

(See "CONTINUING DISCLOSURE OF INFORMATION" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, interest on the Series 2026A Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS FOR THE SERIES 2026A BONDS" herein.

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

\$189,305,000*
TRINITY RIVER AUTHORITY OF TEXAS
REGIONAL WASTEWATER SYSTEM
REVENUE IMPROVEMENT BONDS, SERIES 2026A

Dated Date: April 1, 2026
Interest to accrue from Delivery Date

Due: August 1, as shown on page ii

PAYMENT TERMS . . . Interest on the \$189,305,000* Trinity River Authority of Texas Regional Wastewater System Revenue Improvement Bonds, Series 2026A (the "Series 2026A Bonds") will accrue from the date they are initially delivered (the "Delivery Date") to the underwriters listed below (the "Series 2026A Underwriters"), will be payable on August 1, 2026 and on each February 1 and August 1 thereafter until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Series 2026A Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Series 2026A Bonds may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. **No physical delivery of the Series 2026A Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Series 2026A 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 Series 2026A Bonds (see "THE BONDS - Book-Entry-Only System" herein). The initial Paying Agent/Registrar is BOKF, N.A., Dallas, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Series 2026A Bonds are issued pursuant to the provisions of Chapter 518, Acts of the 54th Texas Legislature, Regular Session, 1955, as amended, Chapter 30, Texas Water Code, as amended, Chapter 1371, Texas Government Code, as amended, and other applicable laws, and a bond resolution authorizing the issuance of the Series 2026A Bonds and the hereinafter defined Series 2026B Bonds (the "Bond Resolution") adopted by the Board of Directors (the "Board") of the Trinity River Authority of Texas (the "Authority" or "Issuer") on August 27, 2025. In the Bond Resolution, the Board delegated to the General Manager and Chief Financial Officer of the Authority (each an "Authorized Officer") the authority to complete the sale of the Series 2026A Bonds. The terms of the sale will be included in a "Pricing Certificate" for the Series 2026A Bonds which will be approved and executed by the Authorized Officer, and which will complete the sale of the Series 2026A Bonds (the Bond Resolution and the Pricing Certificate for the Series 2026A Bonds is referred to herein as the "Series 2026A Resolution"). Under the Constitution and the statutes of the State of Texas (the "State"), the Authority has broad powers to effectuate flood control and the conservation and use for all beneficial purposes of storm and flood waters in the Trinity River watershed, and as a necessary aid to these purposes, the Authority has specific authority to construct, own and operate water and wastewater treatment, collection and transportation systems, and to make contracts in reference thereto with municipalities and others.

PURPOSE . . . Proceeds from the sale of the Series 2026A Bonds will be used for the purpose of providing funds (i) to acquire and construct improvements, betterments, extensions, and replacements to the System; (ii) to fund the debt service reserve fund, if necessary; and (iii) to pay costs associated with the issuance of the Series 2026A Bonds.

SEPARATE ISSUES . . . The Series 2026A Bonds are being offered by the Authority concurrently with the \$33,480,000* Trinity River Authority of Texas Regional Wastewater System Revenue Improvement and Refunding Bonds, Taxable Series 2026B (the "Series 2026B Bonds") under a common Official Statement, and such Series 2026A Bonds and Series 2026B Bonds are hereinafter sometimes referred to collectively as the "Bonds." The Series 2026A Bonds and Series 2026B Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and while the Bonds share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, and the federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds and other features.

CUSIP PREFIX: 89658H
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on page ii

LEGALITY . . . The Series 2026A Bonds are offered for delivery when, as and if issued and received by the Series 2026A Underwriters shown below and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas (see APPENDIX D, "Form of Bond Counsel's Opinion"). Certain legal matters will be passed upon for the Series 2026A Underwriters by Norton Rose Fulbright US LLP, Dallas, Texas, counsel to the Series 2026A Underwriters.

DELIVERY . . . It is expected that the Series 2026A Bonds will be available for delivery through the facilities of DTC on or about April 16, 2026.

MORGAN STANLEY
MESIROW FINANCIAL, INC.

ACADEMY SECURITIES, INC.
PIPER SANDLER & CO.

* Preliminary, subject to change.

\$189,305,000*
TRINITY RIVER AUTHORITY OF TEXAS
REGIONAL WASTEWATER SYSTEM
REVENUE IMPROVEMENT BONDS, SERIES 2026A

MATURITY SCHEDULE

\$ _____ **Serial Bonds**
(Interest to accrue from the Delivery Date)

Maturity (August 1)	Principal Amount (\$)	Interest Rate (%)	Initial Yield (%)	CUSIP Suffix ⁽¹⁾
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				

\$ _____ **Term Bonds**
(Interest to accrue from the Delivery Date)

\$ _____ Term Bond due August 1, 20__, Price to Yield _____%, CUSIP Suffix⁽¹⁾ _____

^(x) Yield shown is the yield to the first optional call date, August 1, 20__.

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OPTIONAL REDEMPTION OF SERIES 2026A BONDS. . . The Authority reserves the right, at its option, to redeem the Series 2026A Bonds maturing on or after August 1, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 1, 20__, or any date thereafter, at the par value thereof plus accrued interest to date of redemption (see “THE BONDS – Redemption – Optional Redemption of Series 2026A Bonds”).

MANDATORY REDEMPTION . . . If two or more of the serial bonds of consecutive maturities are combined into one or more “Term Bonds” by the Series 2026A Underwriters, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Series 2026A Resolution as further described herein (see “THE BONDS – Redemption – Mandatory Redemption”).

* Preliminary, subject to change.

PRELIMINARY OFFICIAL STATEMENT

Dated March 13, 2026

(See "CONTINUING
DISCLOSURE
OF INFORMATION" herein)
NEW ISSUE - Book-Entry-Only

Ratings:
S&P: "AAA"
(see "OTHER INFORMATION - Ratings" herein)

Interest on the Series 2026B Bonds is not excludable from gross income for federal income tax purposes under existing law. See "TAX MATTERS FOR THE SERIES 2026B BONDS" herein.

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

\$33,480,000*

TRINITY RIVER AUTHORITY OF TEXAS
REGIONAL WASTEWATER SYSTEM
REVENUE IMPROVEMENT AND REFUNDING BONDS, TAXABLE SERIES 2026B

Dated Date: April 1, 2026
Interest to accrue from Delivery Date

Due: August 1, as shown on page ii

PAYMENT TERMS . . . Interest on the \$33,480,000* Trinity River Authority of Texas Regional Wastewater System Revenue Improvement and Refunding Bonds, Taxable Series 2026B (the "Series 2026B Bonds") will accrue from the date they are initially delivered (the "Delivery Date") to the underwriters listed below (the "Series 2026B Underwriters"), will be payable on August 1, 2026 and on each February 1 and August 1 thereafter until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Series 2026B Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Series 2026B Bonds may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. **No physical delivery of the Series 2026B Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Series 2026B 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 Series 2026B Bonds (see "THE BONDS - Book-Entry-Only System" herein). The initial Paying Agent/Registrar is BOKF, N.A., Dallas, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Series 2026B Bonds are issued pursuant to the provisions of Chapter 518, Acts of the 54th Texas Legislature, Regular Session, 1955, as amended, Chapter 30, Texas Water Code, as amended, Chapters 1207 and 1371, Texas Government Code, as amended, and other applicable laws, and a bond resolution authorizing the issuance of the Series 2026B Bonds and the herein defined Series 2026A Bonds (the "Bond Resolution") adopted by the Board of Directors (the "Board") of the Trinity River Authority of Texas (the "Authority" or "Issuer") on August 27, 2025. In the Bond Resolution, the Board delegated to the General Manager and Chief Financial Officer of the Authority (each an "Authorized Officer") the authority to complete the sale of the Series 2026B Bonds. The terms of the sale will be included in a "Pricing Certificate" for the Series 2026B Bonds which will be approved and executed by the Authorized Officer, and which will complete the sale of the Series 2026B Bonds (the Bond Resolution and the Pricing Certificate for the Series 2026B Bonds is referred to herein as the "Series 2026B Resolution"). Under the Constitution and the statutes of the State of Texas (the "State"), the Authority has broad powers to effectuate flood control and the conservation and use for all beneficial purposes of storm and flood waters in the Trinity River watershed, and as a necessary aid to these purposes, the Authority has specific authority to construct, own and operate water and wastewater treatment, collection and transportation systems, and to make contracts in reference thereto with municipalities and others.

PURPOSE . . . Proceeds from the sale of the Series 2026B Bonds will be used for the purpose of providing funds (i) to refund a portion of outstanding taxable extendable commercial paper bonds relating to the System as shown on Schedule I hereto (the "Refunded Bonds"); (ii) to acquire and construct improvements, betterments, extensions, and replacements to the System; (iii) to fund the debt service reserve fund, if necessary; and (iv) to pay costs associated with the issuance of the Series 2026B Bonds. See "SCHEDULE I" for a listing of the Refunded Bonds.

SEPARATE ISSUES . . . The Series 2026B Bonds are being offered by the Authority concurrently with the \$189,305,000* Trinity River Authority of Texas Regional Wastewater System Revenue Improvement Bonds, Series 2026A (the "Series 2026A Bonds") under a common Official Statement, and such Series 2026A Bonds and Series 2026B Bonds are hereinafter sometimes referred to collectively as the "Bonds." The Series 2026A Bonds and Series 2026B Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Bonds share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds and other features.

CUSIP PREFIX: 89658H
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on page ii

LEGALITY . . . The Series 2026B Bonds are offered for delivery when, as and if issued and received by the Series 2026B Underwriters shown below and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas (see APPENDIX D, "Form of Bond Counsel's Opinion"). Certain legal matters will be passed upon for the Series 2026B Underwriters by Norton Rose Fulbright US LLP, Dallas, Texas, counsel to the Series 2026B Underwriters.

DELIVERY . . . It is expected that the Series 2026B Bonds will be available for delivery through the facilities of DTC on or about April 16, 2026.

LOOP CAPITAL MARKETS

PIPER SANDLER & CO.

* Preliminary, subject to change.

\$33,480,000*
TRINITY RIVER AUTHORITY OF TEXAS
REGIONAL WASTEWATER SYSTEM
REVENUE IMPROVEMENT AND REFUNDING BONDS, TAXABLE SERIES 2026B

MATURITY SCHEDULE

Maturity (August 1)	(Interest to accrue from the Delivery Date)			CUSIP Suffix ⁽¹⁾
Principal Amount (\$)	Interest Rate (%)	Initial Yield (%)		
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				

\$ _____ Term Bond due August 1, 20 __, Price to Yield _____ %, CUSIP Suffix⁽¹⁾ _____

^(x) Yield shown is the yield to the first optional call date, August 1, 20__.

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OPTIONAL REDEMPTION OF SERIES 2026B BONDS. . . The Series 2026B Bonds are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part, on any Business Day in such amounts and maturities as designated by the Issuer (i) before August 1, 2036* at the Make-Whole Redemption Price (as further described herein) applicable to the Series 2026B Bonds, together with accrued interest thereon to the redemption date and (ii) on or after August 1, 2036*, at a redemption price equal to 100% of the principal amount of the Series 2026B Bonds to be redeemed, together with accrued interest thereon to the redemption date (see “THE BONDS – Redemption – Optional Redemption of Series 2026B Bonds”).

MANDATORY REDEMPTION . . . If two or more of the serial bonds of consecutive maturities are combined into one or more “Term Bonds” by the Series 2026B Underwriters, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Series 2026B Resolution as further described herein (see “THE BONDS – Redemption – Mandatory Redemption”).

* Preliminary, subject to change.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (“Rule 15c2-12”), this document constitutes an “official statement” of the Authority with respect to the Bonds that has been deemed “final” by the Authority 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, Schedule I 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. This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACT. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAW OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, IF ANY, CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

No dealer, broker, salesman or other person has been authorized by the Authority, the Underwriters of the Series 2026A Bonds or the Underwriters of the Series 2026B Bonds (respectively, the “Series 2026A Underwriters” and the “Series 2026B Underwriters” and collectively, the “Underwriters”) 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 as having been authorized by the Authority or the Underwriters. 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 offer in such jurisdiction.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

Certain information set forth herein has been obtained from the Authority, the Contracting Parties (as defined herein) and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Financial Advisor or the Underwriters. Any information and expressions of opinion herein contained 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 Authority or the Contracting Parties or other matters described herein since the date hereof. See “CONTINUING DISCLOSURE OF INFORMATION” for a description of the Authority’s and Contracting Parties’ undertakings to provide certain information on a continuing basis.

NONE OF THE AUTHORITY, ITS FINANCIAL ADVISOR, OR THE UNDERWRITERS MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY THE DEPOSITORY TRUST COMPANY.

This Official Statement includes descriptions and summaries of certain events, matters and documents. Such descriptions and summaries do not purport to be complete and all such descriptions, summaries and references thereto are qualified in their entirety by reference to this Official Statement in its entirety and to each such document, copies of which may be obtained from the Financial Advisor. Any statements made in this Official Statement or the appendices hereto involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

This Official Statement contains “forward-looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS 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.

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OFFICIAL STATEMENT SUMMARY

This summary 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 summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE AUTHORITY..... The Trinity River Authority of Texas (the “Authority” or “Issuer”) is a governmental agency of the State of Texas (the “State”) and a body politic and corporate, created as a conservation and reclamation district under Article XVI, Section 59 of the Texas Constitution pursuant to Chapter 518, Acts of the 54th Texas Legislature, Regular Session, 1955, as amended. The Authority is governed by a Board (the “Board”) of 25 directors who were appointed by the Texas Governor for six-year terms. Effective September 1, 2025, directors are appointed for a term of four-years. Notwithstanding the foregoing, any director serving on the Board prior to September 1, 2025, shall continue to serve the remainder of his or her six-year term.

THE BONDS..... The Bonds are issued as \$189,305,000* Trinity River Authority of Texas Regional Wastewater System Revenue Improvement Bonds, Series 2026A (the “Series 2026A Bonds”) and \$33,480,000* Trinity River Authority of Texas Regional Wastewater System Revenue Improvement and Refunding Bonds, Taxable Series 2026B (the “Series 2026B Bonds”, and together with the Series 2026A Bonds, the “Bonds”). The Series 2026A Bonds may be issued as serial bonds maturing on August 1 in each of the years 20__* through 20__*, inclusive (see “THE BONDS - Description of the Bonds” and “MATURITY SCHEDULE” on page ii). The Series 2026B Bonds may be issued as serial bonds maturing on August 1 in each of the years 20__* through 20__*, inclusive (see “THE BONDS - Description of the Bonds” and “MATURITY SCHEDULE” on page iii).

PAYMENT OF INTEREST Interest on the Bonds accrues from the date they are initially delivered to the Underwriters (the “Delivery Date”), and is payable August 1, 2026 and each February 1 and August 1 thereafter until maturity or prior redemption (see “THE BONDS - Description of the Bonds”).

AUTHORITY FOR ISSUANCE The Bonds are issued pursuant to the provisions of Chapter 518, Acts of the 54th Texas Legislature, Regular Session, 1955, as amended, Chapter 30, Texas Water Code, as amended, as applicable, Chapters 1207 and 1371, Texas Government Code, as amended, and other applicable laws, and a bond resolution authorizing the issuance of the Bonds (the “Bond Resolution”) adopted by the Board on August 27, 2025. In the Bond Resolution, the Board delegated to the General Manager and Chief Financial Officer of the Authority (each an “Authorized Officer”) the authority to complete the sale of the Bonds. The terms of the sale of the Series 2026A Bonds will be included in a “Pricing Certificate” for the Series 2026A Bonds which will be approved and executed by the Authorized Officer, and which will complete the sale of the Series 2026A Bonds (the Bond Resolution and the Pricing Certificate for the Series 2026A Bonds are jointly referred to as the “2026A Resolution”). The terms of the sale of the Series 2026B Bonds will be included in a “Pricing Certificate” for the Series 2026B Bonds which will be approved and executed by the Authorized Officer, and which will complete the sale of the Series 2026B Bonds (the Bond Resolution and the Pricing Certificate for the Series 2026B Bonds are jointly referred to as the “2026B Resolution”). The 2026A Resolution and the 2026B Resolution are collectively referred to herein as the “Resolution”. (see “THE BONDS - Authority for Issuance”).

SECURITY FOR THE BONDS The Bonds constitute special obligations of the Authority, payable both as to principal and interest, and secured by a first lien on a pledge of the Net Revenues (as defined in the Resolution, see “SELECTED PROVISIONS OF THE RESOLUTION” herein) of the Authority under the Contracts entered into with the Contracting Parties (as defined herein) (see “SECURITY AND SOURCE OF PAYMENT”).

* Preliminary, subject to change.

REDEMPTION The Authority reserves the right, at its option, to redeem the Series 2026A Bonds maturing on or after August 1, 20__ in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on August 1, 20__ or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE BONDS – Redemption – Optional Redemption of Series 2026A Bonds”). The Series 2026B Bonds are subject to redemption prior to maturity, at the option of the Issuer (i) before August 1, 2036* at the Make-Whole Redemption Price (as further described herein) applicable to the Series 2026B Bonds, together with accrued interest thereon to the redemption date and (ii) on or after August 1, 2036*, at a redemption price equal to 100% of the principal amount of the Series 2026B Bonds to be redeemed, together with accrued interest thereon to the redemption date. (see “THE BONDS – Redemption – Optional Redemption of Series 2026B Bonds”). If two or more serial bonds of consecutive maturities are combined into one or more “Term Bonds” by the Series 2026A Underwriters or the Series 2026B Underwriters, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the respective Series 2026A Resolution or the Series 2026B Resolution as further described herein (see “THE BONDS – Redemption – Mandatory Redemption”).

TAX MATTERS In the opinion of Bond Counsel, the interest on the Series 2026A Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under the caption “TAX MATTERS FOR THE SERIES 2026A BONDS” herein.

..... Interest on the Series 2026B Bonds is not excludable from gross income for federal income tax purposes under existing law. See “TAX MATTERS FOR THE SERIES 2026B BONDS” herein.

USE OF PROCEEDS Proceeds from the sale of the Series 2026A Bonds will be used for the purpose of providing funds (i) to acquire and construct improvements, betterments, extensions, and replacements to the System; (ii) to fund the debt service reserve fund, if necessary; and (iii) to pay costs associated with the issuance of the Series 2026A Bonds. Proceeds from the sale of the Series 2026B Bonds will be used for the purpose of providing funds (i) to refund a portion of outstanding taxable extendable commercial paper bonds relating to the System as shown on Schedule I hereto (the “Refunded Bonds”); (ii) to acquire and construct improvements, betterments, extensions, and replacements to the System; (iii) to fund the debt service reserve fund, if necessary; and (iv) to pay costs associated with the issuance of the Series 2026B Bonds. See “SCHEDULE I” for a listing of the Refunded Bonds.

RATINGS The Bonds are rated “AAA” by S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”). The Outstanding Parity Bonds of the Authority are rated “AAA” by S&P, without regard to credit enhancement (see “OTHER INFORMATION - Ratings”).

BOOK-ENTRY-ONLY SYSTEM..... The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. 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 “THE BONDS - Book-Entry-Only System”).

PAYMENT RECORD The Authority has never defaulted in payment of its bonds.

For additional information regarding the Authority, please contact:

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Trinity River Authority of Texas
P.O. Box 60
Arlington, Texas 76004
(817) 493-5192

or

Ms. Mary Williams
Ms. Ester Flores
Hilltop Securities Inc.
717 Harwood Street, 34th Floor
Dallas, Texas 75201
(214) 953-4000

*Preliminary; subject to change.

AUTHORITY OFFICIALS, STAFF AND CONSULTANTS

Board Members	Position	Area Represented
Megan W. Deen	President and Member, Executive Committee	Tarrant County
Henry Borbolla III	Vice-President and Member, Executive Committee	Tarrant County
Cathy Altman	Chair, Legal and Public Policy Committee and Member, Executive Committee	Ellis County
C. Cole Camp	Chair, Utility Services Committee and Member, Executive Committee	Director at Large
Benny L. Fogleman	Chair, Administration and Audit Committee and Member, Executive Committee	Polk County
John W. Jenkins	Chair, Resources Development Committee and Member, Executive Committee	Chambers County
C. Dwayne Somerville	Chair, Executive Committee	Freestone County
Jeffrey H. Bradley	Member, Legal and Public Policy Committee	Walker County
Casey Yeary Callas	Member, Utility Services Committee	Trinity County
R. Carson Dennis	Member, Resources Development Committee	Dallas County
Jerry F. House, D. Min	Member, Resources Development Committee	Leon County
Margaret S.C. Kelihher	Member, Administration and Audit Committee	Dallas County
David B. Leonard	Member, Utility Services Committee	Liberty County
Robert F. McFarlane, M.D.	Member, Resources Development Committee	Director at Large
Lewis H. McMahan	Member, Legal and Public Policy Committee	Dallas County
Vacant	Member, Resources Development Committee	Kaufman County
Kathryn L. Sanders Pyle	Member, Administration and Audit Committee	Henderson County
Steven L. Roberts	Member, Resources Development Committee	San Jacinto County
Amir A. Rupani	Member, Administration and Audit Committee	Dallas County
Frank H. Steed, Jr.	Member, Legal and Public Policy Committee	Navarro County
Frederick C. Tate	Member, Administration and Audit Committee	Director at Large
Elizabeth C. Thomas	Member, Legal and Public Policy Committee	Tarrant County
Brenda K. Walker	Member, Legal and Public Policy Committee	Anderson County
David G. Ward	Member, Utility Services Committee	Madison County
Gregory S. Wassberg	Member, Utility Services Committee	Houston County

Management Officers

J. Kevin Ward	General Manager
Matthew S. Jalbert, P.E.	Executive Manager, Northern Region
Douglas D. Haude, P.E.	Executive Manager, Southern Region
Christine J. Epps, CPA.....	Treasurer, Board of Directors and Chief Financial Officer
Glenn C. Clingenpeel.....	Executive Manager, Technical Services and Basin Planning
Gary N. Oradat, P.E.	Executive Manager, Planning, Design and Construction Administration
Alexis S. Long.....	Secretary, Board of Directors and General Counsel
Taylor L. Huynh.....	Executive Manager, Administrative Services
Douglas L. Short	Chief Information Officer

Consultants and Advisors

Authority Counsel.....	Booth, Ahrens & Werkenthin, P.C.....	Austin, Texas
Independent Auditors.....	Weaver and Tidwell, LLP.....	Dallas, Texas
Bond Counsel.....	McCall, Parkhurst & Horton L.L.P.....	Dallas, Texas
Financial Advisor.....	Hilltop Securities Inc.	Dallas, Texas

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

\$189,305,000*
TRINITY RIVER AUTHORITY OF TEXAS
REGIONAL WASTEWATER SYSTEM
REVENUE IMPROVEMENT BONDS, SERIES 2026A

AND

\$33,480,000*
TRINITY RIVER AUTHORITY OF TEXAS
REGIONAL WASTEWATER SYSTEM
REVENUE IMPROVEMENT AND REFUNDING BONDS, TAXABLE SERIES 2026B

INTRODUCTION

This Official Statement, which includes the Schedule and Appendices hereto, provides certain information regarding the issuance of the \$189,305,000* Trinity River Authority of Texas Regional Wastewater System Revenue Improvement Bonds, Series 2026A (the “Series 2026A Bonds”) and \$33,480,000* Trinity River Authority of Texas Regional Wastewater System Revenue Improvement and Refunding Bonds, Taxable Series 2026B (the “Series 2026B Bonds”, and together with the Series 2026A Bonds, the “Bonds”). Capitalized terms used and not defined in this Official Statement have the same meanings assigned to such terms in the Resolution (defined herein), except as otherwise indicated herein (see “SELECTED PROVISIONS OF THE RESOLUTION”).

There follows in this Official Statement descriptions of the Bonds and certain information regarding the Trinity River Authority of Texas (the “Authority” or “Issuer”) and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the Authority’s Financial Advisor, Hilltop Securities Inc., Dallas, Texas.

Description of the Authority

The Authority is a governmental agency of the State of Texas (the “State”) and a body politic and corporate, created as a conservation and reclamation district under Article XVI, Section 59 of the Constitution pursuant to Chapter 518, Acts of the 54th Legislature of Texas, Regular Session, 1955, as amended. Under the Constitution and the statutes of the State, the Authority has broad powers to effectuate flood control and the conservation and use, for all beneficial purposes, of storm and flood waters and unappropriated flow waters in the Trinity River watershed, and as necessary aid to these purposes, the Authority has specific authority to construct, own and operate water and wastewater treatment, collection and transportation systems, and to make contracts in reference thereto with municipalities and others.

The Authority consists of all the territories in the Counties of Dallas, Tarrant, Ellis, Navarro and Chambers, and the principal watershed portions of Anderson, Freestone, Henderson, Houston, Kaufman, Leon, Madison, Polk, San Jacinto, Trinity, Walker and Liberty Counties. The Authority is governed by a Board (the “Board”) of 25 directors who are appointed by the Governor with the advice and consent of the Texas Senate. Three of the directors are appointed from the area-at-large; three directors are from Tarrant County; four are from Dallas County; and one director is from each of the other counties. Effective September 1, 2025, directors are appointed for a term of four-years. Notwithstanding the foregoing, any director serving on the Board prior to September 1, 2025, shall continue to serve the remainder of his or her six-year term. The Governor designates a member of the Board as the president of the Board to serve in that capacity at the pleasure of the Governor.

PLAN OF FINANCING

Purpose

Proceeds from the sale of the Series 2026A Bonds will be used for the purpose of providing (i) to acquire and construct improvements, betterments, extensions, and replacements to the System; (ii) to fund the debt service reserve fund, if necessary; and (iii) to pay costs associated with the issuance of the Series 2026A Bonds. Proceeds from the sale of the Series 2026B Bonds will be used for the purpose of providing funds (i) to refund a portion of outstanding taxable

* Preliminary, subject to change.

extendable commercial paper bonds relating to the System as shown on Schedule I hereto (the “Refunded Bonds”); (ii) to acquire and construct improvements, betterments, extensions, and replacements to the System; (iii) to fund the debt service reserve fund, if necessary; and (iv) to pay costs associated with the issuance of the Series 2026B Bonds. See “SCHEDULE I” for a listing of the Refunded Bonds.

Refunded Bonds

A description and identification of the Refunded Bonds appears in SCHEDULE I.

The principal and interest due on the Refunded Bonds are to be paid on the redemption date of the Refunded Bonds set forth in SCHEDULE I attached hereto from funds to be deposited with BOKF, N.A., Dallas, Texas (the “Refunded Bond Paying Agent”). The Resolution provides that from the proceeds of the sale of the Series 2026B Bonds received from the Underwriters the Authority will deposit with the Refunded Bond Paying Agent the amount of funds that, if invested, will be sufficient to pay all amounts coming due on the Refunded Bonds to their redemption date and to accomplish the discharge and final payment of the Refunded Bonds on their redemption date. Such funds will be held [uninvested] by the Refunded Bond Paying Agent in the Project Fund (hereinafter defined).

By the deposit of proceeds of the Series 2026B Bonds into the Project Fund with the Refunded Bond Paying Agent, the Authority will have effected the defeasance of all of the Refunded Bonds in accordance with State law and in reliance upon the certificate described above. As a result of such defeasance, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Refunded Bond Paying Agent and such Refunded Bonds will not be deemed as being outstanding obligations of the Authority payable from the Net Revenues nor for the purpose of applying any limitation on the issuance of debt.

Sources and Uses of Bond Proceeds

Proceeds from the sale of the Bonds, and other available funds of the Authority, are expected to be applied approximately as follows:

Sources of Funds	Series 2026A Bonds	Series 2026B Bonds	Total
Par Amount of Bonds	\$		
[Net] Reoffering Premium			
Total Sources of Funds	\$		
Uses of Funds:			
Deposit to Project Fund*			
[Deposit to Reserve Fund]			
Underwriters’ Discount	\$		
Costs of Issuance			
Total Uses of Funds	\$		

THE BONDS

Description of the Bonds

The Bonds are dated April 1, 2026, and mature on August 1 in each of the years and in the amounts shown on page ii hereof. Interest will accrue from the date they are initially delivered to the Underwriters, will be payable on August 1, 2026 and on each February 1 and August 1 thereafter until maturity or prior redemption, and will be computed on the basis of a 360-day year of twelve 30-day months. The definitive Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company (“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 “THE BONDS - Book-Entry-Only System” herein).

* Includes proceeds for the purposes of refunding of the taxable extendable commercial paper bonds.

Interest on the Bonds is payable to the registered owner appearing on the bond registration books of the Paying Agent/Registrar on the Record Date (as defined below) and such interest shall be paid by the Paying Agent/Registrar (i) by check sent by United States mail, first-class, postage prepaid, to the address of the registered owner recorded in the bond register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. Principal of and interest on the Bonds at maturity will be payable upon their presentation and surrender to the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under “THE BONDS - Book-Entry-Only System” herein. If the date for any payment on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the designated corporate office of the Paying Agent/Registrar is located is authorized by law or executive order 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.

Authority For Issuance

The Bonds are being issued pursuant to the provisions of Chapter 518, Acts of the 54th Texas Legislature, Regular Session, 1955, as amended, Chapter 30, Texas Water Code, as amended, as applicable, Chapters 1207 and 1371, Texas Government Code, as amended, and other applicable laws, and a bond resolution authorizing the issuance of the Bonds (the “Bond Resolution”) adopted by the Board on August 27, 2025. In the Bond Resolution, the Board delegated to the General Manager and Chief Financial Officer of the Authority (the “Authorized Officer”) the authority to complete the sale of the Bonds. The terms of the sale of the Series 2026A Bonds will be included in a “Pricing Certificate” for the Series 2026A Bonds which will be approved and executed by the Authorized Officer, and which will complete the sale of the Series 2026A Bonds (the Bond Resolution and the Pricing Certificate for the Series 2026A Bonds are jointly referred to as the “2026A Resolution”). The terms of the sale of the Series 2026B Bonds will be included in a “Pricing Certificate” for the Series 2026B Bonds which will be approved and executed by the Authorized Officer, and which will complete the sale of the Series 2026B Bonds (the Bond Resolution and the Pricing Certificate for the Series 2026B Bonds are jointly referred to as the “2026B Resolution”). The 2026A Resolution and the 2026B Resolution are collectively referred to herein as the “Resolution”.

Under the Constitution and the statutes of the State, the Authority has broad powers to effectuate flood control and the conservation and use for all beneficial purposes of storm and flood waters in the Trinity River watershed, and as a necessary aid to these purposes, the Authority has specific authority to construct, own and operate water and wastewater treatment, collection and transportation systems, and to make contracts in reference thereto with municipalities and others. The Bonds are payable from the income to be received by the Authority under contracts (the “Contracts”) with the following municipalities: Town of Addison, the Cities of Arlington, Bedford, Carrollton, Cedar Hill, Colleyville, Coppell, Dallas, Duncanville, Euless, Farmers Branch, Fort Worth, Grand Prairie, Grapevine, Hurst, Irving, Keller, Mansfield, North Richland Hills and Southlake and the Dallas-Fort Worth International Airport Board (the “Contracting Parties”). The Bonds are “Additional Bonds” permitted to be issued by the resolutions of the Board of Directors of the Authority authorizing the issuance of the currently outstanding Regional Wastewater System Revenue Bonds.

Following the refunding of the Refunded Bonds, the Authority’s unpaid and unrefunded Regional Wastewater System Revenue Bonds, Series 2012, Regional Wastewater System Revenue Bonds, Series 2014, Regional Wastewater System Revenue Refunding Bonds, Series 2016, Regional Wastewater System Revenue Improvement and Refunding Bonds, Series 2017, Regional Wastewater System Revenue Improvement and Refunding Bonds, Series 2018, Regional Wastewater System Revenue Improvement and Refunding Bonds, Series 2019, Regional Wastewater System Revenue Refunding Bonds, Series 2020, Regional Wastewater System Revenue Refunding Bonds, Series 2021, Regional Wastewater System Revenue Bonds, Series 2022, Regional Wastewater System Revenue Improvement and Refunding Bonds, Series 2024 and shall be referred to as “Outstanding Parity Bonds”.

As required by the resolutions authorizing the Outstanding Parity Bonds, and prior to the issuance of the Bonds, the Authority’s engineer will execute a certificate to the effect that it in his/her opinion the Net Revenues of the System will be at least one times the principal and interest requirements for all then Outstanding Parity Bonds and the Bonds, throughout the period during which said obligations are scheduled to be outstanding.

Redemption

Optional Redemption of Series 2026A Bonds. The Authority reserves the right, at its option, to redeem the Series 2026A Bonds maturing on or after August 1, 20__, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on August 1, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Series 2026A Bonds are to be redeemed, the Authority may select the maturities of the Series 2026A Bonds to be redeemed. If less than all of the Series 2026A Bonds of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book-Entry-Only form) shall determine by lot the Series 2026A Bonds, or portions thereof, within such maturity to be redeemed.

Optional Redemption of Series 2026B Bonds. The Series 2026B Bonds are subject to redemption prior to maturity, at the option of the Issuer, in whole or in part, on any Business Day in such amounts and maturities as designated by the Issuer (i) before August 1, 2036* at the Make-Whole Redemption Price (as further described herein) applicable to the Series 2026B Bonds, together with accrued interest thereon to the redemption date and (ii) on or after August 1, 2036*, at a redemption price equal to 100% of the principal amount of the Series 2026B Bonds to be redeemed, together with accrued interest thereon to the redemption date. (see “THE BONDS – Redemption – Optional Redemption of Series 2026B Bonds”).

“Make-Whole Redemption Price” means the greater of:

- (1) 100% of the principal amount of any Series 2026B Bonds being redeemed; and
- (2) the sum of the present values of the remaining unpaid scheduled payments of principal and interest on any Series 2026B Bonds being redeemed (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus __ basis points.

“Comparable Treasury Issue” means the United States Treasury security or securities selected by the Designated Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Series 2026B Bonds to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Series 2026B Bonds.

“Comparable Treasury Price” means, with respect to any redemption date, the average of the Reference Treasury Dealer Quotations for such redemption date or, if the Designated Investment Banker obtains only one Reference Treasury Dealer Quotation, such Reference Treasury Dealer Quotation.

“Designated Investment Banker” means the independent accounting firm, investment banking firm or financial advisor retained by the Authority.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to (i) the semiannual equivalent yield to maturity or (ii) if no such semiannual equivalent yield to maturity is available, the interpolated yield to maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

At the request of the Authority, the Make-Whole Redemption Price of the Series 2026B Bonds, with respect to (2) above, will be calculated by an independent accounting firm, investment banking firm or financial advisor retained by the Authority at the Authority’s expense. The Authority may conclusively rely on the determination of the Treasury Rate and on any Make-Whole Redemption Price calculated by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

Mandatory Redemption. If two or more serial bonds of consecutive maturities are combined into one or more “Term Bonds” by the Series 2026A Underwriters or the Series 2026B Underwriters, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the respective Series 2026A Resolution or the Series 2026B Resolution.

*Preliminary; subject to change.

Notice of Redemption

At least 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the day such notice of redemption is mailed and to major securities depositories, national bond rating agencies and any national information service that disseminates redemption notices; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. 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 such written notice of redemption is published and 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 or Bonds 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 Issuer, all as provided in the Resolution.

If at the time of mailing of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice must state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within 5 days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

The Paying Agent/Registrar and the Authority, 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 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, shall not affect the validity of the redemption of Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the Authority 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 Authority or the Paying Agent/Registrar. Neither the Authority 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 "THE BONDS - Book-Entry-Only System").

Reserve Fund

At closing of the issuance of the Bonds, the Authority will, if required, deposit an amount necessary to make the Reserve Fund created by the 1973 Bond Resolution contain an amount of money and investments in market value at least equal to the average annual principal and interest requirements of the Outstanding Parity Bonds and the Bonds (the "Reserve Required Amount"). Until and unless Additional Bonds are issued as permitted in the Outstanding Parity Bond Resolution and the Resolution, no deposits shall be made into the Reserve Fund as long as the money and investments in the Reserve Fund are at least equal in market value to the Reserve Required Amount. However, if and whenever the amount of money and investments in the Reserve Fund is reduced below said Reserve Required Amount because of a decrease in market value of investments, then the Authority shall restore the Reserve Fund to the Reserve Required Amount from the Emergency Fund (see "THE BONDS - Emergency Fund") and/or the Research and Development Fund created by the 1973 Bond Resolution to the extent of amounts available therein, and if such amounts are insufficient, then the Authority shall require the Contracting Parties to increase their payments under the Contracts as soon as practicable, and in any event within one year, in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount. In the event the Reserve Fund is used to pay the principal of or interest on any

bonds because of insufficient amounts being available in the Interest and Sinking Fund, then the Authority shall require the Contracting Parties to increase their payments under the Contracts in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount, and the Authority shall deposit in the Reserve Fund, in approximately equal periodic payments, not less than annually, such amounts as are required to restore the Reserve Fund to the Reserve Required Amount from said increased payments within five years from any date of the use of the Reserve Fund to pay such principal or interest. So long as the Reserve Fund contains the Reserve Required Amount, all amounts in excess thereof shall be deposited to the credit of the Claims Fund, the Emergency Fund, and the Research and Development Fund, to the extent required by Section 3.13 of the 1973 Bond Resolution, and with the remainder to be deposited to the credit of the Interest and Sinking Fund. See "SECURITY AND SOURCE OF PAYMENT - Reserve Fund Requirement" for additional details about the Reserve Fund.

Emergency Fund

There is now on hand in the Emergency Fund created by the 1973 Bond Resolution an amount equal to at least \$1,000,000 (the "Required Emergency Amount"). No deposits are required to be made to the credit of the Emergency Fund so long as it contains the Required Emergency Amount. If the Required Emergency Amount is reduced below \$1,000,000, the Authority shall require the Contracting Parties to increase their payments under the Contracts in amounts sufficient to restore the Emergency Fund to the Required Emergency Amount as soon as practicable, and in all events by the end of the next following Authority fiscal year.

Defeasance

The Resolution provides for the defeasance of the Bonds when the payment of all amounts due with respect to the Bonds to the due date thereof is provided by irrevocably depositing with the Paying Agent/Registrar or authorized deposit agent, in trust (1) money sufficient to make such payment and/or (2) Defeasance 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 Bond Resolution permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Authority adopts or approves the proceedings authorizing the issuance of refunding obligations, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) 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 the governing body of the Authority adopts or approves the proceedings authorizing the issuance of refunding obligations, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent or (d) any additional securities and obligations hereafter authorized by Texas laws as eligible securities as deemed necessary, in connection with the sale of the Bonds. **The Authorized Officer may modify the categories of Defeasance Securities that are eligible to defease either series of Bonds in order to accommodate requests from potential investors and shall include any such modification in the applicable Pricing Certificates and such modification shall be disclosed in the final Official Statement.** Further, there is no assurance that current State law will not be amended in a manner that expands or contracts the list of permissible defeasance securities (such list consisting of those securities identified in clauses (a) through (c) above), or any rating requirement thereon, that may be purchased with defeasance proceeds relating to the Bonds, though the Authority has reserved the right to utilize any additional securities for such purpose in the event the aforementioned list is expanded. The Authority has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the Authority moneys in excess of the amount required for such defeasance.

The Resolution does not contractually limit such investments, and therefore registered owners will 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.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. 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 Authority 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 (to the extent the Bonds are subject to redemption) is not extinguished if the Authority: (i) in the proceedings providing

for the firm banking and financial arrangements, expressly reserves the right to call such Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of such 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.

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 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 Authority and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The Authority and the Underwriters cannot and do 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 requested by an authorized representative of DTC. One fully-registered bond certificate for each maturity will be issued for the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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, corporate and municipal debt issues, and money market instrument (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 of 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 S&P Global Ratings 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 each Bond ("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 certificates 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 effect 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity in the series 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 Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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).

Payments on the Bonds and the Make-Whole Redemption Price 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 Authority or the Paying Agent, 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, the Paying Agent/Registrar, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Authority 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 depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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 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.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Authority or the Underwriters.

Effect of Termination of Book-Entry-Only System. In the event the Book-Entry-Only System with respect to the Bonds is discontinued by DTC, or the use of the Book-Entry-Only System with respect to the Bonds is discontinued by the Authority, printed Bond certificates will be issued to the respective holders of the Bonds, and the respective Bonds will be subject to transfer, exchange, and registration provisions as set forth in the Resolution, summarized under "THE BONDS – Transfer, Exchange And Registration" below.

Paying Agent/Registrar

The initial Paying Agent/Registrar is BOKF, N.A., Dallas, Texas. In the Resolution, the Authority retains the right to replace the Paying Agent/Registrar. The Authority covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the Authority agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first-class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Transfer, Exchange And Registration

In the event the Book-Entry-Only System should be discontinued, the Bonds will be printed and delivered to the beneficial owners 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 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 designated amount as the Bonds surrendered for exchange or transfer. See "THE BONDS - Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Limitation on Transfer of Bonds

The Paying Agent/Registrar shall not be required to make any transfer, conversion or exchange (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 payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 30 days prior to its redemption date.

Record Date for Interest Payment

The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the fifteenth calendar day of the preceding month.

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 Authority. 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 business days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Holder 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.

Bondholders' Remedies

The Resolution does not specify events of default with respect to the Bonds. If the Authority defaults in the payment of principal, interest, or redemption price on the Bonds when due, or the Authority defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Resolution, the Resolution provides that, in the event of a default or a threatened default in the payment of principal or interest on the Parity Bonds, any court of competent jurisdiction may, upon petition of holders or owners of 25% of the outstanding Parity Bonds, appoint a receiver with authority to collect and receive all income from the System, employ, and discharge agents, employees, and consultants of the Authority, take charge of pledged funds on hand and manage the proprietary affairs of the Authority without consent or hindrance by the Board of the Authority. Such receiver may also be authorized to make contracts for providing water treatment services or renew such contracts with the approval of the court. The Court may vest the receiver with such other powers and duties as the court may find necessary for the protection of the holders or owners of the Parity Bonds. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Bonds or the Resolution and the Authority's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Resolution does not provide for the appointment of a trustee to represent the interest of the bondholders upon any failure of the Authority to perform in accordance with the terms of the Resolution, or upon any other condition and accordingly all legal

actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W. 3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in “clear and unambiguous” language. Because it is unclear whether the Texas legislature has effectively waived the Authority’s sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the Authority for breach of the Bonds or Resolution covenants in the absence of Authority action. Chapter 1371, Texas Government Code (“Chapter 1371”), which pertains to the issuance of public securities by issuers such as the Authority, permits the Authority to waive sovereign immunity in the proceedings authorizing its bonds. The Bonds are being issued pursuant to Chapter 1371; however, the Authority has not waived sovereign immunity in connection with the issuance of the Bonds. Even if a judgment against the Authority could be obtained, it could not be enforced by direct levy and execution against the Authority’s property. Further, the registered owners cannot themselves foreclose on property within the Authority or sell property within the Authority to enforce any tax lien on property to pay the principal of and interest on the Bonds. Furthermore, the Authority is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code (“Chapter 9”). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, such provision is subject to judicial construction. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the Authority avail itself of Chapter 9 protection from creditors, the ability to enforce creditors’ rights would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

SECURITY AND SOURCE OF PAYMENT

The Authority has entered into the Contracts with the Contracting Parties to enable it to construct and improve a central regional wastewater treatment system (the “System”) for the benefit of the Contracting Parties (see “THE SYSTEM - The Plant”). The Bonds, and interest thereon, are payable solely from the “Net Revenues” to be received by the Authority under the terms of the Contracts, and the Authority has pledged these Net Revenues to the punctual payment of these obligations, when due. The term “Net Revenues” is defined in the Bond Resolution as all of the gross revenues or payments received by the Authority from the Contracting Parties under the Contracts after deducting therefrom the amounts paid to the Authority for the purpose of paying Operation and Maintenance Expenses, with the result that the Net Revenues shall consist of the amounts necessary to pay all principal and/or interest coming due on the Bonds and the Outstanding Parity Bonds, on each principal and/or interest payment date, and any amounts payable as part of any special or reserve funds required to be established and/or maintained by the provisions of any Bond Resolution, as defined in the Contracts, and an amount in addition thereto sufficient to restore any deficiency in any of such funds or accounts required to be accumulated and maintained by the provisions of any Bond Resolution, as defined in the Contracts.

The expense of operating the System, including administrative overhead and the amount necessary to pay debt service on any outstanding bonds, is reduced to a cost in cents per 1,000 gallons of sewage deposited into the System. Each Contracting Party is then billed monthly according to their projected annual flow with provisions for adjustment. The fiscal provisions of the Contracts with the Authority are summarized in this Official Statement. (see “SELECTED CONTRACT PROVISIONS”).

Actual net cost to the Contracting Parties for wastewater treatment for fiscal year 2025 was \$3.680* per 1,000 gallons. Budgeted net cost of wastewater treatment to the Contracting Parties for billing purposes for fiscal year 2026 is \$4.490 per 1,000 gallons.

Reserve Fund Requirement

There has previously been created a Reserve Fund to be used to finally retire or to pay when due debt service on Outstanding Parity Bonds, the Bonds, and any Additional Bonds to the extent the amounts in the Interest and Sinking Fund are insufficient. The Resolution provides that so long as the market value of the money and investments in the

*Unaudited.

Reserve Fund are not less than the Reserve Required Amount (which is to the average annual principal and interest requirements of the Outstanding Parity Bonds and any Additional Bonds), no deposit to the Reserve Fund is required (see “THE BONDS - Reserve Fund” and “SELECTED PROVISIONS OF THE RESOLUTION”). At delivery of the Bonds, the Authority will, if required, deposit an amount necessary to make the Reserve Fund created by the 1973 Bond Resolution contain an amount of money and investments in market value at least equal to the Reserve Required Amount.

THE SYSTEM

The Plant

The Central Regional Wastewater System (the “System”) is considered a large regional wastewater system currently serving approximately 1.4 million customers in Dallas, Tarrant, Ellis, Johnson, and Denton counties of North Central Texas. The System includes facilities required to transport and treat flow volumes received from portions or all of twenty cities and the Dallas-Fort Worth International Airport. The System has been in continuous operation since the original 30 MGD two stage trickling filter plant (the “Plant”) was placed into operation December 1, 1959. In response to the population growth of the Contracting Parties serviced by the System, the Plant was expanded during the mid-seventies to a 100 MGD capacity when twelve additional Contracting Parties were admitted to the System. In 1987, through the addition of several equipment modifications, the Plant was upgraded to a temporary 115 MGD capacity. In late 1989, construction was initiated on the Phase III Expansion of the Plant to 135 MGD with a capability of meeting more stringent discharge limits. This expansion was completed in mid-1993. Since the Plant was last expanded, the Authority has continued to make process changes and has received an up rating from the Texas Commission on Environmental Quality. The current rated capacity of the Plant is 189 MGD. The Plant receives wastewater via a network of 210 plus miles of interceptor pipeline. These interceptors range in size from 6 to 110 inches in diameter. The flow collected by each interceptor is metered through a series of 128 meter stations distributed throughout the System; these meters are utilized for determining respective flow contributions from each of the Contracting Parties allowing subsequent proportionate segregation of System costs based upon the share of System usage.

In 1992, the Authority completed the first of several planning efforts (each referred to herein as a “System Improvement Plan”) for the System. Development of this initial System Improvement Plan was a scheduled milestone in the Authority’s continued long-term planning efforts for the System. Other subsequent System Improvement Plans were completed in 1998, 2001, 2004, 2007, 2009, 2012 and 2017. Generally, the projects contemplated by each System Improvement Plan were completed within three (3) years of commencement.

The National Association of Clean Water Agencies (formerly known as Association of Metropolitan Sewerage Agencies) recognized the System and the Authority with Platinum Awards for Peak Performance for the years 2007 through 2025. This Platinum Award recognized the Authority for its 100% compliance with NPDES permits over a consecutive five-year period. Aside from the awards received by the Plant, the System has received national recognition within the industry for three innovative projects:

- 1) the System’s early use of fine bubble diffusion as a retrofit to the secondary treatment process to achieve greater energy efficiency and treatment capability;
- 2) the System’s establishment of the largest urban reuse project in the State wherein treated effluent is pumped to a large development in Irving, Texas, for use in lake level maintenance and golf course irrigation; and
- 3) the System’s completion of the Jefferson Avenue Relief Tunnel facility, a 10,500 linear foot 72-inch diameter relief diversion facility which served to facilitate the abandonment of a 20 MGD lift station and avoided the construction of approximately 30,000 linear feet of relief pipeline.
- 4) the System received the Utility of the Future Today award for planning to develop the thermal hydrolysis and digestion process for beneficial biosolids use to achieve Class A land application.

These projects have served as examples of the possibilities that can be implemented on a regionally scaled project.

Central Regional Wastewater System Enterprise Fund

FY 11/30	2025*	2024	2023	2022	2021
Total Operating Revenue	\$194,623,452	\$184,849,621	\$165,139,318	\$157,202,548	\$157,540,270
Operating Expenses (Exclusive of Depreciation)	(84,080,704)	(81,390,604)	(69,679,395)	(59,990,951)	(52,810,968)
Net Non-Operating Revenues/(Expenses) (Exclusive of Interest and Amortization Expenses)	<u>9,476,161</u>	<u>11,990,737</u>	<u>9,591,651</u>	<u>(3,693,053)</u>	<u>(3,936,465)</u>
Net Funds Available for Debt Service	\$120,018,909	\$115,449,754	\$105,051,574	\$93,518,544	\$100,792,837

*unaudited

For additional information with respect to the System's operating data, see APPENDIX C, "Certain Financial and Operating Data of Central Regional Wastewater System Enterprise Fund."

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DEBT INFORMATION

Debt Service Requirements*

Fiscal Year Ending November 30	Outstanding Parity Bonds Debt Service ⁽¹⁾			Series 2026A		Taxable Series 2026B		Total Outstanding Debt Service
	Principal	Interest	Total	Principal	Interest	Principal	Interest	
2026	\$ 73,780,000	\$ 20,469,614	\$ 94,249,614					\$ 94,249,614
2027	77,340,000	37,708,171	115,048,171					115,048,171
2028	83,090,000	34,096,129	117,186,129					117,186,129
2029	80,135,000	30,192,471	110,327,471					110,327,471
2030	84,735,000	26,363,008	111,098,008					111,098,008
2031	89,055,000	22,530,295	111,585,295					111,585,295
2032	92,370,000	18,820,945	111,190,945					111,190,945
2033	48,690,000	15,405,788	64,095,788					64,095,788
2034	43,510,000	13,223,513	56,733,513					56,733,513
2035	41,480,000	11,245,363	52,725,363					52,725,363
2036	43,465,000	9,273,088	52,738,088					52,738,088
2037	45,395,000	7,316,963	52,711,963					52,711,963
2038	36,080,000	5,270,838	41,350,838					41,350,838
2039	20,105,000	3,853,906	23,958,906					23,958,906
2040	16,280,000	3,069,500	19,349,500					19,349,500
2041	16,985,000	2,368,475	19,353,475					19,353,475
2042	17,715,000	1,636,450	19,351,450					19,351,450
2043	8,395,000	860,150	9,255,150					9,255,150
2044	8,810,000	440,500	9,250,500					9,250,500
2045	-	-	-					-
2046	-	-	-					-
	<u>\$ 927,415,000</u>	<u>\$ 264,145,164</u>	<u>\$ 1,191,560,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,191,560,164</u>

⁽¹⁾ Outstanding debt service based on the following Principal by Series as of March 13, 2026:

Series 2012	\$ 35,560,000
Series 2014	3,165,000
Series 2016	34,890,000
Series 2017	182,530,000
Series 2018	165,605,000
Series 2019	109,315,000
Series 2020	98,955,000
Series 2021	54,165,000
Series 2022	121,845,000
Series 2024	<u>121,385,000</u>
Total	\$ 927,415,000

* Preliminary, subject to change.

Anticipated Issuance of Additional System Revenue Bonds

The Authority has plans to finance approximately \$2.1 billion* through its fiscal year 2030 through the issuance of bonds for the System's capital improvement plan.

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* Preliminary, subject to change.

SELECTED CONTRACT PROVISIONS

Following is a summary of certain provisions of the Contracts. Certain provisions, including dates and other time references discussed below, are as expressly specified in the Contracts and have not been revised to reflect more recent dates or time periods. Certain provisions may differ slightly between Contracts in order to suit each Contracting Party’s particular needs. Reference is hereby made to the full and complete Contracts. For additional information, copies of the Contracts are available upon request from the Financial Advisor.

The Contracts will remain in force and effect from their date, and thereafter until any Outstanding Bonds and Bonds, as defined in each Contract, have been paid in full.

Parties and Terms

The Authority has entered into contracts with the following Contracting Parties (the “Contracts”), with the effective date of each contract being as designated below:

Contracting Parties	Effective Date	Contracting Parties	Effective Date
Town of Addison	10-24-90	City of Fort Worth	10-10-73
City of Arlington	10-10-73	City of Grand Prairie	10-10-73
City of Bedford	10-10-73	City of Grapevine	1-22-75
City of Carrollton	10-10-73	City of Hurst	5-28-75
City of Cedar Hill	10-23-85	City of Irving	10-10-73
City of Colleyville	5-28-75	City of Keller	6-27-84
City of Coppell	2-1-76	City of Mansfield	8-23-74
City of Dallas	10-8-73	City of North Richland Hills	5-28-75
City of Duncanville	6-27-84	City of Southlake	2-25-87
City of Euless	10-10-73	DFW International Airport Board	8-9-73
City of Farmers Branch	8-30-73		

Certain Definitions

Certain terms and expressions used in the fiscal provisions of each of the contracts are substantially as set forth below:

“Additional Contracting Party” means any party not defined as a Contracting Party with whom the Authority makes a contract for receiving, transporting, treating, and disposing of wastewater through the System.

“Adjusted Annual Payment” means the Annual Payment, as adjusted due to service to Additional Contracting Parties and/or as required during or after each Fiscal Year.

“Annual Payment” means the amount of money to be paid to the Authority by the Contracting Parties as their proportionate share of the Annual Requirement.

“Annual Requirement” means the total amount of money required for the Authority to pay all Operation and Maintenance Expenses of the System and to pay the debt service on its Bonds and Outstanding Bonds, and to pay any amounts required to be deposited in any special or reserve funds required to be established and/or maintained by the provisions of the Bond Resolution, and in resolutions authorizing Outstanding Bonds.

“Bond Resolution” means any resolution of the Board of Directors of the Authority authorizing the issuance of Bonds and providing for their security and payment, as such resolution(s) may be amended from time to time as therein permitted.

“Bonds” means any bonds to be issued by the Authority pursuant to the Contract and other contracts with the Contracting Parties and Additional Contracting Parties for the acquisition, construction, expansion, improvement, or completion of the System, whether one or more issues, or any bonds issued to refund same, or to refund such refunding bonds.

“Contracting Party” or “Contracting Parties” means one or more of the following: the Town of Addison, the cities of Arlington, Bedford, Carrollton, Cedar Hill, Colleyville, Coppell, Dallas, Duncanville, Euless, Farmers Branch, Fort Worth, Grand Prairie, Grapevine, Hurst, Irving, Keller, Mansfield, North Richland Hills, Southlake, and the Dallas/Fort Worth International Airport Board.

“Fiscal Year” means the twelve (12) month period beginning December 1 of each year and applies only to the Authority, or such other twelve (12) month period as may be established in the future to constitute Authority’s Fiscal Year.

“Month” means calendar month.

“Operation and Maintenance Expense” means all costs of operation and maintenance of the Authority’s System including, but not limited to, repairs and replacements for which no special fund is created in the Bond Resolution, the cost of utilities, supervision, engineering, accounting, auditing, legal services, and any other supplies, services, administrative costs, insurance and equipment necessary for proper operation and maintenance of the Authority’s System, and payments made by the Authority in satisfaction of judgments resulting from claims not covered by the Authority’s insurance or not paid by one particular Contracting Party or Additional Contracting Party arising in connection with the operation and maintenance of the System. The term also includes the fees of the bank or banks where the Outstanding Bonds and the Bonds are payable. Depreciation shall not be considered an item of Operation and Maintenance Expense.

“Outstanding Bonds” means all Bonds issued by the Authority prior to the date of this Contract to provide funds for construction, enlargement, extension, and improvement of the System which are outstanding on the date of the Contracts.

Fiscal Provisions of the Contracts

The fiscal provisions for each of the contracts are substantially as follows:

Financing. The Authority will pay for the cost of construction of the improvements contemplated in the Contract, and will issue its Bonds, from time to time, in amounts necessary which, together with other available funds, will be sufficient to accomplish such construction.

Annual Requirement. It is acknowledged and agreed that payments to be made under the Contract and similar contracts with other Contracting Parties and Additional Contracting Parties will be the only source available to the Authority to provide the Annual Requirement; and that the Authority has a statutory duty to establish and from time to time to revise the charges for services to be rendered and made available to Contracting Party hereunder so that the Annual Requirement shall at all times be not less than an amount sufficient to pay or provide for the payment of:

- (a) the net amount paid or payable for all Operation and Maintenance Expenses;
- (b) the principal of and the interest on Outstanding Bonds and Bonds, as such principal and interest becomes due, less interest to be paid out of Bond proceeds as permitted by the Bond Resolution and less any other funds on hand for payment of principal and interest on the Bonds and Outstanding Bonds;
- (c) during each Fiscal Year, the proportionate part of any special or reserve funds required to be established and/or maintained by the provisions of the Bond Resolution and/or any resolution authorizing the Bonds or Outstanding Bonds; and
- (d) an amount in addition thereto sufficient to restore any deficiency in any of such funds or accounts required to be accumulated and maintained by the provisions of the Bond Resolution and/or any resolution authorizing the Bonds or Outstanding Bonds.

Payments by Contracting Party.

(a) For services to be rendered to the Contracting Party by the Authority under the Contract, the Contracting Party agrees to pay, at the time and in the manner hereinafter provided, its proportionate share of the Annual Requirement, which shall be determined as follows and shall constitute the Contracting Party’s Annual Payment:

For each Fiscal Year the Contracting Party’s proportionate share of the Annual Requirement shall be a percentage obtained by dividing Contracting Party’s estimated annual contributing flow to the System by the total estimated annual contributing flow to the System by all Contracting Parties, and by multiplying such percentage times the Annual Requirement. The resulting amount shall constitute the Contracting Party’s Annual Payment for such Fiscal Year.

The following tabulation was applied for Fiscal Year ending November 30, 2025. Each Contracting Party's Annual Payment for the Fiscal Year 2025 was calculated by multiplying said Contracting Party's percentage from the following tabulation times the Annual Requirement.

<u>Contracting Party</u>	<u>2025 Annual Contributing Flow (million gallons) FY 2025*</u>	<u>FY 2025 Percentage of Total*</u>	<u>2026 Budgeted Annual Contributing Flow (million gallons)</u>	<u>FY 2026 Budgeted Percentage of Total</u>
Addison	1.667	1.184%	1.750	1.241%
Arlington	37.342	26.520%	36.243	25.697%
Bedford	3.732	2.650%	4.140	2.935%
Carrollton	12.680	9.005%	12.000	8.508%
Cedar Hill	0.619	0.440%	0.573	0.406%
Colleyville	2.929	2.080%	3.024	2.144%
Coppell	3.248	2.307%	3.300	2.340%
Dallas	8.350	5.930%	7.662	5.433%
DFW Airport	2.532	1.798%	2.398	1.700%
Duncanville	0.154	0.109%	0.154	0.109%
Euless	4.664	3.312%	4.567	3.238%
Farmers Branch	4.400	3.125%	4.500	3.191%
Fort Worth	3.650	2.592%	3.662	2.596%
Grand Prairie	16.377	11.631%	17.025	12.071%
Grapevine	2.323	1.650%	2.400	1.702%
Hurst	0.316	0.224%	0.340	0.241%
Irving	24.443	17.359%	26.000	18.434%
Keller	2.421	1.719%	2.650	1.879%
Mansfield	6.664	4.733%	6.260	4.438%
North Richland Hills	0.848	0.602%	0.842	0.597%
Southlake	1.448	1.030%	1.550	1.100%
	<u>140.807</u>	<u>100.000%</u>	<u>141.040</u>	<u>100.000%</u>

The Contracting Party's Annual Payment shall be made to Authority in equal monthly installments for each Fiscal Year. Such payments shall be made in accordance with and at the times set forth in a schedule of payments for each Fiscal Year which will be supplied to the Contracting Party. At the close of each Fiscal Year, the Authority shall redetermine the Contracting Party's percentage by dividing Contracting Party's actual metered contributing flow to the System by the total actual metered contributing flow to the System by all Contracting Parties. The Contracting Party's Adjusted Annual Payment shall be calculated by multiplying the Contracting Party's redetermined percentage times the Annual Requirement. The difference between the Adjusted Annual Payment and the Annual Payment, if any, when determined, shall be applied as a credit or a debit to the Contracting Party's account with the Authority and shall be credited or debited to the Contracting Party's next subsequent monthly payment or payments for the next Fiscal Year.

(b) If, during any Fiscal Year, Authority begins providing services to an Additional Contracting Party or Parties, Contracting Party's Annual Payment for such Fiscal Year shall be redetermined in the following manner:

(i) Such Additional Contracting Party or Parties estimated contributing flow to the System for such year, or portion thereof, shall be determined by Authority;

(ii) The Contracting Party's proportionate share of the Annual Requirement shall be a percentage, redetermined by dividing the Contracting Party's estimated annual contributing flow to the System by the total estimated annual contributing flow to the System by all Contracting Parties, including that estimated for the Additional Contracting Party or Parties for the remaining portion of such Fiscal Year;

*Unaudited.

(iii) The Authority shall redetermine the Annual Requirement, taking into consideration any coats incurred on account of the Additional Contracting Party or Parties;

(iv) The Contracting Party's Annual Payment shall be redetermined by multiplying the Contracting Party's redetermined percentage times the redetermined Annual Requirement.

(c) The Contracting Party's Annual Payment shall be redetermined, in the manner set out above, at any time during any Fiscal Year if:

(i) Additions, enlargements or improvements to the System are constructed by the Authority to provide continuing service which in turn requires a redetermination of the Annual Requirement; or

(ii) Unusual or extraordinary expenditures for operation and maintenance are required which are not provided for in the Annual Budget or in the Bond Resolution; or

(iii) The Contracting Party's contributing flow to the System, after the beginning of the Fiscal Year, is estimated to be substantially different from that on which Annual Payments are based as determined by the Authority, to the extent that such difference in flow will substantially affect the Contracting Party's Budget, and consequently Contracting Party's Annual Payment to the Authority.

(d) The Annual Payment set forth in this section shall be considered the Basic Charge for service hereunder, and Contracting Party shall pay a surcharge for excess BOD (Biochemical Oxygen Demand) and/or SS (Suspended Solids) determined in the manner set forth in Section 4.05 of the Contract.*

(e) Recognizing that the Authority will use payments received from the Contracting Party to pay, secure and finance the issuance of the Bonds and to pay Outstanding Bonds, it is agreed that upon the effective date of the Contract, the Contracting Party shall be unconditionally obligated to pay its proportionate share of the Annual Requirements, regardless of whether or not the Authority is actually receiving wastewater under the Contract, or whether or not the Contracting Party actually discharges wastewater under the Contract, whether due to Force Majeure or otherwise. In such event, the amount due shall be a percentage of the Annual Requirements for the period of such failure of service under the Contract. Such percentage shall be determined by dividing the amount of wastewater actually discharged into the System by the Contracting Party in the month preceding cessation of service under the Contract by the total amount of wastewater discharged into the System by all Contracting Parties and Additional Contracting Parties for the same period.†

(f) On or before February 1 or August 1 of each year (depending upon the Contracting Party involved) the Authority will furnish the Contracting Party with an estimated schedule of monthly payments to be made by the Contracting Party for the ensuing Fiscal Year. On or before November 1 of each year, the Authority shall furnish the Contracting Party with a finalized schedule of the monthly payments to be made by such Contracting Party to the Authority for the ensuing Fiscal Year. The Contracting Party hereby agrees that it will make such payments to the Authority on or before the 10th day of each month of such Fiscal Year. If the Contracting Party at any time disputes the amount to be paid by it to the Authority, the Contracting Party shall nevertheless promptly make the payment or payments determined by the Authority, and, if it is subsequently determined by agreement, arbitration or court decision that such disputed payments made by the Contracting Party should have been less, the Authority shall promptly revise and reallocate the charges among all parties then being served by the Authority in such Contracting Party will recover its overpayment. In the event the Contracting Party is assessed a surcharge for excess BOD and/or SS, the Authority will bill the Contracting Party for such surcharge on or before the fifth (5th) day of the month following the determination of the surcharge and the Contracting Party shall pay such surcharge on or before the tenth (10th) day of the month of receipt of any such bill. Any such surcharge collected by the Authority shall be applied by the Authority against the total cost of Operation and Maintenance Expense of the System.

* As to Cedar Hill, Southlake and Addison, additional surcharges are payable or will be payable to be used to offset previous capital costs in effect paid by other Contracting Parties. The surcharges will be applied at the end of the Fiscal Year as a credit to the amount of the Annual Requirement that would otherwise be payable during the ensuing Fiscal Year by the other Contracting Parties.

† As to certain Contracts this provision is replaced by a provision in which the Contracting Party agrees that upon the effective date of the Contract it should be unconditionally obligated to pay its proportionate share of the Annual Requirements and its applicable surcharge payment.

(g) If the Contracting Party's Annual Payment is redetermined as provided in the Contract, the Authority will promptly furnish the Contracting Party with an updated schedule of monthly payments reflecting such redetermination.

(h) All interest income earned by the investment of any Funds created in the Bond Resolution shall be taken into account in determining the Annual Requirement.

Obligations of Contracting Party. The Authority shall never have the right to demand payment by the Contracting Party of any obligation assumed or imposed on it under and by virtue of the Contract from funds raised or to be raised by taxation, it being expressly understood by the parties hereto that all payments due by the Contracting Party under the Contract are to be made from the revenues and income received by the Contracting Party from its waterworks and sanitary sewer systems, as authorized by Section 402.023, Texas Local Government Code, or Chapter 30, Texas Water Code.*

Payments to Constitute Operating Expenses by Contracting Party. The Contracting Party represents and covenants that the services to be obtained pursuant to the Contract are essential and necessary to the operation of the Contracting Party and its Local Wastewater Facilities, and that all payments to be made under the Contract by it will constitute reasonable and necessary "operating expenses" of the Contracting Party's waterworks and sanitary sewer system, within the meaning of Chapter 1502, Texas Government Code, as amended, and the provisions of all Ordinances authorizing the issuance of all revenue bond issues of the Contracting Party which are payable from revenues of each Contracting Party's waterworks and sewer system.

Contracting Party to Establish Adequate Rates. The Contracting Party agrees to establish and collect such rates and charges for Waterworks and Sanitary Sewer System services to be supplied by its Waterworks and Sanitary Sewer System as will make possible the prompt payment of all expenses of operating and maintaining its Waterworks and Sanitary Sewer System, including all payments contracted hereunder, and the prompt payment of the principal of and interest on its obligations, if any, payable from the revenues of its Waterworks and Sanitary Sewer System (in the case of the Airport Board, payable from the revenues of the Airport).

Use of Revenues of System. All revenues received from any source whatsoever by Authority by reason of its ownership of this System shall, to the extent permitted by law, be credited to the funds of the System as established in the Bond Resolution. To the extent permitted by law, if the Authority receives income from the use of treated Wastewater, prior to its discharge into a public stream of the State of Texas, the Authority will apply said income against the Operating and Maintenance Expense of the System. Provided, that revenues received by Authority from the Dallas-Fort Worth International Airport Board under contract dated July 16, 1971, as amended, and any revenues received under contracts, the revenues from which are pledged to the payment of special facility bonds, as permitted in the Bond Resolution, shall not be credited to said funds of the System and will not be a part of the pledge of revenues for payment of the Bonds. Neither shall any revenues received by the Authority under contracts where the Authority is acting as a signatory to the Texas Water Pollution Control Compact be included as a part of the pledge of revenues for payment of the Bonds. No funds derived from the Contracting Parties shall ever be used for the benefit of any project the revenues of which have been excluded from the pledge for payment of the Bonds hereunder or which may be so excluded in the future.

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* As to Dallas-Fort Worth International Airport Board, the payments made to the Authority constitute an operation and maintenance expense of the Airport, payable from the revenues and income received by the Airport Board from payments made to it by the airlines served by the Airport and any other funds available to it for the payment of operating expenses.

SELECTED PROVISIONS OF THE RESOLUTION

THE FOLLOWING ARE SELECTED PROVISIONS OF THE RESOLUTION. THE SELECTED PROVISIONS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE FULL AND COMPLETE DOCUMENT.

REFERENCES TO “SECTIONS” AND “THIS RESOLUTION” IN THE BELOW PROVISIONS REFER TO THE DOCUMENT FROM WHICH SUCH SELECTED PROVISION WAS TAKEN UNLESS THE CONTEXT REQUIRES OTHERWISE.

ARTICLE I DEFINITIONS OF TERMS

Section 1.01. DEFINITIONS 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 meanings as follows:

- (a) “Act” means Chapter 518, Acts of the 54th Texas Legislature, Regular Session, 1955, as amended.
- (b) “Airport Board” means the Board of Directors of the Dallas-Fort Worth International Airport (formerly known as the Dallas-Fort Worth Regional Airport).
- (c) “Authority” or “Issuer” means Trinity River Authority of Texas and any other public body or agency at any time succeeding to the property and principal rights, power, and obligations of said Issuer.
- (d) “Board of Issuer” or “Board” means the Board of Directors of the Issuer.
- (e) “Bond” or “Bonds” means the bonds authorized by this Resolution.
- (f) “Certified Public Accountant” means any certified public accountants of suitable experience and qualifications not regularly in the employ of the Issuer, selected by the Issuer.
- (g) “Cities” means the Town of Addison and the Cities of Arlington, Bedford, Carrollton, Cedar Hill, Colleyville, Coppell, Dallas, Duncanville, Euless, Farmers Branch, Fort Worth, Grand Prairie, Grapevine, Hurst, Irving, Keller, Mansfield, North Richland Hills, Southlake, and other municipalities the Issuer may contract with in the future to provide service from the System.
- (h) “Code” means the United States Internal Revenue Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto.
- (i) “Contracting Parties” means the Cities and the Airport Board, and other parties the Issuer may contract with in the future to provide service from the System.
- (j) “Contracts” means the contracts between the Issuer and the Contracting Parties with respect to the services of the System.
- (k) “Depository” means the bank or banks which the Issuer selects (whether one or more), in accordance with law, as its depository.
- (l) “Engineering Report” means a report of Forrest and Cotton, Inc., Consulting Engineers, entitled Regional Wastewater System, dated December, 1971, as such report may be amended, modified, and changed by Issuer or at its direction at any time prior to the execution of construction contracts for improvements, additions, and enlargements to the System or as modified and changed by change orders issued after execution of such construction contracts.
- (m) “Fiscal Year” means the twelve month period beginning December 1 of each year, or such other twelve month period as may in the future be designated as the Fiscal Year of Issuer.
- (n) “Independent Consulting Engineer” means the Engineer or engineering firm or corporation at the time employed by the Issuer as originally described under the provisions of Section 5.13 of the 1973 Bond Resolution.

(o) “Outstanding Parity Bonds” means the Issuer's unpaid and unrefunded “Regional Wastewater System Revenue Bonds, Series 2012”, “Regional Wastewater System Revenue Bonds, Series 2014”, “Regional Wastewater System Revenue Refunding Bonds, Series 2016”, “Regional Wastewater System Revenue Improvement and Refunding Bonds, Series 2017”, “Regional Wastewater System Revenue Improvement and Refunding Bonds, Series 2018”, “Regional Wastewater System Revenue Improvement and Refunding Bonds, Series 2019”, “Regional Wastewater System Revenue Refunding Bonds, Series 2020,” “Regional Wastewater System Revenue Refunding Bonds, Series 2021,” “Regional Wastewater System Revenue Bonds, Series 2022,” and “Regional Wastewater System Revenue Improvement and Refunding Bonds, Series 2024”.

(p) “Outstanding Parity Bond Resolution” or “Outstanding Parity Bond Resolutions” means, individually or collectively, as appropriate, the bond resolutions of the Issuer authorizing the issuance of Outstanding Parity Bonds.

(q) “Paying Agent/Registrar” means the legally qualified bank, trust company, financial institution, or other agency named in a Pricing Certificate to act as and perform the services of Paying Agent/Registrar for the Bonds, or its successor.

(r) “Pricing Certificate” means the certificate executed by the Pricing Officer pursuant to the terms of Section 2.02.

(s) “Pricing Officer” means the General Manager of the Issuer as designated in Section 2.02(b).

(t) “Resolution” means this resolution and any amendments hereto.

(u) “System” means all of the Issuer's facilities for receiving, transporting, treating, and disposing of wastewater generally in the area described in the Engineering Report, together with any improvements, enlargements, or additions to said facilities and any extensions or replacements of said facilities constructed or otherwise incorporated into said facilities in the future. Said terms shall include only those facilities which are used for, constructed, or acquired, or the use of which is arranged for, by the Issuer to afford service to the Cities, the Airport Board and others who can economically and efficiently be served by said System. Said term does not include Issuer's facilities located within the boundaries of the Dallas-Fort Worth International Airport and defined as the “System” in the contract between Issuer and the Airport Board dated July 16, 1971, as amended, Local Wastewater Facilities, any facilities constructed or acquired with proceeds of Special Project Bonds, as originally defined in the 1973 Bond Resolution, or obtained by Issuer acting as a signatory to the State of Texas Water Pollution Control Compact, or any of the facilities designated as Issuer's Ten Mile Creek System, or Walker-Calloway Project, or any other facilities of the Issuer the revenues from which are not pledged to the payment of the Bonds or Additional Bonds.

(v) “1973 Bond Resolution” means, as amended, the resolution which authorized the Series 1973 Bonds.

ARTICLE III
ADOPTION OF PROVISIONS OF THE 1973
BOND RESOLUTION AND PLEDGE

Section 3.01. ADOPTION OF PROVISIONS OF THE 1973 BOND RESOLUTION. Articles III through IX of the 1973 Bond Resolution are hereby adopted and made a part hereof and shall be applicable to the Bonds herein authorized except as altered or supplemented hereby.

Section 3.02. PARITY BONDS. The Bonds authorized herein are parity “Additional Bonds” permitted to be issued by the Outstanding Parity Bond Resolutions, are and shall be on a parity and of equal dignity in all respects, and are and shall be payable from and secured by a first lien on and pledge of the Net Revenues of the Issuer under the Contracts.

Section 3.03. PLEDGE. (a) The Contracts provide for the payment by the Cities and the Airport Board to the Issuer of (i) the net amount of all Operation and Maintenance Expenses, (ii) the amount necessary to pay all the principal and/or interest coming due on the Issuer's Bonds, as defined in the Contracts and in this Resolution, on each principal and/or interest payment date as provided in this Resolution, (iii) during each Fiscal Year, the proportionate part of any special or reserve funds required to be established and/or maintained by the provisions of any Bond Resolution, as defined in the Contracts, and (iv) an amount in addition thereto sufficient to restore any deficiency in

any of such funds or accounts required to be accumulated and maintained by the provisions of any Bond Resolution, as defined in the Contracts.

The term "Net Revenues" as used in this Resolution shall mean and be defined as all of the gross revenues or payments received by the Issuer from the Cities and the Airport Board under the Contracts after deducting therefrom the amounts paid to the Issuer for the purpose of paying Operation and Maintenance Expenses, with the result that the Net Revenues shall consist of the amounts necessary to pay all principal and/or interest coming due on the Bonds and the Outstanding Parity Bonds, on each principal and/or interest payment date, and any amounts payable under (iii) and (iv) above. The Bonds, and the Outstanding Parity Bonds, and the interest thereon are and shall be payable from and secured by an irrevocable first lien on and pledge of said Net Revenues, and said Net Revenues are further pledged irrevocably to the establishment and maintenance of the Interest and Sinking Fund, the Reserve Fund, and the Emergency Fund.

(b) Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the revenues granted by the Issuer under this section, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the revenues granted by the Issuer under this section is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

ARTICLE IV

INTEREST AND SINKING FUND; RESERVE FUND; AND EMERGENCY FUND

Section 4.01. INTEREST AND SINKING FUND. In addition to the amounts required to be deposited into the Interest and Sinking Fund by the Outstanding Parity Bond Resolutions, there shall be deposited into the Interest and Sinking Fund the following:

(a) immediately after the delivery of the Bonds, there shall be deposited to the credit of the Interest and Sinking Fund any accrued interest received from the sale of the Bonds; and

(b) semiannually on or before each January 25th and each July 25th hereafter, an amount sufficient, together with other amounts, if any, then on hand therein and available for such purpose, to pay the interest and/or principal and interest coming due on the Bonds on the next succeeding interest payment date.

Section 4.02. RESERVE FUND. There is now on deposit in the Reserve Fund created by the 1973 Bond Resolution an amount of money and investments in market value at least equal to the average annual principal and interest requirements of the Outstanding Parity Bonds. Immediately after the delivery of the Bonds, if required, there shall be deposited into said Reserve Fund from the proceeds from the sale of the Bonds, an amount which, together with the amount now contained therein, will cause said Reserve Fund to contain an amount of money and investments in market value equal to the average annual principal and interest requirements of the Outstanding Parity Bonds and the Bonds, being all of the bonds which will be outstanding and payable from a first lien on the Net Revenues after the delivery of the Bonds (the "Reserve Required Amount"). Until and unless Additional Bonds are hereafter issued as permitted in the Outstanding Parity Bond Resolutions and this Resolution, no deposits shall be made into the Reserve Fund as long as the money and investments in the Reserve Fund are at least equal in market value to the Reserve Required Amount. However, if and whenever the amount of money and investments in the Reserve Fund is reduced below said Reserve Required Amount because of a decrease in market value of investments, then the Issuer shall restore the Reserve Fund to the Reserve Required Amount from the Emergency Fund and/or the Research and Development Fund created by the 1973 Bond Resolution to the extent of amounts available therein, and if such amounts are insufficient, then the Issuer shall require the Contracting Parties to increase their payments under the Contracts as soon as practicable, and in any event within one year, in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount. In the event the Reserve Fund is used to pay the principal of or interest on any bonds because of insufficient amounts being available in the Interest and Sinking Fund, then the Issuer shall restore the Reserve Fund to the Reserve Required Amount from the Emergency Fund and/or the Research and Development Fund to the extent of amounts available therein, and if such amounts are insufficient, then the Issuer shall require the Contracting Parties to increase their payments under the Contracts in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount, and the Issuer shall deposit in the Reserve Fund, in approximately equal periodic payments, not less than annual, such amounts as are required to restore the Reserve Fund to the Reserve Required

Amount from said increased payments within five years from any date of the use of the Reserve Fund to pay such principal or interest. So long as the Reserve Fund contains the Reserve Required Amount, all amounts in excess thereof shall be deposited to the credit of the Claims Fund, the Emergency Fund, and the Research and Development Fund, to the extent required by Section 3.13 of the 1973 Bond Resolution, and with the remainder to be deposited to the credit of the Interest and Sinking Fund.

Section 4.03. EMERGENCY FUND. There is now on hand in the Emergency Fund created by the 1973 Bond Resolution an amount equal to at least \$1,000,000 (the "Required Emergency Amount"). No deposits are required to be made to the credit of the Emergency Fund so long as it contains the Required Emergency Amount. If the Required Emergency Amount is reduced below \$1,000,000 the Issuer shall require the Contracting Parties to increase their payments under the Contracts in amounts sufficient to restore the Emergency Fund to the Required Emergency Amount as soon as practicable, and in all events by the end of the next following Issuer fiscal year.

ARTICLE V BOND PROCEEDS

Section 5.01. All remaining proceeds from the sale of the Bonds after the above deposits required by ARTICLE IV have been made shall be deposited as directed by the Pricing Officer, to be used to carry out the purposes for which the Bonds have been issued.

Section 5.02. Interest earnings derived from the investment of proceeds from the sale of the Bonds (which investments shall be made as permitted by the Act), other than proceeds deposited in accordance with Sections 4.01, 4.02, and 4.03 hereof, shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to ARTICLE VII hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Resolution.

ARTICLE VI BONDS ARE SPECIAL OBLIGATIONS

The Bonds authorized by this Resolution are and shall be special obligations of the Issuer, and the holder or holders thereof shall never have the right to demand payment of said obligations out of any funds raised or to be raised by the levy of taxes, or from any source other than as provided in this Resolution.

ARTICLE VII COVENANTS REGARDING TAX-EXEMPTION

Section 7.01. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Bonds being treated as “private activity bonds” within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Bonds being “federally guaranteed” within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(1) proceeds of the Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which the bonds are issued,

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

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(g) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the “Excess Earnings,” within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

In order to facilitate compliance with the above covenant (h), a “Rebate Fund” is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

The Issuer understands that the term “proceeds” includes “disposition proceeds” as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the Refunded Bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the General Manager of the Authority to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. This Resolution is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

Section 7.02. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Bonds shall be used along with other bond proceeds for the purpose for which the Bonds are issued, as set forth in Section 2.01 hereof; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to Section 7.01 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 7.03. DISPOSITION OF PROJECT. The Issuer covenants that the property constituting the Project financed with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII FURTHER PROCEDURES

Section 8.01. FURTHER PROCEDURES. The President, Vice President and Secretary of the Board of Directors of the Issuer, the General Manager and Chief Financial Officer of the Issuer and all other officers, employees and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Letter of Representation with DTC regarding the Book-Entry Only System, the Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Letter of Representation, the Bonds, the sale of the Bonds and the Official Statement. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representation is hereby incorporated herein and its provisions shall prevail over any other provisions of this Resolution in the event of conflict. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

ARTICLE IX CONTINUING DISCLOSURE OF INFORMATION

Section 9.01. CONTINUING DISCLOSURE OF INFORMATION. (a) As used in this Section, the following terms have the meanings ascribed to such terms below:

"*Financial Obligation*" 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 of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Rule*" means SEC Rule 15c2-12, as amended from time to time.

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

(b) Pursuant to a continuing disclosure agreement by and between the Issuer and the Contracting Parties, the Issuer and the Contracting Parties have undertaken for the benefit of the beneficial owners of the Bonds, to the extent set forth therein, to provide continuing disclosure of financial information and operating data with respect to the Contracting Parties in accordance with the Rule as promulgated by the SEC.

(c) The Issuer shall notify the MSRB, in a timely manner not in excess of ten 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. 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 Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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 Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;
15. Incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such Financial Obligation of the Authority, 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 Contracting Party, any of which reflect financial difficulties.

ARTICLE X
MISCELLANEOUS

Section 10.01. EXPIRATION OF AUTHORIZATION. The authority of the Pricing Officer to sell the Bonds as described in Section 2.02(b) of this Resolution shall expire on the one-year anniversary date of the adoption of this Resolution by the Board.

Section 10.02. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

THE AUTHORITY

The Authority’s Activities

1. *Master Planning.* After a series of public hearings, the Authority adopted the original master plan (the “Master Plan”) in April 1958. The purpose of the Master Plan is to define and provide a course of action for the Authority to achieve water and soil conservation goals for which purpose the Authority was established by the State Legislature. The Master Plan goals can generally be described as: to improve the quality of water within the Trinity River Basin in order to provide supplies of good quality water for all beneficial purposes, conserve water and soil resources, reduce flooding, promote water oriented recreation, preserve natural areas, promote the diversity and productivity of aquatic life, and foster an understanding of the complex interrelationships among people, resources, economy and the environment in the basin. The Authority’s Board of Directors reviews the status of the Master Plan annually and amends the Master Plan periodically when it is deemed necessary.

2. *Federal Projects.* By various resolutions, the Authority has agreed to serve as the local sponsor of the Navarro Mills Reservoir, Bardwell Reservoir, Joe Pool Lake and the Wallisville Salt Water Barrier Project in cooperation with local municipalities or districts that benefit from these projects.

3. *Revenue Based Projects.* The Authority, without collecting any property taxes, has implemented service projects serving cities, communities and other special districts throughout the Trinity River Basin. The majority of these funds for these projects have come from the sale of tax exempt contract service revenue bonds, service payments from customers, federal grants and long term federal loans. The Authority has responsibility for operating certain of these projects (referred to below as “Operating”). Projects referred to below as “Non-Operating” require a limited amount of Authority personnel involvement and are primarily financing arrangements with the entities. These projects and those served include:

The Authority’s Revenue-Based Projects

<u>Project Name (Operating)</u>	<u>Cities and Entities Served</u>
Central Regional Wastewater System	Addison, Arlington, Bedford, Carrollton, Cedar Hill, Colleyville, Coppell, Dallas, Dallas/Fort Worth International Airport Board, Duncanville, Euless, Farmers Branch, Fort Worth, Grand Prairie, Grapevine, Hurst, Irving, Keller, Mansfield, North Richland Hills, and Southlake
Ten Mile Creek Regional Wastewater System	Cedar Hill, DeSoto, Duncanville, Ferris, Lancaster and Wilmer
Denton Creek Regional Wastewater Treatment System	Argyle, Circle T Municipal Utility District No. 1, Circle T Municipal Utility District No. 3, Flower Mound, Fort Worth, Haslet, Justin, Keller, Northlake, Roanoke, Southlake, Westlake and Furst Ranch Municipal Utility District No. 1.
Red Oak Creek Regional Wastewater Project	Cedar Hill, DeSoto, Glenn Heights, Lancaster, Ovilla, and Red Oak
Mountain Creek Regional Wastewater System	Grand Prairie, Mansfield, Midlothian, and Venus
Tarrant County Water Supply Project	Bedford, Colleyville, Euless, Grapevine, and North Richland Hills
Huntsville Regional Water Supply System	Huntsville
Livingston Regional Water Supply System	Livingston
Trinity County Regional Water Supply System	Trinity
Lake Livingston—Wallisville Project	Houston, 21 lakeside communities (and two industries)

Project Name (Operating)	Cities and Entities Served
Livingston Recreation Facilities	Serving the General Public
Project Name (Non-Operating)	Cities and Entities Served
Walker-Calloway Branch Outfall Line	Hurst and North Richland Hills
Northeast Lakeview Project	Cedar Hill and Grand Prairie
Lakeview Regional Water Supply Project	Cedar Hill, Duncanville, and Grand Prairie
Navarro Mills Reservoir	Corsicana
Bardwell Reservoir	Ennis and Ellis County WCID #1
Joe Pool Lake Project	Cedar Hill, Duncanville, Grand Prairie, and Midlothian
Pollution Control Facilities	Community Waste Disposal, Inc.
Denton Creek Wastewater Transportation Project	Argyle, Flower Mound, and Northlake
Denton Creek Justin-Northlake Interceptor	Justin, Northlake

The Future Role of the Authority

In recognition of the fact that the Authority does not exercise control over all facets of water resource management within the Trinity River watershed, the goals of the Authority's Basin Master Plan are objectives for the Trinity River Basin, regardless of the implementing agency.

1. Master Planning.

- a. The Authority will carefully monitor the progress being made as to each Master Plan goal.
- b. The Authority will support the accomplishments of all institutional and financial arrangements necessary to the achievement of the goals.
- c. The Authority will amend the Master Plan as needed.
- d. The Authority will continue its leadership in water quality planning in the basin.

2. Revenue-based Services. When desired by others and when an adequate revenue base and other finances are available, the Authority will exercise its powers to provide needed services in the areas of water supply, wastewater treatment, parks and recreational facilities, pollution control facilities and solid waste disposal.

3. Federal Projects. The Authority will continue to serve as local sponsor of the Navarro Mills Reservoir, Bardwell Reservoir, the Wallisville Salt Water Barrier Project and Joe Pool Lake.

4. Public Information. The Authority will continue to encourage the public's understanding of the complex interrelationships among the people, resources, economy and environment of the Trinity River Basin.

5. Tax Based Services. If there is public support, the Authority will seek to obtain some form of tax-based support for specific programs which should be implemented for comprehensive management of the basin's soil and water resources: conservation of the use of water, soil conservation, water oriented recreation and adequate public access to the river and basin lakes, greenbelts, preservation of natural areas, fish and wildlife mitigation, coordination of floodwater reservoir releases, and full dissemination of flood plain information under the Flood Insurance Act throughout the Authority's territory. At this time the Authority has no plans to pursue any form of tax based support for these programs.

6. The Authority's Territory. In order to provide services on a truly basin wide basis, the Authority will support legislation to add to its territory those parts of the basin not presently within the Authority's defined territory if this is desired by any of the involved counties.

7. Financing of Flood Control and Navigation Projects. Implementation of flood control (by whatever means) and navigation projects should be through a combination of revenues, locally provided taxes and federal funds. The Authority's support of any navigation project is based on three conditions: public support, environmental soundness and economic feasibility.

Pension Plan

The Authority has a defined contribution pension plan for its employees. All full-time and permanent part time employees are eligible for participation after six months of service, provided that they work for the Authority at least 1,000 hours per year. The Authority contributes an amount equivalent to 12% of the employee's salary annually to the plan with each employee having the option to contribute up to 10% of annual salary. An employee becomes 20% vested in the plan after three years and 100% vested in the plan after seven years, or at age 55. An employee is 100% vested in all personal contributions to the plan when made.

Other Post-Employment Benefits

The Authority's defined benefit Other Post-Employment Benefits ("OPEB") plan, Retiree Medical Plan ("RMP"), provides OPEB for all permanent full-time employees of the Authority enrolled in the Staywell Health Program that meet eligibility requirements at the time of retirement. RMP is a single employer defined benefit OPEB plan administered by the Authority. The Authority's Board of Directors has the authority to establish and amend the benefit terms and financing requirements of the RMP. Management has the authority to set the group rate premiums annually and make any modifications to those premiums as necessary. No assets are accumulated in a trust.

The Authority will pay a portion of the Pre-65 (under age 65 at retirement) coverage when participants retire with 80 points (age plus years of service). The Pre-65 retiree and their spouse will have access to enroll in the employer-sponsored retiree health insurance at a 50% reduced monthly premium for retiree only and/or retiree and spouse coverage until Medicare-eligible. Should the retired employee die while the employee and spouse are covered, the spouse may continue coverage until the earliest of age 65, Medicare eligibility, or coverage under another plan.

The Authority will share the cost of the Post-65 (age 65 or older) that meet the eligibility requirement of 80 points (age plus years of service). The Authority shares the cost of Medicare premiums provided by the Authority upon enrollment in Medicare parts B, D and G and will be covered at a rate to be approved annually for the retiree's lifetime. Spouses of retiring members are also eligible for coverage under the Plan as long as the retiring member meets the retirement eligibility of 80 points. If the retiree predeceases the spouse, coverage is still available to the surviving spouse.

The OPEB liability is included in the Authority's Staywell Health Insurance Fund and the OPEB retiree benefit payments are paid out of the Staywell Fund. Staywell collects revenue for retirees active on the plan as benefits come due from other Authority funds including the General Fund, Water Sales Special Revenue Fund, Enterprise Funds and Internal Service Funds based on the assignment of an employee at retirement. Additional information on the OPEB plan and the Staywell Health Insurance Internal Service Fund can be found in the Authority's audited annual comprehensive financial report.

Other Outstanding Indebtedness of the Authority

The Authority has Outstanding Bonds which are listed below. The Outstanding Bonds are System or Project specific and payable from each of the related System's or Project's Pledged Revenues. See "SECURITY AND SOURCE OF PAYMENT."

OUTSTANDING BONDS OF THE AUTHORITY	Outstanding March 13, 2026
Total Outstanding Principal by System/Project:	
Central Regional Wastewater System	\$ 927,415,000 ⁽¹⁾
Denton Creek Regional Wastewater Treatment System	211,475,000 ⁽²⁾⁽⁶⁾
Trinity River Authority of Texas (General Improvement Project of The Authority)	765,000 ⁽⁸⁾
Huntsville Regional Water Supply System	10,285,000
Denton Creek Justin-Northlake Interceptor System	15,085,000
Livingston Regional Water Supply Project	13,635,000
Mountain Creek Regional Wastewater System	116,630,000 ⁽⁵⁾
Northeast Lakeview Wastewater Transportation Project	1,230,000
Red Oak Creek Regional Wastewater System	87,175,000 ⁽³⁾
Tarrant County Water Project	256,525,280 ⁽⁷⁾
Ten Mile Creek Regional Wastewater System	102,230,000 ⁽⁴⁾
Town of Flower Mound Wastewater Transportation Project	1,380,000
Walker Calloway System	13,350,000
SUB-TOTAL	\$1,757,180,280

The Bonds

TOTAL	\$1,757,180,280
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The Authority has one outstanding conduit debt issue for Community Waste Disposal, L.P. The company makes debt service payments through Wells Fargo Bank, as the trustee. The Authority has no obligation for this debt.

Outstanding Principal - Conduit Debt:	Outstanding March 13, 2026
Community Waste Disposal, L.P.	\$ 8,300,000
In addition to the preceding statement of indebtedness, the Trinity River Authority has four outstanding contracts with the U. S. Army Corp of Engineers related to water rights and flood control. Contractual revenues collected annually from the entities identified next to the projects below are used to pay debt service on these contracts.	

Outstanding Principal - Project:	Outstanding March 13, 2026
Bardwell Reservoir (City of Ennis and Ellis Co. WCID #1)	\$ 428,017
Joe Pool Lake ARRA Costs (City of Cedar Hill, Midlothian, Grand Prairie and Duncanville)	97,467
Wallisville Lake (City of Houston)	7,415,730
TOTAL	\$ 7,941,214

Cost-Share Liability Pay-off	Outstanding November 30, 2025
Lake Livingston (City of Houston)	53,739,095 ^{(9)*}

⁽¹⁾ Does not include debt service on the \$500,000,000 Extendable Commercial Paper Bonds (“ECP Bonds”) program for the Authority's Central Regional Wastewater System (“CRWS”). The ECP Bonds are secured by and payable from a first lien on the Net Revenues of CRWS created in the resolution authorizing their issuance; provided that the pledge of Net Revenues securing the ECP Bonds is expressly made junior and subordinate to the pledge of Net Revenues securing First Lien Bonds of CRWS as described herein. The ECP Bonds are and shall be secured by and payable only from the Net Revenues of CRWS, from the proceeds from the sale of ECP Bonds to refinance maturing ECP Bonds (i.e., “roll”) and the proceeds of Refunding Bonds to be issued by the Authority. The Authority issued \$8,500,000 in taxable ECP Bonds on September 16, 2025 that are scheduled to be refunded by the Series 2026B Bonds referenced in footnote 6 below.

⁽²⁾ Does not include debt service on the \$400,000,000 ECP Bonds program for the Authority's Denton Creek Regional Wastewater System (“DCRWS”). The ECP Bonds are secured by and payable from a first lien on the Net Revenues of DCRWS created in the resolution authorizing their issuance; provided that the pledge of Net Revenues securing the ECP Bonds is expressly made junior and subordinate to the pledge of Net Revenues securing First Lien Bonds of DCRWS as described herein. The ECP Bonds are and shall be secured by and payable only from the Net Revenues of DCRWS, from the proceeds from the sale of ECP Bonds to refinance maturing ECP Bonds (i.e., “roll”) and the proceeds of Refunding Bonds to be issued by the Authority.

⁽³⁾ Does not include debt service on the \$250,000,000 ECP Bonds program for the Authority's Red Oak Creek System (“ROCS”). The ECP Bonds are secured by and payable from a first lien on the Net Revenues of ROCS created in the resolution authorizing their issuance; provided that the pledge of Net Revenues securing the ECP Bonds is expressly made junior and subordinate to the pledge of Net Revenues securing First Lien Bonds of ROCS as described herein. The ECP Bonds are and shall be secured by and payable only from the Net Revenues of ROCS, from the proceeds from the sale of ECP Bonds to refinance maturing ECP Bonds (i.e., “roll”) and the proceeds of Refunding Bonds to be issued by the Authority.

⁽⁴⁾ Does not include debt service on the \$250,000,000 ECP Bonds program for the Authority's Ten Mile Creek Regional Wastewater System (“TMCRWS”). The ECP Bonds are secured by and payable from a first lien on the Net Revenues of TMCRWS created in the resolution authorizing their issuance; provided that the pledge of Net Revenues securing the ECP Bonds is expressly made junior and subordinate to the pledge of Net Revenues securing First Lien Bonds of TMCRWS as described herein. The ECP Bonds are and shall be secured by and payable only from the Net Revenues of TMCRWS, from the proceeds from the sale of ECP Bonds to refinance maturing ECP Bonds (i.e., “roll”) and the proceeds of Refunding Bonds to be issued by the Authority.

⁽⁵⁾ Does not include debt service on the \$250,000,000 ECP Bonds program for the Authority's Mountain Creek Regional Wastewater System (“MCRWS”). The ECP Bonds are secured by and payable from a first lien on the Net Revenues of MCRWS created in the resolution authorizing their issuance; provided that the pledge of Net Revenues securing the ECP Bonds is expressly made junior and subordinate to the pledge of Net Revenues securing First Lien Bonds of MCRWS as described herein. The ECP Bonds are and shall be secured by and payable only from the Net Revenues of MCRWS, from the proceeds from the sale of ECP Bonds to refinance maturing ECP Bonds (i.e., “roll”) and the proceeds of Refunding Bonds to be issued by the Authority.

⁽⁶⁾ The Authority is scheduled to issue Denton Creek Regional Wastewater Treatment System Revenue Refunding Bonds, Series 2026 on March 26, 2026, which are scheduled to be delivered on April 16, 2026.

⁽⁷⁾ Includes the Authority’s portion of common capital costs owed to the City of Arlington through an Interlocal Agreement to use the Lake Arlington Raw Water Pump Station. The obligation will fully mature in 2041.

⁽⁸⁾ The Authority is scheduled to redeem the TRA (General Improvement Project of The Authority) Bonds, Series 2008 on March 26, 2026.

⁽⁹⁾ This figure represents the Authority’s obligation associated with Lake Livingston’s initial project cost plus annual operation and maintenance expenses as of the last fiscal year end. In connection with original agreements to construct Lake Livingston, the available yield of Lake Livingston was divided 70% for the City of Houston and 30% for the Authority. The Authority was responsible for 30% of the initial project cost plus annual operation and maintenance costs; its payments, however, were expressly based on the Authority’s water sales from the Lake – the Authority would pay Houston \$2.20 per acre-foot of water sold by the Authority. However, the obligation continues to accumulate because the \$2.20 per acre-foot fee is insufficient for the Authority to retire its 30% of annual costs of operating and maintaining Lake Livingston. In 2016, Houston and the Authority agreed to use the charges due from Houston to the Authority for water sales as a “credit” against this obligation which will allow the Authority to retire the obligation by 2040 (or possibly sooner if the City of Houston exercises its rights to increase the maximum amount of water it is able to purchase from Lake Livingston).

* Unaudited.

TAX MATTERS FOR THE SERIES 2026A BONDS

Opinion

On the date of initial delivery of the Series 2026A Bonds, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the Issuer, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Series 2026A Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Series 2026A 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”). Except as stated above, Bond Counsel to the Issuer will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Series 2026A Bonds. See APPENDIX D – Form of Bond Counsel’s Opinion.

In rendering its opinion, Bond Counsel to the Issuer will rely upon (a) the Issuer’s federal tax certificate and (b) covenants of the Issuer with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Series 2026A Bonds and certain other matters. Failure of the Issuer to comply with these representations or covenants could cause the interest on the Series 2026A Bonds to become includable in gross income retroactively to the date of issuance of the Series 2026A Bonds.

Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel’s opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Series 2026A Bonds.

A ruling was not sought from the Internal Revenue Service by the Issuer with respect to the Series 2026A Bonds or the Project. Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the representations of the Issuer that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Series 2026A Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Issuer as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Series 2026A Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Series 2026A Bonds may not be equal to the accrual period or be in excess of one year (the “Original Issue Discount Bonds”). In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the Series 2026A Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the

semiannual anniversary dates of the date of the Series 2026A Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Series 2026A Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, owners of interests in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE SERIES 2026A BONDS.

Interest on the Series 2026A Bonds may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Series 2026A Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Series 2026A Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount Bonds" to the extent such gain does not exceed the accrued market discount of such Bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Series 2026A Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Series 2026A Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Series 2026A Bonds under Federal or state law and could affect the market price or marketability of the Series 2026A Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Series 2026A Bonds should consult their own tax advisors regarding the foregoing matters.

TAX MATTERS FOR THE SERIES 2026B BONDS

Certain Federal Income Tax Considerations

General. The following discussion is a summary of certain expected material federal income tax consequences of the purchase, ownership and disposition of the Series 2026B Bonds and is based on the Internal Revenue Code of 1986 (the "Code"), the regulations promulgated thereunder, published rulings and pronouncements of the Internal Revenue Service ("IRS") and court decisions currently in effect. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS, has been, or is expected to be, sought on the issues discussed herein. Any subsequent changes or interpretations may apply retroactively and could affect the opinion and summary of federal income tax consequences discussed herein.

The following discussion is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, particular holders of the Series 2026B Bonds and does not address U.S. federal gift or estate tax or (as otherwise stated herein) the alternative minimum tax, state, local or other tax consequences. This summary does not address special classes of taxpayers (such as partnerships, or other pass-thru entities treated as a partnerships for U.S. federal income tax purposes, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the U.S., broker-dealers, traders in securities and tax-exempt organizations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be subject to branch profits tax or personal holding company provisions of the Code or taxpayers qualifying for the health insurance premium assistance credit) that are subject to special treatment under U.S. federal income tax laws, or persons that hold Series 2026B Bonds as a hedge against, or that are hedged against, currency risk or that are part of hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the "U.S. dollar". This summary is further limited to investors who will hold the Series 2026B Bonds as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Code. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

As used herein, the term "U.S. Holder" means a beneficial owner of a Series 2026B Bond who or which is: (i) an individual citizen or resident of the United States, (ii) a corporation or partnership created or organized under the laws of the United States or any political subdivision thereof or therein, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes. As used herein, the term "Non-U.S. Holder" means a beneficial owner of a Series 2026B Bond that is not a U.S. Holder.

THIS SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF THE U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF SERIES 2026B BONDS IN LIGHT OF THE HOLDER'S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE HOLDERS OF THE SERIES 2026B BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS BEFORE DETERMINING WHETHER TO PURCHASE SERIES 2026B BONDS. THE FOLLOWING DISCUSSION IS NOT INTENDED OR WRITTEN TO BE USED TO AVOID PENALTIES THAT MIGHT BE IMPOSED ON THE TAXPAYER IN CONNECTION WITH THE MATTERS DISCUSSED THEREIN. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF RECENTLY ENACTED LEGISLATION OR THE PURCHASE, OWNERSHIP OR DISPOSITION OF THE SERIES 2026B BONDS UNDER APPLICABLE STATE OR LOCAL LAWS, OR ANY OTHER TAX CONSEQUENCE.

FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO NON-U.S. HOLDERS.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Series 2026B Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to withholding under sections 1471 through 1474 or backup withholding under Section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Certain U.S. Federal Income Tax Consequences to U.S. Holders

Periodic Interest Payments and Original Issue Discount. The Series 2026B Bonds are not obligations described in Section 103(a) of the Code. Accordingly, the stated interest paid on the Series 2026B Bonds or any original issue discount accruing on the Series 2026B Bonds will be includable in "gross income" within the meaning of Section 61 of the Code of each owner thereof and be subject to federal income taxation when received or accrued, depending upon the tax accounting method applicable to such owner.

Disposition of Series B Bonds. An owner will recognize gain or loss on the redemption, sale, exchange or other disposition of a Bond equal to the difference between the redemption or sale price (exclusive of any amount paid for accrued interest) and the owner's tax basis in the Series 2026B Bonds. Generally, a U.S. Holder's tax basis in the Series 2026B Bonds will be the owner's initial cost, increased by income reported by such U.S. Holder, including original issue discount and market discount income, and reduced, but not below zero, by any amortized premium. Any gain or loss generally will be a capital gain or loss and either will be long-term or short-term depending on whether the Series 2026B Bonds has been held for more than one year.

Defeasance of the Series 2026B Bonds. Defeasance of any Series 2026B Bond may result in a reissuance thereof, for U.S. federal income tax purposes, in which event a U.S. Holder will recognize taxable gain or loss as described above.

State, Local and Other Tax Consequences.

Investors should consult their own tax advisors concerning the tax implications of holding and disposing of the Series 2026B Bonds under applicable state or local laws, or any other tax consequence, including the application of gift and estate taxes. Certain individuals, estates or trusts may be subject to a 3.8% surtax on all or a portion of the taxable interest that is paid on the Series 2026B Bonds. PROSPECTIVE PURCHASERS OF THE SERIES 2026B BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FOREGOING MATTERS

Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders

A Non-U.S. Holder that is not subject to U.S. federal income tax as a result of any direct or indirect connection to the U.S. in addition to its ownership of a Series 2026B Bond, will not be subject to U.S. federal income or withholding tax in respect of such Series 2026B Bond, provided that such Non-U.S. Holder complies, to the extent necessary, with identification requirements including delivery of a signed statement under penalties of perjury, certifying that such Non-U.S. Holder is not a U.S. person and providing the name and address of such Non-U.S. Holder. Absent such exemption, payments of interest, including any amounts paid or accrued in respect of accrued original issue discount, may be subject to withholding taxes, subject to reduction under any applicable tax treaty. Non-U.S. Holders are urged to consult their own tax advisors regarding the ownership, sale or other disposition of a Series 2026B Bond.

The foregoing rules will not apply to exempt a U.S. shareholder of a controlled foreign corporation from taxation on the U.S. shareholder's allocable portion of the interest income received by the controlled foreign corporation.

CONTINUING DISCLOSURE OF INFORMATION

In continuing disclosure agreements entered into between the Authority and each of the Contracting Parties, each has made the following respective agreements for the benefit of the holders and beneficial owners of the Bonds. The Contracting Parties and the Authority are required to observe the agreements for so long as the Contracting Parties remain obligated to advance funds to pay the Bonds. Under the agreements, the Authority and the Contracting Parties will be obligated to provide certain updated financial information and operating data annually, and the Authority and the Contracting Parties will be obligated to provide timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). All financial information, operating data, and financial statements and notices required to be provided to the MSRB shall be provided in electronic format and be accompanied by identifying information prescribed by the MSRB.

Annual Reports

The Authority and the Contracting Parties will provide certain updated financial information and operating data to the MSRB annually. The information to be provided and updated by the Contracting Parties includes all quantitative financial information and operating data with respect to the particular Contracting Parties of the general type included in Appendix B to this Official Statement and each Contracting Party's audited financial statements, when and if available. Each of the Contracting Parties will file such financial information and operating data with the MSRB through its Electronic Municipal Market ("EMMA") system within six months after the end of each respective Contracting Party's fiscal year, beginning with the fiscal year ending in 2026. In addition, each Contracting Party will file its audited financial statements, when and if available, with the MSRB through its EMMA system within twelve months after the end of the Contracting Party's fiscal year, beginning with the fiscal year ending in 2026. If the audit of the particular Contracting Party's financial statements is not complete within twelve months after any such fiscal year end, then that Contracting Party shall file unaudited financial statements within such twelve month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. The Authority will file its audited financial statements, when and if available, within six months after the end of its fiscal year, beginning with the fiscal year ending in 2026. If audited financial statements are not available by the required time, the Authority will provide unaudited financial statements within the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with generally accepted accounting principles in effect at the time or that the Authority or the Contracting Parties may be required to employ from time to time pursuant to State law or regulation.

The financial information and operating data to be provided and updated by the Contracting Parties or the Authority 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 Web site or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by the Rule.

The Authority's fiscal year end is November 30 and each of the Contracting Party's fiscal year end is September 30. Accordingly, each Contracting Party must provide its updated financial information and operating data by March 31 in each year and its audited financial statements (or unaudited financial statements if its audited financial statements are not available) by September 30 in each year, unless any Contracting Party changes its fiscal year. The Authority

must provide its audited financial statement (or unaudited financial statements if its audited financial statements are not available) by May 31 in each year, unless the Authority changes its fiscal year. If any Contracting Party or the Authority change their fiscal year, such Contracting Party or the Authority, as applicable, will notify the MSRB of the change.

All financial information, operating data, and financial statements and notices required to be provided by to the MSRB shall be provided in electronic format and be accompanied by identifying information prescribed by the MSRB.

Disclosure Event Notices

The Authority will provide timely notices of certain events to the MSRB. The Authority will provide notice in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten 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) 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 Authority; (13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, 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 Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material; (15) incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such Financial Obligation of the Authority, 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 Authority, any of which reflect financial difficulties.

Additionally, the Contracting Parties will provide timely notices of certain events to the MSRB. The Contracting Parties will provide notice in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten 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) 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 Contracting Party; (13) the consummation of a merger, consolidation, or acquisition involving the Contracting Party or the sale of all or substantially all of the assets of the Contracting Party, 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 Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material; (15) incurrence of a Financial Obligation of the Contracting Party, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such Financial Obligation of the Contracting Party, 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 Contracting Party, any of which reflect financial difficulties.

The term “Financial Obligation” as used in the preceding two paragraphs has the meaning assigned in the Rule: (a) a debt obligation; (b) a 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 of (a) or (b) above. Pursuant to the Rule, the term Financial Obligation does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule. For purposes of each Contracting Party’s obligation to make event filings, and particularly with the events described in (15) and (16) in the immediately preceding paragraph, the Contracting Party

shall make filings for only those events which relate to or impact the credit of the Authority's Bonds related to the System.

Neither the Bonds nor the Resolution makes any provision for credit enhancement.

As used in clause (12) in the preceding paragraphs, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Authority or a Contracting Party in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority or a Contracting Party, or if jurisdiction has been assumed by leaving the Board and/or officials or officers of the Authority or a Contracting Party 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 Authority or a Contracting Party. In addition, the Authority and the Contracting Parties will provide timely notice of any failure by the Authority or the Contracting Parties, respectively, to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports." The Authority and the Contracting Parties will provide each notice described in this paragraph to the MSRB.

Availability of Information

The Authority and the Contracting Parties have agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The Authority and the Contracting Parties have agreed to update information and to provide notices of certain events only as described above. The Authority and the Contracting Parties have 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 Authority and the Contracting Parties make 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 Authority and the Contracting Parties disclaim any contractual or tort liability for damages resulting in whole or in part from any breach of their continuing disclosure agreement or from any statement made pursuant to their agreement, although holders of Bonds may seek a writ of mandamus to compel the Authority or the Contracting Parties to comply with its agreement.

The Authority or the Contracting Parties may amend their continuing disclosure agreement from time to time 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 Contracting Parties, if (i) 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 (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the Authority or the Contracting Parties (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Authority or the Contracting Parties may also amend or repeal the provisions of the continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but 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. If the Authority or the Contracting Parties so amend the agreement, the Contracting Parties and the Authority have agreed to include with the next financial information and operating data provided in accordance with their respective agreements 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 financial information and operating data so provided.

Compliance With Prior Undertakings

Consistent with its prior continuing disclosure undertakings relating to its bonds, the Authority assumed certain responsibilities and the Contracting Parties assumed certain responsibilities for filing information, as described above. The Authority is responsible for making its filings in connection with the Rule, but does not provide continuing disclosure filings for the Contracting Parties.

Authority. During the last five years, and as the date of this Preliminary Official Statement, the Authority has complied in all material respects with all continuing disclosure undertakings made by it relating to its Outstanding Parity Bonds in accordance with the Rule.

Contracting Parties. During the last five years, and as the date of this Preliminary Official Statement, each of the Contracting Parties has complied in all material respects with its respective undertaking to provide financial information and operating data of the general type included in Appendix B to this Official Statement within six months of the end of its respective fiscal year, with the exception that the information related to the City of Farmers Branch (i) of the general type previously included in Appendix B of past official statements as “Table 5 – Oversized Meter Charges” for the fiscal years ended September 30, 2019, September 30, 2020, and September 30, 2021 were filed on July 12, 2022 and (ii) of the general type previously included in Appendix B of past official statements has not yet been filed for the fiscal years ended September 30, 2022 and September 30, 2023.

The Contracting Parties have some prior undertakings to file audited financial statements within six months of the end of the Contracting Party’s fiscal year; with respect to those undertakings, if audited financial statements of a Contracting Party were not available to be filed within such time period, the Contracting Party typically provided certain financial information and operating data by the specified date but most of the Contracting Parties did not file formal unaudited financial statements by such date. In most instances, the applicable Contracting Party did not file a notice of late filing. The filing dates for the audited financial statements of certain of the Contracting Parties are the dates for which certain financial statements were first filed on EMMA.

The filings of audited financial statements noted above are also applicable to the Contracting Parties non-System related undertakings. Certain of the Contracting Parties did not timely file certain tables containing financial and operating information under their non-System related undertakings and in some instances, financial information and operating data as well as certain audits required under prior undertakings of the Contracting Parties were not linked to all applicable outstanding bonds. Additionally, the City of Duncanville filed its audit for its fiscal year ended September 30, 2021 on June 15, 2022, and its audit for fiscal year ended September 30, 2022 on March 21, 2024.

On May 12, 2020, May 19, 2021, and May 18, 2022, the City of Dallas issued and sold bonds secured by its water and sewer system revenues via private placements with the Texas Water Development Board. Notice of the issuance of these bonds was filed June 30, 2022. On June 9, 2021, the City of Dallas adopted ordinances creating a Series F and Series G commercial paper programs. Notice of the establishment of these programs was filed on June 30, 2022. On November 21, 2023, the City of Fort Worth defeased its Water and Sewer System Revenue Refunding and Improvement Bonds, Series 2014. Notice of this defeasance was filed on December 21, 2023.

Additionally, in separate Official Statements that have been filed on EMMA in connection with outstanding non-System related obligations, each of the Cities of Arlington, Dallas, Euless, Farmers Branch, Fort Worth, Grand Prairie, Mansfield, Irving, and North Richland Hills have disclosed certain instances of non-compliance within the previous five years in connection with their respective non-System related undertakings.

The information in the preceding paragraphs with respect to the Contracting Parties has been included based upon publicly filed information available on EMMA and other publicly available sources including offering documents prepared by Contracting Parties and has not been provided or confirmed by the Contracting Parties.

OTHER INFORMATION

Ratings

The Bonds are rated “AAA” by S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”). The Outstanding Parity Bonds of the Authority are rated “AAA” by S&P, without regard to credit enhancement. An explanation of the significance of such ratings may be obtained from the company furnishing the ratings. The ratings reflect only the view of such rating organization and the Authority makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating company, if in the judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Litigation

It is the belief of the Authority Attorney and Authority Staff that there is no pending litigation against the Authority that would have a material adverse financial impact upon the Authority or its operations. No pending litigation against the Contracting Parties that would have a material adverse financial impact upon the Authority or its operations of the System has been brought to the attention of the Authority.

At the time of the initial delivery of the Bonds, the Authority will provide the Series 2026A Underwriters and the Series 2026B Underwriters with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of either series of Bonds or that affects the payment and security of either series of Bonds or in any other manner questioning the issuance, sale or delivery of either series of Bonds.

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 other jurisdiction. The Authority 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.

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 Texas Government Code, provides that the Bonds are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency (see "OTHER INFORMATION - Ratings" above). In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Public Funds Collateral Act, Chapter 2257, Texas Government Code, provides that the Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the Authority has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

The Authority has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The Authority has made no review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

Legal Matters

The Authority will furnish a complete transcript of proceedings relating to the authorization and issuance of the Bonds, including the approving legal opinion of the Attorney General of Texas approving the Bonds and to the effect that the Bonds are valid and legally binding special obligations of the Authority and, based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "TAX MATTERS FOR THE SERIES 2026A BONDS" and "TAX MATTERS FOR THE SERIES 2026B BONDS" herein. Though it represents the Financial Advisor and the Underwriters from time to time in matters unrelated to the issuance of the Bonds, Bond Counsel has been engaged by and only represents the Authority in the issuance of the Bonds. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information in the Official Statement under the captions "PLAN OF FINANCING" (excluding the information under the subcaption "Sources and Uses of Bond Proceeds"), "THE

BONDS” (excluding the information under the subcaption “Book-Entry-Only System”), “SECURITY AND SOURCE OF PAYMENT,” “SELECTED CONTRACT PROVISIONS,” “SELECTED PROVISIONS OF THE RESOLUTION,” “TAX MATTERS FOR THE SERIES 2026A BONDS,” “TAX MATTERS FOR THE SERIES 2026B BONDS,” “CONTINUING DISCLOSURE OF INFORMATION” (excluding the information under the subcaption “Compliance with Prior Undertakings”), and the subcaptions “Registration and Qualification of Bonds for Sale,” “Legal Investments and Eligibility to Secure Public Funds in Texas” and “Legal Matters” (excluding the last sentence of the first paragraph thereof) under the caption “OTHER INFORMATION,” and such firm is of the opinion that the information relating to the Bonds and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Resolution. The legal fee to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. The legal opinion will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP, Dallas, Texas, whose legal fee for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Authenticity of Financial Data and Other Information

The financial data and other information contained herein have been obtained from Authority 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.

Financial Advisor

Hilltop Securities Inc. (“Hilltop” or the “Financial Advisor”), is employed as Financial Advisor to the Authority in connection with the issuance of the Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Hilltop, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. In the normal course of business, the Financial Advisor may also from time to time sell investment securities to the Authority for the investment of bond proceeds or other funds of the Authority upon the request of the Authority.

The Financial Advisor to the Authority has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Authority and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Underwriting

The Series 2026A Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the Authority at a purchase price of \$ _____, which represents the par amount of the Bonds, [plus/less] a [net] [premium/discount] of \$ _____, less an Underwriters’ discount of \$ _____, and [no] accrued interest.

The Series 2026B Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the Authority at a purchase price of \$ _____, which represents the par amount of the Bonds, [plus/less] a [net] [premium/discount] of \$ _____, less an Underwriters’ discount of \$ _____, and [no] accrued interest.

The Underwriters’ obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at

prices lower than such public offering prices, and such public prices may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

Morgan Stanley & Co. LLC, an Underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Academy Securities, Inc. has entered into third-party distribution agreements with various dealers for the retail distribution of certain municipal securities at the original issue prices. Pursuant to these third-party distribution agreements, Academy Securities may share a portion of its underwriting compensation with the respective dealers.”

Piper Sandler & Co., one of the Underwriters of the Bonds, has entered into a distribution agreement (“Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co”) for the retail distribution of certain securities offerings including the Bonds, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from Piper Sandler & Co. at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

Forward-Looking Statements Disclaimer

The statements contained in this Official Statement, and in any other information provided by the Authority that are not purely historical, are forward-looking statements, including statements regarding the Authority’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 Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. The Authority’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 Authority. 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.

Miscellaneous

The Pricing Certificates, which will be executed by the Authorized Officer of the Authority, which certificates will be a part of the Resolution authorizing the issuance of the Bonds, and will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and will authorize its further use in the reoffering of the Bonds by the Underwriters.

TRINITY RIVER AUTHORITY OF TEXAS

J. KEVIN WARD
General Manager and Authorized Officer

SCHEDULE I

REFUNDED TAXABLE EXTENDABLE COMMERCIAL PAPER BONDS*

Series: Trinity River Authority of Texas Central Regional Wastewater System Revenue Bond—Extendable Commercial Paper Mode, Series A (Taxable)

Issue Date: January 13, 2026

Issue Amount: \$8,500,000

Amount Refunded: \$8,500,000

Maturity Date: April 16, 2026

Redemption Date: April 16, 2026

CUSIP: 89656HAB8

* Preliminary, subject to change.

APPENDIX A

BIOGRAPHICAL INFORMATION

Board of Directors
and
Management Officers

BOARD OF DIRECTORS

MEGAN W. DEEN of Fort Worth, Texas (President and member, Executive Committee). Deen is the chief financial officer for the Fort Worth Zoo. From 2011-2015, Deen was the accounting manager at Oak Hill Capital, and from 2002-2015, she was a senior manager at KPMG, LLP. She is a member of the American Institute of Certified Public Accountants. Additionally, Deen is a Sustainer of the Junior League of Fort Worth and a member of the Association of Zoos and Aquariums, as well as a volunteer at Trinity Valley School, and the annual giving chair and former finance committee member at the school. Deen received a bachelor's of business administration in accounting and finance and a master's of accountancy from Texas Christian University. Deen was appointed as a director for Tarrant County in 2018.

HENRY BORBOLLA III of Fort Worth, Texas (Vice President and member, Executive Committee). Borbolla is a Fort Worth native and graduate of Texas Christian University. He is a banker with Ciera Bank Fort Worth. His community involvements include board and committee positions with Big Brothers Big Sisters, Bobby Bragan Youth Foundation, Catholic Charities Fort Worth, Community Hospice of Texas, Fort Worth Stock Show, and the University of North Texas Health Science Center Foundation. Others include DFW International Airport, Downtown Fort Worth, Inc., and the Fort Worth Visitors and Convention Bureau. He is a member of the Rotary Club of Fort Worth and the Fort Worth Stock Show Syndicate. Borbolla was reappointed as director for Tarrant County in 2019.

CATHY ALTMAN of Midlothian, Texas (member, Executive Committee and Chair, Legal and Public Policy Committee). Altman is an attorney and partner at Carrington Coleman Sloman & Blumenthal. She is a member of the American Bar Association, State Bar of Texas, Dallas Bar Association, and Ellis County Bar Association. She is chair of the Midlothian Chamber of Commerce, vice-president of the Ellis County Women in Business, board member of the North Texas Commission, and serves on the Governing Committee of the ABA Forum on Construction Law. Altman received a Bachelor of Arts in English from Vanderbilt University and a Juris Doctor degree from the University of Kentucky School of Law. Altman was appointed as director for Ellis County in 2018.

C. COLE CAMP of Arlington, Texas, (member, Executive Committee and Chair, Utility Services Committee). Camp is the Safety and Environmental Manager for Principle Services. He is a coach for the South Metro Composite Mountain Bike Team. Cole currently serves as Chairman of the Board for Texas Interscholastic Mountain Bike League and is active in the Bikes for Mission Arlington effort. Previously, he served as vice president and director for the Red River Authority and the Opportunity School of Amarillo. He was also a member of the Panhandle Water Planning Group and the Randall County Sheriff Citizens Academy. He also served the city of Amarillo in various capacities including serving on the Water Conservation Team, Environmental Task Force, Urban Design Standards Board and the Local Emergency Planning Committee. Camp earned a Bachelor of Arts degree in political science from the University of Colorado, Colorado, Springs. Camp was appointed director at large in 2019.

BENNY L. FOGLEMAN of Livingston, Texas (member, Executive Committee and Chair, Administrative and Audit Committee) is an agency owner with Farmers Insurance Group, the President of JJ's Properties, LLC, and a mortgage loan originator with 1st Alliance Mortgage Company, LLC. He holds a group one Life license and a Property and Casualty license with the State of Texas. He was recently elected as a director of the Livingston Lions Club, where he helps lead the eyeglasses program. Fogleman formerly served as the President of Livingston Rotary Club.

JOHN W. JENKINS of Hankamer, Texas (member, Executive Committee and Chair, Resources Development Committee). Jenkins is a self-employed partner in a major farming enterprise. He graduated from Southwest Texas State University in 1981 with a bachelor's degree. He is a member of the Anahuac Area Chamber of Commerce. He serves on the boards of the Anahuac National Bank, the Texas Rice Council and the American Plant Food Corporation. Jenkins is also a committee chair for the Texas Gatorfest Committee. He is a former board member of the Trinity Bay Conservation District, the Devers Canal Rice Producers Association, the Trinity Valley Exposition, the Texas Rice Festival and the Chambers County Farm bureau. Jenkins was appointed as director for TRA's Chambers County in 1997. He was reappointed as director at large in 2009. Jenkins served as president of TRA's board of directors from 2003-2005 and as vice president from 2001-2003. He was chairman of the executive committee from 2005-2007 and chairman of the resources development committee from 2000-2002. He served as chairman of the administration committee from 2007-2009 and chairman of the legal committee from 2009-2011. Jenkins was reappointed as director for Chambers County in 2023.

C. DWAYNE SOMERVILLE of Mexia, Texas (Chair, Executive Committee). Somerville is president and owner of Natural Alternatives, Inc., Henderson RV Sales, Palestine RV Center, Eagle Ford RV Park, South Texas Family Housing, and Wash Mart Laundry, and president of Fairfield Homes and Land, LLC. He is a member of the Coin Laundry Association, an assistant scoutmaster of the Mexia Boy Scouts of America, and a youth group leader for the First Baptist Church of Mexia. Somerville attended Kilgore College. Somerville was reappointed as director for Freestone County in 2019.

JEFFREY H. BRADLEY of Huntsville, Texas (member, Legal and Public Policy Committee) is the owner of Jeff Bradley Co. Bradley is a volunteer and participant with the Texas Alliance for Life, former member of the Huntsville Cemetery Board, and a former trustee of the American Orchid Society. He maintains and preserves one of the most historically important collections of rare orchids in the world and has lectured on his conservation efforts throughout the United States and abroad. Bradley studied natural sciences at The University of Texas at Austin, studied theology at the University of St. Thomas in Houston, and completed theological studies at Fontgombault Abbey in France.

CASEY YEARY CALLAS of Apple Springs, Texas (member, Utility Services Committee) is a realtor, business owner, operator, and investor. Callas is a member of the National Association of Realtors and the Texas Farm Bureau and a former board member of the Ellen Trout Zoo. She is a volunteer for the Angelina County Youth Fair and former volunteer with the George H. Henderson, Jr. Exposition Center, Angelina County Chamber of Commerce, Pineywoods Youth Rodeo, and Lufkin Independent School District. Callas received a Bachelor of Business Administration in Marketing from Stephen F. Austin University.

R. CARSON DENNIS of Dallas, Texas, (member, Resources Development Committee) is an investment manager at Granite Properties, Inc. He is actively involved with Trinity Christian Academy and Park Cities Baptist Church. Dennis received a Bachelor of Business Administration from Texas A&M University. Dennis was appointed as director for Dallas County in 2025.

JERRY F. HOUSE, D. MIN. of Leona, Texas (member, Resources Development Committee). House is the owner of Leona General Store and Steakhouse and the Pecan Grove Café in Leona. He retired after 39 years of serving as a United Methodist Minister. He is a member of the Texas Restaurant Association, Southwest Cattlemen's Association, and the Friends of Fort Boggy State Park. House received a bachelor of arts from Southwestern University, a masters in Divinity from Southern Methodist University Perkins School of Theology, and a Doctor in Ministry from the McCormick Theological Seminary at the University of Chicago. House was appointed as director for Leon County in 2018.

MARGARET S.C. KELIHER of Dallas, Texas (member, Administration and Audit Committee) is a practicing attorney with a primary focus is litigation consulting. She is also the Chief Executive Officer of the Dallas Breakfast Group, which hosts civic participation events for Dallas area business and community leaders. Previously, she served as Dallas County Judge from 2002 to 2006. Prior to that, she served as Judge for the 44th State Civil District Court. She is a member of the State Bar of Texas, Dallas Bar Association, and the Texas Society of CPAs. She is a board member of the YMCA of Metropolitan Dallas, Advisory Council member of SPARK! Dallas, an arts education non-profit, a board member of the Center of American and International Law, and an executive board member of the SMU Dedman School of Law. Additionally, she is the former board chair of the Trinity River Audubon Center. Keliher received a Bachelor of Science in Accounting from the University of Virginia and a Juris Doctor degree from SMU Dedman School of Law.

DAVID B. LEONARD of Liberty, Texas (member, Utility Services Committee). Leonard is a member of the Liberty-Dayton Chamber of Commerce and a member and past president of the Liberty Lions Club. Leonard is the director of the Knights of Columbus and a member of the Liberty Elks Lodge. He is past director of the Trinity Valley Exposition. He attended Lee College and was reappointed as director for Liberty County in 2019.

ROBERT F. MCFARLANE, M.D. of Palestine, Texas (member, Resources Development Committee). McFarlane is a cardiologist with East Texas Physician's Alliance and chief of staff at Palestine Regional Hospital, and he is the managing partner of the BigWoods on the Trinity. He is a member of the Texas Medical Association and past director and a lifetime member of the Texas Wildlife Association. In addition, he founded the Trinity Waters Foundation and served as its president for five years. He also founded East Texas Black Gumbo Retriever Club. McFarlane received a Bachelor of Arts in chemistry from Harvard College and a Doctor of Medicine from Harvard Medical School, and is board certified in internal medicine and cardiology. McFarlane was reappointed as director for Anderson County in 2023.

LEWIS H. McMAHAN of Dallas, Texas, (member, Legal and Public Policy Committee). McMahan is the owner and operator of MWR Ranch, LLC. He currently serves as a member of the advisory board of Southern Methodist University's Lyle School of Engineering, member on the Dallas Symphony Orchestra Building Committee and former member of SMU Alumni Board. He previously served as chairman on the Texas Instruments Foundation Board and as president of Texas Instruments Alumni Association, Texas Water Development Board, Dallas Regional Chamber Water Committee and past board member of the United Way of Metropolitan Dallas and the Dallas Museum of Art. McMahan earned a Bachelor of Science degree in civil engineering from SMU. McMahan was appointed as director for Dallas County in 2019.

KATHRYN L. SANDERS PYLE of Athens, Texas (member, Administration and Audit Committee). Sanders retired from teaching in 2010, after 27 years. She owned South Athens Storage for 17 years and managed Sanders Investment Properties for 13 years. She has volunteered with the Henderson County Food Pantry and the Athens Thrift Store. She earned a Bachelor of Science in family and consumer economics from the University of North Texas. Sanders was appointed as director for Henderson County in 2021.

STEVEN L. ROBERTS of Coldspring, Texas (member, Resources Development Committee). Roberts is counsel to (and a former partner of) Eversheds-Sutherland, and a former partner of Fulbright & Jaworski (now Norton Rose Fulbright). He is a member of the State Bar of Texas, College of the State Bar of Texas, American Bar Association, International Association of Drilling Contractors, Maritime Law Association of the United States, and the Texas Association of Defense Counsel. Roberts is actively involved in adolescent drug recovery and education, and was a founding director/member of ArchwayAcademy.net and Cornerstone. He served in the U.S. Navy and worked for the Department of Corrections. Roberts holds a Bachelor of Science in criminology and corrections from Sam Houston State University and a law degree from the University of Houston. He currently serves on various local boards and committees, including the San Jacinto County Appraisal District and works on the Houston Livestock and Rodeo, Grand Entry Committee. His work and service as a lawyer has been recognized by Chambers USA, Benchmark Litigation, the Texas Bar Foundation and other organizations. Roberts was appointed as director for San Jacinto County in 2018.

AMIR A. RUPANI of Dallas, Texas (member, Administration and Audit Committee). Rupani is chief executive officer and president of King Import Warehouse and Texas Prince Inc. He serves as chairman of the Greater Dallas Asian American Chamber of Commerce and on the board of directors for the World Affairs Council in Dallas/Fort Worth. Formerly, he served on the board of directors for the Dallas Convention and Visitor's Bureau, the Dallas Citizens Council, the Dallas Assembly and the Dallas Planning and Zoning Board. He is the founder, organizer and former president of One World Holding Inc. And former chairman of One World Bank. Rupani was named Businessman of the Year in 2005 by the Pakistan American Congress in Washington, D.C. He received the Pioneer Award in 2006 from the Dallas/Fort Worth Asian American Citizens Council and the Minority Business Leader Award in 2008 from the Dallas Business Journal. Under his leadership, King Import Warehouse was named Exemplary Importer/Exporter Firm of the Year in 2004 by the Minority Business Development Agency, a branch of the U.S. department of Commerce. King Import Warehouse was named the Fastest Growing Company in Dallas by the Cox School of Business at Southern Methodist University in 2004. Rupani attended City College of Karachi in Pakistan. He was reappointed as director for Dallas County in 2019.

FRANK H. STEED, JR. of Kerens, Texas (member, Legal and Public Policy Committee). Steed is a 50-year veteran of the restaurant industry and is president and CEO of The Steed Consultancy. He is president and commissioner of the Navarro County Emergency Services District #1 and a board member and past chairman of the Corsicana-Navarro County Chamber of Commerce. Previously, he served as a member of the Board of Governors of the University of North Texas School of Hospitality and the Women's Food Service Forum. Steed received an honorable discharge from the Mississippi Army National Guard. Steed was appointed as director for Navarro County in 2023.

FREDERICK C. TATE of Colleyville (member, Administration and Audit Committee) is the founder and managing director of CFO Shield, LLC, a fractional CFO and bookkeeping firm. Prior to launching his business, he was a vice president with Willis Towers Watson. He is a member of Financial Executives International and volunteers with Patriot PAWS Service Dogs. Additionally, he is a member of the Colleyville Chapter of Lions International. He was previously appointed by Governor Abbott to the Judicial Compensation Commission and to the State Commission on Judicial Conduct. Tate received a Bachelor of Business Administration from Baylor University, with a double major in Finance and Economics. Tate was appointed as director at large in 2023.

ELIZABETH C. THOMAS, of Fort Worth, Texas (member, Legal and Public Policy Committee) is an attorney and partner at Kelly Hart and Hallman LLP. She is a member of the Tarrant County Bar Association, State Bar of Texas,

and the New York State Bar. Additionally, she is an alumna interviewer with the Dartmouth College Alumni Admissions Ambassador Program. Thomas received a Bachelor of Arts in Government from Dartmouth College and Juris Doctor from University of Michigan Law School. Thomas was appointed as director for Tarrant County in 2025.

BRENDA K. WALKER, Palestine, Texas (member, Legal and Public Policy Committee). Walker is an Area Manager for Oncor Electric Delivery. She is a board member of Tri-County Meals on Wheels, Leon County Economic Development Association, Cartmell Communities Inc., and the Leon County Local Emergency Planning Committee and serves as chair of the Real Estate committee of the City of Palestine. She is a past district governor for Rotary International and currently serves as chair of the Rotary Club of Palestine Satellite Evening Club and Rotary District 5910 Youth Exchange Treasurer. Walker received a Bachelor of Applied Business Administration from Dallas Baptist University. Walker was appointed as director for Anderson County in 2019.

DAVID G. WARD of Madisonville, Texas (member, Utility Services Committee). Ward is the owner of David Ward Investments and D&J Storage. Ward is a native of Madisonville who attended the University of Houston and graduated from Universal CIT-School of Finance, Ford Motor Company School of Dealership Management and General Motors University of Automotive Management. He is a member and past president of the Madisonville Sidewalk Cattleman's Association and the Madison County Chamber of Commerce. He is the past chairman of St. Joseph Foundation and Madison St. Joseph Health Center as well as an audit and compliance committee member of the CHI St. Joseph Health System; he is also past chairman of the Madisonville Building Standards Commission, Bryan Building Standards Commission, Brazos County Economic Development Council, Madisonville Crime Stoppers and the Madisonville Fire Board. Ward is the past president of the Madison County Economic Development Corporation and president of the Madison County Independent School District Scholarship Foundation. He is a life member of the Madison County Fair Association and the Houston Livestock Show & Rodeo, and a member of the Madison County Go Texas committee. Ward was appointed as a director for Madison County in 2018.

GREGORY S. WASSBERG of Grapeland, Texas (member, Utility Services Committee), is senior director of Topcon Healthcare. He is a member of the Pinewoods Fine Arts Association Board of Directors, Masonic Lothrop Lodge #21, Crockett Texas Elks Lodge #1729, and First United Methodist Church of Crockett. Additionally, he serves as the assistant chief of the Tejas Shores Homeowners Council. Wassberg received a Bachelor of Science in Management from the University of Houston. Wassberg was appointed as director for Houston County in 2023.

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MANAGEMENT OFFICERS

J. KEVIN WARD, General Manager. In his role as the chief executive officer, Ward oversees the largest river authority in Texas and the largest wholesale provider of wastewater treatment services in the state. With the support of eight staff groups and more than 500 employees, Ward drives the implementation of board policy for the operation and development of four water treatment facilities, five wastewater treatment facilities and one recreation project, plus water sales from four reservoirs – all serving more than 50 wholesale customers including cities, municipalities and districts throughout the 18,000-square-mile Trinity River basin. Ward manages an annual budget of more than \$490 million and the Authority's assets in excess of \$2.6 billion. Ward previously served as executive administrator of the Texas Water Development Board from May 2002 to February 2011 and in various other capacities at that state agency from 1987 to 2002. Ward is active in several organizations. He is a member of the Region H Water Planning Group, the Trinity and San Jacinto River Basins and Galveston Bay Basin and Bay Area Stakeholder Committee, and the Tarrant Regional Water District Customer Advisory Committee. He also serves on the board and executive committee of the North Texas Commission as well as on the executive committee of the Texas Water Association (formerly TWCA), where he chairs the River Authority Panel. He is a past president and a board member of the National Water Resources Association and most recently served as chair of the Region C Regional Water Planning Group. Additionally, he also served as the public member of the American Academy of Water Resources Engineers Board of Trustees and a visiting member of the Texas A&M University Lehrer Chair Advisory Council. He recently became a member of the American Society of Engineers Industry Leaders Council. Ward also served two terms on the board of directors for the National Waterways Conference, an organization representing national interests related to water supply and waterways transportation. Ward was honored in 2011 with the Water Environment Association of Texas Outstanding Public Official Award, and in 2012 with TWA's President's Award.

MATTHEW S. JALBERT, P.E. Executive Manager, Northern Region. Jalbert has been with the Trinity River Authority since January 2015. In 2006, he received his bachelor's degree from Texas A&M University in Civil Engineering. He received his Master of Engineering in Civil Engineering in 2012 at the University of Texas at Arlington. He worked with three engineering firms prior to 2015. He worked in the position as the Engineering Manager at TRA's Central Regional Wastewater System. In April 2019, he moved to the Planning, Design and Construction Administration group for TRA, where he served as the Manager, Engineering Services. In April 2022, he was appointed the Executive Manager, Northern Region. He holds his professional engineering license in the state of Texas as well as a Texas Commission on Environmental Quality Class B Wastewater Operator license. He is actively involved with the Water Environment Association of Texas and served as the president from 2022-2023.

CHRISTINE J. EPPS, CPA, Chief Financial Officer. Epps received a Bachelor of Business Administration and Master of Science in Accounting degrees (Summa Cum Laude) from Texas Tech University in 2007. Upon graduation, Epps joined Deloitte, a Big Four accounting firm, in their audit and assurance practice, where she gained five years of progressive audit experience with a focus on governmental organizations such as school districts, cities, special districts and transportation authorities. She became a Certified Public Accountant of the state of Texas in 2009. She joined the Trinity River Authority in 2012 as Financial Reporting Manager. Epps was promoted to Controller in 2016 and to Chief Financial Officer and Treasurer of the Board in 2022. She is a member of the Texas Society of Certified Public Accountants, the American Institute of Certified Public Accountants, and the Government Finance Officers Association.

DOUGLAS D. HAUDE, P.E., Executive Manager, Southern Region. Haude began working at the Trinity River Authority in January 2024. He holds a Bachelor of Business Administration in Accounting from Stephen F. Austin State University and a Bachelor of Science in Civil Engineering from the University of Houston. He is a Registered Professional Engineer in the State of Texas, with extensive experience in engineering, finance, project and program management, as well as construction management. His areas of expertise are primarily related to large public water systems and complex water-related infrastructure.

Throughout his career, Haude has served as a senior construction and/or project manager in various organizations, such as the North Harris County Regional Water Authority, San Jacinto River Authority, as well as several large engineering consulting firms where he has led engineering and construction-related projects. He has also been actively involved in various professional and community organizations, including Klein ISD Education Foundation, Harris County Municipal Utility District No. 249, the American Public Works Association – Southeast Texas Branch, and the University of Houston Engineering Alumni Association. In 2014, Haude was recognized by the Texas Chapter of American Public Works as a Top Public Works Leader of the Year, acknowledging his contributions to the field of engineering and construction management.

GLENN C. CLINGENPEEL, Executive Manager, Technical Services and Basin Planning. Clingenpeel received Bachelor of Arts and Bachelor of Science degrees in Biology from the University of Texas, a Master of Science in Environmental Sciences from the University of North Texas and a Master of Business Administration from the University of Texas at Arlington. He also possesses an associate degree in French and attended the Sorbonne University in Paris, France. Clingenpeel is a member of the Golden Key National Honor, Tri Beta Biology Honor and Beta Gamma Sigma Business Honor societies and was recognized in 2006 as an MBA All-Star by the Dallas Business Journal. He joined the Trinity River Authority in April of 1998 as the Clean Rivers Program coordinator and was promoted to the position of Manager of Special Studies and Assessments in 2000. In December of 2005 he was promoted to the position of Executive Assistant to the General Manager. In February of 2014, Clingenpeel was promoted to the position of Senior Manager, Planning and Environmental Management before being promoted to his current position. He has presented dozens of papers on water quality and quantity issues and serves on several local, state and federal committees including the North Central Texas Council of Governments Water Resources Council and the Galveston Bay Council. Clingenpeel is currently the chairman of the Region 3 Flood Planning Group, as well as the Texas Water Association, Endangered Species Committee. Clingenpeel is a longtime board member of the Allied Federal Credit Union where he serves in a voluntary capacity as Chairman of the Board.

ALEXIS. S. LONG, Secretary, Board of Directors and General Counsel. Long received a Bachelor of Science in Bioenvironmental Sciences from Texas A&M University and a Doctor of Jurisprudence from Texas A&M University School of Law. She joined the Authority in 2020 as Associate General Counsel and was promoted to General Counsel in 2025. Long's dedication to her field is evident. She participated in multiple environmental capstone projects in law school and a field study course focused on water, energy, and dispute resolution issues. She holds a leadership certificate from the Texas Water Foundation Water Leadership program.

GARY N. ORADAT, P.E., Executive Manager, Planning, Design and Construction Administration. Oradat earned a Bachelor of Science in Civil Engineering from Texas A&M University in 1975. His career spans 40 years in the public and private sectors. Prior to joining the Trinity River Authority, he held various positions with the city of Houston Department of Public Works and Engineering, including city engineer and deputy director for the Engineering, Construction and Real Estate Division and the Public Utilities Division. After 23 years, he retired from the city in 2004 and joined the Coastal Water Authority, as chief engineer and went on to be named executive director. Upon leaving CWA in 2011, he founded Oradat & Associates, P.C. and most recently was the water utilities practice lead with Halff Associates. He joined the Trinity River Authority in 2019 to lead the newly developed Planning, Design and Construction Administration team. Oradat's professional involvement includes being a past chairman with The American Society for Testing and Materials plastic piping systems committee. He is an active member of several subcommittees including, sewer, trenchless technology and reinforced plastic piping systems. He is also a chairman and a past board member with the Gulf Coast Trenchless Association. He is currently a member of the American Public Works Association and the Society of American Military Engineers. In 2022, Oradat was named Underground Construction Technology Association's Most Valuable Professional. He was recognized with the MVP award at a special luncheon and awards ceremony. The award, presented annually, recognizes individuals whose selfless contributions pave the way for advancement of the underground infrastructure industry.

TAYLOR L. HUYNH, Executive Manager, Administrative Services. Huynh received a Bachelor of Science degree in Management of Information Systems from the University of Texas at Arlington. Prior to joining the Trinity River Authority, Huynh served as case liaison, serving the Texas Rehabilitation Commission and as investment partner of an employment agency serving Tarrant and Dallas counties. She began working for TRA in January 2000 as the Personnel Services Manager and advanced to Human Resources Manager in 2013 serving as human resources business partner and as project manager for information technology initiatives implementing and managing multiple enterprise software systems integration. She was promoted to her current position in December 2018. She has held leadership positions as a committee member of the Texas Water Association Diversity Subcommittee, United Way of Tarrant County Impact Council for funding and grants, Parent Teacher Association and Uplift Education volunteer. She is an active supporter of United Way and local partner agencies and serves as campaign advisor for the Authority's annual charity donations committee. Huynh is an active member of the national Society of Human Resource Management, the Fort Worth Human Resources Management Association and a member of the International Association of HR Information Management. Huynh is a certified senior professional in human resources.

DOUGLAS L. SHORT, Chief Information Officer. Short was hired as the Trinity River Authority's first Chief Information Officer in 2014 and leads all aspects of information technology and information security for TRA. Prior to working at TRA, Short served in the United States Air Force, enlisting as a law enforcement specialist in 1986 and

subsequently was commissioned as a cyberspace operations officer. His career highlights include deployed command, command of two squadrons and standup of the Air Force Cyber Schoolhouse. He retired in 2014 at the rank of lieutenant colonel. Among his educational accomplishments, he has completed a Bachelor of Science in Computer Science and a Master of Arts in Computer Resource and Information Management; he attended the Air Command and Staff College, Joint and Combined Warfighting School and the Air War College. Additionally, he recently graduated from the Federal Bureau of Investigation's Chief Information Security Officer Academy, is a certified information security manager and certified government chief information officer. Short has spoken at several national and local conferences on cybersecurity, is a member of the Texas Cybersecurity Council, chairs the Texas American Water Works Association Resiliency and Cybersecurity Committee, and is a member of the Water Environment Association of Texas Safety and Security Committee.

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APPENDIX B

**TRINITY RIVER AUTHORITY
REGIONAL WASTEWATER SYSTEM
2025 REVENUE REPORT***

Contracting Parties:

*Town of Addison, Texas
City of Arlington, Texas
City of Bedford, Texas
City of Carrollton, Texas
City of Cedar Hill, Texas
City of Colleyville, Texas
City of Coppell, Texas
City of Dallas, Texas
Dallas – Fort Worth International Airport Board
City of Duncanville, Texas
City of Euless, Texas
City of Farmers Branch, Texas
City of Fort Worth, Texas
City of Grand Prairie, Texas
City of Grapevine, Texas
City of Hurst, Texas
City of Irving, Texas
City of Keller, Texas
City of Mansfield, Texas
City of North Richland Hills, Texas
City of Southlake, Texas*

* Financial and operating data presented in Appendix B is reproduced from either the most recent EMMA filings of the Contracting Parties or from unaudited information provided by the Contracting Parties as of the date of this Preliminary Official Statement and is subject to update in connection with the Official Statement.

TOWN OF ADDISON, TEXAS

TABLE 1 – WATER AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2025	2024	2023	2022	2021
<u>Revenues</u>					
Water Sales	\$ 9,186,886	\$ 9,249,861	\$ 9,437,297	\$ 9,115,862	\$ 7,518,421
Sewer Service	7,380,181	7,060,091	6,649,435	6,330,960	5,809,216
Net Investment Income/(Loss)	569,953	820,891	591,975	(423,894)	14,228
Other Income	248,630	175,651	281,680	185,629	38,129
Total Revenue	<u>\$ 17,385,650</u>	<u>\$ 17,306,494</u>	<u>\$ 16,960,387</u>	<u>\$ 15,208,557</u>	<u>\$ 13,379,994</u>
<u>Expenses</u>					
Water Purchase	\$ 4,838,580	\$ 4,615,709	\$ 4,470,618	\$ 4,372,465	\$ 3,265,914
Sewer Treatment	4,056,342	3,831,176	3,913,210	3,635,150	3,491,532
Other Expenses	5,637,959	5,345,370	6,470,118	4,546,678	4,647,614
Total Operating Expenses ⁽¹⁾	<u>\$ 14,532,881</u>	<u>\$ 13,792,255</u>	<u>\$ 14,853,946</u>	<u>\$ 12,554,293</u>	<u>\$ 11,405,060</u>
Net Available for Debt Services	<u>\$ 2,852,769</u>	<u>\$ 3,514,239</u>	<u>\$ 2,106,441</u>	<u>\$ 2,654,264</u>	<u>\$ 1,974,934</u>
Water Customers	3,810	3,821	3,770	3,773	3,791
Sewer Customers	2,681	2,717	2,664	2,673	2,684

TABLE 2 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2025, the City has no authorized but unissued revenue bonds.

TABLE 3 – WATER USAGE

Year Ended 9/30	Total Water Purchased In Gallons	Average Daily Usage In Gallons	Maximum Daily Usage In Gallons
2021	1,738,198,000	5,367,000	9,298,000
2022	1,913,976,000	5,418,000	10,698,000
2023	1,794,462,000	5,469,000	10,692,000
2024	1,793,688,000	4,703,000	8,595,000
2025	1,794,637,000	4,971,000	8,389,000

TABLE 4 – MONTHLY WATER RATES (EFFECTIVE OCTOBER 1, 2025)

Residential			Commercial		
<u>Single Family</u>			<u>Large</u>		
First 2,000 gallons	17.20	(Minimum)	First 37,000 gallons	\$ 166.29	(Minimum)
Water Rater per 1,000 gal over Minimum	4.25	/M gallons	Water Rater per 1,000 gal over Minimum	4.25	/M gallons
Water Conservation Rate per 1,000 gal (Irrigation)	7.58	/M gallons	Water Conservation Rate (Irrigation)	7.58	/M gallons
<u>Multi-Family (Small)</u>			<u>Small</u>		
Low - 15,000 gallons	\$ 72.57	(Minimum)	First 5,000 gallons	\$ 29.97	(Minimum)
Water Rater per 1,000 gal over Minimum	4.25	/M gallons	Water Rater per 1,000 gal over Minimum	4.25	/M gallons
Water Conservation Rate (Irrigation)	7.58	/M gallons	Water Conservation Rate (Irrigation)	7.58	/M gallons
<u>Multi-Family (Large)</u>					
First 37,000 gallons	\$ 166.29	(Minimum)			
Water Rater per 1,000 gal over Minimum	4.25	/M gallons			
Water Conservation Rate (Irrigation)	7.58	/M gallons			

TABLE 5 – MONTHLY SEWER RATES (EFFECTIVE OCTOBER 1, 2025)

Residential			Commercial		
<u>Single Family⁽¹⁾</u>			<u>Large</u>		
First 8,000 gallons	\$ 20.55	(Maximum)	First 37,000 gallons	\$ 262.59	(Minimum)
Per 1,000 gallons Over 8,000 gallons	6.94	/M gallons	Over 37,000 gallons	6.94	/M gallons
<u>Multi-Family (Small)</u>			<u>Small</u>		
First 15,000 gallons	\$ 110.47	(Minimum)	First 5,000 gallons	\$ 41.29	(Minimum)
Over 15,000 gallons	6.94	/Thousand gallons	Over 5,000 gallons	6.94	/M gallons
<u>Multi-Family (Large)</u>					
First 37,000 gallons	\$ 262.59	(Minimum)			
Over 37,000 gallons	6.94	/Thousand gallons			

CITY OF ARLINGTON, TEXAS

TABLE 1 – WATER AND WASTEWATER SYSTEM

**CONDENSED STATEMENT OF OPERATIONS
Fiscal Year Ended September 30
(amount in thousands)**

<u>Revenues</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Water Sales	\$ 97,257	\$ 96,066	\$ 95,998	\$ 80,695	\$ 81,555
Wastewater Service	86,105	82,517	81,667	74,934	73,241
Interest Income/(Loss)	18,617	12,786	(5,754)	891	1,804
Other Income	13,228	13,053	15,212	14,272	10,251
Total Revenues	<u>\$ 215,207</u>	<u>\$ 204,422</u>	<u>\$ 187,123</u>	<u>\$ 170,792</u>	<u>\$ 166,851</u>
<u>Expenses</u>					
Labor Costs	\$ 23,313	\$ 19,932	\$ 15,045	\$ 16,788	\$ 16,962
Supplies	-	-	-	2,727	2,766
Maintenance	19,922	17,776	18,596	3,959	4,235
Water Purchase	22,686	22,112	20,305	24,289	20,406
Wastewater Treatment Contracts	46,377	41,886	38,599	39,310	38,731
Utilities	-	-	-	2,454	2,461
Other Expenses	451	392	1,418	10,157	4,449
Total Operating Expenses Before Depreciation	<u>\$ 112,749</u>	<u>\$ 102,098</u>	<u>\$ 93,963</u>	<u>\$ 99,684</u>	<u>\$ 90,010</u>
Net Revenues of the System	\$ 102,458	\$ 102,324	\$ 93,160	\$ 71,108	\$ 76,841
Interest During Construction Included Above	2,931	2,974	-	(3)	-
Net Revenues Available for Debt Service	<u>\$ 105,389</u>	<u>\$ 105,298</u>	<u>\$ 93,160</u>	<u>\$ 71,105</u>	<u>\$ 76,841</u>
Debt Service Paid ⁽¹⁾	\$ 32,223	\$ 33,020	\$ 31,526	\$ 29,243	\$ 30,971
Debt Service Coverage (times)	3.27 x	3.19 x	2.96 x	2.43 x	2.48 x
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Water Customers	107,661	107,404	106,516	105,884	105,180
Sewer Customers	105,725	105,508	104,590	104,028	103,328

Source: City of Arlington's Finance Department

⁽¹⁾ Excludes Trinity River Authority Revenue Bonds, accrued interest from bond sales, and refunding or cash defeasances.

TABLE 2 – COVERAGE AND FUND BALANCES (AMOUNTS IN THOUSANDS)

Water and Wastewater System Revenue Bonds Outstanding (as of 9/30/24)	\$	307,445
Net Revenues Available for Debt Service	\$	105,389
Principal and Interest Requirements, FY2025	\$	33,511
Coverage of FY2025 Requirements by 9/30/24 Net Available for Debt Service		3.14 x
Average Annual Principal and Interest Requirements, FY2025-2044	\$	18,713
Coverage of Average Requirements by 9/30/24 Net Available for Debt Service		5.63 x
Maximum Annual Principal and Interest Requirements, FY2025	\$	33,511
Coverage of Maximum Requirements by 9/30/24 Net Available for Debt Service		3.14 x
Interest and Sinking Fund Balance	\$	10,999
Reserve Fund Balance	\$	18,713

TABLE 3 – WATER USAGE

Fiscal Year Ended 9/30	Total Water Pumped MG	Average Water Pumped MGD	Maximum Day Pumpage MGD
2020	18,474	50.61	89.24
2021	18,316	50.18	83.52
2022	21,027	57.61	105.08
2023	20,458	56.05	98.08
2024	19,444	53.27	86.79

TABLE 4 – WATER RATES (EFFECTIVE OCTOBER 1, 2024)

<u>Water Rates (Fixed Monthly Fee)</u>		<u>Conservation Rates Block Structure</u>		
<u>Meter Size</u>	<u>Water</u>	<u>RESIDENTIAL</u>		
5/8 x 3/4" (≤2,000 gal)	\$ 7.76	<u>Usage (1,000 gal)</u>		<u>Water</u>
5/8 x 3/4" (≥3,000 gal)	11.26	0 - 2	\$	2.27
3/4" x 3/4"	17.89	3 - 10		3.14
1"	25.85	11 - 15		4.60
1 1/2"	61.88	16 - 29		6.84
2"	108.02	≥ 30		8.24
3"	254.70	<u>COMMERCIAL</u>		
4"	405.39	<u>Usage (1,000 gal)</u>		<u>Water</u>
6"	944.15	0 - 15	\$	4.11
8"	1,476.23	≥ 16		4.34
10"	2,219.01	<u>IRRIGATION</u>		
		<u>Usage (1,000 gal)</u>		<u>Rate</u>
		0 - 29	\$	6.84
		≥ 30		8.24
		<u>CONSTRUCTION</u>		
		<u>Usage (1,000 gal)</u>		<u>Rate</u>
		0 - 99	\$	7.95
		≥ 100		10.00

TABLE 5 – SEWER RATES (EFFECTIVE OCTOBER 1, 2024)

Sewer Rates	
(based on water consumption)	
Meter Size	Monthly Charge
5/8 x 3/4" ($\leq 2,000$ gal)	\$ 8.82
5/8 x 3/4" ($\geq 3,000$ gal)	15.14
1"	24.21
1 1/2"	34.23
2"	75.83
3"	127.66
4"	394.56
6"	588.69
8"	1,601.48
10"	2,109.99
	3,052.13

Conservation Rates Block Structure	
RESIDENTIAL	
Usage (1,000 gal)	Wastewater
0 - 2	\$ 6.11
3 - 10	6.11
11 - 15	6.11
16 - 29	6.11
≥ 30	6.11
COMMERCIAL	
Usage (1,000 gal)	Wastewater
0 - 15	\$ 6.11
≥ 16	6.11

CITY OF BEDFORD, TEXAS

TABLE 1 – WATER AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2025	2024	2023	2022	2021
Revenues					
Water Sales	\$ 18,128,557	\$ 16,739,192	\$ 16,947,250	\$ 16,831,259	\$ 14,596,419
Charges for Sewer Services	\$ 11,213,724	10,428,070	9,498,067	9,234,586	8,676,974
Interest Income	1,678,942.00	2,097,574	1,576,825	321,623	329,888
Other	759,324.00	497,236	394,512	364,482	210,840
Total Revenue	\$ 31,780,547	\$ 29,762,072	\$ 28,416,654	\$ 26,751,950	\$ 23,814,121
Expenses ⁽¹⁾					
Water Supply and Distribution	13,520,345	\$ 9,089,108	\$ 10,197,492	\$ 9,984,278	\$ 8,763,667
Wastewater Collection and Disposal	6,136,671	6,247,982	5,717,685	5,053,553	4,900,651
Billing and Collection	1,476,268	1,580,175	1,113,630	1,491,678	1,974,280
Public Services/Engineering	1,300,525	3,151,150	193,336	1,004,563	957,720
Total Expense	\$ 22,433,809	\$ 20,068,415	\$ 17,222,143	\$ 17,534,072	\$ 16,596,318
Net Available for Debt Service	9,346,738	\$ 9,693,657	\$ 11,194,511	\$ 9,217,878	\$ 7,217,803
Administrative Overhead/Payment in Lieu of Taxes	3,166,688	2,828,945	2,840,910	2,662,283	3,340,983
Net Operating Income	\$ 6,180,050	\$ 6,864,712	\$ 8,353,601	\$ 6,555,595	\$ 3,876,820
Water Customers	19,769	23,277	23,296	23,272	23,246
Sewer Customers	22,825	22,824	22,809	22,800	22,781

TABLE 2 – COVERAGE AND FUND BALANCES

As of September 30, 2024, the City has no water and sewer revenue bonds outstanding.

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2024, the City has no authorized but unissued revenue bonds, and pursuant to State law is not required to approve its revenue bonds through election.

TABLE 4 – MONTHLY WATER RATES (EFFECTIVE JANUARY 1, 2026)

Meter Size	Rates per Month
5/8 inch Meter	\$ 22.36
5/8 inch Meter (Citizens aged 65 and over)	19.57
1 inch Meter	55.90
1 inch Meter (Citizens aged 65 and over)	39.15
1 ½ inch Meter	111.80
2 inch Meter	178.88
3 inch Meter	335.40
4 inch Meter	559.00
6 inch Meter	1,550.56
Fire Hydrant	335.40
All water used per month	5.86 per 1,000 gallons

TABLE 5 – MONTHLY SEWER RATES (EFFECTIVE JANUARY 1, 2026)

<u>Meter Size</u>	<u>Rates per Month</u>
5/8 or 3/4 inch Meter	\$ 17.57
5/8 inch Meter (Citizens aged 65 and over)	15.36
1 inch Meter	43.93
1 inch Meter (Citizens aged 65 and over)	23.09
1 1/2 Meter	87.85
2 inch Meter	140.56
3 inch Meter	263.55
4 inch Meter	439.25
6 inch Meter	878.50
Volume Charge ⁽²⁾	5.00 per 1,000 gallons up to 12,000 gallons

[(2) no charge over 12,000 gallons- residential accounts only]

CITY OF CARROLLTON, TEXAS

TABLE 1 – WATER AND WASTEWATER SYSTEM OPERATING STATEMENT AND REVENUE BONDS COVERAGE (UNAUDITED)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues ¹	\$ 63,808,446	\$ 62,470,556	\$ 56,763,268	\$ 52,627,371	\$ 49,234,955	\$ 49,848,279
Expenses:						
Personnel Services	5,516,342	5,066,226	4,886,490	3,714,564	3,765,284	3,983,596
Supplies and Services	43,013,299	39,648,850	34,109,046	31,718,521	30,287,031	30,109,494
Utilities	2,545,450	1,399,926	1,035,456	906,878	885,921	1,011,379
Allocations	1,644,723	1,588,408	1,679,902	1,202,288	1,033,616	774,800
Provision for Doubtful accounts	-	-	-	-	89,923	89,923
Transfers Out	5,308,392	5,028,917	5,381,519	5,423,162	4,919,956	4,552,223
Total Expenses	<u>58,028,206</u>	<u>52,732,327</u>	<u>47,092,413</u>	<u>42,965,413</u>	<u>40,981,731</u>	<u>40,521,415</u>
Net Available for Debt Service	<u>\$ 5,780,240</u>	<u>\$ 9,738,229</u>	<u>\$ 9,670,855</u>	<u>\$ 9,661,958</u>	<u>\$ 8,253,224</u>	<u>\$ 9,326,864</u>
Customer Count Water/Sewer	38,894	38,927	36,730	37,138	36,902	37,482
Average Annual Debt Service	\$ 1,004,012	995,097	818,323	\$ 890,296	\$ 986,773	\$ 1,070,043
Times of the Average Annual Debt Service	5.76	9.79	11.82	10.85	8.36	8.72
Average Annual Debt Service - 2025/2044						\$ 1,004,012
Coverage of Average Annual Debt Service at 9/30/25 Net Available						\$ 5.76
Maximum Annual Debt Service - 2025/2044						1,418,431
Coverage of Maximum Annual Debt Service at 9/30/25 Net Available						\$ 4.08

(1) Fiscal Year 2023 excludes the \$11 million transfer and Fiscal Year 2024 excludes the \$1.25 million transfer from the General Fund to the Utility Fund as these transfers do not meet the definition of revenue for operating bonds.

TABLE 2 – COVERAGE AND FUND BALANCES

Fiscal Year	Waterworks and Sewer System Revenue Bonds				
	Total Revenues	Less: Operating Expenses (b)	Net Available Revenue	Average Annual Requirement	Times Coverage
2016 (a)	37,738,309	33,738,639	3,999,670	1,426,329	2.80
2017 (a)	40,014,788	35,992,187	4,022,601	1,385,524	2.90
2018 (a)	45,476,534	39,395,153	6,081,381	1,237,640	4.91
2019 (a)	46,192,294	39,869,774	6,322,520	1,142,303	5.53
2020 (a)	49,848,279	40,521,415	9,326,864	1,070,043	8.72
2021 (a)	49,234,955	40,981,730	8,253,225	986,773	8.36
2022 (c)	52,627,371	42,965,413	9,661,958	2,020,735	4.78
2023 (c)	56,763,268	47,092,413	9,670,855	818,323	11.82
2024 (c)	62,065,034	52,021,898	10,043,136	995,097	10.09
2025 (c)	63,808,446	58,028,206	5,780,240	1,004,012	5.76

Source: Annual Comprehensive Financial Report

Notes:

- (a) Includes operating revenues (charges for services and miscellaneous income) and investment income of the Water and Sewer Fund
- (b) Includes operating expenses minus depreciation plus transfers out of the Water and Sewer Fund.
- (c) Beginning in 2022, transfers in were no longer being included as part of the total operating revenue.

FUND BALANCES
(As of September 30, 2023)
(Unaudited)

Reserve Fund	\$ 818,323
Interest and Sinking Fund	340,333
Total Fund Balances	\$ 1,158,656

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2025, the City did not have any authorized but unissued water and sewer system revenue bonds.

TABLE 4 – TOP TEN WATER CUSTOMERS

TOP TEN WATER CUSTOMERS
(as of 9/30/2025)
(Unaudited)

	<u>Name</u>	<u>Type</u>	<u>Revenues</u>	<u>% of Total Water Revenues ¹</u>
1	Teasdale Foods Inc	Manufacturing	\$ 757,554	2.29%
2	Carrollton-Farmers Branch ISD	School District	\$ 623,951	1.89%
3	Western Extrusions Inc	Manufacturing	\$ 593,322	1.80%
4	BuzzBallz LLC	Manufacturing	\$ 422,785	1.28%
5	Walnut Plaza DFW LLC	Apartments	\$ 261,580	0.79%
6	Frankel Family Trust	Apartments	\$ 254,430	0.77%
7	Briarcrest Owner LLC	Apartments	\$ 236,474	0.72%
8	Post Greentree LLC	Apartments	\$ 230,471	0.70%
9	Bellavista	Apartments	\$ 223,300	0.68%
10	Nstar GJL LLC	Apartments	\$ 219,671	0.67%
	TOTAL		\$ 3,823,539	11.58%

⁽¹⁾ Total water revenues from October 1, 2024 through September 30, 2025 was \$33,023,480.
Source: City of Carrollton Utility Customer Service Department.

TABLE 5 – WATER USAGE

Fiscal Year Ended 9/30	Average Daily Use In Gallons	Maximum Daily Use In Gallons	Total Gallons for Year
2015	19,548,000	41,609,000	7,151,918,000
2016	19,524,000	35,439,000	7,126,366,000
2017	19,753,000	29,339,000	7,209,845,000
2018	20,711,000	37,720,000	7,578,297,000
2019	19,203,000	37,735,000	7,410,532,000
2020	21,698,000	38,799,000	7,953,874,000
2021	21,792,000	37,337,000	7,962,892,000
2022	24,218,000 ¹	48,423,000 ¹	8,864,496,000
2023	23,671,000	43,253,000	8,679,414,000
2024	22,718,000	40,141,000	8,326,811,000
2025	22,749,000	37,025,000	8,319,071,000

Source: City of Carrollton Water Distribution Department.

(1) Fiscal Year 2022 daily use increase as a result of unseasonably dry weather throughout the spring and summer.

TABLE 6 –MONTHLY WATER RATE

MONTHLY WATER RATE (Effective January 1, 2026) (unaudited)

Monthly Water Rates:

Minimum monthly charge, including the first 2,000 gallons of use:

Single-family residential domestic and irrigation use	\$	17.14
Commercial (including apartments and portable meters), industrial and commercial irrigation use:		
5/8" meter	\$	18.42
1" meter		28.38
1.5" meter		45.03
2" meter		64.99
3" meter		118.17
4" meter		178.04
6" meter		344.35
8" meter		543.92
10" meter		776.76
Fire Line regardless of size		88.99

Use over the 2,000 gallons included in the minimum monthly charge:

Single-family residential domestic use:

Meter Readings from October through April:		
All Over 2,000 gallons (per 1,000 gallons)	\$	4.27
Meter Readings from May through September:		
Next 8,000 gallons (per 1,000 gallons)		4.27
All Over 15,000 gallons (per 1,000 gallons)		5.74
All Over 25,000 gallons (per 1,000 gallons)		7.16

Irrigation use:

Next 23,000 gallons (per 1,000 gallons)	\$	4.59
Next 25,000 gallons (per 1,000 gallons)		5.47
Next 50,000 gallons (per 1,000 gallons)		6.20
Next 100,000 gallons (per 1,000 gallons)		6.98
All use over 200,000 gallons (per 1,000 gallons)		7.78

Commercial use (including apartments and portable meters):

All use over 2,000 gallons (per 1,000 gallons)	\$	3.16
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Industrial Use: Industrial use rates for water service will apply to customers in the business of assembly or manufacturing of goods and for which water usage equals or exceed 750,000 gallons per month for nine out of twelve months in the year:

All use over 2,000 gallons (per 1,000 gallons)	\$	2.74
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TABLE 7 –MONTHLY SEWER RATE

MONTHLY SEWER RATE
(Effective January 1, 2026)

Monthly Sewer Rates:

Residential use:

First 2,000 gallons, minimum	\$	19.43
All use over 2,000 gallons (per 1,000 gallons)		4.70

Commercial (including apartments), Industrial and Irrigation minimum monthly charges, including the first 2,000 gallons of use:

5/8" meter	\$	20.46
1" meter		29.64
1.5" meter		44.84
2" meter		63.06
3" meter		111.74
4" meter		166.92
6" meter		318.38
8" meter		500.77
10" meter		713.51

Commercial and Industrial use:

All use over 2,000 gallons (per 1,000 gallons)	\$	4.83
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⁽¹⁾ Rates effective January 1, 2026.

CITY OF CEDAR HILL, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2024	2023	2022	2021	2020
OPERATING REVENUES					
Water Sales	\$ 16,367,978	\$ 15,057,244	\$ 14,124,887	\$ 10,811,555	\$ 10,778,075
Sewer Sales	11,802,800	10,271,378	9,473,579	8,152,339	7,529,783
Other Charges	634,908	561,866	453,396	280,021	238,816
Interest Revenue	1,125,173	695,755	39,457	85,118	181,122
Total Operating Income	\$ 29,930,859	\$ 26,586,243	\$ 24,091,319	\$ 19,329,033	\$ 18,727,796
OPERATING EXPENSES					
Sewage Treatment	\$ 7,720,231	\$ 7,170,759	\$ 7,051,986	\$ 6,646,067	\$ 7,083,099
Purchase of Water	5,218,947	4,843,273	4,435,000	3,585,183	3,452,702
Personnel Services	3,827,001	3,835,570	3,670,495	3,438,485	3,361,071
Gross Receipts Tax	1,024,787	1,055,250	1,055,250	1,055,250	1,005,000
Heat, Light and Power	380,007	316,065	295,919	275,296	272,556
Maintenance	442,958	324,530	422,820	227,228	237,669
Contractual Services	1,320,876	1,233,107	1,561,864	1,817,509	1,824,088
Materials and Supplies	1,038,915	828,467	392,542	282,643	226,001
Miscellaneous	85,563	339,706	209,585	64,385	59,666
Total Operating Expenses	\$ 21,059,285	\$ 19,946,727	\$ 19,095,461	\$ 17,392,046	\$ 17,521,852
NET REVENUES	\$ 8,871,574	\$ 6,639,516	\$ 4,995,858	\$ 1,936,987	\$ 1,205,944
Water Customers	17,039	16,932	16,659	16,544	16,559
Sewer Customers	15,523	15,351	15,014	15,152	15,033

(1) Unaudited.

TABLE 2 – COVERAGE AND FUND BALANCES

As of September 30, 2025, the City has no outstanding Waterworks and Sewer System Revenue debt.

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of January 31, 2025, the City has no voted but unissued revenue bond, and pursuant to State law, the City is not required to approve its revenue bonds through election.

TABLE 4 – HISTORICAL WATER USAGE (GALLONS)

Fiscal Year Ended 9/30	Daily Average (MGD)	Peak Day (MGD)	Peak Month (MGD)	Total Usage (MGD)	Water Revenue
2021	5.55	8.8	215.6	2,025.9	10,811,555
2022	6.29	11.2	294.8	2,295.2	14,124,887
2023	6.70	11.4	320.3	2,445.0	15,057,244
2024	6.60	10.0	276.3	2,348.0	16,367,978
2025	6.67	9.30	240.40	2,435	16,008,068

TABLE 5 – MONTHLY WATER RATES (EFFECTIVE NOVEMBER 1, 2025)

UNIFORM RATES			
Residential:	Water (Fixed Base Rate (includes first 1,000 gallons)		\$ 22.50
	Water (Consumption Rate, after first 1,000 gallons)		\$ 7.50
Commercial:	Water (Fixed Base Rate (includes first 1,000 gallons)		\$ 22.50
	Water (Consumption Rate, after first 1,000 gallons)		\$ 7.50
	Base (Based on Meter Size)	<1 inch	\$ 22.50
		1.5 inch	45.00
		2 inch	72.00
		3 inch	135.00
		4 inch	225.00
		6 inch	450.00
		8 inch	680.00

Source: Chapter 18 of Code of Ordinances

TABLE 6 – MONTHLY SEWER RATES (EFFECTIVE NOVEMBER 1, 2025)

UNIFORM RATES			
Residential:	Sewer (Fixed Base Rate (includes first 1,000 gallons) (Residential Sewer Capped @ \$80/month)		\$ 22.75
	Sewer (Consumption Rate, after first 1,000 gallons)		\$ 11.60
Commercial	Sewer (Fixed Base Rate (includes first 1,000 gallons)		\$ 22.75
	Sewer (Consumption Rate, after first 1,000 gallons) (No Cap)		\$ 11.60

TABLE 7 – CAPITAL RECOVERY FEES

As of December 31, 2025 the capital recovery fee funds may be used for capital projects and to pay debt service on Year was updated projects for which the fee was levied and to date has produced \$21,817,152 including interest for the City:

Water Sources	\$ 13,445,789
Sewer Sources	5,146,084
Investment Earnings	<u>3,225,279</u>
TOTAL REVENUES	\$ 21,817,152

To date, the City has used approximately \$16,907,539 of the funds for water and wastewater projects and has remaining funds of \$5,744,613.

CITY OF COLLEYVILLE, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2025	2024	2023	2022	2021
Revenues					
Metered Water Sales	\$ 16,962,738	\$ 15,611,008	\$ 15,285,430	\$ 14,075,059	\$ 11,766,720
Sewer Service Charges	6,265,240	5,681,290	5,421,052	5,297,937	4,730,415
Miscellaneous Charges and Fees	3,103,378	2,863,943	3,152,443	2,557,018	942,782
Interest Income	1,136,797	1,344,967	840,756	-7,736	31,280
Total Revenues	\$ 27,468,153	\$ 25,501,208	\$ 24,699,681	\$ 21,922,278	\$ 17,471,197
Expenses					
Personnel Services	\$ 2,808,604	\$ 2,610,599	\$ 2,609,995	\$ 2,048,171	\$ 2,194,442
Maintenance and Contractual Services	18,500,188	17,380,794	16,035,109	14,786,549	11,693,167
Materials and Supplies	404,143	492,644	423,694	296,654	412,230
Total Expenses	\$ 21,712,935	\$ 20,484,037	\$ 19,068,798	\$ 17,131,374	\$ 14,299,839
Net Available for Debt Service	\$ 5,755,218	\$ 5,017,171	\$ 5,630,883	\$ 4,790,904	\$ 3,171,358
Water Customers	10,018	10,005	9,985	9,945	10,608
Sewer Customers	9,849	9,828	9,799	9,760	9,832

TABLE 2 – COVERAGE AND FUND BALANCES

As of September 30, 2025, the City has no water and sewer revenue bonds outstanding.

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2025, the City has no authorized but unissued revenue debt.

TABLE 4 – WATER USAGE

Fiscal Year Ended 9/30	Average Day Usage	Total Usage
2020	7,026,907	2,564,821,000
2021	6,679,425	2,437,990,000
2022	8,487,301	3,097,865,000
2023	8,088,871	2,952,439,171
2024	6,850,978	2,510,651,000
2025	6,579,991	2,411,363,000

TABLE 5 – MONTHLY WATER RATES (EFFECTIVE OCTOBER 1, 2025)

Meter Size	In-City Customers \$/M Gallons	Out-City Customers \$/M Gallons
1 inch or less	\$ 18.24	\$ 22.24
1.5 inch Meter	36.48	\$ 40.48
2 inch Meter	58.37	\$ 62.37
3 inch Meter	109.45	\$ 113.45
4 inch Meter	182.41	\$ 186.41
Volumetric Water Charge	6.4648 per 1,000 gallons	6.4648 per 1,000 gallons

TABLE 6 – MONTHLY SEWER RATES (EFFECTIVE OCTOBER 1, 2025)

	<u>Residential</u>	<u>Non-Residential</u>
Base sewer charge	\$ 15.49	\$ 21.49
Volume charge per 1,000 gallons ⁽¹⁾	4.6459	8.6459
City average sewer rate is 9,000 gallons per household ⁽²⁾⁽³⁾	\$ 41.81	

(1) Based on average winter water consumption in December, January & February

(2) For new residents first year only, until winter average is established.

CITY OF COPPELL, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM OPERATING SYSTEM

	Fiscal Year Ended September 30,				
	2025	2024	2023	2022	2021
Operating Revenues					
Water and Sewer Sales	\$ 23,065,674	\$ 22,249,174	\$ 21,207,267	\$ 21,799,290	\$ 19,505,844
Water and Sewer Connection Fees	10,670	11,820	15,530	15,655	17,780
Interest and Miscellaneous	2,669,133	3,070,520	2,498,595	670,522	900,012
Capital Recovery Fees	29,168	131,454	104,341	68,498	115,785
Total Revenues	<u>\$ 25,774,645</u>	<u>\$ 25,462,968</u>	<u>\$ 23,825,733</u>	<u>\$ 22,553,965</u>	<u>\$ 20,539,421</u>
Operating Expenses					
Purchase of Water	\$ 8,395,646	\$ 7,703,546	\$ 7,741,714	\$ 7,348,557	\$ 6,606,300
Purchase of Sewer Treatment	4,595,447	4,333,628	3,905,650	3,733,503	4,007,093
Salaries and Wages	1,844,284	1,524,917	1,718,308	1,140,644	1,424,776
Supplies and Services	3,745,465	3,832,202	3,459,874	3,392,205	3,266,374
Total Expenses	<u>\$ 18,580,842</u>	<u>\$ 17,394,293</u>	<u>\$ 16,825,546</u>	<u>\$ 15,614,909</u>	<u>\$ 15,304,543</u>
Net Available for Debt Service	<u>\$ 7,193,803</u>	<u>\$ 8,068,675</u>	<u>\$ 7,000,187</u>	<u>\$ 6,939,056</u>	<u>\$ 5,234,878</u>
Water Customers	13,556	13,565	13,498	13,486	13,508
Sewer Customers	12,338	12,356	12,283	12,291	12,325

TABLE 2 – COVERAGE AND FUND BALANCE

Average Annual Principal and Interest Requirements, 2026 - 2044	\$ 1,712,767
Coverage of Average Annual Requirements by 9/30/25 Net Income	4.20 x
Maximum Principal and Interest Requirements, 2026	\$ 2,385,631
Coverage of Maximum Requirements by 9/30/25 Net Income	3.02 x
Waterworks and Sewer System-Related Tax Bonds Outstanding, 9/30/25	\$26,370,000
Interest and Sinking Fund, 9/30/25	\$ 360,589
Reserve Fund, 9/30/25	\$ -

TABLE 3 – COVERAGE AND FUND BALANCE

As of September 30, 2024, the City has no authorized but unissued revenue debt.

TABLE 4 – WATER USAGE

Fiscal Year Ended 9/30	Estimated City Population	Water Usage		
		Average	Peak Day	Total
		Day Usage	Usage	Usage
2021	42,983	7,694,673	15,172,000	2,808,555,500
2022	43,140	8,802,270	18,308,000	3,212,828,460
2023	43,190	8,865,944	18,548,000	3,236,069,400
2024	43,193	8,025,174	16,779,000	2,929,188,350
2025	43,196	8,023,508	15,929,000	2,928,580,450

TABLE 5 – MONTHLY WATER RATES**New Rates**

(Effective February 1, 2024)

First 1,000 gallons \$21.53 (minimum)
 \$3.13 per 1,000 gallons over initial 1,000 gallons up to 15,000 gallons
 \$3.92 per 1,000 gallons over 15,000 gallons up to 25,000 gallons
 \$7.84 per 1,000 gallons over 25,000 gallons

Previous Rates

(Effective June 1, 2021)

First 1,000 gallons \$21.00 (minimum)
 \$3.05 per 1,000 gallons over initial 1,000 gallons up to 15,000 gallons
 \$3.82 per 1,000 gallons over 15,000 gallons up to 25,000 gallons
 \$4.78 per 1,000 gallons over 25,000 gallons

TABLE 6 – SEWAGE FLOW

Fiscal Year Ended 9/30	Amount in Gallons	Average Daily Sewer Flow
2021	1,239,324,000	3,395,408
2022	1,239,769,000	3,396,627
2023	1,365,781,000	3,741,866
2024	1,440,543,000	3,946,693
2025	1,151,964,000	3,156,066

TABLE 7 – MONTHLY SEWER RATES**New Rates**

(Effective February 1, 2024)

First 1,000 gallons \$24.30 (minimum)
 \$2.43 per 1,000 gallons over initial 1,000 gallons

Winter Averaging for Residential Customers (effective April 1, 2023)
 Water usage is tracked during the months of November-March, then the lowest and highest months of usage are removed and average usage is determined based on the remaining three months. The calculated average will be used as the monthly sewer rate beginning each April for the following 12 months.

Previous Rates

(Effective June 1, 2021)

First 1,000 gallons \$22.40 (minimum)
 \$2.24 per 1,000 gallons over initial 1,000 gallons
 Maximum Charge (Residential Only) \$ 49.28
 No maximum for other customers

CITY OF DALLAS, TEXAS

TABLE 1 – WHOLESALE TREATED WATER CUSTOMERS

Treated water is now supplied on a wholesale basis to the following cities and authorities under contracts expiring in the calendar year indicated.

Entity	Year	Entity	Year
Addison	2042	Flower Mound	2047
Carrollton	2043	Glenn Heights	2052
Cedar Hill	2044	Grand Prairie	2042
Cockrell Hill	2044	Hutchins	2042
Combine WSC	2035	Irving	2033
Coppell	2047	Lancaster	2041
Balch Springs	2045	Lewisville	2046
Dallas/Fort Worth International Airport	2045	Ovilla	2035
DeSoto	2043	Red Oak	2033
Duncanville	2044	Seagoville	2043
Ellis County WCID#1	2033	The Colony	2040
Farmers Branch	2040		

Dallas and its wholesale treated water customers negotiated and reached consensus on a thirty-year Memorandum of Agreement for wholesale treated water rate-setting methodology. The new Memorandum of Agreement was approved by the Dallas City Council on May 12, 2010. Wholesale rates for treated water service to all customer cities and authorities are determined per the provisions of the new Memorandum of Agreement.

As of August 13, 2003, the City Council approved individual contracts between Dallas Water Utilities and the Ellis County WCID#1 for wholesale supply of treated water. Ellis County WCID#1 is not yet connected to Dallas Water System. These contracts will expire in the year 2033.

In addition to a Wholesale Treated Water Contract, the Cities of Irving and Dallas adopted the Water Treatment Services Contract on January 8, 1998. This agreement allows Irving to store 9,700 acre feet of its Lake Chapman water in Lake Lewisville and for Dallas to treat Irving's water at the Elm Fork Water Treatment Plant. The effective date of the Water Treatment Services Contract and the Wholesale Treated Water Contract with Irving is June 30, 2003. Both contract terms are for thirty years (see "The Water and Wastewater System - Water Supply - Lake Lewisville").

Dallas has a designated planning and service area in the 2024 update to the LRWSP. In accordance with the plans, Dallas is planning for the long range needs of all its existing customers and anticipate renewal of all existing contracts.

TABLE 2 – TREATED WATER PRIMARY PUMPAGE (MILLION GALLONS)

<u>Fiscal Year</u>	<u>Peak Day</u>	<u>Average Day</u>	<u>Total</u>
2020	588	380	139,092
2021	687	382	139,364
2022	655	412	150,432
2023	685	422	153,914
2024	618	419	153,297

TABLE 3 – TREATED WATER CONSUMPTION BY CUSTOMER CLASS (UNAUDITED)

	<u>Fiscal Year Ended September 30,</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Retail</u>					
Residential	25,777	26,831	27,004	23,469	24,371
General Service	36,797	36,659	36,550	32,724	33,287
Optional General Service ⁽¹⁾	4,576	4,918	5,075	4,326	4,621
Total Retail	<u>67,150</u>	<u>68,408</u>	<u>68,629</u>	<u>60,519</u>	<u>62,279</u>
<u>Wholesale</u>	<u>63,368</u>	<u>64,116</u>	<u>63,736</u>	<u>55,202</u>	<u>58,563</u>
Total	<u>130,518</u>	<u>132,525</u>	<u>132,365</u>	<u>115,720</u>	<u>120,842</u>

⁽¹⁾ Customers consistently using one million gallons or more monthly.

TABLE 4A – TEN LARGEST WHOLESALE TREATED WATER CUSTOMERS

Wholesale	Fiscal Year 2024 Water Consumption	Unaudited
City of Carrollton	7,859	
City of Grand Prairie	6,778	
City of Irving(1)	3,980	
City of Coppell	3,700	
City of Lewisville	3,494	
City of DeSoto	3,465	
City of Lancaster	3,213	
City of Farmers Branch	3,024	
City of Cedar Hill	2,398	
City of Flower Mound	1,993	
Total	<u>39,904</u>	

(1) In addition to the 3,980 MG treated water provided under the treated water contract, Dallas Water Utilities also treated 10,888 MG of raw water from Irving's Lake Chapman under the Dallas Water Utilities/Irving treatment services contract reflects "as billed" consumption.

TABLE 4B – TEN LARGEST RETAIL TREATED WATER CUSTOMERS (MILLION GALLONS)

Retail	Fiscal Year 2024 Water Consumption	Unaudited
Texas Instruments Inc	2,561	
UT Southwestern Med Center	1,424	
DISD	1,217	
Niagara Bottling LLC	801	
White Wave Food Company	747	
Dallas County	659	
Presbyterian Healthcare System	611	
Dean Foods / Db a Oak Farms Dairy	543	
Coca Cola Usa Fountain	511	
Dallas Housing Authority	505	
Total Ten Largest Retail Customers	<u>9,579</u>	
Other	57,572	
Total Retail Treated Water Consumption	<u>67,150</u>	

Note: Numbers may not sum due to rounding.

TABLE 5 – WHOLESALE WASTEWATER CUSTOMERS

Customer cities receiving "wholesale" wastewater services are principally as follows, with contractual terms of service now extending to calendar years indicated. Unaudited

Addison (portion)	2044	Hutchins	2044
Cockrell Hill	2044	Mesquite (portion)	2036
Balch Springs	2045	Richardson (portion)	2037
Duncanville (portion)	2044	Seagoville	2033
Highland Park	2044	University Park	2044
		Wilmer	2044

TABLE 6 – TREATED WASTEWATER FLOW

Fiscal Year	Maximum Day Treated Effluent	Average Day Treated Effluent	Total Treated Effluent
2020	428	198	72,437
2021	397	196	71,646
2022	430	183	66,833
2023	367	204	74,387
2024	439	236	86,366

TABLE 7 – RETAIL CUSTOMER CHARGE

The monthly customer charge for retail treated water service and wastewater service are fixed amounts based upon meter size. Both water and wastewater charges are shown below to present the total customer charge for combined water and wastewater service.

	Monthly Retail Customer Charge			Unaudited
	Water	Wastewater	Combined	
5/8 Inch Meter	\$ 5.80	\$ 5.24	11.04	
3/4 Inch Meter	8.18	6.99	15.17	
1 Inch Meter	12.00	10.38	22.38	
1 1/2 Inch Meter	22.10	19.94	42.04	
2 Inch Meter	36.24	33.52	69.76	
3 Inch Meter	85.81	76.85	162.66	
4 Inch Meter	141.00	121.48	262.48	
6 Inch Meter	280.10	240.57	520.67	
8 Inch Meter	466.70	400.70	867.40	
10 Inch Meter or larger	714.03	630.02	1,344.05	

The rates charged wastewater customers are based upon the cost providing wastewater service, as required by the USEPA.

TABLE 8 – RETAIL USAGE CHARGE

(as of October 1, 2024)

	Monthly Retail Rate Per 1,000 Gallons		Unaudited
	Water	Wastewater	
<u>Residential</u>			
Up to 4,000 Gallons	\$ 2.07	\$ 5.88 ⁽¹⁾	
4,001 to 10,000 Gallons	4.53	\$ 5.88 ⁽¹⁾	
10,001 to 20,000 Gallons	7.44	\$ 5.88 ⁽¹⁾	
20,001 to 30,000	10.61	\$ 5.88 ⁽¹⁾	
Above 30,000	12.35	\$ 5.88 ⁽¹⁾	
<u>General Service</u>			
Up to 10,000 Gallons	\$ 4.97	\$ 5.12	
Above 10,000 Gallons	5.46	\$ 5.12	
Above 10,000 and usage 1.4x annual monthly average	8.10	\$ 5.12	
Wastewater metered separately		4.76	
<u>Optional General Service</u>			
1st Million Gallons or Less	\$ 3,030.63 ⁽²⁾	\$ 4.71	
Above 1 Million Gallons (Per 1,000 Gallons)	4.77	4.71	
Wastewater metered separately		4.76	

⁽¹⁾ Wastewater rates for residential accounts are applied to average water consumption billed in December, January, February, and March, up to 40,000 gallons per month, or actual water consumption if lower.

⁽²⁾ Fixed amount, not a volume rate.

The retail usage charge applies in addition to the customer charge shown in Table 7. The usage charge is generally stated as a rate per 1,000 gallons. Both the retail water usage charge and the retail wastewater usage charge are applied to volume of water used, except for that wastewater which is metered separately. Wastewater meters are purchased by general service customers (typically large business customers) when separate wastewater metering is advantageous to them. Retail usage charges are established for three customer classes as set forth above. For residential wastewater customers, the retail usage charge is based upon average water consumption during winter months, or actual water usage for each month if lower. Each of the rates for usage charges and for customer charges is subject to 5% additional charge if not paid when due.

TABLE 9 – WHOLESALE CUSTOMER CHARGES (AS OF OCTOBER 1, 2022)

Wholesale rates are as follows, for each type of wholesale service:

Treated Water Service:

Customers with rate-of-flow controllers: \$0.5663 per thousand gallons of water used, plus \$356,978 annually per million gallons of daily capacity reserved.

Customers without rate-of-flow controllers (or if a flat rate is provided by contract): \$2.7987 per thousand gallons of water used.

Untreated Water Service:

Customers inside or outside the City: \$1.2231 per thousand gallons of water used (\$0.4580 for interruptable service).

Wastewater Service:

\$3.2598 per thousand gallons of wastewater discharged. A surcharge is applied for wastewater of excessive strength.

TABLE 10 – WATERWORKS AND SEWER SYSTEM REVENUE BOND REQUIREMENTS

Date	All			% of Principal Retired
	Principal ⁽¹⁾	Interest ⁽¹⁾	Total ⁽¹⁾	
09/30/25	114,850,000	89,204,280	204,054,280	
09/30/26	104,780,000	85,108,515	189,888,515	
09/30/27	108,955,000	81,137,322	190,092,322	
09/30/28	112,950,000	77,105,893	190,055,893	
09/30/29	116,795,000	73,222,166	190,017,166	22.2%
09/30/30	113,290,000	69,088,909	182,378,909	
09/30/31	102,875,000	64,843,933	167,718,933	
09/30/32	106,880,000	60,814,165	167,694,165	
09/30/33	111,640,000	56,569,840	168,209,840	
09/30/34	115,935,000	52,233,980	168,168,980	44.1%
09/30/35	120,315,000	47,854,044	168,169,044	
09/30/36	124,740,000	43,385,906	168,125,906	
09/30/37	114,265,000	39,097,153	153,362,153	
09/30/38	106,140,000	35,195,122	141,335,122	
09/30/39	100,395,000	31,576,168	131,971,168	66.6%
09/30/40	103,915,000	28,019,065	131,934,065	
09/30/41	94,680,000	24,701,799	119,381,799	
09/30/42	88,650,000	21,527,728	110,177,728	
09/30/43	82,440,000	18,368,510	100,808,510	
09/30/44	78,940,000	15,323,274	94,263,274	84.4%
09/30/45	82,040,000	12,202,504	94,242,504	
09/30/46	73,180,000	9,207,301	82,387,301	
09/30/47	64,150,000	6,670,883	70,820,883	
09/30/48	55,415,000	4,592,263	60,007,263	
09/30/49	38,405,000	3,086,916	41,491,916	96.9%
09/30/50	34,870,000	1,963,835	36,833,835	
09/30/51	20,790,000	1,118,930	21,908,930	
09/30/52	12,255,000	609,056	12,864,056	
09/30/53	10,020,000	200,400	10,220,400	100.0%
	2,514,555,000	1,054,029,856	3,568,584,856	

(1) Numbers may not sum due to rounding.

TABLE 11 – HISTORICAL COVERATE RATIOS

Table 14 herein entitled "Projected Coverage and Fund Balances" indicates projected coverage levels after the present issuance of Bonds, using net revenues of the fiscal year ended September 30, 2024. The table below presents coverage ratios for ten previous years. The figures shown are revenue bond coverage of average annual principal and interest requirements and of maximum annual principal and interest requirements, for all Revenue Bonds outstanding at September 30 of each year. Net revenues used to compute the coverage levels for each year presented below are for the same fiscal year ended September 30.

<u>Year</u>	<u>Average</u>	<u>Maximum</u>	<u>Year</u>	<u>Average</u>	<u>Maximum</u>
2024	3.63x ⁽¹⁾	2.22x ⁽¹⁾	2019	2.96x	1.74x
2023	3.75x	2.22x	2018	3.18x	1.96x
2022	3.81x	2.10x	2017	3.10x	1.85x
2021	2.78x	1.63x	2016	2.80x	1.74x
2020	2.88x	1.68x	2015	2.67x	1.54x

Unaudited

(1) Preliminary unaudited information provided by City staff with information available at time of presentation.

TABLE 12 – OPERATIONS AND MAINTENANCE FOR WATER SUPPLY AND WASTEWATER TREATMENT

The City has obtained most of its water supply through contractual agreements with surface reservoir operating entities. Also, a small portion of the City's wastewater is treated by the Trinity River Authority and the City of Garland. In addition, "THE WATER AND WASTEWATER SYSTEM - Water Supply - Lake Palestine", the City's financial obligation to Tarrant Regional Water District for the Integrated Pipeline Project is treated as an operating expense. The following table summarizes the monetary effect, as of September 30, 2024, of major agreements for raw water supply and wastewater treatment and the Integrated Pipeline Project:

<u>Raw Water Supply</u>	<u>Contract With</u>	<u>Operation and Maintenance Expenses 2024⁽¹⁾</u>
Lake Ray Roberts	United States	\$ 386
Lake Fork	Sabine River Authority	15,427
Lake Palestine	Upper Neches River Municipal Water Authority	651
Lake Tawakoni	Sabine River Authority	8,473
Lakes Lewisville and Grapevine	United States	594
<u>Wastewater Treatment</u>		
Wastewater Treatment	Trinity River Authority	10,368
Wastewater Treatment	City of Garland	1,086
<u>Integrated Pipeline Project</u>		
Water Transmission	Tarrant Regional Water District	54,716
		\$ 91,701

Unaudited

(1) Unaudited

TABLE 13 – SUMMARY OF OPERATIONS (amounts in thousands)

	Fiscal Year Ended September 30,					Unaudited
	2024 ⁽²⁾	2023	2022	2021	2020	
Operating Revenues						
Water	524,316	519,556	494,476	412,158	392,387	
Wastewater	303,805	297,122	281,100	263,022	243,553	
	<u>\$ 828,121</u>	<u>\$ 816,678</u>	<u>\$ 775,576</u>	<u>\$ 675,180</u>	<u>\$ 635,940</u>	
Operating Expenses						
Operation and Maintenance	\$ 398,273	\$ 454,164	\$ 359,344	\$ 386,629	\$ 349,568	
Depreciation and Amortization	155,532	146,170	143,218	138,891	133,860	
	<u>\$ 553,805</u>	<u>\$ 600,334</u>	<u>\$ 502,562</u>	<u>\$ 525,520</u>	<u>\$ 483,428</u>	
Operating Income	\$ 227,787	\$ 216,344	\$ 273,014	\$ 149,660	\$ 152,512	
Net Interest Expense ⁽¹⁾	(68,328)	(82,693)	(111,310)	(94,573)	(96,110)	
Capital Contribution Received	39,618	24,455	23,153	25,568	18,910	
Net Transfers	26,922	(27,300)	(27,243)	(24,333)	(28,862)	
Gain/(Loss) From Property Disposal	(122)	(334)	(148)	(35)	(180)	
Other Income	-	-	-	-	-	
Change in Net Position	<u>\$ 225,877</u>	<u>\$ 130,472</u>	<u>\$ 157,466</u>	<u>\$ 56,287</u>	<u>\$ 46,270</u>	
Water Customer Accounts	312,034	308,000	309,000	305,000	303,000	
Wastewater Customer Accounts	295,116	291,000	292,000	289,000	287,000	
Water Connections	341,404	339,000	338,000	337,000	336,000	

(1) Interest earnings and capitalized interest are included above as a reduction of Net Interest Expense.

(2) Preliminary unaudited financial information provided by City staff with information available at time of presentation.

TABLE 14 – PROJECTED COVERAGE AND FUND BALANCES⁽¹⁾

Unaudited

Average Annual Principal and Interest Requirements, Fiscal Years 2024-2053	\$ 125,137,845
Coverage of Average Requirements by Fiscal Year Ended 9/30/24 Net Revenues	3.63 x
Maximum Principal and Interest Requirements, Fiscal Year 2025	\$ 204,054,280
Coverage of Maximum Requirements by Fiscal Year Ended 9/30/24 Net Revenues	2.22 x
Waterworks and Sewer System Revenue Bonds to be Outstanding (as of 09/30/2024)	\$ 2,514,555,000
Interest and Sinking fund (as of 9/30/24)	\$ 160,723,075
Reserve Fund (as of 9/30/24)	\$ 134,028,346

(1) Preliminary unaudited information provided by City staff with information available at time of presentation.

TABLE 15 – SUMMARY OF NET REVENUES FOR REVENUE BOND COVERAGE CASH BASIS (amounts in thousands)⁽¹⁾

	Fiscal Year Ended September 30,				
	2024 ⁽³⁾	2023	2022	2021	2020
Gross Revenues					
Customer Charges	\$ 818,983	\$ 809,653	\$ 763,665	\$ 672,857	\$ 645,228
Interest Received	60,177	29,247	(9,139)	4,469	12,030
	<u>\$ 879,160</u>	<u>\$ 838,900</u>	<u>\$ 754,526</u>	<u>\$ 677,326</u>	<u>\$ 657,258</u>
Operating Expenditures					
Personnel Services	\$ 137,816	\$ 106,722	\$ 101,232	\$ 98,247	\$ 95,604
Supplies and Materials	120,141	110,235	89,868	81,866	68,961
Contractual and Other Services ⁽²⁾	167,426	142,988	123,866	152,456	142,087
	<u>\$ 425,383</u>	<u>\$ 359,945</u>	<u>\$ 314,966</u>	<u>\$ 332,569</u>	<u>\$ 306,652</u>
Net Revenues Available for Debt Service	<u>\$ 453,777</u>	<u>\$ 478,955</u>	<u>\$ 439,560</u>	<u>\$ 344,757</u>	<u>\$ 350,606</u>

Unaudited

(1) The figures shown in this table are presented on a cash basis and were developed in accordance with the provisions contained in the City's Water Works and Sewer System Revenue Bond Ordinance. Gross Revenues include cash receipts derived from operation and ownership of the System. Operating Expenditures are operating cash disbursements and payments required by certain reservoir and other contracts, included forth is purpose under provisions of state law. Operating Expenditures exclude payments for capital purposes and for related debt, and will exclude any future payments to the City in lieu of ad valorem taxes, if made, as permitted by a May 1993 amendment to the City Charter (see "The Water and Wastewater System - Background") and "Water and Wastewater Services Rates."

(2) Cash payments for contractual services includes payments for the Water Transmission Facilities Financing Agreement in the amount of \$26,308. Per Texas Government Code, Section 1502.056(c), "a contract between a municipality and an issuer, as defined by Section 1201.002, under which the municipality obtains from the issuer or the issuer provides part or all of the facilities or services of a utility system to the municipality may provide that payments made by the municipality from the revenue of the utility system are an operating expense of the municipality's utility system."

(3) Preliminary unaudited financial information provided by City staff with information available at time of presentation.

TABLE 16 – NET ASSETS AND LONG-TERM DEBT (amounts in thousands)

	Fiscal Year Ended September 30,				
	2024 ⁽³⁾	2023	2022	2021	2020
Net Position - System Equity⁽¹⁾					
Capital assets, net of related debt	\$3,189,968	\$2,973,223	\$2,857,801	\$ 2,724,544	\$ 2,673,126
Nonspendable					
Restricted	241,781	237,337	248,416	258,162	264,515
Unrestricted	(94,660)	(107,646)	(133,775)	(167,730)	(178,952)
Total Equity	<u>\$3,337,089</u>	<u>\$3,102,914</u>	<u>\$2,972,442</u>	<u>\$ 2,814,976</u>	<u>\$ 2,758,689</u>
Long-Term Debt Less Current Maturities					
Revenue Bonds Payable ⁽²⁾	\$2,559,806	\$2,659,667	\$2,504,979	\$ 2,583,925	\$ 2,517,619
Pension Obligation Bonds ⁽²⁾	31,129	34,062	42,241	49,876	56,791
	<u>\$2,590,935</u>	<u>\$2,693,729</u>	<u>\$2,547,220</u>	<u>\$ 2,633,801</u>	<u>\$ 2,574,410</u>
Total	<u>\$5,928,024</u>	<u>\$5,796,643</u>	<u>\$5,519,662</u>	<u>\$ 5,448,777</u>	<u>\$ 5,333,099</u>
Percentage Equity	56.3%	53.5%	53.9%	51.7%	51.7%

(1) In accordance with GASB Statement 63. System Equity is now termed Net Position.

(2) Due to the implementation of GASB 63 and 65, deferred loss is no longer reported as a component of long term debt.

(3) Preliminary unaudited financial information provided by City staff with information available at time of presentation.

TABLE 17 – CURRENT INVESTMENTS

As of November 30, 2024, the following percentages by investment type applied to the City's investable funds, which had an aggregate market value of \$3,768,518,722.

<u>Type of Investment</u>	<u>Market Value</u>	<u>%</u>
Certificate Of Deposit	\$ 165,000,000	4.38%
U.S. Agencies Bonds	1,653,781,624	43.88%
U.S. Treasury Bonds	1,048,343,115	27.82%
Money Market Mutual Funds and Pools	262,231,683	6.96%
Commercial Paper	629,268,950	16.70%
Municipal Obligations	9,893,350	0.26%
Total / Average	<u>\$ 3,768,518,722</u>	<u>100.00%</u>

Unaudited

DALLAS-FORT WORTH INTERNATIONAL AIRPORT BOARD

The Dallas-Fort Worth International Airport Board is a Contracting Party in the Regional Wastewater System.

The Board

The Dallas Fort Worth International Airport is jointly owned by the Cities of Dallas and Fort Worth. The Airport (located within the cities of Grapevine, Irving, Coppell, and Euless) is equidistant (17 miles) from Dallas and Fort Worth.

The Airport was created by the 1968 Contract and Agreement between the Cities of Dallas and Fort Worth. Under the terms of the Contract and Agreement, the Airport is operated by a Board of Directors on behalf of the Owner Cities. The Board is authorized to plan, acquire, establish, develop, construct, maintain, equip, operate, lease regulate and police the Airport and is charged with the responsibility for exercising on behalf of the Owner Cities the powers of each with respect thereto.

The Board consists of 12 members, 11 of whom are voting members with 7 from the City of Dallas and 4 from the City of Fort Worth, in accordance with each city's ownership interest in the Airport. The 12th position rotates between the airport's host cities of Irving, Grapevine, Euless, and Coppell and is non-voting. The Board is a semi-autonomous body charged with governing the Airport and may enter into contracts without approval of the City Councils except for sales of land or leases in excess of 40 years. Airport Revenue Bonds are issued jointly by the Owner Cities by Concurrent Bond Ordinance approved by the City Councils of the Owner Cities and are secured solely by certain revenues of the Airport.

Rate Covenant

The Cities have covenanted that the Board will fix and place into effect, directly or through leases, contracts or agreements with users of the Airport, a schedule of rentals, rates, fees and charges for the use, operation and occupancy of the Airport premises and Facilities and related services (collectively, the "Airport Rates"), which is reasonably estimated to produce the amounts set forth in the following two paragraphs (the "Rate Covenant"). From time to time and as often as it appears necessary, the Authorized Officers (as defined in the Master Bond Ordinance) will make recommendations to the Board as to the revision of the Airport Rates. Upon receiving such recommendations, the Board will revise, insofar as it may legally do so, the Airport Rates for the use, operation and occupancy of the Airport, its Facilities, and related services in order to continually fulfill the requirements set forth in the Master Bond Ordinance. This Rate Covenant is not to be construed to require adjustment or revision in long-term agreements which by their terms are not subject to adjustment or revision.

The Master Bond Ordinance obligates the Board to set Airport Rates to levels at least sufficient to produce in each Fiscal Year (i) Gross Revenues in an amount at least sufficient to pay the Operation and Maintenance Expenses, plus 1.25 times the amount of Accrued Aggregate Debt Service and (ii) Current Gross Revenue in an amount at least sufficient to pay Operation and Maintenance Expenses plus 1.00 times Accrued Aggregate Debt Service, adjusted by taking into consideration certain investment earnings, accruing during each Fiscal Year, respectively, plus (iii) an amount equal to the amounts required to pay any other obligations payable from Gross Revenues of the Airport, including Subordinate Lien Obligations, but excluding Special Revenue Bonds and Special Facility Bonds, and plus (iv) any additional amounts required by the terms of any Additional Supplemental Ordinance. Additionally, the Master Bond Ordinance obligate the Board to set Airport Rates to levels at least sufficient to produce in each Fiscal Year Current Gross Revenues sufficient to pay the amounts provided in clauses (i), (iii) and (iv) of the paragraph immediately above, plus 1.00 times the amount of Accrued Aggregate Debt Service accruing during each Fiscal Year, respectively.

The Board will cause all rentals, fee, rates and charges pertaining to the Airport to be collected when and as due, will prescribe and enforce rules and regulations for the payment thereof and for the consequences of nonpayment for the rental, use, operation and occupancy of and services by the Airport, and will provide methods of collection and penalties to the end that the Gross Revenues and the Current Gross Revenues will be adequate to meet these respective requirements.

Airline Use Agreement

On May 4, 2023, the Board approved a new ten-year Airport Use and Lease Agreement which became effective October 1, 2023.

CITY OF DUNCANVILLE, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM OPERATING SYSTEM

	Fiscal Year Ended September 30,				
	2024	2023	2022	2021	2020
Revenues					
Charges for Services	\$ 21,338,912	\$ 19,627,498	\$ 18,489,866	\$ 16,656,182	\$ 17,389,122
Investment Income	425,515	268,328	16,543	33,419	159,501
Service Fees and Miscellaneous	83,215	29,478	254,374	305,027	224,361
Total Revenues	\$ 21,847,642	\$ 19,925,304	\$ 18,760,783	\$ 16,994,628	\$ 17,772,984
Expenses					
Water Supply	\$ 12,575,194	\$ 11,398,052	\$ 10,504,556	\$ 10,526,124	\$ 9,856,505
Equipment	470,645	97,040	257,197	-	-
Administration and Fiscal	1,471,930	1,006,889	1,413,387	1,251,305	1,736,601
Total Expenses	\$ 14,517,769	\$ 12,501,981	\$ 12,175,140	\$ 11,777,429	\$ 11,593,106
Net Available for Debt Service	\$ 7,329,873	\$ 7,423,323	\$ 6,585,643	\$ 5,217,199	\$ 6,179,878
Water Customers	12,956	12,773	12,770	12,729	12,664
Sewer Customers	11,550	11,499	11,509	11,393	11,433

TABLE 2 – DEBT COVERGE AND FUND BALANCES

As of September 30, 2024, the City has no Waterworks and Sewer System Revenue Debt.

TABLE 3 – AUTHORIZED BUT UNISSUED BONDS

As of September 30, 2024, the City of Duncanville, Texas has no authorized but unissued water and sewer revenue debt outstanding.

TABLE 4 – HISTORICAL WATER CONSUMPTION (IN 000'S OF GALLONS)

Fiscal Year Ended 9/30	Average Daily Usage in Gallons	Peak Daily Usage in Gallons	Total Water Treated and Purchased
2020	4,408	8,360	1,610,155
2021	4,637	8,892	1,692,569
2022	5,123	8,667	1,869,956
2023	5,099	8,667	1,671,895
2024	6,302	11,610	1,808,462

TABLE 5 – TOP TEN CUSTOMERS

Customer	FYE 2025	
	Water Usage Gallons	Water Revenue
S2 800 LINK LP	14,884,000	\$ 157,610
1303 MAIN GARDEN LP	24,027,000	193,362
DUNCANVILLE ISD	15,933,000	161,434
C H GUENTHER & SON INC	23,741,000	163,588
DUNCANVILLE MEADOWS LLC	10,514,000	98,231
TS2 GLS INVESTMENTS	8,891,000	81,312
VR RUSCELLO LIMITED	12,271,000	113,779
LSC CANDLE LIGHT APTS	7,919,000	71,459
LA MEXICANA TORTILLA FACTORY INC	11,606,000	79,497
REDBIRD VILLAGE APTS	8,147,000	78,248
Total	137,933,000	\$ 1,198,520

TABLE 6 – WATER RATES (EFFECTIVE OCTOBER 1, 2024)

<u>Residential</u>		<u>Commercial</u>	
\$ 19.84	First 1,000 Gallons (minimum charge).	\$ 19.84	First 1,000 Gallons (minimum charge).
5.33	per 2,000 to 7,000 gallons usage	4.79	per 2,000 to 7,000 gallons usage
6.87	per 8,000 to 15,000 gallons usage	6.25	per 8,000 to 15,000 gallons usage
8.48	per 16,000 to 30,000 gallons usage	7.72	per 16,000 to 30,000 gallons usage
10.05	per 31,000 and above gallons usage	7.72	per 31,000 and above gallons usage
<u>Irrigation</u>		<u>Schools</u>	
\$ 19.84	First 1,000 Gallons (minimum charge).	\$ 19.84	First 1,000 Gallons (minimum charge).
4.79	per 2,000 to 7,000 gallons usage	4.79	per 2,000 to 7,000 gallons usage
6.25	per 8,000 to 15,000 gallons usage	6.25	per 8,000 to 15,000 gallons usage
7.72	per 16,000 to 30,000 gallons usage	7.72	per 16,000 to 30,000 gallons usage
7.72	per 31,000 and above gallons usage	7.72	per 31,000 and above gallons usage
<u>Apartments & Multi Family</u>		<u>Municipal</u>	
\$ 19.84	First 1,000 Gallons (minimum charge).	\$ 19.84	First 1,000 Gallons (minimum charge).
4.79	per 2,000 to 7,000 gallons usage	4.79	per 2,000 to 7,000 gallons usage
6.25	per 8,000 to 15,000 gallons usage	6.25	per 8,000 to 15,000 gallons usage
7.72	per 16,000 to 30,000 gallons usage	7.72	per 16,000 to 30,000 gallons usage
7.72	per 31,000 and above gallons usage	7.72	per 31,000 and above gallons usage

(1) Residential rates are determined by meter readings / consumption based on billing for January, February, and March

TABLE 7 –MONTHLY SEWER RATES (EFFECTIVE OCTOBER 1, 2024)

User Class	Monthly Charge	
	Fixed Rate	Variable Rate
Residential ⁽¹⁾	\$ 23.58	\$ 10.07 /1,000 Gallons (Max 20,000 Gallons)
Multi-Family	11.33 /Unit	11.33 /1,000 Gallons @ 90%
Commercial	11.11 /Connection	11.11 /1,000 Gallons @ 85%
Schools	11.11 /Connection	11.11 /1,000 Gallons @ 85%
Municipal	11.11 /Connection	11.11 /1,000 Gallons @ 85%

(1) Residential rates are determined by meter readings / consumption based on billing for January, February, and March.

CITY OF EULESS, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2024	2023	2022	2021	2020
Revenues					
Water Service	\$ 18,131,512	\$ 17,351,940	\$ 16,446,768	\$ 15,217,265	\$ 14,960,883
Reclaimed Water Service	800,868	930,612	946,434	696,759	726,069
Wastewater Service	11,851,372	10,891,089	10,709,042	10,372,836	10,180,945
Service Fees & Miscellaneous	2,471,499	2,241,451	1,307,192	2,287,992	1,066,257
Interest Income	1,411,334	869,785	141,754	40,779	336,597
Intergovernmental Revenue	3,509,301	-	-	-	-
Total Revenues	\$ 38,175,886	\$ 32,284,877	\$ 29,551,190	\$ 28,615,631	\$ 27,270,751
Expenses					
General and Administrative	\$ 603,629	\$ 549,932	\$ 520,990	\$ 506,121	\$ 495,120
Water Production	11,825,965	10,444,973	9,875,008	8,751,434	9,117,138
Water Distribution	1,764,185	1,826,162	1,708,377	1,382,230	1,348,709
Utility Engineering	511,090	408,425	512,412	369,771	371,615
Wastewater Collection and Treatment	6,878,126	6,169,377	5,595,451	5,477,052	5,846,430
Nondepartmental	4,897,980	5,266,809	4,506,581	3,780,293	4,094,283
Geographic Information	696,095	731,027	706,070	672,916	650,672
Service Center	1,452,451	1,263,335	1,200,725	1,182,479	1,177,419
Total Expenses	\$ 28,629,521	\$ 26,660,040	\$ 24,625,614	\$ 22,122,296	\$ 23,101,386
Net Available for Debt Service	\$ 9,546,365	\$ 5,624,837	\$ 4,925,576	\$ 6,493,335	\$ 4,169,365
Water Customers	28,006	28,249	27,942	27,855	27,467
Wastewater Customers	27,169	27,496	27,193	27,117	26,731

TABLE 2 – DEBT COVERAGE AND FUND BALANCES

Net Available for Debt Service, 9/30/24.....	\$ 9,546,365
Average Annual Principal and Interest Requirements, 2025-2049.....	\$ 695,299
Coverage of Average Annual Requirements by 9/30/24 Net Available for Debt Service.....	13.73x
Maximum Principal and Interest Requirements, 2032.....	\$ 1,083,190
Coverage of Maximum Annual Requirements by 9/30/24 Net Available for Debt Service.....	8.81x
Waterworks and Sewer System Revenue Bonds Outstanding, 9/30/24	\$ 14,910,000
Interest and Sinking Fund, 9/30/24.....	\$ 615,928
Reserve Fund, 9/30/24.....	\$ 715,087

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

Date	Purpose	Amount	Issued	Unissued
Authorized		Authorized	To Date	Unissued
1/17/1970	Water	\$ 4,000,000	\$ 3,500,000	\$ 500,000
1/17/1970	Sewer Improvements	1,000,000	300,000	700,000
Total		\$ 5,000,000	\$ 3,800,000	\$ 1,200,000

(1) The City has no intent to issue these bonds. Due to the age of the authorization, the City can issue Water and Sewer Revenue Bonds at any time without voted authorization.

TABLE 4 – HISTORICAL WATER USE

Fiscal Year Ended	Daily Average	Peak Day	Total Supply (000's)	Water Revenue	Wells (000's)	Trinity River Authority (000's)	Fort Worth Water (000's)
2020	6.17 MGD	10.99 MGD	2,258,870	\$ 15,686,952	8,520	2,250,350	201,394
2021	5.99 MGD	9.9 MGD	2,187,563	15,914,024	-	2,187,563	185,570
2022	7.08 MGD	14.89 MGD	2,586,490	17,393,202	-	2,586,490	246,276
2023	7.35 MGD	13.24 MGD	2,688,987	18,282,552	267,803	2,421,154	247,974
2024	7.16 MGD	10.79 MGD	2,620,184	18,932,380	355,011	2,265,173	202,559

TABLE 5 – MONTHLY WATER RATES (EFFECTIVE OCTOBER 1, 2024)

<u>Water Rates (October 1, 2024)</u>			<u>Water Service Meter Charge</u>	
<u>Water Service</u>			<u>Meter Size (Inches)</u>	<u>Monthly Base Charge</u>
Gallons of Water	Residential per 1,000/gal	Sprinkler per 1,000/gal		
0-2,000	\$5.67	\$6.93	5/8" - 3/4" ⁽¹⁾	\$14.75
3,000 - 8,000	\$6.60	\$6.93	1"	\$17.24
9,000 - 15,000	\$7.17	\$7.17	1 1/2"	\$24.15
16,000 - 35,000	\$7.70	\$7.70	2"	\$40.01
Over 35,000	\$8.30	\$8.30	3"	\$81.40
			4"	\$143.50
			5"	\$226.28
			6"	\$322.87
Commercial, Industrial, Multi-Family	\$6.93	Per 1,000 gallons		
Fire Hydrant, Gas Well, Supplemental Irrigation	\$12.19			
Supplemental Irrigation	\$12.19			

(1) All Residential (Including Multi Family) accounts shall be charged for a 5/8" Meter.

TABLE 6 – MONTHLY SEWER RATES (EFFECTIVE OCTOBER 1, 2024)

<u>Wastewater Rates (October 1, 2024)</u>	
<u>Inside City</u>	<u>Outside City</u>
\$13.00 + \$5.35 per 1,000 gallons of 90% of metered water and shall not exceed 12,000 gallons for residential, 100% of metered water for commercial and industrial	\$17.50 + \$5.35 per 1,000 gallons of 90% of metered water and shall not exceed 12,000 gallons for residential, 100% of metered water for commercial and industrial

CITY OF FARMERS BRANCH, TEXAS

TABLE 1 – CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2024	2023	2022	2021	2020
Revenues:	\$ 31,901,706	\$ 31,002,934	\$ 30,591,960	\$ 27,314,552	\$ 26,517,273
Expenses:					
Water Purchased	\$ 7,060,234	\$ 6,803,355	\$ 6,668,954	\$ 5,658,171	\$ 5,424,919
Sewage Disposal Contract	5,526,428	4,333,445	4,615,631	4,782,110	4,188,084
Other	4,909,068	5,224,506	3,716,403	3,641,462	3,717,966
Total	\$ 17,495,729	\$ 16,361,306	\$ 15,000,988	\$ 14,081,743	\$ 13,330,969
Net Available for Debt Service	\$ 14,405,977	\$ 14,641,628	\$ 15,590,972	\$ 13,232,809	\$ 13,186,304
Water Customers	11,269	11,254	11,242	10,784	10,477

TABLE 2 – COVERAGE AND FUND BALANCES

As of September 30, 2024, the City has no water and sewer revenue bonds outstanding.

As of September 30, 2024, the City has no authorized but unissued revenue debt.

TABLE 3 – TOP TEN WATER CUSTOMERS

Customer	Type of Industry	FYE 2024 Consumption		FYE 2024 Revenues	
		Gallons	% of Total		% of Total
FB Creek Partners (Cooks Creek Apts)	Multi-Family Housing	37,285,000	1.09%	\$ 241,419	1.23%
Mansions at Mercer Crossing	Real Estate	24,171,000	0.71%	386,870	1.97%
The Luxe at Mercer Crossing	Multi-Family Housing	23,795,000	0.69%	350,013	1.78%
Luxia Gallery House LLC	Multi-Family Housing	23,574,000	0.69%	457,987	2.33%
Lakeview at Parkside	Multi-Family Housing	21,470,000	0.63%	362,467	1.85%
Wolfspeed Inc.	Technology (Chipmaker)	21,362,000	0.62%	212,850	1.09%
VAF2 (Lakeside) LLC	Real Estate	20,594,000	0.60%	347,922	1.77%
UDR Canal LLC	Multi-Family Housing	19,847,000	0.58%	310,130	1.58%
Towers at Mercer	Multi-Family Housing	19,704,000	0.58%	309,842	1.58%
LR Dal LLC	Real Estate	19,336,000	0.56%	215,797	1.10%
Totals		231,138,000	6.75%	\$ 3,195,297	16.29%

TABLE 4 –WATER AND SEWER RATES

Fiscal Year	Water Rates				Sewer Rates		
	Monthly	Per 1,000 Gallons			Monthly	Rate Per 1,000 Gallons	
	Base			Over	Base		
	2000	Next 8,000	Next 10,000	20,000	2000	Next 8,000	Over 10,000
	Gallons ⁽¹⁾	Gallons	Gallons	Gallons	Gallons	Gallons ⁽²⁾	Gallons ⁽²⁾
2015	\$ 14.29	\$ 3.89	\$ 4.37	\$ 4.54	\$ 14.95	\$ 2.03	\$ 2.03
2016	16.44	4.47	5.03	5.22	17.19	2.33	2.33
2017	17.92	4.87	5.48	5.69	18.74	2.54	2.54
2018	19.75	5.40	6.05	6.30	20.65	2.80	3.80
2019	20.94	5.72	6.41	6.68	21.89	2.97	4.03
2020	21.99	6.01	6.73	7.01	22.99	3.12	4.23
2021	21.99	6.01	6.73	7.01	22.99	3.12	4.23
2022	21.99	6.01	6.73	7.01	22.99	3.12	4.23
2023	10.99/21.99	6.01	6.73	7.01	22.99	3.12	4.23
2024	21.99	6.01	6.73	7.01	22.99	3.12	4.23

Notes:.

Rates are based on 3/4” and 5/8” meters, which are standard household meter sizes. The City charges an additional rate for non-standard meter sizes.

- (1) In fiscal year 2023, the base water rate for residential customers was lowered to \$10.99 effective for one year.
- (2) Private residents are not charged for sewer beyond 10,000 gallons.

TABLE 5 –OVERSIZED METER CHARGES

Meter Size	Meter Charge
5/8 or 3/4"	No additional charge
1"	\$ 8.79
1 ½"	17.59
2"	41.68
3"	219.48
4"	285.32
6"	438.91
8"	614.49

CITY OF FORT WORTH, TEXAS

TABLE 1 – WATERWORKS AND SEWER CONDENSED STATEMENT OF OPERATIONS (000's OMITTED)

Revenues	Fiscal Year Ended September 30,				
	2024	2023	2022	2021	2020
Charges for Services	\$ 584,702	\$ 572,126	\$ 558,595	\$ 486,106	\$ 477,940
Other Operating Revenue	2,851	1,455	1,248	1,144	940
Interest on Investments	55,564	42,025	8,843	6,924	10,236
Miscellaneous Revenue	-	-	-	-	-
Total Revenues	\$ 643,117	\$ 615,606	\$ 568,686	\$ 494,174	\$ 489,116
Expenses ⁽²⁾					
Personnel Services	\$ 95,319 ⁽³⁾	\$ 88,040 ⁽³⁾	\$ 82,886 ⁽³⁾	\$ 84,027 ⁽³⁾	\$ 78,719 ⁽⁴⁾
Supplies and Materials	47,884	46,606	37,569	25,746	26,493
Contractual Services	210,390	184,602	178,617	165,418	154,025
Total Expenses	\$ 353,593	\$ 319,248	\$ 299,072	\$ 275,191	\$ 259,237
Net Available for Debt Service	\$ 289,524	\$ 296,358	\$ 269,614	\$ 218,983	\$ 229,879
Water Accounts ⁽⁵⁾	296,965	291,412	284,057	277,027	269,888
Sewer Accounts ⁽⁵⁾	283,943	278,851	272,052	265,264	258,303

⁽¹⁾ Source: Annual Comprehensive Financial Reports (ACFR) for the corresponding fiscal year, City of Fort Worth. Reported on a cash basis.

⁽²⁾ Expenses exclude non-cash expenses.

⁽³⁾ For 2021-24, Personnel Services excludes Net Pension Obligation.

⁽⁴⁾ For 2020, Personnel Services excludes non-cash expenses. See page 170 of the City's Fiscal Year End 2020 ACFR.

⁽⁵⁾ Actual number of accounts, not in thousands.

TABLE 2 – COVERAGE AND FUND BALANCES

Table 2 - Coverage and Fund Balances

Average Annual Principal and Interest Requirements, 2025 - 2054 ⁽¹⁾	\$ 70,043,278
Coverage of Average Annual Requirements by 9/30/24 Net Available for Debt Service	4.13x
Maximum Principal and Interest Requirements, 2025 ⁽¹⁾	\$ 116,859,662
Coverage of Maximum Requirements by 9/30/24 Net Available for Debt Service	2.48x
Water and Sewer System Revenue Bonds Outstanding, 2/1/24 ⁽¹⁾	\$ 1,415,535,000
Interest and Sinking Fund, 2/1/25	\$ 61,978,609 ⁽²⁾
Reserve Fund Balance, 2/1/25	\$ 14,743,036 ⁽³⁾

⁽¹⁾ Includes all Outstanding Parity Obligations.

⁽²⁾ Figures furnished by City staff. Shown on a cash basis, excluding accruals.

⁽³⁾ Required Reserve funded with cash. Amount shown is cash balance.

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS⁽¹⁾

<u>Purpose of Authorization</u>	<u>Date</u>	<u>Amount</u> <u>Authorized</u>	<u>Amount</u> <u>Previously</u> <u>Issued</u>	<u>Unissued</u> <u>Balance</u>
Water Improvements	2/7/1978	20,000,000	16,500,000	3,500,000
Sewer Improvements	2/7/1978	24,000,000	10,000,000	14,000,000
Water Improvements	4/14/1983	25,250,000	6,000,000	19,250,000
Sewer Improvements	4/14/1983	12,300,000	8,000,000	4,300,000
Totals		81,550,000	40,500,000	41,050,000

⁽¹⁾ The City has adopted a policy whereby consistent with the laws of the State of Texas and the City Charter, an election is no longer required for the City to issue Water and Sewer System Revenue Bonds supported by a lien on a pledge of the Pledged Revenues of the City's system. The City does not anticipate issuing any of the "Authorized but Unissued Revenue Bonds" described above.

TABLE 4 – HISTORICAL WATER CONSUMPTION DATA (INSIDE CITY LIMITS)

<u>Fiscal</u> <u>Year</u> <u>Ending</u> <u>9/30</u>	<u>Accounts</u> <u>in</u> <u>Service</u>	<u>Total</u> <u>Water</u> <u>Pumped,</u> <u>M.G.</u>	<u>Average</u> <u>Pumped</u> <u>Daily,</u> <u>M.G.D.</u>	<u>Maximum</u> <u>Day's</u> <u>Pumpage,</u> <u>M.G.D.</u>	<u>Average</u> <u>GPD</u> <u>Per</u> <u>Account</u>	<u>Ratio</u> <u>Maximum</u> <u>Day to</u> <u>Average</u> <u>Day</u>
2020	269,888	47,181.5	129.3	334.80	479	2.59x
2021	277,027	47,129.7	129.1	293.00	466	2.27x
2022	284,057	54,928.8	150.5	262.08	530	1.74x
2023	291,379	56,904.5	155.9	301.40	535	1.93x
2024	296,965	55,964.2	152.9	269.20	515	1.76x

Source: City's Water Department.

TABLE 5 – TEN LARGEST WATER CUSTOMERS (BASED ON GALLONS CONSUMED)

<u>Customer</u>	<u>Total</u> <u>2024</u> <u>Consumption</u> <u>(Gallons)</u>	<u>Revenue</u>	<u>% of</u> <u>Total</u> <u>Water</u> <u>Usage</u>
Miller Brewing Company	590,993,539	\$ 2,159,474	0.85%
Tarrant County	355,271,242	1,596,818	0.51%
Alcon Laboratories Inc.	382,267,280	1,564,005	0.55%
Fort Worth ISD	242,164,832	1,457,181	0.35%
Texas Christian University	260,046,068	1,323,556	0.37%
Texas Health Resources	268,111,335	1,228,043	0.39%
American Airlines Inc	239,391,103	1,035,566	0.34%
Zoological Assc	211,455,851	821,273	0.30%
Carolina Beverage Group LLC	202,544,634	744,024	0.29%
Lockheed Martin Tactical AS	198,008,006	729,010	0.29%
	2,950,253,890	\$ 12,658,950	4.25%

Source: City's Water Department.

TABLE 6 – ALL WATER SOLD BY CATEGORY (MILLION GALLONS, BY FISCAL YEAR)

Year Ending 9/30	Residential	Commercial	Industrial	Wholesale Customers	Yard Meters	Total Water Sales
2020	20,729.8	10,844.2	3,158.3	21,155.8	4,266.2	60,154.3
2021	20,403.2	12,397.1	2,280.5	21,374.8	3,850.6	60,306.2
2022	23,994.5	14,223.7	2,500.1	25,336.8	5,450.6	71,505.7
2023	24,257.0	14,249.0	2,546.0	24,893.1	5,611.0	71,556.1
2024	23,447.8	13,381.0	3,302.2	24,370.8	5,574.0	70,075.8

Source: City's Water Department.

TABLE 7 – TREATED WATER PUMPED (MILLION GALLONS)

Fiscal Year	Inside City Limits	Outside City Limits	Total Water Pumped
2020	47,181.5	21,172.7	68,354.2
2021	47,129.7	21,374.8	68,504.5
2022	54,928.8	25,336.8	80,265.6
2023	56,904.5	24,893.1	81,797.6
2024	55,964.2	24,370.8	80,335.0

Source: City's Water Department.

TABLE 8 – MONTHLY WATER RATES (EFFECTIVE JANUARY 1, 2025)

Monthly Service Charge: Based on the size of meter serving the customer.

A monthly service charge in the following amount shall be charged based on the size of the meter serving the customers.⁽¹⁾

Inside City Limits		Outside City Limits	
Meter Size	Monthly Service Charge	Meter Size	Monthly Service Charge
5/8" x 3/4"	\$ 13.75	5/8" x 3/4"	\$ 17.19
3/4" x 3/4"	14.00	3/4" x 3/4"	17.50
1"	29.05	1"	36.31
1 1/2"	54.50	1 1/2"	68.13
2"	85.10	2"	106.38
3"	225.10	3"	281.38
4"	385.55	4"	481.94
6"	818.45	6"	1,023.06
8"	1,429.65	8"	1,787.06
10"	2,142.80	10"	2,678.50
12"	N/A	12"	N/A

Source: City's Water Department.

⁽¹⁾ Rates for outside-the-city-limit customers have a 1.25x multiplier.

TABLE 9 – MONTHLY WATER RATES (VOLUME CHARGE ONLY)

Volume Charge: Based on volume of water used.⁽¹⁾

Inside City Limits

Residential Customers Rate			Irrigation Rate		Gas Well Driller Rate	
Cubic Feet	Rate		Cubic Feet	Rate	Cubic Feet	Rate
First 600	\$2.28 per 100 Cu. Ft.		First 10,000	\$3.01 per 100 Cu. Ft.	All	\$5.85 per 100 Cu. Ft.
Next 1,200	3.19 per 100 Cu. Ft.		Over 10,000	4.03 per 100 Cu. Ft.		
Next 1,200	4.29 per 100 Cu. Ft.					
Over 3,000	5.37 per 100 Cu. Ft.					

Commercial Rate		Industrial Rate	
Cubic Feet	Rate	Cubic Feet	Rate
All	\$2.74 per 100 Cu. Ft.	All	\$2.74 per 100 Cu. Ft.

Outside City Limits

Residential Customers Rate			Irrigation Rate		Gas Well Driller Rate	
Cubic Feet	Rate		Cubic Feet	Rate	Cubic Feet	Rate
First 600	\$2.85 per 100 Cu. Ft.		First 10,000	\$3.76 per 100 Cu. Ft.	All	\$7.31 per 100 Cu. Ft.
Next 1,200	3.99 per 100 Cu. Ft.		Over 10,000	5.04 per 100 Cu. Ft.		
Next 1,200	5.36 per 100 Cu. Ft.					
Over 3,000	6.71 per 100 Cu. Ft.					

Commercial Rate		Industrial Rate	
Cubic Feet	Rate	Cubic Feet	Rate
All	\$3.43 per 100 Cu. Ft.	All	\$3.43 per 100 Cu. Ft.

Raw Water Service
(Effective October 1, 2024)

All use per month \$1.40014 per 1,000 gallons for Tarrant Regional Water District

Source: City's Water Department and the City Code, as amended.

⁽¹⁾ Rates for outside-the-city-limit customers have a 1.25x multiplier.

TABLE 10 – RATES FOR WHOLESALE WATER CONTRACTS

Rates for Wholesale Water Service (Effective October 1, 2024)

The City has a contract for raw water supply with the District. The contract allows the District to proceed with operation of Richland Chambers, West Fork and Cedar Creek Reservoirs.

Prior to October 1 of each year, the District will establish its operating budget and will advise the City of the charge for raw water. This amount can vary each year, and if the revenue does not equal the expenditures, the rate can and will be adjusted to recover additional costs.

Charges to the City for water sold to customers inside the District include a raw water component, plus a street rental charge of 5% and a system loss charge of 4% which increases the raw water cost to wholesale customers inside the District to \$1.52615 per 1,000 gallons. The Volume Charge is made up of two components: (1) the total raw water cost to the wholesale customer of \$1.52615 per 1,000 gallons; and (2) the cost of treatment and pumping, and other services required, to deliver water to the wholesale customer's meter at \$0.8436 per 1,000 gallons. The total volume charge will be \$2.36115 per 1,000 gallons.

1. Monthly charges are based on the greater of either \$1,000 or a sum equal to the Volume Charge for the actual volume of water taken plus 1/12 of the sum of the estimated Rate of Use Charges and a \$25 per meter charge. For purposes of estimating the rate of use payments, the current rate of use charges will be derived from the prior Fiscal Year's Maximum Day Demand, Maximum Hour Demand and Average Daily Use.

Computations for the monthly charge based on the water used and for the Rate of Use Charge shall be made in accordance with the following rates:

	All Wholesale
Volume Charge, per 1,000 Gallons	<u>\$ 2.36115</u>
Excess Maximum Day Demand (per MGD of daily demand in excess of average day demand)	\$ 100,828
Excess Maximum Hour Demand (annual charge per MGD of hourly demand in excess of maximum day demand)	\$ 27,923
Service Charge per Meter per Month	\$ 25

2. Annual payments will be the greater of the following:

- a. The charges calculated by applying the current Volume Charge to annual consumption, the appropriate meter reading and billing charge, and the Rate of Use Charge for the current fiscal year; or
- b. The current fiscal year volume charge, the appropriate meter reading and billing charge, and the current Fiscal Year Rate of Use Charge applied to the average of the Maximum Day Demand above Average Daily Use and the average of the Maximum Hour Demand above Maximum Day Demand for the most recently completed three Fiscal Years, which include the current Fiscal Year; or
- c. If no water is taken during the year, a stand-by charge applies.

TABLE 11 – STATUS OF CONTRACTS – WHOLESALE CUSTOMERS

Wholesale Customer	Contract Expiration Date			Wholesale Customer	Contract Expiration Date		
	Water	Wastewater	Reclaimed Water		Water	Wastewater	Reclaimed Water
Aledo	9/30/2031	(2)	(3)	Lake Worth	9/30/2031	9/30/2037	(3)
Arlington	(1)	(2)	12/8/2029	Northlake	9/30/2031	(2)	(3)
Benbrook Water Authority	9/30/2031	9/30/2037	(3)	North Richland Hills	9/30/2031	9/30/2037	(3)
Bethesda Water Supply	9/30/2031	9/30/2037	(3)	Pantego	(1)	9/30/2037	(3)
Blue Mound	(1)	9/30/2037	(3)	Richland Hills	9/30/2031	9/30/2037	(3)
Burleson	9/30/2031	9/30/2037	(3)	River Oaks	9/30/2031	9/30/2037	(3)
Crowley	9/30/2031	9/30/2037	(3)	Roanoke	9/30/2031	(2)	(3)
Dalworthington Gardens	9/30/2031	(2)	(3)	Saginaw	9/30/2031	9/30/2037	(3)
DFW Airport	9/30/2031	(2)	12/8/2029	Sansom Park	9/30/2031	9/30/2037	(3)
Edgecliff Village	9/30/2031	9/30/2037	(3)	Southlake	9/30/2031	(2)	(3)
Eules	(1)	(2)	12/8/2029	Trinity River Authority	(1)	9/30/2037	(3)
Everman	9/30/2031	9/30/2037	(3)	Trinity River Authority (Mosier Valley)	2/28/2039	(2)	(3)
Forest Hill	9/30/2031	9/30/2037	(3)	Trophy Club Municipal Utility District 1	9/30/2031	(2)	(3)
Grand Prairie	9/30/2031	(2)	(3)	Watauga	(1)	9/30/2037	(3)
Haltom City	9/30/2031	9/30/2037	(3)	Westlake	9/30/2031	(2)	(3)
Haslet	9/30/2031	(2)	(3)	Westover Hills	9/30/2031	9/30/2037	(3)
Hudson Oaks (4)	9/30/2031	(2)	(3)	Westworth Village	9/30/2031	9/30/2037	(3)
Hurst	9/30/2031	9/30/2037	(3)	White Settlement	9/30/2031	9/30/2037	(3)
Keller	9/30/2031	(2)	(3)	Willow Park	9/30/2031	(2)	(3)
Kennedale	9/30/2031	9/30/2037	(3)				

Source: The City's Water Department.

(1) The City does not supply water to this entity.

(2) The City does not treat wastewater from this entity.

(3) The City does not supply reclaimed water to this entity.

(4) The City does not yet bill this entity for water services.

TABLE 12 – TEN LARGEST WASTEWATER CUSTOMERS

Customer	Total 2024		% of Total Wastewater Usage
	Usage (Gallons)	Revenue	
Miller Brewing Company	372,388,710	\$ 2,142,355	0.88%
Tarrant County	268,751,763	1,591,539	0.64%
Alcon Laboratories Inc.	254,580,210	918,542	0.60%
Carolina Beverage Group LLV	175,853,017	789,945	0.42%
Texas Christian University	166,347,889	1,098,821	0.40%
Texas Health Resources	149,152,138	877,852	0.35%
Bell Helicopter Textron Inc	129,293,300	478,768	0.31%
Cott Beverages USA	118,711,500	900,243	0.28%
Lockheed Martin Tactical AS	112,933,378	455,475	0.27%
Texas Christian University	104,181,528	651,879	0.25%
	<u>1,852,193,433</u>	<u>\$ 9,905,420</u>	<u>4.40%</u>

Source: City's Water Department.

Note: These accounts represent retail (inside City) customers only.

TABLE 13 –WASTEWATER SALES BY CUSTOMER CLASS FROM FISCAL YEAR 2024 BILLING RECORDS

<u>Customer Class</u>	<u>Number of Accounts</u>	<u>Volume Billed MG</u>	<u>Sales</u>
Residential	267,937	14,250	\$ 104,731,562
Commercial	14,547	11,233	72,230,958
Commercial Monitored ⁽¹⁾	1,007	529	2,059,745
Industrial	263	105	717,265
Industrial Monitored ⁽¹⁾	154	1,212	4,180,183
Municipalities	18	13,710	45,932,243
Effluent	35	1,106	3,683,450
Total	<u>283,961</u>	<u>42,145.2</u>	<u>\$ 233,535,406</u>

Source: City's Water Department and the City Code, as amended.

⁽¹⁾ Monitored customers are broken out separately as they are also charged for their Bio-chemical Oxygen Demand and Total Suspended Solids.

TABLE 14 – WASTEWATER RETAIL SERVICE RATES (EFFECTIVE JANUARY 1, 2025)

Rates for Sewerage Service Only

The following schedule of rates per month, or fraction thereof, shall be the charges to all residential and nonresidential customers for furnishing sewerage service to such customers located within the City. The residential monthly volume charge for sewerage service shall be the charges to the residential class for furnishing sewerage service to residential sewer customers located within the City. The nonresidential monthly volume charge for sewerage service shall be the charges to the nonresidential customer class for furnishing sewerage service to nonresidential sewer customers located within the City.

Monthly Service Charge for Sewerage Service Only

Inside City Limits		Outside City Limits ⁽¹⁾	
Meter Size (inches)	Monthly Charge	Meter Size (inches)	Monthly Charge
5/8 x 3/4	\$ 7.50	5/8 x 3/4	\$ 9.38
3/4 x 3/4	7.80	3/4 x 3/4	9.75
1	13.80	1	17.25
1-1/2	37.50	1-1/2	46.88
2	60.00	2	75.00
3	112.50	3	140.63
4	187.50	4	234.38
6	375.00	6	468.75
8	600.00	8	750.00
10	862.50	10	1,078.13
12	1,612.50	12	2,015.63

Monthly Volume Charge for Sewerage Service Only

A monthly volume charge shall also be charged to residential customers in the amount of four dollars and twenty-six cents (\$4.26) per one hundred (100) cubic feet of water used, and to nonresidential/non-monitored customers in the amount of four dollars and nineteen cents (\$4.19) per one hundred (100) cubic feet of water used, or wastewater produced, as more specifically set forth hereinafter.

The monthly volume charges for residential class customers will be based on the individual customer's average monthly water use during the preceding winter quarter months of December, January, and February. The volumes used to compute these charges are based on the amount of water used by the residential class customer as measured by a meter. Where no preceding winter quarter average is available from records, the director shall estimate a volume to be used for this monthly volume charge.

The monthly charges to the nonresidential/non-monitored customers will be based on total water use as measured by appropriate meters, with the provision that if a customer can prove, to the satisfaction of the director, that a significant portion of the metered water usage does not enter the sanitary sewers, the customer will be charged for only that volume entering the sewers, as determined by a method approved by the director.

A monthly volume charge shall be charged to monitored customers in the amount of two dollars and sixty-five cents (\$2.65) per one hundred (100) cubic feet of water used. The Bio-chemical Oxygen Demand ("BOD") strength charge shall be \$0.2697 per pound of BOD, the suspended solids strength charge shall be \$0.1978 per pound of suspended solids and the dissolved solids strength charge will be \$0.0420 per pound of dissolved solids (applicable to gas well drillers). Monitoring and pretreatment charge will be equal to the actual cost incurred.

⁽¹⁾ Rates for outside-the-city limit customers have a 1.25x multiplier.

TABLE 15 – WASTEWATER WHOLESALE SERVICE RATES (EFFECTIVE OCTOBER 1, 2024)

Rates for Wholesale Wastewater Contracts		
Volume (\$/1,000 gallons)	\$	1.8275
BOD (\$/pound) ⁽¹⁾		0.6136
Total Suspended Solids (\$/pound)		0.3223
Customer (\$/month)		75.0000

⁽¹⁾ Bio-chemical Oxygen Demand ("BOD")

TABLE 16 – WATER AND SEWER REVENUE DEBT SERVICE REQUIREMENTS

FYE 9/30	Outstanding Parity Obligations			% of Principal Retired
	Principal	Interest	Total	
2025	\$ 66,115,000	\$ 50,744,662	\$ 116,859,662	
2026	65,475,000	48,261,374	113,736,374	
2027	66,070,000	45,616,448	111,686,448	
2028	57,630,000	43,203,949	100,833,949	
2029	59,930,000	40,878,576	100,808,576	22.27%
2030	60,330,000	38,442,226	98,772,226	
2031	53,565,000	36,231,221	89,796,221	
2032	55,580,000	34,202,461	89,782,461	
2033	52,820,000	32,225,441	85,045,441	
2034	54,770,000	30,250,873	85,020,873	41.84%
2035	46,050,000	28,472,240	74,522,240	
2036	41,755,000	27,049,432	68,804,432	
2037	39,255,000	25,729,622	64,984,622	
2038	40,610,000	24,386,460	64,996,460	
2039	42,020,000	22,982,291	65,002,291	56.66%
2040	43,510,000	21,488,497	64,998,497	
2041	41,805,000	19,983,236	61,788,236	
2042	43,305,000	18,497,806	61,802,806	
2043	44,850,000	16,978,230	61,828,230	
2044	46,460,000	15,393,056	61,853,056	72.19%
2045	48,155,000	13,726,122	61,881,122	
2046	49,920,000	11,983,691	61,903,691	
2047	49,115,000	10,205,398	59,320,398	
2048	44,770,000	8,500,578	53,270,578	
2049	43,640,000	6,897,891	50,537,891	88.84%
2050	40,060,000	5,372,986	45,432,986	
2051	36,945,000	3,929,278	40,874,278	
2052	35,050,000	2,519,215	37,569,215	
2053	27,770,000	1,259,202	29,029,202	
2054	18,205,000	350,885	18,555,885	100.00%
	<u>\$ 1,415,535,000</u>	<u>\$ 685,763,347</u>	<u>\$ 2,101,298,347</u>	

TABLE 17 – STATEMENT OF WATER AND SEWER FUND EQUITY (000'S OMITTED)⁽¹⁾

	Fiscal Year Ended September 30,				
	2024	2023	2022	2021	2020
Cash and Investments	\$ 206,721	\$ 202,161	\$ 179,714	\$ 181,970	\$ 152,355
Receivables, Inventories and Prepaid Expenses	80,659	82,353	76,852	63,371	67,169
Restricted Assets	1,119,192	980,306	849,986	719,649	736,003
Property, Plant and Equipment, Net ⁽²⁾	3,828,394	3,547,102	3,314,406	3,141,470	2,904,993
Total Resources	\$ 5,234,966	\$ 4,811,922	\$ 4,420,958	\$ 4,106,460	\$ 3,860,520
Less:					
Less: Revenue Bonds and Other Liabilities	\$ 1,789,725	\$ 1,656,612	\$ 1,519,569	\$ 1,488,145	\$ 1,455,636
Water and Sewer Equity	\$ 3,445,241	\$ 3,155,310	\$ 2,901,389	\$ 2,618,315	\$ 2,404,884
Equity as Percentage of Assets	65.81%	65.57%	65.63%	63.76%	62.29%

⁽¹⁾ For more information on the System's Net Position, see the City's Comprehensive Annual Financial Report, Statement of Net Position - Proprietary Funds.

⁽²⁾ Includes capitalized bond issue cost and prepaid insurance.

TABLE 18 – CURRENT INVESTMENTS

As of February 28, 2025 the City's total investable funds were invested in the following categories:

Description	Percent of Total		
	Market Value	Book Value	Market Value
Federal Agency Coupon Securities	1.48%	\$ 43,187,436	\$ 43,061,947
Treasuries Coupon Securities	24.07%	702,388,055	698,158,759
Municipal Obligations	1.61%	46,876,106	46,748,989
JP Morgan High Yield Savings Account	0.00%	126,555	126,555
JP Morgan Money Market Account	11.13%	322,841,231	322,841,231
Texas Class (LGIP)	31.72%	919,897,410	919,897,410
LOGIC (LGIP)	18.17%	526,937,187	526,937,187
Public Trust Advisors (SPP)	8.73%	253,149,643	253,149,643
Wells Fargo Bank	3.08%	89,383,410	89,383,410
	100.00%	\$ 2,904,787,034	\$ 2,900,305,131

CITY OF GRAND PRAIRIE, TEXAS

TABLE 1 – WATERWORKS AND SEWER CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2025	2024	2023	2022	2021
Revenues ⁽¹⁾					
Sales to Customers	\$ 66,479,741	\$ 60,259,037	\$ 58,427,449	\$ 58,124,383	\$ 48,486,361
Wastewater Charges to Customers	47,369,557	44,442,961	36,362,199	33,772,045	30,735,699
Wastewater Surcharge/Monitoring	1,002,435	1,148,957	1,092,972	1,026,660	829,791
Impact Fees	2,787,524	3,048,225	2,796,125	2,782,970	2,103,858
Other	289,708	274,597	303,419	290,366	293,469
Total Revenues	\$ 117,928,965	\$ 109,173,777	\$ 98,982,164	\$ 95,996,424	\$ 82,449,178
Expenses ⁽²⁾					
Salaries & Personnel Benefits	\$ 12,874,397	\$ 12,466,584	\$ 6,525,498	\$ 15,089,294	\$ 12,662,732
Professional Services	12,280,031	9,288,631	8,518,084	7,543,422	6,254,924
Franchise Fees	4,229,142	4,100,120	3,764,745	3,639,719	3,408,287
Water Purchase	21,422,057	20,472,600	19,769,325	19,169,792	16,749,528
Wastewater Treatment	24,570,345	22,937,532	20,396,724	19,637,332	20,926,676
Other ⁽³⁾	9,536,728	7,375,271	9,789,470	6,650,509	6,479,987
Total Expenses	\$ 84,912,700	\$ 76,640,738	\$ 68,763,846	\$ 71,730,068	\$ 66,482,134
Available for Debt Service	\$ 33,016,265	\$ 32,533,039	\$ 30,218,318	\$ 24,266,356	\$ 15,967,044

TABLE 2 – COVERAGE AND FUND BALANCES

Average Annual Principal and Interest Requirements, All Water and Wastewater System Revenue Bonds, Fiscal Year Ended 9/30/2026	\$ 4,027,070
Coverage of Average Annual Requirements based on 9/30/2025 Revenue Available for Debt Service	8.20x
Total Principal and Interest Requirements of all debt obligations paid from Water and Wastewater Treatment Fund, Water and Wastewater System Revenue Bond, Contract and Tax Obligations issued for System Improvements, Fiscal Year Ended 9/30/2026	\$ 7,467,686
Coverage of Total Requirements based on 9/30/2025 Revenue Available for Debt Service	4.42x

(1) Excludes the Refunded Obligations. Includes the Bonds. Preliminary; Subject to Change

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS.

As of September 30, 2024, the City has not authorized revenue bonds.

TABLE 4 – DALLAS WATER UTILITIES

Fiscal Year Ended 9/30	Dallas Water Utilities		City of Ft. Worth	City of Cedar Hill Midlothian		City of Cedar Hill/Midlothian	Total Cost of Water Purchased
	Volume Charges	Demand charges	Volume Charges	Volume Charges	Demand Charges	Volume Charges	
2021	\$ 2,747,196	\$ 10,337,927	\$ 1,772,039	\$ 1,892,366	\$ 140,139	\$ 88,490	\$ 16,749,528
2022	3,518,556	10,999,481	1,656,102	1,858,406	*	532,902	18,565,447
2023	4,107,575	12,261,705	1,234,711	2,165,334	*	428,573	20,197,898
2024	4,620,748	12,894,997	1,485,465	1,471,390	*	409,967	20,882,567
2025	5,421,874	14,327,040	935,126	1,766,169	*	425,650	22,875,859

TABLE 5 – WATER AND WASTEWATER RATES⁽¹⁾

Water Rates (Per 1,000 Gallons)	10/1/2025	10/1/2024	Wastewater Rates (Per 1,000 Gallons)	10/1/2025	10/1/2024
Classification			Classification		
Residential			Residential	\$ 5.64	\$ 5.64
Per 1,000 gallons, total usage 3,000 gallons or less	\$ 0.13	\$ 0.13	Commercial	7.29	7.29
Per 1,000 gallons, total usage over 3,000 gallons, up to 10,000 gallons	4.84	4.84	Industrial	7.29	7.29
Per 1,000 gallons, total usage over 10,000 gallons, up to 20,000 gallons	6.45	6.45	Governmental	6.05	6.05
Per 1,000 gallons, total usage over 20,000 gallons, up to 30,000 gallons	9.81	9.81	Multi-Family	6.99	6.99
Per 1,000 gallons, all quantities over 30,001 gallons	12.27	12.27	Wastewater Minimum charges based on meter size	10/1/2025	10/1/2024
Multi-Family per 1,000 gallons up to 250,000	7.53	7.53	5/8" or 3/4"	\$ 17.32	\$ 17.32
Multi-Family per 1,000 gallons over 250,000	9.94	9.94	1"	18.76	18.76
Commercial	6.08	6.08	1 1/4" ⁽²⁾	-	-
Industrial	6.08	6.08	1 1/2"	22.80	22.80
Governmental	5.13	5.13	2"	28.96	28.96
Fire Hydrant	11.43	11.43	3"	42.88	42.88
Raw Water	11.43	11.43	4"	56.93	56.93
			6"	88.34	88.34
			8"	124.98	124.98
			10"	160.00	160.00
			12" ⁽²⁾	-	-
Minimum Monthly Charge (Based on Meter Size):	10/1/2025	10/1/2024	Unit Charge	10/1/2025	10/1/2024
5/8" or 3/4"	\$ 19.05	\$ 19.05	Multi-Family Unit	\$ 5.38	\$ 5.38
1"	24.51	24.51	Additional Unit	3.82	3.82
1 1/4" ⁽²⁾	-	-			
1 1/2"	31.82	31.82			
2"	55.31	55.31			
3"	171.45	171.45			
4"	212.54	212.54			
6"	318.65	318.65			
8"	443.50	443.50			
10"	462.72	462.72			
12" ⁽²⁾	-	-			
Unit Charge	10/1/2025	10/1/2024			
Multi-Family Unit	\$ 5.38	\$ 5.38			
Additional Unit	2.89	2.89			

TABLE 6 – AVERAGE DAILY WATER USAGE (GALLONS)

Fiscal Year Ended 9/30	Average Daily Usage	Maximum Day's Use	Total Pumped In
2021	26,820,923	51,820,977	9,655,532,244
2022	27,431,983	44,240,436	10,012,673,826
2023	28,082,118	47,219,044	10,249,972,909
2024	27,435,201	42,440,000	10,013,848,382
2025	28,481,766	41,375,475	10,395,844,471

TABLE 7 – AVERAGE DAILY WASTEWATER FLOW

Fiscal Year Ended 9/30	Average Daily Usage
2021	17,769,071
2022	15,552,000
2023	16,357,000
2024	17,399,000
2025	16,759,000

TABLE 8 – WASTEWATER TREATMENT

Fiscal Year Ended 9/30	Wastewater Treatment			Joe Pool Intake	Joe Pool Corp of Engineers	Total
	Maintenance	Debt Service	Subtotal			
2021	\$ 6,870,093	\$ 14,732,121	\$ 21,602,214	\$ 24,529	\$ -	\$ 21,626,743
2022	6,025,051	14,509,043	20,534,094	22,707	-	20,556,801
2023	6,665,304	15,181,527	21,846,831	18,830	-	21,865,661
2024	7,800,393	16,150,372	23,950,765	15,460	-	23,966,225
2025	9,297,910	16,997,433	26,295,343	20,357	-	26,315,700

TABLE 9 – TEN LARGEST WATER AND WASTEWATER CUSTOMERS

Customer	Fiscal Year Ended September 30, 2025			
	Total Consumption ⁽¹⁾	Amount Billed		
		Billed	Water	Wastewater
Bell Helicopter	114,429	\$ 1,800,467	\$ 995,386	\$ 805,082
Ellis Co Fresh Water Supply #1	105,941	2,621,575	1,373,022	1,248,553
Fresh Express	74,539	736,307	399,554	336,753
North Texas Healthcare Laundry	73,172	802,364	449,299	353,065
Poly-America, LP	65,487	702,203	455,228	246,975
Lockheed Martin	55,664	645,969	338,064	307,905
Bigelow Arizona (Budget Suites)	46,477	711,506	347,923	363,583
S2 Windridge LLC	35,018	635,064	359,341	275,723
Ole Mexican Foods Inc.	33,000	706,457	363,865	342,592
Gruma Corp.	33,000	317,684	185,080	132,604
Totals	636,727	\$ 9,679,596	\$ 5,266,761	\$ 4,412,835

(1) In 1,000 Gallons

CITY OF GRAPEVINE, TEXAS

TABLE 1 – WATERWORKS AND SEWER CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2024	2023	2022	2021	2020
Revenues:					
Charges for Services	\$ 34,255,253	\$ 32,636,259	\$ 31,286,338	\$ 29,309,066	\$ 27,223,906
Operating Expenses: ⁽¹⁾					
Salaries and Benefits	\$ 4,757,591	\$ 4,577,961	\$ 3,748,090	\$ 4,402,684	\$ 2,990,220
Maintenance, Repairs and Supplies	20,286,467	20,107,263	17,007,565	13,546,547	12,836,218
Refuse Collections	2,666,287	2,572,045	2,415,445	2,436,435	2,284,889
General and Administrative	4,433,738	4,096,638	3,143,914	3,684,033	3,613,044
Total Operating Expenses	\$ 32,144,083	\$ 31,353,907	\$ 26,315,014	\$ 24,069,699	\$ 21,724,371
Net Revenue from Operations	\$ 2,111,170	\$ 1,282,352	\$ 4,971,324	\$ 5,239,367	\$ 5,499,535
Investment Income	1,854,712	1,507,070	219,945	25,266	294,536
Impact Fee - Balance	3,664,607	3,099,160	2,897,786	2,871,462	3,147,224
Other Net	(364,482)	(231,262)	(245,593)	(241,396)	(265,542)
Net Available for Debt Service	\$ 7,266,007	\$ 5,657,320	\$ 7,843,462	\$ 7,894,699	\$ 8,675,753
Average Annual Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Average Annual Debt Coverage	0.00x	0.00x	0.00x	0.00x	0.00x
Average Annual Debt Coverage without Impact Fees	0.00x	0.00x	0.00x	0.00x	0.00x
Water Customers	15,058	15,051	14,967	14,954	14,887
Wastewater Customers	13,895	13,883	13,840	13,853	13,797

(1) Excludes depreciation and amortization.

TABLE 2 – COVERAGE AND FUND BALANCES

As of September 30, 2024, the City has no water and sewer revenue bonds outstanding.

TABLE 3 – WATER USAGE

Fiscal Year	Peak Day Usage (Gallons)	Average Day Usage (Gallons)	Total Usage (Gallons) ⁽¹⁾
2020	17,437,000	8,505,000	3,114,166,000
2021	14,362,000	8,591,000	3,139,594,000
2022	20,570,000	10,434,000	3,808,693,000
2023	23,507,000	12,808,000	4,674,840,000
2024	20,158,000	12,500,000	4,562,642,000

(1) Water consumption pumped or treated.

TABLE 4 – MONTHLY WATER RATES (EFFECTIVE JANUARY 1, 2025)

General Water Consumption		
First	2,000 gallons	\$17.88 (Minimum)
Over	2,000 gallons	5.02/1,000 gal

Size of Meter	Minimum Gallons	Minimum Monthly Charges
3/4" x 5/8"	2,000	\$ 17.88
1"	9,000	52.94
1 1/2"	21,000	113.10
2"	34,000	178.26
3"	78,000	398.86
4"	100,000	509.15
6"	134,000	679.61
8"	239,000	1,205.95
Larger than 8"		To be agreed

Fire sprinkler connection - \$32.40

TABLE 5 – MONTHLY SEWER RATES (EFFECTIVE JANUARY 1, 2024)

Residential Service			Commercial Service		
First	2,000 gallons	\$11.39 (Minimum)	First	2,000 gallons	\$16.82 (Minimum)
Over	2,000 gallons	4.76 /1,000 gallons	Over	2,000 gallons	4.76 /1,000 gallons

TABLE 6 – APPLICATION AND COST DEPOSIT FOR WATER, WASTEWATER AND REFUSE SERVICE (EFFECTIVE DECEMBER 1, 2017)

Single-Family residential, minimum ⁽¹⁾	\$ 50.00
Multi-Family (apartments), (payable on per dwelling unit basis)	40.00
Commercial, minimum	40.00
Commercial, sprinkler systems (per meter)	40.00
Industrial, minimum	230.00
3/4" Construction Meter	125.00
2" Construction Meter	750.00
Master Deposit Account	250.00

(1) Only one deposit shall be required when more than one meter is installed at a single-family residence.

CITY OF HURST, TEXAS

TABLE 1 – WATERWORKS AND SEWER CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
<u>Revenues</u>	2025	2024	2023	2022	2021
Water Sales	\$ 14,874,485	\$ 14,828,797	\$ 15,072,201	\$ 15,384,197	\$ 13,187,195
Sewer Sales	8,929,663	8,808,970	8,428,110	8,572,796	7,944,379
Interest on Investments	1,074,549	1,350,272	808,915	(134,349)	58,626
Miscellaneous	577,737	421,588	547,853	522,813	443,886
Total Revenue	\$ 25,456,434	\$ 25,409,627	\$ 24,857,079	\$ 24,345,457	\$ 21,634,086
<u>Expenses</u>					
Personnel Services	\$ 5,736,990	\$ 5,273,060	\$ 5,110,645	\$ 3,919,675	\$ 4,102,418
Contractual Services	10,326,831	10,045,634	9,187,888	9,552,552	8,059,590
Repairs and Maintenance	674,625	552,391	474,133	441,475	407,669
Materials and Supplies	131,407	119,265	105,555	116,841	148,073
Indirect Cost/Street Rental Fees	4,251,141	3,998,498	3,905,501	3,868,207	3,863,405
Other	1,788,128	1,123,726	1,385,388	1,284,183	1,161,036
Total Expense	\$ 22,909,122	\$ 21,112,574	\$ 20,169,110	\$ 19,182,933	\$ 17,742,191
Net Available for Debt Service	\$ 2,547,312	\$ 4,297,053	\$ 4,687,969	\$ 5,162,524	\$ 3,891,895
Water Customers	12,587	12,576	12,618	12,318	12,393
Sewer Customers	12,139	12,119	12,366	12,226	12,145

TABLE 2 – COVERAGE AND FUND BALANCES

As of September 30, 2025, there is no Water and Sewer revenue debt outstanding.

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2025, the City has no unauthorized but unissued revenue debt.

TABLE 4 – HISTORICAL WATER USAGE

Fiscal Year Ended	Water Usage		
	Average Day Usage (Gallons)	Peak Day Usage (Gallons)	Total Usage (Gallons)
9/30			
2021	4,967,330	8,198,000	1,813,075,354
2022	4,934,583	8,557,333	1,801,122,745
2023	4,880,000	11,800,000	1,781,140,000
2024	4,975,532	8,871,000	1,816,069,243
2025	4,897,200	8,304,000	1,787,478,000

TABLE 5 – MONTHLY WATER RATES (EFFECTIVE OCTOBER 1, 2025)

All customers		
Minimum	2,000 gallons *	\$20.52
Over	2,000 gallons	8.24 per 1,000 gallons

Commercial meters 1" or smaller are assessed an additional base fee of \$2; Commercial meters 1.5" and above are assessed an additional base fee of \$7.

TABLE 6 – MONTHLY SEWER RATES (EFFECTIVE OCTOBER 1, 2025)

All customers	
Minimum	\$ 14.84
All Flows	4.67 per 1,000 gallons

For commercial meters 1" or smaller, an additional base fee of \$2 is assessed; For commercial meters greater than 1", an additional base fee of \$5 is assessed.

CITY OF IRVING, TEXAS

TABLE 1 – HISTORICAL WATER CONSUMPTION (THOUSANDS OF GALLONS)

<u>Fiscal Year Ended 9/30</u>	<u>Daily Average</u>	<u>Peak Day</u>	<u>Peak Month</u>	<u>Water Pumped</u>	<u>Water Billed</u>	<u>Water Revenue</u>
2020	37,870	59,920	1,660,290	13,726,450	12,403,563	65,114,652
2021	36,995	54,770	1,447,190	13,388,310	11,728,760	64,331,014
2022	39,991	68,610	1,891,660	14,842,750	13,054,116	72,866,806
2023	39,220	66,990	1,852,400	14,315,340	12,826,165	70,656,821
2024	37,470	60,210	1,636,820	13,707,360	12,515,317	67,959,684

TABLE 2 – TEN LARGEST WATER CUSTOMERS FOR FY 2024 (BASED ON GALLONS CONSUMED)

<u>Customer</u>	<u>Type of Industry</u>	<u>Water Usage (000's)</u>	<u>% of Total Water Usage</u>	<u>Water Revenue</u>	<u>% of Total Water Revenue</u>
Dr. Pepper	Soft Drink Bottler	332,039	2.65%	\$ 1,480,430	2.18%
Frito Lay	Food Processor	275,002	2.20%	1,546,551	2.28%
America's Beverage	Soft Drink Bottler	210,692	1.68%	939,512	1.38%
Irving ISD	School District	149,728	1.20%	806,855	1.19%
Mid America Apartments, LP	Apartments	97,805	0.78%	542,079	0.80%
Valley Ranch Master Association	Homeowner's Association	83,646	0.67%	460,731	0.68%
Quality Technology Services, LLC	Data Center	80,373	0.64%	447,334	0.66%
Brakebush Irving, Inc.	Food Manufacturer	68,755	0.55%	403,064	0.59%
Las Colinas Association	Homeowner's Association	69,705	0.56%	374,869	0.55%
Alesio Gardens, LP	Apartments	47,654	0.38%	281,296	0.41%
Total		1,415,399	11.31%	\$ 7,282,721	10.72%

TABLE 3 – MONTHLY WATER RATES

	<u>Present Rates (Effective 10/01/2023)</u>	<u>Present Rates (Effective 10/01/2024)</u>
(a) Monthly Service Charge		
First 3,000 gallons of water, or less		
5/8" and 3/4" Meter	\$11.67	\$11.97
1" Meter	\$14.14	\$15.18
1 1/2" Meter	\$19.82	\$22.78
2" Meter	\$27.97	\$33.08
3" Meter	\$45.02	\$55.37
4" Meter	\$63.01	\$81.49
6" Meter	\$110.19	\$148.77
8" Meter	\$139.16	\$204.70
10" Meter	\$202.27	\$296.25
12" Meter	\$301.19	\$484.78
(b) Residential water rates:		
Next 7,000 gallons , per 1,000 gallons	\$4.72	\$4.84
Next 10,000 gallons, per 1,000 gallons	\$5.09	\$5.22
All over 20,000 gallons:		
October-May consumption, per 1,000 gallons	\$5.44	\$5.58
June -September consumption, per 1,000 gallons	\$5.98	\$6.14
(c) Apartment water rates:		
Next 7,000 gallons, per 1,000 gallons	\$4.72	\$4.84
Next 10,000 gallons, per 1,000 gallons	\$5.09	\$5.22
All over 20,000 gallons:		
October-May consumption, per 1,000 gallons	\$5.44	\$5.58
June -September consumption, per 1,000 gallons	\$5.98	\$6.14
(d) Commercial water rates:		
Next 7,000 gallons, per 1,000 gallons	\$4.72	\$4.84
Next 10,000 gallons, per 1,000 gallons	\$5.09	\$5.22
All over 20,000 gallons:		
October-May consumption, per 1,000 gallons	\$5.44	\$5.58
June -September consumption, per 1,000 gallons	\$5.98	\$6.14
(e) Large Industrial water rates:		
All over 3,000 gallons, per 1,000 gallons	\$4.46	\$4.58

TABLE 4 – WASTEWATER USAGE (THOUSANDS OF GALLONS)

Fiscal Year Ended 9/30	Daily Average	Monthly Average	Total Usage	Total Revenues
2020	26,433	806,358	9,676,291	37,610,233
2021	24,552	746,899	8,962,788	40,716,697
2022	23,765	722,668	8,672,012	44,934,575
2023	24,324	732,862	8,794,339	50,176,538
2024	25,130	766,494	9,197,925	57,775,081

TABLE 5 – MONTHLY SEWER RATES

	<u>Current Rates</u> <u>(Effective 10/01/2023)</u> per 1,000 gallons	<u>Current Rates</u> <u>(Effective 10/01/2024)</u> per 1,000 gallons
Residential: First 2,000 gallons	\$10.50	\$11.50
Over 2,000 gallons	\$5.68	\$6.37
Commercial: Monthly Service Charge		
First 10,000 gallons of consumption, or less		
5/8" and 3/4" Meter	\$36.49	\$36.49
1" Meter	\$36.49	\$36.49
1 1/2" Meter	\$42.97	\$47.97
2" Meter	\$53.95	\$64.42
3" Meter	\$77.15	\$100.78
4" Meter	\$108.02	\$150.83
6" Meter	\$181.38	\$272.78
8" Meter	\$266.76	\$416.91
10" Meter	\$364.86	\$583.81
12" Meter	\$641.45	\$1,057.57
Over 10,000 gallons	\$6.14	\$6.89
Industrial: Monthly Service Charge		
First 15,000 gallons of consumption, or less		
5/8" and 3/4" Meter	\$54.74	\$54.74
1" Meter	\$54.74	\$54.74
1 1/2" Meter	\$62.85	\$70.62
2" Meter	\$72.66	\$89.74
3" Meter	\$106.89	\$143.82
4" Meter	\$149.69	\$215.98
6" Meter	\$251.45	\$392.01
8" Meter	\$369.88	\$600.18
10" Meter	\$505.96	\$841.31
12" Meter	\$889.67	\$1,526.00
Over 15,000 gallons	\$6.14	\$6.89

TABLE 6 – DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Total Debt		
	Principal	Interest	Total
2025	14,240,000	7,966,644	22,206,644
2026	14,310,000	7,311,844	21,621,844
2027	13,720,000	6,701,294	20,421,294
2028	13,230,000	6,080,194	19,310,194
2029	12,515,000	5,498,544	18,013,544
2030	12,295,000	4,937,013	17,232,013
2031	12,810,000	4,429,738	17,239,738
2032	11,700,000	3,940,356	15,640,356
2033	11,330,000	3,493,350	14,823,350
2034	10,565,000	3,043,763	13,608,763
2035	10,965,000	2,663,063	13,628,063
2036	10,405,000	2,270,975	12,675,975
2037	9,750,000	1,885,250	11,635,250
2038	8,645,000	1,532,475	10,177,475
2039	7,830,000	1,215,500	9,045,500
2040	6,975,000	925,250	7,900,250
2041	6,225,000	674,250	6,899,250
2042	5,240,000	433,400	5,673,400
2043	3,625,000	223,800	3,848,800
2044	1,970,000	78,800	2,048,800
Totals	\$ 198,345,000	\$ 65,305,503	\$ 263,650,503

TABLE 7 – AUTHORIZED BUT UNISSUED REVENUE BONDS

The City has no voted but unissued bonds, and pursuant to State law, the City is not required to approve its revenue bond through election.

TABLE 8 – CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30				
	2024	2023	2022	2021	2020
Operating Revenues:					
Charges for Services	\$ 132,001,594	\$ 126,710,685	\$ 124,053,497	\$ 110,187,787	\$ 108,179,102
Total Operating Revenues	\$ 132,001,594	\$ 126,710,685	\$ 124,053,497	\$ 110,187,787	\$ 108,179,102
Operating Expenses:					
Water Purchases	\$ 13,369,934	\$ 11,603,765	\$ 10,858,295	\$ 10,582,114	\$ 10,030,950
Sewer Treatment Costs	32,573,977	29,812,087	28,945,145	31,105,968	28,908,169
Personnel Services	15,757,940	14,371,093	20,205,056	13,111,385	13,138,614
Contractual Services	3,076,180	3,110,525	2,704,767	2,624,539	2,608,582 ⁽²⁾
Pension Expense	(153,585)	960,303	(9,346,255)	(945,313)	494,649
OPEB Expense	865,449	(2,244)	38,560	77,778	37,316
Supplies	4,986,157	4,192,759	3,323,478	2,908,493	3,454,848
Maintenance	3,780,982	3,245,530	3,656,722	2,794,878	3,041,619
Light and Power	1,947,679	2,633,681	2,114,374	2,370,873	2,561,250
Depreciation	17,575,348	16,725,315	15,880,206	15,291,763	18,478,891
Sundry Charges	1,427,099	1,350,483	1,346,869	295,375	460,422
Administrative Charges	7,577,361	6,407,925	6,008,841	6,792,575	6,483,522
Other	653,151	712,509	586,632	717,612	1,373,203
Total Operating Expenses	\$ 103,437,672	\$ 95,123,731	\$ 86,322,690	\$ 87,728,040	\$ 91,072,035
Operating income (loss)	\$ 28,563,922	\$ 31,586,954	\$ 37,730,807	\$ 22,459,747	\$ 17,107,067
Add:					
Depreciation	17,575,348	16,725,315	15,880,206	15,291,763	18,478,891
Pension Expense	(153,585)	960,303	(9,346,255)	(945,313)	494,649
OPEB Expense	865,449	(2,244)	38,560	77,778	37,316
Interest Income	8,705,991	8,361,945	104,432	104,432	1,340,153
Net Revenue Available for Debt Service	\$ 55,557,125	\$ 57,632,273	\$ 44,407,750	\$ 36,988,407	\$ 37,458,076
Average Annual Debt Service Requirement	\$ 13,182,525 ⁽¹⁾	\$ 13,588,203	\$ 11,506,502	\$ 10,750,323	\$ 11,308,865
Coverage Ratio	4.21	4.24 ⁽¹⁾	3.86 ⁽¹⁾	3.44 ⁽¹⁾	3.31 ⁽¹⁾
Maximum Annual Debt Service Requirement	\$ 22,206,644 ⁽¹⁾	\$ 22,206,644	\$ 21,257,687	\$ 21,409,875	\$ 22,479,709
Coverage Ratio	2.50	2.60 ⁽¹⁾	2.09 ⁽¹⁾	1.73 ⁽¹⁾	1.67 ⁽¹⁾

(1) GASB 68 implemented in FY 2015 and GASB 75 implemented in FY 2018 requires the recognition of pension expense and OPEB expense, respectively, based on actuarial valuations. Both of these obligations have been excluded from the coverage calculation based on the definition of net revenues available for debt service in the Ordinance.

(2) For the fiscal year ended September 30, 2020, Contractual Services expenses was segregated from Other expenses to improve statement classifications. These expenses remain a component of total operating expenses.

TABLE 9 – COVERAGE AND FUND BALANCES

Average Annual Principal and Interest Requirements, 2025 - 2044	\$	13,182,525
Coverage of Average Requirements by 2024 Net Revenue Available for Debt Service		4.21
Maximum Principal and Interest Requirements, 2025	\$	22,206,644
Coverage of Maximum Requirements by 2024 Net Revenue Available for Debt Service		2.50
Waterworks and Sewer System Revenue Bonds Outstanding as of FYE September 30, 2024	\$	198,345,000
New Lien Bond Interest and Sinking Fund, 9/30/24	\$	5,207,405
New Lien Bond Reserve Fund, 9/30/24	\$	9,208,552

TABLE 10 – CONNECTIONS

	Fiscal Year Ended September 30,				
	2024 ⁽¹⁾	2023 ⁽²⁾	2022 ⁽³⁾	2021 ⁽⁴⁾	2020 ⁽⁵⁾
Water Customers	50,897	50,872	50,770	50,624	50,028
Sewer Customers	47,248	47,256	47,199	47,017	46,533

(1) Includes 1,085 master meters (excluding private fire) serving 61,132 apartments and other multiple units

(2) Includes 1,088 master meters (excluding private fire) serving 60,672 apartments and other multiple units

(3) Includes 1,082 master meters (excluding private fire) serving 60,529 apartments and other multiple units

(4) Includes 1,079 master meters (excluding private fire) serving 59,558 apartments and other multiple units

(5) Includes 1,095 master meters (excluding private fire) serving 58,924 apartments and other multiple units

TABLE 11 – CITY’S EQUITY IN SYSTEM

	Fiscal Year Ended September 30				
	2024	2023	2022	2021	2020
Land	\$ 9,368,426	\$ 9,279,148	\$ 8,804,486	\$ 8,136,147	\$ 7,794,895
Water rights	20,939,506	20,939,506	20,939,506	20,939,506	20,939,506
Plant / infrastructure	847,173,878	811,268,197	784,575,663	756,158,083	734,130,473
Equipment	1,648,670	1,648,670	-	-	-
Construction in progress	110,963,673	85,870,553	71,573,003	65,926,863	63,440,000
Less accumulated depreciation	(383,841,772)	(366,357,202)	(349,639,284)	(333,759,077)	(318,476,178)
Total capital assets, net	\$ 606,252,381	\$ 562,648,872	\$ 536,253,374	\$ 517,401,522	\$ 507,828,696
Cash and Investments	\$ 181,672,290	\$ 177,142,905	\$ 156,810,522	\$ 141,484,056	\$ 126,723,839
Other Resources	\$ 26,393,394	\$ 25,160,276	30,065,894	17,727,320	18,540,470
Total Resources	\$ 814,318,065	\$ 764,952,053	\$ 723,129,790	\$ 676,612,898	\$ 653,093,005
Deferred Outflow of Resources	\$ 8,389,046	\$ 9,028,657	\$ 2,399,590	\$ 3,210,881	\$ 3,299,229
Obligations					
Revenue Bond Payable	\$ 213,196,876	\$ 200,640,176	\$ 191,818,601	\$ 182,997,353	\$ 180,286,237
Other Obligations	45,200,880	46,716,792	36,407,349	42,575,735	40,305,713
Total Obligations	\$ 258,397,756	\$ 247,356,968	\$ 228,225,950	\$ 225,573,088	\$ 220,591,950
Deferred Inflow of Resources	\$ 5,098,838	\$ 1,554,276	\$ 7,075,528	\$ 3,866,481	\$ 3,464,378
City's Equity in System	\$ 559,210,517	\$ 525,069,466	\$ 490,227,902	\$ 450,384,210	\$ 432,335,906
Percentage City Equity in System	68.67%	68.64%	67.79%	66.56%	66.20%

TABLE 12 – CITY OF IRVING INVESTMENT AS OF DECEMBER 31, 2024

	Carrying Value	Market Value
Pooled investments		
Federal Farm Credit Bank (Farm Credit)	\$ 13,639,939	\$ 13,850,807
Federal Home Loan Bank	288,993,865	292,159,311
Federal National Mortgage Assoc. (Fannie Mae)	1,257,961	1,294,202
Treasury bill (T-bill)	131,026,952	133,617,813
Texpool Investment Pool	228,671,130	228,671,130
TexStar Investment Pool	228,602,390	228,602,390
Wilmington US Government Money Market Fund	47,484,971 ⁽¹⁾	47,484,971
Subtotal	\$ 939,677,208	\$ 945,680,624

⁽¹⁾ Balance is higher than the 2024 Annual Certified Financial Report due to grant reporting requirements.

Supplemental Benefit Plan (SBP)

United States Treasury Notes	\$ 10,383,982	\$ 10,383,982
Common Stocks	27,553,953	27,553,953
Foreign Stocks	13,913,478	13,913,478
Alternative Investment/Hedge Fund	17,364,857	17,364,857
Mutual Funds	40,431,326	40,431,326
Corporate Bonds	7,156,316	7,156,316
Foreign Bonds	287,755	287,755
Money Market	3,424,272	3,424,272
Subtotal	120,515,939	120,515,939
Total	\$ 1,060,193,147	\$ 1,066,196,563

CITY OF KELLER, TEXAS

TABLE 1 – WATERWORKS AND SEWER CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2024	2023	2022	2021	2020
Gross Revenue ⁽¹⁾	\$ 34,480,315	\$ 34,780,386	\$ 33,030,914	\$ 26,553,597	\$ 26,810,295
Expenses ⁽²⁾					
Water Purchased	9,083,233	10,230,514	11,332,573	8,306,796	8,745,082
Other	15,435,406	13,812,871	13,344,716	13,317,100	11,682,203
Total Expenses	<u>\$ 24,518,639</u>	<u>\$ 24,043,385</u>	<u>\$ 24,677,289</u>	<u>\$ 21,623,896</u>	<u>\$ 20,427,285</u>
Net Revenue Available for Debt Service	<u>\$ 9,961,676</u>	<u>\$ 10,737,001</u>	<u>\$ 8,353,625</u>	<u>\$ 4,929,701</u>	<u>\$ 6,383,010</u>
Water Customers	16,159	16,117	16,117	16,071	15,906
Sewer Customers	13,937	13,883	13,883	13,797	13,732

(1) Operating Revenues, Investment interest, and miscellaneous income.

(2) Total Operating expenses, plus payments on contractual obligations, exclusive of depreciation.

TABLE 2 – COVERAGE AND FUND BALANCES

Average Annual Principal and Interest Requirements, 2023	\$ 361,565
Coverage of Average Requirements by 9-30-20 Net Available for Debt Service	0.00 Times
Maximum Annual Principal and Interest Requirements, 2021	\$ 832,875
Coverage of Maximum Requirements by 9-30-19 Net Available for Debt Service	0.00 Times
Waterworks and Sewer System Revenue Bonds Outstanding (as of 9-30-20)	\$ -
Interest and Sinking Fund (as of 9-30-21)	\$ 3,253,941
Reserve Fund (as of 9-30-21)	\$ -

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2025, the City of Keller, Texas, has no authorized but unissued revenue bonds.

TABLE 4 – WATER USAGE⁽¹⁾

Fiscal Year Ended 30-Sep	Total Number of Pumped Gallons	Average Daily Pumped	Peak Daily Pumped
2021	2,750,380,515	7,535,289	17,630,000
2022	3,659,259,944	10,025,370	28,917,743
2023	3,476,795,369	9,525,467	24,696,708
2024	3,102,043,225	8,498,749	22,245,000
2025	3,269,941,540	8,958,744	23,001,000

(1) Information provided by City Staff.

TABLE 5 – TEN LARGEST WATER CUSTOMERS

Customer	Type of Industry	Fiscal 2025 Water Usage (000's)	Estimated Percent of Water Usage	Water Revenues Received
City of Southlake	Municipal Government	19,086	0.58%	\$57,068
Keller Independent School District	School District	17,311	0.53%	\$221,780
City of Keller Irrigation	Municipal Government	15,026	0.46%	\$57,018
Olympus Town Center	Multi-Family Residential	14,046	0.43%	\$170,626
City of Keller	Municipal Government	12,389	0.38%	\$52,958
Olympus Stone Glen	Multi-Family Residential	9,377	0.29%	\$132,974
Heritage House C/O Apex Healthcare	Multi-Family Residential	7,768	0.24%	\$94,097
Grand Estates at Keller, LP	Multi-Family Residential	7,578	0.23%	\$99,791
Conservatory Senior Housing	Multi-Family Residential	7,299	0.22%	\$84,817
Hidden Lakes HOA	Residential Development	4,352	0.13%	\$35,098
		<u>114,232</u>	<u>3.49%</u>	<u>1,006,227</u>
	All Other Customers	<u>3,155,710</u>	<u>96.51%</u>	<u>20,447,794</u>
	Total Water Sold	<u>3,269,942</u>	<u>100.00%</u>	<u>\$ 21,454,021</u>

TABLE 6 – MONTHLY WATER RATES (EFFECTIVE OCTOBER 1, 2025)⁽¹⁾

	Residential		Non-Residential	
0 to 2,000 gallons	\$	23.35 Minimum ⁽²⁾	\$	23.35 Minimum ⁽²⁾
0 to 2,000 gallons		3.48 /M gallons		3.48 /M gallons
2,001 to 10,000 gallons		4.76 /M gallons		4.76 /M gallons
10,001 to 20,000 gallons		5.19 /M gallons		5.96 /M gallons
20,001 to 25,000 gallons		5.78 /M gallons		6.82 /M gallons
25,001 to 40,000 gallons		7.30 /M gallons		7.30 /M gallons
+40,000 gallons		7.89 /M gallons		7.89 /M gallons

(1) The above rates include the current wholesale pass-through rate of \$3.393 per 1,000 gallons.

(2) Minimum varies according to meter size. Rates indicated are for 5/8 meter.

TABLE 7 – MONTHLY SEWER RATES (EFFECTIVE DECEMBER 31, 2024)

Residential: \$ 16.86 Minimum ⁽¹⁾⁽²⁾ plus \$ 5.42 /M Gallons
(Based on December, January and February Average
water consumption) Maximum to 20,000 Gallons

Non Residential: \$ 16.86 Minimum ⁽¹⁾⁽²⁾ plus \$ 5.42 /M Gallons
(Based on monthly water consumption, no maximum.)

Outside City limits: 1.15 times the above rates.

(1) The above rates include the current wholesale pass-through rate of \$2.827 per 1,000 gallons.

(2) Minimum varies according to meter size. Rates indicated are for a 5/8 inch meter.

CITY OF MANSFIELD, TEXAS

TABLE 1 – WATERWORKS AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2024	2023	2022	2021	2020
<u>Revenues</u>					
Water Service	\$ 29,301,428	\$ 29,013,694	\$ 27,321,655	\$ 21,938,151	\$ 22,091,764
Sewer Service	18,251,610	16,536,685	15,180,682	13,364,600	13,338,839
Charges for Services	780,824	843,633	1,510,957	1,014,403	1,633,661
Interest Earnings	3,867,097	1,704,805	197,490	9,818	249,422
Impact Fees	5,458,800	3,126,972	5,817,750	5,881,597	4,879,934
Total Revenues	<u>\$ 57,659,759</u>	<u>\$ 51,225,789</u>	<u>\$ 50,028,534</u>	<u>\$ 42,208,569</u>	<u>\$ 42,193,620</u>
<u>Expenses</u>					
Costs of Sales and services	\$ 31,457,326	\$ 27,637,321	\$ 23,742,785	\$ 21,323,874	\$ 19,565,236
Administration	256,271	2,812,115	1,849,963	2,792,112	5,386,645
Total Expenses	<u>\$ 31,713,597</u>	<u>\$ 30,449,436</u>	<u>\$ 25,592,748</u>	<u>\$ 24,115,986</u>	<u>\$ 24,951,881</u>
Net Available for Debt Service	\$ 25,946,162	\$ 20,776,353	\$ 24,435,786	\$ 18,092,583	\$ 17,241,739
Water Customers	27,364	26,057	25,421	24,346	23,364
Sewer Customers	25,597	23,145	22,006	21,278	20,501

TABLE 2 – COVERAGE AND FUND BALANCES

Average Annual Principal and Interest Requirements, 2025-2044	\$ 4,743,465
Coverage of Average Requirements by 9/30/24 Net Available for Debt Service	5.47x
Maximum Principal and Interest Requirements, 2027	\$ 7,311,200
Coverage of Maximum Requirements by 9/30/24 Net Available for Debt Service	3.55x
Waterworks and Sewer System Bonds Outstanding, 9/30/24	\$ 62,875,000
Water and Sewer Sinking and Reserve Funds, 9/30/24	\$ 6,800,272

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2024, the City has no authorized unissued revenue debt

TABLE 4 – HISTORICAL WATER CONSUMPTION

Fiscal Year Ended 9/30	Total Usage	Peak Day	Average Day
2020	5,073,568,000	26,659,000	13,900,000
2021	5,426,870,000	31,000,000	14,868,000
2022	6,059,182,000	30,716,000	16,600,000
2023	6,283,437,000	34,698,000	17,215,000
2024	6,340,219,000	32,630,000	17,323,000

TABLE 5 – TEN LARGEST WATER CUSTOMERS

Customer	2024 Water Usage	% of Total Water Usage	Water Revenue	Percent of Water Revenues
Johnson County SUD	1,736,914,000	27.40%	\$4,417,932	15.08%
City of Mansfield	159,536,460	2.52%	708,084	2.42%
City of Grand Prairie	121,523,000	1.92%	257,416	0.88%
Mansfield ISD	92,121,324	1.45%	822,245	2.81%
Walnut Creek County Club	69,947,151	1.10%	47,968	0.16%
Mansfield National Golf Club	42,876,650	0.68%	42,316	0.14%
SREIT Mag Regalia Owner, LLC	36,971,050	0.58%	100,048	0.34%
Methodist Mansfield Medical Center	31,689,260	0.50%	154,579	0.53%
Villagio LLC	31,409,280	0.50%	94,865	0.32%
Mouser Electronics	28,913,560	0.46%	110,453	0.38%
	2,351,901,735	37.09%	\$ 6,755,904	23.06%

(1) Golf Course and Gas companies purchase non-potable water and they pay a discounted rate for non-potable water.

TABLE 6 – MONTHLY WATER RATES

Meter Size	Current Rates Effective as of October 2024
Residential < 2,000 gallons	\$7.53
3/4" & 5/8"	\$22.86
1"	\$56.72
1 1/2"	\$113.14
2"	\$180.85
3"	\$361.41
4"	\$620.97
6"	\$1,264.21

Volumetric Rate per 1,000 Gallons Water (Effective October 2024)		
	Industrial	Residential / Commercial
First 2,000 Gallons	\$0.00	\$0.00
Next 30,000 Gallons	\$2.76	\$3.44
Over 32,000 Gallons	\$3.41	\$4.30

TABLE 7 – WASTEWATER USAGE (GALLONS)

<u>Fiscal Year Ending</u> <u>9/30</u>	<u>Amount in</u> <u>Gallons (000)</u>
2020	2,966,274
2021	2,320,276
2022	3,361,782
2023	2,098,593
2024	2,989,484

TABLE 8 – MONTHLY SEWER RATES

	<u>Current Rates</u> <u>Effective as of</u> <u>October, 2024</u>	
<u>Residential</u>		
Base 2,000 Gallons	\$	12.21
Base 2,001 Gallons		30.73
Each 1,000 Over 2,000 Gallons		4.88
Maximum		89.29
Sewer Service Only - Flat Rate		79.53
<u>Commercial</u>		
Base 2,000 Gallons	\$	30.73
Each 1,000 Over 2,000 Gallons		4.88

CITY OF NORTH RICHLAND HILLS, TEXAS

TABLE 1 – WATER AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

Fiscal Year Ended September 30,					
Operating Revenues	2024 ⁽¹⁾	2023	2022	2021	2020
Water and Sewer Service Sales	\$ 44,458,864	\$ 43,784,266	\$ 42,587,215	\$ 37,776,903	\$ 37,717,774
Service Charges	1,367,826	1,219,180	1,224,612	1,152,491	980,050
Inspection Fees	125,593	33,785	56,210	125,839	100,547
Other Intergovernmental	-	-	-	-	102,925
Other Revenues	767,630	1,144,270	1,090,320	80,438	1,292,807
Interest Income (Expense)	2,081,568	1,171,299	(262,422)	2,067	460,207
Total Revenues	\$ 48,801,481	\$ 47,352,800	\$ 44,695,935	\$ 39,137,738	\$ 40,654,310
Operating Expenses ⁽²⁾					
Contractual Services	\$ 7,432,623	\$ 6,587,267	\$ 2,364,220	\$ 2,517,882	\$ 2,033,131
Water Purchases	13,244,739	12,494,232	11,533,261	10,812,479	10,174,957
Wastewater Treatment Services	7,728,525	7,368,448	5,791,541	5,719,702	6,774,685
Personal Services	5,870,108	7,124,902	6,413,037	6,062,192	3,236,664
Repairs and Maintenance	7,057,967	1,915,235	4,027,906	3,913,065	7,941,828
Supplies	369,997	256,121	315,395	291,786	338,890
Total Operating Expenses	\$ 41,703,959	\$ 35,746,205	\$ 30,445,360	\$ 29,317,106	\$ 30,500,155
Net Available for Debt Service	\$ 7,097,522	\$ 11,606,595	\$ 14,250,575	\$ 9,820,632	\$ 10,154,155
Water Connections	23,986	23,749	23,570	23,317	22,990
Sewer Connections	22,142	21,918	21,784	21,558	21,237

(1) Unaudited.

(2) Excludes depreciation.

TABLE 2 – COVERAGE AND FUND BALANCES

As of September 30, 2024, the City has no water and sewer revenue bonds outstanding.

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2024, the City has not authorized but unissued revenue bonds.

TABLE 4 – TOP TEN WATER USERS

Customer	Type of Property	FYE 9/30/24 Water Usage (In Gallons)	Percent of Total Water Usage
Doskocil Food (Tyson)	Food Processor	82,622,030	2.32%
8500 Harwood	Apartments	30,969,273	0.87%
BISD	Schools	28,227,747	0.79%
North Hills Hospital	Hospital	24,041,206	0.68%
Bluffs at Iron Horse	Apartments	23,920,897	0.67%
Silver Creek TT, LLC	Apartments	19,560,072	0.55%
Star Meadows	Apartments	17,733,060	0.50%
Riata Park Apartments	Apartments	16,085,859	0.45%
Abbey Residential SE	Apartments	15,700,640	0.44%
Parkwyn Apartments	Apartments	14,763,524	0.41%
		273,624,308	7.69%

TABLE 5 – WATER USAGE⁽¹⁾

Fiscal Year Ended 9/30	Peak Day Usage	Average Day Usage	Total Usage
2020	19,817,000	8,990,904	3,290,670,987
2021	16,848,000	8,834,743	3,224,681,280
2022	18,195,000	9,753,502	3,560,028,450
2023	18,259,000	9,618,479	3,510,744,850
2024	15,732,000	9,416,885	3,437,163,090

(1) Gallons.

TABLE 6 – WATER RATES (EFFECTIVE NOVEMBER 1, 2019)

1. Billing policy for single family residential meter:

The monthly bill will be computed as follows. The minimum bill taken from Schedule A plus a volume charge of \$4.65 per 1,000 gallons on monthly volume falling in tier 1 and a volume charge of \$4.74 per 1,000 gallons on a monthly volume greater than 22,441 gallons.

2. Billing policy where more than one user or building is tied onto the same meter:

It shall be the policy of the city to bill each home, homes, duplex, triplex, offices or any other building where more than one user is tied on the same meter at the rate of \$17.50 per unit per month minimum for the first 2,000 gallons of water used per unit, plus volume charges calculated from Schedule A.

3. Billing for apartment complexes and trailer parks:

- A. \$17.50 per month for each apartment or trailer for the first 2,000 gallons of water used plus volume charges calculated from Schedule A.
- B. Apartment house or trailer park owner shall furnish a certified statement of occupancy prior to the 10th of each month. Failure to file occupancy statement will result in billing for 100% occupancy.

Meter Size (inches)	3/4"	1"	1 ½"	2"
Minimum Bill	\$ 17.50	\$ 29.00	\$ 58.00	\$ 93.00
Volume Charge				
Minimum Bill for the first:	2,000	3,340	6,650	10,644
Tier 1: \$4.65 for all between:	2,001-22,440	3,341-22,440	6,651-22,440	10,645-22,440
Tier 2: \$4.74 for all above:	22,441	22,441	22,441	22,441
Water Pass Through Charge:	Public \$3.35 per 1,000 gallons			

COMMERCIAL/ OTHER WATER RATES

Rates include a base charge and volume charges for each 1,000 gallons consumed over the base. There is also a pass through rate for the purchase of water from the City of Fort Worth and the Trinity River Authority. (Pass through rates are subject to change annually by the City of Fort Worth and Trinity River Authority. The City of North Richland Hills does not mark up or make a profit off pass through rates.)

Commercial Multi Unit/Tenant

All Meter Sizes

Base rate per unit, first 2,000 gallons	\$	17.50
Tier 1: 2,001 - 9,724 gallons, per 1,000 gallons		4.65
Tier 2: 9,725 gallons and over		4.74
Pass through rate:		3.35

All Other Commercial/Industrial Classes

Three quarter inch meter

Base rate per unit, first 2,000 gallons	\$	17.50
Tier 1: 2,001 - 9,724 gallons, per 1,000 gallons		4.65
Tier 2: 9,725 gallons and over		4.74
Pass through rate:		3.35

One inch meter

Base rate per unit, first 3,340 gallons	\$	29.00
Tier 1: 3,341 - 9,724 gallons, per 1,000 gallons		4.65
Tier 2: 9,725 gallons and over		4.74
Pass through rate:		3.35

One and one-half inch meter

Base rate per unit, first 6,650 gallons	\$	58.00
Tier 1: 6,651 - 9,724 gallons, per 1,000 gallons		4.65
Tier 2: 9,725 gallons and over		4.74
Pass through rate:		3.35

Two inch meter

Base: first 10,644 gallons, per 1,000 gallons	\$	93.00
Tier: 10,645 gallons and over, per 1,000 gallons		4.74
Pass through rate, per 1,000 gallons:		3.35

Three inch meter		
Base: first 19,971 gallons	\$	175.00
Tier: 19,972 gallons and over, per 1,000 gallons		4.74
Pass through rate, per 1,000 gallons:		3.35
Four inch meter		
Base: first 21,311 gallons	\$	187.00
Tier: 21,312 gallons and over, per 1000 gallons		4.74
Pass through rate, per 1,000 gallons:		3.35
Six inch meter		
Base: first 66,565 gallons	\$	583.00
Tier: 66,566 gallons and over, per 1000 gallons		4.74
Pass through rate, per 1,000 gallons:		3.35
Eight inch meter		
Base: first 119,830 gallons	\$	1,050.00
Tier: 119,831 gallons and over, per 1,000 gallons		4.74
Pass through rate, per 1,000 gallons		3.35
Fire Hydrant, Loading Dock/Tank Truck Customers		
Base:	\$	175.00
Volume rate for all usage per 1,000 gallons		4.78
Pass through rate, per 1,000 gallons		3.35

TABLE 7 – SEWER RATES (EFFECTIVE NOVEMBER 1, 2019)

Rates include a base charge and volume charges for each 1,000 gallons consumed over the base. There is also a pass through rate for each 1,000 gallons consumed for the purchase of water from the City of Fort Worth and the Trinity River Authority. (Pass through rates are subject to change annually by the City of Fort Worth and Trinity River Authority. The City of North Richland Hills does not mark up or make a profit off pass through rates.)

SINGLE FAMILY RESIDENTIAL SEWER RATES

Rates include a base charge and volume charges for each 1,000 gallons. The volume charge is based on your average water use during the winter quarter (December, January, and February) and is capped at 18,700 gallons. There is also a pass through rate for the treatment of sewage by the City of Fort Worth and the Trinity River Authority

Base:	\$	11.00
Volume:		2.06
Pass through rate:		3.34

COMMERCIALMULTI UNIT / TENANT SEWER RATES

Rates include a base charge per unit and volume charges for each 1,000 gallons. There is also a pass through rate for the treatment of sewage by the City of Fort Worth and the Trinity River Authority.

Base per unit:	\$	11.00
Volume:		2.06
Pass through rate:		3.34

ALL OTHER COMMERCIAL / INDUSTRIAL CLASSES SEWER RATES

Rates include a base charge and volume charges for each 1,000 gallons. There is also a pass through rate for the treatment of sewage by the City of Fort Worth and the Trinity River Authority.

Base:	\$	11.00
Volume:		2.06
Pass through rate:		3.34

TABLE 8 – DEPOSITS

Customer Type	Water	Sewer without BOD/TSS	Total Deposit without BOD/TSS	Customer Type	Water	Sewer with BOD/TSS	Total Deposit with BOD/TSS
Residential:	\$ 60.00	\$ 40.00	\$ 100.00	Residential:	\$ -	\$ -	\$ -
All sizes:				All sizes:			
Commercial:				Commercial:			
3/4"	\$ 70.00	\$ 50.00	\$ 120.00	3/4"	\$ 70.00	\$ 200.00	\$ 270.00
1"	200.00	100.00	300.00	1"	200.00	275.00	475.00
1 ½"	380.00	350.00	730.00	1 ½"	380.00	700.00	1,080.00
2"	800.00	600.00	1,400.00	2"	800.00	1,200.00	2,000.00
3"	800.00	700.00	1,500.00	3"	800.00	1,300.00	2,100.00
4-8"	3,300.00	3,000.00	6,300.00	4-8"	3,300.00	6,000.00	9,300.00
Multi-family:				Multi-family:			
All Sizes/Per Unit	\$ 50.00	\$ 30.00	\$ 80.00	All Sizes/Per Unit	\$ -	\$ -	\$ -

CITY OF SOUTHLAKE, TEXAS

TABLE 1 – WATER AND SEWER SYSTEM CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2025	2024	2023	2022	2021
Revenues					
Water and Sewer	\$ 37,231,507	\$ 35,550,815	\$ 37,504,661	\$ 37,150,182	\$ 31,936,803
Service Fees	39,119	46,886	126,304	91,794	134,337
Interest Income	4,158,232	3,839,868	2,594,308	(171,020)	32,272
Other Revenues	-	-	-	-	-
Total Revenues	<u>\$ 41,428,858</u>	<u>\$ 39,437,569</u>	<u>\$ 40,225,273</u>	<u>\$ 37,070,956</u>	<u>\$ 32,103,412</u>
Expenses					
Water Purchased	\$ 8,794,049	\$ 9,201,565	\$ 10,566,812	\$ 11,037,515	\$ 8,755,564
Other Expenses	12,107,130	13,758,981	12,147,574	11,471,952	11,074,298
Total Expenses	<u>\$ 20,901,179</u>	<u>\$ 22,960,546</u>	<u>\$ 22,714,386</u>	<u>\$ 22,509,467</u>	<u>\$ 19,829,862</u>
Net Available for Debt Service	<u>\$ 20,527,679</u>	<u>\$ 16,477,023</u>	<u>\$ 17,510,887</u>	<u>\$ 14,561,489</u>	<u>\$ 12,273,550</u>
Water Customers	11,623	11,598	11,528	11,461	11,392
Sewer Customers	9,444	9,387	9,319	9,229	9,200

TABLE 2 – COVERAGE AND FUND BALANCES

As of September 30, 2024 the City no longer has Water and Sewer revenue bonds outstanding.

TABLE 3 – AUTHORIZED BUT UNISSUED REVENUE BONDS

As of September 30, 2024, the City has no authorized but unissued revenue bonds.

TABLE 4 – HISTORICAL WATER CONSUMPTION DATA

Fiscal Year Ended 9/30	Total Number of Pumped Gallons (in Billions)	Average Daily Pumped	Peak Daily Pumped	Revenues Received
2021	3,057,824	8,377,603	21,029,612	20,458,811
2022	3,914,878	10,725,694	24,670,000	24,625,815
2023	3,805,874	10,427,053	24,491,292	25,221,865
2024	3,527,875	9,665,412	22,204,000	23,798,774
2025	3,557,846	9,747,522	19,778,000	23,791,086

TABLE 5 – TEN LARGEST WATER CUSTOMERS

Customer	Fiscal 2025 Water Usage		Revenue	% of Revenue
	Gallons	% of Usage		
City of Southlake - Parks	47,474,337	1.45%	\$ 410,221	1.72%
Verizon Wireless Southlake	25,408,695	0.77%	186,634	0.78%
Kite Realty Group	22,969,607	0.70%	214,268	0.90%
Carroll ISD	19,872,394	0.61%	212,354	0.89%
Timarron Owners Assoc	14,650,503	0.45%	111,328	0.47%
Methodist Southlake Medical Center	13,772,356	0.42%	104,805	0.44%
DSL Tenant II LLC	10,830,870	0.33%	79,705	0.34%
KTR Management Services LP	10,485,775	0.32%	80,706	0.34%
5C SL Park Village LLC	10,150,228	0.31%	80,753	0.34%
1400 Plaza Place Southlake	10,050,318	0.31%	61,794	0.26%

TABLE 6 – MONTHLY WATER RATES (EFFECTIVE OCTOBER 1, 2025)

		Residential	
		Inside City (1" METER)	Outside City (1" METER)
0- 2,000	gallons	\$44.00 (Minimum)	\$44.00 (Minimum)
2,001-10,000	gallons	4.92 per 1,000 gallons	4.92 per 1,000 gallons
10,001-25,000	gallons	5.65 per 1,000 gallons	5.65 per 1,000 gallons
25,001-40,000	gallons	6.50 per 1,000 gallons	6.50 per 1,000 gallons
Over 40,001	gallons	7.47 per 1,000 gallons	7.47 per 1,000 gallons

Elderly/Hardship Waiver Rates:

First 2,000	gallons	\$19.15(Minimum)
2001 +	gallons	4.13 per 1,000 gallons

Gallons	Commercial Meter Size					
	1.0"	2.0"	3.0"	4.0"	6.0"	8.0"
0- 3,000	\$70.48					
0- 7,000		159.32				
0-10,000			227.54			
0-12,000				271.94		
0-15,000					340.13	
0-18,000						408.34

3,001 - 10,000	gallons	\$ 4.92 per 1,000 gallons
10,001 - 25,000	gallons	5.65 per 1,000 gallons
25,001 - 40,000	gallons	6.50 per 1,000 gallons
Over - 40,001	gallons	7.47 per 1,000 gallons

TABLE 7 – MONTHLY SEWER RATES (EFFECTIVE OCTOBER 1, 2025)

Residential		
0- 2,000 gallons	\$	44.98
2,001-10,000 gallons		6.60 per 1,000 gallons
Maximum Residential Charge		97.78

Commercial		
0-2,000 gallons	\$	44.98 per 1,000 gallons
2,001+ gallons		6.60

APPENDIX C
CERTAIN FINANCIAL AND OPERATING DATA* OF
CENTRAL REGIONAL WASTEWATER SYSTEM ENTERPRISE FUND

* Financial and operating data presented in Appendix C comes from the most recently available unaudited information from the Authority. The Authority anticipates approving the audited information at its April 22, 2026 meeting. At this time, the Authority does not anticipate any material differences between the unaudited information included in Appendix C and its approved audit.

TRINITY RIVER AUTHORITY OF TEXAS

PROPRIETARY FUNDS STATEMENT OF NET POSITION NOVEMBER 30, 2025

	<u>CENTRAL REGIONAL WASTEWATER</u>
<u>Assets</u>	
Current Assets:	
Unrestricted Assets:	
Cash	\$ -
Equity in Pooled Cash and Investments	39,617,912
Accounts Receivable, Net of Allowance	328,849
Accounts Receivable - Contracting Parties	279,885
Contract Receivable - Current	-
Interest Receivable	-
System Contribution Receivable - Current	-
Due from Other Authority Funds	7,186
Prepays and Other Assets	230,163
Inventory	3,099,272
Total Unrestricted Assets	<u>43,563,267</u>
Restricted Assets:	
Equity in Pooled Cash and Investments	160,169,467
Money Market Fund	328,625
Accounts Receivable	615,179
Accounts Receivable - Contracting Parties	-
Accrued Investment Income	1,038
Due from Other Authority Funds	-
Total Restricted Assets	<u>161,114,309</u>
Total Current Assets	<u>204,677,576</u>
Noncurrent Assets:	
Capital Assets:	
Land and Easements	45,695,210
Water Storage Rights	-
Sewage System and Extensions	1,933,870,298
Buildings	-
Recreational Facilities	-
Reservoir and Facilities	-
Water Transportation and Treatment Facilities	-
Machinery and Equipment	11,573,890
Right-To-Use Leased Assets	554,334
Right-To-Use Subscription Assets	-
Construction-in-Progress	189,554,846
Accumulated Depreciation/Amortization	(693,097,470)
Total Capital Assets, Net	<u>1,488,151,108</u>
Other Noncurrent Assets:	
Contract Receivable - Long Term	-
System Contribution Receivable, Less Current	-
Total Other Noncurrent Assets	<u>-</u>
Total Noncurrent Assets	<u>1,488,151,108</u>
Total Assets	<u>\$ 1,692,828,684</u>
<u>Deferred Outflows of Resources</u>	
Deferred Amount on Refunding	\$ 3,121,031
Other Post Employment Benefits	-
Total Deferred Outflows of Resources	<u>\$ 3,121,031</u>

**CENTRAL
REGIONAL
WASTEWATER**

Liabilities**Current Liabilities:**

Payable from Unrestricted Assets:	
Accounts Payable and Accrued Expenses	\$ 3,624,139
Accounts Payable - Contracting Parties	14,914,643
Compensated Absences	144,509
Accrued Interest Payable	-
Due to Other Authority Funds	-
Lease Payable - Current	34,653
Subscription Payable - Current	-
System Contribution Payable - Current	-
Unearned Revenue	2,592
Other Post Employment Benefits	-
Claims Payable	-
Obligations to Contracting Parties - Current	-
Contracts Payable - Current Maturities	-
Total Payable from Unrestricted Assets	<u>18,720,536</u>

Payable from Restricted Assets:	
Accounts and Retainage Payable	20,976,114
Accrued Interest Payable	13,726,772
Due to Other Authority Funds	2
Extendable Commercial Paper	8,500,000
Unearned Revenue	-
Revenue Bonds - Current Maturities	73,780,000
Total Payable from Restricted Assets	<u>116,982,888</u>

Total Current Liabilities 135,703,424

Long-Term Liabilities:

Accounts Payable and Accrued Expenses	4,700,402
Compensated Absences, Less Current	910,824
Lease Payable, Less Current	151,555
Subscription Payable - Less Current	-
System Contribution Payable, Less Current	-
Unearned Revenue	-
Other Post Employment Benefits	-
Obligations to Contracting Parties, Less Current	-
Contracts Payable, Less Current Maturities	-
Revenue Bonds Payable, Less Current Maturities	934,253,668
Total Long-Term Liabilities, Net	<u>940,016,449</u>

Total Liabilities **\$ 1,075,719,873**

Deferred Inflows of Resources

Deferred Gain on Refunding	\$ 589,798
Other Post Employment Benefits	-

Total Deferred Inflows of Resources **\$ 589,798**

Net Position

Net Investment in Capital Assets	\$ 500,510,027
Restricted for:	
Debt Service	93,605,369
Construction	458,088
Other Purpose	1,100,000
Unrestricted	23,966,560
Total Net Position	<u>\$ 619,640,044</u>

The accompanying notes are an integral part of the financial statements.

TRINITY RIVER AUTHORITY OF TEXAS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2025

	CENTRAL REGIONAL WASTEWATER
Operating Revenues:	
Wastewater Contract Revenue	\$ 189,146,800
Water Supply Contract Revenue	-
Water Storage Contract Revenue	-
Raw Water Contract Revenue	-
Recreational Facilities Fees	-
Reclaimed Wastewater Revenue	602,409
Professional Services	635,652
Insurance Premiums	-
Management Fees	-
Grant Revenue	-
Joint Project Administration	-
Other	4,238,591
Total Operating Revenues	<u>194,623,452</u>
Operating Expenses:	
Salaries and Benefits	18,605,781
Supplies	10,940,602
Other Services and Charges	54,534,321
Depreciation/Amortization	45,297,933
Total Operating Expenses	<u>129,378,637</u>
Operating Income (Loss)	<u>65,244,815</u>
Non-Operating Revenues (Expenses):	
Interest Expense	(28,821,536)
Debt Issuance Costs	(307,391)
Investment Income (Loss)	10,890,502
Debt Related Fees	(40,633)
Gain (Loss) on Disposal of Capital Assets	(1,640,539)
Other	266,831
Total Non-Operating Revenues (Expenses) - Net	<u>(19,652,766)</u>
Income (Loss) Before Contributions and Transfers	<u>45,592,049</u>
CONTRIBUTIONS	160,208
CONTRIBUTION REFUNDS	-
TRANSFERS IN	-
TRANSFERS OUT	<u>(29,374)</u>
Change in Net Position	<u>45,722,883</u>
Net Position - December 1, 2024, as previously reported	-
Adjustment - Change within reporting entity	-
Net Position - December 1, 2024	<u>573,917,161</u>
Net Position - November 30, 2025	<u>\$ 619,640,044</u>

TRINITY RIVER AUTHORITY OF TEXAS

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2025

	CENTRAL REGIONAL WASTEWATER
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 208,818,666
Cash Received from Other Authority Funds for Services	2,032,347
Cash Received from Claim Refunds	-
Cash Payments for Claims	-
Cash Payments for Premiums and Administration	-
Cash Payments to Customers	(8,818,455)
Cash Payments to Suppliers for Goods and Services	(50,948,655)
Cash Payments for Employee Services	(18,070,197)
Cash Payments to Other Authority Funds for Services	(15,169,688)
Cash from Other Sources	<u>235,207</u>
Net Cash Provided by (Used for) Operating Activities	<u>118,079,225</u>
Cash Flows from Non-Capital Financing Activities:	
Transfers from Other Authority Funds	-
Transfers to Other Authority Funds	<u>(22,800)</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(22,800)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and Construction of Capital Assets	(98,820,257)
Principal Paid on Revenue Bond Maturities	(70,360,000)
Interest Paid on Revenue Bonds	(44,003,837)
Principal Payments on Contracts Payable	-
Interest Paid on Contracts Payable	-
Principal Payments on Lease Payable	(20,422)
Interest Paid on Lease Payable	(3,369)
Interest Paid on Retainage	(105,137)
Principal Paid on Subscription Payable	-
Interest Paid on Subscription Payable	-
Debt Related Fees	(46,846)
Extendable Commercial Paper Issuance	8,500,000
Net Proceeds from Issuance of Bonds	-
Cash Deposited in Trust for Defeasance of Debt	-
Debt Issuance Costs Paid	(307,391)
Debt Issuance Costs Refunded	-
Proceeds from the Sale of Capital Assets	1,045
Contribution Refunded	-
Contribution Received	160,208
Transfers from Other Authority Funds	-
Transfers to Other Authority Funds	<u>-</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(205,006,006)</u>
Cash Flows from Investing Activities:	
Cash Received for Investment Income	<u>10,890,648</u>
Net Cash Provided by (Used for) Investing Activities	<u>10,890,648</u>
Total Change in Cash and Cash Equivalents	(76,058,933)
Cash and Cash Equivalents, Beginning of Year	<u>276,174,937</u>
Cash and Cash Equivalents, End of Year	<u>\$ 200,116,004</u>

**CENTRAL
REGIONAL
WASTEWATER**

**Reconciliation of Operating Income (Loss) to Net Cash
Provided by (Used for) Operating Activities:**

Operating Income (Loss)	\$ 65,244,815
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation/Amortization	45,297,933
Miscellaneous Income	266,831
Change in Assets and Liabilities:	
Accounts Receivable	(18,646)
Accounts Receivable - Contracting Parties	1,288,236
Claim Refunds Receivable	-
Contracts Receivable	-
Interest Receivable	-
Due from Other Authority Funds	(7,186)
Prepays and Other Assets	(7,578)
Inventory	(664,898)
Accounts Payable and Accrued Expenses	172,640
Compensated Absences	412,589
Accounts Payable - Contracting Parties	6,096,188
Due to Other Authority Funds	(1,943)
Unearned Revenue	244
Claims Payable	-
Obligations to Contracting Parties	-
OPEB Obligation	-
Total Adjustments	<u>52,834,410</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 118,079,225</u>

Supplemental Noncash Disclosures:

Gain/Loss on Disposal of Capital Assets	\$ (1,645,039)
Amortization of Bond Premium/Discount	(14,907,196)
Amortization of Gain/Loss on Refunding	753,004
Change in Estimated Arbitrage Liability	1,756,261
Change in Liabilities Related to Capital Assets	(10,584,341)
Change in Assets Related to Capital Assets	402,812
Bond Issuance Costs Retained from Bond Proceeds	-
Transfer of Capital Assets	-

RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF YEAR:

<i>Unrestricted Assets:</i>	
Cash	\$ -
Equity in Pooled Cash and Investments	39,617,912
<i>Restricted Assets:</i>	
Cash	-
Equity in Pooled Cash and Investments	160,169,467
Money Market Fund	<u>328,625</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 200,116,004</u>

The accompanying notes are an integral part of the financial statements.

APPENDIX D

FORM OF BOND COUNSEL'S OPINION

Proposed Form of Opinion of Bond Counsel

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

**TRINITY RIVER AUTHORITY OF TEXAS
REGIONAL WASTEWATER SYSTEM REVENUE IMPROVEMENT BONDS,
SERIES 2026A**

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$189,305,000¹

AS BOND COUNSEL FOR THE TRINITY RIVER AUTHORITY OF TEXAS (the *Issuer*) of the Bonds described above (the *Bonds*), we have examined into the legality and validity of the Bonds, which are payable, bear interest and are subject to further provisions, all in accordance with the terms and conditions stated in the text of the Bonds and the resolution of the Issuer authorizing the issuance of the Bonds, including the Pricing Certificate of General Manager authorized thereby (collectively, the *Resolution*).

WE HAVE EXAMINED the Constitution and laws of the State of Texas, certified copies of the proceedings of the Issuer and other documents authorizing and relating to the issuance of said Bonds, including one of the executed Bonds (Bond Number T-1).

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Bonds have been authorized, issued and duly delivered in accordance with law; and that except as may be limited by laws applicable to the Issuer relating to federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, which rights may be limited by general principles of equity which permit the exercise of judicial discretion, (i) the covenants and agreements in the Resolution constitute valid and binding obligations of the Issuer, and the Bonds constitute valid and legally binding special obligations of the Issuer, which, together with other bonds, are secured by and payable from a first lien on and pledge of the Issuer's *Net Revenues* from the *Contracts* (as such terms are defined in the Resolution) between the Authority and the Contracting Parties specified in the Resolution, being the Town of Addison and the Cities of Arlington, Bedford, Carrollton, Cedar Hill, Colleyville, Coppell, Dallas, Duncanville, Euless, Farmers Branch, Fort Worth, Grand Prairie, Grapevine, Hurst, Irving, Keller, Mansfield, North Richland Hills, and Southlake, Texas, and the Dallas-Fort Worth International Airport Board, and which may in the future include additional parties, and (ii) said Contracts are authorized by law, have been duly executed, are valid, and are legally binding upon and enforceable by the parties thereto in accordance with their terms and provisions.

¹ Preliminary, subject to change



THE ISSUER has reserved the right, subject to the restrictions stated in the Resolution, to issue additional parity revenue bonds which also may be secured by and made payable from a first lien on and pledge of the aforesaid Net Revenues on a parity with the Bonds.

THE ISSUER also has reserved the right, subject to the restrictions stated in the Resolution, to amend the Resolution with the approval of owners of two-thirds of the aggregate principal amount of all outstanding parity bonds which are secured by and payable from a first lien on and pledge of the aforesaid Net Revenues.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon from any source whatsoever other than specified in the Resolution.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax preference item under Section 57(a)(5) of the Internal Revenue Code of 1986 (the *Code*). In expressing the opinions, we have relied on, and assume compliance by the Issuer with, certain covenants regarding the use and investment of the proceeds of the Bonds and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Issuer or the Initial Contracting Parties or the disclosure thereof in connection with the sale of the Bonds and have not assumed any responsibility with respect thereto or with respect to the adequacy of the Net Revenues. We express no opinion and make no comment with respect to the marketability



of the Bonds and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of, and sufficiency of the Net Revenues. Our role in connection with the Issuer's offering document prepared for use in connection with the sale of the Bonds has been limited as described therein.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a result and are not binding on the Internal Revenue Service (the *Service*). Rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

Respectfully,

Proposed Form of Opinion of Bond Counsel

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

**TRINITY RIVER AUTHORITY OF TEXAS REGIONAL WASTEWATER SYSTEM
REVENUE IMPROVEMENT AND REFUNDING BONDS, TAXABLE SERIES 2026B**

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$33,480,000 ¹

AS BOND COUNSEL FOR THE TRINITY RIVER AUTHORITY OF TEXAS (the **Issuer**) of the Bonds described above (the **Bonds**), we have examined into the legality and validity of the Bonds, which are payable, bear interest and are subject to further provisions, all in accordance with the terms and conditions stated in the text of the Bonds and the resolution of the Issuer authorizing the issuance of the Bonds, including the Pricing Certificate of General Manager authorized thereby (collectively, the **Resolution**).

WE HAVE EXAMINED the Constitution and laws of the State of Texas, certified copies of the proceedings of the Issuer and other documents authorizing and relating to the issuance of said Bonds, including one of the executed Bonds (Bond Number T-1).

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Bonds have been authorized, issued and duly delivered in accordance with law; and that except as may be limited by laws applicable to the Issuer relating to federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, which rights may be limited by general principles of equity which permit the exercise of judicial discretion, (i) the covenants and agreements in the Resolution constitute valid and binding obligations of the Issuer, and the Bonds constitute valid and legally binding special obligations of the Issuer, which, together with other bonds, are secured by and payable from a first lien on and pledge of the Issuer's **Net Revenues** from the **Contracts** (as such terms are defined in the Resolution) between the Authority and the Contracting Parties specified in the Resolution, being the Town of Addison and the Cities of Arlington, Bedford, Carrollton, Cedar Hill, Colleyville, Coppell, Dallas, Duncanville, Euless, Farmers Branch, Fort Worth, Grand Prairie, Grapevine, Hurst, Irving, Keller, Mansfield, North Richland Hills, and Southlake, Texas, and the Dallas-Fort Worth International Airport Board, and which may in the future include additional parties, and (ii) said Contracts are authorized by law, have been duly executed, are valid, and are legally binding upon and enforceable by the parties thereto in accordance with their terms and provisions.

THE ISSUER has reserved the right, subject to the restrictions stated in the Resolution, to issue additional parity revenue bonds which also may be secured by and

¹ Preliminary, subject to change



made payable from a first lien on and pledge of the aforesaid Net Revenues on a parity with the Bonds.

THE ISSUER also has reserved the right, subject to the restrictions stated in the Resolution, to amend the Resolution with the approval of owners of two-thirds of the aggregate principal amount of all outstanding parity bonds which are secured by and payable from a first lien on and pledge of the aforesaid Net Revenues.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon from any source whatsoever other than specified in the Resolution.

WE EXPRESS NO OPINION as to any federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and for no other reason or purpose. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Issuer or the Initial Contracting Parties or the disclosure thereof in connection with the sale of the Bonds and have not assumed any responsibility with respect thereto or with respect to the adequacy of the Net Revenues. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of, and sufficiency of the Net Revenues. Our role in connection with the Issuer's offering document prepared for use in connection with the sale of the Bonds has been limited as described therein.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective.

Respectfully,

Municipal Advisory Services
Provided By

