



## PROJECT FUNDING REQUEST

**BOARD DATE:** July 24, 2025

**Team Manager:** David Firgens

### ACTION REQUESTED

Consider approving by resolution a request from the Alliance Regional Water Authority (Hays, Caldwell, Guadalupe, Comal, Bexar Counties) for \$33,500,000 in financial assistance from the Texas Water Development Fund program for design and construction of water system improvements.

### STAFF RECOMMENDATION

☒ Approve      ☐ No Action

### BACKGROUND

The Alliance Regional Water Authority (Authority) was created in 2007 by the cities of San Marcos, Kyle, Buda, and the Canyon Regional Water Authority (Sponsors) to pursue a regional water source and develop their long-term water supply. With the continued growth of the service area, the Authority is continuing to ensure that the Sponsors have adequate water supplies to meet their projected water demands.

### PROJECT NEED AND DESCRIPTION

The sponsor communities are expanding rapidly with the continued growth of the dynamic San Antonio and Austin regions. In 2018, the Authority and Guadalupe-Blanco River Authority agreed to jointly develop their water supply projects.

The Authority is requesting funding for design and construction to begin the third and fourth phases of the project that will include the expansion of the Carrizo Water Treatment Plant to full design capacity of 39.5 MGD. The expansion was required after the plant was completed in the second phase and was found to have higher than anticipated iron levels in the wells, reducing the capacity at the plant. The expansion will include adding pretreatment and solids handling facilities and increasing pumping capacity at the high service pump station.

In 2024, the Authority received \$138 million in SWIRFT additional funding to expand capacity by adding 7 new wells to the existing wellfield to add 9,454 acre-feet per year, 8.5 million gallons per day (MGD) of treatment capacity at the water treatment plant being developed with GBRA, and a 5-million-gallon ground storage tank on-site.

The Authority is requesting funding for design and construction to begin the third and fourth phases of the project that will include the expansion of the Carrizo Water Treatment Plant to full design capacity of 39.5 MGD. The expansion was required after the plant was completed in the second phase and was found to have higher than anticipated iron levels in the wells reducing the capacity at the plant. The expansion will include adding pretreatment, solids handling, and pumping out the high service pump station.

<b>COMMITMENT PERIOD:</b> FIVE (5) MONTHS TO EXPIRE DECEMBER 31, 2025
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## PROJECT SCHEDULE

Task	Schedule Date
Engineering Feasibility Report Completion (End of Planning Phase)	August 29, 2025
Closing	November 20, 2025
Design Phase Completion	December 31, 2025
Start of Construction	March 31, 2026
Construction Completion	June 30, 2028

## KEY ISSUES

Each Sponsor is responsible for repaying the debt service for its allocated amount, which is based on the amount of water each of them receives from the Authority. Each Sponsor will be required to pay its allocated share of debt service regardless of whether the projected amount of water is received. Below is the allocation of payments between the Sponsors.

## LEGAL/SPECIAL CONDITIONS

- Water rights reasonable expectation
- Water rights certification

### Attachments:

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

# Financial Review

## Alliance Regional Water Authority

Risk Score:

CRWA – 2B

Kyle – 2A

San Marcos – 2A

Buda – 2A

Audit Reviewed: FY 2024

### Key Indicators

Indicator	CRWA	Kyle	San Marcos	Buda	Benchmark
Population Growth, Average Annual 2010-2020	County: 3.47%	City: 5.01%	City: 4.17%	City: 7.55%	State: 1.49%
Top 10 Customers % of Total Revenue	100%	6.07%	6%	20%	10-15%
Median Household Income as % of State	107%	117%	65%	144%	100%
Days of Cash on Hand (3-year Average)	250 days	534 Days	1,063 days	1,642 days	30-149 days
Net Fixed Assets/ Annual Depreciation	26 years	45 years	8 years	24 years	12-24 years
Debt Service Coverage Ratio	0.77x	1.00x	0.95x	1.35x	1.0x
Debt-to-Operating Revenues	5.23x	0.29x	4.74x	5.28x	4.00-5.99x
Unemployment Rate (April 2025)	County: 3.17%	City: 2.60%	City: 3.10%	County: 3.00%	State: 3.50%
Working Capital Ratio	1.07	4.14	7.54	36.3	> 1.0

### Key Risk Score Strengths

- Current water system revenues for Kyle and Buda are adequate to maintain coverage of all existing and proposed debt.
- A high working capital ratio provides the cities of Kyle, San Marcos, and Buda with ample resources to cover short-term liabilities and shows a strong liquidity position.
- The days of cash on hand for Canyon Regional Water Authority, Kyle, San Marcos, and Buda are above the benchmark, indicating the entities can pay operating expenses with the cash available.

### Key Risk Score Concerns

- Canyon Regional Water Authority's top ten customers total 100 percent. The Authority is a wholesaler with 13 members and a service area that spans from the counties of Atascosa, Hays and Caldwell. The Authority charges its members based on usage and projects funded for the update or expansion of the members' systems.

- The City of San Marcos and Canyon Regional Water Authority are projected to require rate increases. Staff projections indicate the City of San Marcos would need an \$2.48 rate increase in 2025 and Canyon Regional Water Authority will need a rate increase of approximately 17 cents per 1,000 gallons in 2026 for the repayment of the proposed obligation.
- The City of Buda generates 20 percent of its water revenue from the top 10 rate payers. The two customers that generate the most revenue are apartment complexes that each account for 5 percent of the revenue generated. A stress test was conducted whereby the revenue projections were reduced by 10 percent and in this case the City would still exceed coverage requirements.

#### PLEDGE

Legal Pledge Name	Contract Revenue
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 type="checkbox"/> First <input type="checkbox"/> Second <input type="checkbox"/> Third <input checked="" type="checkbox"/> N/A

#### RATES AND CHARGES-Kyle

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
Water	5,400	\$75.94	\$75.94	1.64%	1.64%
Wastewater	5,400	\$40.72	\$40.72		

#### RATES AND CHARGES-San Marcos

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (Year 2025)	Current Household Cost Factor	Projected Household Cost Factor
Water	5,000	\$58.33	\$59.57	2.75%	2.82%
Wastewater	5,000	\$58.33	\$59.57		

#### RATES AND CHARGES-Buda

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
Water	9,500	\$40.89	\$40.89	1.22	1.22
Wastewater	6,500	\$65.90	\$65.90		

#### RATES AND CHARGES-Canyon Regional

Wholesale Water Rates	Annual Usage	Average Rates Per 1,000 Gallons	Projected Rates 2025
Volumetric Fee	7,346,551,000	\$4.99	\$5.16

### Cost Savings

Based on a 30-year maturity schedule and current interest rates, Canyon Regional Water Authority could save approximately \$2,051,517 and the City of Kyle could save approximately \$1,872,053 over the life of the financing.

Based on a 20-year maturity schedule and current interest rates, the City of San Marcos could save approximately \$2,178,068 and the City of Buda could save approximately \$308,433 over the life of the financing.

## Project Data Summary

<b>Responsible Authority</b>	Alliance Regional Water Authority
<b>Program</b>	WDF
<b>Commitment Number</b>	L1002195, L1002196, L1002197, L1002198
<b>Project Number</b>	51044
<b>List Year</b>	2025
<b>Type of Pledge</b>	Contract Revenue Pledge
<b>Pledge Level (if applicable)</b>	N/A
<b>Legal Description</b>	\$12,015,000 Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - City of San Marcos, Texas), Series 2025C, \$1,700,000 Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - City of Buda, Texas), Series 2025D, \$9,435,000 Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - City of Kyle, Texas), Series 2025B, \$10,350,000 Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - Canyon Regional Water Authority), Series 2025A
<b>Tax-exempt or Taxable</b>	Tax-Exempt
<b>Refinance</b>	No
<b>Outlay Requirement</b>	Yes
<b>Disbursement Method</b>	Escrow
<b>Outlay Type</b>	Outlay <> Escrow Release
<b>Qualifies as Disadvantaged</b>	No
<b>SWIFT Financing Type</b>	Low-Interest
<b>Financial Managerial &amp; Technical Complete</b>	N/A
<b>Phases Funded</b>	Design and Construction
<b>Pre-Design</b>	Yes
<b>Project Consistent with State Water Plan</b>	Yes
<b>Water Conservation Plan</b>	Adopted
<b>Overall Risk Score</b>	2A

### PROJECT TEAM

<b>Team Manager</b>	<b>Financial Analyst</b>	<b>Engineering Reviewer</b>	<b>Environmental Reviewer</b>	<b>Attorney</b>
David Firgens	Rand Zeolla	Barry Ekstrand	Stephannie Resendez	Marshall Walters

ISSUE BEING EVALUATED  
FOR ILLUSTRATION PURPOSES ONLY  
Alliance Regional Water Authority

**\$10,350,000 Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - Canyon Regional Water Authority), Series 2025A**

<b>Dated Date:</b>	<b>11/20/2025</b>	<b>Source:</b>	<b>SWIFT-LOW-30YR</b>
<b>Delivery Date:</b>	<b>11/20/2025</b>	<b>Rate:</b>	<b>4.34%</b>
<b>First Interest:</b>	<b>8/15/2026</b>	<b>IUP Year:</b>	<b>N/A</b>
<b>First Principal:</b>	<b>8/15/2027</b>	<b>Case:</b>	<b>Revenue</b>
<b>Last Principal:</b>	<b>8/15/2055</b>	<b>Admin.Fee:</b>	<b>\$0</b>
<b>Fiscal Year End:</b>	<b>09/30</b>	<b>Admin. Fee Payment Date:</b>	<b>N/A</b>
<b>Required Coverage:</b>	<b>1.0</b>		

FISCAL YEAR	PROJECTED NET SYSTEM REVENUES	CURRENT DEBT SERVICE	PRINCIPAL PAYMENT	<u>\$10,350,000 ISSUE</u>		TOTAL PAYMENT	TOTAL DEBT SERVICE	COVERAGE
				INTEREST RATE	INTEREST PAYMENT			
2026	\$18,101,606	\$17,791,921	\$0	-	\$309,685	\$309,685	\$18,101,606	1.00
2027	19,803,263	19,172,559	210,000	2.77%	420,705	630,705	19,803,263	1.00
2028	19,807,462	19,177,574	215,000	2.78%	414,888	629,888	19,807,462	1.00
2029	19,826,378	19,192,467	225,000	2.80%	408,911	633,911	19,826,378	1.00
2030	19,826,378	15,408,282	230,000	2.85%	402,611	632,611	16,040,893	1.24
2031	19,826,378	13,958,074	235,000	2.92%	396,056	631,056	14,589,129	1.36
2032	19,826,378	13,955,618	245,000	2.99%	389,194	634,194	14,589,812	1.36
2033	19,826,378	13,955,082	250,000	3.05%	381,868	631,868	14,586,950	1.36
2034	19,826,378	13,952,554	255,000	3.17%	374,243	629,243	14,581,797	1.36
2035	19,826,378	13,952,395	265,000	3.26%	366,160	631,160	14,583,555	1.36
2036	19,826,378	9,453,272	275,000	3.46%	357,521	632,521	10,085,793	1.97
2037	19,826,378	9,197,148	285,000	3.57%	348,006	633,006	9,830,153	2.02
2038	19,826,378	9,199,163	295,000	3.69%	337,831	632,831	9,831,994	2.02
2039	19,826,378	9,200,315	305,000	3.80%	326,946	631,946	9,832,260	2.02
2040	19,826,378	9,200,763	315,000	3.90%	315,356	630,356	9,831,118	2.02
2041	19,826,378	7,748,578	330,000	4.01%	303,071	633,071	8,381,648	2.37
2042	19,826,378	7,744,929	340,000	4.12%	289,838	629,838	8,374,766	2.37
2043	19,826,378	7,745,502	355,000	4.23%	275,830	630,830	8,376,332	2.37
2044	19,826,378	7,735,931	370,000	4.29%	260,813	630,813	8,366,744	2.37
2045	19,826,378	7,726,675	385,000	4.37%	244,940	629,940	8,356,615	2.37
2046	19,826,378	7,416,547	405,000	4.55%	228,116	633,116	8,049,662	2.46
2047	19,826,378	6,691,257	420,000	4.55%	209,688	629,688	7,320,945	2.71
2048	19,826,378	6,686,600	440,000	4.55%	190,578	630,578	7,317,178	2.71
2049	19,826,378	6,191,610	460,000	4.55%	170,558	630,558	6,822,168	2.91
2050	19,826,378	6,182,508	480,000	4.55%	149,628	629,628	6,812,136	2.91
2051	19,826,378	4,943,072	505,000	4.63%	127,788	632,788	5,575,860	3.56
2052	19,826,378	3,202,509	525,000	4.63%	104,407	629,407	3,831,916	5.17
2053	19,826,378	3,205,172	550,000	4.63%	80,099	630,099	3,835,271	5.17
2054	19,826,378	2,385,863	575,000	4.63%	54,634	629,634	3,015,497	6.57
2055	19,826,378	2,386,250	605,000	4.63%	28,012	633,012	3,019,262	6.57
		\$294,760,185	\$10,350,000		\$8,267,973	\$18,617,973	\$313,378,158	

<b>AVERAGE (MATURITY) LIFE</b>	<b>18.39 YEARS</b>
<b>NET INTEREST RATE</b>	<b>4.344%</b>
<b>COST SAVINGS</b>	<b>\$2,051,517</b>
<b>AVERAGE ANNUAL REQUIREMENT</b>	<b>\$620,599</b>

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Alliance Regional Water Authority

**\$9,435,000 Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - City of Kville, Texas), Series 2025B**

Dated Date:	11/20/2025	Source:	SWIFT-LOW-30YR
Delivery Date:	11/20/2025	Rate:	4.34%
First Interest:	8/15/2026	IUP Year:	N/A
First Principal:	8/15/2027	Case:	Revenue
Last Principal:	8/15/2055	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	\$9,435,000 ISSUE				TOTAL DEBT SERVICE	COVERAGE
			PRINCIPAL PAYMENT	INTEREST RATE	INTEREST PAYMENT	TOTAL PAYMENT		
2026	\$9,013,688	\$8,403,126	\$0	-	\$282,417	\$282,417	\$8,685,543	1.04
2027	9,013,688	8,438,512	190,000	2.77%	383,661	573,661	9,012,172	1.00
2028	9,013,688	8,299,650	195,000	2.78%	378,398	573,398	8,873,048	1.02
2029	9,013,688	8,133,082	205,000	2.80%	372,977	577,977	8,711,058	1.03
2030	9,013,688	8,084,515	210,000	2.85%	367,237	577,237	8,661,752	1.04
2031	9,013,688	8,128,640	215,000	2.92%	361,252	576,252	8,704,892	1.04
2032	9,013,688	8,085,942	220,000	2.99%	354,974	574,974	8,660,916	1.04
2033	9,013,688	8,075,881	225,000	3.05%	348,396	573,396	8,649,277	1.04
2034	9,013,688	8,039,899	235,000	3.17%	341,533	576,533	8,616,432	1.05
2035	9,013,688	8,040,747	240,000	3.26%	334,084	574,084	8,614,830	1.05
2036	9,013,688	7,967,533	250,000	3.46%	326,260	576,260	8,543,793	1.05
2037	9,013,688	7,972,388	260,000	3.57%	317,610	577,610	8,549,997	1.05
2038	9,013,688	7,960,238	265,000	3.69%	308,328	573,328	8,533,565	1.06
2039	9,013,688	7,971,603	275,000	3.80%	298,549	573,549	8,545,152	1.05
2040	9,013,688	7,971,645	290,000	3.90%	288,099	578,099	8,549,744	1.05
2041	9,013,688	7,976,557	300,000	4.01%	276,789	576,789	8,553,346	1.05
2042	9,013,688	7,974,349	310,000	4.12%	264,759	574,759	8,549,108	1.05
2043	9,013,688	7,960,634	325,000	4.23%	251,987	576,987	8,537,621	1.06
2044	9,013,688	7,965,734	340,000	4.29%	238,240	578,240	8,543,974	1.05
2045	9,013,688	7,962,000	350,000	4.37%	223,654	573,654	8,535,653	1.06
2046	9,013,688	7,775,124	370,000	4.55%	208,359	578,359	8,353,483	1.08
2047	9,013,688	7,760,426	385,000	4.55%	191,524	576,524	8,336,950	1.08
2048	9,013,688	7,308,972	400,000	4.55%	174,006	574,006	7,882,978	1.14
2049	9,013,688	7,305,604	420,000	4.55%	155,806	575,806	7,881,410	1.14
2050	9,013,688	6,169,897	440,000	4.55%	136,696	576,696	6,746,593	1.34
2051	9,013,688	2,923,222	460,000	4.63%	116,676	576,676	3,499,898	2.58
2052	9,013,688	2,925,237	480,000	4.63%	95,378	575,378	3,500,615	2.57
2053	9,013,688	2,175,914	505,000	4.63%	73,154	578,154	2,754,068	3.27
2054	9,013,688	2,178,750	525,000	4.63%	49,773	574,773	2,753,523	3.27
2055	9,013,688	-	550,000	4.63%	25,465	575,465	575,465	15.66
		\$207,935,817	\$9,435,000		\$7,546,033	\$16,981,033	\$224,916,850	

AVERAGE (MATURITY) LIFE	18.41 YEARS
NET INTEREST RATE	4.345%
COST SAVINGS	\$1,872,053
AVERAGE ANNUAL REQUIREMENT	\$566,034

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Alliance Regional Water Authority

**\$12,015,000 Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - City of San Marcos, Texas), Series 2025C**

<b>Dated Date:</b> 11/20/2025 <b>Delivery Date:</b> 11/20/2025 <b>First Interest:</b> 8/15/2026 <b>First Principal:</b> 8/15/2027 <b>Last Principal:</b> 8/15/2045 <b>Fiscal Year End:</b> 09/30 <b>Required Coverage:</b> 1.0	<b>Source:</b> SWIFT-LOW-20YR <b>Rate:</b> 3.34% <b>IUP Year:</b> N/A <b>Case:</b> Revenue <b>Admin.Fee:</b> \$0 <b>Admin. Fee Payment Date:</b> N/A
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FISCAL YEAR	PROJECTED NET SYSTEM REVENUES	CURRENT DEBT SERVICE	PRINCIPAL PAYMENT	<u>\$12,015,000 ISSUE</u>		TOTAL PAYMENT	TOTAL DEBT SERVICE	COVERAGE
				INTEREST RATE	INTEREST PAYMENT			
2026	\$27,081,778	\$26,806,544	\$0	-	\$275,234	\$275,234	\$27,081,778	1.00
2027	27,675,183	26,811,280	490,000	2.42%	373,903	863,903	27,675,183	1.00
2028	27,675,183	23,664,443	500,000	2.43%	362,045	862,045	24,526,488	1.13
2029	27,675,183	23,643,726	515,000	2.45%	349,895	864,895	24,508,621	1.13
2030	27,675,183	23,673,894	525,000	2.49%	337,278	862,278	24,536,172	1.13
2031	27,675,183	21,659,881	540,000	2.55%	324,205	864,205	22,524,086	1.23
2032	27,675,183	21,657,450	555,000	2.61%	310,435	865,435	22,522,885	1.23
2033	27,675,183	21,642,812	565,000	2.66%	295,950	860,950	22,503,762	1.23
2034	27,675,183	21,335,293	580,000	2.77%	280,921	860,921	22,196,214	1.25
2035	27,675,183	20,994,835	600,000	2.85%	264,855	864,855	21,859,690	1.27
2036	27,675,183	20,484,210	615,000	3.02%	247,755	862,755	21,346,965	1.30
2037	27,675,183	19,350,071	635,000	3.12%	229,182	864,182	20,214,253	1.37
2038	27,675,183	17,602,125	655,000	3.22%	209,370	864,370	18,466,495	1.50
2039	27,675,183	16,992,851	675,000	3.32%	188,279	863,279	17,856,130	1.55
2040	27,675,183	14,401,046	695,000	3.41%	165,869	860,869	15,261,915	1.81
2041	27,675,183	10,931,531	720,000	3.50%	142,169	862,169	11,793,700	2.35
2042	27,675,183	9,130,272	745,000	3.59%	116,969	861,969	9,992,241	2.77
2043	27,675,183	6,916,824	775,000	3.69%	90,224	865,224	7,782,048	3.56
2044	27,675,183	6,449,221	800,000	3.74%	61,626	861,626	7,310,847	3.79
2045	27,675,183	2,497,802	830,000	3.82%	31,706	861,706	3,359,508	8.24
		\$356,646,111	\$12,015,000		\$4,657,865	\$16,672,865	\$373,318,976	

AVERAGE (MATURITY) LIFE	11.62 YEARS
NET INTEREST RATE	3.337%
COST SAVINGS	\$2,178,068
AVERAGE ANNUAL REQUIREMENT	\$833,643

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Alliance Regional Water Authority

**\$1,700,000 Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - City of Buda, Texas), Series 2025D**

Dated Date:	11/20/2025	Source:	SWIFT-LOW-20YR
Delivery Date:	11/20/2025	Rate:	3.34%
First Interest:	8/15/2026	IUP Year:	2025
First Principal:	8/15/2027	Case:	Revenue
Last Principal:	8/15/2045	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	PRINCIPAL PAYMENT	\$1,700,000 ISSUE		TOTAL PAYMENT	TOTAL DEBT SERVICE	COVERAGE
				INTEREST RATE	INTEREST PAYMENT			
2026	\$4,980,451	\$3,549,192	\$0	-	\$38,953	\$38,953	\$3,588,145	1.39
2027	4,980,451	3,562,955	70,000	2.42%	52,918	122,918	3,685,872	1.35
2028	4,980,451	3,576,375	70,000	2.43%	51,224	121,224	3,697,598	1.35
2029	4,980,451	3,580,308	75,000	2.45%	49,523	124,523	3,704,830	1.34
2030	4,980,451	3,341,763	75,000	2.49%	47,685	122,685	3,464,448	1.44
2031	4,980,451	3,334,369	75,000	2.55%	45,818	120,818	3,455,187	1.44
2032	4,980,451	3,235,366	80,000	2.61%	43,905	123,905	3,359,271	1.48
2033	4,980,451	3,170,845	80,000	2.66%	41,817	121,817	3,292,662	1.51
2034	4,980,451	3,171,198	80,000	2.77%	39,689	119,689	3,290,887	1.51
2035	4,980,451	2,836,312	85,000	2.85%	37,473	122,473	2,958,785	1.68
2036	4,980,451	2,838,914	85,000	3.02%	35,051	120,051	2,958,964	1.68
2037	4,980,451	2,843,390	90,000	3.12%	32,484	122,484	2,965,874	1.68
2038	4,980,451	2,745,934	90,000	3.22%	29,676	119,676	2,865,609	1.74
2039	4,980,451	2,740,295	95,000	3.32%	26,778	121,778	2,862,072	1.74
2040	4,980,451	2,469,185	100,000	3.41%	23,624	123,624	2,592,809	1.92
2041	4,980,451	2,106,497	100,000	3.50%	20,214	120,214	2,226,711	2.24
2042	4,980,451	1,478,191	105,000	3.59%	16,714	121,714	1,599,904	3.11
2043	4,980,451	774,801	110,000	3.69%	12,944	122,944	897,745	5.55
2044	4,980,451	776,939	115,000	3.74%	8,885	123,885	900,824	5.53
2045	4,980,451	-	120,000	3.82%	4,584	124,584	124,584	39.98
		\$52,132,827	\$1,700,000		\$659,954	\$2,359,954	\$54,492,781	

AVERAGE (MATURITY) LIFE	11.62 YEARS
NET INTEREST RATE	3.340%
COST SAVINGS	\$308,433
AVERAGE ANNUAL REQUIREMENT	\$117,998

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**  
**Alliance Regional Water Authority**  
**51044 - Phase 1B**

Budget Items	Previous Commitments	This Commitment	Local and Other Funds	Total
<b>Construction</b>				
Construction	\$250,556,044.54	\$20,910,025.00	\$43,137,979.71	\$314,604,049.25
<b>Subtotal for Construction</b>	<b>\$250,556,044.54</b>	<b>\$20,910,025.00</b>	<b>\$43,137,979.71</b>	<b>\$314,604,049.25</b>
<b>Basic Engineering Services</b>				
Construction Engineering	\$4,140,749.22	\$985,266.00	\$2,809,500.00	\$7,935,515.22
Design	\$22,026,984.62	\$3,941,065.00	\$759,902.00	\$26,727,951.62
Planning	\$12,036,398.78	\$0.00	\$5,058,996.00	\$17,095,394.78
<b>Subtotal for Basic Engineering Services</b>	<b>\$38,204,132.62</b>	<b>\$4,926,331.00</b>	<b>\$8,628,398.00</b>	<b>\$51,758,861.62</b>
<b>Special Services</b>				
Environmental	\$4,285,277.42	\$0.00	\$150,000.00	\$4,435,277.42
Geotechnical	\$985,000.00	\$0.00	\$75,000.00	\$1,060,000.00
Inspection	\$7,500,000.00	\$3,284,220.00	\$0.00	\$10,784,220.00
O&M Manual	\$60,000.00	\$0.00	\$0.00	\$60,000.00
Permits	\$175,001.00	\$0.00	\$0.00	\$175,001.00
Project Management (by engineer)	\$12,853,277.70	\$1,642,110.00	\$0.00	\$14,495,387.70
Surveying	\$4,371,787.57	\$0.00	\$150,000.00	\$4,521,787.57
Testing	\$2,450,000.00	\$0.00	\$0.00	\$2,450,000.00
<b>Subtotal for Special Services</b>	<b>\$32,680,343.69</b>	<b>\$4,926,330.00</b>	<b>\$375,000.00</b>	<b>\$37,981,673.69</b>
<b>Fiscal Services</b>				
Bond Counsel	\$2,658,135.00	\$273,645.00	\$98,660.00	\$3,030,440.00
Financial Advisor	\$3,389,766.26	\$369,027.00	\$40,000.00	\$3,798,793.26
Issuance Costs	\$144,795.00	\$25,585.00	\$19,400.00	\$189,780.00
Capitalized Interest	\$0.00	\$0.00	\$0.00	\$0.00
<b>Subtotal for Fiscal Services</b>	<b>\$6,192,696.26</b>	<b>\$668,257.00</b>	<b>\$158,060.00</b>	<b>\$7,019,013.26</b>
<b>Other</b>				
Land/Easements Acquisition	\$18,697,386.31	\$0.00	\$2,614,208.50	\$21,311,594.81
Other (Describe) - GBRA (51055) Shared Contract CID 03 and 05	\$50,263,593.03	\$0.00	\$0.00	\$50,263,593.03
<b>Subtotal for Other</b>	<b>\$68,960,979.34</b>	<b>\$0.00</b>	<b>\$2,614,208.50</b>	<b>\$71,575,187.84</b>
<b>Contingency</b>				
Contingency	\$10,120,015.34	\$2,069,057.00	\$2,469,879.00	\$14,658,951.34
<b>Subtotal for Contingency</b>	<b>\$10,120,015.34</b>	<b>\$2,069,057.00</b>	<b>\$2,469,879.00</b>	<b>\$14,658,951.34</b>
<b>Total</b>	<b>\$406,714,211.79</b>	<b>\$33,500,000.00</b>	<b>\$57,383,525.21</b>	<b>\$497,597,737.00</b>

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD  
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF  
\$33,500,000 TO ALLIANCE REGIONAL WATER AUTHORITY  
THROUGH THE PROPOSED PURCHASE, IN ONE OR MORE SERIES, OF  
\$33,500,000 ALLIANCE REGIONAL WATER AUTHORITY  
CONTRACT REVENUE BONDS,  
PROPOSED SERIES 2025

(25- )

Recitals:

The Alliance Regional Water Authority (Authority), located in Hays, Caldwell, Guadalupe, Comal, and Bexar Counties, has filed an application for financial assistance in the amount of \$33,500,000 to finance the design and construction of a water supply project identified as Project No. 51044 (Project).

The Authority seeks financial assistance from the Texas Water Development Board (TWDB) through the TWDB's proposed purchase, in one or more series, of \$33,500,000 Alliance Regional Water Authority Contract Revenue Bonds, Proposed Series 2025 (Obligations), together with all authorizing documents, all as is more specifically set forth in the application and in recommendations of the Executive Administrator's staff.

The Authority has offered a pledge of contract revenue as sufficient security for the repayment of the Obligations.

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 § 363.1307.

In accordance with Texas Water Code § 17.124, the TWDB has considered all matters required by law and in particular the following:

1. The needs of the area to be served by the water supply project, the benefit of the water supply project to the area, the relationship of the water supply project to the overall, statewide water needs, and the relationship of the water supply project to the approved regional and state water plans.
2. And the availability of revenue to the Authority, from all sources, for the ultimate repayment of the cost of the water supply project, including interest.

Findings:

1. The application and assistance applied for meet the requirements of Texas Water Code, Chapter 15, Subchapters G and H and 31 TAC Chapter 363, Subchapters A and M; or the requirements of Chapter 17, Subchapters D, E, and L, and the TWDB's rules set forth in 31 TAC Chapter 363, Subchapter A.

2. The Project is a recommended water management strategy project in the State Water Plan adopted pursuant to Texas Water Code § 16.051, in accordance with Texas Water Code § 15.474(a).
3. The public interest requires state assistance in the financing of this project, in accordance with Texas Water Code § 17.125(a)(1).
4. The Authority, a wholesale water supplier, and all other contracting parties have submitted and implemented a water conservation plan in accordance with Texas Water Code § 16.4021 and 31 TAC § 363.1309(b)(1).
5. The Authority acknowledges its legal obligation to comply with any applicable requirements of federal law related to contracting with disadvantaged business enterprises and any applicable state law related to contracting with historically underutilized businesses, in accordance with Texas Water Code § 15.435(h) and 31 TAC § 363.1309(b)(3).

NOW THEREFORE, based on these findings, the TWDB commits to the following:

The TWDB will provide financial assistance to Alliance Regional Water Authority in the amount of \$33,500,000 from the Financial Assistance Account of the Texas Water Development Fund II to be evidenced by the TWDB's proposed purchase, in one or more series, of Alliance Regional Water Authority Contract Revenue Bonds as follows:

- a. \$10,350,000 Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - Canyon Regional Water Authority), Proposed Series 2025A, to expire on December 31, 2025.
- b. \$9,435,000 Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - City of Kyle, Texas), Proposed Series 2025B, to expire on December 31, 2025.
- c. \$12,015,000 Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - City of San Marcos, Texas), Proposed Series 2025C, to expire on December 31, 2025.
- d. \$1,700,000 Alliance Regional Water Authority Contract Revenue Bonds (Regional Water Supply Contract Project - City of Buda, Texas), to expire on December 31, 2025.

The commitment is subject to the following:

Standard Conditions:

1. This 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.

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 the Obligations were issued; that the Obligations were issued in conformance with the Constitution and laws of the State of Texas; and that the Obligations are valid and binding obligations of the Authority.
3. This commitment is contingent upon the Authority's continued 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.
4. This commitment is contingent upon the Authority executing a separate financing agreement, approved as to form and substance by the Executive Administrator, and submitting the executed agreement to the TWDB consistent with the terms and conditions described in it.
5. Interest rate subsidies for non-level debt service structure are subject to adjustment by the Executive Administrator.
6. The Authority shall use a paying agent/registrar in accordance with 31 TAC § 363.42(c)(2) and shall require the paying agent/registrar to provide a copy of all receipts documenting debt service payments to the TWDB and to the TWDB's designated Trustee.

Required Obligation Conditions:

7. 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 that 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.
8. The Obligations must provide that the Authority will comply with all applicable TWDB laws and rules related to the use of the financial assistance.
9. 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.
10. The Obligations must contain a provision requiring the Authority to maintain insurance coverage sufficient to protect the TWDB's interest in the project.
11. 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, regardless of the amount of the Obligations, covenant 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 SEC rule 15c2-12, 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.

12. The Obligations must require the Authority to use any surplus financial assistance proceeds from the Obligations remaining after completion of the Project and completion of a final accounting in a manner approved by the Executive Administrator.
13. 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.
14. Financial assistance proceeds are public funds. Therefore, the Obligations must require that these proceeds 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.
15. Financial assistance proceeds shall not be used by the Authority when sampling, testing, removing, or disposing of contaminated soils or media at the Project site. 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.
16. The Obligations must require the Authority to report to the TWDB the amounts of Project funds, if any, that were used to compensate historically underutilized businesses that worked on the Project, in accordance with 31 TAC § 363.1312.
17. The Obligations must contain a provision that the TWDB will purchase the Obligations, acting through the TWDB's designated Trustee, and the Obligations shall be registered in the name of Cede & Co. and closed in book-entry-only form in accordance with 31 TAC § 363.42(c)(1).
18. The Authority must 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 G and Texas Water Code § 17.183.

19. 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.
20. The Obligations must require the Authority to submit annually an audit prepared by a certified public accountant in accordance with generally accepted auditing standards.
21. The Obligations must include a provision that, if the collateral or credit pledged by the Authority securing the Obligations is rated by a nationally-recognized statistical rating agency, the Authority, or other obligated person, will not discontinue the rating issued by a nationally-recognized statistical rating agency until the underlying Obligations are retired or no longer held by TWDB.

Tax-Exempt Conditions:

22. The Obligations must prohibit 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 section 141 of the Internal Revenue Code as amended (Code) and the Treasury Regulations promulgated under it (Regulations).
23. The Obligations must provide that no portion of the proceeds of the 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 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 amounts do not exceed the lesser 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.
24. The Obligations must require the Authority to take all necessary steps to comply with the requirement that amounts earned on the investment of gross proceeds of the Obligations be rebated to the federal government in order to satisfy the requirements of section 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 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 its 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 with the Gross Proceeds;
  - b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to its 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 the associated rulings. The Authority shall maintain a copy of the calculations for at least six years after the final Computation Date;
  - c. pay to the United States the amount described in paragraph (b) above within 30 days after each Computation Date as additional consideration for providing financial assistance and in order to induce providing 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 of TWDB's Bonds for federal income tax purposes;
  - d. exercise reasonable diligence to ensure that no errors are made in the calculations required by paragraph (b) and, if an error is made, to discover and promptly correct the error within a reasonable amount of time, including payment to the United States of any interest and any penalty required by the Regulations.
- 25. 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.
  - 26. 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.
  - 27. 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 the borrower's obligations in contravention of section 149(d) of the Code (related to "advance refundings").
  - 28. The Obligations must provide that neither the Authority nor a party related to it 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:

29. Upon request by the Executive Administrator, the Authority shall submit annual audits of contracting parties for the Executive Administrator's review.
30. The Obligations must require 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 system.
31. The Obligations must provide 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.
32. Before 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. The contracts must 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.

Conditions To Close or for Release of Funds:

33. Before closing, if not previously provided with the application, the Authority shall submit executed contracts for engineering and, if applicable, financial advisor and bond counsel 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.
34. Before closing, when any portion of financial assistance is 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.
35. Before closing, the Authority shall 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.
36. Before 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.

37. Before 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.
38. 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.
39. The transcript must include evidence that the information reporting requirements of section 149(e) of the Internal Revenue 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.
40. Before 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. The 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.
41. Before Closing, the Authority shall submit to the escrow agent a closing memo signed by the Executive Administrator.

Special Conditions:

42. Before the release of funds for the costs of planning, engineering, architectural, legal, title, fiscal, economic investigation, studies, surveys, or designs for that portion of the Project that proposes surface water or groundwater development, the Executive Administrator must have either issued 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.
43. Before the release of construction funds for that portion of a 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 24th day of July 2025.

TEXAS WATER DEVELOPMENT BOARD

\_\_\_\_\_  
L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Bryan McMath, Executive Administrator

Review Date:

Project ID:

Water

Wastewater

Other

**WATER CONSERVATION REVIEW**

Entity:

Other entity:

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

	<b>Total GPCD</b>	<b>Residential GPCD</b>	<b>Water Loss GPCD</b>
<b>Baseline</b>			
<b>5-year Goal</b>			
<b>10-year Goal</b>			

**WATER LOSS AUDIT YEAR:**

Validation Required:

Validation Performed:

Service connections:

Length of main lines (miles):

Water Loss GCD:

Retail population:

Connections per mile:

Water Loss GPCD:

ILI:

Real Loss GMD:

**WATER LOSS THRESHOLDS**

Water Loss Project:

Waiver Requested:

Wholesale Adjusted:

Threshold Type:

<b>Apparent Loss GCD</b>		<b>Real Loss GCD</b>	
<b>Reported</b>	<b>Threshold</b>	<b>Reported</b>	<b>Threshold</b>

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 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.



# Alliance Regional Water Authority Hays County

