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PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 9, 2025

Ratings:
S&P: "A"

NEW ISSUE - BOOK-ENTRY-ONLY

(See "OTHER PERTINENT INFORMATION - Ratings",
"BOND INSURANCE" and "BOND INSURANCE RISK FACTORS")

In the opinion of Bond Counsel defined below, assuming continued compliance by the District (defined below) after the date of initial delivery of the Bonds (defined below) with certain covenant contained in the Resolution (defined below) and subject to the matters set forth under "TAX MATTERS" herein, interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1983, as amended to the date of initial delivery of the Bonds, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. See "TAX MATTERS" herein.

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

\$14,500,000*

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
(A Political Subdivision of the State of Texas Located in Ellis County, Texas)
WATER SYSTEM REVENUE BONDS, SERIES 2025

Interest to accrue from Date of Initial Delivery

Due: December 15, as shown on page ii

The \$14,500,000* Water System Revenue Bonds, Series 2025 (the "Bonds") are special obligations of the Buena Vista-Bethel Special Utility District (the "District") issued pursuant to the Constitution and laws of the State of Texas, particularly, Section 65.501, et seq., Texas Water Code, as amended, and a resolution authorizing the issuance of the Bonds (the "Resolution") to be adopted by the Board of Directors of the District (the "Board"). The Bonds are special obligations of the District payable solely from and, together with certain Outstanding Parity Debt (identified and defined in the Resolution), equally and ratably secured by a lien on and pledge of the Pledged Revenues (as defined in the Resolution) of the District's water system (hereinafter referred to as the "System"). **The Bonds do not constitute a general obligation of the District, and the holders of the Bonds shall not have the right to demand payment thereof from any funds raised or to be raised by taxation. The District has no taxing power.**

Interest on the Bonds will accrue from the date of initial delivery as shown below and will be payable June 15 and December 15 of each year, commencing June 15, 2026, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Bonds will be issued as fully registered obligations in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository (the "Securities Depository"). Book-entry interests in the Bonds will be made available for purchase in principal amounts of \$5,000 or any integral multiples thereof within a stated maturity. Purchasers of the Bonds ("Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Bonds purchased. So long as DTC or its nominee is the registered owner of the Bonds, the principal of and interest on the Bonds will be payable by UMB Bank, N.A., Austin, Texas, as Paying Agent/Registrar, to the Securities Depository, which will in turn remit such principal and interest to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

The proceeds of the Bonds will be issued by the District for the purpose of financing (i) certain water system improvements, including installing a new Deep Trinity Sands Water Well; 2 million gallons per day (MGD) pump station with electrical and controls; 1 million gallon ground storage tank; pressure reducing valve (PRV) and vault to Greystone distribution lines; 12-inch offsite water main and accessories to Campbell Road; Angus Road waterline improvements; North Oak waterline improvements; preliminary sitework/tree clearing at proposed Plant No. 6; extension of 3-phase power to proposed Plant No. 6.; and fund a Debt Service Reserve Fund; and (ii) to pay the cost of issuance for the Bonds. See "THE BONDS – Use of Bond Proceeds" herein.

The District reserves the right to redeem the Bonds maturing on and after December 15, 2032*, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on December 15, 2031*, or any day thereafter, at a redemption price of par plus accrued interest to the date fixed for redemption, as described herein (see "THE BONDS – Redemption Provisions – Optional Redemption"). Additionally, the Bonds may be subject to mandatory sinking fund redemption in the event the Purchaser elects to aggregate two or more consecutive maturities as Term Bonds. (see "THE BONDS – Redemption Provisions – Mandatory Redemption").

See Maturity Schedule on the Inside Cover

The Bonds are offered by the Initial Purchaser subject to prior sale, when, as and if issued by the District and accepted by the Initial Purchaser, subject, among other things, to the approval of the Initial Bond by the Attorney General of Texas and Naman, Howell, Smith & Lee, PLLC, Austin, Texas, as Bond Counsel (see "APPENDIX C - Form or Bond Counsel's Opinion").

The Bonds are expected to be available for delivery through DTC on November 20, 2025.

BIDS DUE THURSDAY, OCTOBER 16, 2025 AT 9:30 AM, CENTRAL TIME

*Preliminary, subject to change.

\$14,500,000*
BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
WATER SYSTEM REVENUE BONDS, SERIES 2025

STATED MATURITY SCHEDULE*

Base CUSIP – 119224 ⁽¹⁾

Principal Amount	December 15 Maturity	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾
\$ 160,000	2026			
225,000	2027			
235,000	2028			
250,000	2029			
265,000	2030			
280,000	2031			
300,000	2032			
315,000	2033			
330,000	2034			
345,000	2035			
365,000	2036			
380,000	2037			
400,000	2038			
415,000	2039			
435,000	2040			
455,000	2041			
475,000	2042			
500,000	2043			
525,000	2044			
550,000	2045			
575,000	2046			
605,000	2047			
635,000	2048			
670,000	2049			
705,000	2050			
740,000	2051			
780,000	2052			
820,000	2053			
860,000	2054			
905,000	2055			

(Interest to accrue from the date of initial delivery)

* Preliminary, subject to change.

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BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
312 S Oak Branch Rd
Waxahachie, Texas 75167

ELECTED OFFICIALS

Board of Directors	Length of Service	Term Expires	Occupation
Eric Zarate, President	3 Years	November, 2026	Retired
Alex Whiteway, Vice President	3 Years	November, 2027	Director of Water Utilities
Debra Manning, Secretary	3 Years	November, 2025	Home Builder
Jimmy Killen, Board Director	3 Years	November, 2027	Gun Dealer
Vacant, Board Director	N/A	N/A	N/A

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>	<u>Length of Service to the District</u>
Wayne Pratt	Operations Manager	20 Years
Tabatha Davis	Office Manager	4 1/2 Years
Ashley Collins	Assistant Office Manager	2 Years

CONSULTANTS AND ADVISORS

Auditors YWRD, P.C.
Waxahachie, Texas

Bond Counsel..... Naman, Howell, Smith & Lee PLLC
Austin, Texas

Financial Advisor.....Specialized Public Finance Inc.
Dallas, Texas

For additional information regarding the District, please contact:

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Operations Manager
Buena Vista-Bethel Special Utility District
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Waxahachie, Texas 75167
(972) 937-1212

or

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Steven A. Adams, CFA
Specialized Public Finance Inc.
4925 Greenville Ave., Suite 1350
Dallas, Texas 75206
(214) 373-3911

USE OF INFORMATION IN THE OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the Securities Exchange Commission, this document constitutes a Preliminary Official Statement of the District with respect to the Bonds that has been deemed "final" by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

This Official Statement, which includes the cover pages and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the District to give any information, or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction.

The information set forth herein has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND, CONSEQUENTLY, HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE BONDS HAVE BEEN REGISTERED, OR EXEMPTED, SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

NEITHER OF THE DISTRICT, NOR THE FINANCIAL ADVISOR MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOKENTRY-ONLY SYSTEM.

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SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this page from this Official Statement or to otherwise use it without the entire Official Statement.

The District

The Buena Vista-Bethel Special Utility District (the “District”), located in Ellis County, Texas, is a body politic and corporate and a political subdivision of the State of Texas, duly created, existing and operating under the laws of the State of Texas, including, without limitation, Chapters 49 and 65, Texas Water Code, as amended. The District is the successor to the Buena Vista-Bethel Water Supply Corporation (the “Corporation”), originally organized in 1965 as a non-profit water supply corporation, for the purpose of providing and furnishing a safe and dependable water supply to the rural areas centralized around the City of Waxahachie, Texas. On August 14, 1993, the Corporation was converted to a special utility district. The District is governed by a five member Board of Directors elected for three-year staggered terms by the registered voters of the District. (See page iii herein.)

The Bonds

The Bonds are being issued pursuant to the Constitution and laws of the State of Texas, particularly, Section 65.501, et seq., Texas Water Code, as amended, and a resolution authorizing the issuance of the Bonds (the “Resolution”) to be adopted by the Board of Directors of the District (the “Board”). (See “THE BONDS – Authority for Issuance” herein.)

Paying Agent/Registrar

The initial Paying Agent/Registrar is UMB Bank, N.A., Austin, Texas.

Security

The Bonds are special obligations of the District payable solely from and, together with certain Outstanding Parity Debt (identified and defined in the Resolution), equally and ratably secured by a lien on and pledge of the Pledged Revenues (as defined in the Resolution) of the District’s Water System (hereinafter referred to as the “System”). ***The Bonds do not constitute a general obligation of the District, and the holders of the Bonds shall not have the right to demand payment thereof from any funds raised or to be raised by taxation. The District has no taxing power.*** (See “THE BONDS” – Security for Payment” herein.)

Redemption

The District reserves the right to redeem the Bonds maturing on and after December 15, 2032*, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on December 15, 2031*, or any date thereafter, at a redemption price of par plus accrued interest to the date fixed for redemption, as described herein (see “THE BONDS – Redemption Provisions – *Optional Redemption*”). Additionally, the Bonds may be subject to mandatory sinking fund redemption in the event the Purchaser elects to aggregate two or more consecutive maturities as Term Bonds.

Tax Exemption

In the opinion of Bond Counsel, the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under the caption “Tax Matters” herein.

* Preliminary, subject to change.

Use of Bond Proceeds	The proceeds of the Bonds will be issued by the District for the purpose of financing (i) certain water system improvements, including installing a new Deep Trinity Sands Water Well; 2 million gallons per day (MGD) pump station with electrical and controls; 1 million gallon ground storage tank; pressure reducing valve (PRV) and vault to Greystone distribution lines; 12-inch offsite water main and accessories to Campbell Road; Angus Road waterline improvements; North Oak waterline improvements; preliminary sitework/tree clearing at proposed Plant No. 6; extension of 3-phase power to proposed Plant No. 6.; and fund a Debt Service Reserve Fund; and (ii) to pay the cost of issuance for the Bonds. See “THE BONDS – Use of Bond Proceeds” herein.
Ratings	The Bonds have an underlying rating of “A” by S&P, a division of Standard & Poor’s Financial Services LLC (“S&P”). An explanation of the significance of a rating may be obtained from S&P. (See “OTHER PERTINENT INFORMATION – Ratings” herein.)
Book-Entry-Only System	The District intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York relating to the method and timing of payment and the method and transfer relating to the Bonds. (See “BOOK-ENTRY-ONLY SYSTEM” herein.)
Payment Record	The District has never defaulted on the timely payment of the principal of and interest on its obligations.
Delivery	When issued, anticipated on or about November 20, 2025.
Issuance of Additional Debt	The District has identified \$5.8 million of projects to be funded with a direct loan to the USDA. The financing process is anticipated to take between 9 months to 12 months.
Legality	Delivery of the Bonds is subject to the approval by the Attorney General of the State of Texas and the rendering of an opinion as to legality by Naman, Howell, Smith & Lee, PLLC.

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INTRODUCTORY STATEMENT

This Official Statement provides certain information in connection with the issuance by the Buena Vista-Bethel Special Utility District (the “District”) of its \$14,500,000* Water System Revenue Bonds, Series 2025 (the “Bonds”).

The District, a body politic and corporate and a political subdivision of the State of Texas, is duly created, existing and operating under the laws of the State of Texas, including, without limitation, Chapters 49 and 65, Texas Water Code, as amended. The Bonds are issued pursuant to the constitution and laws of the State of Texas, particularly Section 65.501, et seq., Texas Water Code, and a resolution authorizing the issuance of the Bonds (the “Resolution”) to be adopted by the Board of Directors of the District (the “Board”).

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Resolution. See APPENDIX B - “SELECTED PROVISIONS OF THE RESOLUTION” herein. Included in this Official Statement are descriptions of the Bonds and certain information about the District and its finances. ***ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT.*** Copies of such documents may be obtained from the District or the Financial Advisor.

THE BONDS

Purpose

The proceeds of the Bonds will be issued by the District for the purpose of financing (i) certain water system improvements, including installing a new Deep Trinity Sands Water Well; 2 million gallons per day (MGD) pump station with electrical and controls; 1 million gallon ground storage tank; pressure reducing valve (PRV) and vault to Greystone distribution lines; 12-inch offsite water main and accessories to Campbell Road; Angus Road waterline improvements; North Oak waterline improvements; preliminary sitework/tree clearing at proposed Plant No. 6; extension of 3-phase power to proposed Plant No. 6; and fund a Debt Service Reserve Fund; and (ii) to pay the cost of issuance for the Bonds.

General

The Resolution authorizes the issuance and sale of the Bonds and prescribes the terms, conditions and provisions for payment of the principal of and interest on the Bonds by the District. Set forth below is a description of the Bonds and a summary of certain provisions of the Resolution. Capitalized terms in such summary are used as defined in the Resolution. Such summary is not a complete description of the entire Resolution and is qualified by reference to the Resolution, copies of which are available from the District or the Financial Advisor. (See “Appendix B - Selected Provisions of the Bond Resolution” herein.)

Description of the Bonds

The Bonds will be dated and will bear interest from the date of initial delivery at the stated interest rates indicated on page ii hereof. Interest on the Bonds will be payable on June 15, 2026 and each December 15 and June 15 thereafter, until the earlier of maturity or redemption. Accrued interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will be issued in principal denominations of \$5,000 or any integral multiple thereof within a stated maturity. The Bonds will mature on the dates indicated on page ii hereof.

In the event the Book-Entry-Only System should be discontinued, principal of the Bonds will be payable at the designated office of the paying agent/registrar, initially UMB Bank, N.A., Austin, Texas (the “Paying Agent/Registrar”); provided, however, that so long as Cede & Co. (or other Depository Trust Company (“DTC”) nominee) is the registered owner of the Bonds, all payments will be made as described under “BOOK-ENTRY-ONLY SYSTEM” herein. Interest on the Bonds is payable to registered owners shown on the registration books of the Paying Agent/Registrar (the “Security Register”) on the Record Date (see “REGISTRATION, TRANSFER AND EXCHANGE - Record Date” herein), and such interest will be paid by check, dated as of the interest payment date and mailed by the Paying Agent/Registrar to the address of the registered owners appearing on the Security Register or by such other customary banking arrangements, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, a registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the Paying

* Preliminary, subject to change.

Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

Initially, the definitive Bonds will be registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See “BOOK-ENTRY-ONLY SYSTEM” herein.

Authority for Issuance

The Bonds are being issued pursuant to the Constitution and general laws of the State, Section 65.501, et seq., Texas Water Code, as amended, and the Resolution.

Security for Payment

The Bonds are special obligations of the District payable solely from and, together with certain Outstanding Parity Debt (identified and defined in the Resolution), equally and ratably secured by a lien on and pledge of the Pledged Revenues (as defined below and in the Resolution) of the District’s water system (hereinafter referred to as the “System”). See “Appendix B – Selected Provisions of the Bond Resolution” herein. The term “Pledged Revenues” means the Net Revenues of the System with the Net Revenues being equal to the Gross Revenues of the System less the Maintenance and Operation Expenses of the System (excluding depreciation and amortization). **The Bonds do not constitute an indebtedness or general obligation of the District. The holder of the Bonds shall not have the right to demand payment of the Bonds from any funds raised or to be raised by taxation. The District has no taxing powers.**

The District has reserved and retained the right to issue additional revenue obligations payable from and equally and ratably secured by a parity lien on the Pledged Revenues of the System, in the same manner and to the same extent as the Bonds and the Outstanding Parity Debt subject to satisfying and complying with certain terms and conditions set forth in the Resolution. See “Appendix B - Selected Provisions of the Bond Resolution” to this Official Statement.

Reserve Fund: As additional security for the payment of the Bonds, Outstanding Parity Debt, and any Additional Parity Bonds, if any, hereafter issued, the Resolution provides for the District to maintain a Reserve Fund and accumulate and maintain therein an amount (the “Required Reserve”) equal to the least of (i) the maximum annual principal and interest on the Bonds, (ii) 10% of the stated principal amount of the Bonds, or (iii) 125% of the average annual principal and interest requirements of the Bonds (calculated on a Fiscal Year basis) for all Parity Bonds then outstanding, as determined on the date each series of Additional Parity Bonds are delivered or incurred, as the case may be.

Redemption Provisions

Optional Redemption: The District reserves the right, at its sole option, to redeem Bonds stated to mature on and after December 15, 2032 in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and, if within a stated maturity, selected at random and by lot by the Paying Agent/Registrar), on December 15, 2031, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all of the Bonds within a stated maturity are to be redeemed, the particular Bonds to be redeemed shall be selected at random and by lot by the Paying Agent/Registrar (or DTC while the Bonds are in Book-Entry-Only form).

At least 30 days prior to the date fixed for any such redemption, the District shall cause a written notice of such redemption to be deposited in the United States mail, first-class postage prepaid, addressed to each registered owner of a Bond to be redeemed at the address shown on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE OF REDEMPTION SO MAILED TO THE REGISTERED OWNERS WILL BE DEEMED TO HAVE BEEN DULY GIVEN IRRESPECTIVE OF WHETHER ONE OR MORE OF THE REGISTERED OWNERS FAILED TO RECEIVE SUCH NOTICE. If such notice of redemption is given and if due provisions for such payment is made, all as provided above, the Bonds or portions thereof which are to be redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

The Paying Agent/Registrar and the District, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Resolution or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, will not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the District will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Bonds from the beneficial owners. Any such selection of Bonds to be redeemed will not be governed by the Resolution and will not be conducted by the District or the Paying Agent/Registrar. Neither the District nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Bonds or the providing of notice to DTC participants, indirect participants, or beneficial owners of the selection of portions of the Bonds for redemption. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

The District reserves the right in the case of an optional redemption to give notice of its election or direction to redeem the Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the District retains the right to rescind such notice at any time prior to the scheduled redemption date if the District delivers a certificate of the District to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the District to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

With respect to any optional redemption of the Bonds, unless the prerequisites to such redemption required by the Resolution have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Mandatory Redemption: Additionally, the Bonds may be subject to mandatory sinking fund redemption in the event the Purchaser elects to aggregate two or more consecutive maturities as Term Bonds.

Funds

The Resolution requires the establishment and maintenance of the following funds: (1) the System Fund, (2) the Interest and Sinking Fund and (3) the Reserve Fund, and such funds are to be kept separate and apart for all other funds and accounts of the District and moneys deposited to the credit of such Funds shall be used and expended as provided in the Resolution.

Flow of Funds

In the Resolution, all the Pledged Revenues are required to be deposited as collected into the fund maintained at an official depository of the District and known as the Buena Vista-Bethel Special Utility District Water System Fund (the "System Fund"), and such System Fund is to be maintained separate and apart from all other funds and accounts of the District.

The Resolution further provides that the amount on deposit to the credit of the System Fund from time to time is to be applied in the following order of priority:

First, to pay Maintenance and Operation Expenses;

Second, to make all deposits into the Interest and Sinking Fund required by the Outstanding Parity Debt, the Resolution and any resolution authorizing the issuance of Additional Parity Bonds;

Third, to make all deposits into the Reserve Fund required by the Outstanding Parity Debt, the Resolution and any resolutions authorizing the issuance of Additional Parity Bonds; and

Fourth, for any lawful purpose.

Rate Covenants

So long as any Parity Bonds remain outstanding, the Resolution provides that the District shall fix, charge and collect rates and charges for the use and services of the System, which are calculated to be fully sufficient to produce Pledged Revenues of the System in each Fiscal Year at least equal to the amount required to maintain the Interest and Sinking Fund and the Reserve Fund so as to provide for the payment of principal and interest on all Parity Bonds then outstanding and to pay the Maintenance and Operation Expenses of the System.

Furthermore, the Resolution provides the District will not grant or permit any free service from the System except for buildings and institutions operated by the District.

Other Outstanding Parity Debt

The District previously issued its \$6,215,000 Water System Revenue Refunding Bonds, Series 2017, dated August 15, 2017, (the “Series 2017 Bonds”) for refunding purposes. Of such Bonds, approximately \$4,800,000 remains outstanding as of May 1, 2025. The Series 2017 Bonds are special obligations of the District payable solely from and, equally and ratably secured by a lien on and pledge of the Pledged Revenues of the District’s water system.

The District previously issued its \$3,410,000 Water System Revenue Bonds, Series 2019, dated June 11, 2019, (the “Series 2019 Bonds”) for the purpose of financing certain water system improvements. Of such Bonds, approximately \$2,970,000 remains outstanding as of May 1, 2025. The Series 2019 Bonds are special obligations of the District payable solely from and, equally and ratably secured by a lien on and pledge of the Pledged Revenues of the District’s water system.

In addition, the District previously issued its \$12,170,000 Water System Revenue Notes, Series 2023, dated November 1, 2023, (the “Series 2023 Notes”) for the purpose of financing certain water system improvements. Of such Notes, approximately \$12,070,000 remains outstanding as of May 1, 2025. The Series 2023 Notes are special obligations of the District payable solely from and, equally and ratably secured by a lien on and pledge of the Pledged Revenues of the District’s water system.

Additional Parity Bonds

In the Resolution, the District reserves the right to issue, for any lawful purpose (including the refunding of any Parity Bonds or any other Bonds or obligations of the District issued in connection with or payable from the revenues of the System), one or more series of Additional Parity Bonds payable from and secured by a first lien on the Pledged Revenues, including the Net Revenues of the System, on a parity with the Bonds, the Outstanding Parity Debt, and any other outstanding Additional Parity Bonds; provided certain terms and conditions prescribed for the issuance of such Additional Parity Bonds are satisfied. Among the terms and conditions to be satisfied is the District obtaining a written certificate from the District’s Financial Advisor to the effect that, during either the last preceding fiscal year, or any twelve consecutive calendar month period ending not later than ninety (90) days preceding the month in which the resolution authorizing the issuance of the then proposed Additional Parity Bonds is passed, the Net Revenues of the System were at least 1.25 times the average annual principal and interest requirements of all Parity Bonds then outstanding and the Additional Parity Bonds which are scheduled to be outstanding after the delivery of the then proposed Additional Parity Bonds. In calculating the amount of Net Revenues for the purposes of complying with such requirement, the Financial Advisor may take into consideration any increase in the rates of charges for services of the System which is then in effect and which has been in effect for at least 60 days prior to the month in which the resolution authorizing the issuance of the proposed Additional Parity Bonds is passed, but which was not in effect during all of the entire period for which the Pledged Revenues are being calculated (hereinafter referred to as the “entire period”) or in lieu of the District’s Financial Advisor, a firm of consulting engineers, may determine and certify the amount of Net Revenues as being the total of (i) the actual Net Revenues for the entire period, plus (ii) a sum equal to the aggregate amount by which the actual billings to customers of the System during the entire period would have been increased if such increased rates or charges had been in effect during the entire period.

For purposes of satisfying the terms and conditions for the issuance of Additional Parity Bonds, the term “Net Revenues of the System” means all of the Gross Revenues of the System less the Maintenance and Operation Expenses of the System, except that in calculating Net Revenues there shall not be deducted as Maintenance and Operation Expenses any depreciation or

amortization. See “Appendix B - Selected Provisions of the Bond Resolution” to this Official Statement for a more complete description of the terms and conditions for the issuance of Additional Parity Bonds.

In addition to the requirements above the District shall deliver a certificate executed by the President and Secretary of the Board of Directors of the District to the effect that no default exists in connection with any of the covenants or requirements of the resolution or resolutions authorizing the issuance of all then outstanding Bonds, or other indebtedness of the District, and that the Interest and Sinking Fund and the Reserve Fund for all parity indebtedness each contains the amount then required to be on deposit therein.

Payment Record

The District has not defaulted in the timely payment of the principal of and interest on its revenue obligations.

Legality

The Bonds are offered when, as and if issued, subject to the approval by the Attorney General of the State of Texas and the rendering of an opinion as to legality by Naman, Howell, Smith & Lee, PLLC, Austin, Texas. A form of the legal opinion of Bond Counsel appears in Appendix C attached hereto.

Defeasance

The Resolution provides for the defeasance of the Bonds when the payment of the principal of and premium, if any, on such Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar, or other authorized escrow agent, in trust (1) money sufficient to make such payment or (2) Government Securities to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Bonds. The term “Government Securities” means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United states of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the District are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the District, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under applicable laws of the State. The District has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the District moneys in excess of the amount required for such defeasance.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Resolution does not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Government Securities or that for any other Government Security will be maintained at any particular rating category.

Remedies in Event of Default

The Resolution provides that, in the event of a default in the payment of the principal of or interest on or redemption price on any of the Bonds or a default in the performance of any duty or covenant provided by law or in the Resolution, the owner or owners of the Bonds then Outstanding may pursue all legal remedies afforded by the Constitution and laws of the State to compel the District to remedy such default and to prevent further default or defaults. The Resolution further provides that, without in any way limiting the generality of the foregoing, it is expressly provided that any owner of any of the Bonds may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties required to be performed by the District under the Resolution, including the making and collection of reasonable and sufficient rates and charges for the use and services of the System, the deposit of the Pledged Revenues, including the Net Revenues of the System, into the special funds herein provided, and the application of such Pledged Revenues in the manner required in the Resolution.

SOURCES AND USES OF FUNDS*

The proceeds from the sale of the Bonds will be applied as follows:

SUMMARY OF COSTS

	<u>Construction Costs</u>	<u>District's Share</u>
A.	Developer Contribution Item None	
B.	District Items	
1.	Deep Trinity Sands Water Well	\$ 2,800,000
2.	2 MGD Pump Station with Electrical and Controls	3,200,000
3.	1 Million Gallon Ground Storage Tank	1,400,000
4.	PRV and Vault to Greystone Distribution Lines	40,000
5.	12-inch Offsite Water Main and Accessories to Campbell Road	513,000
6.	Argus Road Waterline Improvements	998,000
7.	North Oak Waterline Improvements	591,700
8.	Preliminary Sitework/Tree Cleaning at Proposed Plant No. 6	49,000
9.	Extension of 3-phase Power to Proposed Plant No. 6	200,000
10.	Contingencies (15% of items 1 - 7)	1,431,405
11.	Engineering, Inspection, & Testing (11.3% of items 1 - 7)	1,076,870
	Total District Items	<u>\$ 12,299,975</u>
	TOTAL CONSTRUCTION COSTS (84.83% of Bond Issue)	\$ 12,299,975
	<u>Nonconstruction Costs</u>	
A.	Special Bond Counsel	\$ 65,250
B.	Fiscal Agent Fees	122,500
C.	Bond Discount (3%)	435,000
D.	Debt Service Reserve Fund	1,390,154
E.	Bond Issuance Expenses	96,371
F.	Bond Application Report Costs	45,000
G.	Attorney General Fee (0.10% or \$9,500 Max.)	9,500
H.	TCEQ Bond Issuance Fee (0.2 5%)	36,250
	TOTAL NONCONSTRUCTION COSTS	<u>\$ 2,200,025</u>
	TOTAL BOND ISSUE REQUIREMENT	<u><u>\$ 14,500,000</u></u>

*Preliminary, subject to change

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REGISTRATION, TRANSFER AND EXCHANGE

Paying Agent/Registrar

The initial Paying Agent/Registrar is UMB Bank, N.A., Austin, Texas. In the Resolution, the District retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new Paying Agent/Registrar shall accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar, selected at the sole discretion of the District, shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon a change in the Paying Agent/Registrar for the Bonds, the District agrees to promptly cause written notice thereof to be sent to each registered owner of the Bonds by United States mail, first-class, postage prepaid.

Record Date

The record date ("Record Date") for interest payable to the registered owner of a Bond on any interest payment date means the 15th day of the month next preceding such interest payment date. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the District where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized by law or executive Resolution to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Future Registration

The Bonds are initially to be issued utilizing the Book-Entry-Only System of the DTC. In the event such Book-Entry-Only System should be discontinued, printed Bond certificates will be issued to the owners of the Bonds and, thereafter, the Bonds may be transferred, registered, and assigned on the registration books of the Paying Agent/Registrar only upon presentation and surrender of such printed certificates to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar in lieu of the Bond or Bonds being transferred or exchanged at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class postage prepaid, to the new registered owner. New Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in denominations of \$5,000 for any one stated maturity or any integral multiple thereof and for a like aggregate principal amount and rate of interest as the Bond or Bonds surrendered for exchange or transfer. (See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the system to be initially utilized in regard to ownership and transferability of the Bonds.)

Limitation on Transferability

Neither the District nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation on transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

Replacement Bonds

In the Resolution, provision is made for the replacement of mutilated, destroyed, lost, or stolen Bonds upon surrender of the mutilated Bonds to the Paying Agent/Registrar, or the receipt of satisfactory evidence of destruction, loss, or theft, and the receipt by the District and Paying Agent/Registrar of security or indemnity as may be required by either of them to hold them harmless. The District may require payment of taxes, governmental charges, and other expenses in connection with any such replacement.

BOND INSURANCE

The District has applied for municipal bond insurance on the Bonds and will consider the purchase of such insurance after an analysis of bids from such companies has been made. The District shall notify the Purchaser upon obtaining a commitment from a municipal bond insurance company (the "Bond Insurer") concerning the Bonds. The final Official Statement shall disclose, to the extent necessary, any relevant information relating to any such municipal bond insurance policy (the "Policy").

BOND INSURANCE RISK FACTORS

The District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. The District has yet to determine whether any insurance will be purchased with the Bonds. If an insurance policy is purchased, the following are risk factors relating to bond insurance.

General

In the event of default of the scheduled payment of principal of or interest on the Bonds when all or a portion thereof becomes due, any owner of the Bonds shall have a claim under the Policy for such payments. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the Bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the District (unless the Insurer chooses to pay such amounts at an earlier date). Payment of principal of and interest on the Bonds is not subject to acceleration, but other legal remedies upon the occurrence of non-payment do exist (see "THE BONDS - Remedies in Event of Default").

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the Pledged Revenues. In the event the Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price or the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Insurer and its claims-paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance can be given that the long-term ratings of the Insurer and of the ratings on the Bonds, whether or not subject to the Policy, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the Bonds. See the disclosure described in "OTHER PERTINENT INFORMATION - Ratings" herein.

The obligations of the Insurer under the Policy are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law. None of the District, or the Financial Advisor have made independent investigation into the claims-paying ability of any Insurer and no assurance or representation regarding the financial strength or projected financial strength of any Insurer is given.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC, New York, NY while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District and the Financial Advisor believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be required by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the

alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered to DTC Participants or the Beneficial Owners, as the case may be.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC. (See "REGISTRATION, TRANSFER, AND EXCHANGE" herein.)

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Direct or Indirect Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Resolution will be given only to DTC.

Effect of Termination of Book-Entry-Only System

In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the District, printed certificates will be issued to the holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Resolution and summarized under "REGISTRATION, TRANSFER AND EXCHANGE" supra.

THE DISTRICT

Creation of the District

The District is the successor to the Buena Vista-Bethel Water Supply Corporation (the “Corporation”). The Corporation was originally organized in 1965 as a non-profit water supply corporation operating under Article 1434a, Revised Civil Statutes of Texas of 1925, as amended, for the purpose of providing and furnishing a safe and dependable water supply to the rural areas centralized around the City of Waxahachie in Ellis County, Texas. On August 14, 1993, the Corporation was converted to a special utility district by the Texas Water Commission, now known as the Texas Commission on Environmental Quality (the “TCEQ”). The successful conversion to a special utility district was in accordance with Texas Water Code, Chapter 65.

Location and Service Area

The District is located in Ellis County, being a county located in north central Texas.

Topography and Flood Hazards

Flood Hazard Boundary maps for Ellis County, Texas, as published by the Federal Insurance Administration (FIA) and the Federal Emergency Management Administration (FEMA) were used in review of flood boundaries within the District. All existing facilities, consisting of the surface water, treatment plant, ground storage tanks and elevated storage tanks, are located outside all designated flood hazard areas.

Management

The District is governed by a five member Board of Directors elected by the registered voters of the District (see page iii herein for a list of the current Board of Directors). If at any time a vacancy occurs on the Board, either the TCEQ or the remaining Board members make appointments to fill such vacancies. Directors serve three-year staggered terms. The District’s general manager supervises administrative and operating functions of the District. The District and all similar districts are subject to the continuing supervision and filing requirements of TCEQ, including the requirement of an annual independent audit. All plans and specifications for construction of District facilities to be financed by any bonds or other obligations of the District must be submitted to TCEQ for review and approval.

DESCRIPTION OF THE SYSTEM

Water Supply and System Facilities

The District is served by four BVB wells and an emergency connection from the City of Waxahachie, Texas. The District’s existing facilities consist of (a) two elevated storage tanks – a 200,000 gallon elevated tank, and a 300,000 gallon elevated tank; (b) six ground storage tanks - Plant #1 has a 70,000 gallon ground storage; Plant #2 has 2 ground storage tanks, a 240,000 gallon storage tank, and a 45,000 gallon storage tank; Plant #3 has a 500,000 gallon ground storage tank; Plant #4 has a 500,000 gallon ground storage; Plant #5 has a 1,000,000 gallon concrete ground storage tank; (c) four wells which produce 154 gallons per minute, 220 gallons per minute, 380 gallons per minute, and a 640 gallons per minute, respectively. The District also has an emergency connection located at Plant #5 which allows the District to draw up to 50,000 gallons per day.

Water Services Agreements

The District has entered into a contract with the Trinity River Authority of Texas (“Authority”) whereby the District acquired the right to purchase .85 million gallons per day (MGD) of water annually from the Authority through its raw water supply contract with Tarrant County Water Control and Improvement District Number One. The contract is for a period of forty years commencing December 1, 1991 and ending November 30, 2031. The Authority is a governmental agency, which is controlled by directors appointed by the Governor of the State of Texas. The District agreed to pay to the Authority \$60 each month increasing \$1.50 per month each fiscal year for the Authority’s costs and expenses of administering the contract.

A current schedule of estimated future contractual payments due the Authority is shown below:

<u>Year Ending December 31</u>	<u>Annual Payment</u>
2025	\$1,298
2026	1,316
2027	1,334
2028	1,352
2029	1,370
2030-2031	<u>2,675</u>
	\$9,345

Actual payments for the year ended December 31, 2024 were \$1,314.

FUTURE PLANS OF THE DISTRICT

The District has identified \$5.8 million of projects to be funded with a direct loan from the USDA. The financing process is anticipated to take between 9 months to 12 months.

INVESTMENT POLICIES

Investments and Investment Strategy

The District invests its investable funds in securities and investments prescribed by the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the “Investment Act”). The Investment Act requires that the District establish a written investment policy to ensure that District funds are invested only in accordance with State law. Both State law and the District’s investment policies are subject to change. The District’s investment policy states that the Board of Directors directs that its Treasurer, the Manager for the District and the Financial Advisor for the District maintain the investments of the District in a manner consistent with the Investment Act.

Legal Investments

Under current Texas law, the District is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit and share certificates meeting the requirements of the Funds Investment Act (i) that are issued by or through an institution that has its main office or a branch office in Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for District deposits; or (ii) where (a) the funds are invested by the District through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the District as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the District; (b) the broker or the depository institution selected by the District arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the District; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the District appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the District with respect to the certificates of deposit; (8) fully collateralized repurchase

agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State, (9) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (10) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (11) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share, and (12) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAM or an equivalent by at least one nationally recognized rating service. The District may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the District retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the District must do so by order, ordinance, or resolution. The District is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

The District is authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) of the first paragraph under this subcaption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than "A" or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the first paragraph under this subcaption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the District or a third party designated by the District; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for District funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Public Funds Investment Act. All District funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, the District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the District's investment officers must submit an investment report to the Board of Directors detailing: (1) the investment position of the District, (2) that all investment officers jointly prepared and signed the report, (3) the beginning

market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest District funds without express written authority from the Board of Directors.

Under Texas law, the District is additionally required to: (1) annually review its adopted policies and strategies, (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution, (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the District to disclose the relationship and file a statement with the Texas Ethics Commission and the Board of Directors; (4) require the qualified representative of firms offering to engage in an investment transaction with the District to: (a) receive and review the District's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the District and the business organization that are not authorized by the District's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the District and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the District's investment policy; (6) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the District's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements, and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District.

Current Investments

As of August 31, 2025, the District's investable funds were invested as follows:

OPERATING FUND:

First Financial Bank - Checking	\$ 186,283
TOTAL OPERATING	\$ 186,283

INTEREST AND SINKING FUND:

First Financial Bank - Checking	\$ 348,976
TOTAL INTEREST AND SINKING	\$ 348,976

RESERVE FUND:

First Financial Bank - Checking	\$ 1,143,549
TOTAL RESERVE	\$ 1,143,549

SYSTEM IMPROVEMENTS:

First Financial Bank - Checking	\$ 7,326,379
TOTAL SYSTEM IMPROVEMENTS	\$ 7,326,379

TOTAL	\$ 9,005,188
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No funds of the District are invested in derivative securities; i.e., securities whose rate of return is determined by reference to some other instrument, index, or commodity.

RETIREMENT PLAN

The District maintains a Savings Incentive Match Plan for Employees - Individual Retirement Account (SIMPLE-IRA). Under the plan, the District will match each participant's contribution up to 3% of the participant's compensation. The District's contributions to the plan for the year ended December 31, 2024 were \$7,765.

LEGAL MATTERS

Legal Opinion

The delivery of the Bonds is subject to the approval of the Attorney General of Texas to the effect that the Bonds are valid and legally binding special obligations of the District payable solely from and, together with the Outstanding Parity Debt, equally and ratably secured by, a first lien on and pledge of the Pledged Revenues of the System in the manner provided in the Resolution, and the approving opinion of Bond Counsel to like effect and the effect that the interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof, the Bonds will not be treated as "specified private activity bonds", the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). The form of Bond Counsel's opinion is attached hereto as Appendix C. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds. The legal opinions of Bond Counsel will accompany the Bonds deposited with DTC or will be printed on the definitive Bonds in the event of the discontinuance of the Book-Entry-Only System.

Legal Review

Bond Counsel was engaged by, and only represents, the District. Bond Counsel has reviewed the information appearing under "THE BONDS," (except under the subcaptions "Payment Record" and "Remedies in Event of Default") "REGISTRATION, TRANSFER AND EXCHANGE," "INVESTMENT POLICIES," "LEGAL MATTERS" (insofar as such section relates to the legal opinion of Bond Counsel), "TAX MATTERS," "ADDITIONAL FEDERAL INCOME TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT, AND COLLATERAL FEDERAL INCOME TAX CONSEQUENCES," "CONTINUING DISCLOSURE OF INFORMATION" (except for information under the subheading "- Compliance with Prior Agreements"), "OTHER PERTINENT INFORMATION – Registration and Qualification of Bonds for Sale" and "- Legal Investments and Eligibility to Secure Public Funds in Texas" and "Appendix C – Form of Legal Opinion of Bond Counsel" herein and such firm is of the opinion that the information relating to the Bonds and the legal issues contained under such captions is an accurate and fair description of the laws and legal issues addressed therein. Bond Counsel has not independently verified factual information contained in this Official Statement, nor have such firms conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to the accuracy or completeness of any of the other information contained herein.

TAX MATTERS

In the opinion of Naman Howell Smith & Lee, PLLC, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. The proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount" the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable

gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of Bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Bonds may adversely affect the value of or the tax status of interest on the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

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CONTINUING DISCLOSURE OF INFORMATION

In the Resolution, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds.

Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the “MSRB”).

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in Appendix A – Financial Information of the District in Tables 1 through 5. The District will update and provide this information within six months after the end of each fiscal year ending in and after 2025 and thereafter.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Website or filed with the United States Securities and Exchange Commission (the “SEC”), as permitted by SEC Rule 15c2-12 (the “Rule”). The updated information will include audited financial statements for the District, if the District commissions an audit and it is completed by the required time. If audited financial statements cannot be provided, the District will provide unaudited financial information of the type described in the preceding paragraph by the required time and audited financial statements when they become available. Any such financial statements will be prepared in accordance with the accounting principles described in the District’s annual financial statements, or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation.

The District’s current fiscal year end is December 31. Accordingly, it must provide updated information by the last day in June in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Notice of Certain Events

The District will file with the MSRB notice of any of the following events with respect to the Bonds in a timely manner (not more than 10 business days after occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District (as defined by the Rule, which includes certain debt, debt-like, and debt-related obligations), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the District, any of which reflect financial difficulties.

Neither the Bonds nor the Ordinance make any provision for debt service reserves, credit enhancement (other than the Policy), or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under “Annual Reports”. The District will provide each notice described in this paragraph to the MSRB.

For these purposes, any event described in clause (12) in the immediately preceding paragraph is considered to occur when any of the following occur; the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District. The term “financial obligation” used in clauses (15) and (16) of the immediately preceding paragraph means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee or either (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Availability of Information from MSRB

The District has agreed to provide the information only to the MSRB. The MSRB has prescribed that such information must be filed via EMMA. The MSRB makes the information available to the public without charge and investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of certain events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the Outstanding Parity Debt consent or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Bonds. The District may also repeal or amend its agreement if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the District amends its agreement, it shall include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Agreements

During the last five years, the District has complied in all material respects with its previous continuing disclosure agreements made in accordance with the Rule.

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OTHER PERTINENT INFORMATION

Registration and Qualification of Bonds for Sale

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The District assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

Litigation

It is the opinion of District officials that there is no pending litigation or, to their knowledge, threatened litigation or other proceeding against the District that would have a material adverse impact upon the district's financial condition or its operations.

At the time of the initial delivery of the Bonds, the District will provide the Purchaser with a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds, or which would affect the provision made for their payment or security, or in any manner questioning the validity of said Bonds will also be furnished.

Ratings

The Bonds have an underlying rating of "A" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of a rating may be obtained from S&P. A rating by a rating agency reflects only the view of such company at the time the rating is given, and the District makes no representations as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time, or that it will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 of the Public Security Procedures Act provides the Bonds are (i) negotiable instruments, (ii) investment securities to which Chapter 8, Business and Commerce Code applies and (iii) legal and authorized investments for insurance companies, fiduciaries or trustees and sinking funds of municipalities or other political subdivisions or public agencies of the State. The Texas Finance Code also contains provisions that, subject to a prudent investor standard, provide for the Bonds to be legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. For the Bonds to be eligible investments for municipalities, political subdivisions or public agencies of Texas, the Public Funds Investment Act, V.T.C.A., Government Code, Chapter 2256, provides a rating of not less than "A" or its equivalent as to investment quality must be assigned by a national rating agency. Furthermore, the Bonds are eligible to secure the deposits of any public funds of the State of Texas, its agencies and its political subdivisions and are legal security for those deposits to the extent of their market value.

No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes. The District has made no investigation of other laws, rules, regulations or investment criteria which might apply to any such persons or entities or which might otherwise limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such persons or entities to purchase or invest in the Bonds for such purposes.

Financial Advisor

Specialized Public Finance Inc. is employed as a Financial Advisor to the District in connection with the issuance of the Bonds. In this capacity, the Financial Advisor has compiled certain data relating to the Bonds and has assisted in drafting this Official Statement. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the District to determine the accuracy or completeness of this Official Statement. Because of its limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The fees for the Financial Advisor are contingent upon the issuance, sale and delivery of the Bonds.

Use of Audited Financial Statements

Yeldell, Wilson, Wood & Reeve, P.C., Waxahachie, Texas, the District's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Law Office of James W. Wilson, general counsel to the District, also has not performed any procedures relating to this Official Statement.

Initial Purchaser

After requesting competitive bids for the Bonds, the District accepted the bid of _____ (the "Initial Purchaser" or "Purchaser") to purchase the Bonds at the interest rates shown on the inside cover page of the Official Statement at a price of ____% of par. The Initial Purchaser can give no assurance that any trading market will be developed for the Bonds after their sale by the District to the Initial Purchaser. The District has no control over the price at which the Bonds are subsequently sold and the initial yield at which the Bonds will be priced and reoffered will be established by and will be the responsibility of the Initial Purchaser.

Forward-Looking Statements Disclaimer

The statements contained in this Official Statement, and in any other information provided by the District, which are not purely historical, are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. The District's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Certification of the Official Statement and No-Litigation Certificate

At the time of payment for and delivery of the Bonds, the District will furnish a certificate, executed by a proper officer, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or pertaining to the District contained in its Official Statement, and any addenda, supplement or amendment thereto, on the date of such Official Statement, on the date of sale of said Bonds and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the District, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the District believes to be reliable and the District has no reason to believe that they are untrue in any material respect, there has been no material adverse change in the financial condition of

the District since the date of the last audited financial statements of the District; and (e) that no litigation of any nature has been filed or is then pending or threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the issuance, execution or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution, or delivery of the Bonds; or affecting the validity of the Bonds.

Concluding Statement

The financial data and other information contained in this Official Statement have been obtained from the District's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

The Official Statement was approved as to form and content and the use thereof in the offering of the Bonds was authorized, ratified and approved by the Board on the date of sale. The Purchaser will be furnished at the time of payment for and the delivery of the Bonds, a certified copy of such approval, duly executed by the proper officials of the District.

In the Resolution, the Board of Directors of the District approved this Official Statement for distribution in accordance with the provisions of the Securities and Exchange Commission's rule codified at 17 C.F.R. Section 240.15c2-12.

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT

President, Board of Directors

ATTEST:

Secretary, Board of Directors

APPENDIX A

FINANCIAL INFORMATION OF THE DISTRICT

HISTORICAL WATER CONSUMPTION (GALLONS)

TABLE 1

FISCAL YEAR ENDED 12/31	NUMBER OF WATER CUSTOMERS	AVERAGE DAILY USAGE	PEAK DAY USAGE	TOTAL USAGE
2020	2,250	N/A	N/A	330,353,100
2021	2,325	N/A	N/A	361,762,500
2022	2,426	7,374	14,296	461,510,400
2023	2,484	1,305,225	2,570,600	476,407,300
2024	2,594	1,214,063	2,225,900	443,133,100

LARGEST WATER CUSTOMERS (FISCAL YEAR END 2024)

TABLE 2

Customer	Average Daily Usage Total (Gallons)	% of Total Water Usage
Scarborough Faire	5,040,030	1.14%
Lakeview Camp	2,171,630	0.49%
White Rock RV Park	1,640,960	0.37%
Univar	1,124,940	0.25%
Flying Dutchman RV Park	957,750	0.22%
Total	10,935,310	2.47%

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MONTHLY WATER RATES BY METER SIZE (AS OF JANUARY 15, 2025)**TABLE 3**

METER SIZE	MINIMUM MONTHLY RATE
5/8" x 3/4"	\$47.41
1"	\$118.52
1 1/2"	\$237.04
2"	\$379.26
3"	\$758.52
4"	\$1,185.19
8"	\$3,792.60

MONTHLY WATER RATES (AS OF JANUARY 15, 2025)**TABLE 4**

MONTHLY RATES	
\$5.90 per thousand gallons	0 – 5,000 gallons
\$6.78 per thousand gallons	5,001 – 10,000 gallons
\$7.80 per thousand gallons	10,001 – 20,000 gallons
\$8.98 per thousand gallons	20,001 – 30,000 gallons
\$10.32 per thousand gallons	30,001 and above

Minimum charge: \$47.41

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REVENUE BOND DEBT SERVICE REQUIREMENTS
TABLE 5

Year Ending 12/31	Outstanding Debt Service			The Bonds ⁽¹⁾			Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
2025	\$ 395,000	\$ 857,963	\$ 1,252,963	\$ -	\$ -	\$ -	\$ 1,252,963
2026	410,000	844,313	1,254,313	160,000	790,739	950,739	2,205,052
2027	425,000	830,063	1,255,063	225,000	729,793	954,793	2,209,855
2028	440,000	815,963	1,255,963	235,000	716,293	951,293	2,207,255
2029	450,000	802,388	1,252,388	250,000	702,193	952,193	2,204,580
2030	465,000	788,638	1,253,638	265,000	687,193	952,193	2,205,830
2031	480,000	773,713	1,253,713	280,000	671,293	951,293	2,205,005
2032	495,000	758,238	1,253,238	300,000	654,493	954,493	2,207,730
2033	510,000	741,919	1,251,919	315,000	639,493	954,493	2,206,411
2034	530,000	725,138	1,255,138	330,000	623,743	953,743	2,208,880
2035	545,000	707,225	1,252,225	345,000	607,243	952,243	2,204,468
2036	565,000	688,763	1,253,763	365,000	589,993	954,993	2,208,755
2037	585,000	669,388	1,254,388	380,000	571,743	951,743	2,206,130
2038	605,000	649,275	1,254,275	400,000	554,643	954,643	2,208,918
2039	625,000	627,875	1,252,875	415,000	536,643	951,643	2,204,518
2040	650,000	605,975	1,255,975	435,000	517,968	952,968	2,208,943
2041	675,000	576,925	1,251,925	455,000	498,393	953,393	2,205,318
2042	705,000	546,778	1,251,778	475,000	477,463	952,463	2,204,241
2043	740,000	515,028	1,255,028	500,000	454,900	954,900	2,209,928
2044	770,000	481,794	1,251,794	525,000	429,900	954,900	2,206,694
2045	805,000	450,513	1,255,513	550,000	403,650	953,650	2,209,163
2046	845,000	410,263	1,255,263	575,000	376,150	951,150	2,206,413
2047	885,000	368,013	1,253,013	605,000	346,825	951,825	2,204,838
2048	930,000	323,763	1,253,763	635,000	315,970	950,970	2,204,733
2049	975,000	277,263	1,252,263	670,000	283,585	953,585	2,205,848
2050	1,025,000	227,294	1,252,294	705,000	249,415	954,415	2,206,709
2051	1,080,000	174,763	1,254,763	740,000	213,460	953,460	2,208,223
2052	1,135,000	119,413	1,254,413	780,000	174,980	954,980	2,209,393
2053	1,195,000	61,244	1,256,244	820,000	134,420	954,420	2,210,664
2054	-	-	-	860,000	91,780	951,780	951,780
2055	-	-	-	905,000	47,060	952,060	952,060
	<u>\$ 19,940,000</u>	<u>\$ 16,419,882</u>	<u>\$ 36,359,882</u>	<u>\$ 14,500,000</u>	<u>\$ 14,091,409</u>	<u>\$ 28,591,409</u>	<u>64,951,291</u>

(1) Preliminary, subject to change. Amounts may differ due to rounding. Interest estimated at market rates for purposes of illustration.

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APPENDIX B
SELECTED PROVISIONS OF THE BOND RESOLUTION

RESOLUTION

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT WATER SYSTEM REVENUE BONDS, SERIES 2025, IN AN AGGREGATE MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$14,500,000; AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT/REGISTRAR AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

WHEREAS, the Board of Directors of Buena Vista-Bethel Special Utility District (the "District"), desires to adopt a Resolution and to take such other actions which may be necessary to authorize the issuance of water system revenue bonds, payable from a pledge of the net revenues of the water system of the District, for the purpose of evidencing the indebtedness of the District for all or any part of the cost of construction or improvements to certain water system improvements including:

1. Construction of Deep Trinity Sands Water Well;
2. Construction of 2,000,000 gallons per day pump station;
3. Construction of 1,000,000 ground storage tank; and
4. Installation of pressure reducing valve and vault to Greystone distribution line;
5. Construction of 12-inch offsite water main and accessories to Campbell Road;
6. Angus Road water line improvements;
7. North Oak waterline improvements;
8. Preliminary sitework/tree clearing at proposed Plant No. 6 location; and
9. Extension of 3-phase power to proposed Plant No. 6 location.

(the "Project"), with the entire Project being a part of the District's water "System" as defined herein; and

WHEREAS, the District is a political subdivision of the State of Texas, being a conservation and reclamation district created and functioning under Article XVI, Section 59, of the Texas Constitution, and further acting pursuant to the laws of the State of Texas, including Chapters 49 and 65 of the *Texas Water Code*;

NOW, THEREFORE:

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Bonds of the District shall be and are hereby authorized to be issued in an aggregate maximum principal amount of \$14,500,000 to be designated and bear the title "BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT WATER SYSTEM REVENUE BONDS, SERIES 2025" (hereinafter referred to as the "Bonds"), for the purpose of providing funds for the acquisition and construction of the Project and to pay costs of issuance, in accordance with authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Section 65.501, et seq. *Texas Water Code*, as amended.

SECTION 2: Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities - Interest Rates. The Bonds shall be issued as fully registered obligations only, shall be dated November 15, 2025 (the "Issue Date"), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable (as the "Stated Maturities") and bear interest from the date of delivery at the rate(s) per annum set forth below:

<i>Payment Date</i>	<i>Principal</i>	<i>Interest Rate</i> [To be revised for any Term Bonds]
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The Bonds shall bear interest on their unpaid principal amounts from their date of delivery at the rate(s) per annum shown above (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on each June 15 and December 15, commencing June 15, 2026, to maturity or prior redemption.

SECTION 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holder" or "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of UMB Bank, N.A., Austin, Texas, to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the District by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Bond Registrar, Paying Agency and Transfer Agency Agreement" (the "Paying Agent/Registrar Agreement"), applicable to the Bonds and such reasonable rules and regulations as the Paying Agent/Registrar and the District may prescribe. The President and Secretary of the Board of Directors are hereby authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The District covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged. The District retains the right to change the Paying Agent/Registrar. Any successor Paying Agent/Registrar shall be a commercial bank or trust company, organized under the laws of the State of Texas, or other entity duly qualified and legally authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the District agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities, or earlier redemption date, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices in Austin, Texas (the "Designated Payment/Transfer Office"). Interest on the Bonds shall be paid to the Holders whose name appears in the Security Register at the close of business on the Record Date (being the close of business on the fifteenth day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the District where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive Resolution to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from

the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each owner of a Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

(a) Optional Redemption. The District reserves the right, at its option, to redeem Bonds maturing December 15, 2032, and thereafter, on December 15, 2031, or any date thereafter, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof (and, if within a stated maturity, selected at random and by lot by the Paying Agent/Registrar), at the par value thereof plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the District may select the series and maturities of Bonds to be redeemed. If less than all the Bonds of any series and maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book Entry Only form) shall determine by lot or other customary random selection method the Bonds, or portions thereof, within such series and maturity to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date. Notice of redemption shall be given in the manner provided in the form of Bonds set forth herein.

With respect to any optional redemption of the Bonds, unless the prerequisites to such redemption required by the Resolution have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

(b) [Mandatory Redemption. [To be included if Term Bonds are Issued] The Bonds in this Series maturing on _____, in the years shown below are subject to mandatory redemption prior to maturity in part at random, by lot or other customary random selection method selected by the Paying Agent/Registrar, at par plus accrued interest to the redemption date, and without premium, with funds on deposit in the Interest and Sinking Fund. Such Bonds shall be redeemed by the Paying Agent/Registrar on December 15 in each of the years and in the principal amounts, respectively, as are set forth in the following schedule:

The principal amount of the Bonds required to be redeemed pursuant to the operation of such mandatory sinking fund redemption shall be reduced, at the option of the District, by the principal amount of any Bonds which, at least 50 days prior to the mandatory sinking fund redemption date (i) shall have been purchased by the District and delivered to the Paying Agent/Registrar for cancellation, (ii) shall have been purchased and cancelled by the Paying Agent at the request of the District at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase, or (iii) shall have been redeemed pursuant to the optional redemption provision described above and not theretofore credited against a mandatory redemption requirement.]

SECTION 5. Definition of Terms. In each place throughout this Resolution wherein the following terms, or any of them, are used, the same, unless the context shall indicate another or different meaning or intent, shall be construed and are intended to have the meanings as follows:

- (a) “Act” means Chapter 65 of the *Texas Water Code* (particularly Section 65.501, *et seq*) .
- (b) “Additional Bonds” means any Bonds issued on a parity with the Bonds in accordance with Section 20 of this Resolution.
- (c) “Annual Debt Service” means the total annual principal and interest payments to be made in each Fiscal Year on all Bonds, the Outstanding Parity Debt, any Additional Bonds, and other outstanding indebtedness of the District.
- (d) “Board of Directors” or “Board” means the Board of Directors of the District.
- (e) “Certified Public Accountant” means any certified public accountant or firm of such public accounts of suitable experience and qualifications selected by the District.
- (f) “Depository” means the bank or banks which the District selects (whether one or more), in accordance with law, as its depository.
- (g) “District” means Buena Vista-Bethel Special Utility District, and any other public body or agency at any time succeeding to the property and principal rights, powers and obligations of said District.
- (h) “Fiscal Year” means each twelve month fiscal year period of the District, currently beginning January 1 of each year.
- (i) “Gross Revenues” means all revenues and income of the District of every nature from any source whatsoever.
- (j) “Net Revenues” means Gross Revenues minus Operation and Maintenance Expenses for the same applicable Fiscal Year.
- (k) “Maximum Annual Debt Service” means the total Annual Debt Service due in the Fiscal Year of the District in which the aggregate Annual Debt Service is the highest.
- (l) “Bond” or “Bonds” means the District’s Water System Revenue Bonds, Series 2025 being issued pursuant to this Resolution.
- (m) “Bond Resolution” means this resolution and any amendments hereto.
- (n) “Operation and Maintenance Expenses” means all reasonable and necessary current costs of operation and maintenance determined in accordance with generally accepted accounting principles applicable to the District, including, but not limited to, repairs, operating expenses, the cost of utilities, supervision, engineering, accounting, auditing, legal services, insurance premiums, supplies, services, administrative costs, and equipment necessary for proper operation and maintenance of the System. Depreciation and amortization shall not be considered an item of Operation and Maintenance Expense.
- (o) “Outstanding Parity Debt” means the District’s Water System Revenue Refunding Bonds, Series 2017, Water System Revenue Bonds, Series 2019 and Water System Revenue Notes, Series 2023.
- (p) “Parity Bonds” means the Bonds, the Outstanding Parity Debt, and any Additional Bonds.
- (q) “Paying Agent/Registrar” means UMB Bank, N.A., Austin, Texas.

(r) "Pledged Revenues" means all Net Revenues of the District.

(s) "System" means the entire waterworks system of the District.

SECTION 6: Registration - Transfer - Exchange of Bonds-Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Resolution, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office for cancellation, accompanied by execution of any assignment form on the Bonds, or a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the single Initial Bond referenced in Section 8) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds shall be registered and issued to the assignee or transferee of the previous Holder; such Bonds to be in authorized denominations, of like Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. To the extent possible, whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange, to the extent possible within three business days of receipt of the Bonds to be exchanged.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the District, evidencing the same obligation to pay, and entitled to the same benefits under this Resolution, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 11 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

New Bonds issued in an exchange or transfer of Bonds will be delivered to the registered Holder or assignee of the registered Holder promptly after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered Holder or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one series and maturity and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer. Neither the District nor the Paying Agent/Registrar shall be required to transfer or exchange any Bonds (i) during the period commencing with the close of business on any Record Date and ending with the opening of

business on the next following principal or interest paying date, or (ii) with respect to Bonds called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered Holder of the uncalled balance of a Bond.

SECTION 7: Book-Entry Only Transfers and Transactions. Notwithstanding the provisions contained in Section 6 hereof relating to the payment, and transfer/exchange of the Bonds, and as further provided in Section 24 hereof, the District hereby approves and authorizes the use of the "Book-Entry Only" securities clearance, settlement and transfer system provided by The Depository Trust Company (DTC), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in a Blanket Issuer Letter of Representations by and between the District and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, at the option of the Holders the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event the Book-Entry-Only System should be discontinued, the Bonds will be printed and delivered to the registered Holders thereof and thereafter the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered Holder, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer, all as provided in Section 5 hereof.

SECTION 8: Execution - Registration. The Bonds shall be executed on behalf of the District by the President of its Board of Directors under its seal reproduced or impressed thereon and countersigned by the Secretary of the Board of Directors. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the District on the Issue Date shall be deemed to be duly executed on behalf of the District, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in the V.T.C.A., *Government Code*, Chapter 1201. The Paying Agent, acting as registrar of the Bonds, shall register the Bonds on its records on behalf of the District.

No Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9C, manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9D, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 9: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered Bond in the total principal amount of \$14,500,000 with principal installments to become due and payable as provided in the form of such Bond and numbered T-1, or (ii) as multiple fully registered Bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from R-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the

delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

A. Forms Generally.

The Bonds, the Registration Certificate of the Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution and/or the Pricing Certificate, and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on insured Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the District or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, or engraved or typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

The form of Initial Bond No. T-1, to be submitted to the Attorney General of Texas and registered with the Comptroller of Public Accounts of the State of Texas, is attached hereto as Exhibit A.

B. Form of Definitive Bond.

The definitive Bonds shall be substantially in the following form, with such appropriate insertions, omissions, substitutions and variations as are permitted or required by this Resolution.

REGISTERED _____
NO.

UNITED STATES OF AMERICA
STATE OF TEXAS
BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT,
WATER SYSTEM REVENUE BONDS
SERIES 2025

Issue Date:	Interest Rate:	Stated Maturity:	CUSIP NO:
November 15, 2025	_____ %	December 15,	119224

Registered Owner:

Principal Amount: _____ DOLLARS

Buena Vista-Bethel Special Utility District (hereinafter referred to as the "District"), a political subdivision of the State of Texas, acting pursuant to Chapter 65 of the *Texas Water Code*, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated, and to pay interest on the unpaid principal amount hereof from the date of delivery hereof at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months. Principal of this Bond is payable at its Stated Maturity to the

registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of UMB Bank, N.A., Austin, Texas (the "Paying Agent/Registrar") executing the registration certificate appearing hereon, or its successor. Accrued interest on the unpaid principal amount hereof is payable on June 15 and December 15 in each year, commencing June 15, 2026 until maturity or earlier redemption, to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Resolution hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the close of business on the fifteenth day of the month next preceding each interest payment date, and such interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$14,500,000 (herein referred to as the "Bonds") for the purpose of providing funds for the cost of acquisition and construction of certain improvements to the District's water system, and to pay costs of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, including Chapter 65 of the *Texas Water Code*, and pursuant to a Resolution adopted by the Board of Directors of the District (herein referred to as the "Resolution").

Reference is hereby made to the Resolution, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the District and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Resolution.

The District reserves the right, at its option, to redeem Bonds having stated maturities on and after December 15, 2032 in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof (and, if within a stated maturity, selected at random and by lot by the Paying Agent/Registrar), on December 15, 2031 or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the District may select the series and maturities of Bonds to be redeemed. If less than all the Bonds of any series and maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book Entry Only form) shall determine by lot or other customary random selection method the Bonds, or portions thereof, within such series and maturity to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

AT LEAST 30 DAYS prior to a redemption date for the Bonds, the District shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, in the name of the District and at the District's expense, by the Paying Agent/Registrar to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

ANY NOTICE SO MAILED WILL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, AND ANY CONDITIONS STATED IN THE NOTICE HAVING BEEN MET, THE BONDS CALLED FOR REDEMPTION WILL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF WILL CEASE TO ACCRUE. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the District, all as provided in the Bond Resolution.

The District reserves the right in the case of an optional redemption to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the District retains the right to rescind such notice at any time prior to the scheduled redemption date if the District delivers a certificate of the District to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a conditional redemption, the failure of the District to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an Event of Default.

With respect to any optional redemption of the Bonds, unless the prerequisites to such redemption required by the Resolution have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

[TO BE INCLUDED IF TERM BONDS ARE ISSUED] [THE BONDS OF THIS SERIES maturing on December 15 in the years shown below are subject to mandatory sinking fund redemption prior to maturity in part at random, by lot or other customary random selection method selected by the Paying Agent/Registrar, at par plus accrued interest to the redemption date, and without premium, with funds on deposit in the Interest and Sinking Fund. Such Bonds shall be redeemed by the Paying Agent/Registrar on December 15 in each of the years and in the principal amounts, respectively, as are set forth in the following schedule:

*Final Maturity]

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the offices for payment of the Paying Agent/Registrar is located are authorized by law or executive Resolution to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The District and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity and (iii) on any other date as the owner for all other purposes, and neither the District nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special obligation of the District and for the purpose of providing for the payment and security of the Bonds, the District has pledged the Net Revenues to be received by the District. AS TO THE PLEDGE OF SUCH NET REVENUES, SUCH PLEDGE IS ON A PARITY WITH THE PLEDGE SECURING THE DISTRICT'S WATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2017, THE DISTRICT'S WATER SYSTEM REVENUE BONDS, SERIES 2019 AND THE DISTRICTS WATER SYSTEM REVENUE NOTES, SERIES 2023. Reference is made to the Bond Resolution for a further description of the revenues pledged to the payment of the interest on and principal of the Bonds, the circumstances under which Additional Bonds may be issued, the amount and extent of the security therefor, and a statement of the rights, duties and obligations of the District and the rights of the holders of the Bonds, to all provisions of which the holder hereof, by the acceptance of this Bond, assents.

THE DISTRICT HAS NO TAXING POWER. THE HOLDER HEREOF SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS OBLIGATION OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION.

IN WITNESS WHEREOF, the Board of Directors of the District has caused this Bond to be duly executed under the official seal of the District as of the Issue Date.

BUENA VISTA-BETHEL SPECIAL UTILITY
DISTRICT

President, Board of Directors

COUNTERSIGNED:

Secretary, Board of Directors

(SEAL)

C. *Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	)	
	)	
OF PUBLIC ACCOUNTS	)	REGISTER NO.
	)	
THE STATE OF TEXAS	)	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Do not print on definitive Bonds

(D) Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered in the name of the Registered Owner shown above under the provisions of the within-mentioned Resolution; the Bond or Bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated office of the Paying Agent/Registrar in _____, is the Designated Payment/Transfer Office for this Bond.

UMB Bank, N.A.,
as Paying Agent/Registrar

Registration date: _____

By: _____
Authorized Signature

(E) Form of Assignment.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(Please insert Social Security or Taxpayer Identification Number of Transferee)

(Please print or typewrite name and address, including zip code, of Transferee.)

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

SECTION 10: Rate Covenant and Pledge. So long as any Parity Bonds remain outstanding, the District shall fix, charge and collect rates and charges for the use and services of the System which are calculated to be fully sufficient to produce Pledged Revenues of the System in each Fiscal Year at least equal to the amount required to maintain the Interest and Sinking Fund and the Reserve Fund so as to provide for the payment of principal and interest on all Parity Bonds (including the Series 2025 Water System Revenue Bonds) then outstanding and to pay the Maintenance and Operation Expenses of the System.

The District will not grant or permit any free service from the System except for buildings and institutions operated by the District.

Proper officers of the District are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

The District hereby pledges and grants a lien on the Pledged Revenues in order to secure the payment of the principal and interest on the Parity Bonds as the same become due. Said lien and pledge are granted equally for the benefit of the holders of all Parity Bonds. The Pledged Revenues are further pledged to the establishment and maintenance of the Interest and Sinking Fund and the Reserve Fund as provided in this Bond Resolution.

Chapter 1208, *Government Code* applies to the issuance of the Bonds and the pledge of Net Revenues granted by the District hereunder, and such pledge, therefore, is valid, effective, and perfected. If Texas law is amended at any time while the Parity Bonds are outstanding and unpaid such that the pledge of Net Revenues granted by the District hereunder is to be subject to the filing requirements of Chapter 9, *Texas Business and Commerce Code*, then in Resolution to preserve to the registered Holders

the perfection of the security interest in such pledge, the District agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing to perfect the security interest in such pledge to occur.

SECTION 11: Mutilated - Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar shall execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the District and the Paying Agent/Registrar harmless. All taxes, governmental charges and other expenses associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Resolution equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 12: Satisfaction of Obligation of District; Defeasance. If the District shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge of Pledged Revenues levied under this Resolution and all covenants, agreements, and other obligations of the District to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid and no longer outstanding within the meaning and with the effect expressed above in this Section when payment of principal of and interest on such Bonds to their stated maturity or redemption has been made or provided in any manner permitted by applicable law. Under current law, such payment may be accomplished by depositing with the Paying Agent, irrevocably and in trust, any combination of (1) money in an amount sufficient to make such payment and/or (2) Government Securities having such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment, and all necessary and proper fees, compensation and expenses of the Paying Agent for the Bonds. "Government Securities" means (A) direct, noncallable obligations of the United State of America, including obligations that are unconditionally guaranteed by the United States of America, (B) noncallable obligations of any agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent, and (C) noncallable obligations of a state or an agency or county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of such refunding Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under applicable laws of the State. The District has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the District moneys in excess of the amount required for such defeasance. The foregoing obligations may be in book-entry form, and shall mature and/or bear interest payable at

such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds. If any of such Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for giving notice of redemption as provided in this Resolution.

Upon such deposit as described above, the Bonds shall no longer be regarded to be outstanding or unpaid for purposes of applying any limitation or indebtedness. After firm banking and financial arrangements for the discharge and final payment of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption following their defeasance is not extinguished, if the District (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption, (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the District or deposited as directed by the District. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Bonds shall upon the request of the District be remitted to the District against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the District shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 13: Resolution a Contract - Amendments - Outstanding Bonds. This Resolution shall constitute a contract with the Holders from time to time, be binding on the District, and shall not be amended or repealed by the District so long as any Bond remains Outstanding except as permitted in this Section. The District may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the District may, with the consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the consent of all Holders of Outstanding Bonds, as the case may be, affected, no such amendment, addition, or rescission may (1) make any change in the maturity of any outstanding Bonds, (2) reduce the rate of interest borne by any of the outstanding Bonds, (3) reduce the amount of principal of, or redemption premium, if any, payable on any outstanding Bonds, (4) modify the terms of payment of principal of or interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment or alter the pledge securing their payment, or (6) change the minimum percentage of the principal amount of the Bonds necessary for consent to any such amendment.

The term "Outstanding" when used in this Resolution with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Resolution, except:

- (1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Bonds deemed to be duly paid by the District in accordance with the provisions of Section 12 hereof; and
- (3) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 11 hereof.

SECTION 14: Covenants to Maintain Tax-Exempt Status. (a) Definitions. When used in this Section, the following terms shall have the following meanings:

"*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"*Code*" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"*Computation Date*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Gross Proceeds*" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"*Investment*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Nonpurpose Investment*" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"*Rebate Amount*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Regulations*" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"*Yield*" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The District shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the District receives a written opinion of counsel nationally recognized in the field of municipal Bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the District shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the District shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be refinanced directly or indirectly with Gross Proceeds of the Bonds (being the Project), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public, or no payment is made directly or indirectly for such use in an amount exceeding 10% of the debt service on the Bonds; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than water rates of general application within the District or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the District shall not use Gross Proceeds of the Bonds to make or refinance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the District shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby) (and particularly including amounts deposited into the Escrow Fund), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the District shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The District shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The District shall account for all Gross Proceeds (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 shall retain all records of accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the District may commingle Gross Proceeds of the Bonds with other money of the District, provided that the District separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the District shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The District shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in Resolution to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the District shall pay to the United States out of the Interest and Sinking Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The District shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the District shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The District hereby directs and authorizes the President of the Board of Directors of the District, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Bonds Not Hedge Bonds. (1) The District reasonably expects to spend at least 85% of the spendable proceeds of the Bonds within three years after such Bonds are issued and (2) none of the proceeds of the Bonds shall be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(l) No Designation as Qualified Tax Exempt Obligations. The District does not designate the Bonds as qualified tax exempt obligations under Section 265(b) of the Code.

(m) Tax Certificate. The District confirms and agrees to comply with the provisions of the No Arbitrage and Tax Certificate (or similar documents however titled) delivered in connection with the Bonds, all of which are incorporated herein by reference, and the provisions and representations in which remain true as of the date hereof.

SECTION 15: Sale of Bonds. The Bonds authorized by this Resolution are hereby sold by the District to _____ (herein referred to as the "Purchaser") in accordance with the Purchaser's bid, dated October 16, 2025, and incorporated herein by reference as a part of this Resolution for all purposes. The Board of Directors hereby finds that such bid was the lowest and best bid reasonably available. The President of the Board is hereby authorized and directed to execute a purchase contract, if any is required

to evidence the sale of the Bonds, and all other documents relating to the issuance of the Bonds, for and on behalf of the District and as the act and deed of this Board of Directors, and the District Secretary is authorized to attest all documents relating to the issuance of the Bonds, and in regard to the approval and execution of the Purchase Contract, the Board of Directors hereby finds, determines and declares that the representations, warranties and agreements of the District contained therein are true and correct in all material respects and shall be honored and performed by the District. No Purchase Agreement shall be required if a signed bid form is provided by the Purchaser.

Furthermore, the use of the Preliminary Official Statement dated _____ in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement reflecting the terms of sale (together with such changes approved by the President, and any one or more of said officials), shall be and is hereby in all respects approved and the Purchaser is hereby authorized to use and distribute said final Official Statement, in the reoffering, sale and delivery of the Bonds to the public. The President and District Secretary are further authorized and directed to manually execute and deliver for and on behalf of the District copies of said Official Statement in final form as may be required by the Purchaser, and such Official Statement in the final form and content manually executed by any one or more of said officials shall be deemed to be approved by the Board of Directors and constitute the Official Statement authorized for distribution and use by the Purchaser.

SECTION 16. Rate Covenant; Revenue Fund. The District hereby agrees to fix, change and collect rates and charges for the use and services of the System which are calculated to be fully sufficient to produce Pledged Revenues of the System in an amount sufficient, during each Fiscal Year, to produce Net Revenues sufficient to pay (i) the Operation and Maintenance Expenses of the District, (ii) the Annual Debt Service, and (iii) all amounts required to be on deposit in any Fund established in this Resolution, and any Resolution authorizing other Parity Bonds, or any other debt proceedings applicable to the District.

The District will not grant or permit any free service from the System except for buildings and institutions operated by the District.

There is hereby created and there shall be established and maintained on the books of the District, and accounted for separate and apart from all other funds of the District, a special fund, to be held by the District's depository bank, entitled the "Buena Vista-Bethel Special Utility District Water System Fund" hereinafter called the "Revenue Fund". All Gross Revenues of the System (except investment interest and income of the Interest and Sinking Fund created by this Resolution) shall be credited to the Revenue Fund immediately upon receipt and shall be paid in the priority set forth below.

First, all Operation and Maintenance Expenses of the System shall be paid from such Gross Revenues credited to the Revenue Fund, as a first charge against same;

Second, after providing for payment of Operation and Maintenance Expenses as provided above, the District shall next make payment into the respective Interest and Sinking Funds established for (i) the Bonds, (ii) Outstanding Parity Debt; and (iii) any Additional Bonds, with such deposits to be on a parity with the deposit made into the Interest and Sinking Fund for the Bonds referred to in Section 17 below;

Third, the District shall make all payments required into any reserve fund established for (i) the Outstanding Parity Debt; (ii) the Bonds; and (iii) any Additional Bonds; and

Fourth, any remaining funds in the Revenue Fund may be used for any lawful purpose of the District.

SECTION 17. Interest and Sinking Fund. For the sole purpose of paying the principal of and interest on all Bonds and any Parity Bonds, as the same come due, there is hereby created and there shall be established and maintained with the depository bank, a separate fund to be entitled the "Buena Vista-Bethel Special Utility District Water System Revenue Bonds, Series 2025 Interest and Sinking Fund"

thereinafter called the "Interest and Sinking Fund"). Each year, the District shall deposit into such Interest and Sinking Fund the amount required to pay the principal and interest on the Parity Bonds, as the same become due.

SECTION 18. Reserve Fund. As additional security for the payment of the Bonds, Outstanding Parity Debt, and any Additional Bonds, if any, hereafter issued, the District shall maintain a Reserve Fund and accumulate and maintain therein an amount (the "Required Reserve") equal to the least of (i) the maximum annual principal and interest on the Parity Bonds, (ii) 10% of the stated principal amount of the Parity Bonds, or (iii) 125% of the average annual principal and interest requirements of the Parity Bonds (calculated on a Fiscal Year basis) for all Parity Bonds then outstanding, as determined on the date each series of Additional Parity Bonds are delivered or incurred, as the case may be. The Reserve Fund shall be held by the District's depository bank. Such amounts shall be held by the District to make payments of principal and interest on the Bonds, the Outstanding Parity Debt, and any Additional Bonds, as the same become due in the event that other District funds are not available to pay the same. Should a draw be made against the Reserve Fund, the amount so drawn shall be restored as required herein.

In no event shall a draw on the Reserve Fund be an Event of Default. Failure to replenish such fund as required in this section shall be an Event of Default.

SECTION 19. Investment of Funds. All funds of the District, including moneys on deposit in any Fund created hereunder, may only be invested in accordance with the laws of the State of Texas, including the Texas Public Funds Investment Act. Such funds shall be collateralized in accordance with the Texas Public Funds Collateral Act for all deposits in excess of the amount insured by the Federal Deposit Insurance Corporation.

SECTION 20. Additional Bonds. The District reserves the right to issue, for any lawful purpose (including the refunding of the Bonds or any other Bonds or obligations of the District issued in connection with or payable from the revenues of the System), one or more series of Additional Bonds payable from and secured by a first lien on the Pledged Revenues, including the Net Revenues of the System, on a parity with the Bonds, the Outstanding Parity Debt, and any other outstanding Additional Bonds or other parity debt. To issue new parity debt the District shall obtain a written certificate from an independent certified public accountant or the financial advisor to the District to the effect that, during either the last preceding Fiscal Year, or any twelve consecutive calendar month period ending not later than ninety (90) days preceding the month in which the resolution authorizing the issuance of the then proposed Additional Bonds is passed, the Net Revenues of the System were at least 1.25 times the average annual principal and interest requirements of all Parity Bonds then outstanding and the Additional Bonds which are scheduled to be outstanding after the delivery of the then proposed Additional Bonds. In calculating the amount of Net Revenues for the purposes of complying with such requirement, the accountant may take into consideration any increase in the rates of charges for services of the System which is then in effect and which has been in effect for at least 60 days prior to the month in which the resolution authorizing the issuance of the proposed Additional Bonds is passed, but which was not in effect during all of the entire period for which the Pledged Revenues are being calculated (hereinafter referred to as the "entire period") or in lieu of the certified public accountant, a firm of consulting engineers, may determine and certify the amount of Net Revenues as being the total of (i) the actual Net Revenues for the entire period, plus (ii) a sum equal to the aggregate amount by which the actual billings to customers of the System during the entire period would have been increased if such increased rates or charges had been in effect during the entire period.

For purposes of satisfying the terms and conditions for the issuance of Additional Bonds, the term "Net Revenues of the System" means all of the Gross Revenues of the System less the Maintenance and Operation Expenses of the System, except that in calculating Net Revenues there shall not be deducted as Maintenance and Operation Expenses any depreciation or amortization.

In addition to the requirements above the District shall deliver a certificate executed by the President and Secretary of the Board of Directors of the District to the effect that no default exists in

connection with any of the covenants or requirements of the resolution or resolutions authorizing the issuance of all then outstanding Parity Bonds, or other indebtedness of the District, and that the Interest and Sinking Fund and the Reserve Fund for all Parity Bonds each contains the amount then required to be on deposit therein; and

SECTION 21: [deleted]

SECTION 22: Control and Custody of Bonds. The President and Secretary of the Board of Directors of the District are each hereby severally authorized to take and have charge of all necessary records pending review of the Bonds by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

Furthermore, the President and the Secretary of the Board of Directors, any one or more of said officials, are hereby authorized and directed to furnish and execute such agreements, documents and certifications relating to the District and the issuance, sale and delivery of the Bonds, including certifications as to facts, estimates, circumstances and reasonable expectations pertaining to the use, expenditure and investment of the proceeds of the Bonds, as may be necessary for the approval of the Attorney General, the registration by the Comptroller of Public Accounts and the delivery of the Bonds to the Purchasers, and, together with the District's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond(s) to the Purchasers and the initial exchange thereof for definitive bonds.

SECTION 23: [deleted]

SECTION 24: Book-entry Only System.

(a) The permanent Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each of the stated maturities set forth in the Pricing Certificate. Upon initial issuance, the ownership of each Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC"). The Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the District, the Registrar, and the Paying Agent shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of which a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District, the Registrar, and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than a bondholder (initially Cede & Co.), as shown in the registration books kept by the Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than a bondholder, as shown in the registration books kept by the Bond Registrar (initially Cede & Co.) of any amount with respect to principal of, premium, if any, or interest on the Bonds. The District, the Bond Registrar, and the Paying Agent shall treat and consider the Person in whose name each Bond is registered in the registration books kept by the Bond Registrar (initially Cede & Co.) as the holder and absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the Resolution of the respective bond holders, as shown in the registration books kept by the Bond Registrar (initially Cede & Co.), and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than a

bondholder, as shown in the registration books kept by the Bond Registrar (initially Cede & Co.), shall receive a certificated Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(c) The Letter of Representations in substantially the form provided by DTC, with such changes, omissions, insertions and revisions as the President of the Board of Directors shall approve, is hereby authorized, and the President of the Board of Directors shall execute and deliver such Letter of Representations to DTC. The approval of the President of the Board of Directors of any such changes, omissions, insertions and revisions shall be conclusively established by said person's execution and delivery of the Letter of Representations which shall not in any way impose upon the District any obligation whatsoever with respect to Persons having interests in the Bonds other than the bond holders, as shown on the registration books kept by the Registrar. The Registrar shall take all action necessary for all representations of the District in the Letter of Representations with respect to the Paying Agents and the Registrar, respectively, to at all times be complied with.

(d) (i) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law.

(ii) The District, in its sole discretion and without the consent of any other Person, may terminate the services of DTC with respect to the Bonds if the District determines that:

(A) DTC is unable to discharge its responsibilities with respect to the Bonds,
or

(B) a continuation of the requirements that the Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

The District shall not discontinue the services of DTC without first giving at least sixty (60) days advance written notice of the same to the Paying Agent/Registrar.

(iii) Upon the termination of the services of DTC with respect to the Bonds pursuant to subsection 24(d)(ii)(B) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection 19(d)(i) or subsection 24(d)(ii)(A) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the District, is willing and able to undertake such functions upon reasonable and customary terms, the District is obligated to deliver certificated Bonds as described in this Resolution, and the Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Bond Holders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution. Upon discontinuance, for any reason, of DTC's services with respect to the Bonds, DTC shall be responsible for providing a list of the DTC Participants (and a contact at each) to the Registrar in Resolution that the DTC Participants may provide the Registrar with a list of the beneficial owners in Resolution that the beneficial owner may receive a certificated Bond or notice of the substitute securities depository willing to undertake the functions of DTC as provided in this Resolution.

In the event the Book-Entry-Only System should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be

without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer. The District and the Paying Agent/Registrar may treat the person in whose name a Bond is registered as the absolute owner thereof for all purposes, whether or not such Obligation is overdue, including for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on, such Bond.

(e) Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

SECTION 25: Notices to Holders - Waiver. Wherever this Resolution provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Resolution provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 26: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the District, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/ Registrar. The District may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the District may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the District.

SECTION 27: Market Opinion. The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Naman, Howell, Smith & Lee, PLLC, Attorneys, Austin, Texas, approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds, but the absence of same shall not affect the validity of the Bonds.

SECTION 28: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds deposited with The Depository Trust Company or on printed definitive Bonds. It is expressly provided,

however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the District nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 29: Benefits of Resolution. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person other than the District, the Paying Agent/Registrar, the Escrow Agent and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the District, the Paying Agent/Registrar and the Holders.

SECTION 30: Inconsistent Provisions. All Resolutions or 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 contained herein.

SECTION 31: Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 32: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 33: Construction of Terms. If appropriate in the context of this Resolution, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 34: Severability. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and the Board of Directors hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 35: Incorporation of Findings and Determinations. The findings and determinations of the Board of Directors contained in the preamble hereof are hereby incorporated by reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

SECTION 36: Continuing Disclosure Undertaking. (a) *Definitions*. As used in this Section, the following terms have the meanings ascribed to such terms below:

"EMMA" means the Electronic Municipal Market Access program of the MSRB.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC.

"SEC" means the United States Securities and Exchange Commission.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in Appendix A – Financial Information of the District in Tables 1 through 5 of the Official Statement related to issuance and sale of the Bonds, together

with the District's annual audit. The District will update and provide this information within six months after the end of each fiscal year ending in 2025 and thereafter.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Website or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements for the District, if the District commissions an audit and it is completed by the required time. If audited financial statements cannot be provided, the District will provide unaudited financial information of the type described in the preceding paragraph by the required time and audited financial statements when they become available. Any such financial statements will be prepared in accordance with the accounting principles described in the District's annual financial statements, or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation.

Notice of Certain Events

The District shall notify the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Bonds: (1) Principal and interest payment delinquencies; (2) Unscheduled draws on debt service reserves reflecting financial difficulties; (3) Unscheduled draws on credit enhancements reflecting financial difficulties; (4) Substitution of credit or liquidity providers, or their failure to perform; (5) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (6) Tender offers; (7) Defeasances; (8) Rating changes; (9) Bankruptcy, insolvency, receivership or similar event of the District⁽¹⁾; (10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation⁽²⁾ of the District.

The District shall notify the MSRB of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event: (1) Unless described by (5) above, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds; (2) Modifications to rights of bond holders; (3) Optional, unscheduled or contingent Bond calls; (4) Release, substitution, or sale of property securing repayment of the Bonds; (5) Non-payment related defaults; (6) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; (7) Appointment of a successor or additional Paying Agent/Registrar or change in the name of the Paying Agent/Registrar; and (8) Incurrence of a Financial Obligation⁽²⁾ of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders.

- (1) For the purposes of the event identified in (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

- (2) “Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

Limitations and Amendments

The District has agreed to update information and to provide notices of certain specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the Outstanding Parity Debt consent or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Bonds. The District may also repeal or amend its agreement if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the District amends its agreement, it shall include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

SECTION 37. Events of Default. The following shall constitute an Event of Default hereunder:

(a) The failure by the District to make payment of principal and/or interest due on the Bonds and the Parity Debt, or the failure by the District to make payment into any fund or funds established hereunder or thereunder, as the same become due.

(b) Default by the District in the observance or performance of any of the other covenants, conditions or obligations of the District hereunder or imposed on the District by law applicable to the Bonds.

Upon and following any event of default, any owner of a Bond is entitled to seek all legal remedies provided by the Constitution and laws of the State of Texas to compel the District to remedy such default and to prevent further default or defaults. Without in any way limiting the generality of the foregoing, it is expressly provided that any owner of any of the Bonds may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties required to be performed by the District under this Resolution, including the making and collection of reasonable and sufficient rates and charges for the use and services of the System, the deposit of the Pledged Revenues, including the Net Revenues of the System, into the special funds herein provided, and the application of

such Pledged Revenues in the manner required in this Resolution. The rights of the Registered Holders hereunder do not include the right to compel acceleration of the maturity of the Bonds.

SECTION 38: Public Meeting. 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 V.T.C.A., *Government Code*, Chapter 551, as amended.

SECTION 39: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below, pursuant to V.T.C.A., *Government Code*, Section 1201.028.

SECTION 40: Intentionally Omitted.

EXHIBIT A

REGISTERED
NO. T-1

UNITED STATES OF AMERICA
STATE OF TEXAS
BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
WATER SYSTEM REVENUE BONDS,
SERIES 2025

REGISTERED
\$14,500,000

Issue Date: November 15, 2025

Registered Owner: _____.

Principal Amount:

Buena Vista-Bethel Special Utility District (hereinafter referred to as the "District"), political subdivision of the State of Texas, acting pursuant to Chapter 65 of the *Texas Water Code*, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on the dates and in principal installments in accordance with the following schedule:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest Rate</u>
---------------------	------------------	----------------------

and to pay interest on the unpaid Principal Amount hereof from the date of delivery hereof at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months. Principal installments of this Bond are payable in the year of maturity, or earlier redemption date, to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of UMB Bank, N.A., Austin, Texas (the "Paying Agent/Registrar") executing the registration certificate appearing hereon, or its successor. Accrued interest on the unpaid principal amount hereof is payable on June 15 and December 15 in each year, commencing June 15, 2026 until maturity or earlier redemption, to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Resolution hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the close of business on the fifteenth day of the month next preceding each interest payment date, and such interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$14,500,000 (herein referred to as the "Bonds") for the purpose of providing funds for the cost of acquisition and construction of certain improvements to the District's water system, and to pay costs of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, including Chapter 65 of the *Texas Water Code*, and pursuant to a Resolution adopted by the Board of Directors of the District (herein referred to as the "Resolution").

Reference is hereby made to the Resolution, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the District and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or

prior to its maturity, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Resolution.

The District reserves the right, at its option, to redeem Bonds having stated maturities on and after December 15, 2032, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof (and, if within a stated maturity, selected at random and by lot by the Paying Agent/Registrar), on December 15, 2031, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the District may select the series and maturities of Bonds to be redeemed. If less than all the Bonds of any series and maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book Entry Only form) shall determine by lot or other customary random selection method the Bonds, or portions thereof, within such series and maturity to be redeemed. If a Note (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Note (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

AT LEAST 30 DAYS prior to a redemption date for the Bonds, the District shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, in the name of the District and at the District's expense, by the Paying Agent/Registrar to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

ANY NOTICE SO MAILED WILL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, AND ANY CONDITIONS STATED IN THE NOTICE HAVING BEEN MET, THE BONDS CALLED FOR REDEMPTION WILL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY NOTE OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH NOTE OR PORTION THEREOF WILL CEASE TO ACCRUE. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Note shall be redeemed a substitute Note having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the District, all as provided in the Note Resolution.

The District reserves the right in the case of an optional redemption to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the District retains the right to rescind such notice at any time prior to the scheduled redemption date if the District delivers a certificate of the District to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall

give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a conditional redemption, the failure of the District to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an Event of Default.

With respect to any optional redemption of the Bonds, unless the prerequisites to such redemption required by the Resolution have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

[THE BONDS OF THIS SERIES maturing on December 15 in the years shown below are subject to mandatory sinking fund redemption prior to maturity in part at random, by lot or other customary random selection method selected by the Paying Agent/Registrar, at par plus accrued interest to the redemption date, and without premium, with funds on deposit in the Interest and Sinking Fund. Such Bonds shall be redeemed by the Paying Agent/Registrar on December 15 in each of the years and in the principal amounts, respectively, as are set forth in the following schedule:

*Final Maturity]

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the offices for payment of the Paying Agent/Registrar is located are authorized by law or executive Resolution to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The District and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity and (iii) on any other date as the owner for all other purposes, and neither the District nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to

the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special obligation of the District and for the purpose of providing for the payment and security of the Bonds, the District has pledged the Net Revenues to be received by the District. AS TO THE PLEDGE OF SUCH NET REVENUES, SUCH PLEDGE IS ON A PARITY WITH THE PLEDGE SECURING THE DISTRICT'S WATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2017, THE DISTRICT'S WATER SYSTEM REVENUE BONDS, SERIES 2019 AND THE DISTRICT'S WATER SYSTEM REVENUE NOTES, SERIES 2023. Reference is made to the Bond Resolution for a further description of the revenues pledged to the payment of the interest on and principal of the Bonds, the circumstances under which Additional Bonds may be issued, the amount and extent of the security therefor, and a statement of the rights, duties and obligations of the District and the rights of the holders of the Bonds, to all provisions of which the holder hereof, by the acceptance of this Bond, assents.

THE DISTRICT HAS NO TAXING POWER. THE HOLDER HEREOF SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS OBLIGATION OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION.

IN WITNESS WHEREOF, the Board of Directors of the District has caused this Bond to be duly executed under the official seal of the District as of the Issue Date.

BUENA VISTA-BETHEL SPECIAL UTILITY
DISTRICT

President, Board of Directors

COUNTERSIGNED:

Secretary, Board of Directors

(SEAL)

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	)	
	)	
OF PUBLIC ACCOUNTS	)	REGISTER NO.
	)	
THE STATE OF TEXAS	)	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____

(Please print or type name, address and zip code of Transferee)

(Please insert Social Security or Taxpayer Identification Number of Transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ attorney to transfer such bond on the books kept for
registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature must be guaranteed by a
member firm of the New York Stock Exchange
or a commercial bank or trust company.

NOTICE: the signature above must
correspond to the name of the registered
owner as shown on the face of this bond in
Every particular, without any alteration,
enlargement or change whatsoever.

APPENDIX C

FORM OF LEGAL OPINION OF BOND COUNSEL



8310 N. Capital of Texas
Highway, Suite 490
Austin, Texas 78731
(512) 479-0300
Fax (512) 474-1901

Offices in:

- Austin
- Fort Worth
- Houston
- San Antonio
- Waco

www.namanhowell.com

_____, 2025

Buena Vista-Bethel Special Utility District
Water System Revenue Bonds, Series 2025

Ladies and Gentlemen:

We have acted as bond counsel to the Buena Vista-Bethel Special Utility District (the “District”) in connection with the issuance of \$ _____ aggregate principal amount of bonds designated as “Buena Vista-Bethel Special Utility District, Series 2025” (the “Bonds”). The Bonds are authorized by a resolution adopted by the Board of Directors of the District (the “Board”) on October 16, 2025 (the “Resolution”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

In such connection, we have reviewed the Resolution, the tax certificate of the District dated the date hereof (the “Tax Certificate”), certificates of the District, and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Resolution and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against issuers in the State of Texas. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or

severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding obligations of the District.
2. Payment of the principal and interest on the Bonds is secured by a pledge of the Pledged Revenues of the District's water system, as such term is defined in the Resolution. Such pledge may be on a parity with the pledge securing other indebtedness now or hereafter issued by the District, provided the District meets certain requirements set forth in the Resolution.
3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax on individuals.

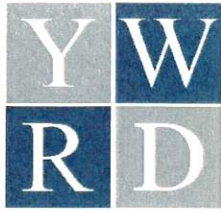
We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Respectfully yours,

NAMAN HOWELL SMITH & LEE, PLLC

APPENDIX D

**DISTRICT'S GENERAL PURPOSE AUDITED FINANCIAL
STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2024**



YWRD, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Greer Yeldell, CPA | Tracie Wood, CPA | Joyce Reeve, CPA | Bryan Thomas, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
Buena Vista-Bethel Special Utility District
Waxahachie, TX 75165

Opinion

We have audited the accompanying financial statements of Buena Vista-Bethel Special Utility District, as of and for the year ended December 31, 2024, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Buena Vista-Bethel Special Utility District, as of December 31, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Buena Vista-Bethel Special Utility District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the supplementary financial data but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

YWRD, P.C.

YWRD, P.C.
Certified Public Accountants

Ennis, Texas
February 24, 2025

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Buena Vista-Bethel Special Utility District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2024.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year by \$16,167,169 (net position). Of this amount, \$6,334,035 (unrestricted net position) may be used to meet the District's ongoing obligations to customers and creditors.
- The District's total net position increased by \$2,591,560.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's financial statements are comprised of two components: 1) fund financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District maintains one type of proprietary fund. The enterprise fund is used to report the functions that are intended to recover all of their costs through user fees and charges. The District uses the enterprise fund to account for its operations.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses, and Change in Net Position* shows the revenue sources and expenses and reflects the net change in position for the fiscal year. This statement can be used to determine whether the District has recovered all of its actual and projected costs through user fees and other charges.

The *Statement of Cash Flows* provides information on the District's cash receipts, cash payments and changes in cash resulting from operations, investments and financing activities.

The fund financial statements can be found on pages 9-11 of this report.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements can be found on pages 12-20 of this report.

Supplementary financial data. This consists of the schedules required by the Texas Commission on Environmental Quality and other schedules of importance to the District. The supplementary financial data can be found on pages 21-31 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$16,167,169 as of December 31, 2024.

A large portion of the District's net position (35%) reflects its investments in capital assets (e.g., land, construction in progress, buildings and building improvements, system improvements, and machinery and equipment). The District uses these capital assets to provide service to customers; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT'S NET POSITION

	2024	2023
Current and other assets	\$ 19,153,650	\$ 19,965,554
Capital assets	17,162,231	14,019,229
Total assets	<u>36,315,881</u>	<u>33,984,783</u>
Deferred Outflows of Resources	<u>324,718</u>	<u>346,984</u>
Long term liabilities	19,733,715	20,071,452
Other liabilities	739,715	684,706
Total liabilities	<u>20,473,430</u>	<u>20,756,158</u>
Net position:		
Net investment in capital assets	5,578,987	4,112,477
Restricted	4,254,147	4,273,502
Unrestricted	6,334,035	5,189,630
Total net position	<u>\$ 16,167,169</u>	<u>\$ 13,575,609</u>

An additional portion of the District's net position (26%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$6,334,035, may be used to meet the District's ongoing obligation to customers and creditors.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position.

The following table provides a summary of the District's operations. The District's operations increased net position by \$2,591,560 in the current year.

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT'S CHANGE IN NET POSITION

	2024	2023
Revenues:		
Operating	\$ 3,701,020	\$ 3,740,452
Nonoperating	820,487	209,036
Total revenues	<u>4,521,507</u>	<u>3,949,488</u>
Expenses:		
Depreciation	517,650	511,873
Other operating	2,126,853	2,343,268
Nonoperating	963,390	718,471
Total expenses	<u>3,607,893</u>	<u>3,573,612</u>
Income before capital contributions	913,614	375,876
Capital contributions	<u>1,677,946</u>	<u>573,879</u>
Changes in net position	2,591,560	949,755
Net position - beginning	13,575,609	12,625,854
Net position - ending	<u><u>\$ 16,167,169</u></u>	<u><u>\$ 13,575,609</u></u>

CAPITAL ASSETS

The District's investment in capital assets as of December 31, 2024 amounts to \$17,162,231 (net of accumulated depreciation).

Major capital asset events during the current fiscal year included the following:

- Approximately \$2,581,000 of construction in progress was added.
- Approximately \$46,800 of land was added.
- Approximately \$1,039,000 of system improvements were added which included approximately \$568,000 of construction in progress that was completed.
- Approximately \$101,000 of machinery and equipment was added.

Capital Assets at Year-End Net of Accumulated Depreciation

	2024	2023
Land	\$ 534,976	\$ 488,141
Construction in progress	3,363,053	781,968
Buildings and building improvements	45,917	49,249
System improvements	12,963,762	12,453,730
Machinery and equipment	254,523	246,141
Total	<u><u>\$ 17,162,231</u></u>	<u><u>\$ 14,019,229</u></u>

Additional information on the District's capital assets can be found in note 3.D of this report.

LONG TERM DEBT

At the end of the current fiscal year, the District had a total bonds payable of \$7,770,000. The District's bond's are secured solely by the revenues of the District.

Outstanding Debt at Year End Bonds and Notes Payable

	2024	2023
Revenue bonds	\$ 7,770,000	\$ 8,115,000
Revenue notes	12,170,000	12,170,000
	<u>\$ 19,940,000</u>	<u>\$ 20,285,000</u>

Additional information on the District's long term-debt can be found in note 3.I of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In the 2025 Budget, operating revenues are budgeted to decrease approximately 9% from the 2024 budget year with water sales making up about 98% of budgeted revenues. The District's water rates are reviewed by staff and the Board of Directors on an annual basis and have been adjusted in July of 2024.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Buena Vista-Bethel Special Utility District, 312 S. Oak Branch Rd., Waxahachie, Texas 75167.

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
STATEMENT OF NET POSITION
December 31, 2024

ASSETS

Current assets:

Cash and cash equivalents	\$ 5,418,748
Restricted cash and cash equivalents	233,422
Receivables (net of allowance for uncollectibles)	421,065
Due from other governments	367,443
Inventory	115,916
Prepaid items	235,424
Total current assets	<u>6,792,018</u>

Noncurrent assets:

Restricted cash and cash equivalents	12,361,632
Capital assets:	
Non-depreciable	3,898,029
Depreciable (net of accumulated depreciation)	13,264,202
Total noncurrent assets	<u>29,523,863</u>
Total assets	<u>36,315,881</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on refunding	324,718
Total deferred outflows of resources	<u>324,718</u>

LIABILITIES

Current liabilities:

Accounts payable	75,423
Accrued payroll payable	26,279
Accrued interest payable	93,787
Compensated absences	3,257
Customer deposits payable	310,804
Current portion of bonds payable	360,000
Current liabilities payable from restricted assets:	
Accounts payable	33,113
Retainage payable	200,309
Total current liabilities payable from restricted assets	<u>233,422</u>
Total current liabilities	<u>1,102,972</u>

Noncurrent liabilities:

Bonds payable	7,501,569
Notes payable	11,868,889
Total noncurrent liabilities	<u>19,370,458</u>
Total liabilities	<u>20,473,430</u>

NET POSITION

Net investment in capital assets	5,578,987
Restricted for debt service	2,029,040
Restricted for system improvements	2,225,107
Unrestricted	6,334,035
Total net position	<u>\$ 16,167,169</u>

The notes to financial statements are an integral part of this statement.

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
For the Year Ended December 31, 2024

OPERATING REVENUES

Water sales	\$ 3,652,746
Activation fees	20,800
Other income	27,474
Total operating revenues	<u>3,701,020</u>

OPERATING EXPENSES

Accounting and legal	110,903
Depreciation	517,650
Engineering fees	44,238
Insurance	38,414
Miscellaneous	92,734
Office supplies and postage	43,442
Repairs and maintenance	276,399
Salaries	550,807
Employee benefits	197,126
Supplies and minor equipment	110,811
Payroll taxes	43,923
Utilities	498,580
Water rights	114,239
Water purchased	5,237
Total operating expenses	<u>2,644,503</u>

OPERATING INCOME 1,056,517

NONOPERATING REVENUES (EXPENSES)

Interest	820,487
Loss on disposal of asset	(79,274)
Interest and fiscal charges	(884,116)
Total nonoperating revenue (expenses)	<u>(142,903)</u>

INCOME BEFORE CONTRIBUTIONS 913,614

Capital contributions 1,677,946

CHANGE IN NET POSITION 2,591,560

TOTAL NET POSITION, BEGINNING 13,575,609

TOTAL NET POSITION, ENDING \$ 16,167,169

The notes to financial statements are an integral part of this statement.

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 3,743,683
Payments to suppliers	(1,386,321)
Payments to employees	(789,946)
Net cash provided by operating activities	<u>1,567,416</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(3,615,407)
Proceeds from the disposal of capital assets	28,000
Contributed capital	1,262,823
Principal paid on bonds payable	(345,000)
Interest and fiscal charges paid on bonds and notes payable	(930,680)
Net cash used by capital and related financing activities	<u>(3,600,264)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on cash and cash equivalents	820,487
Proceeds from maturity of investments	96,397
Net cash provided by investing activities	<u>916,884</u>

Net decrease in cash and cash equivalents	(1,115,964)
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Cash and cash equivalents January 1 (including \$14,690,051, reported in restricted accounts)	<u>19,129,766</u>
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Cash and cash equivalents December 31 (including \$12,595,054, reported in restricted accounts)	<u>\$ 18,013,802</u>
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Reconciliation of operating income to net cash provided by (used for) operating activities:

Operating income	\$ 1,056,517
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	517,650
(Increase) decrease in accounts receivable	2,729
(Increase) decrease in inventory	(35,452)
(Increase) decrease in prepaid items	(291)
Increase (decrease) in accounts payable and accrued expenses	(15,581)
Increase (decrease) in compensated absences	1,910
Net increase in customer deposits	39,934
Total adjustments	<u>510,899</u>
Net cash provided by operating activities	<u>\$ 1,567,416</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Capital assets purchased on account	<u>\$ 233,422</u>
Capital assets contributed by developer	<u>\$ 34,080</u>

The notes to financial statements are an integral part of this statement.

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

In 1992, Buena Vista-Bethel Water Supply Corporation ("BVBWSC") predecessor to Buena Vista-Bethel Special Utility District ("District") applied to the Texas Natural Resource Conservation Commission ("TNRCC") for approval of the creation of a special utility district, pursuant to Chapter 65 of the Texas Water Code. The application was approved, and on August 14, 1993, a general election was held by voters residing within the boundaries of the District who approved the creation of Buena Vista-Bethel Special Utility District. BVBWSC has been dissolved and all of its assets and liabilities have been transferred to the SUD as of December 31, 1993.

The District and its predecessor have been in operation since 1965.

The financial statements are prepared on the basis of Governmental Accounting Standards Board (GASB) Statement Number 34, Financial Statements, Management Discussion and Analysis for State and Local Governments and related standards. This statement provides significant changes in terminology, a presentation of net position, as well as an inclusion of a management discussion and analysis.

Accounting principles generally accepted in the United States of America require that this financial statement present the District (the primary government) and its component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both the following criteria; the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. The District does not have any component units that meet these criteria.

B. Measurement focus, basis of accounting, and basis of presentation

The accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, deferred outflows of resources, liabilities, net position, revenues and expenses. Enterprise Funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees charged from the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation and debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation and debt service).

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement focus, basis of accounting, and basis of presentation (continued)

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets net of total liabilities) are segregated into net investment in capital assets; restricted for debt service; restricted for system improvements; and unrestricted components.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operation. The principal operating revenues are charges to customers for sales and services and connection fees intended to recover the cost of connecting new customers to the system. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

C. Assets, deferred outflows of resources, liabilities, and net position

1. Cash and cash equivalents

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

2. Restricted assets

Certain proceeds of the District's debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable covenants. The "debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "reserve" account is used to report resources set aside to make up potential future deficiencies in the revenue debt current debt service account. The District's "system improvements" account is used to segregate resources accumulated for infrastructure improvements.

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, deferred outflows of resources, liabilities, and net position (continued)

3. Receivables

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of sixty days comprise the trade accounts receivable allowance for uncollectibles.

4. Inventory and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

5. Capital assets

Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property and equipment are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings and building improvements	5-30
System improvements	5-50
Machinery and equipment	3-10

6. Deferred outflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, deferred outflows of resources, liabilities, and net position (continued)

7. *Compensated absences*

It is the District's policy to permit employees to accumulate earned but unused vacation. Vacation days must be used annually by the employee's anniversary date. All unused vacation pay is accrued when earned.

8. *Long-term liabilities*

Bonds and note payable are reported at face value, net of applicable discounts and deferred loss on refunding. Premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Losses occurring from advance refunding of bonds are deferred and amortized as interest expense over the remaining life of the refunded bonds, or the life of the new bonds, whichever is shorter.

9. *Net position*

Net position comprise the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position are classified in the following three components:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

1. *Budgetary basis of accounting*

The District's annual budget is adopted on a budgetary basis of accounting. The legal level of budgetary control is the fund level.

2. *Compliance with finance related legal and contractual provisions.*

The District has no material violations of finance related legal and contractual provisions, including the Texas Public Funds Investment Act.

NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES

A. Deposits

Custodial credit risk-deposits . In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. At year end the bank balance of the District's deposits was \$18,934,027, of which \$892,228 was covered by federal depository insurance and securities investor protection corporation and the remaining balance was covered by collateral pledged in the District's name. The collateral was held in the District's name by the safekeeping department of the pledging bank's agent and had a fair value of approximately \$21,514,000.

B. Restricted assets

The balances of the restricted asset accounts are as follows:

Debt service	\$ 676,236
Reserve	1,352,804
System improvements	10,566,014
	<u>\$ 12,595,054</u>

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES (continued)

C. Receivables

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

Receivables:

Accounts Receivable	\$ 425,865
Other	30,548
Less: allowance for uncollectibles	(35,348)
Net total receivables	<u>\$ 421,065</u>

D. Capital assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 488,141	\$ 46,835	\$ -	\$ 534,976
Construction in progress	781,968	3,148,810	(567,725)	3,363,053
Total capital assets not being depreciated	<u>1,270,109</u>	<u>3,195,645</u>	<u>(567,725)</u>	<u>3,898,029</u>
Capital assets being depreciated:				
Buildings and building improvements	194,408	-	-	194,408
Machinery and equipment	540,025	100,534	(47,370)	593,189
System improvements	20,348,909	1,039,473	(155,567)	21,232,815
Total capital assets being depreciated	<u>21,083,342</u>	<u>1,140,007</u>	<u>(202,937)</u>	<u>22,020,412</u>
Less accumulated depreciation for:				
Buildings and building improvements	(145,159)	(3,332)	-	(148,491)
Machinery and equipment	(293,884)	(60,584)	15,802	(338,666)
System improvements	(7,895,179)	(453,734)	79,860	(8,269,053)
Total accumulated depreciation	<u>(8,334,222)</u>	<u>(517,650)</u>	<u>95,662</u>	<u>(8,756,210)</u>
Total capital assets being depreciated, net	<u>12,749,120</u>	<u>622,357</u>	<u>(107,275)</u>	<u>13,264,202</u>
Capital assets, net	<u>\$ 14,019,229</u>	<u>\$ 3,818,002</u>	<u>\$ (675,000)</u>	<u>\$ 17,162,231</u>

E. Construction commitments

The District has construction projects outstanding as of December 31, 2024. These projects consist of system improvements and are evidenced by contractual commitments with \$2,624,349 spent to date and \$1,222,454 of commitment remaining.

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES (continued)

F. Other significant commitments

The District has entered into a contract with the Trinity River Authority of Texas (Authority) whereby the District acquired the right to purchase .85 million gallons per day (MGD) of water annually from the Authority through its raw water supply contract with Tarrant County Water Control and Improvement District Number One. The contract is for a period of forty years commencing December 1, 1991 and ending November 30, 2031. The Authority is a governmental agency, which is controlled by directors appointed by the governor. The District agreed to pay to the Authority \$60 each month increasing \$1.50 per month each fiscal year for the Authority's costs and expenses of administering the contract. A current schedule of estimated future contractual payments due the Authority is shown below:

<u>Year Ending December 31</u>	<u>Annual Payment</u>
2025	\$ 1,298
2026	1,316
2027	1,334
2028	1,352
2029	1,370
2030-2031	2,675
	<u>\$ 9,345</u>

Actual payments for the year ended December 31, 2024 were \$1,314.

G. Retirement plan

The District maintains a Savings Incentive Match Plan for Employees - Individual Retirement Account (SIMPLE-IRA). Under the plan, the District will match each participant's contribution up to 3% of the participant's compensation. The District's contributions to the plan for the year ended December 31, 2024 were \$7,765.

H. Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not materially exceeded this commercial coverage in any of the past three fiscal years.

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES (continued)

I. Long-term liabilities

Revenue Notes

The District issued notes where the District pledges income derived from the acquired or constructed assets to pay debt service. The notes were issued to finance the acquisition and construction of major capital improvements. Revenue notes outstanding at year end are as follows:

<u>Series</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Year-end Balances</u>
2023	\$ 12,170,000	12/15/2053	5.00% - 5.125%	\$ 12,170,000

Revenue Bonds

The District issues bonds where the District pledges income derived from the acquired or constructed assets to pay debt service. The bonds were issued to finance the acquisition and construction of major capital facilities and to provide funds for the refunding of prior revenue bonds. Revenue bonds outstanding at year end are as follows:

<u>Series</u>	<u>Issue Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Year-end Balances</u>
2017 - Refunding	\$ 6,215,000	8/1/2039	2.00% - 3.50%	\$ 4,800,000
2019	3,410,000	6/15/2044	3.00% - 4.00%	2,970,000
				<u>\$ 7,770,000</u>

Long-term liability activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
Revenue bonds	\$ 8,115,000	\$ -	\$ (345,000)	\$ 7,770,000	\$ 360,000
For issuance premium	96,659	-	(5,090)	91,569	-
Total bonds payable	8,211,659	-	(350,090)	7,861,569	360,000
Notes payable:					
Revenue notes	12,170,000	-	-	12,170,000	35,000
For issuance discount	(311,554)	-	10,443	(301,111)	-
Total notes payable	11,858,446	-	10,443	11,868,889	35,000
Compensated absences	1,347	5,910	(4,000)	3,257	3,257
	<u>\$ 20,071,452</u>	<u>\$ 5,910</u>	<u>\$ (343,647)</u>	<u>\$ 19,733,715</u>	<u>\$ 398,257</u>

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES (continued)

I. Long-term liabilities (continued)

The debt service requirements for the District's bonds and notes payable are as follows:

Year Ending December 31	Revenue Bonds		Revenue Notes	
	Principal	Interest	Principal	Interest
2025	\$ 360,000	\$ 242,701	\$ 35,000	\$ 615,263
2026	370,000	230,801	40,000	613,513
2027	385,000	218,551	40,000	611,513
2028	390,000	206,451	50,000	609,513
2029	405,000	195,376	45,000	607,013
2030-2034	2,230,000	787,836	250,000	2,999,815
2035-2039	2,650,000	408,216	275,000	2,934,315
2040-2044	980,000	78,439	2,560,000	2,648,065
2045-2049	-	-	4,440,000	1,829,815
2050-2053	-	-	4,435,000	582,714
	<u>\$ 7,770,000</u>	<u>\$ 2,368,371</u>	<u>\$ 12,170,000</u>	<u>\$ 14,051,539</u>

The resolutions authorizing issuance of the District's debt provided certain requirements as follows:

Reserve account. A reserve account is required by the resolution authorizing issuance of the debt issued by the District.

Total amount required to be on deposit in the reserve account compared to actual amount on deposit is as follows:

	Reserve Account
Required Present Balance	<u>\$ 1,757,016</u>
Actual Present Balance	<u>\$ 1,352,804</u>

Additional bonds and notes. This section required, among other things, that net revenues of the water system amount to 1.25 times average annual principal and interest requirements on all revenue bonds and notes, present and proposed, in order to issue additional revenue bonds and notes.

Pledge and source of payment. The District's outstanding debt is payable solely from, and is secured by a lien on, the District's gross revenues.

SUPPLEMENTARY FINANCIAL DATA

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
SCHEDULE OF SERVICES AND RATES
December 31, 2024

1. Services Provided by the District during the Fiscal Year:

Retail Water

2. Retail Service Providers

a. Retail Rates for a 5/8" Meter:

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons Over Minimum Use</u>	<u>Usage Levels</u>
Water	\$ 45.15	-	Y	\$ 5.62	0 to 5,000
				6.46	5,001 to 10,000
				7.43	10,001 to 20,000
				8.55	20,001 to 30,000
				9.83	30,001 and above

Total charges for 10,000 gallons usage: \$105.55

b. Water Retail Connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered	-	-	x 1.0	-
<= 3/4"	2,537	2,535	x 1.5	3,803
1"	42	42	x 2.5	105
1 1/2"	5	5	x 5.0	25
2"	6	6	x 8.0	48
3"	2	2	x 17.5	35
4"	2	2	x 30.0	60
6"	-	-	x 62.5	-
8"	2	2	x 80.0	160
10"	-	-	x 115.0	-
Total Water	<u>2,596</u>	<u>2,594</u>		<u>4,236</u>

3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallons pumped into system:	440,025	Water Accountability Ratio:
		(Gallons billed / Gallons pumped)
Gallons billed to customers:	295,758	<u>67.2%</u>

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
BUDGET AND ACTUAL

For the Year Ended December 31, 2024

	Original and Final Budgeted Amounts	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
OPERATING REVENUES					
Water sales	\$3,885,000	\$3,652,746	\$ (24,491)	\$3,628,255	\$ (256,745)
Activation fees	7,500	20,800	-	20,800	13,300
Other income	31,400	27,474	90,279	117,753	86,353
Total operating revenues	<u>3,923,900</u>	<u>3,701,020</u>	<u>65,788</u>	<u>3,766,808</u>	<u>(157,092)</u>
OPERATING EXPENSES					
Accounting and legal	50,000	110,903	-	110,903	60,903
Depreciation	-	517,650	(517,650)	-	-
Engineering fees	70,000	44,238	(870)	43,368	(26,632)
Insurance	24,250	38,414	2,873	41,287	17,037
Miscellaneous	73,950	92,734	22,396	115,130	41,180
Office supplies and postage	37,500	43,442	-	43,442	5,942
Repairs and maintenance	490,675	276,399	360,136	636,535	145,860
Salaries	469,140	550,807	(4,773)	546,034	76,894
Employee benefits	176,500	197,126	-	197,126	20,626
Supplies and minor equipment	88,000	110,811	-	110,811	22,811
Payroll taxes	38,000	43,923	(136)	43,787	5,787
Utilities	505,000	498,580	55,838	554,418	49,418
Capital outlay	611,000	-	3,249,627	3,249,627	2,638,627
Water rights	136,450	114,239	-	114,239	(22,211)
Water purchased	60,000	5,237	-	5,237	(54,763)
Total operating expenses	<u>2,830,465</u>	<u>2,644,503</u>	<u>3,167,441</u>	<u>5,811,944</u>	<u>2,981,479</u>
OPERATING INCOME (LOSS)	1,093,435	1,056,517	(3,101,653)	(2,045,136)	(3,138,571)
NONOPERATING REVENUES (EXPENSES)					
Interest	200,000	820,487	-	820,487	620,487
Loss on disposal of asset	-	(79,274)	79,274	-	-
Interest and fiscal charges	(254,100)	(884,116)	(46,565)	(930,681)	(676,581)
Principal payments	(995,000)	-	(345,000)	(345,000)	650,000
Total nonoperating revenue (expenses)	<u>(1,049,100)</u>	<u>(142,903)</u>	<u>(312,291)</u>	<u>(455,194)</u>	<u>593,906</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	44,335	913,614	(3,413,944)	(2,500,330)	(2,544,665)
Capital contributions	<u>202,500</u>	<u>1,677,946</u>	<u>(47,680)</u>	<u>1,630,266</u>	<u>1,427,766</u>
CHANGE IN NET POSITION	<u>\$ 246,835</u>	<u>\$2,591,560</u>	<u>\$(3,461,624)</u>	<u>\$ (870,064)</u>	<u>\$(1,116,899)</u>

Number of persons employed by the District:
Full-Time

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BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
SCHEDULE OF CASH AND TEMPORARY INVESTMENTS
December 31, 2024

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year
OPERATING:				
Cash on hand	N/A	N/A	N/A	\$ 297
First Financial Bank - Checking	47110106029	3.86%	On Demand	5,124,667
First Financial Bank - Checking	47110106086	3.86%	On Demand	151,556
Edward Jones - Money Market	766-07056-1-2	0.75%	On Demand	142,228
TOTAL OPERATING				<u>5,418,748</u>
DEBT SERVICE:				
First Financial Bank - Checking	471100106045	3.86%	On Demand	105,708
First Financial Bank - Checking	471100106052	3.86%	On Demand	550,472
First Financial Bank - Checking	47110106680	3.86%	On Demand	20,056
TOTAL DEBT SERVICE				<u>676,236</u>
RESERVE:				
First Financial Bank - Checking	471100106698	3.86%	On Demand	670,175
First Financial Bank - Checking	471100106060	3.86%	On Demand	449,659
First Financial Bank - Checking	471100106078	3.86%	On Demand	232,970
TOTAL RESERVE				<u>1,352,804</u>
SYSTEM IMPROVEMENTS:				
First Financial Bank - Checking	471100106037	3.86%	On Demand	2,710,405
First Financial Bank - Checking	471100106706	3.86%	On Demand	7,855,609
TOTAL SYSTEM IMPROVEMENTS				<u>10,566,014</u>
TOTAL				<u>\$ 18,013,802</u>

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
DEBT SERVICE REQUIREMENTS - BY YEARS
December 31, 2024

Due During Fiscal Years Ending	Water System Revenue Refunding Bonds, Series 2017		
	Principal Due 8/1	Interest Due 2/1/8/1	Total
2025	\$ 260,000	\$ 151,688	\$ 411,688
2026	265,000	143,888	408,888
2027	275,000	135,938	410,938
2028	280,000	127,688	407,688
2029	290,000	119,988	409,988
2030	300,000	112,013	412,013
2031	305,000	103,013	408,013
2032	315,000	93,863	408,863
2033	325,000	84,019	409,019
2034	335,000	73,863	408,863
2035	345,000	62,975	407,975
2036	360,000	51,763	411,763
2037	370,000	39,613	409,613
2038	380,000	27,125	407,125
2039	395,000	13,825	408,825
	<u>\$ 4,800,000</u>	<u>\$ 1,341,262</u>	<u>\$ 6,141,262</u>

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
DEBT SERVICE REQUIREMENTS - BY YEARS
December 31, 2024

Due During Fiscal Years Ending	Water System Revenue Bonds, Series 2019		
	Principal Due 12/15	Interest Due 6/15/12/15	Total
2025	\$ 100,000	\$ 91,013	\$ 191,013
2026	105,000	86,913	191,913
2027	110,000	82,613	192,613
2028	110,000	78,763	188,763
2029	115,000	75,388	190,388
2030	120,000	71,863	191,863
2031	125,000	68,188	193,188
2032	130,000	64,363	194,363
2033	135,000	60,388	195,388
2034	140,000	56,263	196,263
2035	145,000	51,988	196,988
2036	155,000	47,488	202,488
2037	160,000	42,763	202,763
2038	165,000	37,888	202,888
2039	175,000	32,788	207,788
2040	180,000	27,463	207,463
2041	190,000	21,913	211,913
2042	195,000	16,016	211,016
2043	205,000	9,766	214,766
2044	210,000	3,281	213,281
	<u>\$ 2,970,000</u>	<u>\$ 1,027,109</u>	<u>\$ 3,997,109</u>

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
DEBT SERVICE REQUIREMENTS - BY YEARS
December 31, 2024

Due During Fiscal Years Ending	Water System Revenue Notes, Series 2023		
	Principal Due 12/15	Interest Due 6/15/12/15	Total
2025	\$ 35,000	\$ 615,263	\$ 650,263
2026	40,000	613,513	653,513
2027	40,000	611,513	651,513
2028	50,000	609,513	659,513
2029	45,000	607,013	652,013
2030	45,000	604,763	649,763
2031	50,000	602,513	652,513
2032	50,000	600,013	650,013
2033	50,000	597,513	647,513
2034	55,000	595,013	650,013
2035	55,000	592,263	647,263
2036	50,000	589,513	639,513
2037	55,000	587,013	642,013
2038	60,000	584,263	644,263
2039	55,000	581,263	636,263
2040	470,000	578,513	1,048,513
2041	485,000	555,013	1,040,013
2042	510,000	530,763	1,040,763
2043	535,000	505,263	1,040,263
2044	560,000	478,513	1,038,513
2045	805,000	450,513	1,255,513
2046	845,000	410,263	1,255,263
2047	885,000	368,013	1,253,013
2048	930,000	323,763	1,253,763
2049	975,000	277,263	1,252,263
2050	1,025,000	227,294	1,252,294
2051	1,080,000	174,763	1,254,763
2052	1,135,000	119,413	1,254,413
2053	1,195,000	61,244	1,256,244
	<u>\$ 12,170,000</u>	<u>\$ 14,051,539</u>	<u>\$ 26,221,539</u>

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
DEBT SERVICE REQUIREMENTS - BY YEARS
December 31, 2024

Due During Fiscal Years Ending	Annual Requirements for All Debt		
	Principal Due	Interest Due	Total
2025	395,000	857,964	1,252,964
2026	410,000	844,314	1,254,314
2027	425,000	830,064	1,255,064
2028	440,000	815,964	1,255,964
2029	450,000	802,389	1,252,389
2030	465,000	788,639	1,253,639
2031	480,000	773,714	1,253,714
2032	495,000	758,239	1,253,239
2033	510,000	741,920	1,251,920
2034	530,000	725,139	1,255,139
2035	545,000	707,226	1,252,226
2036	565,000	688,764	1,253,764
2037	585,000	669,389	1,254,389
2038	605,000	649,276	1,254,276
2039	625,000	627,876	1,252,876
2040	650,000	605,976	1,255,976
2041	675,000	576,926	1,251,926
2042	705,000	546,779	1,251,779
2043	740,000	515,029	1,255,029
2044	770,000	481,794	1,251,794
2045	805,000	450,513	1,255,513
2046	845,000	410,263	1,255,263
2047	885,000	368,013	1,253,013
2048	930,000	323,763	1,253,763
2049	975,000	277,263	1,252,263
2050	1,025,000	227,294	1,252,294
2051	1,080,000	174,763	1,254,763
2052	1,135,000	119,413	1,254,413
2053	1,195,000	61,244	1,256,244
	<u>\$ 19,940,000</u>	<u>\$ 16,419,910</u>	<u>\$ 36,359,910</u>

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
ANALYSIS OF CHANGES IN LONG-TERM DEBT
December 31, 2024

	Long-term Debt			
	Water System Revenue Refunding Bonds 2017	Water System Revenue Bonds 2019	Water System Revenue Notes 2023	Totals
Interest Rate	2.00-3.50%	3.00-4.00%	5.00-5.125%	
Dates Interest Payable	2/1; 8/1	6/15; 12/15	6/15; 12/15	
Maturity Dates	08/01/39	06/15/44	12/15/53	
Beginning Debt Outstanding	\$ 5,050,000	\$ 3,065,000	\$ 12,170,000	\$ 20,285,000
Debt Retired During the Fiscal Year	<u>(250,000)</u>	<u>(95,000)</u>	<u>-</u>	<u>(345,000)</u>
Ending Debt Outstanding	<u>\$ 4,800,000</u>	<u>\$ 2,970,000</u>	<u>\$ 12,170,000</u>	<u>\$ 19,940,000</u>
Interest Paid During the Fiscal Year	<u>\$ 159,188</u>	<u>\$ 94,913</u>	<u>\$ 675,080</u>	<u>\$ 929,181</u>
Paying Agent's Name and City:				
Series 2017	BOKF, NA, Austin, Texas			
Series 2019	UMB Bank, NA, Dallas, Texas			
Note Holder Name and City:	UMB Bank, NA, Austin, Texas			
Bond Authority:				Revenue and Refunding Bonds
Amount Authorized By Board of Directors				<u>\$ 9,625,000</u>
Amount Issued				<u>\$ 9,625,000</u>
Remaining To Be Issued				<u>\$ -</u>
Restricted debt service cash and temporary investments as of December 31, 2024				<u>\$ 676,236</u>
Average annual debt service payment (Principal and Interest) for remaining term of all debt:				<u>\$ 1,253,790</u>

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
Five Years Ended December 31, 2024

	Amounts					Percent of Fund Total Revenues				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
Operating Revenues:										
Water sales	\$ 3,652,746	\$ 3,703,920	\$ 3,441,549	\$ 2,837,469	\$ 2,577,750	98.7%	99.0%	94.5%	94.6%	96.2%
Installation	-	-	26,200	12,800	19,300	0.0%	0.0%	0.7%	0.4%	0.7%
Activation fees	20,800	7,400	12,500	20,300	24,749	0.6%	0.2%	0.3%	0.7%	0.9%
Other income	27,474	29,132	162,392	128,868	56,986	0.7%	0.8%	4.5%	4.3%	2.1%
Total Operating Revenues	3,701,020	3,740,452	3,642,641	2,999,437	2,678,785	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Expenses:										
Operation	2,126,853	2,343,268	2,115,400	1,598,908	1,505,405	57.5%	62.6%	58.1%	53.3%	56.2%
Depreciation	517,650	511,873	494,625	485,392	408,794	14.0%	13.7%	13.6%	16.2%	15.3%
Total Operating Expenses	2,644,503	2,855,141	2,610,025	2,084,300	1,914,199	71.5%	76.3%	71.7%	69.5%	71.5%
Operating Income	1,056,517	885,311	1,032,616	915,137	764,586	28.5%	23.7%	28.3%	30.5%	28.5%
Nonoperating (Revenues) Expenses										
Interest	820,487	206,036	8,539	6,268	15,875	22.2%	5.5%	0.2%	0.2%	0.6%
Gain on disposal of asset	(79,274)	3,000	-	-	-	-2.1%	0.1%	0.0%	0.0%	0.0%
Interest and fiscal charges	(884,116)	(381,932)	(292,685)	(302,633)	(312,531)	-23.9%	-10.2%	-8.0%	-10.1%	-11.7%
Bonds and notes issue costs	-	(336,539)	-	-	-	0.0%	-9.0%	0.0%	0.0%	0.0%
Total Nonoperating Expenses	(142,903)	(509,435)	(284,146)	(296,365)	(296,656)	-3.9%	-13.6%	-7.8%	-9.9%	-11.1%
Income before contributions	913,614	375,876	748,470	618,772	467,930	24.7%	10.0%	20.5%	20.6%	17.5%
Capital contributions	1,677,946	573,879	378,100	485,000	2,219,956	45.3%	15.3%	10.4%	16.2%	82.9%
Change in net position	\$ 2,591,560	\$ 949,755	\$ 1,126,570	\$ 1,103,772	\$ 2,687,886	70.0%	25.4%	30.9%	36.8%	100.3%
TOTAL ACTIVE RETAIL WATER CONNECTIONS	2,594	2,484	2,426	2,325	2,250					

BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
December 31, 2024

Complete District Mailing Address: 312 S. Oak Branch Rd., Waxahachie, TX 75167

District Business Telephone Number: (972) 937-1212

Submission Date of the most recent District Registration Form: 11/22/2023

Limit on Fees of Office that a Director may receive during a fiscal year: \$1,800

Names	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid* 12/31/2024	Expense Reimbursements 12/31/2024	Title at Year End
Board Members:				
Paula Anz	11/22-11/25	\$ 1,500	\$ -	President
Gerald Kujawaw	11/09-11/24	1,500	-	Former Vice-President
Eric Zarate	11/23-11/26	1,600	291	Vice-President
Debra Manning	11/22-11/25	1,500	-	Secretary/Treasurer
Lynn Allen II	3/22-11/24	1,300	-	Former Director
Alex Whiteway	11/24-11/27	200	-	Director
Jimmy Killen	11/24-11/27	100	-	Director
Key Administrative Personnel:				
James Pratt	2024	-	-	Operations Manager
Tabatha Davis	2024	-	-	Office Manager
Consultants:				
James W. Wilson & Associates, PLLC	2022		39,092	Attorney
YWRD, P.C.	2015		29,730	Auditor
Childress Engineers	1991		23,395	Engineer

*Fees of Office are the amounts actually paid to a director during the District's fiscal year.