



PROJECT FUNDING REQUEST

BOARD DATE: March 3, 2022

Team Manager: Joe Koen

ACTION REQUESTED

Approve by resolution a request from the Greater Texoma Utility Authority on behalf of the City of Bells (Grayson County) for \$7,200,000 in financing from the Texas Water Development Fund for planning, design, and construction of water and wastewater system improvement projects.

STAFF RECOMMENDATION

Approve No Action

BACKGROUND

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 City of Bells (City) is located in Grayson County approximately 68 miles north of Dallas, Texas. The City provides water and wastewater services to approximately 2,109 residents and 704 water and 647 wastewater connections.

PROJECT NEED AND DESCRIPTION

The City's water system needs an additional water source and upgrades of the water distribution lines to address Texas Commission on Environmental Quality's (TCEQ) pressure and volume violations. The City's wastewater plant and collection systems need upgrades to meet project needs and address TCEQ discharge permit violations.

The City is proposing to use financing for planning, design, and construction funds to facilitate upgrades to the water and wastewater systems. Water system improvements include a new groundwater well and pump, backup generators, replacement of water meters, upsize and replacement of water distribution lines, and a new Supervisory Control and Data Acquisition system. Wastewater plant improvements include aeration equipment, chlorine contact basin, alarm system, pumps, and ancillary systems, and wastewater collection system repairs and replacements in several streets.

COMMITMENT PERIOD: TWELVE (12) MONTHS TO EXPIRE MARCH 31, 2023

PROJECT SCHEDULES

Water Tasks	Schedule Date
Closing	July 15, 2022
Engineering Feasibility Report Completion (End of Planning Phase)	March 1, 2023
Design Phase Completion	June 1, 2023
Start of Construction	October 1, 2023
Construction Completion	March 1, 2024

Wastewater Tasks	Schedule Date
Closing	July 15, 2022
Engineering Feasibility Report Completion (End of Planning Phase)	March 1, 2023
Design Phase Completion	September 1, 2023
Start of Construction	January 1, 2024
Construction Completion	January 1, 2025

KEY ISSUES

The Authority, on behalf of the City, is requesting to fund the bond reserve fund with bond proceeds.

LEGAL

Special Conditions

- Water rights certification.

Attachments:

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

Financial Review

Greater Texoma Utility Authority/City of Bells

Risk Score: 2C

Audit Reviewed: FY 2020

Key Indicators

Indicator	Result	Benchmark
Population Growth, Average Annual 2010-2019	County: 0.95%	State: 1.49%
Top 10 Customers % of Total Revenue	5%	10-15%
Median Household Income as % of State	116%	100%
Days of Cash on Hand (3-year Average)	35 days	30-149 days
Net Fixed Assets/ Annual Depreciation	24 years	12-24 years
Debt Service Coverage Ratio	0.35x	1.0x
Debt-to-Operating Revenues	12.72	4.00-5.99x
Unemployment Rate (November 2021)	{County}: 3.8%	State: 4.50%
Working Capital Ratio	0.72	> 1.0

Key Risk Score Strengths

- The City's household cost factor is within the benchmark indicating the City's customer base will not be unduly burdened by the needed rate increases.

Key Risk Score Concerns

- Debt-to-operating revenues ratio is above the benchmark due to system revenues supporting the majority of all outstanding debt. The City does have taxing authority.
- Contract revenues are derived from the City's water and sewer system. In a no growth scenario based on 2020 audited numbers, the City will need a \$37.87 rate increase in 2023 to meet debt service coverage requirements. However, the City implemented a \$3 increase in January 2021 and intends to use \$55,500 annually from its economic development corporations to offset a portion of the rate increase necessary to service the proposed debt. The actual rate increase necessary will be \$28.31. The City anticipates further increases in 2022 and 2023 to meet the required rate to service this debt.

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 (2023)	Current Household Cost Factor	Projected Household Cost Factor
WATER	2,325	\$43.99	\$58.15	1.14	1.67
WASTEWATER	3,133	\$24.28	\$38.43		

Project Data Summary

Responsible Authority	Greater Texoma UA
Program	WDF
Commitment Number	L1001462
Project Number	21798
List Year	N/A
Type of Pledge	Contract Revenue Pledge
Pledge Level (if applicable)	First Lien
Legal Description	\$7,200,000 Greater Texoma Utility Authority Contract Revenue Bonds, Series 2022 (City of Bells Project)
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	Yes
Water Conservation Plan	Adopted
Overall Risk Score	2C

PROJECT TEAM

Team Manager	Financial Analyst	Engineering Reviewer	Environmental Reviewer	Attorney
Joe Koen	Thomas Quick	Dennis Newman	Kristin Miller	Breann Hunter

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

\$7,200,000 Greater Texoma Utility Authority Contract Revenue Bonds Series 2022 (City of Bells Project)

Dated Date: 7/15/2022	Source: WDF
Delivery Date: 7/15/2022	Rate: 3.58%
First Interest: 2/15/2023	IUP Year: 2021
First Principal: 2/15/2023	Case: Contract Revenues
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	\$7,200,000 ISSUE				TOTAL DEBT SERVICE	COVERAGE
			PRINCIPAL PAYMENT	INTEREST RATE	INTEREST PAYMENT	TOTAL PAYMENT		
2023	\$408,904	\$52,555	\$110,000	0.64%	\$246,349	\$356,349	\$408,904	1.00
2024	408,904	56,439	110,000	0.76%	226,602	336,602	393,041	1.04
2025	408,904	55,184	110,000	0.88%	225,700	335,700	390,884	1.05
2026	408,904	58,928	110,000	1.03%	224,650	334,650	393,578	1.04
2027	408,904	57,533	115,000	1.19%	223,399	338,399	395,932	1.03
2028	408,904	56,138	115,000	1.32%	221,956	336,956	393,094	1.04
2029	408,904	59,743	115,000	1.42%	220,380	335,380	395,123	1.03
2030	408,904	58,209	120,000	1.48%	218,676	338,676	396,885	1.03
2031	408,904	61,674	120,000	1.54%	216,864	336,864	398,538	1.03
2032	408,904	-	120,000	1.84%	214,836	334,836	334,836	1.22
2033	408,904	-	125,000	2.08%	212,432	337,432	337,432	1.21
2034	408,904	-	125,000	2.29%	209,700	334,700	334,700	1.22
2035	408,904	-	130,000	2.46%	206,670	336,670	336,670	1.21
2036	408,904	-	130,000	2.62%	203,368	333,368	333,368	1.23
2037	408,904	-	135,000	2.76%	199,802	334,802	334,802	1.22
2038	408,904	-	140,000	2.88%	195,923	335,923	335,923	1.22
2039	408,904	-	145,000	2.99%	191,739	336,739	336,739	1.21
2040	408,904	-	150,000	3.09%	187,254	337,254	337,254	1.21
2041	408,904	-	150,000	3.18%	182,552	332,552	332,552	1.23
2042	408,904	-	155,000	3.29%	177,617	332,617	332,617	1.23
2043	408,904	-	165,000	3.37%	172,287	337,287	337,287	1.21
2044	408,904	-	170,000	3.43%	166,591	336,591	336,591	1.21
2045	408,904	-	175,000	3.50%	160,613	335,613	335,613	1.22
2046	408,904	-	180,000	3.55%	154,356	334,356	334,356	1.22
2047	408,904	-	185,000	3.59%	147,840	332,840	332,840	1.23
2048	408,904	-	195,000	3.63%	140,980	335,980	335,980	1.22
2049	408,904	-	200,000	3.67%	133,771	333,771	333,771	1.23
2050	408,904	-	205,000	3.70%	126,308	331,308	331,308	1.23
2051	408,904	-	215,000	3.73%	118,506	333,506	333,506	1.23
2052	408,904	-	225,000	3.76%	110,266	335,266	335,266	1.22
2053	408,904	-	230,000	3.79%	101,678	331,678	331,678	1.23
2054	408,904	-	240,000	3.82%	92,735	332,735	332,735	1.23
2055	408,904	-	250,000	3.84%	83,351	333,351	333,351	1.23
2056	408,904	-	260,000	3.86%	73,533	333,533	333,533	1.23
2057	408,904	-	270,000	3.86%	63,304	333,304	333,304.0	1.23
2058	408,904	-	280,000	3.86%	52,689	332,689	332,689.0	1.23
2059	408,904	-	290,000	3.86%	41,688	331,688	331,688.0	1.23
2060	408,904	-	300,000	3.86%	30,301	330,301	330,301.0	1.24
2061	408,904	-	315,000	3.86%	18,432	333,432	333,431.5	1.23
2062	408,904	-	320,000	3.86%	6,176	326,176	326,176.0	1.25
		\$516,403	\$7,200,000		\$6,201,868	\$13,401,868	\$13,918,271	

AVERAGE (MATURITY) LIFE	24.05 YEARS
NET INTEREST RATE	3.581%
COST SAVINGS	\$0
AVERAGE ANNUAL REQUIREMENT	\$347,957

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.

Budget Items	This Commitment	Total
Construction		
Construction	\$4,922,200.00	\$4,922,200.00
Subtotal for Construction	\$4,922,200.00	\$4,922,200.00
Basic Engineering Services		
Construction Engineering	\$102,000.00	\$102,000.00
Design	\$440,000.00	\$440,000.00
Planning	\$500,000.00	\$500,000.00
Subtotal for Basic Engineering Services	\$1,042,000.00	\$1,042,000.00
Special Services		
Application	\$10,000.00	\$10,000.00
Inspection	\$13,960.00	\$13,960.00
Water Conservation Plan	\$2,000.00	\$2,000.00
Subtotal for Special Services	\$25,960.00	\$25,960.00
Fiscal Services		
Bond Counsel	\$54,750.00	\$54,750.00
Bond Reserve Fund	\$289,000.00	\$289,000.00
Financial Advisor	\$36,450.00	\$36,450.00
Fiscal/Legal	\$2,500.00	\$2,500.00
Issuance Costs	\$9,700.00	\$9,700.00
Subtotal for Fiscal Services	\$392,400.00	\$392,400.00
Other		
Administration	\$14,500.00	\$14,500.00
Project Legal Expenses	\$2,500.00	\$2,500.00
Subtotal for Other	\$17,000.00	\$17,000.00
Contingency		
Contingency	\$800,440.00	\$800,440.00
Subtotal for Contingency	\$800,440.00	\$800,440.00
Total	\$7,200,000.00	\$7,200,000.00

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
\$7,200,000 TO GREATER TEXOMA UTILITY AUTHORITY
FROM THE FINANCIAL ASSISTANCE ACCOUNT OF
THE TEXAS WATER DEVELOPMENT FUND II
THROUGH THE PROPOSED PURCHASE OF
\$7,200,000 GREATER TEXOMA UTILITY AUTHORITY CONTRACT REVENUE BONDS (CITY
OF BELLS PROJECT)
PROPOSED SERIES 2022

(22 -)

WHEREAS, the Greater Texoma Utility Authority, located in Grayson County, Texas (Authority), has filed an application for financial assistance in the amount of \$7,200,000 from the Financial Assistance Account of the Texas Water Development Fund II, established by Texas Water Code § 17.959, to finance wastewater and water system improvements, identified as Project No. 21798; and

WHEREAS, the Authority seeks financial assistance from the Texas Water Development Board (TWDB) in the amount of \$7,200,000 through the TWDB's purchase of \$7,200,000 Greater Texoma Utility Authority Contract Revenue Bonds Proposed Series 2022 (City of Bells 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 revenue 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 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.

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 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;
3. that the application and financial assistance requested meet the requirements of Texas Water Code, Chapter 17, Subchapters E, F, and L, and 31 TAC Chapter 363, Subchapter A; and
4. 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.

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 \$7,200,000 from the Financial Assistance Account of the Texas Water Development Fund II, to be evidenced by the TWDB's purchase of \$7,200,000 Greater Texoma Utility Authority Contract Revenue Bonds Proposed Series 2022 (City of Bells Project). This commitment will expire on March 31, 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 City 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.

PROVIDED, however, the commitment is subject to the following special conditions:

Special Conditions:

30. prior to the release of funds for the costs of planning, engineering, architectural, legal, title, fiscal, or economic investigation, studies, surveys, or designs for that portion of a project that proposes surface water or groundwater development, the Executive Administrator must either issue a written finding that the Authority has the right to use the water that the project financed by the TWDB will provide or a written determination that a reasonable expectation exists that such a finding will be made before the release of funds for construction; and
31. prior to the release of construction funds for that portion of the project that proposes surface water or groundwater development, the Executive Administrator must have issued a written finding that the Authority has the right to use the water that the project financed by the TWDB will provide.

APPROVED and ordered of record this, the 3rd day of March 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
If population ≤ 10K, connections/mile < 32 :			NA			NA
If population ≤ 10K, connections/mile ≥ 32 :		NA			NA	
If population > 10K :		NA			NA	

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.

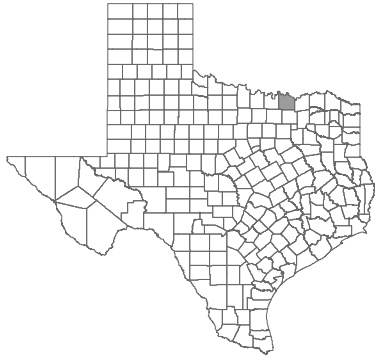
Residential GPCD is the amount of water per capita used solely for residential use and ideally includes both single and multi-family customer use.

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 Bells Grayson County

