



PROJECT FUNDING REQUEST

BOARD DATE: May 8, 2025

Team Manager: Nancy Richards

ACTION REQUESTED

Consider approving by resolution a request from the Harris County Municipal Utility District No. 215 (Harris County) for \$7,345,000 in financial assistance from the Texas Water Development Fund for construction of a wastewater system improvements project.

STAFF RECOMMENDATION

☒ Approve ☐ No Action

BACKGROUND

The Harris County Municipal Utility District No. 215 (District) is located 15 miles north of downtown Houston. The District provides water and wastewater services to a population of approximately 2,200 residents and approximately 888 water and wastewater connections

PROJECT NEED AND DESCRIPTION

The District and Harris County Municipal Utility District No. 200 jointly own and operate a wastewater treatment plant that was constructed in 1980. The District currently owns 22.9 percent of the existing plant capacity. Several components of the treatment plant are outdated, deteriorating, and have exceeded their expected useful lives. The District will soon be required to plan for additional capacity when use of the plant exceeds 75 percent of its permitted capacity.

The District requests construction phase funds for the expansion of the treatment plant from 1.44 million gallons per day (MGD) to 1.6 MGD, which includes construction of four sequencing batch reactor treatment units, a clarified effluent pump station, a blower building, and installation of five displacement blowers. The District will also construct disinfection, dichlorination, and flow measurement treatment units, a non-potable water pump system, and post-aeration blowers. Two buildings will be added to the treatment plant site, including a chemical storage building and an electrical building. The District will demolish existing rotating biological contractor treatment units and install a digester blower structure, along with rehabbing existing digester units and adding new aeration piping. The District will also purchase a 1.25 megawatt diesel generator.

KEY ISSUES

The District's project partner is contributing approximately \$38 million in funding for the project with both local funds and Texas Commission on Environmental Quality financing.

COMMITMENT PERIOD: SIX (6) MONTHS TO EXPIRE NOVEMBER 30, 2025
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PROJECT SCHEDULE

Task	Schedule Date
Closing	August 1, 2025
Engineering Feasibility Report Completion (End of Planning Phase)	August 1, 2025
Design Phase Completion	October 1, 2025
Start of Construction	February 1, 2026
Construction Completion	July 1, 2028

LEGAL/SPECIAL CONDITIONS

- Notice of change in legal status
- Notice of conveyance

Attachments:

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

Financial Review

Harris County MUD No. 215

Attachment 1

Risk Score: 2A

Audit Reviewed: FY 2024

Key Indicators

Indicator	Result	Benchmark
Population Growth, Average Annual 2010-2020	City: 0.94%	State: 1.49%
Top 10 Taxpayer as % Total AV	99.84%	<15%
Median Household Income as % of State	83%	100%
Days of Cash on Hand (3-year Average)	1,549 days	30-149 days
Debt Service Coverage Ratio	1.00x	1.00x
Debt-to-Operating Revenues	4.67	4.00-5.99x
Unemployment Rate (December 2024)	City: 4.00%	State: 3.70%
Working Capital Ratio	34.73	> 1.0
Cash Balance Ratio	126%	0 – 9.99%

Key Risk Score Strengths

- The District's days of cash on hand are above the benchmark, indicating ample reserves for operating expenses in the event of a short-term cash flow shortage.
- A high working capital ratio of 34.73 percent demonstrates the District has sufficient resources to cover short-term liabilities and indicates a strong liquidity position.
- The District's cash balance has grown from \$1.8M in 2019 to \$3.8M in 2024. With a cash balance ratio of 126 percent, the District demonstrates solid financial health and resilience.

Key Risk Score Concerns

- The District's assessed valuation collection rate was consistently 100 percent from 2019 to 2022 but dropped to 72.03 percent in 2023 due to a value protest; however, it has rebounded to 92 percent in 2024, reflecting improved collection efforts.
- The District's top 10 taxpayers account for 99.84 percent of the tax base, with a real estate development company making up 88.87 percent. This development has been the primary project within the District since the early 1990s and the Board has maintained a strong working relationship with its onsite management team. While the property was recently sold to new owners, the existing management team will remain in place. Given the development's long history of regular tax payments, the District does not anticipate any issues with revenue from this taxpayer.

PLEDGE

Legal Pledge Name	Unlimited Tax Bond
Type of Pledge	<input checked="" type="checkbox"/> Tax <input type="checkbox"/> Revenue <input type="checkbox"/> Tax & Revenue <input 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

TAXES

	2024 Tax Year Rate	Max Projected Tax Rate	Maximum Allowable Rate	5-Year Avg Current Tax Collections	Assessed Valuation
Maintenance & Operation	\$0.50	\$0.50	Unlimited	93%	\$77,085,091
Interest & Sinking	\$0.00	\$0.00			
Total Tax Rate	\$0.50	\$0.50			

Cost Savings

Based on a 25-year maturity schedule and current interest rates, the District could save approximately \$152,961 over the life of the financing.

Responsible Authority	Harris Co MUD No. 215
Program	WDF
Commitment Number	L1002092
Project Number	21868
List Year	2024
Type of Pledge	Tax Pledge
Pledge Level (if applicable)	First Lien
Legal Description	\$7,345,000 Harris County Municipal Utility District No. 215 Unlimited Tax Bonds, Series 2025
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	Construction
Pre-Design	No
Project Consistent with State Water Plan	N/A
Water Conservation Plan	Approved
Overall Risk Score	2A

PROJECT TEAM				
Team Manager	Financial Analyst	Engineering Reviewer	Environmental Reviewer	Attorney
Nancy Richards	Raul Flores	Shubham Aggarwal	Britt Wilson	Breann Hunter

ISSUE BEING EVALUATED
FOR ILLUSTRATION PURPOSES ONLY
Harris County MUD #215

\$7,345,000 Harris County Municipal Utility District No. 215 Unlimited Tax Bonds, Series 2025.

Dated Date:	8/1/2025	Source:	WDF
Delivery Date:	8/1/2025	Rate:	4.34%
First Interest:	4/1/2026	IUP Year:	2024
First Principal:	10/1/2026	Case:	Tax
Last Principal:	10/1/2050	Admin.Fee:	\$0
Fiscal Year End:	07/31	Admin. Fee Payment Date:	N/A
Required Coverage:	1.0	Total Assessed Valuation:	\$77,085,091

FISCAL YEAR	CURRENT TAX RATE	TAX REVENUES WITH COLL. @ 93%	PROJECTED NET SYSTEM REVENUES	PROJECTED TOTAL REVENUES	CURRENT DEBT SERVICE	\$7,345,000 ISSUE				TOTAL DEBT SERVICE	COVERAGE
						PRINCIPAL PAYMENT	INTEREST RATE	INTEREST PAYMENT	TOTAL PAYMENT		
2026	\$0.2810	\$200,655	\$0	\$200,655	\$0	\$0	3.71%	\$200,655	\$200,655	\$200,655	1.00
2027	0.6690	477,779	-	477,779	-	180,000	3.56%	297,779	477,779	477,779	1.00
2028	0.6740	481,364	-	481,364	-	190,000	3.38%	291,364	481,364	481,364	1.00
2029	0.6789	484,883	-	484,883	-	200,000	3.27%	284,883	484,883	484,883	1.00
2030	0.6767	483,302	-	483,302	-	205,000	3.23%	278,302	483,302	483,302	1.00
2031	0.6812	486,519	-	486,519	-	215,000	3.23%	271,519	486,519	486,519	1.00
2032	0.6853	489,435	-	489,435	-	225,000	3.21%	264,435	489,435	489,435	1.00
2033	0.6889	492,029	-	492,029	-	235,000	3.23%	257,029	492,029	492,029	1.00
2034	0.6920	494,240	-	494,240	-	245,000	3.26%	249,240	494,240	494,240	1.00
2035	0.6945	496,039	-	496,039	-	255,000	3.30%	241,039	496,039	496,039	1.00
2036	0.6961	497,141	-	497,141	-	265,000	3.54%	232,141	497,141	497,141	1.00
2037	0.6963	497,322	-	497,322	-	275,000	3.73%	222,322	497,322	497,322	1.00
2038	0.6953	496,579	-	496,579	-	285,000	3.94%	211,579	496,579	496,579	1.00
2039	0.6999	499,874	-	499,874	-	300,000	4.06%	199,874	499,874	499,874	1.00
2040	0.6963	497,290	-	497,290	-	310,000	4.19%	187,290	497,290	497,290	1.00
2041	0.6984	498,759	-	498,759	-	325,000	4.33%	173,759	498,759	498,759	1.00
2042	0.6990	499,209	-	499,209	-	340,000	4.42%	159,209	499,209	499,209	1.00
2043	0.6983	498,725	-	498,725	-	355,000	4.49%	143,725	498,725	498,725	1.00
2044	0.6963	497,319	-	497,319	-	370,000	4.56%	127,319	497,319	497,319	1.00
2045	0.6930	494,970	-	494,970	-	385,000	4.63%	109,970	494,970	494,970	1.00
2046	0.6888	491,938	-	491,938	-	400,000	4.56%	91,938	491,938	491,938	1.00
2047	0.6906	493,200	-	493,200	-	420,000	4.58%	73,200	493,200	493,200	1.00
2048	0.6841	488,555	-	488,555	-	435,000	4.61%	53,555	488,555	488,555	1.00
2049	0.6832	487,927	-	487,927	-	455,000	4.66%	32,927	487,927	487,927	1.00
2050	0.6807	486,163	-	486,163	-	475,000	4.70%	11,163	486,163	486,163	1.00
					\$0	\$7,345,000		\$4,666,210	\$12,011,210	\$12,011,210	

AVERAGE (MATURITY) LIFE	14.63 YEARS
NET INTEREST RATE	4.343%
COST SAVINGS	\$ 152,961
AVERAGE ANNUAL REQUIREMENT	\$480,444

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
Harris Co MUD No. 215
21868 - Wastewater Treatment Plant Replacement

Budget Items	TWDB Funds	Local and Other Funds	Total
Construction			
Construction	\$5,791,296.00	\$27,568,704.00	\$33,360,000.00
Subtotal for Construction	\$5,791,296.00	\$27,568,704.00	\$33,360,000.00
Basic Engineering Services			
Construction Engineering	\$0.00	\$3,622,698.00	\$3,622,698.00
Design	\$0.00	\$3,117,063.00	\$3,117,063.00
Planning	\$0.00	\$100,000.00	\$100,000.00
Subtotal for Basic Engineering Services	\$0.00	\$6,839,761.00	\$6,839,761.00
Special Services			
Application	\$81,725.00	\$0.00	\$81,725.00
Environmental	\$0.00	\$189,239.00	\$189,239.00
Geotechnical	\$0.00	\$189,239.00	\$189,239.00
Inspection	\$0.00	\$201,261.00	\$201,261.00
Permits	\$0.00	\$100,000.00	\$100,000.00
Project Management (by engineer)	\$125,000.00	\$0.00	\$125,000.00
Surveying	\$0.00	\$189,239.00	\$189,239.00
Testing	\$0.00	\$201,261.00	\$201,261.00
Subtotal for Special Services	\$206,725.00	\$1,070,239.00	\$1,276,964.00
Fiscal Services			
Bond Counsel	\$193,625.00	\$0.00	\$193,625.00
Capitalized Interest	\$390,200.00	\$0.00	\$390,200.00
Financial Advisor	\$146,900.00	\$0.00	\$146,900.00
Issuance Costs	\$26,014.00	\$0.00	\$26,014.00
Subtotal for Fiscal Services	\$756,739.00	\$0.00	\$756,739.00
Contingency			
Contingency	\$590,240.00	\$2,809,760.00	\$3,400,000.00
Subtotal for Contingency	\$590,240.00	\$2,809,760.00	\$3,400,000.00
Total	\$7,345,000.00	\$38,288,464.00	\$45,633,464.00

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
\$7,345,000 TO HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
FROM THE FINANCIAL ASSISTANCE ACCOUNT OF
THE TEXAS WATER DEVELOPMENT FUND II
THROUGH THE PROPOSED PURCHASE OF
\$7,345,000 HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
UNLIMITED TAX BONDS PROPOSED SERIES 2025

(25-)

Recitals:

The Harris County Municipal Utility District No. 215, located in Harris County, Texas (District), has filed an application for financial assistance in the amount of \$7,345,000 from the Financial Assistance Account of the Texas Water Development Fund II, established by Texas Water Code § 17.959, to finance the construction of wastewater system improvements, identified as Project No. 21868.

The District seeks financial assistance from the Texas Water Development Board (TWDB) in the amount of \$7,345,000 through the TWDB's purchase of \$7,345,000 Harris County Municipal Utility District No. 215 Unlimited Tax Bonds, Proposed Series 2025 (together with all authorizing documents (Obligations)), all as is more specifically set forth in the application and in recommendations of the TWDB's staff.

The District has offered a pledge of an unlimited tax rate as sufficient security for the repayment of the Obligations.

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

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

Findings:

1. The public interest will benefit from state assistance in the financing of this project, in accordance with Texas Water Code § 17.277(a).

2. The District 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 incorporate practices, techniques, or technology described the Texas Water Code and TWDB's rules.
3. The application and financial assistance requested meet the requirements of Texas Water Code, Chapter 17, Subchapters E, F, and L, and 31 TAC Chapter 363, Subchapter A.
4. The current water audit required by Texas Water Code § 16.0121 has been completed by the District and filed with the TWDB, in accordance with Texas Water Code § 16.053(j).
5. Any treatment works to be financed under the application will consider cost-effective innovative, nonconventional methods of treatment such as rock reed, root zone, ponding, irrigation, or other methods that may have been developed by the National Aeronautics and Space Administration or the Tennessee Valley Authority, in accordance with Texas Water Code § 17.189.

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

A commitment is made by the TWDB to the Harris County Municipal Utility District No. 215 for financial assistance in the amount of \$7,345,000 from the Financial Assistance Account of the Texas Water Development Fund II, to be evidenced by the TWDB's purchase of \$7,345,000 Harris County Municipal Utility District No. 215 Unlimited Tax Bonds, Proposed Series 2025. This commitment will expire on November 30, 2025.

This commitment is conditioned as follows:

Standard Conditions:

1. This commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand.
2. This commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that the District has complied with all of the requirements of the laws under which said Obligations were issued; that said Obligations were issued in conformity with the Constitution and laws of the State of Texas; and that said Obligations are valid and binding obligations of the District.
3. This commitment is contingent upon the District's compliance with all applicable laws, rules, policies, and guidance (as these may be amended from time to time to adapt to a change in law, in circumstances, or any other legal requirement), including but not limited to 31 TAC Chapter 363.

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

consultants, agents, officials and employees as a result of activities relating to the project to the extent permitted by law.

11. Before closing, the District shall submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements.
12. Before closing, and if required under the TWDB's financial assistance program and not previously provided with the application, the District shall submit an executed engineering contract as appropriate for the project scope of work, and an executed financial advisor contract and executed bond counsel contract as appropriate for the work to be performed in obtaining the TWDB's financial assistance for the project, in a form and substance that are satisfactory to the Executive Administrator. Fees to be reimbursed under any consulting contract must be reasonable in relation to the services performed, must be reflected in the contract, and must be acceptable to the Executive Administrator.
13. Before closing, when any portion of financial assistance proceeds are to be held in escrow or in trust, the District 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.
14. The Executive Administrator may require that the District execute a separate financing agreement in form and substance acceptable to the Executive Administrator.
15. The District shall abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter F and Texas Water Code § 17.183.
16. The District must immediately notify TWDB, in writing, of any suit against it by the Attorney General of Texas under Texas Penal Code § 1.10(f) (related to federal laws regulating firearms, firearm accessories, and firearm ammunition).

Conditions Related To Tax-Exempt Status:

17. Before closing, the District'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 District when rendering this opinion.
18. Before closing, the District'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 District when rendering this opinion.

19. The Obligations must include a provision prohibiting the District from using the proceeds of this financial assistance in a manner that would cause the Obligations to become “private activity bonds” within the meaning of § 141 of the Internal Revenue Code of 1986, as amended (Code) and the Treasury Regulations promulgated thereunder (Regulations).
20. The Obligations must provide that no portion of the proceeds of the loan will be used, directly or indirectly, in a manner that would cause the Obligations to be “arbitrage bonds” within the meaning of § 148(a) of the Code and Regulations, including to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments (as defined in the Code and Regulations) that produce a yield materially higher than the yield on the TWDB’s bonds that are issued to provide financing for the loan (Source Series Bonds), other than Nonpurpose Investments acquired with:
 - a. proceeds of the TWDB’s Source Series Bonds invested for a reasonable temporary period of up to three (3) years after the issue date of the Source Series Bonds until such proceeds are needed for the facilities to be financed;
 - b. amounts invested in a bona fide debt service fund, within the meaning of § 1.148-1(b) of the Regulations; and
 - c. amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt service on the Obligations, 125% of average annual debt service on the Obligations, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Obligations.
21. The Obligations must include a provision requiring the District take all necessary steps to comply with the requirement that certain amounts earned on the investment of gross proceeds of the Obligations be rebated to the federal government in order to satisfy the requirements of § 148 of the Code. The Obligations must provide that the District will:
 - a. account for all Gross Proceeds, as defined in the Code and Regulations, (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and retain all records of such accounting for at least six years after the final Computation Date. The District may, however, to the extent permitted by law, commingle Gross Proceeds of its loan with other money of the District, provided that the District separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith;
 - b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to its loan, not less frequently than each Computation Date, in accordance with rules set forth in § 148(f) of the Code, § 1.148-3 of the

Regulations, and the rulings thereunder. The District shall maintain a copy of such calculations for at least six years after the final Computation Date;

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

Pledge Condition For The Loan:

29. The Obligations must contain a provision that for each year the Bonds are outstanding, the District will levy a debt service tax rate, and collect taxes sufficient for the repayment of annual principal and interest requirements on the Obligations.

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

Special Conditions:

30. The District must notify the Executive Administrator in writing thirty (30) days prior to taking any actions to alter its legal status in any manner.
31. The Obligations must include a provision requiring that the District notify the Executive Administrator in writing prior to any action by it to convey its Obligations held by the TWDB to another entity; the conveyance and the assumption of the Obligations must be approved by the TWDB.

APPROVED and ordered of record this the 8th day of May 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:

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:

Apparent Loss GCD		Real Loss GCD	
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.



Harris County MUD #215
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