



PROJECT FUNDING REQUEST

BOARD DATE: March 31, 2026

Team Manager: Bill Blaik

ACTION REQUESTED

Consider approving by resolution a request from the Dean Water Supply Corporation (Smith County) for \$3,500,000 in financing from the Water Development Fund for planning, design, and construction of a water system project.

STAFF RECOMMENDATION

Approve No Action

BACKGROUND

The Dean Water Supply Corporation (Corporation) is located 7 miles southwest of Tyler. The Corporation provides water services to a population of approximately 5,907 residents and approximately 1,836 connections.

PROJECT NEED AND DESCRIPTION

The Corporation is in need of a new water well to expand water capacity to meet Texas Commission on Environmental Quality requirements, meet customer demand, and replace a well that is approaching the end of its useful life.

The Corporation is proposing to plan, design, and construct a new water well at the existing Plant No. 3 site and connect the well to the existing water system.

PROJECT SCHEDULE

Task	Schedule Date
Closing	August 15, 2026
Engineering Feasibility Report Completion (End of Planning Phase)	October 15, 2026
Design Phase Completion	February 1, 2027
Start of Construction	September 1, 2027
Construction Completion	April 1, 2028

COMMITMENT PERIOD: TWELVE (12) MONTHS TO EXPIRE MARCH 31, 2027

LEGAL/SPECIAL CONDITIONS

- Notice of change in legal status
- Notice of conveyance
- Water rights reasonable expectation
- Adopt water conservation plan

Attachments:

1. Financial Review
2. Project Budget
3. Resolution (26-)
4. Water Conservation Review
5. Location Map

Financial Review

Dean WSC

Risk Score: 2B

Audit Reviewed: FY 2024

Key Indicators

Indicator	Result	Benchmark
Population Growth, Average Annual 2010-2020	County: 1.08%	State: 1.49%
Top 10 Customers % of Total Revenue	1%	10-15%
Median Household Income as % of State	94%	100%
Household Cost Factor	1.60%	1.51-2.00%
Days of Cash on Hand (3-year Average)	511 days	30-149 days
Net Fixed Assets/ Annual Depreciation	10 years	12-24 years
Debt Service Coverage Ratio	1.19x	1.0x
Debt-to-Operating Revenues	2.56x	4.00-5.99x
Unemployment Rate (November 2025)	County: 4.0%	State: 4.2%
Working Capital Ratio	18.18	> 1.0

Key Risk Score Strengths

- The Corporation's days of cash on hand is above the benchmark, indicating it has just under 2 years of cash on hand compared to its total expenses.
- The Corporation's top ten water customers generate just one percent of its revenue, indicating a diverse customer base that isn't reliant on a small subset of customers to cover expenses.
- Debt service coverage exceeds the required 1.0x coverage, and the proposed obligation is not expected to require any rate increases.
- The Corporation's working capital ratio of 18.18 far exceeds the benchmark, indicating the Corporation has sufficient liquidity to meet short-term obligations.
- The Corporation's household cost factor is currently 1.60 percent, which meets the benchmark for affordability and is not expected to increase with the additional obligation.

Key Risk Score Concerns

- Net fixed assets to annual depreciation is just below the benchmark at ten years, indicating the system is aging. Two of the three wells the Corporation operates were constructed in the 1980s. The proposed project will provide the service area with a new well that will provide a safeguard in the event of a well failure.
- The Corporation has no formal capital improvement plan; however, it works with consultants and the field supervisor to manage and assess capital needs of the system.

PLEDGE

Legal Pledge Name	Utility System Revenues
Type of Pledge	<input type="checkbox"/> Tax <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Tax & Revenue <input type="checkbox"/> Contract <input type="checkbox"/> Other
Revenue Pledge Level	<input checked="" type="checkbox"/> First <input type="checkbox"/> Second <input type="checkbox"/> Third <input type="checkbox"/> N/A

RATES AND CHARGES

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
Water	10,389	\$35.82	\$35.82	1.60%	1.60%

Cost Savings

Based on a 20-year maturity schedule and current interest rates, the Corporation could save approximately \$342,593 over the life of the financing.

Responsible Authority	Dean WSC
Program	WDF
Commitment Number	L1002339
Project Number	21919
List Year	2026
Type of Pledge	Revenue Pledge
Pledge Level (if applicable)	First Lien
Legal Description	\$3,500,000 Dean WSC Loan Agreement
Tax-exempt or Taxable	Taxable
Refinance	No
Outlay Requirement	Yes
Disbursement Method	Escrow
Outlay Type	Outlay <> Escrow Release
Qualifies as Disadvantaged	No
Financial Managerial & Technical Complete	N/A
Phases Funded	Planning, Design, and Construction
Pre-Design	Yes
Project Consistent with State Water Plan	Yes
Water Conservation Plan	Approvable
Overall Risk Score	2B

PROJECT TEAM

Team Manager	Financial Analyst	Engineering Reviewer	Environmental Reviewer	Attorney
Bill Blaik	Rand Zeolla	Paul Jungen	Gayla Duaine	Michael Perez

ISSUE BEING EVALUATED
FOR ILLUSTRATION PURPOSES ONLY
Dean WSC

\$3,500,000 Dean WSC Loan Agreement

Dated Date: 8/15/2026
Delivery Date: 8/15/2026
First Interest: 3/15/2027
First Principal: 9/15/2027
Last Principal: 9/15/2045
Fiscal Year End: 09/30
Required Coverage: 1.0

Source: WDF
Rate: 5.27%
IUP Year: 2026
Case: Revenue only
Admin.Fee: \$0
Admin. Fee Payment Date: N/A

FISCAL YEAR	PROJECTED NET SYSTEM REVENUES	CURRENT DEBT SERVICE	PRINCIPAL PAYMENT	\$3,500,000 ISSUE		TOTAL PAYMENT	TOTAL DEBT SERVICE	COVERAGE
				INTEREST RATE	INTEREST PAYMENT			
2027	\$370,481	\$4,092	\$115,000	4.34%	\$193,374	\$308,374	\$312,466	1.19
2028	370,481	4,092	120,000	4.40%	173,509	293,509	297,601	1.24
2029	370,481	3,069	125,000	4.47%	168,229	293,229	296,298	1.25
2030	370,481	-	135,000	4.57%	162,641	297,641	297,641	1.24
2031	370,481	-	140,000	4.71%	156,472	296,472	296,472	1.25
2032	370,481	-	145,000	4.76%	149,878	294,878	294,878	1.26
2033	370,481	-	155,000	4.84%	142,976	297,976	297,976	1.24
2034	370,481	-	160,000	4.89%	135,474	295,474	295,474	1.25
2035	370,481	-	170,000	4.94%	127,650	297,650	297,650	1.24
2036	370,481	-	175,000	4.99%	119,252	294,252	294,252	1.26
2037	370,481	-	185,000	5.09%	110,519	295,519	295,519	1.25
2038	370,481	-	195,000	5.14%	101,103	296,103	296,103	1.25
2039	370,481	-	205,000	5.19%	91,080	296,080	296,080	1.25
2040	370,481	-	215,000	5.24%	80,440	295,440	295,440	1.25
2041	370,481	-	225,000	5.49%	69,174	294,174	294,174	1.26
2042	370,481	-	240,000	5.49%	56,822	296,822	296,822	1.25
2043	370,481	-	250,000	5.49%	43,646	293,646	293,646	1.26
2044	370,481	-	265,000	5.49%	29,921	294,921	294,921	1.26
2045	370,481	-	280,000	5.49%	15,372	295,372	295,372	1.25
		\$11,253	\$3,500,000		\$2,127,526	\$5,627,526	\$5,638,779	

AVERAGE (MATURITY) LIFE	11.54 YEARS
NET INTEREST RATE	5.269%
COST SAVINGS	\$342,593
AVERAGE ANNUAL REQUIREMENT	\$296,778

Disclaimer: This is a working document and is provided as a courtesy. All information contained herein, including the proposed interest rate, is subject to change upon further review of the TWDB in accordance with 31 Texas Administrative Code Chapters 363, 371, 375, or 384, as applicable. The TWDB does not function as a financial advisor to anyone in connection with this financing. The information contained in this document is used by TWDB staff to analyze the application for financing is illustrative only and does not constitute any guaranty of future rates. The TWDB makes no claim regarding the applicability of the information at closing, at which time actual rates will be set.



Project Budget Summary
Dean WSC
21919 - New Water Well / System
Improvements

Budget Items	TWDB Funds	Total
Construction		
Construction	\$2,600,000.00	\$2,600,000.00
Subtotal for Construction	\$2,600,000.00	\$2,600,000.00
Basic Engineering Services		
Construction Engineering	\$108,600.00	\$108,600.00
Design	\$206,800.00	\$206,800.00
Planning	\$85,400.00	\$85,400.00
Subtotal for Basic Engineering Services	\$400,800.00	\$400,800.00
Special Services		
Environmental	\$3,000.00	\$3,000.00
Surveying	\$4,000.00	\$4,000.00
Subtotal for Special Services	\$7,000.00	\$7,000.00
Fiscal Services		
Bond Counsel	\$32,500.00	\$32,500.00
Financial Advisor	\$47,500.00	\$47,500.00
Issuance Costs	\$22,475.00	\$22,475.00
Subtotal for Fiscal Services	\$102,475.00	\$102,475.00
Contingency		
Contingency	\$389,725.00	\$389,725.00
Subtotal for Contingency	\$389,725.00	\$389,725.00
Total	\$3,500,000.00	\$3,500,000.00

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
\$3,500,000 TO DEAN WATER SUPPLY CORPORATION
FROM THE FINANCIAL ASSISTANCE ACCOUNT OF
THE TEXAS WATER DEVELOPMENT FUND II
THROUGH THE PROPOSED PURCHASE OF A PROMISSORY NOTE IN THE
AMOUNT OF \$3,500,000 AND EXECUTION OF A LOAN AGREEMENT

(26-)

Recitals:

The Dean Water Supply Corporation (Corporation), located in Smith County, Texas, has filed an application for financial assistance in the amount of \$3,500,000 from the Financial Assistance Account of the Texas Water Development Fund II, established by Texas Water Code § 17.959, to finance water system improvements, identified as Project No. 21919.

The Corporation seeks financial assistance from the Texas Water Development Board (TWDB) in the amount of \$3,500,000 through the TWDB's purchase of a Promissory Note in the amount of \$3,500,000 and the execution a Loan Agreement (Obligations) (together with all authorizing documents), as is more specifically set forth in the application and in recommendations of the TWDB's staff.

The Corporation has offered a pledge of systems revenues and a mortgaged deed of trust as sufficient security for the repayment of the Obligations.

The commitment is approved for funding under the TWDB's pre-design funding option, and initial and future releases of funds are subject to 31 TAC § 363.16.

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

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

Findings:

1. The public interest requires state assistance in the financing of this project, in accordance with Texas Water Code § 17.125(a)(1).

2. In its opinion the tax or revenue pledged by the Corporation will be sufficient to meet all the Obligations assumed by the Corporation during the succeeding period of not more than 50 years, in accordance with Texas Water Code § 17.125(a)(2).
3. The application and financial assistance requested meet the requirements of Chapter 17, Subchapters D, E, and L, Water Code, and the TWDB's rules set forth in 31 TAC Chapter 363, Subchapter A.
4. The Corporation has submitted a proposed program of water conservation for the more efficient use of water that will meet reasonably anticipated local needs and conditions and that incorporates practices, techniques or technology prescribed by the Texas Water Code and TWDB's rules.
5. The TWDB has approved a regional water plan for the region of the state that includes the area benefiting from the project and the needs to be addressed by the project will be addressed in a manner that is consistent with the approved regional and state water plans, as required by Texas Water Code § 16.053(j).
6. The Corporation has completed its current water audit required by Texas Water Code § 16.0121 and has filed it with the TWDB, in accordance with Texas Water Code § 16.053(j).

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

A commitment is made by the TWDB to the Dean Water Supply Corporation for financial assistance in the amount of \$3,500,000 from the Financial Assistance Account of the Texas Water Development Fund II, to be evidenced by the TWDB's proposed purchase of a Promissory Note in the amount of \$3,500,000 and execution of a Loan Agreement. This commitment will expire on March 31, 2027.

This commitment is conditioned as follows:

Standard Conditions:

1. This commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand as determined by the TWDB.
2. Before closing, the Corporation must submit to the Executive Administrator an attorney's opinion confirming the legal authority for the Corporation to incur the debt;
3. This commitment is contingent upon the Corporation's continued compliance with all applicable laws, rules, policies, and guidance as these may be amended from time to time to adapt to a change in law, in circumstances, or any other legal requirement.
4. The Obligations must provide that the Corporation may prepay all or part of the amounts of principal and interest then due on the loan on any regularly scheduled

payment date as specified in the Repayment Schedule, as revised, beginning no earlier than the first interest payment date that is 10 years from the date of the first delivery of funds from the TWDB to the Corporation pursuant to this Agreement;

5. The Obligations must provide that the Corporation will comply with all applicable TWDB laws and rules related to the use of the financial assistance.
6. The Obligations must provide that the Corporation must comply with all conditions as specified in the final environmental finding of the Executive Administrator when issued, including the standard emergency discovery conditions for threatened and endangered species and cultural resources.
7. The Obligations must contain a provision requiring the Corporation to maintain insurance coverage sufficient to protect the TWDB's interest in the project.
8. The Obligations must provide that the Corporation, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the Corporation's Obligations or obligated persons, will, at a minimum, regardless of the amount of the Obligations, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by the Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of SEC rule 15c2-12, the continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the Corporation's Obligations, if the TWDB sells or otherwise transfers the Obligations, and the beneficial owners of the TWDB's bonds if the Corporation is an obligated person with respect to the bonds under SEC Rule 15c2-12.
9. The Obligations must require the Corporation to levy a tax or maintain and collect sufficient rates and charges to produce system revenues in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Obligations.
10. The Obligations must require the Corporation to use any surplus financial assistance proceeds from the Obligations remaining after completion of the Project and completion of a final accounting in a manner approved by the Executive Administrator.
11. The Obligations must provide that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect.
12. Financial assistance proceeds are public funds. Therefore, the Obligations must require that these proceeds be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256 and the Public Funds Collateral Act, Government Code, Chapter 2257.

13. Financial assistance proceeds shall not be used by the Corporation when sampling, testing, removing, or disposing of contaminated soils or media at the project site. The Obligations must provide that the Corporation is solely responsible for liability resulting from acts or omissions of the Corporation, its employees, contractors, or agents arising from the sampling, analysis, transport, storage, treatment, recycling, and disposition of any contaminated sewage sludge, contaminated sediments or contaminated media that may be generated by the Corporation, its contractors, consultants, agents, officials, and employees as a result of activities relating to the Project to the extent permitted by law.
14. Before closing, the Corporation must submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements.
15. Before closing, and if required under the TWDB's financial assistance program and not previously provided with the application, the Corporation must submit an executed engineering contract as appropriate for the project scope of work, and an executed financial advisor contract and executed bond counsel contract as appropriate for the work to be performed in obtaining the TWDB's financial assistance for the project, in a form and substance satisfactory to the Executive Administrator. Fees to be reimbursed under any consulting contract must be reasonable in relation to the services performed, must be reflected in the contract, and must be acceptable to the Executive Administrator.
16. Before closing, when any portion of financial assistance proceeds are to be held in escrow or in trust, the Corporation must execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and must submit that executed agreement to the TWDB.
17. The Executive Administrator may require that the Corporation execute a separate financing agreement in form and substance acceptable to the Executive Administrator.
18. The Corporation must abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter F and Texas Water Code § 17.183.
19. Before closing, the City shall submit to the escrow agent a closing memo signed by the Executive Administrator.

Water Supply Corporation Conditions:

20. the Obligations must include a provision stating that the Corporation's indebtedness to the TWDB shall be secured by:

- a. a first or parity lien on the gross revenues of the Corporation's water system (System); and
 - b. a first or parity lien mortgage on the System;
21. Upon closing or within 20 days after closing, the Corporation must file a Deed of Trust with the County Clerk of the county in which the property is located, as required by Business and Commerce Code, Chapter 9, or a Utility Security Instrument with the Secretary of State's Office and corresponding notice with the County Clerk, as required by Business and Commerce Code, Chapter 261, as evidence of the TWDB's security interest in the Corporation's System. Within thirty (30) days of the date of each filing, the Corporation shall submit a copy of the recorded instrument to the TWDB;
22. Upon closing or within 20 days after closing, the Corporation must file a security instrument with the Secretary of State's Office, as required by Business and Commerce Code, Chapter 9 or Chapter 261 to evidence the TWDB's security interest in any personal property directly related to water supply and/or sewer service, owned or to be acquired by the Corporation. A copy of the recorded security instrument shall be submitted by the Corporation to the TWDB within thirty (30) days of its filing with the Secretary of State's Office;
23. Before closing, the Corporation must obtain a commitment from a title insurance company in accordance with the standards established by the Texas Department of Insurance, resulting in the issuance of a mortgagee title insurance policy on the property owned in fee simple, upon which the TWDB will be given a first or parity lien mortgage. A copy of the mortgagee title insurance policy shall be submitted to the TWDB within thirty (30) days of its execution;
24. Before closing, the Corporation must cure any defects or liens upon the property listed in Schedule C of the title insurance company commitment that the Executive Administrator deems necessary;
25. Before release of funds for construction, the Corporation must provide the TWDB with evidence that the necessary acquisitions of land, leases, easements, and rights-of-way have been completed, or that the Corporation has the legal authority necessary to complete the acquisitions;
26. Before closing, the Corporation must submit to the Executive Administrator evidence that the Corporation's bylaws have been amended to include the following requirements:
 - i) as long as the Corporation is indebted for a loan or loans made by or through the TWDB, the bylaws shall not be altered, amended, or repealed without the prior written consent of the Executive Administrator; and
 - ii) the Corporation is a nonprofit entity; no part of the income of the Corporation will be distributed to the Corporation's members, directors, or officers;

27. Before closing, if the Corporation is pledging a lien on real property that is to be on parity with a lien or liens on real property securing debt that will remain outstanding after closing the TWDB's loan, then the Corporation must execute a Parity Agreement with each entity that holds such debt that is acceptable in form and substance to the Executive Administrator; and
28. The Obligations shall include a special covenant prohibiting the Corporation from encumbering, pledging, or otherwise impairing the revenues of the System in any manner with respect to the payment of any Obligations or with respect to any liability, except for the payment of the following: (1) maintenance and operating expenses payable within the current fiscal year with current revenues; and (2) additional debt, and that the Corporation shall in no way encumber, pledge or otherwise impair its title to the land used by or for the System or any interests therein, including improvements and facilities of the System, without prior TWDB approval;

Pledge Conditions:

29. The Obligations must require the accumulation of a reserve fund of no less than average annual debt service requirements, to be accumulated in equal monthly installments over the initial 60 months following the issuance of the Obligations.
30. If the Corporation has existing revenue obligations with the same pledge of security as the proposed Obligations that will remain outstanding after any financial assistance provided by the TWDB pursuant to this commitment, the lien or liens securing the Obligations issued to the TWDB must be at least on a parity with lien or liens securing the outstanding obligations.
31. The Obligations must provide that additional revenue obligations may only be incurred if a) net system revenues are at least 1.25 times the average annual debt service requirements after giving effect to the additional obligations when net revenues are determined from the last completed fiscal year or a 12 consecutive calendar month period ending not more than 90 days before the adoption of the additional obligations as certified by a certified public accountant; or b) the Corporation certifies that the Corporation is expected to continue to meet or exceed the net system revenue test with a minimum coverage of 1.25 times the average annual debt service requirement. An authorized representative of the Corporation must provide the calculations identifying reasonable assumptions in a format that is acceptable to the Executive Administrator.

Special Conditions:

32. Before closing, the Corporation must adopt and implement the water conservation program approved by the TWDB.
33. Before release of funds for the costs of planning, engineering, architectural, legal, title, fiscal, or economic investigation, studies, surveys, or designs for that portion of a project that proposes surface water or groundwater development, the

Executive Administrator must either issue a written finding that the Corporation has the right to use the water that the project financed by the TWDB will provide or a written determination that a reasonable expectation exists that such a finding will be made before the release of funds for construction;

34. Before release of construction funds for that portion of a project that proposes surface water or groundwater development, the Executive Administrator must have issued a written finding that the Corporation has the right to use the water that the project financed by the TWDB will provide;
35. The Corporation must notify the Executive Administrator in writing 30 days before taking any actions to alter its legal status in any manner.
36. The Obligations must require that the Corporation notify the Executive Administrator in writing before any action by it to convey its Obligations held by the TWDB to another entity. The conveyance and the assumption of the Obligations must be approved by the TWDB.

APPROVED and ordered of record this, the 31st day of March 2026.

TEXAS WATER DEVELOPMENT BOARD

L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED: _____

ATTEST:

Bryan McMath, Executive Administrator

Review Date:

Project ID:

Water
Wastewater
Other

WATER CONSERVATION REVIEW

Entity:

Other entity:

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

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

WATER LOSS AUDIT YEAR:

Validation Required:

Validation Performed:

Service connections:

Length of main lines (miles):

Water Loss GCD:

Retail population:

Connections per mile:

Water Loss GPCD:

ILI:

Real Loss GMD:

WATER LOSS THRESHOLDS

Water Loss Project:

Waiver Requested:

Wholesale Adjusted:

Apparent Loss GCD

Real Loss GCD

Threshold Type:

Reported

Threshold

Reported

Threshold

Does the applicant meet water loss threshold requirements?

Yes**No****NA****ADDITIONAL INFORMATION****STAFF NOTES AND RECOMMENDATIONS**

DEFINITIONS

Adopted refers to a water conservation plan that meets the minimum requirements of the water conservation plan rules and has been formally approved and adopted by the applicant's governing body.

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

Approvable refers to a water conservation plan that substantially meets the minimum requirements of the water conservation plan rules but has not yet been adopted by the applicant's governing body.

Best Management Practices are voluntary efficiency measures that save a quantifiable amount of water, either directly or indirectly, and that can be implemented within a specific time frame.

GPCD means gallons per capita per day.

GCD means gallons per connection per day.

GMD means gallons per mile per day.

Infrastructure Leakage Index (ILI) is the current annual real loss divided by the unavoidable annual real loss (theoretical minimum real loss) and only applies to utilities with more than 3,000 connections and a connection density of more than 16 connections per mile. The **ILI** is recommended to be less than 3 if water resources are greatly limited and difficult to develop, between 3 and 5 if water resources are adequate to meet long-term needs but water conservation is included in long-term water planning, and between 5 and 8 if water resources are plentiful, reliable, and easily extracted. The **ILI** is recommended as a benchmarking tool, but until there is increased data validity of the variables used in the calculation, the **ILI** should be viewed with care.

NA means not applicable.

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

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

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

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

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

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

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

Water Loss Thresholds are levels of real and apparent water loss determined by the connection density of a retail public utility, at or above which a utility receiving financial assistance from the Texas Water Development Board must use a portion of that financial assistance to mitigate the utility's system water loss.

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



Dean WSC Smith County

