

**Alliance Regional Water Authority  
Board of Directors**

**REGULAR MEETING**



**ALLIANCE WATER**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 P.M.

Call-In Number: 1-346-248-7799  
Meeting ID: 883 0489 7366  
Passcode: 502711

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

This Notice is posted pursuant to the Texas Open Meetings Act (Texas Government Code Chapter 551). The Alliance Regional Water Authority (the Authority) Board of Directors will hold a meeting at 3:00 PM, Wednesday, March 22, 2023, at the County Line Special Utility District Offices, 8870 Camino Real, Kyle, Texas. The presiding officer of the meeting will be physically present at the location noted above. Some directors may participate remotely through videoconference. The public may observe this meeting in person or by using the following videoconference link and/or calling the number and code provided:

**[ZOOM MEETING LINK](#)**

Call-In Number: 1-346-248-7799

Meeting ID: 816 4375 8576

Passcode: 326092

Members of the public wishing to make public comment during the meeting must (1) be present at the public meeting location or (2) join by videoconference and register by emailing [info@alliancewater.org](mailto:info@alliancewater.org) prior to 3:00 p.m. on March 22, 2023. Public comment is not allowed by call-in. This meeting will be recorded and the audio recording will be available on the Authority's website after the meeting. A copy of the agenda packet will be available on the Authority's website at the time of the meeting. Additional information can be obtained by calling Graham Moore at (512) 294-3214.

A. CALL TO ORDER

B. ROLL CALL

C. PUBLIC COMMENT PERIOD (Note: Each person wishing to speak must register with the Executive Director at [info@alliancewater.org](mailto:info@alliancewater.org) before 3:00 p.m.)

D. CONSENT AGENDA

*The items included in the Consent Agenda portion of this meeting agenda can be considered and approved by the Board of Directors by one motion and vote. A Board member may request that an item included in the Consent Agenda be considered separately, in which event the Board of Directors will take action on the remaining Consent Agenda items and then consider the item removed from the Consent Agenda.*

D.1 Consider approval of minutes of the Regular Meeting held February 22, 2023.  
~ Graham Moore, P.E., Executive Director

D.2 Consider approval of financial report for period ending January 2023. ~ Graham Moore, P.E., Executive Director

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

E. PUBLIC HEARINGS / PRESENTATIONS

F. ITEMS FOR DISCUSSION NOT REQUIRING ACTION

F.1 Report on Technical Committee activities. ~ *Graham Moore, P.E., Executive Director*

F.2 Update on status of groundwater management in project target area, and Gonzales County Underground Water Conservation District, Plum Creek Conservation District, Groundwater Management Area 13, Region L Planning Group, Guadalupe-Blanco River Authority, Hays County and CAPCOG activities. ~ *Graham Moore, P.E., Executive Director*

G. EXECUTIVE DIRECTOR AND LEGAL COUNSEL REPORTS - Update on future meeting dates, locations, status of Authority procurements, Executive Director activities, other operational activities and the status of legal issues, where no action is required. ~ *Graham Moore, P.E., Executive Director / Mike Gershon, Lloyd Gosselink Rochelle & Townsend, P.C.*

H. ITEMS FOR ACTION OR DISCUSSION/DIRECTION

H.1 Consider adoption of Resolution 2023-03-22-001 accepting and approving the Audit Report for the 2020-2021 Financial Audit of the Authority. ~ *Phil Vaughan, Armstrong, Vaughan & Associates*

H.2 Consider adoption of Resolution 2023-03-22-002 approving the Operation and Maintenance Agreement of the Carrizo Regional Water Supply with the Guadalupe-Blanco River Authority. ~ *Graham Moore, P.E., Executive Director*

H.3 Discussion and possible direction to Staff regarding addition of ARWA logos on the elevated storage tanks. ~ *Graham Moore, P.E., Executive Director*

H.4 Discussion of legislative issues for the 88<sup>th</sup> Texas Legislature, and possible direction to Staff. ~ *Scott Miller / Jeff Hecker, The Schlueter Group*

H.5 Update and possible direction to Staff regarding construction of the Authority's Phase 1B program. ~ *Toby Flinn, P.E., Pape-Dawson Engineers*

H.6 Update and discussion regarding the status of the Authority's Phase 1B program, and direction to staff and consultants. ~ *Ryan Sowa, P.E., Kimley-Horn & Associates*

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

H.7 Discussion and possible direction to Staff regarding the updated Phase 1B budget projections. ~ *Graham Moore, P.E., Executive Director & Ryan Sowa, P.E., Kimley-Horn & Associates*

I. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS – Possible acknowledgement by Board Members of future area events and/or requests for item(s) to be placed on a future agenda where no action is required.

J. EXECUTIVE SESSION

J.1 *Executive Session pursuant to the Government Code, Section 551.071 (Consultation with Attorney) and/or Section 551.072 (Real Property Deliberations) regarding:*

- A. *Water supply partnership options*
- B. *Groundwater leases*
- C. *Acquisition of real property for water supply project purposes*
- D. *Operation and Maintenance Agreement of Carrizo Regional Water Supply*

J.2 Action from Executive Session on the following matters:

- A. *Water supply partnership options*
- B. *Groundwater leases*
- C. *Acquisition of real property for water supply project purposes*
- D. *Operation and Maintenance Agreement of Carrizo Regional Water Supply*

K. ADJOURNMENT

**NOTE:** *The Board of Directors may meet in Executive Session for any purpose authorized under the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, for any item listed on this agenda or as otherwise authorized by law. An announcement will be made of the basis for Executive Session. The Board of Directors may also publicly discuss any item listed on the agenda for Executive Session.*

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**  
Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

**A. CALL TO ORDER**

---

No Backup Information for this Item.

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

**B. ROLL CALL**

---

| <b>NAME</b>   | <b>TERM ENDS</b> | <b>PRESENT</b> |
|---|------------------|----------------|
| Mayor Jane Hughson<br>(San Marcos)  | April 2023       |                |
| Regina Franke<br>(CRWA - General Manager, Crystal Clear SUD)                | April 2023       |                |
| Tim Samford<br>(Kyle – Treatment Operations Manager)                        | April 2024       |                |
| Blake Neffendorf – Treasurer<br>(Buda – Assistant Director of Public Works) | April 2023       |                |
| Councilmember Mark Gleason<br>(San Marcos)                                  | April 2025       |                |
| Humberto Ramos – Vice Chair<br>(CRWA – Water Resources Director)            | April 2024       |                |
| Amber Schmeits<br>(Kyle – Assistant City Manager)                           | April 2024       |                |
| Tyler Hjorth<br>(San Marcos – Director, Utilities)                          | April 2024       |                |
| Chris Betz – Chair<br>(CRWA – Project Coordinator, County Line SUD)         | April 2025       |                |
| Derrick Turley<br>(Kyle – Water Production Supervisor)                      | April 2024       |                |
| Shaun Condor<br>(San Marcos –Director of Engineering & CIP)                 | April 2025       |                |
| Pat Allen<br>(CRWA - General Manager, Green Valley SUD)                     | April 2023       |                |
| Paul Kite<br>(San Marcos – Asst. Director of Public Services)               | April 2025       |                |

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**  
Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

- C.** PUBLIC COMMENT PERIOD (Note: Each person wishing to speak must register with the Executive Director at [info@alliancewater.org](mailto:info@alliancewater.org) before 3:00 p.m.)
-

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**  
Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

**D. CONSENT AGENDA**

---

Items D.1 and D.2 are presented as part of the consent agenda.



**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**  
Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

**D.1** Consider approval of minutes of the Regular Meeting held February 22, 2023. ~  
*Graham Moore, P.E., Executive Director*

---

Attachment(s)

- 2023 02 22 Board Meeting Minutes

**Board Decision(s) Needed:**

- Approval of minutes.



**Alliance Regional Water Authority**

**BOARD MEETING**

**MINUTES**

**Wednesday, February 22, 2023**

The following represents the actions taken by the Board of Directors of the Alliance Regional Water Authority (ARWA) in the order they occurred during the meeting. The Board of Directors convened in a meeting on Wednesday, February 22, 2023 at the Pauline Espinosa Community Hall in San Marcos, Texas.

A. CALL TO ORDER.

- **The Alliance Water Board Meeting was called to order at 3:07 p.m. by Mr. Betz.**

B. ROLL CALL.

- **Present: Hughson, Franke, Samford, Gleason, Ramos, Betz, Condor and Allen. Mr. Kite joined in Item H.2 and Mr. Condor left during Item J.2.**
- **Absent: Neffendorf, Schmeits, Hjorth and Turley.**

C. PUBLIC COMMENT PERIOD

- **None.**

D. CONSENT AGENDA

- D.1 Consider approval of minutes of the Regular Meeting held January 25, 2023.
- D.2 Consider approval of financial reports for period ending December 2022.
  - **Motion to approve the consent agenda as presented made by Mr. Gleason, seconded by Ms. Hughson and approved on an 8-0 vote.**

E. PUBLIC HEARINGS / PRESENTATIONS

- **None.**

F. ITEMS FOR DISCUSSION NOT REQUIRING ACTION

- F.1 Report on Technical Committee activities.
- F.2 Update on status of groundwater management in project target area, and Gonzales County Underground Water Conservation District, Plum Creek Conservation District, Groundwater Management Area 13, Region L Planning Group, Guadalupe-Blanco River Authority, Hays County and CAPCOG activities.
  - **No items opened.**

G. EXECUTIVE DIRECTOR AND LEGAL COUNSEL REPORTS

- **No reports provided.**
- **No action.**

H. ITEMS FOR ACTION OR DISCUSSION/DIRECTION

- H.1 Update and discussion regarding the Authority's public relations activities possible direction to staff and consultants.
  - **Natalia Riusech with CD&P attended the meeting and presented the public relations update.**
  - **No Action.**
- H.2 Update and possible direction to Staff regarding construction of the Authority's Phase 1B program.
  - **Toby Flinn with Pape-Dawson provided the Phase 1B Construction Update.**
  - **Mr. Ramos inquired how disinfection will be handled.**
  - **Mr. Moore noted that the Program has a plan for disinfection of the system and it will require significant amounts of flushing. Staff will coordinate with the public relations team when this happens to explain to the public why this is necessary.**
  - **No Action.**
- H.3 Update and discussion regarding the status of the Authority's Phase 1B program, and direction to staff and consultants.
  - **Mr. Sowa provided an update on the Phase 1B Program.**
  - **No Action.**

- H.4 Consider adoption of Resolution 2023-02-22-001 awarding a construction contract to Landmark Structures Management, LLC for the Phase 1B South Inline Elevated Storage Tank Project, contingent upon approval of the award by the Texas Water Development Board.
- **Mr. Moore made a presentation summarizing the proposals received and the recommendations to the Board on awarding the contract.**
  - **Motion to adopt Resolution 2023-02-22-001 awarding the Phase 1B South Inline Elevated Storage Tank Project to Landmark Structures Management, LLC contingent upon approval of the award by the Texas Water Development Board, was made by Ms. Hughson, seconded by Mr. Gleason and approved on a 10-0 vote.**
- H.5 Consider adoption of Resolution 2023-02-22-002 approving Work Order #3 with Plummer & Associates, Inc. for Construction Administration Services on the Authority's Phase 1B South Inline Elevated Storage Tank Project.
- **Motion to adopt Resolution 2023-02-22-002 approving Work Order #3 with Plummer & Associates, Inc. for Construction Administration Services on the Authority's Phase 1B South Inline Elevated Storage Tank Project was made by Ms. Hughson, seconded by Mr. Samford and approved on a 10-0 vote.**
- H.6 Consider adoption of Resolution 2023-02-22-003 approving Work Order #7 with HVJ South Central Texas – M&J, Inc. for material testing on the Segment E Pipeline project, as recommended by the Technical Committee.
- **Motion to adopt Resolution 2023-02-22-003 approving Work Order #7 with HVJ South Central Texas – M&J, Inc. for material testing on the Authority's Phase 1B Segment E Pipeline Project was made by Mr. Allen, seconded by Mr. Samford and approved on a 10-0 vote.**
- H.7 Consider adoption of Resolution 2023-02-22-004 approving Work Order #7 with Kimley-Horn & Associates, Inc. for Owner's Representative Services for March 2023 through February 2024 for the Authority's Phase 1B Program, as recommended by the Technical Committee.
- **Motion to adopt Resolution 2023-02-22-004 approving Work Order #7 with Kimley-Horn & Associates, Inc. for Owner's Representative Services for March 2023 through February 2024 on the Authority's Phase 1B Program was made by Mr. Ramos, seconded by Mr. Samford and approved on a 10-0 vote.**

- H.8 Consider adoption of Resolution 2023-08-22-005 approving a Groundwater Development Agreement with Jordan and Ashley Beeman.
- **Motion to adopt Resolution 2023-02-22-005 approving a Groundwater Development Agreement with Jordan and Ashley Beeman was made by Ms. Hughson, seconded by Ms. Franke and approved on a 10-0 vote.**
- H.9 Consider adoption of Resolution 2023-08-22-006 approving a Groundwater Development Agreement with Beeman Family Limited Land Partnership, A Texas Limited Partnership.
- **Motion to adopt Resolution 2023-02-22-006 approving a Groundwater Development Agreement with Beeman Family Limited Land Partnership, A Texas Limited Partnership was made by Ms. Hughson, seconded by Ms. Franke and approved on a 10-0 vote.**
- H.10 Discussion of legislative issues for the 88<sup>th</sup> Texas Legislature, and possible direction to Staff.
- **Scott Miller with The Schlueter Group attended the meeting and provided updates on the current legislative session along with Mr. Moore.**
  - **No Action.**
- I. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS
- **No discussion.**
- J.1 The Board of Directors recessed into Executive Session at 4:09 p.m. pursuant of the Government Code, Section 551.071, to seek the General Counsel's advice regarding matters involving attorney-client privilege, Section 551.072 to discuss water supply project partnership options. The Board of Directors reconvened from Executive Session at 4:40 p.m.
- J.2 Action from Executive Session on the following matters:
- A. Water supply partnership options
  - B. Groundwater leases
  - C. Acquisition of real property for water supply project purposes.
    - **Staff to proceed as directed.**
  - D. *Operation and Maintenance Agreement of Carrizo Regional Water Supply*
    - **None.**
- K. ADJOURNMENT
- **Meeting was adjourned at 4:41 p.m. based on the motion by Ms. Franke, seconded by Ms. Hughson on a 9-0 vote.**

**APPROVED:** \_\_\_\_\_, 2023

**ATTEST:**

\_\_\_\_\_  
Chair, Board of Directors

\_\_\_\_\_  
Secretary, Board of Directors

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**  
Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

**D.2** Consider approval of the financial report for the period ending January 2023. ~  
*Graham Moore, P.E., Executive Director*

---

Attachment(s)

- Financial reports for period ending January 2023.

**Board Decision(s) Needed:**

- Approval of the financial report.



# **Alliance Regional Water Authority**

**Financial Statements  
(Compilation)**

**For the One Month Ended and Year-to-Date  
January 31, 2023**



## Alliance Regional Water Authority

## Balance Sheet

As of January 31, 2023

03/15/23

Accrual Basis

|   | Jan 31, 23     |
|---|----------------|
| <b>ASSETS</b>                                   |                |
| <b>Current Assets</b>                           |                |
| <b>Checking/Savings</b>                         |                |
| <b>1004 · Broadway Bank</b>                     |                |
| 1005 · Broadway Checking (8040)                 | -549,533.94    |
| 1010 · Broadway Savings (4415)                  | 5,472,455.07   |
| <b>Total 1004 · Broadway Bank</b>               | 4,922,921.13   |
| <b>1015 · TexStar</b>                           |                |
| 1015-01 · TexStar (3310)                        | 497,092.89     |
| 1015-02 · TexStar (0300)                        | 23,892,578.74  |
| <b>Total 1015 · TexStar</b>                     | 24,389,671.63  |
| <b>1050 · Broadway Bank (Reserved)</b>          |                |
| 1051 · CRWA Debt Service (2785)                 | 610,322.59     |
| 1052 · Kyle Debt Service (2787)                 | 2,283,164.35   |
| 1055 · San Marcos Debt Service (6390)           | 529,220.85     |
| 1056 · Buda Debt Service (6391)                 | 487,114.14     |
| <b>Total 1050 · Broadway Bank (Reserved)</b>    | 3,909,821.93   |
| <b>1100 · Escrow Accounts</b>                   |                |
| 1105 · BOKF, Escrow, CRWA Series 2015A          | 339,638.55     |
| 1106 · BOKF, Escrow, Kyle Series 2015B          | 224,974.69     |
| 1111 · BOKF, Escrow, CRWA Series 2019A          | 1,804,779.49   |
| 1112 · BOKF, Escrow, Kyle Series 2019B          | 1,645,861.43   |
| 1113 · BOKF, Escrow, SM Series 2019C            | 2,095,288.71   |
| 1114 · BOKF, Escrow, Buda Series 2019D          | 296,525.11     |
| 1115 · BOKF, Escrow, CRWA Series 2020A          | 24,381,272.82  |
| 1116 · BOKF, Escrow, CRWA 2020A-LM67            | 8,460,070.92   |
| 1117 · BOKF, Escrow, Kyle Series 2020B          | 22,233,167.71  |
| 1118 · BOKF, Escrow, Kyle 2020B-LM68            | 7,709,794.57   |
| 1119 · BOKF, Escrow, SM Series 2020C            | 28,337,540.44  |
| 1120 · BOKF, Escrow, SM 2020C-LM69              | 9,818,456.38   |
| 1121 · BOKF, Escrow, BUDA Series 2020D          | 3,914,726.82   |
| 1122 · BOKF, Escrow, Buda 2020D-LM70            | 1,383,809.32   |
| 1123 · BOKF, Escrow, CRWA Series 2022A          | 14,623,583.52  |
| 1124 · BOKF, Escrow, Kyle Series 2022B          | 13,327,188.14  |
| 1125 · BOKF, Escrow, SM 2022C                   | 17,003,313.04  |
| 1126 · BOKF, Escrow, Buda Series 2022D          | 2,371,509.40   |
| <b>Total 1100 · Escrow Accounts</b>             | 159,971,501.06 |
| <b>Total Checking/Savings</b>                   | 193,193,915.75 |
| <b>Total Current Assets</b>                     | 193,193,915.75 |
| <b>Fixed Assets</b>                             |                |
| 1405 · Engineering & Construction Cost          | 2,402,294.20   |
| 1420 · Projects in Progress (Cash)              |                |
| 1420-01 · Legal Support                         | 64,673.27      |
| 1420-02 · Hydrogeologic Support                 | 210,771.58     |
| 1420-03 · PCCD Permitting                       | 105,095.16     |
| 1420-04 · Kyle Water Model                      | 25,000.00      |
| 1420-11 · Legal Support, GBRA                   | 45,251.01      |
| <b>Total 1420 · Projects in Progress (Cash)</b> | 450,791.02     |

## Alliance Regional Water Authority

## Balance Sheet

03/15/23

As of January 31, 2023

Accrual Basis

|   | Jan 31, 23            |
|---|-----------------------|
| <b>1430 · Projects in Progress Eng (Cash)</b>       |                       |
| 1430-02 · Engineering - Plumbing Plan               | 17,663.79             |
| 1430-03 · Engineering Fees-ROW                      | 11,594.69             |
| 1430-05 · Engineering - Rate Study                  | 50,760.00             |
| 1430-06 · DPR Study                                 | 59,880.00             |
| 1430-07 · Alignment Study                           | 261,120.80            |
| 1430-08 · Prelim Engineering-Well Field             | 65,586.00             |
| 1430-09 · GCUWCD Monitoring Wells                   | 129,175.39            |
| 1430-10 · 2017 SWIFT Funding Apps                   | 23,107.96             |
| 1430-11 · Blanco Basin WW                           | 84,189.00             |
| 1430-12 · Phase 1B Programming                      | 107,761.14            |
| 1430-13 · ARWA-GBRA MOU Study                       | 15,000.00             |
| 1430-14 · Phase 1A GIS                              | 59,840.62             |
| <b>Total 1430 · Projects in Progress Eng (Cash)</b> | <b>885,679.39</b>     |
| <b>1440 · Projects in Prog Eng. (Finance)</b>       |                       |
| 1440-01 · Engineering-Phase 1A Pipeline             | 540,838.84            |
| 1440-02 · Engineering-Phase 1A Pump Stat            | 1,001,947.66          |
| 1440-03 · Engineering-ROW Acquisition               | 405,264.67            |
| 1440-04 · Phase 1A Const Observation                | 1,172,003.56          |
| 1440-05 · Phase 1A-Construction Trailer             | 74,558.18             |
| 1440-06 · Phase 1A Segment A Construction           | 1,734,150.32          |
| 1440-07 · Phase 1A BPS Construction                 | 5,142,172.37          |
| 1440-08 · Phase 1A Segment B Construction           | 3,980,928.06          |
| 1440-15 · Land Acquisition Phase 1B                 | 37,088,195.89         |
| 1440-16 · Phase 1B-Owners Rep                       | 11,754,163.75         |
| 1440-17 · Phase 1B Environmental                    | 3,694,878.36          |
| 1440-18 · Phase 1B Segment A Design                 | 3,035,621.40          |
| 1440-19 · Phase 1B Segment B Design                 | 2,887,461.09          |
| 1440-20 · Phase 1B Segment C Design                 | 3,754,591.33          |
| 1440-21 · Phase 1B Segment D Design                 | 2,778,506.43          |
| 1440-22 · Phase 1B Segment E Design                 | 2,218,144.20          |
| 1440-23 · Phase 1B Land Attorney                    | 3,551,332.28          |
| 1440-24 · Phase 1B Hydrogeology                     | 540,941.00            |
| 1440-25 · Phase 1B WTP Design                       | 5,474,930.63          |
| 1440-26 · Raw Water Infr.                           | 1,615,602.25          |
| 1440-27 · Phase 1B Program Survey                   | 3,362,842.91          |
| 1440-28 · Phase 1B BPS Design                       | 2,908,367.37          |
| 1440-29 · GVEC Construction-in-Aid                  | 1,740,143.30          |
| 1440-30 · Phase 1B Inline Tanks                     | 441,718.60            |
| 1440-31 · Construction Mgmt & Inspection            | 5,920,614.22          |
| 1440-32 · Phase 1B Construction ARWA Only           | 3,980,500.95          |
| 1440-33 · SCADA Programming                         | 406,613.10            |
| 1440-34 · Materials Testing                         | 559,217.92            |
| 1440-35 · Shared Construction                       | 93,037,435.29         |
| <b>Total 1440 · Projects in Prog Eng. (Finance)</b> | <b>204,803,685.93</b> |
| <b>1447 · Land &amp; Easements</b>                  | <b>938,215.70</b>     |
| <b>1448 · Capitalized Interest</b>                  |                       |
| 1448-51 · Cap Interest, CRWA Series 2015A           | 152,369.03            |
| 1448-52 · Cap Interest, Kyle Series 2015B           | 222,143.28            |
| 1448-53 · Cap Interest, CRWA Series 2017A           | 127,269.80            |
| 1448-54 · Cap Interest, Kyle Series 2017B           | 116,100.88            |
| 1448-55 · Cap Interest, SM Series 2017C             | 65,904.35             |
| 1448-56 · Cap Interest, Buda Series 2017D           | 9,576.21              |
| <b>Total 1448 · Capitalized Interest</b>            | <b>693,363.55</b>     |
| <b>Total Fixed Assets</b>                           | <b>210,174,029.79</b> |

## Alliance Regional Water Authority

## Balance Sheet

03/15/23

As of January 31, 2023

Accrual Basis

|  | Jan 31, 23            |
|--|-----------------------|
| Other Assets                           |                       |
| 1900 · Deferred Outflow                | 42,509.25             |
| Total Other Assets                     | 42,509.25             |
| <b>TOTAL ASSETS</b>                    | <b>403,410,454.79</b> |
| <b>LIABILITIES &amp; EQUITY</b>        |                       |
| Liabilities                            |                       |
| Current Liabilities                    |                       |
| Accounts Payable                       |                       |
| 2000 · Accounts Payable                | 855,022.91            |
| Total Accounts Payable                 | 855,022.91            |
| Credit Cards                           |                       |
| 2006 · Chase Bank VISA Card            | 4,169.34              |
| Total Credit Cards                     | 4,169.34              |
| Other Current Liabilities              |                       |
| 2100 · Payroll Liabilities             | 23.25                 |
| 2102 · 401(a) Liability                | 3,837.99              |
| 2103 · Net Pension Liability           | 9,067.00              |
| 2104 · Pension Deferred Inflows        | 2,473.00              |
| 2106 · Accrued Vacation                | 42,151.49             |
| 2300 · Accrued Costs                   | 330,643.18            |
| 2350 · Accrued Interest Payable        |                       |
| 2351 · Accrued Int Payable, CRWA 2015A | 26,058.12             |
| 2352 · Accrued Int Payable, Kyle 2015B | 38,320.37             |
| 2353 · Accrued Int Payable, CRWA 2017A | 104,521.78            |
| 2354 · Accrued Int Payable, Kyle 2017B | 95,331.72             |
| 2355 · Accrued Int Payable, SM 2017C   | 75,295.88             |
| 2356 · Accrued Int Payable, Buda 2017D | 12,639.25             |
| 2357 · Accrued Int Payable, CRWA 2019A | 243,893.10            |
| 2358 · Accrued Int Payable, Kyle 2019B | 222,554.97            |
| 2359 · Accrued Int Payable, SM 2019C   | 177,412.18            |
| 2360 · Accrued Int Payable, Buda 2019D | 29,731.78             |
| 2361 · Accrued Int Payable, CRWA 2020A | 282,707.04            |
| 2362 · Accrued Int Payable, Kyle 2020B | 257,801.72            |
| 2363 · Accrued Int Payable, SM 2020C   | 179,521.10            |
| 2364 · Accrued Int Payable, Buda 2020D | 30,046.25             |
| 2365 · Accrued Int Payable, CRWA 2022A | 130,638.40            |
| 2366 · Accrued Int Payable, Kyle 2022B | 119,552.35            |
| 2367 · Accrued Int Payable, SM 2022C   | 121,666.25            |
| 2368 · Accrued Int Payable, Buda 2022D | 17,241.55             |
| Total 2350 · Accrued Interest Payable  | 2,164,933.81          |
| Total Other Current Liabilities        | 2,553,129.72          |
| Total Current Liabilities              | 3,412,321.97          |
| Long Term Liabilities                  |                       |
| 2501 · Bond Payable, CRWA Series 2015A | 2,840,000.00          |
| 2502 · Bond Payable, Kyle Series 2015B | 2,980,000.00          |
| 2503 · Bond Payable, CRWA Series 2017A | 8,805,000.00          |
| 2504 · Bond Payable, Kyle Series 2017B | 8,030,000.00          |
| 2505 · Bond Payable, SM Series 2017C   | 9,265,000.00          |
| 2506 · Bond Payable, Buda Series 2017D | 1,315,000.00          |
| 2507 · Bond Payable, CRWA Series 2019A | 25,040,000.00         |
| 2508 · Bond Payable, Kyle Series 2019B | 22,845,000.00         |
| 2509 · Bond Payable, SM Series 2019C   | 27,815,000.00         |
| 2510 · Bond Payable, Buda Series 2019D | 3,945,000.00          |
| 2511 · Bond Payable, CRWA Series 2020A | 36,755,000.00         |
| 2512 · Bond Payable, Kyle Series 2020B | 33,520,000.00         |
| 2513 · Bond Payable, SM Series 2020C   | 41,765,000.00         |
| 2514 · Bond Payable, Buda Series 2020D | 5,915,000.00          |
| 2515 · Bond Payable, CRWA 2022A        | 14,830,000.00         |

## Alliance Regional Water Authority

**Balance Sheet**

03/15/23

As of January 31, 2023

Accrual Basis

|  | Jan 31, 23            |
|--|-----------------------|
| 2516 · Bond Payable, Kyle 2022B        | 13,520,000.00         |
| 2517 · Bond Payable, SM 2022C          | 17,210,000.00         |
| 2518 · Bond Payable, Buda 2022D        | 2,440,000.00          |
| <b>Total Long Term Liabilities</b>     | <b>278,835,000.00</b> |
| <b>Total Liabilities</b>               | <b>282,247,321.97</b> |
| <b>Equity</b>                          |                       |
| 2925 · Net Investment in Capital Asset | 7,521,343.98          |
| 2950 · Retained Earnings               | 112,431,240.29        |
| Net Income                             | 1,210,548.55          |
| <b>Total Equity</b>                    | <b>121,163,132.82</b> |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>  | <b>403,410,454.79</b> |

**Alliance Regional Water Authority  
Profit Loss / Budget vs. Actual  
For the One Month and Four Months Ended  
January 31, 2023**

|  | January<br>2023     | October 2022<br>January 2023 | Annual<br>Budget     | Over/Under<br>Budget  | % of<br>Annual Budget |
|--|---------------------|------------------------------|----------------------|-----------------------|-----------------------|
| <b>Ordinary Income/Expense</b>                         |                     |                              |                      |                       |                       |
| <b>Income</b>  |                     |                              |                      |                       |                       |
| <b>4010 - Project Contribution</b>                     |                     |                              |                      |                       |                       |
| 4011 - City of San Marcos                              | 233,090.00          | 233,090.00                   | 6,524,195.50         | -6,291,105.50         | 3.57%                 |
| 4012 - City of Kyle                                    | 2,055,997.25        | 2,055,997.25                 | 4,499,330.50         | -2,443,333.25         | 45.7%                 |
| 4013 - City of Buda                                    | 429,272.00          | 429,272.00                   | 928,392.50           | -499,120.50           | 46.24%                |
| 4014 - Canyon Regional Water Authority                 | 0.00                | 0.00                         | 4,988,321.50         | -4,988,321.50         | 0.0%                  |
| 4015 - GBRA  | 0.00                | 0.00                         | 0.00                 | 0.00                  | 0.0%                  |
| <b>Total 4010 - Project Contribution</b>               | <b>2,718,359.25</b> | <b>2,718,359.25</b>          | <b>16,940,240.00</b> | <b>-14,221,880.75</b> | <b>16.05%</b>         |
| <b>4200 - Shared Water</b>                             |                     |                              |                      |                       |                       |
| 4210 - Shared Water, City of Buda                      | 19,269.00           | 57,864.00                    | 0.00                 | 57,864.00             | 100.0%                |
| 4211 - Shared Water, County Line SUD                   | 0.00                | 43,146.77                    | 0.00                 | 43,146.77             | 100.0%                |
| <b>Total 4200 - Shared Water</b>                       | <b>19,269.00</b>    | <b>101,010.77</b>            | <b>0.00</b>          | <b>101,010.77</b>     | <b>100.0%</b>         |
| 4250 - Non Potable Water Sales                         | 3,170.16            | 9,536.42                     | 0.00                 | 9,536.42              | 100.0%                |
| <b>4300 - Broadway Interest Income</b>                 |                     |                              |                      |                       |                       |
| 4311 - City of San Marcos                              | 1,769.48            | 4,985.61                     | 1,250.00             | 3,735.61              | 398.85%               |
| 4312 - City of Kyle                                    | 2,033.31            | 4,543.93                     | 980.00               | 3,563.93              | 463.67%               |
| 4313 - City of Buda                                    | 188.84              | 530.54                       | 175.00               | 355.54                | 303.17%               |
| 4314 - Canyon Regional Water Authority                 | 1,739.45            | 5,155.81                     | 1,075.00             | 4,080.81              | 479.61%               |
| <b>Total 4300 - Broadway Interest Income</b>           | <b>5,731.08</b>     | <b>15,215.89</b>             | <b>3,480.00</b>      | <b>11,735.89</b>      | <b>437.24%</b>        |
| <b>4350 - Escrow Accounts Income</b>                   |                     |                              |                      |                       |                       |
| 4351 - BOKF, CRWA Series 2015A                         | 1,057.12            | 3,314.59                     | 0.00                 | 3,314.59              | 100.0%                |
| 4352 - BOKF, Kyle Series 2015B                         | 700.23              | 2,195.57                     | 0.00                 | 2,195.57              | 100.0%                |
| 4357 - BOKF, CRWA Series 2019A                         | 5,617.30            | 17,613.13                    | 0.00                 | 17,613.13             | 100.0%                |
| 4358 - BOKF, Kyle Series 2019B                         | 5,122.67            | 16,062.21                    | 0.00                 | 16,062.21             | 100.0%                |
| 4359 - BOKF, SM Series 2019C                           | 6,521.49            | 20,448.24                    | 0.00                 | 20,448.24             | 100.0%                |
| 4360 - BOKF, Buda Series 2019D                         | 922.92              | 2,893.83                     | 0.00                 | 2,893.83              | 100.0%                |
| 4361 - BOKF, CRWA Series 2020A                         | 75,886.55           | 237,941.32                   | 0.00                 | 237,941.32            | 100.0%                |
| 4362 - BOKF, CRWA Series 2020A-LM67                    | 26,331.91           | 82,563.39                    | 0.00                 | 82,563.39             | 100.0%                |
| 4363 - BOKF, Kyle Series 2020B                         | 69,200.59           | 216,977.56                   | 0.00                 | 216,977.56            | 100.0%                |
| 4364 - BOKF, Kyle Series 2020B-LM68                    | 23,996.68           | 75,241.29                    | 0.00                 | 75,241.29             | 100.0%                |
| 4365 - BOKF, SM Series 2020C                           | 88,200.42           | 276,551.26                   | 0.00                 | 276,551.26            | 100.0%                |
| 4366 - BOKF, SM Series 2020C-LM69                      | 30,559.88           | 95,820.11                    | 0.00                 | 95,820.11             | 100.0%                |
| 4367 - BOKF, Buda Series 2020D                         | 12,184.56           | 38,204.53                    | 0.00                 | 38,204.53             | 100.0%                |
| 4368 - BOKF, Buda Series 2020D-LM70                    | 4,307.10            | 13,504.85                    | 0.00                 | 13,504.85             | 100.0%                |
| 4369 - BOKF, CRWA Series 2022A                         | 45,515.81           | 66,056.52                    | 0.00                 | 66,056.52             | 100.0%                |
| 4370 - BOKF, Kyle Series 2022B                         | 41,480.79           | 61,431.14                    | 0.00                 | 61,431.14             | 100.0%                |
| 4371 - BOKF, SM Series 2022C                           | 52,922.70           | 76,806.04                    | 0.00                 | 76,806.04             | 100.0%                |
| 4372 - BOKF, Buda Series 2022D                         | 7,381.31            | 10,712.40                    | 0.00                 | 10,712.40             | 100.0%                |
| <b>Total 4350 - Escrow Accounts Income</b>             | <b>497,910.03</b>   | <b>1,314,337.98</b>          | <b>0.00</b>          | <b>1,314,337.98</b>   | <b>100.0%</b>         |
| <b>4370 - TexStar Interest Income</b>                  |                     |                              |                      |                       |                       |
| 4371 - City of San Marcos                              | 40,633.24           | 195,801.99                   | 21,500.00            | 174,301.99            | 910.71%               |
| 4372 - City of Kyle                                    | 31,919.64           | 153,813.21                   | 16,900.00            | 136,913.21            | 910.14%               |
| 4373 - City of Buda                                    | 5,756.19            | 27,737.70                    | 3,050.00             | 24,687.70             | 909.43%               |
| 4374 - Canyon Regional Water Authority                 | 35,001.69           | 168,664.92                   | 18,500.00            | 150,164.92            | 911.7%                |
| <b>Total 4370 - TexStar Interest Income</b>            | <b>113,310.76</b>   | <b>546,017.82</b>            | <b>59,950.00</b>     | <b>486,067.82</b>     | <b>910.79%</b>        |
| 4901 - Miscellaneous Income                            | 0.00                | 30,940.00                    | 35,000.00            | -4,060.00             | 88.4%                 |
| <b>Total Income</b>                                    | <b>3,357,750.28</b> | <b>4,735,418.13</b>          | <b>17,038,670.00</b> | <b>-12,303,251.87</b> | <b>27.79%</b>         |
| <b>Expenses</b>  |                     |                              |                      |                       |                       |
| <b>6000 - Groundwater Reservation Costs</b>            |                     |                              |                      |                       |                       |
| 6000 - Groundwater Reservation Costs                   | 136,518.08          | 407,666.17                   | 1,520,470.00         | -1,112,803.83         | 26.81%                |
| <b>6010 - Shared Water Costs</b>                       |                     |                              |                      |                       |                       |
| 6015 - Shared Water, City of Kyle                      | 4,738.89            | 18,781.03                    | 0.00                 | 18,781.03             | 100.0%                |
| 6020 - Shared Water, City of San Marcos                | 65,195.90           | 222,170.27                   | 0.00                 | 222,170.27            | 100.0%                |
| <b>Total 6010 - Shared Water Costs</b>                 | <b>69,934.79</b>    | <b>240,951.30</b>            | <b>0.00</b>          | <b>240,951.30</b>     | <b>100.0%</b>         |
| <b>6200 - Plant Operations &amp; Maintenance</b>       |                     |                              |                      |                       |                       |
| 6201 - O&M, General                                    | 664.48              | 1,827.80                     | 9,000.00             | -7,172.20             | 20.31%                |
| 6240 - O&M, Buda BPS                                   | 162.16              | 1,626.04                     | 23,750.00            | -22,123.96            | 6.85%                 |
| <b>Total 6200 - Plant Operations &amp; Maintenance</b> | <b>826.64</b>       | <b>3,453.84</b>              | <b>32,750.00</b>     | <b>-29,296.16</b>     | <b>10.55%</b>         |
| 7125 - Auditing fees                                   | 0.00                | 0.00                         | 13,000.00            | -13,000.00            | 0.0%                  |
| 7210 - Bank Fees                                       | 304.80              | 1,113.58                     | 4,000.00             | -2,886.42             | 27.84%                |
| 7220 - Escrow and Paying Agent Fees                    | 0.00                | 1,400.00                     | 60,000.00            | -58,600.00            | 2.33%                 |
| <b>7240 - Bond Issue Costs</b>                         |                     |                              |                      |                       |                       |
| 7240-15 - Bond Issue Costs - CRWA 2022A                | 9,500.00            | 272,123.00                   | 0.00                 | 272,123.00            | 100.0%                |
| 7240-16 - Bond Issue Costs - Kyle 2022B                | 9,500.00            | 253,893.00                   | 0.00                 | 253,893.00            | 100.0%                |
| 7240-17 - Bond Issue Costs - SM 2022C                  | 9,500.00            | 283,143.00                   | 0.00                 | 283,143.00            | 100.0%                |
| 7240-18 - Bond Issue Costs - Buda 2022D                | 2,440.00            | 78,853.00                    | 0.00                 | 78,853.00             | 100.0%                |
| <b>Total 7240 - Bond Issue Costs</b>                   | <b>30,940.00</b>    | <b>888,012.00</b>            | <b>0.00</b>          | <b>888,012.00</b>     | <b>100.0%</b>         |
| <b>7250 - Interest Expense</b>                         |                     |                              |                      |                       |                       |
| 7250-51 - Interest Expense - CRWA 2015A                | 4,737.84            | 18,951.36                    | 56,854.00            | -37,902.64            | 33.33%                |
| 7250-52 - Interest Expense - Kyle 2015B                | 6,967.34            | 27,869.36                    | 83,608.00            | -55,738.64            | 33.33%                |
| 7250-53 - Interest Expense - CRWA 2017A                | 19,003.96           | 76,015.84                    | 228,047.00           | -152,031.16           | 33.33%                |
| 7250-54 - Interest Expense - Kyle 2017B                | 17,333.04           | 69,332.16                    | 207,996.00           | -138,663.84           | 33.33%                |
| 7250-55 - Interest Expense - SM 2017C                  | 13,690.16           | 54,760.64                    | 164,282.00           | -109,521.36           | 33.33%                |
| 7250-56 - Interest Expense - Buda 2017D                | 3,889.00            | 9,722.50                     | 23,334.00            | -13,611.50            | 41.67%                |
| 7250-57 - Interest Expense - CRWA 2019A                | 44,344.20           | 177,376.80                   | 532,130.00           | -354,753.20           | 33.33%                |
| 7250-58 - Interest Expense - Kyle 2019B                | 40,464.54           | 161,858.16                   | 485,574.00           | -323,715.84           | 33.33%                |
| 7250-59 - Interest Expense - SM 2019C                  | 32,256.76           | 129,027.04                   | 387,081.00           | -258,053.96           | 33.33%                |

**Alliance Regional Water Authority  
Profit Loss / Budget vs. Actual  
For the One Month and Four Months Ended  
January 31, 2023**

|   | January<br>2023     | October 2022<br>January 2023 | Annual<br>Budget     | Over/Under<br>Budget | % of<br>Annual Budget |
|---|---------------------|------------------------------|----------------------|----------------------|-----------------------|
| 7250-60 · Interest Expense - Buda 2019D | 9,148.24            | 22,870.60                    | 54,889.50            | -32,018.90           | 41.67%                |
| 7250-61 · Interest Expense - CRWA 2020A | 51,401.28           | 205,605.12                   | 616,815.50           | -411,210.38          | 33.33%                |
| 7250-62 · Interest Expense - Kyle 2020B | 46,873.04           | 187,492.16                   | 562,476.50           | -374,984.34          | 33.33%                |
| 7250-63 · Interest Expense - SM 2020C   | 32,640.20           | 130,560.80                   | 391,682.50           | -261,121.70          | 33.33%                |
| 7250-64 · Interest Expense - Buda 2020D | 9,245.00            | 23,112.50                    | 55,470.00            | -32,357.50           | 41.67%                |
| 7250-65 · Interest Expense - CRWA 2022A | 52,255.36           | 130,638.40                   | 375,000.00           | -244,361.60          | 34.84%                |
| 7250-66 · Interest Expense - Kyle 2022B | 47,820.94           | 119,552.35                   | 340,000.00           | -220,447.65          | 35.16%                |
| 7250-67 · Interest Expense - SM 2022C   | 48,666.50           | 121,666.25                   | 340,000.00           | -218,333.75          | 35.78%                |
| 7250-68 · Interest Expense - Buda 2022D | 6,896.62            | 17,241.55                    | 50,000.00            | -32,758.45           | 34.48%                |
| <b>Total 7250 · Interest Expense</b>    | <b>487,634.02</b>   | <b>1,683,653.59</b>          | <b>4,955,240.00</b>  | <b>-3,271,586.41</b> | <b>33.98%</b>         |
| 7325 · Dues                             | 0.00                | 1,663.00                     | 9,000.00             | -7,337.00            | 18.48%                |
| 7350 · Insurance - Liability, E&O       | 0.00                | 3,897.04                     | 7,000.00             | -3,102.96            | 55.67%                |
| 7400 · Legal Fees                       | 7,675.80            | 23,265.30                    | 125,000.00           | -101,734.70          | 18.61%                |
| 7410 · Newspaper Public Notices         | 0.00                | 0.00                         | 2,000.00             | -2,000.00            | 0.0%                  |
| 7425 · Contract Services-Lobbyist       | 5,000.00            | 20,000.00                    | 60,000.00            | -40,000.00           | 33.33%                |
| 7430 · Agency Mgmt Public Relations     | 4,983.00            | 15,011.96                    | 60,000.00            | -44,988.04           | 25.02%                |
| 7440 · Region L Contributions           | 0.00                | 0.00                         | 1,500.00             | -1,500.00            | 0.0%                  |
| 7450 · Permit & Fees                    | 0.00                | 90,089.86                    | 91,000.00            | -910.14              | 99.0%                 |
| 7500 · Supplies                         | 459.40              | 4,031.72                     | 29,000.00            | -24,968.28           | 13.9%                 |
| 7600 · Telephone, Telecommunications    | 0.00                | 378.89                       | 3,800.00             | -3,421.11            | 9.97%                 |
| 7700 · Travel, Conferences & Meetings   | 395.00              | 837.88                       | 5,000.00             | -4,162.12            | 16.76%                |
| <b>7800 · Employee Expenses</b>         |                     |                              |                      |                      |                       |
| 7810 · Salaries and wages               | 28,261.72           | 110,652.44                   | 554,861.11           | -444,208.67          | 19.94%                |
| 7820 · Auto Allowance                   | 969.24              | 3,876.96                     | 12,600.00            | -8,723.04            | 30.77%                |
| 7821 · Phone Allowance                  | 207.70              | 830.80                       | 2,700.00             | -1,869.20            | 30.77%                |
| 7830 · Payroll taxes                    | 2,235.70            | 6,409.45                     | 40,892.93            | -34,483.48           | 15.67%                |
| 7840 · Employee Insurance               | -92.83              | 7,863.69                     | 62,582.28            | -54,718.59           | 12.57%                |
| 7850 · Retirement                       | 2,481.70            | 9,699.11                     | 48,463.68            | -38,764.57           | 20.01%                |
| 7860 · Licenses & Permits               | 0.00                | 111.00                       | 3,700.00             | -3,589.00            | 3.0%                  |
| 7865 · Mileage Reimbursement            | 0.00                | 0.00                         | 2,500.00             | -2,500.00            | 0.0%                  |
| 7867 · Training                         | 0.00                | 0.00                         | 0.00                 | 0.00                 | 0.0%                  |
| 7870 · Employee Expenses, Other         | 0.00                | 0.00                         | 7,000.00             | -7,000.00            | 0.0%                  |
| <b>Total 7800 · Employee Expenses</b>   | <b>34,063.23</b>    | <b>139,443.45</b>            | <b>735,300.00</b>    | <b>-595,856.55</b>   | <b>18.96%</b>         |
| <b>Total Expenses</b>                   | <b>778,734.76</b>   | <b>3,524,869.58</b>          | <b>7,654,060.00</b>  | <b>-5,018,602.42</b> | <b>46.05%</b>         |
| <b>Net Ordinary Income</b>              | <b>2,579,015.52</b> | <b>1,210,548.55</b>          | <b>9,384,610.00</b>  | <b>-7,284,649.45</b> | <b>12.9%</b>          |
| <b>Other Income/Expense</b>             |                     |                              |                      |                      |                       |
| <b>Other Expense</b>                    |                     |                              |                      |                      |                       |
| <b>8550 · Bond Principal</b>            |                     |                              |                      |                      |                       |
| 8550-51 · Bond Principal - CRWA 2015A   | 0.00                | 0.00                         | 195,000.00           | -195,000.00          | 0.0%                  |
| 8550-52 · Bond Principal - Kyle 2015    | 0.00                | 0.00                         | 95,000.00            | -95,000.00           | 0.0%                  |
| 8550-53 · Bond Principal - CRWA 2017A   | 0.00                | 0.00                         | 270,000.00           | -270,000.00          | 0.0%                  |
| 8550-54 · Bond Principal - Kyle 2017B   | 0.00                | 0.00                         | 245,000.00           | -245,000.00          | 0.0%                  |
| 8550-55 · Bond Principal - SM 2017C     | 0.00                | 0.00                         | 555,000.00           | -555,000.00          | 0.0%                  |
| 8550-56 · Bond Principal - Buda 2017D   | 0.00                | 0.00                         | 80,000.00            | -80,000.00           | 0.0%                  |
| 8550-57 · Bond Principal - CRWA 2019A   | 0.00                | 0.00                         | 755,000.00           | -755,000.00          | 0.0%                  |
| 8550-58 · Bond Principal - Kyle 2019B   | 0.00                | 0.00                         | 690,000.00           | -690,000.00          | 0.0%                  |
| 8550-59 · Bond Principal - SM 2019C     | 0.00                | 0.00                         | 1,510,000.00         | -1,510,000.00        | 0.0%                  |
| 8550-60 · Bond Principal - Buda 2019D   | 0.00                | 0.00                         | 215,000.00           | -215,000.00          | 0.0%                  |
| 8550-61 · Bond Principal - CRWA 2020A   | 0.00                | 0.00                         | 1,110,000.00         | -1,110,000.00        | 0.0%                  |
| 8550-62 · Bond Principal - Kyle 2020B   | 0.00                | 0.00                         | 1,015,000.00         | -1,015,000.00        | 0.0%                  |
| 8550-63 · Bond Principal - SM 2020C     | 0.00                | 0.00                         | 2,190,000.00         | -2,190,000.00        | 0.0%                  |
| 8550-64 · Bond Principal - Buda 2020D   | 0.00                | 0.00                         | 310,000.00           | -310,000.00          | 0.0%                  |
| <b>Total 8550 · Bond Principal</b>      | <b>0.00</b>         | <b>0.00</b>                  | <b>9,235,000.00</b>  | <b>-9,235,000.00</b> | <b>0.0%</b>           |
| <b>Total Other Expense</b>              | <b>0.00</b>         | <b>0.00</b>                  | <b>9,235,000.00</b>  | <b>-9,235,000.00</b> | <b>0.0%</b>           |
| <b>Net Other Income</b>                 | <b>0.00</b>         | <b>0.00</b>                  | <b>-9,235,000.00</b> | <b>9,235,000.00</b>  | <b>0.0%</b>           |
| <b>Net Income</b>                       | <b>2,579,015.52</b> | <b>1,210,548.55</b>          | <b>149,610.00</b>    | <b>2,429,405.52</b>  | <b>809.14%</b>        |

**Alliance Regional Water Authority**  
**Chase VISA Credit Card Transactions**  
**January 31, 2023**

| Type                               | Date       | Name                   | Split                  | Amount         | Balance         |
|------------------------------------|------------|------------------------|------------------------|----------------|-----------------|
| <b>2006 · Chase Bank VISA Card</b> |            |                        |                        |                | 5,144.01        |
| Credit Card Charge                 | 12/25/2022 | Adobo Acropro          | 7500 · Supplies        | 23.99          | 5,168.00        |
| Credit Card Charge                 | 12/26/2022 | Squarespace Inc        | 7500 · Supplies        | 31.39          | 5,199.39        |
| Credit Card Charge                 | 12/27/2022 | Grainger               | 6240 · O&M, Buda ...   | 261.87         | 5,461.26        |
| Credit Card Charge                 | 12/27/2022 | Grainger               | 6201 · O&M, General    | 20.88          | 5,482.14        |
| Credit Card Charge                 | 12/30/2022 | Verizon                | 7600 · Telephone, T... | 126.27         | 5,608.41        |
| Credit Card Charge                 | 12/31/2022 | Solve Networks         | 7500 · Supplies        | 205.00         | 5,813.41        |
| Credit Card Charge                 | 01/01/2023 | Stamps Com             | 7500 · Supplies        | 18.17          | 5,831.58        |
| Credit Card Charge                 | 01/03/2023 | UPS Store              | 7500 · Supplies        | 6.00           | 5,837.58        |
| Credit Card Charge                 | 01/03/2023 | Grainger               | 6240 · O&M, Buda ...   | 47.82          | 5,885.40        |
| Credit Card Charge                 | 01/04/2023 | Pedernales Electric    | 6201 · O&M, General    | 664.48         | 6,549.88        |
| Credit Card Charge                 | 01/09/2023 | Home Depot             | 6240 · O&M, Buda ...   | 11.40          | 6,561.28        |
| Credit Card Charge                 | 01/10/2023 | Texas Water            | 7700 · Travel, Conf... | 395.00         | 6,956.28        |
| Credit Card Charge                 | 01/10/2023 | Adobo Acropro          | 7500 · Supplies        | 21.64          | 6,977.92        |
| Credit Card Charge                 | 01/10/2023 | Rackspace              | 7500 · Supplies        | 265.45         | 7,243.37        |
| Credit Card Charge                 | 01/12/2023 | Texas Disposal Systems | 1440-05 · Phase 1A...  | 300.94         | 7,544.31        |
| Credit Card Charge                 | 01/16/2023 | Willscot Mobile Mini   | 1440-05 · Phase 1A...  | 651.70         | 8,196.01        |
| Credit Card Charge                 | 01/16/2023 | Rackspace              | 7500 · Supplies        | 117.19         | 8,313.20        |
| Check                              | 01/17/2023 | Chase                  | 1005 · Broadway C...   | -5,144.01      | 3,169.19        |
| Credit Card Charge                 | 01/17/2023 | UPS Store              | 7500 · Supplies        | 6.00           | 3,175.19        |
| Credit Card Charge                 | 01/19/2023 | Housedataonline.com    | 7500 · Supplies        | 24.95          | 3,200.14        |
| Credit Card Charge                 | 01/20/2023 | Grainger               | 6240 · O&M, Buda ...   | 7.30           | 3,207.44        |
| Credit Card Charge                 | 01/20/2023 | Grainger               | 6240 · O&M, Buda ...   | 95.64          | 3,303.08        |
| Credit Card Charge                 | 01/23/2023 | Lockhart Post Register | 1440-30 · Phase 1B...  | 866.26         | 4,169.34        |
| Total 2006 · Chase Bank VISA Card  |            |                        |                        | -974.67        | 4,169.34        |
| <b>TOTAL</b>                       |            |                        |                        | <b>-974.67</b> | <b>4,169.34</b> |

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**  
Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

**F.1** Report on Technical Committee activities. ~ *Graham Moore, P.E., Executive Director*

---

Background/Information

The following items were discussed by the Committee at its 2/8 meeting:

- Received a construction update on the Phase 1B projects (Item H.5).
- Received an update on the Phase 1B program (Item H.6).
- Received a presentation on the addition of the Alliance Water logo on the ARWA elevated storage tanks. (Item H.3).
- Received an update on the 88<sup>th</sup> Texas Legislature (Item H.4).
- Received an update on area water meetings (Item F.2).

**Board Decision(s) Needed:**

- None.



**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

- F.2** Update on status of groundwater management in project target area, and Gonzales County Underground Water Conservation District, Plum Creek Conservation District, Groundwater Management Area 13, Region L Planning Group, Guadalupe-Blanco River Authority, Hays County and Capital Area Planning Group activities.

---

Gonzales County Underground Water Conservation District (GCUWCD)

The GCUWCD met on March 14<sup>th</sup> – no issues directly affecting the Authority were discussed.

Plum Creek Conservation District (PCCD)

The PCCD is scheduled to meet on March 21<sup>st</sup> – no issues directly affecting the Authority are listed on the agenda.

Groundwater Management Area 13

No update.

Region L Planning Group

The next Region L meeting is scheduled for May 4th.

Guadalupe-Blanco River Authority; Hays County Activities; CAPCOG Activities

No update.

**Board Decision(s) Needed:**

- None.

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

- G. EXECUTIVE DIRECTOR AND LEGAL COUNSEL REPORTS** - Update on future meeting dates, locations, status of Authority procurements, Executive Director activities, other operational activities and the status of legal issues, where no action is required. ~ *Graham Moore, P.E., Executive Director / Mike Gershon, Lloyd Gosselink Rochelle & Townsend, P.C.*

---

**EXECUTIVE DIRECTOR**

- Mr. Moore sent out notices to the Sponsors whose Director(s) positions are set to terminate in April to appoint or re-appoint replacements. The appointed Directors will be sat at the May meeting and officer elections will occur at the same meeting.

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

- H.1** Consider adoption of Resolution 2023-03-22-001 accepting and approving the Audit Report for the 2020-2021 Financial Audit of the Authority. ~ *Phil Vaughan, Armstrong, Vaughan & Associates*
- 

Background/Information

Armstrong, Vaughan & Associates (AVA) was selected by the Board to provide the financial audit of the Authority. Attached is the full report and the management letter. Phil Vaughan with AVA will attend the meeting and discuss the audit. Below are the significant outcomes from the audit:

*Significant Accounting Policies:*

- No matters came to their attention that require notification to the Board.

*Significant Accounting Estimates:*

- The most sensitive accounting estimate affect the financial statements is the pension related investment return and mortality rates – AVA reviewed and found the key factors and assumptions to be reasonable.

*Financial Statement Disclosures:*

- There are no sensitive disclosures affecting the Authority's financial statements.

*Significant Difficulties Encountered during the Audit:*

- None.

*Uncorrected and Corrected Misstatements:*

- Updated pension balances, contract retainage & timing of GBRA billings.

*Disagreements with Management:*

- None.

*Other Significant Matters, Findings or Issues:*

- None.

*Other Matters:*

- None.

Attachment(s)

- Resolution 2023-03-22-001
- FY 2021-22 Audit Report

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**  
Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

**Board Decision(s) Needed:**

- Adoption of Resolution 2023-03-22-001 accepting and approving the Audit Report for the 2021-2022 Financial Audit of the Authority.



## ALLIANCE WATER

### RESOLUTION NO. 20230322-001

**A RESOLUTION OF THE ALLIANCE REGIONAL WATER AUTHORITY BOARD OF DIRECTORS ACCEPTING AND APPROVING THE AUDIT REPORT PREPARED BY ARMSTRONG, VAUGHAN & ASSOCIATES, P.C. FOR THE AUTHORITY'S 2021-22 FISCAL YEAR, AND DECLARING AN EFFECTIVE DATE**

#### RECITALS:

1. The Alliance Regional Water Authority (the "Authority") engaged the independent accounting firm of Armstrong, Vaughan & Associates, P.C. of Universal City, Texas to perform an annual audit of the Authority's financial records.
2. Armstrong, Vaughan & Associates, P.C. performed an audit of the Authority's financial records for the 2021-22 fiscal year and has prepared and presented a report of the audit results to the Authority Board of Directors.
3. The Authority Board of Directors wishes to accept and approve the audit report prepared by Armstrong, Vaughan & Associates, P.C.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ALLIANCE REGIONAL WATER AUTHORITY:**

**SECTION 1.** The audit report prepared by Armstrong, Vaughan & Associates, P.C. for the Authority's 2021-22 fiscal year is accepted and approved.

**SECTION 2.** This Resolution shall be in full force and effect immediately upon its passage.

**ADOPTED: March 22, 2023**

#### ATTEST:

---

Chris Betz  
Chair, Board of Directors

---

Amber Schmeits  
Secretary, Board of Directors



### **Communication with Those Charged with Governance**

To the Board of Directors  
Alliance Regional Water Authority

We have audited the basic financial statements of Alliance Regional Water Authority for the years ended September 30, 2022 and 2021. Professional standards require that we advise you of the following matters relating to our audit.

#### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated June 27, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Alliance Regional Water Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

#### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

#### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team and others in our firm, as appropriate, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Alliance Regional Water Authority is included in Note A to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2022.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is:

1. Pension related investment return and mortality rates

We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting Alliance Regional Water Authority's financial statements.

## **Significant Difficulties Encountered during the Audit**

We encountered no difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statement as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We assisted management with entries to update the pension balances, contract retainage and timing of GBRA billings.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Alliance Regional Water Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management in a separate letter dated March 17, 2023.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with Alliance Regional Water Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Alliance Regional Water Authority's auditors.

## **Other Information in Documents Containing Audited Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information in documents containing Alliance Regional Water Authority's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially consistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

## **Other Matters**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



This information is intended solely for the information and use of the Board of Directors and management of Alliance Regional Water Authority and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in black ink that reads "Armstrong, Vaughan & Associates, P.C." The signature is written in a cursive, flowing style.

Armstrong, Vaughan & Associates, P.C.

March 17, 2023



# ALLIANCE WATER

**ANNUAL FINANCIAL REPORT**

**FISCAL YEARS ENDED  
SEPTEMBER 30, 2022 AND 2021**



**ALLIANCE WATER**

ALLIANCE REGIONAL WATER AUTHORITY  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2022

TABLE OF CONTENTS

|   | PAGE |
|---|------|
| TITLE PAGE  | i    |
| TABLE OF CONTENTS   | ii   |
| ANNUAL FILING AFFIDAVIT   | iii  |
| FINANCIAL SECTION   |      |
| INDEPENDENT AUDITOR’S REPORT .....  | 1    |
| MANAGEMENT’S DISCUSSION AND ANALYSIS.....   | 4    |
| BASIC FINANCIAL STATEMENTS .....  | 8    |
| STATEMENTS OF NET POSITION .....  | 9    |
| STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION .....                    | 10   |
| STATEMENTS OF CASH FLOWS.....   | 11   |
| NOTES TO BASIC FINANCIAL STATEMENTS .....   | 13   |
| REQUIRED SUPPLEMENTARY INFORMATION .....  | 26   |
| BUDGETARY COMPARISON SCHEDULE.....  | 27   |
| SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS .....                 | 29   |
| SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION PLAN- .....                              | 31   |
| SUPPLEMENTARY INFORMATION.....  | 32   |
| TSI-1 SERVICES AND RATES .....  | 33   |
| TSI-2 EXPENSES.....   | 34   |
| TSI-5 LONG-TERM BONDED DEBT .....   | 35   |
| TSI-6 CHANGES IN LONG-TERM BONDED DEBT .....  | 50   |
| TSI-7 COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN<br>NET POSITION ..... | 53   |
| TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS .....                              | 55   |

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS:

COUNTY OF HAYS:

I, \_\_\_\_\_, of Alliance Regional Water Authority hereby swear, or affirm, that the District named above has reviewed and approved, at a meeting of the District’s Board of Trustees on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, its annual audit report of the fiscal period ended September 30, 2022, and that copies of the annual audit report have been filed in the District’s office located at 630 E. Hopkins, San Marcos, TX 78666.

This annual filing affidavit and the attached copy of the audit report will be submitted to the Texas Commission on Environmental Quality to satisfy the annual filing requirements of the Texas Water Code Section 49.194.

Date: \_\_\_\_\_, \_\_\_\_\_ By: \_\_\_\_\_  
(Signature of District Official)

\_\_\_\_\_  
(Typed Name & Title of District Representative)

Sworn to and subscribed to before me this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
(Signature of Notary)

Commission expires on \_\_\_\_\_, \_\_\_\_\_  
Notary Public in the State of Texas



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Alliance Regional Water Authority  
San Marcos, TX

### **Report on the Audit of the Financial Statements**

We have audited the accompanying financial statements of the Alliance Regional Water Authority as of and for the years ended September 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Alliance Regional Water Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Alliance Regional Water Authority, as of September 30, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Alliance Regional Water Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Alliance Regional Water Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Alliance Regional Water Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Alliance Regional Water Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Alliance Regional Water Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of changes and contributions for net pension liability as referred to in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Alliance Regional Water Authority's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information required by the Texas Commission on Environmental Quality is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C." The signature is written in dark ink and is positioned above the typed name of the firm.

Armstrong, Vaughan & Associates, P.C.  
March 17, 2023



## MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Alliance Regional Water Authority’s annual financial report presents our discussion and analysis of the Authority’s financial performance during the fiscal year ended September 30, 2022. Please read it in conjunction with the Authority’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The Authority’s total net position was \$87.8 million at September 30, 2022.
- During the year, the Authority’s operating expenses decreased 8%, primarily from lower professional fees.
- No new debt was issued during the year.

### AUTHORITY HIGHLIGHTS

- The Authority’s goal is to secure and develop a long-term water supply for the participating government’s communities.
- The Authority has acquired leases for 17,699 surface acres of water. The Authority has also been approved for the production of 11,620 and 4,700 acre feet per year from the Gonzales Underground Water Conservation District and the Plum Creek Conservation District, respectively.
- The Authority has completed work on Phase 1A (an interconnect between Kyle and Buda water systems) and continued work on the Phase 1B (wells, raw water collection system, water treatment plant, pipelines, booster pump and delivery points for all participating governments).
- The Authority entered into a Water Treatment and Transmission Agreement with the Guadalupe-Blanco River Authority (GBRA) in June 2018. The agreement provides that the Authority will own and size the infrastructure (water treatment plant, pipelines and booster pump station) to treat and deliver the Authority’s water along with GBRA’s separate Carrizo rights, with GBRA owning capacity in the shared infrastructure. The agreement increases the economies of scale of the overall project and saves the Authority and GBRA significant capital costs.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management’s discussion and analysis* (this section), *the basic financial statements* and *required supplementary information*. The basic financial statements consist of the following statements:

- The *Statement of Net Position* shows the financial standing of the authority as of the end of the year, including all assets and liabilities.
- The *Statement of Revenues, Expenses and Changes in Net Position* provides information about the activity of the Authority during the fiscal year. It reports revenues when incurred, regardless of when they are received, and expenses when incurred, regardless of when they are paid.
- The *Statement of Cash Flows* reports the sources and uses of cash during the fiscal year.

The financial statements also include notes that explain a few of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

## FINANCIAL ANALYSIS OF THE AUTHORITY

Net position—the difference between the Authority’s assets and liabilities—is one way to measure the Authority’s financial health or *position*. Over time, increases or decreases in the Authority’s net position is an indicator of whether its financial health is improving or deteriorating, respectively.

The Authority’s net position was \$87.8 million at September 30, 2022. Of this amount, \$30.0 million is unrestricted, representing resources available to fund the operations of the Authority next year. (See Table A-1).

**Table A-1**  
Authority's Net Position

|                             | 2022                 | 2021                 | 2020                 |
|-----------------------------|----------------------|----------------------|----------------------|
| <i>Assets:</i>              |                      |                      |                      |
| Cash and Investments        | \$ 62,277,556        | \$ 25,932,329        | \$ 3,128,514         |
| Other Current Assets        | 463,482              | 436,680              | 2,420,777            |
| Other Assets                | 113,209,465          | 172,879,702          | 95,683,811           |
| Capital Assets (Net)        | 187,380,889          | 82,604,304           | 51,388,414           |
| <i>Total Assets</i>         | <u>363,331,392</u>   | <u>281,853,015</u>   | <u>152,621,516</u>   |
| <i>Deferred Outflows</i>    | <u>48,214</u>        | <u>42,509</u>        | <u>20,688</u>        |
| <i>Liabilities:</i>         |                      |                      |                      |
| Current                     | 54,005,389           | 16,544,345           | 9,718,789            |
| Long Term                   | 221,600,000          | 230,844,067          | 117,455,000          |
| <i>Total Liabilities</i>    | <u>275,605,389</u>   | <u>247,388,412</u>   | <u>127,173,789</u>   |
| <i>Deferred Inflows</i>     | <u>23,905</u>        | <u>2,473</u>         | <u>1,479</u>         |
| <i>Net Position:</i>        |                      |                      |                      |
| Net Investment in Capital   | 56,633,808           | 7,521,344            | 19,754,428           |
| Restricted for Debt Service | 1,165,091            | 1,159,476            | 652,096              |
| Unrestricted                | 29,951,413           | 25,823,819           | 5,060,412            |
| <i>Total Net Position</i>   | <u>\$ 87,750,312</u> | <u>\$ 34,504,639</u> | <u>\$ 25,466,936</u> |

The Authority's total operating expenses were \$2.0 million, an 8% decrease from the prior year. Operating revenues will begin once the Authority completes construction of the project and begins wholesaling water. Until that time, the participating governments are supporting the operations. (See Table A-2).

**Table A-2**  
Changes in Authority Net Position

|                         | <u>2022</u>          | <u>2021</u>          | <u>2020</u>          |
|-------------------------|----------------------|----------------------|----------------------|
| Operating Revenues      | \$ 41,314            | \$ 41,482            | \$ 35,003            |
| Operating Expenses      | <u>(2,041,803)</u>   | <u>(2,216,369)</u>   | <u>(2,055,072)</u>   |
| Operating Income (Loss) | (2,000,489)          | (2,174,887)          | (2,020,069)          |
| Nonoperating Income     | <u>55,246,162</u>    | <u>11,212,590</u>    | <u>11,515,974</u>    |
| Change in Net Position  | 53,245,673           | 9,037,703            | 9,495,905            |
| Beginning Net Position  | <u>34,504,639</u>    | <u>25,466,936</u>    | <u>15,971,031</u>    |
| Ending Net Position     | <u>\$ 87,750,312</u> | <u>\$ 34,504,639</u> | <u>\$ 25,466,936</u> |

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of September 30, 2022, the Authority had invested \$187 million in land and construction of water infrastructure. Because these projects are not complete and in service yet, no depreciation has been recorded. (See Table A-3). More detailed information about the Authority's capital assets is presented in the notes to the financial statements.

**Table A-3**  
Authority's Capital Assets

|                           | <u>2022</u>           | <u>2021</u>          | <u>2020</u>          |
|---------------------------|-----------------------|----------------------|----------------------|
| Land and Easements        | \$ 36,649,873         | \$ 17,401,569        | \$ 7,061,318         |
| Construction in Progress  | <u>150,731,016</u>    | <u>65,202,735</u>    | <u>44,327,096</u>    |
| Totals at Historical Cost | <u>\$ 187,380,889</u> | <u>\$ 82,604,304</u> | <u>\$ 51,388,414</u> |

**Long-Term Debt**

At year-end, the Authority had \$231 million in principal outstanding on bonded debt. No new debt was issued during the fiscal year. The participating governments have pledged to contribute amounts to the Authority sufficient to service these debts. More detailed information about the Authority’s debt is presented in the notes to the financial statements.

**Table A-4**  
Authority’s Long Term Debt

|               | <u>2022</u>          | <u>2021</u>          | <u>2020</u>          |
|---------------|----------------------|----------------------|----------------------|
| Bonds Payable | <u>\$230,835,000</u> | <u>\$240,030,000</u> | <u>\$121,985,000</u> |

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The primary goal for the Alliance Regional Water Authority (Alliance Water) for FY 22-23 is to continue with the development of its 15,000 acre-feet per year Carrizo water supply for its Sponsors scheduled to begin water delivery in 2023. The FY 22-23 budget continues to include collection of debt service from Kyle and Canyon Regional Water Authority for the debt issued in 2015 along with collection from all four Sponsors for the debt issued in 2017, 2019 and 2020 and the anticipated issuance in October 2022. The remaining operations and maintenance expenses are anticipated to be funded through cash payments by the Sponsors at the rates specified in the water supply contract. In June 2018 Alliance Water entered into an agreement with the Guadalupe-Blanco River Authority (GBRA’s) for Treatment and Transmission Services for GBRA’s Carrizo water to be utilized by GBRA’s customers. As part of the agreement, GBRA has agreed to pay for 50% of the design and acquisition costs for the portion of the Phase 1B Program in which they are participating. These payments are a significant source of revenue for Alliance Water.

**CONTACTING THE AUTHORITY’S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Authority’s finances and to demonstrate the Authority’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Graham Moore by mail at Alliance Regional Water Authority, 630 East Hopkins, San Marcos, Texas 78666, phone at (512) 294-3214, or email at gmoore@alliancewater.org.



**ALLIANCE WATER**

## BASIC FINANCIAL STATEMENTS

The basic financial statements include:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

ALLIANCE REGIONAL WATER AUTHORITY  
STATEMENTS OF NET POSITION  
SEPTEMBER 30, 2022 AND 2021

|  | 2022                 | 2021                 |
|--|----------------------|----------------------|
| <b>ASSETS</b>                                      |                      |                      |
| <i>Current Assets:</i>                             |                      |                      |
| Cash and Cash Equivalents                          | \$ 62,277,556        | \$ 25,932,329        |
| Receivables - Participating Governments            | 463,482              | 15,497               |
| Receivables - Transmission and Treatment Agreement | -                    | 421,183              |
| <i>Total Current Assets</i>                        | 62,741,038           | 26,369,009           |
| <i>Other Assets:</i>                               |                      |                      |
| Restricted Cash for Construction                   | 111,546,575          | 171,232,304          |
| Restricted Cash for Debt Service                   | 1,646,372            | 1,647,398            |
| Capital Assets                                     | 187,380,889          | 82,604,304           |
| Net Pension Asset                                  | 16,518               | -                    |
| <i>Total Other Assets</i>                          | 300,590,354          | 255,484,006          |
| <b>TOTAL ASSETS</b>                                | <b>363,331,392</b>   | <b>281,853,015</b>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                      |                      |
| Deferred Pension Related Outflows                  | 48,214               | 42,509               |
| <b>LIABILITIES</b>                                 |                      |                      |
| <i>Current Liabilities:</i>                        |                      |                      |
| Accounts Payable                                   | 11,471,093           | 6,488,629            |
| Accrued Groundwater Reservation Payments           | 330,643              | 330,643              |
| Accrued Interest, Payable from Restricted Assets   | 481,281              | 487,922              |
| Accrued Compensated Absences                       | 23,476               | 42,151               |
| Transmission and Treatment Agreement Advances      | 32,463,896           | -                    |
| Bonds Payable - Current                            | 9,235,000            | 9,195,000            |
| <i>Total Current Liabilities</i>                   | 54,005,389           | 16,544,345           |
| <i>Long-term Liabilities:</i>                      |                      |                      |
| Bonds Payable (net of current)                     | 221,600,000          | 230,835,000          |
| Net Pension Liability                              | -                    | 9,067                |
| <i>Total Long-term Liabilities</i>                 | 221,600,000          | 230,844,067          |
| <b>TOTAL LIABILITIES</b>                           | <b>275,605,389</b>   | <b>247,388,412</b>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                      |                      |
| Deferred Pension Related Inflows                   | 23,905               | 2,473                |
| <b>NET POSITION</b>                                |                      |                      |
| Net Investment in Capital Assets                   | 56,633,808           | 7,521,344            |
| Restricted for Debt Service                        | 1,165,091            | 1,159,476            |
| Unrestricted                                       | 29,951,413           | 25,823,819           |
| <b>TOTAL NET POSITION</b>                          | <b>\$ 87,750,312</b> | <b>\$ 34,504,639</b> |

See accompanying notes to basic financial statements.

ALLIANCE REGIONAL WATER AUTHORITY  
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|  | 2022          | 2021          |
|--|---------------|---------------|
| <b>Operating Revenues:</b>                     |               |               |
| Water Sales                                    | \$ 41,314     | \$ 41,482     |
| <b>Total Operating Revenues</b>                | 41,314        | 41,482        |
| <b>Operating Expenses:</b>                     |               |               |
| Groundwater Reservation Leases                 | 1,269,053     | 1,390,615     |
| Professional Fees                              | 214,119       | 255,833       |
| Personnel Costs                                | 407,495       | 414,021       |
| Permits and Fees                               | 81,900        | 74,454        |
| Administrative Expenses                        | 55,614        | 44,018        |
| Plant Operations & Maintenance                 | 13,622        | 37,428        |
| <b>Total Operating Expenses</b>                | 2,041,803     | 2,216,369     |
| <b>Operating Income (Loss)</b>                 | (2,000,489)   | (2,174,887)   |
| <b>Non-Operating Revenues (Expenses):</b>      |               |               |
| Participating Government Contributions         | 15,695,520    | 11,064,619    |
| Transmission and Treatment Agreement           | 42,433,428    | 5,363,527     |
| Other Income                                   | 5,543         | -             |
| Interest Income                                | 1,036,488     | 38,457        |
| Bond Issue Costs                               | (30,940)      | (1,545,582)   |
| Interest Expense                               | (3,893,877)   | (3,708,431)   |
| <b>Total Non-Operating Revenues (Expenses)</b> | 55,246,162    | 11,212,590    |
| <b>Change in Net Position</b>                  | 53,245,673    | 9,037,703     |
| Net Position at Beginning of Year              | 34,504,639    | 25,466,936    |
| Net Position at End of Year                    | \$ 87,750,312 | \$ 34,504,639 |



ALLIANCE REGIONAL WATER AUTHORITY  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|   | 2022           | 2021           |
|---|----------------|----------------|
| <b>Cash Flows from Operating Activities</b>                         |                |                |
| Cash Received from Customers  | \$ 41,314      | \$ 41,482      |
| Cash Payments to Suppliers for Goods and Services                   | (1,686,788)    | (1,791,563)    |
| Cash Payments to Employees for Services                             | (436,028)      | (423,449)      |
| <b>Net Cash Provided (Used) by Operating Activities</b>             | (2,081,502)    | (2,173,530)    |
| <br><b>Cash Flows from Capital and Related Financing Activities</b> |                |                |
| Bond Principal Payments   | (9,195,000)    | (4,530,000)    |
| Proceeds from Bonds Issued  | -              | 122,575,000    |
| Contributions from Participating Governments                        | 15,247,535     | 11,817,926     |
| Contributions from Interlocal Agreements                            | 75,318,507     | 6,594,317      |
| Bond Issuance Costs Paid  | (30,940)       | (1,545,582)    |
| Cash Paid for Interest  | (3,900,518)    | (3,508,971)    |
| Purchase of Capital Assets  | (99,741,641)   | (29,265,579)   |
| <b>Net Cash Provided (Used) by Capital Financing Activities</b>     | (22,302,057)   | 102,137,111    |
| <br><b>Cash Flows from Investing Activities</b>                     |                |                |
| Interest and Investment Income                                      | 1,036,488      | 38,457         |
| Other Cash Receipts   | 5,543          | -              |
| <b>Net Cash Provided (Used) by Investing Activities</b>             | 1,042,031      | 38,457         |
| <br>Net Increase (Decrease) in Cash and Cash Equivalents            | (23,341,528)   | 100,002,038    |
| <br><b>Beginning Cash</b>   |                |                |
| Cash and Cash Equivalents   | 25,932,329     | 3,128,514      |
| Restricted Cash   | 172,879,702    | 95,681,479     |
|   | 198,812,031    | 98,809,993     |
| <br><b>Ending Cash</b>  |                |                |
| Cash and Cash Equivalents   | 62,277,556     | 25,932,329     |
| Restricted Cash   | 113,192,947    | 172,879,702    |
|   | \$ 175,470,503 | \$ 198,812,031 |

See accompanying notes to basic financial statements.

ALLIANCE REGIONAL WATER AUTHORITY  
 STATEMENTS OF CASH FLOWS (CONT.)  
 FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

|   | 2022                  | 2021                  |
|---|-----------------------|-----------------------|
| <b>Reconciliation of Operating Income to Net Cash Provided<br/>(Used) by Operating Activities</b> |                       |                       |
| Operating Income (Loss)   | \$ (2,000,489)        | \$ (2,174,887)        |
| Adjustments to Reconcile Income from Operations to Net Cash<br>Provided by Operating Activities:  |                       |                       |
| Change in Assets and Liabilities:   |                       |                       |
| (Increase) Decrease in Pension Deferred Outflows  | (5,705)               | (21,821)              |
| Increase (Decrease) in Accounts Payable   | (52,480)              | 10,785                |
| Increase (Decrease) in Accrued Compensated Absences   | (18,675)              | -                     |
| Increase (Decrease) in Net Pension Liability (Asset)  | (25,585)              | 11,399                |
| Increase (Decrease) in Pension Deferred Inflows   | 21,432                | 994                   |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b>\$ (2,081,502)</b> | <b>\$ (2,173,530)</b> |

ALLIANCE REGIONAL WATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022 AND 2021

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Hays Caldwell Public Utility Agency (the HCPUA) was incorporated January 2007 pursuant to the provisions of Chapter 572, Texas Local Government Code, Public Utility Agencies for Provision of Water or Sewer Service. In 2017, the HCPUA was formally converted to the Alliance Regional Water Authority (the Authority). The conversion assigned all assets, liabilities, and all other rights and obligations of the HCPUA to the Authority. The Authority was organized to aid, assist, and act on behalf of the organizing participants, collectively and individually, to achieve economies of scale in providing essential water and sewage systems to the public, and provide environmentally sound protection of the State's future water and wastewater needs.

The organizing sponsors (the Sponsors) are the City of San Marcos, City of Buda, City of Kyle and Canyon Regional Water Authority.

The Authority meets the criteria of a joint venture between the Sponsors with an ongoing financial responsibility. The Sponsors have pledged revenues from existing water utility systems to finance the operations and long-term debt of the Authority, either through purchasing water from the Authority or subsidizing through direct payments (reflected as "Contributions from Participating Governments"). The Authority is actively pursuing the development of alternate water sources. The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below:

**1. REPORTING ENTITY**

In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14, "The Financial Reporting Entity" and GASB Statement 39 "Determining Whether Certain Organizations are Component Units". The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The Authority has no component units.

**2. ENTERPRISE FUND**

The Authority is an enterprise fund. Enterprise funds are proprietary funds used to account for business-type activities provided to the general public or other governmental entities. The activities are financed by charges to member entities and the measurement of financial activity focuses on net income similar to the private sector. Revenues are recognized when earned, and expenses are recognized when incurred.

ALLIANCE REGIONAL WATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

Revenues are classified as *operating* and *non-operating*. Operating revenues include charges to member entities for water pursuant to their contractual agreements. Non-operating revenues are expense reimbursements from member entities, interest income, and other revenues not related to the sale of wholesale water.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**4. CASH AND INVESTMENTS**

State statutes authorize the Authority to invest in (a) obligations of the United States or its agencies, and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) – (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

Investments are stated at fair value (plus accrued interest) except for money market investments and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost, which approximates fair value.

The Authority reports investments at fair value based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Authority's investments in pools and money market funds are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

The Authority considers cash and cash equivalents to be amounts in checking accounts, savings accounts, money market accounts, local government investment pools and certificates of deposit with a maturity date within three months or less from the date of purchase.

ALLIANCE REGIONAL WATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. ACCOUNTS RECEIVABLE**

Accounts receivable consists of amounts due from member entities. Participating governments are billed a flat amount each year based on budgeting operating costs plus a provision for either debt service or cash requirements of construction projects. Any budgeted amounts unpaid at year end are recorded as a receivable on the statement of net position. Interlocal agreements with other governments are treated similarly.

**6. PREPAID EXPENSES**

Expenses paid during the year that have a benefit beyond the current fiscal year are recorded on the balance sheet as prepaid expenses.

**7. GROUNDWATER LEASE ACQUISITION COSTS**

Costs incurred to purchase or reserve groundwater (leases) for future consumption are capitalized. Those costs consist of incentive payments to landowners and professional fees for contract negotiations. The costs are being amortized over an estimated 10-year minimum lease term.

**8. CAPITAL ASSETS**

The Authority is in the process of constructing assets to develop potable water sources. All costs related to the projects are capitalized. Once placed in service, the assets will be depreciated. Donated capital assets are recorded at estimated fair market value at the date of donation.

The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Purchases in excess of \$5,000 with a useful life in excess of one year are capitalized and depreciated using the straight-line method. Lives have not been estimated as they have not yet been placed in service.

**9. DEFERRED INFLOWS AND OUTFLOWS**

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

**10. LONG-TERM OBLIGATIONS**

Bonds, notes and capital leases are recorded as liabilities on the statement of net position. Bond issue costs are expensed in the period they are incurred. Bonds payable are reported net of the applicable bond premium or discount.

ALLIANCE REGIONAL WATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**11. PENSIONS**

The net pension liability, deferred inflows, and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County District Retirement System (TCDRS), and additions to and deductions from TCERS's fiduciary net position have been determined on the same basis as they are reported by TCERS. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**12. NET POSITION**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When expenses qualify for restricted and unrestricted resources, the Authority's policy is to use restricted resources first.

**13. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**14. RECLASSIFICATIONS**

Certain transactions are classified differently on the September 30, 2022 financial statements than previous fiscal years. These reclassifications had no effect on net income.

**NOTE B -- CASH AND INVESTMENTS**

**1. Cash and Cash Equivalents**

The Authority's funds are deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the Authority's agent bank approved pledge securities in an amount sufficient to protect Authority funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. At September 30, 2022, the Authority's bank deposits were fully covered by a combination of federal deposit insurance and pledged securities.

ALLIANCE REGIONAL WATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE B -- CASH AND INVESTMENTS (Continued)**

2. Investments

The Authority had the following investments included in cash and cash equivalents:

|                               | Balances at    |                | Rating |
|-------------------------------|----------------|----------------|--------|
|                               | 9/30/22        | 9/30/21        |        |
| TexStar Local Government Pool | \$ 60,940,168  | \$ 23,067,777  | AAAm   |
| Money Market Funds            | 111,546,575    | 171,232,304    | AAAm   |
|                               | \$ 172,486,743 | \$ 194,300,081 |        |

Both TexStar and the money market funds report in a manner consistent with Rule 2a7. Therefore, the investments are reported at \$1 per share, which approximates fair value. These investments are reported in cash and cash equivalents. The Authority was not exposed to significant investment rate, credit, or custodial credit risks.

3. Investment Compliance

The Authority is required by the Public Funds Investment Act to adopt an investment policy defining authorized investments, name an investment officer, obtain required training and regular reporting of investment activities. The Authority has complied with the requirements in the Public Funds Investment Act.

**NOTE C -- CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2022 was as follows:

|                          | Balances at   |                | Transfers/<br>Disposals | Balances at    |
|--------------------------|---------------|----------------|-------------------------|----------------|
|                          | 10/1/21       | Additions      |                         | 9/30/2022      |
| Land and Easements       | \$ 17,401,569 | \$ 19,248,304  | \$ -                    | \$ 36,649,873  |
| Construction in Progress | 65,202,735    | 85,528,281     |                         | 150,731,016    |
| Capital Assets, Net      | \$ 82,604,304 | \$ 104,776,585 | \$ -                    | \$ 187,380,889 |

Land and Construction in Progress are not depreciated.

ALLIANCE REGIONAL WATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE D -- LONG-TERM DEBT**

The Authority's long-term debt consists of bonds with interest payable on February 15 and interest and principal payable on August 15 of each year.

| <u>Series Name</u>                    | <u>Original Issue</u> |             | <u>Interest<br/>Rate</u> | <u>Maturity<br/>Date</u> |
|---------------------------------------|-----------------------|-------------|--------------------------|--------------------------|
|                                       | <u>Amount</u>         | <u>Date</u> |                          |                          |
| <i>2015 Contract Revenue Bonds</i>    |                       |             |                          |                          |
| 2015A Canyon Regional Water Authority | \$ 3,960,000          | 11/15/2015  | 0.38-2.41%               | 2035                     |
| 2015B City of Kyle                    | 3,530,000             | 11/15/2015  | 0.45-3.21%               | 2045                     |
| <i>2017 Contract Revenue Bonds</i>    |                       |             |                          |                          |
| 2017A Canyon Regional Water Authority | 9,865,000             | 11/22/2017  | 0.77-3.08%               | 2047                     |
| 2017B City of Kyle                    | 8,995,000             | 11/22/2017  | 0.77-3.08%               | 2047                     |
| 2017C City of San Marcos              | 11,450,000            | 11/22/2017  | 0.63-2.29%               | 2037                     |
| 2017D City of Buda                    | 1,625,000             | 11/22/2017  | 0.63-2.29%               | 2037                     |
| <i>2019 Contract Revenue Bonds</i>    |                       |             |                          |                          |
| 2019A Canyon Regional Water Authority | 26,530,000            | 11/20/2019  | 1.02-2.70%               | 2049                     |
| 2019B City of Kyle                    | 24,200,000            | 11/20/2019  | 1.02-2.70%               | 2049                     |
| 2019C City of San Marcos              | 30,800,000            | 11/20/2019  | 0.84-1.94%               | 2039                     |
| 2019D City of Buda                    | 4,370,000             | 11/20/2019  | 0.84-1.94%               | 2039                     |
| <i>2020 Contract Revenue Bonds</i>    |                       |             |                          |                          |
| 2020A Canyon Regional Water Authority | 37,865,000            | 11/20/2020  | 0.14%-2.48%              | 2050                     |
| 2020B City of Kyle                    | 34,530,000            | 11/20/2020  | 0.14%-2.48%              | 2050                     |
| 2020C City of San Marcos              | 43,955,000            | 11/20/2020  | 0.12%-1.55%              | 2040                     |
| 2020D City of Buda                    | 6,225,000             | 11/20/2020  | 0.12%-1.55%              | 2040                     |

All of the Authority's bonds are private placements without subjective acceleration clauses or significant events of default with finance related consequences.



ALLIANCE REGIONAL WATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE D -- LONG-TERM DEBT (Continued)**

The Authority's long-term debt activity as of and for the year ending September 30, 2022 is as follows:

| Bond Series | Balance                  |             |                       | Balance<br>Outstanding<br>9/30/2022 | Due Within<br>One Year |
|-------------|--------------------------|-------------|-----------------------|-------------------------------------|------------------------|
|             | Outstanding<br>10/1/2021 | Additions   | Retirements           |                                     |                        |
| 2015A       | \$ 3,030,000             | \$ -        | \$ (190,000)          | \$ 2,840,000                        | \$ 195,000             |
| 2015B       | 3,075,000                | -           | (95,000)              | 2,980,000                           | 95,000                 |
| 2017A       | 9,075,000                | -           | (270,000)             | 8,805,000                           | 270,000                |
| 2017B       | 8,275,000                | -           | (245,000)             | 8,030,000                           | 245,000                |
| 2017C       | 9,815,000                | -           | (550,000)             | 9,265,000                           | 555,000                |
| 2017D       | 1,395,000                | -           | (80,000)              | 1,315,000                           | 80,000                 |
| 2019A       | 25,790,000               | -           | (750,000)             | 25,040,000                          | 755,000                |
| 2019B       | 23,525,000               | -           | (680,000)             | 22,845,000                          | 690,000                |
| 2019C       | 29,315,000               | -           | (1,500,000)           | 27,815,000                          | 1,510,000              |
| 2019D       | 4,160,000                | -           | (215,000)             | 3,945,000                           | 215,000                |
| 2020A       | 37,865,000               | -           | (1,110,000)           | 36,755,000                          | 1,110,000              |
| 2020B       | 34,530,000               | -           | (1,010,000)           | 33,520,000                          | 1,015,000              |
| 2020C       | 43,955,000               | -           | (2,190,000)           | 41,765,000                          | 2,190,000              |
| 2020D       | 6,225,000                | -           | (310,000)             | 5,915,000                           | 310,000                |
| Totals      | <u>\$ 240,030,000</u>    | <u>\$ -</u> | <u>\$ (9,195,000)</u> | <u>\$ 230,835,000</u>               | <u>\$ 9,235,000</u>    |

The annual requirements to amortize all debt outstanding as of September 30, 2022, including interest payments, are as follows:

| Year End<br>September 30, | Principal<br>Payments | Interest<br>Payments | Total                 |
|---------------------------|-----------------------|----------------------|-----------------------|
| 2023                      | \$ 9,235,000          | \$ 3,850,242         | \$ 13,085,242         |
| 2024                      | 9,285,000             | 3,796,032            | 13,081,032            |
| 2025                      | 9,335,000             | 3,736,821            | 13,071,821            |
| 2026                      | 9,400,000             | 3,673,073            | 13,073,073            |
| 2027                      | 9,475,000             | 3,600,382            | 13,075,382            |
| 2028-2032                 | 48,735,000            | 16,561,252           | 65,296,252            |
| 2033-2037                 | 51,940,000            | 12,814,216           | 64,754,216            |
| 2038-2042                 | 39,610,000            | 8,052,325            | 47,662,325            |
| 2043-2047                 | 29,770,000            | 4,157,739            | 33,927,739            |
| 2048-2050                 | 14,050,000            | 659,903              | 14,709,903            |
| Total                     | <u>\$ 230,835,000</u> | <u>\$ 60,901,985</u> | <u>\$ 291,736,985</u> |

ALLIANCE REGIONAL WATER AUTHORITY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2022

**NOTE E -- GROUNDWATER LEASES**

The Authority has contracted to purchase water from several landowners. Each contract stipulates an initial term with extensions for as long as the Authority makes the lease payments. Initial costs to acquire these leases are amortized over the initial term. The Authority intends to maintain these leases in perpetuity. Future minimum lease payments under current conditions are \$1.3 million per year.

**NOTE F -- SPONSORING GOVERNMENTS**

The sponsoring governments have pledged revenues to support the budgeted operating costs and debt service of the Authority based on their anticipated usage of the resulting water produced from the project. Because the Authority is still constructing its plant, no water has been sold other than non-potable water. Contributions from the sponsoring governments are broken down as follows:

| Sponsoring Government           | Share  |
|---------------------------------|--------|
| City of San Marcos              | 35.86% |
| Canyon Regional Water Authority | 30.89% |
| City of Kyle                    | 28.17% |
| City of Buda                    | 5.08%  |
| Total                           | 100%   |

**NOTE G – TRANSMISSION AND TREATMENT INTERLOCAL AGREEMENT**

In 2018, the Authority reached an agreement with Guadalupe Blanco River Authority (GBRA) for the use of Authority plant pipelines and treatment facilities. The agreement involves increasing the capacity of the Authority’s system to treat and transmit GBRA water. In exchange, GBRA has agreed to fund a portion of the construction costs and ongoing operational costs once in production. A portion of the plant capacity will be reserved for GBRA’s use. GBRA is billed their pro-rata share of construction costs as they are incurred. Any payments in excess of these costs are shown as a liability on the statement of net position.

**NOTE H -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**

Plan Description

The Authority participates as one of 800 plans in the nontraditional, defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). TCDRS is an agency created by the state of Texas and administered in accordance with the TCDRS Act as an agent multiple-employer retirement system for County and District employees in the State of Texas. The Board of Trustees of TCDRS is responsible for the administration and management of the system. TCDRS in the aggregate issues a annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

ALLIANCE REGIONAL WATER AUTHORITY  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2022

**NOTE H -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (Cont.)**

The plan provisions are adopted by the governing body of the Authority, within the options available in the state statutes governing TCDRS. Members can retire at age 60 and above with 5 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 80 or more. A member is vested after 5 years but must leave his accumulated contributions in the plan.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the Authority within the actuarial constraints imposed by the TCDRS Act so the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Contributions

The Authority has elected the annually determined contribution rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the Authority is actuarially determined annually. The Authority contributed using the actuarially determined rate of 6.82% and 8.40% for the calendar years of 2021 and 2022, respectively.

The contribution rate payable by the employee members is 5% and the Authority matches 2 to 1 as adopted by the governing body of the Authority. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Benefits Provided

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Authority, within the options available in the state statutes governing TCDRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the Authority-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

|                                       | 12/31/2021 |
|---------------------------------------|------------|
| Inactive Employees Receiving Benefits | 0          |
| Inactive Employees                    | 0          |
| Active Employees                      | 4          |
|                                       | 4          |

ALLIANCE REGIONAL WATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE H -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (Cont.)**

Net Pension Liability

The Authority's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

|                             |       |
|-----------------------------|-------|
| Real rate of return         | 5.00% |
| Inflation                   | 2.50% |
| Long-term Investment return | 7.50% |

The long-term expected rate of return on pension plan investments is 7.5%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS. The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2021 information for a 10-year time horizon. Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a long-term time horizon; the most recent analysis was performed in March 2021. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class                        | Target Allocation | Expected Real<br>Rate of Return<br>(Geometric) |
|------------------------------------|-------------------|--|
| US Equities                        | 11.5%             | 3.80%  |
| Global Equities                    | 2.5%              | 4.10%  |
| International Equities - Developed | 5.0%              | 3.80%  |
| International Equities - Emerging  | 6.0%              | 4.30%  |
| Investment-Grade Bonds             | 3.0%              | -0.85%   |
| Strategic Credit                   | 9.0%              | 1.77%  |
| Direct Lending                     | 16.0%             | 6.25%  |
| Distressed Debt                    | 4.0%              | 4.50%  |
| REIT Equities                      | 2.0%              | 3.10%  |
| Master Limited Partnerships (MLPs) | 2.0%              | 3.85%  |
| Private Real Estate Partnerships   | 6.0%              | 5.10%  |
| Private Equity                     | 25.0%             | 6.80%  |
| Hedge Funds                        | 6.0%              | 1.55%  |
| Cash Equivalents                   | 2.0%              | -1.05%   |
|                                    | 100.0%            |  |

ALLIANCE REGIONAL WATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE H -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (Cont.)**

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The following presents the net pension liability of the Authority, calculated using the discount rate of 7.60%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|                               | Discount Rate<br>6.60% | Discount Rate<br>7.60% | Discount Rate<br>8.60% |
|-------------------------------|------------------------|------------------------|------------------------|
| Net Pension Liability (Asset) | \$ 29,733              | \$ (16,518)            | \$ (54,734)            |

Changes in Net Pension Liability

The below schedule presents the changes in the Net Pension Liability (Asset) as of December 31, 2021:

|                                      | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability (Asset) |
|--------------------------------------|----------------------------|--------------------------------|----------------------------------|
| Balance at December 31, 2020         | \$ 177,794                 | \$ 168,727                     | \$ 9,067                         |
| Changes for the year:                |                            |                                |                                  |
| Service Cost                         | 39,887                     | -                              | 39,887                           |
| Interest on total pension liability  | 16,544                     | -                              | 16,544                           |
| Change of Benefit Terms              | -                          | -                              | -                                |
| Economic/Demographic gains or losses | 545                        | -                              | 545                              |
| Changes of Assumptions               | 629                        | -                              | 629                              |
| Refund of Contributions              | -                          | -                              | -                                |
| Benefit Payments                     | -                          | -                              | -                                |
| Administrative Expense               | -                          | (136)                          | 136                              |
| Member Contributions                 | -                          | 16,913                         | (16,913)                         |
| Net Investment Income                | -                          | 41,708                         | (41,708)                         |
| Employer Contributions               | -                          | 23,513                         | (23,513)                         |
| Other                                | -                          | 1,192                          | (1,192)                          |
| Net Changes                          | 57,605                     | 83,190                         | (25,585)                         |
| Balance at December 31, 2021         | \$ 235,399                 | \$ 251,917                     | \$ (16,518)                      |

ALLIANCE REGIONAL WATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE H -- TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (Cont.)**

Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained at [www.tcdrs.com](http://www.tcdrs.com).

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the Authority recognized pension expense of \$19,672. Also as of September 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>Outflows of<br>of Resources | Deferred Inflows<br>Inflows of<br>of Resources |
|---|--|--|
| Differences between Expected and Actual Economic Experience | \$ 11,008  | \$ 377   |
| Changes in Actuarial Assumptions                            | 14,579   | 42   |
| Net difference between projected and Actual Earnings        | -  | 23,486   |
| Contributions Subsequent to the Measurement Date            | 22,627   | -  |
|   | \$ 48,214  | \$ 23,905                                      |

Deferred outflows of resources in the amount of \$22,627 result from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the plan year ending December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| For the Year ended December 31, |            |
|---------------------------------|------------|
| 2022                            | \$ (4,065) |
| 2023                            | (5,312)    |
| 2024                            | (4,269)    |
| 2025                            | (4,012)    |
| 2026                            | 1,457      |
| Thereafter                      | 17,883     |
|                                 | \$ 1,682   |

**NOTE I -- LITIGATION**

The Authority acquires a significant amount of easements and real property to support pipelines. Legal proceedings are required in certain cases of condemnation. However, management and legal counsel are not aware of any litigation that will have a material effect on the Authority's financial position.

ALLIANCE REGIONAL WATER AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2022

**NOTE J -- COMMITMENTS**

As of September 30, 2022, the Authority had several contracts in place as follows:

|                            | Total<br>Commitment | Expended<br>to Date | Estimated<br>Remaining |
|----------------------------|---------------------|---------------------|------------------------|
| Engineering & Right of Way | \$ 23,644,633       | \$ 10,426,634       | \$ 13,217,999          |
| Construction               | 112,358,550         | 42,789,669          | 69,568,881             |
|                            | \$ 136,003,183      | \$ 53,216,303       | \$ 82,786,880          |

**NOTE K -- SUBSEQUENT EVENT**

In October 2022, the Authority issued \$48 million in contract revenue bonds for system improvements. The bonds bear interest at rates ranging from 2.78% to 4.17% and mature serially through August 2052. The bonds are secured by the water supply contracts of the participating entities.

REQUIRED SUPPLEMENTARY INFORMATION



ALLIANCE REGIONAL WATER AUTHORITY  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

|  | <u>Budget Amounts</u> |                    | Actual                          | Variance With                           |
|--|-----------------------|--------------------|---------------------------------|---|
|  | <u>Original</u>       | <u>Final</u>       | Results<br>(Budgetary<br>Basis) | Final Budget-<br>Positive<br>(Negative) |
| <b>Operating Revenues:</b>               |                       |                    |                                 |   |
| Water Sales                              | \$ 31,600             | \$ 31,600          | \$ 41,314                       | \$ 9,714                                |
| <b>Total Operating Revenues</b>          | <u>31,600</u>         | <u>31,600</u>      | <u>41,314</u>                   | <u>9,714</u>                            |
| <b>Operating Expenses:</b>               |                       |                    |                                 |   |
| Groundwater Reservation Leases           | 1,355,600             | 1,355,600          | 1,269,053                       | 86,547                                  |
| Professional Fees                        | 250,000               | 250,000            | 214,119                         | 35,881                                  |
| Personnel Costs                          | 525,040               | 525,040            | 426,170                         | 98,870                                  |
| Permits and Fees                         | 82,000                | 82,000             | 81,900                          | 100                                     |
| Administrative Expenses                  | 51,300                | 51,300             | 55,614                          | (4,314)                                 |
| Plant Operations & Maintenance           | 28,510                | 28,510             | 13,622                          | 14,888                                  |
| <b>Total Operating Expenses</b>          | <u>2,292,450</u>      | <u>2,292,450</u>   | <u>2,060,478</u>                | <u>231,972</u>                          |
| <b>Operating Income (Loss)</b>           | <u>(2,260,850)</u>    | <u>(2,260,850)</u> | <u>(2,019,164)</u>              | <u>241,686</u>                          |
| <b>Non-Operating Revenues (Expenses)</b> |                       |                    |                                 |   |
| Participating Government Contributions   | 15,695,520            | 15,695,520         | 15,695,520                      | -                                       |
| Interest Income                          | 13,500                | 13,500             | 1,036,488                       | 1,022,988                               |
| Other Income                             | -                     | -                  | 5,543                           | 5,543                                   |
| Debt Service                             | (13,095,520)          | (13,095,520)       | (13,095,518)                    | 2                                       |
| <b>Non-Operating Revenues</b>            | <u>2,613,500</u>      | <u>2,613,500</u>   | <u>3,642,033</u>                | <u>1,028,533</u>                        |
| <b>Net Income (Budgetary Basis)</b>      | <u>\$ 352,650</u>     | <u>\$ 352,650</u>  | 1,622,869                       | <u>\$ 1,270,219</u>                     |
| Transmission and Treatment Agreement     |                       |                    | 42,433,428                      |   |
| Change in Compensated Absences Accrual   |                       |                    | 18,675                          |   |
| Bond Issuance Costs                      |                       |                    | (30,940)                        |   |
| Bond Principal Payments                  |                       |                    | 9,195,000                       |   |
| Change in Accrued Interest               |                       |                    | <u>6,641</u>                    |   |
| <b>Net Income (GAAP Basis)</b>           |                       |                    | <u>\$ 53,245,673</u>            |   |

ALLIANCE REGIONAL WATER AUTHORITY  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

The Authority budgets on a basis of accounting similar to cash basis. Thus, certain items are presented as reconciling items between the budgetary comparison schedule and the statement of revenues, expenses and changes in net position.

ALLIANCE REGIONAL WATER AUTHORITY  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
LAST EIGHT CALENDAR YEARS

| Total Pension Liability   |                 |                  |                  |                  |
|---|-----------------|------------------|------------------|------------------|
|   | 2014            | 2015             | 2016             | 2017             |
| Service Cost  | \$ 1,883        | \$ 12,694        | \$ 14,034        | \$ 15,763        |
| Interest (on the Total Pension Liability)                                 | 75              | 624              | 1,903            | 4,235            |
| Changes of Benefit Terms  | -               | (1,079)          | 793              | -                |
| Difference between Expected<br>and Actual Experience                      | 2               | 1,923            | 3,569            | (35)             |
| Change of Assumptions   | -               | 102              | -                | (56)             |
| Benefit Payments, Including Refunds of<br>Employee Contributions          | -               | -                | -                | -                |
| Net Change in Total Pension Liability                                     | 1,960           | 14,264           | 20,299           | 19,907           |
| Total Pension Liability - Beginning                                       | -               | 1,960            | 16,224           | 36,523           |
| Total Pension Liability - Ending  | <u>\$ 1,960</u> | <u>\$ 16,224</u> | <u>\$ 36,523</u> | <u>\$ 56,430</u> |
| Plan Fiduciary Net Position   |                 |                  |                  |                  |
|   | 2014            | 2015             | 2016             | 2017             |
| Contributions - Employer  | \$ 1,132        | \$ 7,763         | \$ 7,697         | \$ 9,785         |
| Contributions - Employee  | 1,038           | 7,123            | 7,088            | 7,366            |
| Net Investment Income   | 9               | (151)            | 1,291            | 5,198            |
| Benefit Payments, Including Refunds of<br>Employee Contributions          | -               | -                | -                | -                |
| Administrative Expense  | (1)             | (7)              | (15)             | (37)             |
| Other   | -               | (1)              | 756              | 229              |
| Net Change  | 2,178           | 14,727           | 16,817           | 22,541           |
| Beginning Plan Fiduciary Net Position                                     | -               | 2,178            | 16,905           | 33,722           |
| Ending Plan Fiduciary Net Position  | <u>\$ 2,178</u> | <u>\$ 16,905</u> | <u>\$ 33,722</u> | <u>\$ 56,263</u> |
| Net Pension Liability (Asset) - Ending                                    | \$ (218)        | \$ (681)         | \$ 2,801         | \$ 167           |
| Plan Fiduciary Net Position as a<br>Percentage of Total Pension Liability | 111.12%         | 104.20%          | 92.33%           | 99.70%           |
| Covered Payroll   | \$ 124,618      | \$ 142,452       | \$ 141,750       | \$ 147,311       |
| Net Pension Liability as a Percentage<br>of Covered Payroll               | -0.17%          | -0.48%           | 1.98%            | 0.11%            |

Information in this schedule is being accumulated until ten years are presented.  
See Independent Auditor's Report.

Total Pension Liability

| 2018             | 2019              | 2020              | 2021              |
|------------------|-------------------|-------------------|-------------------|
| \$ 16,759        | \$ 27,060         | \$ 28,296         | \$ 39,887         |
| 5,928            | 8,833             | 11,806            | 16,544            |
| -                | -                 | -                 | -                 |
| -                | (424)             | 4,777             | 545               |
| 2,867            | -                 | 15,462            | 629               |
| -                | -                 | -                 | -                 |
| 25,554           | 35,469            | 60,341            | 57,605            |
| 56,430           | 81,984            | 117,453           | 177,794           |
| <u>\$ 81,984</u> | <u>\$ 117,453</u> | <u>\$ 177,794</u> | <u>\$ 235,399</u> |

Plan Fiduciary Net Position

| 2018             | 2019              | 2020              | 2021              |
|------------------|-------------------|-------------------|-------------------|
| \$ 12,131        | \$ 16,531         | \$ 20,545         | \$ 23,513         |
| 9,107            | 12,411            | 15,009            | 16,913            |
| (811)            | 12,659            | 12,447            | 41,708            |
| -                | -                 | -                 | -                 |
| (62)             | (91)              | (123)             | (136)             |
| 638              | 1,009             | 1,064             | 1,192             |
| 21,003           | 42,519            | 48,942            | 83,190            |
| 56,263           | 77,266            | 119,785           | 168,727           |
| <u>\$ 77,266</u> | <u>\$ 119,785</u> | <u>\$ 168,727</u> | <u>\$ 251,917</u> |

|          |            |          |             |
|----------|------------|----------|-------------|
| \$ 4,718 | \$ (2,332) | \$ 9,067 | \$ (16,518) |
|----------|------------|----------|-------------|

|        |         |        |         |
|--------|---------|--------|---------|
| 94.25% | 101.99% | 94.90% | 107.02% |
|--------|---------|--------|---------|

|            |            |            |            |
|------------|------------|------------|------------|
| \$ 182,150 | \$ 248,222 | \$ 300,185 | \$ 338,269 |
|------------|------------|------------|------------|

|       |        |       |        |
|-------|--------|-------|--------|
| 2.59% | -0.94% | 3.02% | -4.88% |
|-------|--------|-------|--------|

ALLIANCE REGIONAL WATER AUTHORITY  
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION PLAN-  
LAST EIGHT FISCAL YEARS

| Fiscal Year Ending<br>September 30, | Actuarially<br>Determined<br>Contribution | Actual<br>Contributions | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contributions<br>As Percent<br>of Payroll |
|-------------------------------------|---|-------------------------|--|--------------------|---|
| 2022                                | \$ 28,221                                 | \$ 28,221               | -                                      | \$ 351,382         | 8.03%                                     |
| 2021                                | 20,503                                    | 22,586                  | (2,083)                                | 332,916            | 6.78%                                     |
| 2020                                | 19,107                                    | 19,107                  | -                                      | 283,824            | 6.73%                                     |
| 2019                                | 16,336                                    | 16,336                  | -                                      | 245,291            | 6.66%                                     |
| 2018                                | 10,369                                    | 10,372                  | (3)                                    | 155,797            | 6.66%                                     |
| 2017                                | 9,260                                     | 9,260                   | -                                      | 145,921            | 6.35%                                     |
| 2016                                | 7,714                                     | 7,714                   | -                                      | 141,926            | 5.44%                                     |
| 2015                                | 6,954                                     | 6,954                   | -                                      | 127,609            | 5.45%                                     |

**Valuation Timing:**

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

|                               |  |
|-------------------------------|--|
| Actuarial Cost Method         | Entry Age  |
| Amortization Method           | Level Percentage of Payroll, Closed  |
| Remaining Amortization Period | 19.0 years (based on contribution rate calculated in 12/31/21 valuation)   |
| Asset Valuation Method        | 5 Year Smoothed Market   |
| Inflation                     | 2.50%  |
| Salary Increases              | Varies by age and service. 4.7% average over career including inflation  |
| Investment Rate of Return     | 7.50%, net of investment expenses, including inflation   |
| Retirement Age                | Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.                        |
| Mortality                     | 135% of the RP-2014 Healthy Annuitant Mortality Table for males and 120% of the RP-2014 Health Annuitant Mortality Table for females, both projected with 100% of the MP-2021 Ultimate Scale after 2010. |
| Changes in Assumptions        | 2015: New inflation, mortality and other assumptions<br>2017: New mortality assumptions were reflected<br>2019: New inflation, mortality and other assumptions   |
| Changes in Plan Provisions    | 2017: Employer contributions reflect that the current service matching rate was increased to 200% for future benefits. Also, new Annuity Purchase Rates were reflected for benefits earned after 2017.   |

Information in this schedule is being accumulated until ten years are presented.  
See Independent Auditor's Report.

SUPPLEMENTARY INFORMATION

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-1 SERVICES AND RATES  
YEAR ENDING SEPTEMBER 30, 2022

1. Services Provided by the District during the Fiscal Year

Not Yet in Production

2. Retail Service Providers

Not Applicable

3. Total Water Consumption during the Fiscal Year

Not Yet in Production

4. Standby Fees

Not Applicable

5. Location of District

Counties: Hays, Guadalupe, Caldwell, Comal

Cities: Buda, Kyle, San Marcos, Cibolo, Converse, Niederwald, Staples,  
Uhland, Martindale

Board Members Board members are appointed by each participating government  
(City of San Marcos, City of Kyle, City of Buda, Canyon Regional  
Water Authority)

ALLIANCE REGIONAL WATER AUTHORITY  
 TSI-2 EXPENSES  
 FOR THE YEAR ENDING SEPTEMBER 30, 2022

|  |           |                         |
|--|-----------|-------------------------|
| <b>Personnel Expenditures</b> (including benefits) | \$        | 407,495                 |
| <b>Professional Fees:</b>                          |           |                         |
| Legal  |           | 111,031                 |
| Accounting and Audit                               |           | 10,930                  |
| Other  |           | 92,158                  |
| <b>Water and Transmission Costs</b>                |           | 1,269,053               |
| <b>Administrative Expenses</b>                     |           | 137,514                 |
| <b>Plant Operations &amp; Maintenance</b>          |           | 13,622                  |
| <b>Interest and Debt Related Costs</b>             |           | <u>3,924,817</u>        |
| <b>Total Expenses</b>                              | \$        | <u><u>5,966,620</u></u> |
|  |           |                         |
| Total number of persons employed by the District   | Full-Time | <u>3</u>                |
|  | Part-Time | <u>1</u>                |

TSI-3 TEMPORARY INVESTMENTS  
 TSI-4 TAXES LEVIED AND RECEIVABLE

OMITTED AS NOT APPLICABLE  
 OMITTED AS NOT APPLICABLE



ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT

| Contract Revenue Bonds 2015A        |                            |                           |              |
|-------------------------------------|----------------------------|---------------------------|--------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total        |
| 2023                                | \$ 195,000                 | \$ 56,854                 | \$ 251,854   |
| 2024                                | 195,000                    | 54,319                    | 249,319      |
| 2025                                | 200,000                    | 51,609                    | 251,609      |
| 2026                                | 205,000                    | 48,669                    | 253,669      |
| 2027                                | 210,000                    | 45,307                    | 255,307      |
| 2028                                | 210,000                    | 41,506                    | 251,506      |
| 2029                                | 215,000                    | 37,390                    | 252,390      |
| 2030                                | 220,000                    | 32,875                    | 252,875      |
| 2031                                | 225,000                    | 28,035                    | 253,035      |
| 2032                                | 230,000                    | 22,905                    | 252,905      |
| 2033                                | 240,000                    | 17,569                    | 257,569      |
| 2034                                | 245,000                    | 11,881                    | 256,881      |
| 2035                                | 250,000                    | 6,025                     | 256,025      |
|                                     | \$ 2,840,000               | \$ 454,944                | \$ 3,294,944 |

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Contract Revenue Bonds 2015B        |                            |                           |              |
|-------------------------------------|----------------------------|---------------------------|--------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total        |
| 2023                                | \$ 95,000                  | \$ 83,607                 | \$ 178,607   |
| 2024                                | 100,000                    | 82,117                    | 182,117      |
| 2025                                | 100,000                    | 80,437                    | 180,437      |
| 2026                                | 100,000                    | 78,677                    | 178,677      |
| 2027                                | 105,000                    | 76,707                    | 181,707      |
| 2028                                | 105,000                    | 74,407                    | 179,407      |
| 2029                                | 110,000                    | 71,929                    | 181,929      |
| 2030                                | 110,000                    | 69,135                    | 179,135      |
| 2031                                | 115,000                    | 66,220                    | 181,220      |
| 2032                                | 120,000                    | 63,058                    | 183,058      |
| 2033                                | 120,000                    | 59,698                    | 179,698      |
| 2034                                | 125,000                    | 56,266                    | 181,266      |
| 2035                                | 130,000                    | 52,666                    | 182,666      |
| 2036                                | 135,000                    | 48,883                    | 183,883      |
| 2037                                | 140,000                    | 44,684                    | 184,684      |
| 2038                                | 140,000                    | 40,330                    | 180,330      |
| 2039                                | 145,000                    | 35,976                    | 180,976      |
| 2040                                | 150,000                    | 31,452                    | 181,452      |
| 2041                                | 155,000                    | 26,772                    | 181,772      |
| 2042                                | 160,000                    | 21,812                    | 181,812      |
| 2043                                | 165,000                    | 16,692                    | 181,692      |
| 2044                                | 175,000                    | 11,396                    | 186,396      |
| 2045                                | 180,000                    | 5,778                     | 185,778      |
|                                     | \$ 2,980,000               | \$ 1,198,699              | \$ 4,178,699 |

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Contract Revenue Bonds 2017A        |                            |                           |               |
|-------------------------------------|----------------------------|---------------------------|---------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total         |
| 2023                                | \$ 270,000                 | \$ 228,048                | \$ 498,048    |
| 2024                                | 275,000                    | 224,727                   | 499,727       |
| 2025                                | 275,000                    | 221,042                   | 496,042       |
| 2026                                | 280,000                    | 216,972                   | 496,972       |
| 2027                                | 285,000                    | 212,548                   | 497,548       |
| 2028                                | 290,000                    | 207,760                   | 497,760       |
| 2029                                | 295,000                    | 202,395                   | 497,395       |
| 2030                                | 300,000                    | 196,318                   | 496,318       |
| 2031                                | 310,000                    | 189,568                   | 499,568       |
| 2032                                | 315,000                    | 182,035                   | 497,035       |
| 2033                                | 325,000                    | 174,065                   | 499,065       |
| 2034                                | 330,000                    | 165,583                   | 495,583       |
| 2035                                | 340,000                    | 156,739                   | 496,739       |
| 2036                                | 350,000                    | 147,457                   | 497,457       |
| 2037                                | 360,000                    | 137,762                   | 497,762       |
| 2038                                | 370,000                    | 127,646                   | 497,646       |
| 2039                                | 380,000                    | 117,064                   | 497,064       |
| 2040                                | 390,000                    | 105,702                   | 495,702       |
| 2041                                | 400,000                    | 93,963                    | 493,963       |
| 2042                                | 415,000                    | 81,923                    | 496,923       |
| 2043                                | 425,000                    | 69,431                    | 494,431       |
| 2044                                | 435,000                    | 56,299                    | 491,299       |
| 2045                                | 450,000                    | 42,857                    | 492,857       |
| 2046                                | 465,000                    | 28,952                    | 493,952       |
| 2047                                | 475,000                    | 14,630                    | 489,630       |
|                                     | \$ 8,805,000               | \$ 3,601,486              | \$ 12,406,486 |

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Contract Revenue Bonds 2017B        |                            |                           |               |
|-------------------------------------|----------------------------|---------------------------|---------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total         |
| 2023                                | \$ 245,000                 | \$ 207,997                | \$ 452,997    |
| 2024                                | 250,000                    | 204,983                   | 454,983       |
| 2025                                | 250,000                    | 201,633                   | 451,633       |
| 2026                                | 255,000                    | 197,933                   | 452,933       |
| 2027                                | 260,000                    | 193,904                   | 453,904       |
| 2028                                | 265,000                    | 189,536                   | 454,536       |
| 2029                                | 270,000                    | 184,634                   | 454,634       |
| 2030                                | 275,000                    | 179,072                   | 454,072       |
| 2031                                | 280,000                    | 172,884                   | 452,884       |
| 2032                                | 290,000                    | 166,080                   | 456,080       |
| 2033                                | 295,000                    | 158,743                   | 453,743       |
| 2034                                | 305,000                    | 151,044                   | 456,044       |
| 2035                                | 310,000                    | 142,870                   | 452,870       |
| 2036                                | 320,000                    | 134,407                   | 454,407       |
| 2037                                | 330,000                    | 125,543                   | 455,543       |
| 2038                                | 335,000                    | 116,270                   | 451,270       |
| 2039                                | 345,000                    | 106,689                   | 451,689       |
| 2040                                | 355,000                    | 96,373                    | 451,373       |
| 2041                                | 365,000                    | 85,688                    | 450,688       |
| 2042                                | 375,000                    | 74,701                    | 449,701       |
| 2043                                | 385,000                    | 63,414                    | 448,414       |
| 2044                                | 400,000                    | 51,517                    | 451,517       |
| 2045                                | 410,000                    | 39,157                    | 449,157       |
| 2046                                | 425,000                    | 26,488                    | 451,488       |
| 2047                                | 435,000                    | 13,398                    | 448,398       |
|                                     | \$ 8,030,000               | \$ 3,284,958              | \$ 11,314,958 |

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Contract Revenue Bonds 2017C        |                            |                           |               |
|-------------------------------------|----------------------------|---------------------------|---------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total         |
| 2023                                | \$ 555,000                 | \$ 164,282                | \$ 719,282    |
| 2024                                | 560,000                    | 158,677                   | 718,677       |
| 2025                                | 570,000                    | 152,517                   | 722,517       |
| 2026                                | 575,000                    | 145,620                   | 720,620       |
| 2027                                | 580,000                    | 138,202                   | 718,202       |
| 2028                                | 590,000                    | 130,256                   | 720,256       |
| 2029                                | 600,000                    | 121,347                   | 721,347       |
| 2030                                | 610,000                    | 111,267                   | 721,267       |
| 2031                                | 620,000                    | 100,104                   | 720,104       |
| 2032                                | 630,000                    | 87,828                    | 717,828       |
| 2033                                | 645,000                    | 74,850                    | 719,850       |
| 2034                                | 660,000                    | 61,112                    | 721,112       |
| 2035                                | 675,000                    | 46,724                    | 721,724       |
| 2036                                | 690,000                    | 31,739                    | 721,739       |
| 2037                                | 705,000                    | 16,145                    | 721,145       |
|                                     | \$ 9,265,000               | \$ 1,540,670              | \$ 10,805,670 |

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Contract Revenue Bonds 2017D        |                            |                           |              |
|-------------------------------------|----------------------------|---------------------------|--------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total        |
| 2023                                | \$ 80,000                  | \$ 23,334                 | \$ 103,334   |
| 2024                                | 80,000                     | 22,526                    | 102,526      |
| 2025                                | 80,000                     | 21,646                    | 101,646      |
| 2026                                | 80,000                     | 20,678                    | 100,678      |
| 2027                                | 80,000                     | 19,646                    | 99,646       |
| 2028                                | 85,000                     | 18,550                    | 103,550      |
| 2029                                | 85,000                     | 17,267                    | 102,267      |
| 2030                                | 85,000                     | 15,839                    | 100,839      |
| 2031                                | 90,000                     | 14,283                    | 104,283      |
| 2032                                | 90,000                     | 12,501                    | 102,501      |
| 2033                                | 90,000                     | 10,647                    | 100,647      |
| 2034                                | 95,000                     | 8,730                     | 103,730      |
| 2035                                | 95,000                     | 6,659                     | 101,659      |
| 2036                                | 100,000                    | 4,550                     | 104,550      |
| 2037                                | 100,000                    | 2,290                     | 102,290      |
|                                     | \$ 1,315,000               | \$ 219,146                | \$ 1,534,146 |

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Contract Revenue Bonds 2019A        |                            |                           |               |
|-------------------------------------|----------------------------|---------------------------|---------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total         |
| 2023                                | \$ 755,000                 | \$ 532,131                | \$ 1,287,131  |
| 2024                                | 760,000                    | 524,128                   | 1,284,128     |
| 2025                                | 770,000                    | 515,844                   | 1,285,844     |
| 2026                                | 775,000                    | 507,374                   | 1,282,374     |
| 2027                                | 785,000                    | 498,461                   | 1,283,461     |
| 2028                                | 790,000                    | 488,963                   | 1,278,963     |
| 2029                                | 800,000                    | 479,167                   | 1,279,167     |
| 2030                                | 810,000                    | 468,927                   | 1,278,927     |
| 2031                                | 820,000                    | 457,263                   | 1,277,263     |
| 2032                                | 830,000                    | 443,733                   | 1,273,733     |
| 2033                                | 845,000                    | 428,627                   | 1,273,627     |
| 2034                                | 860,000                    | 411,389                   | 1,271,389     |
| 2035                                | 875,000                    | 393,415                   | 1,268,415     |
| 2036                                | 895,000                    | 374,777                   | 1,269,777     |
| 2037                                | 915,000                    | 354,461                   | 1,269,461     |
| 2038                                | 930,000                    | 333,141                   | 1,263,141     |
| 2039                                | 950,000                    | 311,007                   | 1,261,007     |
| 2040                                | 970,000                    | 289,537                   | 1,259,537     |
| 2041                                | 995,000                    | 264,123                   | 1,259,123     |
| 2042                                | 1,020,000                  | 238,054                   | 1,258,054     |
| 2043                                | 1,050,000                  | 211,330                   | 1,261,330     |
| 2044                                | 1,075,000                  | 183,820                   | 1,258,820     |
| 2045                                | 1,100,000                  | 155,655                   | 1,255,655     |
| 2046                                | 1,125,000                  | 125,955                   | 1,250,955     |
| 2047                                | 1,155,000                  | 95,580                    | 1,250,580     |
| 2048                                | 1,180,000                  | 64,395                    | 1,244,395     |
| 2049                                | 1,205,000                  | 32,535                    | 1,237,535     |
|                                     | \$ 25,040,000              | \$ 9,183,792              | \$ 34,223,792 |

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Contract Revenue Bonds 2019B        |                            |                           |               |
|-------------------------------------|----------------------------|---------------------------|---------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total         |
| 2023                                | \$ 690,000                 | \$ 485,575                | \$ 1,175,575  |
| 2024                                | 695,000                    | 478,261                   | 1,173,261     |
| 2025                                | 700,000                    | 470,685                   | 1,170,685     |
| 2026                                | 705,000                    | 462,985                   | 1,167,985     |
| 2027                                | 715,000                    | 454,878                   | 1,169,878     |
| 2028                                | 720,000                    | 446,226                   | 1,166,226     |
| 2029                                | 730,000                    | 437,298                   | 1,167,298     |
| 2030                                | 735,000                    | 427,954                   | 1,162,954     |
| 2031                                | 745,000                    | 417,370                   | 1,162,370     |
| 2032                                | 760,000                    | 405,078                   | 1,165,078     |
| 2033                                | 770,000                    | 391,246                   | 1,161,246     |
| 2034                                | 785,000                    | 375,538                   | 1,160,538     |
| 2035                                | 800,000                    | 359,131                   | 1,159,131     |
| 2036                                | 815,000                    | 342,091                   | 1,157,091     |
| 2037                                | 835,000                    | 323,591                   | 1,158,591     |
| 2038                                | 850,000                    | 304,135                   | 1,154,135     |
| 2039                                | 870,000                    | 283,905                   | 1,153,905     |
| 2040                                | 885,000                    | 264,243                   | 1,149,243     |
| 2041                                | 910,000                    | 241,056                   | 1,151,056     |
| 2042                                | 935,000                    | 217,214                   | 1,152,214     |
| 2043                                | 955,000                    | 192,717                   | 1,147,717     |
| 2044                                | 980,000                    | 167,696                   | 1,147,696     |
| 2045                                | 1,005,000                  | 142,020                   | 1,147,020     |
| 2046                                | 1,030,000                  | 114,885                   | 1,144,885     |
| 2047                                | 1,050,000                  | 87,075                    | 1,137,075     |
| 2048                                | 1,075,000                  | 58,725                    | 1,133,725     |
| 2049                                | 1,100,000                  | 29,700                    | 1,129,700     |
|                                     | \$ 22,845,000              | \$ 8,381,278              | \$ 31,226,278 |



ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Contract Revenue Bonds 2019C        |                            |                           |               |
|-------------------------------------|----------------------------|---------------------------|---------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total         |
| 2023                                | \$ 1,510,000               | \$ 387,081                | \$ 1,897,081  |
| 2024                                | 1,520,000                  | 373,944                   | 1,893,944     |
| 2025                                | 1,530,000                  | 360,416                   | 1,890,416     |
| 2026                                | 1,540,000                  | 346,646                   | 1,886,646     |
| 2027                                | 1,555,000                  | 332,170                   | 1,887,170     |
| 2028                                | 1,570,000                  | 316,776                   | 1,886,776     |
| 2029                                | 1,580,000                  | 300,919                   | 1,880,919     |
| 2030                                | 1,595,000                  | 284,487                   | 1,879,487     |
| 2031                                | 1,615,000                  | 265,825                   | 1,880,825     |
| 2032                                | 1,635,000                  | 244,184                   | 1,879,184     |
| 2033                                | 1,655,000                  | 219,823                   | 1,874,823     |
| 2034                                | 1,680,000                  | 192,350                   | 1,872,350     |
| 2035                                | 1,710,000                  | 163,790                   | 1,873,790     |
| 2036                                | 1,735,000                  | 134,036                   | 1,869,036     |
| 2037                                | 1,765,000                  | 101,938                   | 1,866,938     |
| 2038                                | 1,795,000                  | 68,403                    | 1,863,403     |
| 2039                                | 1,825,000                  | 33,580                    | 1,858,580     |
|                                     | \$ 27,815,000              | \$ 4,126,368              | \$ 31,941,368 |

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Contract Revenue Bonds 2019D        |                            |                           |              |
|-------------------------------------|----------------------------|---------------------------|--------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total        |
| 2023                                | \$ 215,000                 | \$ 54,890                 | \$ 269,890   |
| 2024                                | 215,000                    | 53,019                    | 268,019      |
| 2025                                | 215,000                    | 51,106                    | 266,106      |
| 2026                                | 220,000                    | 49,171                    | 269,171      |
| 2027                                | 220,000                    | 47,103                    | 267,103      |
| 2028                                | 225,000                    | 44,925                    | 269,925      |
| 2029                                | 225,000                    | 42,652                    | 267,652      |
| 2030                                | 225,000                    | 40,312                    | 265,312      |
| 2031                                | 230,000                    | 37,680                    | 267,680      |
| 2032                                | 230,000                    | 34,598                    | 264,598      |
| 2033                                | 235,000                    | 31,171                    | 266,171      |
| 2034                                | 240,000                    | 27,270                    | 267,270      |
| 2035                                | 240,000                    | 23,190                    | 263,190      |
| 2036                                | 245,000                    | 19,014                    | 264,014      |
| 2037                                | 250,000                    | 14,481                    | 264,481      |
| 2038                                | 255,000                    | 9,731                     | 264,731      |
| 2039                                | 260,000                    | 4,784                     | 264,784      |
|                                     | \$ 3,945,000               | \$ 585,097                | \$ 4,530,097 |

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Contract Revenue Bonds 2020A        |                            |                           |               |
|-------------------------------------|----------------------------|---------------------------|---------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total         |
| 2023                                | \$ 1,110,000               | \$ 616,816                | \$ 1,726,816  |
| 2024                                | 1,115,000                  | 614,929                   | 1,729,929     |
| 2025                                | 1,115,000                  | 612,476                   | 1,727,476     |
| 2026                                | 1,120,000                  | 609,465                   | 1,729,465     |
| 2027                                | 1,125,000                  | 604,985                   | 1,729,985     |
| 2028                                | 1,130,000                  | 599,023                   | 1,729,023     |
| 2029                                | 1,140,000                  | 591,904                   | 1,731,904     |
| 2030                                | 1,145,000                  | 583,240                   | 1,728,240     |
| 2031                                | 1,155,000                  | 573,622                   | 1,728,622     |
| 2032                                | 1,170,000                  | 560,801                   | 1,730,801     |
| 2033                                | 1,185,000                  | 545,240                   | 1,730,240     |
| 2034                                | 1,205,000                  | 527,347                   | 1,732,347     |
| 2035                                | 1,225,000                  | 508,308                   | 1,733,308     |
| 2036                                | 1,245,000                  | 487,973                   | 1,732,973     |
| 2037                                | 1,270,000                  | 466,434                   | 1,736,434     |
| 2038                                | 1,300,000                  | 443,828                   | 1,743,828     |
| 2039                                | 1,325,000                  | 420,168                   | 1,745,168     |
| 2040                                | 1,360,000                  | 395,523                   | 1,755,523     |
| 2041                                | 1,390,000                  | 369,683                   | 1,759,683     |
| 2042                                | 1,420,000                  | 337,157                   | 1,757,157     |
| 2043                                | 1,445,000                  | 303,929                   | 1,748,929     |
| 2044                                | 1,475,000                  | 270,116                   | 1,745,116     |
| 2045                                | 1,505,000                  | 235,601                   | 1,740,601     |
| 2046                                | 1,540,000                  | 200,384                   | 1,740,384     |
| 2047                                | 1,575,000                  | 162,192                   | 1,737,192     |
| 2048                                | 1,615,000                  | 123,132                   | 1,738,132     |
| 2049                                | 1,655,000                  | 83,080                    | 1,738,080     |
| 2050                                | 1,695,000                  | 42,036                    | 1,737,036     |
|                                     | \$ 36,755,000              | \$ 11,889,387             | \$ 48,644,387 |

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Contract Revenue Bonds 2020B        |                            |                           |               |
|-------------------------------------|----------------------------|---------------------------|---------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total         |
| 2023                                | \$ 1,015,000               | \$ 562,477                | \$ 1,577,477  |
| 2024                                | 1,015,000                  | 560,751                   | 1,575,751     |
| 2025                                | 1,020,000                  | 558,518                   | 1,578,518     |
| 2026                                | 1,020,000                  | 555,764                   | 1,575,764     |
| 2027                                | 1,025,000                  | 551,684                   | 1,576,684     |
| 2028                                | 1,030,000                  | 546,252                   | 1,576,252     |
| 2029                                | 1,040,000                  | 539,763                   | 1,579,763     |
| 2030                                | 1,045,000                  | 531,859                   | 1,576,859     |
| 2031                                | 1,055,000                  | 523,081                   | 1,578,081     |
| 2032                                | 1,065,000                  | 511,370                   | 1,576,370     |
| 2033                                | 1,080,000                  | 497,206                   | 1,577,206     |
| 2034                                | 1,100,000                  | 480,898                   | 1,580,898     |
| 2035                                | 1,115,000                  | 463,518                   | 1,578,518     |
| 2036                                | 1,135,000                  | 445,009                   | 1,580,009     |
| 2037                                | 1,160,000                  | 425,373                   | 1,585,373     |
| 2038                                | 1,185,000                  | 404,725                   | 1,589,725     |
| 2039                                | 1,210,000                  | 383,158                   | 1,593,158     |
| 2040                                | 1,240,000                  | 360,652                   | 1,600,652     |
| 2041                                | 1,265,000                  | 337,092                   | 1,602,092     |
| 2042                                | 1,295,000                  | 307,491                   | 1,602,491     |
| 2043                                | 1,320,000                  | 277,188                   | 1,597,188     |
| 2044                                | 1,345,000                  | 246,300                   | 1,591,300     |
| 2045                                | 1,375,000                  | 214,827                   | 1,589,827     |
| 2046                                | 1,405,000                  | 182,652                   | 1,587,652     |
| 2047                                | 1,435,000                  | 147,808                   | 1,582,808     |
| 2048                                | 1,470,000                  | 112,220                   | 1,582,220     |
| 2049                                | 1,510,000                  | 75,764                    | 1,585,764     |
| 2050                                | 1,545,000                  | 38,316                    | 1,583,316     |
|                                     | \$ 33,520,000              | \$ 10,841,712             | \$ 44,361,712 |

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Contract Revenue Bonds 2020C        |                            |                           |               |
|-------------------------------------|----------------------------|---------------------------|---------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total         |
| 2023                                | \$ 2,190,000               | \$ 391,683                | \$ 2,581,683  |
| 2024                                | 2,195,000                  | 388,617                   | 2,583,617     |
| 2025                                | 2,200,000                  | 384,446                   | 2,584,446     |
| 2026                                | 2,210,000                  | 379,386                   | 2,589,386     |
| 2027                                | 2,215,000                  | 372,093                   | 2,587,093     |
| 2028                                | 2,225,000                  | 362,347                   | 2,587,347     |
| 2029                                | 2,235,000                  | 350,777                   | 2,585,777     |
| 2030                                | 2,250,000                  | 336,920                   | 2,586,920     |
| 2031                                | 2,265,000                  | 321,395                   | 2,586,395     |
| 2032                                | 2,285,000                  | 300,784                   | 2,585,784     |
| 2033                                | 2,310,000                  | 276,106                   | 2,586,106     |
| 2034                                | 2,340,000                  | 247,693                   | 2,587,693     |
| 2035                                | 2,375,000                  | 217,507                   | 2,592,507     |
| 2036                                | 2,410,000                  | 185,207                   | 2,595,207     |
| 2037                                | 2,450,000                  | 151,226                   | 2,601,226     |
| 2038                                | 2,490,000                  | 115,701                   | 2,605,701     |
| 2039                                | 2,535,000                  | 78,600                    | 2,613,600     |
| 2040                                | 2,585,000                  | 40,068                    | 2,625,068     |
|                                     | \$ 41,765,000              | \$ 4,900,551              | \$ 46,665,551 |

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Contract Revenue Bonds 2020D        |                            |                           |              |
|-------------------------------------|----------------------------|---------------------------|--------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total        |
| 2023                                | \$ 310,000                 | \$ 55,470                 | \$ 365,470   |
| 2024                                | 310,000                    | 55,036                    | 365,036      |
| 2025                                | 310,000                    | 54,447                    | 364,447      |
| 2026                                | 315,000                    | 53,734                    | 368,734      |
| 2027                                | 315,000                    | 52,695                    | 367,695      |
| 2028                                | 315,000                    | 51,309                    | 366,309      |
| 2029                                | 315,000                    | 49,671                    | 364,671      |
| 2030                                | 320,000                    | 47,718                    | 367,718      |
| 2031                                | 320,000                    | 45,510                    | 365,510      |
| 2032                                | 325,000                    | 42,598                    | 367,598      |
| 2033                                | 330,000                    | 39,088                    | 369,088      |
| 2034                                | 330,000                    | 35,029                    | 365,029      |
| 2035                                | 335,000                    | 30,772                    | 365,772      |
| 2036                                | 340,000                    | 26,216                    | 366,216      |
| 2037                                | 345,000                    | 21,422                    | 366,422      |
| 2038                                | 355,000                    | 16,419                    | 371,419      |
| 2039                                | 360,000                    | 11,130                    | 371,130      |
| 2040                                | 365,000                    | 5,658                     | 370,658      |
|                                     | \$ 5,915,000               | \$ 693,916                | \$ 6,608,916 |



**ALLIANCE WATER**

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-5 LONG-TERM BONDED DEBT (CONTINUED)

| Total Requirements for All Series   |                            |                           |                |
|-------------------------------------|----------------------------|---------------------------|----------------|
| Fiscal Year Ending<br>September 30, | Principal Due<br>Each Year | Interest Due<br>Each Year | Total          |
| 2023                                | \$ 9,235,000               | \$ 3,850,244              | \$ 13,085,244  |
| 2024                                | 9,285,000                  | 3,796,033                 | 13,081,033     |
| 2025                                | 9,335,000                  | 3,736,822                 | 13,071,822     |
| 2026                                | 9,400,000                  | 3,673,074                 | 13,073,074     |
| 2027                                | 9,475,000                  | 3,600,383                 | 13,075,383     |
| 2028                                | 9,550,000                  | 3,517,835                 | 13,067,835     |
| 2029                                | 9,640,000                  | 3,427,112                 | 13,067,112     |
| 2030                                | 9,725,000                  | 3,325,922                 | 13,050,922     |
| 2031                                | 9,845,000                  | 3,212,839                 | 13,057,839     |
| 2032                                | 9,975,000                  | 3,077,552                 | 13,052,552     |
| 2033                                | 10,125,000                 | 2,924,078                 | 13,049,078     |
| 2034                                | 10,300,000                 | 2,752,128                 | 13,052,128     |
| 2035                                | 10,475,000                 | 2,571,312                 | 13,046,312     |
| 2036                                | 10,415,000                 | 2,381,357                 | 12,796,357     |
| 2037                                | 10,625,000                 | 2,185,349                 | 12,810,349     |
| 2038                                | 10,005,000                 | 1,980,329                 | 11,985,329     |
| 2039                                | 10,205,000                 | 1,786,060                 | 11,991,060     |
| 2040                                | 8,300,000                  | 1,589,207                 | 9,889,207      |
| 2041                                | 5,480,000                  | 1,418,377                 | 6,898,377      |
| 2042                                | 5,620,000                  | 1,278,352                 | 6,898,352      |
| 2043                                | 5,745,000                  | 1,134,701                 | 6,879,701      |
| 2044                                | 5,885,000                  | 987,144                   | 6,872,144      |
| 2045                                | 6,025,000                  | 835,895                   | 6,860,895      |
| 2046                                | 5,990,000                  | 679,316                   | 6,669,316      |
| 2047                                | 6,125,000                  | 520,683                   | 6,645,683      |
| 2048                                | 5,340,000                  | 358,472                   | 5,698,472      |
| 2049                                | 5,470,000                  | 221,061                   | 5,691,061      |
| 2050                                | 3,240,000                  | 80,352                    | 3,320,352      |
|                                     | \$ 230,835,000             | \$ 60,901,985             | \$ 291,736,985 |



ALLIANCE REGIONAL WATER AUTHORITY  
TSI-6 CHANGES IN LONG-TERM BONDED DEBT

|                        | Contract<br>Revenue<br>Bonds<br>Series 2015A | Contract<br>Revenue<br>Bonds<br>Series 2015B | Contract<br>Revenue<br>Bonds<br>Series 2017A | Contract<br>Revenue<br>Bonds<br>Series 2017B | Contract<br>Revenue<br>Bonds<br>Series 2017C |
|------------------------|--|--|--|--|--|
| Interest Rate          | 0.38-2.41%                                   | 0.45-3.21%                                   | 0.77-3.08%                                   | 0.77-3.08%                                   | 0.63-2.29%                                   |
| Dates Interest Payable | Feb 15, Aug 15                               | Feb 15, Aug 15                               | Feb 15, Aug 15                               | Feb 15, Aug 15                               | Feb 15, Aug 15                               |
| Maturity Dates         | August 2035                                  | August 2045                                  | August 2047                                  | August 2047                                  | August 2037                                  |
| Beginning Bonds        |  |  |  |  |  |
| Outstanding            | \$ 3,030,000                                 | \$ 3,075,000                                 | \$ 9,075,000                                 | \$ 8,275,000                                 | \$ 9,815,000                                 |
| Bonds Sold During      |  |  |  |  |  |
| The Fiscal Year        | -  | -  | -  | -  | -  |
| Bonds Retired During   |  |  |  |  |  |
| The Fiscal Year        | (190,000)                                    | (95,000)                                     | (270,000)                                    | (245,000)                                    | (550,000)                                    |
| Ending Bonds           |  |  |  |  |  |
| Outstanding            | <u>\$ 2,840,000</u>                          | <u>\$ 2,980,000</u>                          | <u>\$ 8,805,000</u>                          | <u>\$ 8,030,000</u>                          | <u>\$ 9,265,000</u>                          |
| Interest Paid During   |  |  |  |  |  |
| The Fiscal Year        | <u>\$ 59,058</u>                             | <u>\$ 84,929</u>                             | <u>\$ 231,018</u>                            | <u>\$ 210,692</u>                            | <u>\$ 169,232</u>                            |
| Paying Agent's         | BOKF, NA                                     | BOKF, NA                                     | BOKF, NA                                     | BOKF, NA                                     | BOKF, NA                                     |
| Name and City          | Dallas, TX                                   | Dallas, TX                                   | Dallas, TX                                   | Dallas, TX                                   | Dallas, TX                                   |
| <i>Bond Authority</i>  |  |  |  |  |  |
| Amount Authorized by   |  |  |  |  |  |
| The Board of Trustees  | \$ 3,960,000                                 | \$ 3,530,000                                 | \$ 9,865,000                                 | \$ 8,995,000                                 | \$ 11,450,000                                |
| Amount Issued          | <u>3,960,000</u>                             | <u>3,530,000</u>                             | <u>9,865,000</u>                             | <u>8,995,000</u>                             | <u>11,450,000</u>                            |
| Remaining to be        |  |  |  |  |  |
| Issued                 | <u>\$ -</u>                                  | <u>\$ -</u>                                  | <u>\$ -</u>                                  | <u>\$ -</u>                                  | <u>\$ -</u>                                  |

See Independent Auditor's Report.

| Contract Revenue Bonds Series 2017D         | Contract Revenue Bonds Series 2019A         | Contract Revenue Bonds Series 2019B         | Contract Revenue Bonds Series 2019C         | Contract Revenue Bonds Series 2019D         | Contract Revenue Bonds Series 2020A          |
|---|---|---|---|---|--|
| 0.63-2.29%<br>Feb 15, Aug 15<br>August 2037 | 1.02-2.70%<br>Feb 15, Aug 15<br>August 2049 | 1.02-2.70%<br>Feb 15, Aug 15<br>August 2049 | 0.84-1.94%<br>Feb 15, Aug 15<br>August 2039 | 0.84-1.94%<br>Feb 15, Aug 15<br>August 2039 | 0.14%-2.48%<br>Feb 15, Aug 15<br>August 2039 |
| \$ 1,395,000                                | \$ 25,790,000                               | \$ 23,525,000                               | \$ 29,315,000                               | \$ 4,160,000                                | \$ 37,865,000                                |
| -   | -   | -   | -   | -   | -  |
| <u>(80,000)</u>                             | <u>(750,000)</u>                            | <u>(680,000)</u>                            | <u>(1,500,000)</u>                          | <u>(215,000)</u>                            | <u>(1,110,000)</u>                           |
| <u>\$ 1,315,000</u>                         | <u>\$ 25,040,000</u>                        | <u>\$ 22,845,000</u>                        | <u>\$ 27,815,000</u>                        | <u>\$ 3,945,000</u>                         | <u>\$ 36,755,000</u>                         |
| <u>\$ 24,054</u>                            | <u>\$ 539,931</u>                           | <u>\$ 492,647</u>                           | <u>\$ 399,831</u>                           | <u>\$ 56,717</u>                            | <u>\$ 618,370</u>                            |
| BOKF, NA<br>Dallas, TX                      | BOKF, NA<br>Dallas, TX                      | BOKF, NA<br>Dallas, TX                      | BOKF, NA<br>Dallas, TX                      | BOKF, NA<br>Dallas, TX                      | BOKF, NA<br>Dallas, TX                       |
| \$ 1,625,000<br><u>1,625,000</u>            | \$ 26,530,000<br><u>26,530,000</u>          | \$ 24,200,000<br><u>24,200,000</u>          | \$ 30,800,000<br><u>30,800,000</u>          | \$ 4,370,000<br><u>4,370,000</u>            | \$ 37,865,000<br><u>37,865,000</u>           |
| <u>\$ -</u>                                 | <u>\$ -</u>                                 | <u>\$ -</u>                                 | <u>\$ -</u>                                 | <u>\$ -</u>                                 | <u>\$ -</u>                                  |

See Independent Auditor's Report.



**ALLIANCE WATER**

ALLIANCE REGIONAL WATER AUTHORITY  
TSI-6 CHANGES IN LONG-TERM BONDED DEBT (CONT.)

|   | Contract<br>Revenue<br>Bonds<br>Series 2020B | Contract<br>Revenue<br>Bonds<br>Series 2020C | Contract<br>Revenue<br>Bonds<br>Series 2020D | Total                 |
|---|--|--|--|-----------------------|
| Interest Rate   | 0.14% -2.48%                                 | 0.12% -1.55%                                 | 0.12% -1.55%                                 |                       |
| Dates Interest Payable  | Feb 15, Aug 15                               | Feb 15, Aug 15                               | Feb 15, Aug 15                               |                       |
| Maturity Dates  | August 2039                                  | August 2039                                  | August 2039                                  |                       |
| Beginning Bonds   |  |  |  |                       |
| Outstanding   | \$ 34,530,000                                | \$ 43,955,000                                | \$ 6,225,000                                 | \$ 240,030,000        |
| Bonds Sold During   |  |  |  |                       |
| The Fiscal Year   | -  | -  | -  | -                     |
| Bonds Retired During  |  |  |  |                       |
| The Fiscal Year   | (1,010,000)                                  | (2,190,000)                                  | (310,000)                                    | (9,195,000)           |
| Ending Bonds  |  |  |  |                       |
| Outstanding   | <u>\$ 33,520,000</u>                         | <u>\$ 41,765,000</u>                         | <u>\$ 5,915,000</u>                          | <u>\$ 230,835,000</u> |
| Interest Paid During  |  |  |  |                       |
| The Fiscal Year   | <u>\$ 563,891</u>                            | <u>\$ 394,311</u>                            | <u>\$ 55,837</u>                             | <u>\$ 3,900,518</u>   |
| Paying Agent's  | BOKF, NA                                     | BOKF, NA                                     | BOKF, NA                                     |                       |
| Name and City   | Dallas, TX                                   | Dallas, TX                                   | Dallas, TX                                   |                       |
| <i>Bond Authority</i>   |  |  |  |                       |
| Amount Authorized by  |  |  |  |                       |
| The Board of Trustees   | \$ 34,530,000                                | \$ 43,955,000                                | \$ 6,225,000                                 | \$ 247,900,000        |
| Amount Issued   | <u>34,530,000</u>                            | <u>43,955,000</u>                            | <u>6,225,000</u>                             | <u>247,900,000</u>    |
| Remaining to be   |  |  |  |                       |
| Issued  | <u>\$ -</u>                                  | <u>\$ -</u>                                  | <u>\$ -</u>                                  | <u>\$ -</u>           |
| Debt Service Fund Cash and Temporary Investments as of September 30                   |  |  |  | <u>\$ 1,646,372</u>   |
| Average Annual Debt Service Payment (principal & interest) for Remaining Term of Debt |  |  |  | <u>\$ 10,419,178</u>  |

See Independent Auditor's Report.

ALLIANCE REGIONAL WATER AUTHORITY  
 TSI-7 COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 LAST FIVE FISCAL YEARS

|   | 2018                | 2019                | 2020                | 2021                | 2022                 |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|
| Operating Revenues:                     |                     |                     |                     |                     |                      |
| Water Sales                             | \$ -                | \$ 28,526           | \$ 35,003           | \$ 41,482           | \$ 41,314            |
| Total Operating Revenues                | -                   | 28,526              | 35,003              | 41,482              | 41,314               |
| Operating Expenses:                     |                     |                     |                     |                     |                      |
| Groundwater Reservation Leases          | 1,240,976           | 1,192,172           | 1,336,205           | 1,390,615           | 1,269,053            |
| Amortization of Initial Lease Costs     | 204,810             | 204,810             | 43,937              | -                   | -                    |
| Professional Fees                       | 220,963             | 230,066             | 202,542             | 255,833             | 214,119              |
| Personnel Costs                         | 194,334             | 332,814             | 356,522             | 414,021             | 407,495              |
| Permits and Fees                        | 62,878              | 71,311              | 75,538              | 74,454              | 81,900               |
| Administrative Expenses                 | 26,695              | 31,790              | 40,328              | 44,018              | 55,614               |
| Plant Operations & Maintenance          | -                   | -                   | -                   | 37,428              | 13,622               |
| Total Operating Expenses                | 1,950,656           | 2,062,963           | 2,055,072           | 2,216,369           | 2,041,803            |
| Operating Income (Loss)                 | (1,950,656)         | (2,034,437)         | (2,020,069)         | (2,174,887)         | (2,000,489)          |
| Non-Operating Revenues<br>(Expenses)    |                     |                     |                     |                     |                      |
| Participating Government Contributions  | 4,221,926           | 6,476,552           | 8,037,206           | 11,064,619          | 15,695,520           |
| Transmission and Treatment Agreement    | 736,853             | 3,887,232           | 6,362,088           | 5,363,527           | 42,433,428           |
| Interest Income                         | 4,579               | 568,877             | 462,865             | 38,457              | 1,036,488            |
| Miscellaneous Income                    | 6,500               | -                   | -                   | -                   | 5,543                |
| Bond Issue Costs                        | (798,270)           | -                   | (1,237,824)         | (1,545,582)         | (30,940)             |
| Interest Expense                        | -                   | (811,610)           | (2,108,361)         | (3,708,431)         | (3,893,877)          |
| Total Non-Operating Revenues (Expenses) | 4,171,588           | 10,121,051          | 11,515,974          | 11,212,590          | 55,246,162           |
| Change in Net Position                  | <u>\$ 2,220,932</u> | <u>\$ 8,086,614</u> | <u>\$ 9,495,905</u> | <u>\$ 9,037,703</u> | <u>\$ 53,245,673</u> |

See Independent Auditor's Report.

| Percent of Fund Total Revenues |        |        |        |         |
|--------------------------------|--------|--------|--------|---------|
| 2018                           | 2019   | 2020   | 2021   | 2022    |
| 0%                             | 100%   | 100%   | 100%   | 100%    |
| 0%                             | 100%   | 100%   | 100%   | 100%    |
| 0%                             | 4179%  | 3817%  | 3352%  | 3072%   |
| 0%                             | 718%   | 126%   | 0%     | 0%      |
| 0%                             | 807%   | 579%   | 617%   | 518%    |
| 0%                             | 1167%  | 1019%  | 998%   | 986%    |
| 0%                             | 250%   | 216%   | 179%   | 198%    |
| 0%                             | 111%   | 115%   | 106%   | 135%    |
| 0%                             | 0%     | 0%     | 90%    | 33%     |
| 0%                             | 7232%  | 5871%  | 5343%  | 4942%   |
| 0%                             | -7132% | -5771% | -5243% | -4842%  |
| 0%                             | 22704% | 22961% | 26673% | 37991%  |
| 0%                             | 13627% | 18176% | 12930% | 102710% |
| 0%                             | 1994%  | 1322%  | 93%    | 2509%   |
| 0%                             | 0%     | 0%     | 0%     | 13%     |
| 0%                             | 0%     | -3536% | -3726% | -75%    |
| 0%                             | -2845% | -6023% | -8940% | -9425%  |
| 0%                             | 35480% | 32900% | 27030% | 133723% |
| 0%                             | 28348% | 27129% | 21787% | 128880% |

See Independent Auditor's Report.

ALLIANCE REGIONAL WATER AUTHORITY  
 TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
 FOR THE YEAR ENDING SEPTEMBER 30, 2022

| Names:                               | Term of Office<br>(Elected or<br>Appointed)<br>or Date Hired | Fees of<br>Office<br>Paid<br>9/30/22 | Expense<br>Reimbursements<br>9/30/22 | Title at<br>Year End |
|--------------------------------------|--|--------------------------------------|--------------------------------------|----------------------|
| <b>Board of Trustees:</b>            |  |                                      |                                      |                      |
| Regina Franke                        | 9/21-4/23  | ---                                  | ---                                  | Director             |
| Humberto Ramos                       | 4/21-4/24  | ---                                  | ---                                  | Vice-Chair           |
| Chris Betz                           | 6/17-4/25  | ---                                  | ---                                  | Chair                |
| Pat Allen                            | 6/17-4/23  | ---                                  | ---                                  | Director             |
| Mark Gleason                         | 1/21-4/25  | ---                                  | ---                                  | Director             |
| Jane Hughson                         | 6/17-4/23  | ---                                  | ---                                  | Director             |
| Paul Kite                            | 1/21-4/25  | ---                                  | ---                                  | Director             |
| Tyler Hjorth                         | 4/21-4/24  | ---                                  | ---                                  | Director             |
| Tim Samford                          | 4/21-4/24  | ---                                  | ---                                  | Director             |
| Derrick Turley                       | 4/21-4/24  | ---                                  | ---                                  | Director             |
| Shaun Condor                         | 4/22-4/25  | ---                                  | ---                                  | Director             |
| Amber Lewis                          | 8/22-4/24  | ---                                  | ---                                  | Secretary            |
| Blake Neffendorf                     | 4/20-4/23  | ---                                  | ---                                  | Treasurer            |
| <b>Key Administrative Personnel:</b> |  |                                      |                                      |                      |
| Graham Moore                         | 6/15/2017  | \$ 181,756                           | \$ 278                               | Exec. Director       |

See Independent Auditor's Report.

ALLIANCE REGIONAL WATER AUTHORITY  
 TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (CONT.)  
 FOR THE YEAR ENDING SEPTEMBER 30, 2022

**Consultants:**

|                                       |              |                          |
|---------------------------------------|--------------|--------------------------|
| Alan Plummer & Associates, Inc.       | \$ 241,870   | Engineer                 |
| Armstrong, Vaughan & Associates, P.C. | \$ 10,930    | Auditor                  |
| BGE, Inc.                             | \$ 85,035    | Engineer                 |
| Blanton & Associates                  | \$ 835,414   | Engineer                 |
| CBRE                                  | \$ 865,920   | Appraiser                |
| CD & P                                | \$ 64,053    | Public Relations Advisor |
| CP&Y                                  | \$ 579,883   | Surveyor                 |
| Davidson, Troilo, Ream & Garza        | \$ 1,940,136 | Attorney                 |
| Freese & Nichols                      | \$ 642,382   | Engineer                 |
| HVJ, Inc                              | \$ 287,939   | Engineer                 |
| Hicks & Co.                           | \$ 8,367     | Hydrogeology             |
| Hydro Resources Mid Continent, Inc.   | \$ 312,483   | Engineer                 |
| James R. Tolles, Jr                   | \$ 229,789   | Construction Observer    |
| K Friese & Associates                 | \$ 182,165   | Engineer                 |
| Kimley-Horn & Associates              | \$ 2,126,376 | Engineer                 |
| Law Offices of Patricia Carls         | \$ 1,613     | Attorney                 |
| Lloyd Gosselink                       | \$ 125,543   | Attorney                 |
| LNV, Inc. dba. Ardurra                | \$ 32,074    | Engineer                 |
| Lockwood, Andrews & Newnam            | \$ 632,293   | Engineer                 |
| Pape-Dawson Engineer, Inc.            | \$ 3,397,808 | Engineer                 |
| R.W. Harden & Associates, Inc.        | \$ 57,553    | Hydrogeology             |
| Walker Partners                       | \$ 885,368   | Engineer                 |

See Independent Auditor's Report.





**ALLIANCE WATER**

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

- H.2** Consider adoption of Resolution 2023-03-22-002 approving the Operation and Maintenance Agreement of the Carrizo Regional Water Supply with the Guadalupe-Blanco River Authority. ~ *Graham Moore, P.E., Executive Director*
- 

Background/Information

Alliance Water issued a Request for Qualifications in December 2021 to select the group to Operate and Maintain the Authority's Carrizo Regional Water Supply system. In July 2022 the Authority's Board of Directors selected the Guadalupe-Blanco River Authority to operate the overall system with Alliance Water maintaining managerial and operational oversight.

In January the Board was provided with a memorandum summarizing the key aspects of the agreement. The draft agreement was then provided to the Board in early February and Staff requested feedback from the Directors. Discussion items were on the February and March Technical Committee agendas as well as the February Board agenda.

Final revisions to the contract are being finalized and will be sent out to the Board prior to the meeting along with the final resolution. The changes being made are minor clarifications that do not effect the key aspects of the agreement that were previously provided to the Board.

The Guadalupe-Blanco River Authority has item on their Board agenda for March 22, 2023 authorizing their General Manager to finalize and execute the operations and maintenance agreement.

Attachment(s)

- Resolution 2023-03-22-002
- Carrizo Regional Water Supply – Operation and Maintenance Agreement

**Board Decision(s) Needed:**

- Adoption of Resolution 2023-03-22-002 approving the Operation and Maintenance Agreement of the Carrizo Regional Water Supply with the Guadalupe-Blanco River Authority.

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

- H.3** Discussion and possible direction to Staff regarding addition of ARWA logos on the elevated storage tanks. ~ *Graham Moore, P.E., Executive Director*
- 

Background/Information

Staff is seeking direction from the Board as to whether or not to include a logo on the Authority's elevated storage tanks. The cost for each logo is \$40,000. Attached is a presentation showing the location of the South and North tank as well as a rendering of a tank with the logo on it.

The Technical Committee received a similar presentation on March 8<sup>th</sup>, but did not make a recommendation as to whether or not to include logos.

Attachment(s)

- 2023-03-22 Inline Tanks Logos Presentation

**Board Decision(s) Needed:**

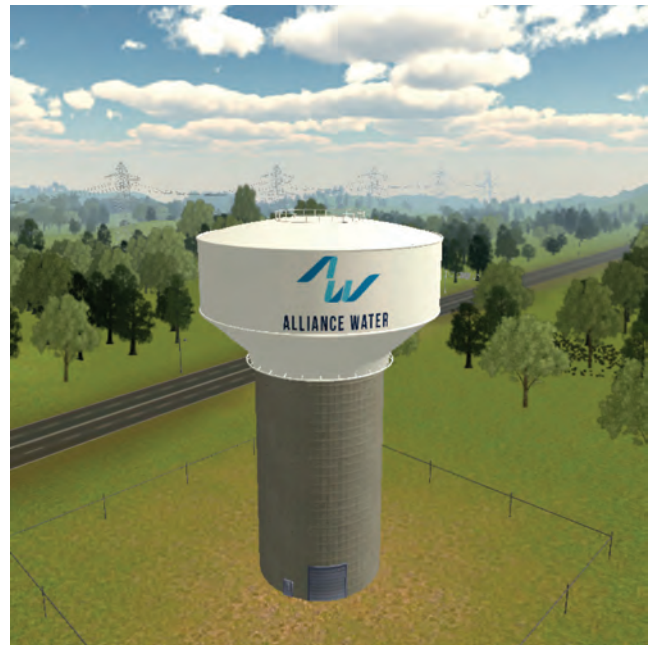
- Possible direction to Staff regarding the addition of logos on the Authority's elevated storage tanks.



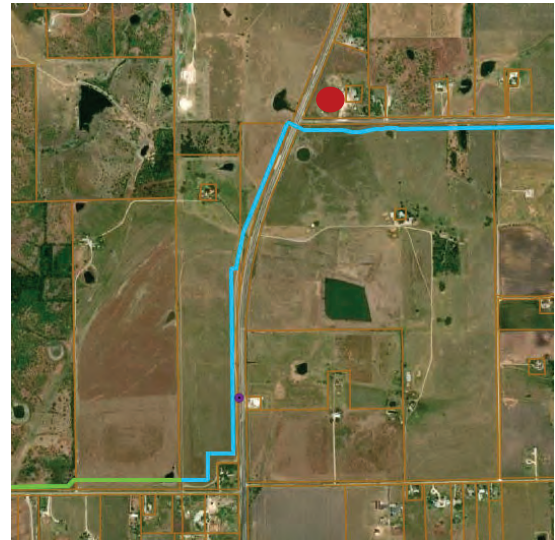
# ARWA Logo for Inline ESTs

March 22, 2023

## Logo Rendering

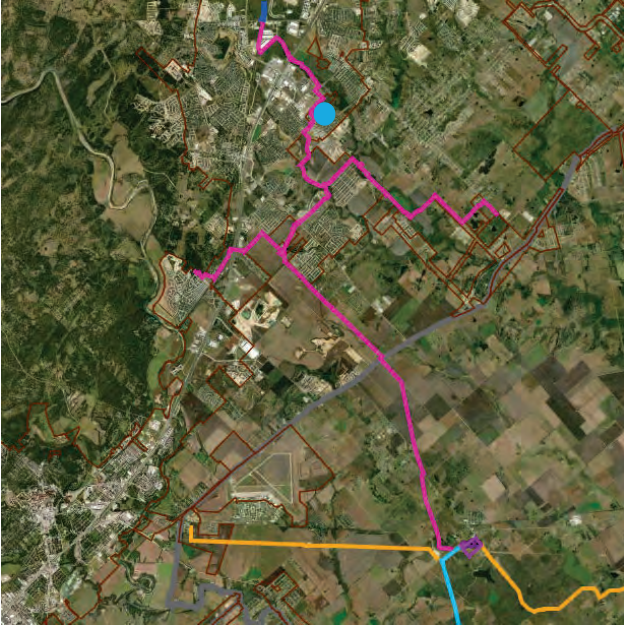


# South Tank



# South Tank Photos





## North Tank



## Considerations

### Pros

- Unparalleled branding opportunity

### Cons

- Possible confusion with retail providers in vicinity
- Cost to maintain logo (\$50k every 15-20 years)
- Any re-branding will require logo replacement

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

**H.4** Discussion of legislative issues for the 88<sup>th</sup> Texas Legislature, and possible direction to Staff. ~ *Scott Miller / Jeff Hecker, The Schlueter Group*

---

Background/Information

Below are some of the key dates for the next session:

- Bill filing deadline: Friday, March 10<sup>th</sup>
- Last Day for House Committee to Report House Bills: Monday, May 8<sup>th</sup>
- Last Day for House to pass bills: Friday, May 12<sup>th</sup>
- Last Day for House to Report Senate Bills: Saturday, May 20<sup>th</sup>
- Last Day of Session (Sine Die): Monday, May 29<sup>th</sup>

On the following pages is a list of bills that have been filed that may be of interest to the Authority as of March 3, 2023. The Authority's initial position on the bill has been provided in the table based on the legislative priorities approved by the Board in December 2022.

Attachment(s)

ARWA Bill Tracking as of 3/17/2023

**Board Decision(s) Needed:**

- Possible direction to Staff.

**ARWA Bill Tracking – 2023 / 88th Texas Legislature**

| <b>ARWA – Bills to Support/Oppose (as of 3/17/2023)</b> |                               |   |   |                      |
|---|-------------------------------|---|---|----------------------|
| <u>Bill Number</u>                                      | <u>Sponsor</u>                | <u>General Information</u>  | <u>Committee</u>  | <u>ARWA Position</u> |
| <b>HB 170</b>   | Spiller                       | <ul style="list-style-type: none"> <li>Restrict public entities, including special purpose districts, from spending public money to pay a lobbyist</li> </ul>   | State Affairs   | Oppose               |
| <b>HB 622</b>   | Shaheen                       | <ul style="list-style-type: none"> <li>Allows legal postings on website in lieu of newspaper publications</li> </ul>  | County Affairs  | Support              |
| <b>HB 973</b>   | Zwiener                       | <ul style="list-style-type: none"> <li>Adds grants to harden/weatherize water &amp; wastewater systems from the Critical Infrastructure Res Fund</li> </ul>   | State Affairs   | Support              |
| <b>HB 1646</b>  | King, Tracy                   | <ul style="list-style-type: none"> <li>Amends EAA legislation to allow water from the aquifer withdrawn within the EAA boundaries to be used within the CCN of the public utility withdrawing the water.</li> <li><b>3/21: Scheduled for hearing</b></li> </ul>             | <b>Natural Resources</b>                                  | Support              |
| <b>SB 175</b><br><b>HB 3538</b>                         | Middleton<br><b>Troxclair</b> | <ul style="list-style-type: none"> <li>Prohibits political subdivisions from spending public funds on lobbyists or a lobbying association</li> <li>3/13: Left pending</li> </ul>  | State Affairs   | Oppose               |
| <b>HB 2460</b><br><b>SB 296</b>                         | King<br><br>Perry             | <ul style="list-style-type: none"> <li>Requires TCEQ to updates is WAMs for the Guadalupe, Lavaca, Nueces, San Antonio, San Jacinto and Trinity River basins.</li> </ul>  | <b>Natural Resources</b><br><br>Ag, Water & Rural Affairs | Support              |
| <b>SB 469</b>   | Springer                      | <ul style="list-style-type: none"> <li>Redefines “rural political subdivision” for TWDB funding purposes to an a service area with a population of 10,000 or less – no part of which is located in an urban area, including a county with a population of 50,000</li> </ul> | Ag, Water & Rural Affairs                                 | Oppose               |
| <b>HB 10</b><br><b>SB 28</b>                            | King<br><br>Perry             | <ul style="list-style-type: none"> <li>Relating to financial assistance provided and programs administered by the TWDB</li> <li>Companion allocates \$3 billion from Rainy Day Fund for programs</li> <li>3/20: Scheduled for Senate hearing</li> </ul>                     | <b>Natural Resources</b><br><br>Ag, Water & Rural Affairs | Support              |



**ARWA Bill Tracking – 2023 / 88th Texas Legislature**

|                |       |   |                           |         |
|----------------|-------|---|---------------------------|---------|
| <b>HB 2906</b> | Hayes | <ul style="list-style-type: none"> <li>Requires condemnor to pay all expenses and fees if Special Commissioners or jury awards more value than what was offered by the governmental entity</li> </ul> | Land & Resource Mgmt      | Oppose  |
| <b>HB 3278</b> | Price | <ul style="list-style-type: none"> <li>Relating to the joint planning of DFCs in GMAs. TWCA supported legislation.</li> </ul>   | Natural Resources         | Support |
| <b>SB 1289</b> | Perry | <ul style="list-style-type: none"> <li>Related to the disposal of reclaimed wastewater. TWCA supported legislation.</li> </ul>  | Ag, Water & Rural Affairs | Support |

**ARWA – Bills to Related to Open Meetings / Government (as of 3/17/2023)**

| <u>Bill Number</u>              | <u>Sponsor</u>         | <u>General Information</u>  | <u>Committee</u>                     | <u>ARWA Position</u> |
|---------------------------------|------------------------|---|--------------------------------------|----------------------|
| <b>HB 537</b>                   | Wu                     | <ul style="list-style-type: none"> <li>Require governmental entity to post audit on website</li> <li>3/16: Substitute approved in comm</li> </ul>   | State Affairs                        | Monitor              |
| <b>HB 712</b><br><b>SB 271</b>  | Shaheen<br>Johnson     | <ul style="list-style-type: none"> <li>Require local governments to notify DIR about a security incident</li> <li>3/16: Substitute approved in comm</li> <li>3/20: on Senate intent calendar</li> </ul> | State Affairs<br>Business & Commerce | Monitor              |
| <b>HB 2492</b><br><b>SB 680</b> | Capriglione<br>Johnson | <ul style="list-style-type: none"> <li>Requires disclosure of certain types of contracting communication even if it intends to assert an exception to disclosure.</li> </ul>                            | State Affairs<br>Business & Commerce | Monitor              |
| <b>SB 42</b>                    | Zaffirini              | <ul style="list-style-type: none"> <li>Amends certain open meeting situations – imposes some additional requirements on virtual meetings</li> </ul>   | Business & Commerce                  | Monitor              |

**ARWA – Bills to Monitor (as of 3/17/2023)**

| <u>Bill Number</u> | <u>Sponsor</u> | <u>General Information</u>   | <u>Committee</u> | <u>ARWA Position</u> |
|--------------------|----------------|--|------------------|----------------------|
| <b>HB 427</b>      | VanDeaver      | <ul style="list-style-type: none"> <li>Relating to info required to be provided to the public about planned excavations</li> </ul> | Energy Resources | Monitor              |

**ARWA Bill Tracking – 2023 / 88th Texas Legislature**

|                                  |                       |  |  |         |
|----------------------------------|-----------------------|--|--|---------|
| <b>HB 495</b>                    | Meza                  | <ul style="list-style-type: none"> <li>Requires a rest break of 10-minutes every 4 hours for construction workers; requires public entity to administer the requirement</li> </ul>   | State Affairs                                  | Monitor |
| <b>HB 585</b>                    | Raymond               | <ul style="list-style-type: none"> <li>Requires TCEQ to create a plan to protect water treatment facilities from electrical outages; catastrophic weather events; terrorist attacks; projected effects of climate change; other disruptions</li> </ul> | Natural Resources                              | Monitor |
| <b>HB 588</b>                    | Raymond               | <ul style="list-style-type: none"> <li>Creates a statewide disaster alert system through the Dept of Emergency Management</li> </ul>   | Homeland Security                              | Monitor |
| <b>HB 778</b><br><b>SB 283</b>   | Walle<br>Echardt      | <ul style="list-style-type: none"> <li>Requires written verification from contractor and subcontractor on construction projects that Workers Comp is provided for all workers</li> </ul>   | Business & Industry<br>Business & Commerce     | Monitor |
| <b>HB 982</b>                    | Toth                  | <ul style="list-style-type: none"> <li>Prohibits contracting with certain companies for goods/services unless enviro, social and governance policies are prohibited.</li> </ul>  | State Affairs                                  | Monitor |
| <b>HB 1412</b><br><b>SB 330</b>  | Schaefer<br>Hall      | <ul style="list-style-type: none"> <li>Creates the Texas Grid Security Commission, which includes a rep from water, to evaluate hazards and risks to the electric grid.</li> </ul>   | State Affairs<br>Business & Commerce           | Monitor |
| <b>HB 1489</b>                   | Tepper                | <ul style="list-style-type: none"> <li>Provides limitations on the CO issuances by local governments on public works projects.</li> </ul>  | Person / Investments/<br>Financial Services    | Monitor |
| <b>HB 1565</b><br><b>SB 1351</b> | Canales<br>Perry      | <ul style="list-style-type: none"> <li>TWDB Sunset Bill.</li> <li>3/21: Scheduled for House hearing</li> </ul>   | Natural Resources<br>Ag, Water & Rural Affairs | Monitor |
| <b>HB 1699</b><br><b>SB 1085</b> | King, Tracy<br>Flores | <ul style="list-style-type: none"> <li>Authorizes Evergreen UCD to impose a fee on exported water not to exceed 150% of the maximum wholesale rate charged by SAWS.</li> </ul>   | Natural Resources<br>Local Government          | Monitor |

**ARWA Bill Tracking – 2023 / 88th Texas Legislature**

|                                 |                   |   |   |         |
|---------------------------------|-------------------|---|---|---------|
|                                 |                   | <ul style="list-style-type: none"> <li>• <b>3/21: Scheduled for House hearing</b></li> </ul>  |   |         |
| <b>HB 1817</b>                  | Capriglione       | <ul style="list-style-type: none"> <li>• Relating to the validity of a contract for which a disclosure of interested parties is required.</li> <li>• <b>3/16: Reported favorably</b></li> </ul>                     | <b>State Affairs</b>                                  | Monitor |
| <b>HB 1845</b><br><b>SB 650</b> | Metcalfe<br>Perry | <ul style="list-style-type: none"> <li>• Require TCEQ to develop a Class D licensure for those not holding a high school diploma</li> <li>• <b>3/21: Scheduled for House hearing</b></li> </ul>                     | <b>Natural Resources</b><br>Ag, Water & Rural Affairs | Monitor |
| <b>HB 1852</b>                  | Holland           | <ul style="list-style-type: none"> <li>• Prohibits TCEQ from issuing an order creating a new special district after Sept 1, 2023</li> </ul>   | <b>Natural Resources</b>                              | Monitor |
| <b>HB 1971</b>                  | Ashby             | <ul style="list-style-type: none"> <li>• Relating to the procedures for acting on a permit or permit amendment application by a GCD and the disqualification of board members of GCDs</li> </ul>                    | <b>Natural Resources</b>                              | Monitor |
| <b>HB 2119</b>                  | Dorazio           | <ul style="list-style-type: none"> <li>• Relating to the award of attorney's fees to the prevailing party in certain suits involving a GCD</li> </ul>   | <b>Natural Resources</b>                              | Monitor |
| <b>HB 2265</b><br><b>SB 803</b> | Leach<br>Hughes   | <ul style="list-style-type: none"> <li>• Provides that a construction contract may not prohibit or limit the award of compensatory damages to a contractor for a delay caused solely by the gov't entity</li> </ul> | <b>State Affairs</b><br>Business & Commerce           | Monitor |
| <b>HB 2284</b>                  | King              | <ul style="list-style-type: none"> <li>• Provides that a person is entitled to repurchase property acquired through eminent domain if the use of the property is changed from public use</li> </ul>                 | <b>Land &amp; Resource Mgmt</b>                       | Monitor |
| <b>HB 2318</b>                  | Zwiener           | <ul style="list-style-type: none"> <li>• Relating to the possession of property to be acquired by eminent domain during pending litigation in a condemnation proceeding</li> </ul>                                  | <b>Land &amp; Resource Mgmt</b>                       | Monitor |
| <b>HB 2443</b>                  | Harris            | <ul style="list-style-type: none"> <li>• Allow person to petition GCD to adopt or modify rules. The language is not the TWCA consensus language</li> <li>• <b>3/21: Scheduled for hearing</b></li> </ul>            | <b>Natural Resources</b>                              | Monitor |

**ARWA Bill Tracking – 2023 / 88th Texas Legislature**

|                                      |                         |  |   |         |
|--------------------------------------|-------------------------|--|---|---------|
| <b>HB 2735</b>                       | King                    | <ul style="list-style-type: none"> <li>Requires a GCD to establish the amount of security required to file suit challenging a rule or order of the GCD, not to exceed \$100k</li> </ul>  | Natural Resources                                   | Monitor |
| <b>HB 2965</b><br><b>SB 1336</b>     | Vasut<br><br>Creighton  | <ul style="list-style-type: none"> <li>Removes the exemption for civil works projects from construction liability claims.</li> </ul>   | Judiciary & Civil Juris.<br><br>Business & Commerce | Monitor |
| <b>HB 3225</b>                       | Tepper                  | <ul style="list-style-type: none"> <li>Requires a recording to be posted to the gov't entities website within 5 days containing a recording of any public meeting</li> </ul>   | Natural Resources                                   | Monitor |
| <b>HB 3314</b><br><br><b>SB 1080</b> | Gerdes<br><br>Kolkhorst | <ul style="list-style-type: none"> <li>Allows Lost Pines GCD to establish a mitigation program to be funded by production or export fees</li> <li>SB is similar to HB, but not same.</li> <li>3/20: Scheduled for Senate hearing</li> </ul>              | Natural Resources<br><br>Ag, Water & Rural Affairs  | Monitor |
| <b>HJR 26</b>                        | Schofield               | <ul style="list-style-type: none"> <li>Amends Constitution to provide the right to repurchase real property acquired through eminent domain</li> </ul>   | Land & Resource Mgmt                                | Monitor |
| <b>SB 30</b>                         | Huffman                 | <ul style="list-style-type: none"> <li>Appropriates \$400 million from ARPA to provide grants for flood mitigation as part of Appropriations bill</li> <li>3/15: Passed Senate</li> <li>3/20: Scheduled for hearing</li> </ul>                           | Finance<br>Appropriations                           | Monitor |
| <b>SB 40</b>                         | Zaffirini               | <ul style="list-style-type: none"> <li>Requires TCEQ to develop and implement a boil water notice alert system</li> </ul>  | Ag, Water & Rural Affairs                           | Monitor |
| <b>SB 156</b>                        | Perry                   | <ul style="list-style-type: none"> <li>Amends Ch. 36 of Water Code to allow landowners to petition for rulemaking; clarify which DFC is to be used in a management plan; provide notice on certain applications.</li> <li>3/16: Passed Senate</li> </ul> | Ag, Water & Rural Affairs                           | Monitor |

**ARWA Bill Tracking – 2023 / 88th Texas Legislature**

|                |           |   |                           |         |
|----------------|-----------|---|---------------------------|---------|
| <b>SB 223</b>  | Campbell  | <ul style="list-style-type: none"> <li>Requires a TCEQ public meeting on an application for an initial wastewater treatment permit in the county the facility would be located.</li> </ul>                  | Ag, Water & Rural Affairs | Monitor |
| <b>SB 638</b>  | Springer  | <ul style="list-style-type: none"> <li>Amends Ch. 36 in several areas dealing primarily with Directors recusal process; limits board continuances; provides deadlines for permit decisions, etc.</li> </ul> | Ag, Water & Rural Affairs | Monitor |
| <b>SB 1366</b> | Creighton | <ul style="list-style-type: none"> <li>Funding mechanism for flood projects.</li> </ul>   | Finance                   | Monitor |

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

**H.5** Update and possible direction to Staff regarding construction of the Authority's Phase 1B program. ~ *Toby Flinn, P.E., Pape-Dawson Engineers*

---

Background/Information

Toby Flinn with Pape Dawson will update the Board on recent construction activities associated with the Phase 1B program.

Attachment(s)

- Phase 1B Construction Update – March 22, 2023



# PHASE 1B CONSTRUCTION UPDATE

CMI Progress

March 17, 2023

Water Resources | Transportation | Land Development | Surveying | Environmental

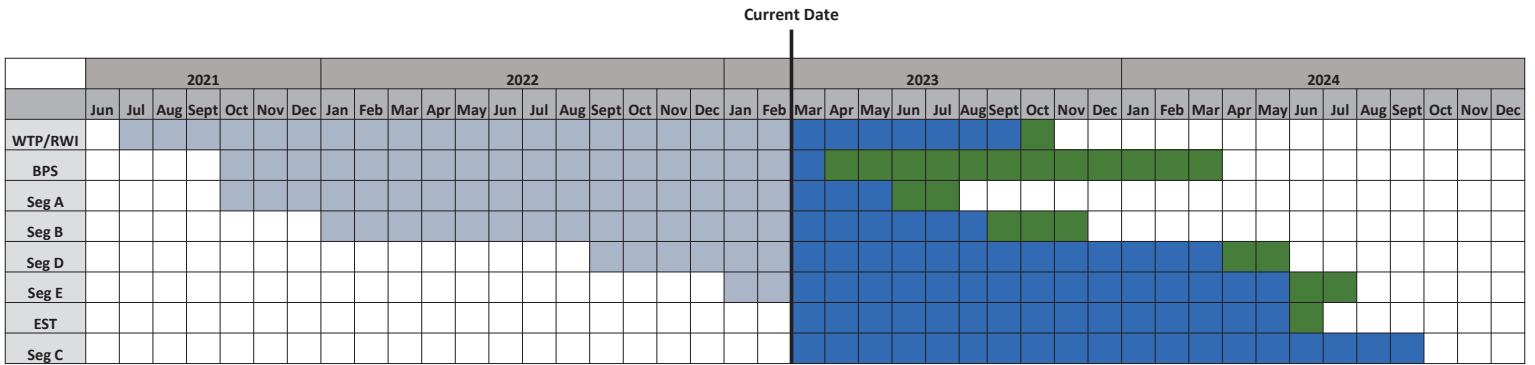


## PROGRAM CONTRACT VALUES



| PROJECT | CURRENT CONTRACT VALUE | BILLED TO DATE  | REMAINING       | % COMPLETE |
|---------|------------------------|-----------------|-----------------|------------|
| WTP/RWI | \$55,002,687.00        | \$36,339,839.75 | \$18,662,847.25 | 66.07%     |
| BPS     | \$19,846,489.88        | \$13,000,252.05 | \$6,846,237.83  | 65.50%     |
| Seg A   | \$49,471,384.71        | \$39,649,305.39 | \$9,822,079.32  | 80.15%     |
| Seg B   | \$41,988,309.16        | \$27,649,390.04 | \$14,338,919.12 | 65.85%     |
| Seg D   | \$46,663,969.35        | \$2,377,552.60  | \$44,286,416.75 | 5.10%      |
| Seg E   | \$27,277,770.46        | \$0.00          | \$27,277,770.46 | 0.00%      |

# PROGRAM SCHEDULE DURATIONS

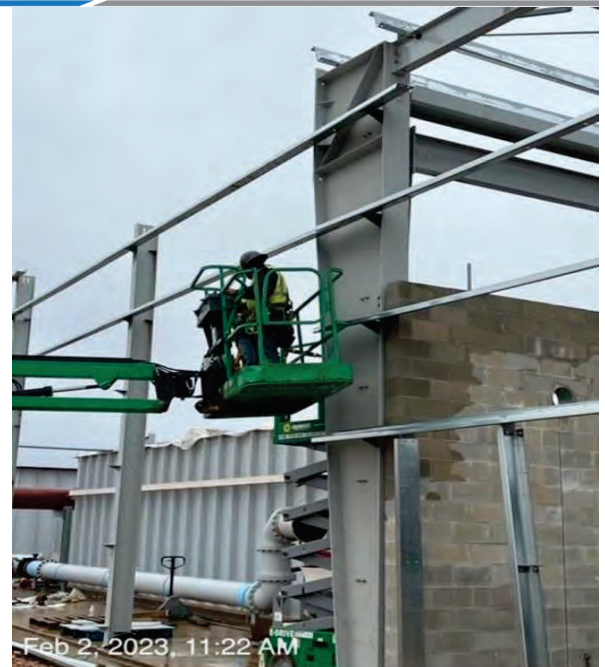


| Project | Notice to Proceed | Contract Dates          |                        |                  | Program Sub Completion Status (June 2023) |
|---------|-------------------|-------------------------|------------------------|------------------|---|
|         |                   | Original Sub Completion | Current Sub Completion | Final Completion |   |
| WTP/RWI | 7/16/2021         | 7/16/2023               | 9/3/2023               | 11/2/2023        | Behind 63 days                            |
| BPS     | 10/25/2021        | 3/19/2023               | 7/29/2023              | 3/18/2024        | On Time                                   |
| Seg A   | 11/16/2021        | 6/9/2023                | 6/9/2023               | 10/7/2023        | On Time                                   |
| Seg B   | 2/15/2022         | 8/9/2023                | 9/17/2023              | 12/1/2023        | On Time                                   |
| Seg D   | 9/19/2022         | 4/1/2024                | 4/1/2024               | 5/31/2024        | On Time                                   |
| Seg E   | 1/25/2023         | 5/24/2024               | 5/24/2024              | 7/23/2024        | On Time                                   |

## Water Treatment Plant / Raw Water Infrastructure (Archer Western / Walker Partners)

### Construction Status

- Continued 48" Potable Waterline A installation.
- Continued installation of the filter units process piping.
- Continued electrical ductbank and underground conduit installation.
- Continued PMB steel erection at the Filter Complex.
- Began PMB steel erection at the HSPS electrical building.
- Continued backfill at the HSPS area.
- Began excavation for the generator #1 pad.
- Began above ground piping at the well sites.
- Continued Rapid Mix area retaining wall construction.



WTP – Filter Complex Structural Steel



# WTP/RWI - PROGRESS PHOTOS



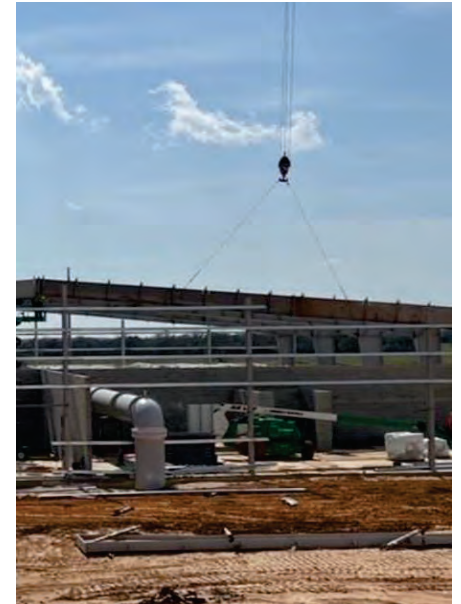
Feb 14, 2023, 4:59 PM

WTP – Filter Complex Re-drill Holes on Roof Purlins



Feb 21, 2023, 4:36 PM

WTP – Filter Complex Setting Roof Purlins



WTP – Filter Complex Setting Roof Beams

5

## Water Treatment Plant / Raw Water Infrastructure (Archer Western / Walker Partners)

### Next Month - Projected Construction Activities

- 48" PW-A installation.
- Installation of the filter units process piping.
- Electrical ductbank and underground conduit installation.
- PMB structural steel erection at the Filter Complex.
- PMB structural steel erection at the HSPS electrical building.
- Rapid Mix area retaining wall construction.
- Above ground piping at the well sites.



Feb 22, 2023, 6:17 PM

WTP – Filter Complex, Roof Beams Installed

# Booster Pump Station (MWH / Freese and Nichols)

## Construction Status

- CLSM backfill of pump suction header piping.
- Electrical ductbank installation.
- Installation of 48" DIP from pump station to GST.
- Installation of the ducttanks and conduit rough-in at the pump station.



BPS – Concrete Placement for Electrical Ductbanks for Pump Station

## BPS- PROGRESS PHOTOS



BPS – Holiday Testing Suction Header



BPS – Flowable Fill Placement for Western Side of Suction Header



BPS – Formwork Installation for Flowable Fill for Suction Header

# Booster Pump Station (MWH / Freese and Nichols)

## Next Month - Projected Construction Activities

- Backfill of pump suction header piping.
- Installation of 48" DIP from pump station to GST.
- Installation of the ductbanks and conduit rough-in at the pump station.
- Formwork installation for pump station concrete pad.



BPS – Suction Line Pipe Installation Near STA 60+00

# Segment A (Garney Construction / LAN)

## Construction Status

- Not Started
- ROW Cleared
- Pipe Delivered
- Pipe Installed
- Complete



| Activity                    | Status   |
|-----------------------------|--|
| ROW Cleared                 | 100%   |
| Pipe Delivered              | 100%   |
| Tunnels Completed           | 100%(15 of 15)   |
| Pipe Installed              | 72%  |
| Major Crossing (Plum Creek) | Continue installation of launch shaft on West side of Plum Creek |

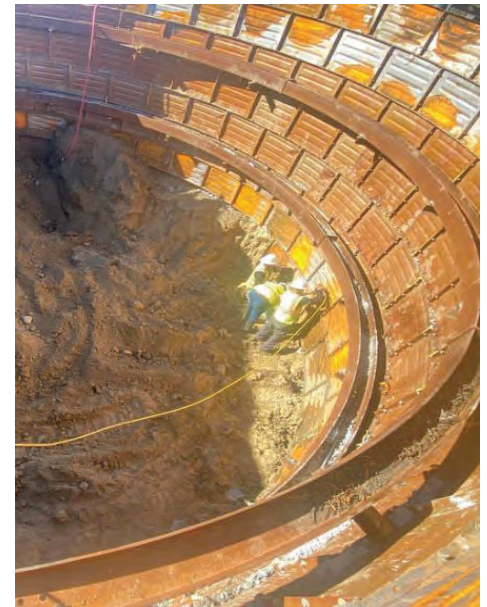
# SEGMENT A - PROGRESS PHOTOS



Seg A – Melcar Excavation for Liner Plates



Seg A – Melcar Places Concrete around Liner Plates



Seg A – Melcar Installing Liner Plates **11**

## Segment A (Garney Construction / LAN)

### Next Month - Projected Construction Activities

- Major Crossing Completed 0% (0 of 1)
  - Continue installation of launch shaft on West side of Plum Creek
- Pipe Installation
  - Continue stripping, trenching, and pipe installation operations with pipe laying crew 1, Between 3158 and Old Colony Line Road.
  - Continue stripping, trenching, and pipe installation operations with pipe laying crew 3, West of RC lane and heading to towards Sea willow Road
  - Both pipe laying crews are loading carrier pipe in tunnels, pouring CLSM at ends of tunnels, pouring 3000 psi concrete anchors as they lay past appurtenance locations, installing test stations for cathodic protection, and stacking out precast at appurtenance locations after concrete cures
- Perform maintenance on all county roads and private roads being used for construction operations
- Continue haul off excess native material and rough grading



Seg A – RCP-Excavation of Bore Pit

# Segment B (Garney Construction / K Friese)

### Construction Status

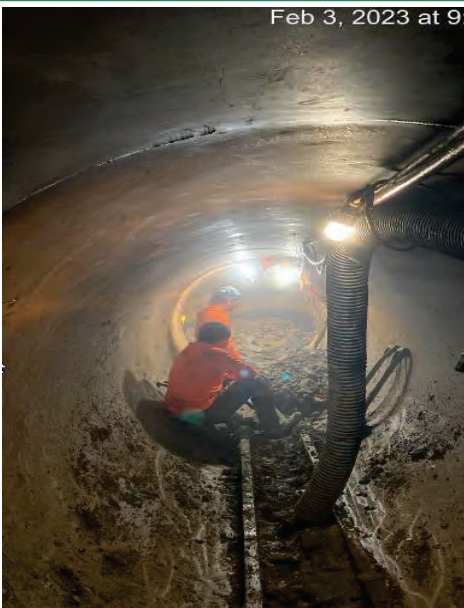
- Not Started
- ROW Cleared
- Pipe Delivered
- Pipe Installed
- Complete



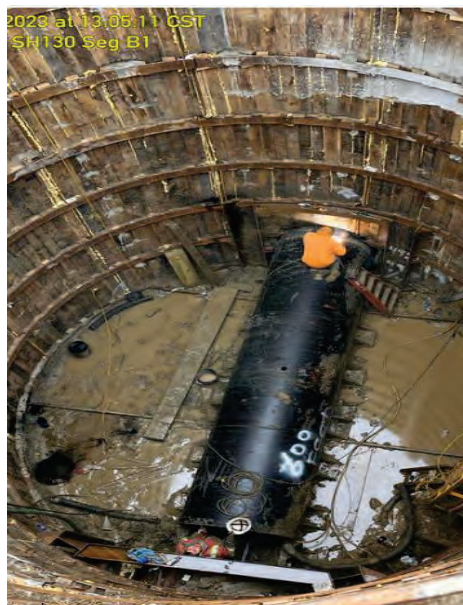
**ARWA Phase 1B Segment B**  
Production Map

| Activity                | Status          |
|-------------------------|-----------------|
| ROW Cleared             | 100%            |
| Pipe Delivered          | 83%             |
| Tunnels Completed B1    | 100% (21 of 21) |
| Tunnels Completed B2    | 50% (2 of 4)    |
| Pipe Installed          | 37%             |
| Major Crossing (TX 130) | 100%            |

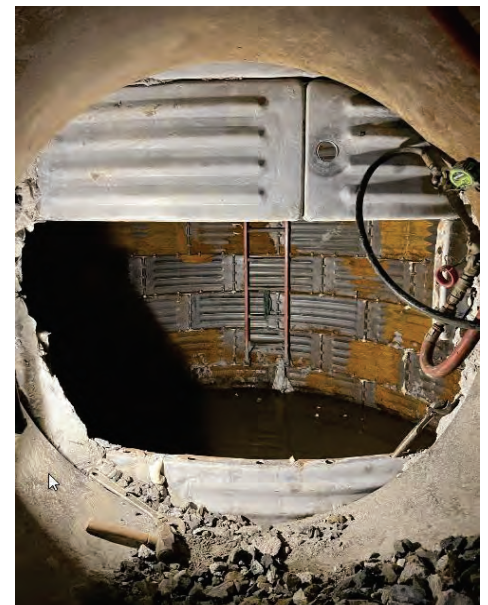
# SEGMENT B - PROGRESS PHOTOS



Seg B – BORECO Hand Tunneling



Seg B – BORECO Preparing Casing



Seg B – SH130 BORECO Removing Panels from Receiving Pit Seg B1

## Segment B (Garney Construction / K Friese)

### Next Month - Projected Construction Activities

- Tunnels
  - Installed tunnels to bring total to 21 of 21 (100%) on original B1/B2 scope of work
  - Hold on CP002 scope of tunnel installations for segment B2 during installation of SH130 tunnel; current total is 2 of 4 (50%) completed on CP002 scope of work added to segment B contract
- Major Crossings
  - 100% Completed
  - Contact grout casing
  - Start loading carrier pipe in casing
- Pipe Installation
  - Continue installation of pipe on B1
  - Hauling off excess spoils from project site and spreading topsoil
  - Continue pouring concrete anchors for precast at CAV and Drain Valves
  - Setting precast structures for appurtenances behind laying operation
  - Finish interior joint grouting and final broom sweeping on Segment B2 and CP002 scope of work added to Segment B
  - Complete interior B2 final inspections
  - Start final pipe inspections with contractor and CMI staff
- Start filling B2 and hydrostatically test pipe.



SH130 – BORECO Completed Bore Seg B2

15

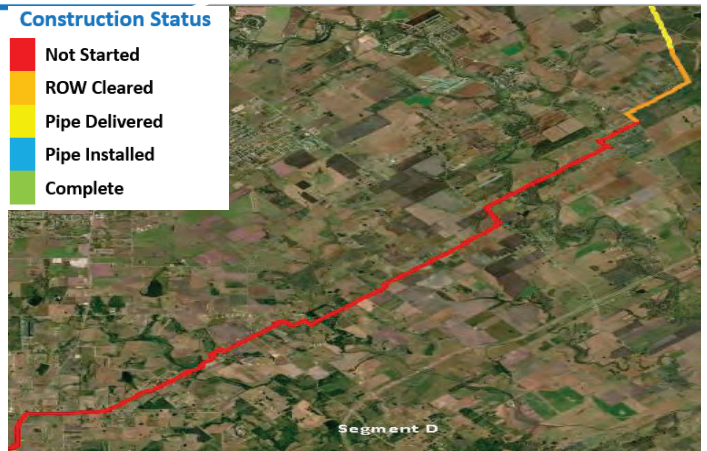
## Segment D (SJ Louis / Freese & Nichols)

### Construction Activities

- Conducted bi-weekly progress meetings.
- Process documentation in SharePoint.
- Continued SWPPP installations at SH142 headed Southeast towards HWY 80 behind the clearing operation.
- Continued temporary fence gaps for access and cattle fencing along easements.
- Continued pipe deliveries and receiving approximately 3000LF a week.
- Prepping ROW with culverts and leveling out easements for access with pipe trucks.
- Met with Mr. Giberson regarding access to the southside of the San Marcos River.

#### Construction Status

- Not Started
- ROW Cleared
- Pipe Delivered
- Pipe Installed
- Complete



| Activity                                   | Status      |
|--|-------------|
| ROW Cleared                                | 13%         |
| Pipe Delivered                             | 6%          |
| Tunnels Completed                          | 0%(0 of 18) |
| Pipe Installed                             | 0%          |
| Major Crossing (San Marcos River Crossing) | 0%          |

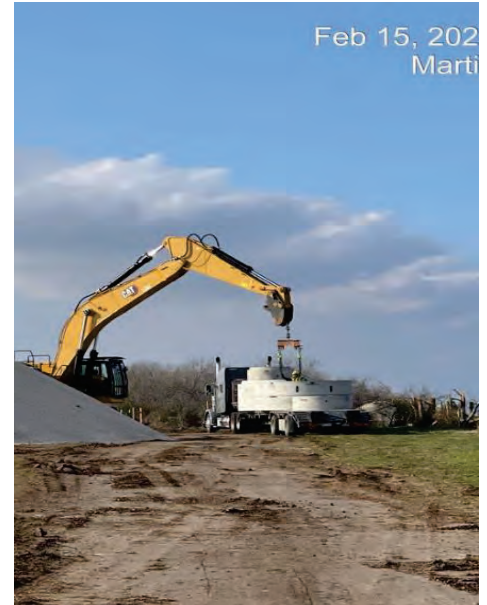
# SEGMENT D - PROGRESS PHOTOS



Seg D – STA 213+00 Bull Rock Delivery



Seg D – Equipment Mobilization



Seg D – Unloading Pre-Cast Manholes

17

## Segment D (SJ Louis / Freese & Nichols)

### Next Month - Projected Construction Activities

- Conduct bi-weekly progress meeting.
- Continue temporary fence gaps for access and cattle fencing along easements.
- Continue SWPPP installations from SH142 headed SE towards HWY 80 behind the clearing operation.
- Resume clearing operations ahead of embedment and pipe deliveries on South side of HWY 80.
- Continue pipe deliveries between SH142 to HWY 80.
- Resume clearing operations ahead of embedment and pipe deliveries on South side of HWY 80.
- Conduct prove-out on SJ Louis compaction process for embedment and native backfill
- Start pipe installation with crew at B-D connection near BPS and headed SW towards HWY 80



Seg D – Cattle in Parcel D013C STA 160+00

18

# Segment E (Garney / Walker Partners)

## Construction Activities

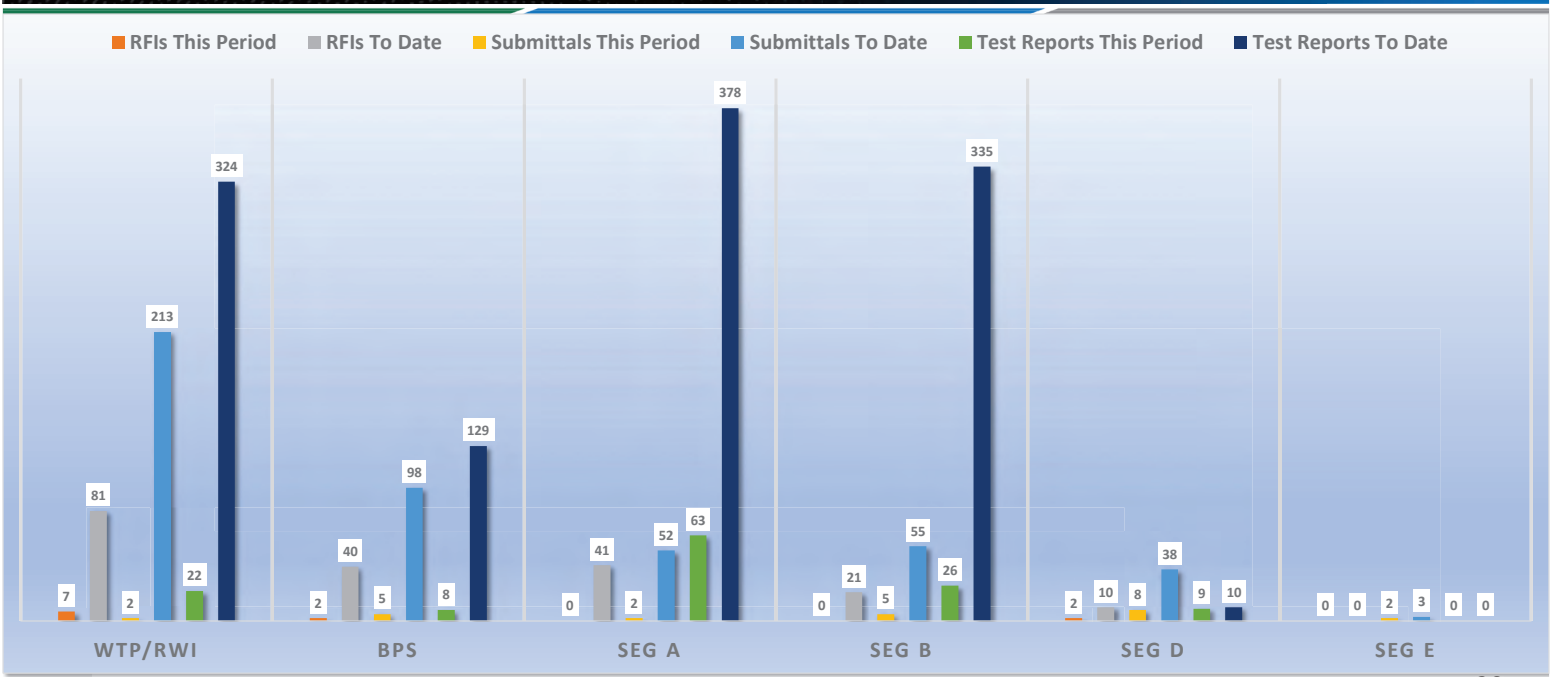
- Conducted bi-weekly progress meetings
- Coordination with developments along 758.
- Coordination of UIR permitting.
- Review preconstruction videos and photos

## Next Month - Projected Activities

- Continue processing documentation in SharePoint
- Conduct bi-weekly progress meeting



# PROGRAM OVERSIGHT RECAP







# QUESTIONS?

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

- H.6** Update and discussion regarding the status of the Authority's Phase 1B program, and direction to staff and consultants. ~ *Ryan Sowa, P.E., Kimley-Horn & Associates*
- 

Background/Information

RyanH2 Sowa with Kimley-Horn will update the Committee on their recent activities associated with the Phase 1B program.

Attachment(s)

- Phase 1B Program Update – March 22, 2023
- Kimley-Horn Monthly Summary of Activities for February 2023

**Board Decision(s) Needed:**

- None.



# Phase 1B Program Update

Board of Directors Meeting  
March 22, 2023



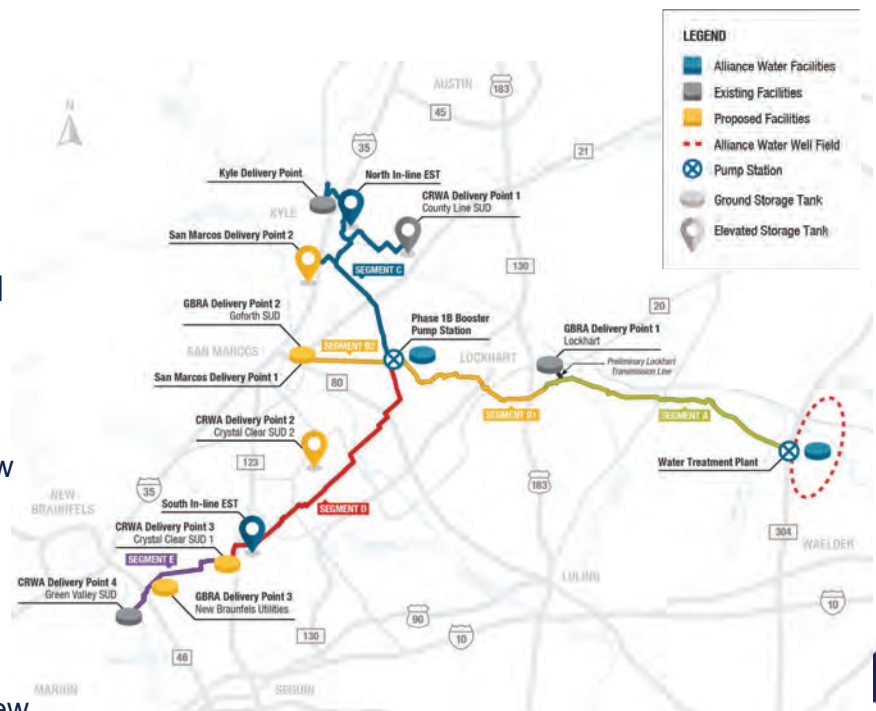
**ALLIANCE WATER**

PRESENTED BY **Kimley»Horn**  
Expect More. Experience Better.

## Ongoing Progress

### ► Design Milestone Status

- Design Submittal
  - Segment C - 95% submittal reviewed/comments distributed
- TWDB Reviews
  - WTP
    - Change Order No. 1 and 2 Release of Funds Under Review
  - Segment D
    - Final Design – Release of Funds Under Review
    - Construction – Release of Funds Under Review
  - Segment E
    - Plans and Specs – Under Review



**ALLIANCE WATER**

# Ongoing Progress

## ▶ Environmental Construction Services

- Attend Construction Progress Meetings
- Conduct migratory bird nest surveys during nesting season (March 15 – Sept. 15)
- Provide on-call hazardous materials testing and evaluation for unforeseen issues
- Provide on-call archeological services for unforeseen issues



# Pipeline Easement Acquisition Status

| Pipeline Segment | Number of Parcels | STATUS                                      |                    |  |                                   |  |  | Final Settlement Outstanding |
|------------------|-------------------|---|--------------------|--|-----------------------------------|--|--|------------------------------|
|                  |                   | (A)<br>Appraisal/Offer<br>in<br>Development | (B)<br>Negotiation | (C)<br>= (A+B)<br>Appraisal /<br>Negotiation | (D)<br>Condemnation<br>in Process | (E)<br>= (C+D)<br>Possession Still<br>Needed | (F)<br>Purchase Agreement<br>Signed / Possession<br>Obtained |                              |
| A                | 39                | 0   | 0                  | 0  | 0                                 | 0  | 39   | 5                            |
| B                | 47                | 0   | 0                  | 0  | 0                                 | 0  | 47   | 16                           |
| D                | 60                | 0   | 0                  | 0  | 0                                 | 0  | 60   | 16                           |
| C                | 75                | 3   | 9                  | 12   | 8                                 | 20   | 55   | 39                           |
| E                | 38                | 0   | 2                  | 2  | 3                                 | 5  | 33   | 18                           |
| Well Field       | 16                | 0   | 4                  | 4  | 0                                 | 4  | 12   | 4                            |
| <b>Total</b>     | <b>275</b>        |   |                    |  |                                   | <b>29</b>                                    | <b>246</b>   | <b>98</b>                    |



## COST UPDATES BASED ON FEBRUARY MILESTONE SUBMITTALS/RESULTS

|  |   | ORIGINAL (FEB. 2019)      | REVISED                   |                      |
|--|---|---------------------------|---------------------------|----------------------|
|  | Construction Package                        | ARWA Total Projected Cost | ARWA Total Projected Cost | DIFFERENCE           |
| <b>Submittal (%) Combined Program Infrastructure</b> |   |                           |                           |                      |
| Const.   | Water Treatment Plant                       | \$ 25,200,000             | \$ 29,500,000             | \$ 4,300,000         |
| Const.   | Booster Pump Station & GBRA Meter Stations  | \$ 12,100,000             | \$ 13,700,000             | \$ 1,600,000         |
| 100  | Inline EST (South)                          | \$ 3,600,000              | \$ 4,800,000              | \$ 1,200,000         |
| Const.   | Pipeline Segment A                          | \$ 27,200,000             | \$ 28,600,000             | \$ 1,400,000         |
| Const.   | Pipeline Segment B                          | \$ 27,100,000             | \$ 33,800,000             | \$ 6,700,000         |
| Const.   | Pipeline Segment D                          | \$ 36,300,000             | \$ 44,200,000             | \$ 7,900,000         |
| Const.   | Pipeline Segment E                          | \$ 9,500,000              | \$ 14,000,000             | \$ 4,500,000         |
|  | <b>Subtotal</b>                             | <b>\$141,000,000</b>      | <b>\$168,600,000</b>      | <b>\$ 27,600,000</b> |
| <b>ARWA-Only Infrastructure</b>                      |   |                           |                           |                      |
| Closed   | Well Drilling                               | \$ 3,800,000              | \$ 3,300,000              | (\$ 500,000)         |
| Const.   | Raw Water Infrastructure                    | \$ 7,000,000              | \$ 10,600,000             | \$ 3,600,000         |
| Const.   | ARWA Booster Pump Station & Delivery Points | \$ 7,700,000              | \$ 4,800,000              | (\$ 2,900,000)       |
| 30   | Inline EST (North)                          | \$ 5,400,000              | \$ 6,500,000              | \$ 1,100,000         |
| 90   | Pipeline Segment C                          | \$ 64,500,000             | \$ 68,600,000             | \$ 4,100,000         |
| Const.   | Pipeline Segment E (ARWA-Only)              | \$ 6,700,000              | \$ 12,800,000             | \$ 6,100,000         |
| No Design  | Administration and Operations Building      | \$ 4,300,000              | \$ 4,200,000              | (\$ 100,000)         |
|  | <b>Subtotal</b>                             | <b>\$ 99,400,000</b>      | <b>\$110,800,000</b>      | <b>\$ 11,400,000</b> |
|  | <b>Total</b>                                | <b>\$240,400,000</b>      | <b>\$279,400,000</b>      | <b>\$39,000,000</b>  |

MARCH 2023 UPDATE

NO CHANGE FROM  
FEBRUARY UPDATE



# Questions?

ALLIANCE REGIONAL WATER AUTHORITY  
 ATTN: GRAHAM MOORE  
 1040 HIGHWAY 123  
 SAN MARCOS, TX 78666

Please send payments to:  
 KIMLEY-HORN AND ASSOCIATES, INC.  
 P.O. BOX 951640  
 DALLAS, TX 75395-1640

Invoice No: 068706605-0223  
 Invoice Date: Feb 28, 2023  
 Invoice Amount: \$ 204,181.78  
 Project No: 068706605  
 Project Name: ARWA PROGRAM YEAR 5  
 Project Manager: SOWA, RYAN

Work Order No. 6  
 Duration: March 2022 - Feb. 2023

Invoice Duration: Feb. 1, 2022 to Feb. 28, 2022

Federal Tax Id: 56-0885615

### COST PLUS MAX

KHA Ref # 068706605.3-23921714

| Description                                 | Contract Value | Amount Billed to Date | Previous Amount Billed | Current Amount Due |
|---|----------------|-----------------------|------------------------|--------------------|
| PROGRAM MANAGEMENT PLAN UPDATES             | 2,326.50       | 1,809.50              | 1,809.50               | 0.00               |
| STAKEHOLDER COORDINATION                    | 174,567.25     | 174,439.51            | 156,873.66             | 17,565.84          |
| BUDGETING                                   | 74,569.06      | 74,569.06             | 64,427.06              | 10,142.00          |
| SCHEDULE                                    | 47,187.25      | 47,187.25             | 43,012.75              | 4,174.50           |
| REPORTING                                   | 51,317.50      | 51,317.51             | 46,587.51              | 4,730.00           |
| DATA MANAGEMENT                             | 77,607.10      | 77,582.85             | 76,276.36              | 1,306.50           |
| ENVIRONMENTAL MANAGEMENT                    | 66,198.75      | 66,198.75             | 51,370.00              | 14,828.75          |
| LAND ACQUISITION MANAGEMENT                 | 590,992.00     | 590,919.63            | 535,797.75             | 55,121.88          |
| TWDB MANAGEMENT                             | 71,361.40      | 69,239.50             | 63,305.00              | 5,934.50           |
| DESIGN STANDARDS                            | 26,192.65      | 24,070.75             | 13,702.50              | 10,368.25          |
| ENGINEERING DESIGN MANAGEMENT               | 226,076.79     | 223,954.44            | 200,131.69             | 23,822.75          |
| QUALITY ASSURANCE                           | 3,416.90       | 1,295.00              | 1,295.00               | 0.00               |
| ELECTRICAL POWER PLANNING                   | 2,400.90       | 275.00                | 275.00                 | 0.00               |
| PERMIT COORDINATION/TRACKING                | 63,960.03      | 63,960.03             | 49,160.53              | 14,799.50          |
| PROCUREMENT AND CONSTRUCTION PHASE SERVICES | 259,156.12     | 258,466.06            | 228,713.13             | 29,752.94          |
| PROJECT ADMINISTRATION                      | 35,163.00      | 35,163.00             | 26,886.38              | 8,276.63           |
| OTHER SERVICES                              | 60,905.00      | 60,660.25             | 60,660.25              | 0.00               |
| ENVIRONMENTAL CONSTRUCTION PHASE SERVICES   | 147,551.31     | 147,542.24            | 144,184.49             | 3,357.75           |
| Subtotal                                    | 1,980,949.50   | 1,968,650.33          | 1,764,468.55           | 204,181.78         |
| Total COST PLUS MAX                         |                |                       |                        | 204,181.78         |

Total Invoice: \$ 204,181.78

If you have questions regarding this invoice, please call (703) 674-1300.

March 16, 2023

## **Project Monthly Summary**

### **February 2022 Tasks Performed:**

- Task 2 – Stakeholder Coordination
  - Coordination and/or meetings with entities including: Caldwell County, Guadalupe County, Bluebonnet Electric Coop, TxDOT, TCEQ, and TWDB.
  - Continued weekly task coordination with Alliance Water.
  - Prepared and presented the Technical Committee Meeting Update.
  - Prepared and presented the Project Advisory Committee Meeting Update.
  - Prepared and presented the Board Meeting Update.
  - Prepared for and held Monthly Status Meeting with Alliance Water.
  
- Task 3 – Budgeting
  - *Continued preparation for Overall Program Budget projection presentation.*
  - Prepared and presented the monthly Budget Update for the Technical Committee and Board meetings.
  - Continued updates to Budget Workbook to include monthly tracking of actual costs for ARWA review.
  
- Task 4 – Schedule
  - Integrated each project schedule into overall Program schedule. Developed and distributed the monthly Program schedule summary.
  
- Task 6 – Data Management
  - Continued tracking the number of easements with final settlement outstanding.
  - Continued to coordinate with ARWA and Construction Management & Inspection Team to integrate construction data collected on the GIS WebMap.
  - Ongoing maintenance of Microsoft SharePoint Online program.
  - Continued updating of web-based GIS for easement acquisition process and alignment changes.
  
- Task 7 – Environmental Management
  - Continue coordination with ARWA and the Program Environmental Consultant regarding the burial relocation proceedings.
  - Continued coordination with ARWA and the Program Environmental Consultant regarding the burial relocation proceedings.
  - Continued coordination with Program Environmental Consultant concerning the comments from the United States Army Corps of Engineers.
  - Monthly progress meeting and ongoing coordination with Program Environmental Consultant.

**Alliance Water – Phase 1B Infrastructure – Owner’s Representative**

---

- Continued coordination between Program Environmental Consultant and Design Engineers.
- Task 8 – Land Acquisition Management
  - Continued negotiations with remaining Segment C parcels.
  - Coordinated the appraisal process for Segments C and W parcels.
  - Coordinated with Program Survey Consultant, Program Environmental Consultant, and Land Acquisition legal team to address questions that arise as part of the field work coordination process.
  - Performed weekly QC of parcel files in SharePoint, provided comments to Land Acquisition legal team.
  - Weekly coordination meeting with Legal Land Acquisition team to discuss status of easement acquisition proceedings and to provide Program clarification on any questions/requests that have come from landowners.
  - Reviewed Program Appraiser and Program Survey invoices.
  - Continued field work coordination to notify landowners of upcoming field work by consultants.
- Task 9 – Texas Water Development Board Management
  - *Coordinated with Program PM and Design Consultant to prepare the Segment D Construction Phase Release of Funds documentation.*
  - Coordinated with TWDB staff to track the status of funding release requests under review.
  - Continued coordination with ARWA, GBRA, and TWDB Staff to track all documents currently under review.
- Task 11 – Engineering Design Management
  - Pipelines:
    - Segment A
      - Continue coordination with Design Consultant for construction phase services.
    - Segment B
      - Continued coordination with Design Consultant for construction phase services.
    - Segment C
      - *Reviewed 95% Submittal prepared by the Design Consultant.*
      - *Discussed and provided 95% Program comments to the Design Consultant.*
      - Continued coordination with Design Consultant for final design.
      - Continued coordination with Design Consultant regarding ongoing pipeline alignment considerations.
    - Segment D
      - Continue coordination with Design Consultant for construction phase services.



**Alliance Water – Phase 1B Infrastructure – Owner’s Representative**

---

- Segment E
      - Continue coordination with Design Consultant for construction phase services.
  - Raw Water Infrastructure:
    - Continued coordination with Design Consultant for construction phase services.
  - Water Treatment Plant:
    - Continued coordination with Design Consultant for construction phase services.
  - Booster Pump Station:
    - Coordinated with Design Consultant for construction phase services.
  - Inline Elevated Storage Tanks:
    - *Continued coordination with Design Consultant during the South Inline Elevated Storage Tank final design project procurement services.*
    - Continued coordination with Design Consultant for final design development for the North Inline Elevated Storage Tank.
  - Other:
    - Monthly progress meetings with all Design Consultants (pipelines, water treatment plant, raw water infrastructure, wellfield, booster pump station).
    - Review invoices, schedules, and risk logs for consultants.
- Task 14 – Permit Coordination/Tracking
  - Continued Permit coordination with Pipeline Consultants.
  - Continued coordination with Caldwell, Guadalupe, and Hays County TxDOT offices concerning roadway crossings.
  - Continued coordination with Caldwell, Guadalupe, and Hays Counties regarding on going permit reviews.
  - Continued General Coordination with GVEC, BBEC, and LCRA.
  - On-going Permit Tracking Log Updates.
- Task 15 – Procurement and Construction Phase Services
  - *Coordinated with Inline Elevated Storage Tank Design Consultant during the South Inline Elevated Storage Tank procurement and construction phase services.*
  - On-going coordination with WTP, RWI, BPS, Segment A, Segment B, Segment D, and Segment E Design Consultants during the construction phase.
  - Continued coordination with the Construction Management & Inspection team.
- Task 16 – Other Services
  - *Responded to the City of San Marcos questions regarding the Watershed Protection Plan submitted for the parcels to be platted near the Booster Pump Station.*
- Task 18 – Environmental Construction Services
  - Attended construction status meetings.

**March 2023 Projection:**

- Task 1 – Program Management Plan Updates
  - *Finalize the updates to the Document Control Data Management Section given ARWA’s document retention feedback.*
- Task 2 – Stakeholder Coordination
  - Coordination and/or meetings with entities including: Caldwell County, Guadalupe County, GVEC, Bluebonnet Electric Coop, TxDOT, TCEQ, and TWDB.
  - Continue weekly task coordination with Alliance Water.
  - Prepare and present the Technical Committee Meeting Update.
  - Prepare and present Project Advisory Committee Meeting Update.
  - Prepare and present Board Meeting Update.
  - Prepare for and hold Monthly Status Meeting with Alliance Water.
- Task 3 – Budgeting
  - *Finalize preparation for Overall Program Budget projection presentation.*
  - Prepare and present the monthly Budget Update for the Technical Committee and Board meetings.
  - Continue updates to Budget Workbook to include monthly tracking of actual costs for ARWA review.
- Task 4 – Schedule
  - Integrate each project schedule into overall Program schedule. Develop and distribute schedule update and memorandum.
- Task 6 – Data Management
  - Continue tracking the number of easements with final settlement outstanding.
  - Continue coordination with ARWA and Construction Management & Inspection Team to integrate construction data collected on the new GIS WebMap.
  - Ongoing maintenance of Microsoft SharePoint Online program.
  - Continue updating of web-based GIS for easement acquisition process and alignment changes.
- Task 7 – Environmental Management
  - *Assist the Program Environmental Consultant in addressing Segment C USACE comments on submitted reports.*
  - Continue coordination with ARWA and the Program Environmental Consultant regarding the burial relocation proceedings.
  - Monthly progress meeting and ongoing coordination with Program Environmental Consultant.

**Alliance Water – Phase 1B Infrastructure – Owner’s Representative**

---

- Continue coordination between Program Environmental Consultant and Design Engineers.
- Review Program Environmental invoices, schedule, and risk log.
  
- Task 8 – Land Acquisition Management
  - Coordinate negotiations with remaining Segment C parcels.
  - Coordinate the appraisal process for Segment C and W parcels.
  - Coordinate with Program Survey Consultant and Design Consultants to address questions that arise as part of the field work coordination process.
  - Perform weekly QC of parcel files in SharePoint, provide comments to Legal Land Acquisition team.
  - Weekly coordination meeting with Legal Land Acquisition to discuss status of easement acquisition proceedings and to provide Program clarification on any questions/requests that have come from landowners.
  - Review Program Appraiser and Program Survey invoices.
  - Continue field work coordination to notify landowners of upcoming field work by consultants.
  
- Task 9 – Texas Water Development Board Management
  - *Finalize the Segment D Construction Phase Release of Funds request and submit to TWDB for review.*
  - Continue coordination with ARWA, GBRA, and TWDB Staff to track all documents currently under review as well as preparation of funding release requests.
  
- Task 10 – Design Standards
  - Review Construction Standards given questions arising from construction activities and coordinate with the Program Design Consultants as needed.
  
- Task 11 – Engineering Design Management
  - Pipelines:
    - Segment A
      - Continue coordination with Design Consultant for construction phase services.
    - Segment B
      - Continue coordination with Design Consultant for construction phase services.
    - Segment C
      - Continue coordination with Design Consultant for final design.
      - Continue coordination with Design Consultant regarding ongoing field work and pipeline alignment considerations.
    - Segment D
      - Continue coordination with Design Consultant for construction phase services.

**Alliance Water – Phase 1B Infrastructure – Owner’s Representative**

---

- Segment E
      - Continue coordination with Design Consultant for construction phase services.
  - Raw Water Infrastructure:
    - Continue coordination with Design Consultant for construction phase services.
  - Water Treatment Plant:
    - Continue coordination with Design Consultant for construction phase services.
  - Booster Pump Station:
    - Continue coordination with Design Consultant for construction phase services.
  - Inline Elevated Storage Tanks:
    - *Continue to coordinate with Design Consultant during the South Inline Elevated Storage Tank project procurement and construction phase services.*
    - Continue coordination with Design Consultant for final design development for the North Inline Elevated Storage Tanks.
  - Other:
    - Monthly progress meetings with all Design Consultants (pipelines, water treatment plant, raw water infrastructure, wellfield).
    - Review invoices, schedules, and risk logs for consultants.
- Task 14 – Permit Coordination/Tracking
  - Continue Permit coordination with Pipeline consultants
  - Coordinate with Hays County concerning the Site Development Permit.
  - General Coordination with TxDOT.
  - Coordinate with Caldwell, Guadalupe, and Hays County TxDOT offices concerning roadway crossings.
  - Continue General Coordination with GVEC, BBEC, and LCRA.
  - On-going Permit Tracking Log Updates.
- Task 15 – Procurement and Construction Phase Services
  - *Continue coordination with Inline Elevated Storage Tank Design Consultant during the South Inline Elevated Storage Tank construction phase services.*
  - On-going coordination with WTP, RWI, BPS, Segment A, Segment B, Segment D, and Segment E Design Consultants during the construction phase.
  - On-going coordination with the Construction Management & Inspection team.
- Task 16 – Other Services
  - *Respond to City of San Marcos comments for the submitted City of San Marcos Watershed Protection Plan for the parcels to be platted near the Booster Pump Station.*
- Task 18 – Environmental Construction Services

**Alliance Water – Phase 1B Infrastructure – Owner’s Representative**

---

- Attend construction status meetings.

**Scope Elements Added/Removed:**

- *Evaluated and prepared the WTP Expansion options given GBRA’s request for additional capacity at the WTP in the future.*
- *Evaluated impacts to Phase 1B infrastructure based on WTP Expansion options recommended.*

**Outstanding Issues/Concerns:**

None at this time.

**HUB Participation:**

32.8 % allotted by Contract (based on contract total fee)

32.8 % to date of Billing

Design Consultant Certifications: N/A

| Sub Consultant                 | Sub Consultant Certifications | Task Description                         | Contract Value (\$) | Percent Complete to Date (%) | Amount Billed to Date (\$) | Amount Paid to Date (\$) |
|--------------------------------|-------------------------------|--|---------------------|------------------------------|----------------------------|--------------------------|
| Foster CM Croup, Inc.          | DBE; AABE; MBE; SBE           | Budgeting, Schedule, and Data Management | \$133,390.38        | 100.0%                       | \$133,390.38               | \$124,975.38             |
| Grubb Engineering, Inc.        | ESBE; SBE; WBE                | Electrical Power Planning                | \$-                 | NA                           | \$-                        | \$-                      |
| Spitzer and Associates, Inc.   | SBE; WBE                      | Land Acquisition Management              | \$502,500.00        | 100.0%                       | \$502,441.04               | \$458,252.74             |
| V&A Consulting Engineers, Inc. | SBE; HABE; MBE                | Cathodic Protection Standards            | \$10,857.50         | 100.0%                       | \$10,857.50                | \$-                      |
|                                |                               | Subtotal                                 | \$646,747.88        | 100.0%                       | \$646,688.92               | \$583,228.12             |

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

- H.7** Discussion and possible direction to Staff regarding the updated Phase 1B budget projections. ~ *Graham Moore, P.E., Executive Director & Ryan Sowa, P.E., Kimley-Horn & Associates*
- 

Background/Information

Mr. Moore and Mr. Sowa will provide an update on the overall Phase 1B budget based on recent engineer estimates and other updates. The presentation will not be ready for distribution prior to the meeting. No specific action is being sought from the Board at this meeting, the presentation is for information purposes.

**Board Decision(s) Needed:**

- Possible direction to Staff.

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

- I. BOARD MEMBER ITEMS OR FUTURE AGENDA ITEMS – Possible acknowledgement by Board Members of future area events and/or requests for item(s) to be placed on a future agenda where no action is required.
- 

Background/Information

The Board Members have an opportunity to make announcements or to request that items be added to future Board or Committee agendas.

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**

Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

- J.1** *Executive Session pursuant to the Government Code, Section 551.071 (Consultation with Attorney) and/or Section 551.072 (Real Property Deliberations) regarding:*
- A. Water supply partnership options*
  - B. Groundwater leases*
  - C. Acquisition of real property for water supply project purposes\*
  - D. Operation and Maintenance Agreement of Carrizo Regional Water Supply*
-



**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**  
Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

**J.2** Action from Executive Session on the following matters:

- A. *Water supply partnership options*
  - B. *Groundwater leases*
  - C. *Acquisition of real property for water supply project purposes*
  - D. *Operation and Maintenance Agreement of Carrizo Regional Water Supply*
-

**REGULAR MEETING**  
**Alliance Regional Water Authority Board of Directors**

**BOARD MEMBER PACKETS**  
Wednesday, March 22, 2023 at 3:00 PM  
County Line SUD Offices, 8870 Camino Real, Kyle, TX 78640

**K. ADJOURNMENT**

---