



P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

AGENDA ITEM MEMO

BOARD MEETING DATE: March 31, 2026

TO: Board Members

THROUGH: Bryan McMath, Executive Administrator
Ashley Harden, General Counsel

FROM: Georgia Sanchez, Chief Financial Officer and Development Fund Manager
Lina Linehan, Financial Analyst, Debt and Portfolio Management

SUBJECT: Texas Water Development Board State Revolving Fund Revenue Bonds

ACTION REQUESTED

Consider approving by resolution: (a) the issuance, sale, and delivery of Texas Water Development Board State Revolving Fund Revenue Bonds, in one or more series; (b) a Preliminary Official Statement; and (c) authorization for the Executive Administrator, Assistant Executive Administrator, Chief Financial Officer, Development Fund Manager, Director of Debt & Portfolio Management, or any other authorized representative to act on behalf of the Texas Water Development Board in the sale and delivery of multiple series of such bonds.

BACKGROUND

Authorization was previously received to initiate the bond issuance process to provide funding for eligible projects through the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF), and costs of issuance. Hilltop Securities Inc. was selected to serve as financial advisor; McCall, Parkhurst & Horton L.L.P. was selected to serve as bond counsel; and Bracewell LLP was selected to serve as disclosure counsel. Robert W. Baird & Co. Inc. was selected to serve as senior managing underwriter for the transaction. Estrada Hinojosa & Co. Inc.; Raymond James Financial, Inc.; RBC Capital Markets LLC; Siebert Williams Shank & Co. LLC; and UMB Bank, N.A. were selected to serve as co-managing underwriters.

Staff, in coordination with the consultants, have drafted the required documents, including the attached supplemental bond resolution and Preliminary Official Statement. Upon approval, a formal Notice of Intent to issue debt will be provided to the Bond Review Board (BRB), and approval is anticipated from the BRB in advance of posting the Preliminary Official Statement. Legislative Budget Board approval is not required for this

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in ensuring a secure
water future for Texas

L'Oreal Stepney, P.E., Chairwoman | W. Brady Franks, Board Member | Ashley Morgan, Board Member
Bryan McMath, Executive Administrator

transaction. Staff anticipate non-substantive edits to update the bond documents prior to publication.

KEY ISSUES

While the par and premium amounts will be adjusted at the time of pricing due to final projected needs and market considerations, the total principal not-to-exceed amount is \$400 million.

The costs of issuance for the transaction have been estimated at a not-to-exceed of \$4.25 per bond for the underwriter's discount and \$870,000 for all other transaction-related fees and expenses. The estimated costs of issuance are appropriate but may be negotiated further based on market conditions at the time of pricing.

Below is a short summary of the preliminary schedule of events currently anticipated for this transaction:

- | | |
|-------------------------|--|
| • March 31, 2026 | Board considers bond sale resolution/documents |
| • May 18, 2026 | Bond pricing initiation |
| • May 19, 2026 | Bond pricing |
| • June 10, 2026 | Closing and delivery of the bonds |

RECOMMENDATION

The Executive Administrator recommends approving by resolution: (a) the issuance, sale and delivery of Texas Water Development Board State Revolving Fund Revenue Bonds, in one or more series; (b) a Preliminary Official Statement; and (c) authorization for the Executive Administrator, Assistant Executive Administrator, Chief Financial Officer, Development Fund Manager, Director of Debt & Portfolio Management, or any other authorized representative to act on behalf of the Texas Water Development Board in the sale and delivery of such bonds.

Attachments:

1. Draft Bond Resolution
2. Draft Preliminary Official Statement

EIGHTH SUPPLEMENTAL RESOLUTION

AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF TEXAS WATER DEVELOPMENT BOARD STATE REVOLVING FUND REVENUE BONDS, NEW SERIES 2026; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO.

Dated

March 31, 2026

DRAFT

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EXHIBITS:

- Exhibit A – Definitions
- Exhibit B – Form of Bonds
- Exhibit C – Form of Bond Purchase Agreement
- Exhibit D – Form of Official Statement
- Exhibit E – Form of Agency Agreement
- Exhibit F – Description of Annual Financial Information of the Board
- Exhibit G – Description of Annual Financial Information of Existing Significant Borrowers

EIGHTH SUPPLEMENTAL RESOLUTION

AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF TEXAS WATER DEVELOPMENT BOARD STATE REVOLVING FUND REVENUE BONDS, NEW SERIES 2026; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO.

WHEREAS, on March 1, 2018, the Board adopted its “Master Resolution Establishing a Financing Program to Provide Funds to the State Water Pollution Control Revolving Fund and the State Safe Drinking Water Revolving Fund; Approving and Authorizing Texas Water Development Board State Revolving Fund Revenue Bonds to be Issued in Various Series and to be Sold and Delivered in Various Forms and in Installments; Providing for Credit Enhancement Agreements and Subordinated Credit Agreements; Making Certain Covenants and Agreements in Connection Therewith, Including Providing Common Security For State Revolving Fund Bonds through the State Water Pollution Control Revolving Fund and the State Safe Drinking Water Revolving Fund; Providing for the Transfer of Revenues and other Assets from the State Water Pollution Control Revolving Fund and State Safe Drinking Water Revolving Fund in support of Additional State Revolving Funds; and Resolving Other Matters Incident and Related Thereto” (the “Master Resolution”); and

WHEREAS, in adopting the Master Resolution, it was the intent of the Board that it retain the right to issue SRF Bonds and Subordinate Obligations and enter into Credit Enhancement Agreements and Subordinated Credit Agreements, at any time and from time to time, and to establish Program Periods during which SRF Bonds of a Series or a Program Series may be issued in one or more Installments, to the extent permitted by the Master Resolution; and

WHEREAS, in adopting the Master Resolution, it was the intent of the Board to implement cross collateralization of and between the CWSRF and the DWSRF in support of SRF Bonds and Subordinate Obligations in the manner provided in the Master Resolution; and

WHEREAS, on March 1, 2018, the Board adopted the First Supplemental Resolution and in accordance with the terms of the Master Resolution and the First Supplemental Resolution, the Board issued its State Revolving Fund Revenue Bonds, New Series 2018, in the aggregate principal amount of \$288,395,000 (the “Series 2018 Bonds”); and

WHEREAS, on February 11, 2019, the Board adopted the Second Supplemental Resolution and in accordance with the terms of the Master Resolution and the Second Supplemental Resolution, the Board issued its State Revolving Fund Revenue Bonds, New Series 2019, in the aggregate principal amount of \$221,005,000 (the “Series 2019 Bonds”); and

WHEREAS, on April 9, 2020, the Board adopted the Third Supplemental Resolution and in accordance with the terms of the Master Resolution and the Third Supplemental Resolution, the Board issued its State Revolving Fund Revenue Bonds, New Series 2020, in the aggregate principal amount of \$352,590,000 (the “Series 2020 Bonds”); and

WHEREAS, on September 9, 2021, the Board adopted the Fourth Supplemental Resolution and in accordance with the terms of the Master Resolution and the Fourth Supplemental Resolution, the Board issued its State Revolving Fund Revenue Bonds, New Series 2021, in the aggregate principal amount of \$386,155,000 (the “Series 2021 Bonds”); and

WHEREAS, on April 11, 2022, the Board adopted the Fifth Supplemental Resolution and in accordance with the terms of the Master Resolution and the Fifth Supplemental Resolution, the Board issued its State Revolving Fund Revenue Bonds, New Series 2022, in the aggregate principal amount of \$234,550,000 (the “Series 2022 Bonds”); and

WHEREAS, on March 9, 2023, the Board adopted the Sixth Supplemental Resolution and in accordance with the terms of the Master Resolution and the Sixth Supplemental Resolution, the Board issued its State Revolving Fund Revenue Bonds, New Series 2023, in the aggregate principal amount of \$192,325,000 (the “Series 2023 Bonds”); and

WHEREAS, on January 16, 2025, the Board adopted the Seventh Supplemental Resolution and in accordance with the terms of the Master Resolution and the Seventh Supplemental Resolution, the Board issued its State Revolving Fund Revenue Bonds, New Series 2025, in the aggregate principal amount of \$183,810,000 (the “Series 2025 Bonds”); and

WHEREAS, the terms and provisions of the Master Resolution are fully incorporated herein as if set forth in this Eighth Supplemental Resolution (this “Eighth Supplemental Resolution”); and

WHEREAS, all requirements of law have been fully complied with, and all other acts and things necessary to make the Series 2026 Bonds, when executed by the Board and when authenticated and delivered, duly issued, valid and binding special obligations of the Board;

NOW, THEREFORE, BE IT RESOLVED BY THE TEXAS WATER DEVELOPMENT BOARD:

ARTICLE I

AUTHORITY AND DEFINITIONS

SECTION 1.01. Supplemental Resolution. This Eighth Supplemental Resolution is authorized pursuant to Sections 2.04 and 7.04 of the Master Resolution.

SECTION 1.02. Definitions. Capitalized terms used in this Eighth Supplemental Resolution and not otherwise defined herein shall have the meanings assigned to such terms in Exhibit A of the Master Resolution. In addition, capitalized terms used in this Eighth Supplemental Resolution and in the recitals hereto shall have the meanings set forth in Exhibit A to this Eighth Supplemental Resolution unless the context or use clearly indicates another or different meaning or intent and such definitions shall be equally applicable to both the singular and plural forms of the terms and words herein defined.

SECTION 1.03. Rules of Construction. For all purposes of this Eighth Supplemental Resolution, unless the context requires otherwise, all references to designated Articles, Sections and other subdivisions are to articles, sections and other subdivisions of this Eighth Supplemental Resolution. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Eighth Supplemental Resolution is adopted by the Board and any future amendment thereto or successor provision thereof. Unless otherwise noted, references to time shall be to New York City time.

SECTION 1.04. Interpretations. The table of contents, titles, captions and headings of the articles and sections of this Eighth Supplemental Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 2026 BONDS

SECTION 2.01. Authorization and Designation; Payment

. In accordance with and subject to the terms, conditions and limitations established in the Master Resolution and this Eighth Supplemental Resolution, one or more Series of Bonds (the “Series 2026 Bonds”) are hereby authorized to be issued in a maximum aggregate principal amount not to exceed FOUR HUNDRED MILLION and NO/100 DOLLARS (\$400,000,000). The Series 2026 Bonds shall be issued for the purposes of (i) providing funds to the Water Resources Fund (as provided in Section 3.01) to (A) augment the CWSRF and the DWSRF and (B) provide state matching funds for the purpose of obtaining federal capitalization grants relating to the CWSRF and the DWSRF and (ii) paying costs of issuance relating to the Series 2026 Bonds. Series 2026 Bonds may be sold for any one or more of the purposes described in clauses (i) and (ii) above. The Series 2026 Bonds constitute a Series of SRF Bonds. The aggregate principal amount of the Series 2026 Bonds, maturity date(s), Date of Delivery, dated date, the principal amount of each maturity of the Series 2026 Bonds, interest rate(s), price(s), redemption features and other terms of the Series 2026 Bonds, including, without limitation, Series 2026 Bonds issued as tax-exempt obligations, taxable obligations, or a combination of tax-exempt and taxable obligations, shall be determined by an Authorized Representative, acting pursuant to Section 3.01 of this Eighth Supplemental Resolution; provided, that the aggregate principal amount of the Series 2026 Bonds shall not exceed the maximum aggregate principal amount of Series 2026 Bonds authorized by this Eighth Supplemental Resolution, the maximum Underwriters’ discount in the sale of the Series 2026 Bonds shall not exceed \$4.25 per bond, no maturity date for a Series 2026 Bond shall exceed thirty (30) years from the Date of Delivery therefor and no Series 2026 Bond shall bear interest at a rate that exceeds 6.00% per annum.

Each Series 2026 Bond shall bear such designation as approved by the Authorized Representative acting pursuant to Section 3.01 of this Eighth Supplemental Resolution to distinguish it from any other Series 2026 Bond. Each Series 2026 Bond shall be issued as a fully registered bond without coupons and shall be issued in an Authorized Denomination. The Series 2026 Bonds shall be numbered consecutively from R-1 upward bearing numbers not then contemporaneously outstanding (in order of issuance) according to the records of the Agent. The foregoing notwithstanding, the Board agrees to cause to be delivered to the Agent one (1) single bond, numbered T-1 and registered to Robert W. Baird & Co., Inc. (the “Initial Bond”), following the approval by the Attorney General and the registration by the Comptroller, as further provided in the FORM OF BOND.

The principal of, redemption premium, if any, and the interest on the Series 2026 Bonds shall be payable in Dollars. The principal of and redemption premium, if any, on all Series 2026 Bonds shall be payable at the principal office of the Agent upon the presentation and surrender thereof as such Series 2026 Bonds become due and payable. The interest on Series 2026 Bonds shall be paid by check or draft drawn upon the Agent and mailed to the persons in whose names the Series 2026 Bonds are registered on the Register at the close of business on the Record Date

next preceding such Interest Payment Date. Notwithstanding the foregoing, during any period in which ownership of any Series 2026 Bond is determined by a book-entry system at a securities depository, payment on such Series 2026 Bond made to the securities depository, or its nominee, shall be made in accordance with arrangements among the Board, the Agent and the Depository.

The Authorized Representative shall execute a pricing certificate to establish those Series 2026 Bonds providing funds to the CWSRF and the DWSRF, consistent with clauses (i)(A) and (i)(B) of the first paragraph of this Section 2.01.

SECTION 2.02. Maturity Dates; Accrual and Determination of Interest.

The Series 2026 Bonds shall mature on their respective Maturity Dates, on which dates all unpaid principal of, redemption premium, if any, and interest on the maturing Series 2026 Bonds shall be due and payable. Interest on the Series 2026 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Interest on any Series 2026 Bond shall be computed from the Interest Payment Date to which interest has been paid or duly provided for next preceding the date of authentication thereof, unless (a) such date of authentication shall be prior to the first Interest Payment Date, in which case interest shall be computed from the Date of Delivery of such Series 2026 Bond or (b) such date of authentication shall be an Interest Payment Date to which interest on such Series 2026 Bond has been paid in full or duly provided for, in which case interest shall be computed from such date of authentication; provided, that if the Board is in default as to the payment of interest on any Series 2026 Bond, the Series 2026 Bond or Series 2026 Bonds issued in exchange for such Series 2026 Bond surrendered for transfer or exchange shall bear interest from the last date to which interest has been paid in full or duly provided for on such Series 2026 Bond or, if no interest has been paid or duly provided for on such Series 2026 Bond, from the Date of Delivery of such Series 2026 Bond. Interest accrued on any Series 2026 Bond shall be paid on each Interest Payment Date for the period from and including the date described in the preceding sentence to and including the day before such Interest Payment Date (whether such day is a Business Day).

The interest rate(s) on the Series 2026 Bonds will be as set forth in the Bond Purchase Agreement, the execution of which is authorized by this Eighth Supplemental Resolution.

SECTION 2.03. Redemption of Series 2026 Bonds.

(a) Optional Redemption. The Series 2026 Bonds may be subject to optional redemption by the Board, in whole or in part, prior to maturity at the price(s) and on the date(s) determined by an Authorized Representative and set forth in the Bond Purchase Agreement.

In addition, moneys constituting Prepayments or Sale Proceeds may, to the extent provided in Section 4.05 and Section 4.12 of the Master Resolution, be applied to redeem Series 2026 Bonds pursuant to this Section 2.03.

(b) Mandatory Sinking Fund Redemption. The Series 2026 Bonds may be subject to mandatory redemption prior to maturity at the price(s) and on the date(s) determined by an Authorized Representative and set forth in the Bond Purchase Agreement.

At its option, to be exercised on or before the forty-fifth (45th) day immediately preceding any mandatory redemption date, the Board shall receive a credit against the mandatory

sinking fund redemption requirement applicable to the Series 2026 Bonds that, prior to the mandatory redemption date, have been redeemed (other than through the operation of the mandatory sinking fund redemption requirements) or purchased by or delivered to the Agent for cancellation and cancelled by the Agent and not theretofore applied as a credit against any redemption obligation related to such the Series 2026 Bonds. Each Series 2026 Bond so purchased or delivered or previously redeemed shall be credited by the Agent at 100% of the principal amount thereof on the obligation of the Board on the mandatory redemption date or dates, in the manner as determined and submitted in writing by an Authorized Representative to the Agent, and the principal amount of the Series 2026 Bonds to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced. In the event that the Board intends to avail itself at any time of the foregoing provision, on or before the forty-fifth (45th) day immediately preceding such mandatory redemption date, the Agent shall be furnished with a certificate signed by an Authorized Representative, stating the extent to which the mandatory sinking fund redemption requirement will be offset through the application of such credit and deliver, or cause to be delivered to the Agent, the Series 2026 Bonds to be credited pursuant to such provision, if not previously delivered.

(c) Mandatory Redemption from Moneys in Portfolio Redemption Account. Subject to the limitations set forth below and the terms of the Master Resolution, the Series 2026 Bonds shall be subject to mandatory redemption prior to maturity, in whole or in part on any Business Day, at a redemption price equal to the principal amount of the Series 2026 Bonds to be redeemed plus accrued and unpaid interest thereon to the redemption date, to the extent there are Prepayments in the Portfolio Redemption Account and such Series 2026 Bonds have been selected for mandatory redemption in accordance with Section 4.05 of the Master Resolution.

Prior to the redemption of any Series 2026 Bonds using Unrelated Prepayments in the Portfolio Redemption Account, the Board shall obtain an opinion of Bond Counsel to the effect that such Unrelated SRF Prepayments may be used to redeem such Series 2026 Bonds without adversely affecting the excludability from gross income of interest payable on the Outstanding SRF Bonds, Subordinate Obligations and General Obligation Match Bonds.

To determine whether a Prepayment is attributable to a particular Series or Installment of SRF Bonds, Subordinate Obligations or General Obligation Match Bonds, the Board shall account for Prepayments in a manner that allows the Board to trace Prepayments deposited in the Portfolio Redemption Account to the specific series (or sub-series thereof) or installment of SRF Bonds, Subordinate Obligations or General Obligation Match Bonds to which they relate.

(d) Extraordinary Mandatory Redemption. In order to comply with the provisions of section 149(f) of the Code, from unencumbered proceeds on deposit in the CWSRF Bond Proceeds Subaccount or the DWSRF Bond Proceeds Subaccount, as the case may be, the Series 2026 Bonds shall be subject to extraordinary mandatory redemption, on any date which is not earlier than the final day of the One-Year Computation Period or the Three-Year Computation Period, as the case may be, in an amount equal to the Computation Amount applicable to the One-Year Computation Period or the Three-Year Computation Period, as the case may be, plus accrued interest to the date of such extraordinary mandatory redemption, together with a premium, if any, in the manner provided in the Form of Bond. The foregoing notwithstanding, the Series 2026 Bonds shall not be subject to such extraordinary mandatory redemption if the Board obtains an opinion of Bond Counsel to the effect that the failure by the Board to cause such extraordinary mandatory redemption to occur will not adversely affect the excludability of interest on the Series 2026 Bonds from gross income for federal income tax purposes.

(e) Selection of Bonds to be Redeemed. If the Series 2026 Bonds are to be redeemed in part, an Authorized Representative shall determine the principal amount and the Maturity Date of such Series 2026 Bonds to be so redeemed. If less than all of the outstanding Series 2026 Bonds, having the same Maturity Date and bearing the same interest rate, shall be called for redemption, the Agent shall select such Series 2026 Bonds or portions thereof, having the same Maturity Date and bearing such interest rate, to be redeemed by lot in Authorized Denominations, unless ownership of such Series 2026 Bonds is then determined by a book-entry system, in which event the selection of the Series 2026 Bonds or portions thereof to be redeemed shall be made in accordance with arrangements among the Board, the Agent, and the Depository. If there shall be called for redemption a portion of the principal amount of a Series 2026 Bond, the Board shall execute and the Agent shall authenticate and deliver, upon surrender of such Series 2026 Bond, without charge to the holder thereof, in exchange for the unredeemed principal amount of such Series 2026 Bond, at the option of such Holder, Bonds in any Authorized Denomination.

(f) Optional Redemption may be Conditional. Notice of an optional redemption of Series 2026 Bonds as permitted by subsection (a) of this Section 2.03 may be made conditional upon the occurrence of conditions as may be determined by the Board and set forth in such notice. The Agent shall rescind such notice of the optional redemption of Series 2026 Bonds in accordance with this Section 2.03 in the event moneys available solely for such optional redemption in accordance with the requirements of this Section 2.03 and sufficient to pay the Series 2026 Bonds called for optional redemption and accrued interest thereon to the date fixed for redemption and the redemption premium, if any, shall not have been deposited with the Agent by the close of business on the fifth Business Day next preceding such optional redemption date.

SECTION 2.04. Notice of Redemption. Each notice of redemption of Series 2026 Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Series 2026 Bonds or portions of the principal amount thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption and (iv) the place or places where the amounts due upon redemption are payable. The notice shall also state that from and after the redemption date those Series 2026 Bonds or portions thereof called for redemption shall cease to bear interest and shall no longer be considered outstanding if money for payment of the redemption price is held by the Agent as required by Section 2.05. Any notice of redemption may also provide that such notice is given subject to the occurrence of certain conditions precedent (including the deposit with the Agent of money sufficient for the payment of the redemption price of Series 2026 Bonds called for redemption).

Notice shall be given by the Agent on behalf of the Board by mailing a copy of the redemption notice by United States mail, first-class postage prepaid, not less than thirty (30) calendar days nor more than forty-five (45) calendar days prior to the date fixed for any redemption, to the Holder of each such Series 2026 Bond subject to redemption in whole or in part at the Holder's address shown on the Register as of the close of business on the forty-fifth (45th) day (whether or not a Business Day) next preceding the date fixed for redemption. Failure to receive notice by mailing or any defect in such notice regarding any Series 2026 Bond shall not affect the validity of the proceedings for the redemption of any Series 2026 Bond. Notwithstanding the provisions of Sections 2.04 and 2.05, the Holders of the Series 2026 Bonds subject to redemption may waive the requirement for mailing notice of redemption.

The Agent shall also send notice of any redemption by United States mail, first-class postage prepaid, to the MSRB and the Depository at the same time that it sends notice of

redemption to Holders. In undertaking the requirements of this paragraph, the Agent shall not incur any liability as a result of the failure to provide such notice to such institution or as a result of any defect therein and no defect in such action or any failure to take such action shall defeat the effectiveness of the foregoing redemption notice.

So long as all Series 2026 Bonds are held under a book-entry system by the Depository, notice of redemption shall be sent by the Agent only to the Depository or its nominee. Selection of book-entry interests in the Series 2026 Bonds called for redemption, and notice of redemption to the owners of Series 2026 Bonds called for redemption, is the responsibility of the Depository (or any successor securities depository) pursuant to its rules and procedures, and of its direct participants and indirect participants. Any failure of the Depository (or any successor securities depository) to advise any participant, or of any direct participant or any indirect participant to notify the owner of a book-entry interest, of any such notice and its content or effect shall not affect the validity of any proceedings for the redemption of any Series 2026 Bonds.

SECTION 2.05. Payment of Redeemed Bonds. Notice having been mailed in the manner provided in Section 2.04 (or waived as permitted by said Section), the Series 2026 Bonds and portions thereof called for redemption shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places for payment specified in such notice, such Series 2026 Bonds shall be paid at the redemption price therefor.

If money for the redemption of the Series 2026 Bonds or the portions thereof to be redeemed, together with interest accrued thereon to the redemption date, is held by the Agent on the redemption date and if notice of redemption has been provided in accordance with the provisions of this Eighth Supplemental Resolution, then from and after the redemption date for such Series 2026 Bonds or the portions thereof called for redemption such Series 2026 Bonds shall cease to bear interest and shall no longer be considered to be outstanding hereunder. If money for the redemption of such Series 2026 Bonds shall not be so available on the redemption date, or notice shall not have been provided as aforesaid, the Series 2026 Bonds, or the portions thereof, shall continue to bear interest, until paid, at the rate or rates which shall be determined in accordance with this Eighth Supplemental Resolution.

All money deposited in any of the subaccounts created in Section 4.01 of this Eighth Supplemental Resolution and transferred to the Agent for the payment of the redemption price of particular Series 2026 Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of such Series 2026 Bonds.

SECTION 2.06. Execution; Special Obligation. The Series 2026 Bonds shall be executed on behalf of the Board by the manual or facsimile signature of the Authorized Signer and countersigned by the manual or facsimile signature of the Attestor and shall have impressed or imprinted thereon the corporate seal (or a facsimile thereof) of the Board.

In case the Authorized Signer or Attestor whose manual or facsimile signature shall appear on the Series 2026 Bonds shall cease to be such Authorized Signer or Attestor before the delivery of such Series 2026 Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes.

The Series 2026 Bonds, together with the Outstanding SRF Bonds, shall be special obligations of the Board payable solely from the Security for the SRF Bonds, in the manner provided in the Master Resolution and the Series 2026 Bonds. The Series 2026 Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State or any Political

Subdivision (other than the Board), and their issuance shall not, directly or indirectly or contingently, obligate the State or any Political Subdivision to levy any form of taxation therefore or make any appropriation for their payment. Nothing in the Series 2026 Bonds or in this Eighth Supplemental Resolution or the proceedings of the Board authorizing the issuance of the Series 2026 Bonds or in the SRF Act or the Bond Act shall be construed such that the issuance of the Series 2026 Bonds by the Board creates a debt of the State or any Political Subdivision within the meaning of any constitutional or statutory provision of the State. The Series 2026 Bonds shall never constitute general obligations of the Board within the meaning of any constitutional or statutory provision or limitation and shall never constitute or give rise to a pecuniary liability of the Board and its members, or any Authorized Representative.

Chapter 1208, Texas Government Code, applies to the issuance of the Series 2026 Bonds and the pledge of the Security granted by the Board under this Eighth Supplemental Resolution, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Series 2026 Bonds are outstanding and unpaid such that the pledge of Security granted by the Board under this Eighth Supplemental Resolution is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Series 2026 Bonds the perfection of the security interest in said pledge, the Board agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 2.07. Certificates of Registration and Authentication. No Series 2026 Bond shall be secured hereby or entitled to the benefit hereof or shall be or become valid or obligatory for any purpose unless there shall be endorsed thereon a registration certificate of the Comptroller or a certificate of authentication of the Agent, substantially in the form as set forth in the form of Series 2026 Bond referred to in Section 2.08 hereof, executed by the Comptroller or the Agent, as applicable; and either such certificate on any Series 2026 Bond issued by the Board shall be conclusive evidence and the only competent evidence that it has been duly authenticated and delivered hereunder.

SECTION 2.08. Form of Bonds. The Series 2026 Bonds, the Comptroller's registration certificate, the Agent's certificate of authentication and the form of assignment shall be in substantially the forms set forth in Exhibit B to this Eighth Supplemental Resolution, with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby or thereby or are required by law; and the Series 2026 Bonds may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations, or as may, consistent herewith, be determined by the officers of the Board executing the Series 2026 Bonds, as evidenced by their execution of the Series 2026 Bonds.

The Series 2026 Bonds shall be in either typewritten or printed form, as an Authorized Representative shall direct, provided that any expenses incurred in connection therewith shall be paid by the Board.

The form of the Series 2026 Bonds may be revised or completed to conform to the terms of the Bond Purchase Agreement, as determined by an Authorized Representative. The completed form of the Series 2026 Bonds shall be attached to the pricing certificate referred to in Section 2.01.

SECTION 2.09. Mutilated, Lost, Stolen or Destroyed Bonds. If any Series 2026 Bond is mutilated, lost, stolen or destroyed, the Board may execute and the Agent may authenticate and deliver a new Series 2026 Bond of the same Series, Maturity Date, principal amount and tenor in lieu of and in substitution for the Series 2026 Bond mutilated, lost, stolen or destroyed; provided, that there shall be first furnished to the Agent evidence satisfactory to it and the Board of the ownership of such Series 2026 Bond and of such loss, theft or destruction (or, in the case of a mutilated Series 2026 Bond, such mutilated Series 2026 Bond shall first be surrendered to the Agent), together with indemnity satisfactory to the Agent and the Board and compliance with such other reasonable regulations as the Board and the Agent may prescribe. Subject to the proviso set forth in the preceding sentence, if any such Series 2026 Bond shall have matured or a redemption date pertaining thereto shall have passed, instead of issuing a new Series 2026 Bond the Board may pay the same without surrender thereof. The Board and the Agent may require that the Holder of such Series 2026 Bond pay any costs, fees and expenses in connection with any replacement or substitution of a Series 2026 Bond pursuant to this Section.

SECTION 2.10. Exchangeability and Transfer of Bonds; Persons Treated as Owners. The Board hereby directs the Agent, which is hereby constituted and appointed the bond registrar for the Series 2026 Bonds, to keep the Register as provided herein.

Any Holder of a Series 2026 Bond, in person or by his or her duly authorized attorney, may transfer title to its Series 2026 Bond on the Register, upon surrender thereof at the principal office of the Agent, together with a written instrument of transfer (in substantially the form of assignment attached to the Series 2026 Bond) executed by the Holder or his duly authorized attorney, and upon surrender for registration of transfer of any Series 2026 Bond, the Board may execute and the Agent shall authenticate and deliver in the name of the transferee or transferees a new Series 2026 Bond or Series 2026 Bonds of the same Maturity Date, aggregate principal amount, interest rate and tenor as the Series 2026 Bond surrendered and of any Authorized Denomination.

Series 2026 Bonds may be exchanged upon surrender thereof at the designated office of the Agent with a written instrument of transfer satisfactory to the Agent executed by the Bondholder or such Bondholder's attorney duly authorized in writing, for Series 2026 Bonds of the same Maturity Date, aggregate principal amount, interest rate and tenor as the Series 2026 Bonds being exchanged and of any Authorized Denomination. The Board shall execute and the Agent shall authenticate and deliver Series 2026 Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding.

Such registrations of transfers or exchanges of Series 2026 Bonds shall be without charge to the Holders of such Series 2026 Bonds, but any taxes or other governmental charges required to be paid with respect to such transfer or exchange shall be paid by the Holder requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge of the Agent for any such registration, transfer or exchange shall be paid by the Board.

The Agent shall not register any transfer of any Series 2026 Bond after notice calling such Series 2026 Bond (or portion thereof) for redemption or partial redemption has been given and prior to such redemption, except that, the unredeemed portion of any Series 2026 Bond to be redeemed in part may be transferred as herein provided.

The person in whose name any Series 2026 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either

principal, premium, if any, or interest shall be made only to or upon the order of the registered owner thereof or his duly authorized attorney, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2026 Bond to the extent of the sum or sums so paid.

All Series 2026 Bonds issued upon any transfer or exchange of Series 2026 Bonds shall be legal, valid and binding special obligations of the Board, evidencing the same debt, and entitled to the same security and benefits under this Eighth Supplemental Resolution, as the Series 2026 Bonds surrendered upon such transfer or exchange.

SECTION 2.11. Cancellation. All Series 2026 Bonds which have been surrendered to the Agent pursuant to Section 2.09 or 2.10 of this Eighth Supplemental Resolution, for the purpose of payment upon maturity or for redemption prior to maturity, shall be canceled and destroyed by the Agent and a certificate of destruction shall be delivered to the Board.

SECTION 2.12. Book-Entry Only System. Notwithstanding any provision of this Eighth Supplemental Resolution to the contrary, unless an Authorized Representative shall otherwise direct, all Series 2026 Bonds issued hereunder shall be registered in the name of Cede & Co., as nominee of the Depository, as registered owner of the Series 2026 Bonds, and held in the custody of the Depository; provided, that the initial Series 2026 Bonds, which are registered by the Comptroller of Public Accounts of the State (the “Comptroller”) in accordance with Section 2.07 of this Eighth Supplemental Resolution, shall be registered in the name determined by an Authorized Representative; and provided, further, that promptly following the registration of such Series 2026 Bonds by the Comptroller, such Series 2026 Bonds shall be surrendered to the Agent in exchange for Series 2026 Bonds having the Maturity Date, aggregate principal amount and tenor, registered and held in accordance with this Section 2.12 of this Eighth Supplemental Resolution. Beneficial owners of Series 2026 Bonds will not receive physical delivery of Series 2026 Bond certificates except as provided hereinafter. For so long as the Depository shall continue to serve as securities depository for the Series 2026 Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2026 Bonds is to receive, hold, or deliver any Series 2026 Bond certificate.

With respect to Series 2026 Bonds registered in the name of Cede & Co., as nominee of the Depository, the Board and the Agent shall have no responsibility or obligation to any DTC Participant or to any person on whose behalf a DTC Participant holds an interest in the Series 2026 Bonds. Without limiting the immediately preceding sentence, the Board and the Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2026 Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Series 2026 Bonds, as shown on the Register, of any notice with respect to the Series 2026 Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of the Series 2026 Bonds, as shown in the Register, of any amount with respect to principal of, premium, if any, or interest on the Series 2026 Bonds.

Replacement Series 2026 Bonds may be issued directly to beneficial owners of Series 2026 Bonds other than the Depository, or its nominee, but only in the event that: (i) the Depository determines not to continue to act as securities depository for the Series 2026 Bonds (which determination shall become effective no less than ninety (90) days after written notice to such effect is provided to the Board and the Agent); or (ii) an Authorized Representative has

advised the Depository of its determination (which determination is conclusive as to the Depository and beneficial owners of the Series 2026 Bonds) that the Depository is incapable of discharging its duties as securities depository for the Series 2026 Bonds; or (iii) the Board has determined (which determination is conclusive as to the Depository and the beneficial owners of the Series 2026 Bonds) that the interests of the beneficial owners of the Series 2026 Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon the occurrence of any of the foregoing events, the Board shall use its best efforts to attempt to locate another qualified securities depository. If the Board fails to locate another qualified securities depository to replace the Depository, the Board shall cause to be authenticated and delivered replacement Series 2026 Bonds, in certificated form, to the beneficial owners of the Series 2026 Bonds. In the event that the Board makes the determination noted in (ii) or (iii) above (provided, that the Board undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Board to make any such determination) and has made provision to notify the beneficial owners of Series 2026 Bonds of such determination by mailing an appropriate notice to the Depository, it shall cause to be issued replacement Series 2026 Bonds in certificated form to the beneficial owners of the Series 2026 Bonds as shown on the records of the Depository provided to the Board.

Whenever the beneficial ownership of the Series 2026 Bonds is determined by a book-entry system at the Depository, (i) the requirements in this Eighth Supplemental Resolution of holding, delivering, or transferring Series 2026 Bonds shall be deemed modified to require the appropriate Person or entity to meet the requirements of the Depository as to registering or transferring the book-entry to produce the same effect and (ii) delivery of the Series 2026 Bonds will be in accordance with arrangements among the Board, the Agent and the Depository notwithstanding any provision of this Eighth Supplemental Resolution to the contrary.

The Agent and the Board, acting by and through an Authorized Representative, may enter into a Letter of Representations with the Depository to implement the book-entry only system of registration for the Series 2026 Bonds as described above, and all prior acts of the Authorized Representatives in this regard are hereby ratified and confirmed.

If at any time, the Depository ceases to hold the Series 2026 Bonds in book-entry form, all references herein to the Depository shall be of no further force or effect.

SECTION 2.13. Series 2026 Bonds Secured by Master Resolution. The Outstanding SRF Bonds, and the Series 2026 Bonds issued hereunder, are equally and ratably secured by a first lien on and pledge of the Security for the SRF Bonds and any other sources pledged to the payment of SRF Bonds pursuant to the Master Resolution without preference, priority or distinction on account of Series, or the actual time or times of the authentication, delivery or maturity of such Series 2026 Bonds so that all such Outstanding SRF Bonds and Series 2026 Bonds at any time outstanding hereunder shall have the same right, lien and preference under and by virtue of the Master Resolution and shall be equally and ratably secured hereby with like effect as if they had all been executed, authenticated and delivered simultaneously on the date hereof, whether the same, or any of them, shall actually be disposed of at such date, or whether they, or any of them, shall be disposed of at some future date; provided, that the use of Designated Pledged CWSRF Revenues and Designated Pledged DWSRF Revenues to pay debt service on the Outstanding SRF Bonds and the Series 2026 Bonds shall be consistent with the Federal Drinking Water Act and the regulations promulgated thereunder relating to the use of revenues in the cross collateralization of and between state revolving funds.

ARTICLE III

ISSUANCE OF SERIES 2026 BONDS; USE OF PROCEEDS

SECTION 3.01. Issuance, Sale and Delivery of Series 2026 Bonds.

(a) As authorized by Chapter 1371, an Authorized Representative is hereby authorized, appointed, and designated to act on behalf of the Board in selling and delivering the Series 2026 Bonds and carrying out other procedures relating to the sale of the Series 2026 Bonds, including, without limitation, the issuance, sale and delivery of the Series 2026 Bonds in accordance with the terms and conditions set forth in the Bond Purchase Agreement.

An Authorized Representative, acting for and on behalf of the Board, shall (i) determine the date for issuance and sale of the Series 2026 Bonds, the purpose or purposes for which the Series 2026 Bonds may be issued and sold, and, subject to the limitations of Section 2.01, the principal amount of Series 2026 Bonds to be issued and sold, (ii) approve, execute, and deliver the Bond Purchase Agreement (in substantially the form attached hereto as Exhibit C) with the Underwriters and (iii) set forth in the Bond Purchase Agreement, the price at which such Series 2026 Bonds shall be sold, the principal amortization schedule (including any mandatory sinking fund redemption requirements) for the Series 2026 Bonds, the interest rates for such Series 2026 Bonds, the redemption features for the Series 2026 Bonds, and other matters relating to the issuance, sale and delivery of the Series 2026 Bonds (including, without limitation, the series designation therefor and whether the Series 2026 Bonds are sold, in whole or in part, as tax-exempt obligations). The Authorized Representative's approval of the Bond Purchase Agreement shall be conclusively evidenced by his or her execution thereof. It is further provided, however, that notwithstanding the foregoing provisions, no Series 2026 Bond shall be delivered unless prior to delivery, (1) the Series 2026 Bonds have been rated by a Rating Agency in one of the four highest rating categories for long-term obligations, as required by Chapter 1371 and (2) the requirements of Section 2.04 of the Master Resolution have been satisfied. The Board further covenants not to use noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the Board, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent to effect a defeasance of the Series 2026 Bonds.

A finding or determination made by an Authorized Representative acting under the authority delegated thereto by this Eighth Supplemental Resolution with respect to all matters relating to the sale of the Series 2026 Bonds shall have the same force and effect as a finding or determination made by the Board.

The selection and appointment of Robert W. Baird & Co. Inc., to serve as the representative for the Underwriters is hereby confirmed. The Authorized Representatives, acting for and on behalf of the Board, shall select such additional investment banking firms, if any, as deemed appropriate to assure that the Series 2026 Bonds are sold on advantageous terms. The Authorized Representative shall determine the Underwriters' discount for the sale of the Series 2026 Bonds, upon the advice of the Board's financial advisor.

The Authorized Representatives of the Board are hereby severally authorized to take all actions, give such instructions and notices, execute such documents and make such certifications and determinations as are necessary or required by the Master Resolution, this Eighth Supplemental Resolution, and the Bond Purchase Agreement for the proper issuance, sale and

delivery of the Series 2026 Bonds, and the consummation of the transactions contemplated hereby and thereby. The authority given to an Authorized Representative to execute a Bond Purchase Agreement expires at 5:00 p.m., Wednesday, March 31, 2027. Series 2026 Bonds sold pursuant to the terms of a Bond Purchase Agreement fully executed on or before 5:00 p.m., March 31, 2027, may be delivered to the Underwriters after March 31, 2027, in accordance with the terms of the Bond Purchase Agreement.

The Board hereby finds and determines that all representations and covenants set forth in the Master Resolution are true and correct as of the date of this Eighth Supplemental Resolution, and the Board ratifies and confirms such covenants and representations as if they were set forth herein.

(b) The Series 2026 Bonds are being issued for the purposes described in this Eighth Supplemental Resolution, consistent with the SRF Act and the Bond Act.

SECTION 3.02. Official Statement. The Official Statement prepared for distribution by the Underwriters to prospective purchasers of the Series 2026 Bonds in substantially the form attached hereto as Exhibit D is hereby approved, with such changes and completions as an Authorized Representative may deem necessary or appropriate. An Authorized Representative, acting for and on behalf of the Board, is hereby authorized and, to the extent required by the terms of the Bond Purchase Agreement, directed to sign the final Official Statement relating to the Series 2026 Bonds. The use of a preliminary official statement in connection with the offering for sale of the Series 2026 Bonds is hereby ratified and approved.

SECTION 3.03. Use of Bond Proceeds. Proceeds from the sale of the Series 2026 Bonds shall be expended in accordance with the Bond Act and Section 2.04(c) of the Master Resolution, as set forth in a certificate executed by an Authorized Representative at the time of delivery of such Series 2026 Bonds.

ARTICLE IV

SUBACCOUNTS

SECTION 4.01. Establishment and Use of Subaccounts.

(a) Under the terms of the Master Resolution, the Board has established with the Comptroller the Senior Bond Interest and Sinking Account, and therein the Senior Interest Subaccount and the Senior Principal Subaccount. There is hereby created within the Senior Interest Subaccount separate subaccounts entitled the “Texas Water Development Board Clean Water State Revolving Fund Revenue Bonds Series 2026 Interest Subaccount” (the “CWSRF Series 2026 Interest Subaccount”) and the “Texas Water Development Board Drinking Water State Revolving Fund Revenue Bonds Series 2026 Interest Subaccount” (the “DWSRF Series 2026 Interest Subaccount”). There is hereby created within the Senior Principal Subaccount separate subaccounts entitled the “Texas Water Development Board Clean Water State Revolving Fund Revenue Bonds Series 2026 Principal Subaccount” (the “CWSRF Series 2026 Principal Subaccount”) and the “Texas Water Development Board Drinking Water State Revolving Fund Revenue Bonds Series 2026 Principal Subaccount” (the “DWSRF Series 2026 Principal Subaccount”).

(b) Money in each of the subaccounts created by subsection (a) of this Section 4.01 shall be transferred by the Board, consistent with the provisions of Section 4.10 of the Master

Resolution, to the Agent, to be held in trust by the Agent for the holders of Series 2026 Bonds by the Agent and, except as otherwise provided herein, shall be used solely for the timely payment of the interest on the Series 2026 Bonds and for the timely payment of principal of and redemption premium, if any, on the Series 2026 Bonds upon maturity or upon mandatory or optional redemption (but, excluding redemption with money in the Portfolio Redemption Account).

(c) Designated Pledged CWSRF Revenues (1) shall be deposited to the credit of the CWSRF Series 2026 Interest Subaccount and used to pay interest on the Series 2026 Bonds issued to augment the CWSRF (including the provision of state matching funds) when due and payable and (2) shall be deposited to the credit of the CWSRF Series 2026 Principal Subaccount and used to pay principal of the Series 2026 Bonds issued to augment the CWSRF when due and payable; provided, the principal of and interest on CWSRF Match Bonds will be payable solely from Designated Pledged CWSRF Revenues which consist of Repayments that are interest (and not principal) and amounts received by the Board as income, profits or gain on investments.

(d) No later than the last Business Day of the month next preceding a Principal Payment or an Interest Payment Date on the Series 2026 Bonds, if an Authorized Representative determines that Designated Pledged CWSRF Revenues will not be sufficient to provide for the payment in full of the principal of and interest on the Series 2026 Bonds issued to augment the CWSRF when due and payable, the Authorized Representative will take such action as is permitted in the Master Resolution and applicable federal law to transfer available Designated Pledged DWSRF Revenues for deposit to the credit of the CWSRF Series 2026 Interest Subaccount or to the credit of the CWSRF Series 2026 Principal Subaccount, as the case may be, to fund the deficiency and enable the timely payment of principal of and interest on such Series 2026 Bonds; provided, that no Designated Pledged DWSRF Revenues which consist of Repayments that constitute repayments of principal shall be used to pay debt service on CWSRF Match Bonds.

(e) Designated Pledged DWSRF Revenues (1) shall be deposited to the credit of the DWSRF Series 2026 Interest Subaccount and used to pay interest on the Series 2026 Bonds issued to augment the DWSRF (including the provision of state matching funds) when due and payable and (2) shall be deposited to the credit of the DWSRF Series 2026 Principal Subaccount and used to pay principal of the Series 2026 Bonds issued to augment the DWSRF when due and payable; provided, the principal of and interest on DWSRF Match Bonds will be payable solely from Designated Pledged DWSRF Revenues which consist of Repayments that are interest (and not principal) and amounts received by the Board as income, profits or gain on investments.

(f) No later than the last Business Day of the month next preceding a Principal Payment or an Interest Payment Date on the Series 2026 Bonds, if an Authorized Representative determines that Designated Pledged DWSRF Revenues will not be sufficient to provide for the payment in full of the principal of and interest on the Series 2026 Bonds issued to augment the DWSRF when due and payable, the Authorized Representative will take such action as is permitted in the Master Resolution and applicable federal law to transfer available Designated Pledged CWSRF Revenues for deposit to the credit of the DWSRF Series 2026 Interest Subaccount or to the credit of the DWSRF Series 2026 Principal Subaccount, as the case may be, to fund the deficiency and enable the timely payment of principal of and interest on such Series 2026 Bonds; provided, that no Designated Pledged CWSRF Revenues which consist of Repayments that constitute repayments of principal shall be used to pay debt service on DWSRF Match Bonds.

(g) On or before the first scheduled Interest Payment Date, and on or before each Interest Payment Date and Principal Payment Date thereafter while any Series 2026 Bond is outstanding and unpaid, the Board shall make available to the Agent from the subaccounts described above moneys sufficient to pay such interest on and such principal amount of the Series 2026 Bonds, as shall become due on such Interest Payment Dates and Principal Payment Dates.

SECTION 4.02. Discharge of the Master Resolution. Notwithstanding the fact that the lien of the Master Resolution upon the Security for the SRF Bonds may have been discharged and canceled in accordance with Sections 5.01 and 5.02 of the Master Resolution, the Master Resolution and the rights granted and duties imposed thereby, to the extent not inconsistent with the fact that the lien upon the Security for the SRF Bonds may have been discharged and canceled, shall nevertheless continue and subsist after payment in full of the Series 2026 Bonds until the Agent shall have returned to the Board all funds held by the Agent pursuant to Section 4.01 of this Eighth Supplemental Resolution.

SECTION 4.03. Records. The Board shall cause to be kept and maintained records pertaining to the accounts and subaccounts established herein and in the Master Resolution and all disbursements therefrom.

SECTION 4.04. Investment of Subaccounts. Cash held as part of the subaccounts created in Section 4.01 of this Eighth Supplemental Resolution shall be invested and reinvested by the Agent in Permitted Investments in accordance with the written instructions of an Authorized Representative; provided, that the Board covenants to assure that all investments shall be made in such manner that the money required to be expended from such funds will be available at the proper time or times; and provided, further, that any money held by the Agent to pay the principal of, premium, if any, or interest which has become payable with respect to the Series 2026 Bonds shall not be invested.

All Permitted Investments shall be deemed at all times a part of the subaccount which was used to purchase the same. All interest accruing thereon and any profit realized from Permitted Investments shall be credited and any loss resulting from Permitted Investments shall be similarly charged to the fund or account for which such investment is held. The Board may cause Permitted Investments to be sold and reduced to cash whenever the cash balance in any subaccount is or will be insufficient to make any required disbursement.

ARTICLE V

ADMINISTRATION OF THE FINANCING PROGRAM

SECTION 5.01. Agent. The selection and appointment of The Bank of New York Mellon Trust Company, N.A., to serve as the initial Agent is hereby confirmed. The Agency Agreement by and between the Board and said Agent, substantially in the form attached hereto as Exhibit E, is hereby approved. An Authorized Representative is hereby authorized and directed to execute such agreement for and on behalf of the Board, with such changes therein as such Authorized Representative may approve, such approval to be conclusively evidenced by his execution thereof. The Board shall appoint any succeeding Agent for the Series 2026 Bonds, subject to the conditions set forth in Section 5.03 hereof. The Agent shall designate to the Board its principal office for all purposes hereof and signify its acceptance of the duties imposed upon

it hereunder by a written instrument of acceptance delivered to the Board under which the Agent will agree, particularly:

(a) to hold all sums held by it for the payment of the principal of, premium, if any, or interest on the Series 2026 Bonds in trust for the benefit of the holders of the Series 2026 Bonds as provided herein until such sums shall be paid to such holders of the Series 2026 Bonds or otherwise disposed of as herein provided;

(b) to authenticate and cancel Series 2026 Bonds as provided herein;

(c) to perform its obligations under Article II of this Eighth Supplemental Resolution;
and

(d) to keep such books and records relating to its duties as Agent as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Board at all reasonable times.

The Board shall cause the necessary arrangements to be made and to be thereafter continued whereby: (i) funds derived from the sources specified in this Eighth Supplemental Resolution will be made available at the principal office of the Agent for the timely payment of principal, premium, if any, and interest on the Series 2026 Bonds; (ii) Series 2026 Bonds shall be made available for authentication, exchange and registration of transfer by the Agent at the principal office of the Agent; and (iii) the Agent shall be furnished such records and other information, at such times, as shall be required to enable the Agent to perform the duties and obligations imposed upon it hereunder.

No delivery of Series 2026 Bonds to the Agent or purchase of Series 2026 Bonds by the Agent shall constitute a redemption of Series 2026 Bonds or any extinguishments of the debt represented thereby.

The Agent shall be entitled to the rights and immunities under the Agency Agreement. Any fees and expenses of such agent shall be fees and expenses of the Agent pursuant to Section 5.02 of this Eighth Supplemental Resolution.

SECTION 5.02. Compensation and Indemnification of Agent. The Board shall (i) pay the Agent reasonable compensation (which, to the extent permitted by applicable law, shall not be limited by any law limiting the compensation of the trustee of an express trust), (ii) pay or reimburse the Agent upon request for all reasonable fees, expenses, disbursements and advances incurred or made in accordance with any of the provisions of this Eighth Supplemental Resolution (including the reasonable compensation and the expenses and disbursements of its Counsel and of all agents and other persons not regularly in its employ), except to the extent that any such expense, disbursement or advance is due to its own negligence or bad faith, and (iii) to the extent permitted by applicable law, indemnify the Agent for, and hold it harmless against, any loss, liability or expense incurred by it, arising out of or in connection with the acceptance or administration of this Eighth Supplemental Resolution or the performance of its duties hereunder, including the costs and expenses of defending itself against or investigating any claim of liability in the premises, except to the extent that any such loss, liability or expense was due to its own negligence or bad faith. The obligations of the Board under this Section 5.02 shall constitute, to the extent permitted by law, additional indebtedness hereunder and shall survive the satisfaction and discharge of this Eighth Supplemental Resolution. Such additional indebtedness shall be a senior claim to that of the Series 2026 Bonds upon all property and funds

held or collected by the Agent as such, except funds held in trust for the benefit of the Holders of the Series 2026 Bonds and except for any arbitrage rebate fund or account established pursuant hereto or pursuant to an arbitrage regulatory agreement.

SECTION 5.03. Qualifications of Agent; Resignation; Removal.

(a) The Board covenants with the owners of the Series 2026 Bonds that at all times while the Series 2026 Bonds are outstanding the Board will provide a competent and legally qualified bank, trust company or other financial institution to act as and perform the services of Agent for the Series 2026 Bonds under this Eighth Supplemental Resolution. The Agent shall be a commercial bank or a trust company duly organized under the laws of the United States of America or any state or territory thereof, having a combined capital stock, surplus and undivided profits of at least \$50,000,000, having trust powers and authorized by law to perform all the duties imposed upon it by this Eighth Supplemental Resolution. Until otherwise designated in writing by the Agent to the Board, the principal office of the Agent for all purposes hereof shall be the office of the Agent identified in Section 8.03 at which all deliveries to the Agent hereunder shall be made and any and all notices and other communications in connection herewith shall be delivered. The Agent may at any time resign and be discharged of the duties and obligations created by this Eighth Supplemental Resolution by giving at least sixty (60) days' notice to the Board. The Agent may be removed at any time, at the discretion of the Board, by an instrument, signed by an Authorized Representative, filed with such Agent. The resignation or removal of the Agent, as provided above, shall not be effective until a successor to the Agent has been appointed by the Board.

(b) In the event of the resignation or removal of the Agent, the Agent shall deliver any money and any Series 2026 Bonds and its related books and records held by it in such capacity to its successor.

SECTION 5.04. Instruments of Bondholders. Any instrument required by this Eighth Supplemental Resolution to be executed by Bondholders may be in any number of writings of similar tenor and may be executed by Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Series 2026 Bonds given in any of the following forms shall be sufficient for any of the purposes of this Eighth Supplemental Resolution: (i) a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof; or (ii) a certificate executed by any trust company or bank stating that at the date thereof the party named therein did exhibit to an officer of such trust company or bank, as the property of such party, the Series 2026 Bonds therein mentioned.

The Agent may rely on such an instrument of Bondholders unless and until the Agent receives notice in the form specified in clause (i) or (ii) above that the original such instrument is no longer reliable. In the event that the Agent shall receive conflicting directions from two or more groups of Bondholders, each with combined holdings of not less than 25% of the principal amount of outstanding Series 2026 Bonds, the directions given by the group of Bondholders which hold the largest percentage of Series 2026 Bonds shall be controlling and the Agent shall follow such directions to the extent required herein.

ARTICLE VI

FEDERAL INCOME TAX MATTERS

SECTION 6.01. Tax Exemption. The Board covenants that, except as provided in Section 6.02, it shall make such use of the proceeds of the Series 2026 Bonds, regulate investments of the proceeds thereof and take such other and further actions as may be required by sections 103 and 141 through 150, inclusive, of the Code, and all applicable temporary, proposed and final regulations and procedures promulgated thereunder or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code (the "Regulations"), necessary to assure that interest on such Series 2026 Bonds is excludable from gross income for federal income tax purposes. Without limiting the generality of the foregoing covenant, the Board hereby covenants as follows:

(a) The Board will not use and will not permit the indirect use of the net proceeds of the Series 2026 Bonds (within the meaning of section 150(a)(3) of the Code) in a manner that would cause such Series 2026 Bonds to be classified as "private activity bonds" within the meaning of section 141(a) of the Code;

(b) The Board will not use and will not permit the indirect use of any proceeds of the Series 2026 Bonds or any other funds of the Board, or take or omit to take any action that would cause such Series 2026 Bonds to be "arbitrage bonds" within the meaning of section 148(a) of the Code. To that end, the Board will comply with all requirements of section 148 of the Code to the extent applicable to the Series 2026 Bonds, including but not limited to any requirement under section 148 of the Code that the yield on the investment of the proceeds of the Series 2026 Bonds and moneys pledged to the repayment of the Series 2026 Bonds be restricted to a yield which is not materially higher than the yield on the Series 2026 Bonds;

(c) The Board will take all necessary steps to comply with the requirement that excess amounts earned on the investment of the "gross proceeds" of the Series 2026 Bonds within the meaning of section 148(f)(6)(B) of the Code, if any, be rebated to the federal government, and specifically, the Board will (i) maintain records regarding the investment of the gross proceeds of the Series 2026 Bonds as may be required to calculate such excess amounts separately from records of amounts on deposit in the funds and accounts of the Board which are allocable to other bond issues of the Board or moneys which do not represent gross proceeds of any bonds of the Board, (ii) calculate, not less often than annually, the excess amounts, if any, earned from the investment of the gross proceeds of the Series 2026 Bonds and (iii) pay, not less often than every fifth (5th) anniversary date of the delivery of the Series 2026 Bonds, all amounts required to be rebated to the federal government;

(d) The Board will not cause or permit the Series 2026 Bonds to be treated as "federally guaranteed" obligations within the meaning of section 149(b) of the Code;

(e) The Board will refrain from using the proceeds of the Series 2026 Bonds or the proceeds of any prior bonds to pay debt service on another issue

more than ninety (90) days after the date of issue of the Series 2026 Bonds in contravention of section 149(d) of the Code (relating to advance refundings); and

(f) The Board will timely file a statement with the federal government setting forth the information required pursuant to section 149(e) of the Code.

For purposes of clause (a) above, the Board understands that the term "proceeds" includes "disposition proceeds" as defined in the Regulations. All officers, employees and agents of the Board are authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the Board as of the date the Series 2026 Bonds are delivered, and, further to establish such guidelines and procedures as may be necessary to assure that the proceeds of all obligations purchased by the Board from Political Subdivisions are used and invested in a manner consistent with the Board's covenants in this Section and that the interest on all obligations purchased by the Board from Political Subdivisions will be and continue to be excludable from gross income under section 103 of the Code and that such obligations are not "private activity bonds" within the meaning of section 141(a) of the Code or that if such obligations are "private activity bonds", the purchase of such obligations will not cause such Series 2026 Bonds to become "private activity bonds" within the meaning of section 141(a) of the Code. In complying with the foregoing covenants, the Board may rely from time to time upon an opinion issued by Bond Counsel to the effect that any action by the Board or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Series 2026 Bonds to be includable in gross income for federal income tax purposes under existing law. The Political Subdivisions (or any "related party", within the meaning of Treas. Reg. §1.150-1) shall not pursuant to an arrangement, formal or informal, purchase or be required to purchase Series 2026 Bonds in an amount related to the amount of Political Subdivision Bonds, if any, to be acquired by the Board.

In order to facilitate compliance with clause (c) of this Section, a "Rebate Fund" is established for the sole benefit of the United States of America, and the Rebate Fund shall not be subject to the claim of any other person, including, without limitation, any Bondholder. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Notwithstanding any other provision of this Eighth Supplemental Resolution, the Board's representations and obligations under the covenants and provisions of this Section 6.01 shall survive the defeasance and discharge of the Series 2026 Bonds for as long as such matters are relevant to the exclusion of interest on the Series 2026 Bonds from the gross income of the owners for federal income tax purposes.

SECTION 6.02. Taxable Obligations. Without regard to Section 6.01 hereof, an Authorized Representative, acting for and on behalf of the Board, shall designate those Series 2026 Bonds authorized to be sold pursuant to the terms of this Resolution that the Board does not intend to issue in a manner such that the Series 2026 Bonds would constitute obligations described in section 103 of the Code and all applicable temporary, proposed and final regulations and procedures promulgated thereunder or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

ARTICLE VII

CONTINUING DISCLOSURE UNDERTAKING

SECTION 7.01. Annual Reports. The Board shall provide annually to the MSRB, within one hundred and ninety-five (195) days after the end of each Fiscal Year ending in or after the first Fiscal Year in which Series 2026 Bonds are issued, financial information and operating data with respect to the Board of the general type included in the final Official Statement authorized by Section 3.02 of this Resolution, being the information described in Exhibit F hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit F hereto and (2) audited, if the Board commissions an audit of such statements and the audit is completed within twelve (12) months after the end of each Fiscal Year ending in or after 2026. If audited financial statements are not available at the end of the twelve-month period, then the Board will provide notice that the audited financial statements are not available, will provide unaudited financial statements by the end of the twelve-month period and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audited financial statements become available.

If the Board changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Board otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC. Filings shall be made electronically, in such format specified by the MSRB.

SECTION 7.02. Disclosure Event Notices. The Board shall notify the MSRB, in a timely manner, not in excess of ten (10) Business Days after the occurrence of any of the following events, with respect to the Series 2026 Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2026 Bonds, or other events affecting the tax status of the Series 2026 Bonds;
7. Modifications to rights of holders of the Series 2026 Bonds, if material;
8. Series 2026 Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Series 2026 Bonds, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Board;
13. The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor Agent or change in name of the Agent, if material;
15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

The Board shall notify the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with Section 7.01 of this Eighth Supplemental Resolution by the time required by such Section.

As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if jurisdiction has been assumed by leaving the Board and officials or officers of the Board in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

As used in clauses 15 and 16 above, the term "Financial Obligation" means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii), however, the term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with the Rule; the term "Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states and any other Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act of 1934, as the same may be amended from time to time; and the term "Obligated Person" means the Board.

SECTION 7.03. Limitations, Disclaimers, and Amendments. The Board shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Board remains an "obligated person" with respect to the Series 2026 Bonds within the meaning of the Rule, except that the Board in any event will give the notice required by Section 7.02 of any Series 2026 Bond calls and defeasance that cause the Board to be no longer an "obligated person".

The provisions of this Article are for the sole benefit of the Holders and beneficial owners of the Series 2026 Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other Person. The Board undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Board's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2026 Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY SERIES 2026 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Board in observing or performing its obligations under this Article shall constitute a breach of or default under this Eighth Supplemental Resolution for purposes of any other provision of this Eighth Supplemental Resolution.

Should the Rule be amended to obligate the Board to make filings with or provide notices to entities other than the MSRB, the Board agrees to undertake such obligation in accordance with the Rule as amended.

Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Board under federal and State securities laws.

The provisions of this Article may be amended by the Board from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Series 2026 Bonds in the primary offering of the Series 2026 Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Series 2026 Bonds consent to such amendment or (b) a Person that is unaffiliated with the Board and the State (such as nationally-recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Series 2026 Bonds. If the Board so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 7.01 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Board may also amend or repeal the provisions of this continuing disclosure requirement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are

invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2026 Bonds in the primary offering of the Series 2026 Bonds.

SECTION 7.04. Continuing Disclosure Undertaking of Significant Borrowers. The Board shall require each Significant Borrower to adopt an ordinance, order or resolution (a “Significant Borrower Undertaking”) pursuant to which each Significant Borrower must agree to provide annually to the MSRB financial information and operating data with respect to the Significant Borrower of the general type hereinafter described. For purposes of this Section, the term “Significant Borrower” includes (i) any Political Subdivision that is a Significant Borrower as of the date this Eighth Supplemental Resolution is adopted (an “Existing Significant Borrower”) and (ii) a Political Subdivision that, as a result of the Board’s future acquisition of its Political Subdivision Bonds, becomes a Significant Borrower (a “Future Significant Borrower”). Any Existing Significant Borrower must agree to provide, within one hundred and ninety-five (195) days after the end of each fiscal year thereof ending in or after the year the Political Subdivision became a Significant Borrower, financial information and operating data with respect thereto of the nature included in the final Official Statement authorized by this Eighth Supplemental Resolution, being the information described in Exhibit G hereto. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in Exhibit G hereto, or such other accounting principles as such Existing Significant Borrower may be required to employ from time to time pursuant to state law or regulation. Any Future Significant Borrower must agree to provide, within one hundred and ninety-five (195) days after the end of each fiscal year thereof ending in or after the year the Political Subdivision became a Significant Borrower, financial information and operating data with respect thereto of the nature required by the Significant Borrower Undertaking. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in the Significant Borrower Undertaking, or such other accounting principles as such Significant Borrower may be required to employ from time to time pursuant to state law or regulation. In any case, if such Significant Borrower commissions an audit of such statements and the audit is completed within the period during which they must be provided, the financial statements to be provided shall be audited. If the audit of such financial statements is not complete within such period, then such Significant Borrower shall provide unaudited financial statements and thereafter audited financial statements for the applicable fiscal year to the Board, the MSRB, when and if the audit report on such statements become available.

If any Significant Borrower changes its fiscal year, it shall be the duty of such Significant Borrower, as required by its respective Significant Borrower Undertaking, to notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which such Significant Borrower otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Each Significant Borrower shall be obligated under its Significant Borrower Undertaking to observe and perform the covenants specified in this Section for so long as, but only for so long as, any Significant Borrower remains an “obligated person” with respect to the Series 2026 Bonds within the meaning of the Rule.

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Series 2026 Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person.

No default by any Significant Borrower in observing or performing its obligations as described in this Section shall constitute a breach of or default under this Eighth Supplemental Resolution for purposes of any other provision of this Eighth Supplemental Resolution. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of any Significant Borrower under federal and state securities laws.

Each Significant Borrower Undertaking shall provide that the nature of the undertaking therein may be amended by any Significant Borrower from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of any Significant Borrower, but only if (1) the undertaking, as so amended, would have permitted an underwriter to purchase or sell Series 2026 Bonds in the primary offering of the Series 2026 Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Eighth Supplemental Resolution that authorizes such an amendment) of the outstanding Series 2026 Bonds consent to such amendment or (b) a person that is unaffiliated with any Significant Borrower (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Holders and beneficial owners of the Series 2026 Bonds. If any Significant Borrower so amends its respective Significant Borrower Undertaking, it shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

If the Board is unable, through no fault of its own, to obtain a Significant Borrower Undertaking from any Political Subdivision which currently has Political Subdivision Bonds held in either the CWSRF Portfolio Account or the DWSRF Portfolio Account and which subsequent hereto becomes a Significant Borrower, the Board shall use its best efforts to obtain relevant financial information and operating data with respect to any such Significant Borrower and to provide the same annually to the MSRB within one hundred and ninety-five (195) days after the end of each fiscal year of any such Significant Borrower ending in or after the fiscal year in which such Political Subdivision became a Significant Borrower.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Amendment. This Eighth Supplemental Resolution may be amended in the same manner, for the same purposes and subject to the same limitations as set forth in Article VII of the Master Resolution for amendment of the Master Resolution; provided, however, that with regard to any amendment of this Eighth Supplemental Resolution requiring either the affirmation of the Rating Agencies or consent of the Bondholders, the only affirmation or consent that shall be required is that of the Rating Agencies then rating the Series 2026 Bonds or the Bondholders of the Series 2026 Bonds, as the case may be.

SECTION 8.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Eighth Supplemental Resolution or the Series 2026 Bonds is intended or shall be construed to give to any Person other than the Holders of the Series 2026 Bonds any legal or equitable right, remedy or claim under or in respect to this Eighth Supplemental Resolution or any covenants, conditions and provisions herein contained, this Eighth Supplemental Resolution and all of the covenants, conditions and provisions herein being intended to be and being for the sole and exclusive benefit of the Holders of the Series 2026 Bonds.

SECTION 8.03. Notices.

(a) Except as otherwise provided herein, it shall be sufficient service or giving of any notice, request, complaint, demand or other paper if the same shall be duly mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Board:

Texas Water Development Board
Stephen F. Austin Building
1700 N. Congress, Suite 600
Austin, Texas 78711-3231
Attention: Executive Administrator
Telephone: (512) 463-7847
E-mail: finance-debt-management@twdb.texas.gov

If to the Agent:

At the address set forth in the Agency Agreement.

(b) The Board shall provide notice of the following to any Rating Agency then rating the Series 2026 Bonds affected thereby:

- (i) any change to the Master Resolution, the Trust Agreement or the Agency Agreement;
- (ii) any change of the Agent; and
- (iii) any redemption of all Series 2026 Bonds.

Such notice shall be given to the following Rating Agencies by United States mail, first-class postage prepaid, at the addresses set forth below unless written notice designating a different address is given to the Board:

If to Fitch:

Fitch Ratings
33 Whitehall Street
New York, NY 10004
Attention: Public Finance

If to Moody's:

Moody's Investors Service, Inc.
7 World Trade Center at
250 Greenwich Street
New York, NY 10007
Attention: Public Finance Group

If to S&P:

S&P Global Ratings
55 Water Street, 38th Floor
New York, NY 10041
Attention: Public Finance Structured Surveillance

SECTION 8.04. Payments Due on Non-Business Days. In any case where the date of maturity of interest on or premium, if any, or principal of the Series 2026 Bonds or the date fixed for redemption of any Series 2026 Bonds shall not be a Business Day, then payment of such interest, premium or principal need not be made on such date but shall be made on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and, in the case of such payment, no interest shall accrue for the period from and after such date.

SECTION 8.05. Severability. If any provision of this Eighth Supplemental Resolution is held to be in conflict with any applicable statute or rule of law or is otherwise held to be unenforceable for any reason whatsoever, such circumstances shall not have the effect of rendering the other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

The invalidity of any one or more phrases, sentences, clauses, or Sections of this Eighth Supplemental Resolution shall not affect the remaining portions of this Eighth Supplemental Resolution or any part thereof.

SECTION 8.06. Effective Date. This Eighth Supplemental Resolution shall become effective on the date (the "Effective Date") of its approval by the Board and the delivery of the Series 2026 Bonds to the Underwriters. From and after the Effective Date, all resolutions of, or other official actions by, the Board which in any manner or to any extent conflicts with any provision of this Eighth Supplemental Resolution shall be, and such other resolutions and actions are hereby, expressly repealed to the extent of such conflict.

SECTION 8.07. Governing Law. This Eighth Supplemental Resolution shall be governed by and interpreted in accordance with the laws of the State.

[Execution Page Follows]

PASSED AND APPROVED this 31st day of March, 2026.

TEXAS WATER DEVELOPMENT BOARD

By: _____
Chairwoman

ATTEST:

Executive Administrator

(SEAL)

DRAFT

EXHIBIT A

DEFINITIONS

“Agency Agreement” means the Paying Agent/Registrar Agreement between the Board and The Bank of New York Mellon Trust Company, N.A., as Agent, or any agreement between the Board and any successor Agent, as any such agreement may be amended or supplemented from time to time.

“Agent” means the paying agent appointed pursuant to Section 5.01 and serving in such capacities in accordance with this Eighth Supplemental Resolution; and “principal office” of the Agent means the office thereof designated in writing to the Board; provided, that the Agent may designate separate principal offices for all other Series of SRF Bonds issued under the Master Resolution.

“Agent Member” means a member of, or participant in, the Depository.

“Authorized Denomination” shall mean \$5,000 or any integral multiple thereof.

“Bond Purchase Agreement” means the agreement in substantially the form attached hereto as Exhibit D, between the Board and the Underwriters (acting through their duly designated representative), relating to the sale of the Series 2026 Bonds to the Underwriters for the price and subject to the terms and conditions set forth therein.

“Bondholder”, “Holder” or “Holder of a SRF Bond” means (i) the record owner of any Bond shown on the Register and (ii) so long as the Bonds are registered in accordance with the provisions of Section 2.11 hereof, the Depository.

“Book-entry form” or “book-entry system” means, with respect to the Series 2026 Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in Series 2026 Bonds may be transferred only through a book-entry and (ii) physical Series 2026 Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Holder, with the physical Series 2026 Bond certificates “immobilized” in the custody of the Depository or of the Agent on behalf of the Depository. The book-entry system is maintained by and is the responsibility of the Depository and not the Agent. The book-entry is the record that identifies, and records the transfer of the interests of, the owners of beneficial (book-entry) interests in the Series 2026 Bonds.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a legal holiday, or (iii) a day on which banking institutions in the city in which the designated office of the Agent is located and authorized by law or executive order to close.

“Chapter 1371” means Chapter 1371, Texas Government Code.

“Computation Amount” means the surplus proceeds (rounded to the next higher \$5,000 denomination) equal to the remainder of (i) thirty percent (30%) of the Net Proceeds less proceeds of the Series 2026 Bonds directly or indirectly used to make loans or grants to Political Subdivisions as of the last day of the One-Year Computation Period (but not less than zero) or (ii) ninety-five percent (95%) of the Net Proceeds less the proceeds of the Series 2026 Bonds

directly or indirectly used to make loans or grants to Political Subdivisions as of the last day of the Three-Year Computation Period (but not less than zero).

“Counsel” means an attorney, or firm of attorneys, admitted to practice law before the highest court of any state in the United States of America or the District of Columbia, including Bond Counsel.

“CWSRF Match Bonds” means the principal amount of Series 2026 Bonds issued to provide matching funds for federal capitalization grants for the CWSRF, as certified to in writing by an Authorized Representative.

“Date of Delivery” means the date of delivery of the Series 2026 Bonds to the Underwriters.

“Depository” means The Depository Trust Company (a limited purpose trust company), New York, New York (“DTC”), until any successor Depository shall have become such pursuant to the applicable provisions of the Master Resolution and, thereafter, “Depository” shall mean the successor Depository. Any Depository shall be a securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of beneficial interests in Series 2026 Bonds, and to effect transfer of Series 2026 Bonds, in book-entry form.

“Designated Rating Agency” means any Rating Agency, identified by an Authorized Representative as a Designated Rating Agency for purposes of this Eighth Supplemental Resolution, which has issued a rating on the SRF Bonds in exchange for good and valuable consideration paid by the Board.

“DTC Participant” means the securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“DWSRF Match Bonds” means the principal amount of Series 2026 Bonds issued to provide matching funds for federal capitalization grants for the DWSRF, as certified to in writing by an Authorized Representative.

“Eighth Supplemental Resolution” means the Eighth Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2026 Bonds, as the same may be amended or supplemented from time to time as permitted hereby.

“Fifth Supplemental Resolution” means the Fifth Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2022 Bonds, adopted by the Board on April 11, 2022, as the same may be amended or supplemented from time to time as permitted thereby.

“Financing Program” means the financing program established by the Board pursuant to the Master Resolution and pursuant to which the Board shall (i) authorize the issuance of SRF Bonds pursuant to a Supplemental Resolution or (ii) establish one or more Program Periods during which SRF Bonds may be issued in one or more Installments, in an aggregate principal amount not to exceed the amount permitted under the terms of the related Supplemental Resolution, all for the purposes authorized under the Master Resolution.

“First Supplemental Resolution” means the First Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2018 Bonds, adopted by the Board on March 1, 2018, as the same may be amended or supplemented from time to time as permitted thereby.

“Fitch” means Fitch Ratings, Inc. and its successors and assigns; and, if such company shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by an Authorized Representative by notice to the Agent.

“Fourth Supplemental Resolution” means the Fourth Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2021 Bonds, adopted by the Board on September 9, 2021, as the same may be amended or supplemented from time to time as permitted thereby.

“Initial Bond” has the meaning set forth in Section 2.01 of this Eighth Supplemental Resolution.

“Interest Payment Date” means any interest payment date as so identified in the Bond Purchase Agreement.

“Letter of Representations” means the Blanket Letter of Representations between the Board and the Depository, or another such Letter of Representations if determined necessary by an Authorized Representative, each as amended or supplemented from time to time.

“Master Resolution” has the meaning assigned to that term in the recitals to this Eighth Supplemental Resolution.

“Maturity Date” means with respect to any Series 2026 Bond, the scheduled date or dates of final payment of such Series 2026 Bond, as so identified in the Bond Purchase Agreement.

“Moody’s” means Moody’s Investors Service, Inc., and its successors and assigns; and, if such company shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by an Authorized Representative by notice to the Agent.

“MSRB” means the Municipal Securities Rulemaking Board.

“Net Proceeds” means the amounts received from the sale of the Series 2026 Bonds less proceeds used to pay costs of issuance, including any underwriters’ compensation, proceeds used to pay interest on Series 2026 Bonds during all or any portion of the One-Year Computation Period or the Three-Year Computation Period, as the case may be, and proceeds deposited to a reasonably required reserve or replacement fund.

“One-Year Computation Period” means the period ending on the last day of the one-year period commencing on the Date of Delivery.

“Opinion of Bond Counsel” means any opinion of Bond Counsel and, as the context may require, any such opinion with respect to the excludability of interest on the Series 2026 Bonds, from gross income for federal income tax purposes and any other matters as required pursuant to this Eighth Supplemental Resolution. No such opinion delivered pursuant hereto shall be deemed unsatisfactory when required as a condition to any provision hereunder because such opinion

states that interest on the Series 2026 Bonds which are the subject of the opinion is an item of tax preference or is includable in determining alternative minimum taxable income under the Code.

“Outstanding”, when used with reference to the Series 2026 Bonds at any date as of which the amount of outstanding Series 2026 Bonds is to be determined, means all Series 2026 Bonds which have been authenticated and delivered by the Agent hereunder, except:

- (a) Series 2026 Bonds canceled or delivered for cancellation at or prior to such date;
- (b) Series 2026 Bonds deemed to be paid in accordance with Section 5.02 of the Master Resolution;
- (c) Series 2026 Bonds in lieu of which others have been authenticated under Sections 2.09 and 2.10; and
- (d) For purposes of any consent, request, demand, authorization, direction, notice, waiver or other action to be taken by the holders of a specified percentage of outstanding Series 2026 Bonds hereunder, all Series 2026 Bonds held by or for the account of the Board, except that for purposes of any such consent, request, demand, authorization, direction, notice, waiver or action the Agent shall be obligated to consider as not being outstanding only Series 2026 Bonds known by the Agent by actual notice thereof to be so held.

“Outstanding SRF Bonds” means the Series 2018 Bonds, the Series 2019 Bonds, the Series 2020 Bonds, the Series 2021 Bonds, the Series 2022 Bonds, the Series 2023 Bonds and the Series 2025 Bonds.

“Principal Payment Date” means any principal payment date as so identified in the Bond Purchase Agreement, including any scheduled mandatory sinking fund payment date.

“Rating Agency” means any nationally recognized statistical rating organization (as defined by Rule 15c3-1 of the General Rules and Regulations under the Securities Exchange Act of 1934) designated by an Authorized Representative by notice to the Agent.

“Record Date” means the close of business on the fifteenth day of the month preceding an Interest Payment Date.

“Register” means the books kept and maintained by the Agent for the registration and transfer of Series 2026 Bonds pursuant to this Eighth Supplemental Resolution.

“Rule” means SEC Rule 15c2-12.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and its successors and their assigns; and, if such company shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by an Authorized Representative by notice to the Agent.

“SEC” means the United States Securities and Exchange Commission.

“Second Supplemental Resolution” means the Second Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2019 Bonds, adopted by the Board on

February 11, 2019, as the same may be amended or supplemented from time to time as permitted thereby.

“Series 2018 Bonds” means the SRF Bonds issued pursuant to the First Supplemental Resolution.

“Series 2019 Bonds” means the SRF Bonds issued pursuant to the Second Supplemental Resolution.

“Series 2020 Bonds” means the SRF Bonds issued pursuant to the Third Supplemental Resolution.

“Series 2021 Bonds” means the SRF Bonds authorized to be issued pursuant to the Fourth Supplemental Resolution.

“Series 2022 Bonds” means the SRF Bonds authorized to be issued pursuant to the Fifth Supplemental Resolution.

“Series 2023 Bonds” means the SRF Bonds authorized to be issued pursuant to the Sixth Supplemental Resolution.

“Series 2025 Bonds” means the SRF Bonds authorized to be issued pursuant to the Seventh Supplemental Resolution.

“Series 2026 Bonds” means the SRF Bonds authorized to be issued pursuant to this Eighth Supplemental Resolution.

“Seventh Supplemental Resolution” means the Seventh Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2025 Bonds, as the same may be amended or supplemented from time to time as permitted hereby.

“Significant Borrower” means any Political Subdivision whose outstanding aggregate principal amount of bonds issued by such Political Subdivision and held in both the CWSRF Portfolio Account and the DWSRF Portfolio Account, comprises at least twenty percent (20%) in aggregate principal amount of all Political Subdivision Bonds held in the CWSRF Portfolio Account and the DWSRF Portfolio Account.

“Sixth Supplemental Resolution” means the Sixth Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2023 Bonds, adopted by the Board on March 9, 2023, as the same may be amended or supplemented from time to time as permitted thereby.

“Third Supplemental Resolution” means the Third Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2020 Bonds, adopted by the Board on April 9, 2020, as the same may be amended or supplemented from time to time as permitted hereby.

“Three-Year Computation Period” means the period ending on the last day of the three-year period commencing on the Date of Delivery.

“Underwriters” means Robert W. Baird & Co. Inc., together with other firms designated in the Bond Purchase Agreement, as the underwriters for the Series 2026 Bonds.

IF THE DATE for the payment of the principal of or interest on this bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. Notwithstanding the foregoing, during any period in which ownership of this bond is determined only by a book-entry at a securities depository for the Bonds (hereinafter defined), any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the Board and the securities depository.

THIS BOND is one of an authorized series of bonds dated as of the Date of Delivery specified above, as designated in its title (hereinafter referred to as the “Bonds”), issued in the aggregate principal amount of \$_____ for the purpose of (a) (i) providing \$_____ for the State Water Pollution Control Revolving Fund (the “CWSRF”) to provide financial assistance to Political Subdivisions for construction of wastewater treatment works in accordance with the capitalization grant program established under the Federal Clean Water Act providing, (ii) \$_____ for the State Safe Drinking Water Revolving Fund (the “DWSRF”) to provide financial assistance to Political Subdivisions for construction of publicly owned and privately owned drinking water projects in accordance with the capitalization grant program established under the Federal Drinking Water Act, (iii) providing \$_____ for state matching funds in support of the CWSRF in accordance with the capitalization grant program established under the Federal Clean Water Act, and (iii) providing \$_____ for state matching funds in support of the DWSRF under the Federal Drinking Water Act and (b) providing funds to pay costs of issuance. The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Texas, including particularly the Bond Act and Chapter 1371, Texas Government Code, as amended, and pursuant to a Master Resolution of the Board, dated as of March 1, 2018 (the “Master Resolution”), and a Eighth Supplemental Resolution of the Board, dated as of March 31, 2026 (the “Eighth Supplemental Resolution”), authorizing and designating this series of Bonds. Terms used herein and not otherwise defined have the meanings given in the Supplemental Resolution.

THE BONDS are special obligations of the Board secured by and payable from all Pledged SRF Revenues; all Political Subdivision Bonds and Government Obligations held in the CWSRF Portfolio Account (except as provided in Section 8.03 of the Master Resolution), and all amounts in the CWSRF Revenue Account and the CWSRF Program Account pending disbursement thereof; all Political Subdivision Bonds and Government Obligations held in the DWSRF Portfolio Account (except as provided in Section 8.03 of the Master Resolution), and all amounts in the DWSRF Revenue Account and the DWSRF Program Account pending disbursement thereof; all amounts in the Operating Account created in the Master Resolution pending disbursement thereof; all amounts held in the Portfolio Redemption Account created in the Master Resolution; and all of the proceeds of the foregoing, including, without limitation, investments (the “Security for the Bonds”). The foregoing notwithstanding, to the extent permitted in the Eighth Supplemental Resolution, (A) Bonds issued for the purposes described in clauses (a)(i) and (a)(ii) of the preceding paragraph shall be payable from amounts held in the DWSRF Revenue Account and the DWSRF Program Account, to the extent that revenues held in the CWSRF Revenue Account and the CWSRF Program Account are not sufficient to pay the debt service due and owing on such Bonds on an interest payment date or a principal payment date and (B) Bonds issued for the purposes described in clauses (a)(iii) and (a)(iv) of the

preceding paragraph shall be payable from amounts held in the CWSRF Revenue Account and the CWSRF Program Account, to the extent that revenues held in the DWSRF Revenue Account and the DWSRF Program Account are not sufficient to pay the debt service due and owing on such Bonds on an interest payment date or a principal payment date.

ISSUANCE OF THE BONDS SHALL NOT, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFORE OR MAKE ANY APPROPRIATION FOR THEIR PAYMENT. NOTHING IN THE BONDS OR IN THE MASTER RESOLUTION OR THE PROCEEDINGS OF THE BOARD AUTHORIZING THE ISSUANCE OF THE BONDS OR IN THE SRF ACT OR THE BOND ACT SHALL BE CONSTRUED SUCH THAT THE ISSUANCE OF THE BONDS BY THE BOARD CREATES A DEBT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL OR STATUTORY LIMITATION. THE BONDS SHALL NEVER CONSTITUTE GENERAL OBLIGATIONS OF THE BOARD WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

THE BONDS are issuable as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. This bond, upon surrender hereof at the principal office of the Agent with a written instrument of transfer satisfactory to the Agent executed by the registered holder hereof or his attorney duly authorized in writing may, at the option of the registered holder hereof, be exchanged for Bonds of the same series, aggregate principal amount, maturity and tenor and of any Authorized Denomination. This bond is transferable as provided in the Supplemental Resolution, subject to certain limitations therein contained, only upon the Register kept by the Agent and only upon surrender of this bond for transfer at the principal office of the Agent, together with a written instrument of transfer (in substantially the form of assignment set forth hereon) executed by the registered holder hereof or his duly authorized attorney. Upon such surrender for registration of transfer, a new bond or bonds of the same series, aggregate principal amount, interest rate, maturity and tenor and of any Authorized Denomination(s) will be issued to the transferee in exchange therefor.

ANY SERVICE CHARGE made by the Agent for any such registration, transfer or exchange referred to above shall be paid by the Board. The Agent or the Board may require payment by the holder of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. The Agent shall not register any transfer of any bond after notice calling such bond (or portion thereof) for redemption or partial redemption has been given and prior to such redemption (except that the unredeemed portion of any Bond to be redeemed in part may be transferred in accordance with the Supplemental Resolution).

WHENEVER the beneficial ownership of this bond is determined by a book-entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book-entry to produce the same effect.

THE PERSON in whose name this bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of either principal, premium, if any, or interest shall be made only to or upon the order of the registered owner hereof or his duly authorized attorney, but such registration may be changed as hereinabove

provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon this bond to the extent of the sum or sums so paid.

THE BOARD reserves the option of calling Bonds maturing on and after August 1, 20__, for redemption prior to maturity, in whole or in part by lot, on August 1, 20__, and on any date thereafter, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest thereon to the date of redemption. If fewer than all of the Bonds are called for redemption at any time, the maturities to be redeemed shall be selected by the Board, and the Bonds to be redeemed within any one maturity shall be selected by the Agent by lot (in such manner as the Agent may determine), in integral multiples of \$5,000; *provided*, that during any period in which ownership of the Bonds is determined only by a book-entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository.

THE BONDS shall be subject to extraordinary mandatory redemption prior to their scheduled maturities, on _____, 2027 (the "One-Year Extraordinary Mandatory Redemption"), in an amount equal to the Computation Amount applicable to the One-Year Computation Period, plus accrued interest to the date of such extraordinary mandatory redemption, at the redemption prices set forth below, expressed as percentages of the principal amount of each maturity of the Bonds so redeemed:

<u>Maturity</u> <u>August 1</u>	<u>Redemption</u> <u>Price (%)</u>	<u>Maturity</u> <u>August 1</u>	<u>Redemption</u> <u>Price (%)</u>
8/1/2027		8/1/2038	
8/1/2028		8/1/2039	
8/1/2029		8/1/2040	
8/1/2030		8/1/2041	
8/1/2031		8/1/2042	
8/1/2032		8/1/2043	
8/1/2033		8/1/2044	
8/1/2034		8/1/2045	
8/1/2035		8/1/2046	
8/1/2036		8/1/2047	
8/1/2037		8/1/2048	

THE BONDS shall be subject to extraordinary mandatory redemption prior to their scheduled maturities, on _____, 2029 (the "Three-Year Extraordinary Mandatory Redemption"), in an amount equal to the Computation Amount applicable to the Three-Year Computation Period, plus accrued interest to the date of such extraordinary mandatory redemption, at the redemption prices set forth below, expressed as percentages of the principal amount of each maturity of the Bonds so redeemed:

<u>Maturity</u> <u>August 1</u>	<u>Redemption</u> <u>Price (%)</u>	<u>Maturity</u> <u>August 1</u>	<u>Redemption</u> <u>Price (%)</u>
8/1/2029		8/1/2039	
8/1/2030		8/1/2040	
8/1/2031		8/1/2041	
8/1/2032		8/1/2042	
8/1/2033		8/1/2043	
8/1/2034		8/1/2044	
8/1/2035		8/1/2045	
8/1/2036		8/1/2046	
8/1/2037		8/1/2047	
8/1/2038		8/1/2048	

The foregoing notwithstanding, the Bonds shall not be subject to the Three-Year Extraordinary Mandatory Redemption if the Board obtains an opinion of nationally-recognized bond counsel to the effect that the failure by the Board to cause any such extraordinary mandatory redemption to occur will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

FOR PURPOSES of the One-Year Extraordinary Mandatory Redemption of Bonds and the Three-Year Extraordinary Mandatory Redemption of Bonds, the Bonds subject to such redemption shall be selected on a “Pro-Rata Basis”; *provided*, that if any amount required to be redeemed remains after such selection, such remaining amount shall be applied to the redemption of \$5,000 principal amount of each maturity of Bonds in inverse order of maturity. The term “Pro-Rata Basis” means that the principal amount of Bonds of a particular maturity shall be determined by multiplying the Computation Amount by the ratio which the principal amount of Bonds of such maturity then outstanding bears to the aggregate principal amount of Bonds then outstanding and subject to redemption.

NOT LESS THAN thirty (30) calendar days nor more than forty-five (45) calendar days prior to the date fixed for any redemption, a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at his address shown on the Register maintained by the Agent as of the forty-fifth (45th) day (whether or not a Business Day) next preceding the date fixed for redemption. By the date fixed for any such redemption due provision shall be made by the Board with the Agent for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. Should notice to call Bonds for redemption at the option of the Board be given in the manner provided above, but the Board shall not be able to provide the Agent with amounts sufficient to effect on the date fixed for redemption the payment of the entire redemption price of the Bonds so called for redemption, no Bonds shall be redeemed on the date fixed for redemption, and the notice of redemption for such Bonds shall be null and void.

IF SUCH NOTICE of redemption is given, and if due provision for such payment is made, all as provided in the paragraph above, this bond, or the portion thereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus

accrued interest to the date fixed for redemption from the Agent out of the funds provided for such payment. The Agent shall record in the Register all such redemptions of principal of this bond or any portion hereof. If a portion of any bond shall be redeemed, a substitute bond or bonds having the same maturity date, bearing interest at the same rate, in any Authorized Denomination, at the written request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Supplemental Resolution. The foregoing notwithstanding, registered owners of the Bonds subject to redemption may waive the requirement for mailing notice of redemption.

THIS BOND shall not be secured by or be entitled to any benefit under the Master Resolution or the Supplemental Resolution, or become valid or obligatory for any purpose, until the Agent's Certificate of Authentication or the registration certificate of the Comptroller of Public Accounts of the State (the "Comptroller") endorsed hereon shall have been executed by the Agent or the Comptroller, respectively.

IT IS HEREBY CERTIFIED AND COVENANTED that this bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Master Resolution and the Supplemental Resolution and the issuance of this bond and the series of which it is a part, do exist, have happened and have been timely performed in regular form and manner as required by law; and that the issuance of this bond and the series of which it forms a part does not exceed or violate any State constitutional or statutory limitation.

DRAFT

IN WITNESS WHEREOF, the Board has caused this bond to be duly executed in its name by the manual or facsimile signature of its Chairwoman and attested by the manual or facsimile signature of its Executive Administrator, and its official seal to be impressed or imprinted hereon.

TEXAS WATER DEVELOPMENT BOARD

By _____
Chairwoman

ATTEST:

(SEAL)

Executive Administrator

DRAFT

[FORM OF AGENT'S CERTIFICATE OF AUTHENTICATION]

This bond is one of the bonds delivered pursuant to the within-mentioned Master Resolution and Eighth Supplemental Resolution.

Date of Authentication

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Paying
Agent/Registrar

Authorized Officer

* * * * *

[FORM OF REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS]

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS

THE STATE OF TEXAS

REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has this day been duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY HAND AND SEAL OF OFFICE at Austin, Texas this

Comptroller of Public Accounts of the State of Texas

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations;

TEN COM	– as tenants in common	_____ Custodian _____
TEN ENT	– as tenants by the entities	(Cust) _____ (Minor)
JT TEN	– as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Please Insert Social Security or Other Identifying Number of Assignee

(Print or type the name and address, including zip code of Assignee)

the within bond of the Texas Water Development Board and does hereby irrevocably constitute and appoint _____ to transfer said bond on the books kept for registration thereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular without alteration or enlargement or any change whatever.

The Initial Bond shall be in the form set forth above, except that the form of the single fully registered Initial Bond shall be modified as follows:

- (i) immediately under the name of the bond the headings "Interest Rate", "Maturity Date", "Date of Delivery" and "CUSIP NO." shall be omitted; and
- (ii) Paragraph one shall read as follows:

Registered Owner: Robert W. Baird & Co., Inc.

Principal Amount: [insert par]

Date of Delivery: June 10, 2026

THE TEXAS WATER DEVELOPMENT BOARD, an agency of the State of Texas (the "Board"), for value received, hereby promises to pay from the sources and as hereinafter provided to the Registered Owner shown above, or the registered assigns thereof, the Principal Amount hereinabove stated on August 1 in each of the years and in principal installments in accordance with the following schedule:

<u>Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
2047		

and to pay interest thereon from the Date of Delivery specified above, on February 1, 2027, and semiannually on each August 1 and February 1 thereafter to the maturity date specified above, or to the date of redemption prior to maturity, at the interest rates per annum specified above. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

EXHIBIT C

Form of Bond Purchase Agreement

DRAFT

EXHIBIT D

Form of Official Statement

DRAFT

EXHIBIT E

Form of Agency Agreement

DRAFT

EXHIBIT F

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION OF THE BOARD

The following information is referred to in Section 7.01 of this Eighth Supplemental Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Board to be provided annually in accordance with such Section are the quantitative financial information and operating data pertaining to the Board included in the Official Statement in Table 1 – PROJECTED CASH FLOW COVERAGE UNDER THE MASTER RESOLUTION, and “Appendix D – Summary of Political Subdivision Bonds” and “Appendix G – Unaudited Financial Statements of the CWSRF and DWSRF” to the Official Statement relating to the Series 2026 Bonds.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, as such principles may be changed from time to time to comply with state law or regulation.

DRAFT

EXHIBIT G

**DESCRIPTION OF ANNUAL FINANCIAL INFORMATION
OF EXISTING SIGNIFICANT BORROWERS**

[To be completed to conform to the final Official Statement if Existing Significant Borrowers, as defined in Section 7.04 of this Eighth Supplemental Resolution, are identified in the final Official Statement]

DRAFT

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT

DATED May 7, 2026

Ratings:

Fitch: “___”;

S&P: “___”;

(See “OTHER INFORMATION – Ratings”)

NEW ISSUE -- BOOK-ENTRY-ONLY

In the opinion of Bond Counsel, interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date of such opinion, subject to the matters described under “TAX MATTERS” herein, and the Series 2026 Bonds are not “specified private activity bonds.” See “TAX MATTERS” for a discussion of the opinion of Bond Counsel; including the alternative minimum tax on certain corporations.



\$ _____ *
TEXAS WATER DEVELOPMENT BOARD
STATE REVOLVING FUND REVENUE BONDS,
NEW SERIES 2026

Interest Accrual: Date of Delivery (hereinafter defined)

Due: August 1, as shown on inside cover

The Texas Water Development Board (the “Board”) is issuing the State Revolving Fund Revenue Bonds, New Series 2026 (the “Series 2026 Bonds”) pursuant to a Master Resolution adopted on March 1, 2018 (the “Master Resolution”), and an Eighth Supplemental Resolution to the Master Resolution adopted by the Board on March 31, 2026 (the “Eighth Supplemental Resolution”). The Master Resolution and the Eighth Supplemental Resolution are collectively referred to herein as the “Resolution.” See “INTRODUCTION.” Unless otherwise defined herein, defined terms used in this Official Statement shall have the meanings given in the Resolution. See “Appendix A – Related Definitions.”

Interest on the Series 2026 Bonds will accrue from the Date of Delivery at the rates of interest shown on the inside cover page hereof. Interest will be initially payable on February 1, 2027, and semiannually on each August 1 and February 1 thereafter until maturity or prior redemption, and will be calculated on the basis of a 360-day year composed of twelve 30-day months, until maturity or prior redemption. The Series 2026 Bonds will be issued only as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof within a maturity.

The Board initially will issue the Series 2026 Bonds registered only in the name of Cede & Co., the nominee of DTC, pursuant to the book-entry-only system described in “Appendix H - Description of Book-Entry-Only System.” Principal and interest on the Series 2026 Bonds will be payable to Cede & Co., which will make distributions of the payments to the participating members of DTC for subsequent remittance to the Beneficial Owners (as defined in Appendix H). In the event the Series 2026 Bonds are not in the book-entry-only system, payment of principal of the Series 2026 Bonds will be made to the registered owners upon maturity or redemption prior to maturity only upon presentation and surrender of such Series 2026 Bonds at the Designated Payment/Transfer Office of The Bank of New York Mellon Trust Company, N.A., as initial Paying Agent/Registrar (the “Paying Agent/Registrar” or the “Agent”). As of the date hereof, the Designated Payment/Transfer Office of the Paying Agent/Registrar is its Houston, Texas corporate trust office.

The security for the Series 2026 Bonds consists of (i) all Pledged SRF Revenues; (ii) all Political Subdivision Bonds and Government Obligations held in the CWSRF Portfolio Account (except as described in “Appendix F – Summary of Master Resolution and Eighth Supplemental Resolution – Release of Political Subdivision Bonds”), all and amounts in the CWSRF Revenue Account and the CWSRF Program Account pending disbursement thereof; (iii) all Political Subdivision Bonds and Government Obligations held in the DWSRF Portfolio Account (except as described in “Appendix F – Summary of Master Resolution and Eighth Supplemental Resolution – Release of Political Subdivision Bonds”), all amounts in the DWSRF Revenue Account and the DWSRF Program Account pending disbursement thereof; (iv) all amounts in the Operating Account pending disbursement thereof; (v) all and amounts held in the Portfolio Redemption Account; and (vi) all of the proceeds of the foregoing, including, without limitation, investments thereof (collectively, the “Security for the SRF Bonds”). See “THE SERIES 2026 BONDS – Security.” **The Series 2026 Bonds, the Outstanding SRF Bonds (as defined herein) and other obligations issued on a parity with the Series 2026 Bonds and the Outstanding SRF Bonds (collectively, the “SRF Bonds”) pursuant to the Master Resolution shall be equally and ratably secured by and payable from a first lien on and pledge of the Security for the SRF Bonds.**

The proceeds from the sale of the Series 2026 Bonds will be used to provide funds (1) to the CWSRF and the DWSRF to finance the acquisition of Political Subdivision Bonds, (2) to the CWSRF and DWSRF to meet State Match requirements (see “INTRODUCTION” and “Appendix B – Information Regarding the Clean Water State Revolving Fund and the Drinking Water State Revolving Funds – Federal Overview”) and (3) to pay the costs of issuance of the Series 2026 Bonds. The Series 2026 Bonds are subject to (i) optional redemption prior to their stated maturity, (ii) optional and mandatory redemption using Sale Proceeds and Prepayments and (iii) extraordinary mandatory redemption as described herein. See “THE SERIES 2026 BONDS - Redemption.”

The Series 2026 Bonds are issued under authority of the laws of the State of Texas, including specifically Subchapter J, Chapter 15 and Subchapter I, Chapter 17, Texas Water Code, as amended, and Chapter 1371, Texas Government Code, as amended. The Series 2026 Bonds shall never constitute general obligations of the Board or the State of Texas within the meaning of any constitutional or statutory provision or limitation. Issuance of the Series 2026 Bonds shall not, directly, indirectly or contingently, obligate the State of Texas to levy any form of taxation therefor or make any appropriation for their payment. The Board has no taxing power.

SEE INSIDE COVER PAGE HEREIN FOR STATED MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL YIELDS, CUSIP NUMBERS, AND REDEMPTION PROVISIONS

The Series 2026 Bonds are offered for delivery when, as and if issued, and are subject to the approval of the Attorney General of the State of Texas and subject to the approval of certain legal matters by McCall, Parkhurst & Horton L.L.P., Bond Counsel. Certain legal matters will be passed upon for the Board by Bracewell LLP, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP. It is expected that the Series 2026 Bonds will be delivered through the facilities of DTC on or about June 10, 2026 (the “Date of Delivery”).

BAIRD

TRB CAPITAL MARKETS

RAYMOND JAMES

RBC CAPITAL MARKETS

SIEBERT WILLIAMS SHANK

UMB BANK, N.A.

* Preliminary, subject to change.

MATURITY SCHEDULE

\$ _____*
TEXAS WATER DEVELOPMENT BOARD
STATE REVOLVING FUND REVENUE BONDS,
NEW SERIES 2026

CUSIP No. Prefix: 88285A⁽²⁾

(Interest accrues from the Date of Delivery)

⁽¹⁾ The Series 2026 Bonds maturing on or after August 1, 20__ are subject to optional redemption at the option of the Board, in whole or in part, prior to their stated maturity on August 1, 20__, or any date thereafter, at a redemption price of par plus accrued interest thereon to the date of redemption. The Series 2026 Bonds are subject to optional and mandatory redemption using Sale Proceeds and Prepayments and extraordinary mandatory redemption as described herein. See “THE SERIES 2026 BONDS - Redemption.”

⁽²⁾ CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems, Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the services provided by CUSIP. The Board, the Financial Advisor, and the Underwriters are not responsible for the selection or correctness of the CUSIP numbers set forth herein.

⁽³⁾ The initial yields are established by the Underwriters and are subject to change.

* Preliminary, subject to change.

TEXAS WATER DEVELOPMENT BOARD

Members

Term Expiration

L'Oreal Stepney, P.E., Chairwoman	February 1, 2029
Brady Franks, Member	February 1, 2031
Ashley Morgan, Member	February 1, 2027

STAFF MEMBERS

Bryan McMath	Executive Administrator
Kathleen Ligon	Assistant Executive Administrator
Jessica Peña	Deputy Executive Administrator
Georgia Sanchez	Chief Financial Officer and Development Fund Manager
Ashley Harden	General Counsel

BOND COUNSEL

McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

FINANCIAL ADVISOR

Hilltop Securities Inc.
Austin, Dallas, and San Antonio, Texas

DISCLOSURE COUNSEL

Bracewell LLP
Houston, Texas

PAYING AGENT/REGISTRAR

The Bank of New York Mellon Trust Company, N.A.
Houston, Texas

Questions regarding this Official Statement may be directed to Georgia Sanchez, Chief Financial Officer, Texas Water Development Board, 1700 North Congress Avenue, Austin, Texas 78701; Telephone: (512) 475-4584; Electronic Mail: georgia.sanchez@twdb.texas.gov.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended and in effect on the date hereof (the “Rule”), this document constitutes an Official Statement of the Board with respect to the Series 2026 Bonds that has been “deemed final” by the Board as of its date except for the omission of no more than the information permitted by the Rule.

No dealer, broker, salesman or other person has been authorized by the Board or the Underwriters to give any information, or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Board or the Underwriters. This Official Statement does not constitute an offer to sell, or a solicitation of an offer to buy, Series 2026 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such jurisdiction.

Certain information set forth herein has been obtained from the Board and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriters. Any forward looking statements and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board or other matters described herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2026 BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2026 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

NEITHER THE BOARD, ITS FINANCIAL ADVISOR NOR THE UNDERWRITERS MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY NEW YORK, NEW YORK, (“DTC”) OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN FURNISHED BY DTC. NEITHER THE BOARD NOR ITS FINANCIAL ADVISOR MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT UNDER THE CAPTION “OTHER INFORMATION – UNDERWRITING.”

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (“SEC”) NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SERIES 2026 BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No registration statement relating to the Series 2026 Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon an exemption provided thereunder. The Series 2026 Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Series 2026 Bonds been registered or qualified under the securities laws of any other jurisdiction. The Board assumes no responsibility for registration or qualification for sale or other disposition of the Series 2026 Bonds under the securities laws of any jurisdiction in which the Series 2026 Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Series 2026 Bonds will not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

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PRELIMINARY OFFICIAL STATEMENT

\$ _____ *
TEXAS WATER DEVELOPMENT BOARD
STATE REVOLVING FUND REVENUE BONDS,
NEW SERIES 2026

INTRODUCTION

This Official Statement, including the cover page, maturity schedule and the appendices hereto, sets forth certain information describing the Texas Water Development Board (the “Board”), certain programs of the Board, including the State Water Pollution Control Revolving Fund, commonly referred to as the Clean Water State Revolving Fund (“CWSRF”) and the Safe Drinking Water Revolving Fund, commonly referred to as the Drinking Water State Revolving Fund (“DWSRF” and together with the CWSRF, the “State Revolving Funds” or the “SRFs”), and the proposed issuance by the Board of its State Revolving Fund Revenue Bonds, New Series 2026 (the “Series 2026 Bonds”). The Series 2026 Bonds are being issued pursuant to a Master Resolution adopted by the Board on March 1, 2018 (the “Master Resolution”), an Eighth Supplemental Resolution adopted by the Board on March 31, 2026 (the “Eighth Supplemental Resolution”), and the terms of a bond purchase agreement pertaining to the sale of the Series 2026 Bonds (the “Bond Purchase Agreement”). Pursuant to authority conferred by the Eighth Supplemental Resolution, an Authorized Representative is authorized to act on behalf of the Board in selling and delivering the Series 2026 Bonds through the execution of the Bond Purchase Agreement. The Master Resolution and the Eighth Supplemental Resolution are sometimes hereinafter collectively referred to as the “Resolution.” The Outstanding SRF Bonds, the Series 2026 Bonds and any SRF Bonds hereafter issued are equally and ratably secured by and payable from a first lien on and pledge of the Security for the SRF Bonds. Unless otherwise defined herein, capitalized terms used in this Official Statement shall have the meaning given to such terms in the Resolution. See “Appendix A – Related Definitions.”

Master Resolution

The Master Resolution establishes a comprehensive financing program to accommodate the issuance or incurrence of different types of obligations that are secured by and payable from a first lien on and pledge of the Security for the SRF Bonds on parity with the lien thereon that secures issues of notes and bonds, including the Series 2026 Bonds, from time to time issued or incurred under the Master Resolution. The Series 2026 Bonds are the eighth series of SRF Bonds issued under the Master Resolution. The Outstanding SRF Bonds are as follows:

SRF Bond Issue ⁽¹⁾	Par Amount	Outstanding amount as of 8/30/2025
SRF Revenue Bonds, New Series 2018	\$ 288,395,000	\$ 205,025,000
SRF Revenue Bonds, New Series 2019	\$ 221,005,000	\$ 161,030,000
SRF Revenue Bonds, New Series 2020	\$ 352,590,000	\$ 284,945,000
SRF Revenue Bonds, New Series 2021	\$ 386,155,000	\$ 332,405,000
SRF Revenue Bonds, New Series 2022	\$ 234,550,000	\$ 214,680,000
SRF Revenue Bonds, New Series 2023	\$ 192,325,000	\$ 180,055,000
SRF Revenue Bonds, New Series 2025	\$ 183,810,000	\$ 183,810,000

(1) SRF represents State Revolving Fund Revenue Bonds.

The Series 2026 Bonds, the Outstanding SRF Bonds and any SRF Bonds hereafter issued are equally and ratably secured by and payable from a first lien on and pledge of the Security for the SRF Bonds. See “INTRODUCTION – Cross-Collateralization of State Revolving Funds,” and “THE SERIES 2026 BONDS – Security.” The Master Resolution also provides for and authorizes the Board to enter into Credit Enhancement Agreements in connection with the issuance of the SRF Bonds secured by a lien on and pledge of the Security for the SRF Bonds. See “STATE REVOLVING FUNDS” herein for a description of the outstanding obligations heretofore

issued by the Board in support of the SRF financing program. Also see “INTRODUCTION – Cross-Collateralization of State Revolving Funds” herein.

The Master Resolution establishes a comprehensive financing program pursuant to authority conferred by and in accordance with the provisions of the Constitution and laws of the State, particularly the SRF Act, the Bond Act and Chapter 1371, in order to: (i) provide funds, including state matching funds, to augment the CWSRF; (ii) provide funds, including state matching funds, to augment the DWSRF; (iii) fund any reserve or other fund established in connection with the issuance of SRF Bonds; (iv) refund and refinance outstanding obligations secured in whole or in part by a pledge of the Security for the SRF Bonds; (v) consolidate revenues and other assets of the CWSRF and the DWSRF to secure SRF Bonds and Subordinate Obligations under authority of State law to cross-collateralize any State Revolving Fund administered by the Board, including, without limitation, the CWSRF and the DWSRF; (vi) pay the cost of issuance of SRF Bonds; and (vii) provide funds for any other lawful purpose. See Cross Collateralization of State Revolving Funds” and “PLAN OF FINANCE.” State matching funds provided to obtain federal capitalization grants for the CWSRF and the DWSRF are referred to herein as “State Match.”

Brief descriptions of the Board, The Depository Trust Company, New York New York (“DTC”) and certain provisions of the Series 2026 Bonds, are included in this Official Statement. Descriptions of the Clean Water State Revolving Fund and Drinking Water State Revolving Fund are attached hereto as Appendix B. A description of the Board is attached hereto as Appendix C. A summary of the Political Subdivision Bonds (also referred to herein as “PSBs”) currently held in the CWSRF Portfolio Account and the DWSRF Portfolio Account is attached hereto as Appendix D. The form of the opinion of Bond Counsel is attached hereto as Appendix E. A summary of certain provisions of the Master Resolution and the Eighth Supplemental Resolution affecting the use and disposition of the Security for the SRF Bonds and certain other terms and procedures affecting the SRF Bonds, including the Series 2026 Bonds, is attached hereto as Appendix F. The Unaudited Financial Statements of the CWSRF and the DWSRF for the last five Fiscal Years are attached hereto as Appendix G. A description of DTC and its Book-Entry-Only System is attached hereto as Appendix H. The descriptions, summaries and excerpts herein of the Master Resolution and Eighth Supplemental Resolution are qualified in their entirety by reference to such documents and are further qualified by reference to laws relating to or affecting generally the enforcement of creditors’ rights and principles of equity. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

Cross-Collateralization of State Revolving Funds

The State Revolving Funds are the principal means by which the Board carries out the financial assistance directives of the SRF Act, the Federal Clean Water Act (as defined herein) and the Federal Drinking Water Act (as defined herein). The Board uses the State Revolving Funds to provide financial assistance to Political Subdivisions through the Board’s acquisition of Political Subdivision Bonds. The Board’s acquisition of Political Subdivision Bonds is funded with proceeds of SRF Bonds and General Obligation Match Bonds issued by the Board, federal capitalization grants under the Federal Clean Water Act and the Federal Drinking Water Act, and recycled cash balances and investment earnings on fund balances. Political Subdivisions use the proceeds of Political Subdivision Bonds for the purpose of planning, design, acquisition and construction of wastewater treatment works, including stormwater and nonpoint source pollution control projects (in the context of the CWSRF program) and planning, design, acquisition and construction of water system works, including the purchase of capacity and other systems (in the context of the DWSRF program), and other authorized purposes pursuant to the SRF Act, the Federal Clean Water Act and the Federal Drinking Water Act. See “STATE REVOLVING FUNDS.”

Pursuant to the Master Resolution, the Board utilizes a combined financing program to provide funds to the CWSRF and the DWSRF in an efficient manner through the issuance of SRF Bonds. The cross-collateralization of money and other assets of the CWSRF and the DWSRF pursuant to the Master Resolution provides common security for the payment of debt service on such SRF Bonds. Cross-collateralization is permitted by the SRF Act and federal law. Money and other assets of the DWSRF will be available to pay debt service on SRF Bonds issued to augment the CWSRF, to the extent money and other assets of the CWSRF are not sufficient to pay debt service on SRF Bonds issued to augment the CWSRF. Money and other assets of the CWSRF will be available to pay debt service on SRF Bonds issued to augment the DWSRF, to the extent money and other assets of the DWSRF are not sufficient to pay debt service on SRF Bonds issued to augment the DWSRF.

The CWSRF is in its 39th year of operation. The DWSRF is in its 29th year of operation. For the period from inception of the State Revolving Funds through the period ending **November 30, 2025**, the Board has utilized the State Revolving Funds to provide financial assistance to Political Subdivisions within the CWSRF Portfolio Account and the DWSRF Portfolio Account as follows:

	CWSRF	DWSRF	Total
Total Funding Commitments Since Inception	\$ 11,896,331,569	\$ 4,450,301,213	\$ 16,346,632,782
Currently Outstanding Pledged PSBs	\$ 3,669,860,000	\$ 1,761,512,000	\$ 5,431,372,000
Number of Political Subdivisions with Pledged PSBs Outstanding	207	212	419*

* When aggregated, the total number of unique Political Subdivisions with either CWSRF or DWSRF outstanding bonds is approximately 337.

See “Appendix B – Information Regarding the Clean Water State Revolving Fund And the Drinking Water State Revolving Fund” for a more detailed discussion of the CWSRF and the DWSRF. The Board can give no assurances that the terms of any committed Political Subdivision Bonds to be purchased in the future will not change or that such Political Subdivision Bonds will ever be purchased. Additionally, the Board can give no assurances that any applications for funding which have not been approved by the Board will, in fact, be approved and funded in the amounts indicated.

The Series 2026 Bonds

In the Eighth Supplemental Resolution, the Board authorized the issuance of the Series 2026 Bonds, in one or more series, in an aggregate principal amount not to exceed \$400,000,000. The Series 2026 Bonds are the eighth series of SRF Bonds issued under the terms of the Master Resolution. The Board has reserved the right in the Master Resolution to issue additional series of bonds, notes or other obligations or evidence of indebtedness on parity with the Series 2026 Bonds and the Outstanding SRF Bonds and to execute Credit Enhancement Agreements on parity with any Credit Enhancement Agreements relating to the Outstanding SRF Bonds. The Board currently has no present intention to enter into a Credit Enhancement Agreement in connection with the issuance of the Series 2026 Bonds. The Board has not entered into, and has no present intention of entering into, a Credit Enhancement Agreement in connection with the Outstanding SRF Bonds.

Texas Water Development Board

The Board is an agency of the State and was created by constitutional amendment in 1957. Its mission is to lead the State’s efforts in ensuring a secure water future for Texas. The Board is responsible for long-range water planning in the State. The Board is primarily responsible for the State’s financial programs associated with the water industry, including the establishment of policy for the financial programs.

Through its financial assistance programs, including the CWSRF and the DWSRF, the Board provides financial assistance for eligible water-related facilities, including components of water supply, wastewater (sewage) conveyance and treatment, flood control, municipal solid waste management and agricultural water conservation projects.

The Board is composed of three full-time members who are appointed by the Governor and confirmed by the Texas Senate. Members of the Board serve staggered six-year terms. In accordance with State law, the Board must appoint the Executive Administrator of the Board.

See “Appendix C – Information Regarding the Texas Water Development Board” for a more detailed discussion of the Board and its history, organizational structure, board members and key staff members, financial assistance programs, and legislative oversight.

PLAN OF FINANCE

Purpose

The Series 2026 Bonds are being issued to provide funds (i) to the CWSRF and the DWSRF to finance the acquisition of Political Subdivision Bonds, (ii) to the CWSRF and the DWSRF to meet State Match requirements, and (iii) to pay the costs of issuance of the Series 2026 Bonds. See “Sources and Uses” below.

Sources and Uses

The proceeds from the sale of the Series 2026 Bonds are estimated to be applied as set forth in the following table:

<u>Sources of Funds</u>	
Par Amount
[Net Original Issue Premium/Discount]
Total Sources	\$ -
 <u>Uses of Funds</u>	
Deposit for acquisition of Political Subdivision Bonds to CWSRF Bond Proceeds Subaccount
Deposit for acquisition of Political Subdivision Bonds to DWSRF Bond Proceeds Subaccount
State Match funds for the CWSRF	-
State Match funds for the DWSRF	-
Underwriters’ Discount
Costs of Issuance
Total Uses	\$ -

THE SERIES 2026 BONDS

General

The Series 2026 Bonds are special obligations of the Board and are issued pursuant to the Resolution and the laws of the State of Texas, including Subchapter J of Chapter 15 of the Texas Water Code, as amended (the “SRF Act”), Subchapter I of Chapter 17 of the Texas Water Code, as amended (the “Bond Act”), and Chapter 1371. The Series 2026 Bonds shall never constitute general obligations of the Board or the State within the meaning of any constitutional or statutory provision or limitation.

The Series 2026 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiples thereof. Interest on the Series 2026 Bonds will accrue from the Date of Delivery at the respective rates shown on the inside cover page of this Official Statement, calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on the Series 2026 Bonds will be payable initially on February 1, 2027 and semiannually on each August 1 and February 1 thereafter (each an “Interest Payment Date”), until maturity or prior redemption. The Series 2026 Bonds will mature in the principal amounts and on the dates shown on the inside cover page of this Official Statement. The Series 2026 Bonds, when issued, will be registered in the name of Cede & Co., as nominee for DTC.

Payment

As long as the Series 2026 Bonds are held in the book-entry-only system, payment on the Series 2026 Bonds will be made directly to DTC or its nominee, Cede & Co., by The Bank of New York Mellon Trust Company, N.A.

(the “Agent”) in accordance with arrangements among the Board, the Agent and DTC. See “Appendix H – Description of Book-Entry-Only System.”

The principal and redemption price of the Series 2026 Bonds shall be payable, without exchange or collection charges, in lawful money of the United States of America, to the respective registered owners thereof upon presentation and surrender thereof at maturity or upon the date fixed for redemption prior to maturity at the office for payment of the Agent (the “Designated Payment/Transfer Office”). If the Series 2026 Bonds are not held in book-entry form, as described in “Appendix H - Description of Book-Entry-Only System,” interest on the Series 2026 Bonds shall be payable by the Agent on each Interest Payment Date, in lawful money of the United States of America, by check or draft dated as of such Interest Payment Date, sent by United States mail, first-class postage prepaid, to the respective owners thereof, at the address of each such registered owner as it appears in the Register on the Record Date (hereinafter defined) preceding each such Interest Payment Date. Any accrued interest due upon the redemption of any Series 2026 Bond prior to maturity as provided in the Eighth Supplemental Resolution shall be payable to the registered owner thereof at the Designated Payment/Transfer Office, upon presentation and surrender thereof for redemption and payment at the Designated Payment/Transfer Office. As of the date of this Official Statement, the Designated Payment/Transfer Office of the Agent is its Houston, Texas office.

Security

The security for the Series 2026 Bonds consists of (i) all Pledged SRF Revenues; (ii) all Political Subdivision Bonds and Government Obligations held in the CWSRF Portfolio Account (except as described in “Appendix F – Summary of Master Resolution and Eighth Supplemental Resolution – *Release of Political Subdivision Bonds*”), all amounts in the CWSRF Revenue Account and the CWSRF Program Account pending disbursement thereof; (iii) all Political Subdivision Bonds and Government Obligations held in the DWSRF Portfolio Account (except as described in “Appendix F – Summary of Master Resolution and Eighth Supplemental Resolution – *Release of Political Subdivision Bonds*”), all amounts in the DWSRF Revenue Account and the DWSRF Program Account pending disbursement thereof; (iv) all amounts in the Operating Account pending disbursement thereof; (v) all amounts held in the Portfolio Redemption Account; and (vi) all of the proceeds of the foregoing, including, without limitation, investments thereof (collectively the “Security for the SRF Bonds”). The Series 2026 Bonds, the Outstanding SRF Bonds and any SRF Bonds hereafter issued are equally and ratably secured by and payable from a first lien on and pledge of the Security for the SRF Bonds. See “INTRODUCTION – Cross-Collateralization of State Revolving Funds.” The foregoing notwithstanding, the principal of and interest on SRF Bonds issued to provide State Match funds will be payable ONLY from Repayments which consist of interest (and not principal) and amounts received by the Board as income, profits or gain on investments.

From time to time the Board has released Political Subdivision Bonds from the lien of the Master Resolution pursuant to the provision of the Master Resolution. For more information, see “Appendix F – Summary of Master Resolution and Eighth Supplemental Resolution – *Release of Political Subdivision Bonds*.”

The Board reserved the right in the Master Resolution, but is not obligated, to fund a reserve fund for SRF Bonds in accordance with the terms of a Supplemental Resolution. The Board has not created or funded, and in connection with the issuance of the Series 2026 Bonds does not intend to create or fund a reserve fund. The Board does reserve the right, at its option, to create and fund a reserve for SRF Bonds, including the Series 2026 Bonds. See “Appendix F – Summary of Master Resolution and Eighth Supplemental Resolution – Funds and Accounts – Flow of Funds – Fourth”.

Matters Relating to Redemption and Prepayment

Disposition of Sale Proceeds and Prepayments. The use and disposition of Sale Proceeds (including proceeds of the Outstanding SRF Bonds and the Series 2026 Bonds) and Prepayments (including proceeds of Prepayments of Political Subdivision Bonds relating to the Outstanding SRF Bonds and the Series 2026 Bonds) are governed by the Master Resolution and supplemental resolutions authorizing SRF Bonds (including the Series 2026 Bonds). See “Redemption – Optional Redemption Using Sale Proceeds and Prepayments and Mandatory Redemption Using Prepayments” below. Generally, Sale Proceeds and Prepayments must be (i) reinvested through the purchase of Political Subdivision Bonds or Government Obligations or (ii) used to redeem SRF Bonds (including the Series 2026

Bonds), subject to and in accordance with the Master Resolution and supplemental resolutions authorizing SRF Bonds (including the Eighth Supplemental Resolution adopted in connection with the sale of the Series 2026 Bonds).

Prior to the use of Sale Proceeds or Prepayments to redeem unrelated SRF Bonds, the Board must obtain an opinion of Bond Counsel as described below under “Redemption – Optional Redemption Using Sale Proceeds and Prepayments and Mandatory Redemption Using Prepayments.” The Master Resolution also provides that the Board may not take any action to generate Sale Proceeds unless such Sale Proceeds are applied to the optional redemption of SRF Bonds or reinvested in Political Subdivision Bonds or Government Obligations. In addition, the ability of a Political Subdivision to prepay its Political Subdivision Bonds prior to the stated maturity or scheduled mandatory redemption date therefor (resulting in a Prepayment) is limited by the optional call features associated with such Political Subdivision Bonds.

Board Policy Regarding Prepayment Proceeds. Historically, and as a matter of Board policy, (i) the Board has held Political Subdivision Bonds until their stated maturity or prior redemption by the issuing Political Subdivision (which has prevented the generation of Sale Proceeds) and (ii) the Board has used Prepayments for reinvestment in Political Subdivision Bonds or to redeem related obligations through the exercise of optional redemption rights. Since the inception of the revenue bond financing programs for the CWSRF and the DWSRF, no bonds issued by the Board have been redeemed as a result of mandatory redemption caused by the receipt of Prepayments.

Redemption

Optional Redemption. The Series 2026 Bonds maturing on and after August 1, 20__, will be subject to redemption prior to their stated maturities, at the option of the Board from available funds, in whole or in part on August 1, 20__ or any day thereafter at a redemption price of par plus accrued interest to the date fixed for redemption. The maturity dates of the Series 2026 Bonds called for optional redemption prior to maturity shall be determined by the Board. See “Partial Redemption” for an explanation of the selection of Series 2026 Bonds in the event of partial redemption.

Subject to certain conditions, available funds may include Sale Proceeds or Prepayments derived from Political Subdivision Bonds and Government Obligations related to any series of SRF Bonds or General Obligation Match Bonds as well as Sale Proceeds or Prepayments derived from Political Subdivision Bonds and Government Obligations related to the Series 2026 Bonds. See “Appendix A – Related Definitions – Master Resolution - *Sale Proceeds.*”

Optional Redemption Using Sale Proceeds and Prepayments and Mandatory Redemption Using Prepayments. The Master Resolution provides for the use and disposition of Sale Proceeds and Prepayments in the following manner, to the extent such amounts are not reinvested in Political Subdivision Bonds or Government Obligations:

- Sale Proceeds or Prepayments may be applied to the redemption of SRF Bonds (including the Series 2026 Bonds) on or after the earliest practical redemption date to the extent that such SRF Bonds are subject to optional redemption without premium within ninety (90) days of receipt by the Board of such Sale Proceeds or Prepayments.
- The Series 2026 Bonds may be subject to mandatory redemption prior to maturity to the extent there are moneys in the Portfolio Redemption Account as a result of Prepayments not having been applied either (i) to the optional redemption of SRF Bonds (including the Series 2026 Bonds) in accordance with the preceding paragraph or (ii) within one hundred and eighty (180) days of receipt thereof to purchase Political Subdivision Bonds or Government Obligations. The Board may not generate or create Sale Proceeds unless such Sale Proceeds are reinvested or applied to the optional redemption of SRF Bonds (including the Series 2026 Bonds). Therefore, Sale Proceeds shall not be used to mandatorily redeem SRF Bonds (including the Series 2026 Bonds). Such mandatory redemption of Series 2026 Bonds may be in whole or in part on any Business Day and at a redemption price equal to the principal amount of the Series 2026 Bonds to be redeemed plus accrued interest thereon to the redemption date.

Prior to the redemption of any SRF Bond using Prepayments derived from (i) Political Subdivision Bonds or Government Obligations related to a series or installment of SRF Bonds issued as tax-exempt obligations, other than

the series or installment of SRF Bonds then being redeemed or (ii) Political Subdivision Bonds or Government Obligations related to General Obligation Match Bonds issued as tax-exempt obligations (collectively, “Unrelated SRF Prepayments”), the Board must obtain an opinion of Bond Counsel to the effect that such Unrelated SRF Prepayments may be used to redeem such SRF Bonds without adversely affecting the excludability from gross income of interest payable on the outstanding SRF Bonds and General Obligation Match Bonds to the extent such obligations were issued on a tax-exempt basis. See “Matters Relating to Redemption and Prepayment” above for information concerning certain redemption considerations that are expected to reduce the likelihood that the Series 2026 Bonds will be subject to mandatory redemption from Prepayments.

Extraordinary Mandatory Redemption of Series 2026 Bonds. Section 149(f) of the Internal Revenue Code of 1986 (the “Code”) imposes certain requirements on bonds issued by state and local governments for pooled financing programs, such as the Series 2026 Bonds, in order for the interest to be and remain exempt from federal income taxation. One such requirement mandates the redemption of bonds in circumstances in which the bond proceeds are not used to originate Political Subdivision Bonds within certain prescribed periods. In particular, section 149(f) of the Code requires the following: the issuer (i) must reasonably expect that, within the one-year period beginning on the date of issue, at least 30 percent of the net proceeds of the issue will be used directly or indirectly to originate Political Subdivision Bonds (the “One-Year Computation Period”); and (ii) must redeem outstanding bonds within 90 days after the end of such one-year period to the extent of, and in an amount equal to the unused proceeds, *i.e.*, the difference between the amount actually used and an amount equal to 30 percent of the net proceeds of the issue; and the issuer (i) must reasonably expect that within the three-year period beginning on the date of issue, at least 95 percent of the net proceeds of the issue will be used directly or indirectly to originate Political Subdivision Bonds (the “Three-Year Computation Period”); and (ii) must redeem outstanding bonds within 90 days after the end of such three-year period to the extent of, and in an amount equal to the unused proceeds, *i.e.*, the difference between the amount actually used and an amount equal to 95 percent of the net proceeds of the issue.

At the date of issuance of the Series 2026 Bonds, a portion of the Series 2026 Bond proceeds will be held by the Board and applied from time to time after the issuance of the Series 2026 Bonds to originate Political Subdivision Bonds for CWSRF or DWSRF financial assistance projects, or to reimburse the Board for Political Subdivision Bonds heretofore acquired to fund CWSRF financial assistance projects. See “PLAN OF FINANCE - Sources and Uses.” The Board reasonably expects to expend more than 30 percent and 95 percent of such proceeds, during the one-year and three-year periods, respectively. To comply with the foregoing requirement in the event these expectations are not achieved by the Board, the Series 2026 Bonds are subject to extraordinary mandatory redemption at the end of the one-year and three-year periods as required by section 149(f) of the Code. To the extent proceeds of the Series 2026 Bonds are held by the Board to originate Political Subdivision Bonds and are not expended within such one-year or three-year periods, any such unexpended proceeds will be used to redeem the Series 2026 Bonds as further described below. In accordance with section 149(f)(7) of the Code, only the portion of the proceeds of the Series 2026 Bonds that is reasonably expected, as of the issue date of the Series 2026 Bonds, to be used to originate Political Subdivision Bonds to Political Subdivisions is subject to the redemption requirements set forth in section 149(f) of the Code.

As described in the following table, proceeds of the Outstanding SRF Bonds have been used to make loans in accordance with the periods described in section 149(f) of the Code.

SRF Bond Issue ⁽¹⁾	Par Amount	Delivery Date	Attainment of 1 yr/30% Requirement	Attainment of 3 yr/95% Requirement
SRF Revenue Bonds, New Series 2018	\$ 288,395,000	4/26/2018	5/29/2018	12/20/2018
SRF Revenue Bonds, New Series 2019	\$ 221,005,000	4/24/2019	8/2/2019	10/22/2019
SRF Revenue Bonds, New Series 2020	\$ 352,590,000	6/2/2020	6/23/2020	6/23/2020
SRF Revenue Bonds, New Series 2021	\$ 386,155,000	11/4/2021	12/21/2021	9/23/2022
SRF Revenue Bonds, New Series 2022	\$ 234,550,000	6/30/2022	9/20/2022	3/13/2025
SRF Revenue Bonds, New Series 2023	\$ 192,325,000	5/25/2023	8/16/2023	12/5/2025
SRF Revenue Bonds, New Series 2025	\$ 183,810,000	4/16/2025	-	-

⁽¹⁾ SRF represents State Revolving Fund Revenue Bonds.

The Series 2026 Bonds maturing on and after August 1, ____, are subject to extraordinary mandatory redemption prior to their scheduled maturities on _____, ____ (the “One-Year Extraordinary Mandatory Redemption”), in an amount equal to the Computation Amount (as hereinafter defined) applicable to the One-Year Computation Period for the Series 2026 Bonds, plus accrued interest to the date of such extraordinary redemption at the redemption prices set forth below (approximately ____% of the accreted value or amortized issue price for each maturity of the Series 2026 Bonds), expressed as percentages of the principal amount of each maturity of the Series 2026 Bonds so redeemed. The Series 2026 Bonds maturing on and after August 1, ____, are subject to extraordinary mandatory redemption prior to their scheduled maturities on _____, ____ (the “Three-Year Extraordinary Mandatory Redemption”), in an amount equal to the Computation Amount applicable to the Three-Year Computation Period for the Series 2026 Bonds, plus accrued interest to the date of such extraordinary redemption at the redemption prices set forth below (approximately ____% of the accreted value or amortized issue price for each maturity of the Series 2026 Bonds), expressed as percentages of the principal amount of each maturity of the Series 2026 Bonds so redeemed.

<u>Extraordinary Mandatory Redemption Price (%)</u>			
	One Year Computation Period	Three Year Computation Period	CUSIP No. Prefix 88285A
<u>Maturity (August 1)</u>	<u>On _____, 2027</u>	<u>On _____, 2029</u>	<u>CUSIP No. Suffix</u>

The Eighth Supplemental Resolution defines “Computation Amount” as surplus proceeds (rounded to the next higher \$5,000 denomination) equal to the remainder of (A) thirty percent (30%) of the Net Proceeds less proceeds of the Series 2026 Bonds directly or indirectly used to make loans or grants to Political Subdivisions as of the last day of the One-Year Computation Period (but not less than zero) or (B) ninety-five percent (95%) of the Net Proceeds less the proceeds of the Series 2026 Bonds directly or indirectly used to make loans or grants to Political Subdivisions as of the last day of the Three-Year Computation Period (but not less than zero). “Net Proceeds” is defined in the Eighth Supplemental Resolution to mean the amounts received from the sale of the Series 2026 Bonds less proceeds used to pay costs of issuance, including any underwriters’ compensation, proceeds used to pay interest on the Series 2026 Bonds during all or any portion of the One-Year Computation Period, or the Three-Year Computation Period, as the case may be, and proceeds deposited to a reasonably required reserve or replacement fund. The Board did not create, and has no present intention to create, a reserve fund for the Series 2026 Bonds, but does have the ability to create such a reserve fund in the future.

Following the earlier of (i) the 90th day after the Three-Year Computation Period for the Series 2026 Bonds and (ii) the date on which 95 percent of the proceeds of the Series 2026 Bonds have been used to originate Political Subdivision Bonds, if such date occurs prior to the end of the Three-Year Computation Period for the Series 2026 Bonds, the Series 2026 Bonds shall no longer be subject to extraordinary redemption.

The foregoing notwithstanding, the Series 2026 Bonds are not subject to such extraordinary mandatory redemption if the Board obtains an opinion of nationally recognized bond counsel to the effect that, if the Board does not cause the extraordinary mandatory redemption to occur, it will not adversely affect the excludability of interest on such Series 2026 Bonds from gross income for federal income tax purposes.

For purposes of the One-Year Extraordinary Mandatory Redemption and the Three-Year Extraordinary Mandatory Redemption, as the case may be, the Series 2026 Bonds that are subject to such redemption will be selected

on a “Pro Rata Basis” (defined below); provided, that if any amount required to be redeemed remains after such selection, such remaining amount will be applied to the redemption of \$5,000 principal amount of each maturity of the Series 2026 Bonds in inverse order of maturity. The term “Pro Rata Basis” means that the principal amount of a Series 2026 Bonds of a particular maturity shall be determined by multiplying the Computation Amount by the ratio which the principal amount of Series 2026 Bonds of such maturity then outstanding bears to the aggregate principal amount of Series 2026 Bonds then outstanding and subject to redemption..

Notice of Redemption. The Agent will mail a notice of redemption by United States mail, first-class postage prepaid, to the registered owners of all Series 2026 Bonds to be redeemed, at the address shown on the Register. Notice shall be given not less than 30 calendar days nor more than 45 calendar days prior to the redemption date. Each notice of redemption of the Series 2026 Bonds will identify the Series 2026 Bonds or portions thereof to be redeemed and will state, among other things, the redemption price, the redemption date, the place or places where the redemption price is payable and that on the redemption date such Series 2026 Bonds (or portions thereof) called for redemption will cease to bear interest (provided funds for the redemption of such Series 2026 Bonds are on deposit at the place of payment). Any notice of redemption may provide that such notice is given subject to the occurrence of certain conditions precedent, including the deposit with the Agent of money sufficient for the payment of the redemption price of the Series 2026 Bonds called for redemption. The failure of a Holder to receive notice by mailing or any defect in that notice regarding any Series 2026 Bond will not affect the validity of the proceedings for the redemption of the Series 2026 Bonds.

The Agent shall also send notice of any redemption by United States mail, first-class postage prepaid, to DTC at the same time that it sends notice of redemption to Holders. So long as all Series 2026 Bonds are held under a book-entry system by DTC, notice of redemption shall be sent by the Agent only to DTC or its nominee. Selection of book-entry interests in the Series 2026 Bonds called for redemption, and notice of redemption to the owners of Series 2026 Bonds called for redemption, is the responsibility of DTC (or any successor securities depository) pursuant to its rules and procedures, and of its participants and indirect participants. Any failure of DTC (or any successor securities depository) to advise any participant, or of any participant or any indirect participant to notify the owner of a book-entry interest, of any such notice and its content or effect shall not affect the validity of any proceedings for the redemption of any Series 2026 Bonds.

Partial Redemption

If less than all of the Series 2026 Bonds within a maturity are called for redemption, the Series 2026 Bonds selected for redemption within such maturity shall be chosen by lot by the Agent (provided that a portion thereof may be redeemed only in an integral multiple of \$5,000 principal amount). During any period in which ownership of the Series 2026 Bonds is determined only by a book-entry at a securities depository for the Series 2026 Bonds, if less than all of the Series 2026 Bonds within a maturity are called for redemption, the particular Series 2026 Bonds selected for redemption within such maturity shall be selected in accordance with the arrangements between the Board, the Agent and DTC. See “Appendix H – Description Of Book-Entry-Only System.”

Registration, Transfer and Exchange

The Bank of New York Mellon Trust Company, N.A., the Agent, has been appointed to serve as initial Agent for the Series 2026 Bonds. In the Eighth Supplemental Resolution, the Board retains the right to replace the Agent. If the Board replaces the Agent, such Agent shall, promptly upon the appointment of a successor, deliver the Agent’s records to the successor Agent, and the successor Agent shall act in the same capacity as the previous Agent. Any successor Agent selected by the Board shall be a commercial bank or a trust company duly organized under the laws of the United States of America or any state or territory thereof, having a combined capital stock, surplus and undivided profits of at least \$50,000,000, having trust powers and authorized by law to perform all the duties imposed upon it by the Eighth Supplemental Resolution.

In the event the Book-Entry-Only System is discontinued, printed certificates will be delivered to the owners of the Series 2026 Bonds and thereafter the Series 2026 Bonds may be transferred, registered and assigned on the registration books only upon presentation and surrender of such printed certificates to the Agent, and such registration and transfer shall be without expense or service charge to the Registered Owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Series 2026 Bond may be

assigned by the execution of an assignment form on the Series 2026 Bonds or by other instrument of transfer and assignment acceptable to the Agent. A new Series 2026 Bond, or new Series 2026 Bonds, will be delivered by the Agent in lieu of the Series 2026 Bond being transferred or exchanged at the designated office of the Agent. New Series 2026 Bonds registered and delivered in an exchange or transfer shall be in Authorized Denominations and for a like kind and aggregate principal amount as the Series 2026 Bond or Series 2026 Bonds surrendered for exchange or transfer. See “Appendix H – Description of Book-Entry-Only System” herein for a description of the system to be utilized initially in regard to the ownership and transferability of the Series 2026 Bonds.

The record date (“Record Date”) for the interest payable on any Interest Payment Date for the Series 2026 Bonds means the close of business on the fifteenth day of the month next preceding such Interest Payment Date.

Neither the Board nor the Agent shall be required to issue, transfer, or exchange any Series 2026 Bond, or any portion thereof called for redemption prior to maturity prior to its redemption date, provided, however, such limitation on transferability shall not be applicable to an exchange by the owner of the uncalled balance of a Series 2026 Bond.

If any Series 2026 Bond is mutilated, destroyed, stolen or lost, a new Series 2026 Bond in the same principal amount as the Series 2026 Bond so mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Series 2026 Bond, such new Series 2026 Bond will be delivered only upon surrender and cancellation of such mutilated Series 2026 Bond. In the case of any Series 2026 Bond issued in lieu of and in substitution for a Series 2026 Bond which has been destroyed, stolen or lost, such new Series 2026 Bond will be delivered only (a) upon filing with the Board and the Agent of satisfactory evidence to the effect that such Series 2026 Bond has been destroyed, stolen or lost and proof of the ownership thereof, and (b) upon furnishing the Board and the Agent with indemnity satisfactory to them. The person requesting the authentication and delivery of a new Series 2026 Bond must pay such expenses as the Agent may incur in connection therewith.

Limitation on Remedies

The enforceability of the rights and remedies of the owners of the Series 2026 Bonds (either against the Board or against the Political Subdivisions as issuers of, or obligors under, their Political Subdivision Bonds), and the obligations incurred by (a) the Board in issuing the Series 2026 Bonds and (b) the Political Subdivisions in issuing or entering into their Political Subdivision Bonds, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Beneficial Owners of the Series 2026 Bonds to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights. Under current law, the owner of a Series 2026 Bond will be limited to the filing of a mandamus proceeding in any court of competent jurisdiction to enforce the covenants and obligations of the Master Resolution or the Eighth Supplemental Resolution. There is no acceleration of maturity of the Series 2026 Bonds in the event of default and, therefore, the remedy of mandamus may need to be relied on from year to year. See “APPENDIX F – Summary of Master Resolution and Eighth Supplemental Resolution - Events of Default and Remedies.”

Defeasance

The Board has agreed not to use any Defeasance Obligations in connection with the future defeasance of Series 2026 Bonds other than those authorized by current State law. Those Defeasance Obligations eligible under current State law to defease obligations such as the Series 2026 Bonds are (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States, (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the Board, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, and (3) noncallable obligations of a state or an agency or a county, municipality, or other political

subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the Board, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent. See “Appendix A - Related Definitions - Master Resolution”. Furthermore, in the Eighth Supplemental Resolution, the Board has covenanted not to use obligations described in clause (3) of the definition of Defeasance Obligations to effect a defeasance of the Series 2026 Bonds.

STATE REVOLVING FUNDS

The Board provides financial assistance to Political Subdivisions by purchasing Political Subdivision Bonds issued for the purpose of planning, design, acquisition, and construction of wastewater treatment works, including stormwater and nonpoint source pollution control projects (in the context of the CWSRF program) and planning, design, acquisition, and construction of water system works, including the purchase of capacity and other systems (in the context of the DWSRF program), and any other authorized purposes pursuant to the SRF Act, the Federal Clean Water Act and the Federal Safe Drinking Water Act. The State has provided funding to establish the CWSRF and the DWSRF through the appropriation of State general revenues, the issuance of several series of the State’s general obligation bonds, the issuance of the Outstanding SRF Bonds pursuant to the Master Resolution, and the forthcoming issuance of the Series 2026 Bonds which are secured by a first lien on and pledge of the Security for the SRF Bonds on a parity with the Outstanding SRF Bonds. The State Revolving Funds are the principal means by which the Board carries out the financial assistance directives of the Federal Clean Water Act and the Federal Safe Drinking Water Act.

Pursuant to the Trust Agreement, the CWSRF and the DWSRF, including all respective accounts and subaccounts thereof and all money and investments therein, are kept and held by the Comptroller outside the State Treasury, separate and apart from all other funds and accounts of the Comptroller, in escrow and in trust for and on behalf of the Board. The Comptroller, as custodian of the CWSRF and the DWSRF, is authorized to administer the CWSRF and the DWSRF solely and strictly as provided by the SRF Act, the Master Resolution, the Trust Agreement and the resolutions or other instruments adopted by the Board pursuant to which SRF Bonds or Subordinate Obligations are issued or pursuant to which a Credit Enhancement Agreement or a Subordinated Credit Agreement is provided. Legal title to money and investments in the CWSRF and the DWSRF is held by the Board unless or until paid from the CWSRF and the DWSRF. The Trust Agreement shall continue in effect month to month unless terminated by either the Board or the Texas Treasury Safekeeping Trust Company, acting on behalf of the Comptroller, upon thirty (30) days prior written notice with or without cause in the manner set forth in the Trust Agreement.

Cash held as a part of the accounts and subaccounts within the SRFs will be invested and reinvested in Permitted Investments, as instructed by an Authorized Representative, in such a manner to ensure that money required to be expended from any account or subaccount of the SRFs, as the case may be, will be available at the proper time.

See “Appendix F - Summary Of Master Resolution And Eighth Supplemental Resolution” for a more complete description of matters affecting the investment of funds by the Board.

The following table describes the projected sources of revenues available to pay debt service, projected annual cash flow coverages, and a current and projected debt service schedule that pertains to the Outstanding SRF Bonds, the Series 2026 Bonds and the existing General Obligation Match Bonds (“GO State Match Bonds”). Table 1 below has been prepared by the Board as a forecast of the future operation of the State Revolving Fund and no assurances can be given that actual revenues will meet projections. In addition, no assurances can be given that future revenues for any Fiscal Year will continue to be received by the Board in amounts comparable to prior periods as set forth in the certificate regarding Designated Pledged SRF Revenues which is a condition to the issuance of the Series 2026 Bonds or additional SRF Bonds. See “Appendix F – Summary of Master Resolution and Eighth Supplemental Resolution.” Future revenues may differ from historical revenues for a number of reasons including, but not limited to: (a) defaults by Political Subdivisions; (b) inability to reinvest the proceeds of maturing investments at a rate to provide sufficient revenues; (c) Prepayments by Political Subdivisions; and (d) increases in the interest rates on any variable rate obligations issued by the Board. See “Appendix B - Information Regarding the Clean Water State Revolving Fund And Drinking Water State Revolving Fund” for a more detailed discussion of the CWSRF and the DWSRF.

TABLE 1 - PROJECTED CASH FLOW COVERAGE UNDER THE MASTER RESOLUTION *

As of August 31, 2025

Master Resolution SRF Program¹

[To Be Added]

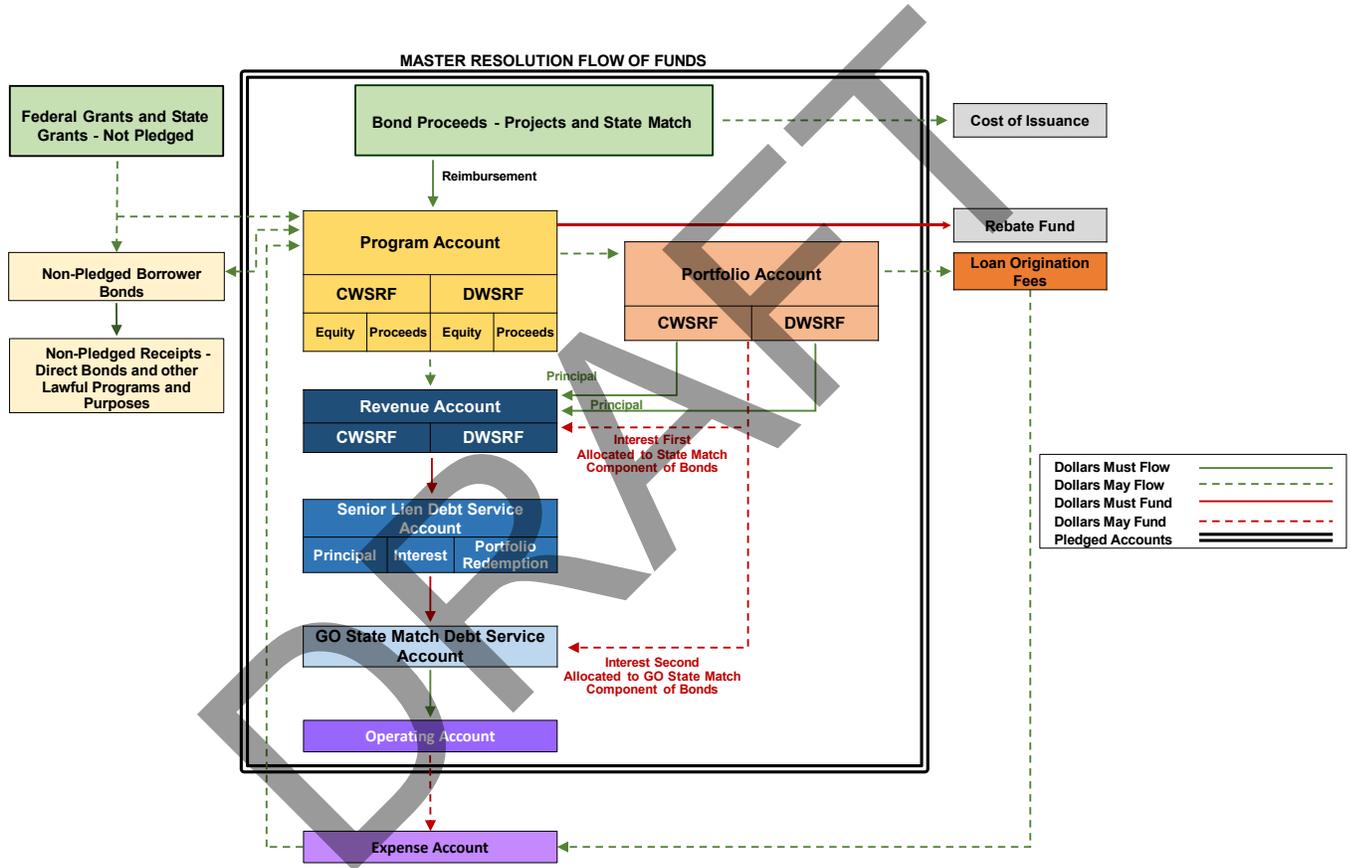
*Preliminary; subject to change.

- (1) The cash flows shown here do not reflect certain balances in pledged accounts which are available to pay debt service for the SRF Bonds or to provide financial assistance to Political Subdivisions.
- (2) Represents pledged Political Subdivision Bond (PSB) revenue (excluding prepayments of principal) received from July 1st through June 30th.
- (3) PSB revenue to be received from July 1st through June 30th for \$[] million of PSBs, assuming a []% rate, to be pledged and funded from proceeds of the Series 2026 Bonds.
- (4) Debt service on Outstanding SRF Bonds.
- (5) Projected debt service on \$[] million of Series 2026 Bonds.
- (6) Debt service coverage (DSC) ratio of total pledged PSB revenue (excluding prepayments of principal) to total SRF Bond debt service.
- (7) Represents excess PSB revenue (excluding prepayments of principal) after payment of SRF Bond debt service.
- (8) Represents debt service on General Obligation (GO) State Match Bonds issued by the TWDB, all or any portion of the proceeds of which are transferred to the CWSRF or the DWSRF in order to provide the required State Match of federal capitalization grants for the CWSRF or the DWSRF, respectively.
- (9) Debt service coverage ratio of total pledged PSB (excluding prepayments of principal) revenue to total SRF Bond debt service and GO State Match Bond debt service.
- (10) Represents excess revenue collected during the year after paying SRF Bond debt service and GO State Match Bond debt service.

MASTER RESOLUTION FLOW OF FUNDS

The following diagram provides a graphic depiction of the flow of funds framework created by the Master Resolution. The diagram is provided to illustrate the flow of funds prescribed by the Master Resolution. A complete summary of the flow of funds is included in “Appendix F – Summary of Master Resolution and Eighth Supplemental Resolution,” and the following diagram is qualified in its entirety by reference to Appendix F of this Official Statement.

By adopting the Master Resolution, the Board created a single, combined (cross-collateralized) financing program to provide funds for the CWSRF and the DWSRF in an efficient manner through the issuance of SRF Bonds. The cross-collateralization of money and other assets of the CWSRF and the DWSRF pursuant to the Master Resolution provides common security for the payment of debt service on such SRF Bonds. See “INTRODUCTION – Cross-Collateralization of State Revolving Funds.”



LEGAL MATTERS

Legal Opinions

The Board will furnish a complete transcript of proceedings incident to the authorization and issuance of the Series 2026 Bonds, including the approving legal opinion of the Attorney General of the State. Based upon an examination of such transcript of proceedings, McCall, Parkhurst & Horton L.L.P., (“Bond Counsel”) will render its approving legal opinion with respect to the Series 2026 Bonds. The proposed form of Bond Counsel’s opinion is set forth in Appendix E. Bond Counsel has not, except as hereinafter noted, assumed any responsibility with respect to this Official Statement or undertaken to verify any of the information contained herein, except that in its capacity as Bond Counsel, it has reviewed the information relating to the Series 2026 Bonds and the Resolution contained under the captions “PLAN OF FINANCE” (except for the subcaption “Sources and Uses”), “THE SERIES 2026 BONDS,” “MASTER RESOLUTION FLOW OF FUNDS,” and “CONTINUING DISCLOSURE OF INFORMATION” (except for the second paragraph under the subcaption “Continuing Disclosure Undertaking of Significant Borrowers”), the information contained in “Appendix A – Related Definitions,” and the information contained in “Appendix F - Summary of Master Resolution and Eighth Supplemental Resolution” (except for the financial and statistical information contained under any such captions) and Bond Counsel is of the opinion that the statements and information contained therein are true and accurate in all material respects; further, Bond Counsel has reviewed the statements and information contained under the captions “LEGAL MATTERS” (except for the last two sentences of the first paragraph under the subcaption “Legal Opinions” and the subcaption “No Litigation”), and “TAX MATTERS” in this Official Statement to determine that the information contained under such captions is true and accurate in all material respects. Certain legal matters will be passed upon for the Board by Bracewell LLP, Houston, Texas, Disclosure Counsel to the Board. Certain legal matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP, whose legal fee is contingent on the sale and delivery of the Series 2026 Bonds. Bond Counsel and Disclosure Counsel may represent one or more of the Underwriters from time to time on matters not related to the Series 2026 Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds express the professional judgment of the law firms rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, such law firms do not become an insurer or guarantor of the expressions of professional judgments, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of a legal opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

No Litigation

There is no litigation or other governmental proceeding pending or, to the knowledge of the Board, threatened which seeks to prohibit, restrain or enjoin the issuance, execution and delivery of the Series 2026 Bonds or questions the validity or enforceability of the Series 2026 Bonds or any of the proceedings taken in connection with the issuance thereof.

The State is a party to various legal proceedings relating to its operations and governmental functions but unrelated to the Series 2026 Bonds or the security therefor.

Eligibility for Investment in Texas

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Series 2026 Bonds are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other Political Subdivisions or public agencies of the State of Texas. With respect to investment in the Series 2026 Bonds by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Series 2026 Bonds be assigned a rating of not less than “A” or its equivalent as to investment quality by a nationally recognized investment rating firm. See “OTHER INFORMATION - Ratings” herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Series 2026 Bonds are legal investments for state banks, savings banks, trust companies with a least \$1 million of capital, and savings and loan associations. The Series 2026

Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value.

No representation is made that the Series 2026 Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes. The Board has made no investigation of other laws, rules, regulations or investment criteria which might apply to any such persons or entities or which might otherwise limit the suitability of the Series 2026 Bonds for any of the foregoing purposes or limit the authority of such persons or entities to purchase or invest in the Series 2026 Bonds for such purposes.

No Registration or Qualification of Series 2026 Bonds for Sale

No registration statement relating to the Series 2026 Bonds has been filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions contained therein. The Series 2026 Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Series 2026 Bonds been registered or qualified under the securities laws of any other jurisdiction. The Board assumes no responsibility for registration or qualification of the Series 2026 Bonds under the securities laws of any jurisdiction in which the Series 2026 Bonds may be offered, sold or otherwise transferred.

TAX MATTERS

Opinion

On the date of initial delivery of the Series 2026 Bonds, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the Board, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Series 2026 Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Series 2026 Bonds will not be treated as “specified private activity bonds,” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Series 2026 Bonds. See “Appendix E – Proposed Form of Opinion of Bond Counsel”.

In rendering its opinion, Bond Counsel will rely upon (a) the Board's federal tax certificate, and (b) covenants of the Board in the Eighth Supplemental Resolution with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Series 2026 Bonds and certain other matters. Failure of the Board to comply with these representations or covenants could cause the interest on the Series 2026 Bonds to become includable in gross income retroactively to the date of issuance of the Series 2026 Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order for interest on the Series 2026 Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Series 2026 Bonds to be included in gross income retroactively to the date of issuance of the Series 2026 Bonds. The opinion of Bond Counsel is conditioned on compliance by the Board with the covenants and the requirements described in the preceding paragraph, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Series 2026 Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Series 2026 Bonds.

A ruling was not sought from the Internal Revenue Service by the Board with respect to the Series 2026 Bonds or the facilities financed or refinanced with the proceeds of the Series 2026 Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the Board that it deems

relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Series 2026 Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Board as the taxpayer and the holders of the Series 2026 Bonds may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Series 2026 Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Series 2026 Bonds may not be equal to the accrual period or be in excess of one year (the “Original Issue Discount Bonds”). In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the Series 2026 Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Series 2026 Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Series 2026 Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit,

certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE SERIES 2026 BONDS.

Interest on the Series 2026 Bonds may be included in certain corporations' "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Series 2026 Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Series 2026 Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such Series 2026 Bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Series 2026 Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Series 2026 Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of foreign investors, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2026 Bonds under federal or State law and could affect the market price or marketability of the Series 2026 Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors regarding the foregoing matters.

CONTINUING DISCLOSURE OF INFORMATION

Continuing Disclosure Undertaking of the Board

In the Eighth Supplemental Resolution, the Board has agreed to provide certain updated financial information and operating data annually and timely notice of certain events for the benefit of the owners of the Series 2026 Bonds. The Board is required to observe the agreement for so long as it remains obligated to advance funds to pay the Series 2026 Bonds. This information will be available from the Municipal Securities Rulemaking Board (the “MSRB”) through its Electric Municipal market Access (“EMMA”) system, accessible at <http://emma.msrb.org>.

Annual Reports

The Board will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes “Table 1 – Projected Cash Flow Coverage Under the Master Resolution”, “Appendix D – Summary of Political Subdivision Bonds,” and “Appendix G – Unaudited Financial Statements of the CWSRF and DWSRF”. The Board will update and provide this information within 195 days after the end of each Fiscal Year ending on or after August 31, 2026.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public that has been provided to the MSRB or filed with the SEC, as permitted by the Rule. The updated information will include audited financial statements, if the Board or the State, as appropriate, commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Board will provide unaudited financial statements within the required time and audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with generally accepted accounting principles for governmental entities or such other accounting principles as the Board may be required to employ from time to time pursuant to State law or regulation.

Notice of Certain Events

The Board will notify the MSRB in a timely manner, not in excess of ten (10) Business Days (as defined in Appendix A) after the occurrence of any of the events listed below. The Board will provide notice of any of the following events with respect to the Series 2026 Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2026 Bonds, or other material events affecting the tax status of the Series 2026 Bonds; (7) modifications to rights of holders of the Series 2026 Bonds, if material; (8) Series 2026 Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2026 Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the Board; (13) the consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) the appointment of a successor agent or the change of name of the agent, if material; (15) incurrence of a Financial Obligation of the Board, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Board, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Board, any of which reflect financial difficulties. In addition, the Board will provide timely notice of any failure by the Board to provide information, data, or financial statements in accordance with its agreement described above under “CONTINUING DISCLOSURE OF INFORMATION – Annual Reports.”

For the purposes of the event numbered 12 in the preceding paragraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental

authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

As used in events numbered 15 and 16 above, the term “Financial Obligation” means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii), however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Continuing Disclosure Undertaking of Significant Borrowers

The Board covenants to obtain from each Significant Borrower (defined herein) an agreement, whether by a resolution, order or ordinance adopted by such Significant Borrower, pursuant to which the Significant Borrower will provide certain updated annual financial information and operating data to the MSRB annually, such financial information and operating data relating to the enterprise fund of the Significant Borrower from which the Significant Borrower is obligated to make Repayments to the Board. For purposes of the aforesaid agreement, the term “Significant Borrower” shall mean any Political Subdivision whose outstanding aggregate principal amount of bonds issued by such Political Subdivision and held in both the CWSRF Portfolio Account and the DWSRF Portfolio Account as of the date of adoption of the Eighth Supplemental Resolution, comprises at least 20% in aggregate principal amount of all Political Subdivision Bonds held in the CWSRF Portfolio Account and the DWSRF Portfolio Account.

As of the date of this Official Statement, there are no Significant Borrowers. No Political Subdivision is expected to become a Significant Borrower as a result of the acquisition of Political Subdivision Bonds by the Board with the proceeds of the Series 2026 Bonds.

Availability of Information

The Board has agreed to provide the foregoing financial and operating information only as described above. The Board will be required to file such information using the MSRB’s EMMA system. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The Board has agreed to update information and to provide notices of certain events only as described above. The Board has not agreed to provide other information that may be relevant or material to a complete presentation of the Board’s financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Board makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Series 2026 Bonds at any future date. The Board disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to such agreement, although holders of Series 2026 Bonds may seek a writ of mandamus to compel the Board to comply with its agreements.

The Board may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board if the agreement, as amended, would have permitted an underwriter to purchase or sell Series 2026 Bonds in the offering described herein in compliance with the Rule and either the holders of a majority in aggregate principal amount of the outstanding Series 2026 Bonds consent or any person unaffiliated with the Board (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Series 2026 Bonds. If the Board so amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

OTHER INFORMATION

Ratings

The Series 2026 Bonds are rated “AAA” by Fitch Ratings, Inc. and “AAA” by S&P Global Ratings, a division of S&P Global Inc. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such rating companies and the Board and the Underwriters make no representation as to the appropriateness of the ratings. A securities rating is not a recommendation to buy, sell or hold securities. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating companies if, in the judgment of any or all companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the Series 2026 Bonds.

Underwriting

The Underwriters have agreed, subject to certain conditions, to purchase the Series 2026 Bonds from the Board at a price of \$_____, consisting of the principal amount of the Series 2026 Bonds plus a [net] premium of \$_____ and less an underwriting discount of \$_____. The Underwriters will be obligated to purchase all of the Series 2026 Bonds if any Series 2026 Bonds are purchased. The Series 2026 Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Series 2026 Bonds into investment trusts) at prices lower than the public offering prices of such Series 2026 Bonds, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters have provided the following paragraphs for inclusion in this Official Statement:

Additionally, certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by the Board as Underwriters) for the distribution of the Series 2026 Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

RBC Capital Markets, LLC (RBCCM), an Underwriter of the Series 2026 Bonds, has entered into a distribution arrangement with its affiliate RBC Securities, Inc. (RBC Securities) (formerly known as City National Securities, Inc.). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of RBC Securities. As part of this arrangement, RBCCM may compensate RBC Securities for its selling efforts with respect to the Series 2026 Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Board, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Board, the State or the Political Subdivisions. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Information Contained in Official Statement

The financial and other information contained herein have been obtained from the Board’s records and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official

Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Financial Advisor

Hilltop Securities Inc. is employed as Financial Advisor to the Board in connection with the issuance of the Series 2026 Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Series 2026 Bonds is contingent upon the issuance and delivery of the Series 2026 Bonds. Hilltop Securities Inc., in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Series 2026 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the Board has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Board and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Forward Looking Statements

The statements contained in this Official Statement, and in any other information provided to the reader by the Board that are not purely historical, are forward-looking statements including statements regarding the Board's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Board on the date hereof, and the Board assumes no obligation to update any such forward-looking statements. It is important to note that the Board's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

Approval of Official Statement

The Eighth Supplemental Resolution approved the form and content of this Official Statement, and authorized its further use in the reoffering of the Series 2026 Bonds by the Underwriters. Questions regarding this Official Statement may be directed to Georgia Sanchez, Chief Financial Officer, Texas Water Development Board, 1700 North Congress Avenue, Austin, Texas 78701; Telephone: (512) 475-4584; Electronic Mail: georgia.sanchez@twdb.texas.gov.

APPENDIX A
RELATED DEFINITIONS

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RELATED DEFINITIONS

MASTER RESOLUTION

“Additional State Revolving Fund” means any state revolving fund (other than the CWSRF established pursuant to Section 15.604, Texas Water Code, and the DWSRF established pursuant to Section 15.6041, Texas Water Code, as amended) established by the Board pursuant to the SRF Act.

“Annual Debt Service Requirements” means, for any Fiscal Year, the principal of and interest on all Covered Debt coming due at stated maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Board on such Covered Debt, or be payable in respect of any required purchase of such Covered Debt by the Board) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Board:

(i) Committed Take Out. If the Board has entered into a Credit Enhancement Agreement constituting a binding commitment within normal commercial practice to discharge any of its Covered Debt at its stated maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Covered Debt at any date on which such Covered Debt is subject to required purchase, all under arrangements whereby the Board's obligation to repay the amounts advanced for such discharge or purchase constitutes “Funded Covered Debt,” then the portion of the Covered Debt deemed to be “Funded Covered Debt” committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Covered Debt incurred for such discharging or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the stated maturity or purchase date of the Funded Covered Debt to be discharged or purchased, shall be added;

(ii) Balloon Covered Debt. If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Covered Debt due (or payable in respect of any required purchase of such Funded Covered Debt by the Board) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Covered Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Covered Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Covered Debt being referred to herein as “Balloon Covered Debt”), the amount of principal of such Balloon Covered Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Covered Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Covered Debt on the date of calculation;

(iii) Consent Sinking Fund. In the case of Balloon Covered Debt (as defined in clause (ii) above), if an Authorized Representative shall deliver to the Board a certificate providing for the retirement of (and the instrument creating such Balloon Covered Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Covered Debt shall permit the accumulation of a sinking fund for), such Balloon Covered Debt according to a fixed schedule stated in such certificate ending on or before the Fiscal Year in which such principal (and redemption premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the redemption premium, if any, and interest and other debt service charges on) such Balloon Covered Debt shall be computed as if the same were due in accordance with such schedule, provided, that this clause (iii) shall apply only to Balloon Covered Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Covered Debt on or before the times required by such schedule; and provided, further that this clause (iii) shall not apply where the Board has elected to apply the rule set forth in clause (ii) above;

(iv) Prepaid Covered Debt. Principal of and interest on Covered Debt, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Covered Debt;

(v) Variable Rate. As to any Covered Debt that bears interest at a variable interest rate that cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Board, either (1) an interest rate equal to the average rate borne by such Covered Debt (or by comparable debt in the event that such Covered Debt has not been outstanding during the preceding twenty-four (24) months) for any twenty-four (24) month period ending within thirty (30) days prior to the date of calculation, or (2) an interest rate equal to the lesser of (A) the thirty (30) year Tax-Exempt Revenue Bond Index (as most recently published in *The Bond Buyer*), shall be presumed to apply for all future dates, unless such index is no longer published in *The Bond Buyer*, in which case an index of tax-exempt revenue bonds with maturities of at least twenty (20) years that is published in a newspaper or journal with national circulation may be used for this purpose or (B) the maximum net effective interest rate permitted by State law. If two series of Covered Debt that bear interest at variable interest rates, or one or more maturities within a series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Covered Debt taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Covered Debt;

(vi) Guarantee. In the case of any guarantee, no obligation will be counted if the Board does not anticipate in its annual budget that it will make any payments on the guarantee. If, however, the Board is making payments on a guarantee or anticipates doing so in its annual budget, such obligation shall be treated as Covered Debt and calculations of Annual Debt Service Requirements with respect to such guarantee shall be made assuming that the Board will make all additional payments due under the guaranteed obligation. If the entity whose obligation is guaranteed cures all defaults and the Board no longer anticipates making payments under the guarantee, the guaranteed obligations shall not be included in the calculation of Annual Debt Service Requirements;

(vii) Short-Term Debt. With respect to any Covered Debt issued in the form of Short-Term Debt, the interest on such Covered Debt shall be calculated in the manner provided in clause (v) of this definition (if such Short-Term Debt bears interest at a variable interest rate that cannot be ascertained at the time of calculation and the maturity schedule shall be calculated in the manner provided in clause (ii) of this definition; and

(viii) Credit Enhancement Agreement Payments. If the Board has entered into an Credit Enhancement Agreement in connection with an issue of Covered Debt, payments due under the Credit Enhancement Agreement (other than payments for fees and expenses), for either the Board or the Enhancement Provider, shall be included in such calculation, except to the extent that the payments are already taken into account under (i) through (vii) above and any payments otherwise included above under (i) through (vii) that are to be replaced by payments under a Credit Enhancement Agreement, from either the Board or the Credit Enhancement Provider, shall be excluded from such calculation.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

“Attestor” means the Executive Administrator of the Board.

“Authorized Representative” means each of the Executive Administrator, the Chief Financial Officer and the Development Fund Manager of the Board, together with any officer or other employee of the Board at the time designated to act on behalf of the Board by written certificate submitted to the Fiscal Agent by the Executive Administrator, the Chief Financial Officer or the Development Fund Manager of the Board and containing such officer’s or employee’s specimen signature.

“Authorized Signer” means the Chair of the Board.

“Board” means the Texas Water Development Board, a duly created and existing agency of the State, together with any successor to its rights, duties and obligations hereunder.

“Bond Act” means Subchapter I of Chapter 17 of the Texas Water Code, Vernon’s Texas Codes Annotated.

“Bond Counsel” means any attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds acceptable to the Board.

“Bondholder”, “Holder”, or “Holder of an SRF Bond” shall have the meaning provided in the Supplemental Resolution designating the Series or Program Series of SRF Bonds.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a day on which banking institutions in the city or cities in which the designated office of any Fiscal Agent or Credit Enhancement Provider are located and authorized by law or executive order to close, (iii) any day on which the Federal Reserve Bank of Dallas is closed, (iv) a day on which the a securities depository for a Series or Installment of SRF Bonds is closed or (v) a day on with the New York Stock Exchange, or any successor securities exchange, is closed.

“Chapter 1371” means Chapter 1371, Texas Government Code, or any successor or supplemental statutory provision relating to the subject matter thereof.

“Code” means the Internal Revenue Code of 1986, the Treasury Regulations, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a section of the Code includes any applicable successor section or provision and such applicable Treasury Regulations, rulings, announcements, notices, procedures and determinations pertinent to that section.

“Collateral Documents” means all documents, certificates, resolutions, orders, commitments, agreements, instruments and opinions adopted, approved, made, produced or entered into by a Political Subdivision, or others, in connection with any particular issue of Political Subdivision Bonds.

“Comptroller” means the Comptroller of Public Accounts of the State.

“Coverage Requirement for SRF Bonds” means an amount equal to 105% of the Annual Debt Service Requirements for Covered Debt in any Fiscal Year.

“Covered Debt” means all outstanding SRF Bonds.

“Credit Enhancement Agreement” means any loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitment to purchase an obligation, purchase or sale agreement, interest rate swap agreement, cap or floor agreement, currency swap agreement or commitment or other agreement authorized by the Board in connection with the authorization, issuance, sale, resale, security, exchange, payment, purchase, remarketing, or redemption of SRF Bonds, interest on SRF Bonds, or both (or any other obligation, or the interest on such other obligation, or both), as otherwise authorized by the Bond Act or Chapter 1371, entered into by the Board with any other Person, which is secured by a pledge of and lien on the Security for the SRF Bonds in the manner provided in the Master Resolution and the Supplemental Resolution authorizing the SRF Bonds (or the resolution authorizing such other obligations) that are the subject of such Credit Enhancement Agreement and is authorized, recognized and approved by the Board as a “Credit Enhancement Agreement”. By its adoption of a Supplemental Resolution, the Board may approve one or more Credit Enhancement Agreements for any Series, Program Series or Installment of SRF Bonds designated and issued thereunder. Further, to the extent permitted by law, the Board may approve one or more Credit Enhancement Agreements in anticipation of or subsequent to the authorization and issuance of any SRF Bonds benefiting from or otherwise related to such Credit Enhancement Agreement(s).

“Credit Enhancement Provider” means the Person, if any, that is the Credit Enhancement Provider then obligated under any Credit Enhancement Agreement.

“CWSRF” means the State Water Pollution Control Revolving Fund, administered by the Board and established pursuant to Section 15.604 of the SRF Act. The CWSRF is a fund outside of the State Treasury.

“CWSRF Bond Proceeds Subaccount” means the subaccount so designated in the Master Resolution.

“CWSRF Bonds” means bonds, notes or other obligations or evidences of indebtedness authorized to be issued in Series and Installments from time to time under the Master Resolution issued to augment the CWSRF.

“CWSRF Equity Subaccount” means the subaccount so designated in the Master Resolution.

“CWSRF Expense Account” means the account so designated in the Master Resolution.

“CWSRF General Obligation Match Bonds” means the State’s general obligation bonds heretofore or hereafter issued by the Board, all or any portion of the proceeds of which were or shall be transferred to the CWSRF pursuant to a Transfer Resolution, in order to provide the required State matching of capitalization grant funds received by the State for deposit into the CWSRF pursuant to the Federal Clean Water Act.

“CWSRF Master Resolution” means the “Amended and Restated Master Resolution Authorizing a Financing Program (2013) to Provide Funds to the State Water Pollution Control Revolving Fund; Approving and Authorizing Texas Water Development Board State Revolving Fund Revenue Bonds to be Issued in Various Series and to be Sold and Delivered in Various Forms and in Installments; Providing for Credit Enhancement Agreements; Making Certain Covenants and Agreements in Connection Therewith; and Resolving Other Matters.” adopted by the Board on June 20, 2013, and as amended by the Board on March 1, 2018.

“CWSRF Portfolio Account” means the account so designated in the Master Resolution.

“CWSRF Program Account” means the account so designated in the Master Resolution.

“CWSRF Revenue Account” means the account so designated in the Master Resolution.

“CWSRF Subordinate Obligations” means any bonds, notes, agreements or other obligations or evidences of indebtedness (other than CWSRF General Obligation Match Bonds or Other SRF Obligations) issued or incurred by the Board from time to time pursuant to proceedings other than the Master Resolution, which are secured by a pledge of and lien on the Security for the SRF Bonds that is junior and subordinate to the lien of the Master Resolution securing payment of the SRF Bonds.

“Defeasance Obligations” means any investment that is authorized for the purpose of defeasing an obligation of the Board pursuant to State law.

“Designated Pledged CWSRF Revenues” means all Pledged CWSRF Revenues other than Sale Proceeds and Prepayments of CWSRF Bonds.

“Designated Pledged DWSRF Revenues” means all Pledged DWSRF Revenues other than Sale Proceeds and Prepayments of DWSRF Bonds.

“Designated Pledged SRF Revenues” means the Designated Pledged CWSRF Revenues and the Designated Pledged DWSRF Revenues.

“Designated Rating Agency” means any Rating Agency, identified by an Authorized Representative as a Designated Rating Agency for purposes of the Master Resolution, which has issued and currently maintains a rating on the SRF Bonds in exchange for good and valuable consideration paid by the Board.

“Dollars” or “\$” means lawful currency of the United States.

“DWSRF” means the Safe Drinking Water Revolving Fund administered by the Board and established pursuant to Section 15.6041 of the SRF Act. The DWSRF is a fund outside of the State Treasury.

“DWSRF Bond Proceeds Subaccount” means the subaccount so designated in the Master Resolution.

“DWSRF Bonds” means bonds, notes or other obligations or evidences of indebtedness authorized to be issued in Series and Installments from time to time under the Master Resolution issued to augment the DWSRF.

“DWSRF Equity Subaccount” means the account so designated in the Master Resolution.

“DWSRF Expense Account” means the account so designated in the Master Resolution.

“DWSRF General Obligation Match Bonds” means the State’s general obligation bonds heretofore or hereafter issued by the Board, all or any portion of the proceeds of which were or shall be transferred to the DWSRF pursuant to a Transfer Resolution, in order to provide the required State matching of capitalization grant funds received by the State for deposit into the DWSRF pursuant to the Federal Drinking Water Act.

“DWSRF Portfolio Account” means the account so designated in the Master Resolution.

“DWSRF Program Account” means the subaccount so designated in the Master Resolution.

“DWSRF Revenue Account” means the subaccount so designated in the Master Resolution.

“DWSRF Subordinate Obligations” means any bonds, notes, agreements or other obligations or evidences of indebtedness (other than DWSRF General Obligation Match Bonds or Other SRF Obligations) issued or incurred by the Board from time to time pursuant to proceedings other than the Master Resolution, which are secured by a pledge of and lien on the Security for the SRF Bonds that is junior and subordinate to the lien of the Master Resolution securing payment of the SRF Bonds.

“Effective Date” means March 1, 2018.

“EPA” means the United States Environmental Protection Agency, together with any successor to its rights, duties and obligations under the Federal Clean Water Act or the Federal Drinking Water Act.

“Event of Default” means any of the following events:

- (a) Default in the payment of any interest on any Bond when and as the same shall have become due and payable;
- (b) Default in the payment of the principal of or any redemption premium on any Bond when and as the same shall become due, whether at the stated maturity date or the redemption or tender date thereof (pursuant to any mandatory sinking fund requirement or purchase obligation set forth in a Supplemental Resolution);
- (c) Default in the observance or performance of any other of the covenants, agreements or conditions on the part of the Board included in the Master Resolution or any Supplemental Resolution or in the SRF Bonds and the continuance thereof for a period of thirty (30) days after written notice to the Board and the Credit Enhancement Providers, if any, given by the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the outstanding SRF Bonds; or
- (d) The occurrence of any Event of Default under a Supplemental Resolution (which may include events of default in connection with a Credit Enhancement Agreement authorized by a Supplemental Resolution).

“Federal Clean Water Act” means Title VI of the Federal Water Pollution Control Act of 1972, as amended by the Water Quality Act of 1987 (33 United States Code §§ 1251 et seq.), as the same may be amended.

“Federal Drinking Water Act” means the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., as the same may be amended.

“Financing Program” means the financing program established by the Board pursuant to the Master Resolution and pursuant to which the Board has (i) authorized the issuance of SRF Bonds pursuant to Supplemental Resolutions and (ii) authorized the establishment of one or more Program Periods during which SRF Bonds of a Program Series may be issued in one or more Installments, in an aggregate principal amount not to exceed the amount

permitted under the terms of the related Supplemental Resolution, all for the purposes authorized under the Master Resolution.

“Fiscal Agent” means any fiscal agent, issuing agent, paying agent, remarketing agent, auction agent, market agent, broker-dealer, trustee or other similar agent appointed pursuant to a Supplemental Resolution and serving in one or more of such or similar capacities in accordance with such Supplemental Resolution.

“Fiscal Year” means the period of twelve (12) months from and including September 1 of any calendar year to and including August 31 of the next following calendar years, provided, that the Fiscal Year of the issuer may be changed to another twelve-month period to coincide with a change in the Fiscal Year of other State agencies.

“Funded Covered Debt” means all Covered Debt that matures by its terms (in the absence of the exercise of any earlier right of demand), or is renewable at the option of the Board to a date, more than one year after the original creation, assumption, or guarantee of such Covered Debt.

“General Obligation Match Bond Interest and Sinking Account” means the account so designated in the Master Resolution.

“General Obligation Match Bonds” means, collectively, CWSRF General Obligation Match Bonds and DWSRF General Obligation Match Bonds.

“Government Obligations” means (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged and (b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of and premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder.

“Installment” or “Installments” means each separate series of the SRF Bonds, issued from time to time during a Program Period pursuant to the terms of the Master Resolution and the Supplemental Resolution designating a Program Series. Each Installment of SRF Bonds shall be treated as a separate series of SRF Bonds for all purposes of the Master Resolution and the related Supplemental Resolution, including without limitation, for purposes of calculating Average Annual Debt Service Requirements.

“Issue Date” means for any SRF Bond the date on which such Bond is delivered to the purchaser or purchasers thereof upon original issuance thereof.

“Master Resolution” means the resolution adopted by the Board on March 1, 2018, governing the issuance of SRF Bonds, as the same may be amended or supplemented from time to time.

“Operating Account” means the account so designated in the Master Resolution.

“Operating Expenses” means the current expenses of operating and administering the CWSRF incurred by the Board pursuant to the Federal Clean Water Act and the SRF Act, and the DWSRF incurred by the Board pursuant to the Federal Drinking Water Act and the SRF Act.

“Other SRF Obligations” means any obligations (other than Subordinate Obligations and General Obligation Match Bonds) secured in whole or in part by a pledge of a lien on all or a portion of the Security for the SRF Bonds; provided, however, that the pledge of and lien on the security granted to any Other SRF Obligation may not be prior or superior to the pledge of and lien on the Security for the SRF Bonds granted to the SRF Bonds or the Subordinate Obligations.

“Payment Date” means a date payments of interest on or principal of SRF Bonds by their terms are scheduled to be due and owing.

“Permitted Investments” means, to the extent permitted by law, the following:

(a) direct obligations of or obligations the principal of and interest on which are guaranteed by the United States;

(b) direct obligations of or obligations guaranteed by agencies or instrumentalities of the United States government;

(c) obligations of the State or of cities, counties and other political subdivisions of the State, except Political Subdivision Bonds, which have been rated as to investment quality by one or more nationally recognized investment rating firms and which have received ratings of not less than ‘A’ or its equivalent from each Designated Rating Agency and all such firms with ratings for such obligations;

(d) fully collateralized direct security repurchase agreements with an agreed upon rate (made only with state or national banks doing business in the State which have been rated as to investment quality by one or more nationally recognized investment rating firms and which have received ratings of not less than ‘A’ or its equivalent from each Designated Rating Agency and all such firms with ratings for such banks or with primary dealers as approved by the Federal Reserve System) pursuant to which the Board buys, holds in its possession or the possession of a financial institution acting solely as agent for the Board until the termination date, and then sells back any of the following securities, obligations or participation certificates (the “Collateral”), under arrangements whereby the Collateral is monitored daily such that if at any time the aggregate market value of the Collateral falls below 100% of the repurchase agreement principal and interest outstanding, in case the Collateral is described in (i) or (ii) below, or 101% of the repurchase agreement principal and interest outstanding, in case the collateral is described in (iii) below, the Board is entitled to require a transfer of cash or other acceptable Collateral so that the cash and the aggregate market value of all such Collateral will thereupon equal or exceed the required 100% or 101%, as appropriate:

(i) United States government securities;

(ii) direct obligations of or obligations the principal of and interest on which are guaranteed by the United States; and

(iii) direct obligations of or obligations guaranteed by agencies or instrumentalities of the United States government;

(e) reverse security repurchase agreements with a defined termination date of not more than 90 days and an agreed upon rate (made only with state or national banks doing business in the State which have been rated as to investment quality by one or more nationally recognized investment rating firms and which have received ratings of not less than “A” or its equivalent from each Designated Rating Agency and all such firms with ratings for such banks or with primary dealers as approved by the Federal Reserve System) pursuant to which the Board sells, and on the termination date buys back, any of the following securities, obligations or participation certificates:

(i) United States government securities;

(ii) direct obligations of or obligations the principal of and interest on which are guaranteed by the United States; and

(iii) direct obligations of or obligations guaranteed by agencies or instrumentalities of the United States government;

(f) bankers acceptances that are eligible for purchase by the Federal Reserve System, do not exceed two hundred seventy (270) days to maturity and are issued by a bank that has received the highest short-term credit rating by each Designated Rating Agency and all nationally recognized investment rating firms with ratings for such bank;

(g) commercial paper that does not exceed two hundred seventy (270) days to maturity and has received the highest short-term credit rating by each Designated Rating Agency and all nationally recognized investment rating firms with ratings for such commercial paper;

(h) direct obligations or obligations guaranteed by the Inter-American Development Bank, the International Bank for Reconstruction and Development (the World Bank), the African Development Bank, the Asian Development Bank, or the International Finance Corporation, that have received the highest credit rating by each Designated Rating Agency and all nationally recognized investment rating firms with ratings for such obligations;

(i) mutual funds composed of obligations described in (a) through (g) above, which are rated not less than 'Am' or its equivalent from each Designated Rating Agency;

(j) guaranteed investment contracts, pursuant to which securities described in (a), (b), and (d) above are to be acquired; and

(k) such other investments as may be legally authorized investments for the CWSRF or the DWSRF which are specified in a Supplemental Resolution.

"Person" or words importing persons, means firms, associations, partnerships (including without limitation, general and limited partnerships), limited liability companies, joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

"Pledged CWSRF Revenues" means (i) all Repayments, (ii) all other amounts received by the Board under any Collateral Documents, (iii) all Sale Proceeds, and (iv) all amounts received by the Board as income, profits or gain on investments of money held in the CWSRF (other than moneys received from federal capitalization grants under the Federal Clean Water Act held in the CWSRF Expense Account).

"Pledged DWSRF Revenues" means (i) all Repayments, (ii) all other amounts received by the Board under any Collateral Documents, (iii) all Sale Proceeds, and (iv) all amounts received by the Board as income, profits or gain on investments of money held in the DWSRF (other than moneys received from federal capitalization grants under the Federal Drinking Water Act held in the DWSRF Expense Account).

"Pledged SRF Revenues" means, collectively, Pledged CWSRF Revenues and Pledged DWSRF Revenues.

"Political Subdivision" means any municipality, intermunicipal, interstate or State agency or any other public entity (including specifically a Water Supply Corporation) eligible for assistance under the SRF Act; provided, that any of the foregoing is eligible for assistance under applicable federal law.

"Political Subdivision Bonds" means bonds, notes, or other securities issued by and any debt or other contractual obligations, including loan agreements with the Board, incurred by a Political Subdivision and heretofore and hereafter acquired by the Board in carrying out the purposes of the CWSRF or the DWSRF pursuant to the SRF Act.

"Portfolio Redemption Account" means the account so designated in the Master Resolution.

"Prepayments" means all amounts received by the Board from payment of principal of Political Subdivision Bonds and Government Obligations held in the CWSRF Portfolio Account, in the case of CWSRF Bonds, and the DWSRF Portfolio Account, in the case of DWSRF Bonds, which amounts are received prior to the stated maturity date or dates or any scheduled mandatory redemption dates of such Political Subdivision Bonds and Government Obligations.

"Program Period" means the period beginning and ending on the dates identified in a Supplemental Resolution during which SRF Bonds of a Program Series may be issued in one or more Installments for any lawful purpose specified in the related Supplemental Resolution.

“Program Series” means SRF Bonds, issued in one or more Installments, from time to time during a Program Period established pursuant to the terms of the Master Resolution and the related Supplemental Resolution.

“Program Termination Date” means the date determined by the Board in a Supplemental Resolution as the last day of a Program Period.

“Rating Agency” means any nationally recognized statistical rating organization (as defined by Rule 15c3-1 of the General Rules and Regulations under the Securities Exchange Act of 1934) designated by an Authorized Representative.

“Repayments” means all amounts received by the Board from the payment of principal of and redemption premium, if any, and interest on Political Subdivision Bonds and Government Obligations held in the CWSRF Portfolio Account, in the case of CWSRF Bonds, and the DWSRF Portfolio Account, in the case of DWSRF Bonds, including, without limitation, all Prepayments.

“Restricted Repayments” means moneys deposited to the credit of the CWSRF Equity Subaccount or the DWSRF Equity Subaccount, as the case may be, representing Repayments on Political Subdivision Bonds, the purchase of which was funded with proceeds of a Series or Installment of SRF Bonds issued as tax-exempt obligations under the Code.

“Sale Proceeds” means the gross proceeds (other than accrued interest) resulting from the sale of Political Subdivision Bonds and Government Obligations held in the CWSRF Portfolio Account, in the case of CWSRF Bonds, and the DWSRF Portfolio Account, in the case of DWSRF Bonds.

“Security for the SRF Bonds” means: (i) all Pledged SRF Revenues; (ii) all Political Subdivision Bonds and Government Obligations held in the CWSRF Portfolio Account (except for those Political Subdivision Bonds released in accordance with the provisions of the Master Resolution), all amounts in the CWSRF Revenue Account and the CWSRF Program Account pending disbursement thereof; (iii) all Political Subdivision Bonds and Government Obligations held in the DWSRF Portfolio Account (except for those Political Subdivision Bonds released in accordance with provisions of the Master Resolution), all amounts in the DWSRF Revenue Account and the DWSRF Program Account pending disbursement thereof; (iv) all amounts held in the Portfolio Redemption Account; and (v) all of the proceeds of the foregoing, including, without limitation, investments thereof.

“Senior Bond Interest and Sinking Account” means the account so designated in the Master Resolution.

“Senior Interest Subaccount” means the subaccount so designated in the Master Resolution.

“Senior Principal Subaccount” means the subaccount so designated in the Master Resolution.

“Series” means a separate series of SRF Bonds as specified by or pursuant to the terms of a Supplemental Resolution.

“Short-Term Debt” means all bonds, notes, commercial paper or other obligations issued or incurred pursuant to the Master Resolution that mature in less than 365 days. In the event Short-Term Debt is issued as a line of credit, lending commitment, commercial paper program, direct purchase program, or similar program, the full amount of such facility, commitment or program shall not be treated as Short-Term Debt to the extent that such facility, commitment or program remains available but undrawn.

“SRF Act” means Subchapter J of Chapter 15 of the Texas Water Code, Vernon’s Texas Codes Annotated, as amended.

“State” means the State of Texas.

“SRF Bond” or “SRF Bonds” means bonds, notes or other obligations or evidences of indebtedness authorized to be issued in Series and Installments from time to time under the Master Resolution and that are secured

by security superior to the lien on and pledge of security granted to Subordinate Obligations. The CWSRF Bonds and the DWSRF Bonds are collectively referred to as SRF Bonds in the Master Resolution.

“Subordinate Obligations” means, collectively, CWSRF Subordinate Obligations and DWSRF Subordinate Obligations.

“Subordinated Credit Agreement” means any loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitment to purchase an obligation, purchase or sale agreement, interest rate swap agreement, cap or floor agreement, currency swap agreement or commitment or other agreement authorized by the Board in connection with the authorization, issuance, sale, resale, security, exchange, payment, purchase, remarketing, or redemption of bonds, interest on bonds, or both (or any other obligation, or the interest on such other obligation, or both), as otherwise authorized by the Bond Act or Chapter 1371, entered into by the Board with any other Person, which is secured by a pledge of and lien on the Security for the SRF Bonds that is junior and subordinate to the Security for the SRF Bonds in favor of the SRF Bonds, as may be provided in any master resolution and related supplemental resolution authorizing any Subordinate Obligations, General Obligation Match Bonds or Other SRF Obligations that are the subject of such Subordinated Credit Agreement and is authorized, recognized and approved by the Board as a “Subordinated Credit Agreement”. By its adoption of a master resolution or supplemental resolution, the Board may approve one or more Subordinated Credit Agreements for any Subordinate Obligations, General Obligation Match Bonds or Other SRF Obligations designated and issued thereunder. Further, to the extent permitted by law, the Board may approve one or more Subordinated Credit Agreements in anticipation of or subsequent to the authorization and issuance of any bonds benefitting from or otherwise related to such Subordinated Credit Agreement(s).

“Subordinated Credit Provider” means the Person, if any, that is the Subordinated Credit Provider then obligated under any Subordinated Credit Agreement.

“Supplemental Resolution” means any resolution adopted by the Board specifying the designation and aggregate principal amount for any Series or Program Series of SRF Bonds and, if applicable, approving one or more Credit Enhancement Agreements for some or all of the SRF Bonds of such Series or Program Series to secure all of the SRF Bonds of such Series or Program Series; it being acknowledged that if a Credit Enhancement Agreement is provided for a Series or Installment of SRF Bonds, such Credit Enhancement Agreement must secure all of the SRF Bonds of such Series or Installment, but that different Credit Enhancement Agreements may secure different Installments of SRF Bonds.

“Term of Issue” means with respect to any Balloon Covered Debt, including, without limitation, commercial paper, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Covered Debt and ending on the final maturity date of such Balloon Covered Debt or the maximum maturity date in the case of commercial paper or (ii) twenty-five (25) years.

“Transfer Date” means the last Business Day of each month in which the Board shall transfer (i) Transferred SRF Revenues as described in the Master Resolution and from any Additional State Revolving Fund, (ii) Designated Pledged CWSRF Revenues from the CWSRF Revenue Account as determined by an Authorized Representative, and (iii) Designated DWSRF Revenues from the DWSRF Revenue Account as determined by an Authorized Representative, and deposit the same to the credit of the those accounts and subaccounts as directed in the Master Resolution, in the amounts and in the order of priority as directed in the Master Resolution.

“Transfer Resolutions” means the resolutions heretofore and hereafter adopted by the Board authorizing the transfer of CWSRF General Obligation Match Bond proceeds to the CWSRF or the transfer of DWSRF General Obligation Match Bond proceeds to the DWSRF, as the case may be.

“Transferred SRF Revenues” means any revenues transferred from an Additional State Revolving Fund to the CWSRF or the DWSRF, as provided for in the Master Resolution.

“Treasury Regulations” means all applicable temporary, proposed and final regulations and procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

“Trust Agreement” means the Funds Management and Investment Agreement, effective January 1, 2007, as amended between the Board and the Texas Treasury Safekeeping Trust Company, acting on behalf of the Comptroller, relating to the custody and administration of the CWSRF and the DWSRF, together with any amendments or supplements thereto.

“Unrelated SRF Prepayments” means: (i) Prepayments derived from Political Subdivision Bonds or Government Obligations related to a Series or Installment of SRF Bonds or Subordinate Obligations issued as tax-exempt obligations under the Code, other than the Series or Installment of SRF Bonds or Subordinate Obligations then being redeemed or (ii) Prepayments derived from Political Subdivision Bonds or Government Obligations related to General Obligation Match Bonds issued as tax-exempt obligations under the Code.

“Water Resource Fund” means the Texas Water Resources Fund administered by the Board and established pursuant to the Bond Act. The Water Resources Fund is a fund in the State Treasury.

“Water Supply Corporation” means a nonprofit water supply corporation created and operating under Chapter 67 of the Texas Water Code.

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EIGHTH SUPPLEMENTAL RESOLUTION

“Agency Agreement” means the Paying Agent/Registrar Agreement between the Board and The Bank of New York Mellon Trust Company, N.A., as Agent, or any agreement between the Board and any successor Agent, as any such agreement may be amended or supplemented from time to time.

“Agent” means the paying agent appointed pursuant to Section 5.01 and serving in such capacities in accordance with this Eighth Supplemental Resolution; and “principal office” of the Agent means the office thereof designated in writing to the Board; provided, that the Agent may designate separate principal offices for all other Series of SRF Bonds issued under the Master Resolution.

“Agent Member” means a member of, or participant in, the Depository.

“Authorized Denomination” shall mean \$5,000 or any integral multiple thereof.

“Bond Purchase Agreement” means the agreement in substantially the form attached hereto as Exhibit D, between the Board and the Underwriters (acting through their duly designated representative), relating to the sale of the Series 2026 Bonds to the Underwriters for the price and subject to the terms and conditions set forth therein.

“Bondholder”, “Holder” or “Holder of a SRF Bond” means (i) the record owner of any Bond shown on the Register and (ii) so long as the Bonds are registered in accordance with the provisions of Section 2.11 hereof, the Depository.

“Book-entry form” or “book-entry system” means, with respect to the Series 2026 Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in Series 2026 Bonds may be transferred only through a book-entry and (ii) physical Series 2026 Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Holder, with the physical Series 2026 Bond certificates “immobilized” in the custody of the Depository or of the Agent on behalf of the Depository. The book-entry system is maintained by and is the responsibility of the Depository and not the Agent. The book-entry is the record that identifies, and records the transfer of the interests of, the owners of beneficial (book-entry) interests in the Series 2026 Bonds.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a legal holiday, or (iii) a day on which banking institutions in the city in which the designated office of the Agent is located and authorized by law or executive order to close.

“Chapter 1371” means Chapter 1371, Texas Government Code.

“Computation Amount” means the surplus proceeds (rounded to the next higher \$5,000 denomination) equal to the remainder of (i) thirty percent (30%) of the Net Proceeds less proceeds of the Series 2026 Bonds directly or indirectly used to make loans or grants to Political Subdivisions as of the last day of the One-Year Computation Period (but not less than zero) or (ii) ninety-five percent (95%) of the Net Proceeds less the proceeds of the Series 2026 Bonds directly or indirectly used to make loans or grants to Political Subdivisions as of the last day of the Three-Year Computation Period (but not less than zero).

“Counsel” means an attorney, or firm of attorneys, admitted to practice law before the highest court of any state in the United States of America or the District of Columbia, including Bond Counsel.

“CWSRF Match Bonds” means the principal amount of Series 2026 Bonds issued to provide matching funds for federal capitalization grants for the CWSRF, as certified to in writing by an Authorized Representative.

“Date of Delivery” means the date of delivery of the Series 2026 Bonds to the Underwriters.

“Depository” means The Depository Trust Company (a limited purpose trust company), New York, New York (“DTC”), until any successor Depository shall have become such pursuant to the applicable provisions of the Master Resolution and, thereafter, “Depository” shall mean the successor Depository. Any Depository shall be a securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of beneficial interests in Series 2026 Bonds, and to effect transfer of Series 2026 Bonds, in book-entry form.

“Designated Rating Agency” means any Rating Agency, identified by an Authorized Representative as a Designated Rating Agency for purposes of this Eighth Supplemental Resolution, which has issued a rating on the SRF Bonds in exchange for good and valuable consideration paid by the Board.

“DTC Participant” means the securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“DWSRF Match Bonds” means the principal amount of Series 2026 Bonds issued to provide matching funds for federal capitalization grants for the DWSRF, as certified to in writing by an Authorized Representative.

“Eighth Supplemental Resolution” means the Eighth Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2026 Bonds, as the same may be amended or supplemented from time to time as permitted hereby.

“Fifth Supplemental Resolution” means the Fifth Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2022 Bonds, adopted by the Board on April 11, 2022, as the same may be amended or supplemented from time to time as permitted thereby.

“Financing Program” means the financing program established by the Board pursuant to the Master Resolution and pursuant to which the Board shall (i) authorize the issuance of SRF Bonds pursuant to a Supplemental Resolution or (ii) establish one or more Program Periods during which SRF Bonds may be issued in one or more Installments, in an aggregate principal amount not to exceed the amount permitted under the terms of the related Supplemental Resolution, all for the purposes authorized under the Master Resolution.

“First Supplemental Resolution” means the First Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2018 Bonds, adopted by the Board on March 1, 2018, as the same may be amended or supplemented from time to time as permitted thereby.

“Fitch” means Fitch Ratings, Inc. and its successors and assigns; and, if such company shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by an Authorized Representative by notice to the Agent.

“Fourth Supplemental Resolution” means the Fourth Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2021 Bonds, adopted by the Board on September 9, 2021, as the same may be amended or supplemented from time to time as permitted thereby.

“Initial Bond” has the meaning set forth in Section 2.01 of this Eighth Supplemental Resolution.

“Interest Payment Date” means any interest payment date as so identified in the Bond Purchase Agreement.

“Letter of Representations” means the Blanket Letter of Representations between the Board and the Depository, or another such Letter of Representations if determined necessary by an Authorized Representative, each as amended or supplemented from time to time.

“Master Resolution” has the meaning assigned to that term in the recitals to this Eighth Supplemental Resolution.

“Maturity Date” means with respect to any Series 2026 Bond, the scheduled date or dates of final payment of such Series 2026 Bond, as so identified in the Bond Purchase Agreement.

“Moody’s” means Moody’s Investors Service, Inc., and its successors and assigns; and, if such company shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by an Authorized Representative by notice to the Agent.

“MSRB” means the Municipal Securities Rulemaking Board.

“Net Proceeds” means the amounts received from the sale of the Series 2026 Bonds less proceeds used to pay costs of issuance, including any underwriters’ compensation, proceeds used to pay interest on Series 2026 Bonds during all or any portion of the One-Year Computation Period or the Three-Year Computation Period, as the case may be, and proceeds deposited to a reasonably required reserve or replacement fund.

“One-Year Computation Period” means the period ending on the last day of the one-year period commencing on the Date of Delivery.

“Opinion of Bond Counsel” means any opinion of Bond Counsel and, as the context may require, any such opinion with respect to the excludability of interest on the Series 2026 Bonds, from gross income for federal income tax purposes and any other matters as required pursuant to this Eighth Supplemental Resolution. No such opinion delivered pursuant hereto shall be deemed unsatisfactory when required as a condition to any provision hereunder because such opinion states that interest on the Series 2026 Bonds which are the subject of the opinion is an item of tax preference or is includable in determining alternative minimum taxable income under the Code.

“Outstanding”, when used with reference to the Series 2026 Bonds at any date as of which the amount of outstanding Series 2026 Bonds is to be determined, means all Series 2026 Bonds which have been authenticated and delivered by the Agent hereunder, except:

- (a) Series 2026 Bonds canceled or delivered for cancellation at or prior to such date;
- (b) Series 2026 Bonds deemed to be paid in accordance with Section 5.02 of the Master Resolution;
- (c) Series 2026 Bonds in lieu of which others have been authenticated under Sections 2.09 and 2.10; and
- (d) For purposes of any consent, request, demand, authorization, direction, notice, waiver or other action to be taken by the holders of a specified percentage of outstanding Series 2026 Bonds hereunder, all Series 2026 Bonds held by or for the account of the Board, except that for purposes of any such consent, request, demand, authorization, direction, notice, waiver or action the Agent shall be obligated to consider as not being outstanding only Series 2026 Bonds known by the Agent by actual notice thereof to be so held.

“Outstanding SRF Bonds” means the Series 2018 Bonds, the Series 2019 Bonds, the Series 2020 Bonds, the Series 2021 Bonds, the Series 2022 Bonds, the Series 2023 Bonds and the Series 2025 Bonds.

“Principal Payment Date” means any principal payment date as so identified in the Bond Purchase Agreement, including any scheduled mandatory sinking fund payment date.

“Rating Agency” means any nationally recognized statistical rating organization (as defined by Rule 15c3-1 of the General Rules and Regulations under the Securities Exchange Act of 1934) designated by an Authorized Representative by notice to the Agent.

“Record Date” means the close of business on the fifteenth day of the month preceding an Interest Payment Date.

“Register” means the books kept and maintained by the Agent for the registration and transfer of Series 2026 Bonds pursuant to this Eighth Supplemental Resolution.

“Rule” means SEC Rule 15c2-12.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and its successors and their assigns; and, if such company shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by an Authorized Representative by notice to the Agent.

“SEC” means the United States Securities and Exchange Commission.

“Second Supplemental Resolution” means the Second Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2019 Bonds, adopted by the Board on February 11, 2019, as the same may be amended or supplemented from time to time as permitted thereby.

“Series 2018 Bonds” means the SRF Bonds issued pursuant to the First Supplemental Resolution.

“Series 2019 Bonds” means the SRF Bonds issued pursuant to the Second Supplemental Resolution.

“Series 2020 Bonds” means the SRF Bonds issued pursuant to the Third Supplemental Resolution.

“Series 2021 Bonds” means the SRF Bonds authorized to be issued pursuant to the Fourth Supplemental Resolution.

“Series 2022 Bonds” means the SRF Bonds authorized to be issued pursuant to the Fifth Supplemental Resolution.

“Series 2023 Bonds” means the SRF Bonds authorized to be issued pursuant to the Sixth Supplemental Resolution.

“Series 2025 Bonds” means the SRF Bonds authorized to be issued pursuant to the Seventh Supplemental Resolution.

“Series 2026 Bonds” means the SRF Bonds authorized to be issued pursuant to this Eighth Supplemental Resolution.

“Seventh Supplemental Resolution” means the Seventh Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2025 Bonds, as the same may be amended or supplemented from time to time as permitted hereby.

“Significant Borrower” means any Political Subdivision whose outstanding aggregate principal amount of bonds issued by such Political Subdivision and held in both the CWSRF Portfolio Account and the DWSRF Portfolio Account, comprises at least twenty percent (20%) in aggregate principal amount of all Political Subdivision Bonds held in the CWSRF Portfolio Account and the DWSRF Portfolio Account.

“Sixth Supplemental Resolution” means the Sixth Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2023 Bonds, adopted by the Board on March 9, 2023, as the same may be amended or supplemented from time to time as permitted thereby.

“Third Supplemental Resolution” means the Third Supplemental Resolution authorizing the issuance, sale and delivery of the Series 2020 Bonds, adopted by the Board on April 9, 2020, as the same may be amended or supplemented from time to time as permitted hereby.

“Three-Year Computation Period” means the period ending on the last day of the three-year period commencing on the Date of Delivery.

“Underwriters” means Robert W. Baird & Co. Inc., together with other firms designated in the Bond Purchase Agreement, as the underwriters for the Series 2026 Bonds

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APPENDIX B

**INFORMATION REGARDING THE
CLEAN WATER STATE REVOLVING FUND
AND THE
DRINKING WATER STATE REVOLVING FUND**

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STATE REVOLVING FUNDS

Federal Overview

Title VI of the Federal Water Pollution Control Act of 1972, as amended by the Water Quality Act of 1987, as amended, 33 U.S.C. 1251 *et seq.* (the “Federal Clean Water Act”), established a clean water (wastewater) state revolving fund program. Under this program, each state is required to establish a revolving fund administered by the state or an instrumentality of the state in order to accept from the United States Environmental Protection Agency (“EPA”) federal grants for eligible projects, including the construction of publicly-owned treatment works, storm water management, reduction of demand for publicly-owned treatment works capacity through water conservation, efficiency, or reuse, nonpoint source pollution control projects and other authorized purposes pursuant to the Federal Clean Water Act (“CWSRF Capitalization Grants”). As a condition to receiving a CWSRF Capitalization Grant, the revolving fund established by a state is required to be perpetual, into which the CWSRF Capitalization Grant must be deposited, and a state must provide state matching funds equaling a percentage of the CWSRF Capitalization Grant as specified by federal appropriations and capitalization grant agreements. Funds in a state revolving fund are permitted to be applied to provide financial assistance to eligible Political Subdivisions in a number of ways, including making direct loans, buying or refinancing local debt obligations, and providing loan guarantees.

In 1996, amendments to the Federal Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq.*, as supplemented and amended (the “Federal Drinking Water Act” and together with the Federal Clean Water Act, the “Federal Act”), established a safe drinking water revolving fund program. Under this program, each state is required to establish a revolving fund administered by the state or an instrumentality of the state in order to accept from the EPA federal grants for eligible drinking water projects pursuant to the Federal Drinking Water Act (“DWSRF Capitalization Grants,” and together with CWSRF Capitalization Grants, “Federal Capitalization Grants”). As a condition to receiving a DWSRF Capitalization Grant, the revolving fund established by a state is required to be perpetual, into which the DWSRF Capitalization Grant must be deposited, and a state must provide state matching funds equaling a percentage of the DWSRF Capitalization Grant as specified by federal appropriations and capitalization grant agreements. The Drinking Water State Revolving Fund (the “DWSRF”) Political Subdivision Bonds serve to protect the public health and to achieve compliance with the Federal Safe Drinking Water Act. The safe drinking water revolving fund is used to provide financial assistance to publicly-owned or privately owned water systems in connection with the planning, design, development, construction, repair, extension, improvement, remodeling, alteration, rehabilitation, reconstruction or acquisition of all or a portion of a public water system.

State matching funds provided to obtain CWSRF Capitalization Grants and DWSRF Capitalization Grants are referred to herein as “State Match.”

CWSRF Program. In 1987, legislation was adopted in the State establishing a program to comply with the state revolving fund requirements set forth in the Federal Clean Water Act. State law (codified in Subchapter J of Chapter 15 of the Texas Water Code), established the state water pollution control revolving fund (the “CWSRF”) to implement Title VI of the Federal Clean Water Act. This legislation designates the Board as the state instrumentality to apply for and administer CWSRF Capitalization Grants that are available through the Federal Clean Water Act. Projects which are eligible to be financed through the CWSRF are generally wastewater system improvements although the Water Resources Reform and Development Act of 2014 (Pub. Law 113-121) expanded considerably the projects eligible to be financed through the CWSRF.

The CWSRF is permanent and is not subject to Federal Fiscal Year or State Fiscal Year limitations. The State has designated the Board as the entity to make application to the EPA for CWSRF Capitalization Grants relating to the CWSRF program, and has overall responsibility for all financial and technical administration of the CWSRF program and providing financial assistance to eligible political subdivisions for eligible projects.

DWSRF Program. In 1997, legislation was adopted in the State establishing a program to comply with the state revolving fund requirements set forth in the Federal Drinking Water Act. Subchapter J of Chapter 15 of the Texas Water Code was amended to establish the DWSRF to implement the 1996 amendments to the Federal Drinking Water Act. This legislation designates the Board as the state instrumentality to apply for and administer DWSRF Capitalization Grants that are available through the Federal Drinking Water Act. Projects which are eligible to be financed through the DWSRF are generally limited to drinking water system improvements and refinancing debt incurred for qualifying drinking water system improvements.

The DWSRF is permanent and is not subject to fiscal year limitations. The Board has been designated as the entity to make application to the EPA for DWSRF Capitalization Grants relating to the DWSRF program, and has overall responsibility for all financial and technical administration of the DWSRF program and providing financial assistance to eligible borrowers for eligible projects.

As of August 31, 2025, the Board has received the following Federal Capitalization Grants, including grant funds received under the American Recovery and Reinvestment Act of 2009 and the IIJA (as defined below), and funded the required State Match contributions:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
Capitalized Grants, net of transfers	\$ 2,958,038,101	\$ 2,850,286,390	\$ 5,808,324,491
State Match	\$ 515,538,356	\$ 427,902,525	\$ 943,440,881
Total	\$ 3,473,576,457	\$ 3,278,188,915	\$ 6,751,765,372
	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
Revenue Bonds Outstanding	\$ 814,105,000	\$ 747,845,000	\$ 1,561,950,000
GO State Match Bonds Outstanding	\$ -	\$ -	\$ -
Total	\$ 814,105,000	\$ 747,845,000	\$ 1,561,950,000

Availability of Federal Capitalization Grants

The federal government authorized appropriations for CWSRF Capitalization Grant funds in Federal Fiscal Years 1989 through 1994 under the Federal Clean Water Act to enable states to establish and capitalize their state revolving funds. Although appropriations under the Federal Clean Water Act expired in 1994, Congress has continued to appropriate funds for Federal Capitalization Grants through Federal Fiscal Year 2026 by means of budgetary appropriation. Congress has authorized appropriations for the DWSRF program from Federal Fiscal Years 2019 to 2026. The IIJA (as defined below) reauthorized appropriations for both the CWSRF and DWSRF programs from Federal Fiscal Years 2022 through 2026 and appropriated supplemental funding for the CWSRF and DWSRF programs for Federal Fiscal Years 2022 through 2026. No assurances can be given that Congress will continue to appropriate funds for Federal Capitalization Grants after Federal Fiscal Year 2026 or that any such grants will be deposited into either the CWSRF or the DWSRF. If federal financial support ceases, it is anticipated that state revolving funds such as the CWSRF and the DWSRF will be maintained by non-federal sources of funding including Repayments on Political Subdivision Bonds.

Infrastructure Investment and Jobs Act

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (P.L. 117-58) (“IIJA”). The IIJA includes \$50 billion for the EPA targeted for drinking water and wastewater systems across the nation. Of this amount, approximately \$43 billion is expected to fund the CWSRF and DWSRF programs. The IIJA capitalization is intended to supplement the existing base Capitalization Grant funding, which have been reauthorized.

The IIJA CWSRF and DWSRF capitalization is projected to occur in Federal Fiscal Year 2022 through 2026. The capitalization is projected in the following amounts in these categories: 1) CWSRF General Supplemental - \$11.7 billion, 2) CWSRF Emerging Contaminants - \$1 billion, 3) DWSRF General Supplemental - \$11.7 billion, 4) DWSRF Emerging Contaminants - \$4 billion and 5) DWSRF Lead Service Line Replacement - \$15 billion. These funds are expected to be allocated to the EPA, states, tribes, territories, and local communities based on formulas determined by the EPA.

The IIJA mandates that 49% of the General Supplemental and DWSRF Lead Service Line Replacement appropriations must be in the form of grants or principal forgiveness to disadvantaged communities or communities meeting affordability criteria. 100% of the Emerging Contaminants appropriation used for projects is mandated to be in the form of grants or principal forgiveness and for the DWSRF program at least 25% of that amount must be provided to disadvantaged communities or communities meeting certain affordability criteria.

The General Supplemental appropriation requires state matching funds of at least 10% of the appropriation in Federal Fiscal Years 2022 and 2023, and 20% of the appropriation in Federal Fiscal Years 2024 through 2026. There is no state matching fund requirement for Emerging Contaminants and Lead Service Line Replacement.

In its CWSRF Program, the Board received additional General Supplemental capitalization in Federal Fiscal Year 2024 of approximately \$103.9 million. The Board received additional IJA approximate allotments for Emerging Contaminants of \$9.7 million in Federal Fiscal Year 2024.

In its DWSRF Program, the Board received additional General Supplemental capitalization in Federal Fiscal Year 2024 of approximately \$183.3 million. The Board received additional IJA approximate allotments for Emerging Contaminants of \$60.9 million and for Lead Service Line Replacement of \$73.7 million in Federal Fiscal Year 2024.

In its CWSRF Program, the Board is projected to receive additional General Supplemental capitalization in Federal Fiscal Year 2025 of approximately \$112.6 million. The Board received additional IJA approximate allotments for Emerging Contaminants of \$9.7 million in Federal Fiscal Year 2025.

In its DWSRF Program, the Board is projected to receive additional General Supplemental capitalization in Federal Fiscal Year 2025 of approximately \$198.5 million. The Board received additional IJA approximate allotments for Emerging Contaminants of \$60.9 million and for Lead Service Line Replacement of \$77.9 million in Federal Fiscal Year 2025.

Agreements with and Requirements of EPA

Federal Capitalization Grant Agreements.

In connection with the receipt of Federal Capitalization Grants, the Board has entered into a series of annual agreements with the EPA. The agreements set forth the objectives of the SRFs and any specific program requirements. The agreements also set forth the responsibilities of the Board which include the management of the financial aspects of the SRFs, the environmental and project construction aspects of the SRFs. Annually, the Board prepares an Intended Use Plan (“IUP”) that describes how program funds are expected to be used to support the overall goals of the programs and includes projects the Board expects to finance from the SRFs. The EPA conducts annual performance reviews of the SRFs to ensure compliance with EPA guidelines and future state eligibility for Federal Capitalization Grants. The Board periodically submits various reports and documentation for review by the EPA. The current State Fiscal Year 2026 IUP for CWSRF was submitted by the Board to the EPA on October 3, 2025. The current State Fiscal Year 2026 IUP for DWSRF was submitted by the Board to the EPA on October 3, 2025.

CWSRF Capitalization Grants or DWSRF Capitalization Grants are provided to the Board through payments made to the Board’s account on the EPA’s Automated Clearing House Payment System. In accordance with the requirements of the current annual agreement between the Board and EPA, in order to receive CWSRF Capitalization Grants or DWSRF Capitalization Grants, the State will, by Board resolution, make a binding commitment to deposit from lawfully available sources the required state match to the capitalization grant payment on or before the time the payment is received.

Equivalency (“Crosscutter”) Requirements. There are a number of federal laws, executive orders, and federal policies that apply to projects and activities receiving federal financial assistance, regardless of whether the federal laws authorizing the assistance make them applicable. These federal authorities related to the environment, social policies, and economic policies are referred to as cross-cutting authorities or crosscutters. Crosscutters (the “Crosscutter Requirements”) apply to all equivalency projects and activities assisted with CWSRF and DWSRF funds. The federal anti-discrimination laws, however, apply to all projects. The Board designates a group of projects elected to follow Crosscutter Requirements, in an amount not less than the Federal Capitalization Grants received, as the case may be, in order to comply with the federal requirements. Projects funded from the CWSRF and the DWSRF that are subject to the Crosscutter Requirements are referred to by the Board as equivalency projects and Political Subdivision Bonds for equivalency projects currently receive lower interest rates.

Non-Equivalency Project Requirements. All other CWSRF and DWSRF funded projects (“Non-Equivalency”) are required to be developed in accordance with certain EPA guidelines and state law regarding financial, engineering and other construction practices that are similar to the requirements a project seeking funding in the public market would experience.

Priority System

All projects are evaluated by the Board to determine eligibility for program funding. The Board determines the projects that will receive various funding and interest rate options based on criteria established annually in the programs' annual IUP. An initial group of projects, based on rank order, is invited to submit applications. These projects would fulfill the program requirements and goals of the CWSRF and DWSRF, such as providing additional subsidization and meeting reserve requirements. For subsequent invitations, applications are accepted on a "first-come-first-served" basis, and projects may be added to the IUP later in the fiscal year.

Additional Subsidies

The annual Federal Capitalization Grant may require that an additional subsidy be provided to eligible borrowers. Currently, the Board has elected to provide this additional subsidy in the form of principal forgiveness. For CWSRF and DWSRF programs, both the maximum permissible amount and any minimum required amount of additional subsidy to be provided is established in the authorizing statutes and the annual federal appropriations act. In order to meet the additional subsidy requirement, the Board offers opportunities for principal forgiveness. The CWSRF program currently offers principal forgiveness for Disadvantaged Communities, Green projects, Very Small Systems, and Urgent Needs projects and the DWSRF program offers principal forgiveness for Disadvantaged Communities, Green projects, Very Small Systems, and Urgent Need projects.

Composition of Political Subdivision Bonds

The particular Political Subdivision Bonds ("PSBs") acquired by the Board and held within the CWSRF and the DWSRF will vary. No assurances can be given that the profile of PSBs at any time in the future will remain similar to that at the time of issuance of the Series 2026 Bonds. See "Appendix D - Summary of Political Subdivision Bonds" for a description of the Political Subdivision Bonds held in the CWSRF Portfolio Account and DWSRF Portfolio Account as of August 31, 2026. The Board does not require the political subdivision to obtain a rating from a rating agency for the Political Subdivision Bonds to be eligible for purchase by the Board.

Procedures for Purchase of Political Subdivision Bonds

Project review and recommendation for approval is conducted through multi-disciplinary reviews that include engineering, environmental, legal, financial, and other technical reviews. In addition, Board support staff observe the progress of the projects.

During submission of an application for funding, prospective applicants must submit preliminary engineering and environmental documentation which will identify the potential environmental impacts known at that time, engineering feasibility, and eligibility of the project as well as the project's ability to conform with State requirements for design and wastewater treatment operations. The application documents will also demonstrate how State and federal loan program requirements and other applicable State and federal requirements will be satisfied during the design and construction of the project. Additionally, the financial analysts review the application and evaluate the financial, economic and demographic conditions of the applicant to evaluate the ability of the applicant to repay the loan. This review and evaluation is incorporated into a recommendation prepared by the staff and presented to the Board for consideration.

Upon Board approval, a loan commitment is offered by the Board to the eligible borrower which obligates the Board to purchase Political Subdivision Bonds upon compliance with various requirements as outlined in the commitment letter by the Board and upon the availability of funds by the Board.

Under Board rules, an eligible borrower may be required to execute a "financing agreement" prior to the pricing in the public debt markets of bonds to be sold by the Board. Such financing agreements include performance obligations on the part of the eligible borrower and the Board; compensation to the Board for any costs and loan origination risks assumed by the Board; and conditions under which the Executive Administrator may extend or cancel the financing agreement.

Attorney General Approval of Political Subdivision Bonds

Prior to purchasing Political Subdivision Bonds pledged as security for the SRF Bonds, the office of the General Counsel for the Board reviews and approves the legal instruments relating to the project. The Attorney General of Texas also reviews the Political Subdivision Bonds for legality; the Board may not purchase Political Subdivision Bonds unless the Political Subdivision Bonds have received an approving opinion from the Attorney General of the State. Upon approval by the Attorney General of the State, the Comptroller of Public Accounts of the State (“Comptroller”) registers the securities, and the Political Subdivision Bonds issued by the Political Subdivision are valid, binding and incontestable against a statutory challenge, as provided by the Texas Water Code.

The Board’s Regional Water Project Development teams monitor the construction of all projects to ensure that projects are built in accordance with the approved plans and specifications and in conformity with state and federal requirements. The Board’s Financial Compliance staff monitors all eligible borrowers in order to ensure that each complies with its bond resolution and finance-related covenants and regulations including such matters as (a) authorized uses of bond proceeds, (b) flow of funds required by bond documents, (c) auditing and financial reporting, (d) ongoing financial stability and solvency and (e) system insurance coverage.

Political Subdivision Bond Rates Below Bond Rate

The interest rate charged to each Political Subdivision will be determined in accordance with the rules of the Board which may be subject to change from time to time (see “Lending Policy and Terms of Political Subdivision Bonds,” below) and the annual IUP. The interest rate on SRF Bonds (including the Series 2026 Bonds) may affect the interest rate subsidy the Board establishes each year under various funding options specified in the IUP. In the event the Board has insufficient funds to pay principal or interest on the Series 2026 Bonds, Political Subdivisions are not required to pay amounts in excess of the interest rate on the Political Subdivision Bonds purchased by the Board. In particular, Political Subdivisions are not required to make up revenue shortfalls of the Board resulting from payment defaults of other Political Subdivisions or from insufficient investment earnings.

Credit of Eligible Borrowers

Some eligible borrowers may not have or may not be able to obtain ratings on their outstanding debt obligations. Eligible borrowers need not have ratings or obtain credit ratings on their Political Subdivision Bonds purchased by the Board. In some instances, the Political Subdivision’s authorization of the Political Subdivision Bonds reserves the right to issue obligations with a lien on the security pledged senior to the lien supporting the Political Subdivision Bonds purchased by the Board. A number of specific and general conditions may adversely affect the ability of eligible borrowers to repay their loans. An economic downturn or recession may adversely affect an eligible borrower’s ability to generate revenues from one or all sources securing its Political Subdivision Bonds including, without limitation, property taxes.

Lending Policy and Terms of Political Subdivision Bonds

The Board establishes the financial terms and conditions of Political Subdivision Bonds, including the type of obligation purchased. The Board may consider any relevant factors in establishing the terms and conditions, including the creditworthiness of the eligible borrowers. As part of its technical, managerial, and financial due diligence, the Board must determine that an eligible borrower has the ability to repay the debt service on the entity’s bonds. For the CWSRF program, in accordance with the Federal Clean Water Act and the Board’s rules, the maximum term is 30 years, provided it does not exceed the projected useful life of the project. For the DWSRF program, in accordance with the Federal Safe Drinking Water Act and the Board’s rules, the maximum term is 30 years, provided it does not exceed the expected design life of the project. Pursuant to the Federal Clean Water Act, Federal Drinking Water Act and the SRF Act, the Board can initiate Political Subdivision Bonds at or below market interest rates, including Political Subdivision Bonds with interest rates of zero percent.

For the CWSRF program under the State Fiscal Year 2026 IUP the interest rate will be a percentage reduction from the Refinitiv Municipal Market Data rate adjusted for yield to maturity that is applicable to the entity’s rating, with non-rated entities using the Baa rate, or its equivalent, as follows:

- (a) Equivalency projects: 40% reduction, and

(b) Non-Equivalency projects: 35% reduction.

Similarly, for the DWSRF program under the State Fiscal Year 2026 IUP the interest rate will be a percentage reduction from the Refinitiv Municipal Market Data rate adjusted for yield to maturity that is applicable to the entity's rating, with non-rated entities using the Baa rate, or its equivalent, as follows:

(a) Equivalency projects: 35% reduction, and

(b) Non-Equivalency projects: 30% reduction.

The interest rate reduction methodology for both the CWSRF and DWSRF programs described above would not be applicable to any portion of financing that is offered to an eligible borrower at an interest rate of zero percent.

See "Agreements with and Requirements of EPA – Equivalency ("Crosscutter") Requirements" and "Agreements with and Requirements of EPA - Non-Equivalency Project Requirements" herein. An eligible borrower's alternative cost of funds is calculated based on the market pricing for the type of security the eligible borrower is providing to the Board and the underlying credit rating of the security pledged for the Political Subdivision Bond. See "Political Subdivision Bonds" herein for more information on the different types of security pledges accepted by the Board. This aspect of the interest rate policy is intended to provide a subsidy level that is equitable across a range of credit profiles. The Board's interest rate policy is subject to change by the Board.

Political Subdivision Bonds

Pursuant to the Texas Water Code, Political Subdivision Bonds purchased by the Board can be payable from a pledge of ad valorem taxes, water system net revenues, wastewater system net revenues, net revenues of a combined water and wastewater system or any combination of pledges of taxes, assessments and/or utility system(s) (including gas or electric) revenues. The Board has purchased some Political Subdivision Bonds, the security of which has a lien on and pledge of revenues subordinate to outstanding and future debt of the Political Subdivision. The Board anticipates continuing its practice of purchasing some Political Subdivision Bonds with a subordinate lien pledge. For Political Subdivision Bonds payable solely from revenues, including those with subordinate lien revenue pledges, the Board generally requires a reserve fund of one year's average annual debt service and a coverage test to be met for the issuance of any additional bonds.

The Board has enacted procedures and policies to ensure that financed projects are timely completed and to ensure the timely payment of debt service on Political Subdivision Bonds. In this regard, the Board requires each eligible borrower to maintain adequate insurance coverage on the project being constructed and to provide annual audited financial statements if issuing bonds. Certain procedures ensure that the portfolio of Political Subdivision Bonds is continually monitored for delinquent accounts. Additionally, these procedures require certain collection measures if payment is late, including communication with the borrower and/or paying agent bank, and such measures continue until payment is collected. Late bond payments are typically resolved within ten business days of the due date. **To date, there have been no payment defaults on the Political Subdivision Bonds currently on deposit in the DWSRF Portfolio Account or on deposit in the CWSRF Portfolio Account.**

Currently, the Political Subdivision Bonds held within the CWSRF Portfolio Account and the DWSRF Portfolio Account include a range of credits. Below is a description of four categories of the security pledges of the Political Subdivision Bonds held within the CWSRF Portfolio Account and the DWSRF Portfolio Account. Political Subdivisions need not have ratings or obtain credit ratings on Political Subdivision Bonds purchased by the Board. See "Appendix D – Summary of Political Subdivision Bonds."

General Obligations. When a Political Subdivision issues a general obligation, its full faith and credit are pledged to secure payment when due of the principal of and interest on the obligation. State law requires the eligible borrower to levy taxes that will be collected in amounts and at the times sufficient to make debt service payments. If the eligible borrower fails to make a payment when due, the owner of a general obligation, such as the Board, can bring suit for mandamus to require the tax levy to be collected and applied to debt service. General obligations typically require voter approval.

The tax levy described above may be limited depending upon the type of eligible borrower issuing the general obligations. Water districts, including municipal utility districts, operating pursuant to Article XVI, Section 59 of the

Texas Constitution are authorized to issue bonds payable from ad valorem taxes unlimited as to rate or amount. However, general obligation bonds issued by municipalities are payable from a limited ad valorem tax.

Municipalities which operate pursuant to the home rule charter provisions of Article XI, Section 5 of the Texas Constitution are limited to a tax rate of not to exceed \$2.50 per \$100 assessed valuation for all municipal purposes, including the payment of debt service on bonds. The home rule charter approved by the voters of the municipalities may, and often does, provide for a lower tax rate limitation. There are requirements set forth in Article XI, Section 5 of the Texas Constitution which must be satisfied in order for a municipality to be eligible to seek home rule status including a requirement that a municipality contain a population of more than 5,000 inhabitants and that the municipality hold an election at which a majority of the voters approve adoption of a home rule charter. A Type A general law municipality with a population of 5,000 or less is limited to a tax rate of not to exceed \$1.50 per \$100 assessed valuation for all municipal purposes; provided, however, under certain circumstances a tax rate not to exceed \$0.25 per \$100 assessed valuation may be imposed. A general law municipality with a population of 5,000 or more is limited to a tax rate of not to exceed \$2.50 per \$100 assessed valuation for all municipal purposes.

Revenue Obligations. When an eligible borrower issues a revenue obligation, the obligation is a limited obligation payable solely from the revenues that are specifically pledged. Revenue bonds are not a debt of the issuer, but solely a charge upon the properties of the systems so encumbered. The holder of such revenue bonds does not have the right to demand payment out of any funds raised or to be raised by taxation.

Municipalities, including home rule and general law municipalities, are authorized pursuant to Chapter 1502, Texas Government Code, as amended, to issue bonds payable from the revenues of their electric system, water system, sewer system or sanitary disposal equipment and appliances or natural gas system, parks and or swimming pools, any combination of the forgoing, or all such systems. The expense of operation and maintenance of the systems, including, without limitation, all salaries, labor, materials, interest, repairs and extensions necessary to render efficient service is a first lien against the revenues of such systems. Pursuant to State law, municipalities must charge and collect a rate sufficient to pay all operating, maintenance, depreciation, replacement, betterment, interest charges and all debt service requirements relating to such system.

Combination General Obligation and Revenue Obligations. Combination General Obligation and Revenue Obligations, which may be in the form of bonds or certificates of obligation, are payable from a combination of ad valorem property taxes, with the same tax rate limitations as discussed above under "General Obligations," and revenues from various types of systems such as waterworks, sewer, gas and electric or any combination thereof as authorized pursuant to Chapter 1502, Texas Government Code and as discussed above under "Revenue Obligations." The revenue pledge may be limited to surplus revenues only or may include all net revenues after the payment of necessary operation and maintenance expenses.

Contract Revenue Bonds. When an eligible borrower issues Contract Revenue Bonds, the bonds are a limited obligation payable solely from the payments to be received pursuant to a contract. Certain eligible borrowers are authorized pursuant to State law to issue bonds payable from contract payments due from the beneficiary of the facilities constructed with the proceeds of the bonds issued. In the instance of the CWSRF and DWSRF, a municipality is typically the contracting party which is responsible for debt service payments on the bonds. Generally such contract payments are payable as an operation and maintenance expense of a municipality's waterworks and sewer system and therefore have a first lien on the revenues of such systems and are paid prior to paying debt service on any obligations of a municipality payable from the same type of revenue pledge.

As of the date of this Official Statement, there are no Significant Borrowers. No Political Subdivision is expected to become a Significant Borrower as a result of the acquisition of Political Subdivision Bonds by the Board with the proceeds of the Series 2026 Bonds.

SRF Administration Costs

CWSRF

Pursuant to the current provisions of the Federal Clean Water Act, the maximum annual amount of the CWSRF that may be used to cover the reasonable costs of administering the fund, and to provide technical assistance to public water systems, is the amount of any fees collected by the State, regardless of the source, and the greatest of; (1) an amount equal to four percent of all CWSRF Capitalization Grants received by the Board less any amounts that

have been used in previous years to cover administrative expenses; (2) \$400,000; or (3) one-fifth of one percent of the current valuation of the CWSRF. The current Board policy on origination fees for funding provided pursuant to the State Fiscal Year 2026 IUP assesses a one-time fee of 175 basis points (1.75%) of the CWSRF loan amount, not including the amount of the loan origination fee. An origination fee is not assessed on the principal forgiveness amount.

In 1995, the legislature of the State (the "Texas Legislature") passed legislation authorizing the Board to charge eligible borrowers seeking financial assistance from the CWSRF an origination fee and an annual fee. This legislation also authorized the Board to establish a fund (the "CWSRF Administrative Cost Recovery Fund") to finance the costs of administration of the CWSRF. The CWSRF Administrative Cost Recovery Fund must be held outside the State Treasury and separate from the CWSRF. The Board must use money deposited to the credit of the CWSRF Administrative Cost Recovery Fund to pay the Board's costs of administering the CWSRF, including the cost of servicing debt obligations of eligible borrowers funded from the CWSRF. The Board may transfer moneys on deposit in the CWSRF Administrative Cost Recovery Fund to the CWSRF to the extent necessary to prevent a default in the payment of debt service on SRF Bonds or Subordinate Obligations. Moneys so transferred, however, shall not constitute Pledged SRF Revenues under the Resolution.

In December 2006, the Board established the Expense Account within the CWSRF to hold moneys derived from CWSRF Capitalization Grants that will be used to pay costs of operating and administering the CWSRF ("Operating Expenses of the CWSRF"). The Master Resolution created the CWSRF Expense Account. The CWSRF Expense Account is held by the Comptroller outside the State Treasury, separate and apart from all other funds and accounts of the Comptroller, including the other accounts within the CWSRF. The Board may transfer CWSRF Capitalization Grant funds to the CWSRF Expense Account in an amount allowable under law. Such transfers will be made no later than the last Business Day of each month in an amount not to exceed the amounts permitted under the Federal Clean Water Act. Moneys in the CWSRF Expense Account may be used for the purpose of paying Operating Expenses of the CWSRF.

In the Federal Fiscal Year 2002 Appropriations Act, legislation was enacted to allow loan origination and servicing fees (the "fees") collected from Political Subdivisions and funded by the proceeds of CWSRF PSBs to be excluded from the amount eligible for administration of the CWSRF program under the Federal Act. Federal appropriations have continued to allow this exclusion. If future legislation is not enacted to allow the fees to be funded from the proceeds of CWSRF PSBs without counting against the administrative amounts of the CWSRF, then it is anticipated that the Board will require Political Subdivisions to pay the fees from sources other than the proceeds of CWSRF PSBs.

DWSRF

Pursuant to the current provisions of the Federal Safe Drinking Water Act, the maximum annual amount of the DWSRF that may be used to cover the reasonable costs of administering the fund, and to provide technical assistance to public water systems, is the amount of any fees collected by the State, regardless of the source, and the greatest of; (1) \$400,000; (2) one-fifth of one percent of the current valuation of the DWSRF; and (3) an amount equal to four percent of all grant awards to the DWSRF. The current Board policy on origination fees for funding provided pursuant to the State Fiscal Year 2026 IUP assesses a one-time fee of 200 basis points (2.00%) of the DWSRF loan amount, not including the amount of the loan origination fee. An origination fee is not assessed on the principal forgiveness amount.

In 1995, the Texas Legislature passed legislation authorizing the Board to charge eligible borrowers seeking financial assistance from the DWSRF an origination fee and an annual fee. This legislation also authorized the Board to establish a fund (the "DWSRF Administrative Cost Recovery Fund") to finance the costs of administration of the DWSRF. The Administrative Cost Recovery Fund must be held outside the State Treasury and separate from the DWSRF. The Board must use money deposited to the credit of the Administrative Cost Recovery Fund to pay the Board's costs of administering the DWSRF, including the cost of servicing debt obligations of eligible borrowers funded from the CWSRF. The Board may transfer moneys on deposit in the Administrative Cost Recovery Fund to the DWSRF to the extent necessary to prevent a default in the payment of debt service on the Series 2026 Bonds or Subordinate Obligations. Moneys so transferred, however, shall not constitute Pledged SRF Revenues under the Resolution.

In December 2006, the Board established the Expense Account within the DWSRF to hold moneys derived from DWSRF Capitalization Grants that will be used to pay costs of operating and administering the DWSRF (“Operating Expenses of the DWSRF”). The Master Resolution created the DWSRF Expense Account. The DWSRF Expense Account is held by the Comptroller outside the State Treasury, separate and apart from all other funds and accounts of the Comptroller, including the other accounts within the DWSRF. The Board may transfer DWSRF Capitalization Grant funds to the DWSRF Expense Account in an amount allowable under law. Such transfers will be made no later than the last Business Day of each month in an amount not to exceed the amounts permitted under the Federal Drinking Water Act. Moneys in the DWSRF Expense Account may be used for the purpose of paying Operating Expenses of the DWSRF.

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APPENDIX C
INFORMATION REGARDING THE
TEXAS WATER DEVELOPMENT BOARD

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TEXAS WATER DEVELOPMENT BOARD

General

The Board is an agency of the State and was created by constitutional amendment in 1957. Its mission is to lead the State's efforts in ensuring a secure water future for Texas. The Board is responsible for long-range water planning in the State. The Board is primarily responsible for the State's financial programs associated with the water industry, including the establishment of policy for the financial programs.

The Board initially was given authorization to issue as general obligations of the State \$200,000,000 in "Water Development Bonds" for the "construction of dams, reservoirs and other water storage projects". Subsequent amendments to the Constitution and enabling legislation expanded the types of water-related facilities eligible for Board financial assistance to include all components of water supply, wastewater (sewage) conveyance and treatment, flood control, municipal solid waste management and agricultural water conservation projects. The Board may also execute contracts with any agency of the United States for the acquisition and development of storage facilities in the State and reservoirs constructed by the federal government, which contracts constitute general obligations of the State.

The primary focus of the Board prior to 1985 was to provide loans to assist communities that found it a hardship to obtain funding from other sources. Constitutional amendments and legislative changes implemented in 1985 broadened the eligibility criteria to include regional water, wastewater, municipal solid waste management, flood control projects, and water projects that involved the conversion from a ground water supply source to a surface supply. In 1987, with the creation of the Clean Water State Revolving Fund ("CWSRF"), all political subdivisions (no hardship or regional criteria required) became eligible to apply for financial assistance for wastewater treatment projects. In 1989, a constitutional amendment and legislation authorized the Board to provide loan and grant assistance to construct potable water supply and sanitary sewer systems in impoverished areas through the Economically Distressed Areas Program ("EDAP").

Since 1957, the Legislature and the voters of the State have approved constitutional amendments increasing the Board's bond issuance authority and authorized funding purposes, such that under the various Sections in Article III of the State Constitution (Sections 49-c, 49-d, 49-d-1, 49-d-2, 49-d-5, 49-d-6 and 49-d-7, referred to herein as the "**Development Fund I Constitutional Provisions**"), the Board was authorized to issue up to \$2.48 billion in Water Development Bonds to augment the Texas Water Development Fund ("**Development Fund I**"). Pursuant to such authorization, the Board has issued \$1,467,190,000 of Water Development Bonds. Development Fund II ("**Development Fund II**") was established pursuant to Section 49-d-8, which was approved by the voters of the State on November 4, 1997. Development Fund II is a fund in the State Treasury separate and legally distinct from Development Fund I. All of the liabilities and assets formerly held in the Texas Water Development Fund I have been transferred to Development Fund II.

Organizational Structure

In addition to its constitutional and statutory responsibilities in providing and administering Development Fund II and other financial programs, the Board is responsible for establishing policy in connection with the State Revolving Fund programs administered by the United States Environmental Protection Agency ("USEPA"). The Board also is responsible for administering the State Water Implementation Fund for Texas ("SWIFT") and the issuance of revenue bonds through the State Water Implementation Revenue Fund for Texas ("SWIRFT") to provide financial assistance to political subdivisions in implementing the State Water Plan. The Board is primarily responsible for the State's financial programs associated with the water and wastewater industry including the establishment of policy for the financial programs and the employment of an Executive Administrator.

Board Members

The Board is composed of three full-time members who are appointed by the Governor and confirmed by the Texas Senate and will serve staggered six-year terms. A person appointed to the Board may not serve for more than two six-year terms. In accordance with State law, the Board must appoint the Executive Administrator of the Board.

The Board meets at least monthly in Austin, Texas and holds additional meetings as needed. The Board considers financial assistance applications from eligible applicants, awards grants for water-related research and planning, and conducts other Board business such as approving the State Water Plan.

The members of the Board currently are:

L'Oreal Stepney, P.E., Chairwoman. L'Oreal Stepney was named Chairwoman of the Texas Water Development Board by Governor Greg Abbott on January 8, 2025. Governor Abbott appointed her to the Board in December 2022 for a term beginning January 1, 2023. Stepney previously served as the deputy executive director of the Texas Commission on Environmental Quality (TCEQ). She began working for TCEQ in 1992, first in the Air Permitting Division for eight years, then as section manager for the Wastewater Permitting Section before being promoted to director of the Water Quality Division in 2003. She also served as deputy director of the Office of Water upon its creation in 2009. The Office of Water encompasses TCEQ's water availability, water districts, groundwater, river compacts, water quality permitting and planning, and public drinking water functions. During her time at TCEQ, Stepney worked closely with the Texas Water Development Board on several water programs. Additionally, Stepney has participated in the group from Texas that meets with Mexico and the International Boundary and Water Commission to negotiate water deliveries under the Rio Grande 1944 Treaty. She is a board member for the Mickey Leland Environmental Internship Program and a graduate of the University of Texas Governor's Center Executive Management Program and the University of Texas Center for Public Policy Dispute Resolution Fellows Program. Stepney received a Bachelor of Science in aerospace engineering and a Master of Science in civil engineering from the University of Texas at Austin.

Brady Franks, Member. Governor Gregg Abbott appointed Brady Franks as a Board member of the Texas Water Development Board on September 26, 2025. He previously served as the State Budget Director in the Office of the Governor. Previously, Franks worked as the co-founder and chief executive of MF Advisors, director of government relations at the University of Texas at Austin (UT), and in various positions in the Texas House of Representatives for a decade, including Senior Budget and Policy Advisor to the Speaker of the House. Franks received a Bachelor of Arts in Government, a Master of Science in Community and Regional Planning, and a Master of Public Affairs from UT.

Ashley Morgan, Member. Governor Abbott appointed Ashley Morgan as a member of the Texas Water Development Board on October 3, 2025, for a term set to expire on February 1, 2027. Ashley Morgan of Georgetown is an attorney at Erben & Yarbrough. She previously worked for the Office of the Governor, the Office of the Attorney General, the Railroad Commission of Texas, and the Texas Commission on Environmental Quality. She is a member of the State Bar of Texas and the University of Texas System Chancellor's Council Executive Committee, a docent with the Docents of the Governor's Mansion, and an active member of the Stephen F. Austin Alumni Association. Morgan received a Bachelor of Arts in communication and political science from Stephen F. Austin State University and a Juris Doctor from the University of Texas School of Law.

Key Staff Members

Bryan McMath, Executive Administrator. Bryan McMath was named Executive Administrator on September 4, 2024, after serving as Interim Executive Administrator for six months. He joined the TWDB in 2018 as Governmental Relations Liaison before being named Director of Governmental Relations in January 2021. In that role, he coordinated communications regarding legislative and policy matters affecting the agency, as well as provided leadership in developing and communicating the TWDB's legislative priorities. Previously, Bryan worked for nearly 15 years at the Texas State Capitol. While his focus during his final six years at the capitol was on natural resource and water issues, he has supported other public policy areas during his career, including the state budget, energy, ethics, financial institutions, government organization, regulated industries, and transportation. Bryan holds a bachelor of arts degree in English from Vanderbilt University and a bachelor of fine arts degree from the School of the Art Institute of Chicago. He is currently pursuing a master of business administration at Texas State University.

Kathleen Ligon, Assistant Executive Administrator. Ms. Ligon joined the Texas Water Development Board in August 2006. She was named Assistant Executive Administrator on September 10, 2024 after serving as Interim Assistant Executive Administrator for six months. She joined the Executive office in 2019 to serve as the agency's lead on implementing flood mitigation planning and funding legislation from the 88th Texas Legislative Session; later she was named Assistant Executive Administrator. Previously, Ms. Ligon served as senior policy analyst in Government Relations for three legislative sessions and served as a planner and special assistant to the Deputy Executive Administrator of the agency's planning office. Ms. Ligon has prior public service experience with the Lower Colorado River Authority and the Texas Department of Transportation. She is a graduate of the University of Texas at Austin.

Jessica Peña, Deputy Executive Administrator, Water Supply and Infrastructure. Ms. Peña joined the TWDB in July 2001. She was named the Deputy Executive Administrator of Water Supply and Infrastructure in May 2016. Prior to this role, she served as the director of Regional Water Project Development, which entailed managing seven multi-disciplined regional teams that implement water and wastewater projects across the state. Her past positions at the TWDB also include team manager for the Northeast Region of the state and financial analyst. Ms. Peña holds a Bachelor's degree in Business Administration with the distinction of magna cum laude from St. Edward's University.

Georgia Sanchez, Chief Financial Officer and Development Fund Manager. Ms. Sanchez joined the TWDB in March 2017 and served in the role of Director of Debt and Portfolio Management for seven years before being named Deputy Chief Financial Officer and, more recently, Chief Financial Officer in May 2025. She previously served more than 23 years with the City of Austin, Texas in roles including Assistant Treasurer and Investment Officer, where she managed cash, investments, and debt programs, and Corporate Budget Manager overseeing the implementation of the City's Capital Improvements Plan. She holds a Bachelor of Business Administration degree in International Business from The University of Texas at Austin.

Ashley Harden, General Counsel. Before being hired as General Counsel of the TWDB in May 2020, Mr. Harden worked as General Counsel for the Texas Comptroller of Public Accounts where his responsibilities involved State and local tax administration, State fiscal matters, and State procurement. Prior to working for the Texas Comptroller, Mr. Harden worked for the Texas Attorney General's Office and the Texas Department of Agriculture, where his practice included banking, public finance, and legal assistance to various federally funded programs. He is a graduate of SMU School of Law and the University of Texas at Austin.

Financial Assistance Programs other than the CWSRF and DWSRF Programs

Below is a brief summary of additional financial assistance programs, other than CWSRF and DWSRF, administered by the Board and funded with general revenues or the proceeds of general obligation bonds of the State.

Texas Water Development Funds

Development Fund I and Development Fund II are used to provide loans and grants to eligible applicants for the construction of local or regional water supply, wastewater treatment, flood control and municipal solid waste management projects. These funds are funded through the issuance of general obligation bonds issued by the Board on behalf of the State of Texas pursuant to Sections 49-c, 49-d, 49-d-1, 49-d-2, 49-d-5, 49-d-6, 49-d-7, 49-d-8, 49-d-9, 49-d-10, 49-d-11, and 49-d-14 of Article III of the Texas Constitution. Development Fund I is no longer active, and the Board has no current intention to issue bonds to augment Development Fund I. The Board has established the following major accounts within Development Fund II: the EDAP Account, the Financial Assistance Account, and the State Participation Account. The Board has also established the EDAP Bond Payment Account, the Financial Assistance Bond Payment Account, the State Participation Bond Payment Account, and other accounts (including specifically the Water Infrastructure Fund Bond Payment Account) necessary for the proper administration of Development Fund II, as determined by the Board.

Water Assistance Fund

The Water Assistance Fund is funded through appropriations made by the Legislature and provides grants and loans at an interest rate set by Board rule to eligible political entities for water supply and treatment projects, wastewater treatment projects, flood control projects, purchasing an interest in reservoirs and providing grants up to 100% of funding for water research, and matching grants for flood protection and regional water supply and wastewater feasibility planning.

Water Infrastructure Fund

In 2001, the Legislature added provisions to Chapter 15 of the Texas Water Code creating the Water Infrastructure Fund in furtherance of the public purpose of conserving and developing the water resources of the State. The Water Infrastructure Fund may be used (i) to make loans to political subdivisions for projects to conserve, mitigate, convey and develop water resources of the State (WIF Projects); (ii) to make grants, low interest loans, or zero interest loans to political subdivisions for WIF Projects to serve areas outside metropolitan statistical areas in order to ensure that the projects are implemented, or for WIF Projects to serve economically distressed areas; (iii) to make loans for planning and design costs, permitting costs and other costs associated with State or federal regulatory activities with respect to WIF Projects; (iv) as a source of revenue or security for the payment of principal and interest on bonds issued by the Board if the proceeds of the sale of such bonds will be deposited in the Water Infrastructure Fund; and (v) to pay the necessary and reasonable expenses of the Board in administering the Water Infrastructure Fund. In 2003, the previously mentioned provisions were designated within Chapter 15 of the Texas Water Code as Subchapter Q.

The Board may direct the Comptroller of Public Accounts of the State (Comptroller) to transfer amounts from the Financial Assistance Account to the Water Infrastructure Fund to provide financial assistance under the Texas Water Code for the purposes provided in Subchapter Q, specifically for the uses described above, as listed in Section 15.974, Texas Water Code, as amended. Subchapter Q further provides that the Water Infrastructure Fund may be used (1) as a source of revenue for the repayment of debt service on Financial Assistance Bonds, the proceeds of which have been deposited into the Water Infrastructure Fund, and (2) pursuant to House Bill 1904 of the 87th Regular Session of the Texas Legislature, effective September 1, 2021, to make transfers from the Water Infrastructure Fund to the Financial Assistance Account for the purposes described in Section 49-d-8, other than for the purposes described in Sections 17.957 and 17.958, Texas Water Code, as amended.

Rural Water Assistance Fund

Chapter 15, Subchapter R, of the Texas Water Code authorizes and governs the Rural Water Assistance Fund (**RWAF**), which is a special fund in the State Treasury. The RWAF may be used, among other purposes, to (i) provide low interest loans to Rural Political Subdivisions as defined in Section 15.001, Texas Water Code, as amended, for water or water related projects and for water quality enhancement projects, including the construction of infrastructure facilities for wholesale or retail water and sewer service, desalination projects, the purchase or lease of well water fields; the construction of infrastructure facilities for wholesale purchase or lease of rights to produce groundwater; onsite or wetland wastewater treatment facilities; and interim financing of construction projects, (ii) finance water projects in the State Water Plan or regional water plan or (iii) enable a Rural Political Subdivision to obtain water or wastewater service supplied by larger political subdivisions or to finance the consolidation or regionalization of neighboring political subdivisions, or both. The RWAF may also be used to (a) contract for outreach, financial, planning, and technical assistance to assist Rural Political Subdivisions for any purpose that could be funded by the RWAF and (b) buy down interest rates on loans or provide grants to Rural Political Subdivisions.

The Board may direct the Comptroller to transfer amounts from the Financial Assistance Account to the RWAF to provide financial assistance under the Texas Water Code for the purposes provided in Subchapter R, specifically for the uses described above, as listed in Section 15.994, Texas Water Code, as amended. Subchapter R further provides that the RWAF may be used as a source of revenue for the repayment of debt service on Financial Assistance Bonds, the proceeds of which have been deposited into the RWAF.

Texas Agricultural Water Conservation Bond Program

Article III, Section 50-d of the Constitution (adopted in 1985) authorizes the Board to issue general obligation Texas Agricultural Water Conservation Bonds. Subchapter J was added to Chapter 17 of the Texas Water Code, implementing the Agricultural Water Conservation Bond Program and creating the Agricultural Water Conservation Fund (the “**Agriculture Fund**”).

Money in the Agriculture Fund may be used to provide grants to State agencies to fund conservation programs or conservation projects, provide grants or loans to certain political subdivisions for conservation programs or conservation projects, provide linked deposits to certain financial institutions for loans to certain entities and individuals for conservation projects, pay for the Board’s conservation programs, pay costs of issuance for and debt service due on Texas Agricultural Water Conservation Bonds, and to pay the Board’s related administrative expenses. Conservation programs, certain costs of which may be financed from the Agriculture Fund, include: (a) agricultural water conservation technical assistance programs; (b) research, demonstration, technology transfer, or educational programs relating to agricultural water use and conservation; (c) precipitation enhancement programs; and (d) any other agricultural water conservation program defined by Board rule. Conservation projects, certain costs of which may be financed from the Agriculture Fund, include projects that: (a) improve water use efficiency; (b) prepare irrigated land for conversion to dry land conditions; (c) prepare dry land for more efficient use of precipitation; (d) purchase and fund the acquisition and installation of devices on public or private property to indicate the amount of water withdrawn for irrigation; (e) prepare and maintain land to be used for brush control activities; and (f) implement any other agricultural water conservation project defined by Board rule.

Flood Infrastructure Fund

Article III, Section 49-d-14 of the Texas Constitution (adopted in 2019) created the Flood Infrastructure Fund (FIF) as a special fund in the State treasury outside the general revenue fund. Subchapter I was added to Chapter 15 of the Texas Water Code to implement the FIF program and establish the FIF. The FIF is administered by the Board and has been funded with transfers of approximately \$1.4 billion from the State’s general revenue fund and economic stabilization fund. The Board may utilize the proceeds of general obligation bonds or revenue bonds issued for an authorized purpose of the FIF.

The FIF program provides grants and zero interest loans for flood control, flood mitigation, and drainage projects. Eligible projects include structural, nonstructural, and nature-based solutions which fall into one of three categories: flood management evaluation, flood mitigation project, or flood management strategy. Project funding is available to eligible political subdivision applicants, including a city, county, district or authority created under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution. In addition, funding for flood protection planning for watersheds is also available to any other political subdivision of the state, any interstate compact commission to which the state is a party, and any nonprofit water supply corporation created and operating under Chapter 67 of the Texas Water Code.

Texas Water Fund

In the 88th Regular Session of the Texas Legislature, the Texas Water Fund (TWF) was created through the enactment of Senate Bill (S.B.) 28 and Senate Joint Resolution (S.J.R.) 75. On November 7, 2023, the voters approved amending the State Constitution in the manner provided by S.J.R. 75 and the TWF was lawfully authorized. The TWF is a special fund in the State treasury, outside the general revenue fund of the State. Through the operation of S.B. 28 and the enactment of the constitutional amendment, an appropriation of \$1 billion from the State’s general revenue fund to the TWF became effective. While not a new financial assistance program, the Board is authorized by Subchapter H-1, Chapter 15, Texas Water Code (“Subchapter H-1”), to use the TWF to augment funding in several of its existing financial assistance programs.

New Water Supply for Texas Fund

The New Water Supply for Texas Fund is a special fund in the state treasury administered by the TWDB. The fund may be used for the following purposes: (1) to provide financial assistance to political subdivisions of the state to develop water supply projects that create new water sources for the state, including desalination projects (which may include marine and brackish water desalination); produced water treatment projects, other than projects that are only for purposes of oil and gas exploration; aquifer storage and recovery projects; water and wastewater reuse projects; acquisition of water or water rights originating from outside Texas; “shovel-ready” reservoirs; and the development of infrastructure to transport or integrate water that is made available by these types of projects; (2) to make transfers to the SWIFT and to the Development Fund II for eligible projects through those programs; (3) to make transfers to the Texas Water Bank Account, which was established to facilitate the transfer, sale, or lease of water and water rights throughout the state, including purchasing, holding, and transferring water rights in the TWDB's name; and (4) to make transfers to the State Participation Account of the Development Fund II for eligible projects through that program. The TWDB is directed to undertake the financing of projects through the New Water Supply Fund for Texas that will lead to 7 million acre-feet of new water supplies by December 31, 2033.

State Water Implementation Fund for Texas Program

Pursuant to Subchapter C of Chapter 16 of the Texas Water Code, the Texas Legislature directed the Board to prepare, develop, formulate, and adopt a comprehensive state water plan (the “State Water Plan”) prior to January 2003. Thereafter, the Board has been responsible for preparing, developing, formulating and adopting a State Water Plan before the end of each successive five-year period. For purposes of developing the State Water Plan, the State is divided into 16 regional water planning areas. Each regional water planning group for each regional water planning area must prepare a regional water plan and submit the plan to the Board for approval. Upon adoption of the State Water Plan, the Board is required to deliver the State Water Plan to the Governor, the Lieutenant Governor and the Speaker of the Texas House of Representatives, and present the adopted State Water Plan for review to the appropriate legislative committees in the Texas Legislature. The most current State Water Plan, the 2022 State Water Plan, was adopted by the Board on July 7, 2021. The 2022 State Water Plan is available on the website of the Board, at <http://www.twdb.texas.gov/waterplanning/swp/2022/index.asp>.

In 2013, the 83rd Regular Session of the Texas Legislature enacted enabling legislation to implement provisions relating to the proposed constitutional amendments that created SWIFT and SWIRFT to enhance the ability of the State to provide financial assistance for projects to implement the State Water Plan. With the adoption of the two amendments to the Texas Constitution as described below, the plan envisioned by the Texas Legislature was implemented. Revenue bonds issued to support the “State Water Implementation Fund for Texas Program” are issued through the SWIRFT.

At an election held on November 5, 2013, the voters of Texas approved constitutional amendments which added two new sections to Article III of the Constitution. Generally, Section 49-d-12 provided for the appropriation of \$2 billion from the State’s economic stabilization fund to create and fund SWIFT as a special fund in the state treasury outside the general revenue fund of the State. Section 49-d-13 created SWIRFT as a special fund in the state treasury outside the general revenue fund of the State.

Section 49-d-12 provides that money in SWIFT shall be administered, without further appropriation, by the Board for the purpose of implementing the State Water Plan. In addition, Section 49-d-12 authorizes the Texas Legislature to authorize the Board to enter into bond enhancement agreements to provide a source of revenue or security for general obligation bonds or revenue bonds issued by the Board, the proceeds of which are used to finance State Water Plan projects, provided, that the bond enhancement agreements do not exceed the capacity of SWIFT to fully support such agreements. Moneys to be made available under the terms of a bond enhancement agreement are contributed solely from SWIFT. Subchapter G of Chapter 15 of the Texas Water Code provides that the Board has legal title to the money and investments of SWIFT to be used without further appropriation for the sole purpose of implementing the State Water Plan. Responsibility for the management and investment of SWIFT is conferred on the Texas Treasury Safekeeping Trust Company, a special-purpose trust company incorporated by the Comptroller under authority granted by Subchapter G of Chapter 404, Texas Government Code, which holds and invests SWIFT for and in the name of the Board.

The goal of the State Water Implementation Fund for Texas Program is to achieve funding of approximately \$27 billion of water projects over 50 years from 2015 and that the original \$2 billion capitalization of SWIFT is available in perpetuity. Subchapter G of Chapter 15 of the Texas Water Code provides that in each five year period between adoptions of a new State Water Plan, the Board shall undertake to apply not less than 10 percent of SWIFT funds to support projects that are for rural political subdivisions or agricultural water conservation, and 20 percent of SWIFT funds to support projects, including agricultural irrigation projects, that are designed for water conservation or reuse.

In accordance with State law, \$2 billion from the State's economic stabilization fund was appropriated and transferred to SWIFT. As of December 31, 2025, approximately \$1,333,325,429 has been transferred from SWIFT to provide a source of revenue or security for SWIRFT revenue bonds and general obligation bonds issued by the Board, as further described below. An additional \$153,156,518 has been transferred from SWIFT to support the payment of General Obligation Water Financial Assistance Bonds, the proceeds of which funded projects in the State Water Plan. SWIFT is administered by the Texas Treasury Safekeeping Trust Company ("TTSTC"). According to information available from TTSTC, as of December 31, 2025 SWIFT had a balance of approximately \$[] billion. Information relating to the administration of SWIFT by the TTSTC can be found at its website, TTSTC.org.

Section 49-d-13 authorizes the Texas Legislature to authorize the Board to issue bonds and enter into related credit agreements that are payable from revenues available to SWIRFT. Obligations issued or incurred pursuant to Section 49-d-13 are special obligations payable solely from amounts in SWIRFT. Moneys in SWIRFT consist of moneys transferred or deposited to the credit of SWIRFT by law; the proceeds of any fee or tax that may be imposed by the State in the future that by statute is dedicated for deposit to the credit of SWIRFT; any other revenue that the Texas Legislature dedicates for deposit to SWIRFT; investment earnings on amounts credited to SWIRFT; bond proceeds, including proceeds from revenue bonds issued for SWIRFT; repayments of political subdivision obligations made from SWIRFT; money from the sale, transfer, or lease of a project acquired, constructed, reconstructed, developed, or enlarged with money from SWIRFT; and money disbursed to SWIFRT from SWIFT.

The Board may use money in SWIRFT (i) as a source of revenue or security for the payment of the principal of and interest on revenue bonds issued by the Board under Subchapter H of Chapter 15 of the Texas Water Code, other bonds issue by the Board if the proceeds of SWIRFT revenue bonds will be deposited in the SWIRFT, (ii) to acquire political subdivision obligations or other assets from another fund or account administered by the Board, or (iii) to pay necessary and reasonable costs incurred by the Board in administering SWIRFT. Money deposited to the credit of SWIRFT must be invested as determined by the Board. Subchapter H of Chapter 15 of the Texas Water Code also authorizes that Board to issue revenue bonds for the purpose of providing money for SWIRFT. Revenue bonds issued under Subchapter H of Chapter 15 of the Texas Water Code are special obligations of the Board payable only from and secured by designated income and receipts of SWIRFT, and do not constitute indebtedness of the State.

As of December 31, 2025, the Board has issued eighteen series of SWIRFT revenue bonds, aggregating \$11,314,490,000 in principal amount outstanding. The following entities are Significant Borrowers under the SWIRFT revenue bond indentures: Tarrant Regional Water District; Lone Star Regional Water Authority; Palo Pinto County Municipal Water District No. 1; Coastal Water Authority, North Harris County Regional Water Authority; Sabine River Authority of Texas; North Fort Bend Water Authority; Upper Trinity Regional Water District, the North Texas Municipal Water District, and Brazosport Water Supply Corporation.

Cybersecurity

All agencies of the State are required to adhere to Texas Administrative Code Chapter 202, which establishes a baseline of security standards and includes a Control Standards Catalog that is aligned with FISMA and NIST 800-53, rev5. Additionally, the State's Office of the Chief Information Security Officer, in conjunction with the Statewide Information Security Advisory Committee, created a strategic plan for the State that focuses on cybersecurity initiatives. The plan, adopted May 2024, addresses the goals of threat surface management, governance, education, resilience and workforce development. In addition to compliance with such plan, the Board has adopted information technology policies and procedures, including risk management policies and procedures that are reviewed and updated annually. The Board employs other routine and standard processes that ensure the security of information resources as well, such as an annual risk assessment of information resources, a quarterly security report presented to executive

leadership, and an annual third party controlled penetration test. Additionally, there is, an Information Security Risk Assessment conducted by a third-party and an Agency Security Plan, both of which assess the Board's maturity level relative to established security objectives and are updated every two years. In addition, the Board requires annual security awareness training of all employees and contractors and conducts quarterly phishing exercises to reinforce awareness concepts. As of the date of this Official Statement, there have been no cybersecurity incidents that have materially impacted the operation or financial condition of the Board.

2025 Legislative Session

In odd-numbered years, the State Legislature meets in a regular session lasting 140 days. On January 14, 2025, the State Legislature convened its 89th Regular Session, which ended on June 2, 2025. On July 9, 2025, Governor Abbot called for a special session to begin on July 21 (the "1st Special Session") focusing on disaster preparedness and flood issues, among other topics not relevant to the TWDB. The 1st Special Session adjourned sine die August 15, 2025, without such legislation being passed. The Governor called the 2nd special session of the 89th Legislature (the "2nd Special Session," together with the 89th Regular Session and the 1st Special Session, the "89th Texas Legislative Session") to commence on August 15, 2025, to once again address disaster preparedness and flood issues, among other topics not relevant to the TWDB. The 2nd Special Session adjourned sine die September 4, 2025, after passing various legislation, including Senate Bill 3, which tasks the TWDB with identifying flash-flood-prone areas with a history of consistent or severe flooding that may warrant an outdoor warning siren system.

During the 89th Texas Legislature, House Joint Resolution (H.J.R.) 7 and Senate Bill (S.B.) 7 created the legal and financial framework for a multi-billion-dollar, constitutional water infrastructure investment. H.J.R. 7 dedicates the first \$1 billion annually in sales tax revenue above \$46.5 billion to the Texas Water Fund from fiscal years 2028 through 2047, subject to certain allocations set by the Legislature in law and subject to specific appropriation by the Legislature. In conjunction with H.J.R. 7, S.B. 7 expands the TWDB's authority to fund a broader range of water-related projects, establishes a fund advisory committee, clarifies the TWDB's planning and coordination role for water conveyance projects, regulates administrative spending and revenue allocation, and enables transfers from the Texas Water Fund to previously ineligible accounts.

Sunset Review of the Board

The Board is subject to review, but not abolishment, under the Texas Sunset Act, Chapter 325, Texas Government Code ("Sunset Act"), by the Sunset Advisory Commission ("Commission"). Pursuant to the Sunset Act, the Commission is required to make recommendations to the Legislature regarding the reorganization, consolidation or transfer of programs administered by the Board. The Sunset Act further prohibits the Legislature from enacting legislation that would in any way affect the Board's obligations, including those contractual obligations to the Bondholders of the Series 2026 Bonds. The Board was most recently reviewed in 2023 and is subject to review every 12th year thereafter. The Legislature, however, is not prohibited from considering legislation addressing the programs performed by the Board prior to such date.

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**APPENDIX D
SUMMARY OF POLITICAL SUBDIVISION BONDS**

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**SUMMARY OF POLITICAL SUBDIVISION BONDS
AS OF AUGUST 31, 2025**

The Political Subdivision Bonds listed under the headings CWSRF Political Subdivision Bonds and DWSRF Political Subdivision Bonds are held in the CWSRF Portfolio Account and DWSRF Portfolio Account, respectively, which were created by the Master Resolution adopted by the Board on March 1, 2018, and Repayments of such Political Subdivision Bonds will be Security for the SRF Bonds, available to make debt service payments on the Outstanding SRF Bonds, including the Series 2026 Bonds.

CLEAN WATER STATE REVOLVING FUND POLITICAL SUBDIVISION BONDS SUMMARY

POLITICAL SUBDIVISION	BOND DESCRIPTION	FINAL MATURITY	OUTSTANDING BALANCE
Abilene	COMB TAX & SPLS REV C/O, SER 2018	2/15/2039	\$13,315,000
Acton MUD	UTIL SYS REV BDS NEW SER 2017	5/1/2028	\$165,000
Acton MUD	UTIL SYS REV BDS SER 2018	5/1/2038	\$5,485,000
Acton MUD	UTIL SYS REV BDS, NEW SER 2020	5/1/2040	\$755,000
Acton MUD	UTIL SYS REV BDS, NEW SER 2021A	5/1/2041	\$1,990,000
Alamo	WW & SS REV BDS SER 2017	3/1/2037	\$640,000
Alamo	WWKS & SS REV BD, SER 2018	3/1/2047	\$9,230,000
Alba	COMB TAX & SURPLUS REV C/O SER 2018	8/15/2048	\$880,000
Aledo	TAX & WW & SS SURPLUS REV C/O SER 2012	8/15/2042	\$1,290,000
Aledo	TAX & WWKS & SS SPLS REV C/O, SER 2020	8/15/2051	\$3,670,000
Aledo	TAX & WWKS & SS SPLS REV C/O, SER 2024	8/15/2054	\$1,190,000
Aledo	COMB TAX & WWKS & SS SPLS REV C/O, SER 2025	8/15/2055	\$27,775,000
Alice	COMB TAX & SURPLUS REVENUE C/O SER 2009	2/1/2041	\$2,307,000
Alice	COMB TAX & SURPLUS REV C/O SER 2010	2/1/2041	\$1,118,000
Alto	COMB TAX & SPLS REV C/O, SER 2020	2/15/2050	\$1,500,000
Alton	COMB TAX & REV C/O SER 2017	8/15/2047	\$385,000
Amarillo	WW & SS REV BDS NEW SER 2014	4/1/2033	\$3,715,000
Amarillo	WW & SS REV BDS NEW SER 2018A	4/1/2038	\$8,395,000
Amarillo	WWKS & SS REV BDS, NEW SER 2020	4/1/2040	\$21,375,000
Anahuac	COMB TAX & REV C/O SER 2017B	10/15/2047	\$9,830,000
Angelina & Neches RA	CONTRACT REV BDS (ANGELINA CO FWSD #1 WASTEWATER PROJ) SER 2016	10/1/2045	\$1,765,000
Angelina & Neches RA	CONTRACT REV BDS (ANGELINA CO FWSD #1 WASTEWATER PROJECT) SER 2017	10/1/2047	\$1,365,000
Angelina & Neches RA	CONTRACT REV BDS (ANGELINA COUNTY FRESH WTR SUP DIST NO. 1 WSTWTR PROJ) SER 2021	10/1/2051	\$720,000
Anthony	COMB TAX & SURPLUS REV C/O SER 2009A	8/15/2039	\$2,630,000
Arcola	TAX & REV C/O SER 2008A	3/1/2038	\$815,000
Arlington	W & WW SYS REV BDS SER 2010	6/1/2030	\$3,465,000
Arlington	W & WW SYS REV BDS SER 2014	6/1/2034	\$1,530,000
Arlington	W & WW SYS REV BDS SER 2016	6/1/2036	\$1,135,000
Arlington	W & WW SYS REV BDS SER 2017	6/1/2036	\$2,750,000
Arlington	W & WW SYS REV BDS SER 2018	6/1/2037	\$2,935,000
Arlington	WTR & WSTWTR SYS REV BD, SER 2019C	6/1/2039	\$3,090,000
Arlington	WTR & WSTWTR SYS REV BDS SER 2025	6/1/2045	\$16,585,000
Athens	WWKS & SS REV BDS, SER 2020A	8/1/2030	\$545,000
Austin	W & WW SYS REV BDS SER 2010	11/15/2041	\$18,025,000
Austin	COMB TAX & SPLS REV C/O, TAXBL SER 2025 (CWSRF)	9/1/2044	\$12,160,000
Austin	WTR & WSTWTR SYS REV BDS, SER 2020A	11/15/2049	\$9,350,000
Austin	WTR & WSTWTR SYS REV BDS, SER 2021A	11/15/2050	\$9,070,000
Austin	WTR & WSTWTR SYS REV BDS, SER 2021D	11/15/2051	\$20,790,000
Austin	WTR & WSTWTR SYS REV BDS, SER 2022C	11/15/2052	\$7,880,000
Bandera	COMB TAX & SPLS REV C/O, TAXBL SER 2025A	2/1/2054	\$3,000,000

Bartlett	COMB TAX & SPLS REV C/O, SER 2024	3/1/2049	\$725,000
Bay City	TAX & SPLS REV C/O SER 2021A (CWSRF)	9/1/2050	\$4,319,000
Bay City	TAX & SPLS REV C/O, SER 2022A (CWSRF)	9/1/2051	\$11,958,000
Bay City	TAX & SPLS REV C/O, SER 2023A (CWSRF)	9/1/2052	\$13,070,000
Bay City	TAX & SPLS REV C/O, SER 2024A (CWSRF)	9/1/2049	\$7,124,000
Bedford	COMB TAX & REV C/O SER 2012	2/1/2032	\$240,000
Bell Co WCID # 2	UTIL SYS REV BD SER 2008	9/1/2029	\$345,000
Bertram	COMB TAX & JR LN REV C/O, SER 2020B	3/15/2051	\$4,570,000
Blanco	COMB TAX & SURPLUS REV C/O SER 2017B	8/15/2047	\$2,450,000
Blanco	COMB TAX & SPLS REV C/O, SER 2019	8/15/2048	\$2,060,000
Bonham	COMB TAX & REV CO SRS 2005A	2/15/2026	\$80,000
Bonham	COMB TAX & SURPLUS REV C/O SER 2016	2/15/2046	\$2,880,000
Bonham	COMB TAX & SPLS REV C/O, SER 2019A	2/15/2049	\$3,970,000
Bowie	COMB TAX & SPLS REV C/O, SER 2021	2/15/2051	\$8,950,000
Brady	COMB TAX & SPLS WWKS & SS REV C/O, SER 2019A	9/1/2050	\$7,790,000
Brady	COMB TAX & SPLS WWKS & SS REV C/O, SER 2019B	9/1/2050	\$1,755,000
Brady	COMB TAX & SPLS WWKS & SS REV C/O, SER 2021	9/1/2050	\$1,765,000
Breckenridge	COMB TAX & SURPLUS REV C/O SER 2013	3/15/2044	\$565,000
Breckenridge	COMB TAX & SPLS REV C/O, SER 2022A	3/15/2053	\$2,770,000
Brookeland FWSD	UTIL SYS REV BDS, SER 2021	9/1/2041	\$2,030,000
Brownsville	COMB TAX & REV C/O, SER 2020	2/15/2040	\$5,225,000
Bryan	WW & SS REV BDS NEW SER 2011	7/1/2030	\$4,055,000
Buffalo Gap	COMB TAX & REV C/O SER 2011	11/15/2041	\$255,000
Burnet	COMB TAX & SURPLUS REV C/O SER 2010	2/1/2040	\$5,895,000
Burnet	COMB TAX & SURPLUS REV C/O SER 2012	2/1/2042	\$5,780,000
Caddo Mills	COMB TAX & SURPLUS REV C/O SER 2012	8/15/2041	\$2,790,000
Cameron	COMB TAX & SURPLUS REV C/O SER 2016B	3/1/2042	\$8,070,000
Cameron	COMB TAX & SURPLUS REV C/O SER 2012	3/1/2032	\$350,000
Castroville	UTIL SYS REV BDS SER 2015B	8/1/2045	\$6,295,000
Castroville	UTIL SYS REV BDS SER 2015	8/1/2035	\$1,575,000
Castroville	UTIL SYS REV BDS SER 2017	8/1/2047	\$1,135,000
Cedar Bayou Park UD	WSTWTR SYS REV BDS, SER 2020	8/1/2050	\$690,000
Center	COMB TAX & WWKS & SS SPLS REV C/O, SER 2012	2/15/2035	\$1,115,000
China	UTIL SYS COMB TAX & SPLS REV C/O, SER 2023	3/1/2053	\$5,720,000
Cisco	COMB TAX & SURPLUS REV C/O SER 2018B	2/15/2049	\$1,450,000
Cleburne	WWKS & SS REV BDS, SER 2019	2/15/2044	\$36,660,000
Colorado City	COMB TAX & SPLS REV C/O, SER 2019	3/15/2039	\$1,995,000
Comanche	COMB TAX & SURPLUS REV C/O SER 2013A	9/1/2044	\$560,000
Comanche	COMB TAX & SPLS REV C/O, SER 2022A	9/1/2053	\$960,000
Commerce	COMB TAX & REV C/O SER 2007	8/15/2027	\$200,000
Commerce	COMB TAX & REV C/O SER 2010C	2/15/2040	\$1,765,000
Corpus Christi	UTIL SYS JR LN REV IMPR BDS, NEW SER 2022A	7/15/2042	\$3,093,000
Corrigan	COMBO TAX & SPLS REV C/O, SRS 2022	8/15/2052	\$2,430,000
Cotulla	COMB TAX & REV C/O SER 2017A	2/1/2047	\$2,775,000
Cranfills Gap	COMB TAX & SPLS REV C/O, SER 2021	2/15/2041	\$350,000
Crockett	COMB & SPLS REV C/O SER 2024A (TAXBL)	2/15/2054	\$3,135,000
Crockett	COMB TAX & SPLS REV C/O, SER 2024B	2/15/2054	\$1,180,000
Crystal City	COMB TAX & REV C/O, SER 2025A	8/1/2054	\$5,105,000
Crystal City	COMB TAX & REV C/O, SER 2025B	8/1/2054	\$3,045,000
Cushing	WW & SS REV BDS SER 2014	9/1/2044	\$395,000
Cypress Creek UD	U/L TAX BDS SER 2018A	9/1/2047	\$2,475,000
Daingerfield	COMB TAX & SPLS REV C/OS, SER 2022B	2/15/2052	\$1,685,000
Daingerfield	COMB TAX & SPLS REV C/O, SER 2023	2/15/2054	\$1,910,000
Dallas	WW & SS REV BDS SER 2018A	10/1/2047	\$17,920,000
Dallas	WWKS & SS REV BD, SER 2019A	10/1/2048	\$18,400,000

Dallas	WWKS & SS REV BDS, SER 2020A	10/1/2049	\$18,980,000
Dallas	WWKS & SS REV BDS, SER 2021A	10/1/2050	\$19,720,000
Dallas	WWKS & SS REV BDS, SER 2022A	10/1/2051	\$20,610,000
Del Rio	COMB TAX & REV C/O SER 2012A	6/1/2042	\$3,475,000
Del Rio	COMB TAX & REV C/O, SER 2019A	6/1/2048	\$440,000
Del Rio	COMB TAX & REV C/O, SER 2019C	6/1/2048	\$4,760,000
Del Rio	COMB TAX & REV C/O, SER 2021A	6/1/2050	\$1,335,000
Del Rio	COMB TAX & REV C/O, SER 2021C	6/1/2050	\$4,020,000
DeLeon	COMB TAX & REV C/O SER 2009	2/15/2029	\$460,000
Diboll	COMB TAX & SPLS SYS REV C/O, SER 2021	2/15/2051	\$3,670,000
Dilley	COMB TAX & SPLS REV C/O, (TAXBL) SER 2023A	9/1/2052	\$1,723,000
Dilley	COMBO TAX & REV C/O, (TAXBL) SER 2023B	9/1/2052	\$1,919,000
Donna	COMB TAX & REV C/O SER 2024A	2/15/2054	\$2,305,000
Dripping Springs	COMB TAX & SPLS REV C/O, SER 2019	6/1/2040	\$18,860,000
Dripping Springs	COMB TAX & SPLS REV C/O, SER 2022	6/1/2042	\$17,265,000
Dublin	COMB TAX & SPLS UTIL SYS REV C/O, SER 2018	12/15/2048	\$2,440,000
Early	COMB TAX & SURPLUS REV C/O SER 2015	2/15/2046	\$7,660,000
Eastland	COMB TAX & REV C/O, SER 2008-A	2/15/2029	\$265,000
Eastland	COMB TAX & SURPLUS REV C/O SER 2017	2/15/2037	\$4,125,000
Edgewood	COMB TAX & REV C/O, SER 2020	5/1/2040	\$1,165,000
Edinburg	UTIL SYS REV IMPR BDS, SER 2023	3/15/2052	\$27,985,000
El Paso	MUN DR UTIL SYS REV BDS SER 2009A	3/1/2031	\$642,000
Eldorado	COMB TAX & SURPLUS REV C/O SER 2016	8/1/2036	\$350,000
Eldorado	COMB TAX & SURPLUS REV C/O SER 2013A	8/1/2035	\$610,000
Ennis	COMB TAX & REV C/O SER 2018A	2/1/2038	\$3,030,000
Eules	WW & SS REV BDS SER 2015B	7/15/2035	\$1,300,000
Eules	WW & SS REV BDS SER 2018	7/15/2038	\$1,870,000
Farmersville	TAX & UTIL SYS SURPLUS REV C/O SER 2017	6/15/2037	\$3,830,000
Farwell	COMB TAX & WW & SS SURPLUS REV C/O SER 2018	2/15/2038	\$1,025,000
Fort Bend Co FWSD # 1	SAN SEWER SYS U/L TAX BDS SER 2006A	8/15/2027	\$865,000
Fort Worth	W & SS REV BDS SER 2015	2/15/2035	\$20,475,000
Fort Worth	W & SS REV BDS SER 2017	2/15/2047	\$12,240,000
Fort Worth	WTR & SS REV BDS, SER 2020	2/15/2040	\$47,150,000
Fort Worth	WTR & SS REV BDS, SER 2024B CWSRF (Village Creek)	2/15/2054	\$57,440,000
Garrison	COMB TAX & SPLS REV ANTIC NOTES, SER 2025	8/1/2032	\$65,000
Gatesville	UTIL SYS REV BD, SER 2019	9/1/2039	\$7,625,000
Gladewater	COMB TAX & SURPLUS REV C/O SER 2017B	8/15/2037	\$2,945,000
Gladewater	COMB TAX & SPLS REV C/O, SER 2025	8/15/2054	\$3,100,000
Granbury	COMB TAX & SPLS REV C/O, SER 2018B	8/15/2048	\$30,525,000
Grand Prairie	W & WW SYS REV BDS SER 2017	1/15/2030	\$1,990,000
Grand Prairie	WTR & WSTWTR SYS REV BD, NEW SER 2019	1/15/2039	\$2,220,000
Grand Saline	COMB TAX & SPLS REV C/O, SER 2020	8/15/2030	\$205,000
Greater Texoma UA	CONTRACT REV BDS SER 2006 (CITY OF POTTSBORO PROJECT)	6/1/2026	\$30,000
Greater Texoma UA	CONTRACT REV BDS SER 2006 (CITIES OF ANNA & MELISSA PROJ)	6/1/2026	\$270,000
Greater Texoma UA	CONTRACT REV BDS SER 2007 (CITIES OF ANNA & MELISSA PROJ)	6/1/2028	\$710,000
Greater Texoma UA	CONTRACT REV BDS SER 2009B (CITY OF MELISSA PROJECT)	6/1/2029	\$405,000
Greater Texoma UA	CONTRACT REV BDS SER 2014B (CITY OF VAN ALSTYNE PROJ)	6/1/2034	\$925,000
Greater Texoma UA	CONTRACT REVENUE BONDS SERIES 2014 (CITY OF KRUM PROJECT)	8/15/2041	\$1,475,000
Greater Texoma UA	CONTRACT REV BDS SER 2014 (CITY OF SHERMAN PROJECT)	10/1/2034	\$1,025,000

Greater Texoma UA	CONTRACT REV BDS SER 2015A (CITY OF SHERMAN PROJECT)	10/1/2035	\$2,215,000
Greater Texoma UA	CONTRACT REV BDS SER 2015 (CITY OF WHITEWRIGHT PROJECT)	10/1/2035	\$385,000
Greater Texoma UA	CONTRACT REV BDS SER 2016 (CITY OF SADLER PROJECT)	10/1/2041	\$125,000
Greater Texoma UA	CONTRACT REV BDS SER 2017 (CITY OF ECTOR PROJ)	10/1/2047	\$390,000
Greater Texoma UA	CONTRACT REV BDS SER 2018 (CITY OF GUNTER PROJ)	8/15/2038	\$1,565,000
Greater Texoma UA	CONTRACT REV BDS, SER 2019 (CITY OF POTTSBORO PROJ)	6/1/2049	\$7,730,000
Greater Texoma UA	CONTRACT REV BDS, SER 2020 (CITY OF SHERMAN PROJ)	10/1/2040	\$10,885,000
Greater Texoma UA	CONTRACT REV BDS, SER 2020 (CITY OF KAUFMAN PROJ)	8/15/2049	\$2,170,000
Greater Texoma UA	CONTRACT REV BNDS, SER 2023A	10/1/2053	\$2,950,000
Greater Texoma UA	CONTRACT REV BDS, SER 2023B	10/1/2053	\$3,500,000
Greater Texoma UA	CONTRACT REV BDS SER 2012 (CITY OF KRUM PROJ)	8/15/2041	\$2,020,000
Green Valley SUD	PRIOR LN WTR & WSTWTR SYS REV BDS, NEW SER 2020	9/15/2049	\$22,575,000
Greenville	WW & SS REV BDS SER 2008	2/15/2030	\$5,890,000
Groesbeck	COMB TAX & REV C/O SER 2007	2/15/2027	\$200,000
Guadalupe Blanco RA	CONTRACT REV BDS, SER 2021 (LAKE DUNLAP DAM & HYDROELEC FACILITIES PROJ)	8/15/2050	\$35,740,000
Guadalupe Blanco RA	CONTRACT REV BDS, SER 2021A (LAKE PLACID DAM FACILITIES PROJ)	8/15/2050	\$1,460,000
Guadalupe Blanco RA	CONTRACT REV BDS, SER 2022A (LAKE PLACID DAM FACILITIES PROJ)	8/15/2051	\$28,100,000
Guadalupe Blanco RA	CONTRACT REV BDS, SER 2021	8/15/2051	\$37,475,000
Guadalupe Blanco RA	CNTRCT REV BDS, SER 2023 (LAKE PLACID DAM FACILITIES PROJECT)	8/15/2053	\$7,325,000
Harlingen	WWKS & SS REV BDS, SER 2024A (CWSRF)	11/1/2054	\$10,000,000
Harris Co MUD # 33	U/L TAX BDS SER 2012	3/1/2036	\$1,455,000
Harris Co MUD # 50	WW & SS COMB U/L TAX & REV BDS SER 2007	3/1/2028	\$295,000
Harris Co MUD # 50	WW & SS COMB U/L TAX & REV BDS SER 2015	3/1/2034	\$1,255,000
Harris Co MUD # 50	WWKS & SS U/L COMB TAX & REV BD, SER 2018	3/1/2047	\$2,270,000
Harris Co MUD # 148	U/L TAX BDS SER 2009A	4/1/2031	\$915,000
Harris Co MUD # 148	U/L TAX BDS, SER 2020	4/1/2040	\$3,600,000
Harris Co WCID # 89	U/L TAX BDS SER 2009	10/1/2026	\$825,000
Hidalgo Co MUD # 1	WW & SS REV BDS SER 2008A	2/15/2039	\$1,680,000
Hidalgo Co MUD # 1	WW & SS REV BDS SER 2012	2/15/2032	\$590,000
Hitchcock	COMB TAX & REV C/O, SER 2024	8/1/2054	\$23,880,000
Honey Grove	COMB TAX & SPLS REV C/O, SER 2025A	2/15/2055	\$5,085,000
Honey Grove	COMB TAX & SPLS REV C/O, SER 2025B	2/15/2055	\$1,785,000
Horizon Regional MUD	U/L TAX BDS, SER 2020-A	2/1/2042	\$505,000
Houston	COMB UTIL SYS FIRST LIEN REV BDS SER 2014A	11/15/2043	\$45,105,000
Houston	COMB UTIL SYS FIRST LIEN REV BDS SER 2015A	11/15/2044	\$38,360,000
Houston	COMB UTIL SYS FIRST LIEN REV BDS SERIES 2016A	11/15/2045	\$46,090,000
Houston	COMB UTIL SYS FIRST LIEN REV BDS SER 2017A	11/15/2046	\$51,515,000
Houston	COMB UTIL SYS FIRST LIEN REV BDS SER 2018A	11/15/2047	\$52,980,000
Houston	COMB UTIL SYS FIRST LIEN REV BDS SER 2011B	11/15/2040	\$16,515,000
Houston	COMB UTIL SYS 1ST LN REV BD, SER 2019A	11/15/2048	\$54,380,000
Houston	COMB UTIL SYS 1ST LN REV BDS, SER 2020B	11/15/2049	\$38,535,000
Houston	COMB UTIL SYS FIRST LIEN REV BDS SER 2012E	11/15/2042	\$31,725,000
Houston	COMB UTIL SYS FIRST LIEN REV BDS SER 2013A	11/15/2042	\$31,460,000

Houston	COMB UTIL SYS 1ST LN REV BDS, SER 2021C	11/15/2041	\$111,615,000
Hudson	COMB TAX & UTIL SYS SURPLUS REV C/O SER 2015	8/15/2035	\$215,000
Hudson	COMB TAX & UTIL SYS SURPLUS REV C/O SER 2017	8/15/2036	\$2,280,000
Huntington	COMB TAX & SURPLUS REV C/O SER 2017	2/1/2037	\$750,000
Huntington	COMB TAX & SPLS REV C/O, SER 2020	2/1/2050	\$1,905,000
Hurst	TAX & WW & SS (SURPLUS PLEDGE) REV C/O SER 2018	8/15/2038	\$910,000
Hutto	TAX & SUBORD LIEN WW & SS REV C/O SER 2014	8/1/2039	\$14,005,000
Ingleside	COMB TAX & SUB LN REV C/O, SER 2020	2/1/2050	\$2,345,000
Ingleside	COMB TAX & SUB LN REV C/O, SER 2023	2/1/2053	\$18,150,000
Ingram	COMB TAX & SURPLUS REV C/O SER 2009	2/15/2039	\$386,000
Ingram	COMB TAX & SURPLUS REV C/O SER 2014	2/15/2043	\$960,000
Iola	COMB TAX & REV C/O, SER 2020	8/15/2050	\$548,000
Iola	COMB TAX & REV C/O, SER 2023	8/15/2055	\$3,343,000
Jacksonville	TAX & SPLS WTR & SEW REV C/O, SER 2022A	8/15/2042	\$5,144,000
Jacksonville	COMB TAX & SPLS WTR & SS REV C/O SER 2024B	8/15/2044	\$3,455,000
Jarrell	TAX & REV C/O SER 2006	8/1/2026	\$675,000
Jarrell	TAX & REV C/O SER 2008	8/1/2038	\$1,065,000
Jarrell	COMB TAX & REV C/O SER 2017	8/1/2042	\$8,615,000
Jasper Co WCID # 1	U/L TAX BD, SER 2018	3/15/2043	\$1,195,000
Jefferson	COMB TAX & SURPLUS REV C/O SER 2016B	2/15/2037	\$1,020,000
Jefferson Co WCID # 10	UTIL SYS REV BDS SER 2017	8/15/2037	\$640,000
Jourdanton	COMB TAX & SUB LN REV C/O, SER 2020B	2/1/2049	\$2,110,000
Keller	COMB TAX & SURPLUS REV C/O'S SER 2012	2/15/2032	\$2,360,000
Kermit	COMB TAX & REV C/O SER 2008	2/15/2028	\$830,000
Kerr County	COMB TAX & SURPLUS REV C/O SER 2016	2/15/2041	\$3,895,000
Kerr County	COMB TAX & SPLS REV C/O, SER 2018 (CENTER POINT/EAST KERR COUNTY WSTWTR SYS PROJ)	2/15/2047	\$3,810,000
Kerrville	COMB TAX & SPLS REV C/O, SER 2018A	8/15/2050	\$7,125,000
Kirbyville	TAX & LIGHT & POWER SURPLUS REV C/O SER 2015	8/15/2035	\$725,000
La Joya	WW & WASTEWATER SYS FIRST LIEN REV BDS SER 2007	3/1/2027	\$229,000
La Joya	WW & WASTEWATER SYS FIRST LIEN REV BDS SER 2009	9/1/2039	\$2,250,000
La Marque	TAX & SUB LN REV C/O SER 2025	2/1/2045	\$9,985,000
La Porte	C/O SER 2017	3/15/2037	\$6,695,000
La Porte	C/O, SER 2024	3/15/2043	\$13,840,000
Laguna Madre WD	WW & SS REV BDS SER 2016	3/1/2036	\$3,295,000
Laguna Madre WD	WWKS & SS REV BD, SER 2019	3/1/2034	\$5,010,000
Lake McQueeney WCID #1	U/L TAX BDS, SER 2024	8/15/2053	\$10,550,000
Lake Placid WCID #1	U/L TAX BDS, SER 2024	8/15/2053	\$6,000,000
Lake Worth	UTIL SYS REV BDS SER 2009	2/1/2030	\$75,000
Laredo	WW & SS REV BDS SER 2015B	3/1/2045	\$15,385,000
Laredo	WWKS & SS REV BDS, NEW SER 2020	3/1/2050	\$43,400,000
Laredo	SUBORD WW & SS REV BDS SER 2012	3/1/2042	\$30,035,000
Lefors	COMB TAX & SPLS REV C/O, SER 2020	2/15/2050	\$370,000
Leonard	COMB TAX & SPLS REV C/O SER 2023A	5/15/2053	\$775,000
Leonard	COMB TAX & SPLS REV C/O SER 2023B	5/15/2053	\$1,895,000
Liberty	UTIL SYS REV BDS SER 2016A	3/1/2026	\$90,000
Littlefield	COMB TAX & REV C/O SER 2006	2/15/2027	\$240,000
Llano	COMB TAX & SURPLUS REV C/O SER 2018A	9/15/2038	\$2,465,000
Llano	COMB TAX & SURPLUS REV C/O SER 2018C	9/15/2038	\$455,000
Lone Oak	COMB TAX & SPLS REV C/O SER 2025	3/1/2055	\$2,880,000
Los Fresnos	COMB TAX & SUBORD LIEN REV C/O SER 2009	2/1/2039	\$2,885,000

Los Fresnos	COMB TAX & SUB LN REV C/O, SER 2020B	2/1/2040	\$1,510,000
Los Fresnos	COMBO TAX & SUB LN REV C/O, SER 2022	2/1/2042	\$725,000
Lower Valley WD	UTIL SYS REV BDS, SER 2020	9/15/2039	\$4,120,000
Lubbock	TAX & WW SYS SURPLUS REV C/O SER 2017	2/15/2037	\$21,000,000
Lubbock	WTR & WSTWTR SYS REV BD, SER 2019	2/15/2039	\$13,725,000
Lumberton MUD	U/L TAX BDS, SER 2022B	8/15/2052	\$42,240,000
Madisonville	TAX & REV C/O, SER 2021	2/15/2051	\$2,690,000
Magnolia	TAX & REV C/O, SER 2023 (CWSRF)	11/1/2053	\$9,480,000
Marble Falls	COMB TAX & SPLS REV C/O, TAXBL SER 2023A	2/1/2053	\$925,000
Marble Falls	COMB TAX & SPLS REV C/O, TAXBL SER 2023C	2/1/2053	\$950,000
Marble Falls	COMB TAX & SPLS REV C/O, SER 2023B	2/1/2043	\$1,515,000
Marble Falls	COMB TAX & SPLS REV C/O, TAXBL SER 2025A	2/1/2055	\$3,055,000
Marble Falls	COMB TAX & SPLS REV C/O, SER 2025B	2/1/2055	\$5,580,000
Marble Falls	COMB TAX & SPLS REV C/O, SER 2025C	2/1/2055	\$4,295,000
Marfa	WW & WASTEWATER SYS REV BD SER 2007	3/15/2026	\$90,000
Marshall	UTIL SYS REV BDS SER 2024	8/15/2054	\$11,155,000
Mart	COMB TAX & SPLS REV C/O, SER 2022	2/15/2052	\$2,845,000
McAllen	WW & SS REV BDS SER 2013	2/1/2043	\$4,390,000
McAllen	WW & SS REV BDS SER 2015	2/1/2045	\$29,615,000
McAllen	WW & SS REV BDS SER 2009	2/1/2040	\$20,290,000
McAllen	WW & SS REV BDS SER 2016	2/1/2047	\$6,085,000
McAllen	WWKS & SS REV BD, SER 2018-A	2/1/2048	\$6,765,000
Memorial Point UD	WW REV BDS SER 2016	4/1/2036	\$1,265,000
Mercedes	COMB TAX & SUBORD LIEN REV C/O SER 2006	2/15/2026	\$45,000
Mercedes	UTIL SYS REV BDS SER 2013	2/15/2033	\$1,470,000
Mertzson	COMB TAX & SPLS REV C/O, TAXBL SER 2023A	2/15/2054	\$1,400,000
Mission	WW & SS JR LIEN REV BDS SER 2015	2/15/2044	\$11,660,000
Montgomery	TAX & SURPLUS REV C/O SER 2017A	3/1/2037	\$685,000
Moody	COMB TAX & SPLS REVS C/O, SER 2023A	8/10/2053	\$3,105,000
Moody	COMB TAX & SPLS REV C/O, SER 2023B	8/10/2053	\$305,000
Mount Vernon	COMB TAX & SURPLUS REV C/O SER 2013	9/1/2043	\$340,000
Nacogdoches Co MUD # 1	WWKS & SS REV BDS, SER 2019	8/15/2049	\$860,000
North Fort Bend WA	W SYS JR LIEN REV BDS SER 2016A	12/15/2040	\$6,965,000
North Fort Bend WA	W SYS JR LIEN REV BDS SER 2018A	12/15/2040	\$1,620,000
North Texas MWD	REG WSTWTR SYS REV BDS, SER 2020	6/1/2050	\$431,790,000
North Texas MWD	BUFFALO CREEK WSTWTR INTERCEPTOR SYS REV BDS, SER 2022	6/1/2052	\$37,365,000
North Texas MWD	REG WSTWTR REV BDS, SER 2025	6/1/2055	\$37,855,000
North Texas MWD	REG WSTWTR SYS REV BDS, SER 2021	6/1/2050	\$32,205,000
Northgate Crossing MUD # 2	U/L TAX BDS, SER 2024	12/1/2053	\$3,270,000
NW Harris Co MUD # 22	WW & SS COMB U/L TAX & REV BDS SER 2015	4/1/2030	\$1,050,000
Olney	COMB TAX & REV C/O SER 2015	9/1/2046	\$2,070,000
Orange Co WCID # 2	WWKS & SS REV BDS, SER 2021A	3/1/2046	\$1,800,000
Paducah	COMB TAX & REV C/O SER 2008	2/15/2038	\$570,000
Palo Pinto County	COMB TAX & SPLS REV C/O, SER 2020	2/15/2030	\$230,000
Pearland	W & SS REV BDS SER 2016B	9/1/2025	\$1,235,000
Pearland	W & SS REV BDS SER 2016C	9/1/2045	\$35,705,000
Pearland	WTR & SS REV BDS, SER 2021A	9/1/2051	\$68,215,000
Pecos	WW & WASTEWATER SYS REV BDS SER 2008	3/15/2034	\$2,475,000
Pecos	COMB TAX & REV C/O, SER 2021	3/1/2051	\$10,105,000
Pecos	COMB TAX & REV C/O, SER 2023	3/1/2052	\$20,380,000
Pflugerville	UTIL SYS REV BDS, SER 2021	8/1/2051	\$10,895,000
Pflugerville	UTIL SYS REV BDS, SER 2022A	8/1/2052	\$30,235,000
Pflugerville	UTIL SYS REV BOND, SER 2024A	8/1/2053	\$122,915,000
Pharr	WWKS & SS REV BDS, SER 2020A	9/1/2049	\$17,390,000
Pilot Point	COMB TAX & SUB LN REV C/O, SER 2023	8/15/2053	\$34,380,000

Port Arthur	COMB TAX & REV C/O, SER 2020B	8/15/2042	\$52,755,000
Primera	COMBO TAX & SUB LN REV C/O, SER 2023A	4/15/2048	\$5,855,000
Primera	COMB TAX & SUB LIN REV C/O, SER 2023B	4/15/2040	\$75,000
Quinlan	COMB TAX & SURPLUS REV C/O SER 2017	2/15/2037	\$1,125,000
Raymondville	COMB TAX & SUB LIEN REV C/O SER 2010	4/1/2040	\$730,000
Raymondville	COMB TAX & SUB LN REV C/O, SER 2022	4/1/2042	\$2,125,000
Redwater	COMB TAX & REV C/O SER 2005	6/1/2026	\$5,000
Rio Grande City	COMB TAX & REV C/O SER 2007A	2/15/2030	\$725,000
Rio Grande City	COMB TAX & REV C/O SER 2013 (TAXABLE)	2/15/2033	\$965,000
Rio Grande City	COMB TAX & REV C/O, TAXBL SER 2020A	2/15/2050	\$4,720,000
River Oaks	COMB TAX & SURPLUS REV C/O SER 2017A	6/15/2047	\$5,365,000
Robstown	S SYS REV BDS SER 2014	12/1/2035	\$275,000
Robstown	S SYS REV BDS SER 2011	12/1/2041	\$1,855,000
Rockdale	COMB TAX & SPLS REV C/O, SER 2020C	6/15/2050	\$8,290,000
Rockdale	COMB TAX & SPLS REV C/O, SER 2020D	6/15/2050	\$1,985,000
Roma	COMB TAX & SPLS REV C/O, SER 2022B	9/1/2051	\$1,931,000
Roma	COMB TAX & SPLS SYS REV C/O, SER 2022A	9/1/2051	\$336,000
Roman Forest Consolidated MUD	U/L TAX BDS, SER 2019	8/1/2050	\$4,730,000
Rosebud	COMB TAX & REV C/O, SER 2020	8/1/2050	\$875,000
Rosenberg	COMB TAX & REV C/O SER 2010	8/1/2029	\$80,000
Roxton	COMB TAX & REV C/O SER 2007	7/1/2027	\$140,000
San Antonio River Authority	WASTEWATER SYS REV IMP BDS SER 2017	1/1/2038	\$6,440,000
San Antonio Water System	W SYS JR LIEN REV BDS SER 2013D	5/15/2043	\$40,965,000
San Antonio Water System	W SYS JR LIEN REV BDS SER 2014C	5/15/2044	\$26,320,000
San Antonio Water System	W SYS JR LIEN REV BDS SER 2016E	5/15/2046	\$10,635,000
San Antonio Water System	WTR SYS JR LN REV BDS, SER 2020B	5/15/2050	\$21,185,000
San Antonio Water System	W SYS JR LIEN REV BDS SER 2012	5/15/2042	\$11,925,000
San Augustine	TAX & REV C/O SER 2010	2/15/2040	\$755,000
San Jacinto RA	SPEC PROJ REV BDS (THE WOODLANDS WTR SUP SYS & WD SYS REP & REHAB PROJ) SER 2017	10/1/2042	\$33,045,000
San Juan	WW & SS REV BDS SER 2017	1/1/2047	\$1,820,000
San Juan	WW & SS REV BDS SER 2018	1/1/2048	\$1,025,000
San Juan	WWKS & SS REV BDS, SER 2019A	1/1/2049	\$1,415,000
San Juan	WWKS & SS REV BD, SER 2019	1/1/2049	\$5,450,000
San Leon MUD	U/L TAX BDS, (TAXBL) SER 2023	9/1/2044	\$3,055,000
San Leon MUD	U/L TAX BDS, SER 2023A	9/1/2044	\$1,310,000
San Marcos	WW & WASTEWATER SYS REV BDS SER 2017A	8/15/2037	\$2,965,000
San Marcos	WW & WASTEWATER SYS REV BDS SER 2017B	8/15/2037	\$625,000
San Marcos	COMB TAX & SPLS REV C/O, SER 2018	8/15/2038	\$1,300,000
Savoy	COMB TAX & SURPLUS REV C/O SER 2018	8/15/2048	\$2,320,000
Seguin	UTIL SYS REV BDS, SER 2021	2/1/2051	\$12,615,000
Seguin	UTIL SYS REV BDS, SER 2023	2/1/2053	\$180,510,000
Sequoia ID	U/L TAX BDS SER 2016	4/1/2035	\$770,000
Shenandoah	COMB TAX & REV C/O, SER 2022	8/15/2042	\$5,907,000
Sienna Regional MUD	CONTRACT REV BDS SER 2018	11/1/2048	\$22,395,000
Sonora	COMB TAX & SUBORD LIEN REV C/O SER 2007	12/1/2029	\$1,800,000
Springtown	TAX & WW & SS SURPLUS REV C/O SER 2012A	8/15/2032	\$1,730,000
Stephenville	COMB TAX & SURPLUS REV C/O SER 2018	2/15/2039	\$12,235,000
Sulphur Springs	COMB TAX & SURPLUS REV C/O SER 2016	9/1/2046	\$14,115,000
Sunbelt FWSD	WTR & SEW REV BDS, SER 2018	12/1/2048	\$7,645,000
Sweetwater	COMB TAX & SPLS REV C/O, SER 2021B	8/15/2041	\$1,945,000

Taft	COMB TAX & SURPLUS REV C/O SER 2010	3/1/2042	\$3,271,000
Taylor Landing	UTIL SYS REV BDS SER 2007	9/1/2028	\$185,000
Terrell	COMB TAX & WWKS & SS (SPLS PLEDGE) REV C/O, SER 2019A	2/15/2049	\$3,935,000
Terrell	COMB TAX & WWKS & SS REV C/O, SER 2020A	8/15/2040	\$4,500,000
Terrell	COMB TAX & WWKS & SS (SPLS PLEDGE) REV C/O, SER 2021B	8/15/2051	\$8,245,000
Terrell	COMB TAX & WWKS & SS (SPLS PLDG) REV C/O, SER 2022A	8/15/2052	\$3,175,000
Trinidad	COMB TAX & REV C/O SER 2007A	1/1/2027	\$90,000
Trinity River Authority	DENTON CREEK REGIONAL WASTEWATER TREATMENT SYS REV BDS SER 2011A	2/1/2038	\$22,830,000
Trinity River Authority	MOUNTAIN CREEK REGIONAL WASTEWATER SYS REV BDS SER 2011	8/1/2038	\$7,095,000
Trinity River Authority	TEN MILE CREEK SYS REV BDS SER 2011	8/1/2034	\$18,550,000
Trinity River Authority	REG WASTEWATER SYS REV BDS SER 2012	8/1/2032	\$35,560,000
Trinity River Authority	DENTON CREEK REGIONAL WASTEWATER TREATMENT SYS REV BDS SER 2012	2/1/2040	\$11,000,000
Troup	COMB TAX & SPLS WTR & SS REV C/O, SER 2020	8/1/2050	\$690,000
Valley MUD # 2	COMB U/L TAX & WW & SS REV BDS SER 2018A	2/15/2048	\$3,530,000
Vinton	COMBTAX & SOLID WASTE SURPLUS REV C/O SER 2016	8/15/2046	\$602,000
Vinton	COMB TAX & SS SURPLUS REV C/O SER 2017	8/15/2048	\$4,070,000
Weatherford	TAX & UTIL SYS REV C/O SER 2016	9/1/2036	\$6,940,000
Westwood Shores MUD	U/L TAX BDS SER 2010B	5/1/2030	\$675,000
Westwood Shores MUD	U/L TAX BDS, SER 2020A	5/1/2040	\$1,195,000
Wichita Falls	COMB TAX & REV C/O SER 2015	3/1/2045	\$23,890,000
Willis	TAX & REV C/O SER 2010	8/1/2031	\$1,090,000
Willow Park	COMB TAX & WWKS & SS SPLS REV C/O, SER 2021A	2/15/2052	\$12,895,000
Wilson	TAX & WW & SS SUPLUS REV C/O SER 2009	2/15/2039	\$885,000
Winnsboro	COMB TAX & W & SS SURPLUS REV C/O SER 2015	8/15/2035	\$540,000
Wolfe City	COMB TAX & SPLS REV C/O, SER 2019A	3/1/2051	\$2,045,000
Wolfe City	COMB TAX & SPLS REV C/O, SER 2019B	3/1/2051	\$1,755,000
Yoakum	COMB TAX & SUB LIEN REV C/O SER 2006	8/15/2028	\$1,025,000
Yoakum	COMB TAX & SUBORD LIEN REV C/O SER 2008	8/15/2031	\$665,000
Zapata County	COMB TAX & REV C/O SER 2008	2/15/2032	\$2,245,000
		TOTAL CWSRF	\$3,667,615,000

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DRINKING WATER STATE REVOLVING FUND POLITICAL SUBDIVISION BONDS SUMMARY

POLITICAL SUBDIVISION	BOND DESCRIPTION	FINAL MATURITY	OUTSTANDING BALANCE
Abilene	COMB TAX & SURPLUS REV C/O SER 2012	2/15/2033	\$1,050,000
Alice	COMB TAX & SPLS REV C/O, SER 2019A	2/1/2039	\$2,005,000
Alice	COMB TAX & SPLS REV C/O, SER 2019B	2/1/2039	\$800,000
Alice	COMB TAX & SPLS REV C/O, SER 2022A	2/1/2052	\$3,839,000
Alice	COMB TAX & SPLS REV C/O, SER 2022B	2/1/2052	\$918,000
Alpine	COMB TAX & REV C/O SER 2005	3/1/2036	\$1,509,000
Alvord	TAX & WWKS & SS SPLS REV C/O, SER 2005	10/1/2025	\$25,000
Amarillo	COMB TAX & REV C/O SER 2009C	5/15/2031	\$5,430,000
Amarillo	WW & SS REV NEW BDS SER 2015	4/1/2035	\$8,915,000
Anahuac	COMB TAX & REV C/O SER 2017A	10/15/2047	\$4,255,000
Anthony	COMB TAX & SURPLUS REV C/O SER 2016	2/15/2046	\$773,000
Arlington	W & WW SYS REV BDS SER 2017B	6/1/2037	\$7,210,000
Arlington	WTR & WSTWTR SYS REV BDS, SER 2019D	6/1/2039	\$55,650,000
Arp	COMB TAX & SPLS REV C/O, SER 2021	6/15/2051	\$1,456,000
Athens	WWKS & SS REV BDS, SER 2020	8/1/2029	\$360,000
Austin	WTR/WSTWTR SYS REV BDS, SER 2020B	11/15/2049	\$3,175,000
Austin	WTR & WSTWTR SYS REV BDS, SER 2021B	11/15/2050	\$8,205,000
Austin	WTR & WSTWTR SYS REV BDS, SER 2021E	11/15/2051	\$27,010,000
Austin	WTR & WSTWTR SYS REV BDS, SER 2022B (DWSRF)	11/15/2052	\$23,400,000
Ballinger	TAX & WW & SS SURPLUS REV C/O TAXABLE SER 2006	6/1/2038	\$1,655,000
Ballinger	TAX & WW & SS SURPLUS REV C/O SER 2016	6/1/2026	\$65,000
Ballinger	TAX & WWKS & SS SPLS REV C/O, SER 2018	6/1/2030	\$545,000
Bandera	COMB TAX & SPLS REV C/O, SER 2018	2/1/2048	\$2,580,000
Bangs	COMB TAX & REV C/O, SER 2018	2/15/2049	\$1,490,000
Bay City	COMB TAX & SPLS REV C/O, SER 2024D (DWSRF)	9/1/2049	\$8,910,000
Bay City	COMB TAX & SPLS REV C/O, SER 2024C (DWSRF)	9/1/2049	\$2,590,000
Bay City	TAX & SPLS REV C/O SER 2021B (DWSRF)	9/1/2050	\$1,930,000
Bay City	TAX & SPLS REV C/O, SER 2022B (DWSRF)	9/1/2051	\$5,315,000
Bay City	TAX & SPLS REV C/O, SER 2023B	9/1/2052	\$6,010,000
Bay City	TAX & SPLS REV C/O, SER 2024B (DWSRF)	9/1/2049	\$3,620,000
Beechwood WSC	W SYS REV BDS SER 2008	7/1/2038	\$625,000
Beeville	COMB TAX & SURPLUS REV C/O SER 2016	2/15/2036	\$1,895,000
Bertram	COMB TAX & JR LN REV C/O, SER 2020A	3/15/2052	\$11,610,000
Bistone Municipal WSD	WATER SUPPLY REV BDS SER 2013	6/1/2034	\$3,055,000
Blanco	COMB TAX & SURPLUS REV C/O SER 2017A	8/15/2047	\$2,470,000
Blanco	COMB TAX & SPLS REV C/O, SER 2020	2/15/2051	\$3,340,000
Blanco	COMB TAX & SRPLS REV C/O, SER 2024	9/1/2053	\$3,390,000
Blossom	COMB TAX & SURPLUS REV C/O SER 2010	1/1/2039	\$405,000
Bolivar Peninsula SUD	W SYS REV REF BDS SER 2009A	2/15/2027	\$270,000
Bolivar Peninsula SUD	W SYS REV REF BDS SER 2009B	2/15/2038	\$3,405,000
Bolivar Peninsula SUD	W SYS REV REF BDS SER 2009C	2/15/2028	\$760,000
Bonham	COMB TAX & REV C/O SER 2006	2/15/2036	\$2,695,000
Bonham	COMB TAX & SPLS REV C/O, SER 2019B	2/15/2049	\$8,185,000
Booker	COMB TAX & SURPLUS REV C/O SER 2017	8/15/2037	\$295,000
Borden County	COMB TAX & SPLS REV C/O, SER 2019	10/15/2044	\$1,080,000
Boyd	C/O, SER 2018	9/1/2048	\$600,000
Boyd	C/O, SER 2021A	2/15/2051	\$4,865,000
Brady	COMB TAX & WW SURPLUS REV C/O SER 2000	5/1/2031	\$1,260,000
Brady	COMB TAX & SPLS WWKS & SS REV C/O, SER 2019	9/1/2050	\$9,510,000
Brazosport WA	WATER SUP SYS REG REV BDS SER 2014	9/1/2034	\$8,250,000
Breckenridge	COMB TAX & SURPLUS REV C/O SER 2012	3/15/2033	\$435,000

Breckenridge	COMB TAX & SURPLUS REV C/O SER 2014	3/15/2045	\$1,845,000
Breckenridge	COMB TAX & SPLS REV C/O, SER 2022B	3/15/2053	\$2,195,000
Brookshire MWD	WTR & SEW REV BDS, SER 2019A	8/1/2048	\$850,000
Brookshire MWD	WTR & SEW REV BDS, SER 2019B	8/1/2048	\$1,070,000
Brown Co WID # 1	REV BDS SER 2006	2/1/2028	\$3,795,000
Burleson Co MUD # 1	U/L TAX & REV BDS SER 2002	6/1/2034	\$634,000
Cameron	COMB TAX & SURPLUS REV C/O SER 2016A	3/1/2042	\$6,325,000
Carbon	COMB TAX & SURPLUS REV C/O TAXABLE SER 2014	2/15/2035	\$59,000
Castroville	UTIL SYS REV BDS SER 2015A	8/1/2035	\$1,890,000
Chandler	COMB TAX & SURPLUS REV C/O SER 2018	10/15/2042	\$595,000
Cisco	COMB TAX & REV C/O SER 2008	2/15/2038	\$975,000
Cisco	COMB TAX & SURPLUS REV C/O SER 2018A	2/15/2049	\$3,635,000
Coleman	TAX & UTIL SYS SURPLUS REV C/O SER 2008	4/1/2039	\$2,310,000
Comanche	COMB TAX & UTIL SYS SURPLUS REV C/O SER 2013	9/1/2043	\$485,000
Comanche	COMB TAX & SPLS REV C/O, SER 2022B	9/1/2053	\$985,000
Comanche	COMB TAX & SPLS REV C/O, SER 2022C	9/1/2053	\$474,000
Commerce	COMB TAX & REV C/O SER 2010A	2/15/2040	\$1,221,000
Commerce	COMB TAX & REV C/O TAXABLE SER 2010B	2/15/2040	\$255,000
Corpus Christi	JR LIEN REV REF BDS SER 2017	7/15/2045	\$36,900,000
Coryell City WSD	UTIL SYS NET REV BDS SER 2016	10/1/2037	\$1,435,000
Cottonwood Shores	COMB TAX & REV C/O SER 2017	5/1/2037	\$950,000
Cotulla	COMB TAX & REV C/O SER 2017B	2/1/2047	\$3,160,000
Cotulla	COMB TAX & SPLS REV C/O, SER 2020	2/1/2050	\$1,980,000
Crockett	COMB TAX & SPLS REV C/O, SER 2022	8/15/2043	\$1,565,000
Crockett	COMB TAX & SPLS REV C/O, SER 2024C	2/15/2054	\$3,250,000
Crystal Clear SUD	COMB W & SS REV BDS SER 2017	12/1/2042	\$11,400,000
Crystal Clear SUD	COMB WTR & SS REV BDS, SER 2023	12/1/2043	\$1,875,000
Cypress Creek UD	U/L TAX BDS SER 2018B	9/1/2047	\$1,720,000
Daingerfield	COMB TAX & SPLS C/O, SER 2022A	2/15/2052	\$1,520,000
Daingerfield	COMB TAX & SPLS REV C/O SER 2025A	2/15/2055	\$1,180,000
Daisetta	GO BD, SER 2023 (TWDB DWSRF)	2/15/2053	\$910,000
Dallas	WW & SS REV BDS SER 2018B	10/1/2047	\$36,130,000
Dallas	WWKS & SS REV BD, SER 2019B	10/1/2048	\$37,040,000
Dallas	WWKS & SS REV BDS, SER 2020B	10/1/2049	\$38,040,000
Dallas	WWKS & SS REV BDS, SER 2021B	10/1/2050	\$39,455,000
Dallas	WWKS & SS REV BDS, SER 2022B	10/1/2051	\$41,325,000
De Kalb	COMB TAX & SPLS REV C/O, SER 2024B	8/15/2054	\$2,035,000
De Kalb	COMB TAX & SPLS REV C/O, SER 2024A	8/15/2054	\$1,130,000
Del Rio	COMB TAX & REV C/O, SER 2019B	6/1/2038	\$2,335,000
Del Rio	COMB TAX & REV C/O, SER 2021B	6/1/2050	\$2,670,000
DeLeon	COMB TAX & REV C/O SER 2014	2/15/2043	\$360,000
Devine	UTIL SYS REV BDS, SER 2018A	2/1/2048	\$2,250,000
Devine	UTIL SYS REV BDS, SER 2018B	2/1/2048	\$6,025,000
Dickens	COMB TAX & SURPLUS REV C/O SER 2018	8/15/2048	\$385,000
Eagle Pass	WW & SS REV BDS SER 2003-B	12/1/2034	\$3,845,000
Eagle Pass	WW & SS REV BDS SER 2004A	12/1/2033	\$3,205,000
Eagle Pass	WW & SS REV BDS SER 2013	12/1/2036	\$2,545,000
Eagle Pass	WWKS & SS REV BDS, SER 2020	12/1/2050	\$3,160,000
Eagle Pass	WW & SS REV BDS SER 2016	12/1/2046	\$13,495,000
Eagle Pass	WW & SS REV BDS SER 2018	12/1/2047	\$10,185,000
Eagle Pass	WWKS & SS REV BDS, SER 2019	12/1/2048	\$13,065,000
East Texas MUD of Smith County	UTIL SYS REV BDS, SER 2022A	8/15/2052	\$455,000
East Texas MUD of Smith County	REV BDS, SER 2022B	8/15/2052	\$969,000

Eastland	COMB TAX & REV C/O SER 2008B	12/1/2036	\$1,105,000
Eastland	COMB TAX & SPLS REV C/O, SER 2018	2/15/2038	\$500,000
Eastland	COMB TAX & SPLS REV C/O, SER 2024A	2/15/2054	\$1,245,000
Eastland	COMB TAX & SPLS REV C/O, TAXBL SER 2024B	2/15/2054	\$310,000
Eastland Co WSD	WTR SUP REV BD, SER 2019	1/1/2050	\$655,000
Eastland Co WSD	WATER SUPPLY REV BDS TAXABLE SER 2012	1/1/2044	\$2,675,000
Ector County UD	WTR SYS REV BDS, SER 2019	8/1/2049	\$36,970,000
Edgewood	COMB TAX & REV C/O SER 2009	5/1/2039	\$485,000
Edinburg	UTIL SYS JR REV BDS SER 2014	3/1/2034	\$5,065,000
Edinburg	UTIL SYS JR LIEN REV BDS SER 2016	3/1/2036	\$3,055,000
El Paso Co Tornillo WID	WW & SS REV BDS SER 2008	8/1/2038	\$55,000
Eldorado	COMB TAX & SURPLUS REV C/O SER 2013B	8/1/2036	\$315,000
Eldorado	COMB TAX & SURPLUS REV C/O SER 2018	8/1/2038	\$825,000
Elmendorf	COMB TAX & SUBORD LIEN REV C/O SER 2018	8/1/2048	\$9,255,000
Emory	COMB TAX & WW & SS SURPLUS REV C/O SER 2013	7/1/2033	\$335,000
Eules	WW & SS REV BDS SER 2015A	7/15/2035	\$2,475,000
Eules	WWKS & SS REV BDS, SER 2019	7/15/2049	\$7,645,000
Everman	COMB TAX & SUB LN REV C/O, SER 2020	2/1/2040	\$2,025,000
Fayetteville	COMB TAX & UTIL SYS SURPLUS REV C/O SER 2016	8/1/2035	\$100,000
Flatonia	COMB TAX & SUB LIEN REV C/O SER 2006	9/1/2026	\$65,000
Fort Griffin SUD	WWKS SYS REV BDS, SER 2019	8/1/2050	\$1,300,000
Fort Worth	W & SS REV BDS SER 2009	2/15/2030	\$3,955,000
Garland	WTR & SS REV BD, NEW SER 2019	3/1/2034	\$4,055,000
Gladewater	COMB TAX & SURPLUS REV C/O SER 2017A	8/15/2037	\$1,195,000
Gladewater	COMB TAX & REV C/O, SER 2022A	8/15/2052	\$918,000
Gladewater	COMB TAX & REV C/O, SER 2022B	8/15/2052	\$784,000
Gladewater	COMB TAX & SPLS REV C/O, SER 2024	8/15/2054	\$835,000
Goldthwaite	COMB TAX & SURPLUS REV C/O SER 2013	11/1/2044	\$1,100,000
Goliad	COMB TAX & SPLS REV C/O, SER 2019	2/15/2039	\$750,000
Gordon	COMB TAX & SURPLUS REV C/O TAXABLE SER 2017	3/1/2048	\$390,000
Gordon	COMB TAX & SPLS REV C/O, TAXBL SER 2020	3/1/2036	\$72,000
Gordon	COMB TAX & SPLS REV C/O, TAXBL SER 2024	3/1/2055	\$830,000
Gordon	COMB TAX & SPLS REV C/O TAXBL SER 2024A	3/1/2055	\$530,000
Gorman	COMB TAX & WW & SS SURPLUS REV C/O SER 2015	3/1/2030	\$52,000
Gorman	COMB TAX & WW & SS SURPLUS REV C/O SER 2018	3/1/2048	\$860,000
Granbury	COMB TAX & SURPLUS REV C/O SER 2015A	8/15/2045	\$14,050,000
Granbury	COMB TAX & SURPLUS REV C/O SER 2016B	8/15/2027	\$555,000
Granbury	COMB TAX & SURPLUS REV C/O SER 2017	8/15/2037	\$12,595,000
Granbury	COMB TAX & SPLS REV C/O, SER 2018A	8/15/2048	\$11,460,000
Grand Prairie	W & WW SYS REV BDS NEW SER 2014	1/15/2030	\$1,325,000
Greater Texoma UA	CONTRACT REV BDS SER 2007 (CITY OF POTTSBORO PROJECT)	6/1/2027	\$225,000
Greater Texoma UA	CONTRACT REV BDS SER 2014 (LAKE KIOWA SPECIAL UTILITY DISTRICT PROJECT)	8/15/2034	\$1,890,000
Greater Texoma UA	CONTRACT REV BDS (CITY OF VAN ALSTYNE PROJECT) SER 2015	6/1/2034	\$1,835,000
Greater Texoma UA	CONTRACT REV BDS SER 2015B (CITY OF SHERMAN PROJECT)	10/1/2035	\$15,745,000
Greater Texoma UA	CONTRACT REV BDS SER 2017 (CITY OF SHERMAN PROJ)	10/1/2037	\$4,860,000
Greater Texoma UA	CONTRACT REV BDS SER 2017 (LAKE KIOWA SPECIAL UTILITY DISTRICT PROJ)	8/15/2037	\$1,365,000

Greater Texoma UA	CONTRACT REV BDS SER 2017 (KRUM, CITY OF PROJECT)	8/15/2037	\$770,000
Greater Texoma UA	CONTRACT REV BDS SER 2018 (CITY OF PRINCETON PROJ)	9/1/2048	\$14,395,000
Greater Texoma UA	CONTRACT REV BDS SER 2018 (CITY OF PARADISE PROJECT)	10/1/2048	\$800,000
Greater Texoma UA	CONTRACT REV BDS, SER 2018A (CITY OF GUNTER PROJ)	8/15/2048	\$3,040,000
Greater Texoma UA	CONTRACT REV BDS, SER 2019 (BEAR CREEK UTIL DIST PROJ)	8/15/2049	\$6,330,000
Greater Texoma UA	CONTRACT REV BDS, SER 2019A (CITY OF WHITEWRIGHT PROJ)	10/1/2049	\$1,525,000
Greater Texoma UA	CONTRACT REV BDS, SER 2019B (CITY OF WHITEWRIGHT PROJ)	10/1/2049	\$875,000
Greater Texoma UA	CONTRACT REV BDS, SER 2021	8/15/2051	\$4,870,000
Greater Texoma UA	CONTRACT REV BDS, SER 2021 (GOBER MUD PROJ)	6/1/2051	\$730,000
Greater Texoma UA	CONTRACT REV BDS, SER 2021 (CITY OF VAN ALSTYNE PROJ)	6/1/2051	\$3,560,000
Greenbelt MIWA	1ST LN REV BDS, SER 2023	7/10/2053	\$7,740,000
Greenville	WW & SS REV BDS SER 2009	2/15/2029	\$80,000
Groesbeck	COMB TAX & REV C/O SER 2006	8/15/2036	\$360,000
Groesbeck	COMB TAX & REV C/O SER 2008	2/15/2040	\$1,070,000
Groveton	COMB TAX & SPLS REV C/O, SER 2019	8/15/2040	\$485,000
Hamlin	COMB TAX & REV C/O SER 2000	3/1/2031	\$1,140,000
Harris Co MUD # 50	U/L TAX BDS SER 2016	3/1/2035	\$1,400,000
Harris Co WCID # 36	U/L TAX BDS SER 2014	9/1/2034	\$2,145,000
Hico	COMB TAX & SURPLUS REV C/O SER 2013	8/15/2042	\$1,005,000
Hidalgo Co MUD # 1	WW & SS REV BDS SER 2009	2/15/2039	\$2,660,000
Hillsboro	COMB TAX & SPLS REV C/O, SER 2019	7/1/2039	\$2,280,000
Hondo	COMB TAX & SUBORD LIEN REV C/O SER 2017	8/1/2036	\$3,310,000
Honey Grove	COMB TAX & SURPLUS REV C/O SER 2016	9/1/2045	\$2,060,000
Houston	COMB UTIL SYS FIRST LIEN REV BDS SER 2015B	11/15/2034	\$25,200,000
Houston Co WCID # 1	W SYS REV BD SER 2007	8/1/2038	\$3,205,000
Hubbard	COMB TAX & REV C/O SER 2012	2/15/2043	\$1,060,000
Huntington	COMB TAX & SPLS REV C/O SER 2024 (TAXBL)	2/1/2044	\$310,000
Jefferson	COMB TAX & SURPLUS REV C/O SER 2016A	2/15/2037	\$1,620,000
Johnson County SUD	REV BDS SER 2018	8/15/2038	\$14,955,000
Jourdanton	COMB TAX & SUB LN REV C/O, SER 2020A	2/1/2049	\$5,795,000
Kerrville	COMB TAX & SPLS REV C/O, SER 2018B	8/15/2049	\$4,305,000
Kirbyville	TAX & LIGHT & POWER SURPLUS REV C/O SER 2018	8/15/2038	\$1,245,000
Laguna Madre WD	WWKS & SS REV BDS, SER 2023	3/1/2053	\$12,875,000
Lake Livingston WSC	TAXABLE WATER REV BDS SER 2007	12/1/2039	\$10,525,000
Lake Livingston WSC	TAXABLE WATER REV BDS SER 2013	12/1/2034	\$1,990,000
Lamar Co WSD	W SYS REV BDS SER 2010	7/10/2039	\$880,000
Laredo	SUBORD WW & SS REV BDS SER 2015	3/1/2045	\$3,920,000
Laredo	WW & SS REV BDS SER 2015A	3/1/2045	\$3,235,000
Lawn	COMB TAX & WWKS & SS SPLS REV C/O, SER 2018	3/1/2049	\$750,000
Lee Co FWSD # 1	TAX & REV BDS SER 2016	3/1/2046	\$390,000
Leonard	COMB TAX & SPLS REV C/O, SER 2024B	5/15/2054	\$2,235,000
Leonard	COMB TAX & SPLS REV C/O, SER 2024A	5/15/2054	\$1,970,000
Lewisville	CONTRACT REV BDS SER 2009	12/15/2030	\$945,000
Lexington	COMB TAX & SPLS REV C/O, SER 2023A	8/15/2053	\$950,000
Lexington	COMB TAX & SPLS REV C/O, SER 2023B	8/15/2053	\$705,000
Liberty	UTIL SYS REV BDS SER 2016B	3/1/2026	\$95,000
Llano	COMB TAX & SURPLUS REV C/O SER 2018B	9/15/2038	\$655,000
Los Fresnos	COMB TAX & SUB LN REV C/O, SER 2020A	2/1/2040	\$3,400,000

Lower Neches Valley Authority	WATER SUP CONTRACT REV REF TAXABLE BDS SER 2009	8/1/2035	\$11,980,000
Lubbock	WTR & WSTWTR SYS REV BDS, SER 2021A	2/15/2041	\$8,345,000
Mason	COMB TAX & SURPLUS REV C/O SER 2018	3/1/2049	\$780,000
McAllen	WWKS & SS REV BDS, SER 2018-B	2/1/2048	\$11,765,000
Meeker MWD	UTIL SYS REV BDS, SER 2022	9/1/2052	\$6,725,000
Melvin	W SYS REV BDS SER 2017	9/1/2047	\$145,000
Menard	COMB TAX & REV C/O, TAXBL SER 2024	8/15/2054	\$1,855,000
Mertzson	COMB TAX & SPLS REV C/O, TAXBL SER 2024A	2/15/2055	\$2,085,000
Mexia	COMB TAX & REV C/O SER 2009A	8/15/2038	\$1,180,000
Mexia	COMB TAX & REV C/O TAXABLE SER 2009B	8/15/2038	\$400,000
Mission	WW & SS JR LIEN REV BDS TAXABLE SER 2009	2/15/2029	\$1,805,000
Montgomery	TAX & SURPLUS REV C/O SER 2017B	3/1/2037	\$1,085,000
Moran	COMB TAX & SURPLUS REV C/O SER 2013	2/15/2044	\$125,000
Mout Pleasant	UTIL SYS REV BDS SER 2008	3/15/2033	\$13,240,000
Mountain Peak SUD	WW & SS REV BDS SER 2009	12/1/2029	\$245,000
Mullin ISD	MAINTENANCE TAX NOTES, SER 2023	8/1/2032	\$280,000
Mustang SUD	REV BDS SER 2017B	9/1/2047	\$2,860,000
Nevada SUD	IMP REV BDS SER 2018	5/15/2038	\$1,030,000
New Braunfels	UTIL SYS REV BDS, SER 2022A	7/1/2052	\$38,700,000
New Deal	COMB TAX & SURPLUS REV C/O SER 2017	3/1/2048	\$760,000
Newton	TAX & UTIL SYS REV C/O, SER 2020	3/1/2040	\$1,680,000
North Central Texas MWA	REV BDS SER 2012	7/10/2043	\$3,280,000
Nueces Co WCID # 3	REV NOTES, TAXBL SER 2025	2/1/2055	\$2,410,000
Orange Co WCID # 1	REV NOTES, SER 2023B	8/15/2043	\$4,835,000
Orange Co WCID # 1	REV NOTES, SER 2023A	8/15/2043	\$370,000
Orange Co WCID # 2	WWKS & SS REV BDS, SER 2021B	3/1/2046	\$3,635,000
Paducah	COMB TAX & SPLS REV C/O, SER 2020	2/15/2050	\$1,450,000
Paris	COMB TAX & SURPLUS REV C/O SER 2013	6/15/2032	\$1,110,000
Parker County SUD	UTIL SYS REV BDS, SER 2019	12/1/2050	\$13,240,000
Parker County SUD	REV BDS, SER 2022	12/1/2053	\$12,710,000
Pearland	W & SS REV BDS SER 2017A	9/1/2027	\$3,130,000
Pearland	W & SS REV BDS SER 2017B	9/1/2047	\$9,635,000
Pearland	W & SS REV BDS SER 2018A	9/1/2048	\$6,920,000
Pearland	WTR & SS REV BDS, SER 2019A	9/1/2049	\$17,500,000
Pearland	WTR & SS REV BDS, SER 2020A	9/1/2050	\$93,245,000
Pearsall	COMB TAX & SPLS REV C/O, SER 2024A	3/1/2054	\$6,390,000
Pflugerville	UTIL SYS REV BDS, SER 2022B	8/1/2052	\$23,340,000
Pharr	WW & SS REV BDS SER 2007A	9/1/2027	\$3,135,000
Pharr	WW & SS REV BDS SER 2013	9/1/2042	\$5,900,000
Pharr	WWKS & SS REV BDS, SER 2020B	9/1/2049	\$13,115,000
Port Mansfield PUD	WW & SS REV BDS SER 2016	4/1/2046	\$166,000
Port O'Connor ID	U/L TAX BDS, SER 2022	9/1/2052	\$5,705,000
Porter SUD	W SYS REV BDS SER 2007	6/1/2028	\$270,000
Quitaque	COMB TAX & SPLS REV C/O, SER 2020	2/15/2050	\$455,000
Ranger	COMB TAX & SURPLUS REV C/O TAXABLE SER 2018B	2/15/2049	\$336,000
Ranger	COMB TAX & SURPLUS REV C/O SER 2018A	2/15/2049	\$485,000
Rayburn Country MUD	UTIL SYS REV BDS, SER 2025B	3/15/2055	\$1,565,000
Rayburn Country MUD	UTIL SYS REV BDS, SER 2025A	3/15/2055	\$2,200,000
Raymondville	COMB TAX & SUB LIEN REV C/O SER 2014	4/1/2033	\$1,140,000
Raymondville	COMB TAX & SUB LN REV C/O, SER 2020	4/1/2040	\$1,150,000
Red Creek MUD	WWKS SYS REV BDS, SER 2019	9/1/2038	\$1,005,000
Red River Co WSC	WATER SYS REV BDS TAXABLE SER 2011	4/1/2041	\$756,000
Reklaw	COMB TAX & WW SYS SURPLUS REV C/O SER 2016	3/1/2047	\$236,000
Richland Springs	WTR SYS REV BDS, SER 2025	3/1/2056	\$1,055,000

Riesel	COMB TAX & REV C/O, TAXBL SER 2021	7/1/2051	\$4,805,000
Rio Grande City	COMB TAX & REV C/O SER 2007B	2/15/2040	\$6,385,000
Rio Hondo	COMB TAX & UTIL SYS SURPLUS REV C/O SER 2013	8/1/2033	\$513,000
Rio Hondo	FIRST LIEN WW & SS REV BDS SER 2016	8/1/2036	\$165,000
River Oaks	COMB TAX & SURPLUS REV C/O SER 2017B	6/15/2047	\$6,195,000
Riverbend Resources District	Water CONTRACT REV BDS (REG WTR SYS PROJ), TAXBL SER 2020A	10/15/2051	\$9,885,000
Riverbend Resources District	Water CONTRACT REV BDS (REG WTR SYS PROJ), SER 2020B	10/15/2051	\$6,555,000
Riverbend Resources District	Water CONTRACT REV BDS (REG WTR SYS PROJ), TAXBL SER 2022A	10/15/2051	\$51,670,000
Riverbend Resources District	Water CONTRACT REV BDS (REG WTR SYS PROJ) SER 2022B	10/15/2051	\$33,625,000
Riverbend Resources District	Water CONTRACT REV BDS (REG WTR SYS PROJ), TAXBL SER 2023	10/15/2053	\$14,140,000
Riverside SUD	WTR SYS REV BDS, SER 2022	4/1/2042	\$1,385,000
Roby	COMB TAX & SPLS REV C/O, TAXBL SER 2020	3/1/2051	\$222,000
Rockdale	COMB TAX & SPLS NET SYS REV C/O, SER 2020A	6/15/2050	\$12,150,000
Rockdale	COMB TAX & SPLS NET SYS REV C/O, SER 2020B	6/15/2050	\$2,815,000
Roma	COMB TAX & REV (NO-INTEREST) C/O SER 2000A	11/1/2029	\$327,000
Ropesville	COMB TAX & SPLS REV C/O, SER 2019	2/15/2049	\$414,000
Rotan	COMB TAX & SPLS REV C/O, TAXBL SER 2020B	3/1/2051	\$1,760,000
Rotan	COMB TAX & SPLS REV C/O, TAXBL SER 2020A	3/1/2051	\$215,000
Rusk	COMB TAX & REV C/OS, SER 2021	2/15/2041	\$2,155,000
San Angelo	WWKS & SS IMPR REV BDS, SER 2019	2/15/2045	\$45,100,000
San Angelo	WWKS & SS IMPR REV BDS, SER 2023	2/15/2046	\$12,755,000
San Antonio System	Water W SYS JR LIEN REV BDS SER 2013C	5/15/2033	\$11,550,000
San Antonio System	Water W SYS JR LIEN REV BDS SER 2014D	5/15/2034	\$10,695,000
San Antonio System	Water W SYS JR LIEN REV BDS SER 2015A	5/15/2045	\$53,855,000
San Antonio System	Water W SYS JR LIEN REV BDS SER 2016D	5/15/2046	\$9,240,000
San Antonio System	Water W SYS JR LIEN REV BDS SER 2018B	5/15/2048	\$8,420,000
San Antonio System	Water WTR SYS JR LN REV BDS, SER 2019B	5/15/2049	\$24,780,000
San Antonio System	Water WTR SYS JR LN REV BDS, SER 2020D	5/15/2050	\$9,830,000
San Juan	WW & SS REV BDS SER 2013A	1/1/2033	\$3,040,000
San Juan	WW & SS REV BDS SER 2013-B	1/1/2033	\$665,000
Seis Lagos UD	UTIL SYS REV BDS SER 2007	3/1/2027	\$175,000
Seymour	COMB TAX & SURPLUS REV C/O SER 2017	3/1/2048	\$1,730,000
Shady Grove SUD	IMPR REV BDS, SER 2020	2/15/2040	\$670,000
Shallowater	COMB TAX & SPLS NET REV C/O, SER 2019B	2/15/2049	\$860,000
Silverton	COMB TAX & SUB LN REV C/O SER 2024	2/15/2054	\$4,865,000
Slaton	COMB TAX & SPLS REV C/O, SER 2025A	2/15/2055	\$3,200,000
Smyer	COMB TAX & SURPLUS REV C/O SER 2013	2/15/2034	\$80,000
Sonora	COMB TAX & SUBORD LIEN REV C/O SER 2007A	12/1/2029	\$850,000
South Houston	COMB TAX & REV C/O SER 2009	3/1/2030	\$635,000
South Texas WA	CONTRACT REV BDS (NUECES WSC), TAXBL SER 2025	8/15/2044	\$850,000
South Texas WA	CONTRACT REV BDS (RICARDO WSC) TAXBL SER 2025	8/15/2044	\$1,485,000
Southmost Regional WA	WATER SUPPLY CONTRACT REV BDS SER 2009A	9/1/2039	\$4,645,000
Southmost Regional WA	WATER SUPPLY CONTRACT REV BDS SER 2009B	9/1/2029	\$1,250,000

Stamford	COMB TAX & SURPLUS REV C/O SER 2016	2/15/2046	\$7,075,000
Stephens Regional SUD	REV BD, SER 2019	8/15/2043	\$705,000
Strawn	TAX & WWKS & SS SPLS REV C/O, SER 2022	9/1/2053	\$747,000
Surfside Beach	TAX & REV C/O SER 2006	2/15/2028	\$310,000
Sweetwater	COMB TAX & SURPLUS REV C/O SER 2014	8/15/2033	\$880,000
Sweetwater	COMB TAX & SURPLUS REV C/O SER 2016	8/15/2036	\$2,795,000
Sweetwater	COMB TAX & SPLS REV C/O, SER 2021A	8/15/2041	\$1,772,000
Terrell	COMB TAX & WWKS & SS (SPLS PLEDGE) REVENUE C/O, TAXBL SER 2019B	2/15/2049	\$1,440,000
Terrell	COMB TAX & WWKS & SS (SPLS PLEDGE) REV C/O, TAXBL SER 2021C	8/15/2051	\$1,335,000
Terrell	COMB TAX & WWKS & SS (SPLS PLDG) REV C/O, TAXBL SER 2022B	8/15/2052	\$4,070,000
Thorndale	COMB TAX & SPLS REV C/O SER 2025A	8/1/2054	\$7,775,000
Thorndale	COMB TAX & SPLS REV C/O, TAXBL SER 2025B	8/1/2054	\$3,100,000
Tioga	COMB TAX & REV C/O SER 2000A	4/1/2031	\$210,000
Tioga	COMB TAX & SURPLUS REV C/O SER 2016	3/15/2042	\$915,000
Trinidad	COMB TAX & REV C/O SER 2007	1/1/2037	\$165,000
Troy	COMB TAX & REV C/O SER 2017	2/1/2048	\$1,715,000
Tyler County SUD	W SYS REV BDS SER 2010	9/1/2040	\$672,000
Upper Jasper Co WA	UTIL SYS REV BDS, SER 2019	9/1/2044	\$3,190,000
Upper Leon River MWD	W SYS REV BDS SER 2015A	5/1/2047	\$6,306,000
Upper Leon River MWD	TAXABLE W SYS REV BDS SER 2015B	5/1/2047	\$1,636,000
Valley MUD # 2	COMB U/L TAX & WW & SS REV BDS SER 2018B	2/15/2048	\$1,395,000
Victoria Co WCID # 2	U/L TAX BDS, SER 2025	8/15/2045	\$885,000
Wellman	COMB TAX & SURPLUS SYS REV C/O SER 2016	2/15/2036	\$95,000
West Tawakoni	TAX & WW & SS SURPLUS REV C/O SER 2017	2/1/2047	\$885,000
West Wise SUD	REV BONDS, SER 2018	8/15/2047	\$10,810,000
Westwood Shores MUD	U/L TAX BDS, SER 2020B	5/1/2040	\$1,075,000
White River MWD	WATER SYS REV BDS SER 2013	6/1/2043	\$755,000
Whiteface	COMB TAX & SPLS SYS REV C/O, SER 2019	2/15/2039	\$330,000
Willis	WW & SS REV BDS SER 2012	8/1/2043	\$2,240,000
Willow Park	COMB TAX & W & SS SURPLUS REV C/O SER 2014	2/15/2035	\$375,000
Willow Park	COMB TAX & W & SS SURPLUS REV C/O SER 2016	2/15/2037	\$620,000
Willow Park	COMB TAX & WWKS & SS SPLS REV C/O, SER 2019	2/15/2050	\$11,595,000
Wills Point	COMBO TAX & SPLS REV C/O, SER 2019	2/15/2044	\$3,600,000
Wills Point	COMB TAX & SPLS REV C/O, SER 2025	2/15/2055	\$7,965,000
Winters	TAX & WW & SS SURPLUS REV C/O TAXABLE SER 2007	10/1/2038	\$735,000
Winters	TAX & WW & SS SURPLUS REV C/O TAXABLE SER 2017	4/1/2038	\$510,000
Winters	COMB TAX & SPLS REV C/O, SER 2025A	4/1/2055	\$1,065,000
Wolfe City	TAX & WW & SS SURPLUS REV C/O SER 2009	9/15/2041	\$565,000
Wolfe City	COMB TAX & SPLS REV C/O, SER 2019D	3/1/2051	\$2,645,000
Wolfe City	COMB TAX & SPLS REV C/O, SER 2019C	3/1/2051	\$770,000
Woodbranch Village	COMB TAX & REV C/O SER 2017	8/1/2037	\$1,005,000
Wortham	COMB TAX & REV C/O SER 2013	8/15/2033	\$128,000
Zapata County	COMB TAX & REV C/O SER 2006	2/15/2040	\$7,393,000
Zavala Co WCID # 1	W & S REV BDS SER 2013	1/1/2043	\$530,000
	TOTAL DWSRF		\$1,761,512,000
	GRAND TOTAL SRF (CWSRF + DWSRF)		\$5,429,127,000

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APPENDIX E
PROPOSED FORM OF OPINION OF BOND COUNSEL

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Proposed Form of Opinion of Bond Counsel

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APPENDIX F

SUMMARY OF MASTER RESOLUTION AND EIGHTH SUPPLEMENTAL RESOLUTION

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**SUMMARY OF PROVISIONS
OF THE MASTER RESOLUTION AND THE EIGHTH SUPPLEMENTAL RESOLUTION**

The following statements summarize certain provisions of the Master Resolution and the Eighth Supplemental Resolution. These statements do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the Master Resolution and the Eighth Supplemental Resolution, respectively. Copies of the Master Resolution and the Eighth Supplemental Resolution are available for examination at the offices of the Board.

The following capitalized terms appearing in this Official Statement have the meanings set forth in Appendix A, unless the context otherwise requires. A reference to any of these terms in the singular number includes the plural and vice versa.

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**APPENDIX G
UNAUDITED FINANCIAL STATEMENTS
OF THE CWSRF AND DWSRF**

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Statement of Net Position - CWSRF
UNAUDITED¹

	2021	2022	2023	2024	2025
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash Equivalents	\$ 154,313,996	\$ 224,134,720	\$ 334,150,868	\$ 353,398,377	\$ 321,011,624
Short Term Investments	246,742,633	419,366,626	436,515,391	343,970,390	299,031,941
Receivables from:					
Federal	356,410	301,008	379,383	450,018	993,499
Interest and Dividends	7,794,191	7,804,711	9,245,431	10,147,031	11,245,285
Interfund Receivables	75,000,000	75,000,000	-	-	-
Loans and Contracts	114,082,000	123,436,100	132,885,530	136,418,000	152,255,000
Total Current Assets	598,289,230	850,043,165	913,176,603	844,383,818	784,537,349
Non-Current Assets:					
Loans and Contracts	3,032,343,630	3,117,422,530	3,395,417,000	3,453,938,000	3,546,138,000
Total Non-Current Assets	3,032,343,630	3,117,422,530	3,395,417,000	3,453,938,000	3,546,138,000
Total Assets	\$ 3,630,632,860	\$ 3,967,465,695	\$ 4,308,593,603	\$ 4,298,321,818	\$ 4,330,675,349
LIABILITIES					
Current Liabilities:					
Payables from:					
Accounts Payable	\$ 62,871	\$ -	\$ 189,281	\$ 47,141	\$ 5,225
Interest Payable	1,808,025	2,808,458	3,629,911	3,211,396	3,065,813
Interfund Payables	14,210,634	10,049,741	10,246,405	-	-
Due to Other Funds	779,449	716,795	741,359	450,018	985,312
Due to Other Agencies	-	-	-	-	8,188
Revenue Bonds Payable	24,747,024	38,288,162	45,202,201	48,642,201	55,517,201
Total Current Liabilities	41,608,003	51,863,157	60,009,157	52,350,757	59,581,739
Non-Current Liabilities:					
Interfund Payable	73,653,522	63,603,781	53,357,376	-	-
Revenue Bonds Payable	526,663,413	826,660,779	982,031,318	933,389,117	882,756,915
Total Non-Current Liabilities	600,316,936	890,264,560	1,035,388,694	933,389,117	882,756,915
Total Liabilities	\$ 641,924,939	\$ 942,127,717	\$ 1,095,397,851	\$ 985,739,873	\$ 942,338,654
NET POSITION					
Restricted for:					
Other	2,988,707,921	3,025,337,978	3,213,195,752	3,312,581,944	3,388,336,695
Total Net Position	\$ 2,988,707,921	\$ 3,025,337,978	\$ 3,213,195,752	\$ 3,312,581,944	\$ 3,388,336,695

Numbers may not add due to rounding

(1) The financial data presented here is a recapitulation of the Board's financial statements presented in their Annual Financial Reports. The Board's financial statements become a part of the Annual Comprehensive Financial Report ("ACFR") for the State of Texas, which is audited by the State Auditor's Office; however, the scope of the reviews at the agency level do not constitute an audit of the individual agency's financial statements. Consequently, these statements are considered unaudited at the agency level. Any adjustments related to the agency's financial data as a result of the ACFR Audit are not reflected in the amounts reported here.

Statement of Revenues, Expenses, and Changes in Net Position - CWSRF
UNAUDITED¹

	2021	2022	2023	2024	2025
OPERATING REVENUES:					
Interest and Investment Income	\$ 36,217,162	\$ 36,647,698	66,714,639	\$ 83,279,446	\$ 78,068,372
Net Increase (Decrease) Fair Market Value	(199,384)	(81,224)	184,215	60,576	(60,068)
Other Operating Revenues	5,165,467	6,850,541	7,082,984	3,355,769	4,236,207
Total Operating Revenues	41,183,245	43,417,015	73,981,837	86,695,791	82,244,511
OPERATING EXPENSES:					
Salaries and Wages	2,721,113	2,814,167	3,291,845	3,682,876	4,236,940
Payroll Related Costs	497,353	496,105	586,129	659,570	695,554
Professional Fees and Services	410,146	1,896,459	2,532,263	1,019,604	1,769,068
Travel	597	13,555	20,386	30,095	77,640
Materials and Supplies	2,952	17,564	249	9	-
Communication and Utilities	14,786	13,948	182,000	5,236	5,984
Repairs and Maintenance	1,142	320	-	-	-
Rentals and Leases	29,246	28,956	27,517	17,858	12,847
Printing and Reproduction	-	1,870	757	-	75
Interest	21,695,409	25,767,183	29,257,247	35,339,020	29,505,012
Other Operating Expenses	6,667	44,211	155,655	70,798	102,476
Total Operating Expenses	25,379,411	31,094,338	36,054,049	40,825,066	36,405,596
Operating Income (Loss)	15,803,834	12,322,678	37,927,788	45,870,725	45,838,914
NONOPERATING REVENUES (EXPENSES):					
Federal Revenue	71,226,805	40,444,369	126,097,289	75,484,047	97,546,839
Federal Grant Pass-Through Revenue (Expense)	-	-	-	-	(8,188)
Other Benefit Payments	-	(1,000,000)	-	(10,329,996)	(5,690,962)
Other Nonoperating Revenues (Expenses)	(9,989,440)	(15,136,989)	23,832,697	(11,638,583)	(61,931,853)
Total Nonoperating Revenues (Expenses)	61,237,365	24,307,379	149,929,986	53,515,468	29,915,837
Income/(Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	77,041,199	36,630,057	187,857,774	99,386,192	75,754,751
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:					
Total Other Revenues, Expenses, Gain/Losses and Transfers	-	-	-	-	-
Change in Net Position	77,041,199	36,630,057	187,857,774	99,386,192	75,754,751
Total Net Position - September 1	2,911,666,722	2,988,707,921	3,025,337,978	3,213,195,752	3,312,581,944
Total Net Position - August 31	\$ 2,988,707,921	\$ 3,025,337,978	\$ 3,213,195,752	\$ 3,312,581,944	\$ 3,388,336,695

Numbers may not add due to rounding

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Statement of Net Position - DWSRF
UNAUDITED¹

	2021	2022	2023	2024	2025
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash in Bank	\$ -	\$ -	\$ -	\$ -	\$ 112,750
Cash Equivalents	116,622,300	191,492,605	245,299,640	322,203,938	396,329,364
Short Term Investments	186,474,942	358,291,690	320,445,278	313,608,158	369,192,671
Receivables from:					
Federal	2,669,143	3,277,118	3,524,022	4,245,220	3,918,992
Interest and Dividends	4,764,894	5,512,953	6,110,405	7,064,736	8,188,635
Loans and Contracts	73,098,401	79,751,616	83,882,996	86,558,596	89,661,296
Total Current Assets	383,629,680	638,325,983	659,262,341	733,680,648	867,403,708
Non-Current Assets:					
Loans and Contracts	1,621,600,042	1,768,609,826	1,827,353,630	1,814,408,134	1,812,241,738
Total Non-Current Assets	1,621,600,042	1,768,609,826	1,827,353,630	1,814,408,134	1,812,241,738
Total Assets	\$ 2,005,229,722	\$ 2,406,935,809	\$ 2,486,615,971	\$ 2,548,088,782	\$ 2,679,645,446
LIABILITIES					
Current Liabilities:					
Payables from:					
Accounts Payable	\$ 97,768	\$ -	\$ 43,292	\$ 26,906	\$ 130,739
Interest Payable	1,338,988	2,559,223	2,448,413	2,302,660	2,922,723
Interfund Payables	84,308,009	83,861,140	8,353,406	7,565,373	-
Due to Other Funds	616,053	523,300	672,177	769,623	1,162,638
Due to Other Agencies	2,306,090	3,044,671	3,096,665	3,675,552	2,756,354
Revenue Bonds Payable	18,918,506	31,745,859	35,123,431	36,713,431	39,299,348
Total Current Liabilities	107,585,414	121,734,192	49,737,384	51,053,546	46,271,802
Non-Current Liabilities:					
Interfund Payable	54,181,920	45,320,780	36,967,374	29,402,001	-
Revenue Bonds Payable	374,266,608	708,142,731	693,015,026	656,301,595	812,851,493
Total Non-Current Liabilities	428,448,528	753,463,511	729,982,400	685,703,596	812,851,493
Total Liabilities	\$ 536,033,942	\$ 875,197,703	\$ 779,719,785	\$ 736,757,141	\$ 859,123,295
NET POSITION					
Restricted for:					
Other	1,469,195,780	1,531,738,105	1,706,896,186	1,811,331,640	1,820,522,152
Total Net Position	\$ 1,469,195,780	\$ 1,531,738,105	\$ 1,706,896,186	\$ 1,811,331,640	\$ 1,820,522,152

Numbers may not add due to rounding

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Statement of Revenues, Expenses, and Changes in Net Position - DWSRF

UNAUDITED¹

	2021	2022	2023	2024	2025
OPERATING REVENUES:					
Interest and Investment Income	\$ 18,992,213	\$ 21,676,675	\$ 41,866,592	\$ 57,941,846	\$ 57,775,934
Net Increase (Decrease) Fair Market Value	(129,435)	(68,586)	144,013	74,980	(18,698)
Other Operating Revenues	3,110,038	4,702,607	2,848,755	1,456,274	1,729,998
Total Operating Revenues	21,972,815	26,310,696	44,859,360	59,473,100	59,487,234
OPERATING EXPENSES:					
Salaries and Wages	2,662,428	2,665,687	3,135,897	4,358,988	5,359,807
Payroll Related Costs	484,450	472,112	557,923	781,244	877,477
Professional Fees and Services	367,835	1,930,930	1,192,199	1,342,073	3,128,438
Travel	211	11,227	24,227	30,449	75,449
Materials and Supplies	5,238	22,349	88	9	-
Communication and Utilities	14,785	12,766	23,006	5,201	19,559
Repairs and Maintenance	1,142	320	-	-	-
Rentals and Leases	29,246	28,789	27,501	18,881	12,827
Printing and Reproduction	-	1,364	1,603	-	2,760
Interest	15,751,460	18,871,144	25,689,985	24,341,372	25,168,344
Other Operating Expenses	4,151	35,254	147,453	71,349	99,721
Total Operating Expenses	19,320,946	24,051,942	30,799,881	30,949,565	34,744,382
Operating Income (Loss)	2,651,869	2,258,754	14,059,479	28,523,535	24,742,852
NONOPERATING REVENUES (EXPENSES):					
Federal Revenue	85,594,100	85,384,141	118,899,214	121,402,631	104,136,604
Federal Grant Pass-Through Revenue (Expense)	(11,490,518)	(12,888,124)	(13,107,274)	(14,318,108)	(14,538,815)
Other Benefit Payments	-	1,185	(1,794,471)	-	(11,279,757)
Other Intergovernmental Payments	(14,565,187)	(12,829,952)	(17,433,861)	(31,788,926)	(94,486,695)
Other Nonoperating Revenues (Expenses)	-	-	73,918,671	-	-
Total Nonoperating Revenues (Expenses)	59,538,396	59,667,250	160,482,279	75,295,598	(16,168,662)
Income/(Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	62,190,265	61,926,004	174,541,759	103,819,133	8,574,190
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:					
Transfers-In	2,336,171	616,321	616,322	616,321	616,322
Total Other Revenues, Expenses, Gain/Losses and Transfers	2,336,171	616,321	616,322	616,321	616,322
Change in Net Position	64,526,436	62,542,325	175,158,081	104,435,454	9,190,512
Total Net Position - September 1	1,404,669,344	1,469,195,780	1,531,738,105	1,706,896,186	1,811,331,640
Total Net Position - August 31	\$ 1,469,195,780	\$ 1,531,738,105	\$ 1,706,896,186	\$ 1,811,331,640	\$ 1,820,522,152

Numbers may not add due to rounding

(1) The financial data presented here is a recapitulation of the Board's financial statements presented in their Annual Financial Reports. The Board's financial statements become a part of the ACFR for the State of Texas, which is audited by the State Auditor's Office; however, the scope of the reviews at the agency level do not constitute an audit of the individual agency's financial statements. Consequently, these statements are considered unaudited at the agency level. Any adjustments related to the agency's financial data as a result of the ACFR Audit are not reflected in the amounts reported here.

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APPENDIX H
DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM

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BOOK-ENTRY-ONLY SYSTEM

This appendix describes how ownership of the Series 2026 Bonds (referred to as the "Bonds" in this Appendix H) is to be transferred and how the principal of premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York ("DTC") while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as the Official Statement. The Board, the Financial Advisor and the Underwriters believe the source of such information to be reliable, but none of the Board, the Financial Advisor nor the Underwriters take any responsibility for the accuracy or completeness thereof.

The Board and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in the Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC. Termination of the DTC Book-Entry-Only System by the Issuer may require consent of the Participants under DTC Operational Arrangements.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond will be issued for each maturity of the Bonds, as set forth on the inside of the cover pages hereof, in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with the Direct Participants, the "Participants"). DTC has an S&P Global Ratings rating of "AA+." The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC

has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Board or the Paying Agent/Registrar on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Board or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof and the information is not to be construed as a representation by the Board, the Financial Advisor or the Underwriters.

Use of certain terms in other sections of the Official Statement. In reading the Official Statement it should be understood while the Bonds are in the book-entry-only system, references in other sections of the Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Resolution will be given only to DTC.

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