11,682</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 30,000 | 40,000 |
| TOTAL LIABILITIES | <u>41,535</u> | <u>51,682</u> |
| <u>NET POSITION</u> | | |
| Net Investment in Capital Assets | 20,795 | 31,042 |
| Restricted: | | |
| Debt Service | 20,075 | 20,205 |
| Unrestricted | 415 | 413 |
| TOTAL NET POSITION | <u>\$ 41,285</u> | <u>\$ 51,660</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
COLLINSVILLE ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|------------------|------------------|------------------------------------|------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 12,480 | \$ 12,526 | \$ 46 | \$ 13,310 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 204 | 385 | (181) | 430 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 20,232 | 20,247 | (15) | 20,232 |
| Total Operating Expense | <u>20,436</u> | <u>20,632</u> | <u>(196)</u> | <u>20,662</u> |
| Operating Income (Loss) | <u>(7,956)</u> | <u>(8,106)</u> | <u>(150)</u> | <u>(7,352)</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | - | 7 | 7 | 14 |
| Amortization of Bond Premium | - | - | - | - |
| Interest Expense | (2,276) | (2,276) | - | (2,840) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(2,276)</u> | <u>(2,269)</u> | <u>7</u> | <u>(2,826)</u> |
| Change in Net Position | (10,232) | (10,375) | (143) | (10,178) |
| Net Position, October 1 | 51,660 | 51,660 | | 61,838 |
| Net Position, September 30 | <u>\$ 41,428</u> | <u>\$ 41,285</u> | <u>\$ (143)</u> | <u>\$ 51,660</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
COLLINSVILLE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 12,526 | \$ 13,310 |
| Cash Outflows: | | |
| Payments to Suppliers | (275) | (283) |
| Payments to Employees | (110) | (147) |
| Net Cash Provided (Used) by Operating Activities | <u>12,141</u> | <u>12,880</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | 135 | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | - | (41) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>135</u> | <u>(41)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (10,000) | (10,000) |
| Interest Paid | (2,558) | (3,120) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(12,558)</u> | <u>(13,120)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | - | - |
| Maturities of U.S. Government Securities-Restricted | - | - |
| Interest Received | 6 | 15 |
| Net Cash Provided (Used) by Investing Activities | <u>6</u> | <u>15</u> |
| Net Cash Inflow from All Activities | (276) | (266) |
| Cash and Restricted Cash at Beginning of Year | 22,301 | 22,567 |
| Cash and Restricted Cash at End of Year | <u>\$ 22,025</u> | <u>\$ 22,301</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
COLLINSVILLE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash | 2014 | 2013 |
|--|------------------|------------------|
| Provided (Used) by Operating Activities: | | |
| Operating Income | \$ (8,106) | \$ (7,352) |
| Depreciation | 20,247 | 20,232 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 12,141</u> | <u>\$ 12,880</u> |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 415 | \$ 415 |
| Restricted Cash | 12,300 | 12,575 |
| Noncurrent Assets: | | |
| Restricted Cash | 9,586 | 9,577 |
| | <u>\$ 22,301</u> | <u>\$ 22,567</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 415 | \$ 415 |
| Restricted Cash | 12,020 | 12,300 |
| Noncurrent Assets: | | |
| Restricted Cash | 9,590 | 9,586 |
| | <u>\$ 22,025</u> | <u>\$ 22,301</u> |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | <u>\$ -</u> | <u>\$ -</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
DORCHESTER ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|---------------------|---------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 46 | \$ 46 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 12,460 | 9,559 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>12,506</u> | <u>9,605</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 242 | 46,242 |
| Temporary Investments | 46,000 | - |
| Interest Receivable | 132 | 53 |
| Capital Assets (Net) | <u>293,702</u> | <u>316,876</u> |
| Total Noncurrent Assets | <u>340,076</u> | <u>363,171</u> |
| TOTAL ASSETS | <u>352,582</u> | <u>372,776</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 14,419 | 14,950 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 3,263 | 3,366 |
| Unearned Revenues | 9,000 | 6,000 |
| Revenue Bonds Payable Current Portion | <u>27,000</u> | <u>18,000</u> |
| Total Current Liabilities | <u>53,682</u> | <u>42,316</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | <u>414,000</u> | <u>441,000</u> |
| TOTAL LIABILITIES | <u>467,682</u> | <u>483,316</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | (147,298) | (142,125) |
| Restricted: | | |
| Debt Service | 570 | 46,487 |
| Unrestricted | <u>31,628</u> | <u>(14,902)</u> |
| TOTAL NET POSITION | <u>\$ (115,100)</u> | <u>\$ (110,540)</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
DORCHESTER ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|---------------------|---------------------|------------------------------------|---------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 30,161 | \$ 30,234 | \$ 73 | \$ 30,527 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 2,345 | 1,888 | 457 | 1,883 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 23,174 | 23,174 | - | 23,174 |
| Total Operating Expense | <u>25,519</u> | <u>25,062</u> | <u>457</u> | <u>25,057</u> |
| Operating Income (Loss) | <u>4,642</u> | <u>5,172</u> | <u>530</u> | <u>5,470</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 150 | 263 | 113 | 517 |
| Amortization of Bond Premium | - | - | - | - |
| Interest Expense | (9,995) | (9,995) | - | (10,362) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(9,845)</u> | <u>(9,732)</u> | <u>113</u> | <u>(9,845)</u> |
| Change in Net Position | (5,203) | (4,560) | 643 | (4,375) |
| Net Position, October 1 | (110,540) | (110,540) | - | (106,165) |
| Net Position, September 30 | <u>\$ (115,743)</u> | <u>\$ (115,100)</u> | <u>\$ 643</u> | <u>\$ (110,540)</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
DORCHESTER ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|------------------|------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 33,234 | \$ 30,527 |
| Cash Outflows: | | |
| Payments to Suppliers | (669) | (673) |
| Payments to Employees | (1,219) | (1,210) |
| Net Cash Provided (Used) by Operating Activities | <u>31,346</u> | <u>28,644</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | (531) | (937) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(531)</u> | <u>(937)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (18,000) | (18,000) |
| Interest Paid | (10,098) | (10,494) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(28,098)</u> | <u>(28,494)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (46,000) | - |
| Maturities of U.S. Government Securities-Restricted | - | 46,000 |
| Interest Received | 184 | 468 |
| Net Cash Provided (Used) by Investing Activities | <u>(45,816)</u> | <u>46,468</u> |
| Net Cash Inflow from All Activities | (43,099) | 45,681 |
| Cash and Restricted Cash at Beginning of Year | 55,847 | 10,166 |
| Cash and Restricted Cash at End of Year | <u>\$ 12,748</u> | <u>\$ 55,847</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
DORCHESTER ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|------------------|------------------|
| Operating Income | \$ 5,172 | \$ 5,470 |
| Depreciation | 23,174 | 23,174 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned revenue | 3,000 | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 31,346</u> | <u>\$ 28,644</u> |
| | | |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 46 | \$ 246 |
| Restricted Cash | 9,559 | 9,678 |
| Noncurrent Assets: | | |
| Restricted Cash | 46,242 | 242 |
| | <u>\$ 55,847</u> | <u>\$ 10,166</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 46 | \$ 46 |
| Restricted Cash | 12,460 | 9,559 |
| Noncurrent Assets: | | |
| Restricted Cash | 242 | 46,242 |
| | <u>\$ 12,748</u> | <u>\$ 55,847</u> |
| | | |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | <u>\$ -</u> | <u>\$ -</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
ECTOR ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|-----------------|------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 110 | \$ 110 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 255,133 | 16,468 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>255,243</u> | <u>16,578</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 5,418 | 24,661 |
| Temporary Investments | 20,000 | - |
| Interest Receivable | 57 | 23 |
| Capital Assets (Net) | 205,069 | 120,312 |
| Total Noncurrent Assets | <u>230,544</u> | <u>144,996</u> |
| TOTAL ASSETS | <u>485,787</u> | <u>161,574</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 18,415 | 13,363 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 9,506 | 3,190 |
| Unearned Revenue | 15,500 | 10,500 |
| Revenue Bonds Payable Current Portion | 31,000 | 21,000 |
| Total Current Liabilities | <u>74,421</u> | <u>48,053</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 409,000 | 100,000 |
| TOTAL LIABILITIES | <u>483,421</u> | <u>148,053</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | (4,016) | (687) |
| Restricted: | | |
| Debt Service | 6,272 | 14,100 |
| Unrestricted | 110 | 108 |
| TOTAL NET POSITION | <u>\$ 2,366</u> | <u>\$ 13,521</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
ECTOR ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|-------------------|-----------------|------------------------------------|------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 43,556 | \$ 45,255 | \$ 1,699 | \$ 28,797 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 2,355 | 7,127 | (4,772) | 3,212 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 32,527 | 32,527 | - | 32,527 |
| Total Operating Expense | <u>34,882</u> | <u>39,654</u> | <u>(4,772)</u> | <u>35,739</u> |
| Operating Income (Loss) | <u>8,674</u> | <u>5,601</u> | <u>(3,073)</u> | <u>(6,942)</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 100 | 159 | 59 | 238 |
| Amortization of Bond Premium | - | - | - | - |
| Interest Expense | (19,545) | (5,885) | 13,660 | (6,908) |
| Bond Issuance Costs | (6,403) | (11,030) | (4,627) | - |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(25,848)</u> | <u>(16,756)</u> | <u>9,092</u> | <u>(6,670)</u> |
| Change in Net Position | (17,174) | (11,155) | 6,019 | (13,612) |
| Net Position, October 1 | 13,521 | 13,521 | | 27,133 |
| Net Position, September 30 | <u>\$ (3,653)</u> | <u>\$ 2,366</u> | <u>\$ 6,019</u> | <u>\$ 13,521</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
ECTOR ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|-------------------|------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 50,255 | \$ 28,797 |
| Cash Outflows: | | |
| Payments to Suppliers | (2,539) | (1,062) |
| Payments to Employees | (4,588) | (2,150) |
| Net Cash Provided (Used) by Operating Activities | <u>43,128</u> | <u>25,585</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | 5,052 | 2,124 |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | - | - |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>5,052</u> | <u>2,124</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | (103,623) | - |
| Principal Repayment on Debt | (21,000) | (21,000) |
| Interest Paid | (13,229) | (7,436) |
| Bond Proceeds | 340,000 | - |
| Payment of Bond Issuance Costs | (11,030) | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>191,118</u> | <u>(28,436)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (20,000) | - |
| Maturities of U.S. Government Securities-Restricted | - | 20,000 |
| Interest Received | 124 | 217 |
| Net Cash Provided (Used) by Investing Activities | <u>(19,876)</u> | <u>20,217</u> |
| Net Cash Inflow from All Activities | 219,422 | 19,490 |
| Cash and Restricted Cash at Beginning of Year | 41,239 | 21,749 |
| Cash and Restricted Cash at End of Year | <u>\$ 260,661</u> | <u>\$ 41,239</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
ECTOR ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | <u>2014</u> | <u>2013</u> |
|--|-------------------|------------------|
| Reconciliation of Operating Income to Net Cash | | |
| Provided (Used) by Operating Activities: | | |
| Operating Income | \$ 5,601 | \$ (6,942) |
| Depreciation | 32,527 | 32,527 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned revenue | 5,000 | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 43,128</u> | <u>\$ 25,585</u> |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 110 | \$ 110 |
| Restricted Cash | 16,468 | 16,982 |
| Noncurrent Assets: | | |
| Restricted Cash | 24,661 | 4,657 |
| | <u>\$ 41,239</u> | <u>\$ 21,749</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 110 | \$ 110 |
| Restricted Cash | 255,133 | 16,468 |
| Noncurrent Assets: | | |
| Restricted Cash | 5,418 | 24,661 |
| | <u>\$ 260,661</u> | <u>\$ 41,239</u> |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | <u>\$ -</u> | <u>\$ -</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
GAINESVILLE ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|---------------------|---------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 97,249 | \$ 133,100 |
| Temporary Investments | 44,783 | 45,102 |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 2,120,205 | 5,014,864 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>2,262,237</u> | <u>5,193,066</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 78,227 | 102,825 |
| Temporary Investments | 460,823 | 404,019 |
| Interest Receivable | 1,033 | 901 |
| Capital Assets (Net) | 9,366,303 | 5,722,054 |
| Total Noncurrent Assets | <u>9,906,386</u> | <u>6,229,799</u> |
| TOTAL ASSETS | <u>12,168,623</u> | <u>11,422,865</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | <u>150,781</u> | <u>180,891</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | 682,672 | 58,742 |
| Due to Other Funds | 14,249 | 11,445 |
| Retainage Payable | 126,899 | 223,807 |
| Accrued Interest Payable | 89,241 | 92,391 |
| Revenue Bonds Payable Current Portion | 520,000 | 510,000 |
| Total Current Liabilities | <u>1,433,061</u> | <u>896,385</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | <u>8,653,643</u> | <u>9,179,847</u> |
| TOTAL LIABILITIES | <u>10,086,704</u> | <u>10,076,232</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| | <u>-</u> | <u>-</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | 1,719,904 | 189,993 |
| Restricted: | | |
| Debt Service | 1,073,801 | 1,031,229 |
| Unrestricted | (561,005) | 306,302 |
| TOTAL NET POSITION | <u>\$ 2,232,700</u> | <u>\$ 1,527,524</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
GAINESVILLE ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013
With Comparative Totals for the Year Ended September 30, 2012

| | <u>2014</u> | | Variance Positive (Negative) | <u>2013</u> |
|---|---------------------|---------------------|---|---------------------|
| | <u>Budget</u> | <u>Actual</u> | | <u>Actual</u> |
| Operating Revenue | | | | |
| Charges for Services | \$ 774,218 | \$ 1,184,955 | \$ 410,737 | \$ 709,588 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 46,638 | 44,637 | 2,001 | 48,136 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 366,553 | 364,553 | 2,000 | 319,062 |
| Total Operating Expense | <u>413,191</u> | <u>409,190</u> | <u>4,001</u> | <u>367,198</u> |
| Operating Income (Loss) | <u>361,027</u> | <u>775,765</u> | <u>414,738</u> | <u>342,390</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Investment Income | 3,325 | 3,337 | 12 | 7,386 |
| Amortization of Bond Premium | 7,645 | 6,204 | (1,441) | 5,299 |
| Bond Issuance Costs | - | - | - | (54,837) |
| Interest Expense | (178,482) | (50,021) | 128,461 | (46,456) |
| Amortization of Loss on Early Retirement of Debt | (30,110) | (30,109) | 1 | (27,808) |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(197,622)</u> | <u>(70,589)</u> | <u>127,033</u> | <u>(116,416)</u> |
| Change in Net Position | 163,405 | 705,176 | 541,771 | 225,974 |
| Net Position, October 1 | 1,527,524 | 1,527,524 | | 1,301,550 |
| Net Position, September 30 | <u>\$ 1,690,929</u> | <u>\$ 2,232,700</u> | <u>\$ 541,771</u> | <u>\$ 1,527,524</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
GAINESVILLE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|---------------------|---------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 1,184,955 | \$ 709,888 |
| Cash Outflows: | | |
| Payments to Suppliers | (9,053) | (14,035) |
| Payments to Employees | (35,584) | (34,101) |
| Net Cash Provided (Used) by Operating Activities | <u>1,140,318</u> | <u>661,752</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | 2,804 | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | - | (519) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>2,804</u> | <u>(519)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | (3,353,319) | (2,576,505) |
| Principal Repayment on Debt | (510,000) | (775,000) |
| Interest Paid | (181,632) | (201,998) |
| Bond Proceeds | - | 1,650,470 |
| Transfer to Escrow Agent | - | (1,591,850) |
| Payment of Bond Issuance Costs | - | (58,409) |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(4,044,951)</u> | <u>(3,553,292)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (345,525) | - |
| Maturities of U.S. Government Securities-Restricted | 287,836 | 52,028 |
| Interest Received | 4,410 | 12,298 |
| Net Cash Provided (Used) by Investing Activities | <u>(53,279)</u> | <u>64,326</u> |
| Net Cash Inflow from All Activities | (2,955,108) | (2,827,733) |
| Cash and Restricted Cash at Beginning of Year | 5,250,789 | 8,078,522 |
| Cash and Restricted Cash at End of Year | <u>\$ 2,295,681</u> | <u>\$ 5,250,789</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
GAINESVILLE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash | 2014 | 2013 |
|--|---------------------|---------------------|
| Provided (Used) by Operating Activities: | | |
| Operating Income | \$ 775,765 | \$ 342,390 |
| Depreciation | 364,553 | 319,062 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | 300 |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 1,140,318</u> | <u>\$ 661,752</u> |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 133,100 | \$ 130,588 |
| Restricted Cash | 5,014,864 | 7,926,563 |
| Noncurrent Assets: | | |
| Restricted Cash | 102,825 | 21,371 |
| | <u>\$ 5,250,789</u> | <u>\$ 8,078,522</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 97,249 | \$ 133,100 |
| Restricted Cash | 2,120,205 | 5,014,864 |
| Noncurrent Assets: | | |
| Restricted Cash | 78,227 | 102,825 |
| | <u>\$ 2,295,681</u> | <u>\$ 5,250,789</u> |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | \$ (1,205) | \$ (771) |
| Increase (Decrease) in Debt from Refunding | <u>\$ -</u> | <u>\$ 55,000</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
GENERAL ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 49,539 | \$ 21,798 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | - | - |
| Temporary Investments | - | - |
| Accounts Receivable | 46,404 | 54,270 |
| Due from Other Funds | 85,151 | - |
| Prepaid Expenses | 22,437 | 32,297 |
| Total Current Assets | <u>203,531</u> | <u>108,365</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | - | - |
| Temporary Investments | - | - |
| Interest Receivable | - | - |
| Capital Assets (Net) | 51,890 | 42,938 |
| Total Noncurrent Assets | <u>51,890</u> | <u>42,938</u> |
| TOTAL ASSETS | <u>255,421</u> | <u>151,303</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | 194,395 | 4,998 |
| Due to Other Funds | - | 88,185 |
| Retainage Payable | - | - |
| Accrued Interest Payable | - | - |
| Accrued Compensated Absences | 31,834 | 25,960 |
| Revenue Bonds Payable Current Portion | - | - |
| Total Current Liabilities | <u>226,229</u> | <u>119,143</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | - | - |
| TOTAL LIABILITIES | <u>226,229</u> | <u>119,143</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| <u>NET POSITION</u> | | |
| Net Investment in Capital Assets | 51,890 | 42,938 |
| Restricted: | | |
| Debt Service | - | - |
| Unrestricted | (22,698) | (10,778) |
| TOTAL NET POSITION | <u>\$ 29,192</u> | <u>\$ 32,160</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
GENERAL ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013
With Comparative Totals for the Year Ended September 30, 2012

| | 2014 | | | 2013 Actual |
|--|-----------------|------------------|------------------------------------|------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 592,000 | \$ 562,944 | \$ (29,056) | \$ 585,022 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 592,000 | 546,046 | 45,954 | 550,236 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 25,000 | 23,378 | 1,622 | 21,120 |
| Total Operating Expense | <u>617,000</u> | <u>569,424</u> | <u>47,576</u> | <u>571,356</u> |
| Operating Income (Loss) | <u>(25,000)</u> | <u>(6,480)</u> | <u>18,520</u> | <u>13,666</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | - | 43 | 43 | 30 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | - | - | - | - |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | 3,469 | 3,469 | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues | | | | |
| (Expenses) | <u>-</u> | <u>3,512</u> | <u>3,512</u> | <u>30</u> |
| Change in Net Position | (25,000) | (2,968) | 22,032 | 13,696 |
| Net Position, October 1 | 32,160 | 32,160 | | 18,464 |
| Net Position, September 30 | <u>\$ 7,160</u> | <u>\$ 29,192</u> | <u>\$ 22,032</u> | <u>\$ 32,160</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
GENERAL ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 570,810 | \$ 585,302 |
| Cash Outflows: | | |
| Payments to Suppliers | (86,014) | (107,748) |
| Payments to Employees | (428,237) | (449,095) |
| Net Cash Provided (Used) by Operating Activities | <u>56,559</u> | <u>28,459</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | 88,185 |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | - | (738,486) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>-</u> | <u>(650,301)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | (32,330) | (1,205) |
| Principal Repayment on Debt | - | - |
| Interest Paid | - | - |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Sale of Assets | 3,469 | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(28,861)</u> | <u>(1,205)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | - | - |
| Maturities of U.S. Government Securities-Restricted | - | - |
| Interest Received | 43 | 30 |
| Net Cash Provided (Used) by Investing Activities | <u>43</u> | <u>30</u> |
| Net Cash Inflow from All Activities | 27,741 | (623,017) |
| Cash and Restricted Cash at Beginning of Year | 21,798 | 644,815 |
| Cash and Restricted Cash at End of Year | <u>\$ 49,539</u> | <u>\$ 21,798</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
GENERAL ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash | 2014 | 2013 |
|--|-------------------------|--------------------------|
| Provided (Used) by Operating Activities: | | |
| Operating Income | \$ (6,480) | \$ 13,666 |
| Depreciation | 23,378 | 21,120 |
| (Increase) Decrease | | |
| Due From Other Funds | (85,151) | - |
| Accounts Receivable | 7,866 | 280 |
| Prepaid Expenses | 9,860 | (11,503) |
| Increase (Decrease) | | |
| Accounts Payable | 189,397 | 4,998 |
| Accrued Compensated Absences | 5,874 | (102) |
| Due to Other Funds | (88,185) | - |
| Unearned revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | <u><u>\$ 56,559</u></u> | <u><u>\$ 28,459</u></u> |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 21,798 | \$ 644,815 |
| Restricted Cash | - | - |
| Noncurrent Assets: | | |
| Restricted Cash | - | - |
| | <u><u>\$ 21,798</u></u> | <u><u>\$ 644,815</u></u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 49,539 | \$ 21,798 |
| Restricted Cash | - | - |
| Noncurrent Assets: | | |
| Restricted Cash | - | - |
| | <u><u>\$ 49,539</u></u> | <u><u>\$ 21,798</u></u> |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
GOBER MUD ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 15 | \$ 15 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 4,107 | 4,245 |
| Temporary Investments | - | - |
| Accounts Receivable | 1,245 | 1,292 |
| Due from Other Funds | 96 | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>5,463</u> | <u>5,552</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 356 | 301 |
| Temporary Investments | 19,849 | 20,045 |
| Interest Receivable | 50 | 7 |
| Capital Assets (Net) | 204,674 | 235,355 |
| Total Noncurrent Assets | <u>224,929</u> | <u>255,708</u> |
| TOTAL ASSETS | <u>230,392</u> | <u>261,260</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | - | 71 |
| Accrued Interest Payable | 1,648 | 1,835 |
| Unearned Revenue | 3,333 | 3,333 |
| Revenue Bonds Payable Current Portion | 10,000 | 10,000 |
| Total Current Liabilities | <u>14,981</u> | <u>15,239</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 75,000 | 85,000 |
| TOTAL LIABILITIES | <u>89,981</u> | <u>100,239</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | 119,674 | 140,354 |
| Restricted: | | |
| Debt Service | 23,624 | 20,722 |
| Unrestricted | (2,887) | (55) |
| TOTAL NET POSITION | <u>\$ 140,411</u> | <u>\$ 161,021</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
GOBER MUD ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|-------------------|-------------------|------------------------------------|-------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 15,764 | \$ 16,039 | \$ 275 | \$ 16,652 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 485 | 637 | (152) | 669 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 30,685 | 30,680 | 5 | 30,680 |
| Total Operating Expense | <u>31,170</u> | <u>31,317</u> | <u>(147)</u> | <u>31,349</u> |
| Operating Income (Loss) | <u>(15,406)</u> | <u>(15,278)</u> | <u>128</u> | <u>(14,697)</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 40 | (14) | (54) | 81 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (5,318) | (5,318) | - | (5,872) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues | | | | |
| (Expenses) | <u>(5,278)</u> | <u>(5,332)</u> | <u>(54)</u> | <u>(5,791)</u> |
| Change in Net Position | (20,684) | (20,610) | 74 | (20,488) |
| Net Position, October 1 | 161,021 | 161,021 | | 181,509 |
| Net Position, September 30 | <u>\$ 140,337</u> | <u>\$ 140,411</u> | <u>\$ 74</u> | <u>\$ 161,021</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
GOBER MUD ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|-----------------|-----------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 16,086 | \$ 16,698 |
| Cash Outflows: | | |
| Payments to Suppliers | (382) | (389) |
| Payments to Employees | (255) | (281) |
| Net Cash Provided (Used) by Operating Activities | <u>15,449</u> | <u>16,028</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | (96) | - |
| Payments on Loans from Other Funds | (71) | (195) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(167)</u> | <u>(195)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (10,000) | (10,000) |
| Interest Paid | (5,505) | (6,055) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>-</u> | <u>-</u> |
| | <u>(15,505)</u> | <u>(16,055)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (20,100) | - |
| Maturities of U.S. Government Securities-Restricted | 20,000 | - |
| Interest Received | 240 | 91 |
| Net Cash Provided (Used) by Investing Activities | <u>140</u> | <u>91</u> |
| Net Cash Inflow from All Activities | (83) | (131) |
| Cash and Restricted Cash at Beginning of Year | 4,561 | 4,692 |
| Cash and Restricted Cash at End of Year | <u>\$ 4,478</u> | <u>\$ 4,561</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
GOBER MUD ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|------------------|------------------|
| Operating Income | \$ (15,278) | \$ (14,697) |
| Depreciation | 30,680 | 30,680 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | 47 | 45 |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | \$ 15,449 | \$ 16,028 |
| | | |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 15 | \$ 15 |
| Restricted Cash | 4,245 | 4,376 |
| Noncurrent Assets: | | |
| Restricted Cash | 301 | 301 |
| | <u>\$ 4,561</u> | <u>\$ 4,692</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 15 | \$ 15 |
| Restricted Cash | 4,107 | 4,245 |
| Noncurrent Assets: | | |
| Restricted Cash | 356 | 301 |
| | <u>\$ 4,478</u> | <u>\$ 4,561</u> |
| | | |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | \$ (296) | \$ (10) |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
GUNTER ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|-------------|-------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ - | \$ 1,033 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | - | 43,659 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>-</u> | <u>44,692</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | - | 52,452 |
| Temporary Investments | - | 25,056 |
| Interest Receivable | - | 58 |
| Capital Assets (Net) | - | 634,893 |
| Total Noncurrent Assets | <u>-</u> | <u>712,459</u> |
| TOTAL ASSETS | <u>-</u> | <u>757,151</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | - | 16,715 |
| Retainage Payable | - | - |
| Accrued Interest Payable | - | 15,576 |
| Unearned Revenue | - | 17,500 |
| Revenue Bonds Payable Current Portion | - | 45,000 |
| Total Current Liabilities | <u>-</u> | <u>94,791</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | - | 535,000 |
| TOTAL LIABILITIES | <u>-</u> | <u>629,791</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | - | 54,893 |
| Restricted: | | |
| Debt Service | - | 88,149 |
| Unrestricted | - | (15,682) |
| TOTAL NET POSITION | <u>\$ -</u> | <u>\$ 127,360</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
GUNTER ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|------------|-----------|------------------------------------|----------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ - | \$ 30,927 | \$ 30,927 | \$ 80,770 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | - | 596 | (596) | 3,289 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | - | - | - | 91,157 |
| Total Operating Expense | - | 596 | (596) | 94,446 |
| Operating Income (Loss) | | 30,331 | 30,331 | (13,676) |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | - | - | - | 430 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | - | - | - | (32,055) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Contribution to City of Gunter | - | (157,691) | - | - |
| Total Nonoperating Revenues | | (157,691) | | (31,625) |
| (Expenses) | | (157,691) | | (31,625) |
| Change in Net Position | - | (127,360) | 30,331 | (45,301) |
| Net Position, October 1 | 127,360 | 127,360 | | 172,661 |
| Net Position, September 30 | \$ 127,360 | \$ - | \$ 30,331 | \$ 127,360 |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
GUNTER ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 13,427 | \$ 80,770 |
| Cash Outflows: | | |
| Payments to Suppliers | (108) | (1,564) |
| Payments to Employees | (488) | (1,725) |
| Net Cash Provided (Used) by Operating Activities | <u>12,831</u> | <u>77,481</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | (16,715) | (789) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(16,715)</u> | <u>(789)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | - | (45,000) |
| Interest Paid | - | (33,254) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Contribution to City of Gunter | (118,260) | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>-</u> | <u>-</u> |
| | <u>(118,260)</u> | <u>(78,254)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | - | - |
| Maturities of U.S. Government Securities-Restricted | 25,000 | 26,000 |
| Interest Received | - | 418 |
| Net Cash Provided (Used) by Investing Activities | <u>25,000</u> | <u>26,418</u> |
| Net Cash Inflow from All Activities | (97,144) | 24,856 |
| Cash and Restricted Cash at Beginning of Year | 97,144 | 72,288 |
| Cash and Restricted Cash at End of Year | <u>\$ -</u> | <u>\$ 97,144</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
GUNTER ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash | 2014 | 2013 |
|--|------------------|------------------|
| Provided (Used) by Operating Activities: | | |
| Operating Income | \$ 30,331 | \$ (13,676) |
| Depreciation | - | 91,157 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned revenue | (17,500) | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 12,831</u> | <u>\$ 77,481</u> |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 1,033 | \$ 1,032 |
| Restricted Cash | 43,659 | 44,831 |
| Noncurrent Assets: | | |
| Restricted Cash | 52,452 | 26,425 |
| | <u>\$ 97,144</u> | <u>\$ 72,288</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ - | \$ 1,033 |
| Restricted Cash | - | 43,659 |
| Noncurrent Assets: | | |
| Restricted Cash | - | 52,452 |
| | <u>\$ -</u> | <u>\$ 97,144</u> |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | <u>\$ -</u> | <u>\$ (13)</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
HOWE ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|---------------------|---------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 98,189 | \$ 102,955 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 97,262 | 109,251 |
| Temporary Investments | - | - |
| Accounts Receivable | 14,789 | - |
| Due from Other Funds | 978 | 760 |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>211,218</u> | <u>212,966</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 8,995 | 8,993 |
| Temporary Investments | 44,783 | 45,102 |
| Interest Receivable | 108 | 17 |
| Capital Assets (Net) | 732,479 | 852,079 |
| Total Noncurrent Assets | <u>786,365</u> | <u>906,191</u> |
| TOTAL ASSETS | <u>997,583</u> | <u>1,119,157</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | <u>22,578</u> | <u>26,874</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | - | - |
| Retainage Payable | - | - |
| Accrued Interest Payable | 10,616 | 11,590 |
| Unearned Revenue | 101,250 | 97,500 |
| Revenue Bonds Payable Current Portion | 135,000 | 130,000 |
| Total Current Liabilities | <u>246,866</u> | <u>239,090</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 890,906 | 1,025,127 |
| TOTAL LIABILITIES | <u>1,137,772</u> | <u>1,264,217</u> |
| <u>NET POSITION</u> | | |
| Net Investment in Capital Assets | (297,520) | (307,920) |
| Restricted: | | |
| Debt Service | 54,070 | 54,273 |
| Unrestricted | 125,839 | 135,461 |
| TOTAL NET POSITION | <u>\$ (117,611)</u> | <u>\$ (118,186)</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
HOWE ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | <u>2014</u> | | Variance Positive (Negative) | <u>2013</u> |
|---|---------------------|---------------------|---|---------------------|
| | <u>Budget</u> | <u>Actual</u> | | <u>Actual</u> |
| Operating Revenue | | | | |
| Charges for Services | \$ 186,705 | \$ 173,839 | \$ (12,866) | \$ 178,518 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 5,926 | 5,171 | 755 | 4,446 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 119,600 | 119,600 | - | 119,600 |
| Total Operating Expense | <u>125,526</u> | <u>124,771</u> | <u>755</u> | <u>124,046</u> |
| Operating Income (Loss) | <u>61,179</u> | <u>49,068</u> | <u>(12,111)</u> | <u>54,472</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Investment Income | 160 | 22 | (138) | 355 |
| Amortization of Bond Premium | - | (779) | (779) | (779) |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (43,439) | (43,439) | - | (47,304) |
| Amortization of Loss on Early Retirement of Debt | (4,297) | (4,297) | - | (4,297) |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(47,576)</u> | <u>(48,493)</u> | <u>(917)</u> | <u>(52,025)</u> |
| Change in Net Position | 13,603 | 575 | (13,028) | 2,447 |
| Net Position, October 1 | (118,186) | (118,186) | - | (120,633) |
| Net Position, September 30 | <u>\$ (104,583)</u> | <u>\$ (117,611)</u> | <u>\$ (13,028)</u> | <u>\$ (118,186)</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
HOWE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 162,800 | \$ 182,268 |
| Cash Outflows: | | |
| Payments to Suppliers | (2,082) | (1,144) |
| Payments to Employees | (3,089) | (3,302) |
| Net Cash Provided (Used) by Operating Activities | <u>157,629</u> | <u>177,822</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | (218) | (760) |
| Payments on Loans from Other Funds | - | (1,264) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(218)</u> | <u>(2,024)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (130,000) | (125,000) |
| Interest Paid | (44,413) | (48,111) |
| Bond Proceeds | - | - |
| Transfer to Escrow Agent | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(174,413)</u> | <u>(173,111)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (45,350) | - |
| Maturities of U.S. Government Securities-Restricted | 45,000 | - |
| Interest Received | 599 | 373 |
| Net Cash Provided (Used) by Investing Activities | <u>249</u> | <u>373</u> |
| Net Cash Inflow from All Activities | (16,753) | 3,060 |
| Cash and Restricted Cash at Beginning of Year | 221,199 | 218,139 |
| Cash and Restricted Cash at End of Year | <u>\$ 204,446</u> | <u>\$ 221,199</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
HOWE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|
| Operating Income | \$ 49,068 | \$ 54,472 |
| Depreciation | 119,600 | 119,600 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | (14,789) | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | 3,750 | 3,750 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 157,629</u> | <u>\$ 177,822</u> |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 102,955 | \$ 102,851 |
| Restricted Cash | 109,251 | 106,304 |
| Noncurrent Assets: | | |
| Restricted Cash | 8,993 | 8,984 |
| | <u>\$ 221,199</u> | <u>\$ 218,139</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 98,189 | \$ 102,955 |
| Restricted Cash | 97,262 | 109,251 |
| Noncurrent Assets: | | |
| Restricted Cash | 8,995 | 8,993 |
| | <u>\$ 204,446</u> | <u>\$ 221,199</u> |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | <u>\$ (669)</u> | <u>\$ (23)</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMBINING STATEMENT OF NET POSITION
KRUM ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|--------------------|--------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ - | \$ - |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 4,010,029 | 2,513,761 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>4,010,029</u> | <u>2,513,761</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | - | - |
| Temporary Investments | - | - |
| Interest Receivable | - | - |
| Capital Assets (Net) | 1,148,415 | 279,296 |
| Total Noncurrent Assets | <u>1,148,415</u> | <u>279,296</u> |
| TOTAL ASSETS | <u>5,158,444</u> | <u>2,793,057</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| | <u>-</u> | <u>-</u> |
| | | |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | 232,066 | - |
| Due to Other Funds | 32,003 | 15,837 |
| Retainage Payable | 38,395 | - |
| Accrued Interest Payable | 37,082 | 8,219 |
| Unearned Revenues | 6,667 | 5,833 |
| Revenue Bonds Payable Current Portion | 75,000 | 35,000 |
| Total Current Liabilities | <u>421,213</u> | <u>64,889</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 4,790,000 | 2,780,000 |
| TOTAL LIABILITIES | <u>5,211,213</u> | <u>2,844,889</u> |
| | | |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | 272,037 | (58,343) |
| Restricted: | | |
| Debt Service | - | 6,511 |
| Unrestricted | (324,806) | - |
| TOTAL NET POSITION | <u>\$ (52,769)</u> | <u>\$ (51,832)</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
KRUM ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|-------------|-------------|------------------------------------|----------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 98,393 | \$ 98,597 | \$ 204 | \$ 75,216 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 15,380 | 25,818 | (10,438) | 11,522 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | - | - | - | - |
| Total Operating Expense | 15,380 | 25,818 | (10,438) | 11,522 |
| Operating Income (Loss) | 83,013 | 72,779 | (10,234) | 63,694 |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 300 | 393 | 93 | 451 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | (73,715) | (73,715) | (95,714) |
| Interest Expense | (78,176) | (394) | 77,782 | (450) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | (77,876) | (73,716) | 4,160 | (95,713) |
| Change in Net Position | 5,137 | (937) | (6,074) | (32,019) |
| Net Position, October 1 | (51,832) | (51,832) | - | (19,813) |
| Net Position, September 30 | \$ (46,695) | \$ (52,769) | \$ (6,074) | \$ (51,832) |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
KRUM ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|---------------------|---------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 99,431 | \$ 81,049 |
| Cash Outflows: | | |
| Payments to Suppliers | (6,150) | (3,732) |
| Payments to Employees | (19,668) | (7,790) |
| Net Cash Provided (Used) by Operating Activities | <u>73,613</u> | <u>69,527</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | 16,166 | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | - | (3,976) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>16,166</u> | <u>(3,976)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | (520,876) | (228,653) |
| Principal Repayment on Debt | (35,000) | (10,000) |
| Interest Paid | (49,313) | (42,874) |
| Bond Proceeds | 2,085,000 | 2,825,000 |
| Payment of Bond Issuance Costs | (73,715) | (95,714) |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>1,406,096</u> | <u>2,447,759</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | - | - |
| Maturities of U.S. Government Securities-Restricted | - | - |
| Interest Received | 393 | 451 |
| Net Cash Provided (Used) by Investing Activities | <u>393</u> | <u>451</u> |
| Net Cash Inflow from All Activities | 1,496,268 | 2,513,761 |
| Cash and Restricted Cash at Beginning of Year | 2,513,761 | - |
| Cash and Restricted Cash at End of Year | <u>\$ 4,010,029</u> | <u>\$ 2,513,761</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
KRUM ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash | 2014 | 2013 |
|--|---------------------|---------------------|
| Provided (Used) by Operating Activities: | | |
| Operating Income | \$ 72,779 | \$ 63,694 |
| Depreciation | - | - |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned revenue | 834 | 5,833 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 73,613</u> | <u>\$ 69,527</u> |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ - | \$ 2 |
| Restricted Cash | 2,513,761 | 26,045 |
| Noncurrent Assets: | | |
| Restricted Cash | - | 201 |
| | <u>\$ 2,513,761</u> | <u>\$ 26,248</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ - | \$ - |
| Restricted Cash | 4,010,029 | 2,513,761 |
| Noncurrent Assets: | | |
| Restricted Cash | - | - |
| | <u>\$ 4,010,029</u> | <u>\$ 2,513,761</u> |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | <u>\$ -</u> | <u>\$ -</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
LAKE KIOWA SUD ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ - | \$ - |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | - | - |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>-</u> | <u>-</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | - | - |
| Temporary Investments | - | - |
| Interest Receivable | - | - |
| Capital Assets (Net) | 48,494 | - |
| Total Noncurrent Assets | <u>48,494</u> | <u>-</u> |
| TOTAL ASSETS | <u>48,494</u> | <u>-</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| | <u>-</u> | <u>-</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 58,275 | - |
| Retainage Payable | - | - |
| Accrued Interest Payable | - | - |
| Unearned Revenues | - | - |
| Revenue Bonds Payable Current Portion | - | - |
| Total Current Liabilities | <u>58,275</u> | <u>-</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | - | - |
| TOTAL LIABILITIES | <u>58,275</u> | <u>-</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | 48,494 | - |
| Restricted: | | |
| Debt Service | - | - |
| Unrestricted | (58,275) | - |
| TOTAL NET POSITION | <u>\$ (9,781)</u> | <u>\$ -</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
LAKE KIOWA SUD ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|--------|------------|------------------------------------|----------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | - | 9,781 | (9,781) | - |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | - | - | - | - |
| Total Operating Expense | - | 9,781 | (9,781) | - |
| Operating Income (Loss) | - | (9,781) | (9,781) | - |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | - | - | - | - |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | - | - | - | - |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | - | - | - | - |
| Change in Net Position | - | (9,781) | (9,781) | - |
| Net Position, October 1 | - | - | - | - |
| Net Position, September 30 | \$ - | \$ (9,781) | \$ (9,781) | \$ - |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
LAKE KIOWA SUD ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|-----------------|-------------|
| Cash Flows from Operating Activities | | |
| Cash Inflows: | | |
| Payments Received from Customers | \$ - | \$ - |
| Cash Outflows: | | |
| Payments to Suppliers | (1,988) | - |
| Payments to Employees | (7,793) | - |
| Net Cash Provided (Used) by Operating Activities | (9,781) | - |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | 58,275 | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | - | - |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | 58,275 | - |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | (48,494) | - |
| Principal Repayment on Debt | - | - |
| Interest Paid | - | - |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (48,494) | - |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | - | - |
| Maturities of U.S. Government Securities-Restricted | - | - |
| Interest Received | - | - |
| Net Cash Provided (Used) by Investing Activities | - | - |
| Net Cash Inflow from All Activities | - | - |
| Cash and Restricted Cash at Beginning of Year | - | - |
| Cash and Restricted Cash at End of Year | \$ - | \$ - |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
LAKE KIOWA SUD ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

Reconciliation of Operating Income to Net Cash

| Provided (Used) by Operating Activities: | 2014 | 2013 |
|---|-------------------|-------------|
| Operating Income | \$ (9,781) | \$ - |
| Depreciation | - | - |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | \$ (9,781) | \$ - |

Cash Reconciliation:

Beginning of Period:

| | | |
|--------------------|------|------|
| Current Assets: | | |
| Cash | \$ - | \$ - |
| Restricted Cash | - | - |
| Noncurrent Assets: | | |
| Restricted Cash | - | - |
| | \$ - | \$ - |

End of Period

| | | |
|--------------------|------|------|
| Current Assets: | | |
| Cash | \$ - | \$ - |
| Restricted Cash | - | - |
| Noncurrent Assets: | | |
| Restricted Cash | - | - |
| | \$ - | \$ - |

Non-Cash Investing, Capital and Financing Activities:

| | | |
|-------------------------------------|------|------|
| Change in Fair Value of Investments | \$ - | \$ - |
|-------------------------------------|------|------|

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
LAKE TEXOMA REALLOCATION PROJECT ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|---------------------|---------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 723 | \$ 511 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 248,503 | 244,154 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>249,226</u> | <u>244,665</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 263,726 | 262,866 |
| Temporary Investments | 1,040,998 | 1,044,527 |
| Interest Receivable | 1,343 | 1,465 |
| Capital Assets (Net) | 20,021,383 | 20,021,383 |
| Total Noncurrent Assets | <u>21,327,450</u> | <u>21,330,241</u> |
| TOTAL ASSETS | <u>21,576,676</u> | <u>21,574,906</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 63,178 | 38,695 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 38,959 | 62,600 |
| Unearned Revenue | 154,167 | 150,000 |
| Revenue Bonds Payable Current Portion | 936,606 | 921,813 |
| Total Current Liabilities | <u>1,192,910</u> | <u>1,173,108</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 17,366,209 | 18,302,816 |
| TOTAL LIABILITIES | <u>18,559,119</u> | <u>19,475,924</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | 1,718,567 | (83,245) |
| Restricted: | | |
| Debt Service | 1,361,444 | 1,358,928 |
| Unrestricted | (62,454) | 823,299 |
| TOTAL NET POSITION | <u>\$ 3,017,557</u> | <u>\$ 2,098,982</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
LAKE TEXOMA REALLOCATION PROJECT ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | Variance Positive (Negative) | 2013 |
|---|---------------------|---------------------|---|---------------------|
| | Budget | Actual | | Actual |
| Operating Revenue | | | | |
| Charges for Services | \$ 1,338,847 | \$ 1,351,942 | \$ 13,095 | \$ 1,338,686 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 98,324 | 104,742 | (6,418) | 111,962 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | - | - | - | - |
| Total Operating Expense | <u>98,324</u> | <u>104,742</u> | <u>(6,418)</u> | <u>111,962</u> |
| Operating Income (Loss) | <u>1,240,523</u> | <u>1,247,200</u> | <u>6,677</u> | <u>1,226,724</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Investment Income | 4,500 | 5,196 | 696 | 9,823 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (333,890) | (333,821) | 69 | (334,471) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(329,390)</u> | <u>(328,625)</u> | <u>765</u> | <u>(324,648)</u> |
| Change in Net Position | 911,133 | 918,575 | 7,442 | 902,076 |
| Net Position, October 1 | 2,098,982 | 2,098,982 | | 1,196,906 |
| Net Position, September 30 | <u>\$ 3,010,115</u> | <u>\$ 3,017,557</u> | <u>\$ 7,442</u> | <u>\$ 2,098,982</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
LAKE TEXOMA REALLOCATION PROJECT ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|--------------------|--------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 1,356,109 | \$ 1,348,249 |
| Cash Outflows: | | |
| Payments to Suppliers | (52,397) | (59,661) |
| Payments to Employees | (52,345) | (52,301) |
| Net Cash Provided (Used) by Operating Activities | <u>1,251,367</u> | <u>1,236,287</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | 24,483 | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | - | (40,961) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>24,483</u> | <u>(40,961)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (921,813) | (880,000) |
| Interest Paid | (357,462) | (310,772) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(1,279,275)</u> | <u>(1,190,772)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (795,018) | (543,497) |
| Maturities of U.S. Government Securities-Restricted | 790,000 | 541,847 |
| Interest Received | 13,864 | 8,125 |
| Net Cash Provided (Used) by Investing Activities | <u>8,846</u> | <u>6,475</u> |
| Net Cash Inflow from All Activities | 5,421 | 11,029 |
| Cash and Restricted Cash at Beginning of Year | 507,531 | 496,502 |
| Cash and Restricted Cash at End of Year | <u>\$ 512,952</u> | <u>\$ 507,531</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
LAKE TEXOMA REALLOCATION PROJECT ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | 2014 | 2013 |
|--|--------------|--------------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Operating Income | \$ 1,247,200 | \$ 1,226,724 |
| Depreciation | - | - |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | 6,230 |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | 4,167 | 3,333 |
| Net Cash Provided (Used) by Operating Activities | \$ 1,251,367 | \$ 1,236,287 |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 511 | \$ 879 |
| Restricted Cash | 244,154 | 234,113 |
| Noncurrent Assets: | | |
| Restricted Cash | 262,866 | 261,510 |
| | \$ 507,531 | \$ 496,502 |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 723 | \$ 511 |
| Restricted Cash | 248,503 | 244,154 |
| Noncurrent Assets: | | |
| Restricted Cash | 263,726 | 262,866 |
| | \$ 512,952 | \$ 507,531 |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | \$ (8,547) | \$ 2,645 |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
LEONARD ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 8,730 | \$ 15,225 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 65,641 | 67,883 |
| Temporary Investments | - | - |
| Accounts Receivable | 6,330 | 125 |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>80,701</u> | <u>83,233</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 9,476 | 48,568 |
| Temporary Investments | 63,970 | 25,188 |
| Interest Receivable | 175 | 70 |
| Capital Assets (Net) | 517,765 | 593,087 |
| Total Noncurrent Assets | <u>591,386</u> | <u>666,913</u> |
| TOTAL ASSETS | <u>672,087</u> | <u>750,146</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 1,285 | 1,645 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 10,481 | 11,499 |
| Revenue Bonds Payable Current Portion | 55,000 | 55,000 |
| Total Current Liabilities | <u>66,766</u> | <u>68,144</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 460,000 | 515,000 |
| TOTAL LIABILITIES | <u>526,766</u> | <u>583,144</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | 2,764 | 23,086 |
| Restricted: | | |
| Debt Service | 135,112 | 130,334 |
| Unrestricted | 7,445 | 13,582 |
| TOTAL NET POSITION | <u>\$ 145,321</u> | <u>\$ 167,002</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
LEONARD ENTERPRISE FUNO
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|-------------------|-------------------|------------------------------------|-------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 77,993 | \$ 76,713 | \$ (1,280) | \$ 80,432 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 2,631 | 2,615 | 16 | 2,987 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 75,289 | 75,322 | (33) | 75,322 |
| Total Operating Expense | <u>77,920</u> | <u>77,937</u> | <u>(17)</u> | <u>78,309</u> |
| Operating Income (Loss) | <u>73</u> | <u>(1,224)</u> | <u>(1,297)</u> | <u>2,123</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 600 | 506 | (94) | 620 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (20,963) | (20,963) | - | (22,998) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(20,363)</u> | <u>(20,457)</u> | <u>(94)</u> | <u>(22,378)</u> |
| Change in Net Position | (20,290) | (21,681) | (1,391) | (20,255) |
| Net Position, October 1 | 167,002 | 167,002 | - | 187,257 |
| Net Position, September 30 | <u>\$ 146,712</u> | <u>\$ 145,321</u> | <u>\$ (1,391)</u> | <u>\$ 167,002</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
LEONARD ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|------------------|-------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 70,508 | \$ 80,307 |
| Cash Outflows: | | |
| Payments to Suppliers | (1,088) | (1,162) |
| Payments to Employees | (1,527) | (1,825) |
| Net Cash Provided (Used) by Operating Activities | <u>67,893</u> | <u>77,320</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | (360) | (38) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(360)</u> | <u>(38)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (55,000) | (50,000) |
| Interest Paid | (21,980) | (23,900) |
| Bond Proceeds | - | - |
| Transfer to Escrow Agent | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(76,980)</u> | <u>(73,900)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (89,000) | (25,188) |
| Maturities of U.S. Government Securities-Restricted | 50,188 | 64,315 |
| Interest Received | 430 | 854 |
| Net Cash Provided (Used) by Investing Activities | <u>(38,382)</u> | <u>39,981</u> |
| Net Cash Inflow from All Activities | (47,829) | 43,363 |
| Cash and Restricted Cash at End of Year | 131,676 | 88,313 |
| Cash and Restricted Cash at Beginning of Year | <u>\$ 83,847</u> | <u>\$ 131,676</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
LEONARD ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | 2014 | 2013 |
|--|-------------|-------------|
| Reconciliation of Operating Income to Net Cash | | |
| Provided (Used) by Operating Activities: | | |
| Operating Income | \$ (1,224) | \$ 2,123 |
| Depreciation | 75,322 | 75,322 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | (6,205) | (125) |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | \$ 67,893 | \$ 77,320 |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 15,225 | \$ 4,595 |
| Restricted Cash | 67,883 | 74,171 |
| Noncurrent Assets: | | |
| Restricted Cash | 48,568 | 9,547 |
| | \$ 131,676 | \$ 88,313 |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 8,730 | \$ 15,225 |
| Restricted Cash | 65,641 | 67,883 |
| Noncurrent Assets: | | |
| Restricted Cash | 9,476 | 48,568 |
| | \$ 83,847 | \$ 131,676 |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | \$ (30) | \$ - |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
MELISSA ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 155 | \$ 155 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 63,442 | 62,464 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>63,597</u> | <u>62,619</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 46,304 | 59,177 |
| Temporary Investments | 129,507 | 80,180 |
| Interest Receivable | 269 | 30 |
| Capital Assets (Net) | 2,154,551 | 2,287,042 |
| Total Noncurrent Assets | <u>2,330,631</u> | <u>2,426,429</u> |
| TOTAL ASSETS | <u>2,394,228</u> | <u>2,489,048</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 4,084 | 8,708 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 28,228 | 28,938 |
| Unearned Revenue | 35,000 | 33,333 |
| Revenue Bonds Payable Current Portion | 105,000 | 100,000 |
| Total Current Liabilities | <u>172,312</u> | <u>170,979</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 2,075,000 | 2,180,000 |
| TOTAL LIABILITIES | <u>2,247,312</u> | <u>2,350,979</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | (25,449) | 7,042 |
| Restricted: | | |
| Debt Service | 176,294 | 139,581 |
| Unrestricted | (3,929) | (8,554) |
| TOTAL NET POSITION | <u>\$ 146,916</u> | <u>\$ 138,069</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
MELISSA PROJECT ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|---|-------------------|-------------------|------------------------------------|-------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 233,219 | \$ 235,638 | \$ 2,419 | \$ 232,369 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 11,647 | 8,594 | 3,053 | 8,674 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 132,490 | 132,490 | - | 132,490 |
| Total Operating Expense | <u>144,137</u> | <u>141,084</u> | <u>3,053</u> | <u>141,164</u> |
| Operating Income (Loss) | <u>89,082</u> | <u>94,554</u> | <u>5,472</u> | <u>91,205</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Investment Income | 600 | 396 | (204) | 404 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (86,103) | (86,103) | - | (87,953) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(85,503)</u> | <u>(85,707)</u> | <u>(204)</u> | <u>(87,549)</u> |
| Change in Net Position | 3,579 | 8,847 | 5,268 | 3,656 |
| Net Position, October 1 | 138,069 | 138,069 | - | 134,413 |
| Net Position, September 30 | <u>\$ 141,648</u> | <u>\$ 146,916</u> | <u>\$ 5,268</u> | <u>\$ 138,069</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
MELISSA ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 237,305 | \$ 234,035 |
| Cash Outflows: | | |
| Payments to Suppliers | (2,538) | (2,331) |
| Payments to Employees | (6,056) | (6,344) |
| Net Cash Provided (Used) by Operating Activities | <u>228,711</u> | <u>225,360</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | (4,624) | (4,009) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(4,624)</u> | <u>(4,009)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (100,000) | (95,000) |
| Interest Paid | (86,813) | (88,523) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(186,813)</u> | <u>(183,523)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (180,575) | - |
| Maturities of U.S. Government Securities-Restricted | 130,000 | - |
| Interest Received | 1,406 | 441 |
| Net Cash Provided (Used) by Investing Activities | <u>(49,169)</u> | <u>441</u> |
| Net Cash Inflow from All Activities | (11,895) | 38,269 |
| Cash and Restricted Cash at Beginning of Year | 121,796 | 83,527 |
| Cash and Restricted Cash at End of Year | <u>\$ 109,901</u> | <u>\$ 121,796</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
MELISSA ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Operating Income | \$ 94,554 | \$ 91,205 |
| Depreciation | 132,490 | 132,490 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | 1,667 | 1,665 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 228,711</u> | <u>\$ 225,360</u> |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 155 | \$ 155 |
| Restricted Cash | 62,464 | 61,299 |
| Noncurrent Assets: | | |
| Restricted Cash | 59,177 | 22,073 |
| | <u>\$ 121,796</u> | <u>\$ 83,527</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 155 | \$ 155 |
| Restricted Cash | 63,442 | 62,464 |
| Noncurrent Assets: | | |
| Restricted Cash | 46,304 | 59,177 |
| | <u>\$ 109,901</u> | <u>\$ 121,796</u> |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | <u>\$ (1,247)</u> | <u>\$ (41)</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
NORTHWEST GRAYSON WATER CONTROL & IMPROVEMENT DISTRICT ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|------------------|-------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ - | \$ - |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 1,059,810 | - |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>1,059,810</u> | <u>-</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 12,123 | - |
| Temporary Investments | - | - |
| Interest Receivable | - | - |
| Capital Assets (Net) | 351,268 | - |
| Total Noncurrent Assets | <u>363,391</u> | <u>-</u> |
| TOTAL ASSETS | <u>1,423,201</u> | <u>-</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| | <u>-</u> | <u>-</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 7,490 | - |
| Retainage Payable | 14,013 | - |
| Accrued Interest Payable | 24,974 | - |
| Unearned Revenue | 18,750 | - |
| Revenue Bonds Payable Current Portion | 50,000 | - |
| Total Current Liabilities | <u>115,227</u> | <u>-</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 1,305,000 | - |
| TOTAL LIABILITIES | <u>1,420,227</u> | <u>-</u> |
| <u>NET POSITION</u> | | |
| Net Investment in Capital Assets | 10,705 | - |
| Restricted: | | |
| Debt Service | 13,773 | - |
| Unrestricted | (21,504) | - |
| TOTAL NET POSITION | <u>\$ 2,974</u> | <u>\$ -</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION BUDGET (GAAP BASIS) AND ACTUAL
NORTHWEST GRAYSON WATER CONTROL & IMPROVEMENT DISTRICT ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|--------------------|-----------------|------------------------------------|----------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 38,743 | \$ 38,742 | \$ (1) | \$ - |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 6,000 | 7,963 | (1,963) | - |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | - | - | - | - |
| Total Operating Expense | <u>6,000</u> | <u>7,963</u> | <u>(1,963)</u> | <u>-</u> |
| Operating Income (Loss) | <u>32,743</u> | <u>30,779</u> | <u>(1,964)</u> | <u>-</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | - | 227 | 227 | - |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | (27,805) | (27,805) | - | - |
| Interest Expense | (27,471) | (227) | 27,244 | - |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Transfer to NW Grayson | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(55,276)</u> | <u>(27,805)</u> | <u>27,471</u> | <u>-</u> |
| Change in Net Position | <u>(22,533)</u> | <u>2,974</u> | <u>25,507</u> | <u>-</u> |
| Net Position, October 1 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Position, September 30 | <u>\$ (22,533)</u> | <u>\$ 2,974</u> | <u>\$ 25,507</u> | <u>\$ -</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
NORTHWEST GRAYSON WATER CONTROL & IMPROVEMENT DISTRICT ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|---------------------|------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 57,492 | \$ 536,865 |
| Cash Outflows: | | |
| Payments to Suppliers | (2,630) | (574) |
| Payments to Employees | (5,333) | (994) |
| Net Cash Provided (Used) by Operating Activities | <u>49,529</u> | <u>535,297</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | 7,490 | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | - | (7,930) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>7,490</u> | <u>(7,930)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | (312,508) | - |
| Principal Repayment on Debt | - | (530,000) |
| Interest Paid | - | (31,334) |
| Bond Proceeds | 1,355,000 | - |
| Payment of Bond Issuance Costs | (27,805) | - |
| Transfer to NW Grayson | - | (90,023) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>1,014,687</u> | <u>(651,357)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | - | - |
| Maturities of U.S. Government Securities-Restricted | - | 97,000 |
| Interest Received | 227 | 742 |
| Net Cash Provided (Used) by Investing Activities | <u>227</u> | <u>97,742</u> |
| Net Cash Inflow from All Activities | 1,071,933 | (26,248) |
| Cash and Restricted Cash at Beginning of Year | - | 26,248 |
| Cash and Restricted Cash at End of Year | <u>\$ 1,071,933</u> | <u>\$ -</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
NORTHWEST GRAYSON WATER CONTROL & IMPROVEMENT DISTRICT ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND SEPTEMBER 30, 2012

Reconciliation of Operating Income to Net Cash

| Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|---|------------------|-------------------|
| Operating Income | \$ 30,779 | \$ 554,047 |
| Depreciation | - | - |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | 18,750 | (18,750) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 49,529</u> | <u>\$ 535,297</u> |

Cash Reconciliation:

Beginning of Period:

| | | |
|---------------------------|-------------|------------------|
| Current Assets: | | |
| Cash | \$ - | \$ 2 |
| Restricted Cash | - | 26,045 |
| Noncurrent Assets: | | |
| Restricted Cash | - | 201 |
| | <u>\$ -</u> | <u>\$ 26,248</u> |

End of Period

| | | |
|---------------------------|---------------------|-------------|
| Current Assets: | | |
| Cash | \$ - | \$ - |
| Restricted Cash | 1,059,810 | - |
| Noncurrent Assets: | | |
| Restricted Cash | 12,123 | - |
| | <u>\$ 1,071,933</u> | <u>\$ -</u> |

Non-Cash Investing, Capital and Financing Activities:

| | | |
|-------------------------------------|-------------|-----------------|
| Change in Fair Value of Investments | <u>\$ -</u> | <u>\$ (138)</u> |
|-------------------------------------|-------------|-----------------|

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
PARADISE ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| ASSETS | 2014 | 2013 |
|--|------------------|------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 39 | \$ 39 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 23,369 | 23,800 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>23,408</u> | <u>23,839</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 3,078 | 2,985 |
| Temporary Investments | 11,850 | 12,027 |
| Interest Receivable | 29 | 4 |
| Capital Assets (Net) | 140,628 | 168,739 |
| Total Noncurrent Assets | <u>155,585</u> | <u>183,755</u> |
| TOTAL ASSETS | <u>178,993</u> | <u>207,594</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 4,208 | 4,423 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 2,883 | 3,318 |
| Revenue Bonds Payable Current Portion | 20,000 | 20,000 |
| Total Current Liabilities | <u>27,091</u> | <u>27,741</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 105,000 | 125,000 |
| TOTAL LIABILITIES | <u>132,091</u> | <u>152,741</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 15,629 | 23,739 |
| Restricted: | | |
| Debt Service | 35,444 | 35,499 |
| Unrestricted | (4,171) | (4,385) |
| TOTAL NET POSITION | <u>\$ 46,902</u> | <u>\$ 54,853</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
PARADISE ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|------------------|------------------|------------------------------------|------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 26,374 | \$ 26,594 | \$ 220 | \$ 27,510 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 639 | 665 | (26) | 744 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 28,110 | 28,110 | - | 28,110 |
| Total Operating Expense | <u>28,749</u> | <u>28,775</u> | <u>(26)</u> | <u>28,854</u> |
| Operating Income (Loss) | <u>(2,375)</u> | <u>(2,181)</u> | <u>194</u> | <u>(1,344)</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 30 | (5) | (35) | 55 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (5,765) | (5,765) | - | (6,635) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues | | | | |
| (Expenses) | <u>(5,735)</u> | <u>(5,770)</u> | <u>(35)</u> | <u>(6,580)</u> |
| Change in Net Position | (8,110) | (7,951) | 159 | (7,924) |
| Net Position, October 1 | 54,853 | 54,853 | | 62,777 |
| Net Position, September 30 | <u>\$ 46,743</u> | <u>\$ 46,902</u> | <u>\$ 159</u> | <u>\$ 54,853</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
PARADISE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 26,594 | \$ 27,510 |
| Cash Outflows: | | |
| Payments to Suppliers | (325) | (341) |
| Payments to Employees | (340) | (403) |
| Net Cash Provided (Used) by Operating Activities | <u>25,929</u> | <u>26,766</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | (215) | (431) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(215)</u> | <u>(431)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (20,000) | (20,000) |
| Interest Paid | (6,200) | (7,060) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(26,200)</u> | <u>(27,060)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | - | - |
| Maturities of U.S. Government Securities-Restricted | - | - |
| Interest Received | 148 | 61 |
| Net Cash Provided (Used) by Investing Activities | <u>148</u> | <u>61</u> |
| Net Cash Inflow from All Activities | (338) | (664) |
| Cash and Restricted Cash at Beginning of Year | 26,824 | 27,488 |
| Cash and Restricted Cash at End of Year | <u>\$ 26,486</u> | <u>\$ 26,824</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
PARADISE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash | | |
|--|-------------------------|-------------------------|
| Provided (Used) by Operating Activities: | 2014 | 2013 |
| Operating Income | \$ (2,181) | \$ (1,344) |
| Depreciation | 28,110 | 28,110 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 25,929</u> | <u>\$ 26,766</u> |
| | | |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 39 | \$ 289 |
| Restricted Cash | 23,800 | 24,217 |
| Noncurrent Assets: | | |
| Restricted Cash | 2,985 | 2,982 |
| | <u>\$ 26,824</u> | <u>\$ 27,488</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 39 | \$ 39 |
| Restricted Cash | 23,369 | 23,800 |
| Noncurrent Assets: | | |
| Restricted Cash | 3,078 | 2,985 |
| | <u>\$ 26,486</u> | <u>\$ 26,824</u> |
| | | |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | <u>\$ (177)</u> | <u>\$ (6)</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
PRINCETON ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|---------------------|---------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 713 | \$ 713 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 502,123 | 1,507,409 |
| Temporary Investments | - | 247,101 |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>502,836</u> | <u>1,755,223</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 38,607 | 133,204 |
| Temporary Investments | 419,668 | 260,593 |
| Interest Receivable | 405 | 767 |
| Capital Assets (Net) | 5,617,034 | 4,669,739 |
| Total Noncurrent Assets | <u>6,075,714</u> | <u>5,064,303</u> |
| TOTAL ASSETS | <u>6,578,550</u> | <u>6,819,526</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | 49,256 |
| Due to Other Funds | 12,282 | 51,592 |
| Retainage Payable | 64,157 | 6,401 |
| Accrued Interest Payable | 18,647 | 18,396 |
| Unearned Revenues | 17,083 | 16,667 |
| Revenue Bonds Payable Current Portion | 205,000 | 200,000 |
| Total Current Liabilities | <u>317,169</u> | <u>342,312</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 4,135,000 | 4,340,000 |
| TOTAL LIABILITIES | <u>4,452,169</u> | <u>4,682,312</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | 1,743,075 | 1,101,458 |
| Restricted: | | |
| Debt Service | 459,032 | 307,659 |
| Unrestricted | (75,726) | 728,097 |
| TOTAL NET POSITION | <u>\$ 2,126,381</u> | <u>\$ 2,137,214</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
PRINCETON ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|---------------------|---------------------|---|------------------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 516,076 | \$ 516,055 | \$ (21) | \$ 1,308,847 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 23,191 | 16,060 | 7,131 | 21,116 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 282,785 | 282,785 | - | 282,785 |
| Total Operating Expense | 305,976 | 298,845 | 7,131 | 303,901 |
| Operating Income (Loss) | 210,100 | 217,210 | 7,110 | 1,004,946 |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 2,500 | 3,073 | 573 | 2,535 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (229,998) | (231,116) | (1,118) | (235,467) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | (227,498) | (228,043) | (545) | (232,932) |
| Change in Net Position | (17,398) | (10,833) | 6,565 | 772,014 |
| Net Position, October 1 | 2,137,214 | 2,137,214 | | 1,365,200 |
| Net Position, September 30 | \$ 2,119,816 | \$ 2,126,381 | \$ 6,565 | \$ 2,137,214 |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
PRINCETON ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|--------------------|---------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 516,471 | \$ 1,309,264 |
| Cash Outflows: | | |
| Payments to Suppliers | (3,151) | (4,412) |
| Payments to Employees | (12,909) | (16,703) |
| Net Cash Provided (Used) by Operating Activities | <u>500,411</u> | <u>1,288,149</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | 6,963 |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | (39,310) | - |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(39,310)</u> | <u>6,963</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | (1,221,579) | (254,638) |
| Principal Repayment on Debt | (200,000) | (195,000) |
| Interest Paid | (230,865) | (236,805) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(1,652,444)</u> | <u>(686,443)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (435,000) | (140,493) |
| Maturities of U.S. Government Securities-Restricted | 522,101 | 140,000 |
| Interest Received | 4,359 | 2,415 |
| Net Cash Provided (Used) by Investing Activities | <u>91,460</u> | <u>1,922</u> |
| Net Cash Inflow from All Activities | (1,099,883) | 610,591 |
| Cash and Restricted Cash at Beginning of Year | 1,641,326 | 1,030,735 |
| Cash and Restricted Cash at End of Year | <u>\$ 541,443</u> | <u>\$ 1,641,326</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
PRINCETON ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|--------------------------|----------------------------|
| Operating Income | \$ 217,210 | \$ 1,004,946 |
| Depreciation | 282,785 | 282,785 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | 416 | 418 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 500,411</u> | <u>\$ 1,288,149</u> |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 713 | \$ 713 |
| Restricted Cash | 1,507,409 | 984,077 |
| Noncurrent Assets: | | |
| Restricted Cash | 133,204 | 45,945 |
| | <u>\$ 1,641,326</u> | <u>\$ 1,030,735</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 713 | \$ 713 |
| Restricted Cash | 502,123 | 1,507,409 |
| Noncurrent Assets: | | |
| Restricted Cash | 38,607 | 133,204 |
| | <u>\$ 541,443</u> | <u>\$ 1,641,326</u> |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change In Fair Value of Investments | <u>\$ (926)</u> | <u>\$ (373)</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITIDN
POTTSBORO ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|--------------------|------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 16,114 | \$ 24,108 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 128,451 | 126,756 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | 2,788 | 2,540 |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>147,353</u> | <u>153,404</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 6,009 | 6,000 |
| Temporary Investments | 159,437 | 160,405 |
| Interest Receivable | 148 | 460 |
| Capital Assets (Net) | <u>2,167,070</u> | <u>2,406,979</u> |
| Total Noncurrent Assets | <u>2,332,664</u> | <u>2,573,844</u> |
| TOTAL ASSETS | <u>2,480,017</u> | <u>2,727,248</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | <u>47,871</u> | <u>55,047</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | - | - |
| Retainage Payable | - | - |
| Accrued Interest Payable | 25,474 | 27,167 |
| Unearned Revenues | 75,000 | 71,667 |
| Revenue Bonds Payable Current Portion | <u>225,000</u> | <u>215,000</u> |
| Total Current Liabilities | <u>325,474</u> | <u>313,834</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | <u>2,236,754</u> | <u>2,462,766</u> |
| TOTAL LIABILITIES | <u>2,562,228</u> | <u>2,776,600</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | (287,930) | (263,021) |
| Restricted: | | |
| Debt Service | 193,571 | 194,788 |
| Unrestricted | 60,019 | 73,928 |
| TOTAL NET POSITION | <u>\$ (34,340)</u> | <u>\$ 5,695</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
POTTSBORO ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|--------------------|--------------------|------------------------------------|-----------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 300,442 | \$ 295,908 | \$ (4,534) | \$ 295,658 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 13,000 | 10,777 | 2,223 | 12,489 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 239,909 | 239,909 | - | 239,909 |
| Total Operating Expense | <u>252,909</u> | <u>250,686</u> | <u>2,223</u> | <u>252,398</u> |
| Operating Income (Loss) | <u>47,533</u> | <u>45,222</u> | <u>(2,311)</u> | <u>43,260</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 700 | 715 | 15 | 1,130 |
| Amortization of Bond Premium | 1,012 | 1,012 | - | 1,012 |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (79,809) | (79,808) | 1 | (83,487) |
| Amortization of Loss on Early Retirement of Debt | (7,176) | (7,176) | - | (7,176) |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(85,273)</u> | <u>(85,257)</u> | <u>16</u> | <u>(88,521)</u> |
| Change in Net Position | (37,740) | (40,035) | (2,295) | (45,261) |
| Net Position, October 1 | 5,695 | 5,695 | - | 50,956 |
| Net Position, September 30 | <u>\$ (32,045)</u> | <u>\$ (34,340)</u> | <u>\$ (2,295)</u> | <u>\$ 5,695</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
POTTSBORO ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|--------------------|--------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 299,241 | \$ 297,325 |
| Cash Outflows: | | |
| Payments to Suppliers | (3,669) | (3,230) |
| Payments to Employees | (7,108) | (9,259) |
| Net Cash Provided (Used) by Operating Activities | <u>288,464</u> | <u>284,836</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | (248) | (174) |
| Payments on Loans from Other Funds | - | (46,704) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(248)</u> | <u>(46,878)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | (44,582) |
| Principal Repayment on Debt | (215,000) | (210,000) |
| Interest Paid | (81,500) | (85,117) |
| Bond Proceeds | - | 60,000 |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(296,500)</u> | <u>(279,699)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (205,225) | (130,338) |
| Maturities of U.S. Government Securities-Restricted | 205,338 | 130,439 |
| Interest Received | 1,881 | 903 |
| Net Cash Provided (Used) by Investing Activities | <u>1,994</u> | <u>1,004</u> |
| Net Cash Inflow from All Activities | (6,290) | (40,737) |
| Cash and Restricted Cash at Beginning of Year | 156,864 | 197,601 |
| Cash and Restricted Cash at End of Year | <u>\$ 150,574</u> | <u>\$ 156,864</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
POTTSBORO ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|-------------------|-------------------|
| Operating Income | \$ 45,222 | \$ 43,260 |
| Depreciation | 239,909 | 239,909 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | 3,333 | 1,667 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 288,464</u> | <u>\$ 284,836</u> |
| | | |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 24,108 | \$ 28,616 |
| Restricted Cash | 126,756 | 162,991 |
| Noncurrent Assets: | | |
| Restricted Cash | 6,000 | 5,994 |
| | <u>\$ 156,864</u> | <u>\$ 197,601</u> |
| | | |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 16,114 | \$ 24,108 |
| Restricted Cash | 128,451 | 126,756 |
| Noncurrent Assets: | | |
| Restricted Cash | 6,009 | 6,000 |
| | <u>\$ 150,574</u> | <u>\$ 156,864</u> |
| | | |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | <u>\$ (855)</u> | <u>\$ (29)</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
SADLER ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 165 | \$ 165 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 26,690 | 27,423 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>26,855</u> | <u>27,588</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 26,737 | 1,737 |
| Temporary Investments | - | 25,188 |
| Interest Receivable | - | 42 |
| Capital Assets (Net) | 33,383 | 66,435 |
| Total Noncurrent Assets | <u>60,120</u> | <u>93,402</u> |
| TOTAL ASSETS | <u>86,975</u> | <u>120,990</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 2,787 | 3,050 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 1,328 | 2,065 |
| Unearned Revenue | - | - |
| Revenue Bonds Payable Current Portion | 25,000 | 25,000 |
| Total Current Liabilities | <u>29,115</u> | <u>30,115</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 20,000 | 45,000 |
| TOTAL LIABILITIES | <u>49,115</u> | <u>75,115</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | (11,617) | (3,565) |
| Restricted: | | |
| Debt Service | 52,099 | 52,324 |
| Unrestricted | (2,622) | (2,884) |
| TOTAL NET POSITION | <u>\$ 37,860</u> | <u>\$ 45,875</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
SADLER ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|---|------------------|------------------|------------------------------------|------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 27,655 | \$ 27,830 | \$ 175 | \$ 29,370 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 230 | 334 | (104) | 445 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 33,052 | 33,052 | - | 33,052 |
| Total Operating Expense | <u>33,282</u> | <u>33,386</u> | <u>(104)</u> | <u>33,497</u> |
| Operating Income (Loss) | <u>(5,627)</u> | <u>(5,556)</u> | <u>71</u> | <u>(4,127)</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Investment Income | 300 | 196 | (104) | 199 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (2,655) | (2,655) | - | (4,130) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(2,355)</u> | <u>(2,459)</u> | <u>(104)</u> | <u>(3,931)</u> |
| Change in Net Position | (7,982) | (8,015) | (33) | (8,058) |
| Net Position, October 1 | 45,875 | 45,875 | | 53,933 |
| Net Position, September 30 | <u>\$ 37,893</u> | <u>\$ 37,860</u> | <u>\$ (33)</u> | <u>\$ 45,875</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
SADLER ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 27,830 | \$ 29,370 |
| Cash Outflows: | | |
| Payments to Suppliers | (204) | (225) |
| Payments to Employees | (130) | (220) |
| Net Cash Provided (Used) by Operating Activities | <u>27,496</u> | <u>28,925</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | (263) | (117) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(263)</u> | <u>(117)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (25,000) | (20,000) |
| Interest Paid | (3,393) | (4,720) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(28,393)</u> | <u>(24,720)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (50,000) | (25,188) |
| Maturities of U.S. Government Securities-Restricted | 75,188 | 25,315 |
| Interest Received | 239 | 207 |
| Net Cash Provided (Used) by Investing Activities | <u>25,427</u> | <u>334</u> |
| Net Cash Inflow from All Activities | 24,267 | 4,422 |
| Cash and Restricted Cash at Beginning of Year | 29,325 | 24,903 |
| Cash and Restricted Cash at End of Year | <u>\$ 53,592</u> | <u>\$ 29,325</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
SADLER ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash | 2014 | 2013 |
|--|------------------|------------------|
| Provided (Used) by Operating Activities: | | |
| Operating Income | \$ (5,556) | \$ (4,127) |
| Depreciation | 33,052 | 33,052 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 27,496</u> | <u>\$ 28,925</u> |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 165 | \$ 165 |
| Restricted Cash | 27,423 | 23,003 |
| Noncurrent Assets: | | |
| Restricted Cash | 1,737 | 1,735 |
| | <u>\$ 29,325</u> | <u>\$ 24,903</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 165 | \$ 165 |
| Restricted Cash | 26,690 | 27,423 |
| Noncurrent Assets: | | |
| Restricted Cash | 26,737 | 1,737 |
| | <u>\$ 53,592</u> | <u>\$ 29,325</u> |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | <u>\$ -</u> | <u>\$ -</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
SAVOY ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 77 | \$ 77 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 6,061 | 6,261 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>6,138</u> | <u>6,338</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 1,971 | 1,894 |
| Temporary Investments | 9,875 | 10,023 |
| Interest Receivable | 25 | 4 |
| Capital Assets (Net) | <u>74,326</u> | <u>95,554</u> |
| Total Noncurrent Assets | <u>86,197</u> | <u>107,475</u> |
| TOTAL ASSETS | <u>92,335</u> | <u>113,813</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 8,790 | 8,871 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 833 | 1,035 |
| Unearned Revenues | 5,000 | 5,000 |
| Revenue Bonds Payable Current Portion | <u>10,000</u> | <u>10,000</u> |
| Total Current Liabilities | <u>24,623</u> | <u>24,906</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | <u>30,000</u> | <u>40,000</u> |
| TOTAL LIABILITIES | <u>54,623</u> | <u>64,906</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | 34,326 | 45,554 |
| Restricted: | | |
| Debt Service | 12,099 | 3,146 |
| Unrestricted | <u>(8,713)</u> | <u>207</u> |
| TOTAL NET POSITION | <u>\$ 37,712</u> | <u>\$ 48,907</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
SAVOY ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 |
|--|------------------|------------------|---|------------------|
| | Budget | Actual | Variance Positive (Negative) | Actual |
| Operating Revenue | | | | |
| Charges for Services | \$ 12,098 | \$ 12,348 | \$ 250 | \$ 12,757 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 255 | 442 | (187) | 485 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 21,195 | 21,228 | (33) | 21,228 |
| Total Operating Expense | 21,450 | 21,670 | (220) | 21,713 |
| Operating Income (Loss) | (9,352) | (9,322) | 30 | (8,956) |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 25 | (5) | (30) | 48 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (1,868) | (1,868) | - | (2,270) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | (1,843) | (1,873) | (30) | (2,222) |
| Change in Net Position | (11,195) | (11,195) | - | (11,178) |
| Net Position, October 1 | 48,907 | 48,907 | - | 60,085 |
| Net Position, September 30 | \$ 37,712 | \$ 37,712 | \$ - | \$ 48,907 |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
SAVOY ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | 2014 | 2013 |
|--|-----------|-----------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Cash Inflows: | | |
| Payments Received from Customers | \$ 12,348 | \$ 12,757 |
| Cash Outflows: | | |
| Payments to Suppliers | (305) | (314) |
| Payments to Employees | (137) | (171) |
| Net Cash Provided (Used) by Operating Activities | 11,906 | 12,272 |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | (81) | (344) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | (81) | (344) |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (10,000) | (10,000) |
| Interest Paid | (2,070) | (2,470) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (12,070) | (12,470) |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | - | - |
| Maturities of U.S. Government Securities-Restricted | 122 | 49 |
| Interest Received | 122 | 49 |
| Net Cash Provided (Used) by Investing Activities | 244 | 99 |
| Net Cash Inflow from All Activities | (123) | (493) |
| Cash and Restricted Cash at Beginning of Year | 8,232 | 8,725 |
| Cash and Restricted Cash at End of Year | \$ 8,109 | \$ 8,232 |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
SAVOY ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|------------------|------------------|
| Operating Income | \$ (9,322) | \$ (8,956) |
| Depreciation | 21,228 | 21,228 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 11,906</u> | <u>\$ 12,272</u> |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 77 | \$ 377 |
| Restricted Cash | 6,261 | 6,456 |
| Noncurrent Assets: | | |
| Restricted Cash | 1,894 | 1,892 |
| | <u>\$ 8,232</u> | <u>\$ 8,725</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 77 | \$ 77 |
| Restricted Cash | 6,061 | 6,261 |
| Noncurrent Assets: | | |
| Restricted Cash | 1,971 | 1,894 |
| | <u>\$ 8,109</u> | <u>\$ 8,232</u> |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | <u>\$ (148)</u> | <u>\$ (5)</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
SHERMAN ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|---------------------|-------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 620,338 | \$ 930,155 |
| Temporary Investments | 544,467 | 494,057 |
| Interest Receivable | 978 | 843 |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 15,226,117 | 10,931,937 |
| Temporary Investments | - | - |
| Accounts Receivable | - | 218,168 |
| Due from Other Funds | 211,260 | 307,153 |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>16,603,160</u> | <u>12,882,313</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 51,043 | 320,967 |
| Temporary Investments | 2,371,569 | 2,031,298 |
| Interest Receivable | 3,837 | 4,911 |
| Capital Assets (Net) | 22,048,360 | 22,508,109 |
| Total Noncurrent Assets | <u>24,474,809</u> | <u>24,865,285</u> |
| TOTAL ASSETS | <u>41,077,969</u> | <u>37,747,598</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | <u>211,803</u> | <u>236,791</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | 337,441 | - |
| Due to Other Funds | - | - |
| Retainage Payable | 57,924 | - |
| Accrued Interest Payable | 642,670 | 629,596 |
| Unearned Revenue | - | - |
| Revenue Bonds Payable Current Portion | 2,780,000 | 2,595,000 |
| Total Current Liabilities | <u>3,818,035</u> | <u>3,224,596</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 36,112,896 | 34,151,113 |
| TOTAL LIABILITIES | <u>39,930,931</u> | <u>37,375,709</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | (4,630,775) | (6,013,105) |
| Restricted: | | |
| Debt Service | 5,274,034 | 4,979,315 |
| Unrestricted | 715,582 | 1,642,470 |
| TOTAL NET POSITION | <u>\$ 1,358,841</u> | <u>\$ 608,680</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
SHERMAN ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | Variance Positive (Negative) | 2013 |
|--|---------------------|---------------------|------------------------------------|--------------------|
| | Budget | Actual | | Actual |
| Operating Revenue | | | | |
| Charges for Services | \$ 3,990,335 | \$ 3,990,335 | \$ - | \$ 3,996,157 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 187,661 | 502,726 | (315,065) | 242,406 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 1,621,480 | 1,611,881 | 9,599 | 1,531,199 |
| Total Operating Expense | <u>1,809,141</u> | <u>2,114,607</u> | <u>(305,466)</u> | <u>1,773,605</u> |
| Operating Income (Loss) | <u>2,181,194</u> | <u>1,875,728</u> | <u>(305,466)</u> | <u>2,222,552</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 16,450 | 20,267 | 3,817 | 28,078 |
| Amortization of Bond Premium | 68,217 | 68,217 | - | 68,217 |
| Bond Issuance Costs | (142,600) | (139,648) | 2,952 | (79,057) |
| Interest Expense | (1,210,335) | (1,049,416) | 160,919 | (1,013,636) |
| Amortization of Loss on Early Retirement of Debt | (24,987) | (24,987) | - | (24,987) |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(1,293,255)</u> | <u>(1,125,567)</u> | <u>167,688</u> | <u>(1,021,385)</u> |
| Change In Net Position | 887,939 | 750,161 | (137,778) | 1,201,167 |
| Net Position, October 1 | 608,680 | 608,680 | - | (592,487) |
| Net Position, September 30 | <u>\$ 1,496,619</u> | <u>\$ 1,358,841</u> | <u>\$ (137,778)</u> | <u>\$ 608,680</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
SHERMAN ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | 2014 | 2013 |
|--|---------------|---------------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Cash Inflows: | | |
| Payments Received from Customers | \$ 4,208,503 | \$ 3,995,958 |
| Cash Outflows: | | |
| Payments to Suppliers | (287,567) | (64,798) |
| Payments to Employees | (215,159) | (177,608) |
| Net Cash Provided (Used) by Operating Activities | 3,705,777 | 3,753,552 |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | - | (307,152) |
| Payments on Loans from Other Funds | 95,896 | (242,341) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | 95,896 | (549,493) |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | (593,295) | (1,944,887) |
| Principal Repayment on Debt | (2,595,000) | (3,900,000) |
| Interest Paid | (1,199,814) | (1,156,609) |
| Bond Proceeds | 4,810,000 | 3,720,000 |
| Payment of Bond Issuance Costs | (139,648) | (79,057) |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 282,243 | (3,360,553) |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (1,257,250) | (475,338) |
| Maturities of U.S. Government Securities-Restricted | 860,338 | 476,115 |
| Interest Received | 27,435 | 36,911 |
| Net Cash Provided (Used) by Investing Activities | (369,477) | 37,688 |
| Net Cash Inflow from All Activities | 3,714,439 | (118,806) |
| Cash and Restricted Cash at Beginning of Year | 12,183,059 | 12,301,865 |
| Cash and Restricted Cash at End of Year | \$ 15,897,498 | \$ 12,183,059 |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
SHERMAN ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | <u>2014</u> | <u>2013</u> |
|--|----------------------|----------------------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Operating Income | \$ 1,875,728 | \$ 2,222,552 |
| Depreciation | 1,611,881 | 1,531,199 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | 218,168 | (199) |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 3,705,777</u> | <u>\$ 3,753,552</u> |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 930,155 | \$ 1,265,177 |
| Restricted Cash | 10,931,937 | 10,989,163 |
| Noncurrent Assets: | | |
| Restricted Cash | 320,967 | 47,525 |
| | <u>\$ 12,183,059</u> | <u>\$ 12,301,865</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 620,338 | \$ 930,155 |
| Restricted Cash | 15,226,117 | 10,931,937 |
| Noncurrent Assets: | | |
| Restricted Cash | 51,043 | 320,967 |
| | <u>\$ 15,897,498</u> | <u>\$ 12,183,059</u> |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Decrease in Debt from Refunding | \$ - | \$ - |
| Change In Fair Value of Investments | <u>\$ (6,232)</u> | <u>\$ (4,786)</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
SOLID WASTE ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| Current Assets | \$ 48,523 | \$ 31,952 |
| Cash and Cash Equivalents | - | - |
| Temporary Investments | - | - |
| Interest Receivable | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | - | - |
| Temporary Investments | 12,670 | 7,738 |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | 723 | 765 |
| Total Current Assets | 61,916 | 40,455 |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | - | - |
| Temporary Investments | - | - |
| Interest Receivable | - | - |
| Capital Assets (Net) | - | - |
| Total Noncurrent Assets | - | - |
| TOTAL ASSETS | 61,916 | 40,455 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 6,152 | 223 |
| Retainage Payable | - | - |
| Accrued Interest Payable | - | - |
| Revenue Bonds Payable Current Portion | - | - |
| Total Current Liabilities | 6,152 | 223 |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | - | - |
| TOTAL LIABILITIES | 6,152 | 223 |
| DEFERRED INFLOWS OF RESOURCES | | |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | - | - |
| Restricted: | | |
| Debt Service | - | - |
| Unrestricted | 55,764 | 40,232 |
| TOTAL NET POSITION | \$ 55,764 | \$ 40,232 |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
SOLID WASTE ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|------------------|------------------|------------------------------------|------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 48,873 | \$ 67,503 | \$ 18,630 | \$ 25,831 |
| Operating Expenses | | | | |
| Operating Expense | 30,000 | 35,851 | (5,851) | 16,600 |
| General and Administrative | 1,500 | 1,333 | 167 | 622 |
| Maintenance and Repairs | 4,000 | 5,528 | (1,528) | 2,275 |
| Depreciation | - | - | - | - |
| Total Operating Expense | <u>35,500</u> | <u>42,712</u> | <u>(7,212)</u> | <u>19,497</u> |
| Operating Income (Loss) | <u>13,373</u> | <u>24,791</u> | <u>11,418</u> | <u>6,334</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | - | 1 | 1 | - |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | - | - | - | - |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | (13,373) | (9,260) | 4,113 | (5,257) |
| Total Nonoperating Revenues (Expenses) | <u>(13,373)</u> | <u>(9,259)</u> | <u>4,114</u> | <u>(5,257)</u> |
| Change in Net Position | - | 15,532 | 15,532 | 1,077 |
| Net Position, October 1 | 40,232 | 40,232 | | 39,155 |
| Net Position, September 30 | <u>\$ 40,232</u> | <u>\$ 55,764</u> | <u>\$ 15,532</u> | <u>\$ 40,232</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
SOLID WASTE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|------------------|------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 62,571 | \$ 34,589 |
| Cash Outflows: | | |
| Payments to Suppliers | (5,727) | (2,313) |
| Payments to Employees | (36,943) | (16,807) |
| Net Cash Provided (Used) by Operating Activities | <u>19,901</u> | <u>15,469</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | 5,929 | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | - | (7,413) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>5,929</u> | <u>(7,413)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | - | - |
| Interest Paid | - | - |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | (9,260) | (5,257) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(9,260)</u> | <u>(5,257)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | - | - |
| Maturities of U.S. Government Securities-Restricted | - | - |
| Interest Received | 1 | - |
| Net Cash Provided (Used) by Investing Activities | <u>1</u> | <u>-</u> |
| Net Cash Inflow from All Activities | 16,571 | 2,799 |
| Cash and Restricted Cash at Beginning of Year | 31,952 | 29,153 |
| Cash and Restricted Cash at End of Year | <u>\$ 48,523</u> | <u>\$ 31,952</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
SOLID WASTE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | 2014 | 2013 |
|--|-------------|-------------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Operating Income | \$ 24,791 | \$ 6,334 |
| Depreciation | - | - |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | (4,932) | 8,758 |
| Prepaid Expenses | 42 | 377 |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | \$ 19,901 | \$ 15,469 |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 31,952 | \$ 29,153 |
| Restricted Cash | - | - |
| Noncurrent Assets: | | |
| Restricted Cash | - | - |
| | \$ 31,952 | \$ 29,153 |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 48,523 | \$ 31,952 |
| Restricted Cash | - | - |
| Noncurrent Assets: | | |
| Restricted Cash | - | - |
| | \$ 48,523 | \$ 31,952 |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | \$ - | \$ - |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
SOUTHMAYD ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 7,876 | \$ 8,223 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 12,450 | 12,738 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | 114 | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>20,440</u> | <u>20,961</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 3,388 | 3,310 |
| Temporary Investments | 9,875 | 10,023 |
| Interest Receivable | 25 | 4 |
| Capital Assets (Net) | <u>122,500</u> | <u>142,898</u> |
| Total Noncurrent Assets | <u>135,788</u> | <u>156,235</u> |
| TOTAL ASSETS | <u>156,228</u> | <u>177,196</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | <u>-</u> | <u>-</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | - | 17 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 2,424 | 2,714 |
| Revenue Bonds Payable Current Portion | <u>10,000</u> | <u>10,000</u> |
| Total Current Liabilities | <u>12,424</u> | <u>12,731</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | <u>70,000</u> | <u>80,000</u> |
| TOTAL LIABILITIES | <u>82,424</u> | <u>92,731</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | 42,500 | 52,898 |
| Restricted: | | |
| Debt Service | 23,313 | 23,361 |
| Unrestricted | 7,991 | 8,206 |
| TOTAL NET POSITION | <u>\$ 73,804</u> | <u>\$ 84,465</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
SOUTHMAYD ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|------------------|------------------|------------------------------------|------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 15,226 | \$ 15,122 | \$ (104) | \$ 16,089 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 409 | 537 | (128) | 560 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 20,398 | 20,398 | - | 20,398 |
| Total Operating Expense | <u>20,807</u> | <u>20,935</u> | <u>(128)</u> | <u>20,958</u> |
| Operating Income (Loss) | <u>(5,581)</u> | <u>(5,813)</u> | <u>(232)</u> | <u>(4,869)</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 30 | - | (30) | 54 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (4,848) | (4,848) | - | (5,428) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(4,818)</u> | <u>(4,848)</u> | <u>(30)</u> | <u>(5,374)</u> |
| Change in Net Position | (10,399) | (10,661) | (262) | (10,243) |
| Net Position, October 1 | 84,465 | 84,465 | - | 94,708 |
| Net Position, September 30 | <u>\$ 74,066</u> | <u>\$ 73,804</u> | <u>\$ (262)</u> | <u>\$ 84,465</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
SOUTHMAYD ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|--|------------------|------------------|
| Cash Inflows: | | |
| Payments Received from Customers | \$ 15,122 | \$ 16,089 |
| Cash Outflows: | | |
| Payments to Suppliers | (322) | (328) |
| Payments to Employees | (215) | (232) |
| Net Cash Provided (Used) by Operating Activities | <u>14,585</u> | <u>15,529</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | | - |
| Loans to Other Funds | (114) | - |
| Payments on Loans from Other Funds | (17) | (144) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(131)</u> | <u>(144)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (10,000) | (5,000) |
| Interest Paid | (5,138) | (5,570) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(15,138)</u> | <u>(10,570)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (10,000) | - |
| Maturities of U.S. Government Securities-Restricted | 10,000 | - |
| Interest Received | 127 | 58 |
| Net Cash Provided (Used) by Investing Activities | <u>127</u> | <u>58</u> |
| Net Cash Inflow from All Activities | (557) | 4,873 |
| Cash and Restricted Cash at Beginning of Year | 24,271 | 19,398 |
| Cash and Restricted Cash at End of Year | <u>\$ 23,714</u> | <u>\$ 24,271</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
SOUTHMAYD ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | 2014 | 2013 |
|--|------------------|------------------|
| Reconciliation of Operating Income to Net Cash | | |
| Provided (Used) by Operating Activities: | | |
| Operating Income | \$ (5,813) | \$ (4,869) |
| Depreciation | 20,398 | 20,398 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | \$ 14,585 | \$ 15,529 |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 8,223 | \$ 8,215 |
| Restricted Cash | 12,738 | 7,876 |
| Noncurrent Assets: | | |
| Restricted Cash | 3,310 | 3,307 |
| | \$ 24,271 | \$ 19,398 |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 7,876 | \$ 8,223 |
| Restricted Cash | 12,450 | 12,738 |
| Noncurrent Assets: | | |
| Restricted Cash | 3,388 | 3,310 |
| | \$ 23,714 | \$ 24,271 |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | \$ (148) | \$ (5) |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
TOM BEAN ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|---------------------|---------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 50 | \$ 300 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 17,170 | 17,735 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>17,220</u> | <u>18,035</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 339 | 45,269 |
| Temporary Investments | 66,824 | 22,050 |
| Interest Receivable | 220 | 41 |
| Capital Assets (Net) | <u>157,497</u> | <u>184,871</u> |
| Total Noncurrent Assets | <u>224,880</u> | <u>252,231</u> |
| TOTAL ASSETS | <u>242,100</u> | <u>270,266</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | <u>-</u> | <u>-</u> |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 3,094 | 3,172 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 4,146 | 4,721 |
| Unearned Revenues | 12,500 | 12,500 |
| Revenue Bonds Payable Current Portion | <u>50,000</u> | <u>50,000</u> |
| Total Current Liabilities | <u>69,740</u> | <u>70,393</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | <u>295,000</u> | <u>345,000</u> |
| TOTAL LIABILITIES | <u>364,740</u> | <u>415,393</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | (187,503) | (210,129) |
| Restricted: | | |
| Debt Service | 67,906 | 67,872 |
| Unrestricted | (3,043) | (2,870) |
| TOTAL NET POSITION | <u>\$ (122,640)</u> | <u>\$ (145,127)</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION-BUDGET (GAAP BASIS) AND ACTUAL
TOM BEAN ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|---------------------|---------------------|------------------------------------|---------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 70,025 | \$ 70,264 | \$ 239 | \$ 67,079 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 2,018 | 2,427 | (409) | 1,833 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 27,374 | 27,374 | - | 27,374 |
| Total Operating Expense | <u>29,392</u> | <u>29,801</u> | <u>(409)</u> | <u>29,207</u> |
| Operating Income (Loss) | <u>40,633</u> | <u>40,463</u> | <u>(170)</u> | <u>37,872</u> |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | 300 | 332 | 32 | 558 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (23,028) | (18,308) | 4,720 | (20,418) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(22,728)</u> | <u>(17,976)</u> | <u>4,752</u> | <u>(19,860)</u> |
| Change in Net Position | 17,905 | 22,487 | 4,582 | 18,012 |
| Net Position, October 1 | (145,127) | (145,127) | - | (163,139) |
| Net Position, September 30 | <u>\$ (127,222)</u> | <u>\$ (122,640)</u> | <u>\$ 4,582</u> | <u>\$ (145,127)</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
TOM BEAN ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | 2014 | 2013 |
|--|-----------|-----------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Cash Inflows: | | |
| Payments Received from Customers | \$ 70,264 | \$ 68,329 |
| Cash Outflows: | | |
| Payments to Suppliers | (1,053) | (745) |
| Payments to Employees | (1,374) | (1,088) |
| Net Cash Provided (Used) by Operating Activities | 67,837 | 66,496 |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | (78) | (2,874) |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | (78) | (2,874) |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | - | - |
| Principal Repayment on Debt | (50,000) | (45,000) |
| Interest Paid | (18,883) | (20,930) |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (68,883) | (65,930) |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (67,100) | - |
| Maturities of U.S. Government Securities-Restricted | 22,000 | 45,000 |
| Interest Received | 479 | 575 |
| Net Cash Provided (Used) by Investing Activities | (44,621) | 45,575 |
| Net Cash Inflow from All Activities | (45,745) | 43,267 |
| Cash and Restricted Cash at Beginning of Year | 63,304 | 20,037 |
| Cash and Restricted Cash at End of Year | \$ 17,559 | \$ 63,304 |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
TOM BEAN ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

Reconciliation of Operating Income to Net Cash

| Provided (Used) by Operating Activities: | <u>2014</u> | <u>2013</u> |
|---|------------------|------------------|
| Operating Income | \$ 40,463 | \$ 37,872 |
| Depreciation | 27,374 | 27,374 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | - | 1,250 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 67,837</u> | <u>\$ 66,496</u> |

Cash Reconciliation:

Beginning of Period:

| | | |
|---------------------------|------------------|------------------|
| Current Assets: | | |
| Cash | \$ 300 | \$ 2,798 |
| Restricted Cash | 17,735 | 16,970 |
| Noncurrent Assets: | | |
| Restricted Cash | 45,269 | 269 |
| | <u>\$ 63,304</u> | <u>\$ 20,037</u> |

End of Period

| | | |
|---------------------------|------------------|------------------|
| Current Assets: | | |
| Cash | \$ 50 | \$ 300 |
| Restricted Cash | 17,170 | 17,735 |
| Noncurrent Assets: | | |
| Restricted Cash | 339 | 45,269 |
| | <u>\$ 17,559</u> | <u>\$ 63,304</u> |

Non-Cash Investing, Capital and Financing Activities:

| | | |
|-------------------------------------|-----------------|----------------|
| Change in Fair Value of Investments | <u>\$ (326)</u> | <u>\$ (11)</u> |
|-------------------------------------|-----------------|----------------|

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
VAN ALSTYNE ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|--------------------|-------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ - | \$ - |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 2,083,588 | - |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>2,083,588</u> | <u>-</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | - | - |
| Temporary Investments | - | - |
| Interest Receivable | - | - |
| Capital Assets (Net) | 118,214 | - |
| Total Noncurrent Assets | <u>118,214</u> | <u>-</u> |
| TOTAL ASSETS | <u>2,201,802</u> | <u>-</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 76,591 | - |
| Retainage Payable | - | - |
| Accrued Interest Payable | - | - |
| Unearned Revenues | - | - |
| Revenue Bonds Payable Current Portion | 125,000 | - |
| Total Current Liabilities | <u>201,591</u> | <u>-</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 2,090,000 | - |
| TOTAL LIABILITIES | <u>2,291,591</u> | <u>-</u> |
| <u>NET POSITION</u> | | |
| Net investment in Capital Assets | (475,949) | - |
| Restricted: | | |
| Debt Service | 462,751 | - |
| Unrestricted | (76,591) | - |
| TOTAL NET POSITION | <u>\$ (89,789)</u> | <u>\$ -</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS-BUDGET (GAAP BASIS) AND ACTUAL
VAN ALSTYNE ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|--|--------|-------------|------------------------------------|----------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | - | 6,584 | (6,584) | - |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | - | - | - | - |
| Total Operating Expense | - | 6,584 | (6,584) | - |
| Operating Income (Loss) | - | (6,584) | (6,584) | - |
| Nonoperating Revenues | | | | |
| (Expenses) | | | | |
| Investment Income | - | - | - | - |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | (83,205) | (83,205) | - |
| Interest Expense | - | - | - | - |
| Amortization of Bond Issuance Costs | - | - | - | - |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Landfill Closure and Postclosure Care Costs (Note I) | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | - | (83,205) | (83,205) | - |
| Change in Net Assets | - | (89,789) | (89,789) | - |
| Net Assets, October 1 | - | - | - | - |
| Net Assets, September 30 | \$ - | \$ (89,789) | \$ (89,789) | \$ - |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
VAN ALSTYNE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | <u>2014</u> | <u>2013</u> |
|---|---------------------|-------------|
| Cash Flows from Operating Activities | | |
| Cash Inflows: | | |
| Payments Received from Customers | \$ - | \$ - |
| Cash Outflows: | | |
| Payments to Suppliers | (1,471) | - |
| Payments to Employees | (5,113) | - |
| Net Cash Provided (Used) by Operating Activities | <u>(6,584)</u> | <u>-</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | 76,591 | - |
| Loans to Other Funds | - | - |
| Payments on Loans from Other Funds | - | - |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>76,591</u> | <u>-</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | (118,214) | - |
| Principal Repayment on Debt | - | - |
| Interest Paid | - | - |
| Bond Proceeds | 2,215,000 | - |
| Payment of Bond Issuance Costs | (83,205) | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>2,013,581</u> | <u>-</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | - | - |
| Maturities of U.S. Government Securities-Restricted | - | - |
| Interest Received | - | - |
| Net Cash Provided (Used) by Investing Activities | <u>-</u> | <u>-</u> |
| Net Cash Inflow from All Activities | 2,083,588 | - |
| Cash and Restricted Cash at Beginning of Year | - | - |
| Cash and Restricted Cash at End of Year | <u>\$ 2,083,588</u> | <u>\$ -</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
VAN ALSTYNE ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | 2014 | 2013 |
|--|---------------------|-------------|
| Operating Income | \$ (6,584) | \$ - |
| Depreciation | - | - |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | \$ (6,584) | \$ - |
| | | |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ - | \$ - |
| Restricted Cash | - | - |
| Noncurrent Assets: | | |
| Restricted Cash | - | - |
| | <u>\$ -</u> | <u>\$ -</u> |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ - | \$ - |
| Restricted Cash | 2,083,588 | - |
| Noncurrent Assets: | | |
| Restricted Cash | - | - |
| | <u>\$ 2,083,588</u> | <u>\$ -</u> |
| | | |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | \$ - | - |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF NET POSITION
WHITEWRIGHT ENTERPRISE FUND
SEPTEMBER 30, 2014 AND 2013

| <u>ASSETS</u> | <u>2014</u> | <u>2013</u> |
|--|-------------------|-------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 9 | \$ 734 |
| Temporary Investments | - | - |
| Restricted Cash, Cash Equivalents and Investments: | | |
| Cash and Cash Equivalents | 4,236 | 4,351 |
| Temporary Investments | - | - |
| Accounts Receivable | - | - |
| Due from Other Funds | - | - |
| Prepaid Expenses | - | - |
| Total Current Assets | <u>4,245</u> | <u>5,085</u> |
| Noncurrent Assets: | | |
| Restricted Assets | | |
| Cash and Cash Equivalents | 2,827 | 50,748 |
| Temporary Investments | 57,821 | 10,023 |
| Interest Receivable | 96 | 9 |
| Capital Assets (Net) | 173,084 | 189,558 |
| Total Noncurrent Assets | <u>233,828</u> | <u>250,338</u> |
| TOTAL ASSETS | <u>238,073</u> | <u>255,423</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Loss on Refunding | - | - |
| <u>LIABILITIES</u> | | |
| Current Liabilities | | |
| Accounts Payable | - | - |
| Due to Other Funds | 6,713 | 7,138 |
| Retainage Payable | - | - |
| Accrued Interest Payable | 1,718 | 1,834 |
| Unearned Revenues | 2,500 | 2,500 |
| Revenue Bonds Payable Current Portion | 5,000 | 5,000 |
| Total Current Liabilities | <u>15,931</u> | <u>16,472</u> |
| Noncurrent Liabilities | | |
| Revenue Bonds Payable | 60,000 | 65,000 |
| TOTAL LIABILITIES | <u>75,931</u> | <u>81,472</u> |
| <u>NET POSITION</u> | | |
| Net Investment in Capital Assets | 108,084 | 131,031 |
| Restricted: | | |
| Debt Service | 60,761 | 60,658 |
| Unrestricted | (6,703) | (17,738) |
| TOTAL NET POSITION | <u>\$ 162,142</u> | <u>\$ 173,951</u> |

GREATER TEXOMA UTILITY AUTHORITY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (GAAP BASIS) AND ACTUAL
WHITEWRIGHT ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
With Comparative Totals for the Year Ended September 30, 2013

| | 2014 | | | 2013 Actual |
|---|-------------------|-------------------|------------------------------------|-------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Operating Revenue | | | | |
| Charges for Services | \$ 8,635 | \$ 8,802 | \$ 167 | \$ 9,319 |
| Operating Expenses | | | | |
| Operating Expense | - | - | - | - |
| General and Administrative | 383 | 980 | (597) | 654 |
| Maintenance and Repairs | - | - | - | - |
| Depreciation | 16,473 | 16,473 | - | 16,473 |
| Total Operating Expense | <u>16,856</u> | <u>17,453</u> | <u>(597)</u> | <u>17,127</u> |
| Operating Income (Loss) | <u>(8,221)</u> | <u>(8,651)</u> | <u>(430)</u> | <u>(7,808)</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Investment Income | 300 | 394 | 94 | 138 |
| Amortization of Bond Premium | - | - | - | - |
| Bond Issuance Costs | - | - | - | - |
| Interest Expense | (3,552) | (3,552) | - | (3,782) |
| Amortization of Loss on Early Retirement of Debt | - | - | - | - |
| Gain (Loss) on Sale of Assets | - | - | - | - |
| Landfill Closure and Postclosure Care Costs | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(3,252)</u> | <u>(3,158)</u> | <u>94</u> | <u>(3,644)</u> |
| Change in Net Position | (11,473) | (11,809) | (336) | (11,452) |
| Net Position, October 1 | 173,951 | 173,951 | | 185,403 |
| Net Position, September 30 | <u>\$ 162,478</u> | <u>\$ 162,142</u> | <u>\$ (336)</u> | <u>\$ 173,951</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS
WHITEWRIGHT ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | <u>2014</u> | <u>2013</u> |
|--|-----------------|------------------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Payments Received from Customers | \$ 8,802 | \$ 9,319 |
| Cash Outflows: | | |
| Payments to Suppliers | (792) | (324) |
| Payments to Employees | (188) | (330) |
| Net Cash Provided (Used) by Operating Activities | <u>7,822</u> | <u>8,665</u> |
| Cash Flows from Non-Capital and Related Financing Activities | | |
| Loans from Other Funds | - | - |
| Loans to Other Funds | (425) | (12,956) |
| Payments on Loans from Other Funds | - | - |
| Net Cash Provided (Used) by Non-Capital and Related Financing Activities | <u>(425)</u> | <u>(12,956)</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of Capital Assets | (5,000) | (5,000) |
| Principal Repayment on Debt | (3,668) | (3,895) |
| Interest Paid | - | - |
| Bond Proceeds | - | - |
| Payment of Bond Issuance Costs | - | - |
| Landfill Closure and Postclosure Care Costs | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(8,668)</u> | <u>(8,895)</u> |
| Cash Flows from Investing Activities | | |
| Purchases of U.S. Government Securities | (103,000) | - |
| Maturities of U.S. Government Securities-Restricted | 55,000 | 3,000 |
| Interest Received | 510 | 136 |
| Net Cash Provided (Used) by Investing Activities | <u>(47,490)</u> | <u>3,136</u> |
| Net Cash Inflow from All Activities | (48,761) | (10,050) |
| Cash and Restricted Cash at Beginning of Year | 55,833 | 65,883 |
| Cash and Restricted Cash at End of Year | <u>\$ 7,072</u> | <u>\$ 55,833</u> |

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULES OF CASH FLOWS (Continued)
WHITEWRIGHT ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND SEPTEMBER 30, 2013

| | 2014 | 2013 |
|--|------------|------------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Operating Income | \$ (8,651) | \$ (7,808) |
| Depreciation | 16,473 | 16,473 |
| (Increase) Decrease | | |
| Due From Other Funds | - | - |
| Accounts Receivable | - | - |
| Prepaid Expenses | - | - |
| Increase (Decrease) | | |
| Accounts Payable | - | - |
| Accrued Compensated Absences | - | - |
| Due to Other Funds | - | - |
| Unearned Revenue | - | - |
| Net Cash Provided (Used) by Operating Activities | \$ 7,822 | \$ 8,665 |
| Cash Reconciliation: | | |
| Beginning of Period: | | |
| Current Assets: | | |
| Cash | \$ 734 | \$ 13,806 |
| Restricted Cash | 4,351 | 4,494 |
| Noncurrent Assets: | | |
| Restricted Cash | 50,748 | 47,583 |
| | \$ 55,833 | \$ 65,883 |
| End of Period | | |
| Current Assets: | | |
| Cash | \$ 9 | \$ 734 |
| Restricted Cash | 4,236 | 4,351 |
| Noncurrent Assets: | | |
| Restricted Cash | 2,827 | 50,748 |
| | \$ 7,072 | \$ 55,833 |
| Non-Cash Investing, Capital and Financing Activities: | | |
| Change in Fair Value of Investments | \$ (201) | \$ (5) |

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DEBT SCHEDULES

GREATER TEXOMA UTILITY AUTHORITY
CITY OF ANNA CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2005 Contract Revenue Refunding Bonds | | | Total Requirements |
|--|---------------------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 5/1 | Interest Due 11/1 | Interest Due 5/1 | |
| 2015 | 95,000 | 46,079 | 46,078 | 187,157 |
| 2016 | 95,000 | 43,979 | 43,979 | 182,958 |
| 2017 | 100,000 | 41,880 | 41,879 | 183,759 |
| 2018 | 105,000 | 39,670 | 39,669 | 184,339 |
| 2019 | 105,000 | 37,349 | 37,349 | 179,698 |
| 2020 | 110,000 | 35,029 | 35,028 | 180,057 |
| 2021 | 210,000 | 32,597 | 32,598 | 275,195 |
| 2022 | 210,000 | 27,956 | 27,957 | 265,913 |
| 2023 | 220,000 | 23,316 | 23,315 | 266,631 |
| 2024 | 230,000 | 18,453 | 18,454 | 266,907 |
| 2025 | 235,000 | 13,371 | 13,370 | 261,741 |
| 2026 | 245,000 | 8,177 | 8,177 | 261,354 |
| 2027 | 60,000 | 2,762 | 2,763 | 65,525 |
| 2028 | 65,000 | 1,437 | 1,436 | 67,873 |
| 2029 | - | - | - | - |
| 2030 | - | - | - | - |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| | <u>\$ 2,085,000</u> | <u>\$ 372,055</u> | <u>\$ 372,052</u> | <u>\$ 2,829,107</u> |

2007A Contract Revenue Refunding Bonds

| Principal Due 5/1 | Interest Due 11/1 | Interest Due 5/1 | Total Requirements |
|----------------------|----------------------|---------------------|-----------------------|
| 35,000 | 15,207 | 15,206 | 65,413 |
| 35,000 | 14,416 | 14,415 | 63,831 |
| 35,000 | 13,598 | 13,598 | 62,196 |
| 40,000 | 12,764 | 12,763 | 65,527 |
| 40,000 | 11,790 | 11,789 | 63,579 |
| 45,000 | 10,796 | 10,795 | 66,591 |
| 45,000 | 9,666 | 9,666 | 64,332 |
| 45,000 | 8,514 | 8,514 | 62,028 |
| 50,000 | 7,340 | 7,339 | 64,679 |
| 50,000 | 6,022 | 6,022 | 62,044 |
| 55,000 | 4,680 | 4,679 | 64,359 |
| 55,000 | 3,189 | 3,189 | 61,378 |
| 60,000 | 1,671 | 1,671 | 63,342 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>\$ 590,000</u> | <u>\$ 119,653</u> | <u>\$ 119,646</u> | <u>\$ 829,299</u> |

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF ANNA CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2007B Contract Revenue Bonds | | | Total Requirements |
|--|------------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 5/1 | Interest Due 11/1 | Interest Due 5/1 | |
| 2015 | 50,000 | 22,447 | 22,447 | 94,894 |
| 2016 | 50,000 | 21,317 | 21,317 | 92,634 |
| 2017 | 55,000 | 20,150 | 20,150 | 95,300 |
| 2018 | 55,000 | 18,838 | 18,838 | 92,676 |
| 2019 | 60,000 | 17,498 | 17,498 | 94,996 |
| 2020 | 60,000 | 16,008 | 16,008 | 92,016 |
| 2021 | 65,000 | 14,501 | 14,501 | 94,002 |
| 2022 | 70,000 | 12,838 | 12,838 | 95,676 |
| 2023 | 75,000 | 11,010 | 11,010 | 97,020 |
| 2024 | 75,000 | 9,034 | 9,034 | 93,068 |
| 2025 | 80,000 | 7,021 | 7,021 | 94,042 |
| 2026 | 85,000 | 4,852 | 4,852 | 94,704 |
| 2027 | 90,000 | 2,507 | 2,507 | 95,014 |
| 2028 | - | - | - | - |
| 2029 | - | - | - | - |
| 2030 | - | - | - | - |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| | \$ 870,000 | \$ 178,021 | \$ 178,021 | \$ 1,226,042 |

2007C Contract Revenue Bonds

| Principal Due 5/1 | Interest Due 11/1 | Interest Due 5/1 | Total Requirements |
|----------------------|----------------------|---------------------|-----------------------|
| 50,000 | 85,489 | 85,488 | 220,977 |
| 50,000 | 84,358 | 84,359 | 218,717 |
| 50,000 | 83,191 | 83,191 | 216,382 |
| 50,000 | 81,999 | 81,998 | 213,997 |
| 60,000 | 80,781 | 80,781 | 221,562 |
| 160,000 | 79,290 | 79,290 | 318,580 |
| 170,000 | 75,274 | 75,274 | 320,548 |
| 175,000 | 70,922 | 70,922 | 316,844 |
| 185,000 | 66,355 | 66,354 | 317,709 |
| 195,000 | 61,480 | 61,480 | 317,960 |
| 210,000 | 56,244 | 56,244 | 322,488 |
| 220,000 | 50,553 | 50,553 | 321,106 |
| 230,000 | 44,481 | 44,481 | 318,962 |
| 245,000 | 38,075 | 38,076 | 321,151 |
| 255,000 | 31,191 | 31,191 | 317,382 |
| 270,000 | 24,026 | 24,025 | 318,051 |
| 285,000 | 16,438 | 16,439 | 317,877 |
| 300,000 | 8,430 | 8,430 | 316,860 |
| <u>\$ 3,160,000</u> | <u>\$ 1,038,577</u> | <u>\$ 1,038,576</u> | <u>\$ 5,237,153</u> |

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GREATER TEXOMA UTILITY AUTHORITY
CITY OF ANNA CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2008 Contract Revenue Bonds | | | Total Requirements | (Memorandum Only) Totals |
|--|-----------------------------|----------------------|---------------------|-----------------------|--------------------------------|
| | Principal Due 5/1 | Interest Due 11/1 | Interest Due 5/1 | | |
| 2015 | 25,000 | 10,794 | 10,794 | 46,588 | 615,029 |
| 2016 | 25,000 | 10,152 | 10,152 | 45,304 | 603,444 |
| 2017 | 25,000 | 9,509 | 9,509 | 44,018 | 601,655 |
| 2018 | 25,000 | 8,866 | 8,866 | 42,732 | 599,271 |
| 2019 | 30,000 | 8,224 | 8,224 | 46,448 | 606,283 |
| 2020 | 30,000 | 7,453 | 7,453 | 44,906 | 702,150 |
| 2021 | 30,000 | 6,682 | 6,682 | 43,364 | 797,441 |
| 2022 | 35,000 | 5,911 | 5,911 | 46,822 | 787,283 |
| 2023 | 35,000 | 5,012 | 5,012 | 45,024 | 791,063 |
| 2024 | 35,000 | 4,112 | 4,112 | 43,224 | 783,203 |
| 2025 | 40,000 | 3,212 | 3,212 | 46,424 | 789,054 |
| 2026 | 40,000 | 2,185 | 2,185 | 44,370 | 782,912 |
| 2027 | 45,000 | 1,156 | 1,156 | 47,312 | 590,155 |
| 2028 | - | - | - | - | 389,024 |
| 2029 | - | - | - | - | 317,382 |
| 2030 | - | - | - | - | 318,051 |
| 2031 | - | - | - | - | 317,877 |
| 2032 | - | - | - | - | 316,860 |
| | <u>\$ 420,000</u> | <u>\$ 83,268</u> | <u>\$ 83,268</u> | <u>\$ 586,536</u> | <u>\$ 10,708,137</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF ANNA / CITY OF MELISSA CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2006 Contract Revenue Bonds - Anna Portion | | | |
|--|--|----------------------|---------------------|-----------------------|
| | Principal Due 6/1 | Interest Due 12/1 | Interest Due 6/1 | Total Requirements |
| 2015 | 100,000 | 26,121 | 26,122 | 152,243 |
| 2016 | 100,000 | 24,446 | 24,447 | 148,893 |
| 2017 | 105,000 | 22,746 | 22,747 | 150,493 |
| 2018 | 110,000 | 20,935 | 20,935 | 151,870 |
| 2019 | 115,000 | 19,010 | 19,010 | 153,020 |
| 2020 | 120,000 | 16,969 | 16,969 | 153,938 |
| 2021 | 125,000 | 14,839 | 14,839 | 154,678 |
| 2022 | 125,000 | 12,589 | 12,589 | 150,178 |
| 2023 | 130,000 | 10,307 | 10,307 | 150,614 |
| 2024 | 135,000 | 7,935 | 7,935 | 150,870 |
| 2025 | 140,000 | 5,437 | 5,437 | 150,874 |
| 2026 | 150,000 | 2,812 | 2,812 | 155,624 |
| 2027 | - | - | - | - |
| 2028 | - | - | - | - |
| | <u>\$ 1,455,000</u> | <u>\$ 184,146</u> | <u>\$ 184,149</u> | <u>\$ 1,823,295</u> |

2006 Contract Revenue Bonds - Melissa Portion

| Principal Due 6/1 | Interest Due 12/1 | Interest Due 6/1 | Total Requirements |
|----------------------|----------------------|---------------------|-----------------------|
| 80,000 | 21,456 | 21,456 | 122,912 |
| 85,000 | 20,116 | 20,116 | 125,232 |
| 85,000 | 18,671 | 18,671 | 122,342 |
| 90,000 | 17,205 | 17,205 | 124,410 |
| 95,000 | 15,630 | 15,630 | 126,260 |
| 95,000 | 13,944 | 13,944 | 122,888 |
| 100,000 | 12,258 | 12,257 | 124,515 |
| 105,000 | 10,457 | 10,459 | 125,916 |
| 110,000 | 8,541 | 8,541 | 127,082 |
| 115,000 | 6,534 | 6,534 | 128,068 |
| 115,000 | 4,407 | 4,406 | 123,813 |
| 120,000 | 2,251 | 2,250 | 124,501 |
| - | - | - | - |
| - | - | - | - |
| <u>\$ 1,195,000</u> | <u>\$ 151,470</u> | <u>\$ 151,469</u> | <u>\$ 1,497,939</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF ANNA / CITY OF MELISSA CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2007 Contract Revenue Bonds - Anna Portion | | | Total Requirements |
|--|--|----------------------|---------------------|-----------------------|
| | Principal Due 6/1 | Interest Due 12/1 | Interest Due 6/1 | |
| 2015 | 100,000 | 34,584 | 34,584 | 169,168 |
| 2016 | 105,000 | 32,909 | 32,909 | 170,818 |
| 2017 | 105,000 | 31,124 | 31,124 | 167,248 |
| 2018 | 110,000 | 29,286 | 29,286 | 168,572 |
| 2019 | 115,000 | 27,306 | 27,306 | 169,612 |
| 2020 | 120,000 | 25,179 | 25,179 | 170,358 |
| 2021 | 125,000 | 22,929 | 22,929 | 170,858 |
| 2022 | 130,000 | 20,522 | 20,522 | 171,044 |
| 2023 | 135,000 | 18,020 | 18,020 | 171,040 |
| 2024 | 140,000 | 15,388 | 15,388 | 170,776 |
| 2025 | 145,000 | 12,622 | 12,622 | 170,244 |
| 2026 | 155,000 | 9,723 | 9,723 | 174,446 |
| 2027 | 160,000 | 6,622 | 6,622 | 173,244 |
| 2028 | 165,000 | 3,383 | 3,382 | 171,765 |
| | <u>\$ 1,810,000</u> | <u>\$ 289,597</u> | <u>\$ 289,596</u> | <u>\$ 2,389,193</u> |

| 2007 Contract Revenue Bonds - Melissa Portion | | | | (Memorandum Only) |
|---|----------------------|---------------------|-----------------------|----------------------|
| Principal Due 6/1 | Interest Due 12/1 | Interest Due 6/1 | Total Requirements | Totals |
| 45,000 | 16,437 | 16,437 | 77,874 | 522,197 |
| 50,000 | 15,684 | 15,683 | 81,367 | 526,310 |
| 50,000 | 14,834 | 14,834 | 79,668 | 519,751 |
| 55,000 | 13,959 | 13,959 | 82,918 | 527,770 |
| 55,000 | 12,969 | 12,969 | 80,938 | 529,830 |
| 55,000 | 11,951 | 11,951 | 78,902 | 526,086 |
| 60,000 | 10,920 | 10,920 | 81,840 | 531,891 |
| 60,000 | 9,765 | 9,765 | 79,530 | 526,668 |
| 65,000 | 8,610 | 8,610 | 82,220 | 530,956 |
| 65,000 | 7,342 | 7,342 | 79,684 | 529,398 |
| 70,000 | 6,059 | 6,059 | 82,118 | 527,049 |
| 75,000 | 4,659 | 4,659 | 84,318 | 538,889 |
| 75,000 | 3,158 | 3,159 | 81,317 | 254,561 |
| 80,000 | 1,639 | 1,639 | 83,278 | 255,043 |
| <u>\$ 860,000</u> | <u>\$ 137,986</u> | <u>\$ 137,986</u> | <u>\$ 1,135,972</u> | <u>\$ 6,846,399</u> |

GREATER TEXOMA UTILITY AUTHORITY
ARGYLE WATER SUPPLY CORPORATION CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2007 Contract Revenue Bonds | | | Total Requirements |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | |
| 2015 | 5,000 | 40,541 | 40,433 | 85,974 |
| 2016 | 5,000 | 40,434 | 40,324 | 85,758 |
| 2017 | 5,000 | 40,325 | 40,214 | 85,539 |
| 2018 | 5,000 | 40,213 | 40,100 | 85,313 |
| 2019 | 5,000 | 40,100 | 39,984 | 85,084 |
| 2020 | 5,000 | 39,984 | 39,865 | 84,849 |
| 2021 | 5,000 | 39,865 | 39,744 | 84,609 |
| 2022 | 60,000 | 39,744 | 38,275 | 138,019 |
| 2023 | 65,000 | 38,275 | 36,671 | 139,946 |
| 2024 | 65,000 | 36,671 | 35,050 | 136,721 |
| 2025 | 70,000 | 35,050 | 33,298 | 138,348 |
| 2026 | 70,000 | 33,298 | 31,533 | 134,831 |
| 2027 | 75,000 | 31,533 | 29,629 | 136,162 |
| 2028 | 80,000 | 29,629 | 27,588 | 137,217 |
| 2029 | 85,000 | 27,588 | 25,385 | 137,973 |
| 2030 | 90,000 | 25,385 | 23,052 | 138,437 |
| 2031 | 95,000 | 23,052 | 20,590 | 138,642 |
| 2032 | 95,000 | 20,590 | 18,128 | 133,718 |
| 2033 | 100,000 | 18,128 | 15,536 | 133,664 |
| 2034 | 105,000 | 15,537 | 12,794 | 133,331 |
| 2035 | 115,000 | 12,794 | 9,791 | 137,585 |
| 2036 | 120,000 | 9,791 | 6,658 | 136,449 |
| 2037 | 125,000 | 6,658 | 3,394 | 135,052 |
| 2038 | 130,000 | 3,394 | - | 133,394 |
| | <u>\$ 1,580,000</u> | <u>\$ 688,579</u> | <u>\$ 648,036</u> | <u>\$ 2,916,615</u> |

| 2010 Contract Refunding Bond | | | | (Memorandum Only) |
|------------------------------|----------------------|---------------------|-----------------------|----------------------|
| Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | Total Requirements | Totals |
| 90,000 | 15,587 | 13,653 | 119,240 | 205,214 |
| 95,000 | 13,652 | 11,610 | 120,262 | 206,020 |
| 95,000 | 11,610 | 9,568 | 116,178 | 201,717 |
| 105,000 | 9,568 | 7,310 | 121,878 | 207,191 |
| 110,000 | 7,310 | 4,945 | 122,255 | 207,339 |
| 115,000 | 4,945 | 2,473 | 122,418 | 207,267 |
| 115,000 | 2,473 | - | 117,473 | 202,082 |
| - | - | - | - | 138,019 |
| - | - | - | - | 139,946 |
| - | - | - | - | 136,721 |
| - | - | - | - | 138,348 |
| - | - | - | - | 134,831 |
| - | - | - | - | 136,162 |
| - | - | - | - | 137,217 |
| - | - | - | - | 137,973 |
| - | - | - | - | 138,437 |
| - | - | - | - | 138,642 |
| - | - | - | - | 133,718 |
| - | - | - | - | 133,664 |
| - | - | - | - | 133,331 |
| - | - | - | - | 137,585 |
| - | - | - | - | 136,449 |
| - | - | - | - | 135,052 |
| - | - | - | - | 133,394 |
| <u>\$ 725,000</u> | <u>\$ 65,145</u> | <u>\$ 49,559</u> | <u>\$ 839,704</u> | <u>\$ 3,756,319</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF BELLS CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2005 Contract Revenue Bonds | | | Total Requirements |
|--|-----------------------------|---------------------|----------------------|-----------------------|
| | Interest Due 10/1 | Interest Due 4/1 | Principal Due 4/1 | |
| 2015 | 8,166 | 8,167 | 30,000 | 46,333 |
| 2016 | 7,814 | 7,814 | 30,000 | 45,628 |
| 2017 | 7,461 | 7,461 | 35,000 | 49,922 |
| 2018 | 7,050 | 7,050 | 35,000 | 49,100 |
| 2019 | 6,639 | 6,639 | 35,000 | 48,278 |
| 2020 | 6,227 | 6,228 | 40,000 | 52,455 |
| 2021 | 5,758 | 5,757 | 40,000 | 51,515 |
| 2022 | 5,288 | 5,287 | 40,000 | 50,575 |
| 2023 | 4,817 | 4,818 | 45,000 | 54,635 |
| 2024 | 4,289 | 4,288 | 45,000 | 53,577 |
| 2025 | 3,760 | 3,760 | 50,000 | 57,520 |
| 2026 | 3,173 | 3,172 | 50,000 | 56,345 |
| 2027 | 2,585 | 2,584 | 50,000 | 55,169 |
| 2028 | 1,998 | 1,996 | 55,000 | 58,994 |
| 2029 | 1,351 | 1,350 | 55,000 | 57,701 |
| 2030 | 705 | 705 | 60,000 | 61,410 |
| | <u>\$ 77,081</u> | <u>\$ 77,076</u> | <u>\$ 695,000</u> | <u>\$ 849,157</u> |

GREATER TEXOMA UTILITY AUTHORITY
BOLIVAR WATER SUPPLY CORPORATION CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2005 Contract Revenue Bonds | | | |
|--|-----------------------------|---------------------|----------------------|-----------------------|
| | Interest Due 10/1 | Interest Due 4/1 | Principal Due 4/1 | Total Requirements |
| 2015 | 12,748 | 12,749 | 60,000 | 85,497 |
| 2016 | 12,044 | 12,043 | 60,000 | 84,087 |
| 2017 | 11,339 | 11,338 | 65,000 | 87,677 |
| 2018 | 10,575 | 10,575 | 65,000 | 86,150 |
| 2019 | 9,811 | 9,812 | 70,000 | 89,623 |
| 2020 | 8,988 | 8,989 | 70,000 | 87,977 |
| 2021 | 8,166 | 8,167 | 75,000 | 91,333 |
| 2022 | 7,285 | 7,285 | 80,000 | 94,570 |
| 2023 | 6,345 | 6,345 | 80,000 | 92,690 |
| 2024 | 5,405 | 5,404 | 85,000 | 95,809 |
| 2025 | 4,406 | 4,406 | 90,000 | 98,812 |
| 2026 | 3,348 | 3,348 | 90,000 | 96,696 |
| 2027 | 2,291 | 2,291 | 95,000 | 99,582 |
| 2028 | 1,175 | 1,174 | 100,000 | 102,349 |
| | <u>\$ 103,926</u> | <u>\$ 103,926</u> | <u>\$ 1,085,000</u> | <u>\$ 1,292,852</u> |

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GREATER TEXOMA UTILITY AUTHORITY
CITY OF COLLINSVILLE CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 1999 Contract Revenue Bonds | | | Total Requirements |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | |
| 2015 | 10,000 | 1,138 | 854 | 11,992 |
| 2016 | 10,000 | 853 | 569 | 11,422 |
| 2017 | 10,000 | 568 | 285 | 10,853 |
| 2018 | 10,000 | 285 | - | 10,285 |
| 2019 | - | - | - | - |
| 2020 | - | - | - | - |
| 2021 | - | - | - | - |
| | <u>\$ 40,000</u> | <u>\$ 2,844</u> | <u>\$ 1,708</u> | <u>\$ 44,552</u> |

GREATER TEXOMA UTILITY AUTHORITY
COLLIN GRAYSON MUNICIPAL ALLIANCE CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2004 Contract Revenue Bonds | | | Total Requirements |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | |
| 2015 | 95,000 | 57,684 | 55,480 | 208,164 |
| 2016 | 100,000 | 55,480 | 53,084 | 208,564 |
| 2017 | 105,000 | 53,084 | 50,518 | 208,602 |
| 2018 | 110,000 | 50,518 | 47,773 | 208,291 |
| 2019 | 120,000 | 47,773 | 44,719 | 212,492 |
| 2020 | 125,000 | 44,719 | 41,507 | 211,226 |
| 2021 | 130,000 | 41,507 | 38,101 | 209,608 |
| 2022 | 140,000 | 38,101 | 34,363 | 212,464 |
| 2023 | 145,000 | 34,363 | 30,455 | 209,818 |
| 2024 | 155,000 | 30,455 | 26,200 | 211,655 |
| 2025 | 165,000 | 26,200 | 21,630 | 212,830 |
| 2026 | 175,000 | 21,630 | 16,695 | 213,325 |
| 2027 | 185,000 | 16,695 | 11,431 | 213,126 |
| 2028 | 195,000 | 11,431 | 5,883 | 212,314 |
| 2029 | 205,000 | 5,883 | - | 210,883 |
| 2030 | - | - | - | - |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| 2034 | - | - | - | - |
| 2035 | - | - | - | - |
| 2036 | - | - | - | - |
| 2037 | - | - | - | - |
| 2038 | - | - | - | - |
| 2039 | - | - | - | - |
| 2040 | - | - | - | - |
| | <u>\$ 2,150,000</u> | <u>\$ 535,523</u> | <u>\$ 477,839</u> | <u>\$ 3,163,362</u> |

State Participation Assistance

| Principal Due 9/30 | Interest Due 9/30 | Total Requirements |
|-----------------------|----------------------|-----------------------|
| - | 425,699 | 425,699 |
| - | 500,823 | 500,823 |
| - | 500,822 | 500,822 |
| - | 500,823 | 500,823 |
| - | 915,789 | 915,789 |
| - | 915,790 | 915,790 |
| - | 915,790 | 915,790 |
| - | 915,790 | 915,790 |
| - | 915,790 | 915,790 |
| - | 915,790 | 915,790 |
| - | 915,789 | 915,789 |
| 380,000 | 500,823 | 880,823 |
| 400,000 | 479,239 | 879,239 |
| 425,000 | 456,319 | 881,319 |
| 450,000 | 431,966 | 881,966 |
| 475,000 | 406,181 | 881,181 |
| 500,000 | 378,963 | 878,963 |
| 535,000 | 350,313 | 885,313 |
| 560,000 | 319,658 | 879,658 |
| 595,000 | 287,290 | 882,290 |
| 625,000 | 252,899 | 877,899 |
| 665,000 | 216,774 | 881,774 |
| 705,000 | 178,337 | 883,337 |
| 740,000 | 137,588 | 877,588 |
| 790,000 | 94,446 | 884,446 |
| 830,000 | 48,389 | 878,389 |
| <u>\$ 8,675,000</u> | <u>\$ 12,877,880</u> | <u>\$ 21,552,880</u> |

GREATER TEXOMA UTILITY AUTHORITY
COLLIN GRAYSON MUNICIPAL ALLIANCE CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2007 Contract Revenue Bonds | | | | (Memorandum Only Totals) |
|--|-----------------------------|----------------------|---------------------|-----------------------|--------------------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | Total Requirements | |
| 2015 | 190,000 | 118,791 | 114,592 | 423,383 | 1,057,246 |
| 2016 | 200,000 | 114,592 | 110,072 | 424,664 | 1,134,051 |
| 2017 | 210,000 | 110,072 | 105,168 | 425,240 | 1,134,664 |
| 2018 | 220,000 | 105,168 | 99,922 | 425,090 | 1,134,204 |
| 2019 | 45,000 | 99,921 | 98,826 | 243,747 | 1,372,028 |
| 2020 | 50,000 | 98,825 | 97,584 | 246,409 | 1,373,425 |
| 2021 | 55,000 | 97,583 | 96,203 | 248,786 | 1,374,184 |
| 2022 | 55,000 | 96,202 | 94,795 | 245,997 | 1,374,251 |
| 2023 | 60,000 | 94,794 | 93,229 | 248,023 | 1,373,631 |
| 2024 | 65,000 | 93,228 | 91,516 | 249,744 | 1,377,189 |
| 2025 | 65,000 | 91,516 | 89,770 | 246,286 | 1,374,905 |
| 2026 | 105,000 | 89,770 | 86,926 | 281,696 | 1,375,844 |
| 2027 | 110,000 | 86,925 | 83,889 | 280,814 | 1,373,179 |
| 2028 | 115,000 | 83,889 | 80,686 | 279,575 | 1,373,208 |
| 2029 | 125,000 | 80,686 | 77,205 | 282,891 | 1,375,740 |
| 2030 | 280,000 | 77,205 | 69,407 | 426,612 | 1,307,793 |
| 2031 | 300,000 | 69,407 | 60,977 | 430,384 | 1,309,347 |
| 2032 | 315,000 | 60,977 | 52,126 | 428,103 | 1,313,416 |
| 2033 | 330,000 | 52,125 | 42,853 | 424,978 | 1,304,636 |
| 2034 | 350,000 | 42,852 | 33,017 | 425,869 | 1,308,159 |
| 2035 | 370,000 | 33,017 | 22,620 | 425,637 | 1,303,536 |
| 2036 | 390,000 | 22,620 | 11,660 | 424,280 | 1,306,054 |
| 2037 | 415,000 | 11,659 | - | 426,659 | 1,309,996 |
| 2038 | - | - | - | - | 877,588 |
| 2039 | - | - | - | - | 884,446 |
| 2040 | - | - | - | - | 878,389 |
| | <u>\$ 4,420,000</u> | <u>\$ 1,831,824</u> | <u>\$ 1,713,043</u> | <u>\$ 7,964,867</u> | <u>32,681,109</u> |

GREATER TEXOMA UTILITY AUTHORITY
TOWN OF DORCHESTER CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2002 Contract Revenue Bonds | | | |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Interest Due 12/1 | Principal Due 6/1 | Interest Due 6/1 | Total Requirements |
| 2015 | 4,895 | 27,000 | 4,895 | 36,790 |
| 2016 | 4,595 | 27,000 | 4,595 | 36,190 |
| 2017 | 4,294 | 30,000 | 4,294 | 38,588 |
| 2018 | 3,963 | 30,000 | 3,963 | 37,926 |
| 2019 | 3,630 | 30,000 | 3,630 | 37,260 |
| 2020 | 3,297 | 30,000 | 3,297 | 36,594 |
| 2021 | 2,964 | 30,000 | 2,964 | 35,928 |
| 2022 | 2,631 | 30,000 | 2,631 | 35,262 |
| 2023 | 2,298 | 40,000 | 2,298 | 44,596 |
| 2024 | 1,854 | 40,000 | 1,854 | 43,708 |
| 2025 | 1,410 | 40,000 | 1,410 | 42,820 |
| 2026 | 966 | 40,000 | 966 | 41,932 |
| 2027 | 521 | 47,000 | 521 | 48,042 |
| | <u>\$ 37,318</u> | <u>\$ 441,000</u> | <u>\$ 37,318</u> | <u>\$ 515,636</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF ECTOR CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 1997 Contract Revenue Bonds Funded Under the State Revolving Fund Loan | | | |
|--|---|----------------------|---------------------|-----------------------|
| | Interest Due 10/1 | Principal Due 4/1 | Interest Due 4/1 | Total Requirements |
| 2015 | 1,653 | 20,000 | 1,652 | 23,305 |
| 2016 | 1,148 | 20,000 | 1,147 | 22,295 |
| 2017 | 638 | 25,000 | 637 | 26,275 |
| 2018 | - | - | - | - |
| 2019 | - | - | - | - |
| 2020 | - | - | - | - |
| 2021 | - | - | - | - |
| 2022 | - | - | - | - |
| 2023 | - | - | - | - |
| 2024 | - | - | - | - |
| 2025 | - | - | - | - |
| 2026 | - | - | - | - |
| 2027 | - | - | - | - |
| 2028 | - | - | - | - |
| 2029 | - | - | - | - |
| 2030 | - | - | - | - |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| 2034 | - | - | - | - |
| 2035 | - | - | - | - |
| 2036 | - | - | - | - |
| 2037 | - | - | - | - |
| 2038 | - | - | - | - |
| | <u>\$ 3,439</u> | <u>\$ 65,000</u> | <u>\$ 3,436</u> | <u>\$ 71,875</u> |

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GREATER TEXOMA UTILITY AUTHORITY
CITY OF ECTOR CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2013 Contract Revenue Bonds | | | | (Memorandum Only) Totals |
|--|-----------------------------|----------------------|---------------------|-----------------------|--------------------------------|
| | Interest Due 10/1 | Principal Due 4/1 | Interest Due 4/1 | Total Requirements | |
| 2015 | 6,850 | 10,000 | 6,850 | 23,700 | 50,013 |
| 2016 | 6,794 | 10,000 | 6,794 | 23,588 | 48,833 |
| 2017 | 6,720 | 10,000 | 6,720 | 23,440 | 52,609 |
| 2018 | 6,628 | 10,000 | 6,628 | 23,256 | 41,093 |
| 2019 | 6,522 | 10,000 | 6,522 | 23,044 | 39,962 |
| 2020 | 6,398 | 10,000 | 6,398 | 22,796 | 22,796 |
| 2021 | 6,254 | 10,000 | 6,254 | 22,508 | 22,508 |
| 2022 | 6,093 | 10,000 | 6,093 | 22,186 | 22,186 |
| 2023 | 5,918 | 10,000 | 5,918 | 21,836 | 21,836 |
| 2024 | 5,735 | 10,000 | 5,735 | 21,470 | 21,470 |
| 2025 | 5,543 | 10,000 | 5,543 | 21,086 | 21,086 |
| 2026 | 5,342 | 15,000 | 5,342 | 25,684 | 25,684 |
| 2027 | 5,028 | 15,000 | 5,028 | 25,056 | 25,056 |
| 2028 | 4,702 | 15,000 | 4,702 | 24,404 | 24,404 |
| 2029 | 4,366 | 15,000 | 4,366 | 23,732 | 23,732 |
| 2030 | 4,024 | 15,000 | 4,024 | 23,048 | 23,048 |
| 2031 | 3,678 | 15,000 | 3,678 | 22,356 | 22,356 |
| 2032 | 3,328 | 15,000 | 3,328 | 21,656 | 21,656 |
| 2033 | 2,975 | 20,000 | 2,975 | 25,950 | 25,950 |
| 2034 | 2,499 | 20,000 | 2,499 | 24,998 | 24,998 |
| 2035 | 2,023 | 20,000 | 2,023 | 24,046 | 24,046 |
| 2036 | 1,547 | 20,000 | 1,547 | 23,094 | 23,094 |
| 2037 | 1,071 | 20,000 | 1,071 | 22,142 | 22,142 |
| 2038 | 595 | 25,000 | 595 | 26,190 | 26,190 |
| | <u>\$ 110,633</u> | <u>\$ 340,000</u> | <u>\$ 110,633</u> | <u>\$ 561,266</u> | <u>\$ 676,748</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF GAINESVILLE SEWER CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2010 Contract Revenue Refunding Bonds | | | |
|--|---------------------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | Total Requirements |
| 2015 | 175,000 | 8,094 | 6,344 | 189,438 |
| 2016 | 180,000 | 6,344 | 4,319 | 190,663 |
| 2017 | 90,000 | 4,319 | 2,969 | 97,288 |
| 2018 | 95,000 | 2,969 | 1,544 | 99,513 |
| 2019 | 95,000 | 1,543 | - | 96,543 |
| 2020 | - | - | - | - |
| 2021 | - | - | - | - |
| 2022 | - | - | - | - |
| 2023 | - | - | - | - |
| 2024 | - | - | - | - |
| 2025 | - | - | - | - |
| 2026 | - | - | - | - |
| 2027 | - | - | - | - |
| 2028 | - | - | - | - |
| 2029 | - | - | - | - |
| 2030 | - | - | - | - |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| | <u>\$ 635,000</u> | <u>\$ 23,269</u> | <u>\$ 15,176</u> | <u>\$ 673,445</u> |

2011 Contract Revenue Bonds

| Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | Total Requirements |
|-----------------------|----------------------|---------------------|-----------------------|
| 105,000 | 38,589 | 38,578 | 182,167 |
| 110,000 | 38,578 | 38,363 | 186,941 |
| 185,000 | 38,363 | 37,818 | 241,181 |
| 170,000 | 37,818 | 37,009 | 244,827 |
| 175,000 | 37,009 | 36,002 | 248,011 |
| 215,000 | 36,002 | 34,582 | 285,584 |
| 220,000 | 34,582 | 32,832 | 287,414 |
| 225,000 | 32,832 | 30,786 | 288,618 |
| 235,000 | 30,786 | 28,454 | 294,240 |
| 240,000 | 28,454 | 25,938 | 294,392 |
| 245,000 | 25,938 | 23,377 | 294,315 |
| 250,000 | 23,377 | 20,522 | 293,899 |
| 255,000 | 20,522 | 17,499 | 293,021 |
| 260,000 | 17,499 | 14,324 | 291,823 |
| 270,000 | 14,324 | 10,930 | 295,254 |
| 275,000 | 10,930 | 7,373 | 293,303 |
| 280,000 | 7,373 | 3,751 | 291,124 |
| 290,000 | 3,751 | - | 293,751 |
| - | - | - | - |
| <u>\$ 3,985,000</u> | <u>\$ 476,727</u> | <u>\$ 438,138</u> | <u>\$ 4,899,865</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF GAINESVILLE SEWER CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2011-A Contract Revenue Bonds | | | |
|--|-------------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | Total Requirements |
| 2015 | 45,000 | 20,710 | 20,671 | 86,381 |
| 2016 | 45,000 | 20,671 | 20,571 | 86,242 |
| 2017 | 70,000 | 20,571 | 20,346 | 110,917 |
| 2018 | 70,000 | 20,346 | 20,047 | 110,393 |
| 2019 | 70,000 | 20,047 | 19,674 | 109,721 |
| 2020 | 120,000 | 19,674 | 18,851 | 158,525 |
| 2021 | 115,000 | 18,851 | 17,907 | 151,758 |
| 2022 | 115,000 | 17,907 | 16,788 | 149,695 |
| 2023 | 120,000 | 16,788 | 15,509 | 152,297 |
| 2024 | 120,000 | 15,509 | 14,141 | 149,650 |
| 2025 | 120,000 | 14,141 | 12,730 | 146,871 |
| 2026 | 125,000 | 12,730 | 11,148 | 148,878 |
| 2027 | 130,000 | 11,148 | 9,547 | 150,695 |
| 2028 | 130,000 | 9,547 | 7,788 | 147,335 |
| 2029 | 135,000 | 7,788 | 5,992 | 148,780 |
| 2030 | 140,000 | 5,992 | 4,021 | 150,013 |
| 2031 | 140,000 | 4,021 | 2,046 | 146,067 |
| 2032 | 145,000 | 2,046 | - | 147,046 |
| 2033 | - | - | - | - |
| | <u>\$ 1,955,000</u> | <u>\$ 258,487</u> | <u>\$ 237,777</u> | <u>\$ 2,451,264</u> |

2012 Contract Revenue Bonds

| Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | Total Requirements |
|-----------------------|----------------------|---------------------|-----------------------|
| 45,000 | 5,448 | 5,448 | 55,896 |
| 50,000 | 5,448 | 5,448 | 60,896 |
| 50,000 | 5,448 | 5,448 | 60,896 |
| 50,000 | 5,448 | 5,448 | 60,896 |
| 50,000 | 5,448 | 5,413 | 60,861 |
| 55,000 | 5,413 | 5,331 | 65,744 |
| 55,000 | 5,331 | 5,190 | 65,521 |
| 55,000 | 5,190 | 4,998 | 65,188 |
| 55,000 | 4,998 | 4,764 | 64,762 |
| 55,000 | 4,764 | 4,478 | 64,242 |
| 60,000 | 4,478 | 4,136 | 68,814 |
| 60,000 | 4,136 | 3,773 | 67,909 |
| 60,000 | 3,773 | 3,374 | 67,147 |
| 60,000 | 3,374 | 2,939 | 66,313 |
| 65,000 | 2,939 | 2,367 | 70,306 |
| 65,000 | 2,367 | 1,828 | 69,195 |
| 65,000 | 1,828 | 1,256 | 68,084 |
| 65,000 | 1,256 | 651 | 66,907 |
| 70,000 | 652 | - | 70,652 |
| <u>\$ 1,090,000</u> | <u>\$ 77,739</u> | <u>\$ 72,290</u> | <u>\$ 1,240,029</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF GAINESVILLE SEWER CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2013 Contract Revenue Bonds | | | | (Memorandum Only) Totals |
|--|-----------------------------|----------------------|---------------------|-----------------------|--------------------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | Total Requirements | |
| 2015 | 150,000 | 16,400 | 14,900 | 181,300 | 695,182 |
| 2016 | 150,000 | 14,900 | 13,400 | 178,300 | 703,042 |
| 2017 | 160,000 | 13,400 | 11,800 | 185,200 | 695,482 |
| 2018 | 160,000 | 11,800 | 10,200 | 182,000 | 697,629 |
| 2019 | 160,000 | 10,200 | 8,600 | 178,800 | 693,936 |
| 2020 | 165,000 | 8,600 | 6,950 | 180,550 | 690,403 |
| 2021 | 170,000 | 6,950 | 5,250 | 182,200 | 686,893 |
| 2022 | 175,000 | 5,250 | 2,625 | 182,875 | 686,376 |
| 2023 | 175,000 | 2,625 | - | 177,625 | 688,924 |
| 2024 | - | - | - | - | 508,284 |
| 2025 | - | - | - | - | 509,800 |
| 2026 | - | - | - | - | 510,686 |
| 2027 | - | - | - | - | 510,863 |
| 2028 | - | - | - | - | 505,471 |
| 2029 | - | - | - | - | 514,340 |
| 2030 | - | - | - | - | 512,511 |
| 2031 | - | - | - | - | 505,275 |
| 2032 | - | - | - | - | 507,704 |
| 2033 | - | - | - | - | 70,652 |
| | <u>\$ 1,465,000</u> | <u>\$ 90,125</u> | <u>\$ 73,725</u> | <u>\$ 1,628,850</u> | <u>\$ 10,893,453</u> |

GREATER TEXOMA UTILITY AUTHORITY
GOBER MUD CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2001 Contract Revenue Bonds | | | |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Interest Due 6/1 | Principal Due 6/1 | Interest Due 6/1 | Total Requirements |
| 2015 | 2,473 | 10,000 | 2,472 | 14,945 |
| 2016 | 2,190 | 10,000 | 2,190 | 14,380 |
| 2017 | 1,905 | 10,000 | 1,905 | 13,810 |
| 2018 | 1,618 | 10,000 | 1,617 | 13,235 |
| 2019 | 1,328 | 15,000 | 1,327 | 17,655 |
| 2020 | 889 | 15,000 | 889 | 16,778 |
| 2021 | 446 | 15,000 | 446 | 15,892 |
| | <u>\$ 10,849</u> | <u>\$ 85,000</u> | <u>\$ 10,846</u> | <u>\$ 106,695</u> |

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF HOWE CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2003 Contract Revenue Bonds | | | Total Requirements |
|--|-----------------------------|---------------------|---------------------|-----------------------|
| | Principal Due 1/1 | Interest Due 1/1 | Interest Due 7/1 | |
| 2014 | 35,000 | 9,380 | 8,540 | 52,920 |
| 2015 | 30,000 | 8,540 | 7,798 | 46,338 |
| 2016 | 35,000 | 7,798 | 6,904 | 49,702 |
| 2017 | 35,000 | 6,904 | 5,995 | 47,899 |
| 2018 | 40,000 | 5,995 | 4,945 | 50,940 |
| 2020 | 40,000 | 4,945 | 3,875 | 48,820 |
| 2021 | 45,000 | 3,875 | 2,648 | 51,523 |
| 2022 | 45,000 | 2,648 | 1,400 | 49,048 |
| 2023 | 50,000 | 1,400 | - | 51,400 |
| | <u>\$ 355,000</u> | <u>\$ 51,485</u> | <u>\$ 42,105</u> | <u>\$ 448,590</u> |

2010 Contract Revenue Refunding Bonds

| Principal Due 1/1 | Interest Due 1/1 | Interest Due 7/1 | Total Requirements | (Memorandum Only) Totals |
|----------------------|---------------------|---------------------|-----------------------|--------------------------------|
| 100,000 | 11,853 | 10,353 | 122,206 | 175,126 |
| 110,000 | 10,353 | 8,565 | 128,918 | 175,256 |
| 110,000 | 8,565 | 6,640 | 125,205 | 174,907 |
| 115,000 | 6,640 | 4,628 | 126,268 | 174,167 |
| 115,000 | 4,628 | 2,500 | 122,128 | 173,068 |
| 125,000 | 2,499 | - | 127,499 | 176,319 |
| - | - | - | - | 51,523 |
| - | - | - | - | 49,048 |
| - | - | - | - | 51,400 |
| <u>\$ 675,000</u> | <u>\$ 44,538</u> | <u>\$ 32,686</u> | <u>\$ 752,224</u> | <u>\$ 1,200,814</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF KRUM CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2012 Contract Revenue Bonds | | | Total Requirements |
|--|-----------------------------|----------------------|----------------------|-----------------------|
| | Principal Due 8/15 | Interest Due 2/15 | Interest Due 8/15 | |
| 2015 | 40,000 | 24,656 | 24,656 | 89,312 |
| 2016 | 40,000 | 24,656 | 24,656 | 89,312 |
| 2017 | 65,000 | 24,656 | 24,656 | 114,312 |
| 2018 | 65,000 | 24,656 | 24,656 | 114,312 |
| 2019 | 70,000 | 24,572 | 24,572 | 119,144 |
| 2020 | 70,000 | 24,365 | 24,365 | 118,730 |
| 2021 | 75,000 | 24,061 | 24,061 | 123,122 |
| 2022 | 80,000 | 23,656 | 23,656 | 127,312 |
| 2023 | 80,000 | 23,168 | 23,168 | 126,336 |
| 2024 | 85,000 | 22,627 | 22,627 | 130,254 |
| 2025 | 90,000 | 22,003 | 22,003 | 134,006 |
| 2026 | 90,000 | 21,296 | 21,296 | 132,592 |
| 2027 | 95,000 | 20,554 | 20,554 | 136,108 |
| 2028 | 100,000 | 19,737 | 19,737 | 139,474 |
| 2029 | 105,000 | 18,842 | 18,842 | 142,684 |
| 2030 | 110,000 | 17,866 | 17,865 | 145,731 |
| 2031 | 115,000 | 16,804 | 16,804 | 148,608 |
| 2032 | 115,000 | 15,666 | 15,666 | 146,332 |
| 2033 | 120,000 | 14,493 | 14,493 | 148,986 |
| 2034 | 125,000 | 13,233 | 13,233 | 151,466 |
| 2035 | 130,000 | 11,883 | 11,883 | 153,766 |
| 2036 | 135,000 | 10,446 | 10,446 | 155,892 |
| 2037 | 145,000 | 8,934 | 8,934 | 162,868 |
| 2038 | 150,000 | 7,288 | 7,288 | 164,576 |
| 2039 | 155,000 | 5,578 | 5,578 | 166,156 |
| 2040 | 160,000 | 3,804 | 3,804 | 167,608 |
| 2041 | 170,000 | 1,964 | 1,964 | 173,928 |
| | <u>\$ 2,780,000</u> | <u>\$ 471,464</u> | <u>\$ 471,463</u> | <u>\$ 3,722,927</u> |

| 2014 Contract Revenue Bonds | | | | (Memorandum Only Totals) |
|-----------------------------|----------------------|----------------------|-----------------------|--------------------------------|
| Principal Due 8/15 | Interest Due 2/15 | Interest Due 8/15 | Total Requirements | |
| 35,000 | 57,727 | 38,485 | 131,212 | 220,524 |
| 55,000 | 38,460 | 38,460 | 131,920 | 221,232 |
| 55,000 | 38,331 | 38,331 | 131,662 | 245,974 |
| 55,000 | 38,125 | 38,125 | 131,250 | 245,562 |
| 55,000 | 37,819 | 37,819 | 130,638 | 249,782 |
| 55,000 | 37,360 | 37,360 | 129,720 | 248,450 |
| 55,000 | 36,769 | 36,769 | 128,538 | 251,660 |
| 60,000 | 36,037 | 36,037 | 132,074 | 259,386 |
| 60,000 | 35,146 | 35,146 | 130,292 | 256,628 |
| 60,000 | 34,183 | 34,183 | 128,366 | 258,620 |
| 65,000 | 33,163 | 33,163 | 131,326 | 265,332 |
| 65,000 | 32,006 | 32,006 | 129,012 | 261,604 |
| 70,000 | 30,801 | 30,801 | 131,602 | 267,710 |
| 70,000 | 29,443 | 29,443 | 128,886 | 268,360 |
| 75,000 | 28,036 | 28,036 | 131,072 | 273,756 |
| 80,000 | 26,486 | 26,486 | 132,972 | 278,703 |
| 80,000 | 24,806 | 24,806 | 129,612 | 278,220 |
| 85,000 | 23,103 | 23,103 | 131,206 | 277,538 |
| 90,000 | 21,275 | 21,275 | 132,550 | 281,536 |
| 90,000 | 19,327 | 19,327 | 128,654 | 280,120 |
| 95,000 | 17,360 | 17,360 | 129,720 | 283,486 |
| 100,000 | 15,275 | 15,275 | 130,550 | 286,442 |
| 105,000 | 13,055 | 13,055 | 131,110 | 293,978 |
| 110,000 | 10,708 | 10,708 | 131,416 | 295,992 |
| 115,000 | 8,228 | 8,228 | 131,456 | 297,612 |
| 120,000 | 5,617 | 5,617 | 131,234 | 298,842 |
| 125,000 | 2,881 | 2,881 | 130,762 | 304,690 |
| <u>\$ 2,085,000</u> | <u>\$ 731,527</u> | <u>\$ 712,285</u> | <u>\$ 3,528,812</u> | <u>\$ 7,251,739</u> |

GREATER TEXOMA UTILITY AUTHORITY
LAKE TEXOMA REALLOCATION CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2010 Contract Revenue Bonds-Collinsville Portion | | | |
|--|--|----------------------|----------------------|-----------------------|
| | Principal Due 8/15 | Interest Due 2/15 | Interest Due 8/15 | Total Requirements |
| 2015 | 18,500 | 3,108 | 3,108 | 24,716 |
| 2016 | 19,000 | 3,101 | 3,101 | 25,202 |
| 2017 | 19,400 | 3,055 | 3,055 | 25,510 |
| 2018 | 19,900 | 2,979 | 2,979 | 25,858 |
| 2019 | 20,400 | 2,880 | 2,880 | 26,160 |
| 2020 | 20,900 | 2,759 | 2,759 | 26,418 |
| 2021 | 21,500 | 2,607 | 2,607 | 26,714 |
| 2022 | 22,000 | 2,426 | 2,426 | 26,852 |
| 2023 | 22,500 | 2,225 | 2,225 | 26,950 |
| 2024 | 23,100 | 2,002 | 2,002 | 27,104 |
| 2025 | 23,700 | 1,760 | 1,760 | 27,220 |
| 2026 | 24,300 | 1,500 | 1,500 | 27,300 |
| 2027 | 24,900 | 1,223 | 1,223 | 27,346 |
| 2028 | 25,500 | 929 | 929 | 27,358 |
| 2029 | 26,100 | 618 | 618 | 27,336 |
| 2030 | 23,700 | 294 | 294 | 24,288 |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| 2034 | - | - | - | - |
| 2035 | - | - | - | - |
| 2036 | - | - | - | - |
| 2037 | - | - | - | - |
| 2038 | - | - | - | - |
| 2039 | - | - | - | - |
| 2040 | - | - | - | - |
| | <u>\$ 355,400</u> | <u>\$ 33,466</u> | <u>\$ 33,466</u> | <u>\$ 422,332</u> |

GREATER TEXOMA UTILITY AUTHORITY
LAKE TEXOMA REALLOCATION CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2010 Contract Revenue Bonds-Gainesville Portion | | | |
|--|---|----------------------|----------------------|-----------------------|
| | Principal Due 8/15 | Interest Due 2/15 | Interest Due 8/15 | Total Requirements |
| 2015 | 199,800 | 33,563 | 33,563 | 266,926 |
| 2016 | 205,200 | 33,488 | 33,488 | 272,176 |
| 2017 | 209,520 | 32,991 | 32,991 | 275,502 |
| 2018 | 214,920 | 32,169 | 32,169 | 279,258 |
| 2019 | 220,320 | 31,099 | 31,099 | 282,518 |
| 2020 | 225,720 | 29,794 | 29,794 | 285,308 |
| 2021 | 232,200 | 28,159 | 28,159 | 288,518 |
| 2022 | 237,600 | 26,203 | 26,203 | 290,006 |
| 2023 | 243,000 | 24,025 | 24,025 | 291,050 |
| 2024 | 249,480 | 21,620 | 21,620 | 292,720 |
| 2025 | 255,960 | 19,011 | 19,011 | 293,982 |
| 2026 | 262,440 | 16,205 | 16,205 | 294,850 |
| 2027 | 268,920 | 13,212 | 13,212 | 295,344 |
| 2028 | 275,400 | 10,035 | 10,035 | 295,470 |
| 2029 | 281,880 | 6,679 | 6,679 | 295,238 |
| 2030 | 255,960 | 3,174 | 3,174 | 262,308 |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| 2034 | - | - | - | - |
| 2035 | - | - | - | - |
| 2036 | - | - | - | - |
| 2037 | - | - | - | - |
| 2038 | - | - | - | - |
| 2039 | - | - | - | - |
| 2040 | - | - | - | - |
| | \$ 3,838,320 | \$ 361,427 | \$ 361,427 | \$ 4,561,174 |

GREATER TEXOMA UTILITY AUTHORITY
LAKE TEXOMA REALLOCATION CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2010 Contract Revenue Bonds-Lindsay Portion | | | |
|--|---|----------------------|----------------------|-----------------------|
| | Principal Due 8/15 | Interest Due 2/15 | Interest Due 8/15 | Total Requirements |
| 2015 | 27,750 | 4,662 | 4,662 | 37,074 |
| 2016 | 28,500 | 4,651 | 4,651 | 37,802 |
| 2017 | 29,100 | 4,582 | 4,582 | 38,264 |
| 2018 | 29,850 | 4,468 | 4,468 | 38,786 |
| 2019 | 30,600 | 4,319 | 4,319 | 39,238 |
| 2020 | 31,350 | 4,138 | 4,138 | 39,626 |
| 2021 | 32,250 | 3,911 | 3,911 | 40,072 |
| 2022 | 33,000 | 3,639 | 3,639 | 40,278 |
| 2023 | 33,750 | 3,337 | 3,337 | 40,424 |
| 2024 | 34,650 | 3,003 | 3,003 | 40,656 |
| 2025 | 35,550 | 2,640 | 2,640 | 40,830 |
| 2026 | 36,450 | 2,251 | 2,251 | 40,952 |
| 2027 | 37,350 | 1,835 | 1,835 | 41,020 |
| 2028 | 38,250 | 1,394 | 1,394 | 41,038 |
| 2029 | 39,150 | 928 | 928 | 41,006 |
| 2030 | 35,550 | 441 | 441 | 36,432 |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| 2034 | - | - | - | - |
| 2035 | - | - | - | - |
| 2036 | - | - | - | - |
| 2037 | - | - | - | - |
| 2038 | - | - | - | - |
| 2039 | - | - | - | - |
| 2040 | - | - | - | - |
| | <u>\$ 533,100</u> | <u>\$ 50,199</u> | <u>\$ 50,199</u> | <u>\$ 633,498</u> |

GREATER TEXOMA UTILITY AUTHORITY
LAKE TEXOMA REALLOCATION CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2010 Contract Revenue Bonds-Northwest Grayson Portion | | | |
|--|---|----------------------|----------------------|-----------------------|
| | Principal Due 8/15 | Interest Due 2/15 | Interest Due 8/15 | Total Requirements |
| 2015 | 11,100 | 1,865 | 1,865 | 14,830 |
| 2016 | 11,400 | 1,860 | 1,860 | 15,120 |
| 2017 | 11,640 | 1,833 | 1,833 | 15,306 |
| 2018 | 11,940 | 1,787 | 1,787 | 15,514 |
| 2019 | 12,240 | 1,728 | 1,728 | 15,696 |
| 2020 | 12,540 | 1,655 | 1,655 | 15,850 |
| 2021 | 12,900 | 1,564 | 1,564 | 16,028 |
| 2022 | 13,200 | 1,456 | 1,456 | 16,112 |
| 2023 | 13,500 | 1,335 | 1,335 | 16,170 |
| 2024 | 13,860 | 1,201 | 1,201 | 16,262 |
| 2025 | 14,220 | 1,056 | 1,056 | 16,332 |
| 2026 | 14,580 | 900 | 900 | 16,380 |
| 2027 | 14,940 | 734 | 734 | 16,408 |
| 2028 | 15,300 | 557 | 557 | 16,414 |
| 2029 | 15,660 | 371 | 371 | 16,402 |
| 2030 | 14,220 | 176 | 176 | 14,572 |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| 2034 | - | - | - | - |
| 2035 | - | - | - | - |
| 2036 | - | - | - | - |
| 2037 | - | - | - | - |
| 2038 | - | - | - | - |
| 2039 | - | - | - | - |
| 2040 | - | - | - | - |
| | <u>\$ 213,240</u> | <u>\$ 20,078</u> | <u>\$ 20,078</u> | <u>\$ 253,396</u> |

GREATER TEXOMA UTILITY AUTHORITY
LAKE TEXOMA REALLOCATION CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2010 Contract Revenue Bonds-Red River Authority Portion | | | |
|--|---|----------------------|----------------------|-----------------------|
| | Principal Due 8/15 | Interest Due 2/15 | Interest Due 8/15 | Total Requirements |
| 2015 | 37,000 | 6,215 | 6,215 | 49,430 |
| 2016 | 38,000 | 6,202 | 6,202 | 50,404 |
| 2017 | 38,800 | 6,109 | 6,109 | 51,018 |
| 2018 | 39,800 | 5,957 | 5,957 | 51,714 |
| 2019 | 40,800 | 5,759 | 5,759 | 52,318 |
| 2020 | 41,800 | 5,517 | 5,517 | 52,834 |
| 2021 | 43,000 | 5,215 | 5,215 | 53,430 |
| 2022 | 44,000 | 4,852 | 4,852 | 53,704 |
| 2023 | 45,000 | 4,449 | 4,449 | 53,898 |
| 2024 | 46,200 | 4,004 | 4,004 | 54,208 |
| 2025 | 47,400 | 3,520 | 3,520 | 54,440 |
| 2026 | 48,600 | 3,001 | 3,001 | 54,602 |
| 2027 | 49,800 | 2,447 | 2,447 | 54,694 |
| 2028 | 51,000 | 1,858 | 1,858 | 54,716 |
| 2029 | 52,200 | 1,237 | 1,237 | 54,674 |
| 2030 | 47,400 | 588 | 588 | 48,576 |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| 2034 | - | - | - | - |
| 2035 | - | - | - | - |
| 2036 | - | - | - | - |
| 2037 | - | - | - | - |
| 2038 | - | - | - | - |
| 2039 | - | - | - | - |
| 2040 | - | - | - | - |
| | <u>\$ 710,800</u> | <u>\$ 66,930</u> | <u>\$ 66,930</u> | <u>\$ 844,660</u> |

GREATER TEXOMA UTILITY AUTHORITY
LAKE TEXOMA REALLOCATION CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2010 Contract Revenue Bonds-Southmayd Portion | | | |
|--|---|----------------------|----------------------|-----------------------|
| | Principal Due 8/15 | Interest Due 2/15 | Interest Due 8/15 | Total Requirements |
| 2015 | 9,250 | 1,554 | 1,554 | 12,358 |
| 2016 | 9,500 | 1,550 | 1,550 | 12,600 |
| 2017 | 9,700 | 1,527 | 1,527 | 12,754 |
| 2018 | 9,950 | 1,489 | 1,489 | 12,928 |
| 2019 | 10,200 | 1,440 | 1,440 | 13,080 |
| 2020 | 10,450 | 1,379 | 1,379 | 13,208 |
| 2021 | 10,750 | 1,304 | 1,304 | 13,358 |
| 2022 | 11,000 | 1,213 | 1,213 | 13,426 |
| 2023 | 11,250 | 1,112 | 1,112 | 13,474 |
| 2024 | 11,550 | 1,001 | 1,001 | 13,552 |
| 2025 | 11,850 | 880 | 880 | 13,610 |
| 2026 | 12,150 | 750 | 750 | 13,650 |
| 2027 | 12,450 | 612 | 612 | 13,674 |
| 2028 | 12,750 | 465 | 465 | 13,680 |
| 2029 | 13,050 | 309 | 309 | 13,668 |
| 2030 | 11,850 | 147 | 147 | 12,144 |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| 2034 | - | - | - | - |
| 2035 | - | - | - | - |
| 2036 | - | - | - | - |
| 2037 | - | - | - | - |
| 2038 | - | - | - | - |
| 2039 | - | - | - | - |
| 2040 | - | - | - | - |
| | <u>\$ 177,700</u> | <u>\$ 16,732</u> | <u>\$ 16,732</u> | <u>\$ 211,164</u> |

GREATER TEXOMA UTILITY AUTHORITY
LAKE TEXOMA REALLOCATION CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2010 Contract Revenue Bonds-Whitesboro Portion | | | |
|--|--|----------------------|----------------------|-----------------------|
| | Principal Due 8/15 | Interest Due 2/15 | Interest Due 8/15 | Total Requirements |
| 2015 | 37,000 | 6,215 | 6,215 | 49,430 |
| 2016 | 38,000 | 6,202 | 6,202 | 50,404 |
| 2017 | 38,800 | 6,109 | 6,109 | 51,018 |
| 2018 | 39,800 | 5,957 | 5,957 | 51,714 |
| 2019 | 40,800 | 5,759 | 5,759 | 52,318 |
| 2020 | 41,800 | 5,517 | 5,517 | 52,834 |
| 2021 | 43,000 | 5,215 | 5,215 | 53,430 |
| 2022 | 44,000 | 4,852 | 4,852 | 53,704 |
| 2023 | 45,000 | 4,449 | 4,449 | 53,898 |
| 2024 | 46,200 | 4,004 | 4,004 | 54,208 |
| 2025 | 47,400 | 3,520 | 3,520 | 54,440 |
| 2026 | 48,600 | 3,001 | 3,001 | 54,602 |
| 2027 | 49,800 | 2,447 | 2,447 | 54,694 |
| 2028 | 51,000 | 1,858 | 1,858 | 54,716 |
| 2029 | 52,200 | 1,237 | 1,237 | 54,674 |
| 2030 | 47,400 | 588 | 588 | 48,576 |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| 2034 | - | - | - | - |
| 2035 | - | - | - | - |
| 2036 | - | - | - | - |
| 2037 | - | - | - | - |
| 2038 | - | - | - | - |
| 2039 | - | - | - | - |
| 2040 | - | - | - | - |
| | <u>\$ 710,800</u> | <u>\$ 66,930</u> | <u>\$ 66,930</u> | <u>\$ 844,660</u> |

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GREATER TEXOMA UTILITY AUTHORITY
LAKE TEXOMA CONTRACT WITH CORP OF ENGINEERS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2012 Woodbine WSC & Lake Kiowa 5UD Contract with Corp of Engineers | | | (Memorandum Only) Totals |
|--|---|----------------------|-----------------------|--------------------------------|
| | Principal Due 9/28 | Interest Due 9/28 | Total Requirements | |
| 2015 | 11,606 | 22,645 | 34,251 | 1,270,023 |
| 2016 | 12,100 | 22,151 | 34,251 | 1,294,329 |
| 2017 | 12,614 | 21,637 | 34,251 | 1,309,721 |
| 2018 | 13,150 | 21,101 | 34,251 | 1,327,107 |
| 2019 | 13,709 | 20,542 | 34,251 | 1,342,207 |
| 2020 | 14,291 | 19,960 | 34,251 | 1,355,121 |
| 2021 | 14,899 | 19,352 | 34,251 | 1,369,979 |
| 2022 | 15,532 | 18,719 | 34,251 | 1,376,875 |
| 2023 | 16,192 | 18,059 | 34,251 | 1,381,701 |
| 2024 | 16,880 | 17,371 | 34,251 | 1,389,437 |
| 2025 | 17,598 | 16,653 | 34,251 | 1,395,275 |
| 2026 | 18,346 | 15,905 | 34,251 | 1,399,299 |
| 2027 | 19,125 | 15,126 | 34,251 | 1,401,585 |
| 2028 | 19,938 | 14,313 | 34,251 | 1,402,167 |
| 2029 | 20,786 | 13,466 | 34,252 | 1,401,096 |
| 2030 | 21,669 | 12,582 | 34,251 | 1,248,639 |
| 2031 | 22,590 | 11,661 | 34,251 | 34,251 |
| 2032 | 23,550 | 10,701 | 34,251 | 34,251 |
| 2033 | 24,551 | 9,700 | 34,251 | 34,251 |
| 2034 | 25,594 | 8,657 | 34,251 | 34,251 |
| 2035 | 26,682 | 7,569 | 34,251 | 34,251 |
| 2036 | 27,816 | 6,435 | 34,251 | 34,251 |
| 2037 | 28,998 | 5,253 | 34,251 | 34,251 |
| 2038 | 30,230 | 4,021 | 34,251 | 34,251 |
| 2039 | 31,515 | 2,736 | 34,251 | 34,251 |
| 2040 | 32,855 | 1,396 | 34,251 | 34,251 |
| | \$ 532,816 | \$ 357,711 | \$ 890,527 | \$ 22,007,071 |

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF LEONARD CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2000 Contract Revenue Bonds | | | Total Requirements |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | |
| 2015 | 10,000 | 2,170 | 1,867 | 14,037 |
| 2016 | 10,000 | 1,868 | 1,562 | 13,430 |
| 2017 | 10,000 | 1,563 | 1,255 | 12,818 |
| 2018 | 10,000 | 1,255 | 945 | 12,200 |
| 2019 | 10,000 | 945 | 632 | 11,577 |
| 2020 | 10,000 | 633 | 317 | 10,950 |
| 2021 | 10,000 | 318 | - | 10,318 |
| 2022 | - | - | - | - |
| | <u>\$ 70,000</u> | <u>\$ 8,752</u> | <u>\$ 6,578</u> | <u>\$ 85,330</u> |

| 2002 Contract Revenue Bonds | | | | (Memorandum Only) |
|-----------------------------|----------------------|---------------------|-----------------------|----------------------|
| Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | Total Requirements | Totals |
| 45,000 | 8,311 | 7,556 | 60,867 | 74,904 |
| 45,000 | 7,558 | 6,781 | 59,339 | 72,769 |
| 50,000 | 6,781 | 5,894 | 62,675 | 75,493 |
| 55,000 | 5,894 | 4,890 | 65,784 | 77,984 |
| 55,000 | 4,890 | 3,859 | 63,749 | 75,326 |
| 60,000 | 3,859 | 2,703 | 66,562 | 77,512 |
| 60,000 | 2,704 | 1,518 | 64,222 | 74,540 |
| 75,000 | 1,519 | - | 76,519 | 76,519 |
| <u>\$ 445,000</u> | <u>\$ 41,516</u> | <u>\$ 33,201</u> | <u>\$ 519,717</u> | <u>\$ 605,047</u> |

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF MELISSA CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2009A Contract Revenue Bonds | | | |
|--|------------------------------|----------------------|---------------------|-----------------------|
| | Interest Due 12/1 | Principal Due 6/1 | Interest Due 6/1 | Total Requirements |
| 2015 | 21,276 | 45,000 | 21,276 | 87,552 |
| 2016 | 20,624 | 45,000 | 20,624 | 86,248 |
| 2017 | 19,960 | 50,000 | 19,960 | 89,920 |
| 2018 | 19,160 | 50,000 | 19,160 | 88,320 |
| 2019 | 18,298 | 55,000 | 18,298 | 91,596 |
| 2020 | 17,294 | 55,000 | 17,294 | 89,588 |
| 2021 | 16,235 | 60,000 | 16,235 | 92,470 |
| 2022 | 14,960 | 60,000 | 14,960 | 89,920 |
| 2023 | 13,640 | 65,000 | 13,640 | 92,280 |
| 2024 | 12,161 | 70,000 | 12,161 | 94,322 |
| 2025 | 10,516 | 75,000 | 10,516 | 96,032 |
| 2026 | 8,715 | 75,000 | 8,715 | 92,430 |
| 2027 | 6,803 | 80,000 | 6,803 | 93,606 |
| 2028 | 4,704 | 85,000 | 4,703 | 94,407 |
| 2029 | 2,430 | 90,000 | 2,430 | 94,860 |
| | <u>\$ 206,776</u> | <u>\$ 960,000</u> | <u>\$ 206,775</u> | <u>\$ 715,614</u> |

| 2009B Contract Revenue Bonds | | | | (Memorandum Only) |
|------------------------------|----------------------|---------------------|-----------------------|----------------------|
| Interest Due 12/1 | Principal Due 6/1 | Interest Due 6/1 | Total Requirements | Totals |
| 21,065 | 60,000 | 21,065 | 102,130 | 189,682 |
| 20,480 | 60,000 | 20,480 | 100,960 | 187,208 |
| 19,880 | 65,000 | 19,880 | 104,760 | 194,680 |
| 19,149 | 70,000 | 19,149 | 108,298 | 196,618 |
| 18,274 | 70,000 | 18,274 | 106,548 | 198,144 |
| 17,329 | 75,000 | 17,329 | 109,658 | 199,246 |
| 16,241 | 75,000 | 16,241 | 107,482 | 199,952 |
| 15,004 | 80,000 | 15,004 | 110,008 | 199,928 |
| 13,624 | 85,000 | 13,624 | 112,248 | 204,528 |
| 12,094 | 85,000 | 12,094 | 109,188 | 203,510 |
| 10,500 | 90,000 | 10,500 | 111,000 | 207,032 |
| 8,768 | 95,000 | 8,768 | 112,536 | 204,966 |
| 6,796 | 100,000 | 6,796 | 113,592 | 207,198 |
| 4,646 | 105,000 | 4,646 | 114,292 | 208,699 |
| 2,337 | 105,000 | 2,338 | 109,675 | 204,535 |
| <u>\$ 206,187</u> | <u>\$ 1,220,000</u> | <u>\$ 206,188</u> | <u>\$ 1,632,375</u> | <u>\$ 3,005,926</u> |

GREATER TEXOMA UTILITY AUTHORITY
NORTHWEST GRAYSON CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 1998 Contract Revenue Bonds | | | |
|--|-----------------------------|-----------------------|----------------------|-----------------------|
| | Interest Due 2/15 | Principal Due 8/15 | Interest Due 8/15 | Total Requirements |
| 2015 | 45,785 | 50,000 | 25,203 | 120,988 |
| 2016 | 24,273 | 75,000 | 24,273 | 123,546 |
| 2017 | 22,878 | 75,000 | 22,878 | 120,756 |
| 2018 | 21,483 | 80,000 | 21,483 | 122,966 |
| 2019 | 19,995 | 80,000 | 19,995 | 119,990 |
| 2020 | 18,507 | 85,000 | 18,507 | 122,014 |
| 2021 | 16,926 | 85,000 | 16,926 | 118,852 |
| 2022 | 15,345 | 90,000 | 15,345 | 120,690 |
| 2023 | 13,671 | 95,000 | 13,671 | 122,342 |
| 2024 | 11,904 | 95,000 | 11,904 | 118,808 |
| 2025 | 10,137 | 100,000 | 10,137 | 120,274 |
| 2026 | 8,277 | 105,000 | 8,277 | 121,554 |
| 2027 | 6,324 | 110,000 | 6,324 | 122,648 |
| 2028 | 4,278 | 115,000 | 4,278 | 123,556 |
| 2029 | 2,139 | 115,000 | 2,139 | 119,278 |
| | <u>\$ 241,922</u> | <u>\$ 1,355,000</u> | <u>\$ 221,340</u> | <u>\$ 1,818,262</u> |

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF PARADISE CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 1999 Contract Revenue Bonds | | | Total Requirements |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | |
| 2015 | 20,000 | 2,882 | 2,438 | 25,320 |
| 2016 | 20,000 | 2,438 | 1,983 | 24,421 |
| 2017 | 20,000 | 1,982 | 1,523 | 23,505 |
| 2018 | 20,000 | 1,522 | 1,057 | 22,579 |
| 2019 | 20,000 | 1,057 | 588 | 21,645 |
| 2020 | 25,000 | 588 | - | 25,588 |
| 2021 | - | - | - | - |
| | <u>\$ 125,000</u> | <u>\$ 10,469</u> | <u>\$ 7,589</u> | <u>\$ 143,058</u> |

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF POTTSBORO CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2006 Contract Revenue Bonds | | | |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 6/1 | Interest Due 12/1 | Interest Due 6/1 | Total Requirements |
| #REF! | 20,000 | 5,328 | 5,330 | 30,658 |
| #REF! | 20,000 | 4,979 | 4,978 | 29,957 |
| #REF! | 20,000 | 4,623 | 4,624 | 29,247 |
| #REF! | 20,000 | 4,259 | 4,258 | 28,517 |
| #REF! | 20,000 | 3,888 | 3,889 | 27,777 |
| #REF! | 25,000 | 3,514 | 3,514 | 32,028 |
| #REF! | 25,000 | 3,039 | 3,038 | 31,077 |
| 2022 | 25,000 | 2,564 | 2,563 | 30,127 |
| 2023 | 25,000 | 2,082 | 2,083 | 29,165 |
| 2024 | 25,000 | 1,595 | 1,595 | 28,190 |
| 2025 | 25,000 | 1,102 | 1,102 | 27,204 |
| 2026 | 30,000 | 608 | 608 | 31,216 |
| 2027 | - | - | - | - |
| | \$ 280,000 | \$ 37,581 | \$ 37,582 | \$ 355,163 |

2007 Contract Revenue Bonds

| Principal Due 6/1 | Interest Due 12/1 | Interest Due 6/1 | Total Requirements |
|----------------------|----------------------|---------------------|-----------------------|
| 80,000 | 18,789 | 18,789 | 117,578 |
| 80,000 | 17,709 | 17,709 | 115,418 |
| 85,000 | 16,589 | 16,589 | 118,178 |
| 85,000 | 15,399 | 15,399 | 115,798 |
| 90,000 | 14,166 | 14,166 | 118,332 |
| 95,000 | 12,861 | 12,861 | 120,722 |
| 95,000 | 11,460 | 11,460 | 117,920 |
| 100,000 | 10,035 | 10,035 | 120,070 |
| 100,000 | 8,510 | 8,510 | 117,020 |
| 105,000 | 6,960 | 6,960 | 118,920 |
| 110,000 | 5,333 | 5,333 | 120,666 |
| 110,000 | 3,600 | 3,600 | 117,200 |
| 115,000 | 1,840 | 1,840 | 118,680 |
| <u>\$ 1,250,000</u> | <u>\$ 143,251</u> | <u>\$ 143,251</u> | <u>\$ 1,536,502</u> |

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF POTTSBORO CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2010 Contract Revenue Refunding Bonds | | | | (Memorandum Only) Totals |
|--|---------------------------------------|----------------------|---------------------|-----------------------|--------------------------------|
| | Interest Due 12/1 | Principal Due 6/1 | Interest Due 6/1 | Total Requirements | |
| 2015 | 14,094 | 125,000 | 14,094 | 153,188 | 301,424 |
| 2016 | 12,688 | 125,000 | 12,688 | 150,376 | 296,751 |
| 2017 | 11,125 | 125,000 | 11,125 | 147,250 | 294,675 |
| 2018 | 9,406 | 130,000 | 9,405 | 148,811 | 293,126 |
| 2019 | 7,455 | 135,000 | 7,455 | 149,910 | 296,019 |
| 2020 | 5,263 | 140,000 | 5,262 | 150,525 | 303,275 |
| 2021 | 2,901 | 145,000 | 2,901 | 150,802 | 299,799 |
| 2022 | - | - | - | - | 150,197 |
| 2023 | - | - | - | - | 146,185 |
| 2024 | - | - | - | - | 147,110 |
| 2025 | - | - | - | - | 147,870 |
| 2026 | - | - | - | - | 148,416 |
| 2027 | - | - | - | - | 118,680 |
| | <u>\$ 62,932</u> | <u>\$ 925,000</u> | <u>\$ 62,930</u> | <u>\$ 1,050,862</u> | <u>2,942,527</u> |

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF PRINCETON CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2009 Contract Revenue Bonds | | | Total Requirements |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | |
| 2015 | 205,000 | 111,883 | 111,882 | 428,765 |
| 2016 | 215,000 | 108,039 | 108,039 | 431,078 |
| 2017 | 220,000 | 103,739 | 103,739 | 427,478 |
| 2018 | 230,000 | 99,119 | 99,119 | 428,238 |
| 2019 | 240,000 | 94,116 | 94,116 | 428,232 |
| 2020 | 255,000 | 88,656 | 88,656 | 432,312 |
| 2021 | 265,000 | 82,473 | 82,472 | 429,945 |
| 2022 | 280,000 | 75,781 | 75,781 | 431,562 |
| 2023 | 295,000 | 68,501 | 68,501 | 432,002 |
| 2024 | 310,000 | 60,610 | 60,610 | 431,220 |
| 2025 | 325,000 | 52,240 | 52,240 | 429,480 |
| 2026 | 345,000 | 43,140 | 43,140 | 431,280 |
| 2027 | 365,000 | 33,308 | 33,307 | 431,615 |
| 2028 | 385,000 | 22,814 | 22,814 | 430,628 |
| 2029 | 405,000 | 11,745 | 11,745 | 428,490 |
| | <u>\$ 4,340,000</u> | <u>\$ 1,056,164</u> | <u>\$ 1,056,161</u> | <u>\$ 6,452,325</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF SADLER CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 1994 Contract Revenue Bonds | | | Total Requirements |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | |
| 2015 | 25,000 | 1,327 | 590 | 26,917 |
| 2016 | 20,000 | 590 | - | 20,590 |
| | <u>\$ 45,000</u> | <u>\$ 1,917</u> | <u>\$ 590</u> | <u>\$ 47,507</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF SAVOY CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 1998 Contract Revenue Bonds | | | |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Interest Due 10/1 | Principal Due 4/1 | Interest Due 4/1 | Total Requirements |
| 2015 | 833 | 10,000 | 832 | 11,665 |
| 2016 | 628 | 10,000 | 627 | 11,255 |
| 2017 | 420 | 10,000 | 420 | 10,840 |
| 2018 | 210 | 10,000 | 210 | 10,420 |
| | <u>\$ 2,091</u> | <u>\$ 40,000</u> | <u>\$ 2,089</u> | <u>\$ 44,180</u> |

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF SHERMAN CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2006 Revenue Bonds | | | Total Requirements |
|--|-----------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | |
| 2015 | 100,000 | 33,985 | 31,979 | 165,964 |
| 2016 | 105,000 | 31,980 | 29,874 | 166,854 |
| 2017 | 110,000 | 29,874 | 27,669 | 167,543 |
| 2018 | 115,000 | 27,669 | 25,363 | 168,032 |
| 2019 | 120,000 | 25,363 | 22,957 | 168,320 |
| 2020 | 125,000 | 22,957 | 20,451 | 168,408 |
| 2021 | 130,000 | 20,451 | 17,845 | 168,296 |
| 2022 | 135,000 | 17,844 | 15,139 | 167,983 |
| 2023 | 140,000 | 15,138 | 12,331 | 167,469 |
| 2024 | 145,000 | 12,331 | 9,424 | 166,755 |
| 2025 | 150,000 | 9,423 | 6,416 | 165,839 |
| 2026 | 155,000 | 6,416 | 3,308 | 164,724 |
| 2027 | 165,000 | 3,308 | - | 168,308 |
| 2028 | - | - | - | - |
| 2029 | - | - | - | - |
| 2030 | - | - | - | - |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| 2034 | - | - | - | - |
| 2035 | - | - | - | - |
| | <u>\$ 1,695,000</u> | <u>\$ 256,739</u> | <u>\$ 222,756</u> | <u>\$ 2,174,495</u> |

2008 Revenue Bonds

| Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | Total Requirements |
|-----------------------|----------------------|---------------------|-----------------------|
| 155,000 | 41,152 | 39,486 | 235,638 |
| 165,000 | 39,486 | 37,630 | 242,116 |
| 170,000 | 37,630 | 35,590 | 243,220 |
| 175,000 | 35,590 | 33,403 | 243,993 |
| 185,000 | 33,403 | 30,997 | 249,400 |
| 190,000 | 30,997 | 28,385 | 249,382 |
| 195,000 | 28,385 | 25,606 | 248,991 |
| 205,000 | 25,606 | 22,583 | 253,189 |
| 215,000 | 22,582 | 19,304 | 256,886 |
| 220,000 | 19,304 | 15,894 | 255,198 |
| 230,000 | 15,894 | 12,214 | 258,108 |
| 240,000 | 12,214 | 8,314 | 260,528 |
| 245,000 | 8,314 | 4,271 | 257,585 |
| 255,000 | 4,271 | - | 259,271 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>\$ 2,845,000</u> | <u>\$ 354,828</u> | <u>\$ 313,677</u> | <u>\$ 3,513,505</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF SHERMAN CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2008 Revenue Refunding Bonds | | | Total Requirements |
|--|------------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | |
| 2015 | 595,000 | 54,701 | 43,545 | 693,246 |
| 2016 | 600,000 | 43,545 | 32,295 | 675,840 |
| 2017 | 100,000 | 32,295 | 30,420 | 162,715 |
| 2018 | 100,000 | 30,420 | 28,483 | 158,903 |
| 2019 | 105,000 | 28,483 | 26,382 | 159,865 |
| 2020 | 110,000 | 26,382 | 24,183 | 160,565 |
| 2021 | 115,000 | 24,183 | 21,768 | 160,951 |
| 2022 | 120,000 | 21,768 | 19,188 | 160,956 |
| 2023 | 125,000 | 19,188 | 16,375 | 160,563 |
| 2024 | 130,000 | 16,375 | 13,450 | 159,825 |
| 2025 | 135,000 | 13,450 | 10,413 | 158,863 |
| 2026 | 145,000 | 10,413 | 7,150 | 162,563 |
| 2027 | 150,000 | 7,150 | 3,681 | 160,831 |
| 2028 | 155,000 | 3,681 | - | 158,681 |
| 2029 | - | - | - | - |
| 2030 | - | - | - | - |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| 2034 | - | - | - | - |
| 2035 | - | - | - | - |
| | \$ 2,685,000 | \$ 332,034 | \$ 277,333 | \$ 3,294,367 |

2009 Revenue Bonds

| Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | Total Requirements |
|-----------------------|----------------------|---------------------|-----------------------|
| 115,000 | 40,970 | 40,021 | 195,991 |
| 115,000 | 40,021 | 38,843 | 193,864 |
| 120,000 | 38,842 | 37,463 | 196,305 |
| 120,000 | 37,463 | 35,932 | 193,395 |
| 125,000 | 35,932 | 34,245 | 195,177 |
| 130,000 | 34,245 | 32,328 | 196,573 |
| 135,000 | 32,328 | 30,066 | 197,394 |
| 140,000 | 30,066 | 27,581 | 197,647 |
| 145,000 | 27,581 | 24,899 | 197,480 |
| 150,000 | 24,899 | 22,011 | 196,910 |
| 155,000 | 22,011 | 18,989 | 196,000 |
| 160,000 | 18,989 | 15,669 | 194,658 |
| 170,000 | 15,669 | 12,056 | 197,725 |
| 175,000 | 12,056 | 8,250 | 195,306 |
| 185,000 | 8,250 | 4,180 | 197,430 |
| 190,000 | 4,180 | - | 194,180 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>\$ 2,330,000</u> | <u>\$ 423,502</u> | <u>\$ 382,533</u> | <u>\$ 3,136,035</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF SHERMAN CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2009A Contract Revenue Bonds | | | Total Requirements |
|--|------------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | |
| 2015 | 165,000 | 60,584 | 59,305 | 284,889 |
| 2016 | 175,000 | 59,305 | 57,643 | 291,948 |
| 2017 | 180,000 | 57,643 | 55,708 | 293,351 |
| 2018 | 190,000 | 55,708 | 53,428 | 299,136 |
| 2019 | 195,000 | 53,428 | 50,941 | 299,369 |
| 2020 | 205,000 | 50,941 | 48,071 | 304,012 |
| 2021 | 210,000 | 48,071 | 44,816 | 302,887 |
| 2022 | 220,000 | 44,816 | 41,186 | 306,002 |
| 2023 | 225,000 | 41,186 | 37,305 | 303,491 |
| 2024 | 235,000 | 37,305 | 33,075 | 305,380 |
| 2025 | 245,000 | 33,075 | 28,604 | 306,679 |
| 2026 | 255,000 | 28,604 | 23,568 | 307,172 |
| 2027 | 265,000 | 23,568 | 18,135 | 306,703 |
| 2028 | 275,000 | 18,135 | 12,360 | 305,495 |
| 2029 | 285,000 | 12,360 | 6,375 | 303,735 |
| 2030 | 300,000 | 6,375 | - | 306,375 |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| 2034 | - | - | - | - |
| 2035 | - | - | - | - |
| | \$ 3,625,000 | \$ 631,104 | \$ 570,520 | \$ 4,826,624 |

2011 Contract Revenue Bonds

| Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | Total Requirements |
|-----------------------|----------------------|---------------------|-----------------------|
| 80,000 | 43,219 | 41,219 | 164,438 |
| 85,000 | 41,219 | 39,094 | 165,313 |
| 85,000 | 39,094 | 37,181 | 161,275 |
| 85,000 | 37,181 | 35,481 | 157,662 |
| 90,000 | 35,481 | 33,681 | 159,162 |
| 95,000 | 33,681 | 31,781 | 160,462 |
| 95,000 | 31,781 | 29,881 | 156,662 |
| 100,000 | 29,881 | 27,881 | 157,762 |
| 105,000 | 27,881 | 25,781 | 158,662 |
| 110,000 | 25,781 | 23,513 | 159,294 |
| 115,000 | 23,513 | 21,141 | 159,654 |
| 115,000 | 21,141 | 18,769 | 154,910 |
| 120,000 | 18,769 | 16,069 | 154,838 |
| 125,000 | 16,069 | 13,256 | 154,325 |
| 130,000 | 13,256 | 10,331 | 153,587 |
| 140,000 | 10,331 | 7,005 | 157,336 |
| 145,000 | 7,005 | 3,562 | 155,567 |
| 150,000 | 3,562 | - | 153,562 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>\$ 1,970,000</u> | <u>\$ 458,845</u> | <u>\$ 415,626</u> | <u>\$ 2,844,471</u> |

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF SHERMAN CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2012 Contract Revenue Bonds | | | Total Requirements |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | |
| 2015 | 180,000 | 91,372 | 89,572 | 360,944 |
| 2016 | 190,000 | 89,572 | 87,672 | 367,244 |
| 2017 | 200,000 | 87,672 | 85,172 | 372,844 |
| 2018 | 210,000 | 85,172 | 82,022 | 377,194 |
| 2019 | 215,000 | 82,022 | 78,797 | 375,819 |
| 2020 | 225,000 | 78,797 | 75,422 | 379,219 |
| 2021 | 240,000 | 75,422 | 71,822 | 387,244 |
| 2022 | 250,000 | 71,822 | 66,822 | 388,644 |
| 2023 | 260,000 | 66,822 | 61,622 | 388,444 |
| 2024 | 270,000 | 61,622 | 56,222 | 387,844 |
| 2025 | 285,000 | 56,222 | 51,947 | 393,169 |
| 2026 | 300,000 | 51,947 | 47,259 | 399,206 |
| 2027 | 310,000 | 47,259 | 42,028 | 399,287 |
| 2028 | 325,000 | 42,028 | 36,340 | 403,368 |
| 2029 | 340,000 | 36,340 | 30,178 | 406,518 |
| 2030 | 355,000 | 30,178 | 23,522 | 408,700 |
| 2031 | 375,000 | 23,522 | 16,256 | 414,778 |
| 2032 | 390,000 | 16,256 | 8,456 | 414,712 |
| 2033 | 410,000 | 8,456 | - | 418,456 |
| 2034 | - | - | - | - |
| 2035 | - | - | - | - |
| | \$ 5,330,000 | \$ 1,102,503 | \$ 1,011,131 | \$ 7,443,634 |

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF SHERMAN CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2013 Contract Revenue Bonds | | | Total Requirements |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | |
| 2015 | 125,000 | 47,560 | 46,623 | 219,183 |
| 2016 | 130,000 | 46,623 | 45,323 | 221,946 |
| 2017 | 135,000 | 45,323 | 43,973 | 224,296 |
| 2018 | 140,000 | 43,973 | 42,573 | 226,546 |
| 2019 | 145,000 | 42,573 | 41,123 | 228,696 |
| 2020 | 150,000 | 41,123 | 39,623 | 230,746 |
| 2021 | 155,000 | 39,623 | 38,073 | 232,696 |
| 2022 | 160,000 | 38,073 | 36,473 | 234,546 |
| 2023 | 170,000 | 36,473 | 34,645 | 241,118 |
| 2024 | 175,000 | 34,645 | 32,633 | 242,278 |
| 2025 | 180,000 | 32,633 | 30,383 | 243,016 |
| 2026 | 190,000 | 30,383 | 28,008 | 248,391 |
| 2027 | 195,000 | 28,008 | 25,375 | 248,383 |
| 2028 | 200,000 | 25,375 | 22,675 | 248,050 |
| 2029 | 210,000 | 22,675 | 19,525 | 252,200 |
| 2030 | 220,000 | 19,525 | 16,225 | 255,750 |
| 2031 | 225,000 | 16,225 | 12,569 | 253,794 |
| 2032 | 235,000 | 12,569 | 8,750 | 256,319 |
| 2033 | 245,000 | 8,750 | 4,463 | 258,213 |
| 2034 | 255,000 | 4,463 | - | 259,463 |
| 2035 | - | - | - | - |
| | <u>\$ 3,640,000</u> | <u>\$ 616,595</u> | <u>\$ 569,035</u> | <u>\$ 4,825,630</u> |

2013A Contract Revenue Bonds

| Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | Total Requirements |
|-----------------------|----------------------|---------------------|-----------------------|
| 70,000 | 69,899 | 45,728 | 185,627 |
| 100,000 | 45,728 | 44,728 | 190,456 |
| 105,000 | 44,728 | 43,678 | 193,406 |
| 110,000 | 43,678 | 42,578 | 196,256 |
| 115,000 | 42,578 | 41,427 | 199,005 |
| 120,000 | 41,427 | 40,227 | 201,654 |
| 120,000 | 40,227 | 38,952 | 199,179 |
| 125,000 | 38,952 | 37,546 | 201,498 |
| 130,000 | 37,546 | 35,921 | 203,467 |
| 135,000 | 35,921 | 34,065 | 204,986 |
| 140,000 | 34,065 | 32,140 | 206,205 |
| 150,000 | 32,140 | 29,815 | 211,955 |
| 155,000 | 29,815 | 27,413 | 212,228 |
| 160,000 | 27,413 | 24,693 | 212,106 |
| 165,000 | 24,693 | 21,888 | 211,581 |
| 170,000 | 21,888 | 18,742 | 210,630 |
| 180,000 | 18,742 | 15,413 | 214,155 |
| 185,000 | 15,413 | 11,805 | 212,218 |
| 190,000 | 11,804 | 8,100 | 209,904 |
| 200,000 | 8,100 | 4,100 | 212,200 |
| 205,000 | 4,100 | - | 209,100 |
| <u>\$ 3,030,000</u> | <u>\$ 668,857</u> | <u>\$ 598,959</u> | <u>\$ 4,297,816</u> |

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF SHERMAN CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2014 Contract Revenue Bonds | | | Total Requirements | (Memorandum Only) |
|--|-----------------------------|----------------------|---------------------|-----------------------|----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | | Totals |
| 2015 | | | 21,261 | 21,261 | 4,017,606 |
| 2016 | 80,000 | 17,800 | 17,000 | 114,800 | 4,129,281 |
| 2017 | 85,000 | 17,000 | 16,150 | 118,150 | 3,629,280 |
| 2018 | 85,000 | 16,150 | 15,300 | 116,450 | 3,629,967 |
| 2019 | 65,000 | 15,300 | 14,650 | 94,950 | 3,627,188 |
| 2020 | 40,000 | 14,650 | 14,250 | 68,900 | 3,623,821 |
| 2021 | 30,000 | 14,250 | 13,950 | 58,200 | 3,618,800 |
| 2022 | 90,000 | 13,950 | 13,050 | 117,000 | 2,418,677 |
| 2023 | 90,000 | 13,050 | 12,150 | 115,200 | 2,192,780 |
| 2024 | 95,000 | 12,150 | 11,200 | 118,350 | 2,196,820 |
| 2025 | 95,000 | 11,200 | 10,250 | 116,450 | 2,203,983 |
| 2026 | 80,000 | 10,250 | 9,450 | 99,700 | 2,203,807 |
| 2027 | 80,000 | 9,450 | 8,650 | 98,100 | 2,203,988 |
| 2028 | 100,000 | 8,650 | 7,650 | 116,300 | 2,052,902 |
| 2029 | 105,000 | 7,650 | 6,600 | 119,250 | 1,644,301 |
| 2030 | 105,000 | 6,600 | 5,550 | 117,150 | 1,650,121 |
| 2031 | 105,000 | 5,550 | 4,500 | 115,050 | 1,153,344 |
| 2032 | 110,000 | 4,500 | 3,400 | 117,900 | 1,154,711 |
| 2033 | 110,000 | 3,400 | 2,300 | 115,700 | 1,002,273 |
| 2034 | 115,000 | 2,300 | 1,150 | 118,450 | 590,113 |
| 2035 | 115,000 | 1,150 | - | 116,150 | 325,250 |
| | <u>\$ 1,780,000</u> | <u>\$ 205,000</u> | <u>\$ 208,461</u> | <u>\$ 2,193,461</u> | <u>\$ 49,269,013</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF SOUTHMAYD CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2000 Contract Revenue Bonds | | | Total Requirements |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Principal Due 10/1 | Interest Due 10/1 | Interest Due 4/1 | |
| 2015 | 10,000 | 2,424 | 2,131 | 14,555 |
| 2016 | 10,000 | 2,131 | 1,834 | 13,965 |
| 2017 | 10,000 | 1,834 | 1,534 | 13,368 |
| 2018 | 10,000 | 1,534 | 1,231 | 12,765 |
| 2019 | 10,000 | 1,231 | 926 | 12,157 |
| 2020 | 15,000 | 926 | 464 | 16,390 |
| 2021 | 15,000 | 465 | - | 15,465 |
| | <u>\$ 80,000</u> | <u>\$ 10,545</u> | <u>\$ 8,120</u> | <u>\$ 98,665</u> |

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**GREATER TEXOMA UTILITY AUTHORITY
CITY OF TOM BEAN CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2000 Contract Revenue Bonds | | | |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Interest Due 1/1 | Principal Due 7/1 | Interest Due 7/1 | Total Requirements |
| 2015 | 8,291 | 50,000 | 8,292 | 66,583 |
| 2016 | 7,129 | 55,000 | 7,128 | 69,257 |
| 2017 | 5,822 | 55,000 | 5,823 | 66,645 |
| 2018 | 4,502 | 60,000 | 4,503 | 69,005 |
| 2019 | 3,047 | 60,000 | 3,048 | 66,095 |
| 2020 | 1,593 | 65,000 | 1,592 | 68,185 |
| | <u>\$ 30,384</u> | <u>\$ 345,000</u> | <u>\$ 30,386</u> | <u>\$ 405,770</u> |

GREATER TEXOMA UTILITY AUTHORITY
CITY OF VAN ALSTYNE CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014

| Fiscal Year Ending September 30, | 2014 Contract Revenue Bonds Van Alstyne Project - CGMA | | | |
|--|---|----------------------|---------------------|-----------------------|
| | Interest Due 12/1 | Principal Due 6/1 | Interest Due 6/1 | Total Requirements |
| 2014 | 1,970 | 45,000 | 5,214 | 52,184 |
| 2015 | 4,730 | 45,000 | 4,730 | 54,460 |
| 2016 | 4,246 | 45,000 | 4,246 | 53,492 |
| 2017 | 3,763 | 45,000 | 3,763 | 52,526 |
| 2018 | 3,279 | 50,000 | 3,279 | 56,558 |
| 2019 | 2,741 | 50,000 | 2,741 | 55,482 |
| 2020 | 2,204 | 50,000 | 2,204 | 54,408 |
| 2021 | 1,666 | 50,000 | 1,666 | 53,332 |
| 2022 | 1,129 | 50,000 | 1,129 | 52,258 |
| 2023 | 591 | 55,000 | 591 | 56,182 |
| 2024 | - | - | - | - |
| 2025 | - | - | - | - |
| 2026 | - | - | - | - |
| 2027 | - | - | - | - |
| 2028 | - | - | - | - |
| 2029 | - | - | - | - |
| 2030 | - | - | - | - |
| 2031 | - | - | - | - |
| 2032 | - | - | - | - |
| 2033 | - | - | - | - |
| | <u>\$ 26,319</u> | <u>\$ 485,000</u> | <u>\$ 29,563</u> | <u>\$ 540,882</u> |

| 2014 Contract Revenue Bonds | | | | (Memorandum Only) |
|-----------------------------|----------------------|---------------------|-----------------------|----------------------|
| Interest Due 12/1 | Principal Due 6/1 | Interest Due 6/1 | Total Requirements | Totals |
| 12,254 | 80,000 | 32,438 | 124,692 | 176,876 |
| 30,938 | 60,000 | 30,938 | 121,876 | 176,336 |
| 29,813 | 65,000 | 29,813 | 124,626 | 178,118 |
| 28,593 | 65,000 | 28,593 | 122,186 | 174,712 |
| 27,375 | 70,000 | 27,375 | 124,750 | 181,308 |
| 26,062 | 70,000 | 26,062 | 122,124 | 177,606 |
| 24,750 | 75,000 | 24,750 | 124,500 | 178,908 |
| 23,344 | 75,000 | 23,344 | 121,688 | 175,020 |
| 21,938 | 80,000 | 21,938 | 123,876 | 176,134 |
| 20,438 | 80,000 | 20,438 | 120,876 | 177,058 |
| 18,937 | 85,000 | 18,937 | 122,874 | 122,874 |
| 17,344 | 90,000 | 17,344 | 124,688 | 124,688 |
| 15,656 | 90,000 | 15,656 | 121,312 | 121,312 |
| 13,969 | 95,000 | 13,969 | 122,938 | 122,938 |
| 12,187 | 100,000 | 12,187 | 124,374 | 124,374 |
| 10,312 | 100,000 | 10,311 | 120,623 | 120,623 |
| 8,437 | 105,000 | 8,437 | 121,874 | 121,874 |
| 6,468 | 110,000 | 6,468 | 122,936 | 122,936 |
| 4,406 | 115,000 | 4,406 | 123,812 | 123,812 |
| 2,250 | 120,000 | 2,250 | 124,500 | 124,500 |
| <u>\$ 355,471</u> | <u>\$ 1,730,000</u> | <u>\$ 375,654</u> | <u>\$ 2,461,125</u> | <u>\$ 3,002,007</u> |

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF WHITEWRIGHT CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2004 Revenue Bonds | | | |
|--|----------------------|-----------------------|---------------------|-----------------------|
| | Interest Due 10/1 | Principal Due 10/1 | Interest Due 4/1 | Total Requirements |
| 2015 | 1,718 | 5,000 | 1,718 | 8,436 |
| 2016 | 1,598 | 5,000 | 1,598 | 8,196 |
| 2017 | 1,476 | 5,000 | 1,476 | 7,952 |
| 2018 | 1,351 | 5,000 | 1,351 | 7,702 |
| 2019 | 1,224 | 5,000 | 1,224 | 7,448 |
| 2020 | 1,095 | 5,000 | 1,095 | 7,190 |
| 2021 | 965 | 5,000 | 965 | 6,930 |
| 2022 | 831 | 5,000 | 831 | 6,662 |
| 2023 | 696 | 5,000 | 696 | 6,392 |
| 2024 | 559 | 10,000 | 559 | 11,118 |
| 2025 | 283 | 10,000 | 281 | 10,564 |
| | <u>\$ 11,796</u> | <u>\$ 65,000</u> | <u>\$ 11,794</u> | <u>\$ 88,590</u> |

OTHER SUPPLEMENTAL INFORMATION

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GREATER TEXOMA UTILITY AUTHORITY
SCHEDULE OF REVENUE BOND COVERAGE
September 30, 2014

| Fiscal Year Ending September 30, | Gross Revenues (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Debt Service | Coverage |
|---|-------------------------------|-----------------------------------|---|-------------------------|-----------------|
| 2005 | 7,587,642 | 546,553 | 7,041,089 | 6,806,272 | 1.03X |
| 2006 | 8,379,677 | 512,415 | 7,867,262 | 7,252,794 | 1.08X |
| 2007 | 9,386,281 | 540,629 | 8,845,652 | 7,501,673 | 1.18X |
| 2008 | 10,311,896 | 592,348 | 9,719,548 | 5,476,000 | 1.77X |
| 2009 | 10,713,569 | 931,622 | 9,781,947 | 9,308,577 | 1.05X |
| 2010 | 10,821,081 | 1,129,853 | 9,691,228 | 9,570,974 | 1.01X |
| 2011 | 11,590,025 | 988,008 | 10,602,017 | 10,504,161 | 1.01X |
| 2012 | 12,470,914 | 1,026,117 | 11,444,797 | 11,345,245 | 1.01X |
| 2013 | 12,199,875 | 1,099,930 | 11,099,945 | 11,600,287 | .96X |
| 2014 | 12,384,528 | 1,474,823 | 10,909,705 | 9,703,105 | 1.12X |

(1) Total revenues (including interest), exclusive of revenues for General, Solid Waste, Upper East Fork, Krum and Collin County Enterprise Funds.

(2) Total operating expenses (excluding depreciation), exclusive of operating expenses for General, Solid Waste, Krum, Upper East Fork and Collin County Enterprise Funds.

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULE OF INSURANCE COVERAGE
September 30, 2014

| <u>Policy Number</u> | <u>Description</u> | <u>Company</u> |
|----------------------|--------------------------------|--------------------------------|
| 105892791 | Employee Dishonesty | Travelers |
| 105206358 | Public Official Schedule Bond | Travelers Casualty & Surety |
| Contract #021 | Automobile Physical Damage | Texas Water Conservation Assn. |
| Contract #021 | Workers Compensation | Texas Water Conservation Assn. |
| Contract #021 | General Liability | Texas Water Conservation Assn. |
| Contract #021 | Automobile Liability | Texas Water Conservation Assn. |
| Contract #021 | Errors and Omissions Liability | Texas Water Conservation Assn. |
| Contract #021 | Various | Texas Water Conservation Assn. |

| <u>Specific Item or Location</u> | <u>Coverage Amount</u> | <u>Policy Period Inception/Expiration</u> |
|--------------------------------------|---|---|
| GTUA Employees | \$ 500,000 | 2/1/2014-2/1/2015 |
| | \$ 10,000/Deductible | |
| Each Board Member | \$ 10,000 each \$80,000 total | 01/01/13-12/31/14 |
| GTUA Owned Vehicles | Actual Cash Value Comprehensive & Collision | 07/01/14-7/01/15 |
| All Locations | Statutory | 07/01/14-7/01/15 |
| All Locations | \$ 1,000,000 \$1,000/Deductible | 07/01/14-7/01/15 |
| All Locations | \$ 1,000,000 \$ 1,000/Deductible | 07/01/14-7/01/15 |
| All Locations | \$ 1,000,000 \$ 5,000/Deductible | 07/01/14-7/01/15 |
| All Locations | Blanket Limit Per Occurrence-\$1,726,416 \$ 5,000/Deductible Real & Personal Property/ Replacement Cost Mobile Equipment/ Auto Physical Damage Catastrophe Coverage Actual Cash Value | 07/01/14-7/01/15 |

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FEDERAL AWARDS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Greater Texoma Utility Authority
Denison, TX 75020

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Greater Texoma Utility Authority (the "Authority") as of and for the years ended September 30, 2014 and the related notes to the financial statements, which collectively comprise Greater Texoma Utility Authority's basic financial statements, and have issued our report thereon dated January 15, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Schalk & Smith PC". The signature is written in a cursive, flowing style.

Schalk & Smith, P.C.

January 15, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Directors
Greater Texoma Utility Authority

Report on Compliance for Each Major Federal Program

We have audited Greater Texoma Utility Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Greater Texoma Utility Authority's major federal programs for the year ended September 30, 2014. Greater Texoma Utility Authority's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control over Compliance

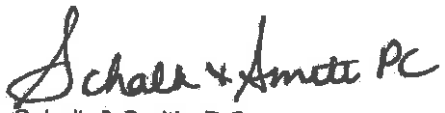
Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely

basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Schalk & Smith PC". The signature is written in a cursive, flowing style.

Schalk & Smith, P.C.

January 15, 2015

**GREATER TEXOMA UTILITY AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Section I-Summary of Auditor's Results

Financial Statements

| | |
|---|--------------------|
| Type of auditor's report issued: | Unmodified opinion |
| Internal control over financial reporting: | |
| • Material weakness identified | No |
| • Significant deficiency identified that are not considered to be material weaknesses | No |
| • Noncompliance material to financial statements noted | No |

Federal Awards

| | |
|---|--------------------|
| Internal control over major programs: | |
| • Material weakness identified | No |
| • Significant deficiency identified that are not considered to be material weaknesses | None reported |
| Type of auditor's report issued on compliance for major programs: | Unmodified Opinion |
| Any audit findings disclosed that are required to be reported in accordance with section 501(a) of Circular A-133 | No |
| Major Federal Programs: | |
| • Capitalization Grants for Clean Water State Revolving Funds CFDA #66.458 | |
| Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| Auditee qualified as low-risk auditee? | NO |

Section II – Financial Statement Findings-NONE

Section III – Federal Award findings and Questioned Costs-NONE

**GREATER TEXOMA UTILITY AUTHORITY
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

NONE

GREATER TEXOMA UTILITY AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

| <u>FEDERAL GRANTOR/PASS-THROUGH GRAN PROGRAM TITLE</u> | <u>FEDERAL CFDA NUMBER</u> | <u>PASS-THROUGH GRANTOR'S NUMBER</u> | <u>PASS-THROUGH DISBURSEMENTS & EXPENDITURES</u> |
|--|------------------------------------|--|--|
| U. S. Environmental Protection Agency Texas Water Development Board Capitalization Grants for Clean Water State Revolving Funds | 66.458 | N/A | \$ 791,337 |

GREATER TEXOMA UTILITY AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Greater Texoma Utility Authority (the "Authority") under programs of the federal government for the year ended September 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Authority.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, Cost Principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

City Tom Bean, Texas
Annual Financial Report FYE 9-30-2014

**CITY OF TOM BEAN, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2014**

City of Tom Bean, Texas
 Annual Financial Report
 For the Year Ended September 30, 2014

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LaFollett and Abbott PLLC
Certified Public Accountants

Susan LaFollett, CPA – Partner
Rod Abbott, CPA – Partner

Independent Auditor's Report

To the City Council
City of Tom Bean, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tom Bean, Texas (City) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tom Bean, Texas as of and for the year ended September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, and Texas Municipal Retirement System Schedule of Funding Progress on pages 3–8, 32, and 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

In Follett and Abbott PLLC

Tom Bean, Texas
May 18, 2015

**City of Tom Bean, Texas
Management Discussion and Analysis
For the Year Ended September 30, 2014**

Our discussion and analysis of the City of Tom Bean's (City's) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2014. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year ended September 30, 2014 (FY14) by \$1,870,269. This is a decrease in net position of \$40,382 from FY13's net asset value of \$1,910,651. Unrestricted net position at the close of FY14 is \$165,704 and may be used to meet the City's ongoing obligations to citizens and creditors. This is a decrease of \$18,447 over FY13's unrestricted net position value of \$184,151.
- As of the close of the current fiscal year, the City's governmental fund reported on page 13 has an ending fund balance of \$58,361 due to a current year increase of \$15,429.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 9 and 10). These provide information about the activities of the City as a whole and present a long-term view of the City's financial condition. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 11) report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. Governmental fund statements show how services were financed in short-term, as well as what resources remain for future spending. They reflect the flow of current financial resources. Proprietary fund financial statements report activity for the City's water and wastewater operations.

The notes to the financial statements (beginning on page 18) provide narrative explanations and additional data needed for full disclosures for the government-wide statements and the fund financial statements.

Reporting the City as a Whole – Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities

Government-wide financial statements, which provide an analysis of the City's overall financial condition and operation, begin on page 9. The primary objective of these statements is to show whether the City's financial condition has improved or deteriorated as a result of the year's activities.

The Statement of Net Position includes all the City's assets and liabilities (including long-term items) while the Statement of Activities includes all the revenue and expenses generated by the City's operations during the year. Government-wide statements utilize the accrual basis of accounting, which is the same method used by most private sector companies.

All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid. The City's revenue is divided into the following categories: 1) charges for services, 2) operating grants and contributions, 3) capital grants and contributions, and 4) general revenues not associated with any specific program function. All of the City's assets are reported whether they serve the current or future years. Liabilities are also reported regardless of whether they must be paid in the current or future years.

These two statements report the City's net position and changes in them. The City's net position (the difference between assets and liabilities) provide one measure of the City's financial health or financial position. Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the City, however, you should consider non-financial factors as well, such as changes in the City's request for services from citizens and the condition of the City's facilities.

In the Statement of Net Position and the Statement of Activities, the City has two kinds of activities:

Governmental Activities – City services such as police protection, court services, street maintenance, parks, and general administration are reported here. City property taxes, sales taxes, franchise taxes, and court fines finance most of these activities.

Business-Type Activities - The City uses proprietary (business-type) funds to account for its water, sewer, and sanitation operations. The services are supported by monthly charges to citizens.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 11 and provide detailed information about the most significant funds. The City's two types of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds – The City reports most of its basic services in governmental funds. Governmental funds use the modified accrual basis of accounting (a method that measures the receipt and disbursement of cash and other financial assets that can be readily converted to cash) and they report balances that are available for future spending. Governmental fund statements provide a detailed, short-term view of the City's general operations and the basic services it provides. We describe the accounting differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules found on pages 12 and 14.

Proprietary Funds – The City uses proprietary (business-type) funds to account for its water and wastewater operations. The full-accrual basis of accounting is used for all proprietary type funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS COMPARISON

Below is a summary of FY14 government-wide financial statements with a comparison to FY13:

City of Tom Bean-Statement of Net Position

| | <u>FY14</u> | <u>FY13</u> |
|--|---------------------|---------------------|
| Current and other assets | \$ 345,318 | \$ 339,402 |
| Capital assets | 2,142,190 | 2,276,472 |
| Total assets | <u>\$ 2,487,508</u> | <u>\$ 2,615,874</u> |
| Current payables and other liabilities | \$ 164,348 | \$ 68,390 |
| Long-term liabilities | 452,891 | 636,833 |
| Total liabilities | <u>\$ 617,239</u> | <u>\$ 705,223</u> |
| Net position: | | |
| Net investment in capital assets | \$ 1,610,922 | \$ 1,639,639 |
| Restricted for debt service and other | 93,643 | 86,861 |
| Unrestricted | 165,704 | 184,151 |
| Total net position | <u>\$ 1,870,269</u> | <u>\$ 1,910,651</u> |

City of Tom Bean-Statement of Activities

| | <u>FY14</u> | <u>FY13</u> |
|--|--------------------|--------------------|
| Revenues: | | |
| Program revenues | | |
| Water fund charges for services | \$ 421,165 | \$ 419,219 |
| General fund charges for services | 240,509 | 162,761 |
| Grants and contributions | - | - |
| General revenues | <u>286,185</u> | <u>273,813</u> |
| Total revenues | <u>\$ 947,859</u> | <u>\$ 855,793</u> |
| Expenses: | | |
| General government, court and interest on long-term debt | \$ 298,969 | \$ 224,557 |
| Water, sewer, and sanitation | 467,731 | 447,525 |
| Police | 214,341 | 216,354 |
| Emergency medical service | 7,200 | 5,600 |
| Total expenses | <u>988,241</u> | <u>894,036</u> |
| Increase (decrease) in net position | <u>\$ (40,382)</u> | <u>\$ (38,243)</u> |

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The City's net position decreased to \$1,870,269 from \$1,910,651. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$165,704 at September 30, 2014. Eighty six percent (86%) of the City's net position is invested in capital assets; land, streets, water systems, buildings, vehicles and other equipment, less any outstanding debt used to acquire these assets.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's General Fund revenues for FY14 were \$81,526 more than the previous year. Most of this increase in revenues is represented by building permit fees. Total expenditures increased \$23,363 from 2013 totals. Most of the increase in expenditures was from an increase in general government and debt principal payments.

The General Fund (as presented in the balance sheet on page 11) reported a fund balance of \$58,361 compared to \$42,932 in FY13. This represents an increase of \$15,429. This increase also resulted in an \$11,858 positive variance with the General Fund's budget versus actual results as shown on page 32.

Total revenues for the City's proprietary fund were \$421,262 while total expenses were \$467,731. This resulted in a decrease in net position of \$46,469. Last year's result was a decrease in net position of \$27,646.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for all activities as of September 30, 2014 amounts to \$2,142,190, compared to \$2,276,472 (net of accumulated depreciation) at September 30, 2013. This investment in capital assets includes land, buildings and improvements, street improvements, water and wastewater systems, equipment and vehicles.

Long-term Debt

At year-end, the City's long-term debt consisted of contractual obligations and notes payable totaling \$531,268. The total for FY2013 was \$636,833. FY2014 principal payments totaled \$105,565 and all payments were made when due.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City continued to experience moderate growth in property tax revenue. Property taxes are the City's largest source of revenue in the General Fund.

These revenues and other factors were considered in preparing the City's budget for the 2014-2015 fiscal year. The operating budget for the 2014-2015 fiscal year developed by City management and approved by the City's elected officials focused on using the City's available resources and maintaining close scrutiny on operating costs. Each department head continued to have the responsibility of coming up with their own budget and submitting to the Mayor in midsummer. Each area's budget was discussed, revised, and approved. Each department head is held responsible/accountable for maintaining their budget throughout the year and annual performance evaluations include how they handled their budgeted funds throughout the year.

The City's Operating Budget is prepared each year in September, prior to the commencement of the fiscal year for which the budget is adopted. The City Council is provided a monthly report of revenues and expenditures to review and assess how consistent actual revenue and expenditures are in relation to the budget that was approved.

THE CITY AS A WHOLE

The City was granted a street grant for the completion of Ball Street to the end of Ball Road for the total cost of \$152,500 with the city's portion being \$14,892 which was included in the budget. Work is scheduled for early summer 2015. Hot patching remains as our yearly maintenance on our repaired streets at an estimated cost of \$3,000.

We did increase the property tax rate for 2014 for the rollover rate of \$0.623753 per \$100 assessed value for the prior year which increased our property tax base by \$19,000. In addition, we increased the garbage rate by 3.5% and increased our water/sewer rates by 5% to plan for our potential new water well funding. We updated to additional energy efficient LED lighting on the outside of the City Hall building to decrease our electrical cost.

The City was able to upgrade and replace the 10-year old phone system. The old phone system was sold at auction and the new system was paid off in June 2014.

The City Council approved a plat on the area of our \$10M bond funded elementary school. Zoning changes were approved by the council on some newly acquired acreage which is designed for possible manufacturing expansion for our city as well. The City annexed 2.43 acres located along Hwy 11 after working with the county to take possession of this piece of property. This area was to be designated as our new city park but the Type B Economic Development Board paid \$2,500 for a feasibility study and it was determined that cost would be too great for the conversion of this heavily wooded/steep terrained area. The City Council also approved an Affordable Housing Initiative in 2014 in order to hopefully stimulate new housing development in our city. We were able to update our Personnel Manual to include the addition of weapons on or in city property.

Personnel changes included replacements for our new Public Works Operator, new Police Chief and new Police Officer and a much needed part-time Utility Clerk. The Utility clerk job will enable us to hopefully work on lessening our delinquent water debt fund.

Revenue from old outstanding warrants remained constant due to the close interaction between the court clerk and the police department. This year we were once again able to meet our budget goals. The Police Department have joined the Texas 1033 military surplus property program in which the 1033 Program authorizes the Secretary of Defense to transfer excess Department of Defense (DoD) personal property to Federal, state and local Law Enforcement Agencies (LEA) with special emphasis given to counter drug and counter terrorism. We have been able to acquire a diesel generator, 27 cots, 8x8 steel storage unit and a M14 308 rifle.

The Water Fund or Proprietary Fund was down somewhat this year due in part to Landings Apartment complex was sold and the new owner closed the 16 units for updates/remodeling efforts for about four months. Water loss issues continue to plague the City and the Public Works Department continues to monitor daily for leaks around the City. Older water meter replacements are being worked as time permits and continue to be a part of our maintenance effort to reduce water loss and get more accurate water readings. Our recycling effort continued to increase this year and continues to be a great program for our citizens. Public Works building was upgraded this year with new paint and siding to help maintain the building for the future. A replacement was made for our aging 2003 Crown Vic car with a 2008 small Ford Ranger pickup of which was more gas efficient and designed for Public Works Department duties. The old car was sold at auction and the loan for the newer pickup was paid off in 1 month.

The Type A Community Development Board was asked to join the Denison Development Alliance Education for Teachers Program and by allocating \$1,500 to this effort was able to send one Tom Bean High School teacher to the program. They will be continuing this effort in the future as well. The Type B Economic Development Board added 16 new trees along with the new lighting that was installed prior to our median area along Highway 11. It adds to the beauty of our town and we hope that this will market our town for future growth. The Tom Bean Beautification Committee allocated funds to add a new brick flowerbed in front of our city clock to enhance the beauty of our town and is funding Yard of the Month winners to encourage homeowners to keep our town beautiful.

Last, but not least, we were finally successful in getting Dollar General into our city! We “turned the dirt” back in June of 2014 and had the grand opening a short time later. This new addition of sales tax revenue is what was needed to give our city a shot in the arm toward the growth that we are anticipating next year.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City’s finances and to exhibit transparency in the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Mayor’s office, at 201 South Britton, Tom Bean, Texas 75489 or 903.546.6321 or visit www.tombean.net.

City of Tom Bean, Texas
Statement of Net Position
September 30, 2014

| | Primary Government | | | Component Units | |
|--|---------------------|-------------------|---------------------|------------------|------------------|
| | Governmental | Business-Type | Total | Economic | Community |
| | Activities | Activities | | Development | Development |
| | | | | Corporation | Corporation |
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 85,764 | \$ 75,063 | \$ 160,827 | \$ 48,230 | \$ 49,326 |
| Property Taxes Receivable, net | 14,372 | - | 14,372 | - | - |
| Court Receivable, net | 27,228 | - | 27,228 | - | - |
| Sales Taxes Receivable, net | 7,263 | - | 7,263 | 3,632 | 3,632 |
| Other Receivables, net | 12,131 | 38,838 | 50,969 | 1,734 | - |
| Internal Balances | (22,852) | 22,852 | - | - | - |
| Restricted Assets: | | | | | |
| Deposits Held in Trust by GTUA | - | 84,659 | 84,659 | - | - |
| Capital Assets not being Depreciated: | | | | | |
| Land | 7,000 | 9,850 | 16,850 | - | - |
| Capital Assets net of Acc. Depreciation: | | | | | |
| Buildings | 55,518 | - | 55,518 | - | - |
| Improvements Other Than Buildings | 7,493 | - | 7,493 | - | - |
| Furniture and Fixtures | 525 | - | 525 | - | - |
| Machinery and Equipment | 54,163 | 12,176 | 66,339 | - | - |
| Public Infrastructure | 967,442 | 1,028,023 | 1,995,465 | - | - |
| Total Assets | <u>1,216,047</u> | <u>1,271,461</u> | <u>2,487,508</u> | <u>53,596</u> | <u>52,958</u> |
| LIABILITIES | | | | | |
| Accounts Payable | 34,637 | 26,773 | 61,410 | (120) | 1,734 |
| Interest Payable | - | 4,721 | 4,721 | - | - |
| Customer Deposits Payable | - | 19,840 | 19,840 | - | - |
| Noncurrent Liabilities: | | | | | |
| Due within One Year | 15,913 | 62,464 | 78,377 | - | - |
| Due in More than One Year | 25,980 | 426,911 | 452,891 | - | - |
| Total Liabilities | <u>76,530</u> | <u>540,709</u> | <u>617,239</u> | <u>(120)</u> | <u>1,734</u> |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 1,050,248 | 560,674 | 1,610,922 | - | - |
| Restricted for: | | | | | |
| Court Security and Technology | 8,984 | - | 8,984 | - | - |
| Deposits Held in Trust by GTUA | - | 84,659 | 84,659 | - | - |
| Unrestricted | 80,285 | 85,419 | 165,704 | 53,716 | 51,224 |
| Total Net Position | <u>\$ 1,139,517</u> | <u>\$ 730,752</u> | <u>\$ 1,870,269</u> | <u>\$ 53,716</u> | <u>\$ 51,224</u> |

The notes to the financial statements are an integral part of these financial statements.

City of Tom Bean, Texas
Statement of Activities
For the Year Ended September 30, 2014

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | | | | |
|---|-------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------------|----------------------------------|-----------------------------------|------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | Component Units | | |
| | | | | | Governmental Activities | Business-Type Activities | Total | Economic Development Corporation | Community Development Corporation | |
| Functions/Programs | | | | | | | | | | |
| Primary Government: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Police | \$ 214,341 | \$ - | \$ - | \$ - | \$ (214,341) | \$ - | \$ (214,341) | | | |
| General Government | 180,268 | 78,026 | - | - | (102,242) | - | (102,242) | | | |
| Court | 116,412 | 162,483 | - | - | 46,071 | - | 46,071 | | | |
| Fire Protection and Ambulance | 7,200 | - | - | - | (7,200) | - | (7,200) | | | |
| Interest on Long-Term Debt | 2,289 | - | - | - | (2,289) | - | (2,289) | | | |
| Total Governmental Activities | 520,510 | 240,509 | - | - | (280,001) | - | (280,001) | | | |
| Business-Type Activities | | | | | | | | | | |
| Water, Sewer, and Sanitation Operations | 467,731 | 421,165 | - | - | - | \$ (46,566) | (46,566) | | | |
| Total Business-Type Activities | 467,731 | 421,165 | - | - | - | (46,566) | (46,566) | | | |
| Total Primary Government | \$ 988,241 | \$ 661,674 | \$ - | \$ - | (280,001) | (46,566) | (326,567) | | | |
| Component Units: | | | | | | | | | | |
| Economic Development Corporation | \$ 10,347 | \$ - | \$ - | \$ - | | | \$ (10,347) | | | \$ - |
| Community Development Corporation | 5,419 | - | - | - | | | - | | | (5,419) |
| Total Component Units | \$ 15,766 | \$ - | \$ - | \$ - | | | (10,347) | | | (5,419) |
| General Revenues: | | | | | | | | | | |
| Property Taxes | | | | | 194,614 | - | 194,614 | | | |
| General Sales and Use Taxes | | | | | 33,322 | - | 33,322 | | | 18,127 |
| Franchise Taxes | | | | | 45,439 | - | 45,439 | | | - |
| Investment Earnings | | | | | 197 | 97 | 294 | | | - |
| Gain on Sale of Assets | | | | | 12,516 | - | 12,516 | | | - |
| Total General Revenues | | | | | 286,088 | 97 | 286,185 | | | 18,127 |
| Change in Net Position | | | | | 6,087 | (46,469) | (40,382) | | | 12,708 |
| Net Position - Beginning | | | | | 1,133,430 | 777,221 | 1,910,651 | | | 38,516 |
| Net Position - Ending | | | | | \$ 1,139,517 | \$ 730,752 | \$ 1,870,269 | | | \$ 51,224 |

The notes to the financial statements are an integral part of these financial statements.

City of Tom Bean, Texas
 Balance Sheet
 Governmental Fund
 September 30, 2014

| | | General Fund |
|--|-----------|-----------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ | 85,764 |
| Receivables, Net: | | |
| Property Taxes | | 14,372 |
| Court | | 27,228 |
| Sales Taxes | | 7,263 |
| Franchise | | 12,131 |
| Total Assets | \$ | 146,758 |
| LIABILITIES | | |
| Accounts Payable | \$ | 34,637 |
| Due to Water Fund | | 22,852 |
| Total Liabilities | | 57,489 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable Revenues - Property Taxes | | 12,280 |
| Unavailable Revenues - Court Fines | | 18,628 |
| Total Deferred Inflows of Resources | | 30,908 |
| FUND BALANCES | | |
| Restricted for Court Security and Technology | | 8,984 |
| Assigned for Future Projects | | 6,271 |
| Unassigned | | 43,106 |
| Total Fund Balances | | 58,361 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ | 146,758 |

The notes to the financial statements are an integral part of these financial statements.

City of Tom Bean, Texas
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
For the Year Ended September 30, 2014

Amounts reported for Governmental Activities in the Statement of Net Position (Page 9) are different because:

| | |
|--|----------------------------|
| Fund Balance of Governmental Fund (Page 11) | \$ 58,361 |
| Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the Governmental Fund. | 1,092,141 |
| Delinquent property taxes and court revenue are not current financial resources; therefore, they are deferred in the Governmental Fund. | 30,908 |
| Long term liabilities, including notes payable, are not due and payable in the current period and therefore not recorded in the Governmental Fund. | (41,893) |
| Net Position of Governmental Activities (Page 9) | <u><u>\$ 1,139,517</u></u> |

The notes to the financial statements are an integral part of these financial statements.

City of Tom Bean, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2014

| | <u>General Fund</u> |
|---|-------------------------|
| REVENUES | |
| Taxes: | |
| Property | \$ 194,614 |
| Franchise | 45,439 |
| General Sales and Use | 33,322 |
| Municipal Court | 160,820 |
| Building Permits | 66,300 |
| Other Revenue | 11,726 |
| Interest Revenue | 197 |
| Total Revenues | <u>512,418</u> |
| EXPENDITURES | |
| Current: | |
| Police Department | 200,596 |
| General Government | 132,866 |
| Municipal Court | 116,412 |
| Streets | 16,181 |
| Emergency Medical Service | 7,200 |
| Library | 2,510 |
| Capital Outlays | - |
| Debt Service: | |
| Principal | 43,670 |
| Interest | 2,289 |
| Total Expenditures | <u>521,724</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(9,306)</u> |
| OTHER FINANCING SOURCES (USES) | |
| Proceeds from Sale of Capital Assets | <u>24,735</u> |
| Total Other Financing Sources (Uses) | <u>24,735</u> |
| Net Change in Fund Balance | 15,429 |
| Fund Balance - Beginning | <u>42,932</u> |
| Fund Balance - Ending | <u>\$ 58,361</u> |

The notes to the financial statements are an integral part of these financial statements.

City of Tom Bean, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of the Governmental Fund
To the Statement of Activities
For the Year Ended September 30, 2014

Amounts reported for Governmental Activities in the Statement of Activities (Page 10) are different because:

| | | |
|---|----|-----------------|
| Net Change in Fund Balance - Total Governmental Fund (Page 13) | \$ | 15,429 |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlays. | | (42,456) |
| The net effect of transactions involving the sale of capital assets: | | |
| Removing of cash sale proceeds income for modified-accrual basis funds | | (24,735) |
| Recording of sale proceeds in excess in assets' net book values (gain on assets sold) | | 12,516 |
| Issuance of Long Term Debt | | |
| Governmental funds repayment of debt principal as an expenditure and proceeds of new debt as a financing source. However, in the Statement of Activities, these transactions are only considered changes in long-term debt balances. | | |
| Long-Term Debt Added in Current Year | | - |
| Long-Term Debt Repaid in Current Year | | 43,670 |
| Governmental funds report some prior year tax and court revenues as income in the current year. However, in the Statement of Activities, the revenue is recognized in the year in which it is earned. | | 1,663 |
| Change in Net Position of Governmental Activities (Page 10) | | \$ 6,087 |

The notes to the financial statements are an integral part of these financial statements.

City of Tom Bean, Texas
Statement of Net Position
Proprietary Fund
September 30, 2014

| | Water and Sewer Fund |
|--|-------------------------|
| ASSETS | |
| Current Assets: | |
| Cash and Cash Equivalents | \$ 75,063 |
| Accounts Receivables, Net | 38,838 |
| Due from General Fund | 22,852 |
| Total Current Assets | 136,753 |
| Restricted Assets: | |
| Restricted Deposits Held by GTUA | 84,659 |
| Total Restricted Assets | 84,659 |
| Capital Assets: | |
| Land | 9,850 |
| Machinery, Furniture, and Equipment | 95,338 |
| Water and Sewer System | 2,651,441 |
| Less Accumulated Depreciation | (1,706,580) |
| Total Capital Assets, Net | 1,050,049 |
| Total Assets | 1,271,461 |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts Payable | 26,773 |
| Interest Payable | 4,721 |
| Customer Deposits Payable | 19,840 |
| Notes Payable - Current Portion | 12,464 |
| Contractual Obligation - Current Portion | 50,000 |
| Total Current Liabilities | 113,798 |
| Noncurrent Liabilities: | |
| Notes payable - Long Term Portion | 131,911 |
| Contractual Obligation - Long Term Portion | 295,000 |
| Total Noncurrent Liabilities | 426,911 |
| Total Liabilities | 540,709 |
| NET POSITION | |
| Net Investment in Capital Assets | 560,674 |
| Restricted Deposits with GTUA | 84,659 |
| Unrestricted | 85,419 |
| Total Net Position | \$ 730,752 |

The notes to the financial statements are an integral part of these financial statements.

City of Tom Bean, Texas
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended September 30, 2014

| | Water and Sewer Fund |
|---------------------------------------|-------------------------|
| Operating Revenues: | |
| Water | \$ 223,017 |
| Sewer | 117,026 |
| Sanitation | 46,658 |
| Late Charges, Connect Fees, and Other | 34,464 |
| Total Operating Revenues | 421,165 |
| Operating Expenses: | |
| Salaries and Benefits | 142,016 |
| Supplies, Maintenance and Repairs | 42,519 |
| Depreciation | 94,603 |
| Utilities | 80,642 |
| Sanitation Contract | 40,784 |
| Other Operating Expenses | 34,905 |
| Total Operating Expenses | 435,469 |
| Operating Income (Loss) | (14,304) |
| Nonoperating Sources (Uses) | |
| Bond Issuance Costs | (7,117) |
| Interest Income | 97 |
| Interest Expense | (25,145) |
| Total Nonoperating Revenue (Expenses) | (32,165) |
| Change in Net Position | (46,469) |
| Total Net Position - Beginning | 777,221 |
| Total Net Position - Ending | \$ 730,752 |

The notes to the financial statements are an integral part of these financial statements.

City of Tom Bean, Texas
Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2014

| | Water and Sewer Fund |
|---|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash Received from Customers | \$ 441,563 |
| Cash Paid to Employees | (142,016) |
| Cash Paid to Suppliers for Goods and Services | (188,196) |
| Net Cash Provided by Operating Activities | 111,351 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Net Cash (used for) Noncapital Financing Activities | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Proceeds from New Debt | 6,300 |
| Interest Paid on Capital Debt | (25,145) |
| Principal Paid on Capital Debt | (68,195) |
| Purchases of Fixed Assets | (14,995) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (102,035) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest on Investments | 97 |
| Net Cash Provided by Investing Activities | 97 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 9,413 |
| Cash and Cash Equivalents, October 1, 2013 | 65,650 |
| Cash and Cash Equivalents, September 30, 2014 | \$ 75,063 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | |
| Operating Income (Loss) | \$ (14,304) |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities | |
| Depreciation Expense | 94,602 |
| Decrease for Restricted Cash Account held by GTUA | 746 |
| (Increase) Decrease in Accounts Receivable | 20,398 |
| Increase (Decrease) in Deposits Payable | 855 |
| Increase (Decrease) in Accounts Payable | 9,054 |
| Net Cash Provided by Operating Activities | \$ 111,351 |

The notes to the financial statements are an integral part of these financial statements.

City of Tom Bean, Texas
Notes to the Financial Statements
September 30, 2014

Note 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Tom Bean, Texas (City), was established in 1887 and was incorporated in 1897. The City operates under a council-mayor form of government. The general government functions include law enforcement, streets, sanitation, public improvements, planning and zoning, and general administrative services. Proprietary Funds are used to account for the operations of the City's water, sewer, and sanitation services. Fire protection is provided by a separate entity, the Tom Bean Volunteer Fire Department.

The financial statements of the City of Tom Bean are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publications entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (where applicable.) The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements.

The accompanying financial statements present the primary government, the City, and its component units, entities that are legally separate but are included in the financial statements because the primary government is considered to be financially accountable. The component units presented are those separately administered organizations that are controlled by or dependent on the City. Control or dependency of the component unit to the City is determined on the basis of the appointment of the respective governing board, ability to influence projects, whether a financial benefit/burden relationship exists, and other factors. Further, the presentation in the financial statements is determined by whether the component unit's governing body is substantially the same as the City, who is the primary beneficiary of the services provided, and the expectation of what resources will be used to pay debts.

The Tom Bean Type A Economic Development Corporation (Type A) and the Tom Bean Type B Economic Development Corporation (Type B) are discretely presented component units of the City. The discrete presentation is required because governing boards are essentially the same as the City and a financial benefit or burden relationship exists between the Type A, Type B and the City. The Type A and Type B are non-profit organizations established on behalf of the City under the Development Act of 1979. The transactions of the Type A and Type B are maintained in separate funds and are discretely presented in separate columns in the financial statements. The discretely presented methodology was selected after evaluation of the circumstances and standards, as noted above. The Type A and Type B do not issue separate financial statements.

The financial statements include government-wide statements prepared on an accrual basis of accounting and fund financial statements that present information for individual major funds rather than by fund type.

City of Tom Bean, Texas
Notes to the Financial Statements (continued)
September 30, 2014

Note 1: Summary of Significant Accounting Policies (continued)

B. Basis of Presentation - Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from proprietary activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes or other items not included among functional revenues are reported as general revenues.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary (business-type activity) fund. Revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is made.

Governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as current assets. Gross receipts and sales taxes are considered measurable and recognizable when in the control of the intermediary collecting government that presents information for individual major funds rather than by fund type. Non-major funds are presented in total in one column.

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which are comprised of fund's assets, liabilities, fund equity, revenues and expenses, as appropriate. Government resources are allocated to and for individual funds based on the purposes and functions for which they are to be spent and the means by which spending activities

City of Tom Bean, Texas
Notes to the Financial Statements (continued)
September 30, 2014

Note 1: Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

are controlled. The various funds are grouped, in the financial statements in this report, into two broad fund categories as follows:

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The City reports the following major enterprise funds:

Water and Sewer Fund – This fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to recover costs (expenses, including depreciation) of providing goods or services to the general public through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes. The Water and Sewer Fund is accounted for under this proprietary fund type. Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position.

The City applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued, unless those pronouncements conflict with or contradict GASB pronouncements.

D. Assets, Liabilities, and Net Position/ Fund Balance

Cash and Cash Equivalents

The City considers all cash on hand, demand deposits, and highly liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.

Inter-fund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is recorded as "Amounts Due To" and "Amounts Due From" other funds appropriately. The General Fund owes the Water Fund \$22,852 at September 30, 2014 for various operating expenses paid in previous years.

Bad Debts

The City uses the allowance method of valuing water, taxes, and court fines receivables. The City has established an allowance for doubtful accounts for delinquent receivables to the extent that their collection is doubtful.

City of Tom Bean, Texas
Notes to the Financial Statements (continued)
September 30, 2014

Note 1: Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position/ Fund Balance (continued)

Property, Plant and Equipment

Property, plant and equipment with a cost greater than \$5,000 and useful life over one year is capitalized and depreciated over its useful life. Property, plant and equipment used in governmental fund type operations are shown on the Statement of Net Position, rather than governmental funds. Accumulated depreciation has been provided on such property, plant and equipment. Depreciation expense is allocated in the General Fund by function and is included as expense on the statement of activities.

All property, plant and equipment is reported at historical cost or estimated historical cost if actual historical cost is not available. Property, plant and equipment acquired through donation are recorded at estimated fair value on the date of donation. Depreciation is provided in the enterprise funds in amounts sufficient to relate the cost of the depreciable assets to operations over the estimated service life on the straight-line basis. The service lives by asset classification are follows:

| | |
|-----------------------------------|-------------|
| Furniture, Fixtures and Equipment | 5-10 years |
| Buildings and Improvements | 12-40 years |
| Public Infrastructure | 20 years |
| Water and Sewer Systems | 20-50 years |

Net Position and Fund Balances

Net position represents the difference between assets and liabilities. Net position invested in net capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. For the year ended September 30, 2014, the Water Fund had restricted net position in the amount of \$84,659. This amount includes funds held at Greater Texoma Utility Authority (GTUA) to be used exclusively for water and sewer system capital projects and repayment of contractual obligations.

The City has adopted the Governmental Accounting Standards Board's (GASB) *Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes in the fund financial statements for governmental type funds. It does not apply for the government-wide financial statements.

City of Tom Bean, Texas
Notes to the Financial Statements (continued)
September 30, 2014

Note 1: Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position/ Fund Balance (continued)

GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

Nonspendable – such fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by formal action of the Council (the City's highest level of decision-making authority),

Assigned – fund balance classification are intended to be used by the City's General Fund for specific purposes but do not meet the criteria to be classified as restricted or committed, and

Unassigned – fund balance is the residual classification for the City's General Fund and includes amounts not contained in the other classifications, and other fund's that have total negative fund balances.

For the classification of Governmental Fund balances, the City considers expenditures to be made from the most restrictive first when more than one classification is available.

E. Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions. All taxes, including those dedicated for a specific purpose, are reported as general revenues.

Property Taxes

Ad valorem taxes are levied on October 1st and are due and payable at that time. All unpaid taxes levied October 1st become delinquent February 1st of the following year. Property taxes attach as an enforceable lien on property as of January 1st. Property tax revenues are recognized when they become available. Available includes those property taxes receivable, which are expected to be collected within sixty days after year-end.

City of Tom Bean, Texas
Notes to the Financial Statements (continued)
September 30, 2014

Note 1: Summary of Significant Accounting Policies (continued)

E. Revenues and Expenditures/Expenses (continued)

Compensated Absences

It is the City's policy to not carryover any unused employee vacation time as of each fiscal year-end unless granted by the mayor for special situations.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and products in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund are charges to customers for sales and services. The Water and Sewer Fund also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Budget and Budgetary Accounting

Prior to September 1, the City Council submits a proposed budget for the ensuing fiscal year. At the meeting of the City Council at which the budget is submitted, the City Council fixes the time and place of the public hearing on the budget and causes to be published a notice of the budget hearing. After the budget hearing the budget may be adopted by a favorable vote of the majority vote of the Council. The City adopts a budget for the General Fund, the Water and Sewer Fund, and the discretely presented component units during the month of September.

Note 2: Cash and Investments

As of September 30, 2014, the City maintains bank accounts at First National Bank of Tom Bean. The City's investments are limited to demand deposits and certificates of deposits in financial institutions that are members of the Federal Deposit Insurance Corporation. At September 30, 2014, the City's deposits in its depository bank totaled \$159,400 with the full balance insured by the FDIC.

City of Tom Bean, Texas
Notes to the Financial Statements (continued)
September 30, 2014

Note 3: Receivables

Government-wide receivables as of September 30, 2014, including the applicable allowances for uncollectible accounts, are as follows:

| | General Fund | Proprietary Fund | Totals |
|-------------------------------|------------------|---------------------|------------------|
| Receivables: | | | |
| Ad valorem taxes | \$ 14,925 | \$ - | \$ 14,925 |
| Sales taxes | 7,263 | - | 7,263 |
| Court | 101,126 | - | 101,126 |
| Franchise | 9,483 | - | 9,483 |
| Accounts | 2,648 | 49,107 | 51,755 |
| Gross receivables | 135,445 | 49,107 | 184,552 |
| Less: Uncollectible allowance | (74,451) | (10,269) | (84,720) |
| Net total receivables | <u>\$ 60,994</u> | <u>\$ 38,838</u> | <u>\$ 99,832</u> |

Note 4: Capital Assets

A summary of changes in capital assets for the year ended September 30, 2014, follows:

| | Balance September 30, 2013 | Additions and Reclasses | Retirements | Balance September 30, 2014 |
|---|----------------------------------|----------------------------|--------------------|----------------------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 7,000 | \$ - | \$ - | \$ 7,000 |
| Capital assets, being depreciated: | | | | |
| Buildings, parks, and improvements | 247,664 | - | - | 247,664 |
| Streets and other infrastructure | 1,426,477 | - | - | 1,426,477 |
| Furniture, equipment and vehicles | 259,942 | - | (77,335) | 182,607 |
| Total capital assets, being depreciated | <u>1,934,083</u> | <u>-</u> | <u>(77,335)</u> | <u>1,856,748</u> |
| Less accumulated depreciation for: | | | | |
| Buildings, parks, and improvements | (178,081) | (6,572) | - | (184,653) |
| Streets and other infrastructure | (438,700) | (20,335) | - | (459,035) |
| Furniture, equipment and vehicles | (177,486) | (15,549) | 65,116 | (127,919) |
| Total accumulated depreciation | <u>(794,267)</u> | <u>(42,456)</u> | <u>65,116</u> | <u>(771,607)</u> |
| Capital assets, being depreciated, net | <u>1,139,816</u> | <u>(42,456)</u> | <u>(12,219)</u> | <u>1,085,141</u> |
| Governmental activities capital assets, net | <u>\$ 1,146,816</u> | <u>\$ (42,456)</u> | <u>\$ (12,219)</u> | <u>\$ 1,092,141</u> |

City of Tom Bean, Texas
Notes to the Financial Statements (continued)
September 30, 2014

Note 4: Capital Assets (continued)

| | Balance September 30, 2013 | Additions and Reclasses | Retirements | Balance September 30, 2014 |
|--|----------------------------------|----------------------------|-------------|----------------------------------|
| Business-Type Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 9,850 | \$ - | \$ - | \$ 9,850 |
| Capital assets, being depreciated: | | | | |
| Furniture, equipment, and vehicles | 89,038 | 6,300 | - | 95,338 |
| Utility plant in service | 2,642,746 | 8,695 | - | 2,651,441 |
| Total capital assets, being depreciated | <u>2,731,784</u> | <u>14,995</u> | <u>-</u> | <u>2,746,779</u> |
| Less accumulated depreciation for: | | | | |
| Furniture, equipment, and vehicles | (79,520) | (3,642) | - | (83,162) |
| Utility plant in service | (1,532,458) | (90,960) | - | (1,623,418) |
| Total accumulated depreciation | <u>(1,611,978)</u> | <u>(94,602)</u> | <u>-</u> | <u>(1,706,580)</u> |
| Capital assets, being depreciated, net | <u>1,119,806</u> | <u>(79,607)</u> | <u>-</u> | <u>1,040,199</u> |
| Business-type activities capital assets, net | <u>\$ 1,129,656</u> | <u>\$ (79,607)</u> | <u>\$ -</u> | <u>\$ 1,050,049</u> |

Depreciation for fixed assets is included as an expense for activities on the statement of activities. Depreciation is allocated to each function of the government as follows:

| | |
|----------------------------------|------------------|
| Governmental Activities: | |
| Streets | \$ 20,335 |
| Public safety | 13,745 |
| General government | 8,376 |
| Total | <u>\$ 42,456</u> |
| Business-type activities: | |
| Water and sewer | <u>\$ 94,603</u> |

City of Tom Bean, Texas
Notes to the Financial Statements (continued)
September 30, 2014

Note 5: Retirement Plan

Plan Description

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide, Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publically available comprehensive annual financial report that includes the financial statements and required supplementary information (RSI) for TMRS. The report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from the TMRS' website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

| | |
|-----------------------------------|--|
| Employee deposit rate | 5% |
| Matching ratio (City to employee) | 1 to 1 |
| Years required for vesting | 5 years of service |
| Service retirement eligibility | Minimum age 60 with 5 years of service Any age with 20 years of service |
| Updated service credits | 0% |
| Annuity increase (to retirees) | 0% of CPI |

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation, previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for the City. Both the normal cost and prior service contribution rates include recognition of the project impact of annually repeating benefits, such as Undated Service Credits and Annuity Increase.

The City contributes to the TMRS Plan at an actuarially determined rate. Both employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. (I.e. December 31, 2013 valuation is effective for rates beginning January 1, 2015).

City of Tom Bean, Texas
Notes to the Financial Statements (continued)
September 30, 2014

Note 5: Retirement Plan (continued)

Contributions (continued)

Annual Pension Cost and Net Pension Assets:

The City contributes to the Plan at the level of the Annual Required Contributions (ARC), which is the full retirement rate. As a result, the Annual Pension Cost (APC) equals the annual contribution amount each year and the net pension obligation is zero.

| <i>Three-Year Trend Information</i> | | | |
|-------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| Fiscal Year | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension (Obligation) Asset |
| 2012 | \$ 3,246 | 100% | \$ - |
| 2013 | \$ 3,163 | 100% | \$ - |
| 2014 | \$ 4,967 | 100% | \$ - |

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

| | |
|---|---------------------------|
| Actuarial Valuation Date | December 31, 2013 |
| Actuarial Cost Method | Projected Unit Credit |
| Amortization Method | Level Percent of Payroll |
| GASB 25 Equivalent Single Amortization Period | 25 years – Closed Period |
| Amortization Period for New Gains/Losses | 11 years |
| Asset Valuation Method | 10-year Smoothed Market |
| Investment Rate of Return | 7.0% |
| Projected Salary Increase | Varies by Age and Service |
| Inflation Rate | 3.00% |
| Cost-of-Living-Adjustments | 0% |

Funding Status and Funding Progress – In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculated liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 *TMRS Comprehensive Annual Financial Report (CAFR)*.

City of Tom Bean, Texas
Notes to the Financial Statements (continued)
September 30, 2014

Note 5: Retirement Plan (continued)

Contributions (continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets. The schedule of funding progress, presented as RSI following the notes to the financial statements, present multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Supplemental Death Benefits Fund

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefit Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit" or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during the employees' entire careers.

For the year ended September 30, 2014, the City's annual required contribution rate and the actual contribution made is 0.3% to the TMRS SDBF. For the years ended September 30, 2013 and 2012, the City's annual required contribution rate and the actual contribution made is 0.01% to the TMRS SDBF.

City of Tom Bean, Texas
Notes to the Financial Statements (continued)
September 30, 2014

Note 6: Long-term Liabilities

The following is a summary of the changes in long-term liabilities for the year ended September 30, 2014:

A. Governmental Activities

| Description | Interest Rate Payable | Balance October 1, 2013 | Additions | Retirements | Balance September 30, 2014 | Due Within One Year |
|-----------------------|-----------------------|-------------------------|-------------|--------------------|----------------------------|---------------------|
| Note Payable - Phones | 5.0% | \$ 7,699 | \$ - | \$ (7,699) | \$ - | \$ - |
| Note Payable - SUVs | 5.0% | 77,864 | - | (35,971) | 41,893 | 15,913 |
| | | <u>\$ 85,563</u> | <u>\$ -</u> | <u>\$ (43,670)</u> | <u>\$ 41,893</u> | <u>\$ 15,913</u> |

On September 24, 2013, the City entered into a \$7,699 loan agreement to purchase a new phone system. The note to a bank was payable in one annual payment of \$7,699 and was paid during 2014. Collateral for this note was the related telephone system.

On September 27, 2013, the City entered into a \$77,864 loan agreement to purchase two police SUVs. The note is payable to a bank in monthly installments of \$1,469 and will mature on April 27, 2017. Collateral for this note is the related financed vehicles. In the event the City defaults on the note in any way, the demand clause of the note would require the note to be paid in full.

The following is a schedule of note payable payments, if paid according to terms:

| Year Ending September 30 | Principal | Interest | Total |
|--------------------------|------------------|-----------------|------------------|
| 2015 | \$ 15,913 | \$ 2,853 | \$ 18,766 |
| 2016 | 15,529 | 2,103 | 17,632 |
| 2017 | 10,451 | 1,302 | 11,753 |
| Totals | <u>\$ 41,893</u> | <u>\$ 6,258</u> | <u>\$ 48,151</u> |

B. Business-Type Activities – Proprietary Fund

| Description | Interest Rate Payable | Balance October 1, 2013 | Additions | Retirements | Balance September 30, 2014 | Due Within One Year |
|--------------------------------|-----------------------|-------------------------|-----------------|--------------------|----------------------------|---------------------|
| GTUA Certificate of Obligation | 4.74% | \$395,000 | \$ - | \$ (50,000) | \$ 345,000 | \$ 50,000 |
| Bank Note Payable - 1 | 4.50% | 156,270 | - | (11,895) | 144,375 | 12,464 |
| Bank Note Payable - 2 | 5.00% | - | 6,300 | (6,300) | - | - |
| Total Long-Term Debt: | | <u>\$551,270</u> | <u>\$ 6,300</u> | <u>\$ (68,195)</u> | <u>\$ 489,375</u> | <u>\$ 62,464</u> |

City of Tom Bean, Texas
Notes to the Financial Statements (continued)
September 30, 2014

Note 6: Long-term Liabilities (continued)

B. Business-Type Activities – Proprietary Fund (continued)

GTUA Certification of Obligation

The City entered into a long-term water supply and sewer service contract with Greater Texoma Utility Authority (GTUA) on October 3, 2000. The City has an obligation to make payments specified by the contract to GTUA to pay the principal and interest on the bonds, maintain a Reserve Fund for the security and payment of bonds similarly secured, and pay the administrative and overhead expenses by GTUA in connection with the bonds.

Under the terms of the contract, the City's obligation to make payments to GTUA terminates when all GTUA bonds issued in connection with construction of the facilities have been paid in full, are retired, and are no longer outstanding. The original principal obligation of the series 2000 contract was \$500,000, with interest rates of 4.74%. The City's obligation to GTUA under the 2000 contract expires with the retirement of the GTUA bonds in the fiscal year ending July 1, 2020.

The following is a schedule of future GTUA contractual obligation payments:

| Year Ending September 30 | Principal | Interest | Total |
|-----------------------------|-------------------|------------------|-------------------|
| 2015 | \$ 50,000 | \$ 16,582 | \$ 66,582 |
| 2016 | 55,000 | 14,258 | 69,258 |
| 2017 | 55,000 | 11,645 | 66,645 |
| 2018 | 60,000 | 9,005 | 69,005 |
| 2019 | 60,000 | 6,095 | 66,095 |
| 2020 | 65,000 | 3,185 | 68,185 |
| Totals | \$ 345,000 | \$ 60,770 | \$ 405,770 |

Notes Payable

Installment note payable number one with First National Bank of Tom Bean dated March 14, 2011 in the amount of \$183,766. The note has a fixed 4.5% interest rate and is secured by accounts receivable for the proprietary fund. The note is a 13 year note with inmonthly payments of \$1,559 and will mature on March 14, 2024. In the event the City defaults on the note in any way, the demand clause of the note would require the note to be paid in full.

Installment note payable number two with First National Bank of Tom Bean dated October 2, 2013 in the amount of \$6,300. The note has a fixed 5% interest rate and is secured by the vehicle purchased with the debt proceeds. The note is a 1 year note with all principal and interest due in fiscal year 2015. The note was paid in full during fiscal year 2014.

City of Tom Bean, Texas
Notes to the Financial Statements (continued)
September 30, 2014

Note 6: Long-term Liabilities (continued)

B. Business-Type Activities – Proprietary Fund (continued)

The following is a schedule of future note payable payments, if paid according to the terms:

| Year Ending September 30 | Principal | Interest | Total |
|-----------------------------|-------------------|------------------|-------------------|
| 2015 | \$ 12,464 | \$ 6,239 | \$ 18,703 |
| 2016 | 13,020 | 5,683 | 18,703 |
| 2017 | 13,634 | 5,069 | 18,703 |
| 2018 | 14,261 | 4,442 | 18,703 |
| 2019 | 14,916 | 3,788 | 18,704 |
| 2020-2024 | 76,080 | 8,108 | 84,188 |
| Totals | <u>\$ 144,375</u> | <u>\$ 33,329</u> | <u>\$ 177,704</u> |

Note 7: Insurance Coverage

The Texas Municipal League Inter-Governmental Risk Pool provides insurance coverage for the City. For the period October 1, 2013 to September 30, 2014 the City maintained insurance coverage as follows:

Types of Coverage

| | | |
|----------------------|------------------------------|---------------------------|
| General Liability | Errors & Omissions Liability | Law Enforcement Liability |
| Automobile Liability | Real & Personal Property | |
| Auto Physical Damage | Mobile Equipment | |

Note 8: Subsequent Events

The City has evaluated all events or transactions that occurred after September 30, 2014 up through the date of the auditor's report date on page 2. This is the date the financial statements were available for issuance. There are no subsequent events requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

City of Tom Bean, Texas
 General Fund Budgetary Comparison
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended September 30, 2014

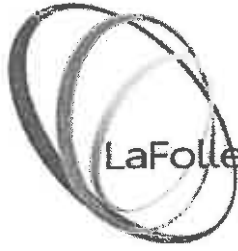
| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-----------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Property Taxes | \$ 193,000 | \$ 193,000 | \$ 194,614 | \$ 1,614 |
| Police Department and Court | 138,040 | 138,040 | 160,820 | 22,780 |
| Franchise Taxes | 41,000 | 41,000 | 45,439 | 4,439 |
| General Sales and Use Taxes | 33,000 | 33,000 | 33,322 | 322 |
| Grants, Permits and Other | 54,835 | 54,835 | 78,223 | 23,388 |
| Total Revenues | <u>459,875</u> | <u>459,875</u> | <u>512,418</u> | <u>52,543</u> |
| EXPENDITURES | | | | |
| Police Department | 211,520 | 207,409 | 200,596 | 6,813 |
| Court | 104,881 | 104,881 | 116,412 | (11,531) |
| General Government | 93,370 | 103,370 | 132,866 | (29,496) |
| Streets | 26,650 | 16,650 | 16,181 | 469 |
| Emergency & Medical Service | 7,200 | 7,200 | 7,200 | - |
| Library | 935 | 935 | 2,510 | (1,575) |
| Capital Outlays | - | - | - | - |
| Debt Service: | | | | |
| Principal Expense | 11,109 | 15,220 | 43,670 | (28,450) |
| Interest Expense | 639 | 639 | 2,289 | (1,650) |
| Total Expenditures | <u>456,304</u> | <u>456,304</u> | <u>521,724</u> | <u>(65,420)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>3,571</u> | <u>3,571</u> | <u>(9,306)</u> | <u>(12,877)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Capital Assets | - | - | 24,735 | 24,735 |
| Total Other financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>24,735</u> | <u>24,735</u> |
| Net Change in Fund Balances | <u>\$ 3,571</u> | <u>\$ 3,571</u> | <u>\$ 15,429</u> | <u>\$ 11,858</u> |

The notes to the financial statements are an integral part of these financial statements.

City of Tom Bean, Texas
Required Supplementary Information
Texas Municipal Retirement System
September 30, 2014

Schedule of Funding Progress for TMRS (unaudited)

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------------|---------------------------------|--|---------------------------|-----------------|--------------------|--|
| 12/31/2013 | 167,425 | 177,376 | (9,951) | 94.4% | 228,742 | 4.4% |
| 12/31/2012 | 172,190 | 165,219 | 6,971 | 104.2% | 206,388 | -3.4% |
| 12/31/2011 | 154,888 | 158,191 | (3,303) | 97.9% | 197,831 | 1.7% |



LaFollett and Abbott PLLC
Certified Public Accountants

Susan LaFollett, CPA – Partner
Rod Abbott, CPA – Partner

May 18, 2015

To the City Council and Management
of the City of Tom Bean, Texas

Subject: Management Letter

In planning and performing our audit of the financial statements of the City of Tom Bean, Texas (the City), for the year ended September 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding this matter. This letter does not affect our report dated May 18, 2015, on the financial statements of the City. The recommendation should in no way be construed as derogatory towards management.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with management, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of the matter, or to assist you in implementing the recommendation.

Sincerely,

LaFollett and Abbott, PLLC

Management Letter Points

Current Year Recommendations

- We recommend that the City Council and management continue to raise rates as necessary and closely monitor budget versus actual revenues and expenditures for the City so that the City may build up the unassigned fund balance in the General Fund and the unrestricted net position in the Water and Sewer Fund. Many cities strive for maintaining these balances at a level equal to three to six months of operating expenditures for these funds.

There was improvement for 2014 as the unassigned fund balance for the General Fund (GF) increased by \$7,903 during 2014 to a year-end total of \$43,106, but that balance is only equivalent to 1 month of 2014 operating expenditures for the General Fund.

The unrestricted net position for the Water and Sewer Fund (WSF) decreased by \$28,011 during 2014 for a year-end total of \$85,419. That balance is only equivalent to 2.3 months of 2014 operating expenses for the Water and Sewer Fund.

Management's Response

- Management acknowledges the balances and plans to adopt future budgets that will increase unassigned fund balances in the GF and unrestricted net position in the WSF over time. The decrease in the WSF unrestricted balances is primarily due to a large water customer that utilized significantly less water and impacted overall water sales.



LaFollett and Abbott PLLC
Certified Public Accountants

Susan LaFollett, CPA – Partner
Rod Abbott, CPA – Partner

May 18, 2015

To the City Council
City of Tom Bean, Texas

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tom Bean (City) for the year ended September 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 11, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the City's financial statements was:

Management's estimate of the reserve for uncollectible court fines receivables is based on historical court fine revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the reserve in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of long-term debt in Note 6 to the financial statements. This disclosure provides detail of debt terms, future payments, interest rates, and other information for each debt.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached Schedule I summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The attached Schedule II summarizes the material misstatements detected as a result of audit procedures that were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 18, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund and the Texas Municipal Retirement System Schedule of Funding Progress, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



LaFollett and Abbott, PLLC

SCHEDULE I
CITY OF TOM BEAN - PASSED ADJUSTING ENTRIES
FY14

PURPOSE/CONCLUSION: DOCUMENTATION OF PASSED AUDIT ADJUSTMENTS.

| | | | | | |
|---|-------|---|--|-----------|-----------|
| PAJE #1 | F-5 | 60-701-6743 60-000-3711 | Bond Issuance Cost Fund Balance | \$ 7,117 | |
| | | | | \$ 7,117 | |
| | | | | \$ 7,117 | \$ 7,117 |
| To post prior period bond issuance costs against equity account | | | | | |
| PAJE #2 N/A | | | | | |
| PAJE #3 | D-2.2 | 10-400-5225 10-400-5499 | Sales Tax Revenue - General Miscellaneous Revenue | \$ 2,934 | |
| | | | | \$ 2,934 | |
| | | | | \$ 2,934 | \$ 2,934 |
| To reclass sales tax revenue to actual | | | | | |
| PAJE #4 | F-1 | 98-000-2120 98-000-2320 | Notes Payable Short Term Notes Payable Long Term | \$ 1,033 | |
| | | | | \$ 1,033 | |
| | | | | \$ 1,033 | \$ 1,033 |
| To reclass ST and LT notes payable to actual | | | | | |
| PAJE #5 | C-2 | 60-000-1660 60-000-1691 60-000-3711 | Water Works System Accumulated Depreciation Fund Balance | \$ 8,695 | |
| | | | | \$ 8,695 | \$ 8,331 |
| | | | | \$ 8,695 | \$ 364 |
| | | | | \$ 8,695 | \$ 8,695 |
| To record FY14 beginning balances to actual | | | | | |
| Total Passed Adjustments | | | | \$ 19,779 | \$ 19,779 |

SCHEDULE II
CITY OF TOM BEAN
AUDIT ADJUSTING JOURNAL ENTRIES
FY14

| | <u>Workpaper Reference</u> | <u>Acct.#</u> | <u>Description</u> | <u>Debit</u> | <u>Credit</u> |
|--------|----------------------------|---------------|--|---------------|---------------|
| AJE #1 | D-4 | 10-552-6702 | State Court Costs | 13,222 | |
| | GF | 10-000-2001 | Accounts Payable | | 13,222 |
| | | | | 13,222 | 13,222 |
| | | | Accrue for last quarter state court cost related to FY14 | | |
| AJE #2 | G-1 | 10-000-2001 | Accounts Payable | 1,892 | |
| | GF/WF | 10-400-5499 | Misc Revenue | | 1,892 |
| | | 60-000-2001 | Accounts Payable | 948 | |
| | | 60-701-5499 | Misc Revenue | | 948 |
| | | | | 2,840 | 2,840 |
| | | | Reduce payables for amounts double booked | | |
| AJE #3 | C-2 | 60-000-1630 | Machinery & Equipment | 6,300 | |
| | WF | 60-705-6301 | Maint. & Repairs - Vehicles | | 6,336 |
| | | 60-701-6790 | Interest Expense | 36 | |
| | | 60-000-1660 | Water Works System | 8,695 | |
| | | 60-701-6334 | Maint & Repairs - Pumps, Wells & Motors | | 8,695 |
| | | 60-000-1691 | Accumulated Depreciation | | 8,331 |
| | | 60-701-6801 | Depreciation | 8,331 | |
| | | | | 23,362 | 23,362 |
| | | | To capitalize fixed assets and adjust depreciation. | | |
| AJE #4 | D-1.1 | 10-000-1153 | Accounts Receivable Delinquent Property Tax | 6,797 | |
| | GF | 10-000-2112 | Deferred Revenues Tax | | 6,244 |
| | | 10-400-5100 | Property Tax MO | | 553 |
| | | | | 6,797 | 6,797 |
| | | | To adjust property tax A/R to assessor's report | | |
| AJE #5 | D-4.1 | 10-552-5301 | Court Income | | 2,815 |
| | GF | 10-000-1198 | Allowance for Doubtful Accounts | 4,758 | |
| | | 10-000-2110 | Deferred Revenue - Court | | 1,943 |
| | | | | 4,758 | 4,758 |
| | | | To adjust the current receivable and the allowance | | |
| AJE #6 | I-1 | 10-000-3712 | Excess Revenues over Expenses | 148 | |
| | | 10-400-5499 | Miscellaneous Revenue | | 148 |
| | | 60-000-3712 | Excess Revenues over Expenses | 4,275 | |
| | | 60-701-5499 | Miscellaneous Revenue | | 4,275 |
| | | | | 4,423 | 4,423 |
| | | | To record equity balances to actual | | |
| | | | TOTAL ADJUSTMENTS | 55,402 | 55,402 |

ATTACHMENT 14

Outstanding Debt

**GREATER TEXOMA UTILITY AUTHORITY
CITY OF TOM BEAN CONTRACT REVENUE BONDS
DEBT SERVICE REQUIREMENTS TO MATURITY
September 30, 2014**

| Fiscal Year Ending September 30, | 2000 Contract Revenue Bonds | | | |
|--|-----------------------------|----------------------|---------------------|-----------------------|
| | Interest Due 1/1 | Principal Due 7/1 | Interest Due 7/1 | Total Requirements |
| 2015 | 8,291 | 50,000 | 8,292 | 66,583 |
| 2016 | 7,129 | 55,000 | 7,128 | 69,257 |
| 2017 | 5,822 | 55,000 | 5,823 | 66,645 |
| 2018 | 4,502 | 60,000 | 4,503 | 69,005 |
| 2019 | 3,047 | 60,000 | 3,048 | 66,095 |
| 2020 | 1,593 | 65,000 | 1,592 | 68,185 |
| | <u>\$ 30,384</u> | <u>\$ 345,000</u> | <u>\$ 30,386</u> | <u>\$ 405,770</u> |

City of Tom Bean
General Obligation Debt

| <u>FYE September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------|------------------|------------------|------------------|
| 2014 | 11,916 | 6,787 | 18,703 |
| 2015 | 12,464 | 6,239 | 18,703 |
| 2016 | 13,020 | 5,683 | 18,703 |
| 2017 | 13,634 | 5,069 | 18,703 |
| 2018 | 14,261 | 4,442 | 18,703 |
| 2019-2023 | 81,744 | 11,774 | 93,518 |
| 2024-2028 | <u>\$ 9,231</u> | <u>\$ 122</u> | <u>\$ 9,353</u> |
| | <u>\$156,270</u> | <u>\$ 40,116</u> | <u>\$196,386</u> |

ATTACHMENT 15

Preliminary Engineering Feasibility Report

PRELIMINARY ENGINEERING FEASIBILITY REPORT

For



City of Tom Bean

201 S Britton Street • Tom Bean, Texas 75489

May 2015

Sherry Howard
Jerry Harris
Billie Shields
Lonnie Jones
Daniel Harrison
Shelly Beaty
Cathy Pugh

Mayor
Mayor Pro-Tem
Alderman
Alderman
Alderman
Alderman
City Secretary



Scott Maynor
5.11.2015



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| High Service Pumps..... | 3 |
| Ground Storage Tanks..... | 3 |
| Pressure Maintenance | 4 |
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| DEMANDS AND POPULATION..... | 5 |
| ALTERNATIVES CONSIDERED..... | 5 |
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| PROJECT BUDGET | 6 |

EXHIBITS

| | |
|-----------------------------------|-----------|
| Location Map..... | Exhibit 1 |
| Project and Service Area Map..... | Exhibit 2 |
| Project Schedule | Exhibit 3 |
| Project Budget..... | Exhibit 4 |

**PRELIMINARY ENGINEERING FEASIBILITY REPORT
CITY OF TOM BEAN, TEXAS
PWS ID NO. 0910008, CCN No. 12420**

INTRODUCTION:

The City of Tom Bean is located in Grayson County, Texas approximately thirteen miles southeast of Sherman at the junction of three highways: State Highway no. 11, F.M. Highway no. 902, and F. M. Highway no. 2729 as shown in Exhibit 1. The City owns its own water and sewage systems and supplies water to approximately 455 active customers. Please refer to Exhibit 2 for system layout. These customers include residential, industrial, retail and the Tom Bean ISD. The purpose of this feasibility report is to provide an inventory and assessment of the existing condition of the City of Tom Bean's water supply system as well as the City's projected needs.

DESCRIPTION OF EXISTING WATER SYSTEM:

The City of Tom Bean residents obtain their water supply from two wells (well no. 1 and well no. 3) that provide a combined volume of 330 gallons per minute to the system. Both wells are completed in the 1,500 feet deep *Woodbine* formation. Well no. 2 is plugged and abandoned.

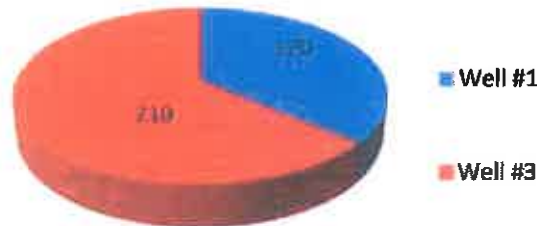
Water Supply Wells:

Water from well number 1 and well number 3 is pumped into ground storage tanks that are adjacent to the wells. Prior to entering the ground storage tanks the water is chlorinated for disinfection purposes. High service pumps move the water

from the ground storage tanks into the distribution system, which is used as a conduit for delivering water to one standpipe and one elevated storage tank. A 165,000 gallon standpipe is located one mile west of the City on F.M. Highway 902 (however, only 30,000 gallons of this standpipe are considered elevated storage-storage above 35 psi). A 50,000 gallon elevated tank is located downtown.

| <u>Well</u> | <u>Gallons per minute (gpm)</u> |
|--------------|---------------------------------|
| #1 | 120 |
| #2 | Plugged |
| #3 | 210 |
| Total | 330 |

**Water Supply Wells
 Gallons Per Minute (gpm)**



Distribution System:

The water distribution system is composed of piping consisting of 2 inch, 3 inch, 4 inch, 6 inch, and 8 inch diameter pipes. The system contains approximately 75,855 L.F. or 14.37 miles of PVC, and HDPE pipes with 31 fire hydrants. The City's Water loss is approximately 39 percent.

High Service Pumps:

The City has one pumping station, with a total of two high service pumps. Following is a list of pumps along with the gallons per minute pumped at each station:

| Pump Station | Pump No. | GPM Pumped |
|--------------|----------|----------------|
| Downtown | 1 | 200 gpm |
| Downtown | 2 | 300 gpm |
| Total | | 500 gpm |

High Service Pump Stations (gpm pumped)

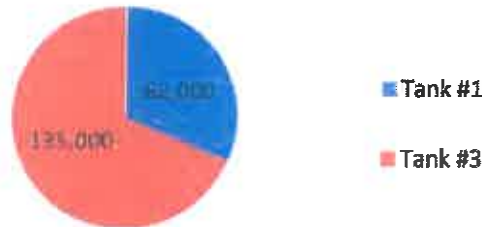


Ground Storage Tanks:

The City of Tom Bean currently has a total of 197,000 gallons of ground storage tank capacity. The following is a list of plant sites with the storage capacity:

| GST Site | GST Gallons |
|--------------|----------------|
| #1 | 62,000 |
| #3 | 135,000 |
| Total | 197,000 |

Ground Storage Tanks (Storage Capacity in Gallons)



Pressure Maintenance:

The City has two (2) elevated storage tanks that are located at opposite ends of the system. The downtown storage tank has 50,000 gallons of water storage, while the standpipe located a mile west of the city is allowed 30,000 gallons of capacity.

| Elevated Storage | Gallons |
|------------------------|---------------|
| Downtown Elevated Tank | 50,000 |
| Standpipe | 30,000 |
| Total | |
| | 80,000 |

PROJECTED NEEDS:

As mentioned earlier, the City of Tom Bean water supply consists of two wells completed in the deep *Woodbine* formation. Well No. 1 produces 120 gallons per minute, and Well No. 3 produces 210 gallons per minute. The problem facing the City is that if it lost either of these two wells, it would not be able to meet the

needs of the residents, and it would be in violation of TCEQ rules regarding water supply. The TCEQ requires a water supply capacity of 0.6 gpm per connection. For example, if the City lost just the small well, then $455 \text{ connections} \times 0.6 = 273$ gallons per minute. The City would be required to have a well capacity of 273 gallons per minute. It would be deficient by 63 gpm. ($273 \text{ gpm} - 210 \text{ gpm} = 63 \text{ gpm}$).

Therefore, the City of Tom Bean needs another 200 gpm *Woodbine* formation water supply well. This well will require associated equipment such as a ground storage tank, chlorination, fencing, metering, piping, SCADA, and a standby generator

DEMANDS AND POPULATION:

Annual consumption from the two wells is approximately 61,375,200 gallons for an existing population of 1,045. The average daily water use per capita is approximately 150 gallons and peak daily water usage is approximately two times the average daily usage. The population projection for the year 2040 is about 1,700.

ALTERNATIVES CONSIDERED:

Some consideration was given to surface water. This is a great idea, but currently not feasible. The closest connection to a pipeline is located 8.5 miles away along U.S. Highway 75 in Howe, Texas. We estimate a connection would cost the City of Tom Bean more than \$5 Million.

SCHEDULE:

Attached hereto, as Exhibit 3, is a complete project schedule including the loan closing date, environmental review, date for start of construction, and completion dates.

PERMITS:

Environmental Review, TWDB/TCEQ, and Red River Groundwater Conservation District approval are the only permits required. The proposed project will be constructed inside existing private property and street right-of-way. No construction will occur inside TxDOT right-of-way.

PROJECT BUDGET:

A copy of the Project Budget is attached as Exhibit 4.



EXHIBIT 1

City of Tom Bean
SMIFT Project

| ID | Task Name | Duration | Start | Finish |
|----|---------------------------|----------|--------------|--------------|
| 1 | Project Submitted to TWGB | 22 days | Mon 11/16/15 | Tue 12/15/16 |
| 2 | Plan Closure | 1 day | Wed 12/16/15 | Wed 12/16/15 |
| 3 | Receive Funding | 1 day | Tue 1/5/16 | Tue 1/5/16 |
| 4 | Budget Completion | 1 day | Mon 5/29/16 | Mon 5/29/16 |
| 5 | Construction Start Date | 262 days | Thu 8/1/16 | Fri 6/1/17 |
| 6 | Project Completion | 1 day | Mon 8/4/17 | Mon 8/4/17 |



| Task | Progress Milestone | Summary | External Tasks | Deadline |
|--|--------------------|-----------------|--------------------|----------|
| Project SMIFT Funding Tom Bean Date: 11/16/15 | | Project Summary | External Milestone | Deadline |

| PROJECT BUDGET - Entity Name GTUA/City of Tom Bean Water Well | | | | | | |
|---|---------------------|---------------------|---------------------|--------------------|-------------|--------------------|
| Uses | TWDB Funds Series 1 | TWDB Funds Series 2 | TWDB Funds Series 3 | Total TWDB Cost | Other Funds | Total Cost |
| Construction | | | | | | |
| Construction | \$839,000 | \$0 | \$0 | \$839,000 | \$0 | \$839,000 |
| Meters | \$10,000 | | | \$10,000 | | \$10,000 |
| Subtotal Construction | \$849,000 | \$0 | \$0 | \$849,000 | \$0 | \$849,000 |
| Basic Engineering Fees | | | | | | |
| Planning + | \$37,000 | \$0 | \$0 | \$37,000 | \$0 | \$37,000 |
| Design | \$65,700 | \$0 | \$0 | \$65,700 | \$0 | \$65,700 |
| Construction Engineering | \$1,800 | \$0 | \$0 | \$1,800 | \$0 | \$1,800 |
| Basic Engineering Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal Basic Engineering Fees | \$104,500 | \$0 | \$0 | \$104,500 | \$0 | \$104,500 |
| Special Services | | | | | | |
| Application | \$2,000 | \$0 | \$0 | \$2,000 | \$0 | \$2,000 |
| Environmental | \$6,000 | \$0 | \$0 | \$6,000 | \$0 | \$6,000 |
| Water Conservation Plan | \$2,000 | \$0 | \$0 | \$2,000 | \$0 | \$2,000 |
| I/I Studies/Sewer Evaluation | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Surveying | \$20,000 | \$0 | \$0 | \$20,000 | \$0 | \$20,000 |
| Geotechnical | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Testing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Permits | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Inspection | \$15,000 | \$0 | \$0 | \$15,000 | \$0 | \$15,000 |
| O&M Manual | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Project Management (by engineer) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Pilot Testing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Water Distribution Modeling | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SCADA | \$30,000 | \$0 | \$0 | \$30,000 | \$0 | \$30,000 |
| Subtotal Special Services | \$75,000 | \$0 | \$0 | \$75,000 | \$0 | \$75,000 |
| Other | | | | | | |
| Administration | \$5,000 | \$0 | \$0 | \$5,000 | \$0 | \$5,000 |
| Land/Easements Acquisition | \$70,000 | \$0 | \$0 | \$70,000 | \$0 | \$70,000 |
| Water Rights Purchase (If Applicable) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capacity Buy-In (If Applicable) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Project Legal Expenses | \$1,000 | \$0 | \$0 | \$1,000 | \$0 | \$1,000 |
| Other ** | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal Other Services | \$76,000 | \$0 | \$0 | \$76,000 | \$0 | \$76,000 |
| Fiscal Services | | | | | | |
| Financial Advisor | \$9,800 | \$0 | \$0 | \$9,800 | \$0 | \$9,800 |
| Bond Counsel | \$10,325 | \$0 | \$0 | \$10,325 | \$0 | \$10,325 |
| Issuance Cost | \$2,000 | \$0 | \$0 | \$2,000 | \$0 | \$2,000 |
| Bond Insurance/Surety | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Fiscal/Legal | \$1,210 | \$0 | \$0 | \$1,210 | \$0 | \$1,210 |
| Capitalized Interest | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Bond Reserve Fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Loan Origination Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other ** Paying Agent | \$1,800 | \$0 | \$0 | \$1,800 | \$0 | \$1,800 |
| Subtotal Fiscal Services | \$25,135 | \$0 | \$0 | \$25,135 | \$0 | \$25,135 |
| Contingency | | | | | | |
| Contingency | \$80,365 | \$0 | \$0 | \$80,365 | \$0 | \$80,365 |
| Subtotal Contingency | \$80,365 | \$0 | \$0 | \$80,365 | \$0 | \$80,365 |
| TOTAL COSTS | \$1,210,000 | \$0 | \$0 | \$1,210,000 | \$0 | \$1,210,000 |

Other ** description must be entered

+ For Planning applications under the EDAP Program, please break down Planning costs as follows:

| | | | |
|-----------------------------|--|---|---|
| Category A | | | 0 |
| Category B | | | 0 |
| Category C | | | 0 |
| Category D | | | 0 |
| Total Planning Costs | | 0 | 0 |

EXHIBIT 4

ATTACHMENT 17

Census Tracts



H1

HOUSING UNITS

Universe: Housing units
2010 Census Summary File 1

NOTE: For information on confidentiality protection, nonsampling error, and definitions, see <http://www.census.gov/prod/cen2010/doc/sf1.pdf>.

| | |
|-------|---|
| | Census Tract 18.02 (part), Grayson County (part), Tom Bean city, Texas |
| Total | 415 |

Source: U.S. Census Bureau, 2010 Census.



H10 TOTAL POPULATION IN OCCUPIED HOUSING UNITS

Universe: Population in occupied housing units
2010 Census Summary File 1

NOTE: For information on confidentiality protection, nonsampling error, and definitions, see <http://www.census.gov/prod/cen2010/doc/sf1.pdf>.

| | |
|-------|---|
| | Census Tract 18.02 (part), Grayson County (part), Tom Bean city, Texas |
| Total | 1,045 |

Source: U.S. Census Bureau, 2010 Census.

ATTACHMENT 18

Current and Future Population Projections and Projected Water Use

City of Tom Bean

Current and Future Populations and Projected Water Use

Current Population: 1,045

Future Population Projections from Region C Water Plan

| <u>2020</u> | <u>2030</u> | <u>2040</u> | <u>2050</u> | <u>2060</u> |
|-------------|-------------|-------------|-------------|-------------|
| 1,300 | 1,500 | 1,700 | 1,900 | 2,000 |

Current Water Use: 61,357,200

Future Water Use Projections from Region C Water Plan

| <u>2020</u> | <u>2030</u> | <u>2040</u> | <u>2050</u> | <u>2060</u> |
|-------------|-------------|-------------|-------------|-------------|
| 72,338,922 | 73,316,475 | 87,328,068 | 96,777,747 | 116,980,509 |

ATTACHMENT 19

Budget – TWDB-1201

| PROJECT BUDGET - Entity Name GTUA/City of Tom Bean Water Well | | | | | | |
|---|---------------------|---------------------|---------------------|--------------------|-------------|--------------------|
| Uses | TWDB Funds Series 1 | TWDB Funds Series 2 | TWDB Funds Series 3 | Total TWDB Cost | Other Funds | Total Cost |
| Construction | | | | | | |
| Construction | \$839,000 | \$0 | \$0 | \$839,000 | \$0 | \$839,000 |
| Meters | \$10,000 | | | \$10,000 | | \$10,000 |
| Subtotal Construction | \$849,000 | \$0 | \$0 | \$849,000 | \$0 | \$849,000 |
| Basic Engineering Fees | | | | | | |
| Planning + | \$37,000 | \$0 | \$0 | \$37,000 | \$0 | \$37,000 |
| Design | \$65,700 | \$0 | \$0 | \$65,700 | \$0 | \$65,700 |
| Construction Engineering | \$1,800 | \$0 | \$0 | \$1,800 | \$0 | \$1,800 |
| Basic Engineering Other ** | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal Basic Engineering Fees | \$104,500 | \$0 | \$0 | \$104,500 | \$0 | \$104,500 |
| Special Services | | | | | | |
| Application | \$2,000 | \$0 | \$0 | \$2,000 | \$0 | \$2,000 |
| Environmental | \$8,000 | \$0 | \$0 | \$6,000 | \$0 | \$6,000 |
| Water Conservation Plan | \$2,000 | \$0 | \$0 | \$2,000 | \$0 | \$2,000 |
| I/I Studies/Sewer | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Surveying | \$20,000 | \$0 | \$0 | \$20,000 | \$0 | \$20,000 |
| Geotechnical | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Testing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Permits | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Inspection | \$15,000 | \$0 | \$0 | \$15,000 | \$0 | \$15,000 |
| O&M Manual | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Project Management (by engineer) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Pilot Testing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Water Distribution | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SCADA | \$30,000 | \$0 | \$0 | \$30,000 | \$0 | \$30,000 |
| Subtotal Special Services | \$75,000 | \$0 | \$0 | \$75,000 | \$0 | \$75,000 |
| Other | | | | | | |
| Administration | \$5,000 | \$0 | \$0 | \$5,000 | \$0 | \$5,000 |
| Land/Easements | \$70,000 | \$0 | \$0 | \$70,000 | \$0 | \$70,000 |
| Water Rights Purchase (If Applicable) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capacity Buy-In (If Applicable) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Project Legal Expenses | \$1,000 | \$0 | \$0 | \$1,000 | \$0 | \$1,000 |
| Other ** | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal Other Services | \$76,000 | \$0 | \$0 | \$78,000 | \$0 | \$76,000 |
| Fiscal Services | | | | | | |
| Financial Advisor | \$9,800 | \$0 | \$0 | \$9,800 | \$0 | \$9,800 |
| Bond Counsel | \$10,325 | \$0 | \$0 | \$10,325 | \$0 | \$10,325 |
| Issuance Cost | \$2,000 | \$0 | \$0 | \$2,000 | \$0 | \$2,000 |
| Bond Insurance/Surety | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Fiscal/Legal | \$1,210 | \$0 | \$0 | \$1,210 | \$0 | \$1,210 |
| Capitalized Interest | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Bond Reserve Fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Loan Origination Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other ** Paying Agent | \$1,800 | \$0 | \$0 | \$1,800 | \$0 | \$1,800 |
| Subtotal Fiscal Services | \$25,135 | \$0 | \$0 | \$25,135 | \$0 | \$25,135 |
| Contingency | | | | | | |
| Contingency | \$80,365 | \$0 | \$0 | \$80,365 | \$0 | \$80,365 |
| Subtotal Contingency | \$80,365 | \$0 | \$0 | \$80,365 | \$0 | \$80,365 |
| TOTAL COSTS | \$1,210,000 | \$0 | \$0 | \$1,210,000 | \$0 | \$1,210,000 |

Other ** description must be entered

+ For Planning applications under the EDAP Program, please break down Planning costs as follows:

| | | | |
|-----------------------------|--|---|---|
| Category A | | | 0 |
| Category B | | | 0 |
| Category C | | | 0 |
| Category D | | | 0 |
| Total Planning Costs | | 0 | 0 |

ATTACHMENT 20

WRD-253d Water Project Information Form

| Texas Water Development Board Water Project Information | | | | | | | |
|---|-----------------------|--|--------------------------------------|---|--|--|-------|
| A. Project Name Greater Texoma Utility Authority/Tom Bean Water Well | | B. Project No. | | C. County Grayson | | D. Regional Planning Group (A-P) C | |
| E. Program(s) SWIFT | | F. Loan <input checked="" type="checkbox"/> / Grant <input type="checkbox"/> Amount: | | G. Loan Term: 20 years | | | |
| H. Water Project Description: (Multiphase project, new or expansion; plant, well, storage, pump station, distribution system, etc) Water supply well, pumps, ground storage tank, chlorination, fencing, SCADA, piping, metering, road | | | | | | | |
| Attach map of service area affected by Project or other documentation. + | | | | | | | |
| I. Is an Inter Basin Transfer potentially involved? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | | | J. Is project located in a Groundwater District (If yes, identify District by name)? Yes <input checked="" type="checkbox"/> Red River Groundwater Conservation District No <input type="checkbox"/> | | | |
| K. Projected Population from application for at least a 20 year period. Attach justification and list service area populations if different from Planning Area. | Year | Reference Year | 2010 | 2020 | 2030 | 2040 | 2050 |
| | Population Projection | | 1,100 | 1,300 | 1,500 | 1,700 | 1,900 |
| Project Design Year | 2040 | | | Design Population | 1,700 | | |
| L. Is the proposed project included in a current Regional Water Plan? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Don't Know <input type="checkbox"/> (If Yes, please specify on what page in the Regional Water Plan - Regional Water Plan Page Number: 4F.250) | | | | | | | |
| M. What type of water source is associated directly with the proposed project? Surface Water <input type="checkbox"/> Groundwater <input checked="" type="checkbox"/> Reuse <input type="checkbox"/> | | | | | | | |
| N. Will the project increase the volume of water supply? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | | | | | | | |
| O. What volume of water is the project anticipated to deliver/ treat per year? 123 +/- Acre-Feet/Year | | | | | | | |
| P. Current Water Supply Information | | | | | | | |
| Surface Water Supply Source / Provider Names | | Certificate No. | | Source County | | Annual Volume and Unit | |
| Groundwater Source Aquifer Woodbine | | Well Field location Tom Bean | | Source County Grayson | | Annual Volume and Unit 62 mg/yr | |
| Q. Proposed Water Supply Associated Directly with the Proposed Project | | | | | | | |
| Surface Water Supply Source / Provider Names | | Certificate No. | | Source County | | Annual Volume and Unit | |
| Groundwater Source Aquifer Woodbine | | Well Field location: Tom Bean | | Source County Grayson | | Annual Volume and Unit 40 mg/yr | |
| R. Consulting Engineer Name J. Don Wortham, PhD | | | Telephone No. 972-335-3214 | | E-mail address dwortham@cobfen.com | | |
| S. Applicant Contact Name, Title Drew Satterwhite, P.E. | | | Telephone No. 903-786-4433 | | E-mail address drews@gtua.org | | |

WRD-243d

Section H – Water Project Description

Water supply well, pumps, ground storage tank, chlorination, fencing, SCADA, piping, metering, road and parking, and other appurtenances as necessary for project

ATTACHMENT 21

Draft Bond Ordinance

BOND RESOLUTION

\$1,210,000

**GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS
SERIES 2015
(CITY OF TOM BEAN PROJECT)**

Adopted: _____, 2015

| | | |
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A RESOLUTION by the Board of Directors of the Greater Texoma Utility Authority authorizing the issuance of "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015 (City of Tom Bean Project)" for the construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Tom Bean, Texas, and the payment of all costs incident and related to the construction, acquisition, improvement, and financing thereof; pledging the Pledged Revenue to the payment of the principal of and interest on the Bonds; and resolving other matters incident and related to the issuance, sale, and delivery of the Bonds

WHEREAS, the Board of Directors of the Greater Texoma Utility Authority (the "Authority") has determined that \$1,210,000 in principal amount of bonds should be issued at this time to provide funding for the Series 2015 Project more fully described in Section 1 hereof; and

WHEREAS, the Board of Directors of the Authority has determined that the Bonds herein authorized may and shall be issued as Additional Bonds (herein defined) on a parity with the outstanding Previously Issued Bonds (herein defined) in that:

(a) The Authority is not now in default as to any covenant, condition or obligation prescribed in a resolution authorizing the issuance of the Outstanding Bonds Similarly Secured or the Contract (hereinafter defined), including any amendment or supplement thereto;

(b) A consulting engineer has certified to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement or improvement of the Project;

(c) The City of Tom Bean, Texas, will approve this resolution authorizing the issuance of the Bonds as to form and content and acknowledge that the payment of principal of and interest on such Bonds is payable, in whole or in part, from payments to be made by the City of Tom Bean, Texas, under and pursuant to the Contract;

(d) The Bonds mature on July 1 in each of the years in which they are scheduled to mature; and

(e) This Resolution provides for deposits to be made to the Bond Fund in amounts sufficient to pay the principal of and interest on such Bonds as the same become due;

(f) This Resolution provides that the amount to be accumulated and maintained in the Reserve Fund shall be in an amount equal to not less than the average annual requirement (calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Bonds) for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenue, and provides that any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than sixty (60) months from the date of the passage of this Resolution; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE GREATER TEXOMA UTILITY AUTHORITY:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Revenue bonds of the Authority shall be and are hereby authorized to be issued as a series in the aggregate principal amount of \$1,210,000 to be designated and bear the title "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015 (City of Tom Bean Project)," (hereinafter referred to as the "Bonds"), for the construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Tom Bean, Texas (the "City"), including the drilling of a water well, the construction of a ground storage tank for the water well and other appurtenances as necessary, and the payment of all costs incident and related to the construction, acquisition and financing thereof, pursuant to authority conferred by and in conformity with the Constitution and the laws of the State of Texas, including Chapter 97, Acts of the 66th Legislature, Regular Session 1979 as amended by Chapter 398, Acts of the 68th Legislature, Regular Session 1983, and Chapter 509, Acts of the 78th Legislature, Regular Session, 2003.

SECTION 2: Interest Rates – Payment Dates – Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities. The Bonds shall be issued as fully registered obligations only, shall be dated _____, 2015 (the "Bond Date"), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on July 1 in each of the years and in principal installments (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the following schedule:

| <u>STATED MATURITY</u> | <u>PRINCIPAL AMOUNT</u> | <u>INTEREST RATE</u> |
|------------------------|-------------------------|----------------------|
| 2017 | \$40,000 | |
| 2018 | 40,000 | |
| 2019 | 40,000 | |
| 2020 | 45,000 | |
| 2021 | 45,000 | |
| 2022 | 45,000 | |
| 2023 | 45,000 | |
| 2024 | 45,000 | |
| 2025 | 45,000 | |
| 2026 | 50,000 | |
| 2027 | 50,000 | |
| 2028 | 50,000 | |
| 2029 | 50,000 | |
| 2030 | 50,000 | |
| 2031 | 55,000 | |
| 2032 | 55,000 | |
| 2033 | 55,000 | |
| 2034 | 55,000 | |
| 2035 | 60,000 | |

The Bonds shall bear interest on the unpaid principal amounts from the date of delivery to the initial Purchaser (which date shall be the date noted in the Registration Certificate of the Paying Agent/Registrar appearing on the definitive Bonds delivered in exchange for the Initial Bond, and is anticipated to be _____, 2015), and interest shall be calculated upon

the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds shall be payable on July 1, 2016 and each July 1 and January 1 thereafter until maturity or prior redemption.

SECTION 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books (the "Security Register") maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders. A copy of the Security Register shall be maintained within the State of Texas at all times.

The selection and appointment of BOKF, NA, dba Bank of Texas, Dallas, Texas, as Paying Agent/Registrar for the Bonds is hereby approved and confirmed, and the Authority agrees and covenants to cause to be kept and maintained at the Designated Payment/Transfer Office (identified below) of the Paying Agent/Registrar books and records (the "Security Register") for the registration, payment and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached hereto as **Exhibit A**, and such reasonable rules and regulations as the Paying Agent/Registrar and Authority may prescribe; and the President or Vice President and Secretary or Assistant Secretary of the Board of Directors of the Authority are authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The Authority covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the Authority agrees to promptly cause a written notice thereof to be sent to each Holder by United States mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or the redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated office in St. Paul, Minnesota (the "Designated Payment/Transfer Office"). Interest on each Bond shall be paid to the Holder whose name appears in the Security Register at the close of business on the Record Date (the 15th day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the address of the Holder recorded in the Security Register, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. Provided, however, while the Texas Water Development Board (the "Board") is the registered owner of the Bonds, payments on the Bonds shall be made by wire transfer without expense to the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

(a) Optional Redemption. The Bonds having Stated Maturities on and after July 1, 20____, shall be subject to redemption prior to maturity, at the option of the Authority, in whole or in part, in inverse order of maturity if fewer than all, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar), on_____, or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

(b) Exercise of Redemption Option. At least forty-five (45) days prior to a redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the Authority shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the Authority to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the Authority.

(c) Selection of Bonds for Redemption. If fewer than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding, which is obtained by dividing the principal amount of such Bonds by \$5,000, and shall select the Bonds to be redeemed within such Stated Maturity by lot.

(d) Notice of Redemption. Not fewer than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States mail, first class postage prepaid, in the name of the Authority and at the Authority's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or

the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Authority shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the Authority at the Designated Payment/Transfer Office of the Paying Agent/Registrar, as provided herein and in accordance with rules and regulations as the Paying Agent/Registrar and the Authority may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of the Bonds issued under and pursuant to the provisions of this Resolution, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the single Initial Bond authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denominations and having the same Stated Maturity and being of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the single Initial Bond authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and being of a like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the Authority, evidencing the same obligation

to pay, and entitled to the same benefits under this Resolution, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 28 hereof, and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the Authority nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in this Resolution relating to the payment and transfer/exchange of the Bonds, the Authority hereby approves and authorizes the use of the "Book-Entry Only" securities clearance, settlement, and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in a Blanket Issuer Letter of Representations by and between the Authority and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general, the Authority covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

The Authority agrees it will not discontinue its use of the DTC Book-Entry-Only System with respect to the Bonds without prior notice to and consent from the Texas Water Development Board while the Board is the Holder of any of the Bonds.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the Authority by the President or Vice President of the Board of Directors under its seal reproduced or impressed thereon and attested by the Secretary or Assistant Secretary of the Board of Directors. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Authority on the date of the adoption of this Resolution shall be deemed to be duly executed on behalf of the Authority, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial Holders and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Bond duly signed shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

Notwithstanding the above and foregoing paragraph, the Initial Bond(s) authorized for delivery to the initial purchasers in Section 8 hereof shall have printed thereon both Certificates of Registration appearing in Section 9(c) and 9(d) hereof, and both such certifications shall be required to be manually executed in connection with the initial delivery of the Initial Bonds and both such certifications appearing on the Initial Bond(s), duly signed, shall be conclusive evidence that such Initial Bond(s) have been duly certified, registered and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered Bond in the total principal amount of \$2,085,000 with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered Bonds, being one bond for each year of maturity in the applicable principal amount and numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial Purchaser, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to appear on the Initial Bond, the Registration Certificate of Paying Agent/Registrar to appear on the definitive Bonds, and the form of Assignment to appear on each of the Bonds shall be substantially in the forms set forth in this Section with

such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution, and the Bonds may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association if available, and otherwise the reference to CUSIP NO. in the form of Bond may be omitted from the Bonds) and such legends and endorsements (including insurance legends in the event the Bonds are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the Authority or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The Bonds shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

United States of America
State of Texas
Counties of Collin, Cooke, Fannin, and Grayson
Greater Texoma Utility Authority
Contract Revenue Bonds, Series 2015
(City of Tom Bean Project)

| | | | |
|----------------|----------------|------------------|-----------|
| Bond Date: | Interest Rate: | Stated Maturity: | CUSIP NO. |
| April 15, 2015 | _____ % | July 1, 20____ | _____ |

Registered Owner:

Principal Amount:

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value received, hereby promises to pay to the Registered Owner of this Bond named above (the "Holder") or the registered assigns thereof, solely from the revenues hereinafter identified, on the Stated Maturity date specified above, the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is the delivery date of this Bond (or its Predecessor Bond) to the initial Holder (which delivery date is anticipated to be _____, 2015) or this Bond bears the originally executed Registration Certificate of the Comptroller of Public Accounts, in which case it shall bear interest from such date) at the per annum rate of interest specified above computed upon the basis of a 360-day year consisting of twelve (12) 30-day months; such interest being payable on July 1, 2016, and on each July 1 and January 1 thereafter until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity date or date of redemption to the Holder hereof, upon presentation and surrender, at the Designated Payment/Transfer Office

of the Paying Agent/Registrar executing the Registration Certificate hereon, or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the 15th day of the month next preceding each interest payment date, and interest and principal due shall be paid by the Paying Agent/Registrar by check sent United States mail, first class postage prepaid, at the expense of the Authority or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

If the date for payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$1,210,000 (herein referred to as the "Bonds") pursuant to a Resolution adopted by the governing body of the Authority (herein referred to as the "Resolution"), for the construction, acquisition, and improvement of water system facilities and necessary appurtenances for use by the City of Tom Bean, Texas (the "City"), including the drilling of a water well, the construction of a ground storage tank for the water well and other appurtenances as necessary, and the payment of all costs incident and related to the construction, acquisition and financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas.

The Bonds maturing on and after July 1, 20____, may be redeemed prior to their Stated Maturities, at the option of the Authority, in whole or in part, in inverse order of maturity if fewer than all, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar) on_____, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

Not fewer than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the Authority and at the Authority's expense, to each Registered Owner of a Bond to be redeemed and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion

of the principal sum hereof to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed.

In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the Holder only upon presentation and surrender of this Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office, and there shall be issued, without charge therefor to the Holder hereof, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Resolution for the then unredeemed balance of the principal sum hereof. If this Bond is selected for redemption, in whole or in part, the Authority and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the Holder within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Authority shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds constitute special obligations of the Authority, and, together with the Outstanding Previously Issued Bonds and any Additional Bonds, if issued, are payable as to principal and interest solely from and equally secured by a lien on the Pledged Revenue of the Authority (identified and defined in the Resolution, and including revenues to be received under and pursuant to a Contract for Water Supply and Sewer Service between the Authority and the City, dated as of October 7, 1987). Reference is hereby made to the Resolution, copies of which are on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the revenues pledged for the payment of this Bond; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Authority and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the same meanings assigned in the Resolution.

The Authority expressly reserves the right to issue further and additional revenue bond obligations in all things on a parity with the Previously Issued Bonds and the Bonds, payable solely from and equally secured by a lien on the Pledged Revenue described above; provided, however, that any and all such Additional Bonds may be so issued only in accordance with and

subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Resolution, to which reference is hereby made for more complete and full particulars.

The Holder hereof shall never have the right to demand payment of this Bond out of any funds raised or to be raised by taxation.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Holder hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and being of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The Authority and the Paying Agent/Registrar, and any agent of either, shall treat the Holder whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the Authority nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond in order to render the same a legal, valid and binding obligation of the Authority have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the issuance of the Bonds does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Directors of the Authority has caused this Bond to be duly executed under the official seal of the Authority.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER (
OF PUBLIC ACCOUNTS (
THE STATE OF TEXAS (REGISTER NO. _____

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Registration Certificate of Paying Agent/Registrar.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Resolution; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Registrar in St. Paul, Minnesota is the "Designated Payment/Transfer Office" for this Bond.

BOKF, NA, dba Bank of Texas,
Dallas, Texas,
as Paying Agent/Registrar

By: _____
Authorized Signature

Registration Date:

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature Guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section, except that the form of a single fully registered Initial Bond shall be modified as follows:

REGISTERED
NO. T-1

REGISTERED
\$1,210,000

United States of America
State of Texas
Counties of Collin, Cooke, Fannin, and Grayson
Greater Texoma Utility Authority
Contract Revenue Bonds, Series 2015
(City of Tom Bean Project)

Bond Date _____, 2015

Registered Owner: Texas Water Development Board

Principal Amount: ONE MILLION TWO HUNDRED TEN THOUSAND DOLLARS

The Greater Texoma Utility Authority (hereinafter referred to as the "Authority"), for value received, hereby promises to pay to the Registered Owner named above (the "Holder") or the registered assigns thereof, solely from the revenues hereinafter identified, on July 1 in each of the years and in principal amounts in accordance with the following schedule:

| <u>STATED MATURITY</u> | <u>PRINCIPAL AMOUNT</u> | <u>INTEREST RATE</u> |
|------------------------|-------------------------|----------------------|
|------------------------|-------------------------|----------------------|

(Information to be inserted from schedule in Section 2 hereof.)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the date of delivery of this Bond to the initial purchasers (which delivery date is anticipated to be _____, 2015) at the per annum rates of interest specified above computed upon the basis of a 360-day year consisting of twelve (12) 30-day months; such interest being payable on July 1, 2016, and on each July 1 and January 1 thereafter until maturity or prior redemption. Principal of and premium, if any, on this Bond shall be payable at the Stated Maturities or the date(s) of redemption thereof by BOKF, NA, dba Bank of Texas, Dallas, Texas (the "Paying Agent/Registrar"), only upon presentation and surrender of this Bond to its designated offices in St. Paul, Minnesota (the "Designated Payment/Transfer Office"), or its successor. Interest is payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Resolution) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the 15th day of the month next preceding each interest payment date, and interest and principal due shall be paid by the Paying Agent/Registrar by check sent United States mail, first class postage prepaid, at the expense of the Authority or by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Holder. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Certain Definitions. In addition to terms defined elsewhere in this Resolution, for all purposes of this Resolution and in particular for clarity with respect to the

issuance of the Bonds and the pledge and appropriation of the Pledged Revenue therefor, the following definitions are provided:

(a) The term "Additional Bonds" shall mean parity revenue bonds issued in accordance with the terms and conditions prescribed in Section 19 hereof.

(b) The term "Authorized Investments" shall mean the obligations identified in the "Public Funds Investment Act" (Texas Government Code, Chapter 2256), as amended.

(c) The term "Bonds" shall mean the Greater Texoma Utility Authority Contract Revenue Bonds, Series 2015 (City of Tom Bean Project) authorized by this Resolution.

(d) The term "Bonds Similarly Secured" shall mean the Previously Issued Bonds, the Bonds and any Additional Bonds.

(e) The term "City" shall mean the City of Tom Bean, Texas.

(f) The term "Contract" or "Contract for Water Supply and Sewer Service " shall mean that certain contract, dated as of the 7th day of October, 1987, by and between the Authority and the City, together with amendments and supplements thereto (which by the term of such instrument is designated as a supplement to such Contract), a conformed copy of such Contract being attached hereto as **Exhibit B** for the purposes of identification.

(g) The term "Cost of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

(h) The term "Depository Bank" means, currently, Bank of America, N.A., Dallas, Texas. The Authority reserves its right to change from time to time its depository bank to any other bank having trust powers. In the event of any change in the Authority's depository bank, the Authority shall timely notify any parties affected by such change.

(i) The term "Fiscal Year" shall mean the twelve month operational period of the Authority commencing October 1 of each year; provided, however, the Authority may change the fiscal year to another period of not less than twelve (12) calendar months but in no event may the fiscal year be changed more than one time in any three calendar year period.

(j) The term "Government Obligations" as used herein, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the Authority, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the Authority, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other authorized securities or obligations under applicable laws of the State of Texas that may be used to defease obligations such as the Bonds.

(k) The term "Maintenance and Operation Expense of the Project" shall have the meaning assigned such term in Section 1.01 of the Contract.

(l) The term "Outstanding" shall mean when used in this Resolution with respect to Bonds or Bonds Similarly Secured, as of the date of determination, all Bonds theretofore issued and delivered, except:

(i) those Bonds or Bonds Similarly Secured canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(ii) those Bonds or Bonds Similarly Secured paid or deemed to be paid in accordance with the provisions of Section 33 hereof; and

(iii) those Bonds or Bonds Similarly Secured that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 29 hereof or similar provisions with respect to Bonds Similarly Secured.

(m) The term "Pledged Revenue" shall mean (i) the amount received by the Authority as monthly amortization payments by reason of Section 3.01(a) of the Contract, less the fees and charges of any paying agent/registrar with respect to Bonds Similarly Secured; plus (ii) the amounts deposited into the Bond Fund referenced in Section 12(b) of this Resolution; plus (iii) any amounts on deposit in the Construction Fund, created and established by Section 26 of this Resolution, pending the application of such money for the payment of the Cost of the Project.

(n) The term "Previously Issued Bonds" shall mean the outstanding Greater Texoma Utility Authority Contract Revenue Bonds, Series 2000 (City of Tom Bean Project heretofore issued which are in every respect on a parity with the Bonds.

(o) The term "Project" shall mean, with respect to the Bonds, the Series 2015 Project, and, with respect to the Bonds Similarly Secured, collectively, the Projects described as such in the exhibits attached to the Contract.

(p) The term "Series 2015 Project" shall mean, with respect to the Bonds, the project described in Section 1 hereof.

SECTION 11: Pledge. The Authority hereby covenants and agrees that all of the Pledged Revenue is hereby irrevocably pledged for the payment of the Bonds Similarly Secured, and the interest thereon, and it is hereby declared and resolved that the Bonds Similarly Secured and the interest thereon shall constitute a lien upon said Pledged Revenue.

Texas Government Code, Chapter 1208, as amended, applies to the issuance of the Bonds and the pledge of the revenues granted by the Authority under this Section of this Resolution, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are Outstanding and unpaid such that the pledge of the revenues granted by the Authority under this Section of this Resolution is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Holders of the Bonds the perfection of the security interest in said pledge, the Authority agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business & Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 12: Fund Designations. The Authority hereby covenants and agrees with the Holders of the Bonds Similarly Secured that all income, receipts, and revenues derived from

the operation and ownership of the Project shall be kept separate from other funds or accounts of the Authority. To that end, the following special Funds (herein so called) heretofore created and established and shall exist and govern the application of the Pledged Revenue while the Bonds Similarly Secured are Outstanding, to wit:

(a) Greater Texoma Utility Authority City of Tom Bean Revenue Fund, hereinafter called "Revenue Fund". This Fund shall be kept in the Authority's Depository Bank or other authorized depository of the Authority.

(b) Greater Texoma Utility Authority City of Tom Bean Bond Interest and Sinking Fund, hereinafter called "Bond Fund". This Fund shall be deposited with the Depository Bank, or other authorized depository, of the Authority as trustee of the Pledged Revenue, and moneys deposited therein shall be used to pay principal of and interest on Bonds Similarly Secured when and as the same shall become due and payable.

(c) Greater Texoma Utility Authority Bond Reserve Fund, hereinafter called "Reserve Fund". The Reserve Fund shall be deposited with the Depository Bank and money deposited therein shall be used to pay the principal of and interest on Bonds Similarly Secured falling due at any time when there is insufficient money available in the Bond Fund.

SECTION 13: Revenue Fund. All revenues and income of any kind or character received by the Authority by reason of (i) its ownership of all or a part of the Project, (ii) the operation of the Project, or (iii) the Contract, shall be deposited in the Revenue Fund.

In the event money is deposited in the Revenue Fund from sources other than those specified in Section 3.01 of the Contract, then such money may be invested or reinvested or placed on time deposit in the same manner as the Reserve Fund pending its application to the reduction of payments that would otherwise be required to be made by the City under Section 3.01 of the Contract. Investment income and profits from the investment of the Revenue Fund shall be retained therein until used as provided in this Section.

Money in the Revenue Fund shall be used in the following order of priority:

1. Payments into the Bond Fund, as provided by Section 14;
2. Payments into the Reserve Fund, as provided by Section 15;
3. The curing of any deficiencies, as provided by Section 16;
4. The payment of other costs of the Project including maintenance and operation expenses not paid by the Authority and those purposes for which provision is made by Section 3.01(c) through 3.01(e) of the Contract; and
5. Applied as provided in Section 17.

SECTION 14: Bond Fund. The Authority hereby covenants and agrees to deposit into the Bond Fund amounts sufficient to pay the principal of and interest on the Outstanding Bonds Similarly Secured as the same become due. There shall be deposited in the Bond Fund, by reason of the issuance of the Bonds, the following amounts:

From the Pledged Revenue on deposit in the Revenue Fund there shall be deposited in the Bond Fund (i) beginning on or before the fifteenth (15th) day of the month next following delivery of the Bonds and on or before the fifteenth (15th) day of each following month until and including the first interest payment date, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of interest on deposit by the fifteenth (15th) day of the month next preceding the first interest payment date, and thereafter on the fifteenth (15th) day of each following month, an amount equal to not less than one-sixth (1/6) of the next installment of interest; (ii) beginning on or before the fifteenth (15th) day of the month next following delivery of the Bonds, and on or before the fifteenth (15th) day of each following month until and including the first principal payment date, an amount equal to not less than the fractional amount required in order to have the amount of the first installment of principal on deposit by the fifteenth (15th) day of the month preceding the first principal payment date, and thereafter on or before the fifteenth (15th) day of each month, an amount equal to one-twelfth (1/12) of the next annual principal payment to become due on the Bonds.

Accrued interest, if any, shall be deposited to the Bond Fund. No Bond proceeds, other than accrued interest, shall be deposited to the Bond Fund.

The monthly deposits to the Bond Fund for the payment of principal and interest on the Bonds shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in the Bond Fund is equal to the amount required to pay all Outstanding Bonds Similarly Secured (principal and interest) for which said Fund was created and established or (ii) the Bonds Similarly Secured payable therefrom are no longer Outstanding.

Moneys on deposit in the Bond Fund may be invested, to the extent such investments are Authorized Investments, in United States Treasury bills, similar direct obligations of the United States of America, or in certificates of deposit of any bank that is a member of the Federal Deposit Insurance Corporation (which are fully secured by a pledge of direct obligations of, or obligations of which the principal and interest are guaranteed by the United States of America to the extent such certificates are not insured) maturing at such dates and in such manner as will provide cash to discharge interest and/or principal payments on Bonds Similarly Secured when and as the same becomes due.

Investment income and profits realized from the investment of the Bond Fund shall be retained therein until used as provided in this Section 14.

SECTION 15: Reserve Fund. The Authority hereby covenants and agrees with the Holders of the Bonds Similarly Secured that it will provide for the accumulation of, and when accumulated, will thereafter continuously maintain in the Reserve Fund an amount equal to the average annual principal and interest requirement of all Bonds Similarly Secured (the Required Reserve Fund Amount). The average annual requirement shall be calculated on a Fiscal Year basis on the Outstanding Bonds Similarly Secured on the date of the last series of Bonds Similarly Secured (after giving effect to the issuance of such last series); provided, however, at such time as the Previously Issued Bonds are no longer Outstanding, the average annual requirement shall also be calculated at the end of each Fiscal Year. If any Bonds Similarly Secured are subject to mandatory redemption, the amount required to be redeemed in any Fiscal Year shall be treated as if it matured in that Fiscal Year. Any amounts on deposit in the Reserve Fund in excess of such requirement shall be transferred to the Revenue Fund.

In addition, beginning on or before the fifteenth (15th) day of the month following the delivery of the Bonds, and on or before the fifteenth (15th) day of each month thereafter, there

shall be deposited in the Reserve Fund substantially equal month deposits in an amount which will result in the Required Reserve Fund Amount being on deposit in the Reserve Fund within not more than sixty (60) months from the date of the passage of this Resolution, and such monthly deposits shall take into account the amounts already on deposit in said Reserve Fund.

When the Required Reserve Fund Amount has been fully accumulated, said monthly payments to said Fund may be terminated; provided, however, should the amount in such fund be reduced, after the Required Reserve Fund Amount has been accumulated, monthly deposits shall be resumed and continued to be made in an amount not less than one-twelfth (1/12) of the amount of the deficiency, on or before the fifteenth (15th) day of each month until the Required Reserve Fund Amount has been fully restored.

Money in the Reserve Fund may be, at the option of the Authority, invested or reinvested from time to time in Government Obligations or in direct obligations the principal and interest of which are guaranteed by the United States of America or invested in direct obligations of or participation certificates guaranteed by the Federal Intermediate Credit Banks, Federal Land Banks, in certificates of deposit of any bank that is a member of the Federal Deposit Insurance Corporation and such certificates of deposit are fully insured and/or secured by a pledge of the securities of any of the kind hereinabove specified, such obligations or securities to mature in not more than ten years from the date of such investment or not later than the final maturity of the Bonds Similarly Secured Outstanding for which the Reserve Fund is established, whichever is shorter. Any obligations in which money is so invested shall be kept in escrow with the custodian of said Fund, and shall be promptly sold when notified by the Authority that moneys on deposit in the Bond Fund are insufficient to make a current interest and/or principal payment on Bonds Similarly Secured, and the proceeds of sale of such investments and/or moneys on deposit in the Reserve Fund in an amount sufficient to meet the deficiency in the Bond Fund shall be immediately transferred to the Bond Fund, without further notice or authorization. The Authority shall direct the investment or moneys on deposit in the Reserve Fund.

Investment income and profits realized from the investment of the Reserve Fund shall be retained therein as may be necessary to fully fund or restore the Required Reserve Fund Amount and thereafter shall be transferred to the Revenue Fund.

SECTION 16: Deficiencies in Funds. If in any month the Authority shall, for any reason, fail to pay into the Bond Fund and Reserve Fund the full amounts above stipulated, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available and unallocated Pledged Revenue of the following month or months, and such payments shall be in addition to the amount hereinabove provided to be otherwise paid into said Funds during such month or months.

SECTION 17: Remainder of Revenues. Money remaining in the Revenue Fund, after making the payments required in items (1) through (4) of the last paragraph of Section 13, shall be transferred to any other fund referenced in this Resolution and used as a credit to the amount that would otherwise be required to be paid by the City under Section 3.01 of the Contract.

SECTION 18: Security of Funds and Their Transfer. All moneys on deposit in the special Funds for which this Resolution makes provision (except any portions thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys in such special Funds shall be used only for the purposes permitted by this Resolution.

While any of the Bonds are Outstanding, the Board of Directors shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Bond Fund and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures or comes due by reason of redemption prior to maturity, such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date of payment for the Bonds.

SECTION 19: Issuance of Additional Parity Bonds. In addition to the right to issue bonds of inferior lien as authorized by the laws of this State, the Authority reserves the right hereafter to issue Additional Bonds. The Additional Bonds, when issued, shall be payable from and secured by a lien on and pledge of the Pledged Revenue in the same manner and to the same extent as are the Bonds and Additional Bonds. The Bonds Similarly Secured shall in all respects be of equal dignity. The Additional Bonds may be issued in one or more installments provided, however, that no Additional Bonds shall be issued unless and until the following conditions have been met:

(a) The Authority is not then in default as to any covenant, condition or obligation prescribed in a resolution authorizing the issuance of the Outstanding Bonds Similarly Secured or the Contract (including any amendment or supplement thereto).

(b) A consulting engineer certifies to the Authority the need for an estimated amount of additional financing required for completion, expansion, enlargement or improvement of the Project.

(c) The City shall have approved the resolution(s) authorizing the issuance of the Additional Bonds as to form and content and acknowledged that the payment of principal of and interest on such Additional Bonds is payable, in whole or in part, from payments to be made by the City, under and pursuant to the Contract.

(d) The Additional Bonds are made to mature on January 1 or July 1 in each of the years in which they are scheduled to mature.

(e) The resolution authorizing the issuance of the Additional Bonds provides for deposits to be made to the Bond Fund in amounts sufficient to pay the principal of and interest on such Additional Bonds as the same become due.

(f) The resolution authorizing the issuance of the Additional Bonds provides that (i) the amount to be accumulated and maintained in the Reserve Fund shall be in an amount equal to not less than the average annual requirement (calculated on a Fiscal Year basis) of the Outstanding Bonds Similarly Secured, as of the date of the last series of Bonds Similarly Secured after giving effect to the issuance of the Additional Bonds) for the payment of principal of and interest on all obligations to be secured by a first lien on and pledge of the Pledged Revenue, and (ii) any additional amount to be maintained in the Reserve Fund shall be accumulated within not more than sixty (60) months from the date of the passage of the resolution authorizing the issuance of the proposed Additional Bonds.

Bonds Similarly Secured may be refunded (pursuant to any law then available) upon such terms and conditions as the governing body of the Authority may deem to be in the best interest of the Authority, and, if fewer than all such Outstanding Bonds Similarly Secured are refunded, the proposed refunding bonds shall be considered as "Additional Bonds" under the

provisions of this Section, but the certificate required in subparagraph (b) above shall not be required or be applicable to the issuance of such refunding bonds.

SECTION 20: Insurance. The Authority covenants that it will at all times keep insured such of its plants, structures, buildings, stations, machinery, equipment, apparatus, distribution pipelines and equipment, as are usually insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by corporations operating like properties, and will also at all times maintain worker's compensation insurance and insurance against public liability and property damages to the extent permitted by law, in a reasonable amount with a responsible insurance company or companies; provided, however, that any time while the City or any contractor engaged in construction work shall be fully responsible therefor, or the Authority has assumed such responsibility, the Authority shall not be required to carry such insurance. The Authority further covenants that such insurance with respect to the Project shall be in an amount sufficient to protect the Board's interest in the Project.

SECTION 21: Records - Accounts - Accounting Reports. The Authority hereby covenants and agrees that so long as any of the Bonds Similarly Secured or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts on a Fiscal Year basis pertaining to the operation of the Project separate and apart from all other records and accounts of the Authority in accordance with accepted accounting practices and complete and correct entries shall be made of all transactions relating to said Project. The Holder or Holders of any Bonds Similarly Secured, or any duly authorized agent or agents of such Holders, shall have the right at all reasonable times to inspect all such records, accounts and data relating thereto and to inspect the Project and all properties comprising same. The Authority further agrees that within ninety (90) days following the close of each Fiscal Year, or as soon thereafter as possible, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants or Licensed Public Accountants. Each such audit, in addition to whatever other matters may be thought proper by the Accountant shall particularly include the following:

- (a) A detailed statement of the receipts and disbursements from the Revenue Fund.
- (b) A balance sheet as of the end of such Fiscal Year.
- (c) The Accountant's comments regarding the manner in which the Authority and the City have complied with the covenants and requirements of this Resolution and the Contract and his recommendations for any changes or improvements in the operation, records and accounts of the Authority.
- (d) A list of the insurance policies in force (if obtained by the Authority) at the end of the Fiscal Year on the Project properties, setting out as to each policy the amount thereof, the risk covered, the name of the insurer, and the policy's expiration date.
- (e) A list of the securities which have been on deposit as security for money in the Bond Fund and Reserve Fund throughout the Fiscal Year, a list of the securities, if any, in which money in the Bond Fund and Reserve Fund has been invested, and a statement of the manner in which money in the Revenue Fund has been secured in such Fiscal Year.

Expenses incurred in making the audits referred to above are to be regarded as Maintenance and Operating Expenses of the Project and paid as such. Copies of the aforesaid annual audit shall be immediately furnished to the Executive Director of the Municipal Advisory Council of Texas at his or her office in Austin, Texas, the Texas Water Development Board, Attention: Executive Director, and, upon written request, to the initial Holder and any subsequent Holder of the Bonds Similarly Secured.

By its approval of this Resolution, the City agrees (a) to provide the Texas Water Development Board with annual audit reports, to be submitted without charge, within one hundred twenty (120) days of the close of each fiscal year, (b) in order to secure its obligations under the Contract, to maintain rates and charges for its utility system sufficient to pay all of its obligations secured by and made payable from the revenues derived from the operation of its utility system and (c) to implement any water conservation program required by the Board until all financial obligations to the Board have been discharged..

SECTION 22: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the Authority covenants and agrees particularly that in the event the Authority (a) defaults in payments to be made to the Bond Fund or Reserve Fund as required by this Resolution, or (b) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Resolution, any Holder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board of Directors and other officers of the Authority to observe and perform any covenant, condition or obligation prescribed in this Resolution.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 23: Special Covenants. The Authority hereby further covenants as follows:

(a) It has the lawful power to pledge the revenues supporting this issue of Bonds and has lawfully exercised said power under the Constitution and laws of the State of Texas; that the Previously Issued Bonds, the Bonds and the Additional Bonds, when issued, shall be ratably secured under said pledge of the Pledged Revenue in such manner that one bond shall have no preference over any other bond of said issues.

(b) Other than for the Previously Issued Bonds and the Bonds, the Pledged Revenue has in no manner been committed or pledged to the payment of any debt or obligation of the Authority.

(c) So long as any of the Bonds or any interest thereon remain Outstanding, the Authority will not sell or encumber the Project or any substantial part thereof; provided, however, this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the Project, and, also, with the exception of the Additional Bonds expressly permitted by this Resolution to be issued, it will not encumber the Pledged Revenue unless such encumbrance is made junior and subordinate to all of the provisions of this Resolution.

(d) The Authority will maintain rates and charges to the City sufficient to meet the debt service requirements on the Outstanding obligations of the Authority that are supported by such revenues and the establishment of the special funds maintained for the payment and security of such obligations.

None of the special covenants herein appearing shall be construed in any manner that would deprive the Authority of its right to pledge any revenues produced by modification of the Contract and specifically designated to meet obligations incurred in providing the Authority with enlarged or additional facilities; further, that none of said covenants shall be construed in any manner that would deprive the Authority of its right to pledge that part of any revenue or income derived by it from other future contracts with other cities, towns or villages or others and required to satisfy conditions for payment of other bonds or obligations issued by the Authority and such right is especially reserved.

SECTION 24: Bonds are Special Obligations. The Bonds are special obligations of the Authority payable from the Pledged Revenue, and the Holders thereof shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

SECTION 25: Bonds are Negotiable Instruments. Each of the Bonds herein authorized shall be deemed and construed to be a "Security" and as such a negotiable instrument, within the meaning of Chapter 8 of the Texas Business and Commerce Code.

SECTION 26: Construction Fund. The Authority hereby creates a construction fund account in a depository of the Authority, which is known as the "Construction Fund," into which shall be deposited all remaining proceeds derived from the sale of the Bonds in accordance with Section 34 of this Resolution and this Section. The Construction Fund shall be kept separate and apart from all other funds and accounts of the Authority. To the extent of any conflict between this Section and Section 34, Section 34 controls. In this Section, when the term "Cost(s) of the Project" is used, the reference is to the Series 2015 Project.

Moneys on deposit in the Construction Fund shall be disbursed only for payment of the respective Costs of the Project financed. All expenditures for construction, labor, and materials shall be disbursed only upon receipt of a certificate of the Engineer (as defined in the Contract) based upon estimates of work and material furnished as approved by such Engineers and submitted to the Authority and the City's Engineer for approval prior to payment. The Authority shall keep records of the nature and amount of all Construction Fund expenditures and make the same available to the City and the engineers at all reasonable times. Should there be any balance in the Construction Fund after all such Costs of the Project have been paid, such balance shall be deposited in the Bond Fund.

All earnings realized from these investments shall be retained in the Construction Fund until completion of the Series 2015 Project and shall be treated in the same manner as other moneys in the Construction Fund are treated as pursuant to this Resolution.

SECTION 27: Notices to Holders-Waiver. Wherever this Resolution provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case in which notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the

sufficiency of such notice with respect to all other Bonds. Where this Resolution provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 28: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Authority, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Authority may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered that the Authority may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Authority.

SECTION 29: Mutilated - Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the Authority and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the Authority and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Resolution equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 30: Sale of the Bonds. The sale of the Bonds to the Texas Water Development Board (herein referred to as the "Purchaser" and the "initial Holder") pursuant to a loan commitment received from said Board, at the price of par, less a loan origination fee of _____%, to provide for the Bonds to bear interest at an effective interest rate equivalent to the Purchaser's lending rate therefor, is hereby confirmed and declared to be in the best interests of the Authority. Delivery of the Bonds to said Purchaser shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale.

SECTION 31: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

"Closing Date" means the date on which the Bonds are first authenticated and delivered to the initial Purchaser against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (i) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (ii) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The Authority shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on (1) any Bond issued hereunder or (2) any series of bonds or obligations issued or incurred by the Texas Water Development Board or the Texas Water Resources Finance Authority to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Authority receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Authority shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Authority shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed

or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the Authority or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Authority shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Authority shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the Authority shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The Authority shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The Authority shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the Authority may commingle Gross Proceeds of

the Bonds with other money of the Authority, provided that the Authority separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the Authority shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The Authority shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six (6) years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Authority shall pay to the United States out of the Construction Fund or other appropriate fund or, if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Bond Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The Authority shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Elections. The Authority hereby directs and authorizes the President, Secretary and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(j) Nonpurpose Investments. No portion of the proceeds of the Bonds will be used, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments which produce a yield materially higher than the yield on the Board's bonds that were issued to provide financing for the Bonds (the "Source Series Bonds"), other than Nonpurpose Investments acquired with:

(i) proceeds of the Board's Source Series Bonds invested for a reasonable temporary period of up to three (3) years (reduced by the period of

investment by the Board) until such proceeds are needed for the facilities to be financed;

(ii) amounts invested in a bona fide debt service fund, within the meaning of § 1.148-1(b) of the IRS Regulations; and

(iii) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt service on the Bonds, 125% of average annual debt service on the Bonds, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Bonds.

SECTION 32: Control and Custody of Bonds. The President of the Board of Directors of the Authority shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond(s) pending approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchaser.

Furthermore, the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, are hereby authorized and directed to furnish and execute such documents relating to the Authority and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Bonds by the Attorney General and their registration by the Comptroller of Public Accounts and, together with the Authority's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for printing of the definitive Bonds and the delivery of the Initial Bond(s) to the initial Purchaser and the exchange thereof for definitive Bonds.

SECTION 33: Satisfaction of Obligation of Authority. If the Authority shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge of the Pledged Revenue under this Resolution and all other obligations of the Authority to the Holders shall thereupon cease, terminate, and become void and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The Authority covenants that no deposit of moneys or Government Obligations will be made under this Section and no use made of any such deposit that would cause the Bonds to be treated as

"arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent/Registrar or an authorized escrow agent, pursuant to this Section that is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the Authority or deposited as directed by the Authority. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of four (4) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the Authority, be remitted to the Authority against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the Authority shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 34: Rules and Regulations of the Texas Water Development Board. In compliance with the published rules and regulations of the Texas Water Development Board (the "Board"), the Authority agrees and covenants that upon completion of the Series 2015 Project, the proper officials of the Authority promptly shall cause to be prepared and submitted to the Board (i) a final accounting of the total costs of the Series 2015 Project and the expenditure of funds therefor and (ii) a copy of the construction plans for the Series 2015 Project as built and completed. In addition to other information required by the Board, said final accounting shall identify (i) all funds utilized or represented to be available in the Authority's application, from whatever source derived, and (ii) all Series 2015 Project costs contained and approved in the Authority's application to the Board or approved in subsequent change orders.

If the total cost of the Series 2015 Project is less than the amount of Series 2015 Project funds available, then the Authority may use such surplus proceeds of the Bonds remaining after completion of the Series 2015 Project for the following purposes as approved by the Executive Administrator: (1) to redeem Bonds, in inverse annual order of stated maturities, (2) to deposit into the Bond Fund for the payment of capitalized interest or principal on the Bonds or (3) to pay eligible project costs as authorized by the Executive Administrator. In determining the amount of available funds for the Series 2015 Project, the Authority agrees to account for all amounts deposited to the credit of the Construction Fund, including all loan funds extended by the Board, all other funds available for the Series 2015 Project as described in the project engineer's or fiscal representative's sufficiency of funds statement and all interest earned by the Authority on money in the Construction Fund. Execution and delivery of an Escrow Agreement, substantially in the form attached hereto as **Exhibit C**, by the President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, is hereby approved. The Construction Fund shall be held subject to the Escrow Agreement. The Authority further covenants and agrees (i) that certain proceeds of sale of the Bonds shall be deposited in the Construction Fund created by Section 26 of this Resolution and established with a depository of the Authority, and (ii) all funds deposited in such Construction Fund shall be disbursed only for the Series 2015 Project the Bonds and, as is appropriate, in accordance with the provisions of Chapter 15 or 17 of the Texas Water Code.

The Authority further agrees and covenants as follows:

[requirements of loan resolution to be inserted following approval by the
Texas Water Development Board]

SECTION 35: Legal Opinion. The Purchaser's obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Norton Rose Fulbright US LLP, Attorneys, concerning the validity of the Bonds, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds by the Purchasers. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds, or an executed counterpart thereof shall accompany the global Bonds deposited with the Depository Trust Company.

SECTION 36: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Authority nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

SECTION 37: Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 38: Resolution a Contract - Amendments. This Resolution shall constitute a contract with the Holders from time to time, be binding on the Authority, and shall not be amended or repealed by the Authority so long as any Bond remains Outstanding except as permitted in this Section and in Section 39 hereof. The Authority, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Authority may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds Similarly Secured then outstanding, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the consent of all Holders of the Bonds then outstanding, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 39: Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2 12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The Authority shall provide annually to the MSRB (1) within six (6) months after the end of each Fiscal Year, financial information and operating data of the general type described in **Exhibit D** hereto and (2) if not provided as part of such financial information and operating data, audited financial statements of the Authority and the City, when and if available. Any financial statements so provided shall be prepared in accordance with the accounting principles described in **Exhibit D** hereto, or such other accounting principles as the Authority may be required to employ from time to time pursuant to state law or regulation, and audited, if the Authority commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available by the required time, the Authority will provide unaudited financial information described in **Exhibit D** by the required time and audited financial statements when and if such audited financial statements become available.

If the Authority changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Authority otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The Authority shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership, or similar event of the Authority, which shall occur as described below;

(13) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

The Authority shall notify the MSRB, in a timely manner, of any failure by the Authority to provide financial information or operating data in accordance with this Section by the time required by this Section.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The Authority shall be obligated to observe and perform the covenants specified in this Section with respect to the Authority and the Bonds while, but only while, the Authority remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Authority in any event will give notice required by subsection (c) hereof of any Bond calls and defeasance that cause the Authority to be no longer such an "obligated person".

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the Authority or the State of

Texas or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Authority does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE AUTHORITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE AUTHORITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Authority in observing or performing its obligations under this Section shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Authority under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the Authority from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the Authority if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the Authority's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the Authority so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 40: Reapproval of Contract. In all respects, the Contract is reapproved and shall be and remain in full force as the agreement of the parties to such Contract.

SECTION 41: Incorporation of Findings and Determinations. The findings and determinations of the Board of Directors of the Authority contained in the preamble hereof are hereby incorporated by reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

SECTION 42: Further Procedures. Any one or more of the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Authority all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the President, Vice President, Secretary, and/or Assistant Secretary of the Board of Directors of the Authority, and the General Manager of the Authority, and Bond Counsel are each hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the documents authorized and approved by this Resolution: (i) in order to cure any technical ambiguity, formal defect, or omission in the Resolution or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Authority whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 43: Benefits of Resolution. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person other than the Authority, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Authority, the Paying Agent/Registrar and the Holders.

SECTION 44: Inconsistent Provisions. All orders or resolutions, or parts thereof, that are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict and the provisions of this Resolution shall be and remain controlling as to the matters contained herein.

SECTION 45: Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 46: Severability. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 47: Public Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 48: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

[The remainder of this page is intentionally left blank]

PASSED AND ADOPTED, this _____, 2015.

GREATER TEXOMA UTILITY AUTHORITY

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(Seal)

EXHIBIT A

Paying Agent/Registrar Agreement

EXHIBIT B

Contract for Water Supply and Sewer Service

EXHIBIT C
Escrow Agreement

EXHIBIT D

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 38 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data to be provided annually in accordance with such Section are the financial statements of the Authority and the financial statements of the City.

Accounting Principles

The accounting principles referred to in such Section are generally those described in the financial statements referenced above, as such principles may be changed from time to time to comply with state law or regulation.

ATTACHMENT 22

Draft Private Placement Memo

PRIVATE PLACEMENT MEMORANDUM DATED MAY 8, 2015

NEW ISSUE BOOK-ENTRY-ONLY

On the date of initial delivery of the Obligations (defined below), Issuer Bond Counsel (defined on page 2) will render its opinion substantially in the form attached in "APPENDIX C – FORM OF OPINION OF BOND COUNSEL."

\$1,210,000
GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS, SERIES 2015 (CITY OF TOM BEAN SWIFT PROJECT)
(THE "OBLIGATIONS")

Dated: May 15, 2015

Due: July 1

Interest accrues from the Delivery Date shown below

Interest Date: Interest on the Obligations will be payable on July 1 and January 1 each year, commencing July 1, 2016 (each an "Interest Payment Date"). The Obligations will bear interest at the rates per annum set forth in "APPENDIX A – MATURITY SCHEDULE."

Record Date: The fifteenth day of the calendar month next preceding each Interest Payment Date.

Date Interest Accrues: Each Bond shall bear interest from the Delivery Date thereof or the most recent Interest Payment Date to which interest has been paid or provided for at the rate set forth, such interest payable semiannually on July 1 and January 1 of each year until the earliest of maturity or prior redemption, commencing on July 1, 2016.

Redemption: The Obligations maturing on and after July 1, 2026, shall be subject to redemption prior to maturity, at the option of the Authority, in whole or in part, in inverse order of maturity if fewer than all, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar), on July 1, 2025, or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption. See "THE OBLIGATIONS – Redemption Provisions" herein.

Authorized Denominations: The Obligations are being issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof.

Paying Agent/Registrar/Registrar: The paying agent ("Paying Agent/Registrar/Registrar") for the Obligations is BOKF, NA, dba Bank of Texas, Dallas, Texas.

Book-Entry-Only System Upon initial issuance, the ownership of the Obligations will be registered in the registration books of the Issuer kept by the Paying Agent/Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") to which principal, redemption premium, if any, and interest payments on the Obligations will be made. The purchasers of the Obligations will not receive physical delivery of bond certificates. Principal of, interest, and premium if any, on the Obligations will be payable at the designated office of the Paying Agent/Registrar in St. Paul, Minnesota as the same become due and payable.

Issuer: Greater Texoma Utility Authority (City of Tom Bean SWIFT Project)

Official Action: Resolution, dated _____, 2015.

Purpose: See "APPENDIX B – OFFICIAL ACTION."

Security for the Obligations: See APPENDIX B – OFFICIAL ACTION."

Ratings: See "OTHER INFORMATION – Ratings"

Delivery Date: _____, 2015.

See "APPENDIX A – MATURITY SCHEDULE" for Principal Amounts, Maturities, Interest Rates, Prices or Yields, and Initial CUSIP Numbers

BOARD OF DIRECTORS

| <u>Place</u> | <u>Name and Position</u> | <u>Term Expires</u> | <u>Occupation</u> | <u>Appointing City</u> |
|--------------|---|---------------------|---|------------------------|
| II | Dr. Donald M. Skelton, DDS President | 12-15 | Retired, Dentist | Denison |
| IV | Bill Johnson Vice President | 12-15 | Retired, President Keystone Industries | Sherman |
| V | George Rowland Secretary/Treasurer | 12-15 | Retired, Vice President Austin College | Sherman |
| I | Mark Kuneman Member | 12-16 | Owner, Gold Star Finance | Denison |
| III | Everett Grantham Member | 12-16 | Building Contractor | Denison |
| VI | Brad Morgan Member | 12-16 | Financial Advisor, Merrill Lynch | Sherman |
| VII | Clyde Yeatts Member | 12-16 | Retired, Teacher/Farmer | Gainesville |
| VIII | David Stump Member | 12-16 | Retired, Insurance Underwriter | Anna |
| IX | Jeannie Anderson Member | 12-15 | Retired, Federal Employee | General Law Cities |

APPOINTED OFFICIALS

| <u>Name and Position</u> | <u>Position</u> | <u>Length of Service</u> |
|--------------------------|-----------------|--------------------------|
| Drew Satterwhite | General Manager | 1 Year |

CONSULTANTS AND ADVISORS

Auditors Schalk & Smith PC
Gainesville, Texas

Bond CounselNorton Rose Fulbright US LLP
Dallas, Texas

Financial Advisor Specialized Public Finance Inc.
Austin, Texas

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PRIVATE PLACEMENT MEMORANDUM
relating to

\$1,210,000

GREATER TEXOMA UTILITY AUTHORITY
CONTRACT REVENUE BONDS, SERIES 2015 (CITY OF TOM BEAN SWIFT PROJECT)
(the "Obligations")

INTRODUCTION

This Private Placement Memorandum, including the cover page and appendices, contains brief descriptions of the Issuer, provides certain information with respect to the issuance by the Issuer, and summaries of certain provisions of the "Obligations" pursuant to the Official Action. Except as otherwise set forth herein, capitalized terms used but not defined in this Private Placement Memorandum have the meanings assigned to them in the Official Action. See "APPENDIX B – FORM OF OFFICIAL ACTION" attached hereto.

APPENDIX A contains the maturity schedule for the Obligations. APPENDIX B contains the Official Action and a description of the purpose for the proceeds of the Obligations. APPENDIX C contains a copy of the proposed opinion of Bond Counsel with respect to the Obligations. The summaries of the documents contained in the forepart of this Private Placement Memorandum are not complete or definitive, and every statement made in this Private Placement Memorandum concerning any provision of any document is qualified by reference to such document in its entirety.

THE OBLIGATIONS

General Description

The Obligations are being issued in the aggregate principal amount set forth in APPENDIX A of this Private Placement Memorandum and will mature and be subject to redemption prior to maturity as described therein. The Obligations are being issued as fully registered bonds in denominations of **\$5,000**, or any integral multiple thereof. The Obligations will be dated as of the stated date of issue and will mature on the dates referenced thereon, and will bear interest at the rates per annum set forth in "APPENDIX A – MATURITY SCHEDULE."

Interest on the Obligations is payable semiannually on each Interest Payment Date, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of and the redemption price with respect to the Obligations will be payable to the Owners upon presentation and surrender at the designated office of the Paying Agent/Registrar.

Purpose

See "APPENDIX B – FORM OF OFFICIAL ACTION."

Authority for Issuance

The Obligations are issued pursuant to the Constitution and the general laws of the State of Texas, including the Texas Special District Local Laws Code, Chapter 8283 (the "Act"); Texas Government Code, Chapter 1371, as amended; and a bond resolution passed by the Board of Directors of the Authority, as amended, and the Official Action adopted by the Issuer.

Security for the Obligations

See "APPENDIX B – FORM OF OFFICIAL ACTION."

Redemption Provisions

On July 1, 2025, or on any date thereafter, the Obligations maturing on and after July 1, 2026 may be redeemed prior to their scheduled maturities, upon the written direction of the Issuer, with funds provided by the

Issuer, at par plus accrued interest to the date fixed for redemption as a whole, or in part, in inverse order of maturity if fewer than all, and if less than all of a maturity is to be redeemed the Paying Agent/Registrar will determine by lot the Obligations, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in Authorized Denominations).

Book-Entry-Only System

The information in this caption concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book entry system has been obtained from DTC and the Issuer makes no representation or warranty nor takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Obligations and deposited with DTC. See "APPENDIX B – FORM OF OFFICIAL ACTION."

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearance Corporation, and Fixed Income Clearance Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: "AAA." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

TAX MATTERS

Opinion

Bond Counsel will deliver its opinion on the date of delivery of the Obligations substantially in the form as attached in "APPENDIX C – FORM OF OPINION OF BOND COUNSEL."

OTHER INFORMATION

Forward Looking Statements

The statements contained in this Private Placement Memorandum, including the cover page, appendices, and any other information or documents provided by the Issuer, that are not purely historical, are forward-looking statements, including statements regarding the Issuer's expectations, hopes, intentions, or strategies regarding the future. Holders and beneficial owners of the Obligations have placed reliance on forward-looking statements. All forward looking statements included in this Private Placement Memorandum are based on information available to the Issuer on the date hereof. It is important to note that the Issuer's actual results could differ materially from those in such forward-looking statements.

Ratings

No application has been made to any ratings agency or municipal bond insurance company for qualification of the Obligations for ratings or municipal bond insurance, respectively.

LITIGATION

General

On the date of delivery of the Obligations to the initial purchasers thereof, the Issuer will execute and deliver a certificate to the effect that, except as disclosed herein, no litigation of any nature has been filed or is pending, as of that date, to restrain or enjoin the issuance or delivery of the Obligations or which would affect the provisions made for their payment or security or in any manner questioning the validity of the Obligations.

The Issuer

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Issuer, threatened) that adversely affects the power, authority or obligation of the Issuer to deliver the Obligations, the security for, or the validity of, the Obligations or the financial condition of the Issuer.

CONTINUING DISCLOSURE OF INFORMATION

In the Official Action, the Issuer has made the following agreement for the benefit of the holders and beneficial owners of the Obligations. The Issuer is required to observe the agreement for so long as it remains obligated to advance funds to pay the Obligations. Under the agreement, the Issuer will be obligated to provide certain updated financial information and operating data, and timely notice of specified material events, to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System. See "APPENDIX B – FORM OF OFFICIAL ACTION."

Compliance with Prior Undertakings

During the last five years, the Authority has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

MISCELLANEOUS

Any statements made in this Private Placement Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Private Placement Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Obligations.

The information contained above is neither guaranteed as to accuracy or completeness nor to be construed as a representation by the Issuer. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Private Placement Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the Issuer or the Issuer from the date hereof.

The Private Placement Memorandum is submitted in connection with the sale of the securities referred to herein to the Texas Water Development Board on the Delivery Date and may not be reproduced or used, as a whole or in part, for any other purpose.

ADDITIONAL INFORMATION

The Private Placement Memorandum speaks only as of its date and the information contained herein is subject to change. Descriptions of the Obligations and the Official Action and any other agreements and documents contained herein constitute summaries of certain provisions thereof and do not purport to be complete. This Private Placement Memorandum was approved by the Issuer.

APPENDIX A

MATURITY SCHEDULE

| July 1 Maturity | Principal Amount | Rate | Initial Yield | CUSIP Numbers |
|----------------------------|-----------------------------|-------------|--------------------------|--------------------------|
| 2017 | \$ 20,000 | | | |
| 2018 | 20,000 | | | |
| 2019 | 20,000 | | | |
| 2020 | 20,000 | | | |
| 2021 | 65,000 | | | |
| 2022 | 65,000 | | | |
| 2023 | 70,000 | | | |
| 2024 | 70,000 | | | |
| 2025 | 70,000 | | | |
| 2026 | 70,000 | | | |
| 2027 | 75,000 | | | |
| 2028 | 75,000 | | | |
| 2029 | 75,000 | | | |
| 2030 | 80,000 | | | |
| 2031 | 80,000 | | | |
| 2032 | 80,000 | | | |
| 2033 | 85,000 | | | |
| 2034 | 85,000 | | | |
| 2035 | 85,000 | | | |

APPENDIX B
FORM OF OFFICIAL ACTION

APPENDIX C

FORM OF OPINION OF BOND COUNSEL