



## PROJECT FUNDING REQUEST

**BOARD DATE:** July 24, 2025

**Team Manager:** David Firgens

### ACTION REQUESTED

Consider approving by resolution a request from the Guadalupe-Blanco River Authority (Guadalupe, Comal, Hays, Caldwell Counties) for \$40,000,000 in financial assistance from the Texas Water Development Fund program for planning, design and construction of water 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 sources of 10 counties in the Guadalupe River Basin from Kendall County northwest of San Antonio to Refugio County along the Gulf Coast.

Between 2018 and 2024, the Authority received SWIFT funding to advance the Carrizo Groundwater Supply Project, a component of the broader Alliance Regional Water Authority and Guadalupe-Blanco Regional River Authority regional water supply initiative. Phase 1 encompassed the development of a 15,000 acre-feet-per-year well field in Caldwell and Gonzales counties, raw water collection and transmission infrastructure, and facilities for the treatment and delivery of water to entities including Lockhart and New Braunfels Utilities. The subsequent expansion phase which began with SWIFT funding in 2022, referred to as the Texas 130 Project, is designed to yield an additional 9,000 acre-feet-per year of groundwater from the Carrizo Aquifer through enhancements to existing infrastructure and new facilities, including a storage tank and booster pump station. These improvements connected existing participant Goforth Special Utility District and new participants County Line Special Utility District, Maxwell Special Utility District, and Camino Real Utility to the east of Buda. As part of this expansion, the Authority now requests additional funding to support pretreatment and solids handling improvements at the Alliance Regional Water Authority's Carrizo Water Treatment Plant.

### PROJECT NEED AND DESCRIPTION

The Guadalupe-Blanco River Authority's (Authority) Carrizo Groundwater Supply Project previously included three participants: New Braunfels Utilities, City of Lockhart, and Goforth Special Utility District (SUD). With previous SWIRFT funding, the Authority expanded their facilities and added new participants County Line Special Utility District, Maxwell Special Utility District, and Camino Real Utility. These communities continue to expand rapidly with the continued growth of the dynamic San Antonio and Austin regions.

<b>COMMITMENT PERIOD:</b> FIVE (5) MONTHS TO EXPIRE DECEMBER 31, 2025
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To address projected long-term water supply shortages, in 2018 the Authority and Alliance Regional Water Authority (Alliance) agreed to a joint project to provide water to the Authority's participants and the cities of San Marcos, Kyle, Buda, and Canyon Regional Water Authority. This initial project phase is designed to serve the growing populations of the participants, which are projected to grow to over 232,000 by 2032. In 2018, the Authority received State Water Implementation Fund for Texas (SWIFT) program funding for this phase. The initial project phase includes 18.3 million gallons per day (MGD) initial capacity water treatment plant, a well field with a capacity of 15,000 acre-feet per year of groundwater, and a booster pump station located approximately six miles east of the City of San Marcos, which also serves as the primary junction for transmission lines to customers to the north and south with eight connection points and elevated storage tanks. The construction for this phase is substantially complete.

The Authority is requesting funding for planning, design, and construction to support 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 a previous 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.

#### **PROJECT SCHEDULE**

<b>Task</b>	<b>Schedule Date</b>
Engineering Feasibility Report Completion (End of Planning Phase)	August 29, 2025
Closing	November 1, 2025
Design Phase Completion	December 31, 2025
Start of Construction	March 31, 2026
Construction Completion	June 30, 2028

#### **KEY ISSUES**

Each participant is responsible for repaying debt service and the additional contractual costs for its allocated amount, which is based on the amount of water provided by the Authority. Each participant will be required to pay their allocated share of debt service regardless of whether the projected amount of water is used. In addition, each participant pays annually an additional 10 percent of the annual debt service. The allocation between the expansion phase participants for annual contractual payments is shown in the table below.

<b>Sponsor</b>	<b>Allocated Debt Service (percent)</b>
Goforth SUD	38.17
Maxwell SUD	23.66
County Line SUD	38.17

The proposed expansion project will result in cost reductions to the initial phase customers for shared facilities required for expansion. However, the proportion of cost sharing between initial phase customers is unchanged and shown in the table below.

## Initial Phase Participants

<b>Participant</b>	<b>Financing Allocation (Percent)</b>
City of New Braunfels	53.33
Goforth SUD	26.67
City of Lockhart	20.00

## 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

## GBRA Carrizo Groundwater Supply Project

Attachment 1

Risk Score:

County Line SUD – 2B  
Goforth SUD – 2C  
Maxwell SUD – 2B

Audit Reviewed:

County Line SUD FY 2024  
Goforth SUD FY 2023 (FYE 12/31)  
Maxwell SUD FY 2024

### Key Indicators

Indicator	County Line SUD	Goforth SUD	Maxwell SUD	Benchmark
Population Growth, Average Annual 2010-2020	Counties: 3.93%	Counties: 2.61%	Counties: 3.93%	State: 1.49%
Top 10 Customers % of Total Revenue	15%	42%	18%	10-15%
Median Household Income as % of State	100%	109%	100%	100%
Days of Cash on Hand (3-year Average)	1,172 days	33 days	1,309 days	30-149 days
Net Fixed Assets/ Annual Depreciation	37 years	10 years	14 years	12-24 years
Debt Service Coverage Ratio	1.63x	0.98x	1.05x	1.1x*
Debt-to-Operating Revenues	5.91	8.42	6.63	4.00-5.99x
Unemployment Rate (April 2025)	Counties: 3.10%	Counties: 3.10%	Counties: 3.10%	State: 3.70%
Working Capital Ratio	6.95	3.37	13.68	> 1.0
Cash Balance Ratio	187.15%	4.82%	187.88%	0-9.99%

\* GBRA Requires that each of its customers pay 1.10x the debt service requirements.

### Key Risk Score Strengths

- Goforth SUD, County Line SUD, and Maxwell SUD, the three member entities seeking financing this year, have a robust working capital ratio, indicating sufficient resources to cover short-term liabilities and demonstrate a strong liquidity position.
- All three Districts' cash balance ratio has increased, indicating improved short-term liquidity reflecting their ability to cover current liabilities with cash on hand. This growth in cash reserves demonstrates strong financial health and resilience.

### Key Risk Score Concerns

- The District's debt-to-operating revenues ratio is above the benchmark due to system revenues supporting all outstanding debt. However, this indicator does not account for future rate increases. As operating revenues rise, this ratio will decrease.

- Pledged revenues are derived from the contract revenues of Goforth SUD, Maxwell SUD, and County Line SUD, based on their share of the project. In a no-growth scenario, Goforth SUD projects an initial rate increase of \$4.60 in 2027, followed by incremental increases until reaching a maximum projected rate increase of \$24.07 in 2042. Maxwell SUD projects a rate increase of \$3.65 in 2028, followed by incremental increases until reaching a maximum projected rate increase of \$4.69 in 2048. However, each entity has substantial impact and installation fees, considered non-operating revenues, which were partially factored into our risk score analysis. If the full amount is utilized, this additional revenue could offset a large percentage of the projected rate increases. In the previous fiscal year, the combined impact and installation fee revenue for the districts totaled \$16,881,519.
- The household cost factor is above the benchmark for County Line SUD at 2.16, Goforth SUD at 2.41, and Maxwell SUD at 2.81. However, the three districts have experienced substantial growth, as indicated by the impact fees and connection growth rates. County Line SUD has seen a 66.56 percent increase in connections over the past five years, Goforth SUD has experienced a 49.33 percent growth over the past four years, and Maxwell SUD has seen a 132.19 percent increase over the past four years. With the increase in connections growth, the projected household cost factor could be reduced due to stabilizing bases rates.

#### 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 type="checkbox"/> First <input type="checkbox"/> Second <input type="checkbox"/> Third <input checked="" type="checkbox"/> N/A

#### RATES AND CHARGES – County Line SUD

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
Water	5,255	\$71.00	\$71.00	2.16	2.16

#### RATES AND CHARGES – Goforth SUD

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (Year 2042)	Current Household Cost Factor	Projected Household Cost Factor
Water	10,000	\$70.00	\$94.07	2.05	2.41

#### RATES AND CHARGES – Maxwell SUD

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (Year 2048)	Current Household Cost Factor	Projected Household Cost Factor
Water	7,596	\$106.21	\$110.90	2.74	2.81

#### Cost Savings

Based on a 30-year maturity schedule and current interest rates, the Authority could save approximately \$7,004,532 over the life of the financing.

Project Data Summary

Responsible Authority	Guadalupe Blanco RA
Program	WDF
Commitment Number	L1002210
Project Number	51055
List Year	2025
Type of Pledge	Contract Revenue Pledge
Pledge Level (if applicable)	First Lien
Legal Description	\$40,000,000 Guadalupe Blanco River Authority Contract Revenue Bonds, Series 2025 (Carrizo Groundwater Supply 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	2B

PROJECT TEAM				
Team Manager	Financial Analyst	Engineering Reviewer	Environmental Reviewer	Attorney
David Firgens	Raul Flores	Jane Martinez	Stephannie Resendez	Marshall Walters

ISSUE BEING EVALUATED  
FOR ILLUSTRATION PURPOSES ONLY  
Guadalupe Blanco River Authority

**\$40,000,000 Guadalupe Blanco River Authority Contract Revenue Bonds, Series 2025 (Carrizo Groundwater Supply Project)**

<b>Dated Date:</b>	<b>11/1/2025</b>	<b>Source:</b>	<b>SWIFT-LOW-30YR</b>
<b>Delivery Date:</b>	<b>11/1/2025</b>	<b>Rate:</b>	<b>4.35%</b>
<b>First Interest:</b>	<b>3/15/2026</b>	<b>IUP Year:</b>	<b>2025</b>
<b>First Principal:</b>	<b>3/15/2028</b>	<b>Case:</b>	<b>Revenue Only</b>
<b>Last Principal:</b>	<b>3/15/2055</b>	<b>Admin.Fee:</b>	<b>\$0</b>
<b>Fiscal Year End:</b>	<b>12/31</b>	<b>Admin. Fee Payment Date:</b>	<b>N/A</b>
<b>Required Coverage:</b>	<b>1.1</b>		

FISCAL YEAR	PROJECTED NET SYSTEM REVENUES	CURRENT DEBT SERVICE	\$40,000,000 ISSUE				TOTAL DEBT SERVICE COVERAGE	
			PRINCIPAL PAYMENT	INTEREST RATE	INTEREST PAYMENT	TOTAL PAYMENT		
2026	\$29,597,121	\$18,444,613	\$0	2.81%	\$1,425,554	\$1,425,554	\$19,870,167	1.49
2027	29,597,121	21,337,191	-	2.77%	1,634,394	1,634,394	22,971,585	1.29
2028	29,597,121	23,167,175	860,000	2.78%	1,622,440	2,482,440	25,649,615	1.15
2029	29,597,121	23,142,597	890,000	2.80%	1,598,026	2,488,026	25,630,622	1.15
2030	29,597,121	23,137,031	915,000	2.85%	1,572,527	2,487,527	25,624,558	1.16
2031	29,597,121	23,457,809	940,000	2.92%	1,545,764	2,485,764	25,943,573	1.14
2032	29,597,121	23,443,505	970,000	2.99%	1,517,539	2,487,539	25,931,043	1.14
2033	29,597,121	23,423,944	1,000,000	3.05%	1,487,787	2,487,787	25,911,731	1.14
2034	29,597,121	23,414,502	1,030,000	3.17%	1,456,212	2,486,212	25,900,714	1.14
2035	29,597,121	23,426,236	1,065,000	3.26%	1,422,527	2,487,527	25,913,763	1.14
2036	29,597,121	23,430,336	1,100,000	3.46%	1,386,137	2,486,137	25,916,473	1.14
2037	29,597,121	22,914,785	1,135,000	3.57%	1,346,847	2,481,847	25,396,632	1.17
2038	29,597,121	21,877,921	1,175,000	3.69%	1,304,909	2,479,909	24,357,829	1.22
2039	29,597,121	22,734,289	1,215,000	3.80%	1,260,145	2,475,145	25,209,434	1.17
2040	29,597,121	22,910,038	1,260,000	3.90%	1,212,490	2,472,490	25,382,528	1.17
2041	29,597,121	23,734,774	1,305,000	4.01%	1,161,755	2,466,755	26,201,529	1.13
2042	30,403,661	25,177,016	1,355,000	4.12%	1,107,677	2,462,677	27,639,692	1.10
2043	30,403,661	25,174,847	1,405,000	4.23%	1,050,048	2,455,048	27,629,895	1.10
2044	30,407,734	25,189,486	1,465,000	4.29%	988,908	2,453,908	27,643,394	1.10
2045	30,407,734	25,187,640	1,525,000	4.37%	924,162	2,449,162	27,636,802	1.10
2046	30,423,767	25,218,188	1,585,000	4.55%	854,782	2,439,782	27,657,970	1.10
2047	30,423,767	25,215,716	1,655,000	4.55%	781,072	2,436,072	27,651,789	1.10
2048	30,423,767	25,215,304	1,725,000	4.55%	704,177	2,429,177	27,644,481	1.10
2049	29,597,121	24,274,714	1,800,000	4.55%	623,984	2,423,984	26,698,698	1.11
2050	29,597,121	23,894,124	1,880,000	4.55%	540,264	2,420,264	26,314,388	1.12
2051	29,597,121	23,328,556	1,965,000	4.63%	452,004	2,417,004	25,745,560	1.15
2052	29,597,121	22,366,266	2,050,000	4.63%	359,057	2,409,057	24,775,322	1.19
2053	29,597,121	19,128,926	2,145,000	4.63%	261,942	2,406,942	21,535,868	1.37
2054	29,597,121	10,165,400	2,240,000	4.63%	160,430	2,400,430	12,565,830	2.36
2055	29,597,121	6,688,062	2,345,000	4.63%	54,287	2,399,287	9,087,349	3.26
		\$670,220,992	\$40,000,000		\$31,817,842	\$71,817,842	\$742,038,833	

<b>AVERAGE (MATURITY) LIFE</b>	<b>18.29 YEARS</b>
<b>NET INTEREST RATE</b>	<b>4.348%</b>
<b>COST SAVINGS</b>	<b>\$7,004,532</b>
<b>AVERAGE ANNUAL REQUIREMENT</b>	<b>\$2,393,928</b>

*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  
51055 - Carrizo Groundwater Supply Project**

Budget Items	Previous Commitments	New Commitment (L1002210)	Local and Other Funds	Total
<b>Construction</b>				
Construction	\$78,047,592.60	\$26,056,400.00	\$61,529,062.00	\$165,633,054.60
Construction Contracts	\$78,129,866.21	\$0.00	\$7,294,811.33	\$88,424,677.54
<b>Subtotal for Construction</b>	<b>\$156,177,458.81</b>	<b>\$26,056,400.00</b>	<b>\$68,823,873.33</b>	<b>\$251,057,732.14</b>
<b>Basic Engineering Services</b>				
Construction Engineering	\$16,849,065.65	\$2,809,500.00	\$2,000,000.00	\$21,658,565.65
Design	\$15,201,000.48	\$759,902.00	\$3,000,000.00	\$18,960,902.48
Planning	\$14,187,664.50	\$5,058,996.00	\$0.00	\$19,246,660.50
<b>Subtotal for Basic Engineering Services</b>	<b>\$46,237,730.63</b>	<b>\$8,628,398.00</b>	<b>\$5,000,000.00</b>	<b>\$59,866,128.63</b>
<b>Special Services</b>				
Environmental	\$2,031,997.51	\$150,000.00	\$0.00	\$2,181,997.51
Geotechnical	\$1,308,480.00	\$75,000.00	\$100,000.00	\$1,483,480.00
Permits	\$230,000.00	\$0.00	\$0.00	\$230,000.00
Special Service Other (Describe)	\$250,000.00	\$0.00	\$0.00	\$250,000.00
Surveying	\$2,819,379.00	\$150,000.00	\$0.00	\$2,969,379.00
<b>Subtotal for Special Services</b>	<b>\$6,639,856.51</b>	<b>\$375,000.00</b>	<b>\$100,000.00</b>	<b>\$7,114,856.51</b>
<b>Fiscal Services</b>				
Bond Counsel	\$1,091,920.00	\$98,660.00	\$0.00	\$1,190,580.00
Capitalized Interest	\$21,674,606.89	\$2,312,263.00	\$0.00	\$23,986,869.89
Financial Advisor	\$828,435.75	\$40,000.00	\$173,724.00	\$1,042,159.75
Fiscal/Legal	\$85,500.00	\$0.00	\$0.00	\$85,500.00
Issuance Costs	\$114,778.44	\$19,400.00	\$0.00	\$134,178.44
<b>Subtotal for Fiscal Services</b>	<b>\$23,795,241.08</b>	<b>\$2,470,323.00</b>	<b>\$173,724.00</b>	<b>\$26,439,288.08</b>
<b>Other</b>				
Capacity Buy-in	\$2,611,038.10	\$0.00	\$690,500.00	\$3,301,538.10
Land/Easements Acquisition	\$29,708,349.84	\$0.00	\$4,142,200.00	\$33,850,549.84
Other – Shared contracts with GBRA	\$91,946,626.22	\$0.00	\$61,501,284.10	\$153,447,910.30
Other – District Fees	\$305,268.00	\$0.00	\$0.00	\$305,268.00
Other – Electric Utility Service	\$947,833.00	\$0.00	\$0.00	\$947,833.00
Other – Lease Payments	\$4,944,268.00	\$0.00	\$0.00	\$4,944,268.00
Other - Legal	\$250,000.00	\$0.00	\$0.00	\$250,000.00
Project Legal Expenses	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00
Water Rights Purchase	\$28,609,225.00	\$0.00	\$1,990,775.00	\$30,600,000.00
<b>Subtotal for Other</b>	<b>\$161,322,608.16</b>	<b>\$0.00</b>	<b>\$68,324,759.10</b>	<b>\$229,647,367.26</b>
<b>Contingency</b>				
Contingency	\$18,822,104.81	\$2,469,879.00	\$4,050,312.00	\$25,342,295.81
<b>Subtotal for Contingency</b>	<b>\$18,822,104.81</b>	<b>\$2,469,879.00</b>	<b>\$4,050,312.00</b>	<b>\$25,342,295.81</b>
<b>Total</b>	<b>\$412,995,000.00</b>	<b>\$40,000,000.00</b>	<b>\$146,472,668.43</b>	<b>\$599,467,668.43</b>



A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD  
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF  
\$40,000,000 TO THE GUADALUPE-BLANCO RIVER AUTHORITY  
THROUGH THE PROPOSED PURCHASE OF  
GUADALUPE-BLANCO RIVER AUTHORITY CONTRACT REVENUE BONDS,  
PROPOSED SERIES 2025 (LOW INTEREST FINANCING) CARRIZO GROUNDWATER  
SUPPLY EXPANSION PROJECT

(25- )

Recitals:

The Guadalupe-Blanco River Authority (Authority), located in Guadalupe, Comal, Hays and Caldwell counties, has filed an application for financial assistance in the amount of \$40,000,000 to finance the planning, design, and construction of water supply project identified as Project No. 51055 (Project).

The Authority qualifies for financial assistance from the Texas Water Development Board (TWDB) through the TWDB's proposed purchase of \$40,000,000 Guadalupe-Blanco River Authority Contract Revenue Bonds, Proposed Series 2025 (Low Interest Financing) Carrizo Groundwater Supply Expansion Project (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 revenues from the treated water supply agreements between the Authority and Alliance Regional Water Authority, County Line Special Utility District, Goforth Special Utility District, and Maxwell Special Utility District 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 has adopted 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:

A commitment is made by the TWDB to the Guadalupe-Blanco River Authority for financial assistance in the amount of \$40,000,000 from the Financial Assistance Account of the Texas Water Development Fund II to be evidenced by the TWDB's proposed purchase of \$40,000,000 Guadalupe-Blanco River Authority Contract Revenue Bonds, Proposed Series 2025 (Low Interest Financing) Carrizo Groundwater Supply Expansion Project. This commitment will 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.

Pledge Conditions:

22. Upon request by the Executive Administrator, the Authority shall submit annual audits of contracting parties for the Executive Administrator's review.
23. 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.
24. 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.
25. 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:

26. 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.
27. 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.
28. 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.

29. 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.
30. Before closing, the City shall submit to the escrow agent a closing memo signed by the executive administrator.

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

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:	Apparent Loss GCD		Real Loss GCD	
Threshold Type:	Reported	Threshold	Reported	Threshold
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.





**Guadalupe Blanco River Authority  
(GBRA)  
Caldwell, Comal, Hays &  
Guadalupe County**

