PROJECT FUNDING REQUEST

BOARD DATE: April 10, 2025 **Team Manager:** David Firgens

ACTION REQUESTED

Consider approving by resolution a request from the Guadalupe-Blanco River Authority (Comal and Hays counties) for $2,140,000 in financial assistance from the Clean Water State Revolving Fund for planning and design of wastewater system improvements.

STAFF RECOMMENDATION

☒ Approve ☐ No Action

BACKGROUND

The Guadalupe-Blanco River Authority (Authority) was established in 1933 by the State of Texas to develop, conserve, and protect the water resources of ten counties in the Guadalupe River Basin from Kendall County northwest of San Antonio to Refugio County along the Gulf Coast. The total population of the counties the Authority serves is 890,455 as of 2022.

The proposed project will serve the City of Buda (City) and surrounding communities. The City is located 10 miles south of Austin. The estimated population of the areas served by the project is 11,200 with 4,514 residential wastewater connections.

PROJECT NEED AND DESCRIPTION

In 2021, the Authority acquired the Sunfield Water Reclamation Facility located east of the City. The facility has a current capacity of 0.75 million gallons per day (MGD) and primarily treats effluent flows from the Sunfield and Prairie Lakes developments east of the City. In addition, the Authority has contracted to treat additional flows from the City. To meet the future demands, the Authority needs to expand the facility's capacity to 2 MGD. Ultimate capacity for the service area is projected to be 4 MGD.

The Authority proposes to plan and design the needed expansion of the facility. Major anticipated components include a new influent lift station, biological treatment basins, aeration system, secondary clarifiers, return-activated and waste-activated sludge pump stations, aluminum sulfate system, effluent filters, chlorine contact basin, chlorine system, dechlorination system, effluent re-aeration and pumping system, solids handling and dewatering system, electrical and instrumentation improvements, and yard piping and site civil improvements.

COMMITMENT PERIOD: TWELVE (12) MONTHS TO EXPIRE APRIL 30, 2026

PROJECT SCHEDULE

Task	**Schedule Date**
Closing	September 1, 2025
Engineering Feasibility Report Completion (End of Planning Phase)	December 31, 2025
Design Phase Completion	June 26, 2026
Start of Construction	August 30, 2026
Construction Completion	March 31, 2029

Attachments:

1. Financial Review
2. Project Budget
3. Resolution (25-)
4. Water Conservation Review
5. Location Map

Financial Review
GBRA - Sunfield

Risk Score: 2B

Audit Reviewed: FY 2024

Key Indicators

Indicator	Result	Benchmark
Population Growth, Average Annual 2010-2020	County: 4.37%	State: 1.49%
Top 10 Customers % of Total Revenue	0%	10-15%
Median Household Income as % of State	110%	100%
Days of Cash on Hand (3-year Average)	662 days	30-149 days
Net Fixed Assets/ Annual Depreciation	100 years	12-24 years
Debt Service Coverage Ratio	0.88x	1.0x
Debt-to-Operating Revenues	8.94	4.00-5.99x
Unemployment Rate (December, 2024)	County: 3.10%	State: 3.70%
Working Capital Ratio	2.91	> 1.0

Key Risk Score Strengths

- Connections in Sunfield's service area have increased 61 percent from 2,340 to 3,779 between 2020 and 2024
- The Sunfield system's three-year average days of cash on hand is above the State benchmark. With an average of 662 days of cash on hand, the Authority is well positioned to handle fiscal emergencies if revenues were to dip.

Key Risk Score Concerns

- The debt service coverage ratio is below the 1.0 requirement at 0.88 times coverage. The Authority is projected to need a $6.96 rate increase; however, connection growth is expected to continue allowing the Authority this cost burden across additional homes.
- Pledge of Sunfield wastewater system revenues only

PLEDGE

Legal Pledge Name	First Lien System Revenues (Sunfield Wastewater System)
Type of Pledge	☐ Tax ☒ Revenue ☐ Tax & Revenue ☐ Contract ☐ Other
Revenue Pledge Level	☒ First ☐ Second ☐ Third ☐ N/A

RATES AND CHARGES

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
Wastewater	5,000	$67.00	$73.96	2.01	2.11

Cost Savings

Based on a 30-year maturity schedule and current interest rates, the Authority could save approximately $669,108 over the life of the financing.

Texas Water Development Board

Project Data Summary

Responsible Authority	Guadalupe Blanco RA
Program	CWSRF
Commitment Number	L1002084
Project Number	73983
List Year	2025
Type of Pledge	Revenue Pledge
Pledge Level (if applicable)	First Lien
Legal Description	$2,140,000 Revenue Improvement Bonds, Series 2025 (Sunfield Wastewater System Project)
Tax-exempt or Taxable	Tax-Exempt
Refinance	No
Outlay Requirement	Yes
Disbursement Method	Escrow
Outlay Type	Outlay = Escrow Release
Qualifies as Disadvantaged	No
State Revolving Fund Type	Non-Equivalency
Financial Managerial & Technical Complete	N/A
Phases Funded	Planning and Design
Pre-Design	No
Project Consistent with State Water Plan	Yes
Water Conservation Plan	Adopted
Overall Risk Score	2B

PROJECT TEAM				
Team Manager	**Financial Analyst**	**Engineering Reviewer**	**Environmental Reviewer**	**Attorney**
David Firgens	Rand Zeolla	Shubham Aggarwal	Stephannie Resendez	Marshall Walters

ISSUE BEING EVALUATED
FOR ILLUSTRATION PURPOSES ONLY
GBRA

$2,140,000 Guadalupe-Blanco River Authority General Improvement Revenue Bonds, Series 2025 (Sunfield Wastewater Treatment)

Dated Date:	**9/1/2025**	**Source:**	**CWSRF-NON-EQUIVALENCY**
Delivery Date:	**9/1/2025**	**Rate:**	**2.85%**
First Interest:	**3/1/2026**	**IUP Year:**	**2025**
First Principal:	**9/1/2026**	**Case:**	**Revenue**
Last Principal:	**9/1/2055**	**Admin.Fee:**	**$36,806**
Fiscal Year End:	**09/30**	**Admin. Fee Payment Date:**	**9/1/2025**
Required Coverage:	**1.0**		

FISCAL YEAR	PROJECTED NET SYSTEM REVENUES	CURRENT DEBT SERVICE	PRINCIPAL PAYMENT ($2,140,000 ISSUE)	INTEREST RATE ($2,140,000 ISSUE)	INTEREST PAYMENT ($2,140,000 ISSUE)	TOTAL PAYMENT	TOTAL DEBT SERVICE	COVERAGE
2026	$1,877,534	$1,771,050	$50,000	1.78%	$56,484	$106,484	$1,877,534	1.00
2027	1,964,444	1,858,850	50,000	1.82%	55,594	105,594	1,964,444	1.00
2028	1,964,734	1,860,050	50,000	1.85%	54,684	104,684	1,964,734	1.00
2029	1,968,209	1,859,450	55,000	1.89%	53,759	108,759	1,968,209	1.00
2030	1,968,209	1,857,050	55,000	1.93%	52,720	107,720	1,964,770	1.00
2031	1,968,209	1,857,850	55,000	1.96%	51,658	106,658	1,964,508	1.00
2032	1,968,209	1,861,550	55,000	1.98%	50,580	105,580	1,967,130	1.00
2033	1,968,209	1,859,300	55,000	2.05%	49,491	104,491	1,963,791	1.00
2034	1,968,914	1,860,550	60,000	2.11%	48,364	108,364	1,968,914	1.00
2035	1,968,914	1,860,050	60,000	2.16%	47,098	107,098	1,967,148	1.00
2036	1,968,914	1,857,800	60,000	2.28%	45,802	105,802	1,963,602	1.00
2037	1,968,914	1,858,800	60,000	2.37%	44,434	104,434	1,963,234	1.00
2038	1,968,914	1,857,800	65,000	2.46%	43,012	108,012	1,965,812	1.00
2039	1,968,914	1,859,800	65,000	2.55%	41,413	106,413	1,966,213	1.00
2040	1,968,914	1,860,500	65,000	2.63%	39,755	104,755	1,965,255	1.00
2041	1,968,914	1,857,900	70,000	2.72%	38,046	108,046	1,965,946	1.00
2042	1,968,914	1,857,000	70,000	2.79%	36,142	106,142	1,963,142	1.00
2043	1,968,914	1,857,500	75,000	2.85%	34,189	109,189	1,966,689	1.00
2044	1,968,914	1,860,500	75,000	2.89%	32,051	107,051	1,967,551	1.00
2045	1,968,914	1,860,500	75,000	2.93%	29,884	104,884	1,965,384	1.00
2046	1,968,914	1,857,500	80,000	2.97%	27,686	107,686	1,965,186	1.00
2047	1,968,914	1,856,500	80,000	2.99%	25,310	105,310	1,961,810	1.00
2048	1,968,914	1,857,250	85,000	3.00%	22,918	107,918	1,965,168	1.00
2049	1,968,914	1,859,500	85,000	3.01%	20,368	105,368	1,964,868	1.00
2050	1,968,914	1,858,000	90,000	3.02%	17,810	107,810	1,965,810	1.00
2051	1,968,914	1,857,750	90,000	3.03%	15,092	105,092	1,962,842	1.00
2052	1,968,914	1,858,500	95,000	3.04%	12,365	107,365	1,965,865	1.00
2053	1,968,914	-	95,000	3.05%	9,477	104,477	104,477	18.85
2054	1,968,914	-	100,000	3.06%	6,579	106,579	106,579	18.47
2055	1,968,914	-	115,000	3.06%	3,519	118,519	118,519	16.61
		$50,098,850	$2,140,000		$1,066,277	$3,206,277	$53,305,127	

AVERAGE (MATURITY) LIFE	**17.47 YEARS**
NET INTEREST RATE	**2.852%**
COST SAVINGS	**$669,108**
AVERAGE ANNUAL REQUIREMENT	**$106,876**

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

Guadalupe Blanco RA

73983 - Planning and Design for Sunfield Water Reclamation Facility Expansion to 2.0 MGD

Budget Items	TWDB Funds	Total
Basic Engineering Services		
Design	$1,377,000.00	$1,377,000.00
Planning	$170,000.00	$170,000.00
Subtotal for Basic Engineering Services	**$1,547,000.00**	**$1,547,000.00**
Special Services		
Environmental	$30,600.00	$30,600.00
Geotechnical	$45,900.00	$45,900.00
Surveying	$76,500.00	$76,500.00
Subtotal for Special Services	**$153,000.00**	**$153,000.00**
Fiscal Services		
Bond Counsel	$20,700.00	$20,700.00
Bond Reserve Fund	$170,000.00	$170,000.00
Financial Advisor	$24,100.00	$24,100.00
Fiscal/Legal	$2,936.00	$2,936.00
Issuance Costs	$8,004.00	$8,004.00
Loan Origination Fee	$36,806.00	$36,806.00
Subtotal for Fiscal Services	**$262,546.00**	**$262,546.00**
Contingency		
Contingency	$177,454.00	$177,454.00
Subtotal for Contingency	**$177,454.00**	**$177,454.00**
Total	$2,140,000.00	$2,140,000.00

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
$2,140,000 TO THE GUADALUPE-BLANCO RIVER AUTHORITY
FROM THE CLEAN WATER STATE REVOLVING FUND
THROUGH THE PROPOSED PURCHASE OF
$2,140,000 GUADALUPE-BLANCO RIVER AUTHORITY
REVENUE IMPROVEMENT BONDS,
PROPOSED SERIES 2025
(SUNFIELD WASTEWATER SYSTEM PROJECT)

(25-)

Recitals:

The Guadalupe-Blanco River Authority (Authority), located in Comal and Hays Counties filed an application for financial assistance in the amount of $2,140,000 from the Clean Water State Revolving Fund (CWSRF) to finance the planning and design of wastewater system improvements identified as Project No. 73983.

The Authority seeks financial assistance from the Texas Water Development Board (TWDB) through the TWDB's proposed purchase of $2,140,000 Guadalupe-Blanco River Authority Revenue Improvement Bonds, Proposed Series 2025 (Sunfield Wastewater System Project) (Obligations) (together with all authorizing documents), all as is more specifically set forth in the application and in recommendations of the TWDB's staff.

The Authority has offered a pledge of net revenue of the Sunfield Wastewater System as sufficient security for the repayment of the Obligations.

Findings:

1. The revenue or taxes pledged by the Authority will be sufficient to meet all the Obligations assumed by the Authority, in accordance with Texas Water Code § 15.607.

2. The application and assistance applied for meet the requirements of the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251—1389.

3. The term of the Obligations does not exceed the expected useful life of the project proposed by the Authority.

4. 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.

5. The Authority has considered cost-effective, innovative, and nonconventional methods of treatment, in accordance with Texas Water Code § 15.007.

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

A commitment is made by the TWDB to the Guadalupe-Blanco River Authority for financial assistance in the amount of $2,140,000 from the Clean Water State Revolving Fund through the TWDB's proposed purchase of $2,140,000 Guadalupe-Blanco River Authority Revenue Improvement Bonds, Proposed Series 2025 (Sunfield Wastewater System Project). This commitment will expire on April 30, 2026.

The commitment is conditioned as follows.

Standard Conditions:

1. The commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand as determined by the TWDB. If the financial assistance is funded with available cash-on-hand, the TWDB reserves the right to change the designated source of funds to bond proceeds issued for the purpose of reimbursing funds used to provide the financial assistance approved in this Resolution.

2. The commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that all the requirements of the laws under which the Obligations are issued have been complied with; that the Obligations were issued in conformity with the Constitution and laws of the State of Texas; and that the Obligations are valid and binding obligations of the Authority.

3. The commitment is contingent upon the Authority's compliance with all applicable requirements contained in 31 TAC Chapter 375.

4. The Obligations must provide that the Authority agrees to comply with all the conditions set forth in the TWDB Resolution.

5. The Obligations must provide that the Obligations can be called for early redemption 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.

6. 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, at a minimum and regardless of the amount of the Obligations, must agree to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by the 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 the rule, the 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 the Obligations, and the beneficial owners of the TWDB's bonds if the Authority is an obligated person with respect to the bonds under SEC Rule 15c2-12.

7. The Obligations must require the Authority to levy a tax or maintain and collect sufficient rates and charges, as applicable, to produce system funds in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Obligations.

8. The Obligations must require the Authority to use any proceeds from the Obligations that are determined to be remaining unused funds for enhancements to the original project that are explicitly approved by the Executive Administrator or, if no enhancements are authorized by the Executive Administrator, requiring the Authority to submit a final accounting and disposition of any unused funds. Remaining unused funds are those funds unspent after the original approved project is completed.

9. The Obligations must require the Authority to use any proceeds from the Obligations that are determined to be surplus funds in a manner approved by the Executive Administrator. Surplus funds are funds remaining after completion of the project and completion of a final accounting.

10. The Obligations must provide 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.

11. Proceeds of this commitment are public funds. Therefore, the Obligations must require 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.

12. Proceeds of this commitment must not be used by the Authority when sampling, testing, removing, or disposing of contaminated soils or media at the project site except for an EC project to address PFAs or any contaminant listed on EPA's Contaminant Candidate Lists. The Obligations must provide that the Authority is solely responsible for liability resulting from acts or omissions of the Authority, its employees, contractors, or agents arising from the sampling, analysis, transport, storage, treatment, recycling, and disposition of any contaminated sewage sludge, contaminated sediments 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.

13. Before closing, the Authority must submit documentation evidencing the adoption and implementation of sufficient system rates and charges or the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements.

14. Before closing, and if not previously provided with the application, the Authority must submit executed contracts for engineering, and, if applicable, financial advisor and bond counsel contracts, for the project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed, reflected in the contract, and acceptable to the Executive Administrator.

15. Before closing, when any portion of the financial assistance is to be held in escrow or in trust, the Authority must execute an escrow or trust agreement, approved as to form and substance by the Executive Administrator and shall submit that executed agreement to the TWDB.

16. The Executive Administrator may require the Authority to execute a separate financing agreement in form and substance acceptable to the Executive Administrator.

17. The Obligations must provide that the Authority must comply with all applicable federal laws and TWDB laws and rules related to the use of the financial assistance.

18. The Obligations must provide that the Authority must comply with all conditions as specified in the final environmental finding of the Executive Administrator when issued including the standard emergency discovery conditions for threatened and endangered species and cultural resources.

19. The Obligations must require the Authority to maintain insurance coverage sufficient to protect the TWDB's interest in the project.

20. The Authority must immediately notify TWDB in writing of any suit against it by the Attorney General of Texas under Texas Government Code § 2.103 and Texas Penal Code § 1.10(f), related to federal laws regulating firearms, firearm accessories, and firearm ammunition.

21. The Obligations must provide that the Authority must submit annually an audit prepared by a certified public accountant in accordance with generally accepted auditing standards.

Tax-Exempt Conditions:

22. 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.

23. The Authority's bond counsel opinion must state that the Obligations are not "private activity bonds." Bond counsel may rely on covenants and representations of the Authority when rendering this opinion.

24. The Obligations must prohibit the Authority from using the financial assistance in a manner that would cause the Obligations to become "private activity bonds" within the meaning of section 141 of the Internal Revenue Code of 1986, as amended (Code) and the Treasury Regulations promulgated under section 141 (Regulations).

25. The Obligations must provide that no portion of the proceeds of this financial assistance will be used, directly or indirectly, in a manner that would cause the Obligations to be "arbitrage bonds" within the meaning of section 148(a) of the Code and Regulations, including to acquire or to replace funds that 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 the financial assistance (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 the proceeds are needed for the facilities to be financed;

b. amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Regulations; and

c. amounts deposited in any reasonably required reserve or replacement fund to the extent the deposited 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.

26. The Obligations must require the Authority to 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 to satisfy the requirements of section 148 of the Code. The Obligations must provide that the Authority must:

a. account for all Gross Proceeds, as defined in the Code and Regulations, (including all receipts, expenditures, and investments) on its books of account separately and apart from all other funds, including receipts, expenditures, and investments, and retain all records of the 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 this financial assistance with other money of the Authority, provided that the Authority separately accounts for each receipt and expenditure of the Gross Proceeds and the obligations acquired those proceeds;

b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to this financial assistance, not less frequently than each Computation Date, in accordance with rules set forth in section 148(f) of the Code, section 1.148-3 of the Regulations, and related rulings. The Authority must maintain a copy of the calculations for at least six years after the final Computation Date;

c. as additional consideration for the making of this commitment, and to induce the financial assistance by measures designed to ensure the excludability of the interest on the TWDB's Source Series Bonds from the gross income of the owners for federal income tax purposes, pay to the United States the amount described in paragraph (b) above within 30 days after each Computation Date; and

d. exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (b) and, if an error is made, to discover and promptly to correct the error within a reasonable amount of time after including payment to the United States of any interest and any penalty required by the Regulations.

27. The Obligations must prohibit 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.

28. 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 section 149(b) of the Code.

29. 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.

30. The Obligations must provide that the Authority will refrain from using the proceeds provided by this TWDB commitment or the proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Obligations in contravention of the requirements of section 149(d) of the Code, relating to advance refundings.

31. The transcript must include evidence that the information reporting requirements of section 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 section 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.

32. The Obligations must provide that neither the Authority nor a related party 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.

33. Before closing, the Authority must provide certification that the average weighted maturity of the Obligations purchased by the TWDB does not exceed 120% of the average reasonably expected economic life of the Project.

State Revolving Fund Conditions:

34. The Authority must submit outlay reports on a quarterly or monthly basis with sufficient documentation on costs in accordance with TWDB outlay report guidelines.

35. The Obligations must provide that all laborers and mechanics employed by contractors and subcontractors for projects be paid wages at rates not less than those prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor’s implementing regulations. The Authority, all contractors, and all sub-contractors must ensure that all project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for

the construction of the project carried out in whole or in part with financial assistance made available as provided must insert in full in any contract in excess of $2,000 the contract clauses as provided by the TWDB.

36. The Obligations must provide that the Authority shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The Authority shall obtain a Unique Entity Identification Number and shall register with System for Award Management (SAM) and maintain current registration at all times during which the Obligations are outstanding.

37. The Obligations must provide that all proceeds of this financial assistance will be timely and expeditiously used, as required by 40 CFR § 35.3135(d), and must provide that the Authority will adhere to the approved project schedule.

38. The Obligations must provide that the Authority will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC § 375.3, 33 U.S.C. § 1388, and related State Revolving Fund Policy Guidelines.

39. The Obligations must provide that the Authority must comply with the requirements set forth in 33 U.S.C. § 1382 *et seq*. related to maintaining project accounts containing financial assistance for planning, design, acquisition, or construction in accordance with generally accepted accounting principles (GAAP). These standards and principles also apply to the reporting of underlying infrastructure assets.

40. The Obligations must provide that the Authority shall abide by the prohibition on certain telecommunications and video surveillance services or equipment as required by 2 CFR § 200.216.

Clean Water State Revolving Fund Conditions:

41. The Authority must pay at closing an origination fee approved by the Executive Administrator of the TWDB pursuant 31 TAC Chapter 375.

Pledge Conditions:

42. The Obligations must require the accumulation of a reserve fund of no less than average annual debt service requirements of the Obligations and the annual debt service requirements of all additional debt, to be accumulated in equal monthly installments over the initial twenty-four (24) months following the issuance of the Obligations.

43. If the Authority has existing revenue obligations with the same pledge of security as the proposed Obligations that will remain outstanding after the financial assistance made by the TWDB through this commitment, the lien or liens securing the Obligations issued to the TWDB must be at least on parity with lien or liens securing the outstanding obligations.

44. The Obligations must provide that no series or form of Additional Obligations shall be issued or entered into unless:

(a) The chief financial officer of GBRA signs a certificate to the effect that, except for the issuance of refunding bonds to cure a default, no default exists in connection with any of the covenants or requirements of the resolutions authorizing the issuance of all then Outstanding Parity Obligations and that the Interest and Sinking Fund and the Reserve Fund each contains the amount then required to be on deposit therein; and

(b) The chief financial officer of GBRA signs a certificate to the effect that, during either the next preceding Fiscal Year, or any twelve (12) consecutive calendar month period ending not more than ninety (90) days prior to the adoption of the resolution or order authorizing the issuance of the then proposed Additional Obligations, the Net Revenues were at least equal to an aggregate of (i) 125% of the average annual principal and interest requirements of all then Outstanding Parity Obligations after giving effect to the Additional Obligations proposed for issuance, plus (ii) 100% of all Reimbursement Obligations required to be made during the first twelve months following the date of delivery of such Additional Obligations, if any. However in the event (A) the certificate of the chief financial officer states that the Net Revenues for the period covered thereby were less than required above, and (B) a change in the rates and charges of the System went into effect after the first day, but prior to the last day, of the period covered by the certificate of the chief financial officer, and (C) the chief financial officer will additionally certify that, had such change in rates and charges been effective for the entire period covered by the certificate of the chief financial officer, the Net Revenues covered by the certificate of the chief financial officer would have been, in his or her opinion, at least equal to an aggregate of (1) 125% of the average annual Principal and Interest Requirements (calculated on a Fiscal Year basis) of the Outstanding Parity Obligations, after giving effect to the Additional Obligations proposed to be issued, plus (2) 100% of all Reimbursement Obligations required to be made during the first twelve months following the date of delivery of such Additional Obligations, if any, then in such event the coverage specified in the first sentence of this paragraph (b) shall not be required for the period specified, and such certificate of the chief financial officer will be sufficient if accompanied by such additional certificate of the chief financial officer to the above effect.

APPROVED and ordered of record this 10th day of April 2025.

TEXAS WATER DEVELOPMENT BOARD

____
L’Oreal Stepney, P.E., Chairwoman

DATE SIGNED: ________________________

ATTEST:

____
Bryan McMath, Executive Administrator

Attachment 4

☐ Water
☑ Wastewater
☐ Other ____________

WATER CONSERVATION REVIEW

Review Date: 02/12/2025
Project ID: 73983

Entity: Guadalupe Blanco River Authority

Other entity:

WATER CONSERVATION PLAN DATE: 2024 ☐ **Approvable** ☑ **Adopted**

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

WATER LOSS AUDIT YEAR: NA

Service connections: NA
Retail population: NA
Length of main lines (miles): NA
Connections per mile: NA
Water Loss GCD: NA
Water Loss GPCD: NA
ILI: NA
Real Loss GMD: NA

WATER LOSS THRESHOLDS Water Loss Project: ☐ Waiver Requested: ☐

Wholesale Adjusted: ☐

Threshold Type:
Not Applicable

Apparent Loss GCD		Real Loss GCD	
Reported	Threshold	Reported	Threshold
NA	NA	NA	NA

Does the applicant meet Water Loss Threshold Requirements? **Yes** ☐ **No** ☐ **NA** ☑

ADDITIONAL INFORMATION

The authority's water conservation plan specifies that each of its wholesale customers with a new or amended contract, must adopt a water conservation plan and monitor water loss. The authority's water conservation program is predicated on the fact that the implementation of conservation measures must occur largely at the local level and is focused on encouraging and supporting initiatives by its wholesale customers. The authority does not have direct control of its wholesale customers' end users, but encourages and supports initiatives to further the efficient use of water throughout the local systems. The authority offers assistance with water conservation programs and their development. Additionally, the authority maintains records of all water transactions as well as daily reading of reservoir storage capacity, inflow and releases and provides water use data to the TCEQ South Texas Watermaster Program on a monthly basis, or more frequently as necessary.

STAFF NOTES AND RECOMMENDATIONS

In accordance with 31 TAC §358.6(f), review of a retail public utility’s water loss in conjunction with an application for financial assistance is limited to water supply projects. This application for financial assistance is for a wastewater project; therefore, water loss thresholds are not applicable.

The authority is not a retail water supplier, therefore, it is not required to submit a water loss audit.

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 losses are paper losses that occur when the water reaches a customer, but the volume is not accurately measured and/or recorded due to unauthorized consumption, customer meter inaccuracy, or billing system and collection data errors.

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.

GCD means gallons per connection per day.

GMD means gallons per mile 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 3,000 connections and a connection density of more than 16 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 bench marking 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.

Real losses are the physical losses, largely leakage, from the infrastructure: mains, valves, and storage tank overflows. Real loss constitutes background leakage (unreported and difficult to detect), unreported leakage (leaks that do not surface but could be detected), and reported leakage (leaks that often surface and those that are detected by the utility through leak detection).

Residential GPCD is the amount of residential water use (single and multi-family customer use) divided by the residential population divided by 365.

Total GPCD is the amount of total system input volume divided by the retail population divided by 365.

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

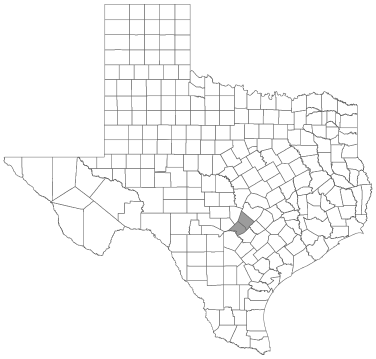
Water loss is the difference between the input volume and the authorized consumption within a water system. Water Loss consists of real losses and apparent losses.

Water Loss GPCD is the amount of water loss divided by the retail population divided by 365.

Water Loss per Connection per Day Calculated as the water loss volume divided by the number service connections divided by 365. This indicator allows for reliable performance tracking in the water utility's efforts to reduce water losses. It replaces water loss percentage.

Water Loss Thresholds are levels of real and apparent water loss determined by the 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.

Wholesale Adjusted represents that some utilities provide large volumes of wholesale water to other providers that travel through the general distribution system, so a calculation has been established to adjust for that volume of wholesale water. These adjustments are only applicable for use in determining whether a utility meets or exceeds water loss thresholds in review of their application for financial assistance. These adjustments should not be used for performance tracking or benchmarking.



Guadalupe Blanco River Authority
Comal and Hays County