



PROJECT FUNDING REQUEST

BOARD DATE: June 25, 2026

Team Manager: Candice DeLello

ACTION REQUESTED

Consider approving by resolution a request from the City of Round Rock (Williamson County) for \$60,000,000 in financial assistance from the Clean Water State Revolving Fund for construction of a wastewater system improvements project.

STAFF RECOMMENDATION

☒ Approve ☐ No Action

BACKGROUND

The City of Round Rock (City) is located 19 miles north of Austin. The City provides water and wastewater services to a population of approximately 149,400 residents and approximately 38,000 water and wastewater connections.

PROJECT NEED AND DESCRIPTION

The City's 30 million gallons per day (MGD) Brushy Creek East Wastewater Treatment Plant (WWTP) was constructed in 1987 with expansion and improvements from 1995 through 2025. The wastewater treatment plant is expected to exceed 75 percent of permitted effluent flow capacity in 2026. The Texas Commission on Environmental Quality requires the initiation of planning for expansion when this threshold is met. To meet current and future demands, the City needs to expand the plant from 30 MGD to 40 MGD.

The City is requesting construction funds for the expansion of the wastewater treatment plant from 30 MGD to 40 MGD. The expansion includes additional pumps, new basins and final clarifiers, ultraviolet disinfection, a dewatering building, sludge pump station, and electrical building. This project will improve operational reliability, enhance nutrient removal performance, and support the City's reclaimed water program. Planning and design phase costs are being funded by local funds.

PROJECT SCHEDULE

Task	Schedule Date
Closing	September 1, 2026
Engineering Feasibility Report Completion (End of Planning Phase)	February 1, 2027
Design Phase Completion	April 1, 2027
Start of Construction	June 1, 2027
Construction Completion	September 1, 2030

COMMITMENT PERIOD: TWELVE (12) MONTHS TO EXPIRE JUNE 30, 2027

Attachments:

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

Financial Review City of Round Rock

Attachment 1

Risk Score: 2A

Audit Reviewed: FY 2025

Key Indicators

Indicator	Result	Benchmark
Population Growth, Average Annual 2010-2020	City: 1.81%	State: 1.49%
Top 10 Customers % of Total Revenue	23%	10-15%
Median Household Income as % of State	127%	100%
Household Cost Factor	0.96%	1.51-2.00%
Days of Cash on Hand (3-year Average)	1,270 days	30-149 days
Net Fixed Assets/ Annual Depreciation	15 years	12-24 years
Debt Service Coverage Ratio	1.34x	1.0x
Debt-to-Operating Revenues	3.04	4.00-5.99x
Unemployment Rate (February, 2026)	City: 3.50%	State: 4.40%
Working Capital Ratio	7.85	> 1.0
Debt Per Capita	\$5,436	\$1,500-\$1,999

Key Risk Score Strengths

- The City's debt service coverage ratio exceeds required levels, indicating ample revenue to meet its debt obligations and reflecting strong financial management and stable repayment capacity.
- The City's household cost factor remains below the established benchmark, indicating that the projected utility rates are expected to remain affordable and should not place a significant financial burden on residents.
- The City's working capital ratio is above the benchmark, reflecting strong liquidity and the financial capacity to meet operational demands and absorb unexpected costs.
- The three-year average of 1,270 days of cash on hand exceeds the benchmark, demonstrating a strong capacity to meet short-term obligations during periods of revenue variability.

Key Risk Score Concerns

- The City's debt per capita exceeds the benchmark, reflecting a comparatively high level of outstanding debt. Ongoing infrastructure investment, combined with rising project costs and broader economic conditions, has contributed to growth in the City's debt. Despite these factors, the City has maintained financial stability through diversified revenue sources and effective use of available revenues, avoiding reliance on any single revenue stream.

PLEDGE

Legal Pledge Name	Utility System Revenues
Type of Pledge	☐ Tax ☒ Revenue ☐ Tax & Revenue ☐ Contract ☐ Other
Revenue Pledge Level	☒ First ☐ Second ☐ Third ☐ N/A

RATES AND CHARGES

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
Water	10,000	\$43.91	\$43.91	0.96	0.96
Wastewater	6,000	\$34.20	\$34.20		

TAXES

	2025 Tax Year Rate	Max Projected Tax Rate (Year 2025)	Maximum Allowable Rate	3-Year Avg Current Tax Collections	Assessed Valuation
Maintenance & Operation	\$0.2568	\$0.2568	\$2.50	99%	\$27,263,688,661
Interest & Sinking	\$0.1152	\$0.1152			
Total Tax Rate	\$0.3720	\$0.3720			

Cost Savings

Based on a 30-year maturity schedule and current interest rates, the City could save approximately \$17,018,362 over the life of the financing.

Project Data Summary

Responsible Authority	City of Round Rock
Program	CWSRF
Commitment Number	L1002399
Project Number	74016
List Year	2026
Type of Pledge	Revenue Pledge
Pledge Level (if applicable)	First Lien
Legal Description	\$60,000,000 City of Round Rock, Texas Utility System Revenue Bonds, Proposed Series 2026
Tax-exempt or Taxable	Tax-Exempt
Refinance	No
Outlay Requirement	Yes
Disbursement Method	Escrow
Outlay Type	Outlay <> Escrow Release
Qualifies as Disadvantaged	No
State Revolving Fund Type	Non-Equivalency
Financial Managerial & Technical Complete	N/A
Phases Funded	Construction
Pre-Design	Yes
Project Consistent with State Water Plan	N/A
Water Conservation Plan	Adopted
Overall Risk Score	2A

PROJECT TEAM

Team Manager	Financial Analyst	Engineering Reviewer	Environmental Reviewer	Attorney
Shubham Aggarwal	Chelsea Duran	Kyleigh Dixon	Stephannie Resendez	Walter Dean

ISSUE BEING EVALUATED
FOR ILLUSTRATION PURPOSES ONLY
City of Round Rock

\$60,000,000 City of Round Rock, Texas Utility System Revenue Bonds, Proposed Series 2026

Dated Date:	9/1/2026	Source:	CWSRF-NON-EQUIVALENCY
Delivery Date:	9/1/2026	Rate:	2.81%
First Interest:	12/1/2026	IUP Year:	2026
First Principal:	6/1/2027	Case:	Revenue only
Last Principal:	6/1/2056	Admin.Fee:	\$1,031,941
Fiscal Year End:	09/30	Admin. Fee Payment Date:	9/1/2026
Required Coverage:	1.0		

FISCAL YEAR	CURRENT NET SYSTEM REVENUES	CURRENT DEBT SERVICE	\$60,000,000 ISSUE				TOTAL DEBT SERVICE	COVERAGE
			PRINCIPAL PAYMENT	INTEREST RATE	INTEREST PAYMENT	TOTAL PAYMENT		
2027	\$21,672,608	\$13,615,222	\$1,440,000	1.54%	\$1,147,923	\$2,587,923	\$16,203,144	1.34
2028	21,672,608	13,629,570	1,465,000	1.55%	1,508,388	2,973,388	16,602,958	1.31
2029	21,672,608	13,650,499	1,485,000	1.60%	1,485,680	2,970,680	16,621,179	1.30
2030	21,672,608	13,667,215	1,510,000	1.66%	1,461,920	2,971,920	16,639,135	1.30
2031	21,672,608	13,679,113	1,535,000	1.72%	1,436,854	2,971,854	16,650,967	1.30
2032	21,672,608	13,419,376	1,560,000	1.77%	1,410,452	2,970,452	16,389,828	1.32
2033	21,672,608	13,430,205	1,590,000	1.82%	1,382,840	2,972,840	16,403,045	1.32
2034	21,672,608	13,435,519	1,620,000	1.88%	1,353,902	2,973,902	16,409,421	1.32
2035	21,672,608	12,842,968	1,650,000	1.94%	1,323,446	2,973,446	15,816,414	1.37
2036	21,672,608	13,076,291	1,680,000	2.02%	1,291,436	2,971,436	16,047,727	1.35
2037	21,672,608	13,085,707	1,715,000	2.15%	1,257,500	2,972,500	16,058,207	1.35
2038	21,672,608	12,978,388	1,750,000	2.28%	1,220,628	2,970,628	15,949,015	1.36
2039	21,672,608	8,827,641	1,790,000	2.39%	1,180,728	2,970,728	11,798,369	1.84
2040	21,672,608	4,382,025	1,835,000	2.47%	1,137,947	2,972,947	7,354,972	2.95
2041	21,672,608	4,381,998	1,880,000	2.55%	1,092,622	2,972,622	7,354,620	2.95
2042	21,672,608	4,376,683	1,930,000	2.61%	1,044,682	2,974,682	7,351,365	2.95
2043	21,672,608	4,380,755	1,980,000	2.68%	994,309	2,974,309	7,355,064	2.95
2044	21,672,608	4,379,868	2,030,000	2.76%	941,245	2,971,245	7,351,113	2.95
2045	21,672,608	4,377,983	2,090,000	2.82%	885,217	2,975,217	7,353,200	2.95
2046	21,672,608	4,382,693	2,145,000	2.88%	826,279	2,971,279	7,353,972	2.95
2047	21,672,608	4,381,948	2,210,000	2.94%	764,503	2,974,503	7,356,451	2.95
2048	21,672,608	4,380,748	2,275,000	2.97%	699,529	2,974,529	7,355,277	2.95
2049	21,672,608	1,911,051	2,340,000	2.98%	631,962	2,971,962	4,883,013	4.44
2050	21,672,608	-	2,410,000	3.00%	562,230	2,972,230	2,972,230	7.29
2051	21,672,608	-	2,485,000	3.02%	489,930	2,974,930	2,974,930	7.29
2052	21,672,608	-	2,560,000	3.03%	414,883	2,974,883	2,974,883	7.29
2053	21,672,608	-	2,635,000	3.04%	337,315	2,972,315	2,972,315	7.29
2054	21,672,608	-	2,715,000	3.05%	257,211	2,972,211	2,972,211	7.29
2055	21,672,608	-	2,800,000	3.06%	174,403	2,974,403	2,974,403	7.29
2056	21,672,608	-	2,890,000	3.07%	88,723	2,978,723	2,978,723	7.28
		\$210,673,463	\$60,000,000		\$28,804,682	\$88,804,682	\$299,478,144	

AVERAGE (MATURITY) LIFE	17.09 YEARS
NET INTEREST RATE	2.810%
COST SAVINGS	\$17,018,362
AVERAGE ANNUAL REQUIREMENT	\$9,982,605

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
City of Round Rock
74016 - Brushy Creek Regional Wastewater
Treatment System East Plant - 40 MGD Expansion

Budget Items	TWDB Funds	Local and Other Funds	Total
Construction			
Construction	\$49,863,559.00	\$48,935,000.00	\$98,798,559.00
Subtotal for Construction	\$49,863,559.00	\$48,935,000.00	\$98,798,559.00
Basic Engineering Services			
Design	\$0.00	\$5,285,000.00	\$5,285,000.00
Planning	\$0.00	\$580,000.00	\$580,000.00
Subtotal for Basic Engineering Services	\$0.00	\$5,865,000.00	\$5,865,000.00
Special Services			
Environmental	\$0.00	\$65,000.00	\$65,000.00
Geotechnical	\$0.00	\$20,000.00	\$20,000.00
Permits	\$0.00	\$45,000.00	\$45,000.00
Surveying	\$0.00	\$30,000.00	\$30,000.00
Subtotal for Special Services	\$0.00	\$160,000.00	\$160,000.00
Fiscal Services			
Bond Counsel	\$148,000.00	\$0.00	\$148,000.00
Financial Advisor	\$140,000.00	\$0.00	\$140,000.00
Fiscal/Legal	\$2,500.00	\$0.00	\$2,500.00
Issuance Costs	\$9,500.00	\$0.00	\$9,500.00
Loan Origination Fee	\$1,031,941.00	\$0.00	\$1,031,941.00
Subtotal for Fiscal Services	\$1,331,941.00	\$0.00	\$1,331,941.00
Other			
Other (AG Fee)	\$9,500.00	\$0.00	\$9,500.00
Subtotal for Other	\$9,500.00	\$0.00	\$9,500.00
Contingency			
Contingency	\$8,795,000.00	\$8,640,000.00	\$17,435,000.00
Subtotal for Contingency	\$8,795,000.00	\$8,640,000.00	\$17,435,000.00
Total	\$60,000,000.00	\$63,600,000.00	\$123,600,000.00

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
\$60,000,000 TO THE CITY OF ROUND ROCK
FROM THE CLEAN WATER STATE REVOLVING FUND
THROUGH THE PROPOSED PURCHASE OF
\$60,000,000 CITY OF ROUND ROCK, TEXAS UTILITY SYSTEM REVENUE BONDS,
PROPOSED SERIES 2026

(26-)

Recitals:

The City of Round Rock (City), located in Williamson County filed an application for financial assistance in the amount of \$60,000,000 from the Clean Water State Revolving Fund (CWSRF) to finance the construction of wastewater system improvements identified as Project No. 74016.

The City seeks financial assistance from the Texas Water Development Board (TWDB) through the TWDB's proposed purchase of \$60,000,000 City of Round Rock, Texas Utility System Revenue Bonds, Proposed Series 2026 (Obligations) (together with all authorizing documents), as is more specifically set forth in the application and in recommendations of the TWDB's staff.

The City has offered a pledge of system revenue as sufficient security for the repayment of the Obligations.

Findings:

1. The revenue or taxes pledged by the City will be sufficient to meet all the Obligations assumed by the City, in accordance with Texas Water Code § 15.607.
2. The application and assistance applied for meet the requirements of the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251--1389, as well as state law, in accordance with Texas Water Code § 15.607.
3. The term of the Obligations does not exceed the expected useful life of the project proposed by the City.
4. The City has adopted and implemented a water conservation program for the more efficient use of water that will meet reasonably anticipated local needs and conditions and that incorporates practices, techniques, or technology prescribed by the Texas Water Code and TWDB's rules.
5. The City has considered cost-effective, innovative, and nonconventional methods of treatment, in accordance with Texas Water Code § 15.007.

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

A commitment is made by the TWDB to the City of Round Rock for financial assistance in the amount of \$60,000,000 from the Clean Water State Revolving Fund through the TWDB's proposed purchase of \$60,000,000 City of Round Rock, Texas Utility System Revenue Bonds, Proposed Series 2026. This commitment will expire on June 30, 2027.

The commitment is conditioned as follows.

Standard Conditions:

1. The 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. If the financial assistance is funded with available cash-on-hand, the TWDB reserves the right to change the designated source of funds to bond proceeds issued for the purpose of reimbursing funds used to provide the financial assistance approved in this Resolution.
2. The commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that all the requirements of the laws under which the Obligations are issued have been complied with; that the Obligations were issued in conformity with the Constitution and laws of the State of Texas; and that the Obligations are valid and binding obligations of the City.
3. The commitment is contingent upon the City's compliance with all applicable requirements contained in 31 TAC Chapter 375.
4. The Obligations must provide that the City agrees to comply with all the conditions set forth in the TWDB Resolution.
5. The Obligations must provide that the Obligations can be called for early redemption on any date beginning on or after the first interest payment date which is 10 years from the dated date of the Obligations at a redemption price of par, together with accrued interest to the date fixed for redemption.
6. The City, 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 City's Obligations, at a minimum and regardless of the amount of the Obligations, must agree 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 the rule, the continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the City's Obligations, if the TWDB sells or otherwise transfers the Obligations, and the beneficial owners of the TWDB's bonds if the City is an obligated person with respect to the bonds under SEC Rule 15c2-12.
7. The Obligations must require the City to levy a tax or maintain and collect sufficient rates and charges, as applicable, to produce system funds 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.

8. The Obligations must require the City to use any proceeds from the Obligations that are determined to be remaining unused funds for enhancements to the original project that are explicitly approved by the Executive Administrator or, if no enhancements are authorized by the Executive Administrator, requiring the City to submit a final accounting and disposition of any unused funds. Remaining unused funds are those funds unspent after the original approved project is completed.
9. The Obligations must require the City to use any proceeds from the Obligations that are determined to be surplus funds in a manner approved by the Executive Administrator. Surplus funds are funds remaining after completion of the project and completion of a final accounting.
10. 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.
11. Proceeds of this commitment are public funds. Therefore, the Obligations must require that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257.
12. Proceeds of this commitment must not be used by the City when sampling, testing, removing, or disposing of contaminated soils or media at the project site except for an EC project to address PFAs or any contaminant listed on EPA's Contaminant Candidate Lists. The Obligations must provide that the City is solely responsible for liability resulting from acts or omissions of the City, 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 City, its contractors, consultants, agents, officials, and employees as a result of activities relating to the Project to the extent permitted by law.
13. Before closing, the City must submit documentation evidencing the adoption and implementation of sufficient system rates and charges or the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements.
14. Before closing, and if not previously provided with the application, the City must submit executed contracts for engineering, and, if applicable, financial advisor and bond counsel contracts for the project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed, reflected in the contract, and acceptable to the Executive Administrator.
15. Before closing, when any portion of the financial assistance is to be held in escrow or in trust, the City must execute an escrow or trust agreement, approved as to form

and substance by the Executive Administrator and shall submit that executed agreement to the TWDB.

16. The Executive Administrator may require the City to execute a separate financing agreement in form and substance acceptable to the Executive Administrator.
17. The Obligations must provide that the City must comply with all applicable federal laws and TWDB laws and rules related to the use of the financial assistance.
18. The Obligations must provide that the City 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.
19. The Obligations must require the City to maintain insurance coverage sufficient to protect the TWDB's interest in the project.
20. The City must immediately notify TWDB in writing of any suit against it by the Attorney General of Texas under Texas Government Code § 2.103 and Texas Penal Code § 1.10(f), related to federal laws regulating firearms, firearm accessories, and firearm ammunition.
21. The Obligations must provide that the City must submit annually an audit prepared by a certified public accountant in accordance with generally accepted auditing standards.
22. Before closing, the City shall submit to the escrow agent a closing memo signed by the Executive Administrator.

Tax-Exempt Conditions:

23. The City's bond counsel must prepare a written opinion that states that the interest on the Obligations is excludable from gross income or is exempt from federal income taxation. Bond counsel may rely on covenants and representations of the City when rendering this opinion.
24. The City's bond counsel opinion must state that the Obligations are not "private activity bonds." Bond counsel may rely on covenants and representations of the City when rendering this opinion.
25. The Obligations must prohibit the City from using the financial assistance in a manner that would cause the Obligations to become "private activity bonds" within the meaning of section 141 of the Internal Revenue Code of 1986, as amended (Code) and the Treasury Regulations promulgated under section 141 (Regulations).
26. The Obligations must provide that no portion of the proceeds of this financial assistance will be used, directly or indirectly, in a manner that would cause the Obligations to be "arbitrage bonds" within the meaning of section 148(a) of the Code and Regulations, including to acquire or to replace funds that were used, directly or

indirectly, to acquire Nonpurpose Investments (as defined in the Code and Regulations) that produce a yield materially higher than the yield on the TWDB's bonds that are issued to provide the financial assistance (Source Series Bonds), other than Nonpurpose Investments acquired with:

- a. proceeds of the TWDB's Source Series Bonds invested for a reasonable temporary period of up to three (3) years after the issue date of the Source Series Bonds until the proceeds are needed for the facilities to be financed;
 - b. amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Regulations; and
 - c. amounts deposited in any reasonably required reserve or replacement fund to the extent the deposited amounts do not exceed the least of maximum annual debt service on the Obligations, 125% of average annual debt service on the Obligations, or 10 percent of the stated principal amount, or, in the case of a discount, the issue price of the Obligations.
27. The Obligations must require the City to take all necessary steps to comply with the requirement that certain amounts earned on the investment of gross proceeds of the Obligations be rebated to the federal government to satisfy the requirements of section 148 of the Code. The Obligations must provide that the City must:
- a. account for all Gross Proceeds, as defined in the Code and Regulations, (including all receipts, expenditures, and investments) on its books of account separately and apart from all other funds, including receipts, expenditures, and investments, and retain all records of the accounting for at least six years after the final Computation Date. The City may, however, to the extent permitted by law, commingle Gross Proceeds of this financial assistance with other money of the City, provided that the City separately accounts for each receipt and expenditure of the Gross Proceeds and the obligations acquired those proceeds;
 - b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to this financial assistance, not less frequently than each Computation Date, in accordance with rules set forth in section 148(f) of the Code, section 1.148-3 of the Regulations, and related rulings. The City must maintain a copy of the calculations for at least six years after the final Computation Date;
 - c. as additional consideration for the making of this commitment, and to induce the financial assistance by measures designed to ensure the excludability of the interest on the TWDB's Source Series Bonds from the gross income of the owners for federal income tax purposes, pay to the United States the amount described in paragraph (b) above within 30 days after each Computation Date; and
 - d. exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (b) and, if an error is made, to discover

and promptly to correct the error within a reasonable amount of time after including payment to the United States of any interest and any penalty required by the Regulations.

28. The Obligations must prohibit the City from taking any action that would cause the interest on the Obligations to be includable in gross income for federal income tax purposes.
29. The Obligations must provide that the City will not cause or permit the Obligations to be treated as “federally guaranteed” obligations within the meaning of section 149(b) of the Code.
30. The transcript must include a No Arbitrage Certificate or similar Federal Tax Certificate setting forth the City’s reasonable expectations regarding the use, expenditure, and investment of the proceeds of the Obligations.
31. The Obligations must provide that the City will refrain from using the proceeds provided by this TWDB commitment or the proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Obligations in contravention of the requirements of section 149(d) of the Code, relating to advance refundings.
32. The transcript must include evidence that the information reporting requirements of section 149(e) of the Code will be satisfied. This requirement may be satisfied by filing an IRS Form 8038 with the Internal Revenue Service. In addition, the applicable completed IRS Form 8038 or other evidence that the information reporting requirements of section 149(e) have been satisfied must be provided to the Executive Administrator within fourteen (14) days of closing. The Executive Administrator may withhold the release of funds for failure to comply.
33. The Obligations must provide that neither the City nor a related party will acquire any of the TWDB’s Source Series Bonds in an amount related to the amount of the Obligations to be acquired from the City by the TWDB.
34. Before closing, the City must provide certification that the average weighted maturity of the Obligations purchased by the TWDB does not exceed 120% of the average reasonably expected economic life of the Project.

State Revolving Fund Conditions:

35. The City must submit outlay reports on a quarterly or monthly basis with sufficient documentation on costs in accordance with TWDB outlay report guidelines.
36. The Obligations must provide that all laborers and mechanics employed by contractors and subcontractors for projects be paid wages at rates not less than those prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor’s implementing regulations. The City, all contractors, and all sub-contractors must ensure that all project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for

the construction of the project carried out in whole or in part with financial assistance made available as provided must insert in full in any contract in excess of \$2,000 the contract clauses as provided by the TWDB.

37. The Obligations must provide that the City shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The City shall obtain a Unique Entity Identification Number and shall register with System for Award Management (SAM) and maintain current registration at all times during which the Obligations are outstanding.
38. The Obligations must provide that all proceeds of this financial assistance will be timely and expeditiously used, as required by 40 CFR § 35.3135(d), and must provide that the City will adhere to the approved project schedule.
39. The Obligations must provide that the City will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC § 375.3, 33 U.S.C. § 1388, and related State Revolving Fund Policy Guidelines.
40. The Obligations must provide that the City must comply with the requirements set forth in 33 U.S.C. § 1382 *et seq.* related to maintaining project accounts containing financial assistance for planning, design, acquisition, or construction in accordance with generally accepted accounting principles (GAAP). These standards and principles also apply to the reporting of underlying infrastructure assets.
41. The Obligations must provide that the City shall abide by the prohibition on certain telecommunications and video surveillance services or equipment as required by 2 CFR § 200.216.

Clean Water State Revolving Fund Conditions:

42. The City must pay at closing an origination fee approved by the Executive Administrator of the TWDB pursuant 31 TAC Chapter 375.

Pledge Conditions:

43. The Obligations must require the accumulation of a reserve fund of no less than average annual debt service requirements of the Obligations and the annual debt service requirements of all additional debt, to be accumulated in equal monthly installments over the initial sixty (60) following the issuance of the Obligations.
44. If the City has existing revenue obligations with the same pledge of security as the proposed Obligations that will remain outstanding after the financial assistance made by the TWDB through this commitment, the lien or liens securing the Obligations issued to the TWDB must be at least on parity with lien or liens securing the outstanding obligations.

45. The Obligations must provide that additional revenue obligations may only be incurred if net system revenues are at least 1.25 times the average annual debt service requirements of the Obligations and the annual debt service requirement of all additional debt after giving effect to the additional obligations when net revenues are a) determined from the last completed fiscal year or a 12 consecutive calendar month period ending not more than ninety (90) days preceding the adoption of the additional obligations as certified by a certified public accountant; or b) the City certifies that the City 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 City must provide the calculations, identifying reasonable assumptions, in a manner and format that is acceptable to the Executive Administrator.

APPROVED and ordered of record this 25th day of June 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:

Threshold Type:

Apparent Loss GCD		Real Loss GCD	
Reported	Threshold	Reported	Threshold

Does the applicant meet water loss threshold requirements?

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

DEFINITIONS

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

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

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

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

GPCD means gallons per capita per day.

GCD means gallons per connection per day.

GMD means gallons per mile per day.

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

NA means not applicable.

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

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

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

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

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

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

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

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

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



City of Round Rock Williamson County

