

**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

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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*

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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.*

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**Alliance Regional Water Authority Board of Directors**

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**A. CALL TO ORDER**

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No Backup Information for this Item.

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**B. ROLL CALL**

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

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- 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.)
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**D. CONSENT AGENDA**

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



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

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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

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

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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

03/15/23

As of January 31, 2023

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**  
As of January 31, 2023

	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 2023	October 2022 January 2023	Annual Budget	Over/Under Budget	% of 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>
<b>4250 - Non Potable Water Sales</b>	<b>3,170.16</b>	<b>9,536.42</b>	<b>0.00</b>	<b>9,536.42</b>	<b>100.0%</b>
<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>
<b>7125 - Auditing fees</b>	<b>0.00</b>	<b>0.00</b>	<b>13,000.00</b>	<b>-13,000.00</b>	<b>0.0%</b>
<b>7210 - Bank Fees</b>	<b>304.80</b>	<b>1,113.58</b>	<b>4,000.00</b>	<b>-2,886.42</b>	<b>27.84%</b>
<b>7220 - Escrow and Paying Agent Fees</b>	<b>0.00</b>	<b>1,400.00</b>	<b>60,000.00</b>	<b>-58,600.00</b>	<b>2.33%</b>
<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 2023	October 2022 January 2023	Annual Budget	Over/Under Budget	% of 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*

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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.

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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.*

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**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

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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)	<u>187,380,889</u>	<u>82,604,304</u>	<u>51,388,414</u>
<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	<u>221,600,000</u>	<u>230,844,067</u>	<u>117,455,000</u>
<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	<u>29,951,413</u>	<u>25,823,819</u>	<u>5,060,412</u>
<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><u>\$ 87,750,312</u></u>	<u><u>\$ 34,504,639</u></u>	<u><u>\$ 25,466,936</u></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><u>\$ 187,380,889</u></u>	<u><u>\$ 82,604,304</u></u>	<u><u>\$ 51,388,414</u></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](mailto: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>

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)
<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
<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
 Net Increase (Decrease) in Cash and Cash Equivalents	 (23,341,528)	 100,002,038
<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
<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 (Used) by Operating Activities</b>		
Operating Income (Loss)	\$ (2,000,489)	\$ (2,174,887)
Adjustments to Reconcile Income from Operations to Net Cash 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	Additions	Transfers/ Disposals	Balances at
	10/1/21		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 Rate</u>	<u>Maturity 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 Outstanding 9/30/2022	Due Within One Year
	Outstanding 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 September 30,	Principal Payments	Interest 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 Rate of Return (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 6.60%	Discount Rate 7.60%	Discount Rate 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 Liability	Plan Fiduciary Net Position	Net Pension 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 Outflows of of Resources	Deferred Inflows Inflows of 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 Commitment	Expended to Date	Estimated Remaining
Engineering & Right of Way	\$ 23,644,633	\$ 10,426,634	\$ 13,217,999
Construction	112,358,550	42,789,669	69,568,881
	<u>\$ 136,003,183</u>	<u>\$ 53,216,303</u>	<u>\$ 82,786,880</u>

**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 Results (Budgetary Basis)	Variance With Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<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 and Actual Experience	2	1,923	3,569	(35)
Change of Assumptions	-	102	-	(56)
Benefit Payments, Including Refunds of 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 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 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 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)
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94.25%	101.99%	94.90%	107.02%
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\$ 182,150	\$ 248,222	\$ 300,185	\$ 338,269
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2.59%	-0.94%	3.02%	-4.88%
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ALLIANCE REGIONAL WATER AUTHORITY  
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION PLAN-  
LAST EIGHT FISCAL YEARS

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions As Percent 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 2017: New mortality assumptions were reflected 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 September 30,	Principal Due Each Year	Interest Due 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 Revenue Bonds Series 2015A	Contract Revenue Bonds Series 2015B	Contract Revenue Bonds Series 2017A	Contract Revenue Bonds Series 2017B	Contract Revenue Bonds 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% Feb 15, Aug 15 August 2037	1.02-2.70% Feb 15, Aug 15 August 2049	1.02-2.70% Feb 15, Aug 15 August 2049	0.84-1.94% Feb 15, Aug 15 August 2039	0.84-1.94% Feb 15, Aug 15 August 2039	0.14%-2.48% Feb 15, Aug 15 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 Dallas, TX	BOKF, NA Dallas, TX	BOKF, NA Dallas, TX	BOKF, NA Dallas, TX	BOKF, NA Dallas, TX	BOKF, NA Dallas, TX
\$ 1,625,000 1,625,000	\$ 26,530,000 26,530,000	\$ 24,200,000 24,200,000	\$ 30,800,000 30,800,000	\$ 4,370,000 4,370,000	\$ 37,865,000 37,865,000
<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 Revenue Bonds Series 2020B	Contract Revenue Bonds Series 2020C	Contract Revenue Bonds 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
<b>Operating Revenues:</b>					
Water Sales	\$ -	\$ 28,526	\$ 35,003	\$ 41,482	\$ 41,314
Total Operating Revenues	-	28,526	35,003	41,482	41,314
<b>Operating Expenses:</b>					
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)
<b>Non-Operating Revenues</b>					
<b>(Expenses)</b>					
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 (Elected or Appointed) or Date Hired	Fees of Office Paid 9/30/22	Expense Reimbursements 9/30/22	Title at 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





**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.



## ALLIANCE WATER

### RESOLUTION NO. 20230322-002

**A RESOLUTION OF THE ALLIANCE REGIONAL WATER AUTHORITY BOARD OF DIRECTORS APPROVING AN OPERATION AND MAINTENANCE AGREEMENT OF THE CARRIZO REGIONAL WATER SUPPLY WITH THE GUADALUPE-BLANCO RIVER AUTHORITY, AND DECLARING AN EFFECTIVE DATE**

**RECITALS:**

1. The Alliance Regional Water Authority (the "ARWA") is developing a Carrizo Aquifer water supply project in eastern Caldwell County that includes a wellfield, pump station, and water treatment and transmission facilities for delivery of water to ARWA's sponsors or wholesale customers.

2. The Guadalupe-Blanco River Authority ("GBRA") and ARWA entered into the Water Treatment and Delivery Agreement effective June 27, 2018 ("2018 Agreement"), and agreed that (i) ARWA is responsible for the operation and maintenance of all Project Facilities as defined in that 2018 Agreement and (ii) selection of one or more operators of the Project Facilities after a competitive procurement process and consideration of recommendations of the Project Advisory Committee.

3. ARWA has a competitive procurement process, considered the recommendation of the Project Advisory Committee as well as ARWA's own Board committee, and now desires to hire GBRA as the Operator to operate and maintain the ARWA's Facilities and GBRA desires to provide said operations and maintenance services to ARWA.

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

**PART 1.** The attached Operation and Maintenance Agreement of the Carrizo Regional Water Supply with the Guadalupe-Blanco River Authority is approved, pending the approval of any minor edits not affecting deal points by the Executive Director, Graham Moore, and Legal Counsel, Mike Gershon.

**PART 2.** Alliance Water's Executive Director, Graham Moore, is authorized to execute the Agreement on behalf of Alliance Water.

**PART 3.** This Resolution shall be in full force and effect immediately upon its passage.

**ADOPTED:** March 22, 2023.

**ATTEST:**

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Chris Betz  
Chair, Board of Directors

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Amber Schmeits  
Secretary, Board of Directors

OPERATION AND MAINTENANCE AGREEMENT  
OF  
CARRIZO REGIONAL WATER SUPPLY

Between

GUADALUPE BLANCO RIVER AUTHORITY

and

ALLIANCE REGIONAL WATER AUTHORITY

(March 22, 2023)

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## CARRIZO WATER SUPPLY OPERATION AND MAINTENANCE AGREEMENT

This Carrizo Water Supply Operation and Maintenance Agreement (“Agreement”) is made and entered into by and between the Guadalupe-Blanco River Authority “Operator”), a Texas conservation and reclamation district organized under Article 16, Section 59 of the Texas Constitution, and Alliance Regional Water Authority (“ARWA”), a Texas conservation and reclamation district organized under Article 16, Section 59 of the Texas Constitution (collectively, the “Parties” and singularly, “Party” depending upon the context). The Effective Date of this Agreement is the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

### RECITALS

WHEREAS, ARWA is developing a Carrizo Aquifer water supply project in eastern Caldwell County that includes a wellfield, pump station, and water treatment and transmission facilities for delivery of water to ARWA’s sponsors or wholesale customers,

WHEREAS, the Parties previously entered that Water Treatment and Delivery Agreement effective June 27, 2018 (“2018 Agreement”), and agreed that (i) ARWA is responsible for the operation and maintenance of all Project Facilities as defined in that 2018 Agreement and (ii) selection of one or more operators of the Project Facilities after a competitive procurement process and consideration of recommendations of the Project Advisory Committee, and

WHEREAS, ARWA has a competitive procurement process, considered the recommendation of the Project Advisory Committee as well as ARWA’s own Board committee, and now desires to hire the Operator to operate and maintain the ARWA's Facilities (defined below) and the Operator desires to provide said operations and maintenance services to ARWA,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the sufficiency of which are hereby acknowledged, and upon and subject to the terms and conditions hereinafter set forth, ARWA and Operator mutually undertake, promise, and agree as follows:

#### Article 1 DEFINITIONS

*"Adjustment Date"* shall mean the first day of the first month of ARWA’s Fiscal Year which is October 1st to September 30th.

*"Administrative and General Expenses "* shall mean the costs incurred within Operator's General Division related to the management and administration of all of its operations including but not limited to accounting, budgeting, cash management, human resources, auditing, information technology, records management, procurement, and governing board matters.

*"Affiliate"* shall mean "related parties" to the Operator and/or ARWA within the meaning of Section 144(a) (3) of the Internal Revenue Code.

*"Agreement"* is defined in the Preamble to this Agreement.

*"Agreement Year"* is defined as each consecutive twelve (12) month period during the term of the Agreement (including the renewal options) that begins on the first day of ARWA's Fiscal Year and ends on the last day of ARWA's Fiscal Year; provided, however, the first Agreement Year shall run from the Commencement Date of this Agreement through the end of ARWA's Fiscal Year.

*"Annual Facilities Expenditures"* is defined as the total of all expenses incurred annually by the Operator in connection with the discharge of its operating and maintenance responsibilities as provided by Section 4.4 of this Agreement. The Annual Facilities Expenditures shall specifically include, but shall not be limited to, all materials, supplies, parts, tools, outside subcontractors, specialized services, rental equipment, repairs and replacements, utilities, and all of the Operator's Administrative and General Expenses as defined herein, personnel costs, overtime costs, and related benefits. As stated in Section 4.6 hereunder, any individual expenditure for the repair and/or replacement of the Facilities equipment or structure, other than a Capital Improvement, that has not been previously approved of by ARWA shall be subject to ARWA's prior approval before being incurred except when an Emergency exists as described in Section 4.13. The cost of such expenditures actually incurred shall be included in the Annual Facilities Expenditures amount used in the Adjustment Process described in Section 8.2.

*"Applicable Law"* is defined as those laws, rules, regulations, codes, administrative and judicial orders, directives, guidelines, judgments, rulings, interpretations or similar requirements or actions of any federal, State, local government, agency or executive or administrative body of any of the foregoing having jurisdiction over ARWA or Operator, in each case that pertain to the (a) parties' respective responsibilities under this Agreement; (b) operation or maintenance of the Facilities; (c) health and welfare of individuals working at or visiting the Facilities; and (d) the production, treatment and transmission of water. This definition specifically includes the terms, conditions, requirements or schedules of any administrative or judicial settlement or enforcement related, in any way, to the Facilities, to the treatment and transmission of ARWA's raw water and to each of ARWA's Environmental Permits issued for the Facilities.

*"Additional Services"* shall mean services performed by the Operator that are outside of Operator's scope of Services as set forth in Article 4 of this Agreement.

*"Authorized Representative"* is defined in Section 7.1 of this Agreement.

*"Base Compensation"* is defined in Section 8.1 of this Agreement.

*"Baseline Conditions"* shall mean the range of infrastructure capacity and water quality in the raw water received and/or processed at the Facilities. Exhibit A outlines the Baseline Conditions.

*"Budgeted Annual Facilities Expenditures"* is defined as the total of all expenses annually budgeted by the Operator in connection with the discharge of its operational and maintenance responsibilities as provided by Section 4.4 of this Agreement. The Budgeted Annual Facilities Expenditures shall specifically include, but shall not be limited to, all materials, supplies, parts, tools, repairs and replacements, outside subcontractors, specialized services, rental equipment, utilities and all of the Operator's Administrative and General Expenses, personnel costs, overtime costs, and related benefits.

*"Capital Improvement(s)"* shall mean changes, modifications, additions, or upgrades to the



Facilities constructed or implemented by ARWA or with ARWA's prior approval.

*"Change of Law"* is defined as the occurrence of any of the events listed in (i) through (iv) below, which results or can reasonably be expected to result in: (a) the need to make a Capital Improvement at or to the Facilities in order for the Operator to operate the Facilities in accordance with this Agreement and Applicable Law; or (b) an increase or decrease to the cost of managing, operating or maintaining the Facilities in accordance with this Agreement and Applicable Law; or (c) a material and adverse effect on the scope of the Operator's liabilities or obligations under this Agreement; in the event that:

- (i) there is passed or promulgated any federal, State, or other local law, statute, ordinance, rule or regulation different from those existing on the date this Agreement is executed; or
- (ii) there is passed or promulgated any amendment to, or change in, any federal, State, or other local law, statute, ordinance, rule or regulation (including any applicable sales tax regulation) following the date of this Agreement; or
- (iii) following the execution of this Agreement, there comes into existence an order or judgment of any federal, State, or local court, administrative agency or other governmental body containing interpretations of any Applicable Law relating to the operation or maintenance of the Facilities or the health and safety of the Operator's employees that is inconsistent with generally accepted interpretations in effect on the date this Agreement is executed; or
- (iv) after the effective date of this Agreement, any change occurs which affects the issuance or renewal, or causes a suspension, termination, interruption, revocation, denial or failure of renewal (for reasons other than Operator fault or failure by the Operator to comply with the terms of this Agreement) of any official permit, license or necessary approval by the USEPA, the Occupational Safety and Health Administration, the Texas Commission on Environmental Quality or the Gonzales County Underground Water Conservation District.

*"Commencement Date"* shall mean the date agreed to and designated by the parties hereunder for the commencement of their respective obligations.

*"Commissioning and Startup Plan"* is defined as the report(s) prepared by ARWA's Construction Management & Inspection Team and/or ARWA's construction contractors that described the specific requirements to be undertaken by the construction contractors, inspection team, design engineers and operators in order to properly startup and commission the various infrastructure including the in the Facilities.

*"Environmental Compliance"* is defined in Article 6.

*"Facilities"* or *"ARWA's Facilities"* is defined as the well field, water treatment plant, treated water pipelines, Maxwell Booster Pump Station, Buda Booster Pump Station, customer delivery points and all associated facilities as described in Exhibit C to this Agreement.

*"Force Majeure"* is defined as any act, event, or condition to the extent that it adversely impacts the cost of performance of, or adversely affects the ability of, either party to perform any obligation

under this Agreement (except for payment obligations) if such act, event or condition, in light of any circumstances that should have been known or reasonably believed to have existed at the time, is beyond the reasonable control and is not a result of the willful or negligent act, error, omission or failure to exercise reasonable diligence on the part of the party relying thereon; provided, however, that the contesting party in good faith or failure in good faith to contest such action or inaction shall not be construed as a willful or negligent act, error, omission or lack of reasonable diligence of either party.

- (a) Inclusions subject to the foregoing, such acts, events or conditions may include, but shall not be limited to, the following:
- (i) an act of God, landslide, earthquake, fire, explosion, flood, hurricane, tornado, sabotage, or similar occurrence, acts of a public enemy, terrorism, extortion, war, blockade, insurrection, riot or civil disturbance;
  - (ii) the failure of any appropriate governmental agency, besides the Operator, or private utility to provide and maintain utilities;
  - (iii) any failure of title to the Facilities or any placement or enforcement of any lien, charge or encumbrance on the Facilities or on any improvements thereon that is not consented to in writing by, or arising out of any action or agreement entered into by, either party to the Agreement;
  - (iv) the inability of the Operator and its subcontractors to gain and maintain access to all areas of the Facilities and/or adjoining the Facilities where the Operator is required to provide services or perform any work hereunder;
  - (v) the preemption, confiscation, diversion, destruction, or other interference by, on behalf, or with authority of a governmental body in connection with a declared or asserted public emergency or any condemnation or other taking by eminent domain or similar action, in the possession of property, equipment or materials located at the Facilities, or in the performance of the Services to be performed by Operator hereunder;
  - (vi) strikes, work stoppages, or labor disputes affecting the Operator and any subcontractor (excluding material suppliers) of the Operator;
  - (vii) with respect to the Operator, the presence at the Facilities of (i) subsurface structures, materials or conditions having historical, geological, archeological, religious or similar significance; (ii) any habitat of an endangered or protected species; or (iii) functioning subsurface structures used by utilities on, underneath, near or adjacent to the Facilities;
  - (viii) with respect to the Operator, (i) the presence anywhere in, on or under the Facilities on the Commencement Date of underground storage tanks; (ii) the presence of hazardous materials or regulated substances in environmental media anywhere in, on or under the Facilities as of the Commencement Date; (iii) the off-site migration of pollutants and/or off-site contamination, including any migration of pollutants that is not caused by the negligence of the Operator; or (iv) contamination of the Facilities from groundwater, soil or airborne hazardous materials or regulated substances migrating from sources outside the Facilities to the extent not caused by

the Operator's negligence;

- (ix) with respect to the Operator, damage to the Facilities caused by third parties not related to or under the control of the Operator including, but not limited to, other contractors and subcontractors for ARWA;
  - (x) the failure of any subcontractor or supplier to furnish services, materials, chemicals or equipment on the dates agreed to, but only if such failure is the result of an event that would constitute Force Majeure if it affected the Operator directly, and the Operator is not able after exercising all reasonable efforts to timely obtain substitutes; and
  - (xi) the breach of this Agreement by one of the parties to the extent that it adversely impacts the non-breaching party's cost of performance under this Agreement or adversely affects the ability of the non-breaching party to perform any obligation under this Agreement,
- (b) Exclusions. None of the following acts, events or conditions shall constitute an event of Force Majeure:
- (i) general economic conditions, interest or inflation rate fluctuations, commodity prices or changes in process, or currency or exchange rate fluctuations;
  - (ii) changes in the financial condition of ARWA, the Operator, or any of their Affiliates or subcontractors;
  - (iii) union work rules which increase the Operator's operating cost for the Facilities; provided however, that such a change shall be subject to adjustment under Section 8.2;
  - (iv) any impact of prevailing wage laws on the Operator's costs, provided however that such requirements or demands may constitute a Change of Law entitling the Operator to additional compensation through the annual Adjustment Process described in Section 8.2;
  - (v) the consequence of Operator error, including any errors of Operator Affiliates or subcontractors; and/or
  - (vi) litigation against ARWA and/or Operator.

*"ARWA's Environmental Permit(s)" or "Environmental Permit(s)"* shall refer to ARWA's permits for the Facilities. Copies of all Environmental Permits are attached as Exhibit B to this Agreement.

*"Operator"* is defined in the, Preamble to this Agreement.

*"Preventative Maintenance"* is defined as the maintenance outlined in the equipment vendor's Operation and Maintenance submittals outlining the routine maintenance to be performed to help prevent unexpected equipment failures in the future.

*"SCADA"* is defined as a computer system for supervisory control and data acquisition for

gathering and analyzing real time data at the ARWA's Facilities.

"*Services*" is defined in Section 4.1.

"*Shutdown*" is defined as the cessation or substantial interruption of normal operations at the Facilities due to the failure of operating equipment or interruption of the processes of the Facilities for reasons other than the negligence of the Operator or its employees, agents or subcontractors.

"*State*" is defined as the State of Texas.

"*TCEQ*" is defined as the Texas Commission on Environmental Quality or its successor with jurisdiction.

"*Transition*" is defined as the period of time between notice from ARWA that it intends to operate the Facilities and the end of the term of this agreement.

## **Article 2 PURPOSE**

Commencing on the Commencement Date and during the term of this Agreement, ARWA agrees to engage the Operator as an independent contractor to operate and maintain the Facilities, and Operator agrees to operate and maintain the Facilities in accordance with the terms and conditions of this Agreement, Applicable Law, and all permits, licenses, manufacturer's protocols, and specifications applicable to the operation and maintenance of the Facilities. Each party hereto agrees that it will cooperate in good faith with the other and its agents, employees, representatives, officers, contractors, and subcontractors to facilitate the performance of the mutual obligations set forth in this Agreement.

## **Article 3 REPRESENTATIONS AND WARRANTIES OF THE PARTIES**

### **Section 3.1 Representations and Warranties of ARWA**

ARWA hereby represents and warrants that, as of the date hereof:

- (a) It is a political subdivision of the State of Texas duly organized, validly existing and in good standing under the laws of the State, with all legal right, power and authority to enter into this Agreement, to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, and to enter into and perform its obligations under this Agreement.
- (b) This Agreement, ARWA's execution and delivery of this Agreement and ARWA's performance of its obligations hereunder, have been duly and validly authorized. This Agreement has been validly executed and delivered by ARWA and constitutes a legal, valid, and binding obligation of ARWA, enforceable in accordance with its terms.
- (c) ARWA's execution, delivery, and performance of this Agreement will not conflict with, or result in any violation of, or constitute a default or a condition which upon notice or lapse of time, or both, would constitute a default under any judgment, order, writ, injunction, decree, rule, regulation, permit, license, note, agreement, mortgage, deed, contract or other

instruments that apply to, or which bind ARWA or any of its assets and properties.

- (d) There are no actions, suits, proceedings or governmental investigations pending, or, to its best knowledge, threatened against it or its assets or properties, and no judgments, decrees, orders, rulings, writs or injunctions outstanding against it or its assets or properties, that would in any case have a material adverse effect upon ARWA's ability to execute this Agreement or otherwise to consummate and perform its respective obligations hereunder.
- (e) ARWA and its representatives are fully familiar with this Agreement and the obligations set forth herein, including all the exhibits and schedules attached to this Agreement, if any, and ARWA is fully capable of performing and complying with the same.
- (f) ARWA does not warrant or guarantee any amount of raw water flow to the Facilities. The parties acknowledge that the amount of raw water flow to the Facilities may impact the costs of operations and the parties shall adjust the Budgeted Annual Facilities Expenditure amount accordingly.

### **Section 3.2 Representations and Warranties of the Operator**

Operator hereby represents and warrants to ARWA that, as of the date hereof:

- (a) It is a governmental agency of the State of Texas duly organized, validly existing and in good standing under the laws of the State of Texas, and qualified to conduct business in the State with full power and authority to enter into this Agreement, to carry on its business as now conducted and as proposed to be conducted, and to enter into and perform this Agreement.
- (b) This Agreement, Operator's execution and delivery of this Agreement, and Operator's performance of its obligations hereunder, have been duly and validly authorized by Operator by all necessary action. This Agreement has been validly executed and delivered by Operator and constitutes a legal, valid and binding obligation of Operator, enforceable in accordance with its terms.
- (c) The execution, delivery and performance of this Agreement will not conflict with, or result in any violation of, or constitute a default *or* a condition which upon notice of lapse of time, or both, would constitute a default, under the organizational documents of Operator nor under any judgment, order, writ, injunction, decree, rule, regulation, permit, license, note, agreement, mortgage, deed, contract or other instruments that apply to, or which bind, Operator or any of its assets or properties.
- (d) There are no actions, suits, proceedings or governmental investigations pending, or, to its best knowledge, threatened against it or its assets or properties, and no judgments, decrees, orders, rulings, writs or injunctions outstanding against it or its assets or properties, that would in any case have a material adverse effect upon Operator's ability to execute this Agreement or otherwise to consummate and perform its respective obligations hereunder.
- (e) The Operator is fully familiar with this Agreement and the obligations set forth herein, including all exhibits and schedules attached to this Agreement, if any, and Operator is capable of performing and complying with same.

### **Section 3.3 Disclosure of Information; Discovery and Public Information Requests**

ARWA and the Operator each represent and warrant to the other that each has disclosed, and will in the future disclose, any and all information it now has, or may have in the future, relating to the Facilities that may be relevant to the other in performing its duties and obligations. Such information shall include, but shall not be limited to, the appropriate sections of any vulnerability or security assessment performed (including any vulnerability assessments performed in accordance with 42 USCS §300i-2 or any other similar statute), environmental audits, prior permit violations and/or dealings with regulatory agencies. ARWA and the Operator each acknowledge that they are subject to disclosure requirements under applicable laws, including without limitation the Texas Public Information Act, Tex. Govt. Code § 552.001, *et seq.*, and that they may be required under applicable law to disclose certain information. Each party agrees that if any information request is made of them pursuant to any such laws, the party receiving the requests will, as soon as reasonably possible, notify the other party as provided for notifications in this contract in such a manner that the other party may take steps to protect the confidential information so requested. Neither party shall be obligated to the other party under this Agreement to petition authorities or courts to resist public disclosure of any information requested under applicable public disclosure or discovery laws.

## **Article 4 SCOPE OF SERVICES AND OPERATOR'S RESPONSIBILITIES**

### **Section 4.1 General**

Subject to the terms and conditions provided herein, the Operator shall provide, at all times during the term of this Agreement, unless earlier terminated, the labor, tools, equipment and materials, including an on-site routine stock of chemicals necessary for the operation and maintenance of the Facilities to the extent specifically set forth in this Article 4 (hereinafter the "Services"). The Services include: (a) operations of the ARWA well field; (b) treatment of raw water and transmission of the treated water by the Facilities; (c) routine preventive maintenance of the Facilities; (d) laboratory testing and analysis; and (e) preparation and prompt delivery of all applicable and required filings to ARWA and to regulatory agencies as prescribed by Applicable Law. Specifically, the Operator shall be responsible for providing the Services under this Agreement at all times.

### **Section 4.2 Standard of Care**

The Services provided under this Agreement are of a professional nature and shall be performed in accordance with the degree of skill and care ordinarily exercised by members of Operator's profession in the geographic region of the Facilities. At a minimum the Operator shall comply with Texas Administrative Code Title 30 Part 1 Chapter 290(D) Rule 290.46.

### **Section 4.3 Process Control**

- (a) The Operator shall operate and maintain the Facilities and all equipment and processes contained therein in accordance with relevant operation and maintenance manuals for the Facilities, Applicable Law, and the Environmental Permits.
- (b) During any ARWA-approved construction or other modification of the Facilities, ARWA and the Operator will work together to maintain Operator's access to the Facilities and to minimize disruption and outages to the Facilities' existing equipment and components. ARWA and the Operator will jointly develop a plan that will address protection to the Facilities' equipment and processes during any such construction and/or other rehabilitation period while providing for the continued operation of the Facilities to the extent reasonably

possible.

- (c) As available, ARWA shall provide Operator true and exact copies of all record drawings, as built drawings, operating and maintenance manuals, and other documents necessary to effectively and efficiently operate the ARWA-approved constructed or modified Facilities prior to start-up of said Facilities.
- (d) All operation manuals, processes, practices, policies, or other documents developed by ARWA, Operator or a third party, including equipment manufacturers, used or developed for the operation and/or maintenance of the Facilities shall, at all times, be owned by ARWA. Upon request, Operator shall make such operation manuals, processes, practices, policies, or other documents available to ARWA.

#### **Section 4.4 Startup, Testing & Commissioning of Facilities**

The Operator will be responsible for participating in the Startup, Testing and Commissioning of the Facilities that are not operational as of the agreement date. The Operator shall provide Staff to review the Commissioning and Startup Plan and participate in the field for the Commissioning of all Facilities to ensure that the Facilities operate in a manner sufficient to operate the system.

#### **Section 4.5 Routine Maintenance of the Facilities and Equipment**

Subject to the limitations set forth in Section 4.6, and Section 8.4 below, the Operator shall (i) perform routine preventive maintenance in accordance with manufacturers' specifications and approved operating and maintenance procedures developed for equipment and processes of the Facilities; (ii) repair and/or replace equipment intended to be replaced and/or repaired; (iii) clean and lubricate equipment; (iv) make equipment inspections and needed adjustments; (v) perform predictive maintenance as appropriate; (vi) perform building and grounds janitorial services for the Facilities and cleaning of all equipment and vehicles; (vii) perform plumbing and electrical maintenance; (viii) maintain vehicles and light duty service trucks necessary for daily operations; and (ix) maintain all of the Facilities' instrumentation, including instrumentation provided to the Operator by ARWA pursuant to this Agreement. Operator shall schedule and track all preventive and corrective maintenance and perform spare parts inventory control in accordance with standard industry practice.

#### **Section 4.6 Repairs and Replacement**

- (a) The Operator shall initially, subject to the ARWA's compensation obligations of Article 8, be responsible for all Annual Facilities Expenditures not to exceed the amount budgeted for repairs and replacement in the approved Budgeted Annual Facilities Expenditures without the prior consent of ARWA or except in an Emergency as further described in Section 4.13 below.
- (b) The Operator shall not incur any single maintenance related expenditure that is not included in the Budgeted Annual Facilities Expenditure amount approved by ARWA without the prior written approval of ARWA, except in the case of an Emergency as further described in Section 4.13 below. When the Operator determines that a condition constitutes an Emergency, the Operator may begin taking the necessary abatement action, including all necessary equipment repairs, immediately without ARWA's prior approval. Any cost incurred during the Emergency shall be included in the Annual Facilities Expenditures, subject to the ARWA's subsequent review and approval.

#### **Section 4.7 Staffing**

- (a) The Operator shall provide qualified and, where required, licensed staffing for the operation and maintenance of the Facilities in accordance with ARWA's Environmental Permits. The Operator is an Equal Opportunity Employer. The Operator will employ personnel to provide the Services under this Agreement that have the same level of training, health monitoring and other supervision, including drug testing, that Operator employs to work on other comparable facilities that the Operator owns and/or operates. The Operator shall provide on the Commencement Date and annually within thirty (30) days of an Agreement Year thereafter to ARWA the names of all personnel that may be working at the facilities and update the list with any changes monthly. The parties acknowledge and agree that employees of the Operator who work at or on the Facilities are not employees of ARWA.
- (b) ARWA shall have the right to approve of the Chief Operator for the Facilities. If the Operator makes a change to the Chief Operator, then options must be provided to ARWA for approval.
- (c) The Operator shall provide an appropriate level of training for its personnel.
- (d) Before commencing consulting work related to the Facilities, names of third-party consulting firms engaged by the Operator shall be provided to ARWA for approval. Without express, written approval or consent of ARWA, third party consulting firms may not enter the Facilities.

#### **Section 4.8 Testing and Laboratory Analysis**

Operator shall perform or shall contract with a NELAP accredited laboratory to perform all sampling and laboratory analysis required by ARWA's Environmental Permits. Laboratory procedures and analysis shall conform to the then current edition of Standard Methods for the Examination of Water and Wastewater or shall be in accordance with testing requirements of ARWA's Environmental Permits. Operator shall routinely confirm that lab results have been properly reported into the official state database (Drinking Water Watch).

#### **Section 4.9 Safety**

The Operator shall implement a proper safety program prior to beginning its Services under this Agreement. Such safety program shall comply with Applicable Laws and Environmental Permits and Operator agrees that it will adhere to all portions of that safety program; provided however that under all circumstances, Operator does not herein, and does not assume any obligation or incur any liability for any injury, death or damage, other than to employees or property of Operator, caused by (i) unsafe site conditions not created by the Operator or by any of its agents, employees, and subcontractors, (ii) work being performed by other parties not related to the Operator, (iii) the negligence of ARWA, and/or (iv) the negligence of any third party not related to the Operator. However, this does not limit the Operator's liability in any manner except as provided in Article 10.

#### **Section 4.10 Communications**

- (a) ARWA hereby provides consent for the Operator to interface with regulatory agencies in matters related to compliance with ARWA's Environmental Permits and/or with respect to matters required under the Operator's staff certification and licensing requirements and/or



as otherwise necessary to comply with Applicable Law, including communication during an Emergency. Operator shall, as soon as practicable and in reasonable detail, inform ARWA of the subject matter of such communications with regulatory agencies.

- (b) The Operator may contact the ARWA Sponsor Entities (the City of San Marcos, the City of Kyle, the City of Buda, County Line SUD, Crystal Clear SUD and Green Valley SUD) directly for any issues related to delivered water quality and/or quantity from the Carrizo System, with copies of correspondence to ARWA.
- (c) All other communications with regulatory agencies, the media, ARWA Sponsor Entities or community groups may occur only upon ARWA's request or with ARWA's prior approval.

#### **Section 4.11 Reports**

- (a) Operator shall maintain computerized and other necessary records of operations, maintenance, repair and improvement activities at the Facilities and shall prepare and submit to ARWA a monthly report, delivered to ARWA not later than twenty (20) days following the end of each month, including a narrative and itemized summary of operations, maintenance, repair and replacement activities and data required for monthly reporting to local, State and federal agencies. The monthly report shall also include the following items: (i) insurance claims, excluding any workman's compensation medical information, that are filed or pending related to the Services performed hereunder; and (ii) copies of all reports and correspondence made by the Operator to local, State and federal regulatory agencies on behalf of ARWA.
- (b) The Operator shall collect the data for all permit monitoring and operating reports required by Applicable Law or by this Agreement and shall deliver the required monitoring and operating reports to ARWA and to the appropriate regulatory agencies having competent jurisdiction over same to include any entity that regulates the production and/or transportation of groundwater. If required pursuant to Applicable Law, the Operator shall attest as to the accuracy and completeness of the data collected for each report. ARWA, however, shall at all times be responsible for maintaining all required permits for the ownership and operation of the Facilities.
- (c) All Facilities' records and data, including but not limited to operation reports, laboratory reports and monitoring documentation, but excluding Operator's budgetary and financial information, are the property of ARWA. Operator shall retain at least one electronic or hard copy of such records unless Operator remits the records to ARWA or written consent of ARWA is received to destroy such records. All site-specific operating procedure guidelines, preventive maintenance and safety programs and plant evaluation reports will, upon termination of this Agreement, become and remain the property of ARWA.
- (d) Operator shall prepare and submit to ARWA within 60 days after the expiration of each Agreement Year a report which includes a narrative and itemized summary of operations, maintenance, repair and replacement activities for the preceding Agreement Year. The report shall also include an assessment report on the conditions of the Facilities and process equipment. The assessment report shall include a list of repair or replacement projects that are included in the Budgeted Annual Facilities Expenditures as well as future projects or Capital Improvements that might be necessary to ensure that the operation of the Facilities

will conform to Applicable Law together with the projected costs associated with same. This assessment will not take the place of an evaluation by a Professional Engineer.

- (e) ARWA agrees to execute any forms or confirm to the applicable regulatory authorities that the Operator has ARWA's consent and authorization to file any reports that this Section 4.11 or other provisions of this Agreement require the Operator to file.

#### **Section 4.12 Quarterly Operations Review Committee**

Operator agrees to meet quarterly with ARWA to discuss the overall operations of the Facilities, specifically discussion will focus on the ability of the Facilities to meet ARWA's operational targets; equipment performance; well field data and related information that will inform future operations of the Facilities.

#### **Section 4.13 Emergency Response**

- (a) Operator shall provide Emergency response when required. Emergencies include situations in which, absent Operator's action, there is a risk of: (i) the Facilities' noncompliance with Applicable Law; (ii) failure of the Facilities to operate; (iii) circumstances affecting the safety of persons or property; (iv) adverse impact of extreme weather conditions and other natural or man-made disasters; and (v) the occurrence of an event of Force Majeure or Shutdown.
- (b) Operator shall provide said Emergency response as promptly as possible, but, absent extraordinary circumstances, within ninety (90) minutes of being notified of the existence of the Emergency and the need to respond thereto.
- (c) All costs incurred by the Operator in responding to Emergencies shall be borne by ARWA through the Annual Facilities Expenditure amount and the Adjustment Process described in Section 8.2, unless it is determined that the Emergency is caused by action or inaction by the Operator that was reasonably foreseeable.
- (d) In the event of sudden damage or destruction of any portion of the Facilities, or in the event of an Emergency which in the reasonable judgment of the Operator is likely to result in material loss or damage to any portion of the Facilities, or constitute a threat to human health or safety, the Operator may suspend operations of those portions of the Facilities which are reasonably determined to be affected by the Emergency and may make such Emergency repairs as are necessary to mitigate or reduce such loss, damage or threat. The Operator shall provide prompt notice to ARWA of any such damage, destruction or threat and of any Emergency repairs that have or will be taken. ARWA and the Operator shall cooperate in good faith in pursuing reasonable measures to mitigate any threats to human health or safety, or the environment.
- (e) Within sixty (60) days of the Commencement Date, the Operator shall develop an Emergency Response Plan that shall designate Emergency team members and identify the standard operating procedures to be followed. The Emergency Response Plan should be reviewed at least annually and updated as necessary.

#### **Section 4.14 Inventory and Condition of Facilities Equipment**

- (a) Within ninety (90) days of the Commencement Date, Operator shall submit a written inventory of all tools, equipment, and materials, consumables and expendable supplies, and spare parts that are assets of ARWA. The written inventory will be updated within sixty (60) days of final construction completion of each of the Facilities. Furthermore, the written inventory will be updated annually within ninety days after the expiration of each Agreement Year.
- (b) ARWA shall have twenty (20) days after receipt of the reports to verify and accept Operator's written inventories submitted pursuant to this Section 4.14(a).
- (c) At the termination of this Agreement, the Operator shall provide ARWA with inventory in quantity and/or value equal to or greater than the initial inventory, reasonable wear and tear excepted.
- (d) All equipment, tools, inventory, materials, other durable goods or consumables purchased by Operator and at a cost to ARWA for use at the Facilities shall be considered at all times property of ARWA, unless specifically agreed to by the parties to the contrary.

#### **Section 4.15 Manufacturers' Warranties**

- (a) ARWA shall inform manufacturers' of new equipment in writing that Operator is authorized to maintain warranties on ARWA's behalf. Operator's responsibility under Section (b) below does not commence until ARWA provides copies of such written correspondence to Operator.
- (b) The Operator shall be responsible for maintaining all manufacturers' warranties on new equipment purchased by ARWA after the Commencement Date. In addition, the Operator shall assist ARWA in enforcing the warranties and guarantees, if any, for existing equipment used in connection with the operation of the Facilities. Under no circumstances shall the Operator's obligations hereunder include any express or implied warranties with respect to all Facilities equipment.
- (c) Before the 120<sup>th</sup> day before the expiration of a manufacturer's warranty, Operator shall inform ARWA of the expiration of the manufacturer's warranty. Upon written request of ARWA, Operator shall ensure that the warranted item is tested by an appropriate professional to ensure that the item is in good and working like manner and performs within acceptable parameters. If the equipment or item is not working as designed, then Operator shall work to ensure that a timely and proper warranty claim is made to the appropriate entity.

#### **Section 4.16 SCADA**

The Operator shall operate, maintain, and monitor a SCADA system at ARWA's Facilities to ensure ARWA's Facilities are operating properly and in compliance with Applicable Laws and permits. Upon demand, ARWA shall have direct access to SCADA at all times, though ARWA will not be able to change any setpoints or other parameters of the SCADA system. The SCADA data shall be kept a minimum of five (5) years. All SCADA data shall be owned by ARWA. Facility SCADA system may be incorporated within and monitored by existing or future Operator SCADA systems so long as Operator SCADA systems do not impair the function or security of the Facility SCADA

system. Any SCADA integration shall be approved by ARWA.

#### **Section 4.17 Ancillary Revenue**

In addition to the Operator compensation generated hereunder, any ancillary or additional revenue opportunities that may be identified or pursued by Operator, including but not limited to water testing, lab testing, or water sampling, at the Facilities or by materials or products originating at the Facilities must be approved by ARWA. An agreement to share revenue must also be signed prior to commencement of any such operations.

#### **Section 4.18 Accounting**

Operator covenants and agrees that it will maintain financial records relating to the operation, maintenance, and repair of the Facilities as a separate utility system in keeping with standard accounting practices and the same shall be available for inspection by ARWA within thirty (30) working days of ARWA's written request.

#### **Section 4.19 Audits**

Within 120 days of Operator's fiscal year end following each anniversary date of this Agreement, Operator will have its financial records audited by a certified public accountant in good standing and shall provide ARWA a copy of the Operator's Annual Comprehensive Financial Report.

#### **Section 4.20 Energy Audits**

The Operator will have an energy audit conducted at least every other year to identify efficiencies that the Operator and ARWA can implement. The costs for such energy audits shall be included in the Annual Facilities Expenditures. Prior to having an audit conducted, the Operator and ARWA shall agree on the level of detail that will be used to conduct the audit.

### **Article 5 CAPITAL PROJECTS**

- (a) It is anticipated that Capital Improvements at the Facilities will be made by ARWA at its sole cost and expense. However, ARWA and Operator may agree in writing from time to time that Operator will make a Capital Improvement(s) subject to reimbursement by ARWA. Operator shall provide maximum cooperation in order to facilitate the construction and integration of the Capital Improvement into the Facilities. Regardless of who constructs the Capital Improvement, upon completion, the Capital Improvement shall be considered part of the Facilities.
- (b) At no time may the Operator make any Capital Improvement, or other improvements, to the Facilities without the express written consent of ARWA.

### **Article 6 ENVIRONMENTAL COMPLIANCE**

The Operator agrees that within the physical limits of the Facilities, the operation of the Facilities will comply with all provisions of Applicable Law, including the ARWA's Environmental Permits and ARWA's easement obligations, subject to none of the following conditions occurring:

- (a) An event of Force Majeure or Shutdown; and/or
- (b) ARWA's failure or refusal to approve or fund necessary Capital Improvements, maintenance, repair, and/or replacement; and/or
- (c) ARWA's failure or refusal to approve operational/process changes necessary in order to allow the Operator to continue to comply with Applicable Law; and/or
- (d) Actions of Third Parties under the direction of ARWA that negatively impacts the ability of the Operator to comply with Section 6 Environmental Compliance.

In the event that the Operator is excused from meeting the provisions of this Article 6 for any of the reasons set forth above, the Operator shall provide the best treatment reasonably possible within the constraints of the Facilities' design, condition and physical limitations and shall resume normal operations within a reasonable time following the correction of the conditions listed above.

## **Article 7 MUTUAL RESPONSIBILITIES**

### **Section 7.1 ARWA's and Operator's Representatives**

On or before the Commencement Date, ARWA and the Operator shall each designate an authorized representative (each an "Authorized Representative") to administer this Agreement. Either party to this Agreement shall provide written notice to the other party of any change to the Authorized Representatives no less than fifteen (15) days prior to said change. Unless otherwise noted, notices to a party under this agreement shall be provided to the Authorized Representative of the appropriate party.

### **Section 7.2 Permits**

ARWA shall be responsible for obtaining, maintaining and directly paying for all State, federal, and local permits, certifications, and licenses required for ownership, operation and maintenance of the Facilities, including without limitation, ARWA's Environmental Permits. ARWA shall also be responsible for the payment of all regulatory and governmental fees associated with ownership and operation of the Facilities and ARWA's equipment used in connection with the operation and maintenance of the Facilities. The Operator shall provide reasonable assistance to ARWA in obtaining and maintaining all required State, federal, and local permits and licenses associated with the ownership, operation and maintenance of the Facilities.

### **Section 7.3 Utilities**

ARWA and the Operator agree to jointly arrange for the delivery of, and provide for utility services necessary to the operation of the Facilities, including without limitation, water, wastewater, electricity, natural gas services, phone and high-speed internet service and shall be responsible for maintaining such services. Expenses incurred by the Operator under this Section 7.3 shall be included in the Annual Facilities Expenditures and paid for by ARWA at the actual cost of the utility without any mark-up by Operator.

#### **Section 7.4 Compliance with Laws**

ARWA will comply with Applicable Law pertaining to the management, ownership, operation, maintenance, repair and replacement of the Facilities to the extent that the responsibility of complying with those laws is not specifically assumed by the Operator under the terms of this Agreement. The Operator shall not be responsible for ARWA's failure to comply with any provision of Applicable Law that is not otherwise specifically assumed by the Operator hereunder.

#### **Section 7.5 License to Use the Facilities**

ARWA hereby grants the Operator, without charge, a license during the term of this Agreement for the Operator's use of the Facilities, including all equipment, structures, facilities and vehicles under ARWA's ownership and which have been assigned by ARWA to the Facilities. An inventory of items assigned by ARWA to the Facilities will be prepared in accordance with Section 4.14.

#### **Section 7.6 Notice of Litigation**

In the event that ARWA receives notice of or undertakes the defense or the prosecution of any action, claim, suit, administrative or arbitration proceeding or investigation in connection with the ownership, operation and/or maintenance of the Facilities and/or this Agreement, ARWA shall give the Operator prompt notice of such proceedings and shall inform the Operator in advance of all hearings regarding such action, claim, suit, proceeding, or investigation. In the event the Operator receives notice of any action, claim, suit, administrative or arbitration proceeding or investigation in connection with the ownership, operation and/or maintenance of the Facilities and/or this Agreement, the Operator shall give ARWA prompt notice of such proceedings.

#### **Section 7.7 Access**

ARWA shall have full and unrestricted access to any and all parts of the Facilities to review the performance of the Operator and inspect the Facilities during normal business hours. If notice is not provided prior to any such visit or inspection, such visit or inspection must be announced immediately upon the arrival of the visiting and/or inspection party at the Facilities. In connection with such visits and inspections, ARWA agrees on behalf of itself, and further agrees to require its agents, licensees, or invitees, to comply with all reasonable safety rules and regulations adopted by the Operator and/or promulgated by any governmental authority that regulates workplace safety. ARWA shall not allow its employees, agents, licensees, or invitees to operate or manipulate in any fashion any controls or equipment within the Facility without express consent of Operator.

#### **Section 7.8 Approval or Disapproval of Proposed Extraordinary Costs**

In the event that the Operator provides written notice to ARWA in accordance with Section 4.6(b) that it proposes to incur an expenditure requiring ARWA's approval, ARWA shall provide Operator with approval or disapproval of the proposed action within forty-eight (48) hours of receipt of such notice. In the event that the Operator does not receive notice of approval or disapproval within seventy-two (72) hours, ARWA will be deemed to have approved of the proposed action. ARWA shall provide Operator with a contact who is authorized to take action and give approvals on behalf of ARWA and who can respond within in 4 hours for items that are needed on an emergency basis. Operator is authorized to act without approvals in emergency conditions when time is of the essence and life, safety and health are in jeopardy.

## **Section 7.9 General Authority**

ARWA shall perform all duties and discharge all responsibilities and obligations relating to the operation and maintenance of the Facilities not expressly assumed by the Operator pursuant to the terms of this Agreement.

## **Article 8 COMPENSATION**

### **Section 8.1 Base Compensation and Budget**

- (a) Operator shall bill and ARWA shall pay monthly for Services performed pursuant to this Agreement for each month or partial month between the Commencement Date and ARWA's next fiscal year end. Thereafter, ARWA shall pay the Operator each month 1/12<sup>th</sup> of the then-current Budgeted Annual Facilities Expenditures (the "Base Compensation"). The Base Compensation shall be payable, in advance, on the first day of each and every month for the duration of the Agreement, as adjusted pursuant to subparagraph (b) below.
- (b) At least 120 days before the start of each Agreement Year during the term of this Agreement, Operator shall provide ARWA with a budget document describing the basis of the following fiscal year's tentative Budgeted Annual Facilities Expenditures and resulting Base Compensation for such year. ARWA shall review and approve of this budget document at least 60 days prior to the beginning of an Agreement Year. If ARWA fails to approve the budget within said period, the parties shall collaborate to consider budget changes acceptable to both parties. During the pendency of such collaborations, the previous year's Base Compensation shall be the basis of Operator's monthly billings to ARWA. If the parties are unable to reach an agreement within 90 days following the start of the new Agreement Year, the previous year's Base Compensation plus five percent (5%) shall be the basis of Operator's monthly billings to ARWA. Said amount will continue to be charged until the parties agree on a Base Compensation.

### **Section 8.2 Adjustment Process**

- (a) The Operator will track Annual Facilities Expenditures and quarterly, based on ARWA's fiscal year, shall provide ARWA with a year-to-date Facilities Expenditure report on the preceding quarter, no later than the 20<sup>th</sup> day after the beginning of the next quarter. If, at any point during ARWA's fiscal year, the actual Annual Facilities Expenditures incurred to that point exceed the year-to-date Budgeted Annual Facilities Expenditures, the Operator will provide notice to ARWA of such exceedance.
- (b) Thereafter at Fiscal Year end, the Operator shall undertake an Adjustment Process such that any portion of the Budgeted Annual Facilities Expenditures that has not been spent at the end of each Fiscal Year will be reimbursed to ARWA within sixty (60) days following the end of ARWA's Fiscal Year. Similarly, if actual Annual Facilities Expenditures exceed the Budgeted Annual Facilities Expenditures amount at fiscal year-end, such exceedance shall be billed by Operator to ARWA and paid within sixty (60) days of receipt of invoice.

### **Section 8.3 Additional Services**

Except in connection with an Emergency or Shutdown, the parties shall agree upon a price for any Additional Services to be provided by the Operator prior to the delivery of such Additional Services.

ARWA shall pay the Operator at the agreed price for any Additional Services within thirty (30) days of receipt of Operator's invoices for such Additional Services.

#### **Section 8.4 Other Costs and Expenses**

Unless specifically provided otherwise in this Agreement, the Operator will not be required to bear the costs of the following:

- (a) Expenses resulting from a change in the scope of Services or physical change(s) to the Facilities;
- (b) Expenses resulting from a Change of Law;
- (c) All repairs necessitated by the occurrence of a disabling event qualifying under the definition of Force Majeure or Shutdown hereunder;
- (d) Special, additional or extraordinary expenses incurred by the Operator in providing an emergency response following the occurrence of a disabling event qualifying under the definition of Force Majeure or Shutdown hereunder;
- (e) Expenses related to private surveillance and alarm monitoring by third party vendors;
- (f) Fire protection;
- (g) Professional engineering fees;
- (h) Capital Improvements, unless agreed to otherwise by the parties;
- (i) Taxes as provided in Section 8.5 below;
- (j) All expenses necessitated by the repair and/or replacement of equipment or structure damages by parties unrelated to and not under the supervision of the Operator;
- (k) Any cost for each and every other obligation assumed by ARWA pursuant to this Agreement, but not specifically delineated in this Section 8.4.

ARWA shall directly pay and/or reimburse and/or compensate the Operator for all expenses incurred or paid by the Operator for those items listed in (a) through (k) above within thirty (30) days of Operator's submission of Operator's invoices unless such expenses are included in the Budgeted Annual Facilities Expenditures.

#### **Section 8.5 Taxes**

ARWA shall pay directly or reimburse Operator for any taxes that Operator may be required to pay under Applicable Law, including without limitation, any and all sales, use, gross receipts and/or transaction privilege taxes due in connection with or as a result of the Operator's purchase, consumption, or use, in performing the Services hereunder, of tangible personal property and/or subcontracted services.



## **Section 8.6 Payments**

Any and all payments due to either party under this Agreement, including without limitation, interest for late payments, shall be governed by the terms of the Prompt Payment Act, Tex. Govt. Code § 2251.001, *et seq.*

## **Article 9 TERM, TERMINATION AND TRANSITION**

### **Section 9.1 Term**

- (a) This Agreement shall remain in full force and effect to the end of ARWA's fiscal year end following the third (3<sup>rd</sup>) anniversary of the Commencement Date unless terminated for cause as provided for in Section 9.2 below.
- (b) Thereafter, this Agreement shall be automatically renewed for successive five (5) year periods unless cancelled in writing by either party at least one hundred eighty (180) days prior to the expiration of the then current term. Modifications to the Base Compensation shall be made pursuant to Section 8.1(b) of this Agreement.

### **Section 9.2 Termination**

- (a) The failure of either party to comply with any of the material terms of this Agreement shall constitute a default. Upon default by one party, the other party shall send written Notice of Termination. Such notice shall clearly specify the nature of the default and provide the defaulting party forty-five (45) days to cure the default. If the default is capable of being cured within forty-five (45) days but is not cured within forty-five (45) days, the Agreement shall terminate at midnight of the forty-fifth (45th) day following receipt of the Notice. In the case of default that cannot be cured within forty-five (45-) days, this Agreement shall not terminate so long as the defaulting party has given written notice of the extension to the other party and the defaulting party has commenced and is diligently pursuing a cure. Evidence of such cure and its diligent pursuit shall be provided from the party determined to be in default to the satisfaction of the other party.
- (b) In the event of the termination of this Agreement under (a) above, ARWA shall pay Operator for the Services provided and invoiced by Operator up to the effective date of termination plus the unamortized balance of Capital Improvements or items listed in Article 5 that are financed or paid for by the Operator as reflected on Operator's financial statements. Payment shall be made within thirty (30) days of the date of termination.

### **Section 9.3 Transition**

ARWA may elect to operate the Facilities at the end of the term of this agreement with its own staff. During this transition period, the operator agrees to assist in training ARWA Staff in operations for a maximum of one hundred twenty (120) days. Training shall include specific training on the equipment utilized, typical operational parameters and providing copies of all operation and maintenance plans, safety and emergency plans and other related data prepared by the Operator in its routing operations of the Facilities.

## Article 10 RISK MANAGEMENT/LIABILITY

### Section 10.1 Proportionate Responsibility

- (a) This section applies:
  - (i) In the event that actions are commenced and prosecuted against either ARWA or the Operator for claims, damages, or civil or administrative penalties arising from activities to be performed by either Party under this Agreement and the applicable party has notified the other party of the claims, damages or civil or administrative penalties and seeks contribution from the other party; or,
  - (ii) In the event that an administrative order or judgment, whether prosecuted or voluntarily agreed to by a party, is rendered against either ARWA or the Operator for Operator for damages or civil or administrative penalties arising from activities to be performed by either Party under this Agreement, and ARWA or the Operator seeks contribution from the other.
- (b) Each Party's responsibility shall be determined in the manner prescribed for the determination of Proportionate Responsibility under Texas Civil Practice and Remedies Code § 33.001, *et seq.* (the "Proportionate Responsibility Statute") and as prescribed by this Section 10.1. The Proportionate Responsibility Statute shall cover all events described in subsection (a) regardless of whether such events are described in the said Proportionate Responsibility Statute. Further, in assigning proportionate responsibility under this Section, §33.001 of the Proportionate Responsibility Statute shall not be controlling on the parties.
- (c) In determining proportionate responsibility, any relevant factors (including defenses) under the Proportionate Responsibility Statute may be raised, and any duties or responsibilities that either ARWA or the Operator has under this Agreement may be raised, including without limitation, the factors to be considered in determining the Operator's environmental compliance obligations under Article 6 hereof.
- (d) Notwithstanding any provision to the contrary contained in this Agreement, in no event shall either party be liable, either directly or as an indemnitor of the other party, for any special, punitive, indirect and/or consequential damages, including damages attributable to loss of use, loss of income or loss of profit even if such party has been advised of the possibility of such damages. Nothing herein shall be construed to have any effect on any defenses or immunities that either ARWA, the Operator, the members of their respective governing bodies, or their officers and employees have or may hereafter have.

### Section 10.2 Operator's Insurance

- (a) The Operator shall provide and maintain at least the following levels of insurance or risk management coverage at all times during the term of this Agreement:
  - (i) Commercial General Liability Insurance, including contractual liability, with a limit of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate; and

- (ii) Workers Compensation Insurance in compliance with the statutes of the State that has jurisdiction over Operator's employees engaged in the performance of Services hereunder, to the required statutory amount; and
  - (iii) Automobile Liability Insurance with a combined single limit in the amount of one million dollars (\$1,000,000) and an aggregate cap of three million dollars (\$3,000,000).
  - (iv) Pollution / Environmental Impairment Policy of five million dollars (\$5,000,000) per loss and aggregate of five million dollars (\$5,000,000).
  - (v) Excess liability of ten million dollars (\$10,000,000) for each occurrence and in the aggregate.
- (b) The Operator will furnish ARWA with certificates of insurance which evidence that policies providing the required coverage and limits are in full force and effect. In addition, the Operator will name ARWA as an additional insured on the general liability policy, automobile liability and excess liability policies with respect to the Services performed under this Agreement during the term of this Agreement except for any claim against or loss suffered by ARWA arising as a result of ARWA's negligence or fault and, in circumstances of joint fault or negligence, except to the extent of the loss attributable to ARWA's proportionate degree of negligence or fault. Operator agrees to provide a Waiver of Subrogation in favor of ARWA for the Worker's Compensation, Commercial General Liability, Automobile Liability, and Excess Liability policies. Operator agrees to provide the ARWA with thirty (30) days notice prior to cancellation of any policy hereunder.

**Section 10.3 ARWA Insurance**

ARWA will maintain all risk property insurance for the full replacement value of the Facilities; including coverage for flood and losses resulting from certified and non-certified acts of terrorism.

**Section 10.4 Operator's Liability**

In the event that claims(s) raised against the Operator on account of this Agreement, or on account of the Services performed hereunder, is/are covered under Operator's insurance policies required of the Operator hereunder, the Operator shall be responsible for any loss, damage or liability up to those policy limits.

**Article 11 POINT OF DELIVERY**

The points of delivery of treated water to the Facilities shall be at the locations indicated in Exhibit D. ARWA and Operator may designate substitute or additional points of delivery at any time by mutual agreement.

Title to all raw and treated water while in the Facilities shall not change as a result of this Agreement.

**Article 12 MISCELLANEOUS**

**Section 12.1 Relationship**

The relationship of the Operator to ARWA is that of independent contractor for all purposes under this Agreement, including for the purposes of applicable wage, tax, fringe benefit and worker

compensation laws. This Agreement is not intended to create, and shall not be construed as creating, between Operator and ARWA, the relationship of principal and agent, joint venturers, co-partners or any other similar relationship, the existence of which is hereby expressly denied.

### **Section 12.2 Construction**

In construing this Agreement, the following principles shall be followed: (i) no consideration shall be given to the captions of the articles, sections, subsections or clauses, which are inserted for convenience in locating the provisions of this Agreement and not as an aid in construction; (ii) no consideration shall be given to the fact or presumption that any of the parties had a greater or lesser hand in drafting this Agreement; (iii) examples shall not be construed to limit, expressly or by implication, the matter they illustrate; (iv) the word "includes" and its syntactic variants mean "includes, but is not limited to" and corresponding syntactic variant expressions; (v) the plural shall be deemed to include the singular, and vice versa; (vi) each gender shall be deemed to include the other genders; (vii) each exhibit, appendix, attachment and schedule to this Agreement is a part of this Agreement; and (viii) any reference herein or in any schedule hereto to any agreements entered into prior to the date hereof shall include any amendments or supplements made thereto.

### **Section 12.3 Entire Agreement; Amendments**

This Agreement contains the entire agreement between ARWA and the Operator and supersedes all prior or contemporaneous communications, representations, understandings or agreements the subject of which is the operation and maintenance of the Facilities. This Agreement may be modified only by a written amendment signed by both parties.

### **Section 12.4 Waiver**

The failure on the part of either party to enforce its rights as to any provision of this Agreement shall not be construed as a waiver of its rights to enforce such provisions in the future.

### **Section 12.5 Assignment**

This Agreement shall be binding upon the successors and assigns of each of the parties, but neither party shall assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld. ARWA may assign this Agreement to a new owner of the Facilities if ARWA sells the Facilities, provided, however, that such assignee expressly and in writing assumes all obligations of ARWA under this Agreement now or as hereafter amended. Nothing contained in this Section 12.5 shall be construed to release either party in the event of an assignment of either party's interest.

### **Section 12.6 Force Majeure**

A party's performance of any obligation under this Agreement shall be excused if, and to the extent that, the party is unable to perform because of any event of Force Majeure. In any such event, the party unable to perform shall be required to resume performance of its obligations under this Agreement upon the termination of the event or cause that excused performance hereunder.

### **Section 12.7 Governing Law and Venue**

The Agreement shall be governed by and construed in accordance with the laws of the State. The

parties agree that the venue of any action arising from this Agreement shall be in the appropriate State court having competent jurisdiction located in the judicial district in which ARWA is located.

### **Section 12.8 Notices**

(a) All notices described in Section 12.8 (b) and (d) shall be in writing. Notice required under Section 12.8(b) or (d) shall be deemed given when the writing is mailed, postage paid by certified mail, return receipt requested. Electronic mail notice shall be deemed given when a message is sent to the relevant address provided below. Addresses and the recipients for notice may be changed by a Party at any time, provided at least 5 business days' written notice is given as prescribed in Section 12.8(b) or (d), as applicable.

(b) Notices required to be given to the Operator will be addressed to:

Guadalupe-Blanco River Authority  
933 East Court Street  
Seguin, Texas 78155  
ATTN: General Manager/CEO

(c) Any notices relating to operation of the Facilities including, without limitation, notices relating to emergencies at the Facilities shall also be provided by electronic mail and telephone to:

Director of Operations  
Jason Biemer  
Email: [jbiemer@alliancewater.org](mailto:jbiemer@alliancewater.org)  
Telephone: (512) 843-5390

(d) Notices required to be given to ARWA will be addressed to:

Alliance Regional Water Authority  
630 E. Hopkins  
San Marcos, Texas 78666  
ATTN: Graham Moore, Executive Director

### **Section 12.9 Severability**

Should any part of this Agreement for any reason be declared invalid or void, such declaration will not affect the remaining parts of this Agreement, which will remain in full force and effect as if the Agreement had been executed with the invalid portion eliminated.

### **Section 12.10 Counterparts**

This Agreement may be executed in more than one counterpart, each of which shall be deemed an original.

### **Section 12.11 Modification of Agreement**

No change in or modification, termination or discharge of this Agreement, in any form whatsoever,

shall be valid or enforceable unless it is in writing and signed by the party to be charged therewith or its duly Authorized Representative, provided, however, that any change in or modification, termination or discharge of this Agreement expressly provided for in this Agreement shall be effective as so provided.

**Section 12.12 Recitals**

The Parties agree that the recitals are true and correct.

**Section 12.13 Survival**

Termination or expiration of this Agreement shall not release either party from any liabilities or obligations set forth in this Agreement which (i) the parties have expressly agreed shall survive any such termination or expiration; or (ii) remain to be performed or by their nature would be intended to be applicable following such termination or expiration.

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the date first set forth above.

**ALLIANCE REGIONAL WATER AUTHORITY:**

By: \_\_\_\_\_

\_\_\_\_\_  
Name/Title:

**GUADALUPE-BLANCO RIVER AUTHORITY:**

By: \_\_\_\_\_

\_\_\_\_\_  
Name/Title:

**EXHIBIT A  
BASELINE WATER CONDITIONS**

The estimated costs for Services under this Agreement are based upon the following capacities:

- (a) ARWA Maximum Well Field Production: 6.13 MGD
- (b) Treatment Plant Production, Min & Max: 4.0 MGD & 19.51 MGD, respectively
- (c) Maxwell Booster Pump Station Capacity, South and North: 9.7 MGD & 5.1 MGD, respectively
- (d) Buda Booster Pump Station Capacity: 0.5 MGD

Below is the projected raw water influent from the ARWA well field:

<b>Parameter</b>	<b>Units</b>	<b>Min - Max</b>
Temperature	°C	18 – 25
pH	Standard Units	5.4 – 7.2
Alkalinity, Total	mg/L as CaCO <sub>3</sub>	< 20
Hardness, Total	mg/L as CaCO <sub>3</sub>	15 - 40
Iron, Total	mg/L	4.0 – 5.0
Manganese, Total	mg/L	0.08 – 0.14
Calcium	mg/L as Ca <sup>2+</sup>	12 – 25
Chloride	mg/L	15 – 60
Sulfate	mg/L	35 – 50
TDS	mg/L	125 - 225

**EXHIBIT B**  
**DESCRIPTION OF FACILITIES**

Below are the physical addresses for the primary non-pipeline Facilities:

- ARWA Water Treatment Plant (WTP): 962 Wolf Run Road  
Rosanky, TX 78953
- Maxwell Booster Pump Station (BPS): 9912 TX-142  
Maxwell, TX 78656
- Buda Booster Pump Station (BPS): 2281 Jack C. Hays Trail  
Buda, TX 78610

The Facilities, as of the Execution Date, are described as follows:

- The following equipment is located at the WTP:
    - Four (4) Carrizo wells located at the WTP, each with a 250 HP motor
    - Sodium Hypochlorite (NaOCl) chemical injection
    - Two 1 million gallon, pre-stressed concrete Raw Water Storage Tanks
    - Two Raw Water Flow Meters
    - A Rapid Mix Basin with four mixers and the following chemical injections:
      - Carbon dioxide (CO<sub>2</sub>), including 60 ton tank
      - Lime [Ca(OH)<sub>2</sub>], including four, 20,000 gallon tanks
      - Sodium Permanganate (NaMnO<sub>4</sub>), including 6,800 gallon bulk tank and 900 gallon day tank
      - Sodium Hypochlorite (NaOCl), including two 9,600 gallon bulk tanks and two, 2,000 gallon day tanks
    - Six gravity sand filters with sand and anthracite within an enclosed building
    - Sodium Hypochlorite (NaOCl) chemical injection
    - One 2 million gallon pre-stressed concrete Clearwell
    - Three vertical; turbine high service pumps
    - Sodium Hypochlorite (NaOCl) chemical injection
    - Hydropneumatic Surge Tank
    - Flow Meter
    - Two vertical turbine plant water pumps with a dedicated flow meter and a bladder tank
    - Three vertical turbine filter backwash pumps with a dedicated flow meter
    - Two air scour blowers
    - A Flow Equalization Basing with two submersible transfer pumps
    - A plate settler
    - Two sludge pumps
    - Sludge drying beds
    - Recycle Pump Station with three submersible pumps and a dedicated flow meter
    - Emergency Generators
      - Water Treatment Plant – 1,500 kW diesel
      - High Service Pumps – 1,500 kW diesel
      - Well #7 – 280 kW diesel
-



- Filter Building inclusive of all interior spaced
  - Electrical Building
  - Electrical gear including MCCs, switchboards, panels, breakers, etc.
  - SCADA equipment
  - Site and task lighting
  - Security system including electronic systems, fences and gates
- The following equipment is located at the Maxwell Booster Pump Station:
    - One 5 million gallon, pre-stressed concrete Storage Tank
    - Four vertical turbine pumps serving Segment D Pipeline, 100 hp motors each
    - Three vertical turbine pumps serving Segment C Pipeline , 125 hp motors each
    - Flow Meters
    - Water quality analyzers
    - Emergency Generator – 1,250 kW diesel
    - Concrete Electrical Building
    - Electrical gear including MCCs, switchboards, panels, breakers, etc.
    - SCADA equipment
    - Site and task lighting
    - Security system including electronic systems, fences and gates
- The following equipment is located at the Buda Booster Pump Station:
    - One 750,000 gallon, pre-stressed concrete Storage Tank
    - Three vertical turbine pumps, 30 hp motors each
    - Flow Meters
    - Sodium Hypochlorite System to include:
      - Two 55-gallon day tanks
      - Four feed pumps
      - Chlorine analyzers
    - Emergency Generator – 175 kW diesel
    - Concrete Electrical Building and concrete Chemical Building
    - Electrical gear including MCCs, switchboards, panels, breakers, etc.
    - SCADA equipment
    - Site and task lighting
    - Security system including electronic systems, fences and gates
- The following equipment is located at each Delivery Point:
    - Flow Meter
    - Diaphragm Control Valve
    - Water Quality Analyzers
    - Electrical gear including panels, breakers, etc.
    - SCADA equipment
- The following pipelines and related equipment:

- Approximately 85-miles of transmission line, current pipelines are steel with the line between Kyle and Buda as a ductile iron line
- Isolation Valves
- Combination Air Valves
- Drain Valves
- Access Manways
- Cathodic Protection Systems, to include rectifiers and test stations.

During the term of this Agreement, the Facilities may be changed, modified, replaced, added, or removed. However, any changes shall be made with notification to all parties.

**EXHIBIT C  
POINTS OF DELIVERY**

Below are the general locations for the ARWA Delivery Points:

<b>Delivery Point Name</b>	<b>System Location</b>	<b>Pipeline Segment</b>
San Marcos #1	Water Treatment Plant	Segment B
San Marcos #2	Blanco Vista Elevated Storage Tank	Segment C
Kyle	FM 1626 Pump Station	Segment C
Buda	Old Black Colony Rd	Segment C
County Line SUD	High Road Storage Tank	Segment C
Crystal Clear SUD #1	Offerman Road Tank	Segment D
Crystal Clear SUD #2	Windmill Tank	Segment D
Green Valley SUD	CRWA Lake Dunlap WTP	Segment E

**EXHIBIT D**  
**ARWA'S ENVIRONMENTAL PERMITS**

The following TCEQ plan reviews and exception approvals are attached:

Well Field and Water Treatment Plant

- February 25, 2021 – Proposed Wells and Groundwater Treatment Plant Review
- December 22, 2020 – WTP Exceptions and Spill Containment Rule Clarification

Maxwell Booster Pump Station and Delivery Points

- May 28, 2021 – Proposed Booster Pump Station Phase 1B and Five (5) Delivery Points
- January 25, 2021 – Request for Exception to Allow Inline Booster Pumps
- January 25, 2021 – Request for an Exception to the Air Gap Requirement for a Water Wholesaler

Pipelines

- October 25, 2020 – Segment A Pipeline Project Exception Requests
- November 4, 2020 – Segment B Pipeline Project Exception Requests
- January 25, 2021 – Segment D Pipeline Project Exception Requests
- February 15, 2022 – Segment E Pipeline Project Exception Requests

Buda Booster Pump Station and Buda Delivery Point

- January 31, 2019 – Proposed Phase 1A Booster Pump Station and Interconnects

...

**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:**

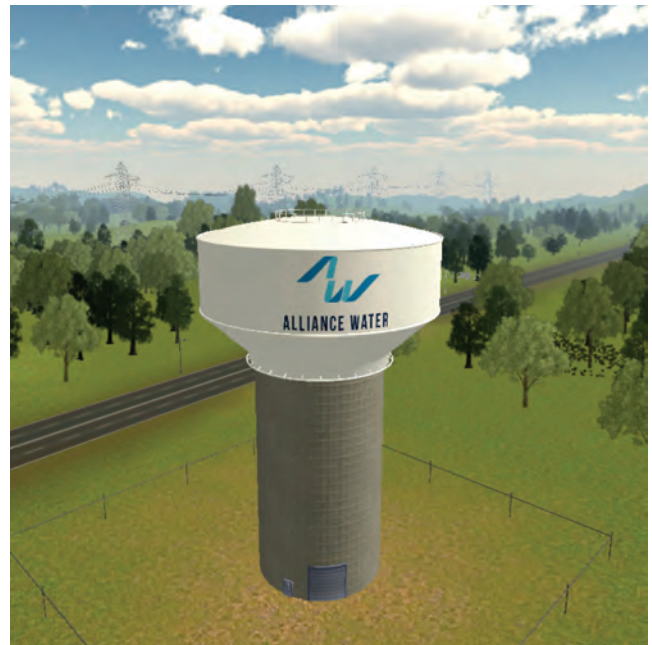
- Possible direction to Staff regarding the addition of logos on the Authority's elevated storage tanks.



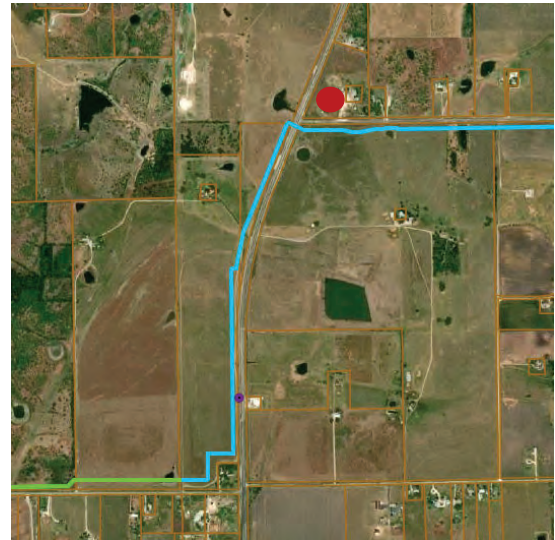
# ARWA Logo for Inline ESTs

March 22, 2023

## Logo Rendering

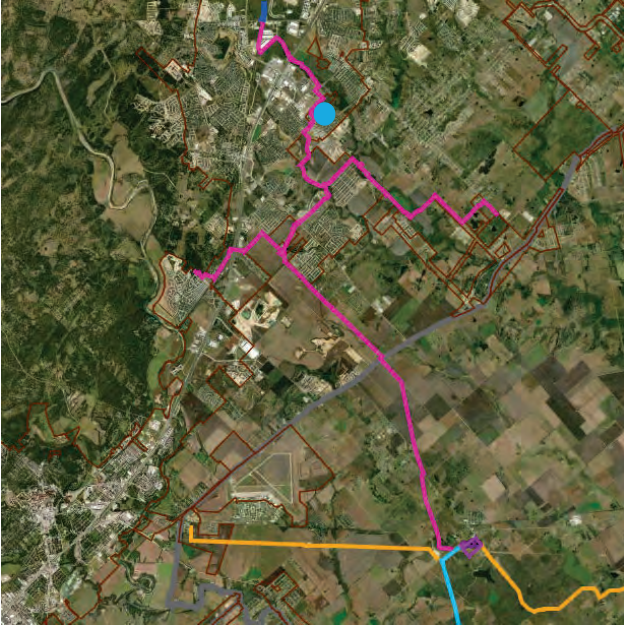


# South Tank



# 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*

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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> <b>HB 3538</b>	Middleton <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> <b>SB 296</b>	King  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>  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> <b>SB 28</b>	King  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>  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> <b>SB 271</b>	Shaheen 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 Business & Commerce	Monitor
<b>HB 2492</b> <b>SB 680</b>	Capriglione 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 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> <b>SB 283</b>	Walle 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 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> <b>SB 330</b>	Schaefer 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 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/ Financial Services	Monitor
<b>HB 1565</b> <b>SB 1351</b>	Canales Perry	<ul style="list-style-type: none"> <li>TWDB Sunset Bill.</li> <li>3/21: Scheduled for House hearing</li> </ul>	Natural Resources Ag, Water & Rural Affairs	Monitor
<b>HB 1699</b> <b>SB 1085</b>	King, Tracy 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 Local Government	Monitor

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

		<ul style="list-style-type: none"> <li>• 3/21: Scheduled for House hearing</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>• 3/16: Reported favorably</li> </ul>	State Affairs	Monitor
<b>HB 1845</b> <b>SB 650</b>	Metcalfe 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>• 3/21: Scheduled for House hearing</li> </ul>	Natural Resources 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>	Natural Resources	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>	Natural Resources	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>	Natural Resources	Monitor
<b>HB 2265</b> <b>SB 803</b>	Leach 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>	State Affairs 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>	Land & Resource Mgmt	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>	Land & Resource Mgmt	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>• 3/21: Scheduled for hearing</li> </ul>	Natural Resources	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> <b>SB 1336</b>	Vasut  Creighton	<ul style="list-style-type: none"> <li>Removes the exemption for civil works projects from construction liability claims.</li> </ul>	Judiciary & Civil Juris.  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>  <b>SB 1080</b>	Gerdes  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  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 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*

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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

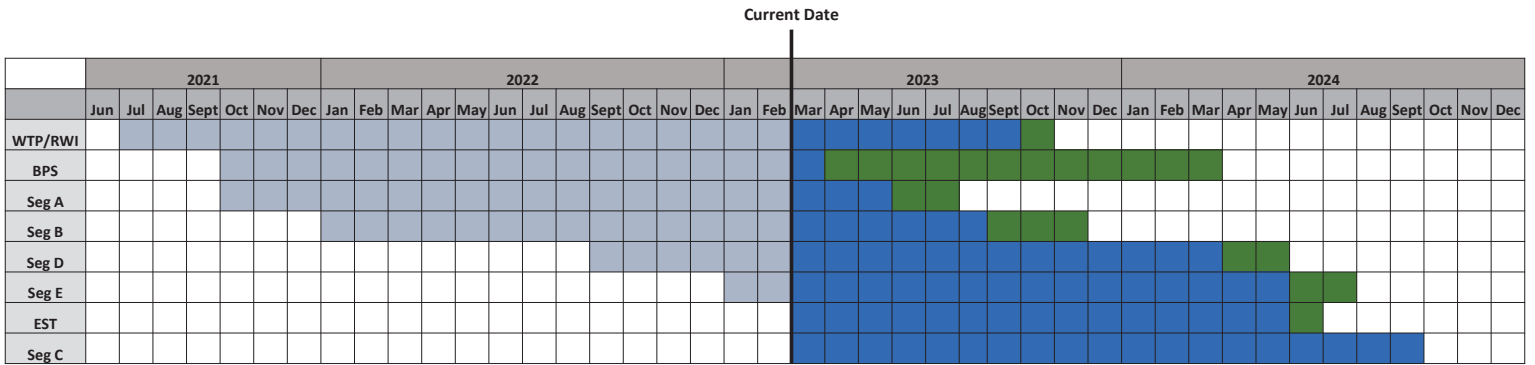


## PROGRAM CONTRACT VALUES



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



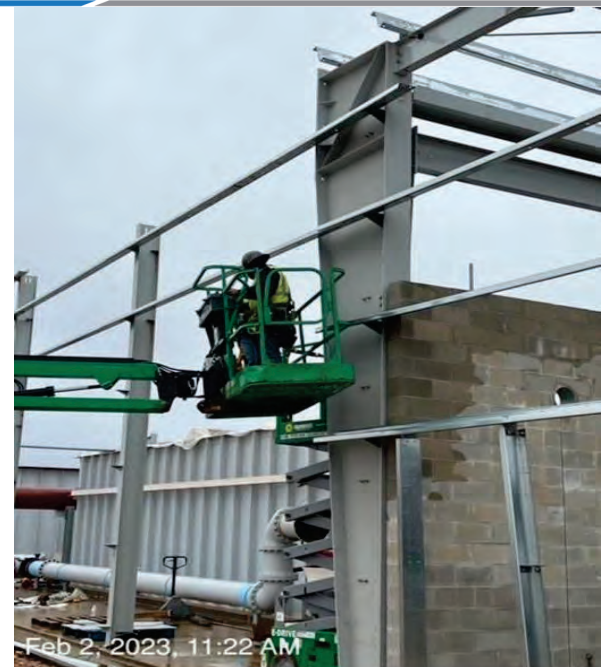
Project	Contract Dates					Program Sub Completion Status (June 2023)
	Notice to Proceed	Original Sub Completion	Current Sub Completion	Final Completion		
WTP/RWI	7/16/2021	7/16/2023	9/3/2023	11/2/2023	Behind 63 days	
BPS	10/25/2021	3/19/2023	7/29/2023	3/18/2024	On Time	
Seg A	11/16/2021	6/9/2023	6/9/2023	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	

3

## 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



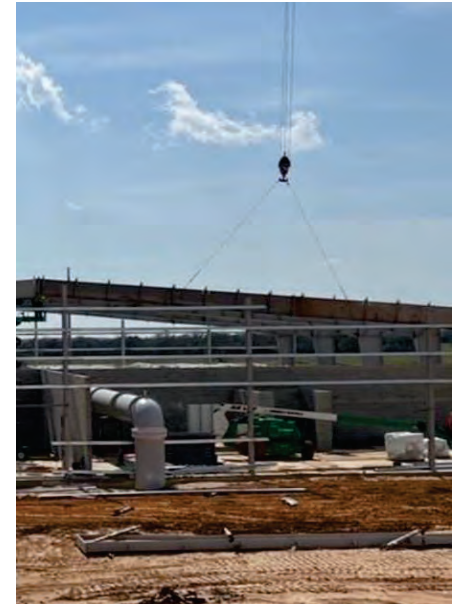
Feb 14, 2023, 4:59 PM

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

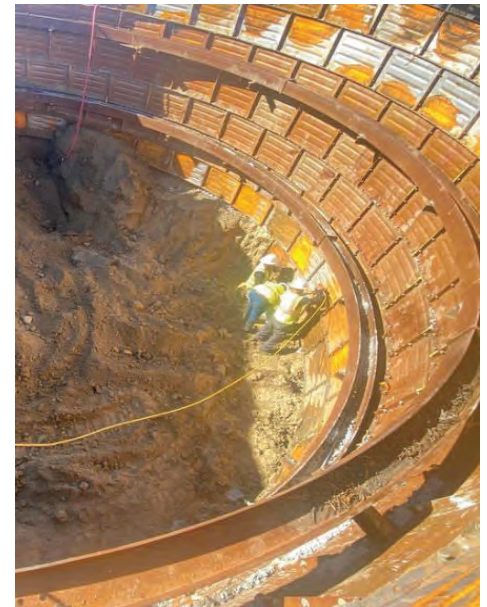
# SEGMENT A - PROGRESS PHOTOS



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

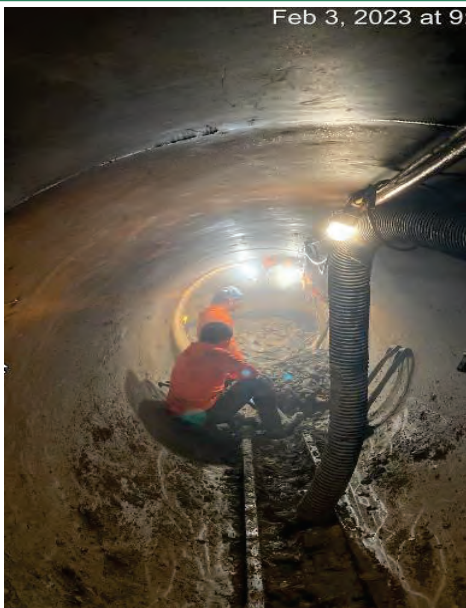
- Not Started
- ROW Cleared
- Pipe Delivered
- Pipe Installed
- Complete



**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%

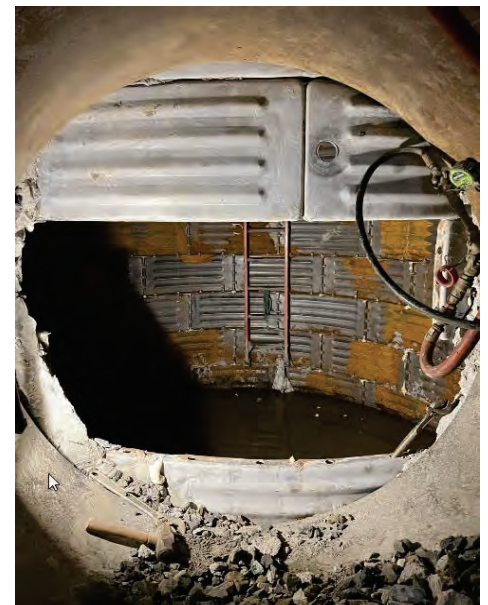
## SEGMENT B - PROGRESS PHOTOS



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

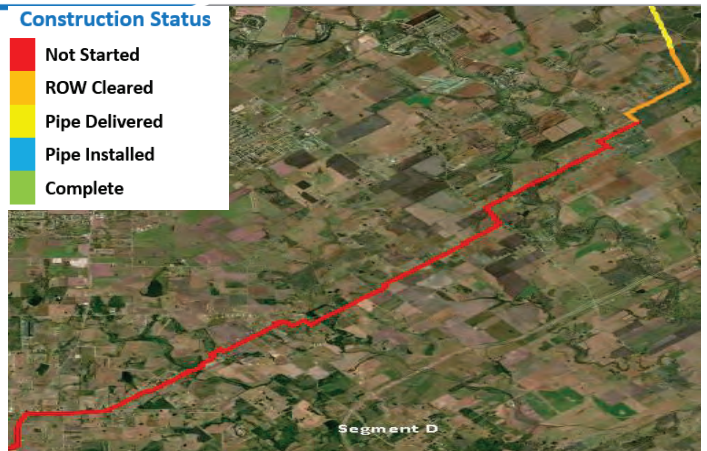
## Segment D (SJ Louis / Freese & Nichols)

### 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%



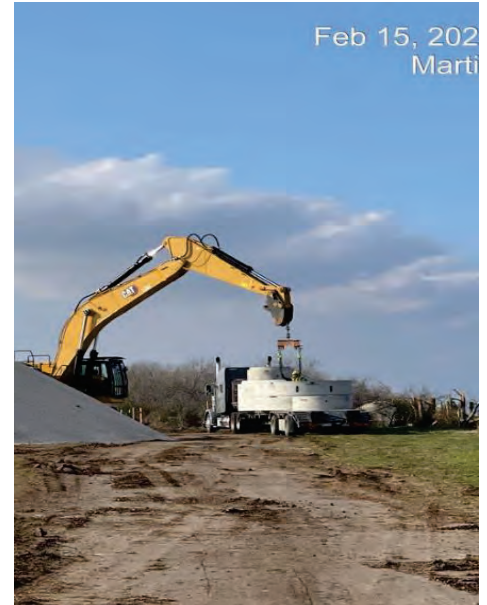
# SEGMENT D - PROGRESS PHOTOS



Seg D – STA 213+00 Bull Rock Delivery



Seg D – Equipment Mobilization



Seg D – Unloading Pre-Cast Manholes

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## 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

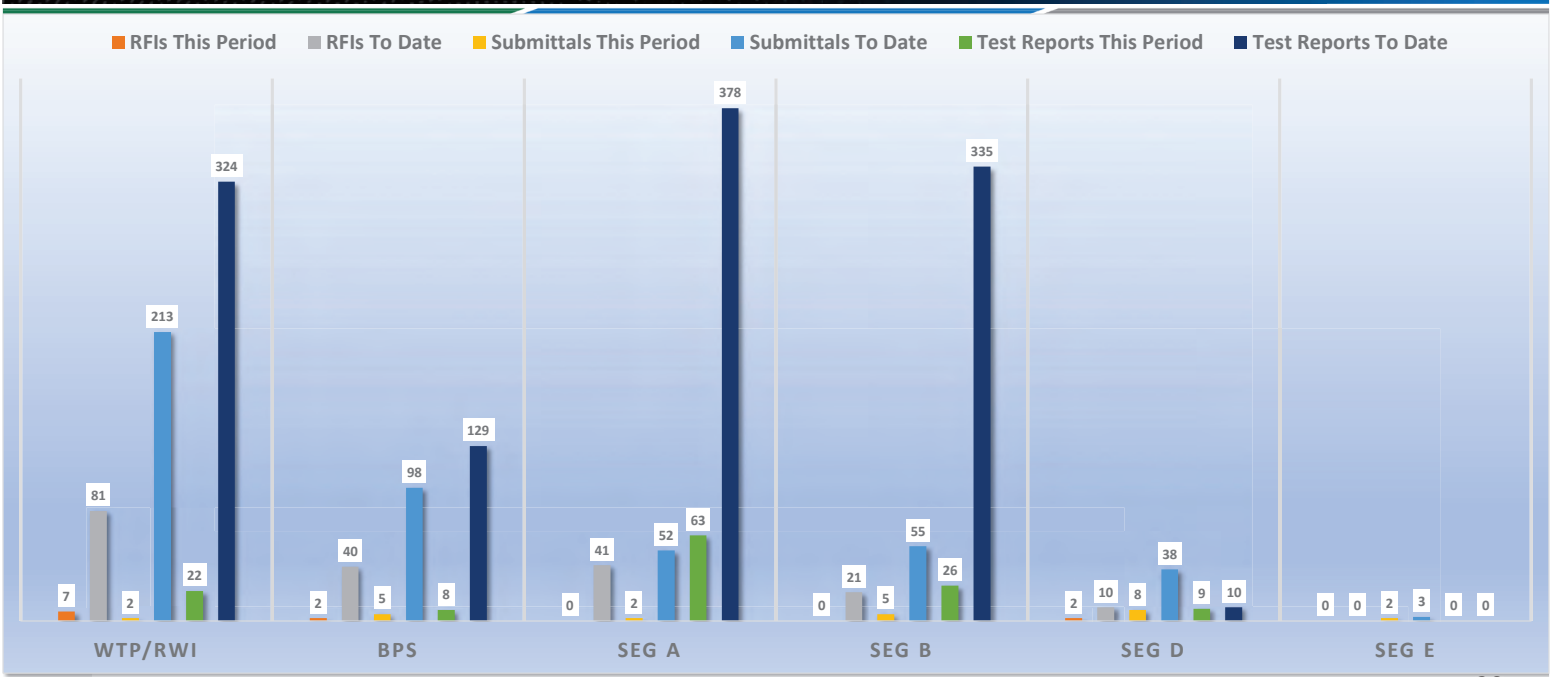
- Conducted bi-weekly progress meetings
- Coordination with developments along 758.
- Coordination of UIR permitting.
- Review preconstruction videos and photos

### 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



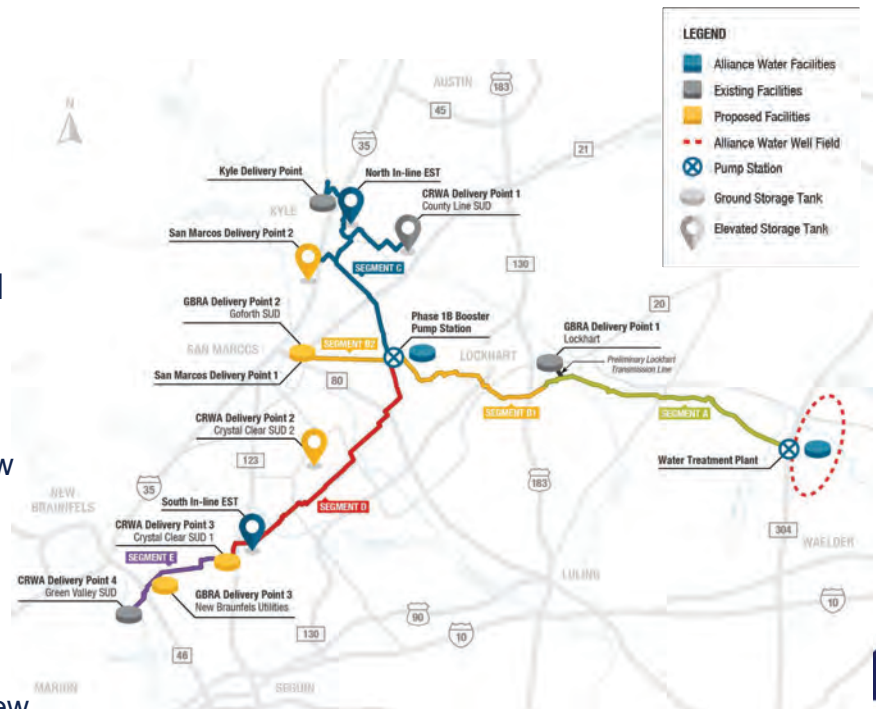
**ALLIANCE WATER**

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



# 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						
		(A) Appraisal/Offer in Development	(B) Negotiation	(C) = (A+B) Appraisal / Negotiation	(D) Condemnation in Process	(E) = (C+D) Possession Still Needed	(F) Purchase Agreement Signed / Possession Obtained	Final Settlement Outstanding
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 (%)</b>	<b>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**

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- 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**

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- 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**

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- 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**

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- 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**

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- 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**

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