



PROJECT FUNDING REQUEST

BOARD DATE: February 2, 2022

Team Manager: Nancy Richards

ACTION REQUESTED

Approve by resolution a request from the Greater Texoma Utility Authority on behalf of the City of Henrietta (Clay County) for \$10,235,000 in financing from the Texas Water Development Fund for planning, design, and construction of wastewater system improvements.

STAFF RECOMMENDATION

Approve No Action

BACKGROUND

The City of Henrietta (City) is located in Clay County approximately 20 miles southeast of Wichita Falls. The City provides water and wastewater to approximately 3,300 residents through 1,600 drinking water connections and 1,300 sewer connections.

PROJECT NEED AND DESCRIPTION

The City owns two existing two wastewater treatment plants. The North plant capacity is 0.245 million gallons per day (MGD) and was built in 1947. The South Plant is 0.392 MGD and was built in 1974. Both plants need major rehabilitation, have limited treatment redundancy, and are at the end of their useful life. The South Plant's discharge point is in close proximity to a permitted water supply reservoir.

The City proposes to decommission the two existing wastewater treatment plants and construct a new 0.85 million gallon per day wastewater treatment plant to replace both plants near the site of the existing South Plant. The proposed site of the new plant is already owned by the City. The consolidation to the new plant will also require new sewer lines and two lift stations to interconnect the two collection systems.

PROJECT SCHEDULE

Task	Schedule Date
Closing	August 15, 2022
Engineering Feasibility Report Completion (End of Planning Phase)	September 30, 2022
Design Phase Completion	March 15, 2023
Start of Construction	August 15, 2023
Construction Completion	December 31, 2024

COMMITMENT PERIOD: TWELVE (12) MONTHS TO EXPIRE FEBRUARY 28, 2023

KEY ISSUES

The Greater Texoma Utility Authority (Authority) provides its member cities with assistance in financing and construction of water and wastewater facilities. The Authority may also be requested to provide operations services for water and wastewater facilities by member cities and others. The Authority, on behalf of the City, is requesting to fund the bond reserve fund with bond proceeds.

LEGAL

Special Conditions

- None.

Attachments:

1. Financial Review
2. Project Budget
3. Resolution (22-)
4. Water Conservation Review
5. Location Map

Financial Review GTUA/City of Henrietta

Risk Score: 2B

Audit Reviewed: FY 2020

Key Indicators

Indicator	Result	Benchmark
Population Growth, Average Annual 2010-2019	City: -0.08%	State: 1.24%
Top 10 Customers % of Total Revenue	9%	10-15%
Median Household Income as % of State	77%	100%
Days of Cash on Hand (3-year Average)	272	30-149 days
Net Fixed Assets/ Annual Depreciation	17	12-24 years
Cash Balance Ratio	54%	0-9.99%
Debt-to-Operating Revenues	7.46	4.00-5.99x
Unemployment Rate (October, 2021)	Clay County: 4.20%	State: 4.80%
Working Capital Ratio	3.81	> 1.0

Key Risk Score Strengths

- A high working capital ratio provides the City with ample resources to cover short-term liabilities and shows a strong liquidity position.
- The City's cash balance ratio is above the benchmark due to its increase in general fund cash reserves over the last five years.

Key Risk Score Concerns

- Debt-to-operating revenues ratio is above benchmark due to system revenues supporting the new issuance.
- Based on a no-growth scenario, the City will need to implement a rate increase in the first year of principal repayment of \$11.81 increasing to \$11.97 in 2025 for repayment of the proposed debt service requirements.

PLEDGE

Legal Pledge Name	Contract Revenues
Type of Pledge	<input type="checkbox"/> Tax <input type="checkbox"/> Revenue <input type="checkbox"/> Tax & Revenue <input checked="" type="checkbox"/> Contract <input type="checkbox"/> Other
Revenue Pledge Level	<input checked="" type="checkbox"/> First <input type="checkbox"/> Second <input type="checkbox"/> Third <input type="checkbox"/> N/A

RATES AND CHARGES

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (2025)	Current Household Cost Factor	Projected Household Cost Factor
WATER	3,700	\$42.48	\$54.45	1.69%	1.99%
WASTEWATER	3,756	\$24.40	\$24.40		

Responsible Authority	Greater Texoma UA
Program	WDF
Commitment Number	L1001476
Project Number	21804
List Year	2021
Type of Pledge	Contract Revenue Pledge
Pledge Level (if applicable)	First Lien
Legal Description	\$10,235,000 Greater Texoma Utility Authority Contract Revenue Bonds (City of Henrietta Project) Proposed Series 2022
Tax-exempt or Taxable	Tax-Exempt
Refinance	No
Outlay Requirement	No
Disbursement Method	Escrow
Outlay Type	Outlay <> Escrow Release
Qualifies as Disadvantaged	No
Financial Managerial & Technical Complete	N/A
Phases Funded	Planning, Design, and Construction
Pre-Design	Yes
Project Consistent with State Water Plan	N/A
Water Conservation Plan	Adopted
Overall Risk Score	2B

PROJECT TEAM

Team Manager	Financial Analyst	Engineering Reviewer	Environmental Reviewer	Attorney
Nancy Richards	Rand Zeolla	Bill Blaik	Britt Paredes	Breann Hunter

ISSUE BEING EVALUATED
FOR ILLUSTRATION PURPOSES ONLY
GTUA/City of Henrietta

\$10,235,000 Greater Texoma Utility Authority Contract Revenue Bonds (City of Henrietta Project) Proposed Series 2022

Dated Date: 8/15/2022	Source: WDF
Delivery Date: 8/15/2022	Rate: 3.58%
First Interest: 8/15/2022	IUP Year: 2021
First Principal: 2/15/2023	Case: Contract Revenue
Last Principal: 2/15/2062	Admin.Fee: \$0
Fiscal Year End: 09/30	Admin. Fee Payment Date: N/A
Required Coverage: 1.0	

FISCAL YEAR	PROJECTED NET SYSTEM REVENUES	CURRENT DEBT SERVICE	\$10,235,000 ISSUE				TOTAL DEBT SERVICE	COVERAGE
			PRINCIPAL PAYMENT	INTEREST RATE	INTEREST PAYMENT	TOTAL PAYMENT		
2023	\$477,990	-	155,000	0.64%	322,990	477,990	477,990	1.00
2024	\$477,990	-	155,000	0.76%	321,905	476,905	476,905	1.00
2025	\$480,612	-	160,000	0.88%	320,612	480,612	480,612	1.00
2026	\$480,612	-	160,000	1.03%	319,084	479,084	479,084	1.00
2027	\$480,612	-	160,000	1.19%	317,308	477,308	477,308	1.01
2028	\$480,612	-	165,000	1.32%	315,267	480,267	480,267	1.00
2029	\$480,612	-	165,000	1.42%	313,006	478,006	478,006	1.01
2030	\$480,612	-	170,000	1.48%	310,577	480,577	480,577	1.00
2031	\$480,612	-	170,000	1.54%	308,010	478,010	478,010	1.01
2032	\$480,612	-	175,000	1.84%	305,091	480,091	480,091	1.00
2033	\$480,612	-	175,000	2.08%	301,661	476,661	476,661	1.01
2034	\$480,612	-	180,000	2.29%	297,780	477,780	477,780	1.01
2035	\$480,612	-	185,000	2.46%	293,443	478,443	478,443	1.00
2036	\$480,612	-	190,000	2.62%	288,679	478,679	478,679	1.00
2037	\$480,612	-	195,000	2.76%	283,499	478,499	478,499	1.00
2038	\$480,612	-	200,000	2.88%	277,928	477,928	477,928	1.01
2039	\$480,612	-	205,000	2.99%	271,983	476,983	476,983	1.01
2040	\$480,612	-	210,000	3.09%	265,674	475,674	475,674	1.01
2041	\$480,612	-	215,000	3.18%	259,011	474,011	474,011	1.01
2042	\$480,612	-	225,000	3.29%	251,891	476,891	476,891	1.01
2043	\$480,612	-	230,000	3.37%	244,314	474,314	474,314	1.01
2044	\$480,612	-	240,000	3.43%	236,323	476,323	476,323	1.01
2045	\$480,612	-	245,000	3.50%	227,919	472,919	472,919	1.02
2046	\$480,612	-	255,000	3.55%	219,105	474,105	474,105	1.01
2047	\$480,612	-	265,000	3.59%	209,822	474,822	474,822	1.01
2048	\$480,612	-	275,000	3.63%	200,074	475,074	475,074	1.01
2049	\$480,612	-	285,000	3.67%	189,853	474,853	474,853	1.01
2050	\$480,612	-	295,000	3.70%	179,166	474,166	474,166	1.01
2051	\$480,612	-	305,000	3.73%	168,020	473,020	473,020	1.02
2052	\$480,612	-	315,000	3.76%	156,410	471,410	471,410	1.02
2053	\$480,612	-	330,000	3.79%	144,235	474,235	474,235	1.01
2054	\$480,612	-	340,000	3.82%	131,487	471,487	471,487	1.02
2055	\$480,612	-	355,000	3.84%	118,177	473,177	473,177	1.02
2056	\$480,612	-	370,000	3.86%	104,220	474,220	474,220	1.01
2057	\$480,612	-	380,000	3.86%	89,745	469,745	469,745	1.02
2058	\$480,612	-	395,000	3.86%	74,788	469,788	469,788	1.02
2059	\$480,612	-	410,000	3.86%	59,251	469,251	469,251	1.02
2060	\$480,612	-	430,000	3.86%	43,039	473,039	473,039	1.02
2061	\$480,612	-	445,000	3.86%	26,152	471,152	471,152	1.02
2062	\$480,612	-	455,000	3.86%	8,782	463,782	463,782	1.04
		\$0	\$10,235,000		\$8,776,271	\$19,011,271	\$19,011,271	

AVERAGE (MATURITY) LIFE	23.94 YEARS
NET INTEREST RATE	3.581%
COST SAVINGS	\$0
AVERAGE ANNUAL REQUIREMENT	\$475,282

Disclaimer: This is a working document and is provided as a courtesy. All information contained herein, including the proposed interest rate, is subject to change upon further review of the TWDB in accordance with 31 Texas Administrative Code Chapters 363, 371, 375, or 384, as applicable. The TWDB does not function as a financial advisor to anyone in connection with this financing. The information contained in this document is used by TWDB staff to analyze the application for financing is illustrative only and does not constitute any guaranty of future rates. The TWDB makes no claim regarding the applicability of the information at closing, at which time actual rates will be set.



Project Budget Summary
 Greater Texoma UA
 21804 - GTUA/City of Henrietta
 WWTP Improvements

Budget Items	This Commitment	Total
Construction		
Construction	\$7,650,000.00	\$7,650,000.00
Subtotal for Construction	\$7,650,000.00	\$7,650,000.00
Basic Engineering Services		
Design	\$890,000.00	\$890,000.00
Planning	\$25,000.00	\$25,000.00
Subtotal for Basic Engineering Services	\$915,000.00	\$915,000.00
Special Services		
Application	\$10,000.00	\$10,000.00
Environmental	\$75,000.00	\$75,000.00
Permits	\$35,000.00	\$35,000.00
Subtotal for Special Services	\$120,000.00	\$120,000.00
Fiscal Services		
Bond Counsel	\$71,175.00	\$71,175.00
Bond Reserve Fund	\$409,400.00	\$409,400.00
Financial Advisor	\$46,708.00	\$46,708.00
Issuance Costs	\$12,000.00	\$12,000.00
Subtotal for Fiscal Services	\$539,283.00	\$539,283.00
Other		
Administration	\$15,000.00	\$15,000.00
Other (Agent Fees)	\$5,500.00	\$5,500.00
Subtotal for Other	\$20,500.00	\$20,500.00
Contingency		
Contingency	\$990,217.00	\$990,217.00
Subtotal for Contingency	\$990,217.00	\$990,217.00
Total	\$10,235,000.00	\$10,235,000.00

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
\$10,235,000 TO GREATER TEXOMA UTILITY AUTHORITY ON BEHALF OF CITY OF
HENRIETTA FROM THE FINANCIAL ASSISTANCE ACCOUNT OF
THE TEXAS WATER DEVELOPMENT FUND II
THROUGH THE PROPOSED PURCHASE OF
\$10,235,000 GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS
PROPOSED SERIES 2022 (CITY OF HENRIETTA PROJECT)

(22 -)

WHEREAS, the Greater Texoma Utility Authority, located in Clay County, Texas, (Authority), has filed an application for financial assistance in the amount of \$10,235,000 from the Financial Assistance Account of the Texas Water Development Fund II to finance wastewater system improvements, identified as Project No. 21804 and

WHEREAS, the Authority seeks financial assistance from the Texas Water Development Board (TWDB) in the amount of \$10,235,000 through the TWDB's purchase of \$10,235,000 Greater Texoma Utility Authority Contract Revenue Bonds, Proposed Series 2022 (City of Henrietta Project) (together with all authorizing documents (Obligations)), all as is more specifically set forth in the application and in recommendations of the TWDB's staff; and

WHEREAS, the Authority has offered a pledge of contract revenues as sufficient security for the repayment of the Obligations; and

WHEREAS, the commitment is approved for funding under the TWDB's pre-design funding option, and initial and future releases of funds are subject to 31 TAC § 363.16; and

WHEREAS, in accordance with Texas Water Code § 17.275, the TWDB has considered all matters required by law and in particular the following:

1. the water quality needs of the waters into which effluent from the treatment works will be discharged, the benefit of the treatment works to such water quality needs, the relationship of the treatment works to the overall, statewide water quality needs, and the relationship of the treatment works to water quality planning for the state;
2. the availability of revenue to the political subdivision, from all sources, for the ultimate repayment of the cost of the treatment works, including interest; and
3. that the Authority has been designated, pursuant to Texas Water Code § 26.082, to provide a regional system to serve all or part of the waste disposal needs of a defined area, the development of such systems being the declared policy of the legislature; and

WHEREAS, the TWDB hereby finds:

1. that the public interest will benefit from state assistance in the financing of this project, in accordance with Texas Water Code § 17.277(a);
2. that any treatment works to be financed under the application will consider cost-effective innovative, nonconventional methods of treatment such as rock reed, root zone, ponding, irrigation, or other methods that may have been developed by the National Aeronautics and Space Administration or the Tennessee Valley Authority, in accordance with Texas Water Code § 17.189;
3. that the Authority has adopted and implemented a water conservation program for the more efficient use of water that will meet reasonably anticipated local needs and conditions and that incorporates practices, techniques or technology prescribed by the Texas Water Code and TWDB's rules;
4. that the application and financial assistance requested meet the requirements of Chapter 17, Subchapters D, E, and L, Water Code, and the TWDB's rules set forth in 31 TAC Chapter 363, Subchapter A;

NOW THEREFORE, based on these findings, the TWDB resolves as follows:

A commitment is made by the TWDB to the Greater Texoma Utility Authority for financial assistance in the amount of \$10,235,000 from the Financial Assistance Account of the Texas Water Development Fund II, to be evidenced by the TWDB's purchase of \$10,235,000 Greater Texoma Utility Authority Contract Revenue Bonds, Proposed Series 2022 (City of Henrietta Project). This commitment will expire on February 28, 2023.

Such commitment is conditioned as follows:

Standard Conditions

1. this commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand;
2. this commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that the Authority has complied with all of the requirements of the laws under which said Obligations were issued; that said Obligations were issued in conformity with the Constitution and laws of the State of Texas; and that said Obligations are valid and binding obligations of the Authority;
3. this commitment is contingent upon the Authority's compliance with all applicable laws, rules, policies, and guidance (as these may be amended from time to time to

adapt to a change in law, in circumstances, or any other legal requirement), including but not limited to 31 TAC Chapter 363;

4. the Obligations must provide that the Obligations can be called for early redemption (Early Redemption) only in inverse order of maturity, and on any date beginning on or after the first interest payment date which is 10 years from the dated date of the Obligations, at a redemption price of par, together with accrued interest to the date fixed for redemption;
5. the Obligations must include a provision wherein the Authority, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the Authority's Obligations or obligated persons, will, at a minimum, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of such rule, such continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the Authority's Obligations, if the TWDB sells or otherwise transfers such Obligations, and the beneficial owners of the TWDB's bonds if the Authority is an obligated person with respect to such bonds under SEC Rule 15c2-12;
6. the Obligations must include a provision requiring the Authority to use any surplus loan proceeds from the Obligations remaining after completion of a final accounting in a manner as approved by the Executive Administrator; and
7. the Obligations must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect;
8. financial assistance proceeds are public funds and, as such, the Obligations must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256 and the Public Funds Collateral Act, Government Code, Chapter 2257;
9. financial assistance proceeds shall not be used by the Authority when sampling, testing, removing or disposing of contaminated soils and/or media at the project site. The Obligations shall include an environmental indemnification provision wherein the Authority agrees to indemnify, hold harmless and protect the TWDB from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the Authority, its contractors, consultants, agents, officials and employees as a result of activities relating to the project to the extent permitted by law;

10. prior to closing, the Authority shall submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements;
11. prior to closing, and if required under the TWDB's financial assistance program and not previously provided with the application, the Authority shall submit an executed engineering contract as appropriate for the project scope of work, and an executed financial advisor contract and executed bond counsel contract as appropriate for the work to be performed in obtaining the TWDB's financial assistance for the project, in a form and substance that are satisfactory to the Executive Administrator. Fees to be reimbursed under any consulting contract must be reasonable in relation to the services performed, must be reflected in the contract, and must be acceptable to the Executive Administrator;
12. prior to closing, when any portion of financial assistance proceeds are to be held in escrow or in trust, the Authority shall execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB;
13. the Executive Administrator may require that the Authority execute a separate financing agreement in form and substance acceptable to the Executive Administrator;
14. the Authority shall abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter F and Texas Water Code § 17.183;

Conditions Related to Tax-Exempt Status

15. prior to closing, the Authority's bond counsel must prepare a written opinion that states that the interest on the Obligations is excludable from gross income or is exempt from federal income taxation. Bond counsel may rely on covenants and representations of the Authority when rendering this opinion;
16. prior to closing, the Authority's bond counsel must prepare a written opinion that states that the Obligations are not "private activity bonds." Bond counsel may rely on covenants and representations of the Authority when rendering this opinion;
17. the Obligations must include a provision prohibiting the Authority from using the proceeds of this financial assistance in a manner that would cause the Obligations to become "private activity bonds" within the meaning of § 141 of the Internal Revenue Code of 1986, as amended (Code) and the Treasury Regulations promulgated thereunder (Regulations);

18. the Obligations must provide that no portion of the proceeds of the loan will be used, directly or indirectly, in a manner that would cause the Obligations to be “arbitrage bonds” within the meaning of § 148(a) of the Code and Regulations, including to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments (as defined in the Code and Regulations) that produce a yield materially higher than the yield on the TWDB’s bonds that are issued to provide financing for the loan (Source Series Bonds), other than Nonpurpose Investments acquired with:
 - a. proceeds of the TWDB’s Source Series Bonds invested for a reasonable temporary period of up to three (3) years after the issue date of the Source Series Bonds until such proceeds are needed for the facilities to be financed;
 - b. amounts invested in a bona fide debt service fund, within the meaning of § 1.148-1(b) of the Regulations; and
 - c. 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 Obligations, 125% of average annual debt service on the Obligations, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Obligations;

19. the Obligations must include a provision requiring the Authority take all necessary steps to comply with the requirement that certain amounts earned on the investment of gross proceeds of the Obligations be rebated to the federal government in order to satisfy the requirements of § 148 of the Code. The Obligations must provide that the Authority will:
 - a. account for all Gross Proceeds, as defined in the Code and Regulations, (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 retain all records of such accounting for at least six years after the final Computation Date. The Authority may, however, to the extent permitted by law, commingle Gross Proceeds of its loan with other money of the Authority, provided that the Authority separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith;
 - b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to its loan, not less frequently than each Computation Date, in accordance with rules set forth in § 148(f) of the Code, § 1.148-3 of the Regulations, and the rulings thereunder. The Authority shall maintain a copy of such calculations for at least six years after the final Computation Date;

- c. as additional consideration for the making of the loan, and in order to induce the making of the loan by measures designed to ensure the excludability of the interest on the TWDB's Source Series Bonds from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (b) above within 30 days after each Computation Date;
 - d. exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (b) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations;
- 20. the Obligations must include a provision prohibiting the Authority from taking any action that would cause the interest on the Obligations to be includable in gross income for federal income tax purposes;
 - 21. the Obligations must provide that the Authority will not cause or permit the Obligations to be treated as "federally guaranteed" obligations within the meaning of § 149(b) of the Code;
 - 22. the Obligations must contain a covenant that the Authority will refrain from using the proceeds of the Obligations to pay debt service on another issue of obligations of the borrower in contravention of section 149(d) of the Code (related to "advance refundings");
 - 23. the transcript must include a No Arbitrage Certificate or similar Federal Tax Certificate setting forth the Authority's reasonable expectations regarding the use, expenditure and investment of the proceeds of the Obligations;
 - 24. the transcript must include evidence that the information reporting requirements of § 149(e) of the Code will be satisfied. This requirement may be satisfied by filing an IRS Form 8038 with the Internal Revenue Service. In addition, the applicable completed IRS Form 8038 or other evidence that the information reporting requirements of § 149(e) have been satisfied must be provided to the Executive Administrator within fourteen (14) days of closing. The Executive Administrator may withhold the release of funds for failure to comply;
 - 25. the Obligations must provide that neither the Authority nor a related party thereto will acquire any of the TWDB's Source Series Bonds in an amount related to the amount of the Obligations to be acquired from the Authority by the TWDB;

Pledge Conditions for the Loan

- 26. upon request by the Executive Administrator, the Authority shall submit annual audits of contracting parties for the Executive Administrator's review;

27. the Obligations must contain a provision requiring the Authority to maintain and enforce the contracts with its customers so that the revenues paid to the Authority by its customers are sufficient to meet the revenue requirements of the Authority's obligations arising from the operation of the water and sewer system;
28. the Obligations must contain a provision that the pledged contract revenues from the Authority may not be pledged to the payment of any additional parity obligations of the Authority secured by a pledge of the same contract revenues unless the Authority demonstrates to the Executive Administrator's satisfaction that the pledged contract revenues will be sufficient for the repayment of all Obligations and additional parity obligations; and
29. prior to closing, the Authority must submit executed contracts between the Authority and the contracting parties regarding the contract revenues pledged to the payment of the Authority's Obligations, in form and substance acceptable to the Executive Administrator. Such contracts shall include provisions consistent with the provisions of this Resolution regarding the contracting parties' annual audits, the setting of rates and charges and collection of revenues sufficient to meet the Authority's debt service obligations and additional parity obligations.

APPROVED and ordered of record this, the 2ND day of February, 2022.

TEXAS WATER DEVELOPMENT BOARD

Brooke T. Paup, Chairwoman

DATE SIGNED: _____

ATTEST:

Jeff Walker
Executive Administrator

Water
Wastewater
Other

WATER CONSERVATION REVIEW

Entity: _____

Review date: _____

WATER CONSERVATION PLAN DATE: **Approvable** **Adopted**

	Total GPCD	Residential GPCD	Water Loss GPCD	Water Loss Percent
Baseline				
5-year Goal				
10-year Goal				

WATER LOSS AUDIT YEAR:

Total water loss (GPCD): _____ Total water loss (percent): _____ Wholesale Water
 Total no. of connections: _____ Length of mains (miles): _____ Connections per mile: _____
 If > 16 connections per mile and > 3,000 connections, Infrastructure Leakage Index (ILI): _____

WATER LOSS THRESHOLDS:

Apparent Loss Gallons per connection per day	Real Loss Gallons per mile per day	Real Loss Gallons per connection per day	Apparent Threshold Gallons per connection per day	Real Threshold Gallons per mile per day	Real Threshold Gallons per connection per day
		NA			NA
	NA			NA	
	NA			NA	

If population ≤ 10K, connections/mile < 32 :
 If population ≤ 10K, connections/mile ≥ 32 :
 If population > 10K :

Does the applicant meet Water Loss Threshold requirements? Yes No NA

ADDITIONAL INFORMATION:

STAFF NOTES AND RECOMMENDATIONS:

DEFINITIONS

Adopted refers to a water conservation plan that meets the minimum requirements of the water conservation plan rules and has been formally approved and adopted by the applicant's governing body.

Apparent loss refers to unauthorized consumption, meter inaccuracy, billing adjustments, and waivers.

Approvable refers to a water conservation plan that substantially meets the minimum requirements of the water conservation plan rules but has not yet been adopted by the applicant's governing body.

Best Management Practices are voluntary efficiency measures that save a quantifiable amount of water, either directly or indirectly, and that can be implemented within a specific time frame.

GPCD means gallons per capita per day.

Infrastructure Leakage Index (ILI) is the current annual real loss divided by the unavoidable annual real loss (theoretical minimum real loss) and only applies to utilities with more than 5,000 connections, average pressure greater than 35 psi, and a connection density of more than 32 connections per mile. The **ILI** is recommended to be less than 3 if water resources are greatly limited and difficult to develop, between 3 and 5 if water resources are adequate to meet long-term needs but water conservation is included in long-term water planning, and between 5 and 8 if water resources are plentiful, reliable, and easily extracted. The **ILI** is recommended as a benchmarking tool, but until there is increased data validity of the variables used in the calculation, the **ILI** should be viewed with care.

NA means not applicable.

Produced water is the total amount of water purchased or produced by the utility.

Real loss comes from main breaks and leaks, storage tank overflows, customer service line breaks, and leaks.

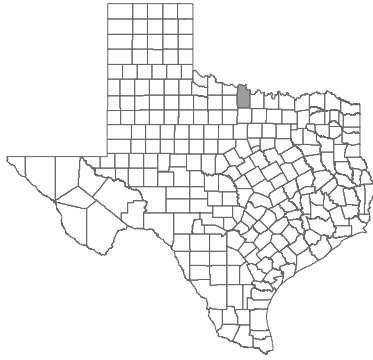
Residential GPCD is the amount of water per capita used solely for residential use and ideally includes both single and multi-family customer use.

Total baseline GPCD is the amount of all water purchased or produced by the utility divided by the service area population and then divided by 365.

Total water loss is the sum of the apparent and real water losses.

Water loss is the difference between the input volume and the authorized consumption within a water system. Water Loss consists of real losses and apparent losses.

Water Loss Thresholds are levels of real and apparent water loss determined by the size and connection density of a retail public utility, at or above which a utility receiving financial assistance from the Texas Water Development Board must use a portion of that financial assistance to mitigate the utility's system water loss.



GTUA City of Henrietta Clay County

