NOTICE OF REGULAR BOARD MEETING
CANYON REGIONAL WATER AUTHORITY
Monday July 8, 2024, at 6:00 PM
850 Lakeside Pass, New Braunfels, TX 78130

This meeting is to be conducted at the Canyon Regional Offices located at 850 Lakeside Pass, New Braunfels, Texas

This Notice is posted pursuant to the Texas Open Meeting Act (Chapter 551, Texas Government Code). The Board of Trustees of Canyon Regional Water Authority (CRWA) will hold a meeting in person at 6:00 P.M., Monday, July 8, 2024, in the Board Room. The public may observe this meeting in person. As authorized by Texas Gov. Code sections 551.127 and 551.131(e) and Section 3.04(b) of the CRWA Bylaws, Members of the Board of Trustees may attend the meeting remotely via video conference. Additional information can be obtained by calling: (830) 609-0543. The CRWA Board of Trustees may consider, discuss, and act on any of the matters identified below.

Item 1 **CALL TO ORDER**

Item 2 **BOARD ROLL CALL**

Item 3 **INVOCATION AND PLEDGE OF ALLEGIANCE**

Item 4 **PUBLIC COMMENTS**

A. Comments on non-agenda items - no discussion from the Board, 3-minute time limit.

B. Comments on specific items on this agenda – discussion from/with the Board may be allowed; 3-minute time limit per citizen. Time may not be "shared or ceded" to another citizen.

Members of the public wishing to make a public comment during the meeting must register by emailing hdiaz@crwa.com prior to the meeting. Written comments may also be submitted. If you wish to speak, please state your name.

Item 5 **CONSENT ITEMS**

All items listed below are considered to be routine and non-controversial by the Board and will be considered by one motion. There will be no separate discussion of these items unless a Board member requests, in which case the item will be removed from the consent agenda and will be considered as part of the order of business.

A. CRWA 24-07-001 Concerning Approval of Minutes (*CRWA Staff*)
Adopt Resolution 24-07-001 approval of minutes for June 13, 2024, Board of Trustees meeting.

B. CRWA 24-07-002 Concerning Approval of Financial and Check Registers Reports (*CRWA Staff*)
Adopt Resolution 24-07-002 approval of May 2024 Financial Report and Check Register Report until audited.

C. CRWA 24-07-003 Concerning Approval of Third Quarter Financial Report (CRWA Staff)
Adopt Resolution 24-07-003 approval of Third Quarter FY2024 Financial report.

Item 6 **PRESENTATIONS/DISCUSSIONS**

A. Discussion of proposed amendment to the Regional Hays Caldwell Water Supply and Treatment Contract.

B. Proposed Gonzales County Underground Water Conservation District Rule Amendments
   - Discussion of amendments proposed by the GCUWCD and the formal response to the rules from CRWA submitted by June 28.

D. Update on Wells Ranch WTP report amendments.

Item 7 **REPORTS**

(Updates from written reports by staff, legal counsel, and others)

A. Drought Report ~ *Staff*

B. Consultant Updates
   - Ardurra
   - Garver
   - UEG

C. Water Treatment, Storage, and Transmission Operations ~ *Staff*
   - Lake Dunlap WTP:
     - Production
     - Status of facility upgrades
     - Status of the ARWA Interconnect
   - Hays Caldwell WTP:
     - Production
     - Pall mobile membrane filtration
       - Pilot Study
       - Options for membrane filtration
     - Phase 1 Improvements
     - Phase 2 Improvements
   - Wells Ranch WTP:
     - Production

D. Wells Ranch III Project ~ *Staff*

E. South Texas Regional Water Planning Group – Region L ~ *Staff*

F. GMA 13 ~ *Staff*

G. Groundwater Districts of Guadalupe and Gonzales Counties ~ *Staff*

H. Legal and legislative matters ~ *Legal Counsel and Staff*

Item 8 **CRWA COMMITTEE AND BOARD OF MANAGERS REPORTS**

A. Budget Committee: ~ *Committee Chairperson*

B. Policy and Legislative Committee: ~ *Committee Chairperson*

C. Construction Committee: ~ *Committee Chairperson*

D. Board of Managers ~ *Chairperson*

Item 9 **GENERAL BUSINESS**

A. CRWA 24-07-004 Concerning Approval to Proceed with Request for SWIFT Funding
Adopt Resolution 24-07-004 approval to proceed with request for SWIFT Funding for improvements to the Hays Caldwell WTP.

B. CRWA 24-07-005 Concerning Approval of the Amendment to the 2001 Water Transportation and Wheeling Agreement with Maxwell SUD
Adopt Resolution 24-07-005 Approval of the Amendment to the Wheeling Agreement with Maxwell SUD, extending the agreement and establishing a new lease rate, conditional upon full execution of the draft interlocal agreement with County Line SUD and Martindale WSC providing for the pass-through and reimbursement to CRWA of costs incurred under the amended 2001 Water Transportation and Wheeling Agreement.

C. CRWA 24-07-006 Concerning Approval of the Draft Interlocal Agreement with County Line SUD and Martindale WSC
Adopt Resolution 24-07-006 providing for the pass-through and reimbursement to CRWA of compensation and other costs payable from CRWA to Maxwell SUD under the proposed amendment to the 2001 Water Transportation and Wheeling Agreement.

Item 10 **EXECUTIVE SESSION**

The Board of Trustees may meet in a closed session to discuss the following items and any item listed above pursuant to Chapter 551 of the Texas Government Code, including, where appropriate, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089, and 418.183(f) of the Texas Government Code. All deliberations and formal action will occur in open session.

Item 11 **RETURN TO OPEN MEETING**

The Board may consider, deliberate, and act on the items discussed in Executive Session.

Item 12 **FUTURE BOARD MEMBER AGENDA ITEMS**

Item 13 **Adjourn the meeting**

CANYON REGIONAL WATER AUTHORITY
BOARD COMMUNICATION

DATE	SUBJECT	AGENDA NUMBER
07/08/2024	CONSENT AGENDA ITEM BOARD OF TRUSTEES MEETING MINUTES OF JUNE 10, 2024	CRWA 24-07-001

INITIATED BY KERRY AVERYT / HANNA DIAZ

STAFF RECOMMENDATION

Approve the Minutes of the Regular Board Meeting of the Board of Trustees held on June 10, 2024, as amended, or not amended.

BACKGROUND INFORMATION

The minutes of the meeting are attached.

FINANCIAL IMPACT

None

MOTION

Motion to approve the following resolution.

CANYON REGIONAL WATER AUTHORITY

RESOLUTION NO. 24-07-001

BE IT RESOLVED that the Minutes of the Regular Meeting of the Board of Trustees held on June 10, 2024, as amended, or not amended, are approved.

Adopted this 8th day of July 2024

Ayes ____ Nays____ Abstained____ Absent____

Approved by: _____
Timothy D. Fousse, CPM
President

Certified and attested by: _____
Ted Gibbs
Secretary

MINUTES
REGULAR BOARD MEETING
CANYON REGIONAL WATER AUTHORITY
BOARD OF TRUSTEES

Regular meeting:

The Canyon Regional Water Authority (CRWA) Board of Trustees met for a regular meeting in person on Monday, June 10, 2024, at 6:00 p.m.

The following individuals attended the meeting:

Board of Trustees:		CRWA Staff:		Board of Managers and Others:	
Timothy Fousse	Brandon Rohan	David McMullen	Hanna Diaz	Trey Wilson	David Kneuper
Ted Gibbs	Nicholas Sherman	Fran Powers	Joan Wilkinson	Daniel Smith	Daniel Smith
Martin Poore	Steve Cooper	Adam Telfer	Kerry Averyt	Louis Rosenberg	Graham Moore
Gary Gilbert (online)	Mabel Vaughn			Mike Saldana	Greg Swoboda
Abigaile Maberry	Doris Steubing			Reuben Barrera	Buddy Boysen
Isaac Equia	Clint Ellis			Yue Sun	Doug Bell
Regina Franke	Mike Andrews			Randy Schwenn	
Robert Snipes	Tracy Scheel				
Paul Bricker	Humberto Ramos				
Marc Gilbert	Al Suarez				

Item 1 **CALL TO ORDER**

» President Timothy Fousse opened the meeting at approximately 6:00 p.m.

Item 2 **BOARD ROLL CALL**

» There were twenty (20) Board Members present at the time of roll call.

» Martin Poore showed up after roll call making the attendance count twenty-one (21).

Item 3 **INVOCATION AND PLEDGE OF ALLEGIANCE**

Item 4 **OATH AND STATEMENT OF OFFICE OF NEW TRUSTEE**

Item 5 **PUBLIC COMMENTS**

A. Comments on non-agenda items - no discussion from the Board, 3-minute time limit.
B. Comments on specific items on this agenda – discussion from/with the Board may be allowed; 3-minute time limit per citizen. Time may not be "shared or ceded" to another citizen.

Members of the public wishing to make public comment during the meeting must register by emailing hdiaz@crwa.com prior to the meeting. Written comments may also be submitted. If you wish to speak, please state your name.

Item 6 **CONSENT ITEMS**

All items listed below are considered to be routine and non-controversial by the Board and will be considered by one motion. There will be no separate discussion of these items unless a Board member requests, in which case the item will be removed from the consent agenda and will be considered as part of the order of business.

A. CRWA 24-06-001
Adopt Resolution 24-06-001 approval of Board of Trustees meeting minutes of May 13, 2024.

B. CRWA 24-06-002
Adopt Resolution 24-06-002 approval of April 2024 Financial Report and Check Register Report until audited.

» Doris Steubing made corrections to the May 13, 2024, meeting minutes.

» Gary Gilbert made a motion to approve Consent Agenda Items while approving the Minutes as amended.

» Ted Gibbs seconded the motion.

» President Fousse called for a vote. The motion passed with twenty-one (21) ayes.

Item 7 **PRESENTATIONS/DISCUSSIONS**

A. 2001 Water Transportation and Wheeling Agreement with Maxwell SUD
   a. Discussion concerning Maxwell's notice of termination of CRWA's right to use certain leased pipeline capacity to deliver water from the Hays Caldwell WTP.
   b. Discussion of draft Amendment to the Wheeling Agreement extending the agreement, and establishing a new lease rate
   c. Discussion of proposal, and potential options, for construction of new transmission line to deliver water treated by the Hays Caldwell WTP

B. Discussion of Draft Interlocal Agreement with County Line Special Utility District and Martindale Water Supply Corporation providing for the pass-through and reimbursement to CRWA of compensation and other costs payable from CRWA to Maxwell SUD under the proposed amendment to the 2001 Water Transportation and Wheeling Agreement.

C. Proposed Gonzales County Underground Water Conservation District Rule Amendments
   - Discussion of amendments proposed by the GCUWCD and development of a formal response to the rules from CRWA, to be submitted by June 30.

» **Wheeling Agreement:** Trey Wilson, legal counsel, gave an update on the ongoing issue of the Wheeling Agreement. On August 9, 2023, Maxwell SUD sent a termination of CRWA's lease of certain pipeline capacity, known as the Reedville Line. CRWA will no longer be able to use this line as of August 9, 2024. After Maxwell's notice of termination, County Line SUD sent a demand letter on August 31, 2023, with their position being they need to ensure there is a reliable way for CRWA to deliver all of the water purchased from the Hays Caldwell Project to the point of delivery. CRWA has met with Maxwell SUD's attorneys, and an amendment has been drafted to the agreement. The amendment was sent to Maxwell SUD at the beginning of May 2024. Maxwell SUD's Board of Director's reviewed the proposed amendment and sent over modifications to CRWA. CRWA will be sending over a counter amendment. The duration of the extension is what is being negotiated. Tracy Scheel requested that on the July Board of Trustee Agenda an item that begins the discussion of requesting qualifications for engineering studies, so when the agreement has been made, CRWA can begin the project. President Fousse noted that CRWA has an engineering firm already contracted for such projects, and a work order can be provided on what will be charged to provide the services.

» **Draft Interlocal Agreement w/ County Line SUD and Martindale WSC:** Mr. Wilson stated that this is a corresponding agreement between the two parties that benefit from the Wheeling Agreement, County Line SUD and Martindale WSC. CRWA has been charged by the linear foot. CRWA is permitted under the existing agreement to transport 311 gpm through the pipeline and the rental payment is based on the linear footage. CRWA has been passing significantly more than 311 gpm through the pipeline. Under the proposed amendment that 311 gmp will go up to approximately 1,700 gpm. Instead of paying Maxwell SUD by linear foot, Maxwell will be paid a Volume Metric Charge. This will be a substantially increased expense. This proposed agreement will be an Interlocal Agreement between CRWA and County Line Sud and CRWA and Martindale WSC so that CRWA can pass along the rental costs for moving that water through Maxwell SUD's system.

» **Proposed GCUWCD Rule Amendments**: Kerry Averyt, CRWA General Manager, said that there are a few rule changes that Gonzales County is proposing. The biggest impact is the export fees, right now the cost is 2.5 cents per 1,000 gallons. The rates have not increased for the past 10 years, so beginning in 2025, Gonzales County is proposing an increase to 10 cents per 1,000 gallons. The year after, they are proposing an increase to 20 cents per 1,000 gallons, with every subsequent year after an increase of 3%. CRWA has a negotiated rate, so Gonzales can only go up a certain amount each year for the current permitted rights. The Peak Pumping Rates and how it is worded are also changing. The GCUWCD is willing to listen to comments/feedback by June 30th.

Item 8 **CRWA STAFF REPORTS**
(Updates from written reports by staff, legal counsel, and others)

A. Drought Report ~ *Staff*

B. Water Treatment, Storage, and Transmission Operations ~ *Staff*
   - Lake Dunlap WTP:
     - Production
     - Nanostone Performance Evaluation
     - Status of ARWA Interconnect
   - Hays Caldwell WTP:
     - Production
     - Pall mobile membrane filtration
       - Pilot Study
       - Options for membrane filtration
     - Phase 1 Improvements
     - Phase 2 Improvements
   - Wells Ranch WTP:
     - Production

C. Wells Ranch III Project ~ *Staff*
   - Draft Water Supply and Treatment Contract
   - Groundwater leasing and permitting
   - Plant expansion

D. South Texas Regional Water Planning Group – Region L ~ *Staff*

E. GMA 13 ~ *Staff*

F. Groundwater Districts of Guadalupe and Gonzales Counties ~ *Staff*

G. Legal and legislative matters ~ *Legal Counsel and Staff*

» **Drought Reports:** There was decent rainfall at the end of May. There is a minor chance of rain in the future. Hurricane season is nearing, which increases the probability of rain.

» **Water Treatment, Storage, and Transmission Operations:** All three Water Treatment Plant are trending below average on water use for the year.

» **Lake Dunlap WTP:** The scope of work has been approved for Garver's facility upgrades. Garver is generating a fee proposal. There is a meeting scheduled with Nanostone on June 27th. Nanostone is willing to provide additional membranes at no cost. There is a meeting on June 11th to discuss the ARWA Interconnect. Graham Moore stated that he suspects the interconnect will be completed closer to the first quarter of 2025.

» **Hays Caldwell WTP:** CRWA is getting closer to executing an agreement with Pall for the pilot study. A topic of discussion has been on other options besides Pall for the membranes. It was decided by the Board back in October 2023 to go with Pall, which is why the Pilot Study is using Pall. However, CRWA can explore other options. The lease on the Pall trailer is up in February 2025. CRWA can either purchase another trailer or continue the lease for another 1-2 years. Further discussion followed on the Pall Trailer.

» **Wells Ranch WTP:** For Phase III, there is 14,500 AF identified as needed, and CRWA has a little over 18,500 AF in Gonzales and Guadalupe Counties. 12,400 AF in Gonzales County. There was discussion following about the future water needs of Wells Ranch.

» **Wells Ranch III Project**: There was a solicitation put out for the Well #14 upgrades, and two bids were received. Mr. Averyt is not comfortable with the solicitation that was put out. Mr. Avery will reissue the solicitation and get an engineering firm to give some specs.

» **GMA 13:** There is a meeting on June 14th.

» **Groundwater Districts of Guadalupe and Gonzales Counties**: In Guadalupe County, CRWA had the additional 440 AF that was added to the permitted rights, and acquired 150 AF, Mr. Averyt signed the permit for those.

» **Legal and Legislative Matters:** Everything to discuss is covered in other areas of the agenda.

Item 9 **CRWA COMMITTEE REPORTS**

Budget Committee: ~ *Committee Chairwoman*
Policy and Legislative Committee: ~ *Committee Chairman*
Construction Committee: ~ *Committee Chairman*
Board of Managers: ~ *Chairman*

» **Budget Committee:** There is a meeting on June 28, 2024, from 11 AM – 1 PM at the CRWA office building.

» **Policy and Legislative Committee:** There is no update.

» **Construction Committee**: The Transmission Line projects are still gong on and are a little behind schedule. On the Hays Caldwell Phase 1 Improvements, the Notice to Proceed was issued today. On Phase II, CRWA is working on a way to utilize the funds that are sitting in the account to move the Phase II project along. There is a SWIFT Funding application and a D-FUND application that addresses some of the extra costs. Ardurra is still gathering information from the Treatment Plant at Wells ranch to see what is needed to get the generators online and working.

» **Board of Managers**: Justin Ivicic was renamed chairman of the Board of Managers. CRWA has been named a critical infrastructure with GVEC. Many of the same topics from the Construction Committee were discussed at the Board of Manager's meeting.

Item 10 **GENERAL BUSINESS**

None

Item 11 **EXECUTIVE SESSION**

» The Board of Trustee's entered Executive Session at approximately 7:35 PM.

The Board of Trustees will meet in a closed session to discuss the following items pursuant to Chapter 551 of the Texas Government Code, including, where appropriate, Sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089, and 418.183(f) of the Texas Government Code.

A. Discussion with Counsel concerning the May 17, 2024, mediation of the Hays Caldwell Water Supply Contract dispute, the proposed mediation settlement agreement, and the next steps for Canyon Regional Water Authority.

B. Discussion concerning the potential appointment, employment, reassignment and/or duties of CRWA employees.

C. Discussion with Counsel concerning Cause No. 24-0377-CV-E; *Canyon Regional Water Authority v. Trihydro Corporation and David B. Maxwell, P.E.*; pending in the 456th Judicial District Court of Guadalupe County, Texas

Item 12 **RETURN TO OPEN MEETING**

» The Board of Trustee's returned to Open Session at approximately 8:52 PM.

The Board may consider, deliberate, and take action on any item discussed in the Executive Session.

Item 13 **FUTURE BOARD MEMBER AGENDA ITEMS**

» Randy Schwenn may be returning to the Board of Trustees on behalf of East Central SUD pending consideration from the East Central SUD Board.

» Tracy Scheel requested a way for the newer members to be able to understand the dynamics of CRWA and the Assets involved. Like an Asset Management report.

Item 14 **Adjourn the meeting**

» The meeting was adjourned at approximately 8:56 PM.

Respectfully submitted

Ted Gibbs, Secretary

NOTICE: The Board of Trustees may meet in a closed session to discuss any item listed above pursuant to Chapter 551 of the Texas Government Code, including, where appropriate, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089, and 418.183(f) of the Texas Government Code. All deliberations and formal action will occur in open session.

CANYON REGIONAL WATER AUTHORITY
BOARD COMMUNICATION

DATE	SUBJECT	AGENDA NUMBER
07/08/2024	FINANCIAL REPORT AND CHECK REGISTER REPORT	CRWA 24-07-002

INITIATED BY JOAN WILKINSON

STAFF RECOMMENDATION

Approve the May 2024 Financial Report and Check Register Report until audited.

BACKGROUND INFORMATION

The May 2024 Financial Report and Check Register Report are attached.

FINANCIAL IMPACT

None

MOTION

Motion to approve the following resolution.

CANYON REGIONAL WATER AUTHORITY

RESOLUTION NO. 24-07-002

BE IT RESOLVED that the May 2024 Financial Report and Check Register Report of Canyon Regional Water authority are approved until audited.

Adopted this 8th day of July 2024

Ayes _____ Nays_____ Abstained_____ Absent_____

Approved by: _____
Timothy D. Fousse, CPM
President

Certified and attested by: _____
Ted Gibbs
Secretary

CANYON REGIONAL WATER AUTHORITY
Balance Sheet
As of May 31, 2024

	May 31, 24	
ASSETS		
Current Assets		
Checking/Savings		
1001 · First United Bank		
1006 · First United Checking #5207	3,996,494.72	
1010 · First United Special #7162	2,133.62	
1015 · Money Market #2160	1,378,255.16	
1017 · HC SM Capacity Buy-In #6744	1,170,678.39	
Total 1001 · First United Bank		6,547,561.89
1100 · First United Bank (Res)		
1105 · LD/MC Series 2016, #3017	3,889,606.15	
1107 · HC 2005 #3603	4,049.43	
1111 · HC Series 2017 #6074	340,672.65	
1109 · HC Series 2021 #6663	569,207.22	
1113 · HC Counties 2021 Ref #0636	152,079.99	
1132 · Wells Ranch Series 2015, #6031	3,280,815.77	
1133 · Wells Ranch Series 2016, #3009	2,797,328.33	
1134 · Wells Ranch Series 2021 #0911	1,036,410.99	
1140 · L/D Membrane Fund #5701	1,134,294.49	
1140-01 · LD Membr-Nanostone Escrow #2545	293,260.70	
1142 · H/C Membrane Fund #5693	547,351.13	
1145 · Repair & Replacement Fund	5,025,117.73	
Total 1100 · First United Bank (Res)		19,070,194.58
1120 · Logic		
1121 · Logic, General Funds	1,244,952.04	
1127 · Wells Ranch, Construction #027	805.75	
1158 · HC Construction	17,580,279.70	
Total 1120 · Logic		18,826,037.49
1160 · BOKF, NA, Austin,WR Series 2015		129,337.70
1161 · BOKF, NA,Austin, HC Series 2017		4,276,410.13
Total Checking/Savings		48,849,541.79
Accounts Receivable		
1200 · Accounts Receivable		3,765,538.97
1205 · A/R, Alliance Water		
1205-01 · A/R, Alliance,Crystal Clear SUD	1,821,238.07	
1205-02 · A/R, Alliance, Martindale WSC	23,338.05	
1205-03 · A/R, Alliance, Green Valley SUD	1,134,207.53	
1205-04 · A/R, Alliance, County Line SUD	189,827.00	
Total 1205 · A/R, Alliance Water		3,168,610.65
Total Accounts Receivable		6,934,149.62
Total Current Assets		55,783,691.41
Fixed Assets		
1491 · Right of Use Asset		612,153.36
1400 · Capital Assets		
1404 · Administration Building	586,288.00	
1406 · Capitalized Construction Intere	11,273,728.00	
1410 · Equipment & Vehicles	511,773.50	
1411 · Nanostone - Lake Dunlap	1,156,411.20	
1416 · Hays Caldwell	6,437,579.37	
1420 · Lake Dunlap Phase I	4,764,833.00	
1422 · Mid-Cities Phase I	8,475,370.50	
1424 · Office Equipment	50,372.66	
1434 · Property Improvements	60,021.00	
1436 · River Crossing	577,934.36	
1441 · LD Ozone Project	3,677,549.16	
1442 · Dunlap Water Treatment Plant	5,155,886.29	
1443 · Dunlap Chemical Tanks	30,326.57	

CANYON REGIONAL WATER AUTHORITY
Balance Sheet
As of May 31, 2024

	May 31, 24		
1444 · Hays Caldwel Phase 2		2,053,300.19	
1445 · HC Chemical Tanks		5,293.13	
1446 · Mid-Cities Phase 2		32,322,395.02	
1447 · Hays Caldwell Expansion-2017			
1447-01 · HC Expansion, Capitalized Int	122,276.51		
1447 · Hays Caldwell Expansion-2017 - Other	1,921,905.28		
Total 1447 · Hays Caldwell Expansion-2017		2,044,181.79	
1450 · Wells Ranch Project			
1450-01 · WellsRanch, Cap Interest	5,041,728.49		
1450 · Wells Ranch Project - Other	40,885,863.75		
Total 1450 · Wells Ranch Project		45,927,592.24	
1451 · Wells Ranch Phase II-2011			
1451-01 · Capitalized Interest	1,872,118.97		
1451 · Wells Ranch Phase II-2011 - Other	14,113,408.01		
Total 1451 · Wells Ranch Phase II-2011		15,985,526.98	
1452 · Wells Ranch Phase II-2015			
1452-01 · Capitalized Interest	1,930,053.69		
1452 · Wells Ranch Phase II-2015 - Other	40,459,570.05		
Total 1452 · Wells Ranch Phase II-2015		42,389,623.74	
1453 · Wells Ranch III			
1453-01 · WR III, Phase I	54,603.79		
1453 · Wells Ranch III - Other	493,606.29		
Total 1453 · Wells Ranch III		548,210.08	
1490 · Accumulated Depreciation		-51,878,246.19	
Total 1400 · Capital Assets			132,155,950.59
Total Fixed Assets			132,768,103.95
Other Assets			
1805 · Deferred Outflow-Pension			276,952.66
1670 · Land			
1672 · Johnson Abstract #47		163,243.95	
1673 · Hays Caldwell Project			
1673-01 · Carlisle - 2.009 Acres	549,930.44		
1673-02 · Land Acquisition Consultant HC	5,698.00		
Total 1673 · Hays Caldwell Project		555,628.44	
1674 · Randolph Foster 10 Acres		290,837.56	
1675 · Wells Ranch Project		62,061.82	
1676 · Land & Land Rights		1,276,634.70	
Total 1670 · Land			2,348,406.47
1703 · Water Rights			3,439,604.49
1800 · Deferred Loss on Debt Refunding			111,397.00
Total Other Assets			6,176,360.62
TOTAL ASSETS			**194,728,155.98**
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 · Accounts Payable			643,648.90
Total Accounts Payable			643,648.90

CANYON REGIONAL WATER AUTHORITY
Balance Sheet
As of May 31, 2024

		May 31, 24
Other Current Liabilities		
2300 · Net Pension Liability		242,430.00
2451 · Current Portion of Capital Leas		462,805.24
2002 · A/P, Misc.		-240.00
2050 · Accrued Interest Payable		1,117,292.20
2140 · Texas Workforce		357.47
2165 · TCDRS Retirement Payable		37,816.67
Total Other Current Liabilities		1,860,461.58
Total Current Liabilities		2,504,110.48
Long Term Liabilities		
2200 · Deferred Revenue - San Marcos		4,811,128.00
2450 · Long Term Capital Lease		159,471.36
2400 · Bonds Payable		
2408 · LD/MC Tax-Exempt Series 2016	16,720,000.00	
2426 · Hays Caldwell Series 2005	535,000.00	
2430 · Hays Caldwell Series 2017	4,055,000.00	
2431 · Hays Caldwell TE Series 2021	11,650,000.00	
2432 · Hays Caldwell Series 2021 Ref	1,940,000.00	
2443 · Wells Ranch Series 2015	33,195,000.00	
2446 · Wells Ranch Series 2016	21,385,000.00	
2447 · Wells Ranch Series 2021	12,600,000.00	
Total 2400 · Bonds Payable		102,080,000.00
2490 · Unamortized Premiums		5,073,612.00
Total Long Term Liabilities		112,124,211.36
Total Liabilities		114,628,321.84
Equity		
3810 · Restricted for Membranes		1,765,717.00
3820 · Restricted for Debt Service		4,966,441.00
3950 · Retained Earnings		12,162,281.73
3975 · Inv in Cap Asset, net of debt		50,192,310.93
Net Income		11,013,083.48
Total Equity		80,099,834.14
TOTAL LIABILITIES & EQUITY		**194,728,155.98**

Canyon Regional Water Authority
Profit Loss Budget vs. Actual
October 2023 - May 2024

	May 2024	October 2023 May 2024	Annual Budget	$ Over/(Under) Annual Budget	% of Annual Budget
Income					
4000 · Revenues					
4002 · Debt Payments	991,247.36	8,047,301.19	11,992,805.46	-3,945,504.27	67.1%
4003 · Raw Water	551,172.93	4,438,680.39	6,643,637.11	-2,204,956.72	66.81%
4004 · Water-New Berlin	0.00	16,128.00	57,023.93	-40,895.93	28.28%
4009 · Membrane Replacement Fund	45,153.81	361,230.48	541,867.57	-180,637.09	66.66%
4010 · Line Use & Delivery Contracts	11,902.44	95,219.52	142,835.08	-47,615.56	66.66%
4011 · Line Use New Berlin	1,429.94	11,439.52	17,160.00	-5,720.48	66.66%
4012 · Raw Water Delivery Fees	32,915.40	252,205.03	496,318.63	-244,113.60	50.82%
4017 · Water Sales	562,022.00	4,319,945.60	6,229,853.33	-1,909,907.73	69.34%
4018 · Plant Operations	336,096.75	2,706,840.42	4,051,389.03	-1,344,548.61	66.81%
4020 · Repair & Replacement Funds	146,474.73	1,181,031.00	1,767,000.00	-585,969.00	66.84%
4022 · CRWA Administrative	196,810.82	1,586,024.09	2,373,362.17	-787,338.08	66.83%
4023 · Alliance Water	522,904.88	4,183,234.16	6,275,109.42	-2,091,875.26	66.66%
4024 · Interest Income General	46,220.17	310,930.15		310,930.15	100.0%
4026 · Interest Income Bond Accounts	47,322.45	252,777.17		252,777.17	100.0%
4028 · Interest Construction Accounts	97,867.61	772,519.41		772,519.41	100.0%
4039 · Team Building	400.00	400.00		400.00	100.0%
4030 · Other Income	1,020.91	11,469.20		11,469.20	100.0%
Total 4000 · Revenues	3,590,962.20	28,547,375.33	40,588,361.73	-12,040,986.40	70.33%
Expense					
5000 · Bond Repayments					
5005 · Bond Payments	1,055,989.69	8,447,917.34	11,992,805.46	-3,544,888.12	70.44%
Total 5000 · Bond Repayments	1,055,989.69	8,447,917.34	11,992,805.46	-3,544,888.12	70.44%
5500 · Water Purchases					
5501 · Raw Water Purchases	224,338.86	3,433,061.59	6,643,637.11	-3,210,575.52	51.67%
5502 · Water Purchases, New Berlin	0.00	16,128.00	57,023.93	-40,895.93	28.28%
Total 5500 · Water Purchases	224,338.86	3,449,189.59	6,700,661.04	-3,251,471.45	51.48%
5600 · Membrane Funds	40,284.00	322,272.00	541,867.57	-219,595.57	59.47%
5700 · Repair & Replacement Funds	41,639.19	561,888.93	1,767,000.00	-1,205,111.07	31.8%
6000 · Line Use & Delivery Costs					
6005 · Line Use Contract Maxwell	0.00	0.00	3,988.00	-3,988.00	0.0%
6008 · Line Use Contract New Berlin	0.00	0.00	17,160.00	-17,160.00	0.0%
6010 · Line Contract GBRA	11,570.59	92,564.72	138,847.08	-46,282.36	66.67%
6011 · GBRA Raw Water Delivery Fees	29,620.89	250,944.25	496,318.63	-245,374.38	50.56%
Total 6000 · Line Use & Delivery Costs	41,191.48	343,508.97	656,313.71	-312,804.74	52.34%
7000 · Plant Expenses-Variable Costs					
7005 · Plant Utilities	236,904.06	1,924,209.36	3,151,733.24	-1,227,523.88	61.05%
7010 · Chemicals	172,706.60	1,959,971.24	3,084,120.09	-1,124,148.85	63.55%
Total 7000 · Plant Expenses-Variable Costs	409,610.66	3,884,180.60	6,235,853.33	-2,351,672.73	62.29%

Canyon Regional Water Authority
Profit Loss Budget vs. Actual
October 2023 - May 2024

	May 2024	October 2023 May 2024	Annual Budget	$ Over/(Under) Annual Budget	% of Annual Budget
7100 · Operating Expenses					
7115 · Plant Maintenance & Supplies	94,346.14	944,411.88	1,220,200.00	-275,788.12	77.4%
7116 · Generator Maintenance	529.54	64,292.18	109,800.00	-45,507.82	58.55%
7117 · Equipment rental	1,037.98	33,083.82	40,360.00	-7,276.18	81.97%
7120 · SCADA	0.00	38,745.95	205,000.00	-166,254.05	18.9%
7122 · Vehicle Operations	6,239.53	29,809.49	158,000.00	-128,190.51	18.87%
7125 · Grounds Maintenance	14,178.09	97,228.43	134,350.00	-37,121.57	72.37%
7131 · Permits and Fees	113.75	11,058.54	28,650.00	-17,591.46	38.6%
7135 · Lab Supplies & Testing Fees	10,512.63	97,414.60	126,600.00	-29,185.40	76.95%
7140 · Insurance	0.00	125,317.84	133,998.88	-8,681.04	93.52%
7150 · Meals & Functions	4,665.21	20,422.13	36,500.00	-16,077.87	55.95%
7155 · Memberships & Dues	70.00	4,516.00	10,550.00	-6,034.00	42.81%
7160 · Mileage	0.00	14,511.18	38,800.00	-24,288.82	37.4%
7162 · Office Supplies and Expense	2,225.57	21,124.68	30,000.00	-8,875.32	70.42%
7165 · Training	50.00	2,038.75	9,500.00	-7,461.25	21.46%
7170 · Clothing	0.00	5,000.00	7,000.00	-2,000.00	71.43%
7175 · Telephones	412.60	3,387.33	4,500.00	-1,112.67	75.27%
7180 · Mobile Telephones	1,097.23	9,040.09	18,500.00	-9,459.91	48.87%
7190 · Network Expenses	342.46	4,384.70	10,000.00	-5,615.30	43.85%
7191 · Internet Domain	405.46	3,238.65	5,000.00	-1,761.35	64.77%
7195 · Contract Labor	0.00	0.00	4,000.00	-4,000.00	0.0%
7196 · GW Transport/Pumping Fees	15,288.55	214,664.25	400,000.00	-185,335.75	53.67%
Total 7100 · Operating Expenses	151,514.74	1,743,690.49	2,731,308.88	-987,618.39	63.84%
7500 · Payroll Expenses					
7505 · Annual Pay	166,087.56	965,293.62	1,862,317.62	-897,024.00	51.83%
7510 · Overtime	21,188.35	84,284.78	129,769.45	-45,484.67	64.95%
7530 · On Call	400.00	2,700.00	15,600.00	-12,900.00	17.31%
Total 7500 · Payroll Expenses	187,675.91	1,052,278.40	2,007,687.07	-955,408.67	52.41%
7600 · Employee Benefits					
7605 · Payroll Taxes	13,889.71	78,284.73	155,244.08	-76,959.35	50.43%
7610 · Insurance	18,862.93	181,912.84	439,220.28	-257,307.44	41.42%
7615 · Retirement	24,360.35	137,650.60	261,140.89	-123,490.29	52.71%
Total 7600 · Employee Benefits	57,112.99	397,848.17	855,605.25	-457,757.08	46.5%

Canyon Regional Water Authority
Profit Loss Budget vs. Actual
October 2023 - May 2024

	May 2024	October 2023 May 2024	Annual Budget	$ Over/(Under) Annual Budget	% of Annual Budget
7800 · Professional Fees					
7801 · SEC Disclosure	0.00	2,250.00	2,250.00	0.00	100.0%
7802 · Bank Service Fees	0.00	0.00	200.00	-200.00	0.0%
7803 · 401(k) Plan Fees	0.00	1,807.50	2,500.00	-692.50	72.3%
7806 · Bond Fees	0.00	1,200.00	3,000.00	-1,800.00	40.0%
7805 · Legal Fees	7,023.97	250,233.21	400,000.00	-149,766.79	62.56%
7810 · Engineering	6,478.51	283,994.73	400,000.00	-116,005.27	71.0%
7815 · Director Bonds	0.00	0.00	1,200.00	-1,200.00	0.0%
7820 · Accounting & Audit	0.00	14,825.00	15,000.00	-175.00	98.83%
Total 7800 · Professional Fees	13,502.48	554,310.44	824,150.00	-269,839.56	67.26%
7823 · Alliance Water	0.00	2,990,540.04	6,275,109.42	-3,284,569.38	47.66%
Total Expense	2,222,860.00	23,747,624.97	40,588,361.73	-16,840,736.76	58.51%
Net Ordinary Income	**1,368,102.20**	**4,799,750.36**	**0.00**	**4,799,750.36**	**100.0%**
Other Income/Expense					
Other Income					
8000 · Bond Payment Principal	776,666.64	6,213,333.12	0.00	0.00	100.0%
Net Other Income/Expense	776,666.64	6,213,333.12	0.00	6,213,333.12	100.0%
Net Income	**2,144,768.84**	**11,013,083.48**	**0.00**	**11,013,083.48**	**100.0%**

CANYON REGIONAL WATER AUTHORITY
Profit & Loss Prev Year Comparison
October 2023 through May 2024

	Oct '23 - May 24	Oct '22 - May 23	$ Change	% Change
Ordinary Income/Expense				
Income				
4000 · Revenues				
4002 · Debt Payments	8,047,301.19	8,590,237.78	-542,936.59	-6.3%
4003 · Raw Water	4,438,680.39	4,336,345.52	102,334.87	2.4%
4004 · Water-New Berlin	16,128.00	3,423.00	12,705.00	371.2%
4009 · Membrane Replacement Fund	361,230.48	361,230.48	0.00	0.0%
4010 · Line Use & Delivery Contracts	95,219.52	95,219.52	0.00	0.0%
4011 · Line Use New Berlin	11,439.52	11,439.52	0.00	0.0%
4012 · Raw Water Delivery Fees	252,205.03	225,197.99	27,007.04	12.0%
4017 · Water Sales	4,319,945.60	3,336,951.51	982,994.09	29.5%
4018 · Plant Operations	2,706,840.42	2,362,381.44	344,458.98	14.6%
4020 · Repair & Replacement Funds	1,181,031.00	1,161,286.80	19,744.20	1.7%
4022 · CRWA Administrative	1,586,024.09	1,232,866.08	353,158.01	28.7%
4023 · Alliance Water	4,183,234.16	3,325,409.36	857,824.80	25.8%
4024 · Interest Income General	310,930.15	231,120.67	79,809.48	34.5%
4026 · Interest Income Bond Accounts	252,777.17	191,742.33	61,034.84	31.8%
4028 · Interest Construction Accounts	772,519.41	597,853.08	174,666.33	29.2%
4030 · Other Income	11,469.20	9,810.92	1,658.28	16.9%
4032 · Team Building	400.00	0.00	400.00	100.0%
Total 4000 · Revenues	28,547,375.33	26,072,516.00	2,474,859.33	9.5%
Total Income	28,547,375.33	26,072,516.00	2,474,859.33	9.5%
Gross Profit	28,547,375.33	26,072,516.00	2,474,859.33	9.5%
Expense				
5000 · Bond Repayments				
5005 · Bond Payments	8,447,917.34	8,431,686.14	16,231.20	0.2%
Total 5000 · Bond Repayments	8,447,917.34	8,431,686.14	16,231.20	0.2%
5500 · Water Purchases				
5501 · Raw Water Purchases	3,433,061.59	3,207,212.13	225,849.46	7.0%
5502 · Water Purchases, New Berlin	16,128.00	3,423.00	12,705.00	371.2%
Total 5500 · Water Purchases	3,449,189.59	3,210,635.13	238,554.46	7.4%
5600 · Membrane Funds	322,272.00	163,411.00	158,861.00	97.2%
5700 · Repair & Replacement Funds	561,888.93	422,126.39	139,762.54	33.1%
6000 · Line Use & Delivery Costs				
6010 · Line Contract GBRA	92,564.72	92,564.72	0.00	0.0%
6011 · GBRA Raw Water Delivery Fees	250,944.25	226,022.66	24,921.59	11.0%
Total 6000 · Line Use & Delivery Costs	343,508.97	318,587.38	24,921.59	7.8%
7000 · Plant Expenses-Variable Costs				
7005 · Plant Utilities	1,924,209.36	1,883,429.28	40,780.08	2.2%
7010 · Chemicals	1,959,971.24	1,660,606.93	299,364.31	18.0%
Total 7000 · Plant Expenses-Variable Costs	3,884,180.60	3,544,036.21	340,144.39	9.6%
7100 · Operating Expenses				
7115 · Plant Maintenance & Supplies	944,411.88	467,227.32	477,184.56	102.1%
7116 · Generator & Compressor Maint.	64,292.18	44,116.98	20,175.20	45.7%
7117 · Equipment rental	33,083.82	29,094.60	3,989.22	13.7%
7120 · SCADA	38,745.95	64,690.97	-25,945.02	-40.1%
7122 · Vehicle Operations	29,809.49	28,706.14	1,103.35	3.8%
7125 · Grounds Maintenance	97,228.43	81,220.99	16,007.44	19.7%
7131 · Permits and Fees	11,058.54	27,040.12	-15,981.58	-59.1%
7135 · Lab Supplies & Testing Fees	97,414.60	72,139.98	25,274.62	35.0%
7140 · Insurance	125,317.84	99,459.38	25,858.46	26.0%
7150 · Meals & Functions	20,422.13	24,234.45	-3,812.32	-15.7%
7155 · Memberships & Dues	4,516.00	9,057.00	-4,541.00	-50.1%
7160 · Mileage	14,511.18	25,179.89	-10,668.71	-42.4%
7162 · Office Supplies and Expense	21,124.68	19,515.06	1,609.62	8.3%
7165 · Training	2,038.75	2,458.19	-419.44	-17.1%
7170 · Clothing	5,000.00	3,300.00	1,700.00	51.5%
7175 · Telephones	3,387.33	2,928.42	458.91	15.7%
7180 · Mobile Telephones	9,040.09	9,590.62	-550.53	-5.7%
7190 · Network Expenses	4,384.70	6,959.00	-2,574.30	-37.0%
7191 · Internet Domain	3,238.65	3,233.62	5.03	0.2%
7196 · GW Transport/Pumping Fees	214,664.25	217,275.01	-2,610.76	-1.2%
Total 7100 · Operating Expenses	1,743,690.49	1,237,427.74	506,262.75	40.9%

CANYON REGIONAL WATER AUTHORITY
Profit & Loss Prev Year Comparison
October 2023 through May 2024

	Oct '23 - May 24	Oct '22 - May 23	$ Change	% Change
7500 · Payroll Expenses				
7505 · Annual Pay	965,293.62	896,321.95	68,971.67	7.7%
7510 · Overtime	84,284.78	49,558.10	34,726.68	70.1%
7530 · On Call	2,700.00	2,190.00	510.00	23.3%
Total 7500 · Payroll Expenses	1,052,278.40	948,070.05	104,208.35	11.0%
7600 · Employee Benefits				
7605 · Payroll Taxes	78,284.73	68,733.90	9,550.83	13.9%
7610 · Insurance	181,912.84	111,202.73	70,710.11	63.6%
7615 · Retirement	137,650.60	119,507.52	18,143.08	15.2%
Total 7600 · Employee Benefits	397,848.17	299,444.15	98,404.02	32.9%
7800 · Professional Fees				
7801 · SEC Disclosure	2,250.00	0.00	2,250.00	100.0%
7802 · Bank Service Fees	0.00	139.00	-139.00	-100.0%
7803 · 401(k) Plan Fees	1,807.50	1,307.50	500.00	38.2%
7806 · Bond Fees	1,200.00	1,200.00	0.00	0.0%
7805 · Legal Fees	250,233.21	276,525.22	-26,292.01	-9.5%
7810 · Engineering	283,994.73	147,007.05	136,987.68	93.2%
7820 · Accounting & Audit	14,825.00	14,825.00	0.00	0.0%
Total 7800 · Professional Fees	554,310.44	441,003.77	113,306.67	25.7%
7823 · Alliance Water	2,990,540.04	3,599,663.83	-609,123.79	-16.9%
Total Expense	23,747,624.97	22,616,091.79	1,131,533.18	5.0%
Net Ordinary Income	4,799,750.36	3,456,424.21	1,343,326.15	38.9%
Other Income/Expense				
Other Income				
8000 · Bond Payment Principal	6,213,333.12	5,969,999.92	243,333.20	4.1%
Total Other Income	6,213,333.12	5,969,999.92	243,333.20	4.1%
Net Other Income	6,213,333.12	5,969,999.92	243,333.20	4.1%
Net Income	**11,013,083.48**	**9,426,424.13**	**1,586,659.35**	**16.8%**

CANYON REGIONAL WATER AUTHORITY
Monthly General Account Check Register
As of May 31, 2024

Type	Date	Num	Name	Memo	Amount	Balance
1001 · First United Bank						2,963,829.92
1006 · First United Checking #5207						2,963,829.92
Bill Pmt -Check	05/02/2024	ACH	GVEC - Big Oaks	03/07/2024 - 04/05/2024	-28.00	2,963,801.92
Bill Pmt -Check	05/02/2024	ACH	GVEC - Bond East Well	03/07/2024 - 04/05/2024	-6,459.50	2,957,342.42
Bill Pmt -Check	05/02/2024	ACH	GVEC - Bond West Well	03/07/2024 - 04/05/2024	-3,681.35	2,953,661.07
Bill Pmt -Check	05/02/2024	ACH	GVEC - Bull Trap Well	03/07/2024 - 04/05/2024	-2,458.00	2,951,203.07
Bill Pmt -Check	05/02/2024	ACH	GVEC - Camphouse Well	03/07/2024 - 04/05/2024	-2,937.00	2,948,266.07
Bill Pmt -Check	05/02/2024	ACH	GVEC - Chicken House Well	03/07/2024 - 04/05/2024	-2,636.59	2,945,629.48
Bill Pmt -Check	05/02/2024	ACH	GVEC - Christian East Well	03/07/2024 - 04/05/2024	-3,039.60	2,942,589.88
Bill Pmt -Check	05/02/2024	ACH	GVEC - Christian West Well	03/07/2024 - 04/05/2024	-3,290.31	2,939,299.57
Bill Pmt -Check	05/02/2024	ACH	GVEC - Cibolo	03/07/2024 - 04/05/2024	-28.00	2,939,271.57
Bill Pmt -Check	05/02/2024	ACH	GVEC - Coastal Field Well	03/07/2024 - 04/05/2024	-2,698.00	2,936,573.57
Bill Pmt -Check	05/02/2024	ACH	GVEC - Damerau	03/07/2024 - 04/05/2024	-57.00	2,936,516.57
Bill Pmt -Check	05/02/2024	ACH	GVEC - Deadman Tank Well	03/07/2024 - 04/05/2024	-10,274.00	2,926,242.57
Bill Pmt -Check	05/02/2024	ACH	GVEC - Deer Stand Well	03/07/2024 - 04/05/2024	-11,518.00	2,914,724.57
Bill Pmt -Check	05/02/2024	ACH	GVEC - FM 467	03/07/2024 - 04/05/2024	-30.00	2,914,694.57
Bill Pmt -Check	05/02/2024	ACH	GVEC - Green Valley	03/07/2024 - 04/05/2024	-29.00	2,914,665.57
Bill Pmt -Check	05/02/2024	ACH	GVEC - GV 7293 IH 10	03/07/2024 - 04/05/2024	-30.00	2,914,635.57
Bill Pmt -Check	05/02/2024	ACH	GVEC - Hardy Road	03/07/2024 - 04/05/2024	-29.00	2,914,606.57
Bill Pmt -Check	05/02/2024	ACH	GVEC - Hickory Forest	03/07/2024 - 04/05/2024	-34.00	2,914,572.57
Bill Pmt -Check	05/02/2024	ACH	GVEC - Littlefield Well	03/07/2024 - 04/05/2024	-3,305.21	2,911,267.36
Bill Pmt -Check	05/02/2024	ACH	GVEC - Marion	03/07/2024 - 04/05/2024	-27.00	2,911,240.36
Bill Pmt -Check	05/02/2024	ACH	GVEC - Pig Trap Well	03/07/2024 - 04/05/2024	-2,377.00	2,908,863.36
Bill Pmt -Check	05/02/2024	ACH	GVEC - Pivot Irrigation	03/07/2024 - 04/05/2024	-62.00	2,908,801.36
Bill Pmt -Check	05/02/2024	ACH	GVEC - Tommys Well	03/07/2024 - 04/05/2024	-2,478.00	2,906,323.36
Bill Pmt -Check	05/02/2024	ACH	GVEC - Wagner Booster Stn #2	03/07/2024 - 04/05/2024	-2,596.20	2,903,727.16
Bill Pmt -Check	05/02/2024	ACH	GVEC - WR Generators	03/07/2024 - 04/05/2024	-1,514.16	2,902,213.00
Paycheck	05/03/2024	Direct Dep	Allman, Michael		-3,844.10	2,898,368.90
Paycheck	05/03/2024	Direct Dep	Andrews, Michael D		-1,442.87	2,896,926.03
Paycheck	05/03/2024	Direct Dep	Arreaga, Ivan R		-1,866.70	2,895,059.33
Paycheck	05/03/2024	Direct Dep	Averyt, Kerry L		-5,112.79	2,889,946.54
Paycheck	05/03/2024	Direct Dep	Diaz, Hanna S		-1,588.16	2,888,358.38
Paycheck	05/03/2024	Direct Dep	Flores, Jimmy		-2,623.43	2,885,734.95
Paycheck	05/03/2024	Direct Dep	Kirkland, Debra M		-1,888.38	2,883,846.57
Paycheck	05/03/2024	Direct Dep	Moreno, Joe		-4,072.97	2,879,773.60
Paycheck	05/03/2024	Direct Dep	Powers, Frantiska A		-1,855.75	2,877,917.85
Paycheck	05/03/2024	Direct Dep	Sarten, Donald		-2,258.03	2,875,659.82
Paycheck	05/03/2024	Direct Dep	Schnautz, Kelby D.		-953.79	2,874,706.03
Paycheck	05/03/2024	Direct Dep	Shirk, Austin		-2,025.75	2,872,680.28
Paycheck	05/03/2024	Direct Dep	Sims, Clarissa R		-2,003.70	2,870,676.58
Paycheck	05/03/2024	Direct Dep	Wallace, Russell L		-1,935.71	2,868,740.87
Paycheck	05/03/2024	Direct Dep	Wilkinson, Joan A.		-3,464.98	2,865,275.89
Paycheck	05/03/2024	Direct Dep	McMullen, David W.		-3,886.77	2,861,389.12
Paycheck	05/03/2024	Direct Dep	Telfer, Adam C		-3,720.40	2,857,668.72
Liability Check	05/03/2024	EFTPS	US Treasury	74-2586063	-14,947.96	2,842,720.76
Liability Check	05/03/2024	ACH	John Hancock	401(k) Retirement Plan	-628.47	2,842,092.29
Check	05/03/2024	38019	Charles C. Bailey	Monthly Governmental Cons...	-2,000.00	2,840,092.29
Bill Pmt -Check	05/03/2024	38020	ACT Pipe and Supply, Inc.	Solid Sleeve & Mega-Lug Kit	-4,267.64	2,835,824.65
Bill Pmt -Check	05/03/2024	38021	Anytime Fuel Pros LLC	Diesel for Generators-HC	-817.36	2,835,007.29
Bill Pmt -Check	05/03/2024	38022	Armadillo Lawn Care & Irrigation	Lawn Maintenance	-7,651.67	2,827,355.62
Bill Pmt -Check	05/03/2024	38023	B&B Family Partnership	Baugh Water Lease 320 AF ...	-2,000.00	2,825,355.62
Bill Pmt -Check	05/03/2024	38024	Bleck Electric Company	A/C Maintenance & Motor Re...	-8,515.39	2,816,840.23
Bill Pmt -Check	05/03/2024	38025	Brenntag Southwest, Inc.	Chemicals	-2,632.00	2,814,208.23
Bill Pmt -Check	05/03/2024	38026	Bryant Law PC	RE: Louis Rosenberg	-2,849.80	2,811,358.43
Bill Pmt -Check	05/03/2024	38027	Callis Professional Services, LLC	Office Cleaning	-370.70	2,810,987.73
Bill Pmt -Check	05/03/2024	38028	Debra M. Kirkland	Mileage Reimbursement	-52.26	2,810,935.47
Bill Pmt -Check	05/03/2024	38029	Dynamic Mechanical Contracting	A/C Chiller & MCC Maintena...	-4,347.25	2,806,588.22
Bill Pmt -Check	05/03/2024	38030	Fluid Meter Service, Corp.	Test Backflow Preventers	-2,175.00	2,804,413.22
Bill Pmt -Check	05/03/2024	38031	Garrison Comal Supply, LLC	Parts	-522.67	2,803,890.55
Bill Pmt -Check	05/03/2024	38032	Garver USA	LD Membrane Evaluation	-14,692.50	2,789,198.05
Bill Pmt -Check	05/03/2024	38033	Grainger	Supplies	-4,672.94	2,784,525.11
Bill Pmt -Check	05/03/2024	38034	Guadalupe County Groundwater ...	GW Transport/Pumping Fees	-15,288.55	2,769,236.56
Bill Pmt -Check	05/03/2024	38035	Hawkins	Chemcials	-28,047.60	2,741,188.96
Bill Pmt -Check	05/03/2024	38036	Hild Brothers, Inc.	Weed Killer	-110.00	2,741,078.96
Bill Pmt -Check	05/03/2024	38037	Hofmann's Supply	Cylinder Rental	-17.98	2,741,060.98
Bill Pmt -Check	05/03/2024	38038	Holt Cat	Generator PM @ HC	-1,951.16	2,739,109.82
Bill Pmt -Check	05/03/2024	38039	Lhoist North America of Texas, L...	Lime	-9,444.02	2,729,665.80
Bill Pmt -Check	05/03/2024	38040	Matheson Tri-Gas, Inc.	Cylinder Rental	-2,855.61	2,726,810.19
Bill Pmt -Check	05/03/2024	38041	New Braunfels Welders Supply	Cylinder Rental	-30.00	2,726,780.19
Bill Pmt -Check	05/03/2024	38042	Randolph Schwenn	Interim GM Services for April...	-8,117.84	2,718,662.35
Bill Pmt -Check	05/03/2024	38043	Seguin Auto Parts, Inc.	Parts	-327.63	2,718,334.72
Bill Pmt -Check	05/03/2024	38044	South Texas Wastewater	115v Spray Pump & Repairs	-1,922.61	2,716,412.11
Bill Pmt -Check	05/03/2024	38045	Standard Insurance Company-De...	Dental Insurance	-1,549.60	2,714,862.51
Bill Pmt -Check	05/03/2024	38046	Texas Excavation Safety System,...	Texas 811	-355.35	2,714,507.16
Bill Pmt -Check	05/03/2024	38047	Tri-County A/C & Heating Inc.	A/C Filters	-194.85	2,714,312.31
Bill Pmt -Check	05/03/2024	38048	USA Bluebook	Supplies	-2,352.43	2,711,959.88
Bill Pmt -Check	05/03/2024	38049	USALCO, LLC	Chemicals	-20,358.08	2,691,601.80
Bill Pmt -Check	05/03/2024	38050	Waste Management	Garbage Disposal	-1,522.16	2,690,079.64

CANYON REGIONAL WATER AUTHORITY
Monthly General Account Check Register
As of May 31, 2024

Type	Date	Num	Name	Memo	Amount	Balance
Bill Pmt -Check	05/03/2024	38051	Williams Supply Company	Supplies	-236.79	2,689,842.85
Bill Pmt -Check	05/03/2024	38052	Guadalupe County Groundwater ...	Application Fee	-500.00	2,689,342.85
Deposit	05/06/2024			Deposit	400.00	2,689,742.85
Deposit	05/06/2024			Deposit	609,849.25	3,299,592.10
Check	05/10/2024	ACH	Rafe Jackson	Initital Prorated Water Lease ...	-4,270.77	3,295,321.33
Check	05/10/2024	ACH	Acker Family Partnership, LP	Initial Prorated Water Lease ...	-32,128.51	3,263,192.82
Bill Pmt -Check	05/10/2024	ACH	Texas Fleet Fuel	Vehicle & Equipment Fuel	-1,363.01	3,261,829.81
Bill Pmt -Check	05/10/2024	38053	5S Service Company LLC	Generator Maintenance	-486.60	3,261,343.21
Bill Pmt -Check	05/10/2024	38054	ADT	Security System for Admin B...	-1,574.67	3,259,768.54
Bill Pmt -Check	05/10/2024	38055	Analytical Environmental Laborat...	Lab Testing Fees	-675.00	3,259,093.54
Bill Pmt -Check	05/10/2024	38056	Attorney R. L. Wilson	Legal Fees	-16,470.00	3,242,623.54
Bill Pmt -Check	05/10/2024	38057	Bleck Electric Company	Replace Sludge Pump @ LD	-3,280.00	3,239,343.54
Bill Pmt -Check	05/10/2024	38058	Bray Sales Inc.	Actuators for WR	-1,852.22	3,237,491.32
Bill Pmt -Check	05/10/2024	38059	Brenntag Southwest, Inc.	Chemcials	-13,728.00	3,223,763.32
Bill Pmt -Check	05/10/2024	38060	Citibank, N.A.	Mastercard	-9,466.09	3,214,297.23
Bill Pmt -Check	05/10/2024	38061	Hach Company	Lab Supplies	-609.00	3,213,688.23
Bill Pmt -Check	05/10/2024	38062	Helping Hand Hardware	Supplies	-192.11	3,213,496.12
Bill Pmt -Check	05/10/2024	38063	Holt Cat	Generator PM & Load Bank ...	-6,673.80	3,206,822.32
Bill Pmt -Check	05/10/2024	38064	Langley & Banack	General Matters	-8,355.80	3,198,466.52
Bill Pmt -Check	05/10/2024	38065	Lhoist North America of Texas, L...	Lime	-8,952.04	3,189,514.48
Bill Pmt -Check	05/10/2024	38066	Massengale Armature Works, Inc.	300 HP Motor & Install	-16,722.81	3,172,791.67
Bill Pmt -Check	05/10/2024	38067	Matheson Tri-Gas, Inc.	Oxygen	-9,403.53	3,163,388.14
Bill Pmt -Check	05/10/2024	38068	Morales, Fletcher Law, P.C.	Employee Handbook Review	-340.00	3,163,048.14
Bill Pmt -Check	05/10/2024	38069	New Braunfels Welders Supply	Supplies	-574.09	3,162,474.05
Bill Pmt -Check	05/10/2024	38070	Preserve Lake Dunlap Association	Annual Dues	-200.00	3,162,274.05
Bill Pmt -Check	05/10/2024	38071	PVS DX, INC	Chemicals	-15,663.36	3,146,610.69
Bill Pmt -Check	05/10/2024	38072	Qro Mex Construction Co., Inc.	12" & 16" Water Line Repair	-33,816.40	3,112,794.29
Bill Pmt -Check	05/10/2024	38073	Sam's Club MC/SYNCB	Supplies	-705.26	3,112,089.03
Bill Pmt -Check	05/10/2024	38074	Seguin Welding Service	Crane Truck	-990.00	3,111,099.03
Bill Pmt -Check	05/10/2024	38075	Wastewater Transport Services L...	Sludge Removal	-14,882.65	3,096,216.38
Bill Pmt -Check	05/10/2024	38076	Williams Supply Company	Supplies	-75.54	3,096,140.84
Deposit	05/13/2024			Deposit	64,736.86	3,160,877.70
Deposit	05/14/2024			Deposit	301,132.91	3,462,010.61
Liability Check	05/15/2024	ACH	TCDRS		-11,130.26	3,450,880.35
Liability Check	05/15/2024	ACH	TCDRS		-13,808.24	3,437,072.11
Transfer	05/15/2024			Funds Transfer	-45,603.64	3,391,468.47
Transfer	05/15/2024			Funds Transfer	-28,969.53	3,362,498.94
Transfer	05/15/2024			Funds Transfer	-53,344.44	3,309,154.50
Transfer	05/15/2024			Funds Transfer	-18,557.12	3,290,597.38
Transfer	05/15/2024			LD-Monthly Bond Payment T...	-138,517.18	3,152,080.20
Transfer	05/15/2024			Bond Payment Transfer	-22,760.70	3,129,319.50
Transfer	05/15/2024			MC-Bond Payment Transfer	-145,347.66	2,983,971.84
Transfer	05/15/2024			Bond Payment Transfer	-33,595.19	2,950,376.65
Transfer	05/15/2024			Bond Payment Transfer	-54,926.41	2,895,450.24
Transfer	05/15/2024			Bond Payment Transfer	-13,416.02	2,882,034.22
Transfer	05/15/2024			Bond Payment Transfer	-242,307.58	2,639,726.64
Transfer	05/15/2024			Bond Payment Transfer	-231,700.11	2,408,026.53
Transfer	05/15/2024			Bond Payment Transfer	-86,196.58	2,321,829.95
Transfer	05/15/2024			Bond Payment Transfer	-22,479.93	2,299,350.02
Transfer	05/15/2024			Monthly Membrane Transfer	-5,155.41	2,294,194.61
Transfer	05/15/2024			Monthly Membrane Transfer	-39,998.40	2,254,196.21
Deposit	05/15/2024			Deposit	235,854.23	2,490,050.44
Bill Pmt -Check	05/16/2024	ACH	CPS - I 10	I-10 Utilities	-12.30	2,490,038.14
Paycheck	05/17/2024	Direct Dep	Andrews, Michael D		-1,447.03	2,488,591.11
Paycheck	05/17/2024	Direct Dep	Arreaga, Ivan R		-1,696.98	2,486,894.13
Paycheck	05/17/2024	Direct Dep	Diaz, Hanna S		-1,460.00	2,485,434.13
Paycheck	05/17/2024	Direct Dep	Kirkland, Debra M		-1,883.46	2,483,550.67
Paycheck	05/17/2024	Direct Dep	Moreno, Joe		-3,750.40	2,479,800.27
Paycheck	05/17/2024	Direct Dep	Powers, Frantiska A		-1,839.39	2,477,960.88
Paycheck	05/17/2024	Direct Dep	Sarten, Donald		-2,321.70	2,475,639.18
Paycheck	05/17/2024	Direct Dep	Shirk, Austin		-1,833.06	2,473,806.12
Paycheck	05/17/2024	Direct Dep	Sims, Clarissa R		-1,507.12	2,472,299.00
Paycheck	05/17/2024	Direct Dep	Wallace, Russell L		-2,771.25	2,469,527.75
Paycheck	05/17/2024	Direct Dep	Wilkinson, Joan A.		-3,464.97	2,466,062.78
Paycheck	05/17/2024	Direct Dep	Allman, Michael		-3,702.05	2,462,360.73
Paycheck	05/17/2024	Direct Dep	Schnautz, Kelby D.		-939.17	2,461,421.56
Paycheck	05/17/2024	Direct Dep	Flores, Jimmy		-2,274.78	2,459,146.78
Paycheck	05/17/2024	Direct Dep	Averyt, Kerry L		-5,117.82	2,454,028.96
Paycheck	05/17/2024	Direct Dep	McMullen, David W.		-3,886.78	2,450,142.18
Paycheck	05/17/2024	Direct Dep	Telfer, Adam C		-3,720.41	2,446,421.77
Liability Check	05/17/2024	ACH	John Hancock	401(k) Retirement Plan	-598.59	2,445,823.18
Liability Check	05/17/2024	EFTPS	US Treasury	74-2586063	-14,636.98	2,431,186.20
Transfer	05/17/2024			Massengale-Replace Wagne...	41,639.19	2,472,825.39
Bill Pmt -Check	05/17/2024	38077	Charter Communications	HC Internet	-120.61	2,472,704.78
Bill Pmt -Check	05/17/2024	38078	Dex Imaging	Admin Copier	-1,141.46	2,471,563.32
Bill Pmt -Check	05/17/2024	38079	GBRA-Raw Water & TM	12613 A/F @ $175 & Raw W...	-225,131.06	2,246,432.26
Bill Pmt -Check	05/17/2024	38080	Guadalupe-Blanco River Authority..	Lab Testing Fees	-1,357.00	2,245,075.26
Bill Pmt -Check	05/17/2024	38081	Hach Company	Lab Supplies	-1,828.35	2,243,246.91

CANYON REGIONAL WATER AUTHORITY
Monthly General Account Check Register
As of May 31, 2024

Type	Date	Num	Name	Memo	Amount	Balance
Bill Pmt -Check	05/17/2024	38082	Hawkins	Chemicals	-27,921.60	2,215,325.31
Bill Pmt -Check	05/17/2024	38083	Hierholzer Engineering, Inc	SCADA	-7,610.00	2,207,715.31
Bill Pmt -Check	05/17/2024	38084	Lhoist North America of Texas, L...	Lime	-18,422.40	2,189,292.91
Bill Pmt -Check	05/17/2024	38085	Massengale Armature Works, Inc.	Install Pump 4 @ Wagner	-41,639.19	2,147,653.72
Bill Pmt -Check	05/17/2024	38086	Matheson Tri-Gas, Inc.	Nitrogen	-1,224.34	2,146,429.38
Bill Pmt -Check	05/17/2024	38087	Pollution Control Services	VOID: Lab Testing Fees	0.00	2,146,429.38
Bill Pmt -Check	05/17/2024	38088	PVS DX, INC	Cylinder Rental	-960.00	2,145,469.38
Bill Pmt -Check	05/17/2024	38089	Seguin Welding Service	Crane Truck	-990.00	2,144,479.38
Bill Pmt -Check	05/17/2024	38090	Trojan Technologies Corp.	Pall Trailer Installment #16	-40,284.00	2,104,195.38
Bill Pmt -Check	05/17/2024	38091	USA Bluebook	Replacement Gasket Kits for...	-1,481.80	2,102,713.58
Bill Pmt -Check	05/17/2024	38092	TX Health Benefits Pool	Employee Health Insurance	-23,572.64	2,079,140.94
Bill Pmt -Check	05/20/2024	ACH	GVEC - Lake Dunlap	03/25/2024 - 04/25/2024	-41,559.58	2,037,581.36
Bill Pmt -Check	05/20/2024	ACH	GVEC - Leissner Booster Stn #2	03/25/2024 - 04/25/2024	-16,797.55	2,020,783.81
Bill Pmt -Check	05/20/2024	ACH	GVEC - Leissner Rd Booster Stat...	03/25/2024 - 04/25/2024	-11,177.35	2,009,606.46
Bill Pmt -Check	05/20/2024	ACH	GVEC - Wagner Booster	03/25/2024 - 04/25/2024	-8,313.41	2,001,293.05
Bill Pmt -Check	05/20/2024	ACH	GVEC - WR Plant	03/25/2024 - 04/25/2024	-16,459.02	1,984,834.03
Bill Pmt -Check	05/20/2024	ACH	GVEC - WR Plant #2	03/25/2024 - 04/25/2024	-16,583.37	1,968,250.66
Deposit	05/20/2024			Deposit	416,120.28	2,384,370.94
Bill Pmt -Check	05/21/2024	ACH	Bluebonnet Electric	HC Utilities - 5000057123	-12,396.06	2,371,974.88
Bill Pmt -Check	05/22/2024	ACH	CPS - 1518	Utilities	-129.38	2,371,845.50
Bill Pmt -Check	05/24/2024	ACH	CPS - 1604	Utilities	-24,818.42	2,347,027.08
Transfer	05/24/2024			RAM TXDOT IH10 Pay App 2	93,330.45	2,440,357.53
Transfer	05/24/2024			RAM TXDOT IH10 Pay App 3	27,105.58	2,467,463.11
Bill Pmt -Check	05/24/2024	ACH	Texas Fleet Fuel	Vehicle & Equipment Fuel	-822.54	2,466,640.57
Bill Pmt -Check	05/24/2024	38093	5S Service Company LLC	Submersible Pumps & Veloci...	-17,132.70	2,449,507.87
Bill Pmt -Check	05/24/2024	38094	Analytical Environmental Laborat...	Lab Testing Fees	-135.00	2,449,372.87
Bill Pmt -Check	05/24/2024	38095	AT&T Mobility	Mobile Telephones	-1,010.65	2,448,362.22
Bill Pmt -Check	05/24/2024	38096	Attorney R. L. Wilson	HC Mediation - Jackson Wal...	-1,650.00	2,446,712.22
Bill Pmt -Check	05/24/2024	38097	Bay Area/General Crane Service,...	Crane & Hoist Inspections	-479.30	2,446,232.92
Bill Pmt -Check	05/24/2024	38098	Evoqua Water Technologies LLC	Chemicals	-60,514.40	2,385,718.52
Bill Pmt -Check	05/24/2024	38099	Gold Star Exterminators	Pest Control	-115.00	2,385,603.52
Bill Pmt -Check	05/24/2024	38100	GVEC - Internet	Internet @ WBS, LBS, LD	-284.85	2,385,318.67
Bill Pmt -Check	05/24/2024	38101	Hach Company	Lab Supplies	-3,114.00	2,382,204.67
Bill Pmt -Check	05/24/2024	38102	James Radtke Construction	Line Locate Lower Seguin Rd.	-300.00	2,381,904.67
Bill Pmt -Check	05/24/2024	38103	Lhoist North America of Texas, L...	Lime	-8,969.61	2,372,935.06
Bill Pmt -Check	05/24/2024	38104	Michael Andrews	Reimbursement for Boots	-133.44	2,372,801.62
Bill Pmt -Check	05/24/2024	38105	New Braunfels Utilities	46 Standpipe Utilities	-35.83	2,372,765.79
Bill Pmt -Check	05/24/2024	38106	R.W Harden & Associates, Inc.	Wells Ranch Development	-1,247.50	2,371,518.29
Bill Pmt -Check	05/24/2024	38107	RAM Utilities, LLC	IH-10 TxDot Project-Pay App...	-120,436.03	2,251,082.26
Bill Pmt -Check	05/24/2024	38108	TX Health Benefits Pool	Employee Health Insurance	-28,817.55	2,222,264.71
Bill Pmt -Check	05/24/2024	38109	Utility Engineering Group, PLLC	Engineering Fees	-20,612.86	2,201,651.85
Bill Pmt -Check	05/24/2024	38110	Verve Cloud, Inc.	Telephones	-412.60	2,201,239.25
Bill Pmt -Check	05/24/2024	38111	Waste Connections	Garbage Disposal	-414.89	2,200,824.36
Bill Pmt -Check	05/24/2024	38112	Williams Supply Company	Supplies	-511.62	2,200,312.74
Deposit	05/24/2024			Deposit	719,222.66	2,919,535.40
Deposit	05/24/2024			Deposit	447,140.02	3,366,675.42
Deposit	05/29/2024			Deposit	40,280.90	3,406,956.32
Deposit	05/30/2024			Deposit	832,406.46	4,239,362.78
Paycheck	05/31/2024	Direct Dep	Allman, Michael		-3,324.27	4,236,038.51
Paycheck	05/31/2024	Direct Dep	Andrews, Michael D		-2,068.45	4,233,970.06
Paycheck	05/31/2024	Direct Dep	Arreaga, Ivan R		-1,630.32	4,232,339.74
Paycheck	05/31/2024	Direct Dep	Averyt, Kerry L		-5,117.82	4,227,221.92
Paycheck	05/31/2024	Direct Dep	Diaz, Hanna S		-1,535.72	4,225,686.20
Paycheck	05/31/2024	Direct Dep	Flores, Jimmy		-2,173.28	4,223,512.92
Paycheck	05/31/2024	Direct Dep	Kirkland, Debra M		-1,957.31	4,221,555.61
Paycheck	05/31/2024	Direct Dep	Moreno, Joe		-4,358.53	4,217,197.08
Paycheck	05/31/2024	Direct Dep	Powers, Frantiska A		-1,745.04	4,215,452.04
Paycheck	05/31/2024	Direct Dep	Sarten, Donald		-2,481.85	4,212,970.19
Paycheck	05/31/2024	Direct Dep	Schnautz, Kelby D.		-962.11	4,212,008.08
Paycheck	05/31/2024	Direct Dep	Shirk, Austin		-2,232.45	4,209,775.63
Paycheck	05/31/2024	Direct Dep	Sims, Clarissa R		-2,203.73	4,207,571.90
Paycheck	05/31/2024	Direct Dep	Wallace, Russell L		-1,769.24	4,205,802.66
Paycheck	05/31/2024	Direct Dep	McMullen, David W.		-3,886.78	4,201,915.88
Paycheck	05/31/2024	Direct Dep	Telfer, Adam C		-3,720.41	4,198,195.47
Paycheck	05/31/2024	Direct Dep	Wilkinson, Joan A.		-3,464.97	4,194,730.50
Liability Check	05/31/2024	ACH	John Hancock	401(k) Retirement Plan	-647.95	4,194,082.55
Liability Check	05/31/2024	EFTPS	US Treasury	74-2586063	-14,858.62	4,179,223.93
Bill Pmt -Check	05/31/2024	38113	Aflac	Employee Voluntary Insurance	-1,060.90	4,178,163.03
Bill Pmt -Check	05/31/2024	38114	Armadillo Lawn Care & Irrigation	Lawn Maintenance	-7,651.67	4,170,511.36
Bill Pmt -Check	05/31/2024	38115	Avesis	Employee Vision Insurance	-202.49	4,170,308.87
Bill Pmt -Check	05/31/2024	38116	Barcom Technology Solutions	Backup Monitoring	-342.46	4,169,966.41
Bill Pmt -Check	05/31/2024	38117	Bryant Law PC	RE: Louis Rosenberg	-1,548.14	4,168,418.27
Bill Pmt -Check	05/31/2024	38118	Chameleon Industries, Inc.	Liquid Cupric Sulfate	-69,520.40	4,098,897.87
Bill Pmt -Check	05/31/2024	38119	Council Automotive Supply	Vehicle Maintenance	-157.69	4,098,740.18
Bill Pmt -Check	05/31/2024	38120	Ewald Kubota, Inc.	Tractor @ WR	-113.33	4,098,626.85
Bill Pmt -Check	05/31/2024	38121	Grainger	Parts	-844.87	4,097,781.98
Bill Pmt -Check	05/31/2024	38122	Guadalupe County Groundwater ...	GW Transport/Pumping Fees	-15,288.55	4,082,493.43
Bill Pmt -Check	05/31/2024	38123	Langley & Banack	General, HC Mediation, & W...	-4,255.00	4,078,238.43

CANYON REGIONAL WATER AUTHORITY
Monthly General Account Check Register
As of May 31, 2024

Type	Date	Num	Name	Memo	Amount	Balance
Bill Pmt -Check	05/31/2024	38124	Lhoist North America of Texas, L...	Lime	-8,908.12	4,069,330.31
Bill Pmt -Check	05/31/2024	38125	Pollution Control Services	Lab Testing Fees	-1,962.00	4,067,368.31
Bill Pmt -Check	05/31/2024	38126	PVS DX, INC	Chlorine	-6,673.60	4,060,694.71
Bill Pmt -Check	05/31/2024	38127	Randolph Schwenn	Interim GM Services for May ...	-4,988.51	4,055,706.20
Bill Pmt -Check	05/31/2024	38128	Standard Insurance Company	Employee Life, STD, & LTD ...	-1,024.26	4,054,681.94
Bill Pmt -Check	05/31/2024	38129	Texas Land and Right of Way Co...	Wells Ranch Water Lease A...	-34,648.25	4,020,033.69
Bill Pmt -Check	05/31/2024	38130	Tri-County A/C & Heating Inc.	A/C Filters	-180.00	4,019,853.69
Bill Pmt -Check	05/31/2024	38131	U.S. Signs	CRWA Logo for Vehicles	-250.00	4,019,603.69
Bill Pmt -Check	05/31/2024	38132	Unmanned Vehicle Technologies...	Drone	-22,938.00	3,996,665.69
Bill Pmt -Check	05/31/2024	38133	Williams Supply Company	Supplies	-1,130.47	3,995,535.22
Deposit	05/31/2024			Interest	959.50	3,996,494.72
Total 1006 · First United Checking #5207					1,032,664.80	3,996,494.72
Total 1001 · First United Bank					1,032,664.80	3,996,494.72
TOTAL					**1,032,664.80**	**3,996,494.72**

CANYON REGIONAL WATER AUTHORITY
Legal Fees by Payee
October 2023 through May 2024

Type	Date	Num	Name	Memo	Amount	Balance
Attorney R. L. Wilson						
Bill	10/31/2023	3756	Attorney R. L. Wilson	General Matters 10/01/2023 - 10/31/2023	5,685.00	5,685.00
Bill	10/31/2023	3759	Attorney R. L. Wilson	Wells Ranch 10/01/2023 - 10/31/2023	645.00	6,330.00
Bill	10/31/2023	3757	Attorney R. L. Wilson	Hays Caldwell 10/01/2023 - 10/31/2023	4,995.00	11,325.00
Bill	11/30/2023	3760	Attorney R. L. Wilson	General Matters 11/01/2023 - 11/30/2023	6,837.00	18,162.00
Bill	11/30/2023	3763	Attorney R. L. Wilson	Wells Ranch 11/01/2023 - 11/30/2023	840.00	19,002.00
Bill	11/30/2023	3761	Attorney R. L. Wilson	Hays Caldwell 11/01/2023 - 11/30/2023	1,545.00	20,547.00
Ge...	12/31/2023	109...	Attorney R. L. Wilson	Form 1099 Adj from WR II	16,754.60	37,301.60
Ge...	12/31/2023	109...	Attorney R. L. Wilson	Reverse of GJE 1099-Adj 2 -- Form 1099...	-16,754.60	20,547.00
Bill	01/31/2024	3777	Attorney R. L. Wilson	General Matters 12/01/2023 - 01/31/2024	24,435.00	44,982.00
Bill	01/31/2024	3778	Attorney R. L. Wilson	Hays Caldwell 12/01/2023 - 01/31/2024	6,270.00	51,252.00
Bill	01/31/2024	3781	Attorney R. L. Wilson	Wells Ranch 12/01/2023 - 01/31/2024	3,720.00	54,972.00
Bill	01/31/2024	3779	Attorney R. L. Wilson	Lake Dunlap/Nanostone 12/01/2023 - 01/...	120.00	55,092.00
Bill	02/29/2024	3795	Attorney R. L. Wilson	General Matters 02/01/2024 - 02/29/2024	8,481.00	63,573.00
Bill	02/29/2024	3796	Attorney R. L. Wilson	Hays Caldwell 02/01/2024 - 02/29/2024	2,742.00	66,315.00
Bill	02/29/2024	3799	Attorney R. L. Wilson	Wells Ranch 02/01/2024 - 02/29/2024	3,735.00	70,050.00
Bill	03/31/2024	3812	Attorney R. L. Wilson	General Matters 03/01/2024 - 03/31/2024	8,145.00	78,195.00
Bill	03/31/2024	3813	Attorney R. L. Wilson	Hays Caldwell 003/01/2024 - 03/31/2024	3,495.00	81,690.00
Bill	03/31/2024	3815	Attorney R. L. Wilson	Wells Ranch 03/01/2024 - 03/31/2024	3,450.00	85,140.00
Bill	04/30/2024	3830	Attorney R. L. Wilson	General Matters (04/01/2024 - 04/30/2024	7,785.00	92,925.00
Bill	04/30/2024	3832	Attorney R. L. Wilson	Lake Dunlap 04/01/2024 - 04/30/2024	405.00	93,330.00
Bill	04/30/2024	3834	Attorney R. L. Wilson	Wells Ranch 04/01/2024 - 04/30/2024	1,635.00	94,965.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	HC Mediation	3,840.00	98,805.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	Hays Caldwell 04/01/2024 - 04/30/2024	7,035.00	105,840.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	HC Mediation	30.00	105,870.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	Hays Caldwell 04/01/2024 - 04/30/2024	30.00	105,900.00
Bill	05/16/2024		Attorney R. L. Wilson	HC Mediation - Jackson Walker	1,650.00	107,550.00
Total Attorney R. L. Wilson					107,550.00	107,550.00
Bryant Law PC						
Bill	10/31/2023	2091	Bryant Law PC	RE: Louis Rosenberg	5,058.10	5,058.10
Bill	10/31/2023	2092	Bryant Law PC	RE: Louis Rosenberg-Hays Caldwell Con...	3,181.50	8,239.60
Bill	10/31/2023	2093	Bryant Law PC	RE: Louis Rosenberg	2,259.60	10,499.20
Bill	11/30/2023	2212	Bryant Law PC	RE: Louis Rosenberg	5,551.10	16,050.30
Bill	11/30/2023	2212	Bryant Law PC	Hays-Caldwell Contract Water Rights Iss...	824.00	16,874.30
Bill	11/30/2023	2212	Bryant Law PC	RE: Louis Rosenberg	2,561.60	19,435.90
Bill	12/31/2023	2303	Bryant Law PC	RE: Louis Rosenberg	4,480.10	23,916.00
Bill	12/31/2023	2303	Bryant Law PC	Hays Caldwell Contract Water Rights Iss...	660.00	24,576.00
Bill	12/31/2023	2303	Bryant Law PC	RE: Louis Rosenberg	2,427.10	27,003.10
Bill	01/24/2024	2389	Bryant Law PC	RE: Louis Rosenberg	3,769.60	30,772.70
Bill	01/24/2024	2389	Bryant Law PC	Policy and Legislative	190.00	30,962.70
Bill	01/31/2024	2454	Bryant Law PC	RE: Louis Rosenberg	137.50	31,100.20
Bill	02/29/2024	2504	Bryant Law PC	RE: Louis Rosenberg	1,439.50	32,539.70
Bill	02/29/2024	2504	Bryant Law PC	Policy Committee	7,012.10	39,551.80
Bill	03/31/2024	2622	Bryant Law PC	RE: Louis Rosenberg	334.50	39,886.30
Bill	03/31/2024	2622	Bryant Law PC	Policy and Legislative Committee	4,008.50	43,894.80
Bill	04/23/2024	2707	Bryant Law PC	RE: Louis Rosenberg	1,834.40	45,729.20
Bill	04/23/2024	2707	Bryant Law PC	Policy & Legislative Committee	1,015.40	46,744.60
Bill	05/17/2024	2793	Bryant Law PC	RE: Louis Rosenberg	1,548.14	48,292.74
Total Bryant Law PC					48,292.74	48,292.74
Charles C. Bailey						
Che...	11/03/2023	37342	Charles C. Bailey	Monthly Governmental Consulting Servic...	2,000.00	2,000.00
Che...	12/08/2023	37468	Charles C. Bailey	Monthly Governmental Consulting Servic...	2,000.00	4,000.00
Che...	12/15/2023	37501	Charles C. Bailey	Monthly Governmental Consulting Servic...	2,000.00	6,000.00
Che...	01/26/2024	37706	Charles C. Bailey	Monthly Governmental Consulting Servic...	2,000.00	8,000.00
Che...	03/01/2024	37811	Charles C. Bailey	Monthly Governmental Consulting Servic...	2,000.00	10,000.00
Che...	03/28/2024	37921	Charles C. Bailey	Monthly Governmental Consulting Servic...	2,000.00	12,000.00
Che...	05/03/2024	38019	Charles C. Bailey	Monthly Governmental Consulting Servic...	2,000.00	14,000.00
Total Charles C. Bailey					14,000.00	14,000.00
Collaborative Water Resolution, LLC						
Bill	01/08/2024		Collaborative Water Re...	General Manager Recruiter	23,750.00	23,750.00
Bill	04/01/2024		Collaborative Water Re...	General Manager Recruiter	23,750.00	47,500.00
Total Collaborative Water Resolution, LLC					47,500.00	47,500.00

CANYON REGIONAL WATER AUTHORITY
Legal Fees by Payee
October 2023 through May 2024

Type	Date	Num	Name	Memo	Amount	Balance
Langley & Banack						
Bill	03/31/2024	568...	Langley & Banack	General Matters	8,355.80	8,355.80
Bill	04/28/2024	569...	Langley & Banack	General, HC Mediation, & WR Contract	560.00	8,915.80
Bill	04/28/2024	569...	Langley & Banack	HC Mediation	1,480.00	10,395.80
Bill	04/28/2024	569...	Langley & Banack	Digital Imaging	15.00	10,410.80
Bill	04/28/2024	569...	Langley & Banack	General, HC Mediation, & WR Contract	440.00	10,850.80
Total Langley & Banack					10,850.80	10,850.80
Law Offices of Patricia Erlinger Carls						
Bill	05/31/2024	1150	Law Offices of Patricia ...	GCUWCD Rule Amendment	612.50	612.50
Bill	05/31/2024	1151	Law Offices of Patricia ...	GCUWCD Rule Amendment	1,213.33	1,825.83
Total Law Offices of Patricia Erlinger Carls					1,825.83	1,825.83
Morales, Fletcher Law, P.C.						
Bill	12/31/2023	16	Morales, Fletcher Law, ...	Employee Handbook Review	3,060.00	3,060.00
Bill	02/29/2024	943	Morales, Fletcher Law, ...	Employee Handbook Review	552.50	3,612.50
Bill	03/31/2024	964	Morales, Fletcher Law, ...	Employee Handbook Review	680.00	4,292.50
Bill	04/30/2024	990	Morales, Fletcher Law, ...	Employee Handbook Review	340.00	4,632.50
Total Morales, Fletcher Law, P.C.					4,632.50	4,632.50
Strategic Government Resources, Inc.						
Bill	11/29/2023	202...	Strategic Government ...	Assistant General Manager Recruiter	8,165.67	8,165.67
Bill	11/29/2023	202...	Strategic Government ...	Project Engineer Recruiter	7,415.67	15,581.34
Total Strategic Government Resources, Inc.					15,581.34	15,581.34
TOTAL					**250,233.21**	**250,233.21**

CANYON REGIONAL WATER AUTHORITY
Legal Fees by Category
October 2023 through May 2024

Type	Date	Num	Name	Memo	Amount
Other Charges					
Legal & professional fees					
Contracts					
Bill	10/31/2023	2092	Bryant Law PC	RE: Louis Rosenberg-Hays Cal...	3,181.50
Bill	10/31/2023	3757	Attorney R. L. Wilson	Hays Caldwell 10/01/2023 - 10/...	4,995.00
Bill	11/30/2023	2212	Bryant Law PC	Hays-Caldwell Contract Water ...	824.00
Bill	11/30/2023	3761	Attorney R. L. Wilson	Hays Caldwell 11/01/2023 - 11/...	1,545.00
Bill	12/31/2023	2303	Bryant Law PC	Hays Caldwell Contract Water ...	660.00
Bill	01/31/2024	3778	Attorney R. L. Wilson	Hays Caldwell 12/01/2023 - 01/...	6,270.00
Bill	01/31/2024	3779	Attorney R. L. Wilson	Lake Dunlap/Nanostone 12/01/...	120.00
Bill	02/29/2024	3796	Attorney R. L. Wilson	Hays Caldwell 02/01/2024 - 02/...	2,742.00
Bill	03/31/2024	3813	Attorney R. L. Wilson	Hays Caldwell 003/01/2024 - 0...	3,495.00
Bill	04/28/2024	569849	Langley & Banack	General, HC Mediation, & WR ...	440.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	Hays Caldwell 04/01/2024 - 04/...	7,035.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	Hays Caldwell 04/01/2024 - 04/...	30.00
Bill	05/16/2024		Attorney R. L. Wilson	HC Mediation - Jackson Walker	1,650.00
Total Contracts					32,987.50
Committee Matters					
Bill	10/31/2023	2093	Bryant Law PC	RE: Louis Rosenberg	2,259.60
Bill	11/30/2023	2212	Bryant Law PC	RE: Louis Rosenberg	2,561.60
Bill	12/31/2023	2303	Bryant Law PC	RE: Louis Rosenberg	2,427.10
Bill	12/31/2023	16	Morales, Fletcher Law, P.C.	Employee Handbook Review	3,060.00
Bill	01/24/2024	2389	Bryant Law PC	Policy and Legislative	190.00
Bill	02/29/2024	943	Morales, Fletcher Law, P.C.	Employee Handbook Review	552.50
Bill	02/29/2024	2504	Bryant Law PC	Policy Committee	7,012.10
Bill	03/31/2024	964	Morales, Fletcher Law, P.C.	Employee Handbook Review	680.00
Bill	03/31/2024	2622	Bryant Law PC	Policy and Legislative Committee	4,008.50
Bill	04/23/2024	2707	Bryant Law PC	Policy & Legislative Committee	1,015.40
Bill	04/30/2024	990	Morales, Fletcher Law, P.C.	Employee Handbook Review	340.00
Total Committee Matters					24,106.80
Wells Ranch					
Bill	10/31/2023	3759	Attorney R. L. Wilson	Wells Ranch 10/01/2023 - 10/3...	645.00
Bill	11/30/2023	3763	Attorney R. L. Wilson	Wells Ranch 11/01/2023 - 11/3...	840.00
Bill	01/31/2024	3781	Attorney R. L. Wilson	Wells Ranch 12/01/2023 - 01/3...	3,720.00
Bill	02/29/2024	3799	Attorney R. L. Wilson	Wells Ranch 02/01/2024 - 02/2...	3,735.00
Bill	03/31/2024	3815	Attorney R. L. Wilson	Wells Ranch 03/01/2024 - 03/3...	3,450.00
Bill	04/30/2024	3834	Attorney R. L. Wilson	Wells Ranch 04/01/2024 - 04/3...	1,635.00
Total Wells Ranch					14,025.00
General					
Bill	10/31/2023	2091	Bryant Law PC	RE: Louis Rosenberg	5,058.10
Bill	10/31/2023	3756	Attorney R. L. Wilson	General Matters 10/01/2023 - 1...	5,685.00
Bill	11/29/2023	2023-107...	Strategic Government Reso...	Assistant General Manager Re...	8,165.67
Bill	11/29/2023	2023-107...	Strategic Government Reso...	Project Engineer Recruiter	7,415.67
Bill	11/30/2023	2212	Bryant Law PC	RE: Louis Rosenberg	5,551.10
Bill	11/30/2023	3760	Attorney R. L. Wilson	General Matters 11/01/2023 - 1...	6,837.00
Bill	12/31/2023	2303	Bryant Law PC	RE: Louis Rosenberg	4,480.10
Bill	01/08/2024		Collaborative Water Resoluti...	General Manager Recruiter	23,750.00
Bill	01/24/2024	2389	Bryant Law PC	RE: Louis Rosenberg	3,769.60
Bill	01/31/2024	2454	Bryant Law PC	RE: Louis Rosenberg	137.50
Bill	01/31/2024	3777	Attorney R. L. Wilson	General Matters 12/01/2023 - 0...	24,435.00
Bill	02/29/2024	2504	Bryant Law PC	RE: Louis Rosenberg	1,439.50
Bill	02/29/2024	3795	Attorney R. L. Wilson	General Matters 02/01/2024 - 0...	8,481.00
Bill	03/31/2024	2622	Bryant Law PC	RE: Louis Rosenberg	334.50
Bill	03/31/2024	568898	Langley & Banack	General Matters	8,355.80
Bill	03/31/2024	3812	Attorney R. L. Wilson	General Matters 03/01/2024 - 0...	8,145.00
Bill	04/01/2024		Collaborative Water Resoluti...	General Manager Recruiter	23,750.00
Bill	04/23/2024	2707	Bryant Law PC	RE: Louis Rosenberg	1,834.40
Bill	04/28/2024	569849	Langley & Banack	General, HC Mediation, & WR ...	560.00
Bill	04/28/2024	569849	Langley & Banack	HC Mediation	1,480.00
Bill	04/28/2024	569849	Langley & Banack	Digital Imaging	15.00
Bill	04/30/2024	3830	Attorney R. L. Wilson	General Matters (04/01/2024 - ...	7,785.00
Bill	04/30/2024	3832	Attorney R. L. Wilson	Lake Dunlap 04/01/2024 - 04/3...	405.00
Bill	04/30/2024	3831	Attorney R. L. Wilson	HC Mediation	3,840.00

CANYON REGIONAL WATER AUTHORITY
Legal Fees by Category
October 2023 through May 2024

Type	Date	Num	Name	Memo	Amount
Bill	04/30/2024	3831	Attorney R. L. Wilson	HC Mediation	30.00
Bill	05/17/2024	2793	Bryant Law PC	RE: Louis Rosenberg	1,548.14
Bill	05/31/2024	1150	Law Offices of Patricia Erlin...	GCUWCD Rule Amendment	612.50
Bill	05/31/2024	1151	Law Offices of Patricia Erlin...	GCUWCD Rule Amendment	1,213.33
Total General					165,113.91
Legislation					
Check	11/03/2023	37342	Charles C. Bailey	Monthly Governmental Consulti...	2,000.00
Check	12/08/2023	37468	Charles C. Bailey	Monthly Governmental Consulti...	2,000.00
Check	12/15/2023	37501	Charles C. Bailey	Monthly Governmental Consulti...	2,000.00
Check	01/26/2024	37706	Charles C. Bailey	Monthly Governmental Consulti...	2,000.00
Check	03/01/2024	37811	Charles C. Bailey	Monthly Governmental Consulti...	2,000.00
Check	03/28/2024	37921	Charles C. Bailey	Monthly Governmental Consulti...	2,000.00
Check	05/03/2024	38019	Charles C. Bailey	Monthly Governmental Consulti...	2,000.00
Total Legislation					14,000.00
Total Legal & professional fees					250,233.21
Total Other Charges					250,233.21
TOTAL					**250,233.21**

Wells Ranch Project - Phase II
Bond Series 2015
Budget vs. Actual
May 31, 2024

	TOTAL BUDGET	TOTAL DISBURSEMENTS	% Complete
Wells Ranch Series 2015 Bond Proceeds	42,000,000.00	42,000,000.00	100.00%
Bond Issue Costs	420,840.00	420,840.00	100.00%
Capitalized Interest	1,664,000.00	1,664,000.00	100.00%
Beginning Cash Available for Project	39,915,160.00	39,915,160.00	100.00%
Preliminary Engineering Report	25,000.00	25,000.00	100.00%
Environmental Services	54,080.82	54,080.82	100.00%
Engineering Add'l Services (RCE Inspections)	317,067.50	317,067.50	100.00%
Inspection Services (HOT)	37,510.00	37,510.00	100.00%
SCADA Engineering Services	50,000.00	50,000.00	100.00%
Legal Notices	22,940.45	22,940.45	100.00%
Prof Services-TWDB Assistance	15,887.86	15,887.86	100.00%
Santa Clara Road TM	**4,545,112.65**	**4,545,112.65**	100.00%
Crystal Clear TM	**3,102,090.36**	**3,102,090.36**	100.00%
Wagner Booster Station Expansion	**4,472,598.27**	**4,472,598.25**	100.00%
Wells Ranch Plant Improvements	**7,678,408.73**	7,678,407.73	100.00%
Leissner Booster Station Imp.			
Legal Fees	110,925.31	110,925.31	100.00%
Basic Engineering Services	227,160.00	227,160.00	100.00%
Engineering Add'l Services	50,078.25	48,272.75	96.39%
Construction Costs - 2 MG Tank (Preload)	1,533,365.90	1,533,365.90	100.00%
Construction Costs - Facility (Payton)	1,185,478.00	1,185,478.00	100.00%
SCADA	16,000.00	16,000.00	100.00%
Total Leissner Booster Stn Expansion	**3,123,007.46**	**3,121,201.96**	99.94%
Oak Tree Elevated Storage Tank	**2,778,256.00**	**2,778,256.02**	100.00%
Well Field (7 wells)	**10,812,545.17**	**10,812,544.67**	100.00%
Generator Installation Project			
Legal, Consultant Fees	79,837.35	79,837.35	100.00%
Legal Notices	5,864.16	5,864.16	100.00%
Basic Engineering Services	203,320.00	172,822.00	85.00%
Engineering Add'l Services	9,000.00	9,000.00	100.00%
Generator Project Rework	15,783.27	15,783.27	100.00%
Deadman Well Site			
Generator Cost	71,265.00	71,265.00	100.00%
Generator Installation	202,500.00	202,500.00	100.00%
Total Deadman Well Site	**273,765.00**	**273,765.00**	100.00%
Deer Stand Well Site			
Generator Cost	71,265.00	71,265.00	100.00%
Generator Installation	202,500.00	202,500.00	100.00%
Total Deer Stand Well Site	**273,765.00**	**273,765.00**	100.00%
Wells Ranch WTP Site			
Generator Cost-WTP	317,295.00	317,295.00	100.00%
Generator Cost-MCC-2	279,140.00	279,140.00	100.00%
Generator Installation-WTP	412,350.00	412,350.00	100.00%
Generator Installation-MCC-2	376,140.00	376,140.00	100.00%
Total Wells Ranch WTP Site	**1,384,925.00**	**1,384,925.00**	100.00%
Leissner BPS Site			
Generator Cost	212,200.00	212,200.00	100.00%
Generator Installation	337,000.00	337,000.00	100.00%
Total Leissner BPS Site	**549,200.00**	**549,200.00**	100.00%
Wagner Booster Station			
Generator Cost	212,200.00	212,200.00	100.00%
Generator Installation	259,000.00	259,000.00	100.00%
Total Wagner Booster Station	**471,200.00**	471,200.00	100.00%
Well #5 & Well #13 Generator Cost	71,710.00	71,710.00	100.00%
Mobilization, Bonds & Insurance	119,000.00	119,000.00	100.00%
Total Generator Installation Project	**3,457,369.78**	**3,426,871.78**	99.12%
Total Phase II - 2015	**40,491,875.05**	**40,459,570.05**	99.92%
Unallocated Contingency	**-576,715.05**		
Total Expenditures		**40,459,570.05**	
Interest Income		**445,506.12**	
Cash from General Funds		**229,047.38**	
Cash from General Funds		**0.00**	
Ending Cash		**130,143.45**	

Wells Ranch Phase II - 2015
Account QuickReport
As of May 31, 2024

Type	Date	Num	Name	Memo	Amount	Balance
BOKF, NA, Austin - Escrow						128,841.91
Deposit	05/01/2024			Interest	495.79	129,337.70
Total BOKF, NA, Austin - Escrow					495.79	129,337.70
Logic-Construction Acct						802.03
Deposit	05/31/2024			Interest	3.72	805.75
Total Logic-Construction Acct					3.72	805.75
TOTAL					**499.51**	**130,143.45**

Hays Caldwell WTP Improvements
Budget vs. Actual
May 31, 2024

	TOTAL BUDGET	TOTAL DISBURSEMENTS	%
Hays Caldwell Series 2017 Bond Net Proceeds	4,801,596.00	4,801,596.00	100.00%
Hays Caldwell Series 2021 Bond Net Proceeds	12,355,000.00	12,355,000.00	100.00%
City of San Marcos Cash Contribution	511,593.00	511,593.00	100.00%
City of San Marcos Cash Contribution	4,634,982.00	4,634,982.00	100.00%
Beginning Cash Available for Project	22,303,171.00	22,303,171.00	100.00%
Land Purchase - 2.009 Acres	555,628.44	555,628.44	100.00%
Advertisement for Bids	3,598.90	3,598.90	100.00%
TWDB D-Fund Application Services	35,700.00	35,700.00	100.00%
HMGP Application	12,000.00	12,000.00	100.00%
Basic Engineering Services:			
Prelminary Phase	403,700.00	403,700.00	100.00%
Design Phase	728,400.00	728,400.00	100.00%
Bid Phase	73,900.00		0.00%
Construction Phase	458,800.00		0.00%
Total Basic Engineering Services	1,664,800.00	1,132,100.00	68.00%
Additional Engineering Services:			
Grant Application Services	6,927.90	6,927.90	100.00%
Environmental Review & Permitting	121,200.00	107,838.80	88.98%
Topographic Survey	36,900.00	32,950.00	89.30%
Warranty Phase	30,900.00		0.00%
Start-Up Services	59,000.00		0.00%
O&M Manual Update	16,900.00		0.00%
Water Treatment Plant Audit	0.00		0.00%
Flood Protection	0.00		0.00%
CT Study & TCEQ Update	17,000.00	16,954.00	99.73%
Constr Observation & Resident	174,000.00		0.00%
Geotechnical Investigation	76,200.00	76,186.25	99.98%
TWDB & TCEQ Coordination	102,500.00	102,617.49	100.11%
Power System Study	55,000.00	55,000.00	100.00%
City of San Marcos Permitting	104,200.00	104,270.89	100.07%
City of San Marcos Platting	28,900.00	30,032.00	103.92%
Ozone Bldg Upgrade to CMU	49,800.00	46,813.60	94.00%
TCEQ Pilot Study	4,000.00		0.00%
Preconstruction T&E Surveys-Terrestrial	2,600.00		0.00%
Preconstruction T&E Surveys-Mussels	8,500.00		0.00%
Dewatering Aquatic Resources	27,600.00		0.00%
Geotechnical Baseline for River Intake	4,800.00	4,782.50	99.64%
Cultural Resources Constr Monitoring	42,500.00		0.00%
OSSF Irrigation Reconfig & Permitting	9,000.00		0.00%
Total Additional Engineering Services	978,427.90	584,373.43	59.73%
HCWTP Ozone Deman & Decay Testing	9,992.00	9,992.00	100.00%
Caldwell County Permits	51,950.00	51,950.00	100.00%
City of San Marcos-Permits	19,323.14	19,323.14	100.00%
SCADA			
Design Fees	20,000.00	3,963.75	19.82%
Construction Costs	150,000.00		0.00%
Total SCADA Costs	170,000.00	3,963.75	2.33%
Bluebonnet Electric Coop - Service Entrances & Easeme	61,512.02	61,512.02	100.00%
Miscellaneous Fees	3,077.04	3,077.04	100.00%

Hays Caldwell WTP Improvements
Budget vs. Actual
May 31, 2024

	TOTAL BUDGET	TOTAL DISBURSEMENTS	%
Construction Costs			
New 1 MG GST (DN Tanks)	4,590,000.00		0.00%
Probable Construction Costs			
Raw Water Pump Station & Intake	3,210,643.00		0.00%
Raw Water Electrical Building	346,491.00		0.00%
Yard Piping	1,160,146.00		0.00%
Clarifier Upgrades	2,656,275.00		0.00%
Splitter Box	760,340.00		0.00%
Chemical Feed & Storage	372,721.00		0.00%
Ozone Improvements	4,209,987.00		0.00%
Existing GST Rehab	311,740.00		0.00%
HSPS Improvements	698,145.00		0.00%
Recycle Pump Station	113,687.00		0.00%
Decant Pump Station	179,174.00		0.00%
Decant Ponds	611,499.00		0.00%
Site Civil Paving, etc.	1,961,807.00		0.00%
Electrical Improvement	4,842,702.00		0.00%
Instrumentations & Controls	1,372,320.00		0.00%
Subtotal	22,807,677.00	0.00	0.00%
Additive Alternate: 200kW Generator	813,704.00		0.00%
Additive Alternate: 350kW Generator	1,260,262.00		0.00%
Additive Alternate: Motorized Gates	60,480.00		0.00%
Addtive Alternate: Security System Integ.	36,000.00		0.00%
Total Probable Construction Costs	**24,978,123.00**	**0.00**	**0.00%**
Total Hays Caldwell WTP Improvements	**33,134,132.44**	**2,473,218.72**	7.46%
Unallocated Contingency	-10,830,961.44		0.00%
Total Expenditures		**2,473,218.72**	
Interest Income		2,025,737.55	
Paid from General Funds-Electrical Easement		1,000.00	
Ending Cash		**21,856,689.83**	

11:53 AM

06/25/24

Accrual Basis

Hays Caldwell WTP Improvements
Banking Activity
As of May 31, 2024

Type	Date	Num	Name	Memo	Amount	Balance
Logic, Construction Acct						17,499,711.87
Deposit	05/31/2024			Interest	80,567.83	17,580,279.70
Total Logic, Construction Acct					80,567.83	17,580,279.70
BOKF, NA						4,259,609.86
Deposit	05/01/2024			Interest	16,800.27	4,276,410.13
Total BOKF, NA					16,800.27	4,276,410.13
TOTAL					**97,368.10**	**21,856,689.83**

CANYON REGIONAL WATER AUTHORITY
BOARD COMMUNICATION

DATE	SUBJECT	AGENDA NUMBER
07/08/2024	CONSENT AGENDA ITEM QUARTERLY INVESTMENT REPORT	CRWA 24-07-003

INITIATED BY

JOAN WILKINSON

STAFF RECOMMENDATION

Approve the Third Quarter FY2024 Investment Report.

BACKGROUND INFORMATION

The Third Quarter FY2024 Investment Report is attached.

FINANCIAL IMPACT

None

MOTION

Motion to approve the following resolution.

CANYON REGIONAL WATER AUTHORITY

RESOLUTION NO. 24-07-003

BE IT RESOLVED that the Third Quarter FY2024 Investment Report of Canyon Regional Water Authority is approved.

Adopted this 8th day of July 2024

Ayes ____ Nays____ Abstained____ Absent____

Approved by: _____
Timothy D. Fousse, CPM
President

Certified and attested by: _____
Ted Gibbs
Secretary

Canyon Regional Water Authority
Quarterly Investment Report
June 30, 2024

Portfolio as of March 31, 2024	
Beginning Book Value	$43,635,253.23
Beginning Market Value	$43,635,253.23

Portfolio as of June 30, 2024	
Ending Book Value	$48,968,143.92
Ending Market Value	$48,968,143.92

	March 31, 2024	June 30, 2024	April Earnings	May Earnings	June Earnings	Quarterly Earnings	Rate
Operating Accounts-First United Bank							
Operating Account	$1,290,662.10	$3,051,459.10	1100.87	$959.50	$1,388.84	$3,449.21	0.35%
Special Account	$2,132.34	$2,134.19	$0.61	$0.67	$0.57	$1.85	0.35%
Money Market	$1,322,514.30	$1,405,655.20	$5,066.44	$5,714.56	$4,920.11	$15,701.11	4.74%
HC SM Capacity Buy-In	$1,161,658.10	$1,175,140.40	$4,427.63	$4,592.66	$4,462.01	$13,482.30	4.74%
Total Operating Accounts	$3,776,966.84	$5,634,388.89				$32,634.47	
Reserved Accounts-First United Bank							
LD/MC Exempt 2016	$3,247,928.61	$4,210,338.39	$12,730.01	$15,696.45	$14,070.56	$42,497.02	4.74%
HC 2005	$4,017.21	$4,063.84	$15.32	$16.90	$14.41	$46.63	4.74%
HC 2017	$271,133.48	$375,591.92	$1,071.83	$1,276.96	$1,324.08	$3,672.87	4.74%
HC 2021	$455,420.04	$626,345.02	$1,798.63	$2,135.73	$2,211.39	$6,145.75	4.74%
HC 2021 - Refunding	$124,186.42	$166,085.88	$488.67	$572.86	$589.87	$1,651.40	4.74%
Wells Ranch Series 2015	$2,772,913.08	$3,535,812.81	$10,845.95	$12,441.58	$12,689.46	$35,976.99	4.74%
Wells Ranch Series 2016	$2,313,576.26	$3,039,156.22	$9,083.08	$11,268.77	$10,127.78	$30,479.63	4.74%
Wells Ranch Series 2021 - Refunding	$856,740.62	$1,126,623.53	$3,364.01	$3,913.20	$4,015.96	$11,293.17	4.74%
Repair and Replacement Fund	$4,876,115.25	$4,929,341.57	$18,714.47	$21,155.77	$17,888.74	$57,758.98	4.74%
LD Membrane Fund	$1,115,001.29	$1,143,488.94	$4,255.69	$4,726.69	$4,039.04	$13,021.42	4.74%
LD Membrane-Nanostone Escrow	$291,001.07	$294,378.46	$1,109.15	$1,150.48	$1,117.76	$3,377.39	4.74%
HC Membrane Fund	$503,520.44	$549,027.80	$1,903.48	$2,214.41	$1,962.27	$6,080.16	4.74%
Total Reserved Accounts	$16,831,553.77	$20,000,254.38				$212,001.41	
Investment Pools - Logic							
Wells Ranch Construction	$798.43	$809.35	$3.60	$3.72	$3.60	$10.92	5.4286%
General Funds	$1,233,715.75	$1,250,486.60	$5,530.86	$5,705.43	$5,534.56	$16,770.85	5.4286%
HC 2017 Construction	$17,421,609.26	$17,658,434.92	$78,102.61	$80,567.83	$78,155.22	$236,825.66	5.4289%
Total Investment Pools	$18,656,123.44	$18,909,730.87				$253,607.43	
Escrow Accounts - BOKF, NA, Austin							
Wells Ranch Series 2015	$128,330.70	$129,851.83	$511.21	$495.79	$514.13	$1,521.13	4.71%
HC Series 2017	$4,242,278.48	$4,293,917.95	$17,331.38	$16,800.27	$17,507.82	$51,639.47	4.82%
Total Escrow Accounts	$4,370,609.18	$4,423,769.78				$53,160.60	
Total Cash to Date	$43,635,253.23	$48,968,143.92				$551,403.91	

The above reporting is submitted in accordance with the Public Funds Investment Act and the Authority's Investment Policy.

Joan Wilkinson

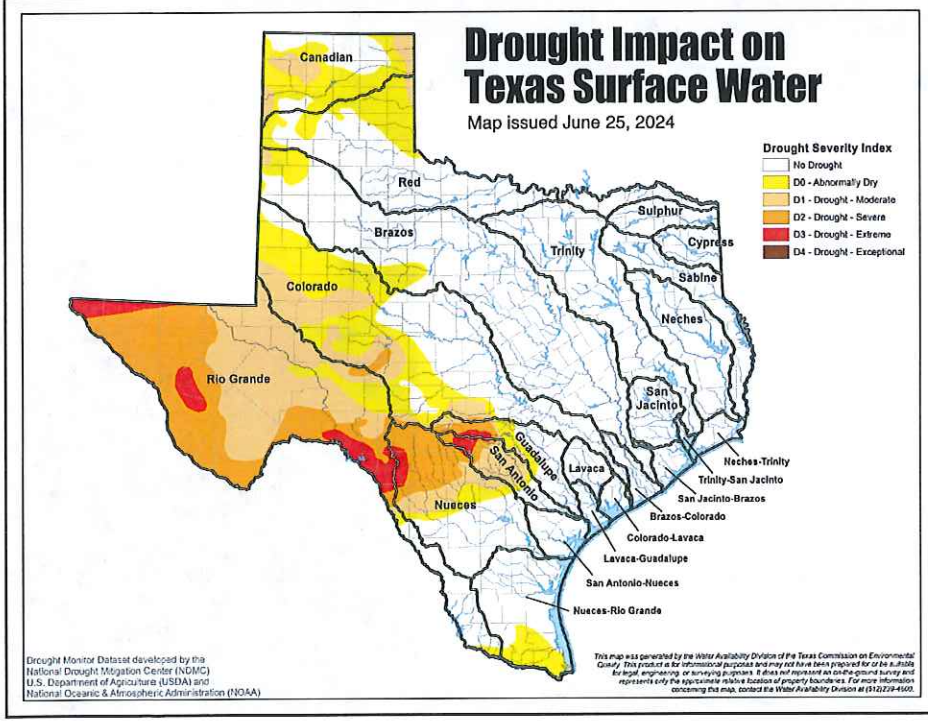
Joan Wilkinson, Investment Officer

CRWA
Board of Trustees
Drought Report

July 8, 2024

CANYON REGIONAL water authority

1

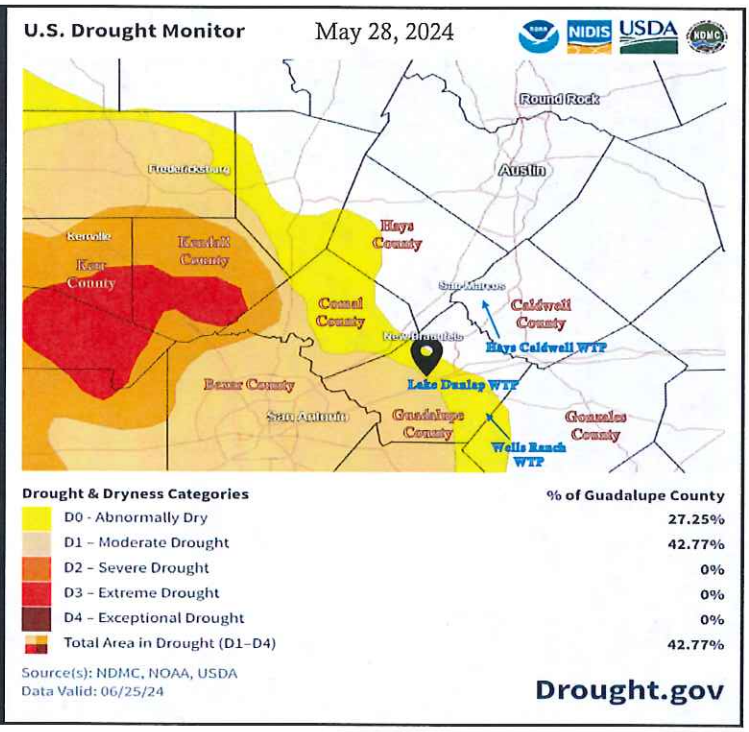


Extreme Drought Conditions continue in Upper San Antonio and Guadalupe Basins.

CANYON REGIONAL water authority

2

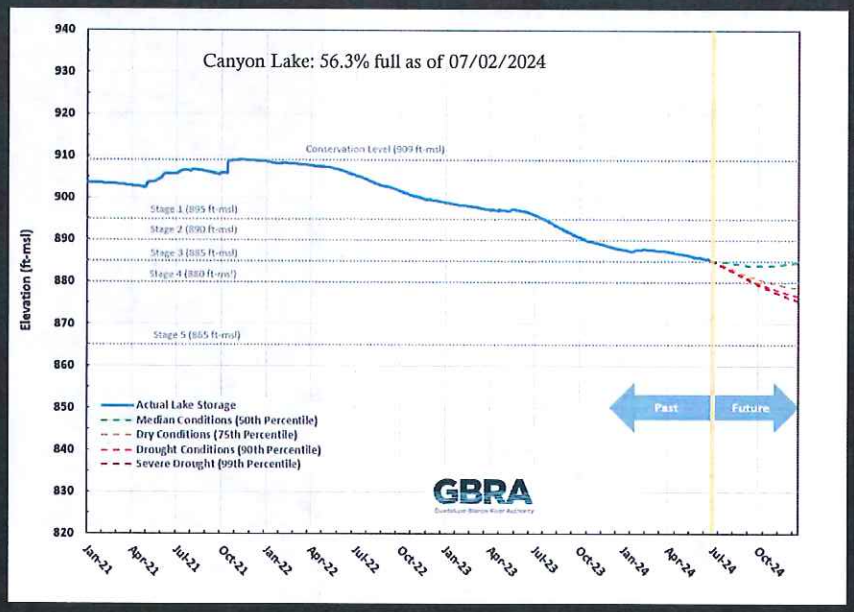
Drought Intensity by County



CANYON REGIONAL water authority

3

Canyon Lake Water Level Trends



CANYON REGIONAL water authority

WATER LEVEL

884.99

Feet MSL

Tuesday, July 2, 2024
9:15:00 AM
Level is 24.01 feet
below full pool of 909.00

Drought Trigger Levels

Stage 1 (Mild Conditions)
- 895 feet (msl)*
- Action – 5% reduction

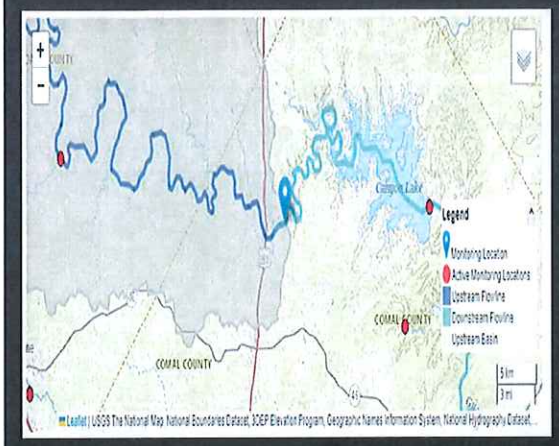
Stage 2 (Moderate Conditions)
- 890 feet (msl)
- Action – 10% reduction

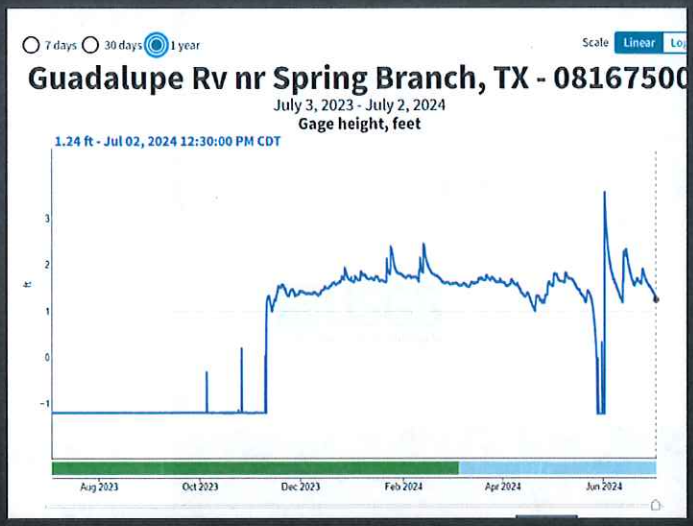
Stage 3 (Severe Conditions)
- 885 feet (msl)
- Action – 15% reduction

*Mean Sea Level

4

Canyon Lake In-Flow (ft3/s)

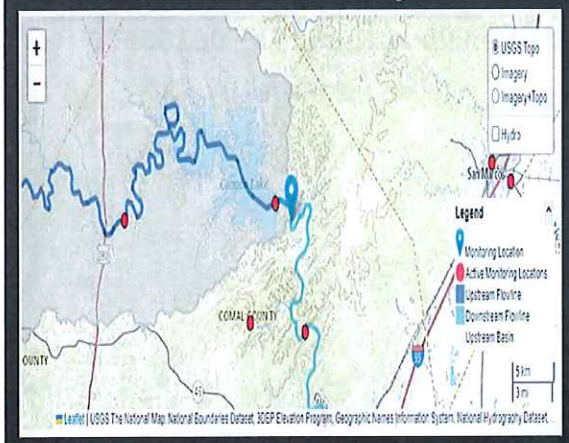


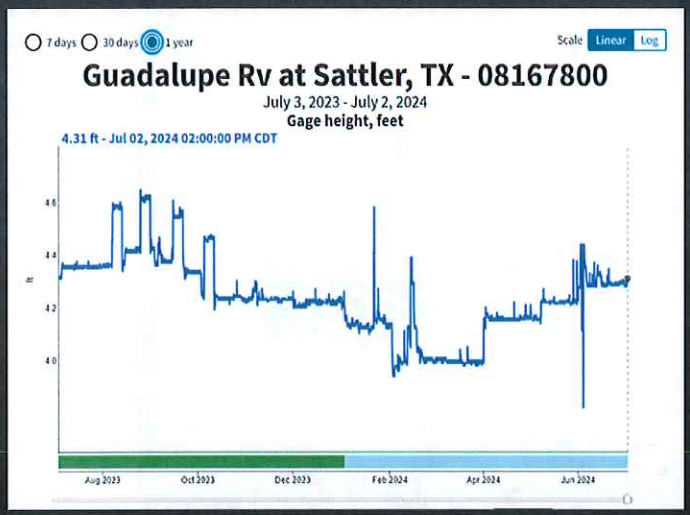


CANYON REGIONAL water authority

5

Canyon Lake Out-Flow (ft3/s)

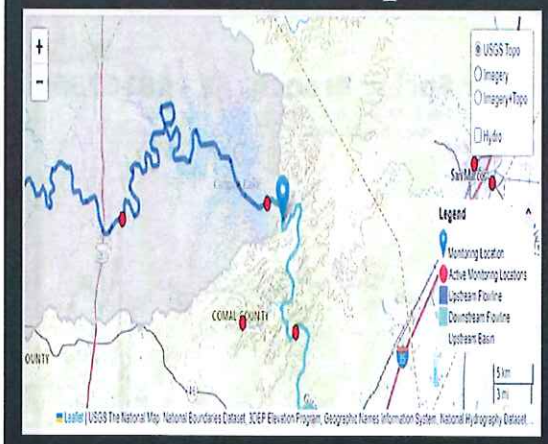


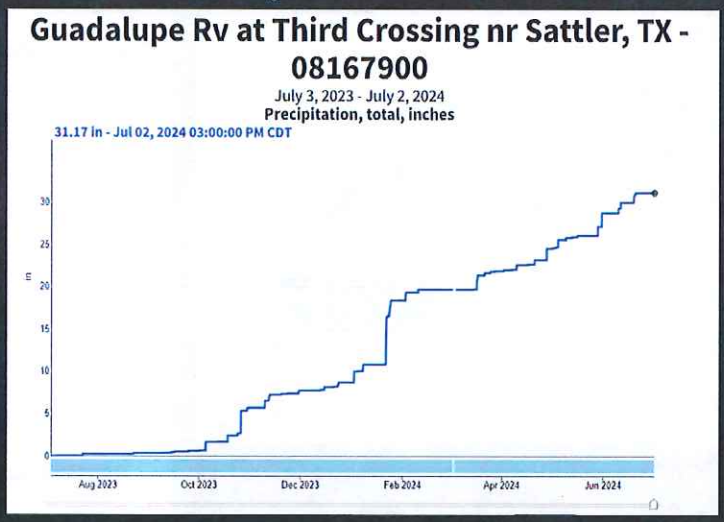


CANYON REGIONAL water authority

6

Precipitation below Canyon Lake

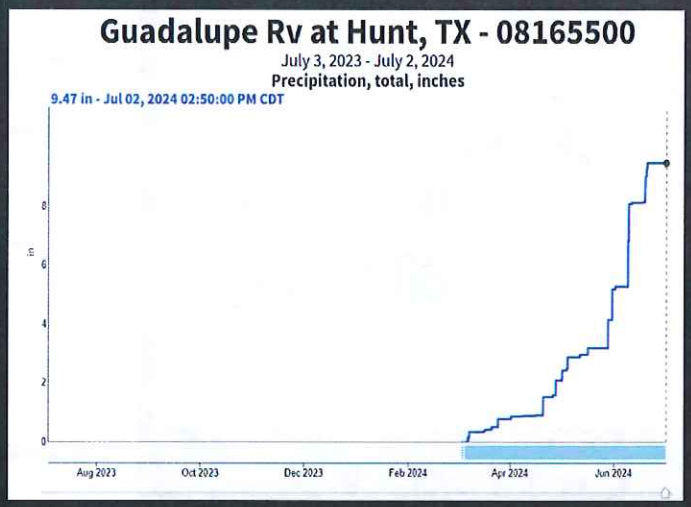




CANYON REGIONAL water authority

7

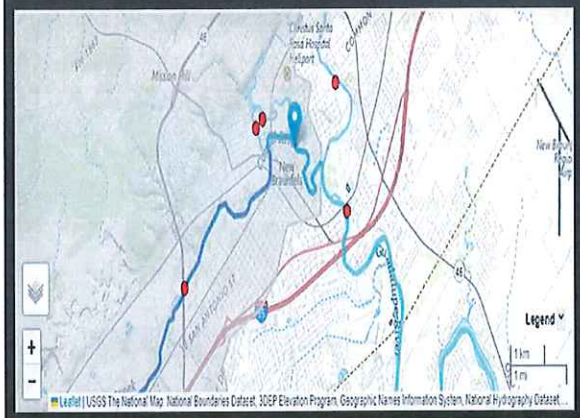
Precipitation above Canyon Lake – Kerr County

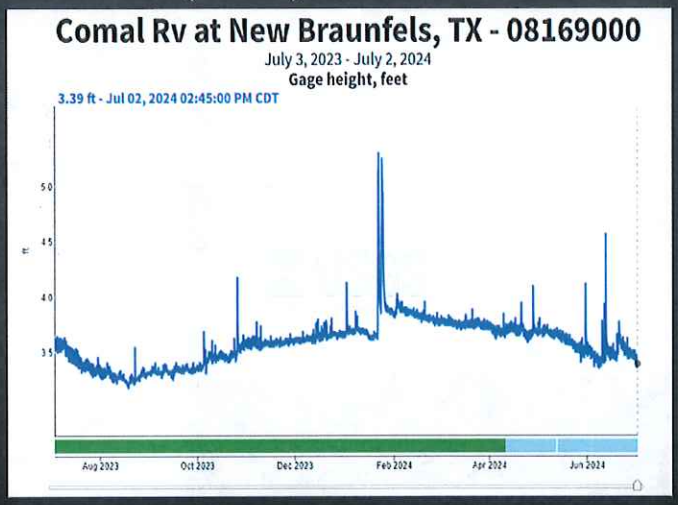


CANYON REGIONAL water authority

8

Comal River Flow (ft3/s)

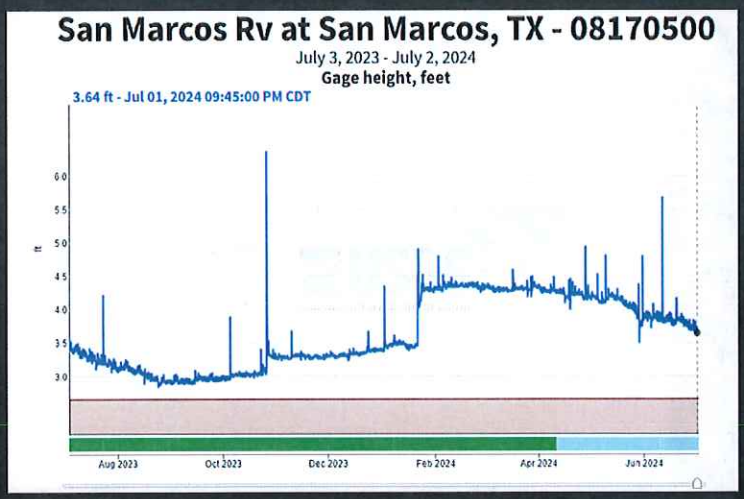




CANYON REGIONAL water authority

9

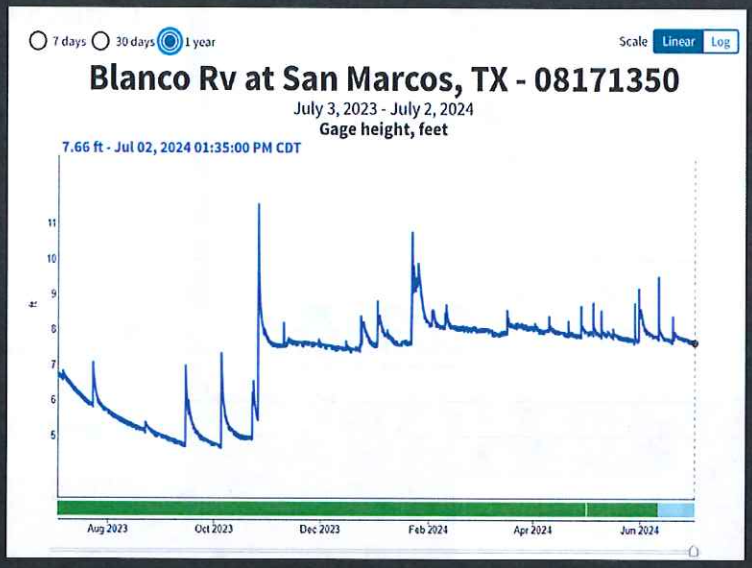
San Marcos Spring Flow (ft3/s)



CANYON REGIONAL water authority

10

Blanco River Flow at San Marcos (ft3/s)



CANYON REGIONAL water authority

11

CANYON REGIONAL water authority

12

CANYON REGIONAL water authority

Lake Dunlap/Wells Ranch/Hays Caldwell
Usage Summary

CRWA Monthly Production, Daily Average and Peak Day									
2024	Lake Dunlap WTP			Wells Ranch WTP			Hays Caldwell WTP		
Date	Total Monthly Production MG	Production Daily Average MG	Production Peak Day MG	Total Monthly Production MG	Production Daily Average MG	Production Peak Day MG	Total Monthly Production MG	Production Daily Average MG	Production Peak Day MG
Jan-24	214.52	6.92	9.87	269.09	8.68	11.58	69.22	2.23	2.62
Feb-24	203.50	7.02	10.32	228.37	7.87	10.52	61.52	2.12	2.49
Mar-24	239.01	7.71	8.95	264.10	8.52	11.11	64.24	2.07	2.46
Apr-24	219.70	7.32	8.96	266.87	8.90	11.29	61.18	2.04	2.44
May-24	253.75	8.19	10.47	279.24	9.01	11.13	67.53	2.18	2.50
Jun-24	269.93	9.00	11.74	283.33	9.44	11.42	57.33	1.91	2.47
Jul-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Aug-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sep-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oct-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nov-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dec-24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	YTD Total MG		1,400.40	YTD Total MG		1,591.00	YTD Total MG		381.03
	YTD Acre-feet		4,297.67	YTD Acre-feet		4,882.58	YTD Acre-feet		1,169.33

Comments:

MG = Million Gallons

Utility Engineering Group, PLLC
191 N. Union Ave., New Braunfels, Texas 78130
Tel 830.214.0521

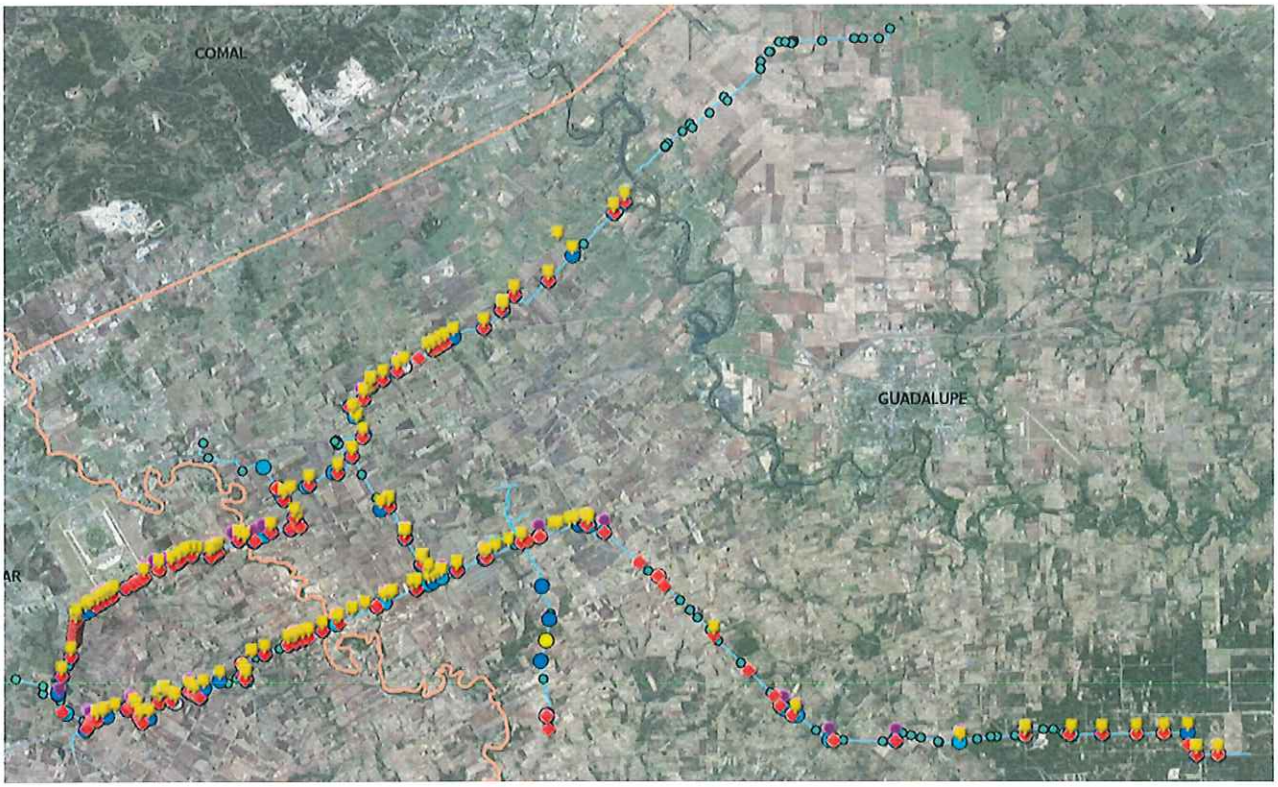
PROJECT STATUS REPORTS

PROJECT STATUS REPORT SUMMARY

REPORT DATE	PREPARED BY
July 1, 2024	David Kneuper, P.E. – Utility Engineering Group

CRWA GIS SYSTEM STATUS SUMMARY

Since the last project status report to Canyon Regional Water Authority (CRWA), the GPS field verification data collection has been completed (as of 4/29). The data is currently being compiled. Once complete, UEG will coordinate a meeting with CRWA Staff to review the data collected, any missing or inaccessible transmission main above ground appurtenances, and determine the preferred method of displaying the information on the site. Additionally, the project base scope of services is complete with the additional Hays Caldwell transmission main system final as-built uploads (completed the week of 4/29). Below is a location map showing the assets that have been verified.



Currently, $104,270.36 (91%) of the Phase 4 overall total budget ($114,807.50) has been invoiced.

TXDOT/CRWA IH-10 (SANTA CLARA & ZUEHL) TRANSMISSION LINE ENCASEMENT STATUS SUMMARY

The project includes the addition of approximately 190 LF of steel split casing on the existing CRWA transmission main at Santa Clara Road and the relocation and encasement of approximately 200 LF of the transmission main at Zuehl Road. The project is required due to the reconstruction of the two intersections by the Texas Department of Transportation (TxDOT) with their IH-10 expansion project.

Since the last project status report, the project pre-construction meeting was held on 2/27. The project Notice-to-Proceed has been issued for 2/29, giving the Contractor 120 calendar days to reach Substantial Completion and 150 calendar days (total) to reach Final Project Completion. The Contractor mobilized to the site and started work on 4/23. As of 5/23, the Contractor has completed the split casing and pavement restoration work at the Santa Clara intersection. Work at the Zuehl intersection is scheduled to begin the week of 7/1. Finally pipeline connection timing will be dependent on coordination with CRWA on timing of the tie-ins.

The contract amount is currently $541,424.21, which includes the original bid and approved Change Order's No. 1 and No. 2, all of which are fully reimbursable.

TXDOT/CRWA FM 1518 TRANSMISSION LINE RELOCATION STATUS SUMMARY

The project includes the offset and bore of a new section of 30-Inch CRWA transmission main, approximately 250 LF, across FM 1518 at the intersection with Lower Seguin Road. The project is required due to the TxDOT widening of FM 1518 and associated drainage improvements.

Since the last project status report, a second TxDOT field pre-construction meeting was held on 2/6. The project Notice-to-Proceed was issued for 2/13, giving the Contractor 120 calendar days to reach Substantial Completion and 150 calendar days (total) to reach Final Project Completion. The project bore and carrier pipe installation was completed on 5/24. A meeting was held on-site on 5/20 to discuss the upcoming pipeline connections. Following the meeting UEG prepared a draft tie-in work plan template for the Contractor to complete and submit for review and approval. Additionally, UEG prepared and submitted to the Contractor a project work area notice letter for their continued use of adjacent property outside of the identified project construction limits and CRWA easement. Following submission of the tie-in work plan, a second on-site meeting was held on 6/12. The tie-in work is tentatively scheduled for the week of 7/8.

With the Notice-to-Proceed issued for 2/13, the Contract Documents give the Contractor 120 calendar days to reach Substantial Completion (6/12). The current construction contract amount is $731,420.79. Proposed Change Order No. 1 has been provided to CRWA staff for review and includes the removal of the 30-inch gate valve from the project. The lead time for delivery of the valve is currently 36-38 weeks, which conflicts with TxDOT's relocation project schedule. Change Order No. 1 is a deduct change order in the amount of ($106,537.24), lowering the contract value to $624,883.55. The project is not fully reimbursable, based on the approved Standard Utility Agreement with TxDOT and proposed Change Order No. 1, approximately $125,101.69 (20.02%) would be reimbursable.

WATER SYSTEM STANDARDS & TECHNICAL SPECIFICATIONS DEVELOPMENT STATUS SUMMARY

The project includes the preparation, review, and finalization of a new set of water system standards, technical specifications, and forms. The proposed water system standards are limited to CRWA's facilities related to the water transmission main system.

Since the last project status report to CRWA, UEG has revised the draft water system details based on CRWA comments. Additionally, UEG finalized work on the draft water system technical specifications, submitting the updated details and draft specifications to CRWA on 2/16. CRWA comments were received on 6/12. Currently UEG is updating the details and specifications, addressing CRWA comments, with an anticipated submittal date of 6/27.

Currently $22,405.00 (90%) of the total project budget ($24,760) has been invoiced.

CANYON REGIONAL
water authority

June 28 2024

Via email to: generalmanager@gcuwcd.org
Ms. Laura Martin-Preston, General Manager
Gonzales County Underground Water Conservation District
522 Saint Matthew Street
Gonzales, Texas 78629

Re Proposed Amendments to the Gonzales County Underground Water Conservation District Rules

Dear Ms. Martin-Preston:

Thank you for the opportunity to comment on the Gonzales County Underground Water District's ("District's") proposed rule amendments presented at the District's Board Workshop on May 18, 2024. I send this correspondence on behalf of the Canyon Regional Water Authority ("CRWA"), which currently holds permits from the District to produce and export 8,320.05 acre-feet per year of water from the Carrizo aquifer. A summary of CRWA's comments on the proposed rule amendments follows, and supplemental information supporting the comments is provided in the attached memorandum.

A. RULE 15.F.3 AND APPENDIX D – EXPORT FEES

Proposed Rule:

The District has proposed a new Appendix D with the following new export fee schedule:

	Monthly Transportation Export Fee
Present – September 30, 2024 (FY 23/24)	$0.025/1,000 gallons exported/month
October 1, 2024 – September 30, 2025 (FY 24/25)	$0.10/1,000 gallons exported/month
October 1, 2025 – September 30, 2026 (FY 25/26)	$0.20/1,000 gallons exported/month
On and after October 1, 2026	Automatic 3% increase in fee each District fiscal year

Appendix D includes this comment, "This schedule negates any and all Negotiated Export Fee Contracts."

Summary of CRWA Comments:

1. CRWA is one of the three exporters who are parties with the District to the 2019 Amended and Restated Negotiated Export Fee Agreement (the "Fee Agreement"). Because the Fee Agreement expressly provides that it cannot be unilaterally terminated, the District rulemaking function cannot operate to "negate" it, and CRWA contends that the amount of export fees it pays will be unaffected by the proposed amendment to Rule 15.F.3 and new Appendix D.

2. The proposed increases in regulatory export fees over the first two years exceeds the 3% annual limit set in Texas Water Code § 36.122(e-1).

3. The District has not provided any budgetary explanation supporting its proposal to dramatically increase regulatory export fees.

4. Texas Water Code § 36.207(b) restricts the use of export fee revenue received under Texas Water Code § 36.122(e-1) to "only for costs related to assessing and addressing impacts associated with groundwater development." Under the existing 2012 "Amended Participation Agreement in the Western Gonzales County Dedication Mitigation Fund" by and between CRWA and the District (the "Mitigation Agreement"), CRWA already pays the District to assess and address impacts on eligible wells from CRWA's operations. Accordingly, CRWA seeks further explanation of how the District intends to utilize the increased export fees, and whether a reduction in CRWA's contribution of funds under the Mitigation Agreement would be warranted, or the Mitigation Agreement can be terminated.

5. CRWA requests that the District work with parties to the Fee Agreement and the Mitigation Agreement during a transparent budget process to address funding needs.

B. RULE 10.H – PERMIT MORATORIUM BASED ON MAG AS CAP

Proposed Rule:

The District proposes to amend Rule 10, relating to "Application for Drilling and Operating Permits," by adding a new subsection (H), as follows:

> 10. H. No new permits, and or an increase amendments [*sic*] will be issued when the district has reached 100% of production under the current Modeled Available Groundwater (MAG) of measured actual production for the previous calendar year.

Summary of CRWA's Comments:

1. A Modeled Available Groundwater ("MAG") amount for a specific aquifer is only one of several factors to be considered by the District during permitting, and the Texas Legislature has made it clear that the MAG is not a permitting cap. Proposed Rule 10.H places undue weight during the permitting process on the MAG and is not consistent with legislative intent.

2. The Texas Water Code provides that groundwater conservation districts must manage aquifers within their regulatory control to the aquifer's Desired Future Condition ("DFC"), not to the aquifer's MAG.

3. District Rule 19 already identifies actions the District can take if/when water table declines approach or exceed DFC limits. New Rule 10.H. is not necessary.

4. Because DFCs and MAGs are generated through a computer modeling process that contains multiple and various data assumptions and limitations, production at or above MAG levels is not a reliable indicator of whether the DFC will be exceeded in the future.

C. AMENDED RULE 18.B.6.b – PEAKING

Proposed Rule:

The District proposes to amend Rule 18.B.6.b to add the underscored language shown below:

> 18.B.6.b. Individual well production rates are allowed to increase up to 150% of the permitted production rate during peak demand periods <u>for a period of not to exceed 90 days</u>.

Summary of CRWA's Comments:

1. The proposed amendment limits the allowable changes in individual well production rates to a 90-day interval; however, the need for operational flexibility is not restricted to specific times during the year. For example, when one of CRWA's wells in its wellfield is taken off-line for maintenance, the pumpage rates in the other wells must be temporarily increased to maintain overall system production amounts.

2. The proposed amendment restricts flexibility needed for effective well field operation but will not significantly reduce longer-term aquifer impacts.

D. NEW RULE 21- PAYMENT FOR PLUGGING AND CAPPING OF WELLS.

Proposed Rule:

The District proposes to add new Rule 21.D as follows:

D. <u>The Gonzales County Underground Water Conservation District (District) has budgeted money for assisting landowners located within the district in plugging and abandoning deteriorated wells. The District desires to assist the landowners in paying for a portion of the costs to complete the plugging and abandonment of the well in accordance with the Water Well Plugging Fund and Policy Manual adopted May 10, 2016.</u>

   1. <u>The District will provide a landowner who wishes to participate in the water well plugging fund a 90/10 percent cost share allowance. The District will pay 90 percent of</u>

the costs to plug and abandon the water well with the remaining 10 percent of the costs paid by the landowner.

2. The landowner must agree to pay the estimated 10 percent of the plugging and abandonment costs prior to the start of the plugging operations. If the Landowner chooses to make payments over time, then Landowner must consent in writing to the District placing a lien on the property equal to the amount of reimbursement due to the District in accordance with a written payment schedule. The District will file a lien in the Gonzales County Deed Records and will subsequently file a Release of Lien in accordance with payment agreement.

Summary of CRWA's Comments:

1. CRWA agrees that it is a legitimate use of public funds to plug abandoned and deteriorating wells to protect water quality and prevent unauthorized use of groundwater. However, Texas Water Code § 36.207(b) does not allow added revenue from increased export fees to be used for this purpose.

2. The "Water Well Plugging Fund and Policy Manual" referenced in the draft rule is not published on the District's website. More information is needed about this program's scope, implementation, and funding.

Thank you for the opportunity to submit these comments. If you have any questions or need additional information from me, please do not hesitate to contact me.

Respectfully,
CANYON REGIONAL WATER AUTHORITY

By:_____
Kerry Averyt, General Manager

ATTACHMENT:
Memorandum Supporting CRWA's Comments on Proposed Rule Amendments

cc: (*w/attachment*):
Trish Erlinger Carls, Special Counsel, CRWA
Trey Wilson, Special Counsel, CRWA
Adam Telfer, CRWA
James Bene, P.G., RW Harden & Associates, Inc.

MEMORANDUM

TO: Gonzales County Underground Water Conservation District

FROM: Canyon Regional Water Authority

RE: Proposed Rule Amendments

DATE: June 28, 2024

INTRODUCTION

This Memorandum supplements and supports Canyon Regional Water Authority's ("CRWA's") comments on the Gonzales County Underground Water District's (the "GCUWCD's") proposed rule amendments as presented at the District's Workshop on May 18, 2024.

A. RULE 15.F.3 AND APPENDIX D – EXPORT FEES

Proposed Rule:

The GCUWCD has proposed to add a new Appendix D with the following new export fee schedule:

	Monthly Transportation Export Fee
Present – September 30, 2024 (FY 23/24)	$0.025/1,000 gallons exported/month
October 1, 2024 – September 30, 2025 (FY 24/25)	$0.10/1,000 gallons exported/month
October 1, 2025 – September 30, 2026 (FY 25/26)	$0.20/1,000 gallons exported/month
On and after October 1, 2026	Automatic 3% increase in fee each GCUWCD fiscal year

Appendix D includes this comment, "This schedule negates any and all Negotiated Export Fee Contracts."

Background:

GCUWCD has issued export permits to six permittees. Three of those permittees – SSLGC, SAWS, and Aqua – each pay monthly export fees calculated at $0.025 per thousand gallons exported during the prior month. The other three permittees initially paid a "negotiated" export fee pursuant to that certain 2012 "Negotiated Export Fee Agreement" (the "Original Export Fee Agreement"), and continue to pay pursuant to the 2019 "Amended and Restated Negotiated Export Fee Agreement" (the "A&R Negotiated Export Fee Agreement").[1] Under the Negotiated Export Fee Agreement, as amended, CRWA, ARWA, and GBRA each pay their Proportionate Share[2] of the GCUWCD's Adjusted Budget.[3] The Negotiated Export Fee Agreement is based on the amount of water *permitted* to be exported, rather than the amount of *actually* exported. Two of the three permit holder-parties to the Negotiated Export Fee Agreement have not exported ***any*** water from the District to date; yet, have paid the negotiated export fee since their permits were issued.

The methodology for calculating export fees was designed to reallocate the cost of managing groundwater from the GCUWCD's taxpayers to exporters.[4] Based on the GCUWCD's FY 23/24 budget, taxpayers fund less than 25% of the GCUWCD's operations, while export fee revenues provide over 75% of the District's revenue and allow it to achieve a balanced budget.[5] However, the Legislature limits groundwater districts' ability to shift costs to exporters. In 2023, the Legislature amended Texas Water Code § 36.122(e), (e-1), and (e-3) to provide:

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[1] The original Negotiated Export Fee Agreement was entered into by CRWA, ARWA (formerly Hays-Caldwell Public Utility Agency) and GBRA (formerly Texas Water Alliance) in 2012 and had the same fee calculation formula as the A&R Negotiated Export Fee Agreement.

[2] Under the A&R Negotiated Export Fee Agreement, a permit holder's "Proportionate Share" is calculated by dividing the total number of acre feet the permit holder is *permitted* to export on an annual basis (not the amount *actually* exported) by the total amount all three permit holders are collectively *permitted* to export on an annual basis.

[3] Under the A&R Negotiated Export Fee Agreement, the "Adjusted Budget" is amount calculated each fiscal year and is the amount of GCUWCD's total budget, less the amount of export fees expected to be contributed by SAWS, SSLGC, and Aqua, less the amount expected to be collected in taxes.

[4] According to the Texas Natural Resource Conservation Commission's order creating the GCUWCD, GCUWCD entered into a settlement agreement with the City of Gonzales whereby the City of Gonzales agreed not to oppose the GCUWCD's seeking a tax cap of $0.05 per $100 in assessed value and prohibiting the GCUWCD's ability to use tax revenue for certain purposes. *See* "Creation Order," at https://gcuwcd.org/creation. The GCUWCD's current tax rate is 0.003174 per $100 in assessed value.

[5] Taxpayers fund 0% of the GCUWCD's two mitigation fund budgets.

(e) Except as provided by Subsection (e-1), the district may impose an export fee or surcharge using one of the following methods:

(1) a fee negotiated between the district and the exporter;

(2) for a tax-based district, a rate not to exceed 20 cents for each thousand gallons of water exported from the district; or

(3) for a fee-based district, a rate not to exceed the greater of 20 cents for each thousand gallons or a 50 percent surcharge, in addition to the district's production fee, for water exported from the district.

(e-1) Effective January 1, 2024, the maximum allowable rate a district may impose for an export fee or surcharge under Subsection (e)(2) or (e)(3) increases by three percent each calendar year.

. . .

(e-3) An export fee or surcharge imposed under Subsection (e) or an increase in an imposed export fee or surcharge is not valid unless it is approved by the board after a public hearing.[6]

The GCUWCD is a tax-based district. Accordingly, the 2023 statutory amendment authorizes GCUWCD to, after notice and public hearing, impose an export fee *up to $0.20/1,000 gal. exported* (not merely permitted) that increases by 3% each calendar year.

Supplemental Comments:

1. The plain language of Section 10 of the A&R Negotiated Export Fee Agreement expressly states that the Agreement may be amended only by mutual agreement of all parties.[7] Section 4 provides that the Agreement terminates as to a permittee-party only when that party's export permit terminates. CRWA's export permit is valid through November 9, 2051. There exists no legal authority for GCUWCD to unilaterally amend or terminate a valid contract via rulemaking.[8] Therefore, all parties to the A&R Negotiated Export Fee Agreement must terminate on mutually

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[6] *See* HB 3059 (88th Tex. Leg. 2023). Subsection (e-2) of Section 36.122 provides that districts created by the Legislature under special legislation must continue to abide by the export fee provisions contained in that special legislation. GCUWCD was not created by special legislation. It was created in 1993 by order of the Texas Natural Resource Conservation Commission, after a contested case hearing. *See* Creation Order, at https://gcuwcd.org/creation.

[7] Sections 10 and 4 of the A&R Negotiated Export Fee Agreement do allow for amendment of the A&R Export Fee Agreement by fewer than all permit holders and the GCUWCD under a particular circumstance: if a permit holder's export permit is terminated for reasons other than for non-payment of the negotiated export fee, the remining permit holders and the GCUWCD can amend the A&R Negotiated Export Fee Agreement without the consent of the former permit holder..

[8] The Texas Supreme Court has held that by executing a contract, a governmental entity "voluntarily bind[s] itself like any other party to the terms of agreement." *Tooke v. City of Mexia*, 197 S.W.3d 325, 332 (Tex. 2006).

acceptable terms before the permittee parties may be subjected to the regulatory export fee schedule As proposed, Rule 15.D.3, would excuse the two export permit holders that are not yet exporting water out of the GCUWCD's boundaries from paying export fees until they actually begin to export water.

2. The fee schedule proposed by the GCUWCD in Appendix D increases the export fee by more than 3% annually in its initial years. This is a violation of Texas Water Code § 36.122(e-1). GCUWCD is proposing a fee increase of 300% from FY 23/24 to FY 24/25, and of 100% from FY 24/25 to FY 25/26. By the plain language of the statute, the 3% per year limit in Subsection (e-1) applies after January 1, 2024.[9]

3. The fee schedule is arbitrary and capricious because it bears no rational relationship to the GCUWCD's budget. Statutory authority to charge a fee does not authorize imposition of excessive fees or fees in amounts with no correlation to the program costs they are designated to cover. All user fees, including export fees, must be based on the cost of the service or program funded and the payors' ability to pay. The U.S. Government Accountability Office advises agencies that set fees to report their methods clearly, including by providing an accounting of program costs and the assumptions used to project future costs and fee collections. During the GCUWCD's September 12, 2023, budget hearing for FY 23/24, Board members asked District Staff whether the proposed budget included increases in mitigation or export fees. District Staff replied that the budget did not include any fee increases, and that any such fee increases would be processed as a budget amendment. To date, no budget amendment has been proposed.[10] From the current draft of the rules, it appears that the GCUWCD intends to increase the export fee by 3% each year in perpetuity after October 1, 2026. This makes plain that there exists no budgetary basis or cost rationale supporting the proposed export fee increases.

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[9] HB 3059 (2023) amending Texas Water Code § 36.122 became effective on September 1, 2023. The GCUWCD began discussing raising export fees in April 2024. It is not clear from the language in the statute whether the annual 3% limit on fee increases in Subsection (e-1) operates to automatically increase the 20 cent limit in Subsection (e)(2) on an annual basis beginning after January 1, 2024, or whether it operates to automatically the increase a district's regulatory export fee in effect as of January 1, 2024 by 3% annually thereafter.

[10] GCUWCD receives revenue from two sources: taxes and fees. GCUWCD's current tax rate is $0.00317400. Per GCUWCD's budget notices, this is an 8.14% increase over the previous tax rate, but it is still the lowest rate of all the taxing authorities in Gonzales County. *See* https://www.texastaxtransparency.com/Gonzales/Search/TaxRates?page=1&rows=100. Fee income is from export fees (reported with the general fund budget), and mitigation fees (reported for each of the GCUWCD's two mitigation funds).

4. Related to the budgeting issue, note that Texas Water Code § 36.207(b) limits the purposes for which a district can use the additional revenue received from increasing export fees as allowed under Texas Water Code § 36.122(e-1). Texas Water Code § 36.207(b) states:

> (b) A district may use funds obtained from the amount that an export fee is increased under Section 36.122(e-1) on or after January 1, 2024, only for costs related to assessing and addressing impacts associated with groundwater development, including:
>
> (1) maintaining operability of wells significantly affected by groundwater development;
>
> (2) developing or distributing alternative water supplies; and
>
> (3) conducting aquifer monitoring, data collection, and aquifer science.[11]

The GCUWCD is not currently engaged in the activity described in subsection (b)(2). Therefore, Section 36.207(b) requires that the GCUWCD uses the additional amount of fees collected over and above the amount that would have been collected had the fee remained at $0.0250 exclusively for two of the enumerated purposes: (1) for maintaining operability of wells "significantly affected by groundwater development," or (2) conducting aquifer monitoring, data collection, and aquifer science. As discussed further below, the revenue from the increased fees cannot be used by the GCUWCD to fund the dilapidated well-plugging activities described in Proposed Rule 21.D.

5. The statutory restrictions on use of revenue from export fees received from a fee increase under Section 36.122(e-1) highlights the already-existing overlap between what exporters pay to the GCUWCD as export fees (whether set pursuant to rule or by the A&R Negotiated Export Fee Agreement), and what exporters pay as export fees under the guise of "mitigation fees" under the Mitigation Agreement.[12] Although

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[11] Tex. Water Code § 36.207(b).

[12] District Rule 10.E.3 requires producers connected to a common gathering/piping system capable of producing over 3,000 acre-feet/year of water to enter into a mitigation agreement with the District. Pursuant to that rule, the six export permit holders referenced in these comments have each entered into a Mitigation Agreement with the GCUWCD. Pursuant to the Migration Agreements, the exporters pay an additional "negotiated export fee surcharge." The Mitigation Agreements are attached as appendices to the "GCUWCD Mitigation Fund Annual Report (2023)," available at this link: https://gcuwcd.org/annual-reports. The exporters also funded the drilling of new observation wells which the GCUWCD uses to monitor compliance with the DFCs. *See* "Monitoring Well System Construction, Operation and Maintenance Agreement" dated effective December 30, 2016, by and among GCUWCD, SAWS, ARWA, GBRA, CRWA, and SSLGC, as amended by the "First Amendment to the

GCUWCD receives annual revenue from exporters under two different agreements, the revenues generated under both documents are properly statutorily categorized as "export fees." If the fees paid under the Mitigation Fee Agreement are classified consistently with the statute as "export fees," CRWA has made significant export fee payments to the GCUWCD. Any increases in export fees are duplicative of the fees already paid by CRWA under the Mitigation Agreement. If export fees are increased, the continued necessity for the Mitigation Agreement is questionable.

6. The proposed fee increases do not account for an exporter's ability to pay, or ability to plan to pay. CRWA is a governmental entity but has no taxing authority. Therefore, fees imposed by the GCUWCD are passed through to CRWA's wholesale customers, and thence to end users who will see the fees reflected as rate increases. The legislative history of H.B. 3059 amending Texas Water Code § 36.122 indicates that the Bill's supporters believed that 3% increases would not cause rate shock. However, as discussed above, the GCUWCD is proposing a 300% rate increase effective in three months' time, followed by a 100% rate increase one year later. Immediate steep increases from the previous cap of 2.5 cents/1,000 gallons to 20 cents/1,000 gallons were not intended by the Legislature.

B. RULE 10.H – PERMITTING MORATORIUM BASED ON MAG AS CAP

Proposed Rule:

GCUWCD proposes to amend Rule 10, relating to "Application for Drilling and Operating Permits," by adding a new subsection (H), as follows:

> 10. H. No new permits, and or an increase amendments [*sic*] will be issued when the district has reached 100% of production under the current Modeled Available Groundwater (MAG) of measured actual production for the previous calendar year.

Background:

According to information provided at the Board Workshop, the purpose of this proposed new rule is to allow the GCUWCD to manage aquifer declines by denying new permit applications and permit amendment applications that seek additional production when the full MAG amount is being produced.

Supplemental Comments:

Monitoring Well System Construction, Operation and Maintenance Agreement" dated effective October 3, 2018.

1. Groundwater conservation districts are charged by the Legislature to manage groundwater to achieve the Desired Future Conditions ("DFCs"), not the MAG.[13] The Texas Water Code provides that each groundwater district in a groundwater management area "shall ensure that its management plan contains goals and objectives consistent with achieving the DFCs of the relevant aquifers during the joint planning process."[14] The Texas Water Code further provides that a district's rulemaking shall consider the goals in the water management plan.[15] This means that the rules must address the goal of achieving the DFC.

2. During the May 18, 2024, Rules Workshop and in past Board meetings, some commentators have expressed concern that the MAG increases over time. This concern reflects a misunderstanding of how MAGs are generated by GMA-13 and the TWDB. When creating the Groundwater Availability Model ("GAM"), the computer model simulation used by the TWDB to calculate aquifer MAGs, professionals working on behalf of GMA-13 input groundwater usage data included in the Region L Water Plan into the GAM's model files. Consequently, any increases (or decreases) in planned groundwater use contained in the Regional L Water Plan are reflected in the MAG. The water level changes predicted by the GAM computer model simulations are adopted by GMA-13 and all groundwater conservation districts in GMA-13 as DFCs but, because groundwater models are imperfect, the computer model predictions will be inaccurate to some degree. In other words, pumpage information at the locations, rates, and schedules inputted into and generated by a MAG computer simulation may not produce the DFC results. Instituting a moratorium on permitting once pumpage reaches the MAG incorrectly assumes that it is inevitable that DFCs will be reached when the MAG pumpage is realized.

3. Focus on the MAG, rather than the DFC, to determine the effectiveness of a district's aquifer management strategy appears to be based the erroneous assumption that a computer-generated MAG is a more reliable indicator of DFC compliance than actual groundwater level measurements. The assumption has been expressly repudiated by the Legislature, rejected by the Texas Water Development Board (TWDB), and dismissed by the Texas Commission on Environmental Quality (TCEQ). It was

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[13] DFCs are quantitative descriptions of the desired condition of the groundwater resources in a groundwater management area at one or more specified times. *See* Tex. Water Code § 36.001(30). A MAG is the amount of water that the Texas Water Development Board calculates, using an approved groundwater availability model, may be produced on an average annual basis to achieve the DFC. *See* Tex. Water Code § 36.001(25).

[14] Tex. Water Code § 36.1085

[15] Tex. Water Code § 36.101(5)

repudiated by the Legislature through the passage of SB 737 in 2011 (clarifying that the MAG is not a permitting cap). It is rejected by the TWDB in every MAG report the agency authors. Every MAG report includes a detailed description of the specific data assumptions and modeling limitations used to generate the MAG, and *every MAG report contains these cautionary words*:

> **LIMITATIONS:**
>
> The groundwater model used in completing this analysis is the best available scientific tool that can be used to meet the stated objectives. **To the extent that this analysis will be used for planning purposes and/or regulatory purposes related to pumping in the past and into the future, it is important to recognize the assumptions and limitations associated with the use of the results.** In reviewing the use of models in environmental regulatory decision making, the National Research Council (2007) noted:
>
> > "Models will always be constrained by computational limitations, assumptions, and knowledge gaps. They can best be viewed as tools to help inform decisions rather than as machines to generate truth or make decisions. Scientific advances will never make it possible to build a perfect model that accounts for every aspect of reality or to prove that a given model is correct in all respects for a particular regulatory application. These characteristics make evaluation of a regulatory model more complex than solely a comparison of measurement data with model results."
>
> . . .
>
> **Because the application of the groundwater model was designed to address regional scale questions, the results are most effective on a regional scale.** The TWDB makes no warranties or representations relating to the actual conditions of any aquifer at a particular location or at a particular time.
>
> **It is important for groundwater conservation districts to monitor groundwater pumping and groundwater levels in the aquifer.** . . . [16]

These limitations caused the Legislature in 2011 to clarify that the MAG is <u>not</u> a permitting cap, but rather, merely one of five factors to be considered in making permitting decisions.[17] Senate Bill 737 introduced during the same 2011 Legislative

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[16] *See, e.g.*, "GAM Run 21-018 MAG: Modeled Available Groundwater for the Carrizo-Wilcox, Queen City, Sparta, and Yegua-Jackson aquifers in Groundwater Management Area 13" (TWDB, July 25, 2022), at 24. Emphasis added.

[17] Tex. Water Code § 36.1132. PERMITS BASED ON MODELED AVAILABLE GROUNDWATER.

(a) A district, to the extent possible, <u>shall issue permits up to the point that the total volume of exempt and permitted groundwater production will achieve an applicable desired future condition</u> under Section 36.108.

Session uses the mandatory term "shall" when directing districts to issue permits up to the DFC.[18] SB 737 was specifically crafted to debunk employment of the "MAG as permitting cap." It is contrary to unambiguous Legislative intent and TWDB's methodology to place undue emphasis on the MAG when making site-specific permitting decisions.

4. During the May 18, 2024, Rules Workshop, the District's attorney (Mr. Ellis) stated that the Post Oak Savannah Groundwater Conservation District's (POSGCD) rules were challenged via two Petitions for Inquiry filed with the TCEQ on the basis that regulating the production of groundwater to achieve the DFCs rather than regulating the issuance of permits via permit denials to achieve the DFCs was not protective of the aquifers. In both cases, the petitioners alleged that issuance of a permit to Blue Water Systems for 71,000 ac-ft/yr. from the Simsboro and Carrizo aquifers for the Vista Ridge project would result in the MAG being exceeded every year after permit issuance, and that the POSGCD rules allowing issuance of permits in excess of the MAG violated the Texas Water Code. The TCEQ disagreed and dismissed both petitions.[19] As stated by the TCEQ's Office of Public Interest Counsel:

> "regardless of the accuracy of Petitioner's contention regarding the MAG, its exceedance is not dispositive of this issue. Districts are required to establish desired future conditions ("DFCs") that provide for protection of the aquifers 50 years in the future, and the MAG is one, but, importantly, not the sole factor considered, in proposing and achieving the DFC."[20] And as stated by the TCEQ's Executive Director, "Post Oak's rules protect the groundwater by establishing enough flexibility for the district to adapt to the

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(b) <u>In issuing permits, the district shall manage total groundwater production on a long-term basis to achieve an applicable desired future condition</u> and consider:

(1) the modeled available groundwater determined by the executive administrator;

(2) the executive administrator's estimate of the current and projected amount of groundwater produced under exemptions granted by district rules and Section 36.117;

(3) the amount of groundwater authorized under permits previously issued by the district;

(4) a reasonable estimate of the amount of groundwater that is actually produced under permits issued by the district; and

(5) yearly precipitation and production patterns.

[18] Tex. Water Code § 36.1132 (a) and (b).

[19] See TCEQ Docket No. 2018-0194-MIS (May 9, 2018) and Docket No. 2015-0844-MIS (August 19, 2015

[20] Office of Public Interest Council Response to Petition for Inquiry, at 8-9 (TCEQ Docket No. 2018-0194-MIS).

> changing circumstances of the actual aquifer levels and to reduce production as necessary to achieve the DFCs. Accordingly, the Executive Director respectfully recommends that the petition be dismissed."[21]

Like POSGCD, GCUWCD has an extensive well monitoring network through which it has amassed nearly 10 years of actual water level data. This data is analyzed three times a year for DFC compliance and undeniably indicates that the adopted DFCs have never been reached or exceeded.

5. GCUWCD Rule 19.B addresses how the GCUWCD plans to monitor for DFC compliance and describes the response action plan to be implemented when the DFC is exceeded or expected to be exceeded. Rule 19.B states, for example, that the GCUWCD will commence studies when the water level in an observation well reaches 60% of the DFC and outlines some specific actions the district may take to respond to DFC exceedances based on the studies and after notice and hearing. Several districts have similar rules, with varying degrees of detail.[22] Any actions the GCUWCD takes to respond to expected or actual DFC exceedances should be reflected in Rule 19, not Rule 10. If the GCUWCD desires to amend its DFC response action plan, it can commence a rulemaking process for Rule 19.

6. CRWA is unsure why the GCUWCD believes it needs to manage its aquifers to meet the MAGs rather than the DFCs, but offers these two additional comments for consideration:
   - If the focus on the MAG is based the assumption that a groundwater district must ensure that each landowner can produce a proportionate share of groundwater from an aquifer, this assumption has been expressly repudiated by the Legislature. Texas Water Code § 36.002 recognizes the rights of landowners to drill for and produce the groundwater below their surface but does not entitle a landowner the right to capture a specific amount of groundwater. Texas Water Code §36.002(d)(3) expressly states:

> § 36.002
> (d) This section [36.002 Ownership of Groundwater] <u>does not</u>:
> . . .

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[21] TCEQ Executive Director Response to Petition for Inquiry, at 12-13 (TCEQ Docket No. 2018-0194-MIS).

[22] *See, e.g.,* Post Oak Savanah Groundwater Conservation District Rule 16; Brazos Valley Groundwater Conservation District Rule 7.2, and Groundwater Conservation District Rule 16.

> (3) require that a rule adopted by a district allocate to each landowner a proportionate share of available groundwater for production from the aquifer based on the number of acres owned by the landowner."[23]

- If the focus on the MAG is based on a belief that if the MAG is exceeded, the Carrizo Wilcox aquifer will "run out of water," that belief is not supported by data. The TWDB has calculated that the Carrizo Wilcox aquifer in GMA-13 contains 1,942,020,000 acre-feet of estimated recoverable storage, of which 18,000,000 acre-feet are in the GCUWCD.[24]

C. AMENDED RULE 18.B.6.b – PEAKING

Proposed Rule:

GCUWCD proposes to amend Rule 18.B.6.b to add the underscored language shown below:

> 18.B.6.b. Individual well production rates are allowed to increase up to 150% of the permitted production rate during peak demand periods <u>for a period of not to exceed 90 days</u>.

Background:

During the Board Workshop on May 18, 2024, there was uncertainty expressed by GCUWCD Board members as to the purpose of this proposed amendment. It was mentioned that the intent might be to address conditions experienced during the summer of 2022. Those conditions were not described or explained.

Supplemental Comments:

1. Existing Rule 18.B.6.b is an important rule because it allows temporary escalations in individual well production while remaining in compliance with annual production limits, but the need for such adjustments is not confined the need to respond to increased daily or seasonal demands. For example, when one of

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[23] Tex. Water Code § 36.002(d)(3)

[24] *See* "GAM Task 13-036 (revised): Total Estimated Recoverable Storage for Aquifers in Groundwater Management Area 13" by Shirley Wade, Ph.D., P.G. and Robert Bradley, P.G., TWDB Groundwater Resources Division (July 15, 2013), at 16.

CRWA's wells in its wellfield is taken off-line for maintenance, the pumpage rates in the other wells must be temporarily increased to maintain overall system production amounts. CRWA relies on the ability to use existing Rule 18.B.6.b for operational flexibility in the face of changing circumstances. Those circumstances do not limit themselves to one 90-day period in a year. Operationally, the proposed rule would be a restriction on CRWA's ability to produce the amount of water it is permitted to produce on an annual basis.

2. Although existing Rule 18.B.6.b allows for temporary increases in individual well pumping rates, it does not change a permittee's annual production limit. This means that short term fluctuations in aquifer levels may occur during peaking, but the long term (annual) impact of pumping is unaffected.

3. This change to Rule 18.B.6.b is unnecessary, arbitrary, and vague. It also removes current operational flexibility and may limit CRWA's ability to produce the full amount of water permitted.

D. NEW RULE 21- PAYMENT FOR PLUGGING AND CAPPING OF WELLS.

Background:

GCUWCD proposes to add new Rule 21.D as follows:

D. The Gonzales County Underground Water Conservation District (GCUWCD) has budgeted money for assisting landowners located within the district in plugging and abandoning deteriorated wells. The GCUWCD desires to assist the landowners in paying for a portion of the costs to complete the plugging and abandonment of the well in accordance with the Water Well Plugging Fund and Policy Manual adopted May 10, 2016.

a. The GCUWCD will provide a landowner who wishes to participate in the water well plugging fund a 90/10 percent cost share allowance. The GCUWCD will pay 90 percent of the costs to plug and abandon the water well with the remaining 10 percent of the costs paid by the landowner.

b. The landowner must agree to pay the estimated 10 percent of the plugging and abandonment costs prior to the start of the plugging operations. If the Landowner chooses to make payments over time, then Landowner must consent in writing to the District placing a lien on the property equal to the amount of reimbursement due to the District in accordance with a written payment schedule. The District will file a lien in the Gonzales County Deed Records and will subsequently file a Release of Lien in accordance with payment agreement.

Background:

Based on the GCUWCD's FY 23/24 budget, it appears that this program has been budgeted at $75,000 from the general fund. In the prior fiscal year, it was budgeted at $100,000. The "Water Well Plugging Fund and Policy Manual" referenced in the draft rule is not published on the GCUWCD's website.

Supplemental Comment:

1. As discussed above, CRWA does not believe that export fees adopted under Texas Water Code § 36.122(e)(2) can be used to fund this program by Texas Water Code § 36.207(b). Because the program is subject to available funding, which will change on an annual basis, the rule should include a statement that monies available for the program are subject to availability.

2. Although this appears to be an existing program, CRWA could find no information about its scope or implementation. Without specific information about this program, it is difficult to provide additional comments on this proposed rule at this time, but in general, if the finances are made transparent and the program is implemented properly and fairly, CRWA does not object to the general intent of this new rule.

RESOLUTION

RESOLUTION REQUESTING FINANCIAL ASSISTANCE FROM THE TEXAS WATER DEVELOPMENT BOARD FOR DESIGN AND CONSTRUCTION OF IMPROVEMENTS TO ITS WATER SUPPLY SYSTEM; AUTHORIZING CERTAIN STAFF AND CONSULTANTS TO COORDINATE THE SUBMISSION OF THE APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD FOR FUNDING FROM ITS STATE WATER IMPLEMENTATION FUND FOR TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Board of Trustees (the *Board of Trustees*) of the Canyon Regional Water Authority (the *Authority*) deems it necessary to apply to the Texas Water Development Board (the *Board*) for financial assistance; and

WHEREAS, in accordance with the rules and regulations of the Board, which govern the procedures in making such an application, the governing body of the Authority is required to pass a resolution to accompany such application; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE CANYON REGIONAL WATER AUTHORITY THAT:

1. The Authority hereby requests that the Board, from its State Water Implementation Fund for Texas, grant financial assistance to the Authority in the amount not to exceed $24,920,000 (as a loan or by the purchase of obligations of the Authority and by the receipt of the largest amount of grant funds lawfully available from the Board) for constructing improvements to the Authority's water supply system, as designed the by the Authority's consulting engineer. These obligations will be issued by the Authority in one or more series.

2. The President, Board of Trustees, Vice President, Board of Trustees, Secretary, Board of Trustees, and General Manager of the Authority (each, an *Authorized Official*) are hereby authorized to execute and submit to the Board the application for such financial assistance, and each Authorized Official, together with bond counsel, financial advisors and consulting engineers named in such application, are authorized to appear before the Board in support of such application and to make the required assurances and representations to the Board in accordance with the rules, regulations, and policies of the Board.

3. A certified copy of this Resolution shall be attached to the application for financial assistance herein authorized to be prepared and submitted to the Board, and the Secretary, Board of Trustees of the Authority is authorized and directed to prepare and certify such number of copies of this Resolution as may be required for purposes of supporting the submission of such application to the Board.

4. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Authority.

5. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

6. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

7. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Authority hereby declares that this Resolution would have been enacted without such invalid provision.

8. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

9. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

* * * *

PASSED, ADOPTED AND APPROVED on the ___ day of July, 2024.

CANYON REGIONAL WATER AUTHORITY

_____
President, Board of Trustees

Attest:

_____
Secretary, Board of Trustees

(AUTHORITY SEAL)

NORTON ROSE FULBRIGHT

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July 2, 2024

Via E-Mail
Via Federal Express

Kerry Averyt
General Manager
Canyon Regional Water Authority
850 Lakeside Pass
New Braunfels, Texas 78130-8282

Re: Canyon Regional Water Authority Contract Revenue Bonds (Hays/Caldwell Counties Area Project), Series 2024 (TWDB SWIFT)

Dear Kerry:

I enclose the following documents pertaining to the captioned financing for execution at the July 8, 2024 regular meeting of the Board of Trustees:

1. Resolution requesting financial assistance (one copy and five signature pages);

2. Secretary's Certificate pertaining to the above Resolution (two copies and five signature pages); and

3. Application Affidavit (**one original and five copies of each signature page) pertaining to the above Resolution. Please note that the blank in section 4 of this Affidavit should be completed as directed or by inserting the word "NONE". Please also note** that the Affidavit must be notarized).

Please return one completed copy of the Secretary's Certificate and all executed signature pages to me. The completed copies of the aforementioned documents should be retained for the files of the Board.

Thank you, in advance, for your prompt attention to this matter. If I can provide any additional assistance concerning this matter, please do not hesitate to contact me.

Very truly yours,

Stephanie V. Leibe

SVL/lc
Enclosures

cc: Ms. Joan Wilkinson (Canyon Regional Water Authority)
Mr. Mark McLiney (SAMCO Capital Markets, Inc.)
Mr. Andrew Friedman (SAMCO Capital Markets, Inc.)
Mr. Ryan Cunningham (SAMCO Capital Markets, Inc.)
Ms. Veronica Alonzo (SAMCO Capital Markets, Inc.)
Mr. Matthew A. Lee (Firm)
Mr. Chris Guevara (Firm)

Hays Caldwell WTP Improvements
Budget vs. Actual
May 31, 2024

	TOTAL BUDGET	TOTAL DISBURSEMENTS	%
Hays Caldwell Series 2017 Bond Net Proceeds	4,801,596.00	4,801,596.00	100.00%
Hays Caldwell Series 2021 Bond Net Proceeds	12,355,000.00	12,355,000.00	100.00%
City of San Marcos Cash Contribution	511,593.00	511,593.00	100.00%
City of San Marcos Cash Contribution	4,634,982.00	4,634,982.00	100.00%
Beginning Cash Available for Project	22,303,171.00	22,303,171.00	100.00%
Land Purchase - 2.009 Acres	555,628.44	555,628.44	100.00%
Advertisement for Bids	3,598.90	3,598.90	100.00%
TWDB D-Fund Application Services	35,700.00	35,700.00	100.00%
HMGP Application	12,000.00	12,000.00	100.00%
Basic Engineering Services:			
Prelminary Phase	403,700.00	403,700.00	100.00%
Design Phase	728,400.00	728,400.00	100.00%
Bid Phase	73,900.00		0.00%
Construction Phase	458,800.00		0.00%
Total Basic Engineering Services	1,664,800.00	1,132,100.00	68.00%
Additional Engineering Services:			
Grant Application Services	6,927.90	6,927.90	100.00%
Environmental Review & Permitting	121,200.00	107,838.80	88.98%
Topographic Survey	36,900.00	32,950.00	89.30%
Warranty Phase	30,900.00		0.00%
Start-Up Services	59,000.00		0.00%
O&M Manual Update	16,900.00		0.00%
Water Treatment Plant Audit	0.00		0.00%
Flood Protection	0.00		0.00%
CT Study & TCEQ Update	17,000.00	16,954.00	99.73%
Constr Observation & Resident	174,000.00		0.00%
Geotechnical Investigation	76,200.00	76,186.25	99.98%
TWDB & TCEQ Coordination	102,500.00	102,617.49	100.11%
Power System Study	55,000.00	55,000.00	100.00%
City of San Marcos Permitting	104,200.00	104,270.89	100.07%
City of San Marcos Platting	28,900.00	30,032.00	103.92%
Ozone Bldg Upgrade to CMU	49,800.00	46,813.60	94.00%
TCEQ Pilot Study	4,000.00		0.00%
Preconstruction T&E Surveys-Terrestrial	2,600.00		0.00%
Preconstruction T&E Surveys-Mussels	8,500.00		0.00%
Dewatering Aquatic Resources	27,600.00		0.00%
Geotechnical Baseline for River Intake	4,800.00	4,782.50	99.64%
Cultural Resources Constr Monitoring	42,500.00		0.00%
OSSF Irrigation Reconfig & Permitting	9,000.00		0.00%
Total Additional Engineering Services	978,427.90	584,373.43	59.73%
HCWTP Ozone Deman & Decay Testing	9,992.00	9,992.00	100.00%
Caldwell County Permits	51,950.00	51,950.00	100.00%
City of San Marcos-Permits	19,323.14	19,323.14	100.00%
SCADA			
Design Fees	20,000.00	3,963.75	19.82%
Construction Costs	150,000.00		0.00%
Total SCADA Costs	170,000.00	3,963.75	2.33%
Bluebonnet Electric Coop - Service Entrances & Easeme	61,512.02	61,512.02	100.00%
Miscellaneous Fees	3,077.04	3,077.04	100.00%

Hays Caldwell WTP Improvements
Budget vs. Actual
May 31, 2024

	TOTAL BUDGET	TOTAL DISBURSEMENTS	%
Construction Costs			
New 1 MG GST (DN Tanks)	4,590,000.00		0.00%
Probable Construction Costs			
Raw Water Pump Station & Intake	3,210,643.00		0.00%
Raw Water Electrical Building	346,491.00		0.00%
Yard Piping	1,160,146.00		0.00%
Clarifier Upgrades	2,656,275.00		0.00%
Splitter Box	760,340.00		0.00%
Chemical Feed & Storage	372,721.00		0.00%
Ozone Improvements	4,209,987.00		0.00%
Existing GST Rehab	311,740.00		0.00%
HSPS Improvements	698,145.00		0.00%
Recycle Pump Station	113,687.00		0.00%
Decant Pump Station	179,174.00		0.00%
Decant Ponds	611,499.00		0.00%
Site Civil Paving, etc.	1,961,807.00		0.00%
Electrical Improvement	4,842,702.00		0.00%
Instrumentations & Controls	1,372,320.00		0.00%
Subtotal	22,807,677.00	0.00	0.00%
Additive Alternate: 200kW Generator	813,704.00		0.00%
Additive Alternate: 350kW Generator	1,260,262.00		0.00%
Additive Alternate: Motorized Gates	60,480.00		0.00%
Addtive Alternate: Security System Integ.	36,000.00		0.00%
Total Probable Construction Costs	**24,978,123.00**	**0.00**	**0.00%**
Total Hays Caldwell WTP Improvements	**33,134,132.44**	**2,473,218.72**	7.46%
Unallocated Contingency	-10,830,961.44		0.00%
Total Expenditures		**2,473,218.72**	
Interest Income		2,025,737.55	
Paid from General Funds-Electrical Easement		1,000.00	
Ending Cash		**21,856,689.83**	

PROJECT FUNDING REQUEST

BOARD DATE: July 23, 2024 **Team Manager:** David Firgens

ACTION REQUESTED
Consider approving by resolution a request from the Canyon Regional Water Authority (Atascosa, Bexar, Caldwell, Comal, Guadalupe, Hays, and Wilson counties) for $24,920,000 in multi-year financing from the State Water Implementation Revenue Fund for Texas for the planning, design and construction of water system improvements.

STAFF RECOMMENDATION
☒ Approve ☐ No Action

BACKGROUND
The Canyon Regional Water Authority (Authority) service area extends from Atascosa County to Hays County. The Authority currently has 11 members and 2 non-member, wholesale customers, the cities of San Antonio and San Marcos. The proposed project benefits four wholesale customers with a combined service population of 21,567, and the City of San Marcos.

PROJECT NEED AND DESCRIPTION
In 2017, the Authority received Texas Water Development Fund financing for the Hays Caldwell Water Treatment Plant (HCWTP) to reduce trihalomethanes (THM) in its treated water and to improve the intake structure. The project benefited four wholesale customers, including: Martindale Water Supply Corporation, Maxwell Water Supply Corporation, County Line Special Utility District, and Crystal Clear Special Utility District.

The original project to construct an ozone system, electrical building, clearwell, and to rehabilitate an existing clearwellhas been delayed due to permitting and cost increases. In addition, continued population growth in the service areas of the project participants has increased the need for treatment capacity. In 2021, the Authority revised the scope of the project to expand the treatment capacity of the HCWTP from 3.44 to 6 million gallons per day (MGD). The Authority also executed an agreement with the four original project participants and the City of San Marcos (City) to share the costs of the original project and expand capacity. In the agreement, the City agreed to contribute approximately $8 million to the project and secured the right to utilize approximately 30 percent of the additional capacity to be added with the revised project. Private market bonds were issued to begin the expansion.

Multi-Year Commitment	Expiration Date
$1,500,000 Proposed Series 2024	December 31, 2024
$11,710,000 Proposed Series 2025	December 31, 2025
$11,710,000 Proposed Series 2026	December 31, 2026

The Authority is planning for an ultimate capacity of 12 MGD at the HCWTP. The project design assumes the ultimate capacity, but the revised project does not expand HCWTP's capacity beyond 6 MGD.

The Authority received regulatory approvals for the intake structure improvements in late 2023 and currently has an environmental finding for all components of the original project. The cost of the original project has more than doubled since 2017.

The Authority requests additional project funding for the revised scope to expand the treatment capacity of HCWTP to 6 MGD, replace the existing membrane system that is beyond its useful life, and to complete construction of an ozone system, electrical building, and improvements to the raw water intake structure. Existing funds are sufficient for the clearwells.

Task	Schedule Date
Closing	December 1, 2024
Engineering Feasibility Report Completion (End of Planning Phase)	September 30, 2024
Design Phase	May 31, 2025
Start of Construction	June 30, 2025
Construction Completion	May 31, 2027

KEY ISSUES

The City will determine prior to execution of a financing agreement whether to pay its share of project costs with cash or a new contract with the existing debt participants. In either scenario the City is assuming approximately 30 percent of the costs. However, if the City is a cash participant, then the allocation of debt service will be modified slightly, and the Authority's requested debt financing will decrease by approximately 30 percent. Allocation of debt service payments in both scenarios are shown below. The City is a highly rated credit and benefits the project in either scenario.

Participant	San Marcos-Debt	San Marcos-Cash
County Line SUD	29.275	42.860
Crystal Clear SUD	11.191	17.420
Martindale WSC	9.982	5.170
Maxwell WSC	20.143	34.550
City of San Marcos	29.409	0

LEGAL/SPECIAL CONDITIONS

Special Conditions

- Water rights determination

Attachments:

1. Financial Review
2. Project Budget
3. Resolution (24-)
4. Water Conservation Review
5. Location Map

Financial Review
Canyon Regional Water Authority

Risk Score:
County Line SUD – 2B Crystal
Clear SUD – 2B Martindale
WSC – 2B Maxwell SUD – 2B
San Marcos – 2A

Audit Reviewed: FY 2023

Key Indicators

Indicator	County Line SUD	Crystal Clear SUD	Martindale WSC	Maxwell SUD	San Marcos	Benchmark
Population Growth, Average Annual 2010-2020	Caldwell and Hays County: 3.93%	Guadalupe County: 2.76%	Caldwell County: 1.89%	Caldwell County and Hays County: 3.93%	City of San Marcos: 4.17%	State: 1.49%
Top 10 Customers % of Total Revenue	15%	6%	10%	18%	11%	10-15%
Median Household Income as % of State	Caldwell and Hays County: 89%	Guadalupe County: 104%	Caldwell County: 80%	Caldwell County and Hays County: 89%	City of San Marcos: 65%	100%
Days of Cash on Hand (3-year Average)	1,103 days	144 days	154 days	1,175 days	1,463 days	30-149 days
Net Fixed Assets/ Annual Depreciation	30 years	33 years	18 years	15 years	7 years	12-24 years
Debt Service Coverage Ratio	3.15x	0.89x	1.64x	2.41x	2.27x	1.0x
Debt-to-Operating Revenues	6.84x	4.20x	2.39x	7.27x	2.67x	4.00-5.99x
Unemployment Rate (April, 2024)	Caldwell and Hays County: 3.00%	Guadalupe County: 3.10%	Caldwell County: 3.10%	Caldwell County and Hays County: 3.00%	City of San Marcos : 3.00%	State: 3.50%
Working Capital Ratio	8.78	1.27	3.39	17.44	6.93	> 1.00

Key Risk Score Strengths

- The County Line Special Utility District, the City of San Marcos, and the Maxwell Special Utility District have sufficient utility system revenues to maintain debt service coverage without increasing rates.
  All five underlying customers have high working capital ratios that allow them to pay off their short-term debt with short-term assets, demonstrating a strong liquidity position.
- All five underlying customers also have high population growth which has caused their revenues and connections to increase. County Line SUD, the City of San Marcos, and Maxwell SUD have experienced the highest connection growth since 2020, with County Line SUD's number of connections increasing by 1,712 and Maxwell SUD's connections increasing by 1,706.

Key Risk Score Concerns

- Based on a no-growth scenario, both Crystal Clear SUD and Maxwell SUD would need rate increases to cover the proposed debt. Crystal Clear SUD would need to implement a maximum rate increase of $12.79 in 2043 and Maxwell SUD would need to implement a rate increase of $1.95 in 2048, and Martindale WSC would need to implement a maximum rate increase of $4.10 in 2033. However, the needed rate increases are expected to lessen over time due to the high growth that the areas are experiencing.
- Maxwell SUD's (District) top 10 customers represent 18 percent of the District's total system revenues with the highest customer being a mobile home development at 5.37 percent. A stress test that removed these revenues indicated that the District would need a rate increase of $12.27 in 2048 to cover the proposed debt.

PLEDGE

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

RATES AND CHARGES (County Line SUD)

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
WATER	2,255	$71.00	$71.00	2.55	2.55

RATES AND CHARGES (Crystal Clear SUD)

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (2043)	Current Household Cost Factor	Projected Household Cost Factor
WATER	10,000	$144.58	$157.37	3.95	4.18
WASTEWATER	10,000	$67.84	$67.84		

RATES AND CHARGES (Martindale WSC)

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (2033)	Current Household Cost Factor	Projected Household Cost Factor
WATER	10,000	$150.68	$154.78	4.65	4.75

RATES AND CHARGES (City of San Marcos)

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
WATER	5,000	$26.82	$26.82	3.16	3.16
WASTEWATER	5,000	$54.56	$54.56		

RATES AND CHARGES (Maxwell SUD)

Average Residential Use	Gallons/Month	Current Rates	Projected Rates (2048)	Current Household Cost Factor	Projected Household Cost Factor
WATER	5,500	$75.00	$76.95	2.64	2.68

Cost Savings

Based on a 30-year maturity schedule and current interest rates, the Authority could save approximately $1,993,623 over the life of the financing.

Texas Water Development Board

Project Data Summary

Responsible Authority	Canyon Regional WA
Program	SWIFT
Commitment Number	LM2401841, LM2501841, LM2601841
Project Number	21767
List Year	2024
Type of Pledge	Contract Revenue Pledge
Pledge Level (if applicable)	First Lien
Legal Description	$1,500,000 Canyon Regional Water Authority Contract Revenue Bonds, Series 2024, $11,710,000 Canyon Regional Water Authority Contract Revenue Bonds, Series 2025, $11,710,000 Canyon Regional Water Authority Contract Revenue Bonds, Series 2026
Tax-exempt or Taxable	Tax-Exempt
Refinance	No
Outlay Requirement	No
Disbursement Method	Escrow
Outlay Type	Outlay <> Escrow Release
Qualifies as Disadvantaged	No
SWIFT Financing Type	Low-Interest
Financial Managerial & Technical Complete	N/A
Phases Funded	Planning, Design, and Construction
Pre-Design	Yes
Project Consistent with State Water Plan	Yes
Water Conservation Plan	Adopted
Overall Risk Score	2B

PROJECT TEAM				
Team Manager	**Financial Analyst**	**Engineering Reviewer**	**Environmental Reviewer**	**Attorney**
Dain Larsen	Jacob Berdoll	Shubham Aggarwal	Chris Caran	Marshall Walters

ISSUE BEING EVALUATED
FOR ILLUSTRATION PURPOSES ONLY
Canyon Regional Water Authority

$1,500,000 Canyon Regional Water Authority Contract Revenue Bonds, Series 2024

Dated Date:	12/1/2024	Source:	SWIFT-LOW-30YR
Delivery Date:	12/1/2024	Rate:	4.01%
First Interest:	8/1/2025	IUP Year:	2024
First Principal:	8/1/2025	Case:	Revenue
Last Principal:	8/15/2054	Admin.Fee:	$0
Fiscal Year End:	09/30	Admin. Fee Payment Date:	N/A
Required Coverage:	1.0		

	PROJECTED	CURRENT	$1,500,000 ISSUE				$ 23,420,000 SERIES 2025 TO 2026*		
FISCAL YEAR	NET SYSTEM REVENUES	DEBT SERVICE	PRINCIPAL PAYMENT	INTEREST RATE	INTEREST PAYMENT	TOTAL PAYMENT	DEBT SERVICE	TOTAL DEBT SERVICE	COVERAGE
2025	$19,398,369	$18,111,871	$30,000	3.27%	$38,281	$68,281	$1,218,216	19,398,369	1.00
2026	22,487,679	19,343,795	25,000	3.24%	56,441	81,441	3,062,443	22,487,679	1.00
2027	23,113,515	19,350,525	25,000	3.14%	55,631	80,631	3,682,360	23,113,515	1.00
2028	23,178,116	19,362,190	25,000	3.13%	54,846	79,846	3,736,080	23,178,116	1.00
2029	23,178,116	15,574,796	30,000	3.13%	54,064	84,064	3,746,402	19,405,261	1.19
2030	23,178,116	15,257,571	30,000	3.13%	53,125	83,125	3,755,325	19,096,020	1.21
2031	23,178,116	15,268,730	30,000	3.14%	52,186	82,186	3,762,771	19,113,686	1.21
2032	23,178,116	15,282,736	35,000	3.16%	51,244	86,244	3,773,728	19,142,707	1.21
2033	23,178,116	12,390,860	35,000	3.18%	50,138	85,138	3,787,700	16,263,697	1.43
2034	23,178,116	12,387,974	35,000	3.19%	49,025	84,025	3,794,624	16,266,622	1.42
2035	23,178,116	12,391,139	40,000	3.28%	47,908	87,908	3,809,648	16,288,695	1.42
2036	23,178,116	8,889,250	40,000	3.38%	46,596	86,596	3,815,741	12,791,587	1.81
2037	23,178,116	8,885,569	40,000	3.49%	45,244	85,244	3,823,022	12,793,834	1.81
2038	23,178,116	8,521,112	45,000	3.62%	43,848	88,848	3,835,880	12,445,840	1.86
2039	23,178,116	8,347,890	45,000	3.69%	42,219	87,219	3,844,044	12,279,153	1.89
2040	23,178,116	8,359,221	45,000	3.73%	40,559	85,559	3,853,013	12,297,792	1.88
2041	23,178,116	8,353,834	50,000	3.81%	38,880	88,880	3,856,791	12,299,505	1.88
2042	23,178,116	7,580,364	50,000	3.86%	36,975	86,975	3,866,115	11,533,454	2.01
2043	23,178,116	7,566,828	55,000	3.90%	35,045	90,045	3,881,012	11,537,884	2.01
2044	23,178,116	7,557,626	55,000	3.94%	32,900	87,900	3,886,169	11,531,695	2.01
2045	23,178,116	7,552,465	60,000	4.12%	30,733	90,733	3,886,779	11,529,976	2.01
2046	23,178,116	6,827,659	60,000	4.12%	28,261	88,261	3,898,901	10,814,820	2.14
2047	23,178,116	6,817,586	65,000	4.12%	25,789	90,789	3,906,335	10,814,709	2.14
2048	23,178,116	6,321,623	70,000	4.12%	23,111	93,111	3,914,079	10,328,812	2.24
2049	23,178,116	6,308,896	70,000	4.12%	20,227	90,227	3,921,930	10,321,053	2.25
2050	23,178,116	5,065,370	75,000	4.23%	17,343	92,343	3,929,686	9,087,399	2.55
2051	23,178,116	3,326,816	80,000	4.23%	14,171	94,171	3,938,703	7,359,689	3.15
2052	23,178,116	3,320,448	80,000	4.23%	10,787	90,787	3,936,853	7,348,087	3.15
2053	23,178,116	2,499,233	85,000	4.23%	7,403	92,403	3,944,347	6,535,983	3.55
2054	23,178,116	2,511,943	90,000	4.23%	3,807	93,807	3,955,557	6,561,307	3.53
		$299,335,917	$1,500,000		$1,106,782	$2,606,782		$416,167,534	

*Includes debt service due to Alliance Regional Water Authority for proposed SWIFT project.

AVERAGE (MATURITY) LIFE	18.41 YEARS
NET INTEREST RATE	4.007%
TOTAL COST SAVINGS	$1,993,623
AVERAGE ANNUAL REQUIREMENT	$81,462

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

Project Budget Summary

Canyon Regional WA
21767 - Hays-Caldwell Water Treatment Plant Improvement Project

Budget Items	Description	Previous Commitments	This Commitment	TWDB Funds	Local and Other Funds	Total
Construction						
Construction		$3,130,721.00	$23,420,000.00	$26,550,721.00	$28,095,499.00	$54,646,220.00
WhatSubtotal for Construction		**$3,130,721.00**	**$23,420,000.00**	**$26,550,721.00**	**$28,095,499.00**	**$54,646,220.00**
Basic Engineering Services						
Basic Engineering Other (Describe)		$0.00	$0.00	$0.00	$427,000.00	$427,000.00
Construction Engineering		$315,400.00	$355,000.00	$670,400.00	$0.00	$670,400.00
Design		$602,900.00	$740,000.00	$1,342,900.00	$1,014,600.00	$2,357,500.00
Planning		$208,000.00	$375,000.00	$583,000.00	$0.00	$583,000.00
Subtotal for Basic Engineering Services		**$1,126,300.00**	**$1,470,000.00**	**$2,596,300.00**	**$1,441,600.00**	**$4,037,900.00**
Special Services						
Application		$45,500.00	$0.00	$45,500.00	$0.00	$45,500.00
Environmental		$37,200.00	$0.00	$37,200.00	$411,196.00	$448,396.00
Geotechnical		$86,200.00	$10,000.00	$96,200.00	$0.00	$96,200.00
Inspection		$94,000.00	$10,000.00	$104,000.00	$80,000.00	$184,000.00
O&M Manual		$0.00	$0.00	$0.00	$0.00	$0.00
Permits		$0.00	$0.00	$0.00	$406,000.00	$406,000.00
Surveying		$21,900.00	$0.00	$21,900.00	$0.00	$21,900.00
Testing		$30,000.00	$10,000.00	$40,000.00	$101,700.00	$141,700.00
Subtotal for Special Services		**$314,800.00**	**$30,000.00**	**$344,800.00**	**$998,896.00**	**$1,343,696.00**
Fiscal Services						
Bond Counsel		$107,000.00	$0.00	$107,000.00	$251,700.00	$358,700.00
Bond Insurance/Surety		$0.00	$0.00	$0.00	$101,700.00	$101,700.00
Financial Advisor		$90,604.00	$0.00	$90,604.00	$218,500.00	$309,104.00
Fiscal/Legal			$0.00	$0.00	$25,000.00	$25,000.00
Issuance Costs		$800.00	$0.00	$800.00	$50,000.00	$50,800.00
Subtotal for Fiscal Services		**$198,404.00**	**$0.00**	**$198,404.00**	**$646,900.00**	**$845,304.00**
Other						
Land/Easements Acquisition		$0.00	$0.00	$0.00	$727,150.00	$727,150.00
Other- SCADA; Ozone Lease Payment		$65,000.00	$0.00	$65,000.00	$0.00	$65,000.00
Subtotal for Other		**$65,000.00**	**$0.00**	**$65,000.00**	**$727,150.00**	**$792,150.00**
Contingency						
Contingency		$164,775.00	$0.00	$164,775.00	$2,711,547.00	$2,876,322.00
Subtotal for Contingency		**$164,775.00**	**$0.00**	**$164,775.00**	**$2,711,547.00**	**$2,876,322.00**
Total		$5,000,000.00	$24,920,000.00	$29,920,000.00	$34,621,592.00	$64,541,592.00

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE TO CANYON REGIONAL WATER AUTHORITY
IN THE FORM OF A MULTI-YEAR COMMITMENT
FROM THE STATE WATER IMPLEMENTATION REVENUE FUND FOR TEXAS
THROUGH THE PROPOSED PURCHASE OF $24,920,000
CANYON REGIONAL WATER AUTHORITY TAX-EXEMPT CONTRACT REVENUE BONDS (HAYS/CALDWELL COUNTIES AREA PROJECT),
PROPOSED SERIES 2024 THROUGH PROPOSED SERIES 2026

(24-)

Recitals:

The Canyon Regional Water Authority (Authority), located in Atascosa, Bexar, Caldwell, Comal, Guadalupe, Hays, and Wilson Counties, has filed an application for financial assistance in the amount of $24,920,000 from the State Water Implementation Revenue Fund for Texas (SWIRFT) to finance the planning, design and construction of water system improvement identified as Project No. 21767 (Project).

The Authority seeks financial assistance from the Texas Water Development Board (TWDB) in the form of a multi-year commitment through the TWDB's proposed purchase of $24,920,000 Canyon Regional Water Authority Tax-Exempt Contract Revenue Bonds (Hays/Caldwell Counties Area Project), Proposed Series 2024 through Proposed Series 2026 (together with all authorizing documents (Obligations)), all as is more specifically set forth in the application and in recommendations of the Executive Administrator's staff.

The Authority has offered a pledge of contract revenues as sufficient security for the repayment of the Obligations.

Subject to the Authority's use of an approved debt service structure, interest rate subsidies are available to the Authority for State Fiscal Year 2024 at up to the following levels: 25% for financial assistance for a term of 20 years, 18% for financial assistance for a term of 21 to 25 years, and 14% for financial assistance for a term of 26 to 30 years. The interest rate subsidy applicable to each subsequent proposed series may be different than the interest rate subsidy available for State Fiscal Year 2023 and will be set through each financing agreement executed between the TWDB and the Authority.

The interest rate subsidies provided above are based on assumptions necessary to generate an optimum debt service structure for the anticipated TWDB SWIRFT bond issuance and are subject to modification as necessary to preserve and maintain the integrity of the SWIRFT Program.

Findings:

1. The application and assistance applied for meet the requirements of Texas Water Code, Chapter 15, Subchapters G and H and 31 TAC Chapter 363, Subchapters A and M.

2. The Project is a recommended water management strategy project in the State Water Plan adopted pursuant to Texas Water Code § 16.051, in accordance with Texas Water Code § 15.474(a).

3. The Authority has submitted and implemented a water conservation plan in accordance with Texas Water Code § 16.4021 and 31 TAC § 363.1309(b)(1).

4. The Authority acknowledges its legal obligation to comply with any applicable requirements of federal law related to contracting with disadvantaged business enterprises and any applicable state law related to contracting with historically underutilized businesses, in accordance with Texas Water Code § 15.435(h) and 31 TAC § 363.1309(b)(3).

NOW THEREFORE, based on these findings, the TWDB commits to the following:

The TWDB will provide financial assistance to Canyon Regional Water Authority in the amount of $24,920,000 from the State Water Implementation Revenue Fund for Texas to be evidenced by the TWDB's proposed purchase of Canyon Regional Water Authority Canyon Regional Water Authority Contract Revenue Bonds as follows:

a. $1,500,000 Proposed Series 2024, to expire on December 31, 2024;

b. $11,710,000 Proposed Series 2025, to expire on December 31, 2025; and

c. $11,710,000 Proposed Series 2026, to expire on December 31, 2026.

The commitment is subject to the following:

Standard Conditions:

1. This commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand.

2. This commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that the Authority has complied with all of the requirements of the laws under which the Obligations were issued, that the Obligations were issued in conformity with the Constitution and laws of the State of Texas, and that the Obligations are valid and binding obligations of the Authority.

3. This commitment is contingent upon the Authority's continued compliance with all applicable laws, rules, policies, and guidance as these may be amended from time to time to adapt to a change in law, in circumstances, or any other legal requirement.

4. This commitment is contingent upon the Authority executing a separate financing agreement, approved as to form and substance by the Executive Administrator, and submitting the executed agreement to the TWDB consistent with the terms and conditions described in it.

5. Interest rate subsidies for non-level debt service structure are subject to adjustment by the Executive Administrator.

6. The Authority shall use a paying agent/registrar in accordance with 31 TAC § 363.42(c)(2) and shall require the paying agent/registrar to provide a copy of all receipts documenting debt service payments to the TWDB and to the TWDB's designated Trustee.

Required Obligation Conditions:

7. The Obligations must provide that the Obligations can be called for early redemption on any date beginning on or after the first interest payment date that is 10 years from the dated date of the Obligations, at a redemption price of par, together with accrued interest to the date fixed for redemption.

8. The Obligations must provide that the Authority will comply with all applicable TWDB laws and rules related to the use of the financial assistance.

9. The Obligations must provide that the Authority must comply with all conditions as specified in the final environmental finding of the Executive Administrator when issued, including the standard emergency discovery conditions for threatened and endangered species and cultural resources.

10. The Obligations must contain a provision requiring the Authority to maintain insurance coverage sufficient to protect the TWDB's interest in the project.

11. The Obligations must include a provision wherein the Authority, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the Authority's Obligations or obligated persons, will, at a minimum, regardless of the amount of the Obligations, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by the Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of SEC rule 15c2-12, the continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the Authority's Obligations, if the TWDB sells or otherwise transfers the Obligations, and the beneficial owners of the TWDB's bonds if the Authority is an obligated person with respect to the bonds under SEC Rule 15c2-12.

12. The Obligations must include a provision requiring the Authority to use any proceeds from the Obligations that are determined to be surplus proceeds remaining after completion of the Project and completion of a final accounting in a manner approved by the Executive Administrator.

13. The Obligations must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect.

14. Financial assistance proceeds are public funds and, as such, the Obligations must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257.

15. Financial assistance proceeds shall not be used by the Authority when sampling, testing, removing, or disposing of contaminated soils or media at the Project site. The Obligations shall include a provision that states the Authority is solely responsible for liability resulting from acts or omissions of the Authority, its employees, contractors, or agents arising from the sampling, analysis, transport, storage, treatment, recycling, and disposition of any contaminated sewage sludge, contaminated sediments or contaminated media that may be generated by the Authority, its contractors, consultants, agents, officials, and employees as a result of activities relating to the Project to the extent permitted by law.

16. The Obligations must include a provision stating that the Authority shall report to the TWDB the amounts of Project funds, if any, that were used to compensate historically underutilized businesses that worked on the Project, in accordance with 31 TAC § 363.1312.

17. The Obligations must contain a provision that the TWDB will purchase the Obligations, acting through the TWDB's designated Trustee, and the Obligations shall be registered in the name of Cede & Co. and closed in book-entry-only form in accordance with 31 TAC § 363.42(c)(1).

18. The Authority must immediately notify TWDB in writing of any suit against it by the Attorney General of Texas under Texas Government Code § 2.103 and Texas Penal Code § 1.10(f), related to federal laws regulating firearms, firearm accessories, and firearm ammunition.

19. The Obligations must provide that the Authority will submit annually an audit prepared by a certified public accountant in accordance with generally accepted auditing standards.

20. The Obligations must include a provision that if the collateral or credit pledged by the Authority securing the Obligations is rated by a nationally-recognized statistical rating agency, the Authority, or other obligated person, will not discontinue the rating issued by a nationally-recognized statistical rating agency until the underlying Obligations are retired or no longer held by TWDB.

Tax-Exempt Conditions:

21. The Obligations must include a provision prohibiting the Authority from using the proceeds of this financial assistance in a manner that would cause the Obligations to become "private activity bonds" within the meaning of section 141 of the Internal

Revenue Code as amended (Code) and the Treasury Regulations promulgated under it (Regulations).

22. The Obligations must provide that no portion of the proceeds of the financial assistance will be used, directly or indirectly, in a manner that would cause the Obligations to be "arbitrage bonds" within the meaning of section 148(a) of the Code and Regulations, including to acquire or to replace funds that were used, directly or indirectly, to acquire Nonpurpose Investments, as defined in the Code and Regulations, that produce a yield materially higher than the yield on the TWDB's bonds issued to provide the financial assistance (Source Series Bonds), other than Nonpurpose Investments acquired with;

    a. proceeds of the TWDB's Source Series Bonds invested for a reasonable temporary period of up to three (3) years after the issue date of the Source Series Bonds until the proceeds are needed for the facilities to be financed;

    b. amounts invested in a bona fide debt service fund within the meaning of section 1.148-1(b) of the Regulations; and

    c. amounts deposited in any reasonably required reserve or replacement fund to the extent the amounts do not exceed the lesser of maximum annual debt service on the Obligations, 125% of average annual debt service on the Obligations, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Obligations.

23. The Obligations must include a provision that the Authority must take all necessary steps to comply with the requirement that amounts earned on the investment of gross proceeds of the Obligations be rebated to the federal government in order to satisfy the requirements of section 148 of the Code. The Obligations must provide that the Authority will:

    a. account for all Gross Proceeds, as defined in the Code and Regulations, (including all receipts, expenditures, and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures, and investments thereof) and retain all records of the accounting for at least six years after the final Computation Date. The Authority may, however, to the extent permitted by law, commingle Gross Proceeds of its financial assistance with other money of the Authority, provided that the Authority separately accounts for each receipt and expenditure of the Gross Proceeds and the obligations acquired with the Gross Proceeds;

    b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to its financial assistance, not less frequently than each Computation Date, in accordance with rules set forth in section 148(f) of the Code, section 1.148-3 of the Regulations, and the associated rulings. The Authority shall maintain a copy of the calculations for at least six years after the final Computation Date;

c. pay to the United States the amount described in paragraph (b) above within 30 days after each Computation Date as additional consideration for providing financial assistance and in order to induce providing financial assistance by measures designed to ensure the excludability of the interest on the TWDB's Source Series Bonds from the gross income of the owners of TWDB's Bonds for federal income tax purposes;

d. exercise reasonable diligence to ensure that no errors are made in the calculations required by paragraph (b) and, if an error is made, to discover and promptly correct the error within a reasonable amount of time, including payment to the United States of any interest and any penalty required by the Regulations.

24. The Obligations must include a provision prohibiting the Authority from taking any action that would cause the interest on the Obligations to be includable in gross income for federal income tax purposes.

25. The Obligations must provide that the Authority will not cause or permit the Obligations to be treated as "federally guaranteed" obligations within the meaning of section 149(b) of the Code.

26. The Obligations must contain a covenant that the Authority will refrain from using the proceeds of the Obligations to pay debt service on another issue of the borrower's obligations in contravention of section 149(d) of the Code (related to "advance refundings").

27. The Obligations must provide that neither the Authority nor a party related to it will acquire any of the TWDB's Source Series Bonds in an amount related to the amount of the Obligations to be acquired from the Authority by the TWDB.

Pledge Conditions:

28. The Obligations must contain a provision requiring that, upon request by the Executive Administrator, the Authority shall submit annual audits of contracting parties for the Executive Administrator's review.

29. The Obligations must contain a provision requiring the Authority to maintain and enforce the contracts with its customers so that the revenues paid to the Authority by its customers are sufficient to meet the revenue requirements of the Authority's obligations arising from the operation of the water system.

30. The Obligations must contain a provision that the pledged contract revenues from the Authority may not be pledged to the payment of any additional parity obligations of the Authority secured by a pledge of the same contract revenues unless the Authority demonstrates to the Executive Administrator's satisfaction that the pledged contract revenues will be sufficient for the repayment of all Obligations and additional parity obligations.

Conditions To Close Or For Release Of Funds:

31. Before closing, if not previously provided with the application, the Authority shall submit executed contracts for engineering and, if applicable, financial advisor and bond counsel for the Project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed, reflected in the contract, and acceptable to the Executive Administrator.

32. Before closing, when any portion of financial assistance is to be held in escrow or in trust, the Authority shall execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB.

33. Before closing, the Authority shall provide certification that the average weighted maturity of the Obligations purchased by the TWDB does not exceed 120% of the average reasonably expected economic life of the Project.

34. Before closing, the Authority's bond counsel must prepare a written opinion that states that the interest on the Obligations is excludable from gross income or is exempt from federal income taxation. Bond counsel may rely on covenants and representations of the Authority when rendering this opinion.

35. Before closing, the Authority's bond counsel must prepare a written opinion that states that the Obligations are not "private activity bonds." Bond counsel may rely on covenants and representations of the Authority when rendering this opinion.

36. The transcript must include a No Arbitrage Certificate or similar Federal Tax Certificate setting forth the Authority's reasonable expectations regarding the use, expenditure, and investment of the proceeds of the Obligations.

37. The transcript must include evidence that the information reporting requirements of section 149(e) of the Internal Revenue Code will be satisfied. This requirement may be satisfied by filing an IRS Form 8038 with the Internal Revenue Service. In addition, the applicable completed IRS Form 8038 or other evidence that the information reporting requirements of section 149(e) have been satisfied must be provided to the Executive Administrator within fourteen (14) days of closing. The Executive Administrator may withhold the release of funds for failure to comply.

38. Before closing, the Authority must submit executed contracts between the Authority and the contracting parties regarding the contract revenues pledged to the payment of the Authority's Obligations, in form and substance acceptable to the Executive Administrator. The contracts shall include provisions consistent with the provisions of this Resolution regarding the contracting parties' annual audits, the setting of rates and charges and collection of revenues sufficient to meet the Authority's debt service obligations and additional parity obligations.

Special Conditions:

39. Before the release of funds for the costs of planning, engineering, architectural, legal, title, fiscal, economic investigation, studies, surveys, or designs for that portion of the Project that proposes surface water or groundwater development, the Executive Administrator must have either issued a written finding that the Authority has the right to use the water that the Project financed by the TWDB will provide or a written determination that a reasonable expectation exists that such a finding will be made before the release of funds for construction.

40. Before the release of construction funds for that portion of a Project that proposes surface water or groundwater development, the Executive Administrator must have issued a written finding that the Authority has the right to use the water that the Project financed by the TWDB will provide.

APPROVED and ordered of record this, the 23rd day of July 2024.

TEXAS WATER DEVELOPMENT BOARD

_____

Brooke T. Paup, Chairwoman

DATE SIGNED: _____

ATTEST:

_____

Bryan McMath, Interim Executive Administrator

☑ Water
☐ Wastewater
☑ Other SWIFT

WATER CONSERVATION REVIEW

Review Date: 05/22/2024
Project ID: 21767

Entity: Canyon Regional Water Authority
Other entity:

WATER CONSERVATION PLAN DATE: 2019 ☐ Approvable ☑ Adopted

	Total GPCD	Residential GPCD	Water Loss GPCD
Baseline	NA	NA	NA
5-year Goal	133	NA	NA
10-year Goal	131	NA	NA

WATER LOSS AUDIT YEAR: NA

Service connections: NA
Retail population: NA
Length of main lines (miles): NA
Connections per mile: NA
Water Loss GCD: NA
Water Loss GPCD: NA
ILI: NA
Real Loss GMD: NA

WATER LOSS THRESHOLDS Water Loss Project: ☐ Waiver Requested: ☐

Wholesale Adjusted: ☐

Threshold Type:
Not Applicable

Apparent Loss GCD		Real Loss GCD	
Reported	Threshold	Reported	Threshold
NA	NA	NA	NA

Does the applicant meet Water Loss Threshold Requirements? Yes ☐ No ☐ NA ☑

ADDITIONAL INFORMATION

The authority has implemented water conservation practices as part of its effort to reduce demand and to increase available supplies without needing to develop additional resources. The authority provides treated water to eight member entities and has contracted to furnish treated water to three others. Each wholesale customer is required to adhere to the authority's water conservation plan and to submit an annual water loss audit. If losses are greater than 20 percent, then those systems are required to test all master meters and randomly sample at least five percent of the entity's customer meters, along with submitting a corrective action plan. The authority regularly inspects its own distribution line and facilities for leaks to ensure minimal losses. The water conservation plan includes best management practices for its member entities, including encouraging water efficient plumbing fixtures and appliances, and modifying lawns and landscapes to utilize low-water use grass and plants. Water conservation information is provided on the authority's website and they are considering providing newsletters of current conservation activities for distribution to customer of its member entities.

STAFF NOTES AND RECOMMENDATIONS

The authority is not a retail water provider, therefore is not required to submit a water loss audit.

DEFINITIONS

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

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

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

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

GPCD means gallons per capita per day.

GCD means gallons per connection per day.

GMD means gallons per mile per day.

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

NA means not applicable.

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

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

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

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

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

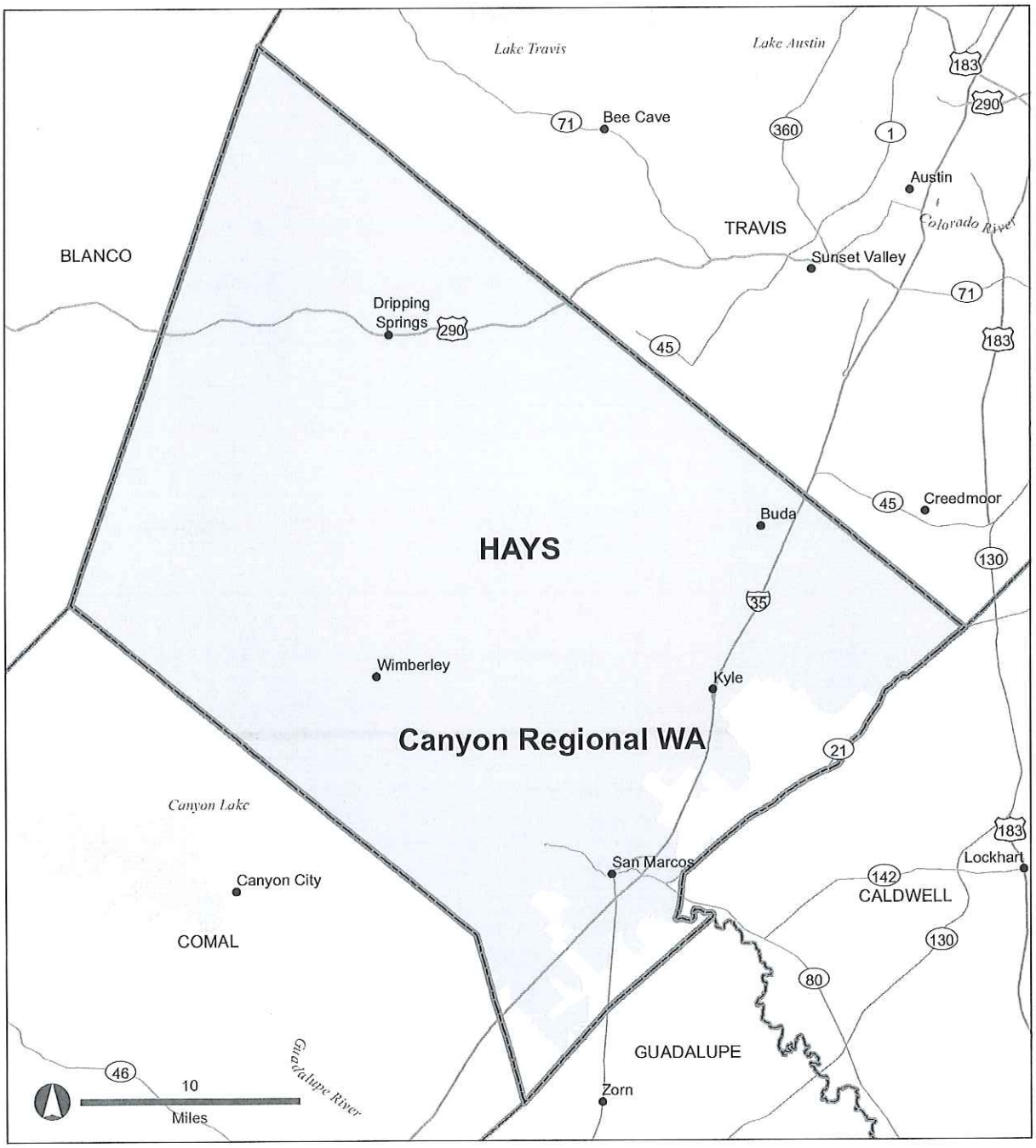
Water Loss GPCD is the amount of water loss divided by the retail population divided by 365.

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

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

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

Canyon Regional WA
Hays County



CANYON REGIONAL WATER AUTHORITY
BOARD COMMUNICATION

DATE	SUBJECT	RESOLUTION NUMBER
07/08/2024	AMENDMENT TO THE 2001 WATER TRANSPORTATION AND WHEELING AGREEMENT W/ MAXWELL SUD	CRWA 24-07-005

INITIATED BY KERRY AVERYT, P.E.

STAFF RECOMMENDATION

Accept and approve an amendment to the *Water Transportation and Wheeling Agreement* by and between CRWA and Maxwell SUD with effective January 8, 2001 (the "Original Contract"); provided, however, that CRWA's approval should be ***strictly conditioned upon*** CLSUD and Martindale WSC approving and entering into an Interlocal Agreement with CRWA providing for pass-through of all Rental Payments and other charges to be incurred by CRWA under the amendment to the Original Contract.

BACKGROUND INFORMATION

The Original Contract authorizes CRWA to deliver up to 311 GPM of treated surface water produced by the Hays Caldwell Project (the "Project") to County Line Special Utility District ("CLSUD") and Martindale Water Supply Corporation ("MWSC") by wheeling such water through a portion of Maxwell's water distribution system. Wheeling of Project water is accomplished through use of certain Maxwell-owned facilities (the "Existing Transmission Lines") together with certain facilities in which CRWA and Maxwell share in ownership of line capacity.

The Original Contract, at Section 3.02, authorizes Maxwell to terminate CRWA's right to use Maxwell's Existing Transmission Lines upon six (6) months' notice. On August 9, 2023, Maxwell delivered to CRWA written notice (the "Termination Notice") of intent to terminate CRWA's right to use the Existing Transmission Lines in accordance with Section 3.02.

Since receiving the Termination Notice, CRWA and Maxwell met multiple times and negotiated terms under which Maxwell with withdraw the Termination Notice so that CRWA and the Hays Caldwell Participating Members may explore and pursue alternate options for delivery of Project water to CLSUD. The negotiations resulted in a mutually agreeable form of Amendment to the Original Contract, and Maxwell's governing body has approved the Amendment.

The Amendment has a six (6) month initial term and automatically renews for up to three (3) additional terms of six (6) months each. CRWA must meet certain defined benchmarks to trigger each of the automatic renewal provisions.

The Amendment significantly increases both the volume of Project water that Maxwell will wheel and the Rental Payment due to Maxwell. Under the Amendment, the Rental Payment due to Maxwell will be based on gallonage delivered to CLSUD and MWSC, as opposed to linear feet of pipeline which is the methodology used in the Original Contract.

CRWA staff and legal counsel **do not** recommend that CRWA absorbs the costs of wheeling the water, including the increased Rental Payments that will be due to Maxwell. Instead, these costs should be

passed through to CLSUD and MWSC through an Interlocal Cooperation Agreement, a draft of which has already been prepared by CRWA and tendered to CLSUD and MWSC.

FINANCIAL IMPACT

It is anticipated that the cost of Maxwell's wheeling services will be passed through to CLSUD and MWSC, who will contractually agree to reimburse CRWA. In the event of that no such agreement is reached, the cost of Maxwell's wheeling services is anticipated to be approximately $100,000 - $150,000 annually.

MOTION

Motion to approve the following resolution.

CANYON REGIONAL WATER AUTHORITY

RESOLUTION NO. 24-07-005

BE IT RESOLVED that the CRWA Board of Trustees approves the First Amendment to Water Transportation and Wheeling Agreement with Maxwell SUD and authorizes the President of the Board of Trustees to execute such document.

This approval

☐ IS

☐ IS NOT

strictly conditioned upon CLSUD and MWSC entering into an Interlocal Cooperation Agreement with CRWA, providing for reimbursement to CRWA for all costs of Maxwell's wheeling services to be provided under the Original Contract, as amended by the First Amendment.

Adopted this 8th day of July 2024

Ayes ____ Nays____ Abstained____ Absent____

Approved by: _____
Timothy D. Fousse, CPM
President

Certified and attested by: _____
Ted Gibbs
Secretary

FIRST AMENDMENT TO
WATER TRANSPORTATION AND WHEELING AGREEMENT
Between
CANYON REGIONAL WATER AUTHORITY
and
MAXWELL WATER SUPPLY CORPORATION

This FIRST AMENDMENT TO WATER TRANSPORTATION AND WHEELING AGREEMENT (this "Amendment") is entered by and between CANYON REGIONAL WATER AUTHORITY ("CRWA"), and MAXWELL SPECIAL UTILITY DISTRICT f/k/a MAXWELL WATER SUPPLY CORPORATION ("Maxwell") effective on the ____ day of June 2024 (the "Effective Date"). CRWA and Maxwell are each sometimes referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, pursuant to applicable law, and particularly Article XVI, Section 59 of the Texas Constitution and the laws of the State of Texas (the "State"), particularly Chapter 670, Acts of the 71st Legislature, Regular Session, 1989, as amended (the "CRWA Act") and Chapter 791 of the Texas Government Code, as amended (the "Interlocal Cooperation Act"), CRWA and Maxwell entered into that certain *Water Transportation and Wheeling Agreement* effective January 8, 2001 (the "Original Contract"); and

WHEREAS, the Original Contract authorizes CRWA to deliver treated surface water produced by the CRWA Hays Caldwell Project (the "Project") to County Line Special Utility District ("CLSUD") and Martindale Water Supply Corporation ("MWSC") by and through wheeling such water through a portion of Maxwell's water system, including through use of certain Maxwell-owned facilities together with certain facilities in which CRWA and Maxwell share in ownership of line capacity due to shared construction costs; and

WHEREAS, CLSUD and MWSC, along with Maxwell, are Member-Entities of CRWA and "Participating Members" in the Project pursuant to that certain *Amended and Restated Regional (Hays/Caldwell Counties Area) Water Supply and Treatment Contract* effective February 9, 2021 (the "HC Project Contract"); and

WHEREAS, certain controversies and disputes have arisen by, among and between CRWA and Maxwell concerning the Original Contract; and

WHEREAS, on August 9, 2023, Maxwell delivered to CRWA written notice (the "Termination Notice") of intent to terminate CRWA's right to use the Existing Transmission Lines (as defined in the Original Contract) in accordance with 3.02 of the Original Contract; and

WHEREAS, in the interest of resolving controversies and disputes among the Parties, and without admission of liability or fault, CRWA and Maxwell desire to enter into this Amendment; and

WHEREAS, this Amendment shall constitute an interlocal cooperative agreement as authorized pursuant to the Interlocal Cooperation Act; and

WHEREAS, adoption of this Amendment is hereby found and determined to be in the best interest of CRWA and Maxwell; and

WHEREAS, adoption of this Amendment is hereby found and determined not to cause a violation of any Bond Resolution and not to impair the rights of any holder of any of either CRWA's or Maxwell's bonds or other covenants incident to the Parties' respective indebtedness.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set forth, CRWA and Maxwell, intending to be bound, agree as follows:

1. The language contained in **Section 1.04(A)** of the Original Contract is deleted in its entirety, and the following language is substituted therefore:

Maxwell hereby leases and demises to CRWA the following:

1. capacity to, on an annual basis, transport up to **1,308 acre feet** of treated surface water from the Project **at a rate not to exceed 1,717.96 Gallons Per Minute** through the Reedville Line for delivery to the CLSUD point of delivery set-forth in Section 1.05(a); and to, upon CRWA's request and at Maxwell's discretion, transport additional treated water allocated to CLSUD and MWSC under the HC Project Contract;

2. capacity to utilize the Finley Line for distribution of head pressure as is reasonably necessary for CRWA's delivery of water from the Project as herein described; and

3. Designated areas for CRWA's purposes of installing, operating and maintaining CRWA-owned and controlled SCADA and other equipment for purposes of monitoring, controlling and managing the supply of CRWA treated water to be wheeled through the Maxwell system as specified herein. CRWA and Maxwell mutually agree that the existing SCADA transducer located on Maxwell's 1966 elevated tank and the SCADA Packs and antennae located on or near Maxwell's decommissioned standpipe tank and nearby building are permitted under this Agreement. CRWA shall remove all of its personal property and equipment, including without limitation the equipment within ninety (90) days following termination or expiration of this Agreement.

2. The language contained in **Section 1.04(B)** of the Original Contract is deleted in its entirety, and the following language is substituted therefore:

1. Capacity Rental.

In consideration for the lease and wheeling services to be furnished by Maxwell hereunder, CRWA agrees to pay to Maxwell, on a monthly basis, a fee equal to **twenty-seven cents ($0.27) per thousand gallons** of treated water wheeled through the Reedville Line (the "Rental Payment"). The Rental Payment for each month shall be calculated as the sum of the gallonage delivered to MWSC and CLSUD by and through the Reedville Line during that month, as determined by meters located at MWSC's and CLSUD's respective delivery points set-forth in Section 1.05.

2. Invoicing and Payment.

Each month during this Agreement, CRWA will calculate the Rental Payment due to Maxwell for the preceding month and issue payment to Maxwell, together with information reflecting CRWA's methodology for calculating the payment amount.

3. The language contained in **Section 3.02** of the Original Contract is deleted in its entirety, and the following language is substituted therefore:

(a) Except as provided in Sections 3.02(b), Section 3.02(c) and 3.03(d) CRWA's use of the Existing Transmission Lines wholly owned by Maxwell, including the Reedville Line and the Finley Line, shall expire six (6) months following the Effective Date first written above (the "Initial Expiration Date").

(b) The term of this Agreement may be extended for up to three (3) successive six (6) month periods (each an "Extension Period"), as follows:

(i) The term of this Agreement shall be automatically extended for a period of six (6) months following the Initial Expiration Date (the "First Extension Period") if, prior to expiration of the Initial Expiration Date, CRWA enters into an agreement (which may be in the form of a service order) for engineering services, the scope of which includes evaluation of the feasibility and anticipated costs of constructing water transmission infrastructure for the purpose of allowing CRWA to deliver a supply of treated water from the HC Project to CLSUD without utilizing the Reedville Line;

(ii) The term of this Agreement shall be automatically extended for a period of six (6) months following the end of the First Extension Period (the "Second

Extension Period") if, prior to expiration of the First Extension Period, CRWA delivers to the Participating Members a written report containing a professional engineer's opinion of the feasibility and probable construction costs of constructing water transmission infrastructure for the purpose of allowing CRWA to deliver a supply of treated water from the HC Project to CLSUD without utilizing the Reedville Line;

(iii) The term of this Agreement shall be automatically extended for a period of six (6) months following the end of the Second Extension Period (the "Third Extension Period") if, prior to expiration of the Second Extension Period, CRWA or its contractor has commenced work upon a project whose scope includes construction of water transmission infrastructure for the purpose of allowing CRWA to deliver a supply of treated water from the HC Project to CLSUD without utilizing the Reedville Line;

(c) Anything to the contrary herein notwithstanding, Maxwell or CRWA may terminate this agreement upon thirty (30) days written notice at any time following completion of construction and final permitting of water transmission infrastructure that permits CRWA to deliver a supply of treated water from the HC Project to CLSUD without utilizing the Reedville Line.

(d) Anything to the contrary herein notwithstanding, the term of this Agreement may, upon mutual consent of CRWA and Maxwell, be extended in writing at any time prior to the expiration of the latest term or Extension Term of this Agreement.

(e) This Section 3.02 shall supersede all prior notices, communications or statements concerning termination of CRWA's right to use the Existing Transmission Lines, including without limitation the Termination Notice. CRWA covenants that it will diligently investigate, evaluate, and pursue potential options for the design, finance and construction of a new water transmission line dedicated to transporting and delivering treated surface water from the Project to CLSUD. This covenant shall not constitute a representation by CRWA or Maxwell that either will be responsible for the cost of any such line, nor a guarantee that such line will be constructed prior to the Expiration Date or otherwise.

4. The following **Sections 7.05, 7.06** and **7.07** are added to Article VII of the Original Contract:

a. Section 7.05. **Severability.** The Parties agree that in case any one or more of the articles, sections, subsections, provisions, clauses, or words of this Agreement are, should be, or are held to be, for any reason, invalid or unconstitutional under the laws of Texas or the United States of America, or in contravention of any such laws, then such invalidity, unconstitutionality, or contravention shall not affect any other articles, sections, subsections, provisions, clauses, or words of this Amendment or the application of the same to any other situation or circumstance, and it is intended that this Amendment shall be severable and shall be construed and applied as if any such invalid or unconstitutional article section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the Parties shall be construed and remain in force accordingly.

b. Section 7.06 **Survival.** The provisions of Section 1.03 shall survive expiration or termination of the Agreement.

c. Section 7.07 **Counterparts.** This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

5. Unless expressly amended herein, all terms, definitions, provisions and clauses of the Original Contract shall remain in full force and effect.

6. In the event of a conflict between any provision or language contained in this Amendment and that contained in the Original Contract, this Amendment shall prevail and control.

{SIGNATURE PAGE FOLLOWS}

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Amendment to be duly executed as of the Effective Date first above written.

CANYON REGIONAL WATER AUTHORITY

By: _____
Timothy D. Fousse, C.P.M.
President, Board of Trustees

ATTEST:

_____
Secretary, Board of Trustees

MAXWELL SPECIAL UTILITY DISTRICT

By: _____
Robert Karasch, President

ATTEST:

_____
Mabel Vaughn, Secretary

CANYON REGIONAL WATER AUTHORITY
BOARD COMMUNICATION

DATE	SUBJECT	RESOLUTION NUMBER
07/08/2024	INTERLOCAL COOPERATION AGREEMENT WITH CLSUD AND MWSC	CRWA 24-07-006

INITIATED BY KERRY AVERYT, P.E.

STAFF RECOMMENDATION

Approve an Interlocal Cooperation Agreement by and between CRWA, County Line Special Utility District ("CLSUD") and Martindale Water Supply Corporation ("MWSC") providing for pass through of CRWA's costs associated with wheeling treated surface water produced by the Hays Caldwell Project (the "Project") through Maxwell Special Utility District's ("Maxwell") distribution system.

BACKGROUND INFORMATION

CRWA and Maxwell have negotiated an amendment to that certain *Water Transportation and Wheeling Agreement* dated January 8, 2001 (the "Wheeling Agreement").

The Wheeling Agreement, as amended, significantly increases both the volume of Project water that Maxwell will wheel and the Rental Payment due to Maxwell. Under the Amendment, the Rental Payment will be based on gallonage delivered to CLSUD and MWSC, as opposed to linear feet of pipeline which is the methodology used in the Original Contract.

CRWA's approval of the amended Wheeling Agreement was strictly conditioned upon CLSUD and MWSC approving an Interlocal Cooperation Agreement providing that the costs of Maxwell's wheeling services (including Rental Payments) will be passed to and paid by CLSUD and MWSC.

In the event that CLSUD and/or MWSC decline to promptly enter into the Interlocal Cooperation Agreement, CRWA should notify Maxwell that the condition of CRWA's approval of the amended Wheeling Agreement has failed.

FINANCIAL IMPACT

The financial impact on CRWA will be minimal because the intent of the Interlocal Cooperation Agreement is to contractually obligate CLSUD and MWSC to reimburse CRWA's costs associated with the Wheeling Agreement, as amended.

MOTION

Motion to approve the following resolution.

CANYON REGIONAL WATER AUTHORITY

RESOLUTION NO. 24-07-006

BE IT RESOLVED that the CRWA Board of Trustees:

1) Approves the attached Interlocal Cooperation Agreement providing for reimbursement to CRWA for all costs of Maxwell's wheeling services to be provided under the Wheeling Agreement, as amended; and

2) authorizes the President of the Board of Trustees to execute such document.

Adopted this 8th day of July 2024

Ayes ____ Nays____ Abstained____ Absent____

Approved by: _____
Timothy D. Fousse, CPM
President

Certified and attested by: _____
Ted Gibbs
Secretary

INTERLOCAL AGREEMENT
Between
CANYON REGIONAL WATER AUTHORITY,
COUNTY LINE SPECIAL UTILITY DISTRICT
and
MARTINDALE WATER SUPPLY CORPORATION

This INTERLOCAL AGREEMENT (this "Agreement") is entered by and between CANYON REGIONAL WATER AUTHORITY ("CRWA"), COUNTY LINE SPECIAL UTILITY DISTRICT ("CLSUD") and MARTINDALE WATER SUPPLY CORPORATION ("Martindale") effective on the ____ day of July 2024 (the "Effective Date"). CRWA, CLSUD and Martindale are each sometimes referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Parties hereto are also parties to that certain *Amended and Restated Regional (Hays/Caldwell Counties Area) Water Supply and Treatment Contract* effective February 9, 2021 (the "HC Project Contract"); and

WHEREAS, pursuant to the HC Project Contract and its prior iterations including without limitation the *Regional (Hays/Caldwell Counties Area) Taxable Water Supply Contract* dated August 1, 1998, CRWA has agreed to supply to CLSUD and Martindale, respectively, defined quantities of treated surface water produced by the Hays Caldwell Plant (the "Plant"); and

WHEREAS, for purposes of facilitating delivery of treated water from the Plant to CLSUD and Martindale, on January 8, 2001, CRWA entered into that certain *Water Transportation and Wheeling Agreement* (the "Wheeling Agreement") with Maxell Special Utility District f/k/a Maxwell Water Supply Corporation ("Maxwell"); and

WHEREAS, pursuant to the terms and conditions of the Wheeling Agreement, Maxwell agreed to, *inter alia*, wheel treated water from the Plant to the respective delivery points for CLSUD and Martindale via certain shared and wholly owned water transmission lines; and

WHEREAS, pursuant to the terms and conditions of the Wheeling Agreement, CRWA has paid Maxwell rent, fees and costs as consideration for its wheeling services, and passed such rents and costs to CLSUD and Martindale, respectively; and

WHEREAS, on July 8, 2024, CRWA and Maxwell amended the Wheeling Agreement to, *inter alia*, increase the volume of treated water to be wheeled by Maxwell and to increase the rent to be paid by CRWA in consideration therefore; and

WHEREAS, CLSUD and Martindale each and jointly recognize the benefit of the wheeling services provided by Maxwell, the desirability of the amendment to the Wheeling Agreement, and the reasonableness of the increased rent to be paid to Maxwell under such proposed amendment; and

WHEREAS, in the interest of providing a funding mechanism for CRWA to pay Maxwell the increased rent under the amendment to the Wheeling Agreement, CLSUD and Martindale desire to enter into this interlocal cooperative agreement as authorized by the Interlocal Cooperation Act located at Chapter 791 of the Texas Government Code; and

WHEREAS, adoption of this Agreement is hereby found and determined to be in the best interest of CRWA, CLSUD and Martindale.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set forth, CRWA, CLSUD and Martindale, intending to be bound, agree as follows:

Article 1. Payment for Wheeling Services.

1.1 CLSUD and Martindale acknowledge that the amendment to the Wheeling Agreement obligates CRWA to compensate Maxwell for wheeling services as follows:

(a) **Rental Payment**. CRWA will pay to Maxwell, on a monthly basis, a fee equal to twenty-seven cents ($0.27) per thousand gallons of treated water wheeled through the Maxwell water system (the "Rental Payment"). The Rental Payment for each month shall be calculated as the sum of the gallonage delivered to Martindale and CLSUD during that month, as determined by meters located at MWSC's and CLSUD's respective delivery points set-forth in Section 1.05 of the Wheeling Agreement. CLSUD and Martindale acknowledge that the Rental Fee described herein represents a substantial increase in the rental payment described in Section 1.04(B) of the Wheeling Agreement.

(b) **Reimbursement of Maintenance and Repair Costs.** CRWA will continue to reimburse Maxwell for required maintenance and repair costs as set-forth in Section 2.01 of the Wheeling Agreement.

(c) **Administrative Fee**. CRWA will continue to pay to Maxwell the administrative fee set-forth in Section 2.01 of the Wheeling Agreement.

1.2 CRWA will make payment directly to Maxwell for the Rental Payment and other costs due of CRWA under the proposed amendment to the Wheeling Agreement; provided, however, that each such payment from CRWA shall be considered an advance, which such advance CRWA would not agree to make but for the reimbursement covenants of CLSUD and Martindale as provided in Article 2 of this Agreement.

Article 2. Reimbursement.

2.1 As material inducement for CRWA to enter the amendment to the Wheeling Agreement and this Agreement, CLSUD and Martindale agree to reimburse CRWA for all costs paid to Maxwell for wheeling services as follows:

(a) **Reimbursement by CLSUD**. CLSUD agrees to reimburse and pay to CRWA, upon demand which may in the form of an invoice, all Rental Payments and other costs reasonably incurred and advanced by CRWA to Maxwell in connection with delivery of treated water from the Plant to CLSUD.

(b) **Reimbursement by Martindale.** Martindale agrees to reimburse and pay to CRWA, upon demand, all Rental Payments and other costs reasonably incurred and advanced by CRWA to Maxwell in connection with delivery of treated water from the Plant to Martindale.

(c) **Invoicing.** Each month during the Term (as defined below), CRWA shall calculate the reimbursement due from each CLSUD and Martindale for the preceding month and issue to such Party a written invoice reflecting CRWA's methodology for calculating the payment.

(d) **Payment.** CLSUD and Martindale respectively agree to make payment in full to CRWA within thirty (30) days following receipt of each invoice for Rental Payments and other costs reasonably incurred and advanced by CRWA in connection with delivery of treated water from the Plant.

2.2 The respective payment and reimbursement covenants of CLSUD and Martindale set-forth in Section 2.1 of this Agreement are absolute, unconditional, valid, and binding covenants and obligations of such Party so long as the Wheeling Agreement or any amendment thereof is in force and effect. Particularly, the obligation of the CLSUD and Martindale to make, promptly when due, all payments specified in this Agreement shall be absolute and unconditional which may be enforced by CRWA through an action for specific performance or as otherwise provided in this Agreement.

Article 3. Term.

This Agreement shall commence on the date upon which the last of CLSUD and Martindale, acting through their respective governing bodies, approve this Agreement, and automatically expire upon expiration or termination of the Wheeling Agreement, as amended.

Article 4. Miscellaneous.

4.1 **Entire Agreement.** This Agreement sets forth the entire understanding of the Parties with respect to reimbursement to CRWA of Rental Payments and other costs advanced for water wheeling services to be paid to Maxwell. This Agreement supersedes all prior understandings, representations, correspondence and discussions, whether written or oral, concerning the subject matter of this Agreement.

4.2 **Modification** This Agreement may be amended or modified only by a separate writing executed by the Parties and approved by their respective governing bodies at a meeting conducted in accordance with the Texas Open Meetings Act.

4.3 **No Conveyance of Ownership Interests; No Water Rights.** This Agreement is not intended, nor shall it be construed, to effectuate a conveyance or transfer of the Parties' respective ownership interests in any line, facility, personal property, equipment or line capacity. The Parties acknowledge and agree that this Agreement does not create any rights to water or grant to a Party more water from the Plant or the Hays Caldwell project than is otherwise set-forth in the HC Project Contract.

4.4 **CRWA To Seek Alternate Transportation.** CRWA covenants that, during the Term of this Agreement, it will diligently investigate, evaluate and pursue potential options for the design, finance and construction of a new water transmission line dedicated to transporting and delivering treated surface water from the Project to CLSUD. This covenant shall neither constitute a representation by CRWA that it will be responsible for the cost of any such line, nor a guarantee that such line will be constructed during the Term hereof or otherwise.

4.5 **Force Majeure.** If by reason of Force Majeure CRWA shall be rendered wholly or partially unable to carry out its obligations under this Agreement, then if CRWA gives notice and full particulars of such Force Majeure in writing to the another Party within a reasonable time after occurrence of the event or cause relied on, the obligation of CRWA hereunder, so far as it is affected by Force Majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and CRWA shall endeavor to remove or overcome such inability with all reasonable diligence and dispatch. The term "Force Majeure" as used in this Agreement shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery or pipelines, partial or entire failure of water supply, or on account of any other causes not reasonably within control of the Party claiming such inability.

4.6 **Mandatory Mediation.** Anything to the contrary herein notwithstanding, it is agreed that, prior to and as a condition precedent to commencing any action, suit or legal proceeding (collectively called a "Proceeding") for the enforcement or interpretation of this Agreement, save and except an action for specific performance of a Party's payment obligations under Sections 2.1(a) or 2.1(b), the Parties shall, first participate in non-binding mediation. It is agreed that in the event that a Party commences any Proceeding other than an action seeking specific performance as described in the preceding sentence, then the Court shall abate such proceeding until such time as mediation is completed and shall further assess against the Party that filed the Proceeding in violation of this provision all costs and reasonable attorney's fees incurred by the Party who did not bring the Proceeding.

4.7 **Remedies.** In the event that a Party hereto is determined by the other Party to be in default of an obligation under this Agreement, and such Party fails to cure the alleged breach within ten (10) days following delivery of written notice from the non-defaulting Party specifying the default, then the non-defaulting Party may, strictly subject to the mandatory provisions of Section 4.6, exercise any rights and remedies available at law. It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, and all remedies (other than termination) existing at law or in equity may be availed of by any Party hereto and shall be cumulative. Further, in the event that CRWA commences an action for specific performance, the filing of such action shall neither constitute an election of remedies nor operate as a waiver of any other legal or equitable remedies which may also be available.

4.8 **Venue.** It is specifically agreed by the Parties to this Agreement that in the event that any legal proceeding is brought to enforce or interpret this Agreement or any provision hereof, the same shall be brought in Guadalupe County, Texas, strictly subject to the provisions of Article 4.6.

4.9 **Attorney's Fees and Costs.** The prevailing Party in any Proceeding or action for specific performance that arises out of this Agreement or the rights or remedies of

any Party hereto shall recover from each non-prevailing Party all costs and reasonable attorney's fees.

4.10 **Notices.** Any notice, communication, request, or reply (collectively called "Notice") required or permitted to be given, made or accepted by any Party must be in writing and may be given by depositing the same in the United States mail postpaid and registered or certified and addressed to the Party to be notified, with return receipt requested, or by delivering the same to the General Manager of such Party, addressed to the party to be notified. Notice deposited in the mail in the manner described herein shall be conclusively deemed to be effective from and after the expiration of three (3) days after it is so deposited. For the purposes of notice, the addresses of the parties hereto shall, until changed as hereinafter provided, be as follows:

If to CRWA, to:

Canyon Regional Water Authority
850 Lakeside Pass
New Braunfels, Texas 78130

If to CLSUD, to:

County Line Special Utility District
8870 Camino Real
Uhland, Texas 78640-6482

If to Martindale, to:

Martindale Water Supply Corporation
Post Office Box 175
Martindale, Texas 78655

The Parties shall have the right at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least ten (10) days' written notice to the other Party hereto.

4.11 **Approvals and Consents.** Unless otherwise provided herein, any approval or consent required by the provisions of this Agreement by a Party shall be evidenced by a written resolution adopted by the governing body of the Party giving such approval or consent. Upon receipt of such written resolution duly certified by the appropriate Party, the opposite Party may conclusively act on the matter requiring such approval.

4.12 **No Waiver.** No waiver or waivers of any breach or default by a Party hereto or of performance by any other Party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character, or description, under any circumstance.

4.13 **Severability.** The Parties agree that in case any one or more of the articles, sections, subsections, provisions, clauses, or words of this Agreement are, should be, or are held to be, for any reason, invalid or unconstitutional under the laws of Texas or the United States of America, or in contravention of any such laws, then such

invalidity, unconstitutionality, or contravention shall not affect any other articles, sections, subsections, provisions, clauses, or words of this Agreement or the application of the same to any other situation or circumstance, and it is intended that this Agreement shall be severable and shall be construed and applied as if any such invalid or unconstitutional article section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the Parties shall be construed and remain in force accordingly.

4.14 **No Assignment.** No Party may assign any right, duty, obligation or interest it may have under this Agreement to any other person, entity or party.

4.15 **State or Federal Laws, Roles, Orders, or Regulations.** This Agreement is subject to all applicable federal and state laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having or asserting jurisdiction, but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum having jurisdiction.

4.16 **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Amendment to be duly executed as of the Effective Date first above written.

CANYON REGIONAL WATER AUTHORITY

By: _____
President, Board of Trustees

ATTEST:

_____
Secretary, Board of Trustees

COUNTY LINE SPECIAL UTILITY DISTRICT

By: _____
President

ATTEST:

_____
Secretary

MARTINDALE WATER SUPPLY CORPORATION

By: _____
President

ATTEST:

_____
Secretary

(SEAL)